

EXTRA COPY
TO

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VICTOR VALLEY REGIONAL WASTEWATER
SERVICE AGREEMENT
BETWEEN

AND THE

MOJAVE WATER AGENCY
16849 "D" STREET
VICTORVILLE, CALIFORNIA
92392

VOLUME 1

VICTOR VALLEY REGIONAL WASTEWATER
RECLAMATION PROJECT

SERVICE AGREEMENT

Between

and

MOJAVE WATER AGENCY

Approved by the MWA Board of Directors

November 23, 1976

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1 VICTOR VALLEY REGIONAL WASTEWATER
2 SERVICE AGREEMENT

3 This AGREEMENT, by and between _____
4 hereinafter referred to as COMMUNITY and the MOJAVE WATER AGENCY
5 a public agency hereinafter referred to as AGENCY is entered into
6 as of _____.

7
8 RECITALS

9 WHEREAS, the California Regional Water Quality Control Board,
10 Lahontan Region, has adopted an Interim Basin Plan which has been
11 approved by the State Water Resources Control Board and the En-
12 vironmental Protection Agency and said Basin Plan specified that
13 wastewater management will be accomplished in the Victor Valley
14 area by means of a regional wastewater system to intercept, trans-
15 port, treat and dispose of the wastewaters from the several com-
16 munities in the Victor Valley; and

17 WHEREAS, the concept of the regional project is that the
18 wastewaters of each community will be collected within the commun-
19 ity by a collection system constructed and operated by each re-
20 spective community and that the regional system will be constructed
21 and operated by the Mojave Water Agency to receive the wastewaters
22 from each community and transport them to a regional treatment
23 plant for treatment and disposal; and

24 WHEREAS, the Mojave Water Agency has been designated as the
25 regional agency to construct, operate and maintain the Victor
26 Valley Regional Wastewater Project and said agency has had design
27 plans and specifications prepared and submitted to the State Water
28 Resources Control Board and the Environmental Protection Agency;

1 and

2 WHEREAS, the State Water Resources Control Board has certi-
3 fied said project to the Environmental Protection Agency for a
4 federal grant and a contract with the Environmental Protection
5 Agency has been executed by the Agency; and

6 WHEREAS, the State Water Resources Control Board has made a
7 formal grant offer and a contract with the State of California
8 has been executed by the Agency, and said contract requires that
9 the project will, at all times be operated in such a
10 manner as to provide service to existing and future participating
11 agencies and persons and users on a fair and equitable basis; and

12 WHEREAS, the Mojave Water Agency has established Improvement
13 District No. 1 that encompasses the area served by the regional
14 wastewater system and the voters therein have authorized a bond
15 issue of \$1,750,000 to pay the local share of the capital cost
16 of the first stage of the regional facilities and to levy a tax
17 for repayment of said bond issue; and

18 WHEREAS, it is necessary to enter into agreements between
19 the Mojave Water Agency and the participating communities as to
20 the obligations and responsibilities of each regarding the con-
21 struction, operation and maintenance of the regional wastewater
22 project; and

23 WHEREAS, the Mojave Water Agency has agreed in Resolution
24 No. 282-75, dated April 22, 1975 to turn over the operation and
25 maintenance, financing and any other phase of the regional project
26 to any responsible entity or joint powers agency, either of which
27 is agreed to or formed by the communities served;

28 NOW, THEREFORE, IT IS AGREED by and between the parties as

1 follows:

2 SECTION 1. DEFINITIONS:

3 "Agency" means Mojave Water Agency, a public agency, estab-
4 lished by an Act of Legislature in 1959 and activated by election
5 of voters in 1960.

6 "average dry weather flow (ADWF)" means the average flow of
7 wastewater in a period of dry weather without any storm flow
8 included, said flow being the average of the said flow as measured
9 for a period of seven consecutive days and stated in units of
10 millions of gallons per day.

11 "BOD" means biochemical oxygen demand (in five days at 20°C
12 unless otherwise stated) and is the dissolved oxygen required by
13 organisms for the aerobic decomposition of organic matter present
14 in the water.

15 "community" means a city, town, county, county service area,
16 district, association or other public body, including an inter-
17 municipal agency of two or more of the foregoing entities created
18 by or pursuant to State Law.

19 "community sewer system" means the transporting facilities
20 for wastewaters from individual homes or buildings to an inter-
21 ceptor or a wastewater treatment facility.

22 "construction" means any one or more of the following: pre-
23 liminary planning to determine the feasibility of treatment works,
24 engineering, architectural, legal, fiscal, or economic investiga-
25 tions, or studies, surveys, designs, plans, working drawings,
26 specifications, procedures or other necessary actions, erection,
27 building, acquisition, alteration, remodeling, improvement, or
28 extension of treatment works, or the inspection or supervision of

1 any of the foregoing items.

2 "contracting community" means and refers to each community
3 which has executed an agreement with the Mojave Water Agency to
4 obtain the services of the Victor Valley Regional Wastewater Pro-
5 ject. The project concept is that the communities of Adelanto,
6 Apple Valley, Hesperia, Oro Grande and Victorville will be con-
7 tracting communities and that George Air Force Base will also
8 receive service from the project through a utility service agree-
9 ment.

10 "CSA" means County Service Area.

11 "delivery point" means the point at which wastewater is
12 delivered to the regional wastewater system.

13 "domestic sewage" means the wastewater from kitchen, bathroom,
14 lavatory, toilet and laundry which is non-industrial in character.

15 "effluent limitation" means any restriction established by
16 the State or its agencies on quantities, rates and concentrations
17 of chemical, physical, biological and other constituents which are
18 discharged from the wastewater treatment plant.

