

**JOINT EXERCISE OF POWERS AGREEMENT**  
**SOUTH BAYSIDE SYSTEM AUTHORITY**  
**TABLE OF CONTENTS**

<b><u>ARTICLE I - DEFINITIONS</u></b> .....	<b>3</b>
1.1 General	
1.2 Act	
1.3 Agencies and Agency	
1.4 Agreement	
1.5 1969 Agreement and 1969 Authority	
1.6 Area	
1.7 Authority	
1.8 Belmont	
1.9 Bond Interest and Redemption Expenses	
1.10 Bond Law	
1.11 Capital Costs	
1.12 City and Cities	
1.13 Clean Water Grant Program	
1.14 Commission	
1.15 Capital Reserve Expenses	
1.16 Controller	
1.17 County	
1.18 Engineers	
1.19 Federal Water Pollution Control Act	
1.20 1969 Facilities	
1.21 Fiscal Year	
1.22 Joint Facilities	
1.23 Joint Conveyance Facilities	
1.24 Manager	
1.25 Menlo	
1.26 Maintenance and Operation Costs	
1.27 Peak Flow Rate	
1.28 Porter-Cologne Water Quality Control Act	
1.29 Project	
1.30 Project Report	
1.31 Redwood City	
1.32 San Carlos	
1.33 Secretary	
1.34 State	
1.35 Suspended Solids, Biochemical Oxygen Demand and Other Technical Water Quality Terms	
1.36 Treasurer	
1.37 West Bay (Menlo)	

**JOINT EXERCISE OF POWERS AGREEMENT**  
**SOUTH BAYSIDE SYSTEM AUTHORITY**  
**TABLE OF CONTENTS (CONT.)**

ARTICLE II - GENERAL PROVISIONS.....	10
2.1 Purpose	
2.2 Creation of Authority	
2.3 Term	
2.4 Commission	
2.5 Meetings of The Commission	
2.6 Minutes	
2.7 Voting	
2.8 Quorum; Required Votes; Approvals	
2.9 Bylaws	
ARTICLE III - OFFICERS AND EMLOYEES .....	15
3.1 Chairman, Vice-Chairman and Secretary	
3.2 Controller and Treasurer	
3.3 Officers in Charge of Property	
3.4 Bonding Persons Having Access to Property	
3.5 Manager	
3.6 Legal Advisor	
3.7 Other Employees	
ARTICLE IV - POWERS.....	19
4.1 General Powers.	
4.2 Power to Issue Revenue Bonds	
4.3 Specific Powers	
4.4 Restrictions on Exercise of Powers	
4.5 Obligations of Authority	
ARTICLE V - METHODS OF PROCEDURE: CAPITAL COSTS.....	21
5.1 Assumption of Responsibilities by the Authority.	
5.2 Transfer of Records, Accounts, Funds, and Property	
5.3 Maintenance and Operation of 1969 Facilities	
5.4 Financing of Activities Preceding Construction of Stage 1 of the Project	
5.5 Activities Preceding Construction of Stage 1 of the Project	
5.6 Financing and Construction of the Project	
5.7 Operative Date of Stage 1 of the Project	
5.8 Conveyance of Facilities by Belmont and Redwood City	
5.9 Allocation of Capital Costs	

**JOINT EXERCISE OF POWERS AGREEMENT**

**SOUTH BAYSIDE SYSTEM AUTHORITY**

**TABLE OF CONTENTS (CONT.)**

5.10 Operation and Maintenance of the Joint Facilities

5.11 Income From Operation

ARTICLE VI - BUDGET: MAINTENANCE AND OPERATION COSTS; OTHER COSTS  
AFTER COMPLETION OF CONSTRUCTION OF STAGE 1 OF THE PROJECT..... 28

6.1 Annual Budget

6.2 Records and Accounts

6.3 Allocation of Expenses; Generally

6.4 Distribution of Maintenance and Operation Costs

6.5 Maintenance and Operation Fund

6.6 Allocation of Bond Interest and Redemption Expenses

6.7 Allocation of Capital Reserve Expenses

6.8 Payment of Costs

6.9 Sources of Funds

ARTICLE VII - OWNERSHIP; MAXIMUM CAPACITY RIGHTS: TRANSFERS,  
ENFORCEMENT.....31

7.1 Ownership of Joint Facilities.

7.2 Maximum Capacity Rights

7.3 Transfers

7.4 Flow and Strength Limitation

7.5 Grant Conditions

7.6 Industrial Waste Ordinances

7.7. Enforcement By Authority

ARTICLE VIII -  
TERMINATION.....40

8.1 Termination Agreement

8.2 Withdrawal

8.3 Disposition of Assets

**JOINT EXERCISE OF POWERS AGREEMENT**  
**SOUTH BAYSIDE SYSTEM AUTHORITY**  
**TABLE OF CONTENTS (CONT.)**

ARTICLE IX - MISCELLANEOUS PROVISIONS.....	41
9.1 Notices.	
9.2 Section Headings	
9.3 Consent	
9.4 Law Governing	
9.5 Amendments	
9.6 Severability	
9.7 Successors	
9.8 1969 Agreement Superseded	
 EXHIBIT A: DISTRIBUTION OF CAPITAL COSTS FOR STAGE 1 OF THE PROJECT.....	 45
 EXHIBIT B: METHODOLOGY FOR ALLOCATION OF ADMINISTRATIVE, MAINTENANCE AND OPERATION COSTS FOR JOINT FACILITIES.....	 48
 EXHIBIT C: MAP OF EXISTING AND POTENTIAL FUTURE SERVICE AREAS (SBSA).....	 50
 EXHIBIT D: MAP OF JOINT CONVEYANCE FACILITIES AND PUMP STATIONS (SBSA).....	 51

## **JOINT EXERCISE OF POWERS AGREEMENT**

### **SILICON VALLEY CLEAN WATER**

#### **Supplemental Agreements**

##### **Supplemental Agreement I**

Section 7.2 – Maximum Capacity Rights

##### **Supplemental Agreement II**

Section 7.4 – Flow and Strength Limitation

Section 7.6 – Industrial Waste Ordinances

##### **Supplemental Agreement III**

Section 1.16 – Controller

Section 1.22 – Joint Facilities

Section 1.23 – Joint Conveyance Facilities

Section 1.25 – Menlo

Section 1.29 – Project

Section 1.37 – West Bay

Section 2.7 – Voting

Section 3.5 – Manager

Section 5.6 – Financing and Construction of the Project

Section 5.8 – Conveyance of Facilities by Belmont & Redwood City

Section 5.9 – Allocation of Capital Costs

Section 6.1 – Annual Budget

Section 6.3 – Allocation of Expenses, Generally

Section 7.2 – Maximum Capacity Rights

Section 7.3 – Transfers

##### **Supplemental Agreement IV**

Section 2.4 – Commission

Section 7.2 – Maximum Capacity Rights

## **Supplemental Agreement V**

Section 3.5 – Manager

## **Supplemental Agreement VI**

Section 1.22 – Joint Facilities

Section 1.29 – Project

Section 2.8 – Quorum, Required Votes and Approvals

Section 5.6 – Financing and Construction of Stages 1 and 2

Section 5.9 – Allocation of Capital Costs

Section 7.2 – Maximum Capacity Rights

## **Supplemental Agreement VII**

Section 1.7 – Authority

Section 2.2 – Creation of Authority

Section 2.4 – Commission

## **Supplemental Agreement VIII**

Section 1.16 – Controller

Section 1.36 – Treasurer

Section 3.2 – Controller and Treasurer

Section 3.3 – Officers in Charge of Property

Section 6.5 – Maintenance and Operation Fund

Section 6.6 – Allocation of Bond Interest and Redemption Expenses

Section 6.7 – Allocation of Capital Reserve Expenses

## **Supplemental Agreement IX**

Section 1.2 - Act

Section 4.2 - Power to Issue Revenue Bonds

**JOINT EXERCISE OF POWERS AGREEMENT**

**SILICON VALLEY CLEAN WATER**

BY AND BETWEEN THE CITIES OF BELMONT, REDWOOD CITY AND SAN CARLOS AND WEST BAY SANITARY DISTRICT SUPERSEDING THAT CERTAIN JOINT EXERCISE OF POWERS AGREEMENT DATED JUNE 26, 1969 BY AND BETWEEN SAID CITIES.

**THIS AGREEMENT**, dated for convenience as of November 13, 1975, by and between the City of Belmont (Belmont), a general law city, the City of Redwood City (Redwood City), a chartered city, the City of San Carlos (San Carlos), a general law city and West Bay Sanitary District (West Bay) a sanitary district, each duly organized and existing in the County of San Mateo (the County), State of California (the State) under the constitution and laws of the State and collectively called the “Agencies,”

**WITNESSETH**

**WHEREAS**, the Area hereinafter defined has substantial water quality control problems; and

**WHEREAS**, Belmont, Redwood City and San Carlos (the Cities) entered into a Joint Exercise of Powers Agreement on June 26, 1969, (the 1969 Agreement) for the construction and operation of Joint Facilities therein described, and the 1969 Facilities (being Stage 1 of said Joint Facilities) were constructed and are now maintained and operated by the 1969 Authority provided for in the 1969 Agreement; and

**WHEREAS**, pursuant to the 1969 Agreement the 1969 Authority retained engineers (hereinafter referred to) to prepare and submit the Project Report hereinafter defined and the Project Report has been submitted to and accepted by the 1969 Authority and the Cities and

**WHEREAS**, the Project Report recommended the construction of Stage 1 of the Project as hereinafter defined, being a sub-regional wastewater treatment plant and related facilities, to serve the Area; and

**WHEREAS**, pursuant to applicable State and Federal laws and regulations a final environmental impact report relating to Stage 1 of the Project and dated November 1974 was prepared by the Steering Committee provided for in the 1969 Agreement with the assistance of J. B. Gilbert and Associates and has been approved by the 1969 Authority and the environmental impact report process has been completed; and

**WHEREAS**, the Agencies recognize that the exigencies of said water quality control problems within their respective jurisdictions require that the Agencies coordinate their efforts in solving said problems by executing this Agreement to supersede the 1969 Agreement and to implement the Project Report and the construction of Stage 1 of the Project;

**NOW, THEREFORE**, in consideration of the above premises and of the mutual promises herein contained, the Agencies do hereby agree as follows:



## **ARTICLE I – DEFINITIONS**

### **Section 1.1 General**

Unless the context otherwise requires, the words and terms defined in this Article shall, for the purposes hereof, have the meaning herein specified.

### **Section 1.2 Act**

Act means the Joint Exercise of Powers Act constituting Article 1 (commencing with Section 6500), 2 and 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State, as the Joint Exercise of Powers Act may hereafter be amended or supplemented from time to time.

### **Section 1.3 Agencies and Agency**

Agencies means all of the parties to this Agreement and Agency means any one such party.

### **Section 1.4. Agreement**

Agreement means this Agreement.

### **Section 1.5 1969 Agreement and 1969 Authority**

1969 Agreement means that certain Joint Exercise of Powers Agreement between the Cities dated June 26, 1969. 1969 Authority means the Authority created by the 1969 Agreement.

### **Section 1.6 Area**

Area means the Silicon Valley Clean Water, being the aggregate of the service areas of the respective Agencies. The service areas of the respective Agencies are delineated on the map attached hereto as Exhibit C and hereby made a part of this Agreement and are further described in Table 1-1 and Division I-A of the Project Report.

### **Section 1.7 Authority**

Authority means the Silicon Valley Clean Water created pursuant to this Agreement initially under the name of South Bayside System Authority and

subsequently renamed. The name ‘Silicon Valley Clean Water’ shall be deemed substituted for ‘South Bayside System Authority’ wherever the latter appears in this Agreement, including, without limitation, the Exhibits.

#### **Section 1.8 Belmont**

Belmont means the City of Belmont, a municipal corporation and general law city duly organized and existing in the County under the Constitution and laws of the State.

#### **Section 1.9 Bond Interest and Redemption Expenses**

Bond Interest and Redemption Expenses means those sums of money required to be expended by the Authority from any bond interest and redemption fund to be established and maintained by the Authority for the payment of principal of and interest on bonds (if any) issued pursuant to this Agreement.

#### **Section 1.10 Bond Law**

Bond Law means the Revenue Bond Law of 1941, being Chapter 6 (commencing with Section 54300) of Part 1, Division 2, Title 5 of the Government Code of the State.

#### **Section 1.11 Capital Costs**

Capital costs means capital costs as defined in Exhibit A attached hereto and hereby made a part of this Agreement and includes all sums of money expended or to be expended by the Authority for acquisition, construction or completion of the Joint Facilities or for any machinery or equipment included in the Joint Facilities, exclusive of costs of Special Services as defined in Exhibit A hereto.

#### **Section 1.12 City and Cities**

City shall mean Belmont, Redwood City or San Carlos. “Cities” shall mean Belmont, Redwood City and San Carlos

### **Section 1.13 Clean Water Grant Program**

Clean Water Grant Program means the program of Federal and State financial assistance for wastewater facilities administered by the State Water Resources Control Board pursuant to Chapter 3 (commencing with Section 2100) of Title 23 of the Administrative Code of the State.

### **Section 1.14 Commission**

Commission means the Commission referred to in Section 2.4 which shall be the governing board of the Authority.

### **Section 1.15 Capital Reserve Expenses**

Capital reserve expense means those sums of money required to be deposited in any wastewater capital reserve fund required to be established and maintained by the Authority by the Clean Water Grant Program rules and regulations.

### **Section 1.16 Controller**

Controller means the Assistant City Manager of Administrative Services of the City of Redwood City or other public officer or employee performing the functions of Auditor or Controller of Redwood City, designated as Controller of the Authority in Section 3.2

### **Section 1.17 County**

County means the County of San Mateo, State of California.

### **Section 1.18 Engineers**

Engineers mean the consulting engineers to the Authority, appointed by the Authority or their successors as such consulting engineers to the Authority.

### **Section 1.19 Federal Water Pollution Control Act**

Federal Water Pollution Control Act means the Federal Water Pollution Control Act Amendments of 1972, being P.L. 92—500, 86 Stat. 816 et seq., as

thereafter and hereafter amended.

**Section 1.20 1969 Facilities**

1969 Facilities means Stage 1 of the Joint Facilities described in the 1969 Agreement.

**Section 1.21 Fiscal Year**

Fiscal Year means the period from July 1<sup>st</sup> to and including the following June 30th.

**Section 1.22 Joint Facilities**

Joint Facilities means the 1969 Facilities, all facilities conveyed to the Authority pursuant to Section 5.8. hereof, Stage 1 of the Project and Stage 2 of the Project and improvements resulting from the reconstruction, replacement, rehabilitation, remodeling, relocation and repair by the Authority of Stages 1 and 2 of the Project or any component thereof or addition thereto.

**Section 1.23 Joint Conveyance Facilities**

Joint Conveyance Facilities means those facilities shown in Exhibit D attached hereto and hereby made a part of this Agreement and generally described as follows: The new West Bay Pumping Plant and new Force Main to Redwood City; the existing Redwood City Pumping Plant and Force Main to San Carlos; the new San Carlos Pumping Plant; the existing Belmont Pumping Plant; the existing Force Main extending from the new San Carlos Pumping Plant to the deep water end of the bay outfall, including connections to the new Treatment Plant of the Authority to be constructed at Redwood Shores (Stage 1 of the Project) and the existing Belmont Force Main extending from the existing Belmont Pumping Plant to a new connection (to be constructed) with the existing Force Main to the deep water end of the bay outfall.

**Section 1.24 Manager**

Manager means the manager of the Authority appointed as provided in Section 3.5.

**Section 1.25 Menlo**

Menlo means the formerly named Menlo Park Sanitary District, which subsequent to entering into the Agreement, changed its name to West Bay Sanitary District, a sanitary district duly organized and existing in the County under the Sanitary District Act of 1923 (Sections 6400 et seq. of the Health and Safety Code of the State) and the Constitution of the State (see also, definition of West Bay).

**Section 1.26 Maintenance and Operation Costs**

Maintenance and operation costs means those sums of money required to be expended by the Authority from a fund to be established and maintained by the Authority to finance the cost of maintaining and operating the Joint Facilities, including all administrative costs, flow conveyance maintenance and operation costs and treatment plant maintenance and operation costs on and after July 1<sup>st</sup> next succeeding the operative date of Stage 1 of the Project as defined in Section 5.7, but excluding all capital costs and all costs of special services.

**Section 1.27 Peak Flow Rate**

Peak Flow Rate means maximum total flow measured during sixty (60) consecutive minutes and expressed in gallons per day.

**Section 1.28 Porter-Cologne Water Quality Control Act**

Porter-Cologne Water Quality Control Act means Division 7 of the Water Code of the State as in effect on the date of this Agreement and as hereafter amended.

**Section 1.29 Projects**

Project means Stage 1 of the Project and Stage 2 of the Project and

improvements resulting from the reconstruction, replacement, rehabilitation, remodeling, relocation and repair by the Authority of Stages 1 and 2 of the Project or any component thereof or addition thereto. Stage 1 of the Project means Alternative SB-B as set forth and described in the Project Report provided that the components of Stage 1 of the Project shall include the Facilities defined and listed in Note 1 of Subdivision B of Exhibit A hereof except where expressly stated to the contrary in this Agreement

Stage 2 of the Project means the expansion of the Joint Facilities from a designed wastewater treatment capacity volume of 24 million gallons per day average daily dry weather flow to 29 million gallons per day. Stage 2 of the Project shall be acquired and constructed in incremental substages as needed to meet the needs of the Authority and when funds are provided by the Agencies in accordance with Subdivision (b) of Section 5.6. Stage 2 of the Project is described generally in that certain report dated August 1983 entitled "Report on Capacity Study and Long Range Plan for Wastewater Treatment Plant Enlargements, South Bayside System Authority" prepared by Kennedy/Jenks Engineers, Consulting Sanitary and Civil Engineers of Palo Alto, California.

#### **Section 1.30 Project Report**

Project Report means the Project Report dated October 1974 entitled South Bayside System Unit, Sub-regional Water Quality Management Program, prepared by Jenks & Adamson, Consulting Sanitary and Civil Engineers, of Palo Alto, California.

#### **Section 1.31 Redwood City**

Redwood City means the City of Redwood City, a municipal corporation and chartered city organized and existing in the County under the constitution of the State.

#### **Section 1.32 San Carlos**

San Carlos means the City of San Carlos, a municipal corporation and

general law city duly organized and existing in the County under the constitution and laws of the State.

**Section 1.33 Secretary**

Secretary means the Secretary of the Authority.

**Section 1.34 State**

State means the State of California.

**Section 1.35 Suspended Solids, Biochemical Oxygen Demand and  
Other Technical Water Quality Terms**

Suspended Solids, Biochemical Oxygen Demand and other technical water quality terms used in this Agreement shall have the meaning as set forth in the latest edition of Standard Methods for the Examination of Water and Wastewater published by the American Public Health Association, the American Water Works Association and the Water Pollution Control Federation.

**Section 1.36 Treasurer**

Treasurer means the Chief Financial Officer of the Authority or other public officer or employee performing the functions of Treasurer of the Authority, designated as Treasurer of the Authority in Section 3.

**Section 1.37 West Bay**

West Bay means West Bay Sanitary District, a sanitary district duly organized and existing in the County under the Sanitary District Act of 1923 (Sections 6400, et seq. of the Health and Safety Code of the State) and the Constitution of the State. West Bay was formerly named Menlo Park Sanitary District (see definition of Menlo above). As used in this Agreement, Menlo shall be deemed to mean West Bay and as amendments may be made to this Agreement from time to time, the name West Bay shall be substituted for Menlo as the latter name appears.

## **ARTICLE II - GENERAL PROVISIONS**

### **Section 2.1 Purpose**

This Agreement is made pursuant to the Act providing for the joint exercise of powers common to the Agencies. The purpose of this Agreement is to provide for the joint exercise of powers to manage, operate and maintain the 1969 Facilities and to implement the financing, acquiring and constructing of Stage 1 of the Project and thereafter to manage, operate and maintain the Joint Facilities, all for the transmission, treatment and disposal of wastewater, and in connection with the foregoing to apply for and receive grants and loans pursuant to the Clean Water Grant Program and, if necessary, to issue and repay revenue bonds of the Authority pursuant to the Bond Law or the Act. Each of the Agencies is authorized to exercise all such powers (except the power to issue and repay revenue bonds of the Authority) pursuant to its organic law and the Authority is authorized to issue and provide for the repayment of revenue bonds pursuant to the provisions of Section 54307.1 of the Bond Law and may hereafter be authorized to issue and provide for the issuance and repayment of revenue bonds pursuant to the Act.

### **Section 2.2 Creation of Authority**

Pursuant to the Act, there is hereby created a public entity to be known as the Silicon Valley Clean Water, herein called the Authority. The Authority is a public entity separate and apart from Belmont, Redwood City, San Carlos and West Bay and shall administer this Agreement.

### **Section 2.3 Term**

This Agreement shall be dated the date of execution of this Agreement by the last of the Agencies that executes this Agreement and shall be effective on the date hereof and shall continue in effect until such time as all bonds (if any) and the interest thereon issued by the Authority under the Bond Law or the Act shall have been paid in full or provision for such payment shall have been made and thereafter until such time as the Authority and the Agencies shall have paid all sums due and owing pursuant to this Agreement or pursuant to any contract



executed pursuant to this Agreement and thereafter until terminated pursuant to Section 8.1 by an agreement of all the Agencies that are then parties hereto.

#### **Section 2.4 Commission**

The Authority shall be administered by a Commission of four (4) members. One (1) member shall be a Council Member of Belmont appointed by the City Council of Belmont; one (1) member shall be a Council Member of Redwood City appointed by the Council of Redwood City; one (1) member shall be a Council Member of San Carlos appointed by the City Council of San Carlos; and one (1) member shall be a member of the Board of Directors of West Bay appointed by the Board of Directors of West Bay. The Commission shall be called the Commission of Silicon Valley Clean Water. All voting power of the Authority shall reside in the Commission.

Each member of the Commission shall serve at the pleasure of the Agency that appointed him or her. Each member shall cease to be a member of the Commission when he or she ceases to hold office on the governing board of the Agency that appointed him or her. Vacancies on the Commission shall be filled by the respective appointing Agencies.

The members of the Commission may receive compensation as may be specified by resolution of the Commission for each day's attendance at meetings of the Commission or for each day's service rendered as a Commission member by request of the Commission together with actual and necessary expenses incident thereto. Provided that such compensation shall not exceed that amount specified in Subdivision (a) of Section 6489 of the Health and Safety Code of the State of California as compensation for members of boards of directors of sanitary districts established under the Sanitary District Act of 1923 (Health & Safety Code Section 6400 et seq.) as said Subdivision (a) currently provides or may from time to time be amended, replaced or superseded.

## **Section 2.5 Meetings of the Commission**

### **(a) Regular Meetings**

The Commission shall provide for its regular meetings; provided, however, that at least one regular meeting shall be held each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Commission and a copy of such resolution shall be filed with each of the Agencies.

