

**AMENDED AND RESTATED
CALABASAS LANDFILL JOINT POWERS AGREEMENT**

This Amended and Restated Calabasas Landfill Joint Powers Agreement (“**Agreement**”) effective as of _____, 2023 (“**Effective Date**”) is entered into by and between the **COUNTY OF LOS ANGELES (“County”)**, and **COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY**, a county sanitation district organized and existing under the County Sanitation District Act, California Health and Safety Code Section 4700 *et seq.* (“**District**”). The County and the District are each a “**Party**” and may be referred to herein collectively as the “**Parties**.”

A. The Parties previously entered into a *Joint Powers Agreement – Calabasas Landfill*, dated November 1, 1960, which was subsequently amended and restated by the Parties on April 1, 1966, and further amended on January 20, 1976, February 13, 1991, June 29, 1999, December 6, 2005, August 28, 2007, and July 22, 2014 (collectively, the “**Prior Agreement**”). The Prior Agreement provides for the funding and operation of a County owned refuse disposal facility known as the “**Calabasas Landfill**,” which has been expanded from its original size of approximately 300 acres of land up to approximately 500 acres of land currently comprised of Assessor’s Parcel Numbers 2052-006-900, 2052-005-900, 2052-010-907, 2052-011-901, 2052-011-904, 2052-011-903, 2052-013-901, 2052-012-902, 2052-012-903, 2052-012-905, and 2052-012-904 (the “**Property**”), as depicted on Exhibit A (which is not a licensed surveyor-approved site map and is provided for reference purposes only).

B. The County owns the Property in fee simple.

C. The District operates and maintains the Calabasas Landfill on behalf of the County.

D. Calabasas Landfill operations are funded from landfill revenues, and the County is currently responsible for formally setting and adopting the landfill’s disposal fees and rates, following consultation with the District, that generate such revenues. Disposal fees and rates for Calabasas Landfill are currently prescribed in County Code Section 12.48.050. If landfill revenues are insufficient to pay ongoing operation, maintenance, and capital costs, or to maintain the required cash reserve (collectively, the “**Landfill Costs**”), then the County must provide sufficient monies to fund Landfill Costs.

E. The District is not liable for any Landfill Costs.

F. In 2005, the County issued tax-exempt obligations/bonds to fund capital improvements at the Calabasas Landfill which have been retired by the County in 2015.

G. Pursuant to the Prior Agreement (specifically, the amendment thereto, dated August 28, 2007), in consideration of the payment by the District to the County of Two Million Four Hundred Seventy Nine Thousand Seven Hundred Sixty Three Dollars (\$2,479,763.00) (the

“**Energy Rights Payment**”) the County granted to the District the County’s right, title, and interest in the landfill gas generated, produced, or created at the Calabasas Landfill together with all rights to use the landfill gas to develop a gas-to-energy project with a maximum gross capacity of 13 megawatts (the “**Energy Project**”).

H. The Energy Rights Payment was calculated based upon a reasonable estimation of the present value of the landfill gas and all rights of use and development of the landfill gas over the first 15 years of operation of the Energy Project based on a royalty rate of 5% of projected gross plant electricity sales during that 15-year period.

I. The Energy Rights Payment is not contingent upon the Energy Project’s ability to operate or generate electricity in any specific amount, and represents full and final payment to the County for the rights granted to the District for the entire period of Energy Project operations, which the Parties acknowledged may continue for longer than 15 years.

J. The Energy Project was constructed and placed into service in 2010 and is currently comprised of two gas turbine generator sets, with a combined gross capacity of 9.2 megawatts that produce a net of approximately 5 megawatts, to convert landfill gas into energy. The Energy Project is owned and operated by the District and is commonly known as the Calabasas Landfill Gas-to-Energy Facility.

K. The County retains all such landfill gas rights that are in excess of the requirements of a 13-megawatt Energy Project. The County has not made and does not make any representations regarding the quantity, quality, or ownership of the landfill gas, the rights to which are being conveyed to the District “as is.”

L. On December 23, 2020, the Los Angeles County Department of Regional Planning (“**Regional Planning**”) issued a Clean Hands Waiver to the District allowing Calabasas Landfill to continue operating while soil stockpiled at elevations higher than those permitted in the landfill’s final fill plan (“**August 2007 Final Fill Plan**”). Once the soil removal work is completed by the District through normal landfill operations or offsite export, the District will submit a revision to the August 2007 Final Fill Plan to Regional Planning for approval.

M. Once the District permanently ceases to allow individuals and entities to dispose of refuse at the Calabasas Landfill (“**Cessation of Disposal Activities**”) and obtains all applicable approvals in accordance with 27 CCR 21880, the District shall perform all maintenance and construction activities at the Calabasas Landfill (as more particularly described in Section 10 of this Agreement) (“**Closure Activities**”), and as required by CalRecycle, until CalRecycle certifies in writing that the Calabasas Landfill is closed (“**Closure**”). Once the District has completed all Closure Activities and Closure has occurred, the District shall have no obligations to develop, operate, maintain, or perform any other activities at the Calabasas Landfill (“**Postclosure Maintenance**”).

N. Subsequent to Closure, the County may utilize the Property for any purpose it deems appropriate, and may be funded from the Postclosure Development Fund (as described in Section 6.5 of this Agreement) or other County funds. In the event the County elects not to utilize Property for any other use, the balance in the Postclosure Development Fund shall be expended in accordance with the provisions of the fund, or transferred to the County's General Fund. The Parties have agreed that the District will not incur any cost or expense of its own or pay any amounts whatsoever for any facilities at the Property that the County develops, constructs, operates and maintains at the Property, including, without limitation, park or recreational facilities.

O. The Parties intend by this Agreement to consolidate all previous amendments, and amend and restate the terms and conditions of the Prior Agreement to provide for the District's continued operation and maintenance of the Property. Additionally, this Agreement transfers rate-setting responsibility to the District; allows for the creation of two supplemental funds requested by the County; and updates, modernizes, and clarifies references throughout the document.

The Parties therefore agree as follows:

1. **Landfill Operations.** The District shall maintain and operate the Calabasas Landfill, and any other contiguous property or use rights as County or the District may acquire, as a refuse disposal site pursuant to the terms, conditions, and limitations described in this Agreement.

2. **Landfill Property.**

2.1 Title to the Property currently vests and will continue to vest in the County. Any changes to the Property constituting the Calabasas Landfill, whether by acquisition and development of additional lands for expansion of the Calabasas Landfill, the granting or quitclaiming of any easements, the ground leasing of any portion of the Property, or the sale of any portion of the Property including the property described in Section 2.2 or Section 14, will be the subject of an amendment to this Agreement, to be executed by the Parties, and will be reflected in a legal description and site map to be prepared by the County, as described in Section 2.3.

