

JOINT EXERCISE OF POWERS AGREEMENT

Establishing the Hitchcock Road Animal Services Agency

THIS JOINT EXERCISE OF POWERS AGREEMENT (“Agreement”) establishing the Hitchcock Road Animal Services Agency (“Agency”) is made and entered into as of January 1, 2023 (“Effective Date”), by and among the public agencies listed on the attached Exhibit A (collectively referred to as “Member Agencies” and individually as “Member Agency”) for the joint purpose of providing care, shelter, and services to animals.

RECITALS

WHEREAS, California Government Code Title I, Chapter 5, Division 7 (commencing with Section 6500) authorizes the Member Agencies to enter into an agreement for the joint exercise of any power common to them, and by that agreement, to create an entity that is separate from each of the Member Agencies; and

WHEREAS, each of the Member Agencies possess the power to provide Animal Services (defined in Section 1.15), including animal field services and animal shelter services, within their respective Jurisdictional Area (defined in Section 1.16); and

WHEREAS, the Member Agencies possess the authority to issue bonds, expend bond proceeds, borrow and loan money for certain public purposes, and handle finances within their Member Agencies pursuant to the California Government Code; and

WHEREAS, this Agreement is an appropriate means through which the Member Agencies may provide Animal Services because the Jurisdictional Areas of the Member Agencies are in close proximity to one another and are amenable to being served by the Animal Services and related Joint Facilities (defined in Section 1.20) under common administration and management and with the same equipment, resources, and personnel; and

WHEREAS, the Member Agencies desire to share their animal services expertise and to optimize their expenditures in connection with the provision of the Animal Services and related Joint Facilities; and

WHEREAS, the Member Agencies have the mutual goal to provide life-saving aid, care, shelter, and support services for animals and this Agreement is in the best interest of animal welfare, staff safety, and public safety; and

WHEREAS, the Member Agencies of Monterey County and the City of Salinas entered into an emergency Memorandum of Understanding due to California’s COVID-19 state of emergency in April 2020, and said Member Agencies have successfully combined and shared services and staffing temporarily; and

WHEREAS, the separate provision, management, and administration of the Animal Services and related Joint Facilities in each Jurisdictional Area by each of their respective

Member Agencies and use of separate facilities, resources, and personnel may result in duplication of efforts, inefficiencies in administration, and excessive costs; and

WHEREAS, in the judgment of the Member Agencies, the duplication of efforts, inefficiencies, and excessive costs can be eliminated or substantially reduced, to the substantial advantage and benefit of the animals, residents and taxpayers of all of the Member Agencies, if the administration and management of the related Joint Facilities, employing common equipment, resources, and personnel, were to be performed by and through a single public entity and the creation of such a single public entity is the purpose of this Agreement;

NOW, THEREFORE, for and in consideration of the facts stated above, the mutual advantages to be gained, and the mutual covenants contained herein, it is agreed by and among the Member Agencies hereto as follows:

ARTICLE I DEFINITIONS

Section 1.1. Unless the context otherwise requires, the words and terms defined in this Article shall have the meanings specified.

Section 1.11. Act means Article 1, Article 2, Article 3, and Article 4 (commencing with Section 6500) of California Government Code, Title 1, Chapter 5, Division 7, as it may be amended from time to time.

Section 1.12. Administrative Costs means those costs associated with administration and management of the Animal Services as detailed in Exhibit B. Said costs shall include, but are not limited to, costs associated with the provision of administrative supervisory services, human resources services, financial services, and dispatching services.

Section 1.13. Agency means the Hitchcock Road Animal Services Agency.

Section 1.14. Agreement means this joint exercise of powers agreement as it now exists or as it may from time to time be amended, supplemented, or as it may be modified by the addition of signatory parties or by any other supplemental agreement or amendment entered into, pursuant to the provisions of this Agreement.

Section 1.15. Animal Services means those services set forth in Exhibit B, which is attached hereto and incorporated by reference.

Section 1.16. Area and Jurisdictional Area mean that area within the respective jurisdictions of the Member Agencies.

Section 1.17. Board of Directors means the governing board of the Agency referred to in Section 1.13 and more specifically, described in Section 2.6. Director means an individual member of the Board of Directors.