19 "EPA" means Environmental Protection Agency of the Federal
20 government.

21 "fiscal-year" means 12-month period commencing on July 1st
22 and ending on the following June 30th.

23 "George AFB" means George Air Force Base.

24 "I.D. No. 1" means Improvement District No. 1 which is a
25 numbered improvement district of the Mojave Water Agency estab-
26 lished in 1972 under provisions of the Mojave Water Agency Law
27 and including an area covering a major portion of the Victor Valley
28 and the communities of Adelanto, Apple Valley, Hesperia, George

1 Air Force Base, Oro Grande and Victorville. (Exhibit "C")

2 "immediate service availability charge" means a charge levied
3 against property within Improvement District No. 1 but is not being
4 served by a community sewer system. The charge must be propor-
5 tionate to the available service.

6 "industrial wastes" means those wastes which are discharged
7 from "industrial users" defined hereinafter.

8 "interceptor sewer" means the collector system into which
9 the community sewer system empties for transport to the regional
10 wastewater treatment plant.

11 "industrial user" means any nongovernmental user of publicly
12 owned treatment works identified in the Standard Industrial
13 Classification Manual, 1972, Office of Management and Budget as
14 amended and supplemented under the following divisions:

- 15 a. Division A - Agriculture, Forestry and Fishing
16 b. Division B - Mining
17 c. Division D - Manufacturing
18 d. Division E - Transportation, Communications, Electric,
19 Gas and Sanitary
20 e. Division I - Services

21 A user in the divisions listed may be excluded if it is
22 determined that the user will introduce primarily segregated
23 domestic wastes or wastes from sanitary conveniences.

24 "Operation and Maintenance (O & M)" means the activities re-
25 lated to the regional wastewater system and the disposal facilities
26 and shall include labor; the procurement of supplies and parts
27 necessary for proper operation of said facilities; the purchase of
28 fuel, power and chemicals; the repair or replacement of facilities

1 customarily considered as maintenance; and administration of said
2 activities, including necessary accounting activities.

3 "owner" means any person who owns, leases, operates, controls
4 or supervises a source of wastewater.

5 "Regional Wastewater System" means any devices and systems
6 used in the storage, treatment, recycling and reclamation of
7 municipal sewage or industrial wastes of a liquid nature as nec-
8 essary to recycle or reuse water at the most economical cost over
9 the estimated life of the works including intercepting sewers,
10 outfall sewers, sewage collection systems, pumping, power and
11 other equipment and their appurtenances; extensions, improvements,
12 remodeling, additions and alterations thereof; elements essential
13 to provide a reliable recycled supply such as standby treatment
14 units and clear well facilities; and any works, including site
15 acquisition of the land that will be an integral part of the
16 treatment process or is used for ultimate disposal of residues
17 resulting from such treatment.

18 "Regional Wastewater System Management Advisory Committee"
19 means a committee established by the Agency with members appointed
20 by the contracting communities to guide, recommend and assist the
21 Agency in performance of its functions concerning the regional
22 wastewater system. Hereinafter, termed RWSMAC.

23 "replacement" means those expenditures for obtaining and in-
24 stalling equipment, accessories or appurtenances during the useful
25 life of the treatment works necessary to maintain the capacity and
26 performance for which such works are designed and constructed.

27 "SS" means suspended solids.

28 "SWRCB" means State Water Resources Control Board.

1 "service agreement" means this document and includes Vol. I
2 and Vol. II which latter volume contains service agreement exhibit
3 "service area" means the area circumscribed by the boundaries
4 of Improvement District No. 1 and its annexations.

5 "sewage" means wastewater.

6 "source" means any building, structure, facility or installa-
7 tion from which there is or may be the discharge of pollutants.

8 "State" means the State of California.

9 "state water pollution control agency" means the State agency
10 designated by the Governor as having responsibility for enforcing
11 State laws relating to the abatement of pollution.

12 "O & M User Charge" means a system of charges to assure that
13 each community will pay its proportionate share of the costs of
14 operation and maintenance (including replacement) of all waste
15 treatment service provided by the Agency.

16 "WCRF" is the Wastewater Capital Reserve Fund. A minimum
17 amount of capital recovery must be obtained each year consisting
18 of the construction costs divided by 30 (or the useful life in
19 years, whichever results in a higher annual cost) of: (1) the
20 treatment plant and pumping plant, and (2) 75 percent of the grant
21 eligible costs of all grant funded interceptors, outfalls and/or
22 other facilities allocable to industrial users and not included as
23 part of treatment plants or pumping plants. If the amount of the
24 minimum capital recovery amount allocable to utilized capacity is
25 greater in any one calendar year than the actual capital-related
26 cash flow requirements consisting of debt principal repayment and
27 capital outlays, then the minimum capital recovery amount alloca-
28 ble to utilized capacity must be collected through rates and
 other charges and the difference placed in a limited use fund

1 designated the Wastewater Capital Reserve Fund. Limitations on
2 the use of WCRF are specified in the SWRCB Revenue Program
3 Guidelines.

4 SECTION 2. RESPONSIBILITY OF AGENCY:

5 The AGENCY shall be responsible to construct, own,
6 operate and maintain at the sole expense of I.D. No. 1, its
7 taxpayers, users and property owners, all facilities which
8 are a part of the regional wastewater system and to provide
9 a sewer connection for each community to be served by the
10 regional wastewater system and shall receive, transport,
11 treat and dispose of all domestic and industrial wastes from
12 the communities served, subject to the terms and conditions
13 set forth herein including Resolution #282-75 and the source con-
14 trol ordinance developed pursuant to Section 17.