2.2 Two approximately 40-foot-wide strips of public right-of-way (together, the "**Public ROW Property**") are located within the Property, as depicted in Exhibit A. Additionally, as part of its Lost Hills Interchange Improvement Project, the City of Calabasas ("**City**") has previously indicated a desire to purchase a portion of the Property and dedicate it as public right-of-way (the "**City ROW Property**"), as depicted in Exhibit A. The County, subject to approval by its Board of Supervisors, will take all steps necessary to vacate the Public ROW Property and sell the City ROW Property as more particularly described in Subsections A and B below. The District hereby acknowledges and consents to such sale.

A. The County, subject to approval by its Board of Supervisors, shall vacate the Public ROW Property and convey by sale the City ROW Property to the City. The

County shall apply all revenues from the sale of the City ROW Property into the Supplemental Postclosure Maintenance Fund.

B. Upon the conveyance of the City ROW Property to the City, the District shall relinquish all its right, title, and interest, including its usufructuary interest, in the City ROW Property. The District shall ensure that all appropriate landfill permits are amended to reflect the change in the Property boundary. The District shall have the right to review and approve the final legal description of the City ROW Property and will sign any documents reasonably required by the County or the City to terminate the District's usufructuary interest in the City ROW Property.

2.3 After the County vacates the Public ROW Property and/or conveys the City ROW Property to the City, as provided above, the County shall, at the County's expense, prepare a legal description (to be referred to as Exhibit A-1) and a site map (to be referred to as Exhibit A-2) for the Property (excluding the City ROW Property and/or the Public ROW Property). Upon completion of the legal description and site map, and written approval by the District of same, the legal description and site map shall be added to the Agreement through an amendment executed by the Parties and shall supersede and replace Exhibit A.

2.4 The County shall not grant any easement, right of entry permit, or other temporary or permanent property rights affecting the Property without 60-day prior written notice to the District; provided, however, any and all easements, rights of entry permits, or other temporary or permanent property rights granted by the County (the "**Property Rights**") shall expressly prohibit the holder, permittee, or grantee of such right (collectively, the "**Holder**") from interfering with the District's operation, maintenance, or other activities at the Calabasas Landfill and any equipment, improvements, facilities, or other property located thereon that belong to the District or that the District is utilizing to perform its obligations under this Agreement (the "**District's Property**") or causing damage thereto.

2.5 Notwithstanding anything to the contrary in this Agreement, in no event shall the County or its employees, agents, or representatives, or any of the Holders, interfere with the District's operation, maintenance, or other activities at the Calabasas Landfill or the District's Property or cause damage thereto.

3. **District's Usufructuary Right.**

3.1 The County hereby grants the District a usufructuary right to use the Property for refuse disposal purposes until the Property has served the purposes of this Agreement and has been completely filled as specified in this Agreement.

3.2 The District's usufructuary right to use the Property includes the right to sell or dispose of soil, sand, gravel, trees and any other physical properties of or on the Property as may be necessary or convenient for use of the Property for solid waste or landfill gas

management or recycling purposes. The District may enter into agreements with third parties to use or render services on the Property related to solid waste or landfill gas management or recycling purposes during the period of its usufructuary right. Proceeds from any such sale shall be deposited into the Working Capital Fund.

3.3 The District shall continue to control all activities related to the development, operation, and maintenance of the Calabasas Landfill in compliance with County Ordinance No. 91-0003 (Calabasas Landfill Wasteshed Ordinance), applicable law and regulations or as otherwise specifically limited by, or provided for in, this Agreement.

4. **Maintenance and Operation of Property.**

4.1 The District shall continue to maintain and operate the Calabasas Landfill in good faith, including the design, installation, and maintenance of landfill gas and water pipelines, fencing, drainage structures and site grading, stormwater management facilities, environmental control and monitoring systems, landscaping and irrigation systems, and other facilities necessary to continue the operation of a refuse disposal facility upon the Property, in accordance with the Federal, State and County regulations, statutes and permits.

4.2 Title and possession of all drainage facilities and other site improvement structures essential or convenient to conducting refuse disposal operations on the Property will be vested in the District as trustee for purposes of this Agreement during the time the District operates the refuse disposal facilities. Upon the District's surrender of any portion of the Property to the County, all facilities and improvements remaining on the surrendered land will automatically vest in the County as of the date of the District's surrender.

4.3 The Parties intend that the District will not incur any expense of its own in operating and maintaining the Calabasas Landfill. The District's costs will continue to be paid for by the County, under the terms of Section 7. The District shall conduct refuse disposal operations on the Calabasas Landfill in accordance with industry best engineering practices and all Federal, State and County regulations, statutes and permits applying thereto, including, but not limited to, any applicable zone exception or conditional use permit procured from the County of Los Angeles. Filling will be completed to those grades, locations, and elevations set forth and established on the August 2007 Final Fill Plan for the Calabasas Landfill, attached as Exhibit B, or any subsequent final fill plan approved by Regional Planning.

4.4 Notwithstanding anything contained herein to the contrary, any fines or penalties assessed by any governmental agency (collectively, the "Fines") in connection with the District's operation or maintenance of the Calabasas Landfill, which Fines arise from the negligent or intentional acts of the District, shall be the sole responsibility of the District.

4.5 To ensure adequate surface and soil-bearing values, the District agrees that all refuse material shall be placed so that in-place density shall exceed 700 pounds per cubic yard

or such amount as may be reasonably determined based upon operational conditions, and all top surfaces will, on completion, consist of a layer of compacted fresh earth not less than three feet in thickness. In addition to those other requirements herein provided with respect to ultimate elevations, grades, cover and compaction of the surface of the finished fill, the District agrees that necessary measures will be taken and improvements made by it to protect the fill sides and face. In furtherance thereof, it is agreed that all final surfaces, whether horizontal or not, shall be covered to a depth of not less than three feet with compacted fresh earth. It is further agreed that suitable planting to prevent erosion will be installed on all fill slopes upon completion of each fill slope surface, as reasonably determined by the District. The District agrees that surface topography will be so determined or, in lieu thereof, drainage structures will be constructed so that surface waters will be diverted from draining down the embankment face, thus permitting a release of such water over natural ground or suitable stabilized material or through drainage structures. In addition to the foregoing, the District agrees to take such action as may be necessary along the toes of all slopes to protect against lateral erosion and will accomplish a reasonable degree of compaction on all embankment faces to reduce voids and accompanying erosion.

5. **Tipping Fee Rates.**

5.1 The tipping fee rates for the Calabasas Landfill are currently set by the County and prescribed in County Code Section 12.48.050. Since this Agreement includes the transfer of rate setting responsibility from the County to the District (as described in Sections 5.2 and 5.3), the District shall introduce and then adopt a rate ordinance describing the tipping fee rates for the Calabasas Landfill (the “**Rate Ordinance**”) as they exist as of the Effective Date, and the County shall then amend County Code Section 12.48.050 to delete all references to tipping fee rates for the Calabasas Landfill. The Rate Ordinance shall become effective 30 days after its adoption, or at midnight on the day following the County’s amendment of County Code Section 12.48.050, whichever comes later (the “**Amendment Date**”). Approval of this Agreement and amendment of County Code Section 12.48.050 will be presented to the County’s Board of Supervisors for consideration at the same public meeting.

