AGENDA
CITY OF NORCO

CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
AUGUST 19, 2009

CALL TO ORDER:	7:00 p.m.
ROLL CALL:	Mayor Kathy Azevedo Mayor Pro Tem Malcolm Miller Council Member Frank Hall Council Member Berwin Hanna Council Member Richard L. MacGregor
PLEDGE OF ALLEGIANCE:	Mayor Azevedo
INVOCATION:	Pastor Vernie Fletcher *Grace Fellowship Church*
PRESENTATIONS:	State of the Edison Utility – Norco *Louis Davis, Region Manager Local Public Affairs*
	Update on the Wyle Property *Joseph Aldem, Kleinfelder* *Rafat Abbasi, DTSC*

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

Next CRA Resolution No. 2009-17

1. CRA CONSENT CALENDAR ITEMS: *(All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Agency, any public comments on any of the Consent Items will be heard. There will be no separate action unless Members of the Agency Board request specific items be removed from the Consent Calendar)*

   A. CRA Minutes, Regular Meeting of August 5, 2009. **Recommended Action: Approve the CRA Minutes** (City Clerk)

   B. Approval of First-Time Homebuyer Case 2009-02 in the Amount of $34,650. **Recommended Action: Approval** (Housing Manager)

2. OTHER CRA MATTERS:

ADJOURNMENT OF CRA:

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

Next Ordinance No. 911
Next Resolution No. 2009-63

3. CITY COUNCIL CONSENT CALENDAR ITEMS: *(All items listed under the Consent Calendar are considered to be routine and may be enacted by one motion. Prior to the motion to consider any action by the Council, any public comments on any of the Consent Items will be heard. There will be no separate action unless members of the Council or the audience request specific items be removed from the Consent Calendar. Items removed from the Consent Calendar will be separately considered under Item No. 5 of the Agenda)*

   A. City Council Minutes, Regular Meeting of August 5, 2009. **Recommended Action: Approve the City Council Minutes** (City Clerk)

   B. Planning Commission Action Minutes, Regular Meeting of August 12, 2009. **Recommended Action: Receive and File** (Planning Manager)

4. CITY COUNCIL ITEM FOR ACTION:

   A. Agreement to Transfer Potable and Recycled Water between the City of Norco and the City of Corona

   The City of Norco and the City of Corona have mutually agreed to construct the necessary facilities to transfer potable and recycled water between agencies for beneficial use. The purpose of the proposed agreement is to establish certain basic terms to govern cooperation, participation, responsibilities and implementation to execute the transfer of water between municipal agencies, thereby enhancing the reliability and management of local water resources.

   Recommended Action: Approve a Potable and Recycled Water Transfer Agreement between the City of Norco and the City of Corona and authorize the City Manager to execute future amendments or extensions to the agreement as needed. (Director of Public Works)

5. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR:

6. PUBLIC COMMENTS OR QUESTIONS - THIS IS THE TIME WHEN PERSONS IN THE AUDIENCE WISHING TO ADDRESS THE CITY COUNCIL REGARDING MATTERS NOT ON THE AGENDA MAY SPEAK. PLEASE BE SURE TO COMPLETE THE CARD IN THE BACK OF THE ROOM AND PRESENT IT TO THE CITY CLERK SO THAT YOU MAY BE RECOGNIZED.

7. OTHER MATTERS - COUNCIL OR STAFF:

   A. Report on Use of Fire Station Facility. (City Manager)

8. ADJOURNMENT:

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's office, (951) 270-5623. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II).

Staff reports are on file in the Office of the City Clerk. Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be available for public inspection at the City Clerk's Counter in City Hall located at 2870 Clark Avenue.

/bj-73105

MINUTES
CITY OF NORCO

CITY COUNCIL/COMMUNITY REDEVELOPMENT AGENCY
REGULAR MEETING
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
AUGUST 5, 2009

CALL TO ORDER: Mayor Azevedo called the meeting to order at 6:03 p.m.

ROLL CALL:

Mayor Kathy Azevedo, **Present**
Mayor Pro Tem Malcolm Miller, **Present**
Council Member Frank Hall, **Present**
Council Member Berwin Hanna, **Present**
Council Member Richard L. MacGregor, **Present**

Staff Present: Frye, Groves, Jacobs, King, Okoro, Oulman, Petree, Rowan and Thompson

City Attorney Harper – **Present**

THE CITY COUNCIL/CRA RECESSED TO CLOSED SESSION (SECTION 54954) TO CONSIDER MATTERS:

Section 54956.8 – Conference with Real Property Negotiator

Street Address or Parcel Number: APNs 125-090-029, 030, & 031

Negotiating Parties: Norco Redevelopment Agency and DCSR Auto Investors

Points Under Negotiation: Price and Terms of Payment

Street Address or Parcel Number: APNs 152-060-004-0; 152-060-011-6; 152-070-001-8; 152-070-002-9; & 152-070-011-7

Negotiating Parties: Norco Redevelopment Agency, Kosmont Companies and Belstarr Sports Management, LLC

Points Under Negotiation: Price and Terms of Payment

Section 54956.9(b)(2)(A) – Conference with Legal Counsel - Anticipated Litigation

Number of Potential Cases: 1

RECONVENE PUBLIC SESSION: With no Closed Session Items to report, Mayor Azevedo reconvened the meeting at 7:06 p.m.

PLEDGE OF ALLEGIANCE: Council Member MacGregor

INVOCATION: Pastor Vernie Fletcher
Grace Fellowship Church

ANNOUNCEMENT/PRESENTATIONS:

- **Mayor Azevedo made note of the City Council and Staff plaques set before them recognizing their support and assistance with the Silverlakes Equestrian & Sports Park project.**

- **Mayor Pro Tem Miller introduced Gene Langenberg who announced a fundraiser, supported by the Norco American Legion, for SPC Ryan Price from Nuevo, California. SPC Price was severely wounded on May 5, 2008 in Afghanistan and lost both legs and incurred other injuries. The fundraiser will be held on August 16th at 4:30 at the American Legion Post 328. Donations are accepted and any donations received in advance would be appreciated.**

- **Mayor Azevedo presented the Norco 9/10 "Blue Team" All-Stars Team and coaches with individual certificates; presented a plaque to Team Manager Dave Cummings for his 36 years of dedication to the community; and presented a proclamation to the entire Team and staff for their accomplishments throughout the season.**

- **Mayor Azevedo presented the Certificate of Achievement for Excellence in Financial Reporting to Andy Okoro, Deputy City Manager/Director of Finance. This is the sixth consecutive year that this award has been received by the City of Norco.**

REGULAR COMMUNITY REDEVELOPMENT AGENCY (CRA) AGENDA AS FOLLOWS:

M/S Hall/Hanna to approve the items as recommended on the CRA Consent Calendar. The motion was carried by the following roll call vote:

AYES: AZEVEDO, HALL, HANNA, MADGREGOR, MILLER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

1. CRA CONSENT CALENDAR ITEM:

   A. CRA Minutes, Regular Meeting of July 15, 2009. **Recommended Action: Approve the CRA Minutes** (City Clerk)

2. JOINT CITY COUNCIL/CRA CONSENT ITEM:

M/S MacGregor/Hall to approve the items as recommended on the Joint City Council/CRA Consent Calendar. The motion was carried by the following roll call vote:

AYES: AZEVEDO, HALL, HANNA, MADGREGOR, MILLER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

A. Resolution Designating Certain Areas of the City as a Recovery Zone. **Recommended Action: Adopt Resolution No. 2009-60, designating certain areas of the City as a Recovery Zone.** (Interim City Manager/Executive Director)

OTHER CRA MATTERS: No Other CRA Matters

ADJOURNMENT OF CRA: 7:33 p.m.