Section 1.18. Executive Director means the employee of the Lead Agency who is directly responsible to the Board of Directors and who is primarily responsible for the managerial oversight of the operations for the Agency, as further described in Section 3.5.

Section 1.19. Fiscal Year means the period from July 1st to and including June 30th of the following year.

Section 1.20. Joint Facilities means the Animal Services facilities, equipment, resources, and property to be owned, leased, managed, and operated by the Agency and, if necessary, any changes thereto.

Section 1.21. Lead Agency means the jurisdiction which is directly responsible to the Board of Directors and which is primarily responsible for the managerial oversight of the operation for the Agency, as further described in Section 3.5.

Section 1.22. Legislative Bodies means the governing bodies over each Member Agency, including but not limited to, City Councils and County of Monterey Board of Supervisors. Legislative Body means any such individual governing body.

Section 1.23. Major Policy Decisions means those issues that materially change either the levels of service or the budget.

Section 1.24. Member Agencies means all of the public agencies who are signatories to this Agreement, which, as of the initial Effective Date of this Agreement, is the City of Salinas and the County of Monterey. Member Agency means any such individual public entity.

Section 1.25. Operational Plan means a plan approved by the Board of Directors, which shall describe in detail the operation of the Agency. Said plan shall include: the anticipated cost of providing the services as described in Exhibit B; the area in which those services shall be provided; the level of service which shall be provided in each of those areas; the anticipated cost for operation and maintenance of the Joint Facilities; the process by which yearly budgets shall be established; the hours of operation; and any other operational, budgetary, and financial process which may be deemed to be necessary or appropriate by the Board of Directors.

Section 1.26. Quorum means the presence of over 50% of the Board of Directors.

Section 1.27. Rules of the Board means the bylaws, rules, regulations, or other directives of the Board of Directors for the conduct of its meetings and affairs as further described in Section 2.9.

ARTICLE II GENERAL PROVISIONS

Section 2.1. Purpose. The purpose of this Agreement is to create the Hitchcock Road Animal Services Agency, which would allow the Member Agencies to exercise their joint powers to

provide more efficient and economical Animal Services within the Area and would: 1) provide for the ownership, management, operation, and maintenance of the Joint Facilities; 2) implement the financing, acquisition, and construction of additions or improvements thereto, if needed; and 3) provide for the ownership, management, operations, and maintenance of any later acquired facilities or properties.

Section 2.2. Creation of Agency. Pursuant to the Act, there is hereby created a public entity to be known as the Hitchcock Road Animal Services Agency, or Agency, as defined in Section 1.13. The Agency, which shall administer this Agreement, is a public entity separate and apart from the Member Agencies. The debts, liabilities, and obligations of the Agency shall not constitute debts, liabilities, or obligations of any party of this Agreement.

Section 2.3. Member Agencies. The Agency shall be composed of the County of Monterey and the City of Salinas, initially. Any other jurisdiction not named as a party to this Agreement who later wishes to join the Agency, may do so if approved by a vote of three-fourths (3/4) or more, of the Board of Directors of the Agency. Said approval shall be conditioned upon the Joint Facility having sufficient capacity to accommodate the new participant's needs, and the adoption of a resolution by the new jurisdiction's governing body authorizing execution of an agreement that shall bind them to fully participate financially in the Agency. The new participants shall also be required to provide a "buy-in" contribution as set forth in Section 2.10.

Section 2.4. Term. This agreement shall become effective on the Effective Date and shall continue in effect thereafter unless terminated pursuant to Article IX.

Section 2.5. Transition Plan. Upon the Effective Date of this Agreement, the Members and the Agency will enter into or extend current service agreements, as applicable, for a Transition Period which will be from the Effective Date through June 30, 2023. The Transition Period may be extended by mutual written agreement of the governing bodies of the Members. The Transition Period is intended to provide the Agency with an opportunity to become fully organized and operational without compromising existing services provided to the Members.

Section 2.6. Governing Board. The Agency shall be governed by a Board of Directors and shall be called the Hitchcock Road Animal Services Agency Board. Each entity which is a Party to this Agreement shall have representation on the Board as follows:

1. Two members representing the County Board of Supervisors to include the Board of Supervisors and County Administrative Officer, or their designates.
2. Two members representing the City of Salinas to include the Salinas City Council and City Manager, or their designates.