5.2 Effective as of the Amendment Date, the District shall be responsible for determining, adjusting and fixing the tipping fee rate for disposal of municipal solid and inert waste at the Calabasas Landfill (a “**Waste Disposal Tipping Fee Adjustment Request**”) after consultation with, and concurrence by, the County. The County shall approve or deny, in writing, a Waste Disposal Tipping Fee Adjustment Request within 60 calendar days from and after receipt of such request from the District. The District will conduct public hearings prior to any future rate increases, to the extent required by any applicable laws and regulations, and adopt a revised Rate Ordinance.

5.3 Effective as of the Amendment Date, the District may determine, adjust and fix the tipping fee rate for the acceptance of materials which it determines will be of benefit to the operation of the Property, or would promote solid waste management alternatives (a “**Beneficial**

Materials Tipping Fee Adjustment Request”) after consultation with, and concurrence by, the County. The County shall approve or deny, in writing, a Beneficial Materials Tipping Fee Adjustment Request within 60 calendar days from and after receipt of such request from the District. These materials may include but are not restricted to soil suitable for cover material, segregated shredded or unshredded organic material, such as green waste, suitable for composting or cover material, broken asphaltic concrete, tires, various other recyclable materials, and like substances (the “**Materials**”). The Materials to which the rate adjustment applies and the amount of rate adjustment will be determined by the District from time to time and reflected in a revised Rate Ordinance.

5.4 Notwithstanding anything to the contrary in this Agreement and without limiting the County’s obligation to pay for all Landfill Costs, in no event shall the District be liable or responsible if the tipping fees for municipal solid waste or any Materials, or any adjustment thereof, are insufficient to cover the Landfill Costs, Closure Activities and Postclosure Maintenance.

5.5 The District will aim to set tipping fees for the Calabasas Landfill that are comparable with other landfills in the region and that generate revenues adequate to fund the Landfill Costs for the Calabasas Landfill; provided, however, the District shall have no responsibility or liability if revenues are inadequate to fund any fund or pay for any Landfill Costs whatsoever, including, without limitation, the following:

A. To provide and pay for the cost of site development and implementation, operation and maintenance, and, if necessary, liabilities and obligations assumed in agreements with others pursuant to the rights and powers granted to the District in Section 3 of this Agreement;

B. To fund the Closure Activities, corrective action (as defined in California Code of Regulations Title 27 Section 22100) (“**Corrective Action**”), and Postclosure Maintenance, as required by law and as provided in Section 6.4 below;

C. To fund the Net Economic Benefits Fund as provided in Section 6.2 below;

D. To fund the Postclosure Development Fund as provided in Section 6.5 below; or

E. To fund the Supplemental Postclosure Maintenance Fund as provided in Section 6.6 below.

5.6 If the tipping fee rates necessary to meet the criteria set forth above exceed a rate that would be competitive with the local refuse disposal market, then the District will advise

the County of that fact prior to establishing new rates, and the Parties will jointly determine the appropriate rate to meet the County's and the District's needs.

5.7 If the revenues are not adequate to pay the expenses described in Section 6 of this Agreement, then the site development and implementation, operation and maintenance, Closure Activities, Corrective Action, Postclosure Maintenance, including financial assurances as required by law, and, if necessary, liabilities and obligations assumed in agreements with others pursuant to the rights and powers granted to the District in Section 3 of this Agreement, will be paid prior to funding the funds described in Sections 6.3, 6.5 and 6.6 of this Agreement.

6. **Landfill Funds.** The District maintains several funds in connection with the operation of the Calabasas Landfill. A summary of the funds is attached as Exhibit C.

6.1 **Working Capital Fund.** All revenues and expenses related to the development, operation, and maintenance of the Calabasas Landfill, except the Energy Project described in Section 13, will be deposited into and drawn out of the Working Capital Fund. The District shall provide the County with quarterly fiscal reports. The County may audit the District's books and records not more than twice per calendar year with respect to the Calabasas Landfill at any time upon 30 days' prior written notice.

6.2 **Net Economic Benefits Fund.**

A. Prior to the transfer of monies to the Los Angeles County Refuse Disposal Trust Fund (as defined below) as provided in this Agreement, that portion of all receipts representing \$1 per ton of solid waste received for disposal at the gate of the Calabasas Landfill will be placed each month in the Net Economic Benefits Fund.

B. Monies in the Net Economic Benefits Fund will be used by the County to acquire land to create or conserve habitat or to create, maintain or operate visitor-serving uses on publicly-owned habitat in an area of the Calabasas Landfill pursuant to Los Angeles County Ordinance No. 91-0003. The Los Angeles County Supervisor representing the supervisorial district that geographically includes the Calabasas Landfill, the County's Director of Public Works, and the County's Director of Parks and Recreation will jointly direct the District to release monies from the Net Economic Benefits Fund to the County or its designee for the specified purpose.

6.3 **Los Angeles County Refuse Disposal Trust Fund; Los Angeles County Equipment Pool.** Pursuant to a *Joint Powers Agreement (Los Angeles County Refuse Disposal Trust Fund)* dated April 1, 1966, as amended on December 6, 2005 (the "**Trust Agreement**"), the Parties established the "**Los Angeles County Refuse Disposal Trust Fund**" and the "**Los Angeles County Equipment Pool**" to supply necessary funds and equipment for present and future refuse disposal operations on District-operated sites. The Parties intend to continue the use of the Los

Angeles County Refuse Disposal Trust Fund and Los Angeles County Equipment Pool according to the terms of the Trust Agreement.

A. With respect to the Los Angeles County Refuse Disposal Trust Fund: Moneys in the Los Angeles County Refuse Disposal Trust Fund may be used to pay for any emergency expenditure or to acquire any necessary major fixed improvements at the Calabasas Landfill, upon the approval of the Parties.

B. With respect to the Los Angeles County Equipment Pool: The District shall make rental payments to the Los Angeles County Equipment Pool from the tipping fees collected by the District for refuse disposal and those rental payments will be determined in accordance with the provisions of the Trust Agreement.

6.4 **Closure, Postclosure Maintenance, and Corrective Action Fund.** Pursuant to Title 27, Chapter 6, Subchapter 3 of the California Code of Regulations, the District maintains this fund (which is currently held in trust at U.S. Bank) to pay the costs of Closure, Postclosure Maintenance, and Corrective Action of the Calabasas Landfill.

6.5 **Postclosure Development Fund.**

A. As requested by the County, an interest-bearing account known as the Postclosure Development Fund will be created by the District (the “**Postclosure Development Fund**”). Prior to transfer of monies to the Los Angeles County Refuse Disposal Trust Fund as provided in Section 9.5 of this Agreement, that portion of all receipts representing \$3.00 per ton, of solid waste received for disposal at the gate of the Calabasas Landfill shall be placed each year by the District in the Postclosure Development Fund. The District will commence annual transfer of funds into the Postclosure Development Fund upon the Effective Date of this Agreement. The District shall also retroactively deposit funds, at the per ton rate above, into the Postclosure Development Fund for the tonnage of solid waste received for disposal in the time period between September 1, 2022 (when the municipal solid and inert waste tipping fee increased from \$52.32 per ton to \$60.32 per ton) and the Effective Date of this Agreement.