REGULAR CITY COUNCIL AGENDA AS FOLLOWS:

M/S Hanna/Miller to approve the items as recommended on the City Council Consent Calendar. The motion was carried by the following roll call vote:

AYES: AZEVEDO, HALL, HANNA, MACGREGOR, MILLER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

3. CITY COUNCIL CONSENT CALENDAR ITEMS:

A. City Council Minutes, Regular Meeting of July 19, 2009. **Recommended Action: Approve the City Council Minutes** (City Clerk)

B. Planning Commission Action Minutes, Regular Meeting of July 29, 2009. **Recommended Action: Receive and File** (Planning Manager)

C. Designation of Voting Delegates for the 2009 League of California Cities Annual Conference. **Recommended Action: That the City Council designate Mayor Azevedo as Norco's voting delegate and designate Mayor Pro Tem Miller and Council Member Hall as Norco's alternates.** (City Clerk)

D. Proposed Cancellation of September 16, 2009 City Council Meeting. **Recommended Action: Cancel the September 16, 2009 City Council meeting.** (City Clerk)

E. Approval to Declare Various City Assets as Surplus Property. **Recommended Action: Declare Various City assets as surplus and authorize the Deputy City Manager/Director of Finance to dispose of surplus assets through auction, donation to charitable organizations or electronic recycling (e-cycle).** (Deputy City Manager/Director of Finance)

F. Approval of Administrative Clerk Series Class Specification and Salary Range. **Recommended Action: Adopt Resolution No. 2009-61, approving revisions to the Administrative Clerk Class Specification.** (Deputy City Manager/Director of Finance)

G. Approval of a One Year Maintenance Services Contract Extension with Orange County Striping Service, Inc. to Provide Street Striping Services through June 30, 2010. **Recommended Action: Approve a one year contract extension with Orange County Striping Service, Inc. to provide street striping services through June 30, 2010.** (Director of Public Works)

H. Approval of a One Year Maintenance Services Contract Extension with Republic ITS, to Provide Traffic Signal Maintenance Service through June 30, 2010. **Recommended Action: Approve a one year contract extension with Republic ITS to provide traffic signal maintenance service through June 30, 2010.** (Director of Public Works)

I. Approval of a One Year Maintenance Services Contract Extension with National Plant Services, Inc. to Provide Sewer Collection System Maintenance through June 30, 2010. **Recommended Action: Approve a one year contract extension with National Plant Services, Inc. to provide sewer collection system maintenance through June 30, 2010.** (Director of Public Works)

4. CITY COUNCIL CONTINUED PUBLIC HEARING:

A. Confirming Costs for Spring Weed Abatement

The 2009 Spring Weed Abatement Report of Costs lists property owners whose vacant parcels were abated by the Fire Department's weed abatement contractor for the 2009 Spring Weed Abatement Program. After Council adopts the Resolution, property owners will be invoiced for payment of abatement.

Recommended Action: Adopt Resolution No. 2009-____, confirming the report of costs for abatement of weeds and hazardous vegetation as a public nuisance and imposing special assessment liens on vacant parcels within the City. (Fire Chief)

Fire Chief Frye presented the City Council Item.

Mayor Azevedo OPENED the public hearing, indicating that proper notification had been made and asking for the appearance of those wishing to speak. With no public comments, Mayor Azevedo CLOSED the public hearing.

M/S Hall/Miller to Adopt Resolution No. 2009-62, confirming the report of costs for abatement of weeds and hazardous vegetation as a public nuisance and imposing special assessment liens on vacant parcels within the City. The motion was carried by the following roll call vote:

AYES: AZEVEDO, HALL, HANNA, MACGREGOR, MILLER
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

5. ITEMS PULLED FROM CITY COUNCIL CONSENT CALENDAR: No Items pulled.

6. PUBLIC COMMENTS OR QUESTIONS:

Don Bowker, 3201 Cutting Horse Rd. Mr. Bowker thanked Mayor Azevedo and Interim City Manager Groves for taking the time to tour the Ridge Ranch LMD areas. He also thanked Director Petree, Director Thompson and their staff for taking care of replacing the dead trees. Mr. Bowker stated that a half dozen trees that were replaced are already dead. He stated that it is time the City puts together an action plan to deal with this issue. He further stated that the City should not be responsible for tree replacement, but that the homeowner should be in charge. Mr. Bowker suggested that the weed abatement program should be extended to cover the public right-of-way areas, putting a lien on properties that do not comply.

In response, Interim City Manager Groves stated that staff is discussing a plan for communication with the property owners regarding this issue.

Vern Showalter, 2345 Corona. Mr. Showalter stated that the Streets, Trails and Utilities Commission elected Glen Hedges to serve as its Chairman.

Richard Hallam, 4301 Temescal. Mr. Hallam stated concern over the unions that get involved with the City Council elections, even though many of the members do not reside in Norco. He stated that he believes this is a conflict of interest. Mr. Hallam noted a conversation he overheard directed at Mayor Pro Tem Miller, from a Union representative, threatening to ruin his career. He asked that the unions stay out of this election.

7. OTHER MATTERS - COUNCIL OR STAFF:

Council Member Hanna asked Director Petree for an update on projects at Parmenter Park and Ingalls Equestrian and Event Center. Director Petree stated that bids are being received for the site prep work prior to the installation of the new restroom at Parmenter Park. He further noted that the building has been purchased and is expected to be delivered within the next two weeks and then installed thereafter and completed by the end of September. Director Petree stated that the arena project has been sent out to receive bids, which is a 45-day process. Council Member Hanna noted that he sees many stray dogs wandering around town and suggested that a notice be posted to watch out for them.

Council Member MacGregor highlighted the Groundbreaking Ceremony at Silverlakes article in the *Riding Magazine.*

Mayor Azevedo noted that a meeting will be held to discuss a potential high school rodeo in Norco. She thanked Dave Henderson for the Hall of Fame event held this past weekend and also for the tour on horseback of the Wyle property he took her on.

8. ADJOURNMENT: There being no further business to come before the City Council, Mayor Azevedo adjourned the meeting at 7:51 p.m.

BRENDA K. JACOBS
CITY CLERK

/bj-73259

CITY OF NORCO
STAFF REPORT

TO:	Chairman and Members of the Redevelopment Agency
FROM:	Beth Groves, Interim Executive Director
PREPARED BY:	Deborah L. DeGrado, Housing Manager
DATE:	August 19, 2009
SUBJECT:	Approval of First-Time Homebuyer Case 2009-02 in the Amount of $34,650.
RECOMMENDATION:	Approval of Loan for First Time Homebuyer Case 2009-02.

SUMMARY: Staff has received an application for assistance through the First-Time Homebuyer Program. The applicant has been determined eligible and is within the income guidelines. The down payment assistance is $34,650 and the mortgage payment will fall within affordability guidelines.

BACKGROUND/ANALYSIS: The Redevelopment Agency Housing Programs include the First-Time Homebuyer Program. The assistance is in the form of a 3% deferred loan secured by a deed of trust on the property. Affordability covenants are also recorded against the property. The loan is due and payable in 30 years or upon sale, transfer or refinance of the property.

The subject applicant has met all requirements to participate in the Program, and to receive down-payment assistance to purchase an affordable home in Norco. Program Guidelines require that funding for each qualified applicant must be approved by the Redevelopment Agency Board.

The applicant has opened escrow, and primary financing has been approved, as attached. This transaction is a short sale and, if approved, staff will expedite funding to close as soon as possible.