15 The AGENCY shall operate the regional wastewater system in
16 conformity with applicable laws, rules and regulations promulgated
17 by federal, state and local authorities having jurisdiction thereo

18 The AGENCY shall be responsible for and agrees to meet the
19 terms and conditions of the Environmental Protection Agency Grant
20 and the State of California Grant. The conditions presented in
21 the grants are shown in Exhibit "A" of this agreement.

22 SECTION 3. RESPONSIBILITY OF COMMUNITY:

23 It shall be the responsibility of the COMMUNITY to install,
24 operate and maintain a community wastewater collection system
25 within its service area to collect, carry and deliver wastewater
26 to the regional wastewater system at the point of delivery and

1 designated the Wastewater Capital Reserve Fund. Limitations on
2 the use of WCRF are specified in the SWRCB Revenue Program
3 Guidelines.

4 SECTION 2. RESPONSIBILITY OF AGENCY:

5 The AGENCY shall be responsible to construct, own,
6 operate and maintain at the sole expense of I.D. No. 1, its
7 taxpayers, users and property owners, all facilities which
8 are a part of the regional wastewater system and to provide
9 a sewer connection for each community to be served by the
10 regional wastewater system and shall receive, transport,
11 treat and dispose of all domestic and industrial wastes from
12 the communities served, subject to the terms and conditions
13 set forth herein including Resolution #282-75 and the source con-
14 trol ordinance developed pursuant to Section 17.

15 The AGENCY shall operate the regional wastewater system in
16 conformity with applicable laws, rules and regulations promulgated
17 by federal, state and local authorities having jurisdiction thereo

18 The AGENCY shall be responsible for and agrees to meet the
19 terms and conditions of the Environmental Protection Agency Grant
20 and the State of California Grant. The conditions presented in
21 the grants are shown in Exhibit "A" of this agreement.

22 SECTION 3. RESPONSIBILITY OF COMMUNITY:

23 It shall be the responsibility of the COMMUNITY to install,
24 operate and maintain a community wastewater collection system
25 within its service area to collect, carry and deliver wastewater
26 to the regional wastewater system at the point of delivery pro-
27 vided, and to monitor and operate its community wastewater collec-
28 tion system to insure that the quality of wastewater delivered to

1 the regional system complies with provisions of this agreement.

2 The contracting community will enact and enforce in its
3 jurisdiction served by the regional wastewater system, a sewer use
4 ordinance or other legally binding requirement which:

5 (1) Shall ensure that new sewers and connections
6 to the community wastewater collection system
7 are properly designed and constructed to
8 applicable county or city codes for construction.

9 (2) The contracting community shall adopt ordin-
10 ances or equivalent legal mechanisms stating that
11 all septic tank pumpings will be discharged
12 to the regional wastewater treatment system
13 or other disposal site approved by the
14 Lahontan Regional Water Quality Control Board
15 and/or other control agency (ies).

16 The contracting community agrees that with the signing of
17 this service agreement, the requirements for the ordinances or
18 legal mechanisms, outlined above, have been or will be complied
19 with and that the service agreement and Regional Wastewater System
20 Source Control Ordinance in lieu of a source control ordinance of
21 the contracting community, which is consistent with the require-
22 ments of the regional wastewater system, will be agreed to and en-
23 forced by the respective contracting communities to provide the
24 Agency with the needed requirements to meet the conditions of the
25 Environmental Protection Agency and the State grants.

26 SECTION 4. TERM OF AGREEMENT:

27 The term of this agreement shall be thirty (30) years from its
28 effective date and thereafter until terminated at the option of the

1 COMMUNITY or the Agency by the giving of written notice not less
2 than one year in advance of the effective date of termination.

3 Community or Agency shall have the option to cancel agreemen
4 contingent upon the following conditions not occurring by _____

5 March 31, 1977

6 Service Agreement shall be signed by:

7 1. The Communities of Oro Grande, Victorville, Apple Valley,
7a Hesperia and Adelanto.

8 2. George Air Force Base shall have indicated their parti-
9 cipation and begin negotiations with Mojave Water Agency for a
10 Service Agreement.

11 SECTION 5. REGIONAL WASTEWATER SYSTEM:

12 The regional wastewater system shall be generally as shown or
13 described in the Victor Valley Regional Wastewater Project Plan as
14 shown in Exhibit "B" hereof. Subject to the provisions for re-
15 imbursement contained therein Mojave Water Agency shall pay all
16 costs and expenses incurred in the acquisition, construction,
17 operation, maintenance and replacement of the regional wastewater
18 system. Each contracting community that is a recipient of ser-
19 vice shall, as provided in Section 15 of this agreement, pay the
20 Mojave Water Agency a user charge determined in accordance with
21 Sections 12, 13 and 14 of this Service Agreement and representing
22 an allocable share of all net costs incurred by the Mojave Water
23 Agency in the operation, maintenance and replacement, upgrading
24 and expansion of the regional wastewater facilities and the charge
25 to each community shall be proportional to the use of the system,
26 consistent with a determination of costs to serve each community,
27 and in accordance with the requirements of the SWRCB Revenue Pro-
28 gram Guidelines.

