THIS AGREEMENT, made this 25th day of April, 1983, between the City of Cheyenne, a Municipal Corporation of the State of Wyoming, Laramie County, a Political Subdivision of the State of Wyoming, the Cheyenne Board of Public Utilities and the South Cheyenne Water and Sewer District:

WHEREAS, these entities have caused to be developed a 201 Facilities Plan, and

Whereas, it is the desire of these entities to enter into this Agreement to indicate their intent as to participation in the implementation of the findings of this plan, and

Whereas, these entities desire to clarify their individual duties and responsibilities to the fullest possible present extent in the implementation of this plan, and

Whereas, these parties express an intent to satisfy the United States Environmental Protection Agency Region VIII, State of Wyoming Department of Environmental Quality, and any other State Agency requirements, in order to obtain Federal and State aid in the form of financial grants or otherwise, and

Whereas, the parties hereto understand that if any entity does not receive its anticipated funding or its participation proves not to be cost effective, that entity may withdraw after written notice to the others, and the others may continue or reconsider their positions and withdraw.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE PREMISES and the mutual convenants herein contained, it is agreed between the parties hereto as follows:
SECTION 1.0. DEFINITIONS:

1.1. The City of Cheyenne or the "CITY": The Governing body of the City of Cheyenne.

1.2. Laramie County or the "COUNTY": The Governing Body of Laramie County.

1.3. The South Cheyenne Water and Sewer District or the "DISTRICT": The Board of the South Cheyenne Water and Sewer District.

1.4. The Board of Public Utilities or the "BOARD": The Cheyenne Board of Public Utilities.

1.5. 201 Facilities Plan or Proposed Facilities Plan: The 201 Facilities Plan Final Report: City of Cheyenne, South Cheyenne Water and Sewer District, Laramie County, as approved by the Wyoming Department of Environmental Quality, and the United States Environmental Protection Agency.

1.6. 201 Committee: A Committee comprised of one member from each of the following: The Cheyenne Board of Public Utilities, The Board of the South Cheyenne Water and Sewer District and The Board of Laramie County Commissioners.

1.7. SERVICE AREA BOUNDARY: A Boundary that defines areas that:

1. Can be provided with Municipal Sewage Treatment Services via gravity flow,
2. Can be incorporated into the Municipal Water Distribution system, and
3. Are east of Round Top Rd (north of Happy Jack Rd) and east of the Union Pacific Railroad line (south of Happy Jack Rd.)

The approximate location of this Boundary is designated as "Sewerable Line" on Page 8 of the City of Cheyenne Annexation Policies and is also shown on Page 52 of the Subdivision Regulations.

1.8. URBAN SERVICE AREA: The area defined by the Service Area Boundary.

1.9. Operation Agency -- Entity responsible for the day to day construction, operation, maintenance and administration of the Wastewater Treatment System.

1.10. Management Agency -- Entity responsible for making land use and growth management decisions to ensure water quality within an area.

1.11. Management Agency for Wastewater Management Functions: Entity responsible for ensuring the capability for adequate economical Wastewater Treatment.
SECTION 2.0. INSTITUTIONAL/POLITICAL JURISDICTION:

2.1 Existing Institutional/Political Jurisdictions: Exhibit 1, attached hereto and incorporated herein by this reference.

2.2 Location of existing and proposed facilities: Exhibit 2, attached hereto and incorporated herein by this reference.

2.3 Operation Agency - Management Agency: The City of Cheyenne will serve as Management Agency within its Corporate Limits and share plat approval for un-incorporated areas within one (1) mile of these limits with Laramie County. The COUNTY will serve as the Management Agency for all un-incorporated areas within the Study Area Boundary.

The Cheyenne Board of Public Utilities will serve as Operation Agency for the area within the City Corporate Limits. The South Cheyenne Water and Sewer District will serve as Operation Agency for the area within the DISTRICT's boundaries as defined in the Water Agreement of 30 June 1970.

The responsibilities of the CITY, the BOARD, the COUNTY and the DISTRICT with respect to operation and management are specified in Sections 3.1; 3.2; 3.3; 3.4; 3.5 and 3.6. This corresponds to the findings of the 201 Facility Plan Study as presented in 201 Facilities Plan Report: City of Cheyenne, South Cheyenne Water and Sewer District, Laramie County.