Approval of this loan meets the Agency goal to provide affordable housing in Norco.

FINANCIAL IMPACT: Funds are budgeted in account 15-5500-41230.

/dg – 73243
c: Mortgage Approval

Agenda Item 1.B.

W.J. BRADLEY MORTGAGE CAPITAL CORP.
10975 SOUTH STERLING VIEW DRIVE SUITE 100
SOUTH JORDAN, UT 84095

LOAN DISPOSITION

Disposition:	**APRVD W CONDS** on 08/10/2009 (Expires 10/28/2009)				
Case:	3000020773			Branch:	1263
Borrower:	DAN			Originator:	VICKI (MARY) SIMMONS
Property:	781 GARDEN GROVE AVE NORCO, CA 92860			Processor:	DIANA HAYWOOD
				Underwriter:	NAHIR ALDAVE
Product:	C30				
Loan Amt:	$184,800.00	Note Rate:	5.875%		
Apprs Value:	$233,000.00	Loan Term:	360/360	Lock Expires:	08/21/2009
Sales Price:	$231,000.00	Doc Level:	FULL/ALT DOC	Credit Score:	686
Subord Debt:	$34,650.00	Prop Type:	SFR	Credit Grade:	NA
LTV / CLTV:	80.00% / 95.00%	Prop Use:	PRIMARY	Total Prepay Mos:	0
Loan Purp:	PURCHASE	Lien Priority:	1ST	Hard Prepay Mos:	0
Refi Purp:	NOT APPLICABLE	Agcy Case ID:		Estimated DTI:	27.49

#	CREATED	CONDITION
INFORMATIONAL CONDITIONS only. No action required:		
28	08/10/2009 11:18 AM ALDAVE	Based on AIA Appraisal Delivery Form, loan cannot close until after 08/11/2009 .
31	08/10/2009 11:21 AM ALDAVE	BRANCH: Please do not re-run AUS. All AUS changes to be submitted to underwriter
PRIOR-TO-DOC CONDITIONS must be resolved prior to closing documents being ordered:		
33	08/10/2009 11:42 AM ALDAVE	ranch to provide a credi supplement to evidence GEMB account #1002-0050 has been paid in full or provide a monthly payment amount to be included in borrowers DTI
2	08/10/2009 10:59 AM ALDAVE	Addendum to purchase contract removing Jaclyn McArthur as buyer
5	08/10/2009 11:09 AM ALDAVE	Branch to provide 4506T validation for 2008 and 2007 personal taxes to verify unreimbursed expenses (borrower is a union employee)
9	08/10/2009 11:18 AM ALDAVE	Chain of title to be provided from an acceptable source for 12 months. The documentation provided within the title commitment must include the dates of transfer, the transferor and the transferee. Verbiage such as "12 month chain of title clear" or "there have been no documents conveying the land in the past 12 months" is no longer acceptable. Copies of the actual deeds are acceptable in lieu of the title company providing the information on the title report.
32	08/10/2009 11:30 AM ALDAVE	Borrower to provide fully executed gift letter in the amount of $10,000 and gift donor to provide evidence of seasoned funds with a recent 30 days bank statement (all pages, must refelct 30 days activity) as evidence of donor's ability to gift. Borrower to also provide satisfactory evidence of transfer of funds.
4	08/10/2009 11:06 AM ALDAVE	Evidence existing lien holders for subject property have approved short sale

3	08/10/2009 11:02 AM ALDAVE	Borrower to provide a copy of cancelled earnest money deposit check (front and back) in the amount of $1,500
1	08/10/2009 10:50 AM ALDAVE	Borrower to provide a letter of explanation and supportnig documentation for large deposit into Chase checking of $2,232 dated 06/12/09

PRIOR-TO-FUNDING UNDERWRITE CONDITIONS must be resolved prior to release of funds:

6	08/10/2009 11:10 AM ALDAVE	Provide a copy of the subordinate financing note.

PRIOR-TO-FUNDING CONDITIONS must be resolved prior to release of funds:

7	08/10/2009 11:18 AM ALDAVE	Originator to provide initial FACTA Disclosure provided to borrower.
11	08/10/2009 11:18 AM ALDAVE	Some states require loan funds to be wired in conjunction with delivery of closing documents. If this loan is in such a state and funds have not been wired with these documents, then these documents should be used only as an accommodation and should not be signed by the borrower(s) until funds have been wired.
12	08/10/2009 11:18 AM ALDAVE	Final typed loan application w/ all corrections signed by borrower(s).
13	08/10/2009 11:18 AM ALDAVE	Please use UPS courier service to deliver the closing documents to W.J. Bradley Mortgage Capital Corp. at 10975 South Sterling View Drive #100 South Jordan, UT 84095. Thank you.
15	08/10/2009 11:18 AM ALDAVE	Borrower(s) to sign AKA letter provided in closing documents.
16	08/10/2009 11:18 AM ALDAVE	Title to email Settlement Statement to hud.approval@wjbradley. com for reconciliation and preparation of wire. Please call 801-305-4447 to speak with a Funder and for questions regarding the HUD approval.
18	08/10/2009 11:18 AM ALDAVE	Declared Disaster Area list must be checked prior to drawing closing documents
10	08/10/2009 11:18 AM ALDAVE	Cash to close not to exceed $ 20,000 ; seller credit of $ 0 allowed, not to exceed actual charges for closing costs and prepaids; earnest money credits allowed $ 1,500 ; seller repair credits to borrower are not allowed; Realtor commissions paid out by either seller or buyer cannot exceed 8% of the purchase price.
19	08/10/2009 11:18 AM ALDAVE	Declared Disaster Area list must be checked prior to authorizing wire

W.J. BRADLEY MORTGAGE CAPITAL CORP. reserves the right to modify or cancel this approval and/or conditions at any time if any representations made in the loan application are incorrect or incomplete or if there is any adverse change in borrower credit, obligations, employment or in the value of the property securing the loan, prior to the funding of this loan.

ACTION MINUTES
CITY OF NORCO
PLANNING COMMISSION
CITY COUNCIL CHAMBERS – 2820 CLARK AVENUE
REGULAR MEETING
AUGUST 12, 2009

---

1. CALLED TO ORDER: **7:00 p.m.**

2. ROLL CALL: **Chair Wright, Vice-Chair Jaffarian, Commission Members Harris, Hedges, Newton**

3. STAFF PRESENT: **Planning Manager King, Senior Planner Robles, Senior Engineer Askew and Executive Secretary Dvorak**

4. PLEDGE OF ALLEGIANCE: **Chair Wright**

4.A. ELECTION OF NEW CHAIR AND VICE-CHAIR
Jaffarian elected as New Chair, Hedges elected as New Vice-Chair

5. APPEAL NOTICE: **Read by staff.**

6. HEARING FROM THE AUDIENCE ON ITEMS NOT LISTED ON THE AGENDA: **None**

7. APPROVAL OF MINUTES: Minutes of July 29, 2009, **Approved 4-0-1 (Wright abstained)**

8. CONTINUED ITEMS: **None**

9. PUBLIC HEARINGS:
   A. **Resolution No. 2009-___;** Conditional Use Permit 2009-07 (Lowe): A request for approval to allow a caretaker's dwelling on property located at 1620 Corona Avenue within the A-1-20 zone. *Recommendation: Approval (Senior Planner Robles),* ***Action: Approved 5-0 with minor changes to conditions. This action is final unless appealed to City Council.***

   B. **Resolution No. 2009-___;** General Plan Amendment 2008-01/City of Norco Draft 2008-2014 Housing Element Update: The project is an update of the City's Housing Element which is required by State law to address existing and future housing needs for the diverse economic needs of the community and to ensure that all residents have decent, safe, sanitary, and affordable housing. *Recommendation: Recommend Approval to City Council (Hogle-Ireland, Senior Planner Robles),* ***Action: Recommended approval 5-0. This item requires a public hearing with the City Council and will be advertised for the September 2, 2009 agenda.***

10. BUSINESS ITEMS: **None**

CITY COUNCIL: **Received and filed.**

A. City Council Action Minutes dated August 5, 2009

B. City Council Minutes dated July 15, 2009

11. PLANNING COMMISSION: Oral Reports from Representatives on Various Committees/Commissions: **None.**

12. STAFF: Current Work Program: **Received and filed.**

13. OTHER MATTERS:
Vice-Chair Hedges asked the status of a re-roof that the Planning Commission had approved for 3946 Temescal Avenue.

