

CITY COUNCIL A G E N D A

MONDAY, APRIL 3, 2023

7:00 P.M. Regular Session

33 Church Street, Sutter Creek CA 95685

The Agenda can be found on the City's Website: www.cityofsuttercreek.org

**THE CITY OF SUTTER CREEK CITY COUNCIL MEETING WILL BE AVAILABLE VIA ZOOM AND
IN PERSON.**

Join Zoom Meeting

<https://us02web.zoom.us/j/9568520224>

Please note: Zoom participation is only available for viewing the Council meeting.

Public comment will not be taken from Zoom.

or

Dial by phone:

301-715-8592

Meeting ID: 956 852 0224

Public comment will be accepted by email at info@cityofsuttercreek.org. All emails must be received prior
to the start of the meeting.

**Unless stated otherwise on the agenda, every item on the agenda is exempt from review under the
California Environmental Quality Act ("CEQA") per CEQA Guidelines Sections 15060(c),
15061(b)(3), 15273, 15378, 15301, 15323 and/or Public Resources Code Section 21065.**

1. CLOSED SESSION-None

7:00 P.M. 2. CALL TO ORDER AND ESTABLISH A QUORUM FOR REGULAR MEETING

3. PLEDGE OF ALLEGIANCE TO THE FLAG

4. REPORT FROM CLOSED SESSION - None

5. PUBLIC FORUM

At this time, the public is permitted to address the City Council on items not appearing on the agenda. Comments may not exceed 5 minutes. In accordance with State Law, however, no action or discussion may take place on any item not appearing on the posted agenda. The City Council may respond to statements made or questions asked or may request Staff to report back at a future meeting on the matter. The exceptions under which the City Council may discuss and/or take action on items not appearing on the agenda are contained in Government Code §54954.2. Public comment on any item listed below shall be limited to five minutes, unless additional time is permitted by the Mayor/Council.

6. APPROVAL OF MINUTES

- * A. City Council Minutes of March 20, 2023.
Recommendation: By motion approve minutes as presented.

7. CONSENT AGENDA

Items listed on the consent agenda are considered routine and may be enacted in one motion. Any item may be removed for discussion at the request of Council or the Public.

- * A. Budget Amendment #4 for FY 22-23.
Recommendation: Adopt Resolution 22-23- authorizing budget amendment #4 to the fiscal year 2022-23 budget for storm damage projects.*
- * B. Impact Fee ENR Adjustment
Recommendation: Direct staff to provide notice of a public hearing to hear public comments regarding a proposed impact fee adjustment to be effective July 1, 2023.

8. ORDINANCES & PUBLIC HEARING- None.

9. ADMINISTRATIVE AGENDA

- * A. City Manager Recruitment
Recommendation: For discussion and staff direction.
- * B. Status of City/ARSA Operations Agreement and Relate Issues
Recommendation: For discussion and staff direction

10. MAYOR AND COUNCIL MEMBER REPORTS

This section is to provide Council members an opportunity to present updates on their activities and to request items be placed on future agendas.

11. CITY MANAGER'S REPORT

This section is an opportunity to provide Council members with a brief status update on staff activities. No action is expected to be taken by the Council.

12. CITY ATTORNEY'S REPORT

This section provides an opportunity for the City Attorney to report on any activities or upcoming legislation of importance to the City. No action is expected to be taken by the Council

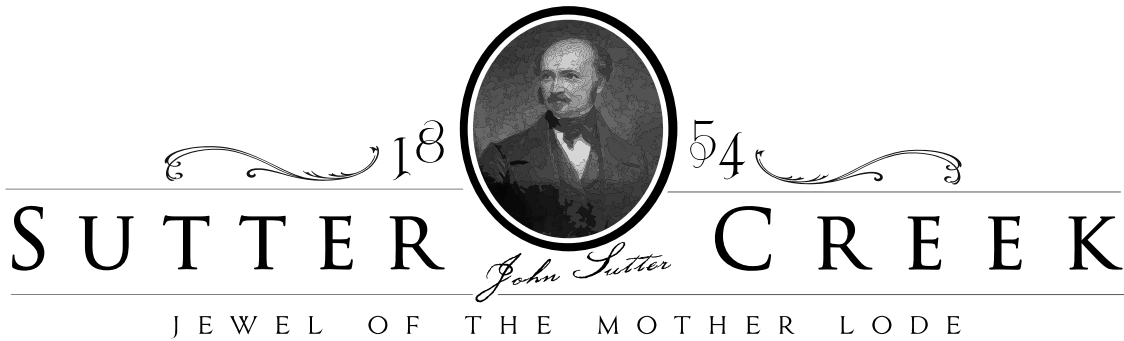
13. FUTURE AGENDA ITEMS

This section provides an opportunity for Council members to request items to be added to the agenda in the future with a majority Council vote.

14. INFORMATION/CORRESPONDENCE-None.

15. ADJOURNMENT

The next regularly scheduled meeting is MONDAY, APRIL 17th 7:00 P.M



**CITY COUNCIL MINUTES
MONDAY, MARCH 20, 2023**

THIS MEETING WAS CONDUCTED IN-PERSON AT 33 CHURCH STREET,
THE PUBLIC WAS ABLE TO VIEW FROM HOME:

Join Zoom Meeting

<https://us02web.zoom.us/j/9568520224>

or

Dial by phone:

301-715-8592

Meeting ID: 956 852 0224

1. CLOSED SESSION-None

7:00 P.M. 2. CALL TO ORDER AND ESTABLISH A QUORUM FOR REGULAR MEETING

Council members present:

Feist, Peters, Sierk, Swift and Gunselman

Staff Present:

Sandra Spelliscy, Interim City Manager

Derek Cole, City Attorney

Karen Darrow, City Clerk

Erin Ventura, Planning Consultant

Vicky Runquist, City Treasurer

3. PLEDGE OF ALLEGIANCE TO THE FLAG

4. INTRODUCTION OF INTERIM CITY MANAGER

Mayor Gunselman introduced Interim City Manager Sandra Spelliscy.

5. REPORT FROM CLOSED SESSION - None

6. PUBLIC FORUM

John Belloti of Sutter Creek noted his concern regarding the Flushing dam and flooding along the creek. He suggested that the city look into Executive Order N-4-23 that allows for special provisions for flood diversion.

7. PRESENTATIONS

A. Erin Ventura- Overview of Planning Grants
Erin Ventura presented.

B. Tim Murphy- Sutter Creek Community Benefit Foundation update on the Historic Grammar School.
Tim Murphy presented.

8. CONSENT AGENDA

A. City Council Minutes of March 6, 2023 and March 14, 2023.
M/S Council member Peters/Sierk to approve the City Council Minutes of March 6, 2023, as amended.

AYES: Feist, Peters, Sierk, Swift and Gunselman

NOES: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED

M/S Council member Swift/Peters to approve the City Council Minutes of March 14, 2023, as presented

AYES: Feist, Peters, Sierk, Swift and Gunselman

NOES: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED

B. Warrants

Recommendation: By motion approve warrants as presented.

M/S Council member Peters/Swift to approve the warrants, as presented.

AYES: Feist, Peters, Sierk, Swift and Gunselman

NOES: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED

C. Final Map Cramer Hills

Recommendation: Adopt Resolution 22-23- approving the Final Parcel Map 2861.*

This item was pulled from the agenda. Council will submit comments relating to this item to Interim City Manager Spelliscy.

D. Planning Services contract with Hauge Brueck

Recommendation:

- 1) Adopt Resolution 22-23-33 entering into a contract with Hauge Brueck Associates, LLC (HBA) for on-call planning services and applicant reimbursable planning services.

M/S Council member Sierk/Peters to Adopt Resolution 22-23-33 entering into a contract with Hauge Brueck Associates, LLC (HBA) for on-call planning services and applicant reimbursable planning services, as amended.

AYES: Feist, Peters, Sierk, Swift and Gunselman

NOES: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED

- 2) Adopt Resolution 22-23-34 extending the contract with Hauge Brueck Associates, LLC (HBA) for grant related planning work.

M/S Council member Swift/Peters to Adopt Resolution 22-23-34 extending the contract with Hauge Brueck Associates, LLC (HBA) for grant related planning work, as amended.

AYES: Feist, Peters, Sierk, Swift and Gunselman

NOES: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED

- E. Adopt Resolution 22-23-35 accepting and approving the General Plan 2022 Annual Progress Report

M/S Council member Peters/Swift to Adopt Resolution 22-23-35 accepting and approving the General Plan 2022 Annual Progress Report, as amended.

AYES: Feist, Peters, Sierk, Swift and Gunselman

NOES: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED

9. INFORMATION/CORRESPONDENCE

- A. Monthly Police Report
- B. Monthly Public Works Report
- C. Monthly Building Report
- D. Treasurer's Reports
- E. Monthly Administrative Services Report
- F. Monthly Finance Department Report
- G. Monthly Engineer's Report
- H. Monthly Planning Report
- I. City Park Water Usage
- J. Public Communications

So noted.

10. MAYOR AND COUNCIL MEMBER REPORTS

This section is to provide Council members an opportunity to present updates on their activities and to request items be placed on future agendas.

Council member Sierk reported that the Air District Board will meet tomorrow, there is a meeting to discuss the plans for a pedestrian and bike zone at ACTC, ACRA updated their website and there is a Marketing Committee meeting scheduled for Tuesday.

Council member Peters reported that there is a Regional Transportation Plan (RTP) workshop to begin the update process and another meeting in three weeks. He noted that ACTC staff explained that the 2015 and 2020 RTP was too complicated and that they have prioritized adopting clean and understandable objectives that include a list of projects this time around. He also noted that ARSA will meet on Wednesday.

Mayor Gunselman noted that the Finance Committee met and is working on suggestions for different reserve accounts and that PARS will be discussed at the next meeting. She also noted the Sutter Creek Community Benefit Foundation has started working on a new project that includes video segments of various historic sites around town that can be accessed through a QR system.

11. ORDINANCES & PUBLIC HEARING- None.

12. ADMINISTRATIVE AGENDA

A. Proposed City Council meeting calendar for 2023

Interim City Manager Spelliscy presented the meeting calendar.

B. Amador County Community Cleanup

Recommendation: Approve \$1,000 to support County-wide clean-up day.

Michelle Gallaher, code enforcement officer with Amador County clarified that the clean-up would be held in the Kmart parking lot on June 17 and that a donation from the city would allow the residents of Sutter Creek to participate in the clean-up.

M/S Council member Sierk/Peters to Approve \$1,000 to support County-wide clean-up day.

AYES: Feist, Peters, Sierk, Swift and Gunselman

NOES: None

ABSTAIN: None

ABSENT: None

MOTION CARRIED

13. FUTURE AGENDA ITEMS

Council member Sierk requested:

Cemetery Road update.

Council member Swift noted that the road will remain closed until the repair is made and the repair is the responsibility of the property owner.

Council member Feist requested:
Farmer's Market relocation
Payroll for Visitors Center
Terms of lease for the Grammar School

Mayor Gunselman requested:
Review of the ARSA O&M agreement.

14. CITY ATTORNEY'S REPORT- None.

15. CITY MANAGER'S REPORT

Interim City Manager Spelliscy noted that she has met with most of the staff and plans to meet with the rest. She will soon meet with each of the bargaining units, S.E.I.U. and the POA. She reported that numerous concerns were received about the Flushing dam and that there is a quote from Campbell Construction for \$45,000 to clean it this fall. She noted that there are grants that could provide funds for debris cleanup and maybe even dam removal.

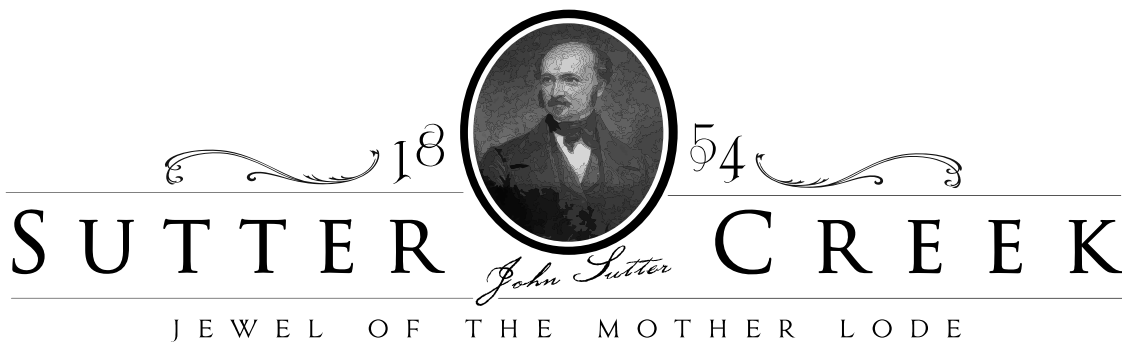
Interim City Manager Spelliscy noted that she is working with IT to increase cyber security protections for the network and that they will begin migrating from Google to Microsoft Outlook for email. She also noted that staff will be working to post meeting recordings on the website.

