

**CLERK'S
COPY**

62 (3)
APR 05 1983

CITY OF SAN JOSE

MASTER AGREEMENT
FOR
WASTEWATER TREATMENT
BETWEEN

CITY OF SAN JOSE, CITY OF SANTA CLARA
AND
CITY OF MILPITAS

dated as of
March 1, 1983

T A B L E O F C O N T E N T S

PART I	DEFINITIONS.	1
PART II	CAPACITY RIGHTS GRANTED TO AGENCY.	4
	A. General	4
	B. Capacity Rights	4
	C. San Jose/Santa Clara Water Pollution Control Plant Engineering Study	5
	D. Restrictions and Regulations Respecting Nature, Kind, Type and Strength of Sewage	5
	E. Reports, Data and Maps to be Provided by Agency	5
	F. Area Restrictions	5
PART III	FUTURE DISCHARGE CAPACITY RIGHTS	6
	A. Redistribution of Capacity Rights	6
	B. Acquisition of Additional Capacity Rights with Plant Expansion.	6
	C. Acquisition of Additional Capacity Rights without First Parties Initiated Plan Expansion	7
	D. Adjustments to Capacity Rights Due to Operating Conditions	7
PART IV	LAND	8
	A. Participation	8
	B. Sale of Land	9
PART V	AMOUNTS PAYABLE BY AGENCY TO FIRST PARTIES	9
	A. Payments for Existing Capacity Rights in the Intermediate-term and First Stage Expansion Projects	9
	B. Payments for Additional Capacity Rights	9
	C. Payments for Future Improvements	10
	D. Payments for Operation and Maintenance Costs.	10
	E. Method of Payment	11
	F. Credits	12
	G. General	12
PART VI	SAN JOSE-SANTA CLARA TREATMENT PLANT ADVISORY COMMITTEE.	13
	A. Creation and Membership	13
	B. Alternate Members	13
	C. Chair	14
	D. Secretary	14
	E. Meetings	14
	F. Procedure	14
	G. Powers and Duties	14
	H. Action Upon Recommendation	16
	I. Expenses	17
PART VII	MISCELLANEOUS PROVISIONS	17
	A. Effective Date and Duration of Agreement	17
	B. Extension, Renewal or Amendment to the Agreement	17
	C. Use of Treatment Plant after Expiration of Term	18
	D. Termination	18
	E. Sale or Transfer by First Parties	18
	F. Industrial Waste Program	18
	G. Claims of Breach of Agreement of Inequities	19
	H. Liability	20
	I. Compliance with Federal and State Laws and Regulations.	20
	J. Assignment	21
	K. Successors and Assigns	21
	L. Waivers	21
	M. Performance	21
	N. Insurance	22
	O. Notices	22
	P. Notices	23
PART VIII	SPECIAL PROVISIONS	23
	A. Termination of Agreements	23

EXHIBIT A ESTIMATED REPLACEMENT COST OF PLANT AND EQUIPMENT
EXHIBIT B AGENCY TREATMENT PLANT CAPACITY ALLOCATION
EXHIBIT C LAND DISTRIBUTION
EXHIBIT D AGENCY PARTICIPATION IN INTERMEDIATE-TERM AND FIRST
STAGE EXPANSION PROJECTS
EXHIBIT E ADMINISTERING AGENCY
EXHIBIT F SERVICE AREA
EXHIBIT G BASIC CHARGE AMORTIZATION SCHEDULE
EXHIBIT H SEWER INTERCEPTOR EASEMENT

AGREEMENT BETWEEN CITIES OF SAN JOSE AND SANTA CLARA
AND AGENCY RELATING TO SAN JOSE/SANTA CLARA WATER
POLLUTION CONTROL PLANT.

This AGREEMENT is made and entered into this 10th day of May, 1983, by and between the CITY OF SAN JOSE and the CITY OF SANTA CLARA, both being municipal corporations of the State of California (hereinafter referred to as "First Parties"), and the CITY OF MILPITAS (hereinafter referred to as "Agency").

PART I

DEFINITIONS

A. Administering Agency.

The City of San Jose is and shall be the Administering Agency of this Agreement and as such shall execute and administer this Agreement in accordance with Section VIII of the 1959 Agreement attached hereto as Exhibit E.

B. Agencies.

The term "Agencies" shall be those tributary agencies discharging wastewater into the San Jose/Santa Clara Water Pollution Control Plant, previously referred to as "outside users" in the 1959 Agreement.

C. 1959 Agreement.

The term "1959 Agreement" shall mean the Agreement between San Jose and Santa Clara, dated May 6, 1959 and entitled "Agreement between San Jose and Santa Clara Respecting Sewage Treatment Plant," as such Agreement now reads or as it may hereafter from time to time be amended or renegotiated.

D. Capacity.

The term "capacity" shall mean the Mean Peak Five (5) Day Dry Weather Plant Treatment capacity as contained in Exhibit "A," attached hereto and incorporated herein by reference as if fully set forth.

E. Director.

The term "Director" shall mean the Director of Water Pollution Control for the City of San Jose.

F. Engineering Study.

The term "Engineering Study" shall mean those studies that the First Parties shall cause to be made when the Plant has reached eighty-five percent (85%) of its designed capacity, beginning with 167 MGD and for every incremental capacity increase thereafter. The first Engineering Study shall be performed when the mean peak five day dry weather flow to the Plant reaches 142 MGD. The Engineering Study shall include an analysis of capacity needs, the size and nature of proposed facilities to be constructed, a construction timetable and an estimate of total project costs, and an estimate of each participating agency's share of project cost.

G. Exhibits.

The term "Exhibits" shall mean those Exhibits attached to this Agreement and incorporated into this Agreement by reference as if fully set forth. These Exhibits may be modified as contract amendments or amended from time to time as necessary to reflect changes of fact. The Exhibits shall be reviewed annually, or at such other times as significant changes occur, by the Treatment Plant Advisory Committee, which body shall recommend any modifications or amendments required.

H. First Stage Expansion.

The term "First Stage Expansion" shall mean that portion, as is presently described in the report of CH2M Hill, engineers, entitled "San Jose/Santa Clara Water Pollution Control Plant, Capital Improvement Program, Executive Summary, Revised June, 1982" and dated June 25, 1982, or as amended or revised, which consists of improvements to all areas of the Plant and expansion of the Liquid Process, Process Control System, Sludge Processing and Disposal and will provide a capacity of 167 mgd.

I. Interest.

Interest will be to the extent permitted by law, equal to the rate of interest set forth in the monthly report to the Council of the City of San Jose, prepared by the Director of Finance of San Jose, with respect to said City's portfolio and interest earnings thereon.

J. Intermediate-Term Improvements.

The term "Intermediate-Term Improvements" shall mean that portion, as is presently described in the report of CH2M Hill, engineers, entitled "San Jose/Santa Clara Water Pollution Control Plant, Capital Improvement Program, Executive Summary, Revised June, 1982" and dated June 25, 1982, or as amended or revised, which consists of six (6) elements, as outlined in Chapter 2 of said report, which are designated to provide the Plant with a mean peak five (5) day dry weather treatment capacity of 143 mgd.

K. Operating and Maintenance Costs.

Any and all costs and expenses incurred by the Administering Agency, for the administration, operation, maintenance and repair of the Plant, including but not limited to supplies and materials, labor, services, power, chemicals, laboratory control and monitoring, insurance, general administration and incidental items incurred during normal operations. Also included are those expenditures for ordinary repairs necessary to keep the facilities in proper operating conditions.

L. Parameters.

The term "parameters" shall mean the four (4) treatment parameters of Flow, Biochemical Oxygen Demand (BOD), Suspended Solids (SS), and Ammonia (NH_3) as expressed in terms of estimates which are the common denominator for computing annual and/or daily loadings.

M. Plant (Existing Treatment Plant).

The term "Plant" shall mean the "San Jose/Santa Clara Water Pollution Control Plant".

N. Replacement Costs.

All capital expenditures for obtaining and installing equipment, accessories or appurtenances which are necessary during the service life of the Plant to maintain the capacity and performance for which the Plant was designed and constructed except:

1. Major rehabilitation which will be needed as individual

unit processes or other facilities near the end of their useful lives;

2. Structural rehabilitations;
3. Plant expansions or upgrades to meet future user demands.

O. Replacement Fund.

Replacement fund shall mean those monies deposited with the administering agency for the replacement of capital facilities at the Plant.

P. TPAC.

The term "TPAC" shall mean the Treatment Plant Advisory Committee.

PART II

CAPACITY RIGHTS GRANTED TO AGENCY

A. General.

Commencing on the effective date of this Agreement, and thereafter during the term of this Agreement, and subject to all the conditions, limitations, restrictions, terms and provisions contained in this Agreement, and Agency's faithful compliance with and performance of the same, First Parties hereby grant to Agency a right to discharge wastewater into the Plant and to have the same treated and disposed of in and by said Plant the same as wastewaters of First Parties.

B. Capacity Rights.

First Parties have designed the Plant to provide for capacity to treat and dispose the volume and strength of wastewater specified in Exhibit "A". Agency shall be entitled for the duration of this Agreement to use the capacity as set forth in said Exhibit "A". First Parties and Agency agree not to discharge more than its capacity in the parameters as is specified in said Exhibit "A", except with the approval and agreement of the First Parties hereto in accordance with the terms and conditions hereinafter provided, or as provided in Part III. Any continuous and intentional violation of capacity rights will be considered a material breach of this Agreement and will be given priority in the claim of breach

process as set forth in Part VII Section G.

C. San Jose/Santa Clara Water Pollution Control Plant Engineering Study.

First Parties agree to make an Engineering Study to redefine all Agencies' future needs as set forth in Part I, Section F.

D. Restrictions and Regulations Respecting Nature, Kind, Type and Strength of Sewage.

First Parties shall inform Agency of the Industrial Waste Ordinance of the City of San Jose concerning the type and condition of discharge which would be detrimental to the Plant. Each party to this Agreement shall adopt and enforce ordinances, resolutions, rules and regulations to conform to the restrictions of said Ordinance. Any waiver to the above must be authorized by written Resolution of both the Council of the City of San Jose and the Council of the City of Santa Clara. Each party to this Agreement shall also comply with the applicable statutes, ordinances, rules and regulations of agencies of the United States of America, and the State of California.

E. Reports, Data and Maps to be Provided by Agency.

It is mutually agreed that all parties shall prepare and file with the Director reports, data and maps as deemed necessary by the Director and Agency.

F. Area Restrictions.

Agency, unless otherwise authorized by written resolutions of the governing boards of both the City of San Jose and the City of Santa Clara shall not, and agrees that it will not, discharge or cause, allow, permit or suffer to be discharged into the Plant, or into any sewer line or lines which convey either directly or indirectly any wastewater to the Plant, any wastewater which is produced in, or emanates, or comes from any territorial property situated outside the service area map attached as Exhibit E.

First Parties and Agency further agree not to discharge, or cause to be discharged, any wastewater into any sewer line or lines of the other party, either directly or indirectly,

conveying wastewater to the Plant without written authorization of the owner of the sewer line.

PART III

FUTURE DISCHARGE CAPACITY RIGHTS

A. Redistribution Of Capacity Rights.

1. In order to dispose of capacity, any Agency or First Parties may designate all or a portion of its capacity right as "excess pooled capacity," which shall be available for disposal as hereinafter provided.
2. Any Agency or First Parties may acquire excess pooled capacity as recommended by TPAC. Any Agency or First Parties may acquire excess pooled capacity at the replacement cost as described in Exhibit "B" plus that portion of the selling party's replacement balance remaining in the Replacement Fund maintained by the Administering Agency.
3. If requests for excess pooled capacity total more than the excess pooled capacity available, then TPAC will allocate the pooled capacity actually available in a manner to most closely achieve the same planning horizon for all requesting parties.

