

established, the boundaries and effective date of any service district, and the terms, conditions, and costs under which the project will be provided. Upon execution of the contract, the service as soon as possible shall establish any service district provided for in the contract and provide, maintain, and operate the necessary project.

(c) The charges levied against a service district shall be reduced by the full amount of federal and State grants which the Service receives and is entitled to retain to defray the cost of any project within the service district.

(d) Existing facilities providing service of the type requested, including all rights, easements, laboratory facilities, vehicles, records, and all other property, equipment, and furnishings necessary and normally associated with the operation of the facility, shall be transferred to the sole ownership of the Service on the date a service district comes into existence UNLESS THE SERVICE DETERMINES THAT IT NOT BE SO TRANSFERRED. Compensation for existing projects may be based on the original cost of the project minus an allowance for depreciation, or on other terms and conditions satisfactory to the municipality or person transferring the project. All costs and obligations assumed by the Service incidental to the transfer of ownership shall be included in the charge levied against the service district.

(e) At the request of any person or municipality having the responsibility for the collection of liquid waste or solid waste, the Service may enter into a contract to provide management and operation of waste collection services in any service district as an adjunct to the mandatory provision of projects as set forth in subsections (a) through (d) of this section, if (1) as a condition to the provision of management and operation of waste collection services, the municipality or person enters into a contract upon terms the service determines reasonable; and (2) the service and the municipality or person requesting collection services determines by agreement from time to time the charges including the amount and frequency of payments to the service.

[3-109.] 3-108.

(a) In calculating charges for water supply and waste management contracts and in determining the local costs to be levied against a service district established pursuant to this subtitle, the Service shall require that the charges reflect the full costs of projects. The charges and costs to be levied against any particular municipality or person located within a service district shall take account of the value and capacity of any existing facility transferred by the municipality or person to the Service, and the costs and obligations assumed by the Service incidental to the transfer of the facility. To the extent deemed reasonable and practicable by the Service, charges for