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A JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE COUNTY OF AMADOR, THE CITY OF AMADOR CITY, THE CITY OF JACKSON, AND THE CITY OF SUTTER CREEK FOR THE PURPOSE OF CREATING AN AGENCY FOR IMPLEMENTING A REGIONAL WASTEWATER DISPOSAL PLAN

THIS AGREEMENT is entered into this 5<sup>th</sup> day of July, 1978, by and between the County of Amador, and the cities of Amador City, Jackson, and Sutter Creek, hereinafter collectively referred to as "members".

W I T N E S S E T H

WHEREAS, each member is empowered by law to provide wastewater disposal programs and facilities and to participate in federal and state grant programs relating to said programs and facilities; and

WHEREAS, each member has certain requirements to dispose of treated wastewater in accordance to law; and

WHEREAS, each member desires to meet said requirements by implementation of a regional wastewater disposal system; and

WHEREAS, a regional wastewater development plan, specifically Supplement #2 to Appendix L of the Amador County Wastewater Management Plan, November, 1977, has been devised by County consultants and engineers, which plan as supplemented and amended from time to time has been approved by the Division of Water Quality of the State Water Resources Control Board, which plan requires the development and construction of an outfall line and appurtenant facilities to extend from a point immediately west of the Sutter Creek Treatment Plant to the California Youth Authority facility near Ione, known as Preston School of Industry (hereinafter referred to as "the Outfall"); and

WHEREAS, the members hereof desire to develop and construct said Outfall; and

WHEREAS, the members hereof deem it necessary and proper to create a separate public entity by joint exercise of powers agreement to create an

1 organizational and administrative structure for the development, construc-  
2 tion, and operation of said Outfall until a special district is formed to  
3 take over the duties of the joint powers agency created herein; and

4 WHEREAS, besides the express purpose of developing, constructing, and  
5 operating said Outfall, the members hereof intend to create an agency  
6 which may, but is not required to, have authority to acquire, construct,  
7 and operate treatment plants, collection systems, and "local outfalls",  
8 such as between the Jackson Treatment Plant and the Sutter Creek Outfall  
9 and between the Amador City Settling Pond and the Sutter Creek Treatment  
10 Plant; and

11 WHEREAS, it is the express intention of the members hereof to do all  
12 things necessary to form forthwith such a special district to take over  
13 the duties of the agency created hereby; and

14 WHEREAS, the members hereof intend to add to the agency created hereby,  
15 and to any special district created as a successor entity to this agency,  
16 the unincorporated area of the County, in whole or in part, referred to as  
17 "Phase II" communities in the Amador County Wastewater Management Plan,  
18 some of which said communities being Volcano, Pine Grove, and Pioneer, in-  
19 cluding territory adjacent thereto;

20 NOW, THEREFORE, the Board of Supervisors of the County of Amador, and  
21 the City Councils of the Cities of Amador City, Jackson, and Sutter Creek,  
22 for and in consideration of the mutual promises and agreements herein con-  
23 tained do agree as follows:

#### 24 ARTICLE I - AUTHORITY

25 Section 1.1 Creation of Authority. Pursuant to Articles I and II  
26 (commencing with Section 6500) of Chapter 5, Division 7, of Title I of the  
27 California Government Code (hereinafter referred to as "the Act"), there  
28 is hereby created a public entity to be known as the "Amador Regional

1 Sanitation Authority", hereinafter referred to as "the Authority". The  
2 Authority is a public entity separate and apart from the members and shall  
3 administer this Agreement.

4 ARTICLE II - PURPOSE

5 Section 2.1 Purpose. The purpose of this Agreement shall be for the  
6 creation of a public entity, the Authority, which shall have as a specific  
7 purpose the design, construction, maintenance and operation of the Outfall  
8 in accordance with the general powers as enumerated herein, and in addi-  
9 tion, to design, construct, maintain and operate other wastewater facilities  
10 which the Authority determines will have regional benefits.