16. ADJOURNMENT

The meeting was adjourned at 9:40 p.m.

Claire Gunselman, Mayor

Karen Darrow, City Clerk



STAFF REPORT

TO: MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: APRIL 3, 2023
FROM: JODI STENECK, ACCOUNTING SUPERVISOR
SUBJECT: BUDGET AMENDMENT #4 FOR FISCAL YEAR 2022-23

RECOMMENDATION:

On consent, adopt Resolution 23-23-* authorizing budget amendment #4 to the fiscal year 2022-23 budget for storm damage projects.

BACKGROUND:

Council previously approved expenditures for the storm-related Eureka Road and Gold Strike Court repair projects in the amounts of \$70,383 and \$98,925, respectively. Approval of the resolution will conform the adopted FY2022-23 budget to those expenditures.

DISCUSSION:

None.

BUDGET IMPACT:

This budget amendment will reduce the amount in Fund 95 – General Operating Reserve from \$249,255 to \$79,947.

RESOLUTION 22-23-*

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SUTTER CREEK
APPROVING BUDGET AMENDMENT #4, FOR FISCAL YEAR 2022-23 FOR STORM
DAMAGE PROJECTS.**

WHEREAS, the City Council of the City of Sutter Creek adopted the 2022-2023 Annual Operating Budget; and

WHEREAS, said Budget allocated personnel equivalents, line-items expenses and transfers between funds for each operating department; and

WHEREAS, the City staff brought to the City Councils two storm damage projects; and

WHEREAS, the City Council gave staff direction to move forward with both projects, on Gold Strike Court and Eureka Road; and

WHEREAS, City staff received bids on both projects and have secured contracts with Wunschel & Sons for the Eureka Road project and Campbell Construction for the Gold Strike Court project; and

WHEREAS, the Eureka Road project contract amount is \$70,383 and the Gold Strike Court project contract amount is \$98,925; and

WHEREAS, both projects are being submitted to FEMA, CalOES and CalTrans for reimbursements as appropriate; and

WHEREAS, the General Operating Reserve fund will be used to pay for the cost and all reimbursements received from FEMA, CalOES and CalTrans will be deposited into the Fund.

NOW THEREFORE BE IT RESOLVED, that the City Council hereby approves Budget Amendment #4 to the 2022-2023 Budget of \$169,308 to be used out of Fund 95, which currently has a fund balance of \$249,255.

Fund	22-23 Budget Amt.	Amendment #4	Amended Budget
95 – General Operating Reserve	\$0	\$169,308	\$169,308

The foregoing resolution was duly passed and adopted at a regular meeting of the City Council of the City of Sutter Creek on the 3rd of April 2023, by the following vote:

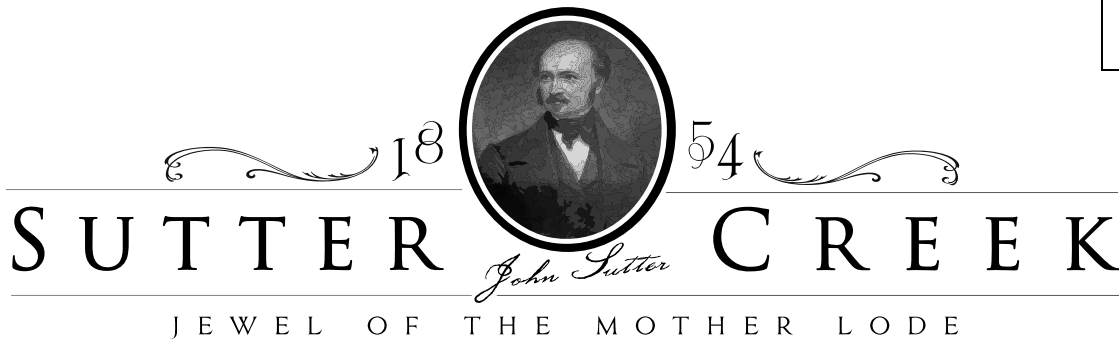
AYES:
NOES:
ABSTAIN:
ABSENT:

THE CITY OF SUTTER CREEK

Claire Gunselman, Mayor

ATTEST:

Karen Darrow, City Clerk



STAFF REPORT

TO: MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: APRIL 3, 2023
FROM: JODI STENECK, ACCOUNTING SUPERVISOR
SUBJECT: IMPACT FEE ENR ADJUSTMENT

RECOMMENDATION:

On consent, direct staff to provide notice of a public hearing to hear public comments regarding a proposed impact fee adjustment to be effective July 1, 2023. **This item is not for approval of fees, but solely to direct staff to notice the public hearing regarding approval.**

BACKGROUND:

Development impact fees are established in conformance with the requirements of Government Code Section 66000 (et seq.), referred to as the Mitigation Fee Act (MFA). Fees established under the MFA may be used to fund public facilities needed to serve new development. Impact fees are paid by developers for new development or for a change to a more intensive use (e.g., warehouse to office), typically at the time of building permit issuance. Impact fees cannot, however, be used to correct an existing public facility deficiency or for the ongoing operations and maintenance costs of these facilities.

The City of Sutter Creek adopted its Capital Facilities Fees Impact Fee Report in 2008. That report outlined the nexus for collecting fees at building permit issuance to offset the impacts that new development will have on the City's infrastructure. Those fees are known as "brick and mortar" fees and are then used to construct the new infrastructure. The City's adopted development impact fees include:

Police Capital Facilities Fee

This fee is collected to provide funding for the construction of a police station, police vehicles, parking facilities, communication systems, and equipment.

Fire Capital Facilities Fee

This fee is collected for construction of a new fire facility, fire trucks, a fire engine, and special equipment.

Historical Fee

This fee is collected to accumulate funds to be used in preserving historic structures in the City.

City Hall Capital Facilities Fee

This fee is collected to provide funding for the construction of a new city hall.

Corporation Yard Capital Facilities Fees

This fee is collected to provide funding for a fair-share portion of the cost to construct facilities for a new corporation yard.

Program Update Fee

This fee is collected for future updates of the Nexus Study to ensure that the facilities, costs, and fees in the Fee Program are current and accurate. A new study should be considered to reflect current infrastructure and facility needs.

Administration Capital Facilities Fee

This fee is collected for the administration of the CFF Program. This includes preparation of an Annual CFF Program Report, preparation of a Five-Year CFF Report, day-to-day management of the CFF Program including preparation of annual CIP budgets, CFF Program annual inflationary updates, land value analyses and updates and CFF Program Proformas.

Traffic Mitigation Fee

There are two traffic mitigation fees collected, one for local roads and the other for regional roads. The local fee is collected to offset the direct, indirect, and cumulative impacts of new development projects on the City of Sutter Creek's road systems. The regional fee is collected for the Amador County Transportation Commission (ACTC).

Amador County Parks and Recreation Fee

This fee is collected to provide funding for park capital improvements. The Master Plan is currently being updated.

Once fees are adopted, they should be reviewed and adjusted annually, if necessary, to account for inflationary increases and decreases to ensure that the fees being collected are adequate to construct the facilities needed created by the impact. The fees were last updated July 1, 2022.

DISCUSSION:

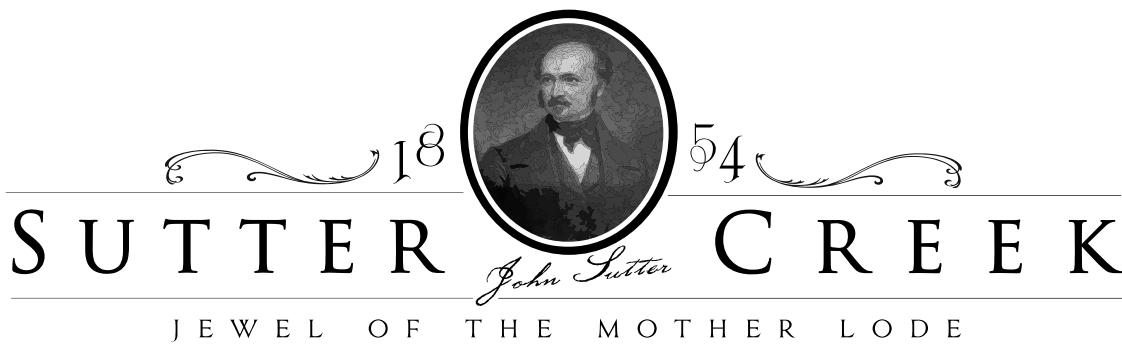
To ensure that the capital facilities fees adequately cover new development's share of the public facilities identified in the fee program, staff recommended that Council establish a process to annually adjust the development impact fees and to utilize the *Engineering News Record-Construction Cost Index* as the inflation index for calculating this annual fee adjustment, which the Council approved.

Table A below shows the 2022 ENR increase of the fee program for all development. Staff is recommending that effective July 1, 2023, the impact fees for all development be increased as shown in Table A.

State law requires a minimum 60-day period prior to implementation of MFA fees after City Council adoption. Therefore, staff is recommending that the City Council direct staff to provide a notice of a public hearing to allow the public to provide comments on the proposed increase.

BUDGET IMPACT:

The purpose of the increase is to ensure that the fees keep pace with increase in capital costs.



STAFF REPORT

TO: MAYOR AND MEMBERS OF THE CITY COUNCIL

MEETING DATE: April 3, 2023

FROM: Sandra Spelliscy, Interim City Manager

SUBJECT: City Manager Recruitment

RECOMMENDATION:

- Appoint ad hoc Council Committee to assist ICM in recruitment process.
- Direct staff on preferred alternative for recruitment method.
- Direct staff to bring back proposed changes Chapter 2.06 of the Municipal Code to provide consistency and update as to best practices.

BACKGROUND:

The city has hired an interim city manager to manage day-to-day operations for the city and to act as the primary advisor to the Council. The Council desires to fill that role on a permanent basis as soon as practicable, and has asked the ICM to lead the recruitment process.

DISCUSSION:

There are three common methods for recruiting a chief executive of a municipality – in-house recruitment, utilizing an executive search firm, and a hybrid combination of the first two.

An in-house search is the least expensive option, but it is not without some costs. With an in-house search, city staff, hopefully with the assistance of one or two council members, would put together the job description, job requirements and marketing materials for advertising the open position. The same group would also identify and arrange for placement of those materials on appropriate websites and other outlets for reaching potential candidates. Once the application period had closed, applications would be screened and an initial list of candidates would be created for virtual interviews. An interview schedule would be created and the interviews conducted and the candidates rated. This would likely involve 6-8 candidates.

Following initial interviews, a final list of interviewees would be chosen. This list usually consists of 3-4 candidates. If the reviewers have been unable to identify at least that many finalists, it may be advisable to reopen the recruitment and try to attract a wider pool of candidates.

The finalists would be invited to Sutter Creek for a full-day of activities, including interviews by various panels and opportunities to visit the city and meet with interested residents. Following the full-day screening, 1-3 final candidates would be recommended to the Council for a hiring decision.

If a conditional offer of employment is made and accepted, reference and background checks would be conducted. The City Attorney would then begin contract negotiations with the successful candidate with the intent to bring back a final contract for Council approval.

The process would be essentially the same if a search firm was engaged to do the work, although most search firms would add additional front-end work to analyze Council and community interests and to more fully engage the community in the selection process.

The entire process would likely take 4-5 months, with an additional 4-6 weeks after contract execution for the successful candidate to actually begin work.

A hybrid contract with a recruitment firm would have the firm do all of the work through the close of the application period, with the city taking on the responsibility for the remainder of the process such as screening, interviewing, etc. The advantage of this method is that the recruitment firm would take on the most difficult part of the process, which is actually identifying and recruiting highly-qualified applicants.

BUDGET IMPACT:

Estimated cost for in-house search is \$2,000 - 3,000.

Estimated cost for hybrid option is \$6,000 - \$8,000.

Estimated cost for search firm option is \$18,000 - \$25,000.

ATTACHMENTS:

Attachment A - Chapter 2.06 – Sutter Creek Municipal Code

Attachment B - An Effective City Council Manager Relationship – Kevin Duggan, ICMA

Chapter 2.06 CITY ADMINISTRATOR

2.06.010 Office created.

The office of the city administrator of the city is created and established. In creating the office, the city council formally recognizes the city administrator as a city manager. The city administrator shall be appointed by the city council solely on the basis of his/her executive and administrative qualifications. He/she shall hold office for an indefinite term. Whenever a reference is made to "city administrator" or "city director," in this Code or in any other ordinance, resolution or action, that reference shall be deemed to mean "city manager" within the meaning or definition of said title as defined in California Government Code Title 4, Division 2, Chapter 4, Article 1 (Sections 34850, et seq.).

(Ord. 273 (part), 1993; Ord. 284 (part), 1997)

2.06.020 Administrative head of city.

The city administrator shall be the administrative head of the city government under the direction and control of the council, except as otherwise provided in this chapter. He/she shall have authority over all department heads, employees, and all noncontract and professional employees.