B. No later than 30 days after the Effective Date of this Agreement, the District shall make a one-time transfer of Three Million Dollars (\$3,000,000.00) from the Working Capital Fund to the Postclosure Development Fund.

C. Upon completion of Closure of the Calabasas Landfill, the County intends to use the monies in the Postclosure Development Fund for any purpose the County deems appropriate in its sole and absolute discretion. Upon the written direction of the County, the District shall convey to the County monies in the Postclosure Development Fund. Within 60 days after Cessation of Disposal Activities, the District shall transfer to the County all remaining monies in the Postclosure Development Fund. Notwithstanding anything to the contrary in this Agreement, the parties agree that;

(i) the District (a) shall not incur any cost or expense of its own or pay any amounts whatsoever for any such facilities at the Property (including, without limitation, the development, construction, operation, repair, replacement, or maintenance of such park or recreational facilities or any other facilities as determined by the County), (b) shall have no responsibility or liability if the monies in the Postclosure Development Fund are inadequate to cover any Postclosure Maintenance, or (c) for any other postclosure facilities, activities, construction, events, or uses at the Property;

(ii) within 60 days after Closure of the Calabasas Landfill, the District shall only be required to surrender the Property to the County in the condition set forth in the Calabasas Landfill Final Closure Plan (as specified by California Code of Regulations Title 27 Sections 21800), as approved by the District and the County (the “**Final Closure Plan**”); it being understood that the District shall have no responsibility or liability with respect to changes to the use of the Property after Closure of the Calabasas Landfill and surrender of the Property to the County.

6.6 **Supplemental Postclosure Maintenance Fund.**

A. As requested by the County, an interest-bearing account known as the Supplemental Postclosure Maintenance Fund will be created by the District (the “**Supplemental Postclosure Maintenance Fund**”). Prior to transfer of monies to the Los Angeles County Refuse Disposal Trust Fund as provided in Section 9.5 of this Agreement, that portion of all receipts representing \$3.00 per ton, of solid waste received for disposal at the gate of the Calabasas Landfill, shall be placed by the District each year in the Supplemental Postclosure Maintenance Fund. The District will commence annual transfer of funds into the Supplemental Postclosure Maintenance Fund upon the Effective Date of this Agreement. The District shall also retroactively deposit funds, at the per ton rate above, into the Supplemental Postclosure Maintenance Fund for the tonnage of solid waste received for disposal in the time period between September 1, 2022 (when the municipal solid and inert waste tipping fee increased from \$52.32 per ton to \$60.32 per ton) and the Effective Date of this Agreement.

B. Monies in the Supplemental Postclosure Maintenance Fund may be used by the County, in addition to the Closure, Postclosure Maintenance and Corrective Action Fund, to supplement the maintenance of the Property after Closure. Upon the written direction of the County, the District shall convey to the County monies in the Supplemental Postclosure Maintenance Fund. Within 60 days after Cessation of Disposal Activities, the District shall convey to the County all remaining monies in the Supplemental Postclosure Maintenance Fund. Notwithstanding anything to the contrary in this Agreement, the County agrees that the District (a) will not incur any cost or expense of its own or pay any amounts whatsoever for any Closure Activities and Postclosure Maintenance, and (b) shall have no responsibility or liability if the monies in the Closure, Postclosure Maintenance and Corrective Action Fund and/or the

Supplemental Postclosure Maintenance Fund are inadequate to cover any Closure Activities or Postclosure Maintenance for any reason whatsoever.

7. **Payment of All Landfill Costs.**

7.1 **County's Duty to Pay Landfill Costs.** The County shall pay for all costs incurred by the District arising out of or relating to the Calabasas Landfill; it being understood that notwithstanding anything to the contrary in this Agreement, the District shall not be obligated to pay any costs in connection with the Calabasas Landfill or any portion thereof.

7.2 **Budgets.** On or before 60 days prior to each 6-month "**Budget Period**" (defined in the next sentence), the District shall prepare and provide to the County a 6-month Budget. The Budget Periods will be July 1 through December 31 and January 1 through June 30. Any improvements and/or phases of improvements with a monetary amount in excess of one hundred thousand dollars (\$100,000.00) shall require consultation with and approval by the County which approval shall not be unreasonably withheld, conditioned, or delayed. The County shall provide a written response (e.g., approved, denied, request for additional information, etc.) to the District within 30 calendar days of receipt of any such request; provided, however, if the County provides no response within such 30 day period, the improvement request shall be deemed approved by the County. Notwithstanding the foregoing, in the event of an emergency at the Property (as determined by the District), the District shall have the right to construct the necessary improvements and/or make repairs and will then submit a report to the County detailing the incident, work performed, and total cost thereof.

7.3 **Reserve.** The Working Capital Fund shall at all times maintain a cash reserve equal to at least 6 months of operating expenses for site, based on the previous 6 months, to provide liquidity and to fund any capital improvement projects required by applicable regulatory agencies, emergency projects, or unforeseen expenses.

7.4 **Semi-Annual Deposits; Supplements.** If semi-annual fiscal reports indicate that revenues are not adequate to pay all expenses for the rest of the fiscal year, the District shall provide the County with a reasonably detailed explanation and request for supplemental funds that will ensure that the Working Capital Fund balance is sufficient to pay all expenses projected in the upcoming fiscal year and maintain a reserve equal to approximately 6 months of operating expenses for the Property. Within 30 days after the receipt of an invoice from the District, the County shall pay the invoice.

8. **Accounting of Funds.**

8.1 The District shall initially deposit all revenues arising out of the Calabasas Landfill into the Working Capital Fund. The District shall provide the County with quarterly fiscal reports including fund balances and any withdrawals or contributions to the funds described in Section 6, said accounting to be made within 60 days after the end of each quarter of a fiscal year.

In the event of a deficiency, the District and the County shall confer at least once every 3 months to determine the cause of the shortage.

8.2 The District shall keep complete books and records of its operations, and shall provide the County with quarterly fiscal report. Not more than twice per calendar year, the County may audit the District's accounting books and records with respect to the Calabasas Landfill operations at any time upon 30 days' prior written notice.

9. **Landfill Closure and Surrender of Property.**

9.1 **Closure Condition.** The District will leave the Property in the condition as set forth in the approved Final Closure Plan.

9.2 **Surrender of Property.** Within 60 days after Closure, the District will surrender the Property (including both unfilled and filled areas) to the County (the "**Property Surrender**"). In addition, the District shall quitclaim to the County, and the County shall promptly accept and record, easements adjacent to the Calabasas Landfill that are currently for the benefit of the District located in the Easement Areas, as depicted on Exhibit A. The Easement Areas contain monitoring wells and a leachate barrier.

9.3 **Final Surrender to County.** From and after the Property Surrender, the County may use any monies contributed to the Los Angeles County Refuse Disposal Trust Fund from the Calabasas Landfill operation for development of the Property for any future uses as deemed appropriate by the County in its sole and absolute discretion.