SECTION 3.0 POLITICAL/INSTITUTIONAL RESPONSIBILITIES:

3.1. GENERAL:

The purpose of this Section is to define the roles of the CITY, the COUNTY, the BOARD and the DISTRICT with respect to implementing the findings of the 201 Facility Plan Study. Political/Institutional responsibilities for managing water quality within the Study Area fall into four categories: (1) management; (2) operation; (3) regulatory and (4) planning. Each of these functions must be carried out in such a way that a continuing, comprehensive and cooperative effort aimed at maintaining and improving water quality and protecting the public health and welfare in the area is ensured. The purpose of this Agreement is to help ensure this continuing, cooperative and comprehensive effort at the local and state level by defining institutional and governmental roles and responsibilities for implementing the findings of the Step 1, 201 Facilities Plan.

3.2 LOCAL GOVERNMENTAL RESPONSIBILITIES:

Wastewater Planning functions have been carried out under policies that designated sole responsibility for these planning functions to the CITY, the COUNTY and the State DEQ within their respective jurisdictions inside the Study Area Boundary.
Upon passage of this Agreement, the CITY and the COUNTY agree to cooperate on all Wastewater Planning functions within the Service Area Boundary and outside the Corporate Limits. The COUNTY and its assignees, and the State DEQ maintain sole jurisdiction for Wastewater Planning outside the Service Area Boundary within their respective areas of purview. The CITY by and through its Board of Public Utilities maintains sole responsibility for Wastewater Planning within the Corporate Limits and for those areas that seek annexation.

The COUNTY agrees to refer plans for development within the Service Area Boundary to the City for review. The CITY and the COUNTY will cooperate to ensure that these development plans are consistent with the findings of the proposed 201 Facility Plan, consistent with adopted policies and consistent with all regulations which govern CITY development and facilitate the extension and provision of CITY services.

The CITY by and through its Board of Public Utilities will be the Management Agency for Wastewater Planning functions for all lands within the Corporate Limits. The CITY and COUNTY will cooperatively act as Management Agency for Wastewater Planning functions for lands within the Service Area Boundary and outside the Corporate Limits. The COUNTY will be the Management Agency for Wastewater Planning functions for lands outside the Service Area Boundary.

The BOARD will be the Operation Agency for lands within the Corporate Limits. The DISTRICT will be the Operation Agency for lands within its defined boundaries.

The CITY, the Board and the COUNTY will maintain their regulatory function within their respective jurisdictions. One purpose of this regulatory function will be to use land use and zoning powers to ensure that timely and cost-effective municipal sewer service is provided to those areas of planned future growth designated as Priority 1 areas in The City of Cheyenne Annexation Policies, and to limit the use of on-site systems in these areas. These land use and zoning powers are also to be used with discretion to prohibit development within the remainder of the Service Area which would use on-site Wastewater Treatment Systems including, but not limited to, septic systems and package wastewater treatment plants. The CITY and the COUNTY will not approve any development which is inconsistent with the proposed Facility Plan unless an exception can be granted pursuant to Section 4.0 - 4.7 (inclusive) of this Agreement.
The Wyoming DEQ Water Quality Division shares regulatory responsibility for the proper operation and maintenance of existing and proposed Wastewater Treatment Facilities. The DEQ Water Quality Division is also responsible for the administration and enforcement of any NPDES and construction permits in the area and the construction grants program. DEQ will not issue permits which are inconsistent with the proposed Facility Plan unless the CITY and COUNTY grant an exception.

3.3. CITY OF CHEYENNE:

As a Management Agency for Wastewater Planning functions, the responsibilities of the City of Cheyenne are as follows:

(a) Making land use and development decisions within the Corporate Limits which are consistent with the proposed Facility Plan.

(b) Cooperating with the COUNTY to ensure that all new development within the Service Area Boundary but outside the Corporate Limits is developed in conformance with the proposed Facility Plan and Adopted regulations and policies.

(c) Ensuring that all areas receiving Cheyenne Municipal Sewer Service are annexed to the City, with the possible exception of the DISTRICT.

(d) Making Land Use and Development decisions within the Service Area Boundary which are consistent with adopted plans, policies and regulations.

3.4. LARAMIE COUNTY:

As a Management Agency for Wastewater Planning functions, the responsibilities of Laramie County are as follows:

(a) Making Land Use and Development decisions within its jurisdiction which are consistent with the proposed Facility Plan.

(b) Ensuring that new growth within these limits is consistent with adopted policies and regulations.

(c) Cooperating with the CITY to ensure that all new development within the Urban Service Area but outside the CITY Corporate Limits is consistent with the proposed Facility Plan.