(Ord. 273 (part), 1993; Ord. 284 (part), 1997)

2.06.030 Powers and duties.

The city administrator shall be responsible for the efficient administration of all the affairs of the city which are under his/her control. In addition to his/her general powers as administrative head and not as a limitation thereon, it shall be his/her duty and he/she shall have the powers set forth as follows:

- A. **Enforcement.** It shall be the duty of the city administrator to enforce all laws and ordinances of the city to see that all franchises, contracts, permits and privileges granted by the city council are faithfully observed.
- B. **Authority Over Employees.** It shall be the duty of the city administrator and he/she shall have the authority to control, order and give directions to all heads of departments and to subordinate officers, employees, and all noncontracted and professional employees of the city under his/her jurisdiction.
- C. **Administrative Reorganization of Offices.** It shall be the duty and responsibility of the city administrator to conduct studies and effect such administrative reorganization of offices, positions or units as may be indicated in the interest of efficient, effective and economical conduct of the city's business.
- D. **Ordinances.** It shall be the duty of the city administrator to recommend to the city council for adoption such measures and ordinances as he/she deems necessary.
- E. **Financial Reports.** It shall be the duty of the city administrator to keep the city council at all times fully advised as to the financial condition and needs of the city.
- F. **Budget.** It shall be the duty of the city administrator to prepare and submit the proposed annual budget to the city council. The administrator shall also propose an annual salary plan to the city council. The mayor shall appoint a member, members of the council or other(s) to negotiate salary and benefits with the various employees and or employee associations. Final approval of both budget and employee negotiations require majority approval of the entire city council.

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- G. Purchasing Agent. It shall be the duty of the city administrator to oversee the purchase of all supplies for all department and divisions of the city. No expenditures shall be submitted or recommended to the city council except on report and approval of the city administrator.
 - H. Investigations and Complaints. It shall be the duty of the city manager to make investigations into the affairs of the city and any department or division thereof, and any contract or the proper performance of any obligations of the city. Further, it shall be the duty of the city administrator to investigate all complaints in relation to matters concerning the administration of the city government, unless the council delegates the investigation to another entity.
 - I. Have the same authority as the mayor, as convenience to the parties may dictate, to sign documents as specified in Section 40602 of the California Government Code whenever such documents have been approved by the city council for execution. Additionally, the city manager shall have the authority to sign on behalf of the city without council review, routine authorizations, applications, certifications subdivision improvement agreements, purchase orders, invoices, deed acceptances and other similar documents without council authorization so long as the execution is for the purpose of implementing an existing city policy, regulation, or approval. Only the city manager and the mayor shall be authorized to approve agreements on behalf of the city unless execution by another officer is expressly required by state or federal law.

(Ord. 273 (part), 1993; Ord. 284 (part), 1997; Ord. 318 §1, 2006)

2.06.040 Additional agreements.

Nothing in this chapter shall be construed as a limitation on the power or authority of the city council to enter into any supplemental agreement with the city administrator delineating additional terms and conditions of employment not inconsistent with any provisions of this chapter. The positions of chief of police and city administrator are not to be considered incompatible.

(Ord. 273 (part), 1993; Ord. 284 (part), 1997; Ord. 294A §1, 2003)

2.06.050 Meetings.

- A. Attendance. The city administrator shall attend all meetings of the city council unless excused therefrom by the mayor or the city council, except when his/her removal is under consideration by the city council. The city administrator shall, if so directed by the city council, attend any or all meetings of the planning commission, or any other commissions, boards or committees created by the council. He/she shall inform such members of any matter being considered by the council and shall cooperate to the fullest extent with the members of all commissions, boards or committees appointed by the council.
- B. Discussions. The city administrator may take part in council discussions, when directed by the council, but may not vote. He/she shall have the power to appear and address the council or any of its boards or commissions at any meeting.
- C. Recommendations. The city administrator shall recommend to the city council for adoption of such measures and ordinances as he/she deems necessary, and shall make reports or suggestions as necessary or as requested by the city council.

(Ord. 273 (part), 1993; Ord. 284 (part), 1997)

2.06.060 Personnel.

- A. Appointments. The city administrator shall select and recommend to the city council for appointment, qualified candidates to fill staff vacancies occurring within the city.
- B. Dismissal. The city administrator may recommend to the city council the dismissal or suspension of any city employee with appropriate documentation.
- C. Performance Evaluations. The city administrator is responsible to see that all city staff is evaluated at least annually. Draft department head evaluations will be prepared by the city administrator for review and approval by the city council. Department heads will evaluate their staff. The city administrator's performance will be evaluated by the council annually. The city administrator is responsible to audit and assure that all evaluations are consistent with the respective job descriptions as well as with all applicable city policies and procedures, and to conduct independent evaluations as he/she deems necessary. All evaluations will be discussed with the respective employees prior to becoming part of the personnel record.
- D. General Supervision. The city administrator shall be responsible for the supervision of the day-to-day operations of the city, utilizing the appropriate department and shall supervise and direct the administration of computer and data processing, utility services, maintenance, fire, police, building, planning, museum and such other administrative services as may be placed under his/her jurisdiction by the city council.
- E. Council-Administrator Relations. The city council and its formal committee members shall deal with the administrative services of the city through the city administrator, except for the purpose of inquiry. The city council or any committee thereof shall give directions and instruction to subordinates generally and with respect to new projects or additional duties through the city administrator. In the absence of the city administrator's attendance at duly convened meetings of city council, standing committees, directions and instructions can be given to subordinate city department heads, i.e., chief of police and director of public works. Copies of the directions and instructions will be provided to the city administrator within three working days.

(Ord. 273 (part), 1993; Ord. 284 (part), 1997)

2.06.070 Expenses.

The city administrator shall be reimbursed for all actual and necessary expenses incurred by him/her in the performance of his/her official duties, including those incurred when traveling on business pertaining to the city. The council may require pre-authorization of expenses.

(Ord. 273 (part), 1993; Ord. 284 (part), 1997)

2.06.080 Compensation.

The salary and other benefits for the city administrator shall be established by the council and reviewed annually. Such salary and benefits are to be independent of any salary or benefits negotiated for the benefit of city employees.

(Ord. 273 (part), 1993; Ord. 284 (part), 1997)

2.06.090 Removal.

The city administrator may be dismissed by the city council upon thirty (30) days prior written notice to him/her of dismissal. The removal of the city administrator shall be effected only by either a four-fifths vote

(without cause) or a majority vote of the whole council as then constituted, convened in a regular council meeting, subject, however, to the following provisions:

- A. Removal By Just Cause. "Just cause" is defined as any facts which, based on relevant circumstances, may be reasonably relied on by the employer in the exercise of reasonable discretion as a basis for disciplinary action. "Just cause" includes, but is not limited to:
1. Fraud in securing employment;
 2. Incompetence;
 3. Inefficiency;
 4. Inexcusable neglect of duty;
 5. Insubordination;
 6. Dishonesty;
 7. Being under the influence of alcohol or controlled substance while on duty;
 8. Inexcusable absence without leave;
 9. Conviction of a felony or conviction of a misdemeanor which is of such a nature as to adversely affect the employee's ability to perform the duties and responsibilities of the city administrator's position. A plea of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction with the meaning of this section;
 10. Unlawful discrimination including harassment, on the basis of race, religious creed, color, national origin, ancestry, physical handicap, marital status, sex, or age, against the public or other employees while acting in the capacity of a city administrator.
- B. Hearing. Within seven days after the delivery to the city administrator of such notice of dismissal, he/she may, by written notification to the city clerk, request a hearing before the city council. Thereafter, the city council shall fix a time for the hearing which shall be held at its usual meeting place, but before the expiration of the thirty-day period, at which time the city administrator shall appear and be heard, with or without counsel.
- C. Suspension Pending Hearing. After furnishing the city administrator with written notice of the intended removal the city council may suspend him/her from duty, but his/her compensation shall continue until the removal date set by the city council subsequent to the aforesaid hearing.
- D. Resignation. The city administrator shall give the city council thirty days prior written notice of his/her intention to resign.
- E. Exemption. The office of city administrator will not be represented by an association of, or an agent for, employees under his/her supervision.

(Ord. 273 (part), 1993; Ord. 284 (part), 1997)

A Key Ingredient for Success: An Effective City Council/City Manager Relationship

Kevin C. Duggan
ICMA West Coast Regional Director

Introduction

Mayors and councilmembers need to have effective working relationships with a number of key audiences in order to successfully undertake their responsibilities. These audiences include citizens/voters, community groups, the press, other governmental agencies, other elected officials, nonprofit organizations and many more. However, critical to a successful and satisfying career on the city council in a city council/city manager form of government is a successful and effective working relationship with the city manager. This article suggests the necessary ingredients for a mutually successful council/manager working relationship.

The City Council/City Manager Form of Local Government:

The "Council/Manager Plan" is designed for the elected city council to set policy direction as the direct representatives of the community with the city manager providing the professional expertise to manage the organization and carry out the council's direction. Policy direction is provided in a variety of ways, including through local laws/ordinances, planning policies (general plan and zoning), financial policies, the annual budget and capital improvement plan, the adoption of city council policies and through numerous other program directives.

The city manager is responsible for carrying out the council's policy direction through the day-to-day management of city functions, including the oversight of city operating departments. Key tasks associated with this role include the hiring and supervision of department heads, the implementation of the annual budget and the assurance of quality service delivery. This "plan" is predicated on the philosophy that elected representatives are better able to make community value judgments on behalf of residents and translate these values into policy direction—the "what" in city government. It is also based on the belief that professional staff are best able to determine the "how" of implementing policies and delivering day-to-day services due to their experience and training. Since both roles are closely related, it is the city manager's responsibility to coordinate between both realms to assure the effective delivery of services consistent with city council direction.

This is often referred to as the policy/administration dichotomy (the separation of these responsibilities)—which, oftentimes, has a good deal of "gray" on the boundaries. When it works most effectively, the elected officials focus on the big picture of policy

development and minimize their role relating to administrative implementation while the staff works to avoid an undue influence on policy development while focusing on policy implementation and service delivery. While the line between the two can become blurred, the city council/city manager system is subject to failure if the line is disregarded.

If the city council and the city manager have an effective and mutually supportive working relationship, the likelihood of the policy and administrative roles being effectively coordinated increases significantly, resulting in a more successful city governance and management.

Among the issues to consider in trying to establish the best possible city council/city manager working relationship are the following:

- The relationship cannot be taken for granted and requires attention and work to establish and maintain. If not diligently pursued, it will not be accomplished.
- The work of city councils is not easy! Not only do you confront the typical challenges of group decision-making, but the "group" in this case may not have a great deal in common. Also, the issues can be weighty and controversial. The decision-making is also done in public, often on TV or the Web, scrutinized by the public and press, and anyone can join in on the deliberations.
- Among the factors that can get in the way of an effective relationship include:
 - Not understanding/appreciating/respecting each other's roles.
 - Differing philosophies.
 - Differing personalities.
 - Challenging issues.
 - External pressures from the media, community groups, employee organizations, etc.
- Fully appreciate that you need to establish a good working relationship with your fellow councilmembers and the city manager in order to maximize:
 - Organizational performance.
 - Organizational reputation.
 - Value to the community.

- Personal reputation.
- Community pride and confidence.
- Don't underestimate how important it is to a city manager to have a good working relationship with the city council. It has been reported that the relationship with the city council is the primary factor impacting a city manager's job satisfaction. Among the reasons for this are the following:
 - City councils are the source of formal performance feedback. Like almost everyone, positive feedback from supervisor(s) is very important.
 - City councils control the city manager's job security.
 - City councils determine the city manager's compensation.
 - City councils establish the city manager's "parameters of success."
 - City council support for the city manager, particularly during tough times, is of tremendous value.

Recommended Practices:

So while the stakes are high and the challenges significant, there are a variety of "best practices" and techniques that can improve the odds of your individual success as a mayor or councilmember, as well as the success of the city council and city as a whole.

The following are offered as ideas to consider in your efforts to establish and maintain a strong and effective working relationship with your city manager:

- **Recognize that you are now "different" than before you were elected (and more than you may realize):**

You are now viewed as a community/city leader and what you do and say can have a much greater impact. Your comments will now be viewed as representing "the city." What you do and say will also be more closely scrutinized. You should be aware that the city staff will view you much differently now that you are one of the organization's leaders. Even an offhand comment can be viewed as a directive for action. So even though you may not view yourself any differently than before you were elected, don't underestimate to what degree others are viewing you differently.

- **Understand and respect the city council/city manager plan of governance:**

It is critical for you to understand why your city is organized under this plan of governance and how it should operate. It is important to understand and appreciate the distinction between policymaking and implementation and the different roles played by individual councilmembers, the city council as a whole, the city manager and the city staff.

- **Allow time for you and the city manager to get to know each other and develop a working relationship:**

Try not to overly rely on what you have heard from others regarding what it will be like to work with the manager—others' views may or may not be accurate. Most city managers understand the need to work very hard to adjust to the issues, concerns and priorities of the new city council. Try to be open-minded to your ability to establish a productive and effective working relationship with the manager.