Commission Member Newton asked Commission Members to visit an accessory building under construction near his home to see how accessory buildings can impact animal-keeping on a lot without proper controls.

The Chair agreed to a request of Commission Member Newton to have a member of the audience address the Commission regarding accessory buildings. There was no Commission discussion following the discourse since it was not on the agenda.

Commission Member Harris asked about the appropriateness of inviting members of the public to address the Commission on specific issues under "Other Matters" when there could be no discussion by the Commission.

14. ADJOURNMENT: **9:00 p.m.**

/sk-73354

CITY OF NORCO
STAFF REPORT

TO:	Honorable Mayor and Members of the City Council
FROM:	Beth Groves, Interim City Manager
PREPARED BY:	William R. Thompson, Director of Public Works
DATE:	August 19, 2009
SUBJECT:	Agreement to Transfer Potable and Recycled Water between the City of Norco and the City of Corona
RECOMMENDATION:	That City Council Approve a Potable and Recycled Water Transfer Agreement between the City of Norco and the City of Corona and authorize the City Manager to execute future amendments or extensions to the agreement as needed.

SUMMARY: The City of Norco and the City of Corona have mutually agreed to construct the necessary facilities to transfer potable and recycled water between agencies for beneficial use. The purpose of the proposed agreement is to establish certain basic terms to govern cooperation, participation, responsibilities and implementation to execute the transfer of water between municipal agencies, thereby enhancing the reliability and management of local water resources.

BACKGROUND/ANALYSIS: The proposed agreement will require each City to cooperatively design and construct the necessary inter-tie facilities to either deliver or receive mutually agreed upon recycled water supplies to offset potable water requirements wherever possible. Each party will agree to provide recycled water that will meet any required regulatory and environmental compliance measures.

Both parties have recycled water systems that have the ability to provide water to the other party. The City of Corona has a system on the south side of Norco on Hidden Valley Parkway that has the ability to distribute recycled water to the Landscape and Maintenance Districts (LMD's), Hidden Valley Golf Course, and City Parks. The City of Norco has a recycled water system on the west side along River Road which has the ability to supply recycled water to the City of Corona. The first locations will require infrastructure improvements including metered inter-ties and pipeline extensions prior to initial deliveries.

The agreement has established an opening water transfer rate of $500 per acre foot or $1.15 per hundred cubic feet. Rates will be reviewed by both parties annually and by mutual consent to become effective July 1st of each year.

The City of Norco is a member of the Western Riverside County Regional Wastewater Authority (WRCRWA), a joint powers agency ("Authority"). The Authority adopted Resolution No. 97-38 establishing a policy regarding the allocation and use of recycled water produced from the WRCRWA facilities. Resolution No. 97-38 allows Norco to take its basic allocation not to exceed the amount of waste stream discharged by Norco to the WRCRWA facilities (2.2 million gallons per day). The agreement stipulates the City of Norco must take delivery of the recycled water from the Authority at its expense.

The City of Norco completed the design and construction of its recycled facilities with the exception of the section being constructed with the River Road Bridge Project. The City also has the ability to provide additional irrigation water from the CRC well field and Norco Well No. 15.

The purpose of the cooperative agreement is to memorialize the mutual understandings between both parties with respect to management, construction, ownership, operation and maintenance, including each agencies responsibility to utilize recycled water whenever possible.

FISCAL IMPACT: The creation of a Non-Enterprise Irrigation Water Fund was approved as part of the Fiscal Year 2009-10 Budget. This Fund will be used to account for all revenues and expenditures related to the production, delivery and sale of recycled water to public and private users. All revenues derived from the sale of recycled water will be deposited into the newly created Non-Enterprise Irrigation Water Fund. All related expenditures including costs of production, operations, delivery, maintenance, utilities, etc. will be charged to this Fund. Any excess of revenues over expenditures may be transferred to the City's General Fund upon approval by the City Council for payment of any legal General Fund expenditures.

Funds to construct the connections necessary to implement the recycled water program and the agreement with the City of Corona were included in the 2009-10 adopted Water and Sewer Funds Capital Improvement Program Budget.

Attachment: Cooperative Agreement
Map of Proposed Facilities – Exhibit – Connection #1
Map of Proposed Facilities – Exhibit – Connection #2
Resolution No. 97-38

/wrt-73317

AGREEMENT REGARDING WATER AND RECYCLED WATER TRANSFERS BETWEEN THE CITY OF CORONA AND CITY OF NORCO

1. Parties.

This Agreement Regarding Recycled Water Transfers ("Agreement") is entered into this _____ day of _____, 2009 by and between the City of Corona ("Corona"), a California municipal corporation, and the City of Norco ("Norco"), a California municipal corporation. Corona and Norco may be referred to in this Agreement as "Party" or "Parties" as the context may require.

2. Recitals.

2.1 Corona and Norco are municipal recycled water purveyors located adjacent to each other, and operating recycle water distribution pipelines in close proximity to each other's systems.

2.2 On occasion each Party has recycled water available for transfer.

2.3 The purpose of this Agreement is to establish certain basic terms to govern cooperation, participation and responsibilities in municipal recycled water transfers between Corona and Norco, and other mechanisms for managing and implementing the transfers, thereby enhancing the reliability of the Parties' recycle water systems and helping to ensure that recycled water is used in place of potable water wherever possible.

2.4 To facilitate transfers of recycled water between the Parties' systems, it may be necessary to construct inter-ties between Corona and Norco facilities, including metering, isolation valves, pipes, and connections to existing pipelines. In addition, rate of flow control and pressure reducing facilities may be necessary for some specific inter-tie locations.

2.5 This Agreement is intended to allow for transfers of recycle water through both existing inter-ties and inter-ties that may be constructed in the future, but this Agreement is not intended to address all details of construction and operation of facilities which may be constructed in the future to facilitate transfers of recycled water between the Parties, and the Parties recognize that supplemental agreements or amendments to this Agreement may be necessary in the future.

3. Facility Construction

3.1 Unless otherwise agreed in writing by the Parties with respect to a specific inter-tie, the cost of constructing a particular inter-tie and related facilities shall be borne by the Party whose recycled water system will receive water from that inter-tie. The receiving party shall be responsible for preparation of design drawings, specifications and construction contract documents in connection with the design, construction and installation of the inter-tie, as well as construction management (including inspections)

and any required regulatory and environmental compliance (including mitigation measures). The other Party shall be afforded the opportunity to review and comment at significant progress milestones, and shall provide the receiving Party with any written comments or requested changes within fifteen (15) days from the receipt of the applicable documents. The Parties shall then make reasonable good-faith efforts to resolve any objections regarding the documents, through informal discussions.