B. Acquisition of Additional Capacity Rights With Plant Expansion.

Agency shall have the right to participate in Plant expansions for the purpose of increasing the capacity right into the expanded Plant, subject to the following terms and conditions:

1. Before commencing the design of any such additions, improvements or changes, First Parties shall give Agency written notice of their intention to expand the Plant, and the design year for the proposed expansion, as set forth in the Engineering Study prepared in accordance with Part II, Section C.
2. Within ninety (90) days from and after the giving of such notice, Agency shall notify First Parties in writing whether it wishes to participate in the proposed expansion,

and the amount of capacity desired to serve until the design year. If Agency fails to give such notice within such time, it shall be deemed to have elected not to participate in such expansion.

3. If Agency elects not to participate in such expansion, it will pay no part of the cost of the additions, improvements and changes which are made for the purpose of increasing the capacity of the Plant.
4. If Agency elects to participate in such expansion, it shall pay to First Parties that part of the total cost of such additions, improvements and changes as defined in Part V, Section B.
5. If the needs of all parties are different than the next feasible increment of plant expansion capacity as described in the Engineering Study, then TPAC will allocate the capacity available in a manner to most closely achieve the same planning horizon for all requesting parties.

C. Acquisition of Additional Capacity Rights Without First Parties Initiated Plant Expansion.

If Agency should desire to increase its capacity right into the Plant at a time when no expansion of the Plant as described in the Engineering Study, is proposed by First Parties and no excess pooled capacity is available, then Agency may seek additional capacity by the following method:

If requested by Agency, First Parties shall initiate a Special Engineering Study to determine the most feasible means to add to the Plant that capacity requested by Agency. When Agency agrees to pay for such increment, then First Parties shall expand the Plant by such increment. This right shall not be exercised within five (5) years of completion of the latest Engineering Study.

D. Adjustment to Capacity Rights Due to Operating Conditions.

1. In the event of a major Plant facility failure caused by an earthquake, explosion, war, flooding or the like,

reductions in operational capacity and any cost of restoration shall be borne by all Agencies, including San Jose/Santa Clara and Agency in accordance with a revised Exhibit "A", and the cost of restoration shall be borne proportionately.

2. Any changes in Plant capacity which either increase or decrease the capacity of the Plant, resulting from any means whatsoever, shall be proportioned to each agency including San Jose and Santa Clara in accordance with a revised Exhibit "A".
3. TPAC shall determine annually, during the month of November, the operational capacity and productive use of the Plant in all parameters for all parties and the remaining design capacity of the Plant.
4. Agency and First Parties shall not exceed the capacity rights agreed upon pursuant to Exhibit "A".
5. If at any time, prior to the completion of the Intermediate-term Improvements, it becomes necessary to allocate connections to the sewer systems of the combined agencies; in that event, to the extent permitted by law, First Parties will receive forty percent (40%) of the connections of whatever type and all other dischargers will receive sixty percent (60%) of the connections of whatever type. Agency's share will be determined by Agreement among the Agencies. This paragraph shall only remain in effect until completion of the Intermediate-term Improvements.

PART IV

LAND

A. Participation.

Participation and rights in Plant land shall be as described in Exhibit "C".

B. Sale of Land.

It is mutually agreed between First Parties and Agency that if First Parties should, during the term of this Agreement, sell or otherwise dispose of any of the lands of Exhibit "C" which is or are no longer needed for Plant purposes, Agency shall have the right to share in any revenue derived from such sale by First Parties proportionally in accordance with Exhibit "C."

PART V

AMOUNTS PAYABLE BY AGENCY TO FIRST PARTIES

A. Payments For Existing Capacity Rights In The Intermediate Term And First Stage Expansion Projects.

Payments for capacity rights in the Intermediate-term and First Stage Expansion projects shall be as described in Exhibit "D".

B. Payments For Additional Capacity Rights.

1. Payments With Plant Expansion. All payments associated with a Plant expansion as outlined in Part III, Section B, shall be paid for in proportion to the capacity rights requested in the basic parameters or based upon appropriate ratios of Agency design parameters to total project design parameters times total project cost.
2. Payments Without Planned Expansion. Should Agency elect to obtain additional capacity rights at a time when First Parties do not intend to expand Plant as designated in Part III, Section B, the expenses associated with this addition of capacity rights shall be the sole responsibility of Agency. All payments for studies, designs and construction to provide additional capacity shall be deposited with the Administering Agency.
3. Payments for Transfer of Capacity Rights. Transfers of capacity rights between First Parties and Agency or between Agency and Agencies, shall be recommended by the Treatment Plant Advisory Committee and approved by First Parties and based upon the pooled capacity cost deter-

mined in Part IV, Section A. Transfer of capacity rights shall be based upon written agreement between the participating parties. Payment shall be due and payable as provided in said agreement.

C. Payments For Future Improvements.

1. All payments associated with future improvements at the Plant shall be made on the basis of Agency's existing capacity rights. Final payment shall be determined based upon actual project cost. This payment shall be a proportional share in accordance with a revised Exhibit "A".
2. First Parties shall, not later than March 1st, of any fiscal year, provide Agency with a preliminary estimate of the amount of money required from Agency for future improvements or replacements for the ensuing fiscal year.

D. Payments For Operation And Maintenance Costs.

1. First Parties, Agency and Agencies shall bear the cost of the operations and maintenance expenses of the Plant. This cost shall be determined based upon the parameters of Agency's actual discharge into the Plant. Agency shall provide to First Parties, by December 1st of each year, data indicating expected discharge for the ensuing fiscal year.
2. First Parties shall, not later than March 1st of each year, provide Agency with a preliminary estimate of the amount of money required to operate and maintain the Plant for the ensuing fiscal year. In addition, First Parties shall indicate Agency's estimated annual share for operation and maintenance costs as apportioned to treatment parameters.
3. Agency shall provide to First Parties a copy of Agency's adopted annual sewer revenue program by August 1st of each year. This revenue program shall conform to all federal and/or state guidelines as now exist or may exist in the future.

4. During the first quarter of each fiscal year, TPAC shall review each Agency's total discharge to the Plant for the preceding fiscal year in terms of the parameters. Adjustments in costs, if any, resulting from this review shall be made in accordance with Part V, Section E, Paragraph 3b herein.

E. Method Of Payment.

1. Capital and Land Acquisition. All payments for capital and land acquisition shall be on a quarterly basis, the first quarter beginning July 1st. These invoices shall be presented at the beginning of the quarter in which the obligation is anticipated to occur. The date of financial obligations for capital expenses and land acquisitions shall be the date of award of contract. These payments shall be based upon the budget for capital costs for the Plant as recommended by TPAC and approved by the Administering Agency.
2. Operation and Maintenance Costs. All payments for operation & maintenance expenses shall be made on a quarterly basis, the first quarter beginning July 1st. Invoices for these payments shall be presented at the beginning of the quarter in which the obligation is anticipated to occur. These payments shall be based upon the budget for operation and maintenance costs for the Plant as recommended by TPAC and approved by the Administering Agency.
3. General Information.
 - a. All bills shall be paid to the Administering Agency within Forty-five (45) days from presentation. Interest will be charged on any late or unpaid bills.
 - b. Adjustments in any payment described above shall be on the basis of actual payment to actual expenditures and shall be made no later than the third quarter billing of the following fiscal year. A statement outlining the method of adjusting costs and actual adjustments shall be included.

- c. Any and all monies which Agency is herein required to pay to First Parties shall be paid to the Administering Agency.

F. Credits.

1. Grants or Outside Financial Assistance. Any grants, recoveries, or outside financial assistance received, and any interest earned thereon, shall be credited to First Parties, Agencies and Agency in the quarter following receipt, along with a statement outlining the source of grant revenue and method of distribution. Grants or outside financial assistance shall be shared on the basis of the Agency's participation in the program for which the outside financial assistance is received.
2. Interest. Interest on moneys advanced, credits held for Agency, or amounts due from Agency, shall be determined on a monthly basis.
3. Revenues and Income. If First Party should, during the term of this Agreement, receive any income or revenues related to land, products or services at the Plant, then Agency shall be entitled to a share of the income. Agency's share shall be that proportion of such income based on Agency's contribution to the capital cost or O & M cost, whichever is applicable, during the fiscal year of receipt of such income.

G. General.

Payment to Agency of any moneys to which it may become entitled may be made by off-setting the amount of such moneys against any payments which Agency may be obligated to pay to First Parties under the provisions of this Agreement or Agency may request cash reimbursement of any credit balance. The request for cash reimbursement shall be honored by First Parties within forty-five (45) days following receipt of notice. Any additional payments requested from Agency shall be made with the third quarter payment.

PART VI

SAN JOSE-SANTA CLARA TREATMENT PLANT

ADVISORY COMMITTEE

A. Creation and Membership.

The San Jose-Santa Clara Treatment Plant Advisory Committee (TPAC), created by the 1959 Agreement, shall consist of nine (9) members. Three (3) of the members shall be members of the Council of the City of San Jose, shall be appointed by said Council, and shall serve at the pleasure of said Council. Two (2) of the members shall be members of the Council of the City of Santa Clara, shall be appointed by the Council of the City of Santa Clara, and shall serve at the pleasure of said Council. One (1) of the members shall be a member of the Council of the City of Milpitas, shall be appointed by said Council, and shall serve at the pleasure of said Council. One (1) of the members shall be a member of the governing body of the County Sanitation District No. 4 of Santa Clara County, shall be appointed by the governing body of the County Sanitation District No. 4, and shall serve at the pleasure of said body. One (1) of the members shall be a member of the governing body of the Cupertino Sanitary District, shall be appointed by the governing body of the Cupertino Sanitary District, and shall serve at the pleasure of said body. The ninth (9th) member shall be the City Manager of San Jose or a designated representative. No member shall have more than one (1) vote.

B. Alternate Members.

The Council of the City of San Jose may appoint three (3) of its Council members as alternate members of TPAC. The Council of the City of Santa Clara may appoint two (2) of its Council members as alternate members of TPAC. The Council of the City of Milpitas may appoint one (1) of its Council members as an alternative member of TPAC. The governing body of the County

Sanitation District No. 4 and the governing body of the Cupertino Sanitary District may each appoint one (1) of its members as an alternate member of TPAC. Said alternate members shall serve in the place and stead of any of the regular members whenever said regular member should be absent from a meeting of TPAC.

C. Chair.

At its July meeting, the members of TPAC shall elect a Chair of TPAC. The Chair shall serve as such until the election of his successor, or until cessation of membership on the TPAC, whichever is earlier. Vacancies in the office of the Chair occurring in-between regular elections, may be filled by TPAC electing a Chair elected to serve until the next regular election. The Chair shall preside at all meetings. In the event the Chair should be absent from any meeting, the members of TPAC may elect a Chair pro tem to serve as Chair during the latter's absence.

D. Secretary.

The Administering Agency shall provide a secretary for TPAC. Said secretary shall keep minutes of TPAC proceedings and shall also have custody of all books, records and papers of TPAC.

E. Meetings.

Regular meetings of TPAC shall be held at a time and place to be determined by TPAC. Special meetings may be called at any time by the Chair, to be held at a reasonable time and place specified in the notice calling the special meeting, subject to applicable requirements of law.

F. Procedure.

Except as may otherwise be provided by Resolution of TPAC, the procedure to be followed by TPAC at its meetings shall be that set forth in Robert's Rules of Order. TPAC may act by resolution or motion; a motion duly passed by TPAC and entered at length on TPAC's minutes may be deemed to be a resolution.

G. Power and Duties.

TPAC shall have the following powers and duties with respect to those items to be considered.