- **City managers will do their best to carry out the policy direction of the city council (even when there is a major change in policy direction):**

Professional city managers are committed to carry out the policy direction of the city council regardless if they personally agree or disagree with the policy as long as what they are asked to implement is:

- Legal.
- Ethical.
- Within their/the city's authority.

It is often misunderstood that when a city manager effectively implements a city council's policy, the manager personally agrees with the policy or can only implement city services consistent with that policy. City managers can change the organization's approach to an issue as may be directed by a new city council. Avoid overly associating the city manager with the policies that the city has previously implemented at the direction of the previous council.

- **Take your role seriously, but not yourself:**

This common advice is particularly important for mayors and councilmembers. While you are doing important and serious work on behalf of the community, you will do it better and more effectively if you keep the normal "ups and downs" and "wins and losses" in perspective. You were elected to make tough decisions on

oftentimes controversial issues. It's a given that you will be criticized and there will be those who vehemently disagree with your decisions. That is unavoidable. Develop a thick skin and do your best to not take personally the conflicts and disagreements that are a normal part of your new role. If you don't develop a thick skin, you will overreact to criticism.

Additionally, you are now part of an organization and will be blamed/criticized for the actions of the organization that you had nothing to do with. That is the reality of your new role and you should keep that in mind.

And remember, the city manager is not always to blame when things go wrong, though he/she should take appropriate responsibility for the organization's actions. It can be easy to focus your frustration on the city manager. You will be happier and more effective if you can experience the normal "ups and downs" of city life without needing to always find someone at fault.

Whatever the issue or encounter, try not to take it personally. Try to keep personal likes and dislikes out of the equation. Your fellow councilmembers and the city manager are not your family or personal friends; they are your "professional colleagues," and you need to work effectively with them even if you would not select them as friends.

Lastly, always "live to fight another day." There are always future issues to decide; focus on those versus the votes already taken. And always remember not to burn bridges due to a difficult defeat; you will need those "bridges" for future votes!

- **Appreciate the legitimate difference between the "community perspective" and the "professional/technical" perspective:**

While you will primarily view issues from your perspective as a resident/citizen in a manner similar to the other residents of the community, the city staff will often have a more "technical/professional" perspective. What might make a great deal of sense to the staff looking at an issue from a purely "business" point of view may not be the right answer based on community perspectives and values. While the city manager will do his or her best to bridge the gap between the two points of view, it is very helpful for councilmembers to understand that while the staff should be sensitive to community values, they will often raise issues based on their professional training that can differ from a purely community values point of view. An appreciation for these varied perspectives is critical to the council-staff relationship. That does not mean the one perspective is "right" while the other is "wrong"; but both parties should try to understand and appreciate the views of the other.

- **Don't fall into the trap of feeling you are VERY special:**

While being elected to a city council is an honor bestowed upon you by the voters, keep that "honor" in perspective. Citizens view electing you as showing trust in your judgment in representing their interests in community decision-making. They did not elect you because they felt you were personally deserving of special rights and privileges. Don't expect the city manager or staff to be able to assist you in ways outside your formal role on the city council. By and large, they will be required to treat you just the same as any other citizen on matters outside the realm of your official duties. Any compensation and "perks" of office should be visible and public.

- **Professional city managers will not "play favorites":**

Professional city managers will strive to have a positive working relationship with all the members of the city council regardless of personality, philosophy or positions on specific issues. They will also not let personal likes or dislikes affect how he or she interacts with councilmembers, and you should not expect the manager to act otherwise.

- **It is critical to city managers to have clear policy direction:**

The city manager and the city organization cannot carry out the policy direction of the city council if that direction is not clearly established. The clearer the direction, the more effectively the manager and staff can implement. Even when the council is split on an issue, the majority's will needs to be clearly stated. The manager should seek clarification from the city council when necessary.

- **Be sensitive to the need for city managers to sometimes tell you "what you don't want to hear":**

One of the least favorite tasks for a city manager is to tell an individual councilmember or the council as a whole something they don't want to hear. This could range from a mistake the organization has made to informing a councilmember that something they want done (or want to do) cannot be done or is not appropriate. While city managers try to be as flexible as possible in meeting the needs of the city council, you will not be well served by a manager who will not tell you when something is not appropriate or cannot be achieved simply to avoid appearing uncooperative. While the manager needs to be clear why the request cannot be fulfilled, it is very helpful to understand the manager has a professional obligation to give you advice contrary to what you would like to hear when he/she is so required.

- **Why managers can't always do what you want them to do:**

The manager can often be confronted with a situation of an individual council-member wanting something done that is not consistent with the wishes of the city council. The manager needs to respond to the direction of the city council as a whole. While managers try to be as responsive as possible to the needs/desires of individual members, on matters of any consequence, the direction of the city council will often be required.

- **Take your role to evaluate your city manager's performance seriously:**

Like any other employee, the city manager benefits from regular and thoughtful performance evaluations. Performance evaluations are an important communication tool between the manager and council. Working for multiple individuals is challenging enough without clear and consistent feedback on performance. At least annual evaluations should be conducted. This provides the opportunity to communicate how the council views the manager's performance, including areas of strength and areas for potential additional emphasis. This is also the only opportunity for the council as a whole to provide this input in private. Use this valuable communication tool effectively.

- **Tolerance for organizational imperfection (mistakes!):**

While no one likes mistakes, they are unavoidable in the context of organizational life. Cities are complex organizations dealing with a wide variety of services with unique and sometimes challenging clientele. It is not a matter of whether mistakes will be made, but when. It is critical as a leader of your city that you react to mistakes appropriately. While mistakes should be avoided to the greatest extent possible, overreacting can cause further damage. You should expect that mistakes will be addressed promptly, fully disclosed and that steps will be taken to avoid repeating the same mistakes again. You will need to trust the manager to follow up and effectively address the situation when organizational miscues occur. So, have high expectations but recognize that mistakes will occur, even in the best organizations and try not to overreact when they do.

- **Support of reasonable risk-taking:**

High-performing organizations will occasionally need to take "reasonable risks" in order to achieve community objectives. Sometimes these endeavors will not be successful. However, organizations that avoid ANY unnecessary risk are not likely to accomplish a great deal. While city councils need to be informed and concur that the risk being taken is reasonable for the potential benefit being gained, councils should also be understanding that projects and initiatives that have inherent unknowns may not always turn out as hoped. Intolerance for any

mistakes/risk will breed an overly conservative organization and will stifle creativity and flexibility and the benefits these values can bring.

- **Try to focus feedback on service quality, not individuals:**

An ongoing challenge is the difficulty of reconciling the ultimate responsibility of the city council for city service quality versus the need to avoid interfering in the daily management of the organization. It is much better for the city council to communicate service level or quality concerns to the city manager versus performance judgments regarding individual staff members. It is particularly inappropriate for individual members or the council as a whole to try to direct the manager to hire, fire, or promote members of the city staff.

- **Don't expect managers to take sides in councilmember disputes:**

Regardless of how they may personally feel, most city managers will avoid, at all costs, "taking sides" in disputes between councilmembers. While on occasion the manager might try to help reconcile councilmembers, don't expect the manager to take your side in a dispute with a fellow member. Even if they may agree with you, most managers will avoid taking part in public or private criticism of councilmembers unless professionally required to do so in extreme cases.

- **Don't jump to conclusions regarding citizen/customer feedback:**

While it is your responsibility to be available to listen to citizen and customer feedback regarding the city organization, be careful not to jump to conclusions based on what you are told. Oftentimes an individual may sound completely sincere and credible while providing you an inaccurate account of their experience with the city organization. It is best to not jump to conclusions, one way or the other, until the manager is able to provide you a response to the concern. It is embarrassing to criticize staff for poor performance only to find out that the information you relied on was not accurate. At the same time, the manager needs to not be overly defensive regarding staff performance until he or she also has heard "both sides of the story."

- **Don't expect the manager to exercise "political leadership":**

While managers are inherently leaders of their organizations and, to varying degrees, in their communities, their role is not to be political leaders. That is, it is not intended for the manager to be "out front" on community policy issues. Sometimes city councils want managers to take leadership (advocate publicly) on controversial issues to avoid potential political consequences to themselves. While tempting, this is contrary to the intent of the council/manager plan under which the elected officials are to take the lead on purely policy matters.

- **Disagree with the recommendation/don't attack the "messenger":**

When dealing with a difficult issue at a council meeting, it can be tempting to not only disagree with the recommendation being presented, but to challenge/discredit the manager or staff member presenting the recommendation. The best practice is to focus your comments on the recommendation, not the individual. Having a policy discussion devolve into a personal attack is uncomfortable and embarrassing to everyone involved. Even if you are frustrated by the recommendation, it is poor form to attack the presenter. If you do have concerns regarding how a recommendation was developed or presented, that should be provided privately to the manager.

P.S.: Don't play "stump the staff" by trying to ask questions at the meeting that you think staff will have difficulty answering on the spot. It doesn't really make you look smarter, nor is it helpful to the deliberations to ask a question that cannot be answered. While staff members should work diligently to anticipate questions, it is not possible to anticipate all possible questions. If you really want the answer, get the question answered before the meeting or provide a heads up regarding what you will be asking.

- **Conduct yourself at council meetings in a professional/businesslike manner:**

Even on very controversial topics with greatly varying opinions, the council deliberation can be and should be "businesslike" and professional. While it may be more entertaining (possibly from a reality TV perspective) to see councilmembers and citizens yelling and having temper tantrums, it gets in the way of thoughtful deliberations and only tends to lower the respect for the council and city in the eyes of your constituents.

- **Consider the use of council team-building and goal-setting workshops:**

Recognizing the importance of both effective councilmember/councilmember and council/city manager working relationships, often an investment of time in team-building workshops is very worthwhile. These workshops allow for a thoughtful conversation of working relationships outside the context of discussing specific issues. These discussions can help create a better understanding of work styles and perspectives.

Additionally, recognizing that clear direction and priorities are critical for effective council/manager relations, goal-setting workshops can be very effective forums for establishing city council and organizational priorities.

- **Have a clear understanding with the manager of the type and frequency of communication you prefer:**

While a fundamental value of city managers is to provide regular and complete information equally to each councilmember, councilmembers can vary significantly regarding the type and frequency of contact with the manager they desire. While the manager will use written reports in one form or another as a base line of information to all the members, it is important for the manager to understand your preference for how information should be communicated, including the frequency of personal contact. While some members prefer regular "face-to-face" contact with the city manager, others prefer less time-intensive information-sharing methods. While sharing the same information among all councilmembers, it is helpful for you and the manager to understand how much and what type of contact you prefer.

- **Do your homework:**

It takes time and effort to be a successful councilmember. It makes the manager's and staff's job a lot easier if you have reviewed the reports and related materials provided to you prior to the city council meeting. This facilitates efficient meetings, accelerates decision-making and gives the impression that staff and council are working well as a team. Additionally, it will avoid you appearing unprepared to your fellow councilmembers, the staff and your constituents.

- **Trust above all:**

As in all relationships, the city council/manager relationship must be based on trust. Other potential obstacles such as differing personalities, styles, philosophies, etc., can be overcome if there is mutual trust. Without trust, little else will be successful. Both parties need to treat each other with respect and be truthful and forthcoming in their dealings.

- **No Surprises:**

Both the manager and council should do their best to make sure that important information is not first learned from others. While in this age of instant communication this is more difficult, and in some cases impossible, the parties should do their best to make sure that noteworthy information to which they are privy is not communicated to other organizational leaders by third parties (particularly the media). The manager needs to work hard to make sure that the council is not taken off guard while councilmembers should keep the city manager in the loop as well. "Surprises" can have a very negative impact on the working relationship in that it speaks directly to the trust issue.

- **Work through the city manager to get things done:**

While practice and philosophy can vary to some degree between cities, councilmembers should generally work through the city manager to obtain action by staff. Individual councilmembers are not authorized to direct staff, though routine referral of citizen requests (or to simply request information) is sometimes appropriate depending on local practice. Coordinating through the manager will make sure the issue is sent to the right staff person for action and will allow the manager to confirm timely follow-up. This also helps the manager stay informed regarding issues of community concern.

- **Council/Mayor Role:**

It is also important to make sure there is clarity between the council, the manager and the mayor on respective roles. At times there can be a conflict between the role the mayor views themselves as playing and the expectations of the remainder of the council. It is difficult if the manager gets caught in a dispute over these respective roles. In particular, how the city manager relates to the mayor versus the other councilmembers needs to be clear.

- **Don't blame the manager or staff for carrying out the direction of the city council:**

The city manager and staff are required to faithfully carry out the direction of the city council, regardless if they did or did not recommend it and regardless if some councilmembers oppose it. Respect the staff for faithfully carrying out the will of the council, whether or not you share the view of the council majority.