### **(b) Special Meetings**

Special meetings of the Commission may be called in accordance with the provisions of Section 54956 of the Government Code of the State.

### **(c) Call Notice and Conduct of Meeting**

All meetings of the Commission, including without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of Sections 54960 et seq. of the Government Code of the State.

## **Section 2.6 Minutes**

The Secretary shall cause to be kept minutes of the meetings of the Commission and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Commission and to each of the Agencies.

## **Section 2.7 Voting**

The members of the Commission representing the following Agencies shall have the number of votes respectively ascribed to them hereinafter:

Belmont	11 votes
Redwood City	42 votes
San Carlos	19 votes
West Bay	28 votes

Nothing in this Section contained shall be deemed to affect the ownership of the Joint Facilities as determined pursuant to Section 7.1, the treatment capacity rights of the respective Agencies pursuant to Section 7.2, nor to affect the disposition of the assets of the Authority pursuant to Section 8.3 upon termination of this Agreement. No member of the Commission shall vote less than all of his or her votes or assign any of his or her votes.

#### **Section 2.8 Quorum; Required Votes and Approvals**

Members of the Commission holding a majority of the votes shall constitute a quorum for the transaction of business except that less than a quorum may adjourn from time to time. The affirmative votes of members of the Commission holding at least three-fourths (3/4) of the votes shall be required to adopt or amend bylaws, rules or regulations; to adopt or modify any budget; to approve any capital costs or any contract providing for an expenditure of more than \$50,000.00; excluding consulting services contracts; to approve consulting services contracts which involve an expenditure by the Authority of more than \$75,000.00; to approve all appropriations and transfers of funds, except expenditures under contract of \$50,000.00 or less and demands for payment of \$50,000.00 or less, excluding expenditures under contract for personal services included in the budget for the then current Fiscal Year which shall require Commission approval for expenditures of more than \$75,000.00 to employ the Manager, the engineers and, except to the extent otherwise provided in Subdivision (b) of Section 3.5, all other consultants to the Authority; to sell or dispose of any property of the Authority (except personal property of a value of less than \$25,000.00); to grant any right, license or permit to any person other than another Agency to use any property of the Authority; to grant any right, license or permit

to any Agency to use any property of the Authority otherwise than for the purpose for which it was designed; or to approve or execute a grant agreement between the Authority as grantee and the State or the United States of America.

All of the votes of all Agencies that are at the time parties to this Agreement shall be required to terminate this Agreement.

The affirmative votes of members holding a majority of the votes shall be required for any other action of the Commission.

### **Section 2.9 Bylaws**

The Commission may adopt, from time to time, such bylaws, rules and regulations for the conduct of its meetings and affairs as are necessary for the purposes hereof.

## **ARTICLE III - OFFICERS AND EMPLOYEES**

### **Section 3.1 Chairman, Vice-Chairman and Secretary**

The Commission shall elect a Chairman and Vice-Chairman from among its members, and shall appoint a Secretary who may, but need not, be a member of the Commission. The officers shall perform the duties normal to said offices; and

- (a) The Chairman shall sign all contracts on behalf of the Authority, except contracts that may be executed by the Manager as provided in Section 3.5. and shall perform such other duties as may be imposed by the Commission;
- (b) The Vice-Chairman shall act, sign contracts and perform all of the Chairman's duties in the absence of the Chairman; and
- (c) The Secretary shall countersign all contracts signed by the Chairman or Vice-Chairman on behalf of the Authority, perform such other duties as may be imposed by the Commission and cause a copy of this Agreement to be filed with the Secretary of State of the State pursuant to the Act.

### **Section 3.2 Controller and Treasurer**

The Assistant City Manager of Administrative Services of the City of Redwood City or other public officer or employee performing the functions of Auditor or Controller of Redwood City and the Chief Financial Officer of the Authority or other public officer or employee performing the functions of Treasurer of the Authority, are hereby respectively designated as the Controller and Treasurer of the Authority. The Treasurer shall be the depository and shall have custody of all the accounts, funds and money of the Authority from whatever source. The Controller shall have the duties and obligations of the Auditor and Controller and the Treasurer shall have the duties and obligations of the Treasurer, each as set forth in Sections 6505 and 6505.5 of the Act and each shall perform

their respective roles to assure that there shall be strict accountability of all funds and report of all receipts and disbursements of the Authority. The Council of Redwood City shall determine the charges to be made against the Authority for the services of the Controller, such charges not to exceed actual costs to Redwood City for such services

### **Section 3.3 Officers in Charge of Property**

Pursuant to Section 6505.1 of the Act, the Controller and the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto in accordance with their respective duties and obligations under this Agreement; the Secretary shall have charge of, handle and have access to all other records of the Authority; and the Manager shall have charge of, handle and have access to all physical properties of the Authority.

### **Section 3.4 Bonding Persons Having Access to Property**

From time to time, the Commission shall designate the public officers or persons, in addition to the Secretary, Controller, Treasurer and Manager, having charge of, handling or having access to any property of the Authority and the respective amounts of the official bonds of the Secretary, Controller, Treasurer, and Manager and such other persons pursuant to Section 6505.1 of the Act.

### **Section 3.5 Manager**

The Commission shall appoint a Manager of the Authority at the time provided for in Section 5.1. The Manager shall have the power:

- (a) To participate in the design of the Project;
- (b) Except as otherwise provided in clause (d) of this Section, to execute any contract for capital costs, costs of special services, equipment, materials, supplies, maintenance or repair that involves an expenditure by the Authority of not more than \$50,000.00; or any contract for consulting services the cost of which is included in the Budget for the then current Fiscal Year

and which involves an expenditure by the Authority of not more than \$75,000.00;

- (c) To employ all personnel of the Authority required for maintenance and operation of the Joint Facilities and all other employees authorized by the Authority's Budget or by the Commission.
- (d) To expend funds of the Authority and enter into contracts not exceeding in the aggregate expenditures of \$300,000.00 of funds of the Authority whenever required by any emergency to keep the Joint Facilities in operation or to restore them to operating condition;
- (e) To sell any personal property of the Authority of a value of less than \$25,000.00;
- (f) To approve demands for payments by the Authority for which funds have been budgeted;
- (g) To prepare and submit to the Commission in time for revision and adoption by it prior to May 1st of each year the Annual Budget for the next succeeding Fiscal Year referred to in Section 6.1; and
- (h) Generally, to supervise the acquisition, construction, management, maintenance and operation of the 1969 Facilities, the Project and the Joint Facilities.

The Manager shall perform such other duties as may be specified by the Commission and shall report to the Commission at such times and concerning such matters as the Commission may require.

### **Section 3.6 Legal Advisor**

The Commission shall have the power to appoint the legal advisor of the Authority who shall perform such duties as may be prescribed by the Commission.

### **Section 3.7 Other Employees**

The Commission shall have the power to appoint and employ such other officers, consultants, advisers and independent contractors as may be necessary for the purposes of this Agreement.

All of the privileges and immunities from liability, exemption from laws, ordinances and rules, all pension, relief, disability, workers' compensation and other benefits which apply to the activities of officers, agents, or employees of an 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 Commission shall be deemed, by reason of their employment by the Commission, to be employed by any Agency or, by reason of their employment by the Commission, to be subject to any of the requirements of the Agencies.



## **ARTICLE IV – POWERS**

### **Section 4.1 General Powers**

The Authority shall exercise in the manner herein provided the powers common to each of the Agencies and necessary to the accomplishment of the purposes of this Agreement, subject to the restrictions set forth in Section 4.4.

As provided in the Act, the Authority shall be a public entity separate from the Agencies. The Authority shall have the power to finance, acquire, construct, manage, maintain and operate the Joint Facilities.

### **Section 4.2 Power to Issue Revenue Bonds**

The Authority, as a local agency under Section 54307.1 of the Bond Law, shall have the power to issue revenue bonds under the Bond Law, as the same now reads or may be hereafter amended and to provide for the repayment of all bonds so issued. The Authority shall also have all of the powers provided for in the Act including the power to issue revenue bonds under the Act, provided, however that revenue bonds may only be issued by the Authority to finance or refinance the costs of the Joint Facilities, the Project or other facilities authorized for construction under this Agreement that transmit, treat or dispose of wastewater generated by the wastewater collection systems operated by the Members.

### **Section 4.3 Specific Powers**

The Authority is hereby authorized, in its own name, to do all acts necessary for the exercise of the foregoing powers, including, but not limited to, any or all of the following:

- (a) To make and enter into contracts;
- (b) To employ agents or employees;
- (c) To acquire, construct, manage, maintain or operate any buildings, works or improvements;
- (d) To acquire, hold or dispose of property;
- (e) To sue and be sued in its own name;

- (f) To incur debts, liabilities or obligations provided that no debt, liability or obligation shall constitute a debt, liability or obligation of any of the Agencies;
- (g) To apply for, accept, receive and disburse grants, loans and other aids from any agency of the United States of America or of the State;
- (h) To invest any money in the treasury pursuant to Section 6505.5 of the Act that is not required for the immediate necessities of the Authority as the Authority determines is advisable in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the Government Code of the State;
- (i) To carry out and enforce all the provisions of this Agreement

#### **Section 4.4 Restrictions on Exercise of Powers**

The powers of the Authority shall be exercised in the manner provided in the Act, in the Bond Law, in the Federal Water Pollution Control Act and in the Porter-Cologne Water Quality Control Act; and, except for those powers set forth in the Bond Law and in Article 2 of the Act, as the same now reads or may be hereafter amended, shall be subject (in accordance with Section 6509 of the Act) to the restrictions upon the manner of exercising such powers that are imposed upon Redwood City in the exercise of similar powers.

#### **Section 4.5 Obligations of Authority**

The debts, liabilities and obligations of the Authority shall not be the debts, liabilities and obligations of any of the Agencies.

## **ARTICLE V - METHODS OF PROCEDURE: CAPITAL COSTS**

### **Section 5.1 Assumption of Responsibilities by the Authority**

As soon as practicable after the date of this Agreement, the respective Agencies shall appoint the members of the Commission and the Secretary of the Commission of the 1969 Authority shall give notice (in the manner required by Section 2.5.) of the organization meeting of the Commission. At said meeting the Commission shall provide for its regular meetings as required by Section 2.5 and elect a Chairman and Vice-Chairman and appoint a Secretary. At said meeting or as soon as practicable thereafter, the Commission shall appoint a Manager.

### **Section 5.2 Transfer of Records, Accounts, Funds and Property**

At the conclusion of the organization meeting of the Commission (a) the Secretary, Controller, and Treasurer of the 1969 Authority shall transfer to and deposit with the Secretary, Controller and Treasurer of the Authority created by this Agreement all records, accounts, funds and money of the 1969 Authority that shall then be in their respective custodies, excepting, however, all State and Federal grant monies or other monies held or to be held by the 1969 Authority and received or to be received by it in payment for the cost of any of the 1969 Facilities theretofore paid for by any of the Cities, all of which monies shall be paid over by the 1969 Authority to the City or Cities entitled thereto; and (b) the proper officers and employees of the 1969 Authority and, if required, the proper officers and employees of the Cities that are parties to the 1969 Agreement, shall execute or cause the execution of all deeds, bills of sale, assignments, consents and other documents of transfer required to vest in the Authority title to all other property (real, personal and mixed) then owned by the 1969 Authority and all rights and obligations of the 1969 Authority under all contracts to which it is then a party.

### **Section 5.3 Maintenance and Operation of 1969 Facilities**

Upon the organization of the Commission, the Authority shall assume the maintenance and operation of the 1969 Facilities and until July 1st next

succeeding the operative date of Stage 1 of the Project (as hereinafter defined in Section 5.7), shall maintain the Joint Operating Fund provided for in Section 9 of the 1969 Agreement and shall pay all administrative expenses of the Authority and all maintenance and operation costs of the 1969 Facilities from said fund. Belmont, Redwood City and San Carlos shall continue to make deposits into said fund pursuant to Sections 9 and 10 of the 1969 Agreement and any and all funding agreements by and between the 1969 Authority and Menlo. Menlo shall deposit its shares of administrative expenses of the Authority in said fund pursuant to such funding agreement or agreements but shall not be liable for any maintenance and operation costs of the 1969 Facilities or the Joint Facilities prior to the operative date of Stage 1 of the Project unless prior to said date it shall use the Joint Facilities.

Beginning on the operative date of Stage 1 of the Project and ending on June 30 next succeeding said date, each of the Agencies using the Joint Facilities shall pay into said fund its proportionate share of the maintenance and operation costs of the Joint Facilities, computed on the basis set forth in Sections 9 and 10 of the 1969 Agreement.

#### **Section 5.4 Financing of Activities Preceding Construction of Stage 1 of the Project**

Upon receipt of concept approval from the State Water Resources Control Board of Stage 1 of the Project, the Authority shall obtain funds adequate to finance the activities necessary to be carried out prior to the award of the contract for the construction of Stage 1 of the Project, including but not limited to the preparation of construction plans and specifications and the acquisition of permits, licenses, rights-of-way and land necessary for the construction, maintenance and operation of Stage 1 of the Project. The Authority shall obtain such funds through Federal and State grants and from funds deposited by the Agencies in the Joint Operating Fund provided for in Section 9 of the 1969 Agreement.

**Section 5.5 Activities Preceding Construction of Stage 1 of the Project**

Upon obtaining funds deemed adequate by the Commission to finance the cost of the activities necessary to be carried out prior to the award of contracts for the construction of Stage 1 of the Project, the Authority shall proceed to cause the preparation of construction plans and specifications to acquire said necessary permits, licenses, rights-of-way and land and to carry out all other activities which are necessary to be performed prior to the award of contracts for the construction of Stage 1 of the Project.

**Section 5.6 Financing and Construction of the Project**

**(a) Financing and Construction of Stage 1**

Each of the Agencies has accepted the recommendations of the Project Report to proceed with the construction of Stage 1 of the Project (Stage 1 of the Project as used in this Subdivision (a) of Section 5.6 means only those facilities listed in Subdivision A of Exhibit A hereof). The Authority has constructed all components of Stage 1 of the Project including those components that are used by less than all of the Agencies. Each Agency took the necessary steps to obtain funds to bear its share of the Capital Costs and costs of Special Services of Stage 1 of the Project, all determined as provided in Subdivision (a) of Section 5.9.

**(b) Financing and Construction of Stage 2**

Financing of Stage 2 of the Project shall be provided by wastewater system connection fees collected from new users of the wastewater treatment capacity to be constructed and established by Stage 2 of the Project or any increment thereof. The first increment of Stage 2 of the Project has been financed from reserve capital funds of the Authority subject to reimbursement by each of the Agencies from receipts of wastewater connection fees as aforesaid. Subsequent increments

have been or shall be constructed in sequence provide, however, that no such increment shall be constructed unless and until sufficient funds therefor have been received by the Authority. Reimbursement for the costs of construction of the first increment and advance payments for such costs for each subsequent increment shall be made by each of the Agencies in their respective allocated shares corresponding to their respective maximum treatment capacity rights determined as provided in Subdivisions (b) of Sections 5.9 and 7.2. Funds remaining after completion of construction of the final increment of Stage 2 of the Project shall be returned to the Agencies in proportion to their respective contributions.

The Commission shall determine the connection fee to be charged by the Agencies for financing the construction of Stage 2 of the Project based upon a cost-pricing method under which the users of the treatment capacity constructed and established by Stage 2 of the Project shall be assessed the cost of construction thereof. The fee as established by the Commission shall be based upon the estimated total cost of construction (including provision for cash flow requirements and fees and costs of related necessary services) of the entire Stage 2 of the Project, notwithstanding that said Stage 2 shall be constructed in increments. Said fee shall be expressed in dollars per gallon per day volume of wastewater treatment capacity.

The Authority shall notify each Agency of the amount of said fee and each such Agency shall and does hereby agree to implement and charge such fee in its wastewater connection fee system such that that portion of the wastewater connection fee (howsoever designated by the Agencies respectively) charged, assessed or otherwise collected by said Agencies which provide for the cost of construction of Stage 2 of the Project shall be uniform amongst all of said Agencies. Not less than annually the Commission shall review said fee and make such adjustments thereto as are necessary or appropriate to reflect current and projected

estimates of the cost of construction of Stage 2 of the Project. Thereupon, the Authority shall advise each Agency of the adjusted fee and each such Agency shall and does hereby agree to implement and charge such adjusted fee in its wastewater connection fee system as aforesaid. The Agencies shall implement the initial fee or any adjustments thereto within three (3) months of notice thereof from the Authority. Nothing herein contained shall preclude any Agency from charging its users a composite connection fee which includes as one component the uniform amount established by the Authority for construction of Stage 2 of the Project hereunder.

Monies collected by the Agencies as connection fees for construction of Stage 2 of the Project shall be paid over to the Authority periodically, but not less than quarterly. Said monies shall be deposited in the Stage 2 Construction Fund of the Authority and held in trust for construction of each increment next sequence to be constructed. When sufficient funds, based upon then current estimated construction costs made or obtained by the Authority for construction of said increments have been received, the Authority shall proceed with such construction.

The provisions of this Subdivision (b) of this Section 5.6 are self-executing provided, however, that the Commission may establish and implement such administrative procedures and practices consistent herewith as it deems necessary or appropriate to accomplish the purposes hereof. Nothing herein provided shall require the construction of any or all increments of Stage 2 except the first increment or to require construction of any subsequent increment at any particular time unless sufficient funds therefor have been paid over to the Authority as herein provided.

#### **Section 5.7 Operative Date of Stage 1 of the Project**

The operative date of Stage 1 of the Project shall be the date on which all portions of Stage 1 of the Project constructed by the Authority are complete and are accepted by the Authority. Beginning on July 1st next succeeding the operative

date of Stage 1 of the Project, all costs of maintenance and operation of the Joint Facilities shall be distributed among the Agencies and paid as provided in Article VI.

#### **Section 5.8 Conveyance of Facilities by Belmont and Redwood City**

Belmont and Redwood City shall each convey to the Authority those portions of the Joint Facilities now owned by them, respectively, together with rights of access thereto said portions being the existing Belmont Pumping Station and the existing Main Pumping Station in Redwood City (excluding the land on which they are constructed). If either such conveyance takes place prior to the operative date of Stage 1 of the Project, the costs of maintenance and operation of the facilities conveyed shall be added to the costs of maintenance and operation of the 1969 Facilities and paid for as provided in Section 5.3.

#### **Section 5.9 Allocation of Capital Costs**

##### **(a) Capital Costs of Stage 1 of the Project**

The Capital Cost of each component of Stage 1 of the Project shall be and have been allocated on the basis of the percentages set forth in Subdivision A of Exhibit A hereto. All moneys received by the Authority from State or Federal grants for Capital Costs or costs of Special Services for any component of Stage 1 of the Project shall be and have been allocated to the respective Agencies on the basis set forth in Exhibit A for the purpose of determining the amounts thereof to be paid by the respective Agencies. To the extent not otherwise provided in this Agreement, each Agency shall receive and has received credits for portions of the Joint Facilities conveyed by it and for prior contributions of Capital Costs and costs of Special Services for the Joint Facilities paid by it in determining the allocation of the costs of construction of Stage 1 of the Project.



**(b) Capital Costs of Stage 2 of the Project**

The Capital Costs of Stage 2 of the Project shall be and have been allocated to the respective Agencies based upon each such Agency's aggregate payments for the financing of each increment thereof corresponding to the maximum capacity rights of each respective Agency as determined pursuant to Subdivision (b) of Section 7.2.

**(c) Subsequent Capital Costs**

Capital costs for the reconstruction, replacement, rehabilitation, remodeling, relocation and repair of Stage 1 and Stage 2 of the Project or any component thereof or addition thereto shall be allocated among the Agencies based upon the percentage that the sum of their respective Stage 1 and Stage 2 shares of capacity rights comprises of the total capacity rights of Stages 1 and 2 expressed in gallons per day volume of Average Daily Dry Weather Flow as set forth in Subdivision B of Exhibit A.

**Section 5.10 Operation and Maintenance of the Joint Facilities**

Beginning on the operative date of Stage 1 of the Project, the Authority shall operate and maintain the Joint Facilities.

**Section 5.11 Income From Operation**

Any treated wastewater for reuse or other substance arising out of the operation of the Joint Facilities shall be the property of the Authority and may be sold by the Authority for the best obtainable prices. The proceeds of any such sale shall be divided and apportioned among the Agencies on or before the fifteenth day of the month following the month in which said payments are received in the same proportion as the last succeeding payment of maintenance and operation costs charged to the Agencies.

**ARTICLE VI - BUDGET: MAINTENANCE AND OPERATION COSTS;  
OTHER COSTS AFTER COMPLETION OF CONSTRUCTION  
OF STAGE 1 OF THE PROJECT**

**Section 6.1 Annual Budget**

The Commission shall adopt a budget for maintenance and operation costs, capital costs, costs of special services, capital reserve expenses (if any) and bond interest and redemption expenses (if any) annually prior to May 1<sup>st</sup> of each year.

**Section 6.2 Records and Accounts**

The Authority shall cause to be kept accurate and correct books of account, showing in detail the Capital Costs, costs of Special Services and maintenance and operation costs of the Joint Facilities and all financial transactions of the Agencies relating to the Joint Facilities, which books of account shall correctly show any receipts and also any costs, expenses or charges paid or to be paid by all or any of the Agencies hereunder and also records of the sewage flow from each of the Agencies, together with the strength of effluent delivered from each of the Agencies. Said books and records shall be open to inspection at all times during normal business hours by any representative of any Agency, or by any accountant or other person authorized by any Agency to inspect said books or records. The Controller shall, in accordance with Section 6505 of the Law, cause the books of account and other financial records of the Authority to be audited annually by an independent public accountant or certified public accountant.

**Section 6.3 Allocation of Expenses; Generally**

After adoption of the annual budget prior to May 1st of each year and pursuant to Section 6.1, the Authority shall furnish to each of the Agencies an estimate of the total annual maintenance and operation costs, capital costs, costs of special services, capital reserve expenses, if any, and bond interest and redemption expenses, if any, and of the proportion thereof allocated to each of the Agencies for the ensuing fiscal year.

#### **Section 6.4 Distribution of Maintenance and Operation Costs**

Each Agency shall provide facilities to meter the total of all wastewater discharged by it into the Joint Facilities, including equipment to facilitate the monitoring of the characteristics of the wastewater so discharged by such Agency. Meters shall be read, wastewater characteristics established and the charges based thereon determined as often as required for each Agency to make the deposits in the Maintenance and Operation Fund of the Authority which is hereby created. The methodology for distribution of maintenance and operation costs is set forth in Exhibit B, attached hereto and hereby made a part of this Agreement.