3.2 Unless otherwise agreed in writing by the Parties with respect to a specific inter-tie, all maintenance, and operating costs of each inter-tie shall be determined from the metering facility; the supplying Party shall maintain facilities upstream of the meter and the receiving Party shall maintain facilities downstream of the meter. Each Party shall bear the cost of maintaining the facilities that it owns.

3.3 Unless otherwise agreed in writing by the Parties with respect to a specific inter-tie, each inter-tie shall include a remote operating control valve, a meter, and a SCADA system sufficient to allow each Party to operate the valve and receive real-time flow information.

3.4 The Parties acknowledge that each Party will need to comply with its own contracting and procurement requirements and procedures, and with the requirements of state law, in constructing inter-ties, and may need to obtain approval for such inter-ties from the constructing Party's City Council. Nothing in this Agreement shall be deemed to preclude or prevent compliance with all applicable requirements or the obtaining of all required approvals.

3.5 Nothing in this Agreement shall be deemed to require either Party to allow the construction of any specific inter-tie. Any inter-ties to be constructed under this Agreement shall be subject to the mutual agreement of the Parties.

3.6 Unless otherwise agreed in writing by the Parties with respect to a specific inter-tie, upon completion of an individual inter-tie and related facilities, the receiving Party shall own the SCADA system components associated with that Party's SCADA system, all facilities, pipes, and appurtenances downstream of the supplying Party's meter. The supplying Party shall own the SCADA system components associated with that Party's SCADA system, all facilities, pipes, and appurtenances upstream of the receiving Party's pipeline. The supplying Party shall own the meter. Each Party shall maintain the pipe, valves, equipment and other facilities it owns unless other written arrangements are made.

3.7 Agreements between the Parties to deviate from the default provisions in Sections 3.1, 3.2, 3.3, or 3.6 shall be memorialized in writing, but shall not require an amendment of this Agreement.

4. Payment for Recycled Water Transfers

4.1 Corona and Norco shall individually and jointly maintain records of water supplied to each other throughout each calendar quarter and shall reconcile such records within sixty (60) days of the end of each quarter. If, after reconciliation of a quarter's records, there is a difference in quantity of water delivered, with one Party delivering more water

than the other in accordance with this exchange program, the quantity of water shall be paid for at the rates specified in Section 4.2.

4.2 All recycled water transferred shall be paid for by the receiving Party at a rate of five Hundred (500) dollars an acre foot until July 1, 2010. Subsequent rates shall be determined annually by mutual consent of Corona and Norco. Rates shall be set during the first month of the calendar year (January) and become effective July 1st of the same year.

5. Water Transfer Operational Issues

5.1 Either Party may at any time request that the other Party supply the requesting Party with a quantity of recycled water. The request shall be made in writing, and shall specify the quantity of water, expressed either in total gallons or in terms of flow rate coupled with a duration of flow. The Party receiving the request shall endeavor to meet the request if it determines, in its discretion, that it has water of the requested type available and surplus to its needs and previous commitments.

5.2 Water delivered by one Party to the other shall be at a flow rate and quantity determined by the supplier's ability to furnish water and the receiver's ability to accept the water, taking into consideration each Party's own needs, supply or consumption capabilities and obligations to others. Operational protocol, including the establishment of daily flow rates, shall be established by mutual agreement of the operating staff members of each Party using the following as general guidelines:

(a) Operation of the inter-tie facilities shall be as agreed between the Parties.

(b) Operation staff of each Party shall plan water deliveries in advance and notify each other of those planned orders for water between the hours of 8am and 4pm Monday through Friday and shall endeavor to avoid starting water deliveries on weekends and holidays.

(c) Operation staff of each Party shall call at least twenty four (24) hours in advance to request flow rate changes unless in an emergency. However, weekend operational needs can be accommodated by calling the "On-Call" phone number for each Party between the hours of 6am and midnight.

(d) Current operation staff contact lists including the "On-Call" numbers are attached as Exhibit "A" and incorporated herein by reference.

(e) Monthly meter readings shall be the responsibility of the Party delivering the water even though operation staff of both Parties shall record the meter totalizer reading each month.

5.3 While the goal of the Parties is to be able to meet each other's needs for recycled water, the Parties hereby acknowledge and agree that the supplying Party has no control over the availability or quantity of water to be supplied. Therefore, neither Party

shall be deemed to be providing any warranty or guarantee regarding water quantity, either supplied or received. In addition, neither Party shall be responsible for any damages or liability of any nature whatsoever in regard to the flow rate, quantity or in connection with any interruption or failure to supply or receive water.

5.4 While the goal of the Parties is to furnish water with the hydraulic and water quality parameters as set forth below, the Parties hereby acknowledge and agree that the supplying Party has limited control over the hydraulic characteristics and quality of water to be supplied. Therefore, neither Party shall be deemed to be providing any warranty or guarantee regarding hydraulic characteristics and water quality. In addition, neither Party shall be responsible for any damages or liability of any nature whatsoever in regard to the pressure or quality or in connection with any failure to supply water with the following parameters:

(a) Recycled water furnished by Corona to Norco:

Static Hydraulic Grade: 1021 USGS Feet
Total Dissolved Solids: 750 (Mg/l) not to exceed
Nitrates: 30 Mg/l
Free Chlorine: 0.5 (Mg/l) not to exceed

(b) Recycled water furnished by Norco to Corona:

Static Hydraulic Grade: Varies per connection point, max 1380 USGS Feet
Total Dissolved Solids: 750 (Mg/l) not to exceed
Nitrates: 30 Mg/l
Free Chlorine: 5.0 Mg/l not to exceed

6. Review and Amendment of Agreement.

6.1. The Parties shall meet annually to review this Agreement and suggest possible revisions hereto.

6.2 Except to the extent that this Agreement provides otherwise, both Parties will be responsible for administrative and planning activities related to their respective obligations under this Agreement at their respective sole cost and expense. The Parties shall contribute staff and consultant time for administrative and planning activities without reimbursement in regard to their respective obligations.

6.3 This Agreement sets forth the entire understanding and Agreement of the Parties, and may be amended only by a written instrument executed by authorized representatives of both Parties.

7. General Provisions.

7.1 This Agreement shall not be deemed to prohibit either Party from entering into agreements to share water with other public or private agencies, organizations, or individuals.

7.2 This Agreement shall become effective upon full execution by both Parties and shall remain in effect unless or until it is terminated as set forth herein. This Agreement may be terminated by mutual agreement of the Parties or by either Party as follows:

(a) Upon the determination by a terminating Party, in its discretion, that there has been an occurrence of conditions that are beyond the ability of terminating Party to control including, for example and not by way of limitation, requirements established by a regulatory agency or the decisions of a court, which make the cessation of this water exchange program necessary.

(b) If either Party believes that the other party has failed to perform any obligation of that Party in accordance with the terms of this Agreement ("Default"), the Party alleging the Default shall provide written notice ("Default Notice") to the other Party, setting forth the nature of the alleged Default. Unless otherwise provided by a specific term of this Agreement, the Party claimed to be in Default shall have: (1) with respect to a Default involving the payment of money, ten (10) days after its receipt of the Default Notice to completely cure such Default, and (2) with respect to any other type of Default, thirty (30) days from the receipt of the Default Notice to completely cure such Default or, if such Default cannot reasonably be cured within such thirty (30) day period, to commence the cure of such Default within the thirty (30) day period and diligently prosecute the cure to completion thereafter. If the Party claimed to be in Default does not cure such Default within the time periods and procedures as set forth herein, the Party alleging Default may then terminate this Agreement.

