

AMENDMENT TO AGREEMENT CREATING  
THE SEWER AUTHORITY MID-COASTSIDE

(EIGHTH AMENDMENT)

THIS AMENDMENT, dated as of February 1, 2011, is made and entered into by and between the City of Half Moon Bay, hereinafter referred to as "Half Moon Bay," the Granada Sanitary District, hereinafter referred to as "Granada," and the Montara Water and Sanitary District (formerly the Montara Sanitary District), hereinafter referred to as "Montara";

W I T N E S S E T H

WHEREAS, Half Moon Bay, Granada, and Montara have entered into an agreement entitled "An Agreement Creating the Sewer Authority Mid-Coastside," dated February 3, 1976 (the "Agreement"), the Sewer Authority Mid-Coastside being herein referred to as the "Authority";

WHEREAS, the parties have on seven prior occasions amended the Agreement; and

WHEREAS, the member agencies desire to further amend the Agreement in order to replace the gender specific terms therein with gender neutral terms and to delete a provision that is no longer consistent with State law;

NOW, THEREFORE, the parties agree that:

1. Article III of the Agreement is amended to read as follows:

"III. ORGANIZATION

(A) Membership. The members of the Authority shall be each public entity which has executed this Agreement, or any addenda, amendment or supplement thereto, and which has not, pursuant to the provisions hereof, withdrawn therefrom. A list of the members shall be available to each member.

(B) Designation of Directors. Within fifteen (15) days after execution of this Agreement, the member agencies shall designate and appoint, by resolution of their respective governing bodies, representatives to act as their directors on the Board. Each member agency shall appoint two representatives to SAM, and these six representatives shall constitute the Authority's full Board of Directors. Each member agency shall also appoint one alternate director whose name shall be on file with the Board and who may assume all rights and duties of an absent director representing the appointing member agency. Each director and alternate shall hold office from the first meeting of the Board after his or her appointment by the governing body which he or she represents until a successor is selected. Directors and alternates shall serve at the pleasure of the governing body of the appointing member agency and may be removed at any time, with or without cause at the sole discretion of said member agency's governing body. A

director or alternate must be a member of the governing body of the appointing member agency.

(C) Principal Office. The principal office of the Authority shall initially be the Half Moon Bay City Hall. The Board is hereby granted full power and authority to change said principal office from one location to another within its boundary. Any change shall be noted by the Secretary under this Section but shall not be considered an amendment to this Agreement.

(D) Meetings. The Board shall meet at the principal office of the Authority or at such other place as may be designated by the Board. The time and place of regular meetings of the Board shall be determined by resolution adopted by the Board. A copy of such resolution shall be furnished to each party hereto. Regular, adjourned and special meetings shall be called and held in the manner as provided in Chapter 9, Part 1, Division 2, Title 5 of the Government Code of the State of California (Section 54950 et seq.).

(E) Quorum. That number of Board members representing a simple majority of the votes on the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time.

(F) Powers of the Board and Limitations Thereon. All of the powers and authority of SAM shall be exercised by the Board subject to the following conditions and limitations:

(1) each director from Half Moon Bay shall be entitled to two votes; each director from Montara and Granada shall be entitled to one vote;

(2) unless otherwise provided by law or elsewhere herein, a quorum of directors may, by five (5) affirmative votes, adopt any motion and take any other action they deem appropriate to carry forward the objectives of the Authority. Passage of any resolution shall require six (6) affirmative votes;

(3) final approval of any general budget or project budget shall require the consent of every member agency or participating member agency as provided in Section (G) hereof, and Article V, Sections (A), (B), and (C), thereof;

(4) no project shall be commenced without consent of every participating member agency.

(G) Consent of Members. In any matter prescribed herein to require the consent of member agencies, said consent shall be evidenced by a certified copy of the resolution of the governing body of such member agency filed with the Authority.

(H) Officers. The Authority shall have four officers: Chair, Vice Chair, Secretary and Treasurer. The directors of the Board shall select from the Board these four officers who shall hold office for a period of one year, commencing January 1 of each year; provided that, in the event that a member agency removes from the Board a director serving as an officer, the Board shall appoint another director to fill the vacant office for the remainder of that year.

(1) The Chair shall preside at the meetings of the Board. The Chair's duties shall be to call meetings to order, adjourn meetings, announce the business before the Board in the order in which it is to be acted upon, recognize directors and non-directors entitled to the floor, put to vote all questions moved and seconded, announce results of votes, maintain the rules of order, execute documents on behalf of the Board when duly approved for action, and carry out the other duties set forth in the bylaws. The Chair shall be entitled to exercise his or her full voting rights on all questions before the Board and need not relinquish the chair to discuss a question before the Board.

(2) A Vice Chair shall be selected and hold office in the same manner as the Chair and in the absence of the Chair shall preside and hold the same powers as if he or she were the Chair.

(3) A Secretary shall be selected from the Board by its directors.

(4) A Treasurer shall be selected from the Board by its directors.

The Chair may not serve in two officer positions simultaneously. Any director other than the Chair may serve in two officer positions simultaneously.

(I) Staff. General staff functions to serve the administrative needs of the Authority shall initially be provided by employees of the member agencies, and credited towards said respective member agencies' financial contributions or obligations as provided in Article V, Section (D) below. The staff positions shall be as follows:

(1) Manager. The authority shall employ or contract for the services of a manager who may or may not be a staff member of one of the member agencies. The manager shall answer to the Board and be responsible for all administrative needs of the Authority. The manager shall also be responsible for the general execution of all Authority policies as set by the Board.