Pursuant to Government Code section 6506, the Agency Board of Directors is designated as the administrator of this Agreement and of the Agency's affairs and shall perform its duties and responsibilities in accordance with all provisions of this Agreement.

Section 2.6.1. All voting power of the Agency shall reside within the Board of Directors.

Section 2.6.2. Each Legislative Body shall appoint alternate Directors for that Member Agency. The alternate Director may act as a Director in the absence of the Director appointed by that Legislative Body.

Section 2.6.3. All Directors and alternates shall serve four-year (4) terms but serve at the pleasure of the Member Agency that appoints them.

Section 2.6.4. All vacancies on the Board of Directors shall be filled by the respective Legislative Body within thirty (30) days of the effective date of the vacancy or as soon thereafter as the Legislative Body may legally act. Any Director or alternate Director shall cease to be a Director when such person ceases to hold the office or the position within the respective public entity that entitles that Director or alternate Director to a position on the Board of Directors.

Section 2.6.5. Board Committees. The Board may, from time to time, establish one or more standing or *ad hoc* committees consisting of Directors to assist in carrying out the purposes and objects of the Agency, including but not limited to, a Budget and Finance Committee, Planning Committee, and Executive Committee. The Board shall determine the purpose and need for such committees. Meetings of standing committees shall be subject to the requirements of the Brown Act.

Section 2.6.6. Advisory Committee. The Board shall establish an Advisory Committee that shall be designed to ensure participation and provide input to the Board of Directors from the communities represented within the JPA; additionally, the Advisory Committee may also provide professional guidance in areas not already supported by the Agency. The Advisory Committee shall serve in an advisory role to the Board of Directors and will consist of nine (9) members and appointment to the Advisory Committee, and governance regarding the Advisory Committee, shall be addressed in the Board of Directors Advisory Committee bylaws.

Section 2.6.7. Bylaws of the Board. The Board shall adopt, and from time to time amend by vote, the Bylaws of the Board as necessary or helpful in order for the Board to foster, facilitate or achieve the purposes expressed within this Agreement. These Bylaws shall govern all proceedings of the Board.

Section 2.7. Meetings of the Board of Directors. All meetings of the Board of Directors shall be public meetings, governed by the Brown Act, unless a specified closed session is held in accordance with the California Government Code.

Section 2.7.1. Regular Meetings. The Board of Directors shall provide for regular meetings (a minimum of four (4) per year) at a date, time, and place fixed by the Bylaws of the Board.

Section 2.7.2. Special Meetings. Special meetings and emergency meetings of the Board of Directors may be called in accordance with the provision of Section 54956, *et seq.*, of the California Government Code, as may be amended from time to time. Special

Meetings may be called by two or more Directors representing two or more jurisdictions. The meeting must be noticed in accordance with the Brown Act.

Section 2.8. Voting. All members of the Board will vote using weighted voting procedures based on the formula found in Exhibit C relating to the annual contributions to the Annual Budget pursuant to Section 6.3. The total percentage of operational funding for each Member Agency will be divided by the number of Directors representing that Member Agency to determine the percentage vote for each Director. A three-fourths (3/4) vote of the Board shall be required to approve the budget and Major Policy Decision, as defined in Section 1.23. Except as provided elsewhere in this Agreement, any action of the Board shall require a majority weighted vote of the Board.

Section 2.9. Conflict of Interest. The Agency Board shall adopt and thereafter maintain a conflict-of-interest code in compliance with applicable provisions of the Political Reform Act (Government Code Section 87300, *et seq.*) and the regulation adopted by the Fair Political Practices Commission (California Code of Regulations, Section 1870, *et seq.*).

Section 2.10. New Member Agencies. Subject to the requirements set forth in Section 2.3 above, it is the intent of the Member Agencies to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional public entities, organized and existing under the Constitution or laws of the State of California, of new parties to this Agreement and members of the Agency. A new Member Agency shall be required to make a “buy-in” contribution in an amount to be determined by a three-fourths (3/4) vote of the Board, and pay their share of annual operating costs and other expense pursuant to Section 6.3. For entities joining the Agency at any other date, other than the beginning of the Agency’s fiscal year, cash contributions for operating costs shall be prorated for the remainder of the fiscal year. New agencies who receive all Animal Services described in Exhibit B shall have two (2) members on the Board, and new agencies who receive fewer Animal Services shall have one (1) Board member.