11 ARTICLE III - GOVERNING BOARD

12 Section 3.1 Governing Board. The Authority shall be administered by  
13 a Governing Board which shall initially consist of seven (7) directors. One  
14 (1) director shall be appointed by the City Council of Amador City from its  
15 Council, two (2) directors shall be appointed by the City Council of Jackson  
16 from its Council, two (2) directors shall be appointed by the City Council  
17 of Sutter Creek from its Council, and two (2) directors shall be appointed  
18 by the Board of Supervisors of Amador County from its Board. The Governing  
19 Board shall be called the "Governing Board of the Amador Regional Sanitation  
20 Authority". All voting power of the Authority shall reside in the Governing  
21 Board. ~~In the event that new members are added to the Authority, additional~~  
22 ~~directors from said new members shall be added in accordance with the pro-~~  
23 ~~visions of Section 10.7 hereof.~~

24 Section 3.2 Directors' Terms. Each director shall serve at the  
25 pleasure of the member which appointed him. Each director shall cease to  
26 be a director of the Governing Board when he ceases to hold office on the  
27 legislative body of the member which appointed him. Vacancies on the Gov-  
28 erning Board shall be filled by the respective appointing members.



1 who may, but need not, be a director. The officers shall perform the duties  
2 normal to said offices; and

3 (a) the Chairman shall sign all contracts on behalf of the Authority,  
4 and perform such other duties as may be imposed by the Governing Board; and

5 (b) the Vice-Chairman shall act, sign contracts and perform all of  
6 the Chairman's duties in the absence of the Chairman; and

7 (c) the Secretary shall countersign all contracts on behalf of the  
8 Authority, perform such other duties as may be imposed by the Governing  
9 Board and cause a copy of this Agreement to be filed with the Secretary of  
10 State pursuant to the provisions of California Government Code Section  
11 6503.5.

12 Section 4.2 Treasurer. The Treasurer-Tax Collector of Amador County  
13 is hereby designated as the Treasurer of the Authority, and as the depository  
14 to have custody of all of the money of the Authority from whatever source.  
15 The Clerk-Auditor of Amador County is hereby designated as the Auditor-  
16 Controller of the Authority. The Treasurer and the Auditor-Controller shall  
17 have the duties and obligations set forth in Government Code Sections 6505  
18 and 6505.5 and shall assure that there shall be strict accountability of all  
19 funds and report of all receipts and disbursements of the Authority. The  
20 Board of Supervisors of Amador County shall determine charges to be made  
21 against the Authority for the services of the Treasurer-Tax Collector and  
22 Clerk-Auditor, such charges not to exceed actual costs to the County for such  
23 services.

24 Section 4.3 Bonding Persons Having Access to Property. From time to  
25 time, the Governing Board shall designate the public officers or persons, in  
26 addition to the Treasurer and Auditor-Controller, having charge of handling  
27 or having access to any property of the Authority, and the respective  
28 amounts of the official bonds of the Treasurer and Auditor-Controller and

1 such other persons pursuant to Section 6505.1 of the Act.

2 Section 4.4 General Manager. The Governing Board shall have the  
3 power to appoint a General Manager of the Authority. The General Manager  
4 shall perform such duties as may be imposed on him by the Governing Board  
5 and shall report to said Board at such times and concerning such matters  
6 as said Board may require.

7 Section 4.5 Legal Advisor. The Governing Board shall have the power  
8 to appoint a legal advisor of the Authority, which person shall be any per-  
9 son who is licensed to practice law in the State of California, and who  
10 shall perform such duties as may be prescribed by the Governing Board. Said  
11 Governing Board may change legal advisors at any time. If so desired by  
12 the Governing Board, and until the Outfall has been constructed and is in  
13 operation, said Governing Board may appoint the County Counsel of Amador  
14 County to act as said legal advisor for the Authority as a part of his duties  
15 as said County Counsel. The Authority shall reimburse to County the actual  
16 cost to the County for said County Counsel's acting as said legal advisor;  
17 provided, however, that in the event that any conflict of representation may  
18 or does arise between said County Counsel's representation of the Authority  
19 and of the County, said County Counsel shall represent the County and his  
20 representation of the Authority shall cease immediately.