#### **Section 6.5 Maintenance and Operation Fund**

All money in the Joint Operating Fund on July 1<sup>st</sup> next succeeding the operative date of Phase 1 of the Project shall on said July 1<sup>st</sup> be transferred to and deposited in the Maintenance and Operation Fund. All monies received from any Agency on or after said July 1<sup>st</sup> in payment of maintenance and operations costs shall be deposited in the Maintenance and Operation Fund. All monies in the Maintenance and Operation Fund shall be paid out by the Treasurer for maintenance and operation costs of the Joint Facilities upon approval of demands for payment by the Manager or the Commission as provided in this Agreement and in accordance with Section 6505.5 of the Act

#### **Section 6.6 Allocation of Bond Interest and Redemption Expenses**

The estimated annual bond interest and redemption expenses of the Authority for each component of Stage 1 of the Project shall be allocated by the Authority to the Agencies on the basis of the percentages set forth in Exhibit A hereto. All monies received from any Agency in payment of bond interest and redemption expenses shall be deposited in the Bond Interest and Redemption Fund of the Authority which is hereby created and shall be paid out by the Treasurer to pay the principal of an interest on bonds of the Authority issued pursuant to this Agreement.

### **Section 6.7 Allocation of Capital Reserve Expenses**

The annual capital reserve expenses of the Authority for each component of Stage 1 of the Project shall be allocated by the Authority to the Agencies on the basis of the percentages set forth in Exhibit A hereto. All monies received from any Agency in payment of capital reserve expenses shall be paid out by the Treasurer as directed by the Commission and upon approval of demands for payment by the Manager or the Commission as provided in this Agreement and in accordance with Section 6505.5 of the Act

### **Section 6.8 Payment of Costs**

Beginning on July 1st next succeeding the operative date of Stage 1 of the Project, each of the Agencies agrees to pay the Authority its allocated share of the total estimated annual costs and expenses of the Authority in four (4) equal installments payable on or before the last day of September, December, March and June of each fiscal year. The Authority shall submit to each of the Agencies a final detailed statement of the final costs and expenses for the fiscal year, allocated in the same manner as estimated expenses were allocated, within three (3) months after the close of each fiscal year, whereupon final adjustments of debits and credits shall be made by the Authority. If the amount of any allocated share of any estimated item of expense due from any Agency was less than the final allocation of such item to such Agency, such Agency shall forthwith pay the difference to the Authority. If the amount of any allocated share of any estimated items of expenses due from any Agency was in excess of the final allocation of such item to such Agency, the Authority shall credit such excess to the appropriate account of such Agency.

### **Section 6.9 Sources of Funds**

Each Agency shall provide the funds required to be paid by it to the Authority under this Agreement from any source of funds legally available to such Agency for such purpose, subject only to the limitations of the Porter-Cologne Water Quality Control Act and the Federal Water Pollution Control Act.

**ARTICLE VII – OWNERSHIP, MAXIMUM CAPACITY RIGHTS, TRANSFERS  
AND ENFORCEMENT**

**Section 7.1 Ownership of Joint Facilities**

Each Agency shall own an undivided portion of the Joint Facilities used by it equal to the percentage of the cost of the Joint Facilities either (a) paid for by it or (b) paid for by State or Federal grant monies allocated to it or (c) conveyed by it to the Authority pursuant to Section 5.8.

**Section 7.2 Maximum Capacity Rights**

- (a) Maximum Capacity Rights for Stage 1 of the Project. The maximum capacity rights of the respective Agencies to the treatment capacity of Stage 1 of the Project are:

**Average**

<u>Agency</u>	<u>Peak Wet Weather Flow (in mgd)</u>	<u>Daily Dry Weather Flow (in mgd)</u>	<u>Biochemical Oxygen Demand (lbs. per day)</u>	<u>Suspended Solids (lbs per day)</u>
Belmont	8.8	2.3	5,204	5,678
Redwood City	30.5*	11.4	38,727	36,510
San Carlos	14.3	3.7	6,982	9,954
West Bay	<u>14.4</u>	<u>6.6</u>	<u>14,137</u>	<u>13,308</u>
<b>TOTAL</b>	68.0	24.0	65,050	65.450

\* Peak Wet Weather Flow for Redwood City specified is for capacity rights in the treatment plant. Redwood City's Peak Wet Weather Flow capacity includes capacity in the subregional conveyance facilities of 25.9 mgd plus the additional flow of 4.6 mgd in the Redwood Shores Force Main.

- (b) Maximum Capacity Rights for Stage 2 of the Project

The maximum respective capacity rights allocated to the Agencies of Stage 2 of the Project are:

### **Average**

<u>Agency</u>	Peak Wet Weather Flow (in mgd)	Daily Dry Weather Flow (in mgd)	Biochemical Oxygen Demand (lbs. per day)	Suspended Solids (lbs per day)
Belmont	1.06	0.44	1,193	1,193
Redwood City	6.44	2.685	7,278	7,278
San Carlos	1.66	0.69	1,870	1,870
West Bay	<u>2.84</u>	<u>1.185</u>	<u>3,212</u>	<u>3,212</u>
<b>TOTAL</b>	12.00	5.00	13,553	13,553

(c) Total Allocated Maximum Capacity Rights of the Project

The total respective maximum allocated capacity rights of the Agencies to the treatment capacity of the Project comprised of Stages 1 and 2 are:

### **Average**

<u>Agency</u>	Peak Wet Weather Flow (in mgd)	Daily Dry Weather Flow (in mgd)	Biochemical Oxygen Demand (lbs. per day)	Suspended Solids (lbs per day)
Belmont	9.86	2.74	6,397	6,871
Redwood City	36.94*	14.085	46,005	43,788
San Carlos	15.96	4.39	8,852	11,824
West Bay	<u>17.24</u>	<u>7.785</u>	<u>17,349</u>	<u>16,520</u>
<b>TOTAL</b>	80.00	29.00	78,603	79,003

\* Peak Wet Weather Flow for Redwood City specified is for capacity rights in the treatment plant. Redwood City's Peak Wet Weather Flow capacity includes capacity in the subregional conveyance facilities of 25.9 mgd plus the additional flow of 4.6 mgd in the Redwood Shores Force Main.

**(d) Acquisition of Allocated Maximum Capacity Rights**

**(i) Stage 1**

The Agencies acquired their respective capacity rights in and to Stage 1 of the Project upon completion of construction thereof.

**(ii) Stage 2**

The Agencies shall acquire and have acquired their respective capacity rights in Stage 2 of the Project as set forth in this Subdivision (d)(ii) of Section 7.2. With the prior written approval of the Commission, any Agency may relinquish to any other Agency any portion of its initial maximum potential capacity rights in Stage 2 of the Project as agreed upon by said two Agencies prior to commencement of construction of any increment of Stage 2. Thereupon the Agency so obtaining such relinquished rights shall be entitled to obtain maximum capacity rights equal to the sum of its initial rights plus its acquired rights.

With respect to the first increment of Stage 2, the respective capacity rights of the Agencies accrued upon construction thereof provided, however, that each Agency reimbursed the Authority according to its respective allocated share of the costs of construction thereof based upon its respective proportionate ownership of capacity rights pursuant to Subdivision (b) of Section 5.6 prior to acquiring any further capacity rights. With regard to subsequent increments, no such rights shall accrue until advance full payment therefor has been made and the corresponding increment has been constructed pursuant to Subdivision (b) of Section 5.6. In the event any one or more than one increment is not so constructed, all potential capacity rights pertaining there to

shall terminate and any payments therefor shall be disposed of in accordance with said Subdivision (b) of Section 5.6.

Wastewater system connection permits or other forms of entitlement to use treatment capacity within the limits of the maximum capacity rights allocated to each Agency shall conform to the financing requirements for each increment of Stage 2 of the Project as provided in Subdivision (b) of Section 5.6. Such permits or entitlements issued to wastewater system users shall not be transferable except between owners of the land for which they were issued provided, however, that each Agency may require that such permits or entitlements and the capacity rights pertaining thereto shall expire for non-use within a specified term following the operative date of the increment to which they pertain and that upon such expiration all treatment capacity rights thereunder revert to the issuing agency. No treatment capacity rights for any Substage of Stage 2 of the Project shall revert or be relinquished to or be acquired by the Authority provided, however, that inter-Agency transfers may be made subject to Commission approval as hereinabove and in Section 7.3 provided.

**(e) Limitations Exceeded**

If the Authority shall notify any Agency in writing at any time that such Agency's use of the Joint Facilities has exceeded its maximum capacity rights, such Agency shall immediately take steps to reduce its use of the Joint Facilities so as to be within its maximum capacity rights. If any such Agency is unable to do so, it may, with written approval of the Authority (i) purchase or lease capacity from any other Agency which has surplus or



unused capacity rights or (ii) at its own expense, provide for modifications to pumping, conveyance or treatment facilities so as to accommodate its excess use of the Joint Facilities. If any Agency fails to comply with the provisions of this Subdivision, the Authority may take any necessary action under Section 7.4 or Section 7.6.

### **Section 7.3 Transfers**

With the prior written approval of the Commission, any Agency may sell, lease or assign to any other Agency any portion of its maximum capacity rights as agreed upon by said two Agencies. Upon any such sale, lease or assignment, the Commission shall adjust the maximum capacity rights of said two Agencies to reflect such sale, lease or assignment. Such adjustment shall be effective on July 1st of the fiscal year following such sale, lease or assignment.

Any Agency may contract with any person, firm, association, corporation or public agency for any portion of its maximum capacity rights under this Agreement, but no such contract shall relieve such Agency of any of its obligations under this Agreement. Notwithstanding the foregoing, no such contract with respect to maximum capacity rights for any Substage of Stage 2 of the Project shall permit the sale, leasing, assignment or other transfer of capacity rights between any Agency's wastewater system users or prospective users or between such users of two or more Agencies except between owners of the land with respect to which such rights were initially issued.

### **Section 7.4 Flow and Strength Limitation**

Each of the Agencies agrees to limit to its maximum capacity rights hereunder the Peak Flow Rate, Biochemical Oxygen Demand and Suspended Solids of sewage originating in such Agency and flowing to or into the Joint Facilities. The Authority shall have the power to limit the sewage flowing to or into the Joint Facilities from any Agency to the maximum capacity rights of such Agency. The

Authority shall have the power to prohibit the discharge to the Joint Facilities of any substance in a concentration which exceeds the maximum limit that may have been established by Resolution or Ordinance of the Authority or of any Agency as necessary to safeguard the sewage treatment processes of the Authority or the Joint Facilities. The Authority shall cause the combined effluent of all Agencies to be monitored as well as the receiving water of the combined discharge to determine whether Federal and/or State discharge requirements are being met. In addition, the Authority shall cause the effluent of each Agency to be monitored. If the combined effluent of all Agencies at the point of ultimate discharge into the receiving water fails at any time to meet discharge requirements, the Agency or Agencies responsible for each violation shall be solely responsible for any fines levied or criminal sanctions imposed. In this regard, the Agency or Agencies responsible for any such violation shall hold harmless the Authority and the nonviolating Agencies from all liability and damages incurred by them or any of them as a direct and proximate result of such violation including, but not limited to, legal, engineering and administrative expense and direct or nondirect damages incurred by the Authority or any nonviolating Agency as a result of a Cease and Desist Order or court injunction from any State or Federal agency restricting construction within the jurisdictional limits of the Authority or any such Agency and if two or more Agencies are responsible for failure of the combined effluent to meet any such discharge requirements, the obligation of the Agencies responsible for the violation to the Authority and to all nonviolating Agencies shall be joint and several. Upon notification of any such violation, the Agency or Agencies in violation shall take prompt, corrective action as necessary to meet said discharge requirements.

If any Agency fails to take such action, the Authority may by unanimous vote of the Commission (excluding those members of the Commission who are representatives of the Agency or Agencies who are in violation of the discharge requirements) take either or both of the following actions:

- (a) Cause to be undertaken at the cost and expense of the violating Agency or Agencies the construction of such additional treatment

- facilities as are necessary to meet said discharge requirements; or
- (b)** Impose a prohibition against any additional connections to the collection system of the Agency or Agencies in violation until such violation ceases.

Nothing in this section shall preclude one or more Agencies from providing additional levels of treatment to insure meeting waste discharge requirements for the combined effluent. In the event that one or more Agencies shall be obligated to provide additional levels of treatment to meet waste discharge requirements for the combined effluent, all Agencies required to provide any such additional levels of treatment shall participate in the costs of such treatment based on their respective contributions of waste characteristic to be treated and the costs of providing such treatment. The failure of any Agency to provide any such additional level of treatment shall be the sole responsibility of such Agency.

In addition to the foregoing remedies, the Manager of the Authority shall have the right to direct an Agency immediately to terminate the discharge of an industrial user at the source of such discharge whenever the Manager determines that such discharge poses an imminent threat to the safety or operation of the Joint Facilities by one of the following:

- (a)** Fire or explosion hazard;
- (b)** Corrosive discharges with a pH lower than 5.0;
- (c)** Obstruction in the flow resulting in interference with the operation of the facilities;
- (d)** Discharge with such a flow rate or in such a pollutant concentration as to cause interference with the operation of the facilities; or
- (e)** Heat in such amounts as to inhibit biological activity or otherwise interfere with the operation of the facilities.

In the event such Agency shall fail immediately to terminate such discharge as so directed or to take such other action as the Manager shall deem

appropriate, the Manager shall have the right to seek injunctive relief to compel such Agency to terminate such discharge. Said right shall be in addition to such other rights and remedies at law or in equity which may accrue to Authority in the circumstances.

#### **Section 7.5 Grant Conditions**

Each of the Agencies agrees that the Authority shall be empowered, in any case in which the Authority is a party to a grant contract with the State or the United States of America, to impose to the extent permitted by law on each of the Agencies the duty of compliance with all conditions in such grant contract and each Agency agrees to comply with such conditions by enactment of appropriate ordinances, regulations or otherwise.

#### **Section 7.6 Industrial Waste Ordinances**

The Agencies agree that each Agency will adopt a uniform industrial waste ordinance, as such may be amended from time to time to ensure compliance with State and Federal requirements, that will establish criteria for and restrictions on the nature and quality of industrial waste discharged either directly or indirectly into the Joint Facilities. The Agencies further agree that no such ordinance shall be amended or modified by any Agency without prior written approval of the Authority, which approval shall not be unreasonably withheld. The Authority, acting through the Manager with the approval of the Commission, shall be responsible for the design, implementation and operation of a program for inspection and monitoring all industrial waste produced in each Agency and discharged into the Joint Facilities, including field inspection employees of the Authority. The industrial waste ordinance of each Agency will authorize field inspection employees of the Authority to act as enforcement agents of such Agency with power to inspect and issue notices for violations of such ordinance; provided that all actual prosecutions for violations of such ordinances (including, without limitation, levying of fines, disconnection of discharge lines and civil and criminal court actions) shall be the responsibility of the respective Agencies.

Whenever the Manager of the Authority determines that a violation of any Agency's ordinance exists, he shall immediately notify said Agency of said violation. Upon notification of any such violation, the Agency shall reasonably act to enforce said ordinance and to abate said violation.

If any Agency fails to take such action, the Commission, acting as a hearing board, may, by a majority vote thereof (excluding that member of the Commission who is a representative of such Agency), upon finding that a violation of an Agency's ordinance does exist and that said Agency has unreasonably failed to enforce such ordinance and abate said violation, direct the Manager of the Authority to seek injunctive relief to compel such Agency to enforce its ordinance with respect to said violation. The injunctive relief which may be sought hereunder shall be in addition to such other rights and remedies at law or in equity which may accrue to the Authority in the circumstances.

All costs and expenses of the Authority under this section shall be distributed by the Authority to the respective Agencies on the basis of the actual costs incurred for each Agency and as a part of maintenance and operation costs provided in Section 6.4.

#### **Section 7.7 Enforcement by Authority**

The Authority is hereby authorized to take any or all legal or equitable actions, including but not limited to injunction and specific performance, necessary or permitted by law to enforce this Agreement.

## **ARTICLE VIII – TERMINATION**

### **Section 8.1 Termination Agreement**

This Agreement shall continue until terminated by an agreement executed by all of the Agencies that are then parties hereto, such agreement being authorized by a four-fifths vote of the governing body of each of such Agencies.

### **Section 8.2 Withdrawal**

If any Agency shall withdraw from the Authority prior to termination of this Agreement pursuant to Section 8.1, such Agency shall lose any further right to use the Joint Facilities; and upon the termination thereafter of this Agreement, any Agency so withdrawing prior to said termination shall receive as its proper share of the assets of the Authority that portion of the assets of the Authority which it owned at the date of such withdrawal, less any accumulated charges for Capital Costs, maintenance and operation costs, bond interest and redemption expenses and capital reserve expenses which it would have been obligated to pay had it not withdrawn from the Authority.

### **Section 8.3 Disposition of Assets**

Upon the termination of this Agreement, the assets of the Authority shall be distributed to the Agencies entitled thereto who executed the Agreement provided for in Section 8.1 in accordance with their respective percentage shares of ownership of the Joint Facilities as most recently determined before the date of such termination (except as otherwise provided in Section 8.2) or in such other manner as shall be agreed upon by all of said Agencies and until such distribution is agreed upon, shall be held in trust by Redwood City for all of said Agencies.

## **ARTICLE IX - MISCELLANEOUS PROVISIONS**

### **Section 9.1 Notices**

Notices hereunder shall be sufficient if delivered to:

Belmont	City Manager City of Belmont City Hall 1365 Fifth Avenue Belmont, CA 94002
Redwood City	City Manager City of Redwood City 1017 Middlefield Road Redwood City, CA 94063
San Carlos	City Administrator City of San Carlos 600 Elm Street San Carlos, CA 94070
Menlo	District Manager Menlo Park Sanitary District 500 Laurel Street Menlo Park, CA 94025

### **Section 9.2 Section Headings**

All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

### **Section 9.3 Consent**

Whenever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

### **Section 9.4 Law Governing**

This Agreement is made in the State under the constitution and laws of the State and is to be so construed.

### **Section 9.5 Amendments**

This Agreement may be amended at any time, or from time to time, except as limited by contract with the holders of bonds issued by the Authority or by applicable regulations or laws of any jurisdiction having authority, by one or more supplemental agreements executed by all of the Agencies who are then parties hereto, either as required in order to carry out any of the provisions of this Agreement or for any other purpose, including without limitation adjustment of capacity rights or addition of new parties (including any legal entities or taxing areas heretofore or hereafter created) in pursuance of the purposes of this Agreement.

### **Section 9.6 Severability**

Should any part, term or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected thereby.

### **Section 9.7 Successors**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the respective Agencies. Except as provided in Section 7.3, no Agency may assign any right or obligation hereunder without the written consent of all of the other Agencies.

### **Section 9.8 1969 Agreement Superseded**

This Agreement shall supersede the 1969 Agreement; provided, however, that the organization and all acts and obligations of the 1969 Authority under the 1969 Agreement and of its Commission, Steering Committee, officers and agents shall have full force and effect and the same are hereby approved, ratified and confirmed as acts and obligations of the Authority as constituted under this Agreement. All records, accounts, funds and money and all other property (real, personal and mixed) owned by the 1969 Authority and all contracts to which it is a



**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: 11/13/75 \_\_\_\_\_ /s/ \_\_\_\_\_  
Vice-Mayor

/s/

---

City Clerk

Dated: \_\_\_\_\_ /s/ \_\_\_\_\_  
Mayor

/s/

---

City Clerk

43

**CITY OF SAN CARLOS**

Dated: \_\_\_\_\_ /s/ \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_/s/\_\_\_\_\_  
City Clerk

[SEAL]

**WEST BAY SANITARY DISTRICT**

Dated: \_\_\_\_\_ /s/ \_\_\_\_\_  
President of the Board

Attest:

\_\_\_\_\_/s/\_\_\_\_\_  
Secretary of the Board

[SEAL]

# SILICON VALLEY CLEAN WATER

## EXHIBIT A

### A. DISTRIBUTION OF CAPITAL COSTS FOR STAGE ONE OF THE PROJECT

	<u>Belmont</u>	<u>San Carlos</u>	<u>Redwood City</u>	<u>Menlo Park</u>
1. Menlo Park Pumping Plant and Force Main to Redwood City	0.0	0.0	0.0	100.0
2. San Carlos Outfall from Existing Pumping Plant to New Pumping Plant	0.0	100.0	0.0	0.0
3. New FM Booster Station and San Carlos Pumping Plant	0.0	40.0	0.0	60.0
4. Redwood City Meter and Pumping Plant Modifications	0.0	0.0	100.0	0.0
5. Harbor Industrial S.M.D. Metering Facilities	0.0	100.0	0.0	0.0
6. Belmont Standby Power, Pumping Plant Modifications & Force Main Connection	100.0	0.0	0.0	0.0
7. Sub-regional Treatment Plant at Redwood Shores	8.8	13.8	53.7	23.7

#### NOTES:

- Capital costs include readily identifiable costs of construction, including engineering design, construction supervision and change orders during construction. Costs of special services, including soils studies, surveys, rights—of—way, legal and administrative expenses and preliminary engineering (including reports) are not included.
- Costs of special services described in Note 1 above shall be distributed in accordance with each Agency's percentage of the total costs of constructing all of Stage 1 of the Project. In equation form this would be as follows:

$$\text{Agency percentage of special services costs} = \frac{\text{Agency Capital Costs}}{\text{Total Costs of Stage 1 of Project}}$$

- The percentages set forth above are based on actual costs, exclusive of any State and/or Federal grants received. Should any such grants be received prior to, during,

or after the completion of construction, they shall be returned to each of the Agencies, in accordance with the rules and regulations which govern at the time of receipt of such grants.

4. Capital costs are based on the assignment of 40% to Flow and 30% to BOD and 30% to Suspended Solids and the Maximum Capacity Rights (Section 7.2).

**B. DISTRIBUTION OF CAPITAL COSTS FOR CAPITAL EXPENDITURES INCURRED AFTER COMPLETION OF STAGE 1 (EXCLUSIVE OF STAGE 2 CAPACITY EXPANSION CAPITAL COSTS)**

<u>Belmont</u>	<u>San Carlos</u>	<u>Redwood City</u>	<u>Menlo Park</u>
9.45%	15.14%	48.57%	26.84%

**NOTES:**

1. For purposes of this Subdivision B, the Joint Facilities shall include the improvements to the facilities itemized as 1-7 in Subdivision A (collectively Facilities) resulting from the reconstruction, replacement, rehabilitation, remodeling, relocation or repair of said Facilities or any additions thereto under the Authority's Capital Improvement Program approved, amended, revised or updated from time to time by the Commission of the Authority.
2. Capital costs above include readily identifiable costs of construction including engineering, design, construction management and supervision, change orders during construction, costs of special services including soils studies, surveys, rights-of-way, legal and administrative expense, preliminary engineering (including reports) and any and all other costs related to capital improvements of the Facilities.
3. Capital costs also include all costs meeting the definition of capital expense as defined in the Authority's Capital Expense Policy as adopted and modified from time to time by Resolution of the Commission of the Authority.
4. The percentages set forth above are based on actual costs, exclusive of any State and/or Federal grants received. Should any such grants be received prior to, during or after the completion of construction, they shall be returned to each of the Agencies in accordance with the rules and regulations which govern at the time of receipt of such grants.
5. The above distribution of Capital Costs is based on each member entity's percentage of ownership of the Stage Facilities plus each member entity's percentage of allocated or owned Stage 2 Average Dry Weather Flow (ADWF) capacity of the total capacity as set forth in Subdivision (c) of Section 7.2 of the Agreement.