7.3 This Agreement shall be binding upon the successors and assigns of the Parties. The Recitals are incorporated herein and made an operative part of this Agreement.

7.4 Each Party hereby agrees to defend, indemnify and hold free and harmless the other Party from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever arising from or connected with the indemnifying Parties activities under this agreement, whether such claims, damages, liabilities, costs and/or judgments are based upon alleged negligence, a dangerous condition of public property, or any other theory of liability. The indemnifying Party's duty to identify the other party shall survive the expiration or other termination of this Agreement as to any injuries, occurrences or claims occurring or alleged to have occurred prior to its expiration or termination.

7.5 This Agreement contains the entire agreement between the Parties relating to the subject matter hereof, and there are no other representations, endorsements, promises, agreements or understandings, oral, written or inferred between the Parties relating to the subject matter hereof. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

7.6 If either Party commences an action against the other Party arising out of or in connection with this Agreement, the prevailing Party in such action shall be entitled to have and recover from the non-prevailing Party (or the Party found to have breached this Agreement) reasonable attorneys' fees and costs.

7.7 All parties have all requisite power and authority to execute, deliver, and perform the Agreement. All Parties warrant that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

7.8 Since the Parties or their agents have participated fully in the preparation of this Agreement, the language shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days or calendar weeks, and not work days. All references to either Party shall include their respective directors, elected officials, officers, employees, agents and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

7.9 There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

7.10 If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

7.11 This Agreement shall be governed by the laws of the State of California. Any action to interpret or enforce this Agreement shall be maintained in Riverside County.

7.12 Time is of the essence of each and every provision of this Agreement.

7.13 This Agreement may be signed in counterparts, each of which shall constitute an original.

7.14 Any notice required by this Agreement, or correspondence concerning this Agreement, shall be addressed to the representatives of the Parties shown below:

CITY OF CORONA

Mr. Jonathan Daly, General Manager
Department of Water & Power
City of Corona
755 Corporation Yard Way
Corona, CA 92880

CITY OF NORCO

IN WITNESS WHEREOF, the parties have executed this Agreement, to be effective on the date written above.

CITY OF CORONA

_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
Best Best & Krieger LLP
City Attorney

CITY OF NORCO

_____

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
John Harper, City Attorney

Exhibit "A"

On-Call Operations Staff

CITY OF CORONA

This is the 24 hour contact list: Water Projects

Thomas White----------951-830-5312 Operation Supervisor

Robert Field----------951-903-9025 Distribution Supervisor

John Taylor----------951-830-2342 Maintenance Supervisor

Dave Terry----------951-903-9269 Distribution Lead Operator

Tom Moody----------951-830-2319 Operation Manager

Ed Lockhart----------951-232-2510 Infrastructure and construction Manager

CITY OF NORCO

CITY OF NORCO

Emergency 24 Hour Contact List:

Answering Service----------951-371-1143

First Standby Pager----------951-273-6069

William R. Thompson----------951-545-7893

Terry Piorkowski----------951-545-7877

Al Hatzenbuhler----------951-545-7871

Abel Garcia----------951-545-7870

RECYCLED WATER USE AGREEMENT
BETWEEN
WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY
AND THE
CITY OF NORCO

THIS AGREEMENT is made this _____ day of March, 2005, between WESTERN RIVERSIDE COUNTY REGIONAL WASTEWATER AUTHORITY, a joint powers agency ("the Authority") and the CITY OF NORCO, a public entity ("Norco"). The Authority and Norco are sometimes individually referred to as the "Party" and collectively as the "Parties".

RECITALS

A. The Authority owns and operates a domestic wastewater treatment, disposal and reclamation plant and appurtenant facilities including pipelines and pump stations, commonly known and referred to as "the Authority's Facilities". Norco is a Member Agency of the Authority.

B. On August 28, 1997, the Authority adopted Resolution No. 97-38 establishing a policy regarding the allocation and use of recycled water produced from reclaimed wastewater treated at the Authority's Facilities. It is the purpose of this Agreement to provide for the allocation, delivery and use of such recycled water to Norco at the Authority's Facilities at Norco's sole cost and expense.

C. In accordance with Resolution No. 97-38, Norco is entitled to take its Basic Allocation of recycled water from the Authority's Facilities defined as an amount not to exceed the amount of reclaimable wastewater delivered by Norco to the Authority's Facilities, less any amount consumed during the course of operations of the Authority's Facilities.

AGREEMENT

Based on the foregoing facts, and in consideration of the mutual covenants of the Parties, it is agreed as follows:

1. Definitions. As used in this Agreement, these terms shall have the following meanings:

a. "Recycled Water Use Right" shall mean a right of Norco to take delivery and use, sell or transfer Recycled Water treated at the Authority's Facilities and delivered at the Authority's Facilities' outfall consistent with the Authority's Resolution No. 97-38, and any successor thereto.

b. "Authority Facilities" shall mean the Authority's Wastewater Treatment Plant located at 14634 River Road, Corona, California, and shall include the Wastewater Treatment Plant outfall.

c. "Recycled Water" shall mean the reclaimed wastewater that has been treated at the Authority's Facilities.

2. Amount of Norco Recycled Water Use Right. Consistent with and subject to the Authority's Resolution No. 97-38, and any successor thereto, Norco shall have the right to take delivery of and use Recycled Water from the Authority's Facilities, an amount of reclaimed wastewater treated and produced by the Authority's Facilities as determined by the Authority annually, not to exceed the amount of the reclaimable wastewater delivered by Norco to the Authority's Facilities for treatment less any amount consumed during the course of the operations of the Authority's Facilities. At any time and without notice, the Authority may temporarily suspend delivery of Recycled Water to Norco if the Authority determines, in its sole discretion, that such Recycled Water is necessary for certain emergency uses. Norco shall be responsible for the cost of construction, maintenance and operation of any and all facilities, including pump stations, pipelines, meters and related facilities, deemed necessary by the Authority and Norco in order to take delivery of such Recycled Water from the Authority's Facilities. All such facilities shall be constructed, operated and maintained at Norco's sole cost and expense and the Authority shall have no responsibility for the delivery of Recycled Water beyond the Authority's Facilities.

3. Maintenance of Connection Facilities, Pump Stations and Meters. Norco shall be responsible for the proper operation, maintenance, repair and replacement, including annual meter calibration of the connection facilities, at or near the Authority's Facilities. Norco shall be responsible for all costs associated with the conveyance of the Recycled Water from the Authority's Facilities to Norco and to its users of such Recycled Water. Norco shall promptly provide the Authority with all data and reports on such calibrations, including flow changes and quality. The Authority shall have access at all reasonable times to such metering structures for the monitoring of the both the quality and quantity of the Recycled Water which access shall be for the benefit of the Authority.

4. Delivery, Treatment and Disposal Costs. Norco shall pay to the Authority the general administrative, operation and maintenance costs incurred by the Authority in connection with the delivery of Recycled Water to Norco at the Authority's Facilities, and Norco's connection facilities at the Authority's Facilities. Such costs shall include annual capital costs, replacement charges, if any, attributed to Norco's Recycled Water Use Right, and other periodic costs which may be required to be paid by the Authority. Some of these costs may be due and payable even though no Recycled Water is taken by Norco hereunder.