21 Section 4.6 Other Employees. The Governing Board shall have the power  
22 to appoint and employ such other officers, employees, consultants, advisors  
23 and independent contractors as may be necessary for the purposes hereof,  
24 including a chief engineer who shall be any person who is a registered eng-  
25 ineer in the State of California, and who shall perform such duties as may be  
26 prescribed by the Governing Board. If so desired by the Governing Board,  
27 and until the Outfall has been constructed and is in operation, said Govern-  
28 ing Board may appoint the Director of Public Works or any other registered

1 engineer who is employed by the County to act as said chief engineer for  
2 the Authority as part of his duties as said County officer or employee, and  
3 the Authority shall reimburse to the County the County's actual costs of  
4 said County officer's or employee's providing said services to the Authority.

5 ARTICLE V - POWERS

6 Section 5.1 General Powers. The Authority created by this Agreement  
7 shall exercise in the manner hereafter provided the powers, and only the  
8 powers, common to each of the entities and necessary to the accomplishment  
9 of the purposes of this Agreement. The Authority shall be a public entity  
10 separate from the members hereof. The Authority shall have the power to  
11 design, construct, and operate the Outfall, and shall have the power to  
12 finance, acquire, construct, manage, operate and maintain the facilities  
13 related thereto and other wastewater collection, treatment, and transport-  
14 ation facilities, subject to the provisions of this Agreement.

15 Section 5.2 Specific Powers. The Authority is hereby authorized, in  
16 its own name, to do all acts necessary for the exercise of the foregoing  
17 general powers for the purposes of this Agreement, including, but not  
18 limited to, any or all of the following:

- 19 (a) to make and enter into contracts;
- 20 (b) to employ agents or employees;
- 21 (c) to acquire, construct, manage, maintain or operate any buildings,  
22 work, or improvements;
- 23 (d) to acquire, hold or dispose of property;
- 24 (e) to sue and be sued in its own name;
- 25 (f) to incur debts, liabilities or obligations;
- 26 (g) to apply for, accept, receive and disburse grants, loans and  
27 other aids from any agency of the United States of America or of the State  
28 of California;

1 (h) to invest any money in the treasury pursuant to Government Code  
2 Section 6505.5 that is not required for the immediate necessities of the  
3 Authority, as the Authority determines is advisable, in the same manner and  
4 upon the same conditions as local agencies, pursuant to Section 53601 of  
5 the Government Code; and

6 (i) to carry out and enforce all of the provisions of this Agreement.

7 ARTICLE VI - METHOD OF PROCEDURE AND DUTIES OF AUTHORITY

8 Section 6.1 Assumption of Responsibilities. Upon completion of the  
9 initial organization of the Governing Board, the Authority shall assume  
10 responsibility for designing, constructing, maintaining and operating the  
11 Outfall, which shall include the obtaining of all approvals, grants, agree-  
12 ments, contracts, assignments, plans, and other elements necessary for and  
13 a part of said Outfall; the acquiring of all funds, real and personal prop-  
14 erty, and rights necessary for and a part of the construction and operation  
15 thereof; and the implementing and administering of the Outfall and con-  
16 structing, operating, and maintaining the facilities related thereto in  
17 accordance with law and the terms and conditions of all relevant grants,  
18 agreements, and contracts.

19 Section 6.2 Financing of Activities Preceding Construction. Upon  
20 receipt of the Outfall's concept approval from the State Water Resources  
21 Control Board, the Authority shall secure funds adequate to finance the  
22 activities necessary to be carried out prior to the award of the contract  
23 for the construction plans and specifications and the acquisition of per-  
24 mits, licenses, rights-of-way and land necessary for the construction,  
25 operation and maintenance of the Outfall. The Authority shall secure such  
26 funds through federal and state grants or advances from the members hereof,  
27 or by any combination thereof.