6. Stage 2 expansion costs are distributed in accordance with Subdivision (d)(ii) of Section 7.2 of the Agreement.
7. The above distribution of Capital costs pertains to costs for the reconstruction, replacement, rehabilitation, remodeling, relocation and repair of Stages 1 and 2 of the Project, any component thereof or addition thereto in accordance with Subdivision (c) of Section 5.9 of the Agreement. Adjustments to the proportionate ownership of capacity rights and corresponding distribution of Capital Costs shall be made to correspond to transfer of capacity rights, if any, between the Agencies pursuant to Section 7.3 of the Agreement.

## SILICON VALLEY CLEAN WATER

### EXHIBIT B

#### METHODOLOGY FOR ALLOCATION OF ADMINISTRATIVE, MAINTENANCE AND OPERATION COSTS FOR JOINT FACILITIES

1. Allocation of total annual administrative (including fiscal and legal), and conveyance and operating costs shall be made on the basis of each Agency's proportionate share of the total of all flow contributed to the Joint Facilities. The equation used in determining an Agency's share of such annual costs is presented as follows:

$$A_a = \frac{Q_a \cdot A_t}{Q_t}$$

Where:  $A_a$  = Agency's total annual share of administrative, and conveyance maintenance and operation costs.

$Q_a$  = Agency's total annual contribution of wastewater (in millions of gallons) to the joint conveyance facilities

$Q_t$  = Total of all contributions of wastewater (in millions of gallons) to the joint conveyance facilities

$A_t$  = Total of all annual administrative, and conveyance maintenance and operation costs of the Authority

2. Allocation of Pump Station maintenance and operation costs shall be made on the basis of the actual costs charged to each pump station and shall be borne by the agency served by each particular pump station. The maintenance and operation costs of the Booster Station shall be allocated on -a percentage basis to West Bay Sanitary District and Redwood City at 92% and 8%, respectively.
3. Distribution of total annual treatment plant operation and maintenance costs shall be made on the basis of each agency's proportionate contribution of flow, Biochemical Oxygen Demand and Suspended Solids to the Joint Facilities. The total annual treatment plant maintenance and operation costs shall be allocated on the basis of 26.5% to flow, 33.5% to Biochemical Oxygen Demand and 40% to Suspended Solids. The equation used in determining an agency's share of such annual costs is presented as follows:

$$T_a = T_t \left( 0.265 \frac{Q_a}{Q_t} + 0.335 \frac{BOD_a}{BOD_t} + 0.400 \frac{SS_a}{SS_t} \right)$$

Where:  $T_a$  = Agency's total annual share of treatment plant maintenance and operation costs

**Exhibit B (Continued)**  
**Page Two**

$T_t$  = Total of all annual treatment plant maintenance and operation costs

$Q_a$  = Agency's total annual contribution of wastewater (in millions of gallons) to the Treatment Plant

$Q_t$  = Total of all annual contributions of wastewater (in millions of gallons) to the Treatment Plant

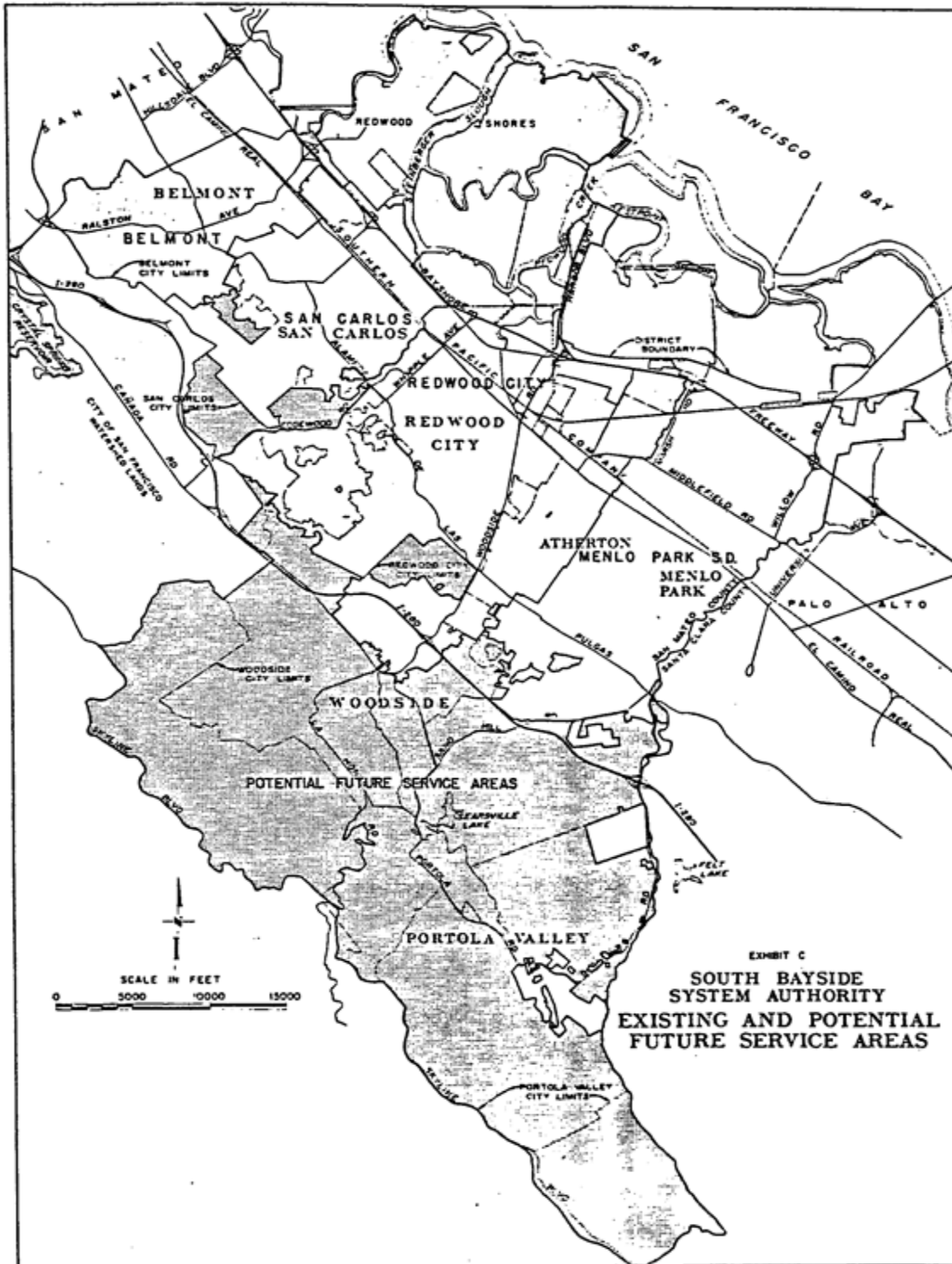
$BOD_a$  = Agency's total annual contribution of Biochemical Oxygen Demand (in pounds) to the Treatment Plant

$BOD_t$  = Total of all annual contributions of Biochemical Oxygen Demand (in pounds) to the Treatment Plant

$SS_a$  = Agency's total annual contribution of suspended solids (in pounds) to the Treatment Plant

$SS_t$  = Total of all annual contributions of suspended solids (in pounds) to the Treatment Plant

**EXHIBIT C**  
**MAP OF EXISTING AND POTENTIAL FUTURE SERVICE AREAS**





**EXHIBIT D**  
**SBSA JOINT CONVEYANCE FACILITIES & PUMP STATIONS**

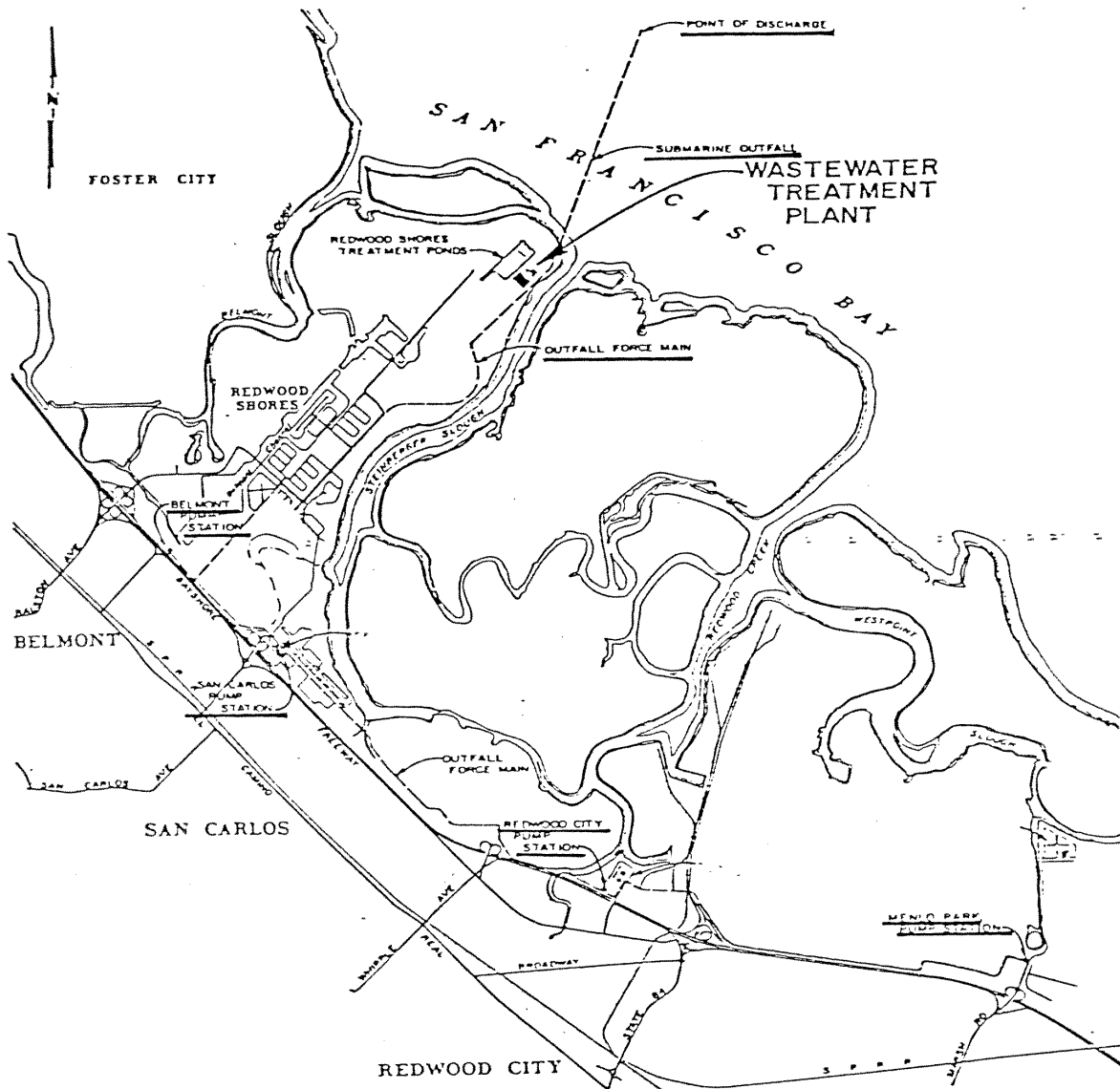


EXHIBIT D  
**SOUTH BAYSIDE  
 SYSTEM AUTHORITY**  
 JOINT CONVEYANCE FACILITIES & PUMP STATIONS  
 REV. MARCH 12, 1984

DUPLICATE  
ORIGINALJOINT EXERCISE OF POWERS AGREEMENTSOUTH BAYSIDE SYSTEM AUTHORITYSupplemental Agreement I

THIS AGREEMENT, dated for convenience as of JUNE 8, 1977, by and between the CITY OF BELMONT ("Belmont"), a general law City, the CITY OF REDWOOD CITY ("Redwood City"), a chartered City, the CITY OF SAN CARLOS ("San Carlos"), a general law City, and MENLO PARK SANITARY DISTRICT ("Menlo"), a sanitary district, each duly organized and existing in the County of San Mateo, State of California, under the Constitution and laws of the State and collectively called the "Agencies";

## W I T N E S S E T H :

WHEREAS, the agencies have heretofore entered into an agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement - South Bayside System Authority ("the Agreement"); and

WHEREAS, the Agreement establishes the South Bayside System Authority to finance, acquire and construct, and to manage, operate and maintain the Joint Facilities (as defined in the Agreement) for sanitary sewerage transmission, treatment and disposal services for the Agencies; and

WHEREAS, Section 7.2 of the Agreement establishes maximum capacity rights in the Joint Facilities of the respective Agencies estimated as of the time of entering into the Agreement; and

WHEREAS, the aforesaid estimated capacity rights do not take into consideration changes in the design of Stage 1 of the Project (defined in the Agreement) reflective of current information and requirements of the Agencies; and

WHEREAS, Section 9.5 of the Agreement provides that the

Agreement may be amended by one or more supplemental agreements executed by all the Agencies who are parties to the agreement;

NOW, THEREFORE, in consideration of the above premises, and pursuant to Section 9.5 of the Agreement, the Agencies do hereby agree as follows:

1. Amendment. Section 7.2 of the Agreement is hereby amended to read as follows:

"Section 7.2. Maximum Capacity Rights. Upon completion of construction of State 1 of the Project, the maximum capacity rights of the respective Agencies shall be as follows:

<u>Agency</u>	<u>Peak Wet Weather Flow (in mgd)</u>	<u>Average Daily Dry Weather Flow (in mgd)</u>	<u>Biochemical Oxygen Demand (lbs per day)</u>	<u>Suspended Solids (lbs per day)</u>
Belmont	8.8	2.3	5,419	5,588
Redwood City	30.5*	11.4	37,013	21,308
San Carlos	14.3	3.7	6,643	10,814
Menlo	14.4	6.6	14,535	15,900

\*Does not include additional 4.6 mgd capacity rights of Redwood City in treatment plant.

"If the Authority shall notify any Agency in writing at any time that such Agency's use of the Joint Facilities has exceeded its maximum capacity rights, such Agency shall immediately take steps to reduce its use of the Joint Facilities so as to be within its maximum capacity rights. If any Agency is unable to do so, it may, with written approval of the Authority:

- "(a) Purchase or lease capacity from any other Agency which has surplus or unused capacity rights, or
- "(b) At its own expense, provide for modifications to pumping, conveyance or treatment facilities so as to accommodate its excess use of the Joint Facilities.

Should any Agency fail to comply with the provisions of this section, the Authority may take any necessary action under Section 7.4 or Section 7.6."

2. Effect. Except as amended in paragraph 1 hercof, all other terms, conditions, agreements, promises, and provisions of the Agreement shall remain in full force and effect, and are unchanged by this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

[SEAL]

CITY OF BELMONT

Dated: May 18, 1977

By James W. McLaughlin  
MAYOR

Attest:

James W. McLaughlin  
CITY CLERK

James W. McLaughlin  
City Clerk

[SEAL]

CITY OF REDWOOD CITY

Dated: 9 May 1977

By Marguerite Leppig  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

[SEAL]

CITY OF SAN CARLOS

Dated: May 11, 1977

By James W. McLaughlin  
MAYOR

Attest:

Sadie M. Conboy  
City Clerk

[SEAL]

MENLO PARK SANITARY DISTRICT

Dated: 3 June, 1977

By R. L. Gray

Attest:

Finn T. Haller  
Secretary of the Board

JOINT EXERCISE OF POWERS AGREEMENT

SOUTH BAYSIDE SYSTEM AUTHORITY

Supplemental Agreement II

THIS AGREEMENT, dated for convenience as of June 1, 1983, 1983, by and between the CITY OF BELMONT ("Belmont"), a general law City, the CITY OF REDWOOD CITY ("Redwood City"), a chartered City, the CITY OF SAN CARLOS ("San Carlos"), a general law City, and WEST BAY SANITARY DISTRICT ("West Bay"), a sanitary district formerly named to the Menlo Park Sanitary District), each duly organized and existing in the County of San Mateo, State of California, under the Constitution and laws of the State and collectively called the "Agencies";

W I T N E S S E T H :

WHEREAS, the agencies have heretofore entered into an agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement-South Bayside System Authority" ("the Agreement"), and a Supplemental Agreement thereto; and

WHEREAS, the Agreement establishes the South Bayside System Authority to finance, acquire and construct, and to manage, operate and maintain the Joint Facilities (as defined in the Agreement) for sanitary sewerage transmission, treatment and disposal services for the Agencies and to comply with all conditions imposed upon the Authority by the State or the United States of America, pursuant to

a grant contract; and

WHEREAS, pursuant to the Authority's National Pollutant Discharge Elimination System (NPDES) Permit issued pursuant to the Federal Water Pollution Control Act as such is defined in Section 1.19 of the Agreement, the Authority is required to enforce the National Pre-Treatment Standards promulgated pursuant to said Federal Water Pollution Control Act; and

WHEREAS, subsequent to entering into the Agreement the afore-said Pre-Treatment Standards were promulgated in such form and content as to require amendment of the Agreement in order properly to enforce said Standards; and

WHEREAS, Section 9.5 of the Agreement provides that the Agreement may be amended by one or more supplemental agreements executed by all the Agencies who are parties to the Agreement;

NOW, THEREFORE, in consideration of the above premises, and pursuant to Section 9.5 of the Agreement, the Agencies do hereby agree as follows:

1. Section 7.4 of the Agreement is hereby amended to read as follows:

"Section 7.4. Flow and Strength Limitation. Each of the Agencies agrees to limit to its maximum capacity rights hereunder the peak flow rate, biochemical oxygen demand, and suspended solids of sewage originating in such Agency and flowing to or into the Joint Facilities. The Authority

shall have the power to limit the sewage flowing to or into the Joint Facilities from any Agency to the maximum capacity rights of such Agency. The Authority shall have the power to prohibit the discharge to the Joint Facilities of any substance in a concentration which exceeds the maximum limit that may have been established by resolution or ordinance of the Authority or of any Agency as necessary to safeguard the sewage treatment processes of the Authority or the Joint Facilities. The Authority shall cause the combined effluent of all Agencies to be monitored, as well as the receiving water of the combined discharge to determine whether federal and/or state discharge requirements are being met. In addition, the Authority shall cause the effluent of each Agency to be monitored. If the combined effluent of all Agencies at the point of ultimate discharge into the receiving water fails at any time to meet discharge requirements, the Agency or Agencies responsible for each violation shall be solely responsible for any fines levied or criminal sanctions imposed. In this regard, the Agency or Agencies responsible for any such violation shall hold harmless the Authority and the nonviolating Agencies from all liability and damages incurred by them or any of them as a direct and proximate result of such violation, including, but not limited to, legal, engineering and administrative expense, and direct or nondirect damages

incurred by the Authority or any nonviolating Agency as a result of a cease and desist order or court injunction from any state or federal agency restricting construction within the jurisdictional limits of the Authority or any such Agency; and if two or more Agencies are responsible for failure of the combined effluent to meet any such discharge requirements, the obligation of the Agencies responsible for the violation to the Authority and to all nonviolating Agencies shall be joint and several. Upon notification of any such violation, the Agency or Agencies in violation shall take prompt, corrective action as necessary to meet said discharge requirements.

"If any Agency fails to take such action, the Authority may by unanimous vote of the Commission (excluding those members of the Commission who are representatives of the Agency or Agencies who are in violation of the discharge requirements) take either or both of the following actions:

"(a) Cause to be undertaken at the cost and expense of the violating Agency or Agencies the construction of such additional treatment facilities as are necessary to meet said discharge requirements; or

"(b) Impose a prohibition against any additional connections to the collection system of the Agency or Agencies in violation until such violation ceases.

"Nothing in this section shall preclude one or more



Agencies from providing additional levels of treatment to insure meeting waste discharge requirements for the combined effluent. In the event that one or more Agencies shall be obligated to provide additional levels of treatment to meet waste discharge requirements for the combined effluent, all Agencies required to provide any such additional levels of treatment shall participate in the costs of such treatment based on their respective contributions of waste characteristics to be treated and the costs of providing such treatment. The failure of any Agency to provide any such additional level of treatment shall be the sole responsibility of such Agency.

"In addition to the foregoing remedies, the Manager of the Authority shall have the right to direct an Agency immediately to terminate the discharge of an industrial user at the source of such discharge whenever the Manager determines that such discharge poses an imminent threat to the safety or operation of the Joint Facilities by one of the following:

- "(a) Fire or explosion hazard;
- "(b) Corrosive discharges with a pH lower than 5.0;
- "(c) Obstruction in the flow resulting in interference with the operation of the facilities;
- "(d) Discharge with such a flow rate, or in such a pollutant concentration as to cause interference with the operation of the facilities; or

"(e) Heat in such amounts as to inhibit biological activity or otherwise interfere with the operation of the facilities.

"In the event such Agency shall fail immediately to terminate such discharge as so directed, or to take such other action as the Manager shall deem appropriate, the Manager shall have the right to seek injunctive relief to compel such Agency to terminate such discharge. Said right shall be in addition to such other rights and remedies at law or in equity, which may accrue to Authority in the circumstances."

2. Section 7.6. of the Agreement is hereby amended to read as follows:

"Section 7.6. Industrial Waste Ordinances. The Agencies agree that each Agency will adopt a uniform industrial waste ordinance, as such may be amended from time to time to ensure compliance with state and federal requirements, that will establish criteria for, and restrictions on the nature and quality of, industrial waste discharged either directly or indirectly into the Joint Facilities. The Agencies further agree that no such ordinance shall be amended or modified by any Agency without prior written approval of the Authority, which approval shall not be unreasonably withheld. The Authority, acting through the Manager with the approval of the Commission, shall be responsible for the design, implementation

and operation of a program for inspection and monitoring all industrial waste produced in each Agency and discharged into the Joint Facilities, including field inspection employees of the Authority. The industrial waste ordinance of each Agency will authorize field inspection employees of the Authority to act as enforcement agents of such Agency with power to inspect and issue notices for violations of such ordinance; provided that all actual prosecutions for violations of such ordinances (including, without limitation, levying of fines, disconnection of discharge lines, and civil and criminal court actions) shall be the responsibility of the respective Agencies.

"Whenever the Manager of the Authority determines that a violation of any Agency's ordinance exists, he shall immediately notify said Agency of said violation. Upon notification of any such violation, the Agency shall reasonably act to enforce said ordinance and to abate said violation.