5. Quality Standards. The quality of Recycled Water provided by the Authority pursuant to this Agreement shall meet the California Regional Water Quality Control Board-Santa Ana Region requirements for discharge to the river as set forth in Order No. R8-2002-0024 (NPDES Permit No. CA8000316) (hereinafter "NPDES Permit"), and any successor or amendments thereto, issued for the Authority (subject to the salt offset provisions in that NPDES

Permit). The water quality of Norco's Recycled Water System shall be the sole responsibility of Norco and shall not cause a violation of the standards established by the Authority and the agencies that regulate the Authority's Facilities, including the Authority's NPDES Permit. Norco shall be responsible for assuring that the Recycled Water is delivered and utilized by it and its users and customers in full compliance with the NPDES Permit, Title 22 of California Code of Regulations, the "Guidelines for Use of Reclaimed Water" by the California Department of Health Services, and all other applicable laws, regulations and ordinances. Norco shall also be responsible for obtaining, at its sole cost and expense, all permits and approvals applicable to its use of Recycled Water, including the sale or transfer of such Recycled Water by Norco to its users and customers.

6. The Use, Sale and Transfer of Norco's Recycled Water Use Right. Norco shall have the right, at its sole cost and expense, to sell or transfer, from time-to-time, the Recycled Water provided under this Agreement to users and customers within its boundaries and service territory; provided, that such sale or transfer by Norco of Recycled Water shall be subject to this Agreement, all applicable laws and regulations, including the Authority's NPDES Permit, and the Authority's Regional Recycled Water Ordinance, and any successor or amendment thereto, regulating the availability and use of Recycled Water from the Authority's Facilities.

7. Norco to Establish Rules and Regulations for Recycled Water Use by Its Users and Customers. As a condition precedent to taking delivery of Recycled Water from the Authority, Norco shall establish by Ordinance and enforce Rules and Regulations for its Recycled Water use by Norco, and its users or customers, governing the design and construction of Recycled Water use facilities and the use of Recycled Water in accordance with the uniform statewide recycling criteria established pursuant to Water Code, Section 13521. Use of Recycled Water by Norco, and its customers or users, shall be consistent with Norco's Rules and Regulations for Recycled Water use. Norco's Rules and Regulations for Recycled Water use shall also be consistent and compliant with the Authority's Regional Recycled Water Ordinance regulating the availability and use of Recycled Water from the Authority's Facilities. Norco's Rules and Regulations for Recycled Water use shall be subject to the review of the Authority, the State of California Department of Health Services and the California Regional Water Quality Control Board-Santa Ana Region.

8. Norco's Storage, Delivery or Use of Recycled Water Shall Not Cause Pollution or Nuisance. The storage, delivery, or use of Recycled Water shall not individually or collectively, directly or indirectly, result in a pollution or nuisance, or adversely affect water quality, as defined in the California Water Code. The use of Recycled Water shall be in conformance with the wastewater recycling plan specified in the California Regional Water Quality Control Board-Santa Ana Region Basin Plan (Table 5-7).

9. Reports to be Provided by Norco. Prior to delivering Recycled Water to any user or customer, and prior to any use by Norco of such Recycled Water, Norco shall submit to the Authority for delivery to the California Regional Water Quality Control Board-Santa Ana Region, the California Department of Health Services and the County of Riverside Health Department, a report containing the following information for review and approval:

a. The average number of persons estimated to be served at each use site area on a daily basis;

b. The specific boundaries of the proposed use site area including a map showing the location of each facility, drinking water fountain, and impoundment to be used;

c. The person or persons responsible for operation of the Recycled Water system at each use area;

d. The specific use to be made of the Recycled Water at each use area;

e. The methods to be used to assure that the installation and operation of the Recycled Water system will not result in cross connections between the Recycled Water and potable water systems. This shall include a description of the pressure, dye or other test methods to be used to test the system;

f. Plans and specifications which include the following:

(i) Proposed system to be used;

(ii) Pipe location of both the recycled and potable systems;

(iii) Pipe and location of the outlets and plumbing fixtures that would be accessible to the public;

(iv) The methods and devices to be used to prevent backflow of the Recycled Water into the potable water system; and

(v) Plan notes relating to specific installation and use requirements.

10. On-Site Supervisor. Norco shall provide, cause to be provided or caused to be required an on-site supervisor responsible for the operation of the Recycled Water distribution system. Such on-site supervisor shall also be designated by Norco's users or customers. The supervisor shall be responsible for enforcing Norco's Rules and Regulations for Recycled Water use, prevention of potential hazards, the installation, operation and maintenance of the distribution system, maintenance of the distribution and irrigation system plans in "as-built" form, and for the distribution of Recycled Water in accordance with this Agreement, the Authority's Regional Recycled Water Ordinance, the NPDES Permit, and all applicable laws and regulations.

11. Option to Obtain Surplus Reclaimed Wastewater. To the extent permitted under Resolution No. 97-38, and any successor thereto, and subject to the availability of reclaimed wastewater and the commitments and obligations of the Authority, including in-plant uses, and subject further to each of the Authority's Member Agencies' rights to their respective Basic Allocation as provided for in said Resolution, Norco may be permitted by the Authority from

time-to-time to temporarily take delivery, on an interruptible basis, of Recycled Water in excess of the net amount of reclaimable wastewater delivered by Norco to the Authority's Facilities. The delivery of such surplus Recycled Water must first be approved by the Authority in writing.

12. Indemnification. Norco agrees to fully indemnify, defend and save harmless the Authority, its directors, officers, officials, employees and agents, from and against any and all claims, demands, lawsuits, liabilities, fines, costs (including attorneys' and experts' fees), and/or damages arising from, pertaining to, or occasioned by its acceptance and use of the Recycled Water delivered in accordance with this Agreement or any violation or breach of this Agreement, the Authority's Regional Recycled Water Ordinance or the NPDES Permit referenced above. Norco's obligation to indemnify the Authority shall survive the termination of this Agreement.

13. Assignment. This Agreement shall not be assigned by Norco without the written consent of the Authority. However, this provision shall not limit the right of Norco to sell or transfer Recycled Water it obtains from the Authority under this Agreement as provided in Section 6 above.

14. Default and Summary Remedy. A failure of Norco to comply with the terms and conditions of this Agreement, the Authority's Regional Recycled Water Ordinance, any permit, the NPDES Permit, and any laws and regulations governing the use of Recycled Water shall constitute a material breach, default and violation of this Agreement and the Authority's Regional Recycled Water Ordinance. Upon the occurrence of such a breach, default or violation, the Authority, by and through its Administrator, shall deliver a ten (10) day Notice of Violation to Norco and Norco shall have ten (10) days to cure and correct the breach, default or violation. A failure by Norco to correct or cure the breach, default or violation within the ten (10) day period shall result in an immediate and automatic termination of Norco's right to take Recycled Water from the Authority's Facilities, and a physical disconnection shall be effected by the Authority at the Authority's Facilities. In the event of any litigation or arbitration between the Parties to enforce any of the provisions of this Agreement or any right of any Party hereto, the prevailing Party in such litigation or arbitration shall be entitled to recover all of its costs and expenses, including reasonable attorneys' fees, incurred therein by the prevailing Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the date first above written.