28 Section 6.3 Activities Preceding Construction. Upon securing funds

1 deemed adequate by the Governing Board to finance the cost of the activities  
2 necessary to be carried out prior to the award of a contract for the con-  
3 struction of the Outfall, the Authority shall proceed with the preparation  
4 of construction plans and specifications, to acquire said necessary permits,  
5 licenses, rights-of-way and land, and to carry out all other activities  
6 which are necessary to be performed prior to the award of a contract for  
7 the construction of the Outfall.

8 Section 6.4 Plan Financing. Upon completion of the preparation of  
9 construction plans and specifications, the Authority shall secure funds  
10 adequate to finance the cost of the Outfall. The Authority shall secure  
11 such funds through federal and state grants and/or from contributions of  
12 members, together with those funds paid by the State Department of Youth  
13 Authority in accordance with that certain contract between Amador County  
14 and said State relating to said Outfall, if said contract is finalized,  
15 which contract shall be assigned to the Authority. Said funds shall be  
16 adequate to finance the entire cost of the Outfall, including, but not  
17 limited to, the cost of repaying advances made to the Authority, the cost  
18 of all activities necessarily carried out by the Authority prior to the  
19 award of a contract for construction of the Outfall, and the estimated cost  
20 of the construction of the Outfall and all costs incidental thereto.

21 Section 6.5 Outfall Construction. Upon securing funds deemed adequate  
22 by the Governing Board to finance the entire cost of the Outfall, the  
23 Authority shall proceed to construct the Outfall; provided, however, that  
24 the County agrees to and shall by itself pay for any increased size of the  
25 pipeline between Sutter Creek and Preston School of Industry sufficient for  
26 the disposal through said pipeline of wastewater from Phase II communities,  
27 and the other members hereof shall not be required to pay any cost in addi-  
28 tion to the cost of the pipe of a capacity sufficient to dispose of the

1 wastewater from the original members of the Authority.

2       Section 6.6 Outfall Operation and Maintenance. Upon completion of  
3 construction of the Outfall and final acceptance thereof by the Governing  
4 Board, the Authority shall operate and maintain said Outfall, with its own  
5 personnel, by contract with one or more of the members hereof, or by con-  
6 tract with a third party, as determined by the Governing Board; provided,

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1 however, that the Governing Board to the extent possible shall give employ-  
2 ment preference to the employees of the members hereof who are displaced  
3 from employment by the formation of the Authority.

4 Section 6.7 Local Outfall From Jackson Treatment Plant to Outfall.

5 Immediately upon ratification of this Agreement, Jackson shall do those  
6 things necessary to design, construct, and pay for a local outfall trans-  
7 porting secondary treated wastewater from the Jackson Treatment Plant to  
8 the Outfall to be operated pursuant to this Agreement, i.e., at a point at  
9 or near where the City of Sutter Creek's outfall joins the regional Outfall  
10 to Preston. Said local outfall between Jackson and the regional Outfall  
11 shall be herein referred to as the Jackson outfall. Said Jackson outfall  
12 shall be designed, constructed, and paid for in accordance with that part  
13 of Appendix J of the Amador County Wastewater Management Plan that concerns  
14 said Jackson outfall, and which has been or will be approved by the State  
15 of California Division of Water Quality. Upon completion of said Jackson  
16 outfall, Jackson shall forthwith convey all the property consisting of  
17 said outfall and appurtenances thereto to the Authority without consider-  
18 ation to be paid by said Authority to Jackson. From that time, said Auth-  
19 ority shall operate, maintain, and be responsible for said Jackson outfall  
20 with the costs thereof to be divided as set forth in either Section 7.5 or  
21 7.6 hereof, whichever is then applicable. Jackson's design and construction  
22 of the Jackson outfall shall be accomplished in such a way so that with  
23 minimum change thereto the Authority shall be able to design, construct,  
24 and install a power generation unit as set forth in Section 6.8 hereof on  
25 said Jackson outfall.