- **If the council/manager relationship is not going well:**

If you or the council are having difficulty with the city manager, try your best to resolve the issue. First of all, find an appropriate way to communicate the concerns. The manager can't respond if he/she is not aware of the concern. As noted earlier, try to obtain clear council consensus for the expectations for the manager and communicate those expectations clearly. Try to be optimistic regarding the possibility of the manager making adjustments to satisfy the concerns of the council and give sufficient time to do so. Additionally, provide the manager opportunities to respond to the feedback and communicate how he/she will address the concerns.

- **If all else fails and there needs to be a "parting of the ways":**

A forced separation of the manager is not a good experience for the council, the manager or the city. It can be costly, controversial and can cast everyone in a negative light. It can also erode citizen confidence in the city. Assuming all

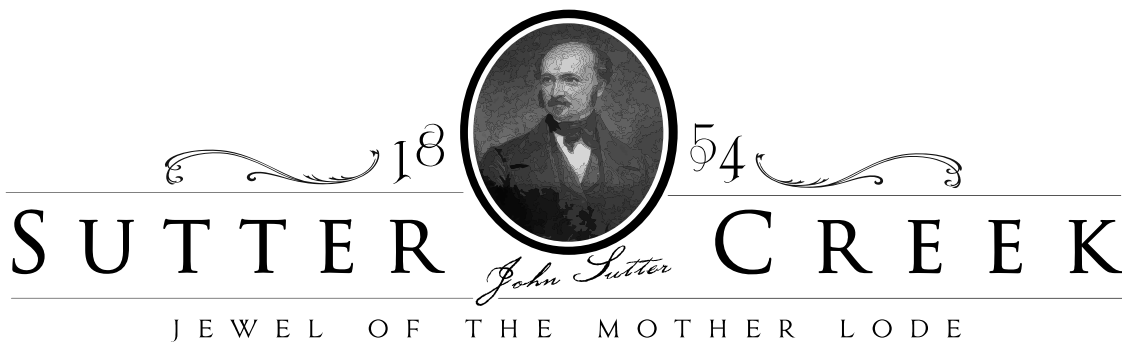
reasonable steps have been taken to avoid a forced transition and recognizing a parting based on "irreconcilable differences" is always better than an "ugly, contested divorce" (in an "ugly divorce," both parties end up looking bad), keep the following in mind:

- Keep it professional.
- Don't unnecessarily damage the manager's reputation—it is not needed to make a change.
- Provide a reasonable period of time for the manager to find another position or provide reasonable severance—it takes time to find a manager's job.
- Remember, how you handle the transition of the current manager will have an impact on the quality of the candidate pool for the next manager.

Summary/Concluding Thoughts:

An unstable council/manager relationship has negative consequences for the city council, the manager, the organization and the community. A positive and mutually supportive relationship will increase the odds of having a high-performing and successful city. The councilmembers and manager need to make creating, supporting and sustaining the relationship a high priority. If made a high priority, the odds of success are great.

Remember that your service on the city council is a unique honor that has been bestowed on you by your fellow citizens. While it is often a challenge, with inherent difficulties, someone needs to do it and your community has selected you for that responsibility. You have been selected to serve in a professional and honorable manner, during good times and bad. Your service on the city council will be over soon enough. Conduct yourself in a manner that will allow you to look back with pride—not only for what you accomplished, but also the way in which you conducted yourself (which will likely be remembered the longest).



STAFF REPORT

TO: MAYOR AND MEMBERS OF THE CITY COUNCIL
MEETING DATE: April 3, 2023
FROM: Sandra Spelliscy, Interim City Manager
SUBJECT: ARSA/City Agreement, ARSA Administration and Related Issues

RECOMMENDATION:

Discussion and possible action re: direction to staff.

BACKGROUND:

The Amador Regional Sanitation Authority (ARSA) is a Joint Powers Authority established by agreement in 1978. The original members of the JPA were Amador County, City of Jackson, City of Sutter Creek, and Amador City. The purpose of the JPA was to construct and operate an effluent outfall at the Sutter Creek Wastewater Treatment Plant that would carry treated wastewater for storage in the Preston/Henderson system owned by the State of California with eventual disposal by the City of Ione. The County's participation in the system was limited to disposal from the unincorporated area of Martell.

The original agreement contemplated an expansion of the JPA to include upcountry areas such as Pine Grove, Pioneer and Volcano, and also indicated an intent to form a special district from the membership of the JPA and to operate the disposal system under as such.

In 1982 the JPA agreement was amended to remove the City of Jackson from participation as it had constructed its own treatment and disposal facilities.

From 1978 until 2001 ARSA contracted with Amador County to operate the disposal system and provide staffing for ARSA's administrative responsibilities. In 2001 the City and ARSA executed an agreement that provided that the City of Sutter Creek would assume the operations and staffing responsibilities for ARSA and the ARSA system. The main provisions of that agreement included the following.

- The city would undertake all ASRA operations;
- The city would use its own funds to pay for the labor and materials to operate the system, with reimbursements for those payments by ARSA;
- The city would hire a specific county employee as a city employee to operate the system, as well as utilize other city employees for ARSA purposes as needed;

- The city accepted liability for all damages and other costs caused by the city's negligent operation of the system and would indemnify ARSA against claims for damages;
- The Agreement was set to expire June 30, 2002, but would renew on a year-to-year basis each June 30 without the need for action by the parties; and,
- The Agreement could be terminated at any time upon mutual consent of the parties or by either party without cause upon ninety days written notice.

There was no provision in the original agreement setting forth a process or notice schedule if one or both of the parties desired to modify the agreement.

The 2001 agreement remained in effect until 2016, when it was revised. The basic change created by the 2016 revision related to the appointment of an ARSA General Manager and how that position would be supervised. The operable language in the 2016 revision regarding that change is as follows.

...ARSA has determined to employ a city employee to serve as its general manager. The general terms of work and day-to-day supervision and direction shall be the responsibility of the City as employer. ARSA shall, however, have the right to provide direction to the employee and provide input of [sic] this employee's performance to the City. ARSA shall retain the right, at its discretion, to utilize a city employee as its general manager or to cease the use of a city employee as its general manager upon written notification from ARSA to the City.

Former City Manager Amy Gedney served as ARSA General Manager from 2016 until February 24, 2023, when she resigned as city manager and therefore could no longer serve as ARSA GM pursuant to the terms of the revised agreement. On March 20, 2023, the city received an e-mail communication from ARSA General Counsel Frank Spelndorio notifying the city that pursuant to the 2016 revised agreement, ARSA was ceasing to use a city employee as its General Manager. At this time ARSA is operating without a General Manager, but three city employees continue to provide operational services and administrative and accounting support.

The ARSA Board intends to consider an item at its April 14 meeting appointing the Sutter Creek Interim City Manager as ARSA General Manager.

DISCUSSION:

The 2016 revised agreement was vague regarding the process that would be followed if ARSA determined not to utilize a city employee as GM. This was highlighted when Ms. Gedney resigned as City Manager but expressed an intent to continue as ARSA GM. The confusion regarding this situation highlighted the issue of the ARSA/City agreement as a whole, and some members of Council expressed an interest in reviewing the agreement to better understand its terms and to determine whether the agreement in its current form continues to serve the best interests of the city.

Related Issues

There are two other important issues arising out of the City/ARSA relationship as well. The first is that the city has an outstanding loan obligation to ARSA in the amount of \$450,000 plus

interest. The loan was made by ARSA to the city in 2002 and amended in 2006 in order help the city secure an effluent spray easement on the Noble Ranch property. When conditions precedent in the loan agreement were not met by the city in 2007 and 2008, the loan became due and payable. Each year since ARSA has executed a one-year extension to the loan agreement to postpone the city's payment obligation.

The loan has continued to accrue interest costs since 2008, which costs are now considerable. The loan and interest repayment obligation has a significant negative impact on the city's ability to borrow funds, and to plan responsibly for other pressing capital needs.

The other general issue regarding the ARSA/City relationship is the status of the JPA itself. Since it was formed in 1978 the membership has changed substantially with the loss of the City of Jackson's participation. Although the County remains a member, it has transferred the wastewater responsibilities of the Martell service area to the Amador Water Agency, which is not a member of the JPA. Sutter Creek ratepayers pay the overwhelming majority of the cost to operate the JPA and the disposal system, yet the city representatives are in the minority on the Governing Board. The city faces tremendous challenges to fund the capital needs of its own wastewater collection and treatment system, as well as support the operation and capital needs of a separate disposal system.

Sutter Creek employees operate and maintain the ARSA disposal system, as well as providing the administrative support for the JPA. Sutter Creek ratepayers are the backbone of the financing for the system. Forty-five years after the establishment of the JPA, it is probably time to take a fresh look at its purpose and viability under current conditions and circumstances.

Given that the ARSA/City agreement is set to automatically renew on June 30, time is of the essence if the Council wishes to revisit its provisions. Staff recommends that the Council direct staff to begin a process of consultations with ARSA and others regarding any necessary updates or changes to the agreement, as well as discussion regarding the status of the city's outstanding loan obligation to ARSA, and the continued operation of the JPA going forward.

BUDGET IMPACT:

Unknown at this time.

ATTACHMENTS:

1. ARSA 1978 JPA Agreement
2. 1982 Amended JPA Agreement
3. 2001 Agreement between City and ARSA
4. 2016 Agreement between City and ARSA

1 A JOINT EXERCISE OF POWERS AGREEMENT BETWEEN THE COUNTY OF AMADOR, THE CITY
2 OF AMADOR CITY, THE CITY OF JACKSON, AND THE CITY OF SUTTER CREEK FOR THE
3 PURPOSE OF CREATING AN AGENCY FOR IMPLEMENTING A REGIONAL WASTEWATER DIS-
4 POSAL PLAN

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

8 W I T N E S S E T H

9 WHEREAS, each member is empowered by law to provide wastewater disposal
10 programs and facilities and to participate in federal and state grant pro-
11 grams relating to said programs and facilities; and

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

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

16 WHEREAS, a regional wastewater development plan, specifically Supple-
17 ment #2 to Appendix L of the Amador County Wastewater Management Plan,
18 November, 1977, has been devised by County consultants and engineers, which
19 plan as supplemented and amended from time to time has been approved by the
20 Division of Water Quality of the State Water Resources Control Board, which
21 plan requires the development and construction of an outfall line and ap-
22 purtenant facilities to extend from a point immediately west of the Sutter
23 Creek Treatment Plant to the California Youth Authority facility near Ione,
24 known as Preston School of Industry (hereinafter referred to as "the Out-
25 fall"); and

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

28 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 Section 3.3 Compensation. The directors of the Governing Board may
2 receive compensation as may be from time to time established by said Gov-
3 erning Board and also actual expenses for travel as may be authorized from
4 time to time by said Governing Board.

5 Section 3.4 Regular Meetings. The Governing Board shall provide for
6 its regular meetings; provided, however, that at least one regular meeting
7 shall be held each year. The date, hour and place of the holding of regu-
8 lar meetings shall be fixed by resolution of the Governing Board and a
9 copy of such resolution shall be filed with each member hereof.

10 Section 3.5 Ralph M. Brown Act. All meetings of the Governing Board,
11 including without limitation, regular, adjourned regular and special meet-
12 ings, shall be called noticed, held and conducted in accordance with the
13 provisions of the Ralph M. Brown Act (commencing with Section 54950 of the
14 Government Code.)

15 Section 3.6 Minutes. The Secretary of the Authority shall cause to
16 be kept minutes of the meetings of the Governing Board and shall, as soon as
17 possible after each meeting, cause a copy of the minutes to be forwarded to
18 each director and to each member.

19 Section 3.7 Quorum. A majority of the Governing Board shall consti-
20 tute a quorum for the transaction of business; provided, however, that the
21 affirmative vote of a majority of all directors shall be necessary for the
22 approval of any action of the Governing Board.

23 Section 3.8 Rules. The Governing Board of the Authority may adopt
24 from time to time such rules and regulations for the conduct of its meetings
25 and affairs as are necessary for the purposes hereof.

26 ARTICLE IV - OFFICERS AND EMPLOYEES

27 Section 4.1 Chairman, Vice-Chairman and Secretary. The Governing
28 Board shall elect a Chairman and Vice-Chairman and shall appoint a Secretary

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,

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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5 shall be returned to the
6 respective members hereof in the same proportions that the total of all
7 amounts paid by each member hereof pursuant to this Agreement bears to the
8 total of such amounts paid by all the parties hereto. On the termination
9 of this Agreement, all property of the Authority, both real and personal,
10 shall be divided among the members hereof in such manner as shall be agreed
11 upon by the members hereof and, until such division is agreed upon, shall
12 be held in trust by Amador County for all the members hereof.