9.4 **Annual Reporting.** For purposes of enabling the County to anticipate the probable dates of surrender of various portions of the Property, the District will annually, on or before the 31st day of August of each year, provide the County with a report detailing the extent of completion of the filling operation and, where such would be of assistance to the County, provide the probable dates of surrender of various portions of the Property, the percentage of fill accomplished in various areas, together with other data available to the District which might be helpful with respect to surrender and fill operations.

9.5 **Actions After Closure Activities.** At the conclusion of the District's operations, whether upon Closure of the Calabasas Landfill or default by the District (which has not been cured as specified in Section 19), the District shall:

A. Pay into the Los Angeles County Refuse Disposal Trust Fund all monies representing revenue from the Calabasas Landfill in the Working Capital Fund (or any other fund) less all unpaid costs of the District directly or indirectly incurred in the operation and maintenance of the Property;

B. Deliver to the County all aerial photographs, maps, and engineering reports and data acquired or developed by the District in the course of the operation of the Property; and

C. Promptly collect all accounts receivable and deposit them in the Los Angeles County Refuse Disposal Trust Fund.

10. **Closure Activities.**

10.1 The District is responsible for performing Closure Activities as described in the approved Final Closure Plan, and for obtaining approval of a certification of closure by regulatory agencies as described in California Code of Regulations Title 27 Section 21880. The District will perform the Closure Activities for the County only upon the satisfaction of the following conditions:

A. The County's full performance of this Agreement;

B. The County's annual advance payment to the District for all estimated costs incurred by the District for Closure Activities as described in the Final Closure Plan and as required by regulatory agencies for issuance of a certification of closure ("**Annual Advance Closure Payment**"), and not otherwise covered by the Closure, Postclosure Maintenance, and Corrective Action Fund, which is maintained in accordance with provisions of Title 27, Chapter 6, Subchapter 3, of California Code of Regulations or otherwise paid by the County.

10.2 All costs for Closure Activities, including reimbursements to the District, will be paid from the Closure, Postclosure Maintenance, and Corrective Action Fund or by the Annual Advance Closure Payment, as projected by the Budget described in Section 7.2. If the monies in the Closure, Postclosure Maintenance, and Corrective Action Fund or the Annual Advance Closure Payment are insufficient to reimburse the District for its closure costs, then the County shall reimburse the District for any additional costs within 60 days after invoice from the District. Accounting for costs to be paid out of the Annual Advance Closure Payment will be included in the quarterly accounting required under the Agreement and if the County's Annual Advance Closure Payment exceeds actual costs incurred by the District, then any overage will be credited toward the following Annual Advance Closure Payment due to the District. Costs payable or reimbursable to the District will include all out of pocket expenditures incurred by the District for Closure Activities plus cost of the District administrative costs and the District facilities used in that effort. After reimbursement to the District, as reflected hereinabove, if there are remaining funds related to Closure Activities in the Closure, Postclosure Maintenance, and Corrective Action Fund, such funds will be released to the County.

11. **Postclosure Maintenance.** The County is responsible for the Postclosure Maintenance of the Calabasas Landfill. The Parties may agree under separate agreement that the

District shall assume responsibility of the Postclosure Maintenance of the Calabasas Landfill. The Parties agree that, notwithstanding anything to the contrary in this Agreement, the District shall have no responsibility for any Postclosure Maintenance or for the development, operation, or maintenance of the Calabasas Landfill (or any portion thereof) after Closure.

12. **Personnel.**

12.1 All persons employed by the District as employees or independent contractors in performance of disposal services for the District will not become employees or independent contractors of the County, and will have no County pension, civil service, workers' compensation, or other status or right, not existing or enjoyed prior to the execution of this Agreement.

12.2 Conversely, all persons employed in the performance of services for County or hired as independent contractors by the County will to a like extent and like manner remain County employees or independent contractors of the County and will receive no State pension, workers' compensation, or other status or right from or through the District.

12.3 A Party will not be called upon to assume any liability for the direct payment of any salaries, wages, or other compensation to any personnel performing services hereunder for the other contracting entity, nor shall either entity incur any liability resulting therefrom other than as provided in this Agreement.

13. **The Energy Project.**

13.1 **General.** The District will continue to own and operate the Energy Project, which currently produces a net of approximately 5 megawatts and is located within an approximately 2-acre site at the Property, as shown on Exhibit D, bounded by a chain-link fence. The County agrees that the District (a) is the owner of all right, title and interest in any and all landfill gas generated, produced, or created at the Calabasas Landfill to the extent necessary to develop and operate a landfill gas-to-energy facility, such as the Energy Project, with a maximum gross capacity of 13 megawatts which will generate 11 megawatts of net power, and (b) possesses all rights to use or develop the landfill gas to produce energy, until the District makes the determination in Section 13.4 below. County grants to the District the right and power to sell, deliver and repurchase all or any part of the landfill gas collection system at the Calabasas Landfill, and any additions and replacements thereto, and County further grants to District the right to lease, in connection with agreements within the scope of Section 13.5, to a third party that portion of the Property utilized for landfilling and the right to exploit, extract, and sell landfill gas including the right to drill wells and lay pipelines for such purposes.

13.2 **Property Use Rights In Landfill.** Upon the District's written request, the County shall provide to the District any requested on-site easement or other right of use within the Property that is reasonably necessary for:

A. Development, construction, operation, or maintenance of the Energy Project (including landfill gas collection);

B. Utilities necessary to serve the Energy Project, including but not limited to electricity, natural gas, telephone service, and water; and

C. Any mitigation measures adopted for the Energy Project as of the Effective Date of this Agreement or thereafter required by a permitting or regulatory agency as a condition of approval of the Energy Project or in the exercise of its regulatory control over the Energy Project.

13.3 **No Substantial Interference.** The District will not use any easement or other right of use in a manner that would unreasonably interfere with the operation of the Calabasas Landfill or with the County's other rights under this Agreement.

13.4 **Term.** The District's right to extract landfill gas and operate the Energy Project may continue to be exercised by the District until the District determines, in its sole discretion, that the conversion of landfill gas into energy is no longer economically feasible. The Parties acknowledge that the production of landfill gas at the Calabasas Landfill and the operation of the Energy Project may extend beyond the Property Surrender. In addition, the County agrees to transfer and convey to the District all property rights deemed necessary by the District to continue to access the Energy Project after Closure of the Calabasas Landfill.

13.5 **Contractors/Third Party Agreements.** Without relieving the District of its obligations under this Agreement, the District may contract with others for the construction, operation, and maintenance of the Energy Project. The District may also enter into agreements with a third party for development of the economic value of the landfill gas resources and landfill gas collection system at the Calabasas Landfill.

13.6 **Termination/Turnover.** Upon termination of the Energy Project, the District shall, at its expense, remove all Energy Project facilities and take whatever other action is required by law and leave the site in the condition required by Section 9 of this Agreement to the extent possible in light of the type of activity and the disturbance of the terrain necessitated by the Energy Project.

13.7 **Permits.** The District will be responsible for obtaining and maintaining all permits and approvals for the construction, operation and maintenance of the Energy Project at the District's sole cost and expense.