26 Section 6.8 Power Generation Unit on Jackson Outfall. It is the  
27 intention of the members hereof that the Authority shall explore the feasi-  
28 bility of installing a power generation unit on the Jackson outfall at a

1 point where maximum power may be generated in order to offset the costs of  
2 pumping wastewater from Jackson to the regional Outfall. In the event that  
3 the Authority decides to add said unit to said Jackson outfall, the costs  
4 shall be borne as set forth in Section 7.9(c) hereof.

#### 5 ARTICLE VII - COSTS

6 Section 7.1 Annual Budget. The Governing Board shall adopt a budget  
7 for administrative expenses, capital reserve expenses, and operation and  
8 maintenance expenses, annually prior to July 1 of each year.

9 Section 7.2 Records of Accounts. The Authority shall cause to be kept  
10 accurate and correct books of account, showing in detail the costs of ad-  
11 ministration, maintaining capital reserves, operation and maintenance, and  
12 all financial transactions of the Authority. Said books of account shall  
13 be open to inspection at all times by any representative of any of the  
14 members hereof, or by any accountant or other person authorized by any party  
15 hereto to inspect said books of account. The Auditor-Controller shall, in  
16 accordance with Section 6505 of the Act, cause the books of account and  
17 other financial records of the Authority to be audited annually by an inde-  
18 pendent certified public accountant.

19 Section 7.3 Allocation of Expenses; Generally. After adoption of the  
20 annual budget and prior to July 1 of each year, the Authority shall furnish  
21 to each of the members hereof, an estimate of the total annual administra-  
22 tive expenses, capital reserve expenses, and operation and maintenance  
23 expenses, or other expenses, and of the proportion thereof allocated to  
24 each of the members hereof for the ensuing fiscal year.

25 Section 7.4 Payment of Costs. Each of the members hereof agrees to  
26 pay the Authority its allocated share of the total estimated annual expenses  
27 of the Authority in four (4) equal installments payable on or before the  
28 last day of September, December, March and June of each fiscal year. The

1 Authority shall submit to each of the members hereof a final detailed state-  
2 ment of the final expenses for the fiscal year allocated in the same manner  
3 as estimated expenses were allocated within three (3) months after the close  
4 of each fiscal year, whereupon final adjustments of the debits and credits  
5 shall be made by the Authority. If the amount of any allocated share of  
6 any estimated item of expense due from any member was less than the final  
7 allocation of such item to such member, such member shall forthwith pay the  
8 difference to the Authority. If the amount of any allocated share of any  
9 estimated item of expense due from any member was in excess of the final  
10 allocation of such item to such member, the Authority shall credit such  
11 excess to the appropriate account of such member.

12 Section 7.5 Members' Contributions Prior to Operation of Outfall.

13 Until the Outfall is operating so that the contributions of the members are  
14 determined by the provisions of subsection 7.6, each member shall contribute  
15 expenses in accordance to the ratio of its population to the whole of the  
16 population of all the members together; provided, however, that Amador  
17 County's population for the purposes of this Agreement shall be limited to  
18 the population of the Martell County Service Area.

19 Section 7.6 Formula for Allocating Expenses. Commencing with the  
20 fiscal year which begins after the Outfall is operational, each member shall  
21 contribute expenses in accordance with the ratio of that member's quantity  
22 of wastewater disposed of through the Outfall to the total quantity of  
23 wastewater disposed of through the Outfall; provided; however, that the  
24 Governing Board may make adjustments in said ratio to accommodate differ-  
25 ences in the physical or chemical qualities of wastewater emanating from  
26 the respective members hereof, to the extent said differences made disposal  
27 of said wastewater more difficult or costly.

