

RESOLUTION NO. 8-84

A RESOLUTION AUTHORIZING EXECUTION OF CONTRACT
FOR DEPOSIT OF MONEYS

RESOLVED, by the Board of Directors of the Sewer Authority Mid-Coastside, San Mateo County, California, as follows:

WHEREAS, the Security Pacific National Bank has submitted to this Board a proposal pursuant to which this Authority could obtain a line of credit at that Bank;

WHEREAS, a condition of this Authority being able to obtain the line of credit is that the Security Pacific National Bank in Half Moon Bay be the primary depository for the general and operating accounts of this Authority;

WHEREAS, in conjunction therewith said Bank has submitted to this Board a form of contract for deposit of moneys and;

WHEREAS, the Treasurer of this Authority is the person charged with the responsibility for the receipt and safekeeping of all moneys of this Authority.

NOW, THEREFORE, IT IS FOUND, DETERMINED and ORDERED as follows:

1. That certain contract for deposit of moneys heretofore submitted to this Authority by the Security Pacific National Bank is hereby approved.

2. The Treasurer of this Authority, Henry W. Volken, is hereby authorized and directed to execute said contract as Treasurer, and the Chairman is hereby authorized and directed to

execute said contract on behalf of this Authority and the Secretary is hereby authorized and directed to countersign same.


* * * * *

I hereby certify that the foregoing is a full, true and correct copy of a resolution duly passed and adopted by the Board of Directors of the Sewer Authority Mid-Coastside at a regular meeting thereof held on the 27th day of February, 1984, by the following vote:

AYES, and in favor thereof, Directors: Crawford, Eriksen
Leger, Schuetrum, Shapira
and Bishop


NOES, Directors: None

ABSENT, Directors: None



Chairman
Sewer Authority Mid-Coastside

COUNTERSIGNED:



Secretary
Sewer Authority Mid-Coastside

CONTRACT FOR DEPOSIT OF MONEYS

DATED March 7, 1984

This Contract relates to the deposit of moneys, between Henry W. Volken (hereinafter referred to as "Treasurer"), acting as the official who is charged with the responsibility for the receipt and safekeeping of all moneys belonging to the Sewer Authority Mid-Coastside (SAM), and Security Pacific National Bank (hereinafter referred to as "Depository"), having a paid-up capital and surplus of Nine Hundred Million Dollars (\$900,000,000).

WITNESSETH:

WHEREAS, the Treasurer proposes to deposit in the Depository from time to time, commencing on February 14, 1984 moneys in his custody in an aggregate amount on deposit at any one time not to exceed the total of the paid-up capital and surplus of the Depository, and said moneys will be deposited subject to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California; and

WHEREAS, said provisions of the Government Code require the Treasurer to enter into a contract with the Depository setting forth the conditions upon which said moneys are deposited; and

WHEREAS, in the judgment of the Treasurer, this contract is to the public advantage;

NOW, THEREFORE, it is agreed between the parties hereto as follows:

1. This contract cancels and supersedes any previous contracts between the Treasurer and the Depository relating to the method of handling and collateralization of deposits of moneys.
2. This contract, but not deposits then held hereunder, shall be subject to termination by the Treasurer or the Depository at any time upon 30 days' written notice. Deposits may be withdrawn in accordance with the agreement of the parties and applicable federal and state statutes, rules and regulations. This contract is subject to modification or termination upon enactment of any statute, rule or regulation, state or federal, which, in the opinion of the Administrator of Local Agency Security, is inconsistent herewith, including any change relative to the payment of interest upon moneys so deposited by the Treasurer.
3. Interest shall accrue on any moneys so deposited as permitted by any act of the Congress of the United States or by any rule or regulation of any department or agency of the Federal Government adopted pursuant thereto. If interest may legally be paid, all moneys deposited in accordance with the contract shall bear interest at a rate agreed upon by the Treasurer and the Depository.
4. The Depository shall issue to the Treasurer at the time of each inactive deposit a receipt on a form agreed to by the Depository and the Treasurer, stating the interest to be paid, if any, the duration of the deposit, the frequency of interest payments, and the terms of withdrawal. Each such deposit receipt is by reference made a part of this contract.
5. As security for said deposit, the Depository shall at all times maintain with the Agent of Depository named herein, commencing forthwith, "...eligible securities having a market value at least 10 percent in excess of the amount of local agency moneys deposited with the depository to be secured by said securities, and promissory notes in an amount in value at least 50 percent in excess of the amount deposited with the Depository to be secured by said promissory notes." If any eligible security is determined by the Administrator of Local Agency Security of the State of California in accordance with Government Code Section 53661 to be not qualified to secure public deposits, additional security shall be substituted immediately by the Depository, as necessary, to comply with the requirements of this Paragraph. Waiver of Security. Acting under the authority granted by Government Code Section 53653, the Treasurer hereby waives security for that portion of the total amount on deposit which is insured pursuant to federal law.
6. Eligible securities are those listed in Government Code Section 53651.
7. The Agent of Depository, authorized by the Treasurer and the Depository to hold the eligible securities posted as collateral under this contract, is Trust Department, Security Pacific National Bank. Said Agent of Depository has filed with the Administrator of Local Agency Security of the State of California an agreement to comply in all respects with the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code. A copy of that agreement is attached to the original of this contract.

8. Authority for placement of securities for safekeeping in accordance with Government Code Section 53659 is hereby granted to the Agent of Depository, including placement with any Federal Reserve Banks or branches thereof, and the following banks, other than the Depository, located in cities designated as reserve cities by the Board of Governors of the Federal Reserve System:

Bankers Trust Co., New York, N.Y.
Chemical Bank, New York, N.Y.
The Chase Manhattan Bank, NA, New York, N.Y.
Manufacturers Hanover Trust Co., New York, N.Y.
Morgan Guaranty Trust Co., New York, N.Y.
First National Bank of Boston, Boston, Mass.
Harris Trust & Savings Bank, Chicago, Ill.
Continental Illinois National Bank & Trust Co., Chicago, Ill.
Bank of America, NT&SA, San Francisco, Calif.
Crocker National Bank, Los Angeles, Calif.
Wells Fargo Bank, NA, San Francisco, Calif.

9. If the Depository fails to pay all or part of any deposits of the Treasurer which are subject to this contract when ordered to do so in accordance with the terms of withdrawal set forth on the deposit receipt (which is by reference made a part hereof), the Treasurer will immediately notify, in writing, the Administrator of local Agency Security. Action of the Administrator in converting the collateral required by Paragraph 5 above for the benefit of the Treasurer is governed by Government Code Section 53665.

10. The Depository may add, substitute or withdraw eligible securities being used as security for deposits made hereunder in accordance with Government Code Section 53654, provided the requirements of Paragraph 5 above are met.

11. The Depository shall have and hereby reserves the right to collect the interest on the securities, except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of Government Code Section 53665.

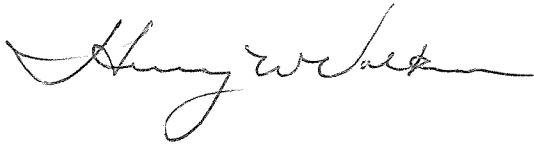
12. The Depository shall bear and pay the expenses of transportation to and from the Treasurer's office of moneys so deposited and the expense of transportation of eligible securities maintained as collateral to and from the designated Agent of Depository. The Depository shall also handle, collect and pay all checks, drafts and other exchange without cost to the Depositor.

13. This contract, the parties hereto, and all deposits governed by this contract, shall be subject in all respects to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code, and of all other state and federal laws, statutes, rules and regulations applicable to such deposits, which are in force at the time each specific deposit is made.

IN WITNESS WHEREOF, the Treasurer, in his official capacity, has signed this contract in quintuplicate and the Depository has caused this contract to be executed in like number by its duly authorized officers.

TREASURER: **Henry W. Volken**

DEPOSITORY:



(Official Title, If Other Than Treasurer)

SECURITY PACIFIC NATIONAL BANK

By: 

J. Holland, Vice President

By: 

Christine Herrera, Asst. Vice President

(CORPORATE SEAL)