1 SECTION 6. AVAILABILITY OF REGIONAL WASTEWATER SYSTEM:

2 A. Communities of I.D. No. 1: Agency agrees that it will
3 not make the services and facilities of the regional wastewater
4 system available, other than on a temporary emergency basis, to
5 any community within I.D. No. 1 (Exhibit "C" attached), until
6 after said community has entered into a wastewater service agree-
7 ment substantially similar to this agreement. A utility service
8 agreement contracted with George Air Force Base is different in
9 format and schedule in regard to capital payments, however, O & M
10 and replacement costs will be computed for George Air Force Base
11 on the same basis as for the other communities.

12 B. Contracting Communities: The contracting community
13 shall be responsible for the collection of wastewater from any
14 property located within its service area. The services and facili-
15 ties of the regional wastewater system shall be made available to
16 all contracting communities within the service area of I.D. No. 1
17 subject to such terms and conditions as a contracting community
18 may prescribe for use and extension of its own community waste-
19 water collection system.

20 C. Service for Territory Outside I.D. No. 1:

21 A. contracting community may not extend sanitary sewer ser-
22 vice to any area outside the boundary of I.D. No. 1 without first
23 providing for and accomplishing the annexation of said area to said
24 I.D. No. 1 and to arrange for the payment of annexation charges as
25 provided in Section 7 of this agreement.

26 SECTION 7. ANNEXATIONS TO IMPROVEMENT DISTRICT NO. 1:

27 Agency agrees that for the purpose of financing the repayment
28 of the Agency share of the capital costs and the annual costs of

1 the regional wastewater system and for expansion of said system,
2 the entire territory of the communities to be served shall be in-
3 cluded in I.D. No. 1. From time to time, as areas outside I.D.
4 No. 1 seek to be served, the Agency may consent to and may annex
5 as prescribed by law or regulation, those areas to said Improve-
6 ment District.

7 Annexations to I.D. No. 1 shall be subject to the condition
8 that the taxable property, excluding personal property, within the
9 annexation shall be liable for payment of all costs incident to
10 annexation and annexation fees which would reimburse I.D. No. 1
11 all back ad valorem taxes which have been levied by the Agency and
12 associated with the Regional Wastewater System together with in-
13 terest computed at a rate established by the Board of Directors of
14 the Mojave Water Agency had the property been a part of I.D. No. 1
15 since the inception of the District. Any special taxes such as
16 annexation fees on annexed territory shall be in addition to all
17 other taxes levied within said I.D. No. 1 subsequent to annexa-
18 tion.

19 SECTION 8. FINANCING OF CAPITAL COSTS OF REGIONAL
20 WASTEWATER SYSTEM:

21 The capital costs for the planning and construction of the
22 regional wastewater system shall be allocated between the local
23 share, to be paid by the Agency, the share to be paid by George
24 AFB and the shares to be paid by the State Water Resources Control
25 Board and the E.P.A.

26 The SWRCB has contracted with Agency to pay, as a grant from
27 State funds, for 12.5 percent of the grant eligible costs and the
28 E.P.A. has contracted with the Agency, to pay as a grant from fed-
eral funds, for 75 percent of the cost of facilities found to be

1 grant eligible in the regional wastewater system.

2 George AFB is expected to contract with Agency to pay the cap-
3 ital amount as agreed upon for its proportionate share of the cost
4 of construction of the facilities and for the transporting,
5 treating and disposing of its wastewaters through the regional
6 wastewater system.

7 The Agency has sold the authorized \$1,750,000 general obli-
8 gation bond, as necessary, to provide the initial financing of the
9 Agency share of costs of the regional wastewater system.

10 Commencing with the first tax year during which taxes can be
11 levied and collected within I.D. No. 1 and during each year there-
12 after, the Board of Directors of the Mojave Water Agency shall levy
13 and cause the county tax collector to collect taxes on all taxable
14 property, excluding personal property, within I.D. No. 1. The
15 levy shall be sufficient to retire the aforementioned 1.75 million
16 dollar general obligation bond and subsequently approved bonds.

17 SECTION 9. FINANCING OF ANNUAL COSTS OF OPERATION
18 AND MAINTENANCE OF REGIONAL WASTEWATER
19 SYSTEM

20 The annual costs of Agency incurred in the operation and
21 maintenance of the regional wastewater system shall be reimbursed
22 through the revenues from one or a combination of the following
23 charges and collections where applicable by the Agency:

- 24 (1) A user charge levied on the communities
25 hooked up to the regional wastewater system.
26 (2) A charge for septic tank pumpings discharged
27 into said system.
28 (3) Sale of treated effluent and byproducts from
said system.

1 (4) Other system of charges that may be agreed
2 upon between the contracting community and
3 the Mojave Water Agency.

4 SECTION 10: SEPTIC TANK PUMPING FEES:

5 Agency shall establish, levy and collect fees from persons
6 discharging septic tank pumpings directly into the regional waste-
7 water treatment facility. The revenues shall be deposited and
8 credited as funds of I.D. No. 1. The charge shall be reviewed and
9 set by Agency each year as a part of the annual budget considera-
10 tion for I.D. No. 1.

11 SECTION 11: SALE OF TREATED EFFLUENT AND BYPRODUCTS:

12 Agency may sell treated effluent and byproducts at prices
13 which shall both encourage the reclamation and reuse of said
14 products and provide additional revenues. The revenues from
15 said sales shall be deposited and credited as funds of I.D.
16 No. 1. The said charges or prices for treated effluent and by-
17 products shall be reviewed by the Agency and the RWSMAC annually
18 as a part of the consideration of the annual budget of I.D. No. 1.

19 SECTION 12: O & M USER CHARGE FOR REGIONAL WASTEWATER
20 SYSTEM:

21 Agency shall levy and collect a user charge from each parti-
22 cipating community which is connected to and discharging waste-
23 water into the regional wastewater system, said charge to be based
24 on the volume and quality of the wastewater delivered by the com-
25 munity into the regional wastewater system as described in this
26 Section and Section 13 of this agreement.