28 Section 7.7 Initial Payment. Upon organization, the Governing Board

1 shall determine the initial sum required to fund the operations of the  
2 Authority, including all or part of the construction costs of the Outfall.  
3 Within thirty (30) days from the date the Governing Board so requires, the  
4 members hereof shall pay to the Authority an amount determined in accordance  
5 with the provisions of subsection 7.5, said amount being the estimated  
6 initial expense of the Authority for fiscal year 1978-79.

7 Section 7.8 Sources of Funds. Each party hereto shall provide the  
8 funds required to be paid by it to the Authority under this Agreement from  
9 any source of funds legally available to such party for such purposes, sub-  
10 ject to the limitations of law.

11 Section 7.9 Pumping and Power Generation Unit Costs. (a) The mem-  
12 bers hereof agree that all the ongoing costs of pumping wastewater from the  
13 Jackson Treatment Plant and from the Sutter Creek Treatment Plant and from  
14 the Sutter Creek Treatment Plant to the Outfall shall be a part of the op-  
15 eration and maintenance costs described in Article VII hereof and shall be  
16 shared by all the parties according to the provisions of sections 7.5 and  
17 7.6 hereof.

18 (b) The costs of pumping primary treated wastewater from Amador City  
19 to the Sutter Creek Treatment Plant or untreated wastewater from the Martell  
20 County Service Area to the Jackson Treatment Plant shall not be shared by  
21 the respective members but shall be borne according to the contracts dated  
22 November 14, 1974, as amended January 17, 1977, by and between the Cities of  
23 Sutter Creek and Amador City and August 2, 1977, by and between the County  
24 of Amador and the City of Jackson.

25 (c) The local share of the costs of construction of any power gen-  
26 eration unit built on the local outfall between Jackson and the Outfall to  
27 reduce the energy costs of pumping wastewater from the Jackson Treatment  
28 Plant to the Outfall shall be initial costs and paid for according to

1 sections 7.5 and 7.7 hereof. Operation and maintenance costs of said unit  
2 shall be shared according to subsection (a) hereof.

3 ARTICLE VIII - OPERATIONAL PROVISIONS

4 Section 8.1 Reserved Capacity Rights. (a) ~~Each member hereof shall~~  
5 ~~have the right to dispose of wastewater created in its jurisdiction through~~  
6 ~~the use of the Outfall in the same ratio to the entire disposal capacity~~  
7 ~~of the Outfall as the amount of wastewater disposed of by each said member~~  
8 ~~is to the total amount of the wastewater disposed of through the Outfall~~  
9 ~~in the previous year, which ratio shall be consistent with any adjustments~~  
10 ~~made pursuant to subsection 7.6 hereof.~~

11 (a) All of the wastewater being disposed of through the Outfall  
12 shall be treated in one of two treatment plants, in Jackson and in Sutter  
13 Creek, with said treatment plants having capacities of 650,000 gpd and  
14 720,000 gpd respectively. Amador City has contracted with Sutter Creek for  
15 Sutter Creek to treat wastewater from Amador City and Amador County has  
16 contracted with Jackson for Jackson to treat wastewater from the Martell  
17 County Service Area. Jackson and Sutter Creek, for themselves and for the  
18 members who have contracted with said cities for the treatment of their  
19 wastewater, hereby reserve capacity rights in the Outfall equal to their  
20 treatment plants' capacities, i.e., 650,000 gpd for Jackson and 720,000 gpd  
21 for Sutter Creek. No new member may be added to the Authority or any new  
22 area otherwise provided with capacity in the Outfall if said addition's  
23 or area's use would interfere with the original members' use of said treat-  
24 ment plant's capacity as set forth herein.

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(b) Modification of the boundaries of any member which may cause an increase in the member's flow of wastewater into the Outfall shall require the approval of the Governing Board, which approval shall not be withheld unless the boundary modification may reduce the ability of the Authority to dispose of all wastewater created in the jurisdictions of all the members.

(c) With the prior approval of the Governing Board, any member hereof may transfer to any other member hereof any portion of its reserved capacity right agreed upon by said two members. Upon such transfer, the Governing Board shall adjust the reserved capacity rights of said two members to reflect said transfer. Such adjustment shall be effective on July 1 of the fiscal year following such transfer.