"If any Agency fails to take such action, the Commission, acting as a hearing board, may, by a majority vote thereof (excluding that member of the Commission who is a representative of such Agency), upon finding that a violation of an Agency's ordinance does exist and that said Agency has unreasonably failed to enforce such ordinance and abate said violation, direct the Manager of the Authority to seek injunctive relief to compel such Agency to enforce its ordinance with respect

to said violation. The injunctive relief which may be sought hereunder shall be in addition to such other rights and remedies at law or in equity which may accrue to Authority in the circumstances."

"All costs and expenses of the Authority under this section shall be distributed by the Authority to the respective Agencies on the basis of the actual costs incurred for each Agency and as a part of maintenance and operation costs provided in Section 6.4."

3. Except as amended in Paragraphs 1 and 2, hereof, all other terms, conditions, agreements, promises, and provisions of the Agreement as hereinbefore amended shall remain in full force and effect, and are unchanged by this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

CITY OF BELMONT

Dated: June 9, 1983

By William E. Moore  
Mayor

ATTEST:

James H. McLaughlin  
City Clerk

[SEAL]

CITY OF REDWOOD CITY

Dated: June 20, 1983

By Wm J Stangel  
Mayor

ATTEST:

J. H. Alderson  
City Clerk

[SEAL]

CITY OF SAN CARLOS

Dated: June 16, 1983.

By Richard H. H. H.  
Mayor

ATTEST:

Raymond R. Hanley  
City Clerk

[SEAL]

WEST BAY SANITARY DISTRICT

Dated: June 20, 1983

By John J. J. J.  
President of the Board

ATTEST:

[Signature]  
DEPUTY Secretary of the Board

[SEAL]

JOINT EXERCISE OF POWERS AGREEMENT

SOUTH BAYSIDE SYSTEM AUTHORITY

Supplemental Agreement III

THIS AGREEMENT, dated for convenience as of April 26, 1984, 1984, by and between the CITY OF BELMONT ("Belmont"), a general law City, the CITY OF REDWOOD CITY ("Redwood City"), a chartered City, the CITY OF SAN CARLOS ("San Carlos"), a general law City, and WEST BAY SANITARY DISTRICT ("West Bay"; formerly named the Menlo Park Sanitary District), a sanitary district, each duly organized and existing in the County of San Mateo, State of California, under the Constitution and laws of the State and collectively called the "Agencies";

W I T N E S S E T H :

WHEREAS, the Agencies have heretofore entered into an agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement - South Bayside System Authority" (the "Agreement"), and two Supplemental Agreements thereto dated for convenience as of June 8, 1977 and June 1, 1983, respectively; and

WHEREAS, the Agreement establishes the South Bayside System Authority to finance, acquire and construct, and to manage, operate and maintain the Joint Facilities to include, among other facilities, Stage 1 and Stage 2 of the Project, as said Joint Facilities, Stages and Project are defined in the Agreement; and

WHEREAS, Stage 1 of the Project is now operative and the Agencies desire to define and describe Stage 2 of the Project more

specifically than now defined and described in the Agreement, and to finance, acquire and construct Stage 2 of the Project; and

WHEREAS, various provisions of the Agreement and the First Supplemental Agreement thereto do not reflect current operational characteristics of Stage 1 of the Project, appropriate allocation of capacity rights, certain administrative requirements and official title or name changes, nor do they specifically provide for the financing, acquisition and construction of Stage 2 of the Project; and

WHEREAS, Section 5(b) of the Agreement provides that the cost allocations of Stage 2 of the Project shall be set forth in an agreement between the Agencies supplementary to the Agreement or in a new Joint Powers Agreement between them, and Section 9.5 of the Agreement provides that the Agreement may be amended at any time, or from time to time, by one or more supplemental agreements executed by all of the Agencies who are then parties to the Agreement;

NOW, THEREFORE, in consideration of the above premises, and pursuant to Sections 5.6(b) and 9.5 of the Agreement, the Agencies do hereby agree as follows:

1. Section 1.16 of the Agreement is hereby amended to read as follows:

"Section 1.16. Controller. 'Controller' means the Director of Finance of the City of Redwood City, holding the consolidated positions of Auditor and City Treasurer of Redwood City, designated as Controller of the Authority in Section 3.2."

2. Section 1.22 of the Agreement is hereby amended to read as follows:

"Section 1.22. Joint Facilities. 'Joint Facilities' means the 1969 Facilities, all facilities conveyed to the Authority pursuant to Section 5.8 hereof, Stage 1 of the Project and Stage 2 of the Project."

3. Section 1.23 of the Agreement is hereby amended to read as follows:

"Section 1.23. Joint Conveyance Facilities. 'Joint Conveyance Facilities' means those facilities shown in Exhibit D attached hereto and hereby made a part of this Agreement and generally described as follows:

"The new West Bay pumping plant and new force main to Redwood City; the existing Redwood City pumping plant and force main to San Carlos; the new San Carlos pumping plant; the existing Belmont pumping plant; the existing force main extending from the new San Carlos pumping plant to the deep water end of the bay outfall, including connections to the new treatment plant of the Authority to be constructed at Redwood Shores (Stage 1 of the Project); and the existing Belmont force main extending from the existing Belmont pumping plant to a new connection (to be constructed) with the existing force main to the deep water end of the bay outfall."

4. Section 1.25 of the Agreement is hereby amended to read as follows:

"Section 1.25. Menlo. 'Menlo' means the formerly



named Menlo Park Sanitary District, which subsequent to entering into the Agreement changed its name to West Bay Sanitary District, a sanitary district duly organized and existing in the County under the Sanitary District Act of 1923 (Sections 6400 et seq. of the Health and Safety Code of the State), and the Constitution of the State (see also, definition of 'West Bay')".

5. Section 1.29 of the Agreement is hereby amended to read as follows:

"Section 1.29. Project. 'Project' means Stage 1 of the Project and Stage 2 of the Project. 'Stage 1 of the Project' means Alternative SB-B as set forth and described in the Project Report. The elements of said Alternative SB-B are listed as items 1 to 7 inclusive, in Exhibit A hereto.

"'Stage 2 of the Project' means the expansion of the Joint Facilities from a designed wastewater treatment capacity volume of 24 million gallons per day average daily dry weather flow to 30 million gallons per day. Stage 2 of the Project shall be acquired and constructed in four substages ('Substages 1-4') comprised of improvements or additions to Stage 1 of the Project increasing the aforesaid designed capacity in increments of 2, 1, 1, and 2 millions of gallons per day flow, respectively. The elements of Stage 2 of the Project and the substages thereof are described in Chapter 6 of that certain report dated August 1983 entitled 'Report on Capacity Study and Long Range Plan for Wastewater Treatment Plant Enlargements, South Bayside System Authority', prepared by Kennedy/Jenks Engineers, Consulting

Sanitary and Civil Engineers of Palo Alto, California."

6. Section 1.37 is hereby added to the Agreement to read as follows:

"Section 1.37. West Bay. 'West Bay' means West Bay Sanitary District, a sanitary district duly organized and existing in the County under the Sanitary District Act of 1923 (Sections 6400, et seq. of the Health and Safety Code of the State), and the Constitution of the State. 'West Bay' was formerly named Menlo Park Sanitary District (see, definition of 'Menlo', above). As used in this Agreement 'Menlo' shall be deemed to mean 'West Bay', and as amendments may be made to this Agreement from time to time, the name 'West Bay' shall be substituted for 'Menlo' as the latter name appears."

7. Section 2.7 of the Agreement is hereby amended to read as follows:

"Section 2.7. Voting. The members of the Commission representing the following Agencies shall have the number of votes respectively ascribed to them hereinafter:

Belmont	-	11 votes
Redwood City	-	42 votes
San Carlos	-	19 votes
West Bay	-	28 votes

Nothing in this Section contained shall be deemed to affect the ownership of the Joint Facilities as determined pursuant to Section 7.1, the treatment capacity rights of the respective Agencies pursuant to Section 7.2, nor to affect the disposition of

the assets of the Authority pursuant to Section 8.3 upon termination of this Agreement. No member of the Commission shall vote less than all of his or her votes or assign any of his or her votes."

8. Section 3.5 of the Agreement is hereby amended to read as follows:

"Section 3.5. Manager. The Commission shall appoint a manager of the Authority at the time provided for in Section 5.1. The Manager shall have power:

- (a) to participate in the design of the Project;
- (b) except as otherwise provided in clause (d) of this section, to execute any contract for capital costs, costs of special services, equipment, materials, supplies, maintenance or repair that involves an expenditure by the Authority of not more than \$10,000; or any contract with any consultant (other than the engineers or any labor relations consultant) for services the cost of which is included in the budget for the then current fiscal year and which involve an expenditure by the Authority of not more than \$10,000;
- (c) to employ all personnel of the Authority required for maintenance and operation of the Joint Facilities and all other employees authorized by the Authority's budget or by the Commission and, subject to approval of the Commission, all personnel of the Authority required to be employed in connection with the design of Stage 1 of the Project; but the manager shall have no power to employ the engineers or any labor relations

consultant or (except as provided in paragraph (b) of this section) any other consultants or advisers to the Authority or any certified public accountants or public accountants of the Authority.

(d) to expend funds of the Authority and enter into contracts, not exceeding in the aggregate expenditures of \$200,000 of funds of the Authority, whenever required by any emergency to keep the Joint Facilities in operation or to restore them to operating condition;

(e) to sell any personal property of the Authority of a value of less than \$5,000;

(f) to approve demands for payments by the Authority of \$10,000 or less;

(g) to prepare and submit to the Commission in time for revision and adoption by it prior to May 1 of each year the annual budget for the next succeeding fiscal year referred to in Section 6.1; and

(h) generally, to supervise the acquisition, construction, management, maintenance and operation of the 1969 Facilities, the Project and the Joint Facilities.

The manager shall perform such other duties as may be imposed on him by the Commission and shall report to the Commission at such times and concerning such matters as the Commission may require."

9. Section 5.6 of the Agreement is hereby amended to read as follows:

"Section 5.6. Financing and Construction of the Project.

"(a) Financing and Construction of Stage 1. Each of the Agencies has accepted the recommendations of the Project Report to proceed with the construction of Stage 1 of the Project. The Authority shall construct all elements of Stage 1 of the Project, including those elements that will be used by less than all of the Agencies. Each Agency agrees to take the necessary steps to obtain funds to bear its share of the Capital Costs and costs of Special Services of Stage 1 of the Project, all determined as provided in Subdivision (a) of Section 5.9. Upon receiving written approval from each of the Agencies the Authority may proceed to cause the preparation of plans and specifications for Stage 1 of the Project and to call for construction bids. Upon certification from each of the Agencies to the Authority of the availability of its share of the Capital Costs and costs of Special Services of Stage 1 of the Project, the Authority shall proceed with the construction of Stage 1 of the Project. Except to the extent that funds required for payment of the Capital Costs and costs of Special Services of Stage 1 of the Project are provided from the proceeds of sale of revenue bonds issued by the Authority under the Bond Law or the Act, such funds shall be provided by the Agencies. All such funds required by the Authority from each Agency shall be payable on demand by such Agency and shall be paid by such Agency within thirty days of billing therefor by the Authority. Funds advanced by the Agencies and grant funds received from the State and from the United States

of America shall be deposited in the Construction Fund of the Authority (which is hereby created) and applied by it to payment of the Capital Costs and costs of Special Services of Stage 1 of the Project. Funds remaining after completion of construction of Stage 1 of the Project shall be returned to the Agencies in proportion to their respective contributions.

"(b) Financing and Construction of Stage 2. Financing of Stage 2 of the Project shall be provided by wastewater system connection fees collected from new users of the wastewater treatment capacity to be constructed and established by Stage 2 of the Project or any Substage thereof. Substage 1 of Stage 2 of the Project shall be financed initially from reserve capital funds of the Authority, subject to reimbursement by each of the Agencies from receipts of wastewater connection fees as aforesaid. Substages 2-4, inclusive, shall be constructed in numerical sequence; provided, however, that no such Substage shall be constructed unless and until sufficient funds therefor have been received by the Authority for each such Substage. Reimbursement for the costs of construction of Substage 1, and advance payments for such costs for each of Substages 2-4, shall be made by each of the Agencies in their respective allocated shares corresponding to their respective maximum treatment capacity rights determined as provided in Subdivisions (b) of Sections 5.9 and 7.2. Funds remaining after completion of construction of each of Substages 2-4 of Stage 2 of the Project shall be returned to the Agencies in proportion to their respective contributions unless an

Agency directs the Authority to apply its share of such remaining funds toward its obligation to fund the next Substage of Stage 2 of the Project; provided, however, that upon completion of construction of Substage 4, or any other prior Substage which is the final Substage of construction, any such remaining funds shall be returned proportionately as aforesaid.

"The Commission shall determine the connection fee to be charged by the Agencies for financing the construction of Stage 2 of the Project based upon a cost-pricing method under which the users of the treatment capacity constructed and established by Stage 2 of the Project shall be assessed the cost of construction thereof. The fee as established by the Commission shall be based upon the estimated total cost of construction (including provision for cash flow requirements and fees and costs of related necessary services) of the entire Stage 2 of the Project, notwithstanding that said Stage 2 shall be constructed in Substages. Said fee shall be expressed in dollars per gallon per day volume of wastewater treatment capacity.

"The Authority shall notify each Agency of the amount of said fee, and each such Agency shall, and does hereby agree to, implement and charge such fee in its wastewater connection fee system, such that that portion of the wastewater connection fee (howsoever designated by the Agencies, respectively) charged, assessed or otherwise collected by said Agencies which represents the cost of construction of Stage 2 of the Project shall be uniform amongst all of said Agencies. Not less than annually

the Commission shall review said fee and make such adjustments thereto as are necessary or appropriate to reflect current and projected estimates of the cost of construction of Stage 2 of the Project. Thereupon, the Authority shall advise each Agency of the adjusted fee, and each such Agency shall, and does hereby agree to, implement and charge such adjusted fee in its wastewater connection fee system as aforesaid. The Agencies shall commence proceedings to implement the initial fee or any adjustments thereto within three (3) months of notice thereof from the Authority. Nothing herein contained shall preclude any Agency from charging its users a composite connection fee which includes as one element the uniform amount established by the Authority for construction of Stage 2 of the Project hereunder.

"Monies collected by the Agencies as connection fees for construction of Stage 2 of the Project shall be paid over to the Authority periodically, but not less than quarterly. Said monies shall be applied first to reimbursement of the Authority for the costs of construction of Substage 1 until the Authority shall have been fully paid therefor. Thereafter, said monies shall be deposited in the Construction Fund of the Authority and held in trust for construction of Substage 2 and each Substage next in sequence to be constructed. When sufficient funds, based upon then current estimated construction costs made or obtained by the Authority for construction of said Substage 2 or the Substage next in sequence to be constructed, have been received, the Authority shall proceed with such construction.



"The provisions of this Subdivision (b) of this Section 5.6 are self-executing; provided, however, that the Commission may establish and implement such administrative procedures and practices consistent herewith as it deems necessary or appropriate to accomplish the purposes hereof. Nothing herein provided shall require the construction of any or all Substages 2-4 of Stage 2 of the Project or to commence construction thereof at any particular time unless sufficient funds therefor have been paid over to the Authority as herein provided."

10. Section 5.8 of the Agreement is hereby amended to read as follows:

"Section 5.8. Conveyance of Facilities by Belmont and Redwood City. Belmont and Redwood City shall each convey to the Authority those portions of the Joint Facilities now owned by them, respectively, together with rights of access thereto, said portions being the existing Belmont pumping station and the existing main pumping station in Redwood City (excluding the land on which they are constructed). If either such conveyance takes place prior to the operative date of Stage 1 of the Project, the costs of maintenance and operation of the facilities conveyed shall be added to the cost of maintenance and operation of the 1969 facilities and paid for as provided in Section 5.3."

11. Section 5.9 of the Agreement is hereby amended to read as follows:

"Section 5.9. Allocation of Capital Costs.

"(a) Capital Costs of Stage 1 of the Project. The

Capital Cost of each component of Stage 1 of the Project shall be allocated on the basis of the percentages set forth in Exhibit A hereto. All moneys received by the Authority from State or Federal grants for Capital Costs or costs of Special Services for any component of Stage 1 of the Project shall be allocated to the respective Agencies on the bases set forth in Exhibit A for the purpose of determining the amounts thereof to be paid by the respective Agencies. To the extent not otherwise provided in this Agreement, each Agency shall receive credits for portions of the Joint Facilities conveyed by it and for prior contributions of Capital Costs and costs of Special Services for the Joint Facilities paid by it, in determining the allocation of the costs of construction of Stage 1 of the Project."

"(b) Capital Costs of Stage 2 of the Project. The capital costs of Stage 2 of the Project shall be allocated to the respective Agencies based upon each such Agency's aggregate payments for the financing of each Substage thereof corresponding to the maximum capacity rights of each respective Agency as determined pursuant to subdivision (b) of Section 7.2."

12. Section 6.1 of the Agreement is hereby amended to read as follows:

"Section 6.1. Annual Budget. The Commission shall adopt a budget for maintenance and operation costs, capital costs, costs of special services, capital reserve expenses (if any) and bond interest and redemption expenses (if any) annually prior to May 1st of each year."

13. Section 6.3 of the Agreement is hereby amended to read as follows:

"Section 6.3. Allocation of Expenses; Generally. After adoption of the annual budget prior to May 1st of each year pursuant to Section 6.1, the Authority shall furnish to each of the Agencies an estimate of the total annual maintenance and operation costs, capital costs, costs of special services, capital reserve expenses (if any) and bond interest and redemption expenses (if any) and of the proportion thereof allocated to each of the Agencies for the ensuing fiscal year."

14. Section 7.2 of the Agreement is hereby amended to read as follows:

"Section 7.2. Maximum Capacity Rights.

"(a) Maximum Capacity Rights for Stage 1 of the Project. The maximum capacity rights of the respective agencies to the treatment capacity of Stage 1 of the Project shall be as follows:

<u>Agency</u>	<u>Peak Wet Weather Flow (in mgd)</u>	<u>Average Daily Dry Weather Flow (in mgd)</u>	<u>Biochemical Oxygen Demand (lbs per day)</u>	<u>Suspended Solids (lbs per day)</u>
Belmont	8.8	2.3	5,204	5,678
Redwood City	30.5*	11.4	38,727	36,510
San Carlos	14.3	3.7	6,982	9,554
West Bay	14.4	6.6	14,137	13,308

\* Does not include additional 4.6 mgd capacity rights of Redwood City in treatment plant."

"(b) Maximum Capacity Rights for Stage 2 of the

Project. The initial potential treatment capacity rights of the respective Agencies to the capacity proposed to be constructed and established for each Substage of Stage 2 of the Project shall be allocated in proportionate shares equivalent to the proportionate ownership of each such Agency to the capacity rights for Stage 1 of the Project. Said capacity rights shall be expressed in gallons per day volume of Average Daily Dry Weather Flow, for each of which there shall be corresponding concentrations of Biochemical Oxygen Demand and Suspended Solids of 325 milligrams per liter (Mg/L) day, each.

"With the prior written approval of the Commission, any Agency may relinquish to any other Agency any portion of its initial potential capacity rights as agreed upon by said two Agencies prior to commencement of construction of any such Substage. Thereupon the Agency so obtaining such relinquished rights shall be entitled to obtain maximum capacity rights equal to the sum of its initial rights plus its acquired rights.

"With respect to Substage 1, the respective capacity rights of the Agencies shall accrue upon construction thereof; provided, however, that each Agency shall reimburse the Authority according to its respective allocated share of the costs of construction thereof based upon its respective proportionate ownership of capacity rights pursuant to Subdivision (b) of Section 5.6 prior to acquiring any further capacity rights. With respect to Substages 2-4, inclusive, no such rights shall accrue

until advance full payment therefor has been made, and the corresponding Substage has been constructed pursuant to Subdivision (b) of Section 5.6. In the event any one, or more than one, of Substages 2-4 is or are not so constructed, all potential capacity rights pertaining thereto shall terminate, and any payments therefor shall be disposed of in accordance with said Subdivision (b) of Section 5.6.

"Wastewater system connection permits or other forms of entitlement to use treatment capacity within the limits of the maximum capacity rights allocated to each Agency shall conform to the financing requirements for each Substage of Stage 2 of the Project as provided in Subdivision (b) of Section 5.6. Such permits or entitlements issued to wastewater system users shall not be transferable except between owners of the land for which they were issued; provided, however, that each Agency may require that such permits or entitlements and the capacity rights pertaining thereto shall expire for non-use within a specified term following the operative date of the Substage to which they pertain and that upon such expiration all treatment capacity rights thereunder revert to the issuing Agency. No treatment capacity rights for any Substage of Stage 2 of the Project shall revert, or be relinquished to, or be acquired by, the Authority; provided, however, that inter-Agency transfers may be made subject to Commission approval as hereinabove and in Section 7.3 provided."

"(c) Limitations Exceeded. If the Authority shall

notify any Agency in writing at any time that such Agency's use of the Joint Facilities has exceeded its maximum capacity rights, such Agency shall immediately take steps to reduce its use of the Joint Facilities so as to be within its maximum capacity rights. If any Agency is unable to do so, it may, with written approval of the Authority:

- (i) Purchase or lease capacity from any other Agency which has surplus or unused capacity rights, or
- (ii) At its own expense, provide for modifications to pumping, conveyance or treatment facilities so as to accommodate its excess use of the Joint Facilities.

Should any Agency fail to comply with the provisions of this Subdivision, the Authority may take any necessary action under Section 7.4 or Section 7.6."

15. Section 7.3 of the Agreement is hereby amended to read as follows:

"Section 7.3. Transfers. With the prior written approval of the Commission any Agency may sell, lease or assign to any other Agency any portion of its maximum capacity rights as agreed upon by said two Agencies. Upon any such sale, lease or assignment, the Commission shall adjust the maximum capacity rights of said two Agencies to reflect such sale, lease or assignment. Such adjustment shall be effective on July 1st of the fiscal year following such sale, lease or assignment.

"Any Agency may contract with any person, firm, association, corporation or public agency for any portion of its maximum capacity rights under this Agreement, but no such contract shall relieve such Agency of any of its obligations under this Agreement. Notwithstanding the foregoing, no such contract with respect to maximum capacity rights for any Substage of Stage 2 of the Project shall permit the sale, leasing, assignment or other transfer of capacity rights between any Agency's wastewater system users or prospective users, or between such users of two or more Agencies, except between owners of the land with respect to which such rights were initially issued."

16. Exhibits A, B, and D of the Agreement are hereby amended to conform to Exhibits A, B, and D attached hereto and incorporated herein by this reference.

17. That certain Agreement dated for convenience as of June 8, 1977 entitled "Joint Exercise of Powers Agreement South Bayside System Authority Supplemental Agreement I", by and between the City of Belmont, a general law City, the City of Redwood City, a chartered City, the City of San Carlos, a general law City, and Menlo Park Sanitary District (now named West Bay Sanitary District), a sanitary district, is hereby superseded and replaced by the provisions hereof with respect to the amendment to Section 7.2 of the Agreement hereinabove provided.