1. Make recommendations to First Parties and Agencies with respect to policy relating to the Plant and its maintenance, repair, expansion, replacement, improvement and operation.
2. Make recommendation to the legislative bodies of First Parties and Agencies with respect to proposed amendments and revisions to exhibits to this Agreement.
3. Make recommendations to both First Parties and Agencies with respect to the advisability of selling interests in the Plant.
4. Make recommendations to First Parties with respect to the advisability of entering into contracts with other entities desiring to use the Plant on a rental or other basis.
5. Make recommendations to the Administering Agency and Agencies as to type and amount of insurance to be purchased for the Plant.
6. Annually, during the month of May in each fiscal year, TPAC shall review and recommend to the legislative bodies of First Parties and Agencies, a proposed budget for the ensuing fiscal year for the maintenance, expansion, replacement, improvement and operation of the Plant.
7. Make recommendations to the Administering Agency with respect to the award of consultant, construction or service contracts relating to the Plant.
8. Annually, TPAC shall file with the legislative bodies of First Parties and Agencies, a report on Plant capacity pursuant to Part III, Section D, paragraph 3.
9. Make recommendations to First Parties and Agencies with respect to the redistribution of pooled excess capacity pursuant to Part III, Section A, paragraphs 1 and 2.
10. Periodically, TPAC shall review and make current, long range plans for expansion and/or improvement of the Plant

to provide for the anticipated Plant capacity required to accommodate the general plans of San Jose, Santa Clara and Agencies and to meet current wastewater discharge requirements.

11. Make recommendations to the legislative bodies of First Parties and Agencies with respect to claim of breach proceedings pursuant to Part VII, Section G.

H. Action Upon Recommendations.

The legislative bodies of First Parties or the Agencies, shall not adopt any motion, Resolution or Ordinance that is contrary to any recommendation submitted to it by TPAC with respect to the Plant and its maintenance, repair, expansion, replacement, improvement and operation without a finding of fact or facts justifying such contrary action. The finding of fact or facts shall be submitted in writing to TPAC within fifteen (15) days after any contrary action. All policy matters as determined by the Director requiring an adoption of a motion, Resolution or Ordinance by the Council of the City of San Jose relating to the Plant and its maintenance, repair, expansion, replacement, improvement and operation, shall first be submitted to TPAC for its recommendation and in sufficient time, as determined by the Administering Agency, to allow TPAC to make a recommendation thereon. The Council of the City of San Jose shall not act upon any such policy matter until it has received the recommendation from TPAC. If TPAC does not submit its recommendation to the Council of the City of San Jose within the prescribed time, the City Council may adopt such a motion, Resolution or Ordinance. If a legislative body is presented with any evidence not considered by TPAC in the making of any recommendation, then, prior to the taking of action contrary to said recommendation, if time permits as determined by the Administering Agency, the legislative body shall refer the matter back to TPAC for a supplementary report. Said supplementary report shall be submitted by TPAC

within thirty (30) days after reference, or such longer period as may be designated by the legislative body. If TPAC fails to make such supplementary report within the time specified, the legislative body is free to consider such evidence without TPAC recommendations. In the event of an emergency as determined by the Director, the above procedure may be waived.

I. Expenses.

Members of TPAC shall be reimbursed for all expenses reasonably incurred by them in the performance of their duties, and that provision therefor, shall be made in the annual budget. Such expenses shall be considered as "operating costs" of the Plant.

PART VII

MISCELLANEOUS PROVISIONS

A. Effective Date and Duration of Agreement.

It is hereby agreed that the effective date of this Agreement shall be the date on which all parties to this Agreement have executed same, and that this Agreement shall be in force and effect for a term beginning on said effective date and extending to, and including, and ending on January 1, 2031, or until sooner termination by mutual written agreement of the parties hereto or by operation of law or because of a material breach by one of the parties hereto.

B. Extension, Renewal or Amendment to The Agreement.

It is mutually agreed that the term of this Agreement may be extended or renewed only by mutual written agreement of the parties hereto and that this Agreement, including exhibits, may be amended or supplemented by a mutual written agreement of the parties hereto. This Agreement shall be reviewed in its entirety by First Parties and Agency in the year 2002. First Parties and Agency further agree that in the year 2030, they will meet and confer in good faith to negotiate a revised or new Agreement.

C. Use of Treatment Plant After Expiration of Term.

If for any reason the contract cannot be renewed in the year 2031, or subsequent to the termination date, the discharging Agency shall have the right to continue discharging to the Plant, provided all payments of Agency's share of Plant costs are made. All other rights under this Agreement shall cease.

D. Termination.

If for any reason this Agreement is terminated by mutual consent of both parties, then the discharging capacity rights of the Agency shall be considered "excess pooled capacity" pursuant to the terms of Paragraph III Section A.

This capacity shall be reserved for the Agency and Agency shall continue to pay for all costs associated with such capacity until such time as that capacity is either purchased by other users pursuant to the terms of this Agreement, or until failure of the Plant to treat wastewater.

E. Sale Or Transfers By First Parties.

Nothing in this Agreement contained shall be deemed to prohibit or restrict First Parties, or either of them, from selling, granting, assigning or otherwise transferring this Agreement or any part or interest therein, or the Plant or any part or interest therein, or any right to discharge wastewater therein and to have the same therein treated and disposed of, to any corporation, district, governmental organization or entity or to any other person or persons, provided that any such transaction shall be subject to such rights and privileges as First Parties and Agency may have under and by virtue of the provisions of this Agreement.

F. Industrial Waste Program.

The Administering Agency agrees to maintain personnel for the specific purposes of assisting all parties with matters concerning industrial waste. Such responsibilities shall include industrial waste monitoring, sampling and analysis, technical advice and surveillance of all industrial dischargers tributary to the Plant. The Administering Agency

agrees to be responsible for issuing notices of non-conformance within Agency's service area for violations of the ordinance requirements in Part II, Section D. Agency shall be responsible for the adoption and enforcement of any Industrial Waste Ordinance requirements. The Administering Agency shall endeavor to keep all dischargers informed of federal, state, county and city laws, rules, regulations, standards and ordinances relating to industrial waste requirements.

G. Claims of Breach of Agreement or of Inequities.

In the event any party to this Agreement should at any time claim that the other party has in any way breached or is breaching this Agreement, or that the Agreement is inequitable, the complaining party shall file with the legislative body or bodies of the other parties, and with TPAC, a written claim of said breach or inequity, describing the alleged breach or inequity and otherwise giving full information respecting the same. TPAC shall within two (2) months at a place specified by it, give all concerned parties full opportunity to be heard on the matter, and shall, upon conclusion of said hearing, give the legislative bodies of both parties a full report of its findings and recommendations. Said report, findings and recommendations shall be deemed advisory only; shall not in any way bind any of the parties hereto; and shall not be deemed to establish any facts, either presumptively or finally. Upon receipt of said report and recommendations, if any party is dissatisfied with or disagree with same, the legislative bodies of all parties concerned shall jointly meet with each other within two (2) months at a place to be determined by them, for the purpose of resolving their differences. No action for breach of this Agreement, and no action for any legal relief because of any breach or alleged breach of this Agreement shall be filed or commenced, and nothing shall be done by either party to rescind or terminate this Agreement, unless and until the

above provisions of this paragraph have been complied with and unless the complaining party has first given to the other party three (3) months from the conclusion of said joint meeting of said legislative bodies within which to cure any breach or alleged breach.

H. Liability.

It is mutually agreed that any liability of San Jose and/or Santa Clara, or of San Jose as the administrative agency for any damage to any such person or property arising or resulting from any dangerous or defective condition in the Plant or any part or property thereof, or arising or resulting from any act or omission of San Jose or Santa Clara or their respective officers, agents, employees or contractors, in the control, administration, construction, expansions, installation, operation, maintenance or repair of said Plant or any part or property thereof, shall be mutually shared and paid for by First Parties and Agencies on the basis of operations and maintenance or capital costs, whichever is applicable.

It is understood and agreed that First Parties in granting to Agencies certain discharge capacity rights in the Plant and to have wastewater treated and disposed of in said Plant, are not guaranteeing or warranting that the Plant will be able to satisfactorily treat such wastewater. In the event the Plant should for any reason other than by the gross negligence or intentional misconduct of First Parties be incapable of satisfactorily treating wastewater discharged into the Plant by Agency or First Parties, First Parties shall in no way be liable to Agency for any damages arising or resulting from or suffered because of the failure of the Plant to satisfactorily receive, hold, treat or otherwise dispose of wastewater.

I. Compliance With Federal and State Laws and Regulations.

Agency and First Parties agree to comply with any and all Federal, State, or local laws, the rules, regulations, standards and requirements of any Federal, State, or local board, commission, agency or similar body, and the decisions

of any court of competent jurisdiction which must be complied with to enable First Parties to qualify for Federal or State grants for the construction, improvement, administration, operation, maintenance, or repair of the Plant.

J. Assignment.

Agency shall not assign or transfer any interest nor the performance of any of Agency's obligations hereunder without the prior written consent of First Parties, and any attempt by Agency to so assign this Agreement or any rights, duties or obligations arising hereunder without written consent shall be void and of no effect.

K. Successors and Assigns.

It is mutually agreed by all the parties hereto that the agreements, covenants, conditions, limitations, restrictions and undertakings herein contained shall, subject to the provisions as to assignment, apply to and bind the successors and assigns of the respective parties hereto as if they were in all cases named.

L. Waivers.

One or more waivers of any term, covenant or condition by either party shall not be construed as a waiver of a subsequent breach of the same or any other term, covenant or condition and the consent or approval by either party to any act shall not be deemed to waive or render unnecessary either party's consent or approval for any subsequent similar act by the other party.

M. Performance and Time to be of The Essence.

It is understood and agreed that full and faithful compliance with and performance of each and every covenant and provision of this Agreement by the party or parties required to comply with or perform each such covenant or provision is and shall be of the essence; also that time is and shall be of the essence; also that such full and faithful compliance with and performance of each and every covenant and provision of this Agreement shall be deemed to be a material condition of this Agreement.

N. Insurance.

First Parties shall at all times maintain with responsible insurer or insurers sufficient insurance against loss or damage to the Plant as is customarily maintained with respect to loss and property of like character. Each party hereto shall be named as a co-insured. First Parties shall maintain with a responsible insurer or insurers, workmen's compensation insurance and insurance against public liability and property damage. The premiums on all such insurance shall be a part of maintenance and operating expenses.

O. Titles and Headings.

The sub-headings and titles of this Agreement are inserted for the convenience of reference only and shall not be taken or considered as having any bearing on the interpretation thereof.

P. Notices.

All notices shall be mailed to the address designated beneath the signatures of the parties hereto or as subsequently designated in writing by the parties.

PART VIII

SPECIAL PROVISIONS

A. TERMINATION OF AGREEMENTS

It is mutually agreed by all parties hereto that the following agreements heretofore entered into between the CITY OF SAN JOSE and the CITY OF MILPITAS; or between the CITY OF SANTA CLARA and the CITY OF MILPITAS; or between the CITY OF MILPITAS, and both the CITY OF SAN JOSE and the CITY OF SANTA CLARA relating to the Plant, and any and all supplements, addendums, changes, or amendments thereto, are hereby terminated.

1. July 10, 1973 Agreement between Cities of San Jose and Santa Clara and the Milpitas Sanitary District relating to sewage treatment plant.
2. January 25, 1974 Amendment to Agreement between Cities of San Jose and Santa Clara and Milpitas Sanitary District relating to sewage treatment plant.
3. July 16, 1979 Agreement between the Cities of San Jose, Santa Clara and Milpitas providing for the sharing of costs to be incurred in connection with the employment of a consultant or consultants for the preparation of a study or studies relating to the uses of reclaimed wastewater from the San Jose/Santa Clara Water Pollution Control Plant facility.
4. April 8, 1981 Settlement Agreement by and between the Cities of San Jose, Santa Clara and the City of Milpitas.
5. April 13, 1981 Agreement by and Between the Cities of San Jose, Santa Clara, and the City of Milpitas, Providing Interim Allocation of Treatment Capacity.