27 The total user charges to be levied for a fiscal year on all
28 communities connected to the regional wastewater system shall be

1 computed by the Agency each year and reviewed by the RWSMAC by
 2 March 1 preceding the next fiscal year. These charges will be
 3 computed by determining the estimated total Agency costs for op
 4 eration and maintenance of the regional wastewater system for the
 5 next fiscal year and deducting therefrom revenues estimated from
 6 charges collected for the discharge of septic tank wastes into the
 7 regional system and from sales of treated effluent or byproducts.

8 The calculation of the O & M portion of total user charges
 9 to be levied can be illustrated by the following formula:

10
 11

Total O & M User Charges Estimated to be levied On All Communities Connected to Regional System in Coming Year in dollars	=	Total Estimated Agency Operation & Maintenance Costs for Coming Year in dollars	minus	Estimated Revenues from Discharge of Septic Tank Pumpings and Sale of Effluent and Byproducts in dollars
---	---	--	-------	---

12
 13
 14

15 The unit user charge for O & M of the regional facility is
 16 the total estimated user charge, described above, divided by the
 17 estimated number of million gallon increments of wastewater that
 18 will be processed through the system in the following year. The
 19 user charge will be expressed in dollars per million gallons.

20 Calculation of the unit user charge is illustrated by the
 21 following formula:

22

Unit User Charge Expressed In Dollars for Million Gallons	=	Total Estimated O & M User Charges in Dollars Total Estimated Volume of Flow Thru Treatment Plant In Coming Year In Millions of Gallons
---	---	---

23
 24
 25

26 The total user charges and unit user charge shall be estab-
 27 lished annually, prior to March 1 preceding the next fiscal year,
 28 based on the Agency's actual cost for the preceding 12-month



1 period and the estimate of costs and wastewater flows for the
2 next 12-month period. The charges shall be computed by the Agency
3 in accordance with generally accepted accounting practices and
4 principles.

5 SECTION 13: QUALITY COMPONENT OF O & M USER CHARGE:

6 In the event that any community, including George AFB, con-
7 sistently discharges wastewater to the Regional Wastewater System
8 of a strength greater than 300 milligrams per liter of either
9 BOD or suspended solids, or in such other components or character-
10 istics as may be selected by the RWSMAC and the Agency, the Agency
11 may, at its option | after public hearing, revise the determina-
12 tion of user charge as described in Section 12 to a multi-compon-
13 ent rate which takes into account the strength or quality as well
14 as the volume of wastewater delivered to the regional wastewater
15 system. Such change in the user charge shall be reviewed by the
16 RWSMAC and put into effect by the Agency at the beginning of the
17 next billing period. The O & M user charge shall be designed to
18 recover the costs to serve each community and be consistent with
19 the SWRCB Revenue Program Guidelines.

20 SECTION 14: CAPITAL-RELATED PORTION OF USER CHARGE:

21 Agency must obtain from user charges, *ad valorem* tax levies
22 and/or other charge mechanisms each year the minimum amount of
23 capital recovery described in Section 1 under the definition of
24 "WCRF" plus interest expense associated with outstanding indebted-
25 ness of I.D. No. 1. A number of different mechanisms exist by
26 which it is possible to obtain this capital-related cash require-
27 ment of the Regional Wastewater System.

28 *Ad valorem* taxes levied upon the assessed valuation within

1 I.D. No. 1 may be used to repay the debt service of the outstand-
2 ing bonded indebtedness of I.D. No. 1 in accordance with legal re-
3 quirements and restrictions. Other mechanisms must be utilized to
4 recover each year the difference, if any, between the minimum
5 capital recovery amount of the Regional Wastewater System as de-
6 fined in the first sentence of Section 14 and that portion of *ad*
7 *valorem* taxes collected for the repayment of debt principal.

8 The following mechanisms may be available to the Agency for
9 recovery of such additional capital-related cash flow requirements
10 of the Regional Wastewater System which are required in addition
11 to the *ad valorem* tax levy on the assessed value of property
12 located within I.D. No. 1:

13 (1) An immediate service availability charge may be
14 levied on those properties for which capacity
15 has been provided within the Regional Wastewater
16 System. The immediate service availability
17 charge shall be proportional to the service
18 available to the property being assessed and
19 consistent with SWRCB Revenue Program Guidelines.

20 (2) A capital-related portion of the user charge may
21 be obtained from the communities proportional to
22 their use of capacity. If it is ascertained
23 that strength of discharge of BOD and SS from
24 each of the communities is consistently less
25 than 300 mg/l for both BOD and SS, and if sub-
26 stantially all discharges to the Regional Waste-
27 water System are nonindustrial in character,
28 then the capital-related portion of the user

1 charge may be allocated to the communities
2 proportional to flow, analogous to the alloca-
3 tion procedure specified in Section 12.
4 If, because of high strengths or industrial
5 nature of discharges, or because of substantial
6 variations within the peaking characteristics
7 of discharges between the communities, or be-
8 cause of other requirements which may be speci-
9 fied by the SWRCB it becomes necessary to allo-
10 cate the capital-related portion of user charges
11 in a manner different than that specified within
12 Section 12, then a procedure for allocation
13 pursuant to the requirements of the SWRCB
14 Revenue Program Guidelines will be developed.
15 The Regional Wastewater System Management
16 Advisory Committee shall recommend, and the
17 Agency shall, after public hearing, revise
18 the method of allocation of the capital-related
19 portion of user charges from that specified in
20 Section 12 to a multi-component rate which takes
21 into account strength or quality of discharge,
22 the industrial nature of the discharges as
23 applicable to meet the legal requirements of
24 the SWRCB Revenue Program Guidelines. Such
25 change in the user charge shall be put in
26 effect by the Agency at the beginning of the
27 next billing period.