18. Except as amended in Paragraphs 1-15 hereof and superseded pursuant to Paragraph 16 hereof, all other terms,

conditions, agreements, promises and provisions of the Agreement as hereinbefore amended shall remain in full force and effect and are unchanged by this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

CITY OF BELMONT

Dated: April 26, 1984

By William J. Hardwick  
MAYOR

ATTEST:

James W. McLaughlin  
CITY CLERK

[SEAL]

CITY OF REDWOOD CITY

Dated: May 7, 1984

By Brenton Butcher  
MAYOR

ATTEST:

J. Hildebrand  
CITY CLERK

[SEAL]



CITY OF SAN CARLOS

Dated: April 30, 1984.

By *Victor E. Stoltz*  
MAYOR

ATTEST:

*Margaret R. Stanley*  
CITY CLERK

[SEAL]

WEST BAY SANITARY DISTRICT

Dated: May 15, 1984

By *John Ingli Jr.*  
PRESIDENT OF THE BOARD

ATTEST:

*Finn T. Haller*  
SECRETARY OF THE BOARD

[SEAL]

EXHIBIT ADISTRIBUTION OF CAPITAL COSTS FOR STAGE ONE OF THE PROJECTCapital Cost Distribution as a  
Percentage of Final Total Costs

	Belmont	San Carlos	Redwood City	Menlo
1. Menlo Park Pumping Plant & Force Main to Redwood City	0.0	0.0	0.0	100.0
2. San Carlos Outfall from Existing Pumping Plant to New Pumping Plant	0.0	100.0	0.0	0.0
3. New F.M. Booster Station & San Carlos Pumping Plant	0.0	40.0	0.0	60.0
4. Redwood City Meter & Pumping Plant Modifications	0.0	0.0	100.0	0.0
5. Harbor Industrial S.M.D Metering Facilities	0.0	100.0	0.0	0.0
6. Belmont Standby Power, Pumping Plant Modifications & Force Main Connection	100.0	0.0	0.0	0.0
7. Subregional Treatment Plant at Redwood Shores	8.8	13.8	53.7	23.7

Note: 1. Capital costs include readily identifiable costs of construction, including engineering design, construction supervision and change orders during construction. Costs of special services, including soils studies, surveys, rights-of-way, legal and administrative expenses and preliminary engineering (including reports), are not included.

2. Costs of special services described in Note 1 above shall be distributed in accordance with each Agency's percentage of the total costs of constructing all of Stage 1 of the Project. In equation form this would be as follows:

Agency percentage of special services costs =

$$\frac{\text{Agency Capital Costs}}{\text{Total Costs of Stage 1 of Project}}$$

3. The percentages set forth above are based on actual costs, exclusive of any State and/or Federal grants received. Should any such grants be received prior to, during, or after the completion of construction, they shall be returned to each of the Agencies, in accordance with the rules and regulations which govern at the time of receipt of such grants.

4. Capital costs are based on the assignment of 40% to Flow and 30% to BOD and 30% to Suspended Solids and the Maximum Capacity Rights (Section 7.2).

EXHIBIT BMETHODOLOGY FOR ALLOCATION OF ADMINISTRATIVE, MAINTENANCE  
AND OPERATION COSTS FOR JOINT FACILITIES

1. Allocation of total annual administrative (including fiscal and legal), and conveyance and operating costs shall be made on the basis of each Agency's proportionate share of the total of all flow contributed to the Joint Facilities. The equation used in determining an Agency's share of such annual costs is presented as follows:

$$A_a = \frac{Q_a}{Q_t} A_t$$

Where:  $A_a$  = Agency's total annual share of administrative, and conveyance maintenance and operation costs.

$Q_a$  = Agency's total annual contribution of wastewater (in millions of gallons) to the joint conveyance facilities

$Q_t$  = Total of all contributions of wastewater (in millions of gallons) to the joint conveyance facilities

$A_t$  = Total of all annual administrative, and conveyance maintenance and operation costs of the Authority

2. Allocation of Pump Station maintenance and operation costs shall be made on the basis of the actual costs charged to each pump station and shall be borne by the agency served by each particular pump station. The maintenance and operation costs of the Booster Station shall be allocated on a percentage basis to West Bay Sanitary District and Redwood City at 92% and 8%, respectively.
3. Distribution of total annual treatment plant operation and maintenance costs shall be made on the basis of each agency's proportionate contribution of flow, Biochemical Oxygen Demand and Suspended Solids to the Joint Facilities. The total annual treatment plant maintenance and operation costs shall be allocated on the basis of 26.5% to flow, 33.5% to Biochemical Oxygen Demand and 40% to Suspended Solids. The equation used in determining an agency's share of such annual costs is presented as follows:

$$T_a = T_t \left( 0.265 \frac{Q_a}{Q_t} + 0.335 \frac{BOD_a}{BOD_t} + 0.400 \frac{SS_a}{SS_t} \right)$$

Where:  $T_a$  = Agency's total annual share of treatment plant maintenance and operation costs

$T_t$  = Total of all annual treatment plant maintenance and operation costs

Exhibit B

Page two

$Q_a$  = Agency's total annual contribution of wastewater (in millions of gallons) to the treatment plant

$Q_t$  = Total of all annual contributions of wastewater (in millions of gallons) to the treatment plant

$BOD_a$  = Agency's total annual contribution of Biochemical Oxygen Demand (in pounds) to the treatment plant

$BOD_t$  = total of all annual contributions of Biochemical Oxygen Demand (in pounds) to the treatment plant

$SS_a$  = Agency's total annual contribution of suspended solids (in pounds) to the treatment plant

$SS_t$  = total of all annual contributions of suspended solids (in pounds) to the treatment plant

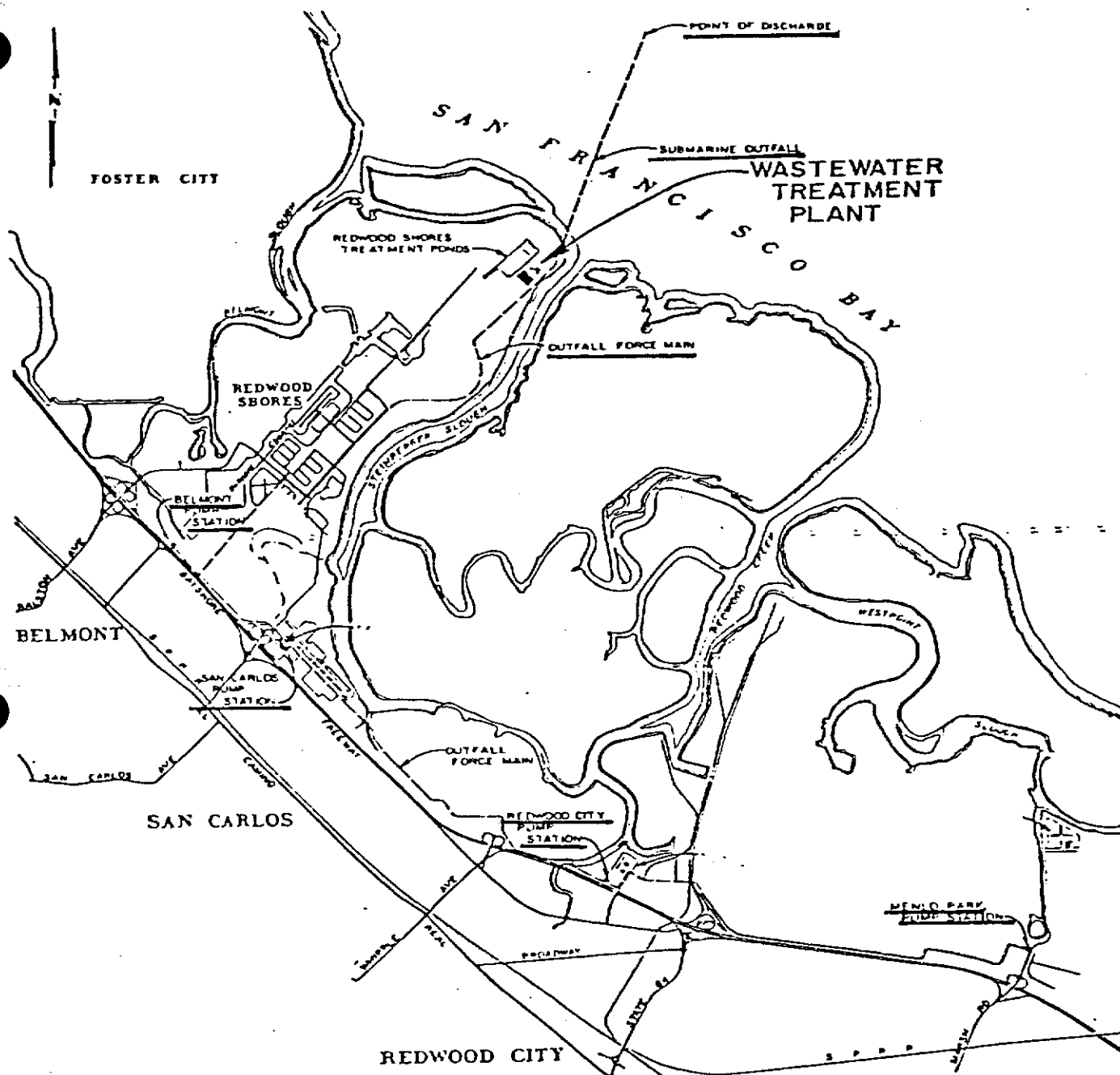


EXHIBIT D

**SOUTH BAYSIDE  
SYSTEM AUTHORITY**

**JOINT CONVEYANCE FACILITIES & PUMP STATIONS**

REV. MARCH 12, 1984

JOINT EXERCISE OF POWERS AGREEMENTSOUTH BAYSIDE SYSTEM AUTHORITYSupplemental Agreement IV

THIS AGREEMENT, dated for convenience as of Sept. 18, 1985, by and between the CITY OF BELMONT ("Belmont"), a general law City, the CITY OF REDWOOD CITY ("Redwood City"), a chartered City, the CITY OF SAN CARLOS ("San Carlos"), a general law City, and WEST BAY SANITARY DISTRICT ("West Bay"; formerly named the Menlo Park Sanitary District), a sanitary district, each duly organized and existing in the County of San Mateo, State of California, under the Constitution and laws of the State and collectively called the "Agencies";

## W I T N E S S E T H :

WHEREAS, the Agencies have heretofore entered into an agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement - South Bayside System Authority" (the "Agreement"), and three Supplemental Agreements thereto dated for convenience as of June 8, 1977, June 1, 1983, and April 26, 1984, respectively; and

WHEREAS, among other matters, Section 2.4 of the Agreement provides a specific rate of compensation for members of the Commission of the South Bayside System Authority; and

WHEREAS, said amount is not compensatory due to changes in economic conditions; and

WHEREAS, Subdivision (a) of Section 7.2 of the Agreement includes a clerical error with reference to the inclusion of certain peak wet weather flow capacity rights specified for Redwood City;

NOW, THEREFORE, in consideration of the above premises, and pursuant to Section 9.5 of the Agreement, the Agencies do hereby agree as follows:

1. Section 2.4 of the Agreement is hereby amended to read as follows:

"Section 2.4. Commission. The Authority shall be administered by a Commission of four (4) members. One (1) member shall be a Council member of Belmont appointed by the City Council of Belmont; one (1) member shall be a Council member of Redwood City appointed by the Council of Redwood City; one (1) member shall be a Council member of San Carlos appointed by the City Council of San Carlos; and one (1) member shall be a member of the Board of Directors of West Bay appointed by the Board of Directors of West Bay. The Commission shall be called the "Commission of South Bayside System Authority." All voting power of the Authority shall reside in the Commission.

Each member of the Commission shall serve at the pleasure of the Agency that appointed him or her. Each member shall cease to be a member of the Commission when he or she ceases to hold office on the governing board of the Agency that appointed him or her. Vacancies on the Commission shall be filled by the respective appointing Agencies.

The members of the Commission shall receive compensation as may be specified by resolution of the Commission for each day's attendance at meetings of the Commission or for each day's service rendered as a Commission member by request of the Commission together with actual and necessary expenses incident thereto; provided, that such compensation shall not exceed that amount specified in subdivision (a) of Section 6489 of the Health and Safety Code of the State of California as compensation for members of boards of directors of sanitary districts established under the Sanitary District Act of 1923 (Health & Safety Code §6400 et seq.), as said subdivision (a) currently provides or may from time to time be amended, replaced or superseded."

2. Section 7.2 of the Agreement is hereby amended to read as follows:

"Section 7.2. Maximum Capacity Rights.

"(a) Maximum Capacity Rights for Stage 1 of the Project.

The maximum capacity rights of the respective agencies to the treatment capacity of Stage 1 of the Project shall be as follows:

<u>Agency</u>	<u>Peak Wet Weather Flow (in mgd)</u>	<u>Average Daily Dry Weather Flow (in mgd)</u>	<u>Biochemical Oxygen Demand (lbs per day)</u>	<u>Suspended Solids (lbs per day)</u>
Belmont	8.8	2.3	5,204	5,678
Redwood City	30.5*	11.4	38,727	36,510
San Carlos	14.3	3.7	6,982	9,554
West Bay	14.4	6.6	14,137	13,308

\* Peak Wet Weather Flow for Redwood City specified is for capacity rights in treatment plant; Redwood City's Peak Wet Weather Flow capacity in the conveyance facilities to the treatment plant is 25.9 mgd.

"(b) Maximum Capacity Rights for Stage 2 of the Project.



The initial potential treatment capacity rights of the respective Agencies to the capacity proposed to be constructed and established for each Substage of Stage 2 of the Project shall be allocated in proportionate shares equivalent to the proportionate ownership of each such Agency to the capacity rights for Stage 1 of the Project. Said capacity rights shall be expressed in gallons per day volume of Average Daily Dry Weather Flow, for each of which there shall be corresponding concentrations of Biochemical Oxygen Demand and Suspended Solids of 325 milligrams per liter (Mg/L) day, each.

"With the prior written approval of the Commission, any Agency may relinquish to any other Agency any portion of its initial potential capacity rights as agreed upon by said two Agencies prior to commencement of construction of any such Substage. Thereupon the Agency so obtaining such relinquished rights shall be entitled to obtain maximum capacity rights equal to the sum of its initial rights plus its acquired rights.

"With respect to Substage 1, the respective capacity rights of the Agencies shall accrue upon construction thereof; provided, however, that each Agency shall reimburse the Authority according to its respective allocated share of the costs of construction thereof based upon its respective proportionate ownership of capacity rights pursuant to Subdivision (b) of Section 5.6 prior to acquiring any further capacity rights. With respect to Substages 2-4, inclusive, no such rights shall accrue until advance full payment therefor has been made, and the corresponding Substage has been constructed pursuant to

Subdivision (b) of Section 5.6. In the event any one, or more than one, of Substages 2-4 is or are not so constructed, all potential capacity rights pertaining thereto shall terminate, and any payments therefor shall be disposed of in accordance with said Subdivision (b) of Section 5.6.

"Wastewater system connection permits or other forms of entitlement to use treatment capacity within the limits of the maximum capacity rights allocated to each Agency shall conform to the financing requirements for each Substage of Stage 2 of the Project as provided in Subdivision (b) of Section 5.6. Such permits or entitlements issued to wastewater system users shall not be transferable except between owners of the land for which they were issued; provided, however, that each Agency may require that such permits or entitlements and the capacity rights pertaining thereto shall expire for non-use within a specified term following the operative date of the Substage to which they pertain and that upon such expiration all treatment capacity rights thereunder revert to the issuing Agency. No treatment capacity rights for any Substage of Stage 2 of the Project shall revert, or be relinquished to, or be acquired by, the Authority; provided, however, that inter-Agency transfers may be made subject to Commission approval as hereinabove and in Section 7.3 provided."

"(c) Limitations Exceeded. If the Authority shall notify any Agency in writing at any time that such Agency's use of the Joint Facilities has exceeded its maximum capacity rights, such Agency shall immediately take steps to reduce its use of the

Joint Facilities so as to be within its maximum capacity rights. If any Agency is unable to do so, it may, with written approval of the Authority:

- (i) Purchase or lease capacity from any other Agency which has surplus or unused capacity rights, or
- (ii) At its own expense, provide for modifications to pumping, conveyance or treatment facilities so as to accommodate its excess use of the Joint Facilities.

Should any Agency fail to comply with the provisions of this Subdivision, the Authority may take any necessary action under Section 7.4 or Section 7.6."

3. Except as amended in paragraphs 1 and 2 hereof, all other terms, conditions, agreements, promises and provisions of the Agreement as hereinbefore amended shall remain in full force and effect, and are unchanged by this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

CITY OF BELMONT

Dated: December 9, 1985

By

Donald J. Derman  
Mayor

ATTEST:

James W. McLaughlin  
City Clerk

[SEAL]

Dated: 3/17/86

ATTEST:

*[Signature]*  
City Clerk

[SEAL]

CITY OF REDWOOD CITY

By *[Signature]*  
Mayor

CITY OF SAN CARLOS

Dated: Nov. 8, 1985

ATTEST:

*[Signature]*  
City Clerk

[SEAL]

By *[Signature]*  
City Administrator

WEST BAY SANITARY DISTRICT

Dated: November 12, 1985

ATTEST:

*[Signature]*, Deputy  
Secretary of the  
Board

[SEAL]

By *[Signature]*  
President of the Board

## JOINT EXERCISE OF POWERS AGREEMENT

### SOUTH BAYSIDE SYSTEM AUTHORITY

#### Supplemental Agreement V

THIS AGREEMENT, dated for convenience as of March 13, 2008, by and between the CITY OF BELMONT ("Belmont"), a general law City, the CITY OF REDWOOD CITY ("Redwood City"), a chartered City, the CITY OF SAN CARLOS ("San Carlos"), a general law City, and WEST BAY SANITARY DISTRICT ("West Bay"; formerly named the Menlo Park Sanitary District), a sanitary district, each duly organized and existing in the County of San Mateo, State of California, under the Constitution and laws of the State and collectively called the "Agencies";

#### W I T N E S S E T H:

WHEREAS, the Agencies have heretofore entered into an agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement - South Bayside System Authority" ("Agreement"), and four Supplemental Agreements thereto dated for convenience as of June 8, 1977, June 1, 1983, April 26, 1984 and September 18, 1985, respectively; and

WHEREAS, Section 3.5 of the Agreement sets forth the powers of the Manager of the Authority; and

WHEREAS, the monetary limitations upon Manager's authority to enter into contracts for capital costs, costs of special services, equipment, materials, supplies, maintenance or repair or any contract with any consultant and to approve demands for payments in said section are unnecessarily low taking into consideration economic changes that have occurred since the limitations were originally established; and

WHEREAS, the Agencies desire to amend the aforesaid limitations in the interests of efficiency, economy and convenience in the operation of the Authority;

NOW, THEREFORE, in consideration of the above premises, and pursuant to Section 9.5 of the Agreement, the Agencies do hereby agree as follows:

1. Section 3.5 of the Agreement is hereby amended to read as follows:

“Section 3.5. Manager. The Commission shall appoint a Manager of the Authority at the time provided for in Section 5.1. The Manager shall have the power:

(a) to participate in the design of the Project;

(b) except as otherwise provided in clause (d) of this section, to execute any contract for capital costs, costs of special services, equipment, materials, supplies, maintenance or repair that involves an expenditure by the Authority of not more than \$50,000; or any contract for consulting services the cost of which is included in the budget for the then current fiscal year and which involves an expenditure by the Authority of not more than \$75,000;

(c) to employ all personnel of the Authority required for maintenance and operation of the Joint Facilities and all other employees authorized by the Authority’s budget or by the Commission;

(d) to expend funds of the Authority and enter into contracts not exceeding in the aggregate expenditures of \$300,000 of funds of the Authority, whenever required by any emergency to keep the Joint Facilities in operation or to restore them to operating condition;

(e) to sell any personal property of the Authority of a value of less than \$25,000;

(f) to approve demands for payments by the Authority for which funds have been budgeted;

(g) to prepare and submit to the Commission in time for revision and adoption by it prior to May 1 of each year the annual budget for the next succeeding Fiscal Year referred to in Section 6.1; and

(h) generally, to supervise the acquisition, construction, management, maintenance and operation of the 1969 Facilities, the Project and the Joint Facilities.

The Manager shall perform such other duties as may be specified by the Commission and shall report to the Commission at such times and concerning such matters as the Commission may require."

2. Except as amended hereinabove and heretofore amended by Supplemental Agreements I – IV, all other terms, conditions, agreements and provisions of the Agreement shall remain in full force and effect and are unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: 5/15/08

CITY OF BELMONT, a general  
law city

By: Warren Liebern

Mayor

ATTEST:

By: Jeri Cook

City Clerk

(Seal)

Dated: \_\_\_\_\_

CITY OF REDWOOD CITY, a  
chartered city,

By:

\_\_\_\_\_

Mayor

ATTEST:

By: \_\_\_\_\_

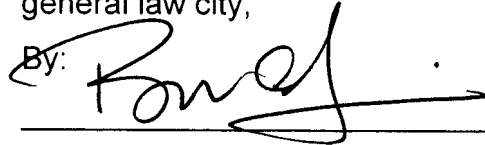
City Clerk

(Seal)

Dated: \_\_\_\_\_

CITY OF SAN CARLOS, a  
general law city,

By: \_\_\_\_\_



Mayor

ATTEST:

By: \_\_\_\_\_



City Clerk

(Seal)

Dated: \_\_\_\_\_

WEST BAY SANITARY  
DISTRICT, a sanitary district

By: \_\_\_\_\_

\_\_\_\_\_

President

ATTEST:

By: \_\_\_\_\_

Secretary

(Seal)



ATTEST:

By: \_\_\_\_\_

City Clerk

(Seal)

Dated: \_\_\_\_\_

CITY OF SAN CARLOS, a  
general law city,

By:

\_\_\_\_\_

Mayor

ATTEST:

By: \_\_\_\_\_

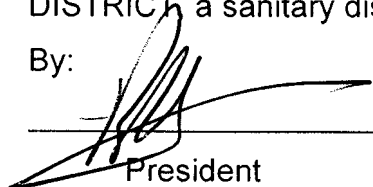
City Clerk

(Seal)

Dated: \_\_\_\_\_


WEST BAY SANITARY  
DISTRICT, a sanitary district

By:

  
\_\_\_\_\_

President

ATTEST:

By:   
\_\_\_\_\_

Secretary

(Seal)

**ORIGINAL**

**RESOLUTION NO. 14870**

**RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF  
SUPPLEMENTAL AGREEMENT V TO JOINT EXERCISE OF  
POWERS AGREEMENT FOR THE SOUTH BAYSIDE SYSTEM  
AUTHORITY**

**WHEREAS**, the cities of Belmont, Redwood City, and San Carlos, California and the West Bay Sanitary District (formerly named the Menlo Park Sanitary District; which agencies are hereinafter collectively called the "Agencies") entered into that certain agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement – South Bayside System Authority" (the "Agreement"), and four supplemental agreements thereto dated for convenience as of June 8, 1977, June 1, 1983, April 26, 1984, and September 18, 1985, respectively; and

**WHEREAS**, Section 3.5 of the Agreement sets forth the powers of the Manager of the Authority; and

**WHEREAS**, the monetary limitations upon the Manager's authority to enter into contracts for capital costs, costs of special services, equipment, materials, supplies, maintenance or repair or any contract with any consultant and to approve demands for payments in said Section are unnecessarily low taking into consideration economic changes that have occurred since the limitations were originally established; and

**WHEREAS**, this Council desires to approve and authorize execution of said Supplemental Agreement V for and on behalf of the City of Redwood City.