B. BASIC CHARGE

Agency agrees to pay \$1,350,803.00 to First Parties in order

to discharge wastewater and have it treated at the Plant. This cost represents an 8.5/160 share of the \$25,426,803 value of the Plant as determined for the July 10, 1973 Agreement between the Parties. Agency further agrees to make principal and interest payments to First Parties for this basic charge as shown in Exhibit G. Any payments of principal by Agency before payment date shall not incur any prepayment penalties. If any prepayments occur, Exhibit G shall be revised to reflect the appropriate reduction in interest due.

C. EASEMENTS

1. General

First Parties have conveyed by Quitclaim Deed an easement to Agency for sanitary force interceptors across land of the Plant as specifically described in Exhibit H. Agency shall have the right to discharge and conduct sewage into the interceptor to convey such sewage to the Plant subject to all terms and conditions of this Agreement and the easement. Agency shall maintain and repair said interceptors except in the case of damage caused by operations, procedures or activities of First Parties. First Parties agree to reimburse Agency at Plant expense for any damage which they may cause to interceptors within thirty (30) days of presentation of bill by Agency. First Parties agree to extend the term of the easement described in Exhibit H to January 1, 2031 or until termination of this Agreement, whichever occurs first.

2. Termination

Upon termination of this Agreement, Agency agrees to immediately reconvey said easement to First Parties. Upon termination, interceptors installed in said easement shall become the property of the Plant to maintain, repair, remove, dispose of, abandon, or use in any manner deemed best by First Parties. However, First Parties shall not exclude Agency from discharging into said interceptor until all provisions of Part VII, Paragraphs C and D have been met.

3. Relocation

If, during the term of this Agreement, First Parties deem it

necessary for the operation of the Plant to move or relocate any or all of the interceptor in said easement, then First Parties agree to do so at Plant expense and direction. In addition, First Parties shall be responsible for granting a new easement to Agency for all interceptors. Upon receipt of the new easement and upon completion of construction of the new interceptors, Agency agrees to reconvey the old easement to First Parties and accept maintenance of the new interceptor.

If Agency, during the term of this Agreement, should desire to relocate sewer interceptors, it agrees to first notify First Parties of its intentions to relocate and the proposed location of the new interceptor. First Parties shall then approve or disapprove proposed location based upon the operational needs of the Plant. If approved, Agency agrees to be solely responsible for the design and construction of the new interceptor within easements granted to Agency by First Parties.

IN WITNESS WHEREOF, San Jose, Santa Clara and Milpitas have caused this Agreement to be executed in their respective names and their respective seals to be affixed hereunto by their duly authorized officers, all as of the date first above written.

APPROVED AS TO FORM:

David A. Foy
Deputy City Attorney

ATTEST:

Helen E. Jackson
City Clerk **Helen E. Jackson**

APPROVED AS TO FORM:

Darryl F. McCarthy
Deputy City Attorney

ATTEST:

Robert Belush
City Clerk

APPROVED AS TO FORM:

NM Zoon
City Attorney

ATTEST:

Michael E. Obermayer
City Clerk

CITY OF SAN JOSE, a municipal corporation,

By *Thomas McNery*
Mayor **Thomas McNery**

Address CITY CLERK
Room 116, City Hall
801 No. First Street
San Jose, Calif. 95110

Telephone No. (408) 297-4424

CITY OF SANTA CLARA, a municipal corporation

By *W.A. Fischer*
Mayor

By *JRH Rausch*
City Manager

Address 1500 WARBURTON AVE
SANTA CLARA, CALIF 95050
Telephone No. (408) 984-3101

"First Parties"

CITY OF MILPITAS

By *James Rodgers*
Mayor

By *Michael E. Obermayer*
City Manager

Address 455 E Calaveras Blvd.
Milpitas, Ca. 95035
Telephone No. 942-2317

"Agency"

EXHIBIT ASAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANTTREATMENT PLANT CAPACITY ALLOCATIONS

The attached Tables 1-5 contain the Agencies' and First Parties' present permanent capacities in the 101 MGD Plant and capacities achieved by chemical use or implementation of the Intermediate-term Improvements and First Stage Expansion.

Table 1 - 101 MGD Present Permanent Capacity. The "Cost Allocation of Intermediate-term Improvements", excluding Phase II C, was approved by the Treatment Plant Advisory Committee on June 9, 1982. The capacities shown on Table 1 are the Agencies' and First Parties' downrated, permanent capacities in the 101 MGD Plant which served as the basis for the cost sharing calculations.

Table 2 - 132 MGD Chemically Assisted Plant. The Agencies' and First Parties' capacities contained in Table 2 were determined using the same method as in the "Cost Allocation of Intermediate-term Improvements." That is, the Agencies' and First Parties' 1979 anticipated capacities were reduced proportionally to determine their capacities in the 132 MGD chemically assisted Plant.

Table 3 - 138 MGD Chemically Assisted Plus Intermediate-term Phase I. Capacity increases beyond 132 MGD are allocated on a 60%-40% basis, with 60% of additional capacity going to the Agencies and 40% going to the First Parties, until such time as the Agencies' capacities in the 143 MGD Plant are restored.

The Agencies' 60% of additional capacity is redistributed to each Agency proportionally based on their existing capacities. In instances where an Agency does not need its full allotment of increased capacity, the excess capacity is reallocated to the other Agencies.

First Parties share 40% of additional capacity based on assessed valuation as provided in their 1959 Agreement.

Table 4 - 143 MGD Plant, Intermediate-term Improvements Implemented.
Table 4 contains the Agencies' and First Parties' share of the permanent 143 MGD Plant capacity to be provided by completion of the Intermediate-term Improvements.

Table 5 - 167 MGD Plant, First Stage Expansion. Increased capacity was allocated only to those Agencies that have elected to participate in Plant expansion to 167 MGD. Milpitas was allocated 2 MGD of the 24 MGD expansion, and the First Parties' share the remaining 22 MGD based on assessed valuation. BOD, SS, and Ammonia capacities were allocated in the same proportion as Flow. The other Agencies' capacities remain the same as in the 143 MGD Plant (Table 4).

TABLE 1

SAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANT

101 MGD PLANT
SUMMARY OF CAPACITY ALLOCATION*
(Present Permanent Capacity)

AGENCY	FLOW MGD	BOD K LBS/DAY	SS K LBS/DAY	AMMONIA K LBS/DAY
San Jose	63.804	316.391	232.025	14.169
Santa Clara	14.579	72.300	53.018	3.237
Subtotal	78.383	388.691	285.043	17.406
CSD #4	10.100	30.614	23.630	2.442
Cupertino	5.428	13.420	11.551	1.426
Milpitas	5.365	12.968	13.288	1.619
CSD #2-3	1.250	4.832	3.685	0.386
Burbank	0.253	0.676	0.674	0.081
Sunol	0.221	1.799	2.129	0.040
Subtotal	22.617	64.309	54.957	5.994
TOTAL	101.000	453.000	340.000	23.400

*The term "capacity" is defined as the mean peak five-day dry weather plant treatment capacity.

TABLE 2

SAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANT

132 MGD PLANT
SUMMARY OF CAPACITY ALLOCATION*
(Chemically Assisted Capacity)

AGENCY	FLOW MGD	BOD K LBS/DAY	SS K LBS/DAY	AMMONIA K LBS/DAY
San Jose	83.386	370.175	346.671	15.489
Santa Clara	19.054	84.585	79.215	3.539
Subtotal	102.440	454.760	425.886	19.028
CSD #4	13.200	35.561	36.851	2.370
Cupertino	7.095	16.327	18.014	1.506
Milpitas	7.012	15.777	20.723	1.486
CSD #2-3	1.634	5.311	3.724	0.479
Burbank	0.330	0.823	1.052	0.070
Sunol	0.289	1.441	1.750	0.061
Subtotal	29.560	75.240	82.114	5.972
TOTAL	132.000	530.000	508.000	25.000

*The term "capacity" is defined as the mean peak five-day dry weather plant treatment capacity.

TABLE 3

SAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANT

138 MGD PLANT

SUMMARY OF CAPACITY ALLOCATION*

(Chemically Assisted Plus Intermediate-term Phase I)

AGENCY	FLOW MGD	BOD K LBS/DAY	SS K LBS/DAY	AMMONIA K LBS/DAY
San Jose	85.340	375.059	351.230	15.489
Santa Clara	19.500	85.701	80.256	3.539
Subtotal	104.840	460.760	431.486	19.028
CSD #4	13.550	35.561	37.346	2.370
Cupertino	8.586	20.566	21.665	1.506
Milpitas	8.486	20.360	24.922	1.486
CSD #2-3	1.790	5.311	3.724	0.479
Burbank	0.399	1.001	1.107	0.070
Sunol	0.349	1.441	1.750	0.061
Subtotal	33.160	84.240	90.514	5.972
TOTAL	138.000	545.000	522.000	25.000

*The term "capacity" is defined as the mean peak five-day dry weather plant treatment capacity.

TABLE 4

SAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANT

143 MGD PLANT

SUMMARY OF CAPACITY ALLOCATION*
(Intermediate-term Improvements Implemented)

AGENCY	FLOW MGD	BOD K LBS/DAY	SS K LBS/DAY	AMMONIA K LBS/DAY
San Jose	89.385	389.759	358.460	15.489
Santa Clara	20.425	89.060	81.909	3.539
Subtotal	109.810	478.819	440.369	19.028
CSD #4	13.550	35.561	37.346	2.370
Cupertino	8.600	20.566	22.663	1.506
Milpitas	8.500	22.301	25.041	1.486
CSD #2-3	1.790	5.311	3.724	0.479
Burbank	0.400	1.001	1.107	0.070
Sunol	0.350	1.441	1.750	0.061
Subtotal	33.190	86.181	91.631	5.972
TOTAL	143.000	565.000	532.000	25.000

*The term "capacity" is defined as the mean peak five-day dry weather plant treatment capacity.

TABLE 5

SAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANT

167 MGD PLANT
SUMMARY OF CAPACITY ALLOCATION*
(First Stage Expansion)

AGENCY	FLOW MGD	BOD K LBS/DAY	SS K LBS/DAY	AMMONIA K LBS/DAY
San Jose	107.293	420.351	406.215	19.219
Santa Clara	24.517	96.051	92.821	4.392
Subtotal	131.810	516.402	499.036	23.611
CSD #4	13.550	35.561	37.346	2.370
Cupertino	8.600	20.566	22.663	1.506
Milpitas	10.500	25.718	30.374	1.903
CSD #2-3	1.790	5.311	3.724	0.479
Burbank	0.400	1.001	1.107	0.070
Sunol	0.350	1.441	1.750	0.061
Subtotal	35.190	89.598	96.964	6.389
TOTAL	167.000	606.000	596.000	30.000

*The term "capacity" is defined as the mean peak five-day dry weather plant treatment capacity.

SAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANT

REPLACEMENT COST OF PLANT & EQUIPMENT
JUNE 1982

FACILITY	ACQUISITION YEAR	ORIGINAL COST	REPLACEMENT COST
Original Primary Plant	1958	\$ 3,786,400	\$ 20,013,700
Plant Additions	1960	1,370,200	6,661,200
Plant Additions and New Secondary Facility	1963	24,166,800	112,840,300
Final Tanks	1965	1,183,000	4,822,300
Digesters	1966	993,600	3,673,000
Other Projects 1965-66	1965	103,900	423,500
Other Projects 1966-67	1966	253,800	938,200
Other Projects 1967-68	1967	24,200	81,800
Other Projects 1968-69	1968	322,100	1,003,700
Other Projects 1969-70	1969	59,900	173,100
Other Projects 1970-71	1970	102,700	276,600
Sludge Lagoons	1968	839,000	2,614,500
Foam Flotation Program	1970	23,000	61,900
1970 94 MGD Improvements	1970	5,809,400	15,646,400
1970 66 MGD Additions	1970	23,049,000	62,077,600
Advanced Waste Treatment Facilities	1977	62,810,900	95,549,200
Other Projects 1977-78	1977	745,500	1,134,100
Other Projects 1978-79	1978	312,200	435,100
Other Projects 1979-80	1979	1,421,100	1,872,500
Other Projects 1980-81	1980	2,028,100	2,250,900
TOTAL		<u>\$129,404,800</u>	<u>\$332,549,600⁽¹⁾</u>

(1) Plant and equipment replacement cost is distributed to parameters using the percentages contained in the most current Revenue Program (Form 8, "Summary of Distribution of Capital Costs").

NOTE:

- A. Major plant facilities or equipment items shall be added to this Exhibit in the year purchased. Construction projects shall be added to this Exhibit in the year of acceptance at full construction value.
- B. Process related facilities and equipment that cost in excess of \$2 million shall be allocated to parameters (flow, BOD, SS, ammonia) based on engineering design. Capital costs that are less than \$2 million and/or are not process related shall be allocated to parameters using the replacement allowance percentages contained in the most current Revenue Program.
- C. This Exhibit shall not include replacement or rehabilitation costs.
- D. Facilities and equipment sold or otherwise disposed shall be deleted from this Exhibit.
- E. This Exhibit shall be updated annually using the June ENR (San Francisco) construction cost index.

EXHIBIT CSAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT
LAND DISTRIBUTION

1. Land participation shall be based upon the 167 MGD capacity (Flow, BOD, Suspended Solids, and Ammonia) of the Plant. This means that any Agency's percentage of participation shall be based upon their capacity rights in the 167 MGD Plant.
2. Percentage of participation at the Plant shall be based upon the total 1,764 acres and not on an individual parcel basis.
3. The value of the existing acreage shall be as developed in the attached San Jose/Santa Clara Water Pollution Control Plant Land Purchases which is based upon 1982 values. No additional interest shall be applied to the land cost values from June 1982 forward. These values have been developed using the Plant allocation percentages and by present worthing the value of the land to 1982 dollars using interest received on investments by the City of San Jose.
4. Agencies which still owe the City of San Jose and County Sanitation District No. 4 for their percentage of land shall pay all the costs of this land from sale, lease or rental revenues to be received from the Water Pollution Control Plant properties. Percentage of revenue shall be based upon each Agency's full capacity percentage. The land will be paid off only from sale, lease or rental revenues of the Plant property and shall have no fixed term.
5. Sale, lease or rental revenues from Water Pollution Control Plant property shall be first applied to an Agency's debt, and only upon completion of that debt will revenues be passed on to the Agency.

6. If and when expansion of the facilities takes place in the future, land values shall again be adjusted based upon the new MGD denominator. Each Agency's percentage of participation in land shall at that time be recomputed based upon total 1982 land cost shown in the Land Cost Allocation.
7. All purchases of land in the future shall be distributed to all Agencies in the percentage of discharge capacity at the Plant.

SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT
LAND COST ALLOCATION METHODOLOGY

1. Attachment A is a Treatment Plant Property map.
2. Table 1 includes the original land purchase price for each parcel. This amount was then applied to the City of San Jose's average yearly rate of return for investments and compounded to establish a June 30, 1982 value for all land.
3. Recently the Technical Committee, Treatment Plant Advisory Committee, San Jose and Santa Clara City Councils approved the replacement allowance as the method of allocating future capital costs which are not process related.

Tables 2, 3, and 4 show the allocation of the replacement cost of the existing Primary, Secondary, and Advanced Waste Treatment Facilities, and the Capital Improvement Program to First Parties and Agencies based on their 167 MGD Plant capacities.

Table 4 contains First Parties' and Agencies' proportions of the replacement cost of the 167 MGD Plant which appear as "% Share" on Table 5 and were used to determine the amounts that should have been paid for land.

4. Table 5 shows First Parties' and Agencies' share of land costs. First Parties and Agencies paid in monies through the years for land purchases. Each payment for land was applied to the City of San Jose's average yearly rate of return for investments and compounded to establish a June 30, 1982 value for each payment.

First Parties' and Agencies' payments at June 30, 1982 values were transferred to the "Amount Paid" column of Table 5.

By subtracting the "Amount Paid" column from the "Amount Should Have Paid" column in Table 5, the amounts due or credits due are determined.

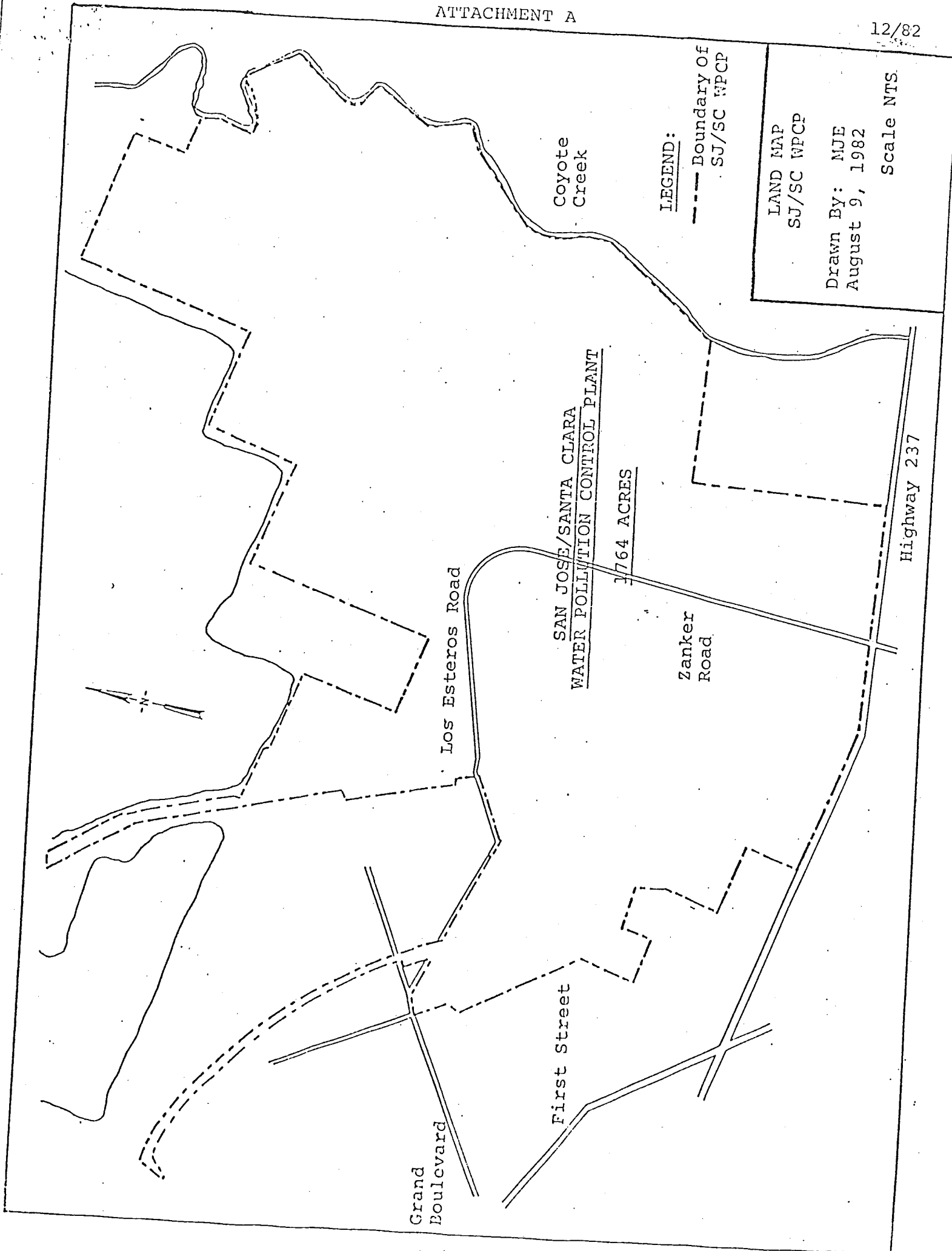


TABLE 1

SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT
LAND PURCHASES

Parcel	Acres	Original Cost	Purchase Date	June 30, 1982 Cost*
Berger Williamson	43.668	\$ 15,284	8/49	\$ 88,282
Coolidge Quitclaim	--	150	3/52	805
John R. Watrous	106.747	101,043	7/54	490,206
John R. Medina	16.970	15,067	8/54	73,106
Other Costs (Easement- Condemnation)	--	23,468	1956-57	106,183
Curtner-Zanker	.776	1,000	7/55	5,082
Los Altos Garbage	2.045	1,000	8/55	4,692
James Clayton	181.680	182,160	4/58	795,944
A. M. Standish	.197	120	10/61	457
Spring Valley	.180	50	4/62	189
Beatrice Standish	39.888	55,109	7/62	202,258
Other Costs (Unallocated)	--	603	3/65	2,048
Nine-Par	46.970	201,515	1/68	596,405
A. L. Kricheberg	41.13	162,170	4/69	452,708
Anselmo-Campi	34.48	208,771	7/69	541,583
Casteel	117.78	932,240	11/69	2,418,376
Chisolm-Hopham	Parcel	5,232	8/70	12,738
Rankin-Gilman	Parcel	600	8/70	1,461
Owens-Corning	3.16	23,743	11/70	57,801
Standish	630.0	2,831,034	4/71	6,892,016
Owens-Corning	2.58	17,133	6/71	41,713
Phillips-Bosio	Parcel	2,136	12/71	4,943
Zanker Ranch	145.7	1,496,478	8/72	3,446,515
Garcia	19.54	236,328	12/72	517,884
Martin-Moore	16.47	200,446	1/73	439,257
Tempco	12.33	327,153	7/75	566,730
County of Santa Clara	Parcel	4,495	1975-76	7,788
County of Santa Clara	2.98	13,476	4/76	20,716
Brazil	54.546	513,359	7/76	841,819
McCarthy (1st)	43.0	483,880	12/76	793,479
McCarthy (2nd)	43.0	483,879	4/77	793,478
McCarthy (3rd)	43.0	483,879	1/78	743,861
Other Costs (Unallocated)	--	47,693	1978-79	67,043
Calvo	58.415	586,405	1/78	901,473
Leslie Salt	Parcel	820	9/78	1,153
Graham-Cassin	52.8	3,339,932	8/80	3,775,793
Geomax	4.2	273,972	1/81	291,849
TOTAL:	<u>1,764.23</u>	<u>\$13,271,823</u>		<u>\$25,997,834</u>

*June 30, 1982 cost was calculated using the City of San Jose's yearly 12-month average return on investments compounded from the beginning of the fiscal year following the date of purchase (per Technical Committee meeting of September 7, 1982).

**Represents costs not allocable to a specific land purchase (e.g., appraisal of land not purchased).

TABLE 2

SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT

SUMMARY OF DISTRIBUTION OF CAPITAL COSTS TO PARAMETERS

	FLOW	BOD	SS	NH ₃	TOTAL PROJECT COST (1)
Primary, (1) Secondary AWTF	58.850 %	19.357 %	9.827 %	11.966 %	100%
	\$ 195,705,700	\$ 64,371,700	\$ 32,679,700	\$ 39,792,900	\$332,550,000
Capital Improvement Program	31.359 %	46.390 %	17.335 %	4.916 %	100%
	\$ 44,962,000	\$ 66,511,000	\$ 24,854,000	\$ 7,048,000	\$143,375,001
TOTAL	50.568 %	27.501 %	12.089 %	9.842 %	100%
	\$ 240,667,700	\$ 130,882,700	\$ 57,533,700	\$ 46,840,900	\$475,925,000

(1) Cost of existing facilities inflated to 1982 cost using Engineering News Record construction cost index.