28 (3) If the option becomes legally available, an

1 *ad valorem* tax may be levied upon all taxable
2 property, excluding personal property, within
3 I.D. No. 1. If required by the SWRCB, an
4 equalization procedure shall be established
5 such that funds are obtained from or returned
6 to, as the case may be, individual dischargers
7 such that net revenue to be obtained from this
8 *ad valorem* tax levy shall be reasonably pro-
9 portional to expected discharges during the taxable
10 year of the levy.

11 The method of recovery of the capital-related portion of the
12 user charge, as required, shall be recommended by the Regional
13 Wastewater System Management Advisory Committee and the Agency
14 shall adopt a method of their choice which obtains the cost to
15 serve from each of the communities and is consistent with the
16 SWRCB Revenue Program Guidelines.

17 SECTION 15: BILLING PERIOD FOR USER CHARGE:

18 The billing period for Agency shall be quarterly; bills
19 will be presented on the first day of January, April, July and
20 October, respectively, and Communities shall pay the user charge
21 to Agency not later than thirty (30) days after billing date,
22 and if not paid in that time shall be considered delinquent.

23 Payments that are more than thirty (30) days past due
24 will be charged late charges at the rate of 8 percent per annum
25 on the unpaid principal balance.

26 SECTION 16: EXTRAORDINARY COSTS OF OPERATION & MAINTENANCE:

27 In the event a contracting community delivers or discharges
28 a substance, chemical or wastewater whose characteristics are

1 such that it causes a disruption of the wastewater treatment pro-
2 cess or causes damage to the facilities, the contracting community
3 shall pay the reasonable and necessary costs including any fines
4 for improper discharges which may be levied on the Regional
5 Wastewater System over and above the ordinary costs of operation
6 and maintenance that would be required to restore the facilities
7 and maintain them in proper operating condition.

8 SECTION 17: QUALITY OF WASTEWATER DISCHARGED INTO
9 REGIONAL WASTEWATER SYSTEM

10 Agency will adopt a waste source control regulation restrict-
11 ing and controlling the quality of wastewater being discharged
12 into the regional wastewater system. The contracting community
13 agrees to monitor and control the quality of wastewaters being
14 discharged into the community sewer system so as to insure
15 compliance with said regulation.

16 If the wastewater discharged by the contracting community
17 to the regional wastewater system does not comply with provisions
18 of the regulation thereby causing the Agency to be in violation
19 of its waste discharge requirements as established by the appro-
20 priate State and Federal authorities, the contracting community
21 shall be liable and shall pay for its equitable share of any
22 costs incurred by the Agency for such violation, including any
23 civil fines or penalties, or cleanup costs which may be imposed
24 on the Agency for such violation.

25 The quality criteria established in the said proposed waste
26 source control regulation may be amended from time to time, pro-
27 vided that such modifications shall be applicable throughout the
28 area served by the regional wastewater system.

1 SECTION 18: REGIONAL WASTEWATER SYSTEM
2 MANAGEMENT ADVISORY COMMITTEE:

3 Agency shall establish a RWSMAC to assist Agency in the per-
4 formance of its functions in planning, administering, operating
5 and maintaining the regional wastewater system.

6 The RWSMAC shall study, review, advise and recommend to
7 the Agency regarding discretionary findings, determinations and
8 decisions to be made by the Agency in regard to the proposed
9 plans, operations and expenditures of the regional wastewater
10 system.

11 When any recommendation or advice of the Committee is re-
12 ceived by the Agency, action consistent therewith may be taken
13 by Agency. If the Agency is unwilling or unable to act pursuant
14 to such recommendation or advice, Agency shall hold a public
15 hearing, upon reasonable notice to all communities, members of
16 the Committee and the public, and thereafter make written find-
17 ings of the decision and act in accordance therewith.

18 The members of the RWSMAC shall consist of two members from
19 each of the contracting communities and the general manager of
20 the Agency or his representative.

21 The members on the Committee or their alternates shall be
22 appointed by and serve at the pleasure of the governing body of
23 the entity or their respective communities. Within thirty (30)
24 days after the effective date of this service agreement, the
25 members of the Committee and their alternates shall be appointed
26 and the Agency notified in writing of the persons appointed. A
27 vacancy on the Committee shall be filled by the appointing author-
28 ity of the contracting community within thirty (30) days of its

1 occurrence.

2 A majority of the RWSMAC shall constitute a quorum for the
3 transaction of the affairs of the Committee. Action taken by an
4 affirmative vote of a majority of the Committee shall constitute
5 action by the Committee.

6 At its first meeting, and thereafter at its first meeting of
7 each calendar year, the RWSMAC shall elect a chairman and vice-
8 chairman from its members. It shall also select a secretary and
9 such other officers as it may wish to assist in its functioning.

10 Minutes of all Committee meetings shall be kept and draft
11 copies thereof shall be mailed or otherwise furnished to any
12 person who files a request in writing with the Committee. The
13 copies of the minutes shall constitute notice of any Committee
14 action therein reported, and failure to request copies thereof
15 shall constitute waiver of notice.