**NOW THEREFORE; BE IT RESOLVED BY THE COUNCIL OF THE CITY OF  
REDWOOD CITY, AS FOLLOWS:**

That certain agreement entitled "Joint Exercise of Powers Agreement – South Bayside System Authority Supplemental Agreement V," attached hereto as Exhibit "A" and incorporated herein by this reference, by and between the Agencies amending Section 3.5 of the Agreement with respect to the Manager's authority to enter into contracts for capital costs, costs of special services, equipment, materials, supplies, maintenance or repair or any contract with any consultant and to approve demands for payments is hereby approved, and the Mayor and City Clerk are hereby authorized to execute said agreement and to attest to such execution, respectively, for and on behalf of the City of Redwood City.

\* \* \*

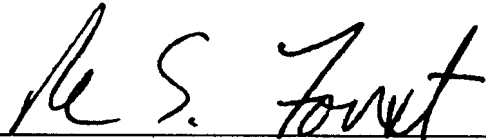
Passed and adopted by the Council of the City of Redwood City at a Joint City Council and Redevelopment Agency Board Meeting thereof held on the 9<sup>th</sup> day of June, 2008 by the following votes:

A YES, and in favor of the passage and adoption of the foregoing resolution,

Council members: Aguirre, Bain, Hartnett, Howard, Ira, Pierce, and Mayor Foust

NOES: None

ABSENT: None



ROSANNE S. FOUST  
Mayor of the City of Redwood City

Attest:



Silvia Vonderlinden  
City Clerk of Redwood City

CITY OF REDWOOD CITY

Dora Wong, Office of the City Clerk of the City of Redwood City does hereby certify that the above and foregoing is a full true and correct copy of Resolution # 14870

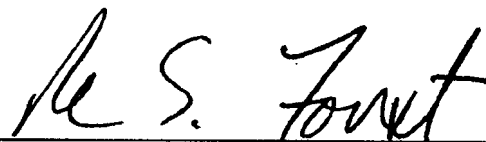
In Witness Whereof, I have hereunto set my hand and the seal of said City this 12 day of June 2008

Dora Wong  
Deputy City Clerk



I hereby approve the foregoing

resolution this 10<sup>th</sup> day of June, 2008.



ROSANNE S. FOUST  
Mayor of the City of Redwood City

**JOINT EXERCISE OF POWERS AGREEMENT**  
**SOUTH BAYSIDE SYSTEM AUTHORITY**  
**Supplemental Agreement VI**

THIS AGREEMENT, dated for convenience as of March, 8, 2012, by and between the CITY OF BELMONT ("Belmont"), a general law City, the CITY OF REDWOOD CITY ("Redwood City"), a chartered City, the CITY OF SAN CARLOS ("San Carlos"), a general law City, and WEST BAY SANITARY DISTRICT ("West Bay", formerly named the Menlo Park Sanitary District), a sanitary district, each duly organized and existing in the County of San Mateo, State of California, under the Constitution and laws of the State and collectively called the "Agencies";

**W I T N E S S E T H:**

WHEREAS, the South Bayside System Authority was established by Joint exercise of Powers Agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement - South Bayside System Authority" ("Agreement"), and

WHEREAS, the Agreement has heretofore been amended by five Supplemental Agreements dated for convenience as of June 8, 1977, June 1, 1983, April 26, 1984, September 18, 1985 and March 13, 2008, respectively; and

WHEREAS, Supplemental Agreement V amended Section 3.5 of the Agreement to authorize the Manager of the Authority to execute contracts for specified purchases of not more than \$50,000 and for consulting services of not more than \$75,000; and

WHEREAS, Section 2.8 of the Agreement relating to the Commission's corresponding contractual approval authority requires amendment to reflect the foregoing amendment to Section 3.5; and

WHEREAS, the Authority has embarked upon an extensive long-range capital improvement program ("CIP") for the reconstruction, replacement,

rehabilitation, remodeling, relocation and repair of the existing Joint Facilities and any additions thereto; and

WHEREAS, Sections 1.22 and 1.29 of the Agreement, defining Joint Facilities and Project, respectively, require amendment to reflect the completed construction of Stage 1, the actual treatment capacity constructed under Stage 2 and the improvements to Stages 1 and 2 constructed or to be constructed pursuant to the CIP; and

WHEREAS, Subdivision (b) of Section 5.6 of the Agreement provides for the financing and construction of Stage 2 of the Project in four (4) substages, but such construction has proceeded in varying increments corresponding to the Agencies' needs and funding availability, thereby requiring amendment of said Section to conform to that procedure; and

WHEREAS, Section 5.9 and Exhibit A of the Agreement pertain to allocation of the initial capital costs of the Joint Facilities, but do not expressly provide for the allocation of such costs and the improvements constructed or to be constructed pursuant to the CIP, thereby requiring amendment of said Section and Exhibit to conform to the allocation of capital costs subsequent to construction of Stages 1 and 2, the inclusion of any additional capital facilities and the revised proportionate ownership of the Member Agencies in the Joint Facilities so described; and

WHEREAS, Section 7.2 of the Agreement, establishing the capacity rights of the Member Agencies, requires amendment to set forth the actual capacity rights following completion of Stage 2 of the Project, such that their respective capacity rights and ownership of the Joint Facilities conform to the combined actual capacity established by Stages 1 and 2; and

WHEREAS, the Agencies desire to enact the foregoing amendments;

NOW, THEREFORE, in consideration of the above premises, and pursuant to Section 9.5 of the Agreement, the Agencies do hereby agree as follows:

1. Section 1.22 of the agreement is hereby amended to read as follows:

"Section 1.22 Joint Facilities. 'Joint Facilities' means the 1969 Facilities, all facilities conveyed to the Authority pursuant to Section 5.8 hereof, Stage 1 of the Project, Stage 2 of the Project and improvements resulting from the reconstruction, replacement, rehabilitation, remodeling, relocation and repair by

the Authority of Stages 1 and 2 of the Project or any component thereof or addition thereto.”

2. Section 1.29 of the Agreement is hereby amended to read as follows:

“Section 1.29. Project ‘Project’ means Stage 1 of the Project, Stage 2 of the Project and improvements resulting from the reconstruction, replacement, rehabilitation, remodeling, relocation and repair by the Authority of Stages 1 and 2 of the Project or any component thereof or addition thereto. ‘Stage 1 of the Project’ means Alternative SB-B as set forth and described in the Project Report; provided, that the components of Stage 1 of the Project shall include the Facilities defined and listed in Note 1 of Subdivision B of Exhibit A hereof except where expressly stated to the contrary in this Agreement.

‘Stage 2 of the Project’ means the expansion of the Joint Facilities from a designed wastewater treatment capacity volume of 24 million gallons per day average daily dry weather flow to 29 million gallons per day. Stage 2 of the Project shall be acquired and constructed in incremental substages as needed to meet the needs of the Authority and when funds are provided by the Agencies in accordance with Subdivision (b) of Section 5.6. Stage 2 of the Project is described generally in that certain report dated August 1983 entitled, “Report on Capacity Study and Long Range Plan for Wastewater Treatment Plant Enlargements, South Bayside System Authority,” prepared by Kennedy/Jenks Engineers, Consulting Sanitary and Civil Engineers of Palo Alto, California.”

3. Section 2.8 of the Agreement is hereby amended to read as follows:

“Section 2.8. Quorum, Required Votes, Approvals. Members of the Commission holding a majority of the votes shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. The affirmative votes of members of the Commission holding at least three-fourths of the votes shall be required to adopt or amend bylaws, rules or regulations; to adopt or modify any budget; to approve any capital costs or any contract providing for an expenditure of more than \$50,000, excluding consulting services contracts; to approve consulting services contracts which involve an expenditure by the Authority of more than \$75,000; to approve all appropriations

and transfers of funds, except expenditures under contract of \$50,000 or less and demands for payment of \$50,000 or less, excluding expenditures under contract for personal services included in the budget for the then current fiscal year, which shall require Commission approval for expenditures of more than \$75,000; to employ the Manager, the engineers and , except to the extent otherwise provided in Subdivision (b) of Section 3.5, all other consultants to the Authority; to sell or dispose of any property of the Authority (except personal property of a value of less than \$25,000); to grant any right, license, or permit to any person other than another Agency to use any property of the Authority; to grant any right, license, or permit to any Agency to use any property of the Authority otherwise than for the purpose for which it was designed; or to approve or execute a grant agreement between the Authority as grantee and the State or the United States of America.

All of the votes of all Agencies that are at the time parties to this Agreement shall be required to terminate this Agreement.

The affirmative votes of members holding a majority of the votes shall be required for any other action of the Commission.”

4. Section 5.6 of the Agreement is hereby amended to read as follows:

“Section 5.6. Financing and Construction of the Project.

(a) Financing and Construction of Stage 1. Each of the Agencies accepted the recommendations of the Project Report to proceed with the construction of Stage 1 of the Project (“Stage 1 of the Project” as used in this Subdivision (a) of §5.6 means only those facilities listed in Subdivision A of Exhibit A hereof). The Authority has constructed all components of Stage 1 of the Project, including those components that are used by less than all of the Agencies. Each Agency took the necessary steps to obtain funds to bear its share of the Capital Costs and costs of Special Services of Stage 1 of the Project, all determined as provided in Subdivision (a) of Section 5.9.

(b) Financing and Construction of Stage 2. Financing of Stage 2 of the Project shall be provided by wastewater system connection fees collected from new users of the wastewater treatment capacity to be constructed and established by Stage 2 of the Project or any increment thereof. The first increment of Stage 2 of the Project has been financed from reserve capital funds of the Authority, subject to reimbursement by each of the Agencies from receipts of wastewater

connection fees as aforesaid. Subsequent increments have been or shall be constructed in sequence; provided, however, that no such increment shall be constructed unless and until sufficient funds therefor have been received by the Authority. Reimbursement for the costs of construction of the first increment and advance payments for such costs for each subsequent increment shall be made by each of the Agencies in their respective allocated shares corresponding to their respective maximum treatment capacity rights determined as provided in Subdivisions (b) of Sections 5.9 and 7.2. Funds remaining after completion of construction of the final increment of Stage 2 of the Project shall be returned to the Agencies in proportion to their respective contributions.

The Commission shall determine the connection fee to be charged by the Agencies for financing the construction of Stage 2 of the Project based upon a cost-pricing method under which the users of the treatment capacity constructed and established by Stage 2 of the Project shall be assessed the cost of construction thereof. The fee as established by the Commission shall be based upon the estimated total cost of construction (including provision for cash flow requirements and fees and costs of related necessary services) of the entire Stage 2 of the Project, notwithstanding that said Stage 2 shall be constructed in increments. Said fee shall be expressed in dollars per gallon per day volume of wastewater treatment capacity.

The Authority shall notify each Agency of the amount of said fee, and each such agency shall, and does hereby agree to, implement and charge such fee in its wastewater connection fee system such that that portion of the wastewater connection fee (howsoever designated by the Agencies, respectively) charged, assessed or otherwise collected by said Agencies which provide for the cost of construction of Stage 2 of the Project shall be uniform amongst all of said Agencies. Not less than annually the Commission shall review said fee and make such adjustments thereto as are necessary or appropriate to reflect current and projected estimates of the cost of construction of Stage 2 of the Project. Thereupon, the Authority shall advise each Agency of the adjusted fee, and each such Agency shall, and does hereby agree to, implement and charge such adjusted fee in its wastewater connection fee system as aforesaid. The Agencies shall implement the initial fee or any adjustments thereto within three (3) months



of notice thereof from the Authority. Nothing herein contained shall preclude any Agency from charging its users a composite connection fee which includes as one component the uniform amount established by the Authority for construction of Stage 2 of the Project hereunder.

Monies collected by the Agencies as connection fees for construction of Stage 2 of the Project shall be paid over to the Authority periodically, but not less than quarterly. Said monies shall be deposited in the Stage 2 Construction Fund of the Authority and held in trust for construction of each increment next in sequence to be constructed. When sufficient funds, based upon then current estimated construction costs made or obtained by the Authority for construction of said increments have been received, the Authority shall proceed with such construction.

The provisions of this Subdivision (b) of this Section 5.6 are self-executing; provided, however, that the Commission may establish and implement such administrative procedures and practices consistent herewith as it deems necessary or appropriate to accomplish the purposes hereof. Nothing herein provided shall require the construction of any or all of the increments of Stage 2 except the first increment or to require construction of any subsequent increment at any particular time unless sufficient funds therefor have been paid over to the Authority as herein provided."

5. Section 5.9 of the Agreement is hereby amended to read as follows:

"Section 5.9. Allocation of Capital Costs.

(a) Capital Costs of Stage 1 of the Project. The Capital Cost of each component of Stage 1 of the Project shall be and have been allocated on the basis of the percentages set forth in Subdivision A of Exhibit A hereto. All moneys received by the Authority from State or Federal grants for Capital Costs or costs of Special Services for any component of Stage 1 of the Project shall be and have been allocated to the respective Agencies on the basis set forth in Exhibit A for the purpose of determining the amounts thereof to be paid by the respective Agencies. To the extent not otherwise provided in this Agreement, each Agency shall receive and has received credits for portions of the Joint Facilities conveyed by it and for prior contributions of Capital Costs and costs of Special Services for

the Joint Facilities paid by it, in determining the allocation of the costs of construction of Stage 1 of the Project.

(b) Capital Costs of Stage 2 of the Project. The Capital Costs of Stage 2 of the Project shall be and have been allocated to the respective Agencies based upon each such Agency's aggregate payments for the financing of each increment thereof corresponding to the maximum capacity rights of each Agency as determined pursuant to subdivision (b) of Section 7.2.

(c) Subsequent Capital Costs. Capital Costs for the reconstruction, replacement, rehabilitation, remodeling, relocation and repair of Stage 1 and Stage 2 of the Project or any component thereof or addition thereto, shall be allocated among the Agencies based upon the percentage that the sum of their respective Stage 1 and Stage 2 shares of capacity rights comprises of the total capacity rights of Stages 1 and 2, expressed in gallons per day volume of Average Daily Dry Weather Flow as set forth in Subdivision B of Exhibit A."

6. Section 7.2 of the Agreement is hereby amended to read as follows:

"Section 7.2. Maximum Capacity Rights.

(a) Maximum Capacity Rights for Stage 1 of the Project. The maximum respective capacity rights of the Agencies to the treatment capacity of Stage 1 of the Project are:

Agency	Peak Wet Weather Flow (in mgd)	Average Daily Dry Weather Flow (in mgd)	Biochemical Oxygen Demand (lbs. per day)	Suspended Solids (lbs. per day)
Belmont	8.8	2.3	5,204	5,678
Redwood City	30.5*	11.4	38,727	36,510
San Carlos	14.3	3.7	6,982	9,954
West Bay	<u>14.4</u>	<u>6.6</u>	<u>14,137</u>	<u>13,308</u>
Total	68.0	24.0	65,050	65,450

\*Peak Wet Weather Flow for Redwood City specified is for capacity rights in the treatment plant; Redwood City's Peak Wet Weather Flow capacity includes capacity in the subregional conveyance facilities of 25.9 mgd plus the additional flow of 4.6 mgd in the Redwood Shores force main.

(b) Maximum Capacity Rights for Stage 2 of the Project. The maximum respective capacity rights allocated to the Agencies of Stage 2 of the Project are:

Average  
Peak Wet Daily Dry

Agency	Weather Flow (in mgd)	Weather Flow (in mgd)	Biochemical Oxygen Demand (lbs. per day)	Suspended Solids (lbs. per day)
Belmont	1.06	0.44	1,193	1,193
Redwood City	6.44	2.685	7,278	7,278
San Carlos	1.66	0.69	1,870	1,870
West Bay	<u>2.84</u>	<u>1.185</u>	<u>3,212</u>	<u>3,212</u>
Total	12.00	5.00	13,553	13,553

(c) Total Allocated Maximum Capacity Rights of the Project. The total respective maximum allocated capacity rights of the Agencies to the treatment capacity of the Project comprised of Stages 1 and 2 of are:

Agency	Peak Wet Weather Flow (in mgd)	Average Daily Dry Weather Flow (in mgd)	Biochemical Oxygen Demand (lbs. per day)	Suspended Solids (lbs per day)
Belmont	9.86	2.74	6,397	6,871
Redwood City	36.94*	14.085	46,005	43,788
San Carlos	15.96	4.39	8,852	11,824
West Bay	<u>17.24</u>	<u>7.785</u>	<u>17,349</u>	<u>16,520</u>
Total	80.00	29.00	78,603	79,003

\*Peak Wet Weather Flow for Redwood City specified is for capacity rights in the treatment plant; Redwood City's Peak Wet Weather Flow capacity includes capacity in the subregional conveyance facilities of 25.9 mgd plus the additional flow of 4.6 mgd in the Redwood Shores force main.

(d) Acquisition of Allocated Maximum Capacity Rights.

(i) Stage 1. The Agencies acquired their respective capacity rights in and to Stage 1 of the Project upon completion of construction thereof.

(ii) Stage 2. The Agencies shall acquire and have acquired their respective capacity rights in Stage 2 of the Project as set forth in this Subdivision (d)(ii) of Section 7.2. With the prior written approval of the Commission, any Agency may relinquish to any other Agency any portion of its initial maximum potential capacity rights in Stage 2 of the Project as agreed upon by said two Agencies prior to commencement of construction of any increment of Stage 2. Thereupon the Agency so obtaining such relinquished rights shall be entitled to obtain maximum capacity rights equal to the sum of its initial rights plus its acquired rights.

With respect to the first increment of Stage 2, the respective capacity rights of the Agencies accrued upon construction thereof; provided, however, that each

Agency reimbursed the Authority according to its respective allocated share of the costs of construction thereof based upon its respective proportionate ownership of capacity rights pursuant to Subdivision (b) of Section 5.6 prior to acquiring any further capacity rights. With regard to subsequent increments, no such rights shall accrue until advance full payment therefor has been made, and the corresponding increment has been constructed pursuant to Subdivision (b) of Section 5.6. In the event any one, or more than one, increment is not so constructed, all potential capacity rights pertaining thereto shall terminate, and any payments therefor shall be disposed of in accordance with said Subdivision (b) of Section 5.6.

Wastewater system connection permits or other forms of entitlement to use treatment capacity within the limits of the maximum capacity rights allocated to each Agency shall conform to the financing requirements for each increment of Stage 2 of the Project as provided in Subdivision (b) of Section 5.6. Such permits or entitlements issued to wastewater system users shall not be transferable except between owners of the land for which they were issued; provided, however, that each Agency may require that such permits or entitlements and the capacity rights pertaining thereto shall expire for non-use within a specified term following the operative date of the increment to which they pertain and that upon such expiration all treatment capacity rights thereunder revert to the issuing agency. No treatment capacity rights for any Substage of Stage 2 of the Project shall revert, or be relinquished to, or be acquired by, the Authority; provided, however, that inter-Agency transfers may be made subject to Commission approval as hereinabove and in Section 7.3 provided.

(e) Limitations Exceeded. If the Authority shall notify any Agency in writing at any time that such Agency's use of the Joint Facilities has exceeded its maximum capacity rights, such Agency shall immediately take steps to reduce its use of the Joint Facilities so as to be within its maximum capacity rights. If any such Agency is unable to do so, it may, with written approval of the Authority (i) purchase or lease capacity from any other Agency which has surplus or unused capacity rights or (ii) at its own expense, provide for modifications to pumping, conveyance or treatment facilities so as to accommodate its excess use of the Joint Facilities. If any Agency fails to comply with the provisions of this Subdivision, the Authority may take any necessary action under Section 7.4 or Section 7.6."

7. Exhibit A of the Agreement is hereby amended to read as set forth in Exhibit "A" of this Supplemental Agreement VI, which Exhibit is incorporated herein by reference.

8. Except as amended hereinabove and heretofore amended by Supplemental Agreements I – V, all other terms, conditions, agreements and provisions of the Agreement shall remain in full force and effect and are unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: \_\_\_\_\_

CITY OF BELMONT, a general  
law city

By:

\_\_\_\_\_

Mayor

ATTEST:

By: \_\_\_\_\_

City Clerk

(Seal)

Dated: \_\_\_\_\_

CITY OF REDWOOD CITY, a  
chartered city,

By:

\_\_\_\_\_

Mayor

ATTEST:

By: \_\_\_\_\_

City Clerk

(Seal)

8. Except as amended hereinabove and heretofore amended by Supplemental Agreements I – V, all other terms, conditions, agreements and provisions of the Agreement shall remain in full force and effect and are unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: 10/3/12

CITY OF BELMONT, a general  
law city

By: 

Greg Scoles, City Manager  
(Authorized to sign by Resolution 2012-135)

ATTEST:

By: 

City Clerk

(Seal)

Dated: \_\_\_\_\_

CITY OF REDWOOD CITY, a  
chartered city,

By: \_\_\_\_\_

Mayor

ATTEST:

By: \_\_\_\_\_

City Clerk

(Seal)

(Signature page continued)

their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: \_\_\_\_\_

CITY OF BELMONT, a general  
law city

By: \_\_\_\_\_

Mayor

ATTEST:

By: \_\_\_\_\_

City Clerk

(Seal)

Dated: 03/21/2012

CITY OF REDWOOD CITY, a  
chartered city,

By: \_\_\_\_\_

Mayor

ATTEST:

By: \_\_\_\_\_

City Clerk

(Seal)

Dated: \_\_\_\_\_

CITY OF SAN CARLOS, a  
general law city,

By: \_\_\_\_\_

Mayor

ATTEST:

Dated: August 30, 2012 CITY OF SAN CARLOS, a  
general law city,

By: 

Mayor

ATTEST:

By: 

City Clerk

(Seal)

Dated: \_\_\_\_\_

WEST BAY SANITARY

DISTRICT, a sanitary district

By: \_\_\_\_\_

President

ATTEST:

By: \_\_\_\_\_

Secretary

(Seal)



Dated: \_\_\_\_\_

CITY OF SAN CARLOS, a  
general law city,  
By:

\_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_

City Clerk

(Seal)

Dated: \_\_\_\_\_

WEST BAY SANITARY  
DISTRICT, a sanitary district  
By:

\_\_\_\_\_  
President

ATTEST:

By: 

Secretary

(Seal)

## Exhibit A to Supplemental Agreement VI

### SOUTH BAYSIDE SYSTEM AUTHORITY

#### EXHIBIT A

#### A. DISTRIBUTION OF CAPITAL COSTS FOR STAGE ONE OF THE PROJECT

	<u>Belmont</u>	<u>San Carlos</u>	<u>Redwood City</u>	<u>Menlo Park</u>
1. Menlo Park Pumping Plant & Force Main to Redwood City	0.0	0.0	0.0	100.0
2. San Carlos Outfall from Existing Pumping Plant to New Pumping Plant	0.0	100.0	0.0	0.0
3. New FM Booster Station and San Carlos Pumping Plant	0.0	40.0	0.0	60.0
4. Redwood City Meter & Pumping Plant Modifications	0.0	0.0	100.0	0.0
5. Harbor Industrial S.M.D. Metering Facilities	0.0	100.0	0.0	0.0
6. Belmont Standby Power, Pumping Plant Modifications & Force Main Connection	100.0	0.0	0.0	0.0
7. Subregional Treatment Plant at Redwood Shores	8.8	13.8	53.7	23.7

#### Notes:

- Capital costs above include readily identifiable costs of construction, including engineering design, construction supervision and change orders during construction. Costs of special services, including soils studies, surveys, rights-of-way, legal and administrative expenses and preliminary engineering (including reports) are not included.
- Costs of special services described in Note 1 above shall be distributed in accordance with each Agency's percentage of the total costs of constructing all of Stage 1 of the Project. In equation form this would be as follows:

$$\text{Agency percentage of special services costs} = \frac{\text{Agency Capital Costs}}{\text{Total Costs of Stage 1 of Project}}$$

- The percentages set forth above are based on actual costs, exclusive of any State and/or Federal grants received. Should any such grants be received prior to, during, or after the completion of construction, they shall be returned to each of the Agencies, in accordance with the rules and regulations which govern at the time of receipt of such grants.