(d) Working with the City-County Health Unit to ensure that no new permits for small wastewater treatment systems within the Service Area Boundary that are inconsistent with the Facility Plan are issued. If an exception is granted pursuant to Section 4.0 of this Agreement, a condition of the exception will be that the property
seeking the exception must connect to the Cheyenne Municipal Sewer System at such time in the future that this property becomes contiguous to the Corporate Limits.

(e) Working with the City-County Health Unit to help ensure that development outside the Urban Service Area Boundary is limited to a density suitable for small wastewater systems.

(f) Continuing to enforce the Subdivision Regulation requirement of a 2.5 acre minimum lot size for lots requiring an on-site wastewater treatment system; requiring a variance for the installation of on-site treatment systems on previously platted lots of between one and 2.5 acres; and prohibiting the installation of any on-site wastewater treatment system on lots smaller than one acre unless an on-site system already exists that requires improvement, replacement or some other alteration to alleviate a health hazard.

(g) Continuing all moratoriums on small wastewater systems that are now in force and severely restricting the installation of new small wastewater systems in the Sunnyside Area.

3.5. THE CHEYENNE BOARD OF PUBLIC UTILITIES:

As an Operation and Management Agency for Wastewater Management functions, the responsibilities of the BOARD are as follows:

(a) Operation and maintenance of the two City Treatment Plants.

(b) Being responsible for compliance with the NPDES permits for these plants.

(c) All Administrative, Operative and Management functions for the Municipal Sewage Collection System within the City Corporate Limits.

(d) Review of all new sewer line construction to ensure consistency with the proposed Facility Plan and compatibility with the existing sewage collection system within the Service Area.

(e) Working out the necessary agreements with the DISTRICT for, but not limited to, billing, plant upgrading and plant expansion whereby the CITY can treat the DISTRICT's wastewater.

3.6. THE BOARD OF THE SOUTH CHEYENNE WATER AND SEWER DISTRICT:

As an Operation Agency for Wastewater Management functions, the responsibilities of the DISTRICT are as follows:

(a) Operation, maintenance and administration of the sewage
collection system within the DISTRICT's boundaries.

(b) Working out the necessary administrative and financial arrangements with the BOARD whereby the CITY can treat the DISTRICT's wastewater.

(c) Working out the necessary arrangements with the CITY in order to construct a 2.5 MGD gravity flow pipeline to the CITY after the above agreements are made.

(d) Being responsible for compliance with the NPDES permit for the DISTRICT's Treatment Plant until such time as the pipeline is built and the Treatment Plant is abandoned.

(e) Review of all new sewer line construction within the DISTRICT's boundaries to ensure consistency with the proposed Facility Plan and compatibility with the existing Sewage Collection System.

(f) Ensuring that no new on-site wastewater systems are installed within the DISTRICT's boundaries.

SECTION 4.0. EXCEPTIONS FOR DEVELOPMENT THAT IS NOT CONSISTENT WITH THE PROPOSED FACILITY PLAN:

4.1. Exceptions can be granted for the following reasons:

(a) The proposed exception conforms with the criteria for exceptions in The City of Cheyenne Annexation Policies.

(b) The exception can be shown not to be detrimental to the public health, safety and welfare.

(c) The exception will alleviate a clearly demonstrable hardship and compliance with the Facility Plan will exacerbate this hardship. A hardship will be determined based upon a cost/effectiveness study of sewer service provision to the property seeking the exception.

(d) The exception demonstrates substantial compliance with the proposed Facility Plan.

4.2. Exceptions may only be considered if the proposal has been denied due to non-conformance with the proposed Facility Plan.

4.3. The request for exception must be submitted to the Planning Commission for review.

4.4. After Planning Commission review, the exception will be approved or disapproved by:

(a) The City Council if the property seeking exception is within the Corporate Limits;

(b) The City Council and County Commissioners if the property seeking exception is outside the Corporate Limits and inside the Service Area Boundary.
4.6. The replacement of an existing on-site wastewater treatment system on a property that is neither contiguous with the Cheyenne Corporate Limits nor within the DISTRICT's boundaries will not require an exception under this Agreement.

4.7. The installation of a new on-site wastewater system on a single lot within the Service Area Boundary that is not contiguous with the Cheyenne Corporate Limits nor within the DISTRICT's boundaries will not require an exception under this Agreement, provided that the lot meets all the requirements of the Subdivision Regulations and any other requirements of this Agreement and was platted prior to the effective date of this Agreement.