TABLE 3

SAN JOSE/SANTA CLARA-WATER-POLLUTION CONTROL PLANT

12/82

SUMMARY OF CAPACITY ALLOCATIONS

AGENCY	FLOW		BOD		SS		NH ₃	
	MGD	%	K lbs/day	%	K lbs/day	%	K lbs/day	%
San Jose (2)	107.293	64.247	420.351	69.365	406.215	68.157	19.219	64.063
Santa Clara (2)	24.517	14.681	96.051	15.850	92.821	15.574	4.392	14.640
Subtotal	131.810	78.928	516.402	85.215	499.036	83.731	23.611	78.703
CSD #4 (1)	13.550	8.114	35.561	5.868	37.346	6.266	2.370	7.900
Cupertino (1)	8.600	5.150	20.566	3.394	22.663	3.802	1.506	5.020
Milpitas (2)	10.500	6.287	25.718	4.244	30.374	5.096	1.903	6.343
CSD #2-3 (1)	1.790	1.072	5.311	0.876	3.724	0.625	0.479	1.597
Burbank (1)	0.400	0.240	1.001	0.165	1.107	0.186	0.070	0.233
Sunol (1)	0.350	0.209	1.441	0.238	1.750	0.294	0.061	0.204
TOTAL	167.000	100%	606.000	100%	596.000	100%	30.000	100%

(1) Capacity allocations in the restored 143 MGD plant which were used in the compromise cost allocation of Intermediate-term Improvements.

(2) Increased BOD, SS, and ammonia capacities in the 167 MGD plant allocated to San Jose, Santa Clara and Milpitas in the same proportion as flow: San Jose/Santa Clara 22/24 and Milpitas 2/24.

TABLE 4

SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT

ALLOCATED SHARE OF COST OF FACILITIES

AGENCY	FLOW	BOD	SS	AMMONIA	TOTAL	SHARE OF TOTAL COST
San Jose	\$154,622,600	\$ 90,786,600	\$39,213,200	\$30,007,900	\$314,630,300	66.109%
Santa Clara	35,332,000	20,744,900	8,960,300	6,857,500	71,894,700	15.106%
Subtotal	\$189,954,600	\$111,531,500	\$48,173,500	\$36,865,400	\$386,525,000	81.215%
CSD #4	\$ 19,527,200	\$ 7,680,400	\$ 3,605,100	\$ 3,700,400	\$ 34,513,100	7.252%
Cupertino	12,393,700	4,441,800	2,187,700	2,351,400	21,374,600	4.491%
Milpitas	15,131,800	5,554,500	2,932,100	2,971,300	26,589,700	5.587%
CSD #2-3	2,579,600	1,147,100	359,500	747,900	4,834,100	1.016%
Burbank	576,400	216,200	106,900	109,300	1,008,800	0.212%
Sunol	504,400	311,200	168,900	95,200	1,079,700	0.227%
TOTAL	\$240,667,700	\$130,882,700	\$57,533,700	\$46,840,900	\$475,925,000	100%

TABLE 5

SAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANT

LAND COST ALLOCATION

AGENCY	%	AMOUNT SHOULD	AMOUNT PAID	AMOUNT
		HAVE PAID		PAYABLE
	SHARE	1982 DOLLARS	1982 DOLLARS	<DUE>
San Jose	66.109	\$17,186,908	\$19,061,883	<\$1,874,975>
Santa Clara	15.106	3,927,233	3,216,962	710,271
CSD #4	7.252	1,885,363	1,945,035	< 59,672>
Cupertino	4.491	1,167,563	1,141,582	25,981
Milpitas	5.587	1,452,499	523,426	929,073
CSD #2-3	1.016	264,138	89,477	174,661
Burbank	0.212	55,115	9,203	45,912
Sunol	0.227	59,015	10,266	48,749
TOTAL	100%	\$25,997,834	\$25,997,834	-0-

EXHIBIT DSAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANTPARTICIPATION IN
INTERMEDIATE-TERM AND FIRST STAGE EXPANSION PROJECTS

The estimated construction and design cost of the Capital Improvement Program (CIP) is \$143,375,000 and is comprised of the Intermediate-term Improvements Project (\$112,940,000) for restoration of the Plant capacity to 143 MGD and the First Stage Expansion Project (\$30,435,000) for expansion of Plant capacity to 167 MGD.

INTERMEDIATE-TERM IMPROVEMENT PROJECTS

On June 9, 1982 the Treatment Plant Advisory Committee (TPAC) approved a cost sharing method whereby First Parties and Agencies would participate in Intermediate-term Improvement projects (excluding Phase II C) proportionately, based on the additional capacity to be would received. The San Jose City Council has deferred construction of Phase II C pending analysis of the reduction in flow anticipated by the food processing industry.

The cost sharing method was a compromise of two concepts for allocating Intermediate-term Improvement project costs among First Parties and Agencies---(1) Alternate G', which allocates costs based on flow and loadings, and (2) Alternate B, which allocates costs based on flow only. The cost sharing compromise required First Parties and Agencies to pay 90% of their allocated costs based on Alternate G' plus 10% of their allocated costs based on Alternate B. Both Alternates G' and B recognized the fact that there are different capacity rights in the Advanced Waste Treatment Facilities and the secondary treatment process.

Tables 1-4 are based on the compromise cost sharing method approved by TPAC and include Phase II C, even though deferred, to account for all Intermediate-term Improvement project costs:

Table 1 - Participation in Intermediate-term Improvement Projects, Alternate G' Cost Sharing Concept. Contains First Parties' and Agencies' percentage shares of Flow, BOD, SS, and Ammonia costs under Alternate G'.

Table 2 - Intermediate-term Improvements Project Cost Allocation According to Constituent. Contains CH2M Hill's estimated project costs which will be shared by First Parties and Agencies in the proportions contained in Table 1.

Table 3 - Participation in Intermediate-term Improvement Projects, Alternate B Cost Sharing Concept. Contains First Parties' and Agencies' percentage shares of costs taking into account the different capacity rights in Plant facilities.

Table 4 - Intermediate-term Improvements Project Cost. Contains CH2M Hill's estimated project costs which will be shared by First Parties and Agencies in the proportions contained in Table 3.

Table 5 - Participation in Intermediate-term Improvement Projects. This is the compromise cost sharing formula as applied to the estimated Intermediate-term Improvement project costs, excluding Phase II C.

First Parties' and Agencies' shares of the Intermediate-term Improvement project costs shall be determined by adding 90% of their allocated costs based on Alternate G (Tables 1 and 2) and 10% of their allocated costs based on Alternate B (Tables 3 and 4). Recognizing that the compromise cost sharing was based on estimated costs and that the extent of participation in Intermediate-term Improvement costs is based on the additional capacity to be received, it is intended that the estimated costs shown in Tables 2 and 4 shall be adjusted when actual costs are determined and that First Parties' and Agencies' percentage shares of costs shown in Tables 1 and 3 shall remain constant.

FIRST STAGE EXPANSION

San Jose and Santa Clara, as joint owners of the Plant, and Milpitas will participate in the First Stage Expansion project. The First Stage Expansion Project will provide an additional 24 MGD (143 to 167 MGD) of Plant capacity. First Parties and Milpitas shall participate proportionately in the expansionary cost, based on the additional capacity to be received.

Table 6 - Participation in First Stage Expansion Project. Contains First Parties' and Milpitas' percentage shares of costs.

Table 7 - First Stage Expansion Project. Contains CH2M Hill's estimated project costs.

It is intended that First Parties' and Milpitas' percentage share of cost shown on Table 5 shall remain constant and that the estimated costs shown on Table 6 shall be adjusted when actual costs are determined.

TABLE 1

San Jose/Santa Clara
Water Pollution Control Plant

PARTICIPATION IN INTERMEDIATE-TERM PROJECTS (1)
ALTERNATE G' COST SHARING CONCEPT

AGENCY	FLOW AWTF	FLOW SECONDARY	BOD	SS	AMMONIA
San Jose/Santa Clara (2)	77.243	74.833	80.205	80.718	88.125
CSD No. 4	9.485	8.214	4.393	7.141	-0-
Cupertino	6.000	7.548	6.366	5.785	5.000
Milpitas	5.939	7.452	8.321	6.117	-0-
CSD No. 2-3	0.818	1.286	0.429	0.016	5.625
Burbank	0.273	0.357	0.286	0.223	-0-
Sunol	0.242	0.310	-0-	-0-	1.250
TOTAL	100%	100%	100%	100%	100%

(1) The percentages presented in this table represent First Parties' and Agencies' shares of capacity provided by the Intermediate-term projects.

(2) San Jose and Santa Clara shall share cost and capacity between themselves in accordance with their 1959 Agreement (i.e., assessed valuation).

TABLE 2

San Jose/Santa Clara
Water Pollution Control Plant

INTERMEDIATE-TERM IMPROVEMENT PROJECTS
COST ALLOCATION ACCORDING TO CONSTITUENT

(x \$1 million)

PROJECT	TOTAL	FLOW AWTF	FLOW SECONDARY	BOD	SS	AMMON
1982 Priority Imp.	\$ 2.020	\$2.020	\$ -	\$ -	\$ -	\$ -
Intermediate-term Improvements Phase I	10.470	3.484	-	-	-	6.98
Sludge Process - Inter- mediate	16.305	-	-	5.707	10.598	-
Intermediate-term Improvements Phase II A & B	43.942	-	12.750	21.830	9.362	-
Intermediate-term Improvements Phase II C	40.203	-	4.009	36.194	-	-
TOTAL	\$112.940	\$5.504	\$16.759	\$63.731	\$19.960	\$6.98

SOURCE: CH2M Hill's "Facilities and Cost Allocation Analysis", January 1982.

CH2M Hill's "Technical Memorandum, Alternate San Jose/Santa Clara Water Pollution Control Plant Cost Allocation", March 1982 (revised because of decreased cannery loads).

CH2M Hill's letter dated January 20, 1982, Subject: Phasing Schedule of Plant Improvement (revised because of decreased cannery load).

TABLE 3

San Jose/Santa Clara
Water Pollution Control Plant

PARTICIPATION IN INTERMEDIATE-TERM PROJECTS⁽¹⁾
ALTERNATE B COST SHARING CONCEPT

<u>AGENCY</u>	<u>AWTF</u>	<u>SECONDARY</u>
San Jose/Santa Clara ⁽²⁾	77.243	74.833
CSD No. 4	9.485	8.214
Cupertino	6.000	7.548
Milpitas	5.939	7.452
CSD No. 2-3	0.818	1.286
Burbank	0.273	0.357
Sunol	0.242	0.310
<u>TOTAL</u>	<u>100%</u>	<u>100%</u>

(1) The percentages presented in this table represent the First Parties' and Agencies' shares of flow capacity provided by the Intermediate-term projects.

(2) San Jose and Santa Clara shall share cost and capacity between themselves in accordance with their 1959 Agreement (i.e., assessed valuation).