16 The Committee shall hold regular meetings at a place and
17 time to be specified in the rules to be adopted by the Committee.
18 Notice of regular meetings of the Committee shall be mailed to
19 all persons who shall have filed a request therefor with the
20 Committee.

21 Special meetings of the Committee may be called at any time
22 by the Chairman or by a majority of the members of the Committee
23 by delivering a written notice either personally or by mail to
24 each member of the Committee, news media and to each person
25 requesting such notice, at least 24 hours before the time of each
26 such meeting.

27 In addition to providing the Agency with general assistance
28 regarding the planning, administering, operating and maintaining

1 the regional wastewater system, the Regional Wastewater System
2 Management Advisory Committee shall have the following responsi-
3 bilities:

4 A. Each year review and make appropriate recommendations
5 to the Agency regarding the estimated total operation and main-
6 tenance costs and estimated revenues expected from septic tank
7 pumping discharges and sales of treated effluent and byproducts.

8 B. Review and make recommendations concerning any pro-
9 posed changes to the system of operation and maintenance user
10 charges.

11 C. Recommend to Agency for its consideration the method of
12 recovery for the capital-related portion of the user charges.

13 D. Select annually an independent certified public account-
14 ant for the purpose of conducting an audit of I.D. No. 1.

15 E. Pursuant to the Agency policy stated in Resolution No.
16 282-75, develop in cooperation with the Agency the objectives and
17 scope of work for a management study of the regional wastewater
18 system including the selection of a consultant to conduct the
19 study, guidance to the consultant during the conduct of the
20 study and recommendations to the Agency regarding the future man-
21 agement of the regional system. The study shall be completed
22 within two years of the startup of the wastewater treatment plant.

23 SECTION 19: DELIVERY POINTS:

24 The contracting community shall collect and deliver waste-
25 water from its community sewer system to the regional wastewater
26 system at the delivery point described in Exhibit "B" attached
27 hereto and made a part hereof. Agency shall receive said waste-
28 water into its regional system at that point, and for treatment

1 and disposal.

2 SECTION 20: MEASUREMENT OF FLOW:

3 A. Agency shall measure, record and/or sample all waste-
4 water delivered into the regional wastewater system by all con-
5 tracting communities, and shall maintain accurate and complete
6 records of its measurement and/or sampling program.

7 The Agency shall purchase, maintain, calibrate and operate
8 at its expense, all flow measuring devices and equipment. Said
9 flow measuring devices and equipment shall be of sufficient capa-
10 city to measure the quantity of wastewater contemplated by this
11 agreement and shall be of type and quality agreed upon by parties
12 hereto.

13 B. Metering Schedule for VSD, CSA No. 64 and George AFB:

14 At a minimum, wastewater flows from VSD, CSA No. 64 and
15 George AFB shall be metered on four separate occasions during the
16 year; each flow measuring period shall be for a duration of seven
17 (7) continuous days. Wastewater flows from each community, how-
18 ever, do not have to be measured concurrently. Wastewater flows
19 shall be measured during dry weather at some time during the
20 months specified in the following schedule:

21 VSD and CSA No. 64 - March, June, September, and December

22 George AFB - February, May, August and November

23 The average wastewater flow measured during the four week period
24 shall be determined by the Agency for each community and the ratio
25 of these computed average daily flows (in mgd) shall be used in
26 accordance with the provisions of Sections 12 and 13 in calculating
27 the O & M user charges.

28 C. Meter Test: Agency shall inspect and test the flow

1 meters, at intervals of no longer than one (1) year. On written
2 request of the contracting community, the Agency and the contract-
3 ing community representative shall make additional tests
4 of any or all meters at the delivery point. The cost of such
5 additional tests shall be borne by the Community if the percentage
6 error is found to be not more than five (5) percent slow or fast.

7 SECTION 21: MUTUAL RIGHTS OF ENTRY AND INSPECTION:

8 The Agency and the contracting Community each agree that the
9 other shall be allowed to enter onto the property of the other,
10 and may inspect the facilities and operation of the regional
11 wastewater system and the contracting communities' collector
12 systems and the records of operation and maintenance of each of
13 them at reasonable times.

14 SECTION 22: RECORDS AND ACCOUNTS:

15 The Agency shall keep proper records and accounts in which
16 complete and correct entries shall be made of all costs and ex-
17 penses and receipts and disbursements relating to the acquisition,
18 construction, administration, operation, maintenance, repair and
19 replacement of the regional wastewater system and I. D. No. 1 and
20 its annexations. Said records and accounts shall be subject to
21 inspection by any duly authorized representative of the contract-
22 ing Community upon written request.

23 The records and accounts shall be audited annually by an
24 independent certified public accountant appointed by the Agency,
25 and a copy of the report of such accountant or accountants shall
26 be furnished to the contracting Communities.

27 The Agency shall make an annual report of all the finances
28 relating to receipts, disbursements and balances relating to the

1 regional wastewater system and I.D. No. 1 as well as its annexa-
2 tions and furnish a copy to the contracting Communities. The
3 expense of the audit and report and all normal record keeping and
4 accounting shall be a cost of operation of the regional wastewater
5 system.

6 SECTION 23: INSURANCE:

7 Agency shall carry and maintain, with responsible insurers,
8 insurance against loss or damage to the facilities of the regional
9 wastewater system, in amounts and character as said insurance is
10 customarily maintained with respect to works of like character.
11 Agency shall also carry and maintain with responsible insurers,
12 workmen's compensation insurance and insurance against public
13 liability and property damage as may relate to or develop from
14 the regional wastewater system.

15 The premiums on all such insurance relating to the regional
16 wastewater system shall be part of the operation and maintenance
17 expense of said system.