Section 5.0. **FINANCING THE IMPLEMENTATION OF THE PROPOSED FACILITY PLAN:**

5.1. **GENERAL:**

Each area/jurisdiction will be expected to finance the full or proportionate share of those elements of implementation that directly effect the ability of that area/jurisdiction to comply with the proposed Facility Plan. A Phasing Plan is included to show the relative time-frame for implementation, Exhibit 3 attached hereto and incorporated herein by this reference. Parties to this Agreement understand that the Phasing Plan is contingent upon the availability of outside funding to finance the improvements as shown on the Phasing Plan. The parties to this Agreement further understand that if any entity does not receive its anticipated funding or its participation proves not to be cost effective, that entity may withdraw after written notice to the others, and the others may continue or reconsider their positions and withdraw. Withdrawal from or reconsideration of this Agreement will in no way alter the desire of the parties to this Agreement to manage wastewater in line with the goals of the proposed Facility Plan.

5.2. **CAPITAL COST:**

The 201 Committee Structure will continue to be responsible for obtaining and administering Federal and State grant or loan monies for design and construction of the Wastewater System as described in the proposed Facility Plan. Those portions of capital costs that cannot be financed by grant monies will be financed at the discretion of affected parties, but in line with the goals of the proposed Facility Plan. Separate agreements will be obtained between the BOARD and The DISTRICT to determine the proportionate share of each in Treatment Plant upgrading and expansion.
Collectors in Sunnyside and North Cheyenne that are consistent with the proposed Facility Plan will be financed by the residents of these areas. If the residents so desire, the 201 Committee will act to obtain and administer State and Federal grants to aid in providing these collectors.

5.3. OPERATION AND MAINTENANCE:

The BOARD will be responsible for all costs involved with operation and maintenance of the Wastewater Collection and Treatment System within its jurisdiction. The BOARD may set user fees and hook-up fees to defray these costs. The DISTRICT is responsible for the operation and maintenance of the Wastewater Collection and Treatment System within its jurisdiction. The DISTRICT may set user fees and hook-up fees to defray these costs.

Through separate agreements, the terms by which the CITY will treat the DISTRICT's wastewater will be set down.
EXECUTED THE DAY AND YEAR FIRST ABOVE WRITTEN:

(Seal)

ATTEST:

CITY CLERK

CITY OF CHEYENNE

BY:

MAYOR

(Seal)

ATTEST:

SECRETARY

BOARD OF PUBLIC UTILITIES OF THE
CITY OF CHEYENNE

BY:

PRESIDENT

(Seal)

ATTEST:

COUNTY CLERK

BOARD OF COMMISSIONERS FOR
LARAMIE COUNTY

BY:

PRESIDENT

(Seal)

ATTEST:

SECRETARY

BOARD OF DIRECTORS OF THE
SOUTH CHEYENNE WATER AND SEWER DISTRICT

BY:

CHAIRMAN
EXHIBIT 3

PHASING PLAN

Cheyenne, Laramie County, South Cheyenne Water and Sewer District

November 1982: Farm Loan Board Grant Application for Water and Sewer Design and Engineering Plans for Sunnyside and North Cheyenne (Nos: 17 & 18)

INSTITUTIONAL/POLITICAL JURISDICTIONS
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<th>ITEM</th>
<th>UPGRADE</th>
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<th>FEDERAL SHARE (75%)</th>
<th>STATE SHARE (12.5%)</th>
<th>LOCAL SHARE (12.5%)</th>
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<td>1. City Water Supply (Dry Creek)</td>
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<td>7. Sludge Thickeners (Dry Creek)</td>
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<td>25,000</td>
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<td>1,500</td>
<td>840</td>
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<td>8. Primary Clarifiers (Crow Creek)</td>
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<td>STATE SHARE (12.5%)</td>
<td>LOCAL SHARE (12.5%)</td>
<td>DESIGN (7%)</td>
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<tr>
<td>10.</td>
<td>Anerobic Digestion (Dry Creek)</td>
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<td>Secondary Clarifiers (Dry Creek)</td>
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</tr>
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<td>(May not be necessary when other improvements are made)</td>
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<td>16.</td>
<td>2.5 mgd Pipeline from District</td>
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(COST ESTIMATES BASED ON THE FINDINGS OF THE 201 FACILITIES PLAN REPORT)