13.8 **Energy Project Revenues.** The District will receive and own all revenues derived from the Energy Project including but not limited to revenues for electricity produced, capacity payments, and renewable energy credits. Energy Project revenues will not be encumbered by this Agreement, or in any other way, nor will the County have any interest in those revenues.

The revenues from the Energy Project may be expended by the District in any manner that the District deems to be appropriate. Revenues from the Energy Project will not be deposited into the Working Capital Fund or any other fund described in Section 6, and will at all times be separate and apart from those funds.

13.9 **Expansion.** The District may expand the Energy Project up to a maximum gross capacity of 13 megawatts without providing additional compensation to the County for the landfill gas needed to accommodate such expansion. If the District proposes to expand the Energy Project beyond a gross capacity of 13 megawatts, the Parties will negotiate compensation to be paid by the District to the County in order to utilize the additional landfill gas necessary to operate the portion of the Energy Project that is in excess of 13 megawatts (gross).

14. **Anaerobic Digestion Project.** The County is evaluating the feasibility of developing an anaerobic digestion project on the Property to divert municipal solid waste from landfill disposal. The County and the District identified potential locations for this project on the Property as shown on Exhibit D. These locations shall be reserved for use by the County for the project. The District shall maintain access to the two potential areas for ingress and egress by waste hauling vehicles and shall bill the costs in connection with such maintenance to the appropriate Calabasas Landfill funds as provided under this Agreement. County shall provide a 6-month written notice prior to use of these areas in order to allow the District to relocate any impacted materials and equipment. Temporary uses associated with operation of the Calabasas Landfill will be subject to approval by the County in consultation with the District except if the area needs to be used for environmental compliance purposes associated with monitoring the Calabasas Landfill or controlling emissions from the Calabasas Landfill. If any reserved area is required to be used for such environmental compliance purposes, the District will take all reasonable measures to minimize the impact to any future anaerobic digestion project and will notify the County as soon as practical. The District, at no cost or liability to the District, will further take all reasonable measures to support the County's proposed anaerobic digestion project on the Property, including releasing usufructuary rights as may be necessary for the operation of an anaerobic digestion project, and providing and maintaining proper access to the Property.

15. **Indemnification.**

15.1 The District shall indemnify, defend, and hold harmless the County, its officers and employees, from any and all claims, actions, liabilities, administrative actions or fines, losses, damages, costs and expenses (including reasonable attorneys' fees and legal costs) for any damage or injury (including bodily injury, death, or any environmental damage) arising from or related to the negligent or intentional acts or omissions of the District, or any of the District's officers or employees, in connection with the performance of the development, maintenance, or operation of the Calabasas Landfill. The District shall further indemnify, defend and hold harmless the County, its officers and employees, from any and all claims, actions, liabilities, cause of action, administrative actions or fines, losses, damages, costs and expenses (including reasonable

attorneys' fees and legal costs) resulting from the District, or any of its officers or employees' failure to comply with any applicable laws, statutes, regulations, zone exceptions, or permits as set forth in Section 4.3 above. In addition, the County, its officers and employees, will not be liable for any Defective Condition (as defined below) created or caused by the District's negligent or intentional acts or omissions during the District's possession of or operations at the Property, and the District will hold the County, its officers and employees, harmless and will defend them from any claims or damages resulting from or arising out of any Defective Condition that was created or caused by the negligent or intentional acts or omissions during the District's possession of, or operations, at the Property. As used in Sections 15.1 and 15.2, the term "Defective Condition" shall mean a condition at the Property that violates applicable laws or governmental approvals that are in effect at the time such condition is first created or caused by the District's negligent or intentional acts or omissions during the District's possession of or operations at the Property, or any condition that provides a basis of a claim that is facially valid for dangerous condition of public property under California Government Code Sections 830-840.6.

15.2 The County shall indemnify, defend, and hold harmless the District, its officers and employees, from any and all claims, actions, liabilities, administrative actions or fines, losses, damages, costs and expenses (including reasonable attorneys' fees and legal costs) for any damage or injury (including bodily injury, death, or any environmental damage) arising from or related to the negligent or intentional acts or omissions of the County, any of the County's officers or employees, or any of the Holders, in connection with the Calabasas Landfill or any Postclosure Maintenance. The County shall further indemnify, defend and hold harmless the District, its officers and employees, from any and all claims, actions, liabilities, cause of action, administrative actions or fines, losses, damages, costs and expenses (including reasonable attorneys' fees and legal costs) resulting from the County, or any of its officers or employees' failure to comply with any applicable laws, statutes, regulations, zone exceptions, or permits in connection with the Calabasas Landfill or any Postclosure Maintenance. In addition, the District, its officers and employees, will not be liable for any Defective Condition at the Property created or caused by the County's negligent or intentional acts or omissions during the County's possession of or operations at the Property (including, without limitation, the period of time that Postclosure Maintenance is performed), and the County will hold the District, its officers and employees, harmless and will defend them from any claims or damages resulting from or arising out of any Defective Condition that was created or caused by the County's negligent or intentional acts or omissions during the County's possession of, or operations at, the Property (including, without limitation, the period of time that Postclosure Maintenance is performed).

15.3 The indemnity provisions in Sections 15.1 and 15.2 will survive for a period of 10 years after the expiration or earlier termination of this Agreement.

16. **Expiration of Agreement.** The term of this Agreement shall expire upon the Property Surrender, except for the provisions of Section 13 and the indemnification provisions

under Sections 15.1 and 15.2 which shall survive the expiration or earlier termination of this Agreement as provided above.

17. **Notice.** All notices to be given under this Agreement must be in writing and transmitted by U.S. Mail, personal delivery or by a nationally-recognized overnight courier. Notice will be deemed delivered on the next business day after deposit in U.S. mail or overnight carrier, or on the day of delivery if by personal delivery. Each Party may change its address for notice at any time by providing written notice to the other Party.

If the notice is to the District, notice must be addressed as follows:

Los Angeles County Sanitation Districts
Attn: Facilities Planning Department
1955 Workman Mill Road
Whittier, California 90601

If the notice is to the County, notice must be addressed as follows:

County of Los Angeles
Attn: Capital Programs
Chief Executive Office
754 Hall of Administration
500 W. Temple Street
Los Angeles, California 90012

18. **Rights Non-Transferable.** The District agrees that all rights secured by it under and pursuant to this Agreement shall not be transferable except with written consent of the County which consent shall not be unreasonably withheld, conditioned, or delayed. It is further agreed that any and all transfers shall be made expressly subject to all terms and conditions imposed by the County and the owners in instruments effectuating the transfer of Property and the institution of disposal services. The County agrees that all rights secured by it under and pursuant to this Agreement shall not be assigned, conveyed, or otherwise transferred except with written consent of the District which consent may be withheld in the District's sole and absolute discretion.