Section 8.2 Flow Metering. The Authority shall install and maintain in good working order meters to measure the flow of wastewater originating from each member and flowing to or into the Outfall, and to report said flows to the members hereof in the form, manner and at the times prescribed by the Governing Board.

Section 8.3 Flow and Strength Limitation. Each of the members hereof

1 agrees to and shall limit the flow to or into the Outfall originating from  
2 said member to its right as set forth in subsection 8.1 hereof. The Auth-  
3 ority shall have the power to prohibit the flow of wastewater flowing to or  
4 into the Outfall from any member hereof which exceeds the reserved capacity  
5 right of said member. The Authority shall have the power to prohibit the  
6 discharge to the Outfall of any substance in a concentration which may  
7 damage the Outfall or cause quality of Outfall wastewater to be lower than  
8 that acceptable for its intended use as irrigation or industrial water, and  
9 the Authority may establish by resolution or ordinance standards for treat-  
10 ment of wastewater as necessary to safeguard the wastewater disposal and/or  
11 treatment processes or facilities of the Authority.

12 Section 8.4 Grant Conditions. Each of the members hereof agrees  
13 that the Authority shall be empowered, in any case in which the Authority  
14 is a party to a grant contract with the State or the United States of America  
15 to impose to the extent permitted by law on each of the members hereof the  
16 duty of compliance with any conditions in such grant contract and each mem-  
17 ber agrees to comply with such conditions by enactment of appropriate ordi-  
18 nances, regulations or otherwise. Each of the members hereof specifically  
19 agrees to pay promptly their shares of the initial capital cost of the pro-  
20 ject.

21 Section 8.5 Enforcement by Authority. The Authority is hereby  
22 authorized to take any or all legal or equitable actions including, but not  
23 limited to, specific performance necessary or permitted by law to enforce  
24 this Agreement.

25 ARTICLE IX- TERMINATION

26 Section 9.1 / (a) Term. This Agreement shall be dated the date of execu-  
27 tion of this Agreement by the last of the members hereof that executes this  
28 Agreement and shall be effective on said date and shall continue until

1 terminated by agreement of a majority of the members hereof; provided,  
2 however, that the term of this Agreement shall be a minimum of twenty (20)  
3 years from said date of execution.

4 (b) The members and the Governing Board hereof shall use their best  
5 efforts to form immediately upon creation and organization of the Authority  
6 a special district encompassing no less than the same area included in  
7 the Authority through its members. Any such district shall have the legal  
8 power and authority to succeed to all of the rights, duties, and powers of  
9 the Authority as established herein. Upon creation and organization of  
10 said district, the Governing Board of the Authority may then transfer and  
11 assign all of the rights, duties, and powers of the Authority to said  
12 district and said district shall thereupon operate, maintain, and pay for  
13 the Outfall as a successor in interest to the Authority. Upon said form-  
14 ation and organization of said district, and said district's accepting  
15 said assignment and transfer of the Authority's rights, duties, and powers,  
16 the Authority may terminate as set forth in subparagraph (a) hereof;  
17 provided, however, that such termination may occur earlier than twenty (20)  
18 years from the creation of the Authority as set forth in subparagraph (a)  
19 hereof.

20 Section 9.2 Disposition of Assets. On the termination of this  
21 Agreement, unless the Authority is superseded by a special district as  
22 set forth in subparagraph 9.1(b) hereof, all surplus money of the Authority  
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shall be returned to the  
respective members hereof in the same proportions that the total of all  
amounts paid by each member hereof pursuant to this Agreement bears to the  
total of such amounts paid by all the parties hereto. On the termination  
of this Agreement, all property of the Authority, both real and personal,  
shall be divided among the members hereof in such manner as shall be agreed  
upon by the members hereof and, until such division is agreed upon, shall  
be held in trust by Amador County for all the members hereof.