ARTICLE III ORGANIZATIONAL STRUCTURE

Section 3.1. Chairperson and Vice-Chairperson. The Board shall elect a Chairperson and a Vice Chairperson from amongst its members at its first meeting and thereafter, at the first regular meeting of the Board for each calendar year. In the event of the disqualification of permanent inability of the Chairperson to serve the remainder of their term, the Vice Chairperson shall assume the duties of the Chairperson and the Board of Directors shall elect a new Vice Chairperson for the remainder of the that term.

Section 3.1.1. The Chairperson shall be authorized to sign all resolutions of the Board of Directors and all contracts on behalf of the Agency and shall perform such other duties as may be imposed by the Board of Directors, consistent with the terms and provisions of this Agreement and the Bylaws of the Board.

Section 3.1.2. The Vice Chairperson shall be authorized to act as the Chairperson, exercise all of the power of the Chairperson, and perform all of the duties of the Chairperson in the temporary absence of the Chairperson.

Section 3.2. Secretary. The Executive Director shall designate an employee of the Lead Agency to serve as Secretary to the Board of Directors, who shall perform such other duties as may be imposed upon the Secretary by the Board of Directors and cause a copy of this Agreement to be filed with the California Secretary of State and the State of California, pursuant to Section 6503.5 of the Act. Should an Executive Director of the JPA not be in place during the formation of the Board of Directors, the Administrator of the Monterey County Animal Services shall designate a staff member to serve as the interim Secretary.

Section 3.3. Treasurer. The Executive Director shall designate an employee of the Lead Agency to serve as Treasurer of the Agency. Should an Executive Director of the JPA not be in place during the formation of the Board of Directors, the Administrator of the Monterey County Animal Services shall designate a staff member to serve as the interim Treasurer.

Section 3.3.1. The Treasurer shall be the depository and shall have custody of all of the accounts, funds, and money of the agency from whatever source. The Treasurer shall have the duties and obligation set forth in Section 6505 and 6505.5 of the Act, and shall assure that there shall be strict accountability of all funds and reporting of all receipts and disbursement of the Agency.

Section 3.3.2. The books and records of the Agency shall be open to inspection at reasonable times by representatives of the Member Agencies. The Treasurer shall, within ninety (90) days after the close of each fiscal year or within sixty (60) days after the termination of this Agreement, give a complete written report of all financial activities of the fiscal year to the parties thereto.

Section 3.3.3. The Treasurer shall, in accordance with Section 6505 and 6505.6 of the Act, cause the books of account and other financial records of the Agency to be audited annually by an independent public accountant or certified public accountant.

Section 3.4. Officers in Charge of the Property. Pursuant to Section 6505 of the California Government Code, the Treasurer shall oversee, handle, and have access to all accounts, funds, and money of the Agency and all records of the Agency relating to such accounts, funds, and money. The Secretary shall oversee, handle, and have access to all other records of the Agency. The Executive Director, Animal Services Administrator or the supervisor of the Lead Agency in the absence of the Executive Director, shall oversee, manage, and have access to all physical property of the Agency.

Section 3.5. Management. The regular management of the operations and activities of the Agency shall be vested in the Executive Director, who shall be the Lead Agency's Animal Services Administrator, unless another is approved by the Board of Directors. Unless otherwise provided by the Bylaws of the Board or resolution of the Board of Directors, the Executive Director shall have the following powers:

Section 3.5.1. To oversee, manage, maintain, and operate a shelter facility and provide animal support services and animal control services, including, but not limited to, food and shelter, veterinary aid, spaying and neutering, and care to animals; County and city licensing; adoption services; ordinance enforcement; community engagement and education; volunteers; animal control services in the field within the respective cities and unincorporated county; impounding of animals; and such other activities and services as deemed necessary or appropriate for animal welfare and public safety, pursuant to California law;