13 ARTICLE X - MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

CITY OF AMADOR CITY

8
9 Dated: November 14, 1978

Lloyd S. Smith
Mayor of the City of Amador City

10
11 Attest:

12 Harold K. Burns
City Clerk of the City of Amador City

CITY OF JACKSON

13
14 Dated: SEP 18 1978

William H. Hain
Mayor of the City of Jackson

15
16 Attest:

17 Richard D. Fisher
City Clerk of the City of Jackson

CITY OF SUTTER CREEK

18
19 Dated: SEP 20 1978

George Maloney
Mayor of the City of Sutter Creek

20
21 Attest:

22 Robert L. Simon
City Clerk of the City of Sutter Creek

COUNTY OF AMADOR

23
24 Dated: 7/5/78

Stanley C. Zirkland
Chairman of the Board of Supervisors

25
26 Attest:

27 Dorothy L. Lamm
County Clerk and Ex-officio Clerk
28 of the Board of Supervisors

(September 17, 1982)

AN AGREEMENT AMENDING 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 15 day of November, 1982, by and between the County of Amador, and the cities of Amador City, Jackson, and Sutter Creek, on the following terms and conditions.

WHEREAS, on September 19, 1978, a joint exercise of powers agreement between and among the aforementioned entities was entered into in order to implement a regional wastewater development plan, specifically Appendix "L" of the Amador County Wastewater Management Plan, dated November, 1977, approved by the Division of Water Quality of the State Water Resources Control Board, which plan required, inter alia, the development and construction of a regional outfall and appurtenant facilities to extend from a point immediately west of the City of Sutter Creek treatment plant to the California Youth Authority facility near Ione, known as Preston School of Industry (hereinafter referred to as the "1978 Regional Outfall"); and

WHEREAS, the City of Jackson ("Jackson" hereinafter) desires to terminate its participation in said 1978 Regional Outfall and to discharge directly from its treatment plant into Jackson Creek after making extensive improvements to said treatment plant; and

WHEREAS, the remaining members of the joint powers

1 agency created by the 1978 agreement ("ARSA" hereinafter)
2 desire to continue the joint powers agency formed by said
3 1978 agreement, but on an amended basis to allow Jackson to
4 terminate its participation therein on certain terms and
5 conditions;

6 THEREFORE, the board of supervisors of the County
7 ("County" hereinafter) and the city councils of the cities
8 of Amador City and Sutter Creek ("Amador City" and "Sutter
9 Creek" hereinafter) for and in consideration of the mutual
10 promises and agreements herein contained do agree that ARSA
11 shall continue in the form set forth herein, and the city
12 council of Jackson promises and agrees that Jackson shall
13 not be a party to ARSA; provided, however, that the
14 agreement set forth as Attachment I hereto, between ARSA and
15 Jackson, shall be in full force and effect and binding, and
16 all amounts due and owing from Jackson to ARSA set forth
17 therein paid, as conditions precedent to Jackson's
18 withdrawal from ARSA as formed in 1978:

19 ARTICLE I - AUTHORITY

20 Section 1.1 Creation of Authority. Pursuant to
21 Articles I and II (commencing with Section 6500) of Chapter
22 5, Division 7, of Title I of the California Government Code
23 (hereinafter referred to as the "Act"), there is hereby
24 continued in full force and effect a public entity known as
25 the "Amador Regional Sanitation Authority", hereinafter
26 referred to as the "Authority". The Authority is a public
27 entity separate and apart from the members and shall
28 administer this agreement.

ARTICLE II - PURPOSE

Section 2.1 Purpose. The purpose of this agreement shall be to continue the agency established in 1978, allowing the withdrawal of Jackson. After all conditions precedent have occurred after execution hereof, Jackson shall cease immediately to be a member of the Authority. The public entity, the Authority, shall have as a specific purpose the continued maintenance and operation of the 1978 Regional Outfall currently in place, or as set forth herein, or as may be amended by the legislative bodies of all of the members hereto, excluding Jackson, and, in addition, to design, construct, maintain and operate other wastewater facilities which the Authority determines will have regional benefits.

ARTICLE III - GOVERNING BOARD

Section 3.1 Governing Board. The Authority shall be administered by a Governing Board which shall initially consist of five (5) directors. One (1) director shall be appointed by the city council of Amador City, two (2) directors shall be appointed by the city council of Sutter Creek, and two (2) directors shall be appointed by the board of supervisors of Amador County. The *must be* 11 be called the "Governing Board of the *BOS* Sanitation Authority." All voting pow *Jrduke @ suttercreek.ca.gov* shall reside in the Governing Board.

Section 3.2 Directors' Terms. Each director shall serve at the pleasure of the member which appointed him. Vacancies on the Governing Board shall be filled by the

1 respective appointing members.

2 Section 3.3 Compensation. The directors of the
3 Governing Board may receive compensation as may be from time
4 to time established by said Governing Board and also actual
5 expenses for travel as may be authorized from time to time
6 by said Governing Board.

7 Section 3.4 Regular Meetings. The Governing Board
8 shall provide for its regular meetings; provided, however,
9 that at least one regular meeting shall be held each year.
10 The date, hour and place of the holding of regular meetings
11 shall be fixed by resolution of the Governing Board and a
12 copy of such resolution shall be filed with each member
13 thereof.

14 Section 3.5 Ralph M. Brown Act. All meetings of the
15 Governing Board, including without limitation, regular,
16 adjourned regular and special meetings, shall be called
17 noticed, held and conducted in accordance with the
18 provisions of the Ralph M. Brown Act (commencing with
19 Section 54950 of the Government Code.)

20 Section 3.6 Minutes. The Secretary of the Authority
21 shall cause to be kept minutes of the meetings of the
22 Governing Board and shall, as soon as possible after each
23 meeting, cause a copy of the minutes to be forwarded to each
24 director and to each member.

25 Section 3.7 Quorum. A majority of the Governing Board
26 shall constitute a quorum for the transaction of business;
27 provided, however, that the affirmative vote of a majority
28 of all directors shall be necessary for the approval of any

1 action of the Governing Board.

2 Section 3.8 Rules. The Governing Board of the
3 Authority may adopt from time to time such rules and
4 regulations for the conduct of its meetings and affairs as
5 are necessary for the purposes hereof.

6 ARTICLE IV - OFFICERS AND EMPLOYEES

7 Section 4.1 Chairman, Vice-Chairman and Secretary.

8 The Governing Board shall elect a Chairman and Vice-Chairman
9 and shall appoint a Secretary who may, but need not, be a
10 director. The officers shall perform the duties normal to
11 said offices; and

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

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

18 (c) the Secretary shall countersign all contracts on
19 behalf of the Authority, perform such other duties as may be
20 imposed by the Governing Board and cause a copy of this
21 agreement to be filed with the Secretary of State pursuant
22 to the provisions of California Government Code Section
23 6503.5.

24 Section 4.2 Treasurer. The Treasurer-Tax Collector of
25 Amador County is hereby designated as the Treasurer of the
26 Authority, and as the depository to have custody of all of
27 the money of the Authority from whatever source. The
28 Clerk-Auditor of Amador County is hereby designated as the

1 Auditor-Controller of the Authority. The Treasurer and the
2 Auditor-Controller shall have the duties and obligations set
3 forth in Government Code Sections 6505 and 6505.5 and shall
4 assure that there shall be strict accountability of all
5 funds and report of all receipts and disbursements of the
6 Authority. The Board of Supervisors of Amador County shall
7 determine charges to be made against the Authority for the
8 services of the Treasurer-Tax Collector and Clerk-Auditor,
9 such charges not to exceed actual costs to the County for
10 such services.

11 Section 4.3 Bonding Persons Having Access to Property.

12 From time to time, the Governing Board shall designate the
13 public officers or persons, in addition to the Treasurer and
14 Auditor-Controller, having charge of handling or having
15 access to any property of the Authority, and the respective
16 amounts of the official bonds of the Treasurer and
17 Auditor-Controller and such other persons pursuant to
18 Section 6505.1 of the Act.

19 Section 4.4 General Manager. The Governing Board
20 shall have the power to appoint a General Manager of the
21 Authority. The General Manager shall perform such duties as
22 may be imposed on him by the Governing Board and shall
23 report to said Board at such times and concerning such
24 matters as said Board may require.

25 Section 4.5 Legal Advisor. The Governing Board shall
26 have the power to appoint a legal advisor of the Authority,
27 which person shall be any person who is licensed to practice
28 law in the State of California, and who shall perform such

1 duties as may be prescribed by the Governing Board. Said
2 Governing Board may change legal advisors at any time.

3 Section 4.6 Other Employees. The Governing Board
4 shall have the power to appoint and employ such other
5 officers, employees, consultants, advisors and independent
6 contractors as may be necessary for the purposes hereof,
7 including a chief engineer who shall be any person who is a
8 registered engineer in the State of California, and who
9 shall perform such duties as may be prescribed by the
10 Governing Board.

11 ARTICLE V - POWERS

12 Section 5.1 General Powers. The Authority created by
13 this agreement shall exercise in the manner hereafter
14 provided the powers, and only the powers, common to each of
15 the entities and necessary to the accomplishment of the
16 purposes of this agreement. The Authority shall be a public
17 entity separate from the members hereof. The Authority
18 shall have the power to design, construct, and operate the
19 Regional Outfall, which may be amended, and shall have the
20 power to finance, acquire, construct, manage, operate and
21 maintain the facilities related thereto and other wastewater
22 collection, treatment, and transportation facilities,
23 subject to the provisions of this agreement.

24 Section 5.2 Specific Powers. The Authority is hereby
25 authorized, in its own name, to do all acts necessary for
26 the exercise of the foregoing general powers for the
27 purposes of this agreement, including, but not limited to,
28 any or all of the following:

- 1 (a) to make and enter into contracts;
- 2 (b) to employ agents or employees;
- 3 (c) to acquire, construct, manage, maintain or operate
- 4 any buildings, work, or improvements;
- 5 (d) to acquire, hold or dispose of property;
- 6 (e) to sue and be sued in its own name;
- 7 (f) to incur debts, liabilities or obligations;
- 8 (g) to apply for, accept, receive and disburse grants,
- 9 loans and other aids from any agency of the United States of
- 10 America or of the State of California;
- 11 (h) to invest any money in the treasury pursuant to
- 12 Government Code Section 6505.5 that is not required for the
- 13 immediate necessities of the Authority, as the Authority
- 14 determines is advisable, in the same manner and upon the
- 15 same conditions as local agencies, pursuant to Section 53601
- 16 of the Government Code; and
- 17 (i) to carry out and enforce all of the provisions of
- 18 this agreement.

19 ARTICLE VI - METHOD OF PROCEDURE AND DUTIES OF AUTHORITY

20 Section 6.1 Assumption of Responsibilities. Upon

21 completion of the initial organization of the Governing

22 Board, as amended, the Authority shall assume responsibility

23 for maintaining and operating the Regional Outfall; the

24 implementing and administering of the Regional Outfall and

25 constructing, operating, and maintaining it and other

26 facilities required therefor in accordance with law and the

27 terms and conditions of all relevant grants, agreements, and

28 contracts.

1 ARTICLE VII - COSTS

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

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

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

26 Section 7.4 Payment of Costs. Each of the members
27 hereof and Jackson agree to pay the Authority its allocated
28 share of the total estimated annual expenses of the

1 Authority in four (4) equal installments payable on or
2 before the last day of September, December, March and June
3 of each fiscal year. The Authority shall submit to each of
4 the members hereof a final detailed statement of the final
5 expenses for the fiscal year allocated in the same manner as
6 estimated expenses were allocated within three (3) months
7 after the close of each fiscal year, whereupon final
8 adjustments of the debits and credits shall be made by the
9 Authority. If the amount of any allocated share of any
10 estimated item of expense due from any member was less than
11 the final allocation of such item to such member, such
12 member shall forthwith pay the difference to the Authority.
13 If the amount of any allocated share of any estimated item
14 of expense due from any member was in excess of the final
15 allocation of such item to such member, the Authority shall
16 credit such excess to the appropriate account of such
17 member.

18 Section 7.5 Members' Contributions Prior to Operation
19 of Outfall. Until the Outfall is operating so that the
20 contributions of the members are determined by the
21 provisions of subsection 7.6, each member shall contribute
22 expenses in accordance to the ratio of its population to the
23 whole of the population of all the members together;
24 provided, however, that Amador County's population for the
25 purposes of this agreement shall be limited to the
26 population of the Martell County Service Area. The
27 population of the respective members for the purpose of this
28 subsection is County, 9%; Sutter Creek, 84%; and Amador

1 City, 7%.

2 Section 7.6 Formula for Allocating Expenses.

3 Commencing with the fiscal year which begins after the City
4 of Sutter Creek commences treatment of wastewater from
5 Martell, each member shall contribute expenses in accordance
6 with the ratio of that member's quantity of wastewater
7 disposed of through the Outfall to the total quantity of
8 wastewater disposed of through the Outfall, adjusted at the
9 beginning of each fiscal year; provided, however, that the
10 Governing Board may make adjustments in said ratio to
11 accommodate differences in the physical or chemical
12 qualities of wastewater emanating from the respective
13 members hereof, to the extent said differences make disposal
14 of said wastewater more difficult or costly.