TABLE 4

San Jose/Santa Clara
Water Pollution Control Plant

INTERMEDIATE-TERM PROJECT COSTS

(x \$1 million)

PROJECT	TOTAL	AWTF	SECONDARY
1982 Priority Improvements	\$ 2.020	\$ 2.020	\$ -
Intermediate-term Improve- ments Phase I	10.470	10.470	-
Sludge Process - Intermediate	16.305	16.305	-
Intermediate-term Improvements Phase II A & B	43.942	-	43.942
Intermediate-term Improvements Phase II C	40.203	-	40.203
TOTAL	\$112.940	\$28.795	\$84.145

TABLE 5

SAN JOSE/SANTA CLARA
WATER POLLUTION CONTROL PLANT

PARTICIPATION IN INTERMEDIATE-TERM PROJECTS ⁽¹⁾

COMPROMISE ALTERNATE: 90% G' PLUS 10% B

(x \$1 million)

AGENCY	%	COMPROMISE 90% G' PLUS 10% B	ALTERNATE G' 100%	ALTERNATE G' 90%	ALTERNATE B 100%	ALTERNAT B 10
San Jose	64.7	\$47.085	\$47.332	\$42.598	\$44.871	\$4.487
Santa Clara	14.8	10.759	10.815	9.734	10.253	1.025
Subtotal (100%)	79.5	\$57.844	\$58.147	\$52.332	\$55.124	\$5.512
CSD #4	6.1	4.418	4.204	3.784	6.340	0.634
Cupertino	6.3	4.599	4.549	4.094	5.045	0.505
Milpitas	6.6	4.809	4.789	4.310	4.985	0.499
CSD #2-3	1.0	0.731	0.723	0.651	0.801	0.080
Burbank	0.3	0.189	0.185	0.166	0.236	0.023
Sunol	0.2	0.147	0.140	0.126	0.206	0.021
TOTAL	100%	\$72.737	\$72.737	\$65.463	\$72.737	\$7.274

(1) Excluding Phase IIC.

TABLE 6

San Jose/Santa Clara
Water Pollution Control Plant
PARTICIPATION IN FIRST STAGE EXPANSION

AGENCY	%(1)	ESTIMATED COST
San Jose/Santa Clara ⁽²⁾	91.667	\$27.899
CSD #4	-0-	-0-
Cupertino	-0-	-0-
Milpitas	8.333	2.536
CSD #2-3	-0-	-0-
Burbank	-0-	-0-
Sunol	-0-	-0-
TOTAL	100%	\$30,435

(1) Represents the First Parties' and Milpitas' shares of 24 MGD provided by the First Stage Expansion: San Jose/Santa Clara 22 MGD and Milpitas 2 MGD. BOD, SS, and ammonia capacity shall be allocated in the same proportions.

(2) San Jose and Santa Clara shall share cost and capacity between themselves in accordance with their 1959 Agreement (i.e., assessed valuation).

TABLE 7San Jose/Santa Clara
Water Pollution Control PlantFIRST STAGE EXPANSION

(x \$1 million)

<u>PROJECT</u>	<u>COST</u>
First Stage Expansion - Liquid Stream	\$22.905
Sludge Process	7.530
<u>TOTAL</u>	<u>\$30.435</u>

SOURCE: CH2M Hill's "Facilities and Cost Allocation Analysis",
January 1982.

CH2M Hill's "Technical Memorandum, Alternate San Jose/Santa Clara
Water Pollution Control Plant Cost Allocation", March 1982 (revised
because of decreased cannery loads).

CH2M Hill's letter dated January 20, 1982, Subject: Phasing
Schedule of Plant Improvements (revised because of decreased
cannery loads).

ADMINISTERING AGENCY

A. San Jose to be Administering Agency. It is mutually agreed that the City of San Jose is and shall be the Administering Agency of this Agreement, and, as such, shall execute and administer this Agreement.

B. Powers and Duties of Administering Agency, Scope and Exercise. Subject to such limitations as may be imposed in this Agreement, the Administering Agency shall have the following powers and duties:

1. To maintain, repair, expand, replace, improve and operate the treatment Plant, and to do any and all things which it shall find to be reasonably necessary, with respect to its maintenance, repair, expansion, replacement, improvement and operation (subject to the provision of funds therefor in accordance with the provisions of this Agreement), to treat and dispose of all sewage (and by-products thereof) of San Jose and Santa Clara and of any and all "Outside Users" now or hereafter authorized to discharge or convey sewage into or to said treatment plant or any sewer lines leading thereto, so that said sewage and all effluent from said Plant will not pollute the waters of San Francisco Bay, or any other waters, and so that said sewage will be disposed of in a manner authorized by law.

2. To make, award and enter into contracts with third parties for the construction, improvement, replacement, expansion, or repair of the Treatment Plant or any part or parts thereof.

3. To acquire, by purchase, condemnation or otherwise, any and all real or personal property which it should find to be reasonably necessary for Treatment Plant purposes.

4. To receive, be the depository for, expend and disburse, for the purposes of this Agreement, any and all

funds or monies advanced, contributed or paid by the parties hereto to said Administering Agency pursuant to the provisions of this Agreement, together with all income collected from "Outside Users", all other Treatment Plant income, and all other Treatment Plant funds.

5. To keep accurate accounts of all receipts and disbursements of the above-mentioned funds and monies.

6. To provide and supply any and all personnel and services, including, but not limited to, legal, engineering and accounting services, which it should find to be reasonably necessary for the maintenance, repair, expansion, replacement, improvement and operation of said Treatment Plant, the cost and expense of providing such personnel and services to be charged to and shared by San Jose and Santa Clara as part of operating or other Treatment Plant costs as elsewhere provided in this Agreement.

7. To exercise any and all other powers, common to both San Jose and Santa Clara, with respect to the maintenance, repair, expansion, replacement, improvement and operation of the Treatment Plant.

8. To do any and all things reasonably necessary to treatment and dispose of all sewage entering the Treatment Plant in such manner as will comply with all applicable laws and regulations.

9. To do any and all other things which the Administering Agency is required or authorized to do by other provisions of this Agreement.

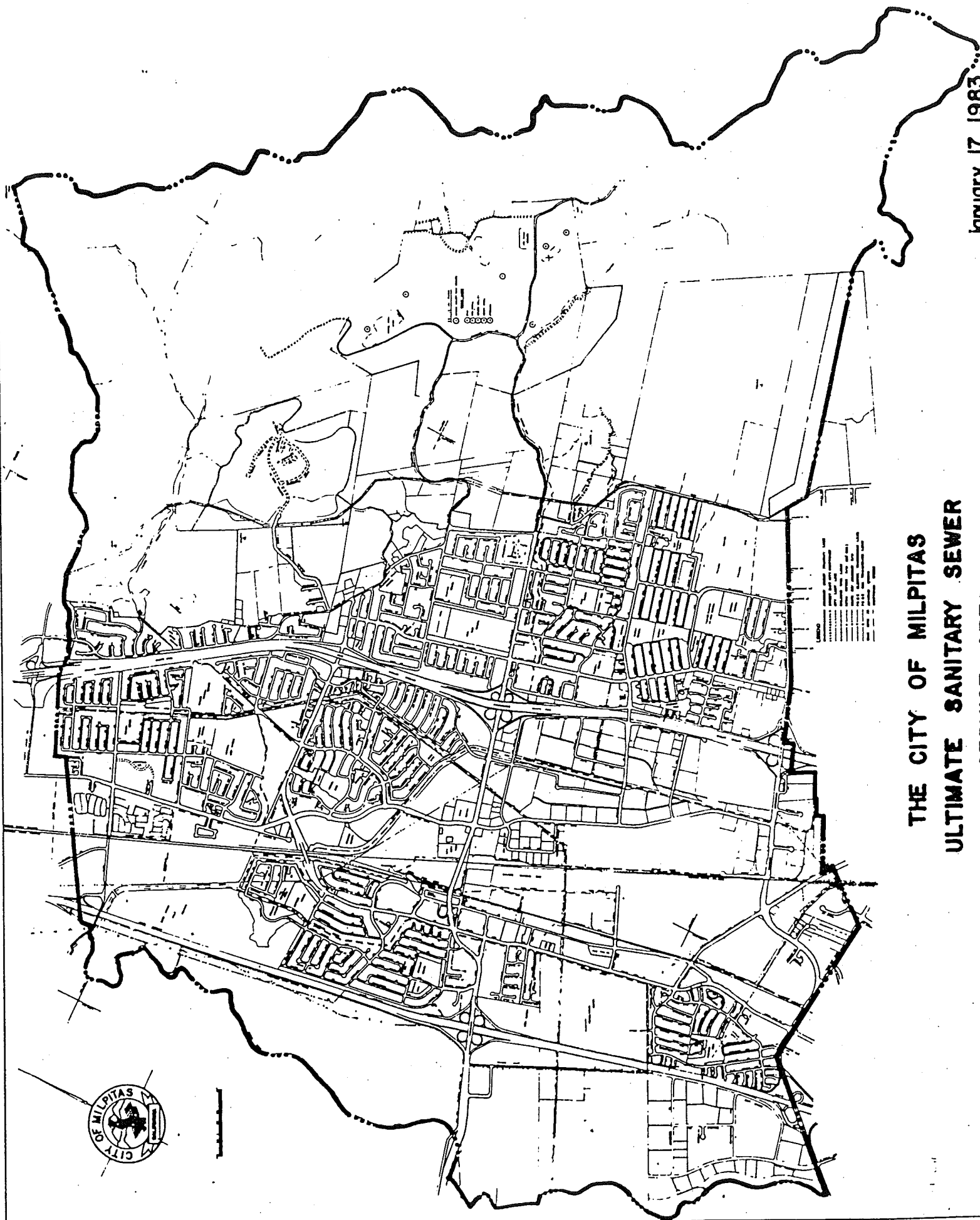
C. Manner of Exercising Powers or Performing Duties. The manner in which the Administering Agency shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which the City of San Jose could exercise such powers and perform such duties; and shall not be subject to any restrictions applicable to the manner in which the City of Santa Clara could exercise such powers or perform such duties.

D. Expenses of Administering Agency. It is mutually agreed that the City of San Jose shall be reimbursed from Treatment Plant funds for all costs and expenses incurred by it as Administering Agency of this Agreement, including, but not limited to, salaries and wages paid by San Jose to its officers and employees for services rendered by them for Treatment Plant purposes. It is further agreed that San Jose shall be paid, from Treatment Plant funds, an amount equal to seventeen and three hundred thirteen one thousandths per cent (17.313%) of all the above mentioned salaries and wages as and for the following overhead expenses incurred by San Jose in furnishing said services and in administering this Agreement, to wit: payments made by San Jose for retirement benefits, payments made by San Jose for medical and hospital insurance covering officers and employees, miscellaneous overhead expenses of the auditing, purchasing and engineering departments of San Jose.

The percentage or amount of overhead allowance or expense payable to San Jose shall be increased or decreased from year to year to truly reflect actual overhead and incidental costs and expenses incurred by San Jose for Treatment Plant purposes to the extent that such costs and expenses are not included in other items of cost or expense for which San Jose is otherwise reimbursed from Treatment Plant Funds.