19. **Default.** If the District fails to comply with any of the provisions of this Agreement, the County may notify the District in writing that it is in default and demand that the default be cured within 90 days. If the District fails to cure the default within the 90-day period, then the District will forfeit its right to operate the Calabasas Landfill and shall remove itself from the Property and convey to the County title to all equipment, improvements, accounts receivables, monies, and other property used or acquired in the operation of said site or in pursuance of this Agreement, after the District has first reimbursed itself for all costs expended or incurred from operation and maintenance of the site, and County may take possession of all monies, accounts receivable and other property, and may thereafter operate the Calabasas Landfill by use of County

employees and equipment from the Los Angeles County Equipment Pool as a public enterprise, and not otherwise.

20. **Further Assurances.** The Parties will promptly complete any documents necessary to effectuate the intent of this Agreement.

21. **Interpretation.** Each Party has participated in negotiating and drafting this Agreement, so if an ambiguity or a question of intent or interpretation arises, this Agreement is to be construed as if the Parties had drafted it jointly, as opposed to being construed against a Party because it was responsible for drafting one or more provisions of this Agreement.

22. **Severability.** If any term or provision of this Agreement is held, to any extent, to be invalid or unenforceable, the remainder of this Agreement will not be affected.

23. **Waiver.** A waiver of a breach of any provision of this Agreement will not be deemed a waiver of any other provision of this Agreement, and no waiver will be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act will not be deemed an extension of time for performance of any other obligation or act.

24. **Delegation.** The District delegates to its Chief Engineer and General Manager, or his or her designee, the authority to take any and all actions on behalf of the District including, without limitation, all consents, approvals and authorizations that, in his or her judgment, serve to carry out the purposes of this Agreement.

25. **Recitals.** The recitals set forth in Sections A through O of this Agreement are incorporated into the body of this Agreement by reference.

26. **Effective Date.** The Effective Date of this Agreement, which is listed at the top of the first page, is the date of approval of this Agreement by the County's Board of Supervisors.

27. **Termination of Prior Agreement.** Upon the Effective Date, this Agreement shall replace and supersede in its entirety the Prior Agreement.

[Signatures appear on following page.]

The County and the District are signing this Agreement to be effective as of the Effective Date.

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: _____
Robert C. Ferrante
Chief Engineer and General Manager

Date: _____

APPROVED AS TO FORM:
Lewis Brisbois Bisgaard & Smith, LLP

By: _____
District Counsel

COUNTY OF LOS ANGELES

By: _____
Chairperson, Board of Supervisors

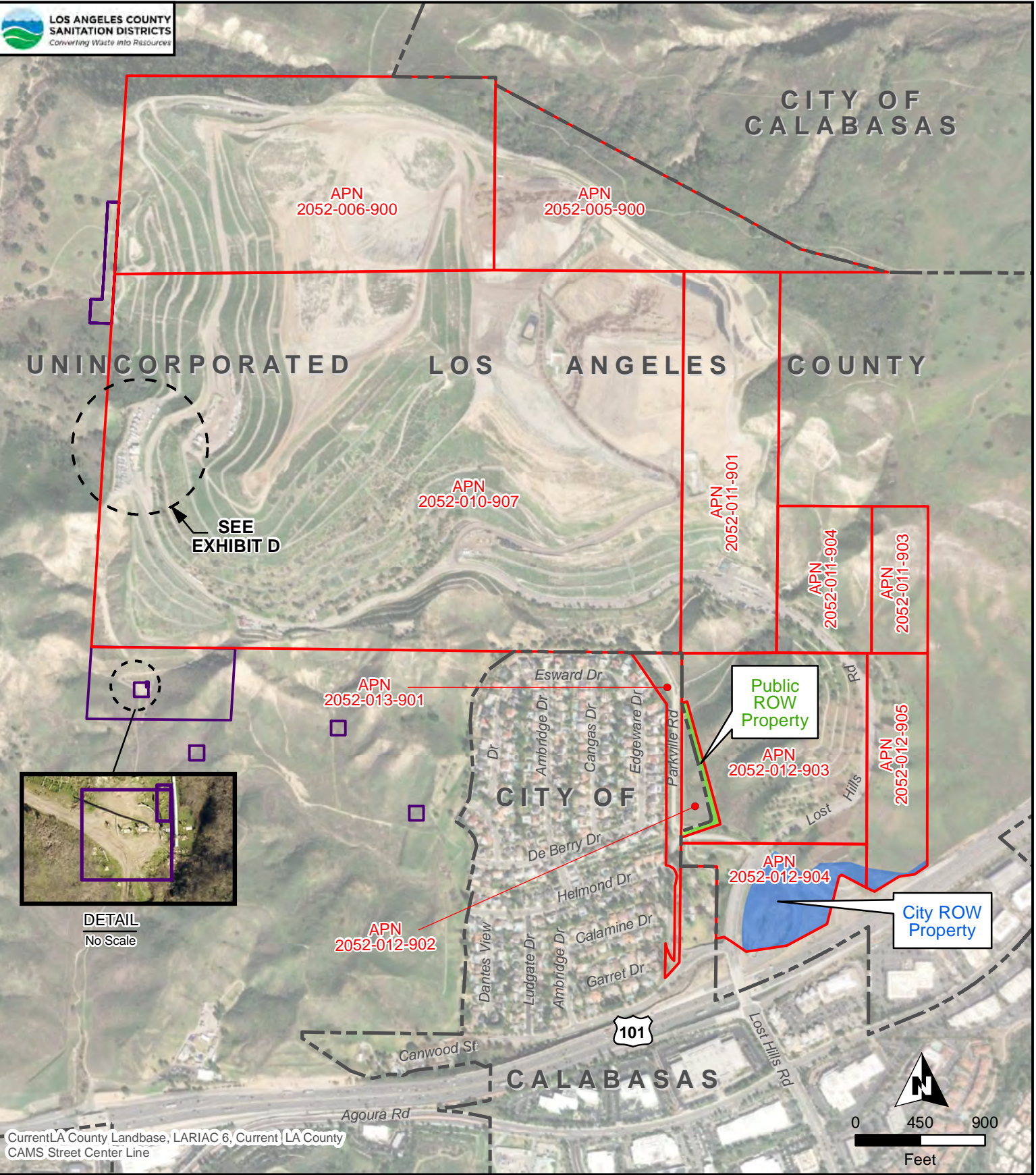
Date: _____

ATTEST:
Fesia Davenport
Executive Officer – Clerk of the Board

By: _____
Deputy

APPROVED AS TO FORM:
County Counsel

By: _____
Deputy



 Easement areas
(held by CSD No 2)


 Landfill property owned by County and
comprised of 11 parcels (± 500 acres)