18 Certificates of insurance shall be delivered to the con-
19 tracting Communities upon request.

20 SECTION 24: NOTICE:

21 Notices authorized or required to be given by any provision
22 of this agreement shall be deemed to have been given upon delivery
23 or upon deposit in the mails.

24 Notice shall be given to the parties by delivery or mailing
25 to the following officers of the parties at the following address:

26 AGENCY: Secretary, Mojave Water Agency
27 16849 "D" Street
28 Victorville, California 92392

1 COMMUNITY:
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8 At any time, a party may give written notice to the other
9 party of a change in the designated officer or his address.

10 SECTION 25: SEVERABILITY OR PARTIAL INVALIDITY:

11 The invalidity of any provision of this service agreement
12 that does not operate in substantial derogation of its terms, shall
13 not affect the validity of the remainder thereof.

14 SECTION 26: AMENDMENTS TO THE SERVICE AGREEMENT:

15 The Agency realizes that concerning the regional wastewater
16 concept there are unusual, unique and extraordinary situations
17 that may occur which are peculiar to the separate communities
18 that will be contractors of the regional wastewater system.
19 With respect to specific conditions or situations that may occur,
20 the Agency and the respective contracting community may nego-
21 tiate to resolve any conflicts and to amend the service agreement
22 to satisfy the special requirements of any particular contracting
23 community and the Mojave Water Agency.

24 Any such amendment must be equitable to the entire I.D.
25 No. 1 and will not favor any entity over another and must be in
26 compliance with the Fair and Equitable clause, incorporated
27 herein as Exhibit "A", State of California Grant Contract,
28 paragraph 13 (f).

1 This agreement shall not be binding upon any party if the
2 Agency is unable to comply with any state or federal contractual
3 condition or requirement in addition to those now provided for
4 herein.

5 SIGNATURES

6
7 Approved as to form and
8 execution:

9 Edward F. Taylor
10 Edward F. Taylor, Counsel
for Mojave Water Agency

11 Date: Nov 29, 1976

MOJAVE WATER AGENCY

By: Glenn R. Gaines
Glenn R. Gaines, Preside

Date: NOV 29, 1976

VICTORVILLE SANITARY DISTRICT

By: Robert O'Day
Robert O'Day, President of
the Board of Directors of
Victorville Sanitary District

Date: Nov. 17, 1976

CITY OF VICTORVILLE

By: Humberto Lugo
Humberto Lugo, Mayor
City of Victorville

Date: December 6, 1976

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SIGNATURES

Approved as to form and execution:

Edward F. Taylor
Edward F. Taylor, Counsel
for Mojave Water Agency

Date: Nov. 29, 1976

MOJAVE WATER AGENCY

By: *Glenn B. Gaines*
Glenn B. Gaines, Preside

Date: NOV 29 1976

COUNTY SERVICE AREA 42

By: *Dennis Hansberger*
Dennis Hansberger, Chairman
of the Board of Supervisors
of San Bernardino County
acting in its capacity as
the governing body of County
Service Area 42.

Date: DEC 20 1976

1 This agreement shall not be binding upon any party if the
 2 Agency is unable to comply with any state or federal contractual
 3 condition or requirement in addition to those now provided for
 4 herein.

SIGNATURES

7 Approved as to form and
8 execution:

9 Edward F. Taylor
 10 Edward F. Taylor, Counsel
 11 for Mojave Water Agency

12 Date: Nov 29, 1976

MOJAVE WATER AGENCY

13 By: Glenn R. Gaines
 14 Glenn R. Gaines, Preside

15 Date: Nov 29, 1976

HESPERIA COUNTY WATER DISTRICT

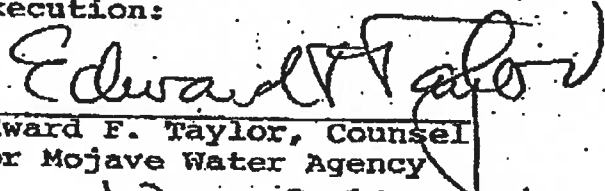
16 BY: George L. Stone
 17

18 Date: 12-1-76

1 This agreement shall not be binding upon any party if the
2 Agency is unable to comply with any state or federal contractual
3 condition or requirement in addition to those now provided for
4 herein.

5 SIGNATURES

7 Approved as to form and
8 execution:

9 
10 Edward F. Taylor, Counsel
for Mojave Water Agency


11 Date: Nov 29, 1976

MOJAVE WATER AGENCY

By: 
Glenn R. Gaines, Preside

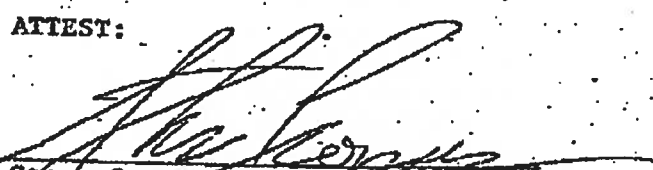
Date: Nov 29, 1976

16 CITY OF ADELANTO

17
18 By: 
Joan T. Robinson, Mayor
City of Adelanto

19
20 Dec 9, 1976

21 ATTEST:

22 
23 Steve Cropsey, Deputy City Clerk
24 City of Adelanto

1 .SIGNATURES:

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3

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Joan T. Robinson
Joan T. Robinson
Mayor, City of Adelanto

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Hastell F. Hollis
Hastell F. Hollis
Councilman, City of Adelanto

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Jerry D. Long
Jerry D. Long
Councilman, City of Adelanto

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