15 Section 7.7 Initial Payment. Upon organization, the
16 Governing Board shall determine the initial sum required to
17 fund the operations of the Authority. Within thirty (30)
18 days from the date the Governing Board so requires, the
19 members hereof shall pay to the Authority an amount
20 determined in accordance with the provisions of subsection
21 7.5, said amount being the estimated initial expense of the
22 Authority for fiscal year 1982-83.

23 Section 7.8 Sources of Funds. Each party hereto shall
24 provide the funds required to be paid by it to the Authority
25 under this agreement from any source of funds legally
26 available to such party for such purposes, subject to the
27 limitations of law.

28

1 Section 7.9 Pumping Costs, The costs of pumping
2 primary treated wastewater from Amador City to the Sutter
3 Creek treatment plant or untreated wastewater from the
4 Martell County Service Area to the Sutter Creek treatment
5 plant shall not be shared by the respective members but
6 shall be borne according to the contracts by and between
7 Sutter Creek and Amador City, and by and between the County
8 and Sutter Creek.

9 ARTICLE VIII - OPERATIONAL PROVISIONS

10 Section 8.1 Boundary Modification. Modification of
11 the boundaries of any member which may cause an increase in
12 the member's flow of wastewater into the Outfall shall
13 require the approval of the Governing Board, which approval
14 shall not be withheld unless the boundary modification may
15 reduce the ability of the Authority to dispose of all
16 wastewater created in the jurisdictions of all the members.

17 Section 8.2 Flow Metering. The Authority shall
18 install and maintain in good working order (or require said
19 installing and maintaining) meters to measure the flow of
20 wastewater originating from each member and flowing to or
21 into the Regional Outfall, and to report said flows to the
22 members hereof in the form, manner and at the times
23 prescribed by the Governing Board.

24 Section 8.3 Flow and Strength Limitation.- The
25 Authority shall have the power to prohibit the discharge to
26 the Outfall of any substance in a concentration which may
27 damage the Regional Outfall or cause quality of Regional
28 Outfall wastewater to be lower than that acceptable for its

1 intended use as irrigation or industrial water, and the
2 Authority may establish by resolution or ordinance standards
3 for treatment of wastewater as necessary to safeguard the
4 wastewater disposal and/or treatment processes or facilities
5 of the Authority.

6 Section 8.4 Grant Conditions. Each of the members
7 hereof agrees that the Authority shall be empowered, in any
8 case in which the Authority is a party to a grant contract
9 with the state or the United States of America, to impose to
10 the extent permitted by law on each of the members hereof
11 the duty of compliance with any conditions in such grant
12 contract and each member agrees to comply with such
13 conditions by enactment of appropriate ordinances,
14 regulations or otherwise. Each of the members hereof
15 specifically agrees to pay promptly their shares of the
16 initial capital cost of the project.

17 Section 8.5 Enforcement by Authority. The Authority
18 is hereby authorized to take any or all legal or equitable
19 actions including, but not limited to, specific performance
20 necessary or permitted by law to enforce this agreement.

21 ARTICLE IX - TERMINATION

22 Section 9.1 Term. (a) This amended agreement shall
23 be dated the date of execution of this agreement by the last
24 of the members hereof that executes this amended agreement
25 and shall be effective on said date and shall continue until
26 terminated by agreement of a majority of the members hereof;
27 provided, however, that the term of this agreement shall be
28 a minimum of thirty (30) years from said date of execution.

1 (b) The members of the Governing Board hereof may
2 decide to form immediately upon creation and organization of
3 the Authority a special district encompassing no less than
4 the same area included in the Authority through its members.
5 Any such district shall have the legal power and authority
6 to succeed to all of the rights, duties, and powers of the
7 Authority as established herein. Upon creation and
8 organization of said district, the Governing Board of the
9 Authority may then transfer and assign all of the rights,
10 duties, and powers of the Authority to said district and
11 said district shall thereupon operate, maintain, and pay for
12 the Regional Outfall as a successor in interest to the
13 Authority. Upon said formation and organization of said
14 district, and said district's accepting said assignment and
15 transfer of the Authority's rights, duties, and powers, the
16 Authority may terminate as set forth in subparagraph (a)
17 hereof; provided, however, that such termination may occur
18 earlier than thirty (30) years from the creation of the
19 Authority as set forth in subparagraph (a) hereof.

20 Section 9.2 Disposition of Assets. On the termination
21 of this agreement, unless the Authority is superseded by a
22 special district as set forth in subparagraph 9.1(b) hereof,
23 all surplus money of the Authority shall be returned to the
24 respective members hereof in the same proportions that the
25 total of all amounts paid by each member hereof pursuant to
26 this agreement bears to the total of such amounts paid by
27 all the parties hereto, excluding Jackson. On the
28 termination of this agreement, all property of the

1 Authority, both real and personal, shall be divided among
2 the members hereof in such manner as shall be agreed upon by
3 the members hereof and, until such division is agreed upon,
4 shall be held in trust by Amador County for all the members
5 hereof.

6 ARTICLE X - MISCELLANEOUS PROVISIONS

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

9 City of Amador City
10 Amador City Council
Amador City, CA 95601

11 City of Sutter Creek
12 Sutter Creek City Council
Post Office Box 366
13 Sutter Creek, CA 95685

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

16 City of Jackson
Jackson City Council
33 Broadway
17 Jackson, CA 95642

18
19 Section 10.2 Headings. The section headings in this
20 agreement are for convenience only and are not to be
21 construed as modifying or governing the language in the
22 section referred to.

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

26 Section 10.4 Amendments. This agreement may be
27 amended at any time, or from time to time, except as limited
28 by applicable regulations or laws of any jurisdiction having

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

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

15 Section 10.6 Successors. This agreement shall be
16 binding upon and shall inure to the benefit of the
17 successors of the members, but may not be assigned without
18 consent of the Governing Board.

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

24
25 George Maloney
CITY OF SUTTER CREEK

26
27 [Signature]
CITY OF AMADOR CITY

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ATTEST
City Clerk

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CITY OF JACKSON


COUNTY OF AMADOR

**AGREEMENT BETWEEN
AMADOR REGIONAL SANITATION AUTHORITY AND THE CITY OF SUTTER
CREEK CONCERNING OPERATIONS OF ARSA SYSTEM**

THIS AGREEMENT is made as of March 1, 2001, in Amador County, California, by and between the Amador Regional Sanitation Authority, a joint powers agency created pursuant to the laws of the State of California ("ARSA"), and the City of Sutter Creek, a municipality created pursuant to the laws of the State of California ("City").

WHEREAS, ARSA owns and operates a regional wastewater disposal system (the "System") in Amador County serving the Cities of Sutter Creek and Amador City and County Service Area No. 4 and desires to have City take over the administration, operation, maintenance, and responsibility for said System and to be responsible for maintaining the property comprising the System all in accordance with the applicable Waste Discharge Requirements, laws, and regulations of the California Regional Water Quality Control Board Central Valley Region (collectively "Operations" hereinafter); and

WHEREAS, ARSA has heretofore contracted with the County of Amador to operate the System; and

WHEREAS, ARSA's Board of Directors has concluded that both County and ARSA lack adequate manpower, technical expertise, and resources to continue to conduct Operations safely, efficiently, and in compliance with Waste Discharge Requirements and other approvals issued by the Regional Water Quality Control Board and other State agencies and desires to transfer Operations to City which has the manpower, technical expertise, and resources to conduct Operations; and

WHEREAS, City desires to conduct Operations for ARSA on the terms and conditions

hereinafter set forth.

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

1. Term of Agreement. This Agreement shall be effective on March 1, 2001, and shall remain in effect through June 30, 2002, unless terminated earlier pursuant to the provisions of paragraph 7 hereof or by operation of law. Unless so terminated earlier this Agreement shall be renewed on a year-to-year basis after June 30, 2002, without further action of either party unless at least ninety (90) days before any such yearly renewal, either party provides written notice to the other of the canceling party's intent to cancel such renewal.

2. City to Conduct ARSA Operations

(a) From the date of execution hereof City shall be responsible for Operations.

(b) ARSA shall remain the owner of the System and make all budgetary and policy decisions in regard to the System. City shall conduct Operations in accordance therewith.

(c) After execution hereof, ARSA will depend solely on information from City as to changes in the condition of the System and what repairs, replacements, and improvements are needed in order to insure that the System operates properly, efficiently, and lawfully. As part of its duty to conduct Operations, City shall monthly and more frequently if appropriate report to ARSA's Board of Directors or General Manager what if any repairs, replacements, and improvements are needed in order to insure that the System operates properly, efficiently, and lawfully.

3. City's Use of City Funds. In order to pay for the labor and parts required to carry out Operations, City shall draw upon and expend its own funds at the rates set forth in Exhibit A. ARSA shall reimburse City from ARSA funds budgeted therefor. City's costs may include engineering fees first approved by ARSA's Board of Directors unless an emergency requires expenditures for said engineering in which event City shall promptly inform ARSA of the need for

said engineering and the cost therefor. City shall not expend any funds for which it will seek reimbursement from ARSA other than funds already budgeted by ARSA without said expenditures' having been first approved by ARSA's Board of Directors. If an Operations emergency arises City may expend additional ARSA contingency funds and forthwith seek approval therefor from ARSA's Board of Directors. City shall provide ARSA with a monthly invoice itemizing the costs incurred during the prior month for which City seeks reimbursement from ARSA. ARSA shall pay each approved invoice within thirty (30) days after its receipt.

4. County Employee.

(a) The County employee who was most recently assigned to ARSA's Operations is Mark Cunha ("Employee"). City shall employ said Employee as a City employee upon execution of this Agreement ("City Employee"). City shall use said City Employee in conducting Operations; provided, however, that if City cannot conduct all necessary Operations with said City Employee, City shall deploy its other employees to ensure that all Operations are adequately carried out. City shall be responsible for the performance and administrative and supervision costs of City employees.

(b) City Employee shall be assigned to work on ARSA facilities or on City facilities at the direction of City to maximize the efficiency of all City employees. City shall strictly account to ARSA for City Employee's time so that the appropriate entity is charged for his time.

5. Rights of Access. City shall have rights of ingress and egress over ARSA property to carry out its obligations and responsibilities under this Agreement.

6. Allocation of Responsibility for ARSA Operations and Property.

(a) City and not ARSA shall be responsible for damages, liability, fines, and costs (collectively "Costs") proximately caused by City's negligent conduct of Operations ("Operations Cost"). City shall indemnify, defend, and hold harmless ARSA, its officers and employees from

Operations Costs.

(b) ARSA and not City shall be responsible for Costs proximately caused by a condition of any ARSA property which condition exists at the time of execution of the Agreement ("Condition Cost") and Costs proximately caused by ARSA's Board of Directors' failure to budget funds for needed repairs, improvements, and replacements of the Property as recommended by City ("Budget Cost"). ARSA shall indemnify, defend, and hold harmless City, its officers and employees from all Condition Costs and Budget Costs.

7. Termination of Agreement Either party may terminate this Agreement with or without cause by giving the other party no less than ninety (90) days advance written notice. This Agreement may be terminated at any time upon mutual consent of the parties. ARSA shall pay City for its services rendered to the date of any termination in accordance with paragraph 3 hereof.

8. Insurance. Both parties shall maintain auto liability, public liability, and pollution insurance policies naming the other as additional insured parties with minimum policy amounts of \$5,000,000 per occurrence together with lawful workers' compensation insurance or self-insurance.

9. Waiver of Rights. Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

10. Remedies Not Exclusive. The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

11. Paragraph Headings. The paragraph headings used in this Agreement are for reference only and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

12. Cooperation. Both parties to this Agreement agree to do all things that may be necessary including without limitation the execution of all documents which may be required hereunder in order to implement and effectuate this Agreement.

13. Entire Agreement. This Agreement is freely and voluntarily entered into by the parties after having had the opportunity to consult with their respective attorneys. The parties in entering into this Agreement do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. This Agreement represents the entire agreement of the parties except for the Joint Powers Agreement forming ARSA and to which City is a party which remains in full force and effect .

14. Interpretation of Agreement The parties acknowledge that each party and its attorney have reviewed, negotiated and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement. The parties and the party representatives executing this Agreement have the power and authority to execute this Agreement, and once executed by all parties hereto this Agreement shall be binding upon the parties hereto.