Section 3.5.2. To provide for the planning, design, and construction of any improvements or changes to the Joint Facilities and/or the leasing or remodeling of any existing facilities, or any new facilities to be operated by the Agency, as authorized by the Board of Directors;

Section 3.5.3. Except as otherwise provided in Section 4.2, to execute any contracts for capital costs, costs of special services, equipment, materials, supplies, maintenance, or repair that involve an expenditure by the Agency within the limits and in accordance with procedures to be established by the Agency in the manner provided for local agencies pursuant to Article 7, commencing with Section 54201 of Chapter 5 of Part 1 of Division 2 of Title 5 of the California Government Code;

Section 3.5.4. To execute contracts in an amount up to a limit set by the Board of Directors;

Section 3.5.5. To appoint, employ, and manage all personnel required by the Agency for maintenance and operation of the Animal Services and the Joint Facilities, and all other employees authorized by the Agency's budget and by the Board of Directors as either direct employees of the Agency, or if deemed necessary, as employees of the Member Agencies;

Section 3.5.6. To retain any consultants as authorized in the Agency's budget and by the Board of Directors;

Section 3.5.7. Subject to approval of the Board of Directors, to appoint, employ, and manage all consultants and contractors required to be retained in connection with the design of any changes or improvements to the Joint Facilities or construction of new facilities;

Section 3.5.8. To expend funds of the Agency and enter into contracts whenever required or for the immediate preservation of the public peace, health, or safety, subject to the subsequent ratification of the Board of Directors;

Section 3.5.9. To dispose of any personal property of the Agency as may be provided in the Bylaws of the Board of Directors or otherwise authorized by the Board of Directors;

Section 3.5.10. To approve and pay bills and expenses for the Agency of \$50,000 or less, which are authorized in the Agency's budget;

Section 3.5.11. To prepare and submit to the Board of Directors in time for revision and adoption by the Agency prior to March 1st of each year, the annual preliminary budget for the next succeeding Fiscal year referred to in Section 6.1;

Section 3.5.12. Generally, to supervise the acquisition, construction, management, maintenance, and operation of the Joint Facilities and personnel of the Agency;

Section 3.5.13. To perform such other duties as directed by the Board of Directors and report to the Board of Directors at such times and on such matters as the Board of Directors may direct.

Section 3.6. Legal Advisor. The legal advisor of, and provider of legal advice and services to, the Agency, shall be an attorney retained by the Agency for this purpose. The Board of Directors shall choose the attorney to retain and may choose to retain the services of a private attorney; the Board may alternatively choose to retain the County Counsel's office of Monterey County, or the City Attorney's office of the City of Salinas, for this purpose.

Section 3.7. Other Services. The Board of Directors shall have the power to appoint and employ such consultants and independent contracts as may be necessary for the purposes of and pursuant to this Agreement.

Section 3.9. Indemnity and Insurance. The Agency shall defend, indemnify, and hold harmless each Member Agency to this Agreement and its respective Board of Director members, officers, agents and employees, from all claims, losses, damages, costs, injury, and liability arising out of the Agency's performance of its obligations under this Agreement. The Executive Director shall obtain, and keep in place, a comprehensive general liability policy~~ies~~ of insurance with coverage and a limits sufficient to protect the Agency and its Member Agencies from claims for damages arising from the activities of the Agency, its Board of Directors, officers, and employees. ~~The policies of insurance described herein shall include, but shall not be limited to, coverage for automobile liability, comprehensive general liability, workers' compensation, and excess liability.~~ The Board of Directors shall, from time to time, set the appropriate levels of coverage and shall determine whether additional insurance coverage is appropriate. Each Member Agency shall be named as an "additional insured" on each policy of insurance.

ARTICLE IV POWERS OF THE AGENCY

Section 4.1. General Powers. In the manner provided herein, the Agency shall exercise the powers common to each Member Agency as authorized by the laws of the California. As authorized by the act, the Agency shall be a public entity separate and distinct from the Member Agencies. The Agency shall have the power to finance, acquire, construct, manage, maintain, and operate the Joint Facilities. The Agency shall have all of the powers provided in Article 2 and Article 4 of the Act, unless specifically prohibited or restricted by the Agreement.