(2) Treasurer. The Treasurer shall be the depository and have custody of all money of the Authority from whatever source.

The Treasurer shall:

(a) Receive and receipt for all money of the Authority and place it in the treasury of the Treasurer to the credit of the Authority.

(b) Be responsible upon his or her official bond for the safekeeping and disbursement of all Authority money so held by the Treasurer.

(c) Pay, when due, out of money of the Authority so held by the Treasurer, all sums payable on outstanding bonds and coupons of the Authority.

(d) Pay any other sums due from the Authority from Authority money, or any portion thereof, only upon checks drawn against the Authority, duly authorized by the Board and executed by two directors or by one director and the manager.

(e) Verify and report in writing on the first day of July, October, January and April of each year, to the Authority, and to each of the member agencies, the amount of money the Treasurer holds for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

(f) Perform other services as directed by the Board.

(3) Others. The Board may employ or contract for the services of individuals or other staff positions as necessary to assist in the administration and execution of the functions of the Authority.

(J) Charges for Services. Charges for the services of the manager, the treasurer, and other administrative or operating personnel supplied by any member agency shall be jointly agreed upon with the member agency or member agencies furnishing the services in advance of receipt of said services.

(K) Officers, Employees and Agents. Any officer, employee or agent of the Authority may also be an officer, employee, or agent of any member agency. The appointment or employment by the Board of such a person shall constitute a determination that the two positions are compatible. Notwithstanding the above, the Manager and the Treasurer, shall not be employees of the same member agency without the unanimous consent of the complete Board of Directors.

All privileges and immunities from liability, all exemptions from laws, ordinances and rules, and all pension, relief, disability, workers' compensation, and other benefits which apply to the activities of officers, agents, or employees

of a member agency when performing their respective functions shall apply to them to the same degree and extent while engaged in the performance of any of the functions and other duties under this agreement.

None of the officers, agents, or employees directly employed by the Authority shall be deemed by reason of their employment by the Authority, to be employed by any member agency or to be subject to any of the requirements of any member agency.

(L) Accounting and Audits. There shall be a strict accountability of all Authority funds and report of all receipts and disbursements in compliance with Article I, Chapter 5, Division 7, Title I of the Government Code (Section 6500 et seq.). The Board, acting as controller, shall contract with a certified public accountant or public accountants to make an annual audit of the accounts and records of the Authority. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code and shall conform to generally accepted auditing standards. The records and accounts of the Authority shall be audited annually, and a report thereof shall be filed as a public record with the Authority and with each of its member agencies and the San Mateo County Auditor, not later than six (6) months following the end of the fiscal year under examination. Any costs of the audit, including contracts with or employment of, a certified public accountant or public accountants shall be borne by the Authority and shall be charged against its general fund.

(M) Access to Property. The manager and treasurer are hereby designated as the persons who have charge of, handle, and have access to the property of the Authority. Each such person shall file with the Authority an official bond in an amount to be fixed by the Board. Cost of said bond shall be paid by the Authority.

(N) Minutes. The secretary of the Authority shall cause to be kept minutes of regular, adjourned regular and special meetings of the Board, and shall cause a copy of the minutes to be forwarded to each director and to each of the member agencies hereto within a reasonable time which shall be fixed by the Board.

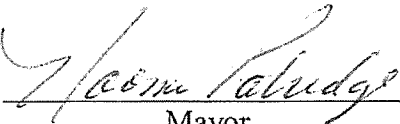
(O) Rules. The Board may adopt from time to time such rules and regulations for the conduct of its affairs as may be required. Parliamentary rules and procedures shall be those prescribed in Robert's Rules of Order. Any documents required to be executed by the Authority shall be signed by the Chair and countersigned by the Secretary, except that the Board may, by resolution, authorize other officers or employees to sign on behalf of the Authority."

2. The Secretary of the Authority shall file with the Secretary of State a notice in accordance with Government Code Section 6503.5, and a copy of the full text of the Agreement, and any amendments thereto, with the State Controller in accordance with Government Code

Section 6503.6. The Secretary of the Authority shall also file with the Secretary of State and the San Mateo County Clerk notices, as appropriate, in accordance with Government Code Section 53051.

IN WITNESS WHEREOF, the parties have caused these presents to be executed as of the day and year first above written.

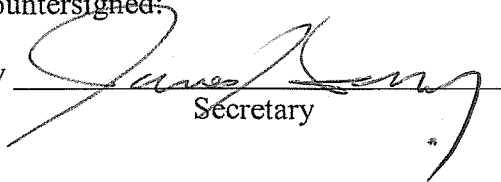
CITY OF HALF MOON BAY

By   
Mayor

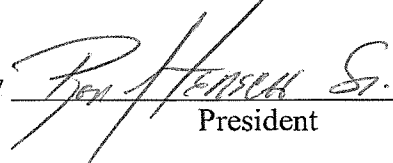
Attest:  
By   
City Clerk

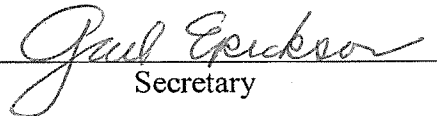
MONTARA WATER AND SANITARY DISTRICT

By   
President

Countersigned:  
By   
Secretary

GRANADA SANITARY DISTRICT

By   
President

Countersigned:  
By   
Secretary