15. Notices. All notices, statements, reports, approvals, requests or other communications that are required either expressly or by implication to be given by either party to the other under this Agreement shall be in writing and signed for each party by such officers as each may from time to time authorize in writing to so act. All such notices shall be deemed to have been received on the date of delivery if delivered personally or three days after mailing if enclosed in a properly addressed and stamped envelope and deposited in the a United States post office for delivery. Unless and until

formally notified otherwise, all notices shall be addressed to the parties at their addresses as shown below:

Amador Regional Sanitation Authority
c/o Public Works Agency
500 Argonaut Lane
Jackson, California 95642

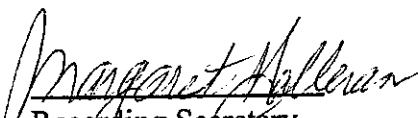
City of Sutter Creek
c/o City Clerk
18 Main St.
Sutter Creek, California 95685

IN WITNESS WHEREOF, the parties hereto execute this Agreement as follows:

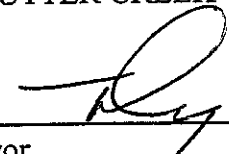
AMADOR REGIONAL SANITATION AUTHORITY

By: 
Chairman, Board of Directors

Attest:


Recording Secretary,
Board of Directors

CITY OF SUTTER CREEK

By: 
Mayor

Attest:

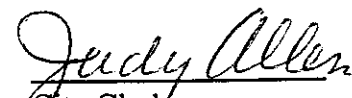

City Clerk

EXHIBIT A

ARSA Proposal

Hourly Rates			
Clerical	Finance	Administration	Supervision
\$15.00	\$17.60	\$40.33	\$29.07

Engineering and Legal Services

City shall utilize the City Engineer on an hourly basis. Weatherby, Reynolds, consulting Engineers, Inc., ARSA's current engineering firm, is contracted by the City of Sutter Creek for Wastewater engineering. See attached rate schedule.

The City agrees that ARSA should continue to utilize County Counsel for legal services.

ARSA Proposal

Costs are budgeted below and would be shared equally in proportion to each member's interest in ARSA with no changes to allocation formula.

Additional resources, administration and supervision will be provided through the City's existing sewer department.

Table 1

Title	Grade	Step A	Step B	Step C	Step D	Step E
P.W. Tech. II	95	\$14.65	\$15.38	\$16.15	\$16.96	\$17.81
Certificate	+5%	\$15.38	\$16.15	\$16.96	\$17.81	\$18.70
Incentive						\$38,896
Misc. Benefits						\$9570
Total:						\$48,466

*Salary and benefits above are assumed to be for a tenured County employee. Given this, all salary and benefit figures are calculated at Step E. Employer paid PERS and Social Security reimbursements are included in the SEIU Memorandum of Understanding.

Reynolds, Consulting Engineers, Inc.

ENGINEERING - SURVEYING - PLANNING
206 Peak Street - Jackson, CA 95642-2522
209/223-0381 209/754-1137

NOV 01 2000

By _____

PROGRESS BILLING

10/30/00
91-1114
Page # 1

Sutter Creek, City of
18 Main Street
Sutter Creek, CA 95685

Contract: Sewage

DATE	QUANT	EMP	DESCRIPTION	COMMENT	AMOUNT
09/27/00	0.5 hrs	GR	Senior Engineer @ \$110.00	Letter to RWQCB/info research	\$ 55.00
10/03/00	2.0 hrs	EW	Principal Engineer @ \$120.00	Staff meeting, etc.	\$ 240.00
10/03/00	0.5 hrs	GR	Senior Engineer @ \$110.00	Future expansion planning	\$ 55.00
10/05/00	0.5 hrs	GR	Senior Engineer @ \$110.00	Response/violation notice	\$ 55.00
10/09/00	6.0 hrs	GR	Senior Engineer @ \$110.00	Response/violation letter	\$ 660.00
10/09/00	1.0 hrs	GR	Senior Engineer @ \$110.00	Response/violation letter	\$ 110.00
10/11/00	3.0 hrs	EW	Principal Engineer @ \$120.00	Future planning	\$ 360.00
10/11/00	1.5 hrs	GR	Senior Engineer @ \$110.00	Response/violation letter	\$ 165.00
10/11/00	3.5 hrs	GR	Senior Engineer @ \$110.00	Future planning	\$ 385.00
10/12/00	0.5 hrs	GR	Senior Engineer @ \$110.00	Violation letter	\$ 55.00
10/17/00	3.0 hrs	EW	Principal Engineer @ \$120.00	Future planning	\$ 360.00

TOTALS: 33.0 hrs

LABOR AMT: \$ 2500.00

Current Billing: \$ 2500.00

*** Account Status ***

01/12/00	Payment	\$ -1015.00
02/25/00	Payment	\$ -470.00
03/21/00	Payment	\$ -710.00
04/02/00	Billing	\$ 850.00
04/17/00	Payment	\$ -850.00
05/03/00	Payment	\$ -330.00
06/19/00	Payment	\$ -655.00
07/18/00	Payment	\$ -420.00
08/01/00	Billing	\$ 730.00

ENTERED
11-8-00

Continued on next page ...

REVISED AGREEMENT BETWEEN
AMADOR REGIONAL SANITATION AUTHORITY AND
THE CITY OF SUTTER CREEK
CONCERNING OPERATIONS OF ARSA SYSTEM

THIS REVISED AGREEMENT (Agreement) is made as of July 1, 2016, in Amador County, California, by and between the Amador Regional Sanitation Authority, a joint powers agency created pursuant to the laws of the State of California ("ARSA"), and the City of Sutter Creek, a municipality created pursuant to the laws of the State of California ("City").

WHEREAS, ARSA owns and operates a regional wastewater disposal system (the "System") in Amador County serving the Cities of Sutter Creek and Amador City and County Service Area No. 4 and desires to have City assume the administration, operation, maintenance, and management for said System and to be responsible for maintaining the property comprising the System all in accordance with the applicable Waste Discharge Requirements, laws, and regulations of the California Regional Water Quality Control Board Central Valley Region (collectively "Operations" hereinafter); and

WHEREAS, City desires to conduct Operations for ARSA on the terms and conditions hereinafter set forth.

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

1. Term of Agreement. This Agreement shall be effective on July 1, 2016, and shall remain in effect through June 30, 2017, unless terminated earlier pursuant to the provisions of paragraph 7 hereof or by operation of law. Unless so terminated earlier, this Agreement shall be renewed on a year-to-year basis after June 30, 2017, without further action of either party unless at least ninety (90) days before any such yearly renewal, either party provides written notice to the other of the canceling party's intent to cancel such renewal.

2. City to Conduct ARSA Operations

(a) From the date of execution hereof City shall be responsible for Operations.

(b) ARSA shall remain the owner of the System and make all budgetary and policy decisions in regard to the System. City shall conduct Operations in accordance therewith.

(c) ARSA shall annually in January, or more frequently as may be necessary, present to City its goals, priorities and expectations for City's operation of System (collectively "ARSA Annual Priorities"). Upon review of ARSA Annual Priorities, City will advise ARSA with respect to the cost implications thereof and ARSA will, as it may deem appropriate and necessary, provide to City adjusted Annual Priorities that take into consideration budgetary implications.

(d) After execution hereof, ARSA will rely, in large part, on information from City as to changes in the condition of the System and what repairs, replacements, and improvements are needed in order to insure that the System operates properly, efficiently, and lawfully. As part of its duty to conduct Operations, City shall periodically and regularly report to ARSA's Board of Directors with recommendations regarding repairs, replacements, and improvements needed to insure that the System operates properly, efficiently, and lawfully. It is understood and agreed by the parties that, in addition to City, ARSA relies on information gathered from its own consultants, and/or other entities regarding recommendations for repairs, replacements and needed improvements to System and that City and ARSA shall consult as may be necessary or convenient regarding the operations of the system and its proper, efficient and lawful operation of System.

3. City's Use of City Funds. In order to pay for the labor required to carry out

Operations, City shall draw upon and expend its own funds and ARSA shall reimburse City from ARSA funds budgeted therefor upon receipt of an invoice from City. City's costs may include engineering fees first approved by ARSA's Board of Directors unless an emergency requires expenditures for said engineering in which event City shall promptly inform ARSA of the need for said engineering and the cost therefor. Except as set forth herein, City shall not expend any funds for which it will seek reimbursement from ARSA other than funds already budgeted by ARSA without said expenditures' having been first approved by ARSA's Board of Directors. If an Operations emergency arises City may expend its own funds and request to be repaid through ARSA contingency funds and forthwith seek approval therefor from ARSA's Board of Directors. City shall provide ARSA with a monthly invoice itemizing the costs incurred during the prior month for which City seeks reimbursement from ARSA. ARSA shall pay each approved invoice within thirty (30) days after its receipt.

4. City Employees.

(a) City shall deploy its own employees to ensure that all Operations are adequately carried out. City shall be responsible for the performance and administrative and supervision costs of City employees.

(b) City Employees shall be assigned to work on ARSA facilities or on City facilities at the sole direction of City. City shall strictly account to ARSA for City Employees' time so that the appropriate entity is charged for Employees' time.

(c) ARSA has determined to utilize a city employee to serve as its general manager. The general terms and conditions of work and day-to-day supervision and direction shall be the responsibility of the City as the employer. ARSA shall, however, have the right to

provide direction to the employee and to provide input of this employee's performance to the City. ARSA shall retain the right, at its discretion, to utilize a city employee as its general manager or to cease the use of a city employee as its general manager upon written notification from ARSA to the City.

5. Rights of Access. City shall have rights of ingress and egress over ARSA property and the same rights as ARSA has to access the System to carry out its obligations and responsibilities under this Agreement.

6. Allocation of Responsibility for ARSA Operations and Property.

(a) City and not ARSA shall be responsible for damages, liability, fines, and costs (collectively "Costs") proximately caused by City's negligent conduct of Operations ("Operations Cost"). City shall indemnify, defend, and hold harmless ARSA, its officers and employees from Operations Costs.

(b) ARSA and not City shall be responsible for Costs proximately caused by a condition of any part of System which condition exists at the time of execution of the Agreement ("Condition Cost") and Costs proximately caused by ARSA's failure to complete repairs, improvements, and replacements of System components ("Budget Cost"). ARSA shall indemnify, defend, and hold harmless City, its officers and employees from all Condition Costs and Budget Costs.

7. Termination of Agreement. Either party may terminate this Agreement with or without cause by giving the other party no less than ninety (90) days advance written notice. This Agreement may be terminated at any time upon mutual consent of the parties. ARSA shall pay City for its services rendered to the date of any termination in accordance with

paragraph 3 hereof.

8. Insurance. Both parties shall maintain auto liability, public liability, and pollution insurance policies naming the other as additional insured parties with minimum policy amounts of \$1,000,000 per occurrence, together with lawful workers' compensation insurance or self-insurance.

9. Waiver of Rights. Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

10. Remedies Not Exclusive. The use by either party of any remedy specified herein for the enforcement of this Agreement is not exclusive and shall not deprive the party using such remedy of, or limit the application of, any other remedy provided by law.

11. Paragraph Headings. The paragraph headings used in this Agreement are for reference only and shall not in any way limit or amplify the terms and provisions hereof, nor shall they enter into the interpretation of this Agreement.

12. Cooperation. Both parties to this Agreement agree to do all things that may be necessary including without limitation the execution of all documents which may be required hereunder in order to implement and effectuate this Agreement.

13. Prior Agreement. This Agreement replaces in its entirety the agreement entitled "AGREEMENT BETWEEN AMADOR REGIONAL SANITATION AUTHORITY AND THE CITY OF SUTTER CREEK CONCERNING OPERATIONS OF THE ARSA SYSTEM" executed and made effective on March 1, 2001 (Prior Agreement).

14. Entire Agreement. This Agreement is freely and voluntarily entered into by the

parties after having had the opportunity to consult with their respective attorneys. The parties in entering into this Agreement do not rely on any inducements, promises, or representations made by each other, their representatives, or any other person, other than those inducements, promises, and representations contained in this Agreement. This Agreement represents the entire agreement of the parties except for the Joint Powers Agreement forming ARSA and to which City is a party which remains in full force and effect.

15. Interpretation of Agreement. The parties acknowledge that each party and its attorney have reviewed, negotiated and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement. The parties and the party representatives executing this Agreement have the power and authority to execute this Agreement, and once executed by all parties hereto this Agreement shall be binding upon the parties hereto.

16. Notices. All notices, statements, reports, approvals, requests or other communications that are required either expressly or by implication to be given by either party to the other under this Agreement shall be in writing and signed for each party by such officers as each may from time to time authorize in writing to so act. All such notices shall be deemed to have been received on the date of delivery if delivered personally or three (3) days after mailing if enclosed in a properly addressed and stamped envelope and deposited in the United States post office for delivery. Unless and until formally notified otherwise, all notices shall be addressed to the parties at their addresses as shown below:

Amador Regional Sanitation Authority
18 Main St.
Sutter Creek, California 95685

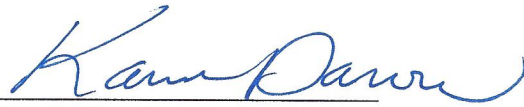
City of Sutter Creek c/o City Clerk
18 Main St.
Sutter Creek, California 95685

IN WITNESS WHEREOF, the parties hereto execute this Agreement as follows:

AMADOR REGIONAL SANITATION AUTHORITY

By: 
Chairman, Board of Directors


Attest:


Recording Secretary,
Board of Directors

CITY OF SUTTER CREEK

By: 
Mayor

Attest:


City Clerk