January 17, 1983

THE CITY OF MILPITAS
ULTIMATE SANITARY SEWER
SERVICE AREA



REPORT BASIC 26-APR-83 PAGE 1
CITY OF MILPITAS
SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT
BASIC CHARGE AMORTIZATION SCHEDULE

PAYMENT DATE	PRINCIPAL REMAINING	DAYS IN PERIOD	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT	NEW AMOUNT REMAINING
JAN 31 1974	1,350,803.00	215	33,770.07	46,149.32	79,919.39	1,317,032.93
JUN 30 1974	1,317,032.93	150	33,770.07	31,392.30	65,162.37	1,283,262.86
JAN 31 1975	1,283,262.86	215	33,770.07	43,841.94	77,612.01	1,249,492.79
JUN 30 1975	1,249,492.79	150	33,770.07	29,782.35	63,552.42	1,215,722.72
JAN 31 1976	1,215,722.72	215	33,770.07	41,534.35	75,304.42	1,181,952.65
JUN 30 1976	1,181,952.65	150	33,770.07	28,172.55	61,942.62	1,148,182.58
JAN 31 1977	1,148,182.58	215	33,770.07	39,226.97	72,997.04	1,114,412.51
JUN 30 1977	1,114,412.51	150	33,770.07	26,562.75	60,332.82	1,080,642.44
JAN 31 1978	1,080,642.44	215	33,770.07	36,919.37	70,689.44	1,046,872.37
JUN 30 1978	1,046,872.37	150	33,770.07	24,952.80	58,722.87	1,013,102.30
JAN 31 1979	1,013,102.30	215	33,770.07	34,611.99	68,382.06	979,332.23
JUN 30 1979	979,332.23	150	33,770.07	23,343.00	57,113.07	945,562.16
JAN 31 1980	945,562.16	215	33,770.07	32,304.61	66,074.68	911,792.09
JUN 30 1980	911,792.09	150	33,770.07	21,733.05	55,503.12	878,022.02
JAN 31 1981	878,022.02	215	33,770.07	29,997.02	63,767.09	844,251.95
JUN 30 1981	844,251.95	150	33,770.07	20,123.25	53,893.32	810,481.88
JAN 31 1982	810,481.88	215	33,770.07	27,689.64	61,459.71	776,711.81
JUN 30 1982	776,711.81	150	33,770.07	18,513.45	52,283.52	742,941.74
JAN 31 1983	742,941.74	215	33,770.07	25,382.04	59,152.11	709,171.67
JUN 30 1983	709,171.67	150	33,770.07	16,903.50	50,673.57	675,401.60
JAN 31 1984	675,401.60	215	33,770.07	23,074.66	56,844.73	641,631.53
JUN 30 1984	641,631.53	150	33,770.07	15,293.70	49,063.77	607,861.46
JAN 31 1985	607,861.46	215	33,770.07	20,767.28	54,537.35	574,091.39
JUN 30 1985	574,091.39	150	33,770.07	13,683.75	47,453.82	540,321.32

EXHIBIT G

REPORT BASIC 26-APR-83 PAGE 2
 CITY OF MILPITAS
 SAN JOSE/SANTA CLARA WATER POLLUTION CONTROL PLANT
 BASIC CHARGE AMORTIZATION SCHEDULE

PAYMENT DATE	PRINCIPAL REMAINING	DAYS IN PERIOD	PRINCIPAL PAYMENT	INTEREST PAYMENT	TOTAL PAYMENT	NEW AMOUNT REMAINING
JAN 31 1986	540,321.32	215	33,770.07	18,459.69	52,229.76	506,551.25
JUN 30 1986	506,551.25	150	33,770.07	12,073.95	45,844.02	472,781.18
JAN 31 1987	472,781.18	215	33,770.07	16,152.31	49,922.38	439,011.11
JUN 30 1987	439,011.11	150	33,770.07	10,464.15	44,234.22	405,241.04
JAN 31 1988	405,241.04	215	33,770.07	13,844.71	47,614.78	371,470.97
JUN 30 1988	371,470.97	150	33,770.07	8,854.20	42,624.27	337,700.90
JAN 31 1989	337,700.90	215	33,770.07	11,537.33	45,307.40	303,930.83
JUN 30 1989	303,930.83	150	33,770.07	7,244.40	41,014.47	270,160.76
JAN 31 1990	270,160.76	215	33,770.07	9,229.95	43,000.02	236,390.69
JUN 30 1990	236,390.69	150	33,770.07	5,634.45	39,404.52	202,620.62
JAN 31 1991	202,620.62	215	33,770.07	6,922.36	40,692.43	168,850.55
JUN 30 1991	168,850.55	150	33,770.07	4,024.65	37,794.72	135,080.48
JAN 31 1992	135,080.48	215	33,770.07	4,614.98	38,385.05	101,310.41
JUN 30 1992	101,310.41	150	33,770.07	2,414.85	36,184.92	67,540.34
JAN 31 1993	67,540.34	215	33,770.07	2,307.38	36,077.45	33,770.27
JUN 30 1993	33,770.27	150	33,770.07	804.90	34,574.97	.20

Basic Charges are based upon a Plant value of 1,350,803 as established during contract negotiation in 1972 and 1973 and are amortized over a twenty year period in semi-annual payments at a simple interest rate of 5.8%.

STRICT ENGINEER, MILPITAS
NITARY DISTRICT, ACCEPTANCE

RTIFICATE NO. 120

NO TAX DUE

Recorded at the request of
Western Title Guaranty Co.

JUL 24 1974 8:01AM

GEORGE A. MANN, Recorder
Santa Clara County, Official Records

This document presented for filing
or recording under Government Code
#6103 by City of Milpitas. No fee. "QUIT CLAIM DEED

The CITY OF SAN JOSE, a municipal corporation does hereby remise,
release and quit claim unto

THE MILPITAS SANITARY DISTRICT, a public corporation

the real property situated in the City of San Jose, County of
Santa Clara, State of California, described as follows:

An easement, 20.00 feet in width, for the purpose of construction,
maintenance, repair, renewal, replacement and operation of sanitary
force interceptors in, under, along and across, and the right to
ingress and egress in, upon, over and/or through that portion of those
certain tracts of land described in the deeds to the City of San Jose,
to wit: deed from John R. Watrous, et ux, recorded on July
30, 1954 in Book 2928 at page 224 and deed from Bank of America National Trust and
Savings Association, et al, recorded on May 6, 1971 in Book 9319 at page 17, Official
Records of the County of Santa Clara; and lying within the bounds of a strip of land,
the centerline of which is more particularly described as follows:

Commencing at the southeast corner of that certain 9.16 acre parcel of land
described as Parcel No. 2 in the Final Judgement of Condemnation recorded on March
12, 1954 in Book 2832 of Official Records at page 234, Santa Clara County Records;
thence along the easterly boundary of said 9.16 acre parcel, North 8°04'38" West,
343.38 feet; thence leaving said easterly boundary South 81°55'58" West, 457.71 feet;
thence North 78°04'02" West, 206.39 feet; thence along a tangent curve to the right
having a radius of 35.00 feet through a central angle of 19°13'23" an arc distance
of 11.74 feet; thence North 58°50'39" West, 530.00 feet; thence along a tangent curve
to the left having a radius of 45.00 feet through a central angle of 90°00'07" an
arc distance of 70.69 feet; thence South 31°09'14" West, 623.21 feet to a point on
the Township line between Townships 5 and 6 South, of Range 1 West, Mount Diablo
Base and Meridian, said point being distant along said Township line South 89°10'57"
East, 1483.21 feet from an axle marking the corner common to Sections 35 and 36 of
Township 5 South, and Sections 1 and 2 of Township 6 South; thence continuing South
31°09'14" West, 1,134.72 feet to a point hereby designated for reference as "POINT 'A'";
thence continuing South 31°09'14" West, 4,483.80 feet; thence along a tangent curve
to the right having a radius of 35.00 feet through a central angle of 43°44'48" an
arc distance of 26.72 feet to a point distant North 15°05'58" West, 16.00 feet from
the southerly boundary line of the tract of land described as Parcel One in said
deed from Bank of America National Trust and Savings Association; thence along a
line parallel with and distant northerly 16.00 feet from said southerly boundary
line, South 74°54'02" West, 105.62 feet to a point hereby designated for reference
as "POINT 'B'"; thence continuing South 74°54'02" West, 941.51 feet; thence along a
tangent curve to the left having a radius of 45.00 feet through a central angle of
81°11'8" an arc distance of 63.76 feet to a point distant North 83°42'54" East,

40.00 feet from the centerline of Zanker Road (40 feet wide); thence along a line parallel with and distant easterly 40.00 feet from said Zanker Road centerline, South 6°17'06" East, 788.28 feet; thence along a tangent curve to the right having a radius of 35.00 feet through a central angle of 97°19'53" an arc distance of 59.46 feet to a point distant North 1°02'47" East, 5.00 feet from the easterly extension of the centerline of an entrance road to the San Jose-Santa Clara Water Pollution Control Plant; thence along a line parallel with and distant northerly 5.00 feet from said entrance road centerline, North 88°57'13" West, 1,412.09 feet; thence leaving said parallel line South 85°45'42" West, 401.72 feet to a point distant South 1°02'47" West, 32.00 feet from said entrance road centerline; thence North 89°08'29" West, 609.78 feet to a point distant South 1°02'47" West, 34.00 feet from said entrance road centerline and the terminus of the easement centerline being described herein. ✓

TOGETHER WITH easements for the purpose of installation, maintenance, repair and replacement of cathodic protection stations and appurtenances thereto, described as follows:

B 008 PAGE 274

Parcel One: A strip of land 10.00 feet in width, the northwesterly line of which is more particularly described as follows: BEGINNING at a point on a southeasterly line of the 20-foot easement described hereinabove, distant South 58°50'46" East, 10.00 feet from "POINT 'A'"; thence along said southeasterly line South 31°09'14" West, 60.00 feet to the terminus of the northwesterly line being described herein.

Parcel Two: A strip of land 6.00 feet in width, the northwesterly line of which is more particularly described as follows: BEGINNING at a point on a southeasterly line of the 20-foot easement described hereinabove, distant South 15°05'58" East, 10.00 feet from "POINT 'B'"; thence along said southeasterly line South 74°54'02" West, 60.00 feet to the terminus of the northwesterly line being described herein.

TOGETHER WITH two temporary construction easements, each 20.00 feet in width and lying contiguous to the side lines of the 20.00-foot easement described hereinabove. Said temporary construction easements shall have no further force or effect upon the completion of construction of the "Water Pollution Control Facilities - 1972", Project No. 6020 of the Milpitas Sanitary District.

The bearings used herein are California Coordinate System, Zone 3. To obtain grid distance, multiply ground distance by 0.999944. 241

9a (Cont'd.)

Discussion/Action: Cathy S. Brandhorst addressed the Council. Upon motion by Council Member Powers, seconded by Council Member Diaz, and unanimously carried, Resolution No. 66222, entitled: "A Resolution of the Council of the City of San José Delegating to the City Manager the Authority to Negotiate and Execute an Agreement with the Emergency Housing Consortium to produce the 1996 San José America Festival in an Amount Not to Exceed \$25,000", was adopted. Vote: 9-0-2-0. Absent: Johnson, Shirakawa, Jr.

9c

15648

11953

14349

- (1) Adoption of appropriation ordinance amendments in the Community Development Block Grant Fund in the amount of \$366,000 to fund the Nancy Lane Recreation Improvements and Santee Alleyways.
- (2) Authorization for the City Manager to amend the 1995-96 Consolidated Plan to implement the Nancy Lane Recreation Improvements and Santee Alleyways Project.
(City Manager's Office/Parks, Recreation and Neighborhood Services)

Documents filed: Memorandum from Sr. Deputy City Manager, Darrell Dearborn, and Budget Director Larry D. Lisenbee, dated September 8, 1995, recommending approval of said appropriation ordinance amendments.

Discussion/Action: April Villalon addressed the Council in support of this action. Upon motion by Council Member Diaz, seconded by Council Member Powers, and unanimously carried, the City Manager was authorized to amend the 1995-96 Consolidated Plan as indicated, and Ordinance No. 24974, entitled: "An Ordinance of the Council of the City of San Jose Amending Ordinance No. 24945 which Appropriates Moneys in the Community Development Block Grant Fund in the amount of \$366,000 for the Nancy Lane Recreation Improvements and Santee Alleyways; and Providing That This Ordinance Shall Become Effective Immediately Upon Adoption", was adopted. Vote: 9-0-2-0. Absent: Johnson, Shirakawa, Jr.

9d

15688

4

1208

- (1) Status report on South Bay Water Recycling Project and Plan of Finance. (Environmental Services)
(Referred from 6/13/95 - Item 9d)
- (2) (a) Adoption of an ordinance authorizing the Governing Board of the San José-Santa Clara Clean Water Financing Authority (the "Authority") to issue sewer revenue bonds in connection with the South Bay Water Recycling Program in the maximum principal amount of \$150 million and authorizing the City Manager to