Section 4.2. Specific Powers. The Agency is hereby authorized to do all of the following:

Section 4.2.1. Until such time that the Agency is fiscally able to hire an Executive Director and direct employees, Monterey County may serve as the Lead Agency. Services shall include, but not be limited to, the hiring and management of staff; the construction, management, maintenance, and operation of the Joint Facility; and the provision of Animal Services as set for in Exhibit B. Any modification to Exhibit B requires a three-fourths (3/4) vote of the Board of Directors.

Section 4.2.2. To make and enter into agreements in the name of the Agency within the limitations established by the Agency budget;

Section 4.2.3. At such time that the Agency is fiscally able, to employ agents or employees;

Section 4.2.4. To acquire, construct, manage, maintain, operate, hold, and convey real and personal property, including leasehold interests;

Section 4.2.5. To incur debts, liabilities, and obligations subject to the provisions of this Agreement, provided that no debt, liability, or obligation shall constitute a debt, liability, or obligation of any Member Agency;

Section 4.2.6. To participate in joint projects and cooperate with other agencies, counties, and local public or nonprofit groups;

Section 4.2.7. To apply for and accept grants, loans, or contributions from any public or private agency or individual, or the United States, the State of California, or any department, instrumentality, or agency thereof, for the purpose of financing the activities of the Agency;

Section 4.2.8. To sue or be sued, in its own name, but not in the name of any Member Agency;

Section 4.2.9. To manage and invest, pursuant to Section 6505.5 of the Act, those funds not needed to fulfill the immediate needs of the Agency, as deemed advisable by the Agency in the same manner and upon the same conditions as local agencies, pursuant to Section 53601 of the California Government Code;

Section 4.2.10. To carry out and enforce all provisions of this Agreement.

Section 4.3. Bonds. The Agency shall have all of the powers provided in Article 4 of the Act, including the power to issue bonds.

Section 4.4. Oversight of the Board of Directors by Member Agencies' Legislative Bodies. The Agency shall have the responsibility of providing quarterly reports, in a format which will be determined by the Parties, and periodically attend Council or Board meetings as may be requested to provide information on the work of the Agency and to seek input.

ARTICLE V

METHODS OF PROCEDURE

Section 5.1. Delegation of Powers. Each Member Agency hereby delegates to the Agency, the following powers: 1) the power to purchase, maintain, operate, and manage any Animal Services equipment, resources, and real property acquired by, or provided to, the Agency; and 2) the power to employ, contract for, or otherwise acquire the necessary personnel to fulfill the obligations of the Agency under the terms of this Agreement.

Section 5.2. Joint Maintenance and Operation Fund. The Board of Directors shall establish a joint interest-bearing maintenance and operation fund (hereinafter refer to as the "Operating Fund"), which the Agency shall use to pay all administrative and operation expenses of the Agency and the maintenance and operation costs of the Joint Facilities. Each of the Member Agencies shall pay into said Operating Fund, its proportionate amount of the annually budgeted maintenance and operation costs, computed in accordance with the provisions of Section 6.3 of this Agreement.

Section 5.3. Capital Acquisition, Improvement, and Replacement Fund. The Board of Directors may, at its discretion, create an interest-bearing capital acquisition and replacement fund (hereinafter referred to as the "Capital Fund") which shall be used for any of the following purposes: 1) the acquisition and construction of additional or new Joint Facilities; 2) the improvement or replacement of any other capital improvement owned or controlled by the Agency; or 3) the acquisition or replacement of capital equipment and property of the Agency. Each Member Agency shall annually pay into said Capital Fund, its proportionate share of capital costs.

ARTICLE VI BUDGET: MAINTENANCE, OPERATIONAL, AND OTHER COSTS

Section 6.1. Annual Budget. Annually, the Board of Directors shall adopt a budget for maintenance and operation costs, capital costs, costs of special services, and debt service payments. The Board of Directors shall adopt a preliminary budget prior to March 1 of each year and shall adopt a final budget prior to June 30 of each year. The Agency shall operate only under an approved fiscal year budget and may not operate at a deficit.

Section 6.1.1. Prior to the Board of Directors adopting a final budget, each Member Agency shall approve and authorize the contribution of its proportional share of the total preliminary budget, as set forth in Section 6.3.