ARTICLE X - MISCELLANEOUS PROVISIONS

Section 10.1 Notices. Notices hereunder shall be deemed sufficient  
if delivered to:

City of Amador City: Amador City Council, Amador City, CA 95601

City of Jackson: Jackson City Council, 175 Main Street, Jackson, CA 95642

City of Sutter Creek: Sutter Creek City Council, Post Office Box 366,  
Sutter Creek, CA 95685

County of Amador: Board of Supervisors, 108 Court Street, Jackson, CA 95642

Section 10.2 Headings. The section headings in this Agreement are  
for convenience only and are not to be construed as modifying or governing  
the language in the section referred to.

Section 10.3 Law Governing. This Agreement is made in the State of  
California under the Constitution and laws of such State and is to be so  
construed.

Section 10.4 Amendments. This Agreement may be amended at any time,  
or from time to time, except as limited by applicable regulations or laws

1 of any jurisdiction having authority, which amendments shall be by supple-  
2 mental agreement executed by the members hereof, as required in order to  
3 carry out any of the provisions of this Agreement, or for any other purpose  
4 in pursuance of the purposes of this Agreement.

5 Section 10.5 Partial Invalidity. If any one or more of the terms  
6 provisions, sections, promises, covenants or conditions of this Agreement  
7 shall to any extent be adjudged invalid, unenforceable, void or voidable  
8 for any reason whatsoever, by a court of competent jurisdiction, each and  
9 all of the remaining terms, provisions, sections, promises, covenants and  
10 conditions of the Agreement shall not be affected thereby, and shall be  
11 valid and enforceable to the fullest extent permitted by law.

12 Section 10.6 Successors. This Agreement shall be binding upon and  
13 shall inure to the benefit of the successors of the members.

14 Section 10.7 Additions to Authority. The members hereof shall ap-  
15 prove the addition to the Authority of new members consisting of districts  
16 of limited powers, such as community services districts, comprising all or  
17 parts of Phase II communities, e.g., Volcano, Pine Grove, Pioneer and  
18 territory adjacent thereto, and may approve the addition of any other new  
19 member which may be an incorporated city in the County or any other district  
20 of limited powers; provided, however, that any addition to the Authority  
21 shall be subject to the reserved capacity rights established in subpara-  
22 graph 8.1(a) hereof.

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. Each member so added shall be entitled to appoint one member to the Governing Board of the Authority; provided, however, that all additions to said Governing Board shall result in an odd number of directors. In the event that the addition of any new member would create an even number of said directors on the Governing Board, one member appointed by the Board of Supervisors of Amador County shall leave said Board or be added in order for said Board to have an odd number of directors; provided, however, that the number of directors appointed by said Board of Supervisors shall at all times be no less than one and no more than two. Before any new member is

1 added to the Authority, said new member shall meet whatever reasonable and  
2 equitable terms and conditions are imposed by the Governing Board as require-  
3 ments for the entity's being added to the Authority.

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

8 CITY OF AMADOR CITY  
9 Dated: November 14, 1978 Lloyd S. Smith  
Mayor of the City of Amador City

10 Attest:  
11 Harold K. Burns  
12 City Clerk of the City of Amador City

13 CITY OF JACKSON  
14 Dated: SEP 18 1978 William H. H. H.  
Mayor of the City of Jackson

15 Attest:  
16 Richard D. Fisher  
17 City Clerk of the City of Jackson

18 CITY OF SUTTER CREEK  
19 Dated: SEP 20 1978 George Maloney  
Mayor of the City of Sutter Creek

20 Attest:  
21 Robert L. Simon  
22 City Clerk of the City of Sutter Creek

23 COUNTY OF AMADOR  
24 Dated: 7/5/78 Stanley C. Kirkland  
Chairman of the Board of Supervisors

25 Attest:  
26 Debbie Harmon DeBortis  
27 County Clerk and Ex-officio Clerk  
28 of the Board of Supervisors