WESTERN RIVERSIDE COUNTY REGIONAL
WASTEWATER AUTHORITY

Dated: _____ By _____
Chair, Board of Directors

CITY OF NORCO

Dated: _____ By _____
Mayor

ATTEST:

_____
City Clerk

\\Finance02\wrcrwa\Agreements\NORCO-RECYCLED WATER USE AGMT02-11-05 (2).doc

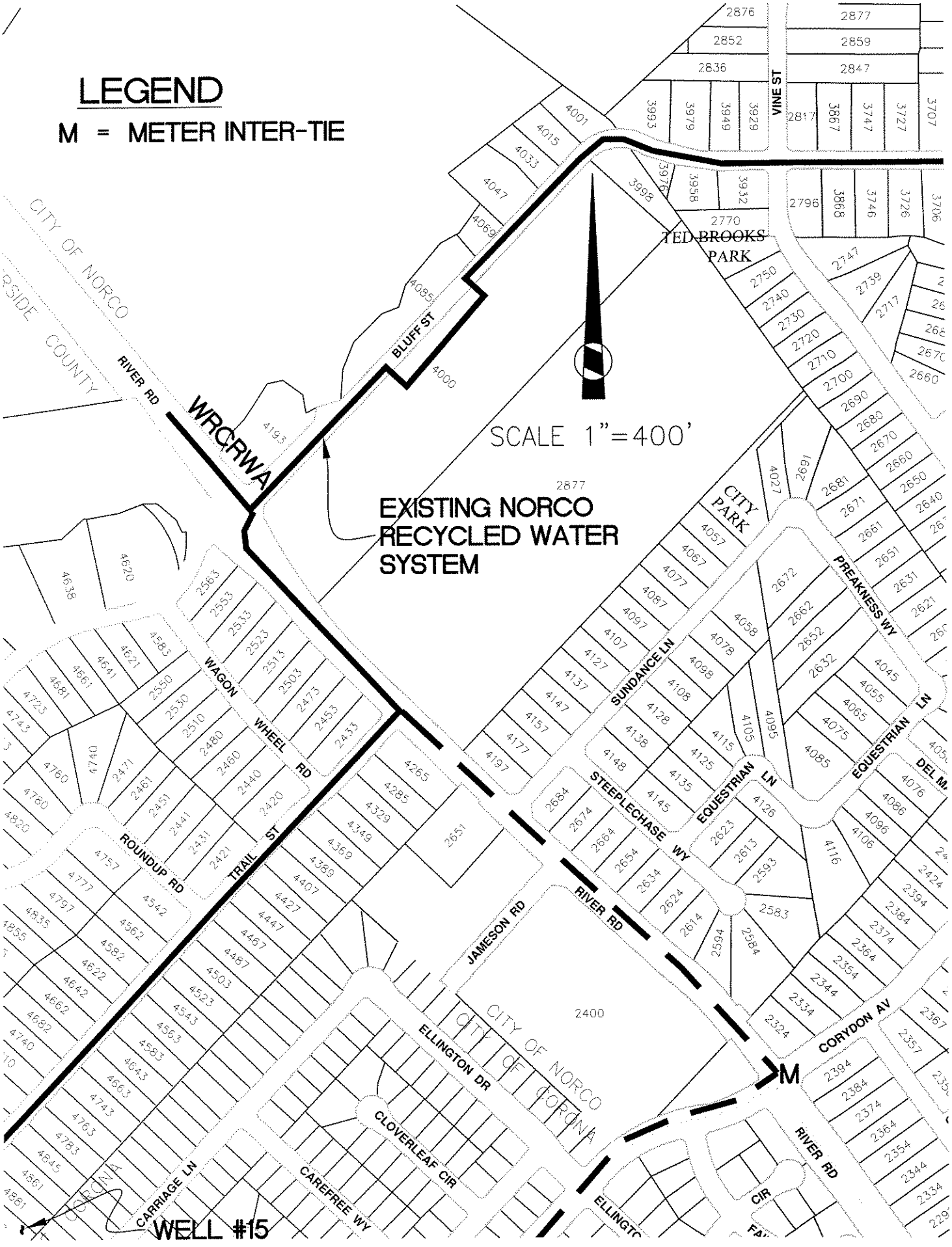

EXHIBIT - CONNECTION #1

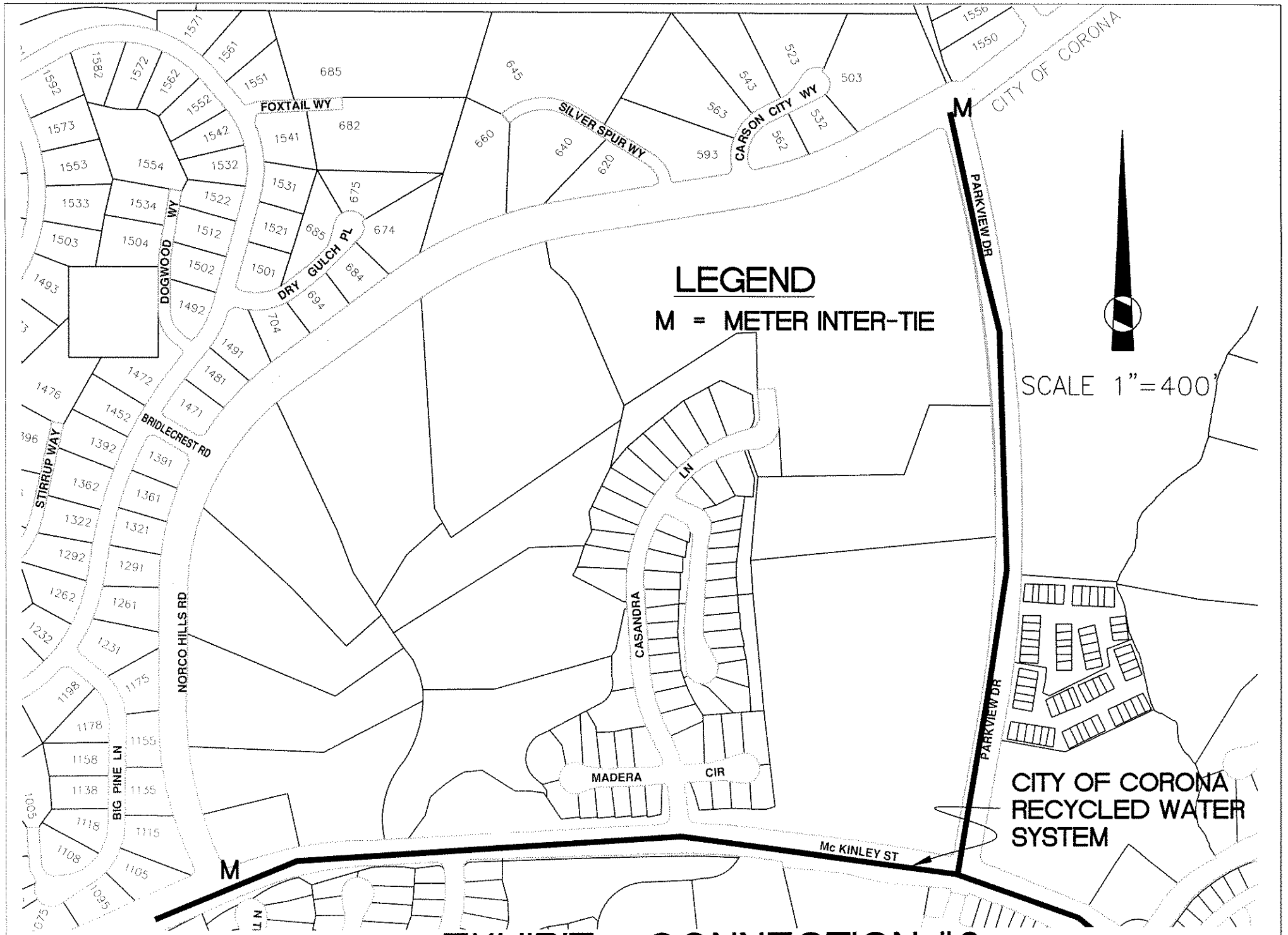

EXHIBIT - CONNECTION #2