4. Capital costs above are based on the assignment of 40% to Flow and 30% to BOD and 30% to Suspended Solids and the Maximum Capacity Rights (Section 7.2).

**B. DISTRIBUTION OF CAPITAL COSTS FOR CAPITAL EXPENDITURES INCURRED AFTER COMPLETION OF STAGE 1 (EXCLUSIVE OF STAGE 2 CAPACITY EXPANSION CAPITAL COSTS)**

Belmont	San Carlos	Redwood City	West Bay
9.45%	15.14%	48.57%	26.84%

Notes:

1. For purposes of this Subdivision B, the Joint Facilities shall include the improvements to the facilities itemized as 1-7 in Subdivision A (collectively, "Facilities") resulting from the reconstruction, replacement, rehabilitation, remodeling, relocation or repair of said Facilities or any additions thereto under the Authority's Capital Improvement Program approved, amended revised or updated from time to time by the Commission of the Authority.
2. Capital costs above include readily identifiable costs of construction, including engineering, design, construction management and supervision, change orders during construction, costs of special services, including soils studies, surveys, rights-of-way, legal and administrative expenses, preliminary engineering (including reports) and any and all other costs related to capital improvements of the Facilities.
3. Capital costs also include all costs meeting the definition of a capital expense as defined in the Authority's Capital Expense Policy as adopted and modified from time to time by resolution of the Commission of the Authority.
4. The percentages set forth above are based on actual costs, exclusive of any State and/or Federal grants received. Should any such grants be received prior to, during, or after the completion of construction, they shall be returned to each of the Agencies, in accordance with the rules and regulations which govern at the time of receipt of such grants.
5. The above distribution of Capital costs is based on each member entity's percentage of ownership of the Stage 1 Facilities plus each member entity's percentage of allocated or owned Stage 2 Average Dry Weather Flow (ADWF) capacity of the total capacity as set forth in Subdivision (c) of Section 7.2 of the Agreement.
6. Stage 2 expansion costs are distributed in accordance with Subdivision (d)(ii) of Section 7.2 of the Agreement.
7. The above distribution of Capital costs pertains to costs for the reconstruction, replacement, rehabilitation, remodeling, relocation and repair of Stages 1 and 2 of the Project, any component thereof or addition thereto, in accordance with Subdivision (c) of Section 5.9 of the Agreement. Adjustments to the proportionate ownership of capacity rights and corresponding distribution of capital costs shall be made to correspond to transfers of capacity rights, if any, between the Agencies pursuant to Section 7.3 of the Agreement.

JOINT EXERCISE OF POWERS AGREEMENT  
SOUTH BAYSIDE SYSTEM AUTHORITY  
Supplemental Agreement VII

**THIS AGREEMENT**, dated for convenience as of December 12, 2013 by and between the CITY OF BELMONT ("Belmont"), a general law City, the CITY OF REDWOOD CITY ("Redwood City"), a chartered City, the CITY OF SAN CARLOS ("San Carlos"), a general law City, and WEST BAY SANITARY DISTRICT ("West Bay"; formerly named the Menlo Park Sanitary District), a sanitary district, each duly organized and existing in the County of San Mateo, State of California, under the Constitution and laws of the State (collectively, "Agencies");

**WITNESSETH:**

**WHEREAS**, the South Bayside System Authority was established by Joint exercise of Powers Agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement - South Bayside System Authority" ("Agreement"); and

**WHEREAS**, the Agreement has heretofore been amended by six (6) Supplemental Agreements dated for convenience as of June 8, 1977, June 1, 1983, April 26, 1984, September 18, 1985, March 13, 2008 and March 8, 2012 respectively; and

**WHEREAS**, Section 1.7 of the Agreement defines "Authority;" and

**WHEREAS**, Section 2.2 of the Agreement establishes the Authority by the name of "South Bayside System Authority;" and

**WHEREAS**, Section 2.4 of the Agreement refers to the Commission of the Authority as "Commission of South Bayside System Authority;" and

**WHEREAS**, the parties hereto desire to change the name of the Authority to "Silicon Valley Clean Water," thereby requiring amendments to Sections 1.7, 2.2 and 2.4 of the Agreement;

**NOW THEREFORE**, the parties hereto agree as follows:

1. Section 1.7 of the Agreement is hereby amended to read as follows:

"Section 1.7. Authority 'Authority' means Silicon Valley Clean Water created pursuant to this Agreement initially under the name of South Bayside



System Authority and subsequently renamed. The name 'Silicon Valley Clean Water' shall be deemed substituted for 'South Bayside System Authority' wherever the latter appears in this Agreement, including, without limitation, the Exhibits."

2. Section 2.2 of the Agreement is hereby amended to read as follows:

"Section 2.2. Creation of Authority Pursuant to the Act there is hereby created a public entity to be known as 'Silicon Valley Clean Water,' herein called the 'Authority.' The Authority is a public entity separate and apart from Belmont, Redwood City, San Carlos, and West Bay, and shall administer this Agreement."

3. Section 2.4 of the Agreement is hereby amended to read as follows

"Section 2.4. Commission. The Authority shall be administered by a Commission of four (4) members. One (1) member shall be a Council member of Belmont appointed by the City Council of Belmont; one (1) member shall be a Council member of Redwood City appointed by the Council of Redwood City; one (1) member shall be a Council member of San Carlos appointed by the City Council of San Carlos; and one (1) member shall be a member of the Board of Directors of West Bay appointed by the Board of Directors of West Bay. The Commission shall be called the 'Commission of Silicon Valley Clean Water.' All voting power of the Authority shall reside in the Commission.

Each member of the Commission shall serve at the pleasure of the Agency that appointed him or her. Each member shall cease to be a member of the Commission when he or she ceases to hold office on the governing board of the Agency that appointed him or her. Vacancies on the Commission shall be filled by the respective appointing Agencies.

The members of the Commission may receive compensation as may be specified by resolution of the Commission for each day's attendance at meetings of the Commission or for each day's service rendered as a Commission member by request of the Commission together with actual and necessary expenses incident thereto; provided, that such compensation shall not exceed that amount specified in subdivision (a) of Section 6489 of the Health and Safety Code of the State of California as compensation for members of boards of directors of

sanitary districts established under the Sanitary District Act of 1923 (Health & Safety Code § 6400 et seq.), as said subdivision (a) currently provides or may from time to time be amended, replaced, or superseded."

4. Except as amended hereinabove and heretofore amended by Supplemental Agreements I-V, all other terms, conditions, agreements and provisions of the Agreement shall remain in full force and effect and are unchanged.

**IN WITNESS WHEREOF**, the parties hereto have caused this agreement to be executed and attested by their duly authorized officers and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: 1/28/14

CITY OF BELMONT, a general  
law city

By: Waverly Lieberman  
Mayor

ATTEST: Jim Cook  
By: \_\_\_\_\_  
City Clerk

(Seal)

Dated: \_\_\_\_\_

CITY OF REDWOOD CITY, a  
chartered city,

By: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
By: \_\_\_\_\_  
City Clerk

(Seal)

sanitary districts established under the Sanitary District Act of 1923 (Health & Safety Code § 6400 et seq.), as said subdivision (a) currently provides or may from time to time be amended, replaced, or superseded."

4. Except as amended hereinabove and heretofore amended by Supplemental Agreements I-V, all other terms, conditions, agreements and provisions of the Agreement shall remain in full force and effect and are unchanged.

**IN WITNESS WHEREOF**, the parties hereto have caused this agreement to be executed and attested by their duly authorized officers and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: \_\_\_\_\_

CITY OF BELMONT, a general  
law city

By: \_\_\_\_\_

Mayor

ATTEST:

By: \_\_\_\_\_

City Clerk

(Seal)

Dated: \_\_\_\_\_

CITY OF REDWOOD CITY, a  
chartered city,

By: \_\_\_\_\_

Mayor

ATTEST:

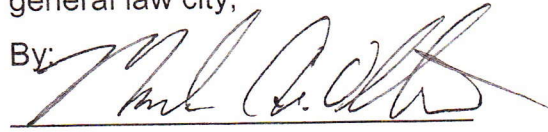
By: \_\_\_\_\_ 1/22/14

City Clerk

(Seal)

Dated: 1/22/2014

CITY OF SAN CARLOS, a  
general law city,

By: 

Mayor

ATTEST:

By:   
City Clerk

(Seal)

Dated: \_\_\_\_\_

WEST BAY SANITARY  
DISTRICT, a sanitary district

By:

\_\_\_\_\_

President

ATTEST:

By: \_\_\_\_\_  
Secretary

(Seal)



Dated: \_\_\_\_\_

CITY OF SAN CARLOS, a  
general law city,  
By:

\_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

(Seal)

Dated: \_\_\_\_\_

WEST BAY SANITARY  
DISTRICT, a sanitary district  
By:

\_\_\_\_\_  
President

ATTEST:

By: *[Signature]*  
Secretary

(Seal)



**JOINT EXERCISE OF POWERS AGREEMENT  
SILICON VALLEY CLEAN WATER  
Supplemental Agreement VIII**

THIS AGREEMENT, dated for convenience as of May, 10, 2018, by and between the CITY OF BELMONT ("Belmont"), a general law City, the CITY OF REDWOOD CITY ("Redwood City"), a chartered City, the CITY OF SAN CARLOS ("San Carlos"), a general law City, and WEST BAY SANITARY DISTRICT ("West Bay", formerly named the Menlo Park Sanitary District), a sanitary district, each duly organized and existing in the County of San Mateo, State of California, under the Constitution and laws of the State and collectively called the "Agencies";

**W I T N E S S E T H:**

WHEREAS, the South Bayside System Authority, now known as Silicon Valley Clean Water, was established by Joint exercise of Powers Agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement - South Bayside System Authority" ("Agreement"), and

WHEREAS, the Agreement has heretofore been amended by seven (7) Supplemental Agreements, dated for convenience as of June 8, 1977, June 1, 1983, April 26, 1984, September 18, 1985, March 13, 2008, March 8, 2012 and December 12, 2013, respectively; and

WHEREAS, Sections 1.16, 1.36 and 3.2 of the Agreement identify and designate the City of Redwood City, one of the parties to the Agreement, as the Controller and Treasurer of the Authority in accordance with the Act; and

WHEREAS, Sections 3.3, 6.5, 6.6 and 6.7 of the Agreement delineate the duties and obligations of the Controller and Treasurer in accordance with the Act; and

WHEREAS, the Authority has evolved since its original formation and now has a Chief Financial Officer capable of performing the functions of the Authority's Treasurer in order to meet the needs of the Authority's expanded operations; and

WHEREAS, the City of Redwood City continues to be capable of performing the functions of the Authority's Controller; and

WHEREAS, Sections 1.16, 1.36 and 3.2 of the Agreement, designating the Controller and Treasurer of the Authority, respectively, and Sections 3.3, 6.5, 6.6 and 6.7 of the Agreement delineating the duties and obligations of said positions, require amendment to reflect the change in assignment of the Controller and Treasurer roles of the Authority, to wit: the City of Redwood City will continue to be designated as and perform the duties of Controller of the Authority, and the Authority will be re-designated as and perform the duties of Treasurer of the Authority; and

WHEREAS, the Agencies desire to enact the foregoing amendments;

NOW, THEREFORE, in consideration of the above premises, and pursuant to Section 9.5 of the Agreement, the Agencies do hereby agree as follows:

1. Section 1.16 of the Agreement is hereby amended to read as follows:

**"Section 1.16 Controller**

Controller means the Assistant City Manager of Administrative Services of the City of Redwood City or other public officer or employee performing the functions of auditor or controller of Redwood City, designated as Controller of the Authority in Section 3.2."

2. Section 1.36 of the Agreement is hereby amended to read as follows:

**"Section 1.36 Treasurer**

Treasurer means the Chief Financial Officer of the Authority or other public officer or employee performing the functions of treasurer of the Authority, designated as Treasurer of the Authority in Section 3.2."

3. Section 3.2 of the Agreement is hereby amended to read as follows:

**"Section 3.2 Controller and Treasurer**

The Assistant City Manager of Administrative Services of the City of Redwood City or other public officer or employee performing the functions of auditor or controller of Redwood City, and the Chief Financial Officer of the Authority or other public officer or employee performing the functions of treasurer of the Authority, are hereby respectively designated as the Controller and Treasurer of the Authority. The Treasurer shall be the depositary and shall have custody of all of the accounts, funds and money of the Authority from whatever

source. The Controller shall have the duties and obligations of the auditor and controller, and the Treasurer shall have the duties and obligations of the treasurer, each as set forth in Sections 6505 and 6505.5 of the Act, and each shall perform their respective roles to assure that there shall be strict accountability of all funds and report of all receipts and disbursements of the Authority. The Council of Redwood City shall determine the charges to be made against the Authority for the services of the Controller, such charges not to exceed actual costs to Redwood City for such services."

4. Section 3.3 of the Agreement is hereby amended to read as follows:

**"Section 3.3 Officers in Charge of Property**

Pursuant to Section 6505.1 of the Act, the Controller and the Treasurer shall have charge of, handle and have access to all accounts, funds and money of the Authority and all records of the Authority relating thereto in accordance with their respective duties and obligations under this Agreement; the Secretary shall have charge of, handle and have access to all other records of the Authority; and the Manager shall have charge of, handle and have access to all physical properties of the Authority."

5. Section 6.5 of the Agreement is hereby amended to read as follows:

**"Section 6.5 Maintenance and Operation Fund**

All money in the Joint Operating Fund on July 1st next succeeding the operative date of Phase 1 of the Project shall on said July 1st be transferred to and deposited in the Maintenance and Operation Fund. All monies received from any Agency on or after said July 1st in payment of maintenance and operation costs shall be deposited in the Maintenance and Operation Fund. All monies in the Maintenance and Operation Fund shall be paid out by the Treasurer for maintenance and operation costs of the Joint Facilities upon approval of demands for payment by the Manager or the Commission as provided in this Agreement and in accordance with Section 6505.5 of the Act."

6. Section 6.6 of the Agreement is hereby amended to read as follows:

**"Section 6.6 Allocation of Bond Interest and Redemption Expenses**

The estimated annual bond interest and redemption expenses of the

Authority for each component of Stage 1 of the Project shall be allocated by the Authority to the Agencies on the basis of the percentages set forth in Exhibit A hereto. All monies received from any Agency in payment of bond interest and redemption expenses shall be deposited in the Bond Interest and Redemption Fund of the Authority, which is hereby created, and shall be paid out by the Treasurer to pay the principal of and interest on bonds of the Authority issued pursuant to this Agreement."

7. Section 6.7 of the Agreement is hereby amended to read as follows:

**"Section 6.7 Allocation of Capital Reserve Expenses**

The annual capital reserve expenses of the Authority for each component of Stage 1 of the Project shall be allocated by the Authority to the Agencies on the basis of the percentages set forth in Exhibit A hereto. All monies received from any Agency in payment of capital reserve expenses shall be paid out by the Treasurer as directed by the Commission and upon approval of demands for payment by the Manager or the Commission as provided in this Agreement and in accordance with Section 6505.5 of the Act."

8. Except as amended hereinabove and heretofore amended by Supplemental Agreements I – VII, all other terms, conditions, agreements and provisions of the Agreement shall remain in full force and effect and are unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: \_\_\_\_\_

CITY OF BELMONT, a general law city

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_

**RESOLUTION NO. 15690****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDWOOD CITY PROPOSING AMENDMENTS TO SECTIONS 1.16, 1.36, 3.2, 3.3, 6.5, 6.6, AND 6.7 OF JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING SOUTH BAYSIDE SYSTEM AUTHORITY, NOW KNOWN AS SILICON VALLEY CLEAN WATER, RELATING TO THE DESIGNATIONS AND ASSIGNMENTS OF TREASURER AND CONTROLLER OF THE AUTHORITY**

**WHEREAS**, the South Bayside System Authority, now known as Silicon Valley Clean Water ("SVCW" or the "Authority"), was established by Joint Exercise of Powers Agreement dated November 13, 1975, entitled "Joint Exercise of Powers Agreement – South Bayside System Authority" ("Agreement") pursuant to the Joint Exercise of Powers Act (Chapter 5, commencing with Section 6500 of Division 7 of Title 1 of the California Government Code) ("Act"); and

**WHEREAS**, the Agreement has heretofore been amended by seven (7) Supplemental Agreements, dated for convenience as of June 8, 1977, June 1, 1983, April 26, 1984, September 18, 1985, March 13, 2008, March 8, 2012, and December 12, 2013, respectively; and

**WHEREAS**, Sections 1.16, 1.36, and 3.2 of the Agreement identify and designate the City of Redwood City, one of the parties to the Agreement, as the Controller and Treasurer of the Authority in accordance with the Act; and

**WHEREAS**, Sections 3.3, 6.5, 6.6, and 6.7 of the Agreement delineate the duties and obligations of the Controller and Treasurer in accordance with the Act; and

**WHEREAS**, SVCW has evolved since its original formation and now has a Chief Financial Officer capable of performing the functions of the Authority's Treasurer in order to meet the needs of the Authority's expanded operations; and

**WHEREAS**, the City of Redwood City continues to be capable of performing the functions of the Authority's Controller and still desires to do so; and

**WHEREAS**, Sections 1.16, 1.36, and 3.2 of the Agreement, designating the Controller and Treasurer of the Authority, respectively, and Sections 3.3, 6.5, 6.6, and 6.7 of the Agreement delineating the duties and obligations of said positions, require amendment to reflect the change in assignment of the Controller and Treasurer roles of the Authority, to wit: the City of Redwood City will continue to be designated as and perform the duties of Controller of the Authority, and the Authority will be re-designated as and perform the duties of Treasurer of the Authority; and

**WHEREAS**, the Board of Commissioners of SVCW has approved the aforesaid amendments and recommends the Member Agencies of the Authority enact the Supplemental Agreement hereinafter referenced; and

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF REDWOOD CITY AS FOLLOWS:**

1. That certain proposed agreement by and between the Cities of Belmont, San Carlos, and Redwood City, California and the West Bay Sanitary District entitled, "Joint Exercise of Powers Agreement – Silicon Valley Clean Water – Supplemental Agreement VIII," in the form of Exhibit "A" hereof, attached hereto and incorporated herein by reference is hereby approved;

\* \* \*

Passed and adopted by the Council of the City of Redwood City at a  
Joint City Council/Successor Agency Board/Public Financing Authority Meeting  
thereof held on the 23<sup>rd</sup> day of July 2018 by the following votes:

AYES: Aguirre, Borgens, Gee, Howard, Masur, Seybert and  
Mayor Bain

NOES: None

ABSENT: None

ABSTAINED: None

RECUSED: None



---

Ian Bain  
Mayor of the City of Redwood City

Attest:



---

Pamela Aguilar  
City Clerk of Redwood City

I hereby approve the foregoing  
resolution this 24<sup>th</sup> day of July 2018.



---

Ian Bain  
Mayor of the City of Redwood City

RESO. # 15690  
MUFF # 304



City Clerk

(Seal)

Dated: \_\_\_\_\_

CITY OF REDWOOD CITY, a  
chartered city,

By: \_\_\_\_\_

Mayor

ATTEST:

By: \_\_\_\_\_

City Clerk

(Seal)


Dated: 6/28/18

CITY OF SAN CARLOS, a  
general law city,

By:  

Mayor

ATTEST:

By: 

City Clerk

(Seal)



Dated: \_\_\_\_\_

WEST BAY SANITARY DISTRICT, a  
sanitary district,

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

(Seal)

Dated: 10/27/2018

WEST BAY SANITARY DISTRICT, a  
sanitary district,

By: Edward P. Mory  
President

ATTEST:

By: Sharon Sel  
Secretary

(Seal)



hereto. All monies received from any Agency in payment of bond interest and redemption expenses shall be deposited in the Bond Interest and Redemption Fund of the Authority, which is hereby created, and shall be paid out by the Treasurer to pay the principal of and interest on bonds of the Authority issued pursuant to this Agreement."

7. Section 6.7 of the Agreement is hereby amended to read as follows:

**"Section 6.7 Allocation of Capital Reserve Expenses**

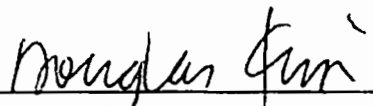
The annual capital reserve expenses of the Authority for each component of Stage 1 of the Project shall be allocated by the Authority to the Agencies on the basis of the percentages set forth in Exhibit A hereto. All monies received from any Agency in payment of capital reserve expenses shall be paid out by the Treasurer as directed by the Commission and upon approval of demands for payment by the Manager or the Commission as provided in this Agreement and in accordance with Section 6505.5 of the Act."


8. Except as amended hereinabove and heretofore amended by Supplemental Agreements I – VII, all other terms, conditions, agreements and provisions of the Agreement shall remain in full force and effect and are unchanged.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed and attested by their proper officers thereunto duly authorized and their official seals to be hereto affixed, on the day and year set opposite the name of each of the parties.

Dated: 8-20-18

CITY OF BELMONT, a general law city

By:   
Mayor

ATTEST:  
By:   
City Clerk

(Seal)