EXHIBIT A

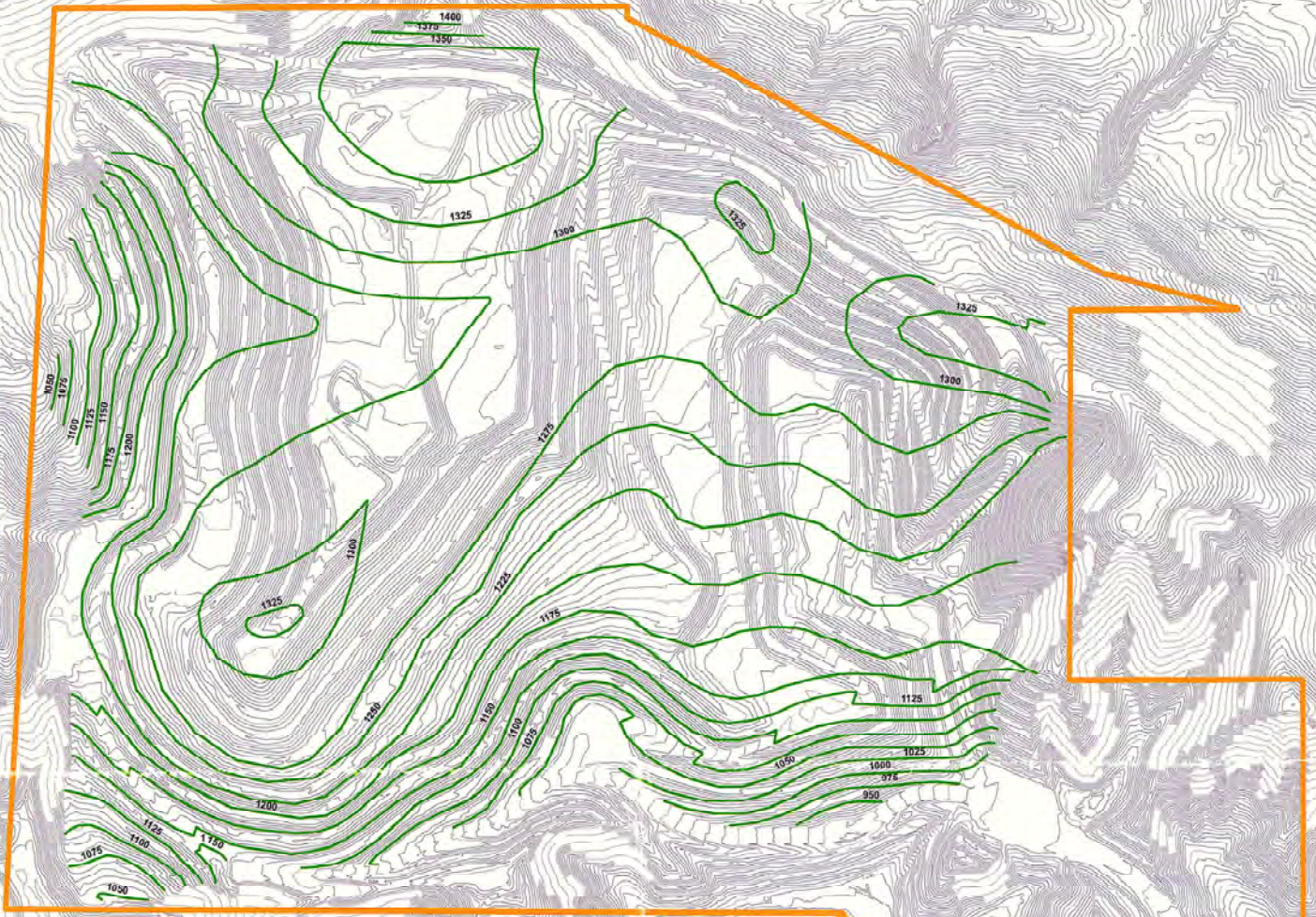
Calabasas Landfill

5300 Lost Hills Road
Agoura, CA 91301

Note: Public ROW Property to be vacated by County. City ROW Property to be sold by County to City of Calabasas.

EXHIBIT B

August 2007 Final Fill Plan



Applicant Copy
REVISED

EXHIBIT "A"

DEPARTMENT OF REGIONAL PLANNING
APPROVED

THIS APPROVAL IS CONTINGENT UPON THE FACTS
 SUBMITTED AND THE REQUIREMENTS OF
~~CF 9149 & 5002~~ AND COUNTY ZONING
 ORDINANCE TITLE 22 OF THE LOS ANGELES COUNTY CODE IN
 EFFECT AT THIS TIME. IT IS APPLICABLE ONLY AS SPECIFICALLY
 INDICATED HEREIN. SUCH APPROVAL SHALL NOT BE CONTINUED TO
 PERMIT THE VIOLATION OF ANY PROVISION OF ANY COUNTY
 ORDINANCE OR STATE LAW.

David ...
 AFFIDAVIT OF ACCEPTANCE
 RECEIVED *8/16/07*
Received final submission
contours

Calabasas Landfill Boundary

Final Fill Plan

1 inch equals 400 feet

COUNTY SANITATION DISTRICT NO. 2
 OF LOS ANGELES COUNTY, CALIF.
 OFFICE OF CHIEF ENGINEER
 TOPOGRAPHIC MAP
 OF
CALABASAS LANDFILL
 AMENDED FINAL CONTOURS

EXHIBIT C

Summary of Funds

Fund Name	Purpose	Sources
Working Capital Fund	Pays for operating and maintenance costs of the Calabasas Landfill.	All tipping fees collected, except as provided below.
Net Economic Benefits Fund	Available to County to purchase open space lands.	One dollar per ton of solid waste received for disposal.
Closure, Postclosure Maintenance, and Corrective Action Fund	California state-mandated fund that is controlled by the State. Eventually, funds will be used for Closure and Postclosure Maintenance.	The deposit is determined on an annual basis by the State, depending on status and usage of the Calabasas Landfill. If the Working Capital Fund cannot cover the required deposit, then the County shall cover the deposit.
Los Angeles County Equipment Pool	The District is charged an hourly rate when it uses equipment; the rental fee is put back into the fund. This is then used for equipment maintenance and purchases.	Money comes from Working Capital Fund; rental rates are a funding mechanism.
Los Angeles County Refuse Disposal Trust Fund	Used to pay for capital improvements.	Funded with excess revenue from Working Capital Fund.
Postclosure Development Fund	Pays for development, construction, operation or maintenance of any recreational facilities or any other facilities, as determined by the County in its sole discretion, at the Property when it is no longer needed for refuse disposal purposes	Three dollars, per ton of solid waste received for disposal.
Supplemental Postclosure Maintenance Fund	Used for all costs for Postclosure Maintenance and not otherwise covered by the Closure, Postclosure Maintenance, and Corrective Action Fund.	Three dollars, per ton of solid waste received for disposal.

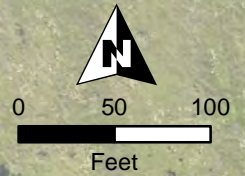
UNINCORPORATED
LOS ANGELES COUNTY

Energy Project
(Calabasas Landfill
Gas-to-Energy Facility)

Existing Chain
Link Fence

APN
2052-010-907

Lost Hills Rd



Current LA County Landbase, LARIAC 6, Current LA County
CAMS Street Center Line

- Calabasas Landfill Property Boundary
- Potential Locations of AD Project

District's Gas-to-Energy Facility and Potential Locations of County's Anaerobic Digestion Project

EXHIBIT D Calabasas Landfill