Section 6.2. Records and Accounts. The Agency shall keep detailed books of accounts, which shall set forth the capital costs; costs of special services and maintenance; operation costs of the Joint Facilities and the provision of the Animal Services; and all financial transactions of the Member Agencies relating to the Joint Facilities and the provisions of the Animal Services. The books of the accounts shall also include any costs, expenses, or charges paid, or to be paid by each of the Member Agencies, and shall be open to inspection, in accordance with the provisions of Section 3.3. of this Agreement.

Section 6.3. Allocation of Costs and Expenses

Section 6.3.1. Annual Estimate. Prior to April 1 of each year, as a part of the preliminary budget, the Agency shall promptly furnish to each of the Member Agencies, an estimate of the total Annual Budget.

Section 6.3.2. Annual Budget. In establishing the Annual Budget and each Member's proportional share thereof, the Board of Directors shall use a formula for distributing costs among the Members which may consider actual human population and workload statistics, including the number of animals received at any Joint Facility for the shelter portion of each Annual Budget and the number of field contacts made for the patrol portion of each Annual Budget. Prior to approval of the first Annual Budget for the Agency, the Board of Directors shall develop a formula to equitably distribute costs among the Members which shall require the unanimous approval of the Board of Directors. Once developed, the formula shall be reviewed by the Board of Directors every three (3) years. Modification to the formula shall require the unanimous approval of the Board of Directors. This formula shall constitute "Exhibit C" of this Agreement.

Revenue shall accrue to the Agency from: fines and impound fees, spay and neuter and adoption fees, pet licensing fees, boarding fees, and other fees taken in for operations and shall be credited to the Members' share based on the proportionate share of the total costs.

Donations, both monetary and non-monetary shall be accepted by the Agency and shall be utilized by the Agency as approved by the Board of Directors.

Section 6.3.3. Insurance Costs. The premiums for the insurance policies described in Section 3.9 above, shall be apportioned annually among the Member Agencies using the percentages established above.

Section 6.3.4. Uninsured or Underinsured Claims. Costs associated with the claims not covered by insurance or which exceed the limits of any applicable policy of insurance, shall be apportioned between the Member Agencies using the percentages established above for the year in which the claim is filed. For purposes of this section, "costs" shall include all losses, costs, damages, fees, and expenses incurred during both the claim stage and during litigation, that arise out of or are related to any such claim or lawsuit (including but not limited to, general and special damages, litigation fees and expenses, travel expenses, pre-litigation fees, consultant fees, court costs, attorneys' fees, mediator fees, discovery expenses, expert witness fees, and appeal costs and fees).

Section 6.4. Payment of Costs. Beginning on the Effective Date of this Agreement, and quarterly thereafter for each Fiscal Year, each Member Agency agrees to pay the Agency its proportional quarterly share of the total estimate annual costs and expenses as set forth in Section 6.3 above.

Section 6.4.1. Prior to January 1, and each year thereafter, a true-up calculation shall be performed wherein the actual expenditures incurred will be compared to the amounts paid

by Member Agencies. Any overpayment shall be credited in a manner determined by the Board of Directors. The amount of any underpayment shall be added to the Member Agency's January 1 payment.

Section 6.5. Sources of Funds. Each Member Agency shall have discretion to pay the amounts due and owed under the terms of this Agreement from any source legally available to that Member Agency for such purpose.

Section 6.6. Level of Services and Charges to Member Agencies. Each Member Agency may contract with the Agency for a level of service which is greater than that described in Exhibit B to this Agreement. Any Member Agency electing to receive a higher level of service shall pay the contribution set forth in Section 6.3 together with an additional amount, as established by the Board of Directors, which is sufficient to cover all additional costs incurred or encumbered by the Agency to the provision of those additional services. In no event shall any other Member Agency be required to bear the financial burden of any additional services provided in accordance with this provision.

Section 6.7. Animal Services to Other Agencies. The Agency may provide Animal Services to public agencies not a party to this Agreement, but only upon unanimous approval of the Board of Directors. Such Animal Services shall be by contract, executed by the Chair of the Board of Directors. The Board shall establish the amount of charge for the service, which shall be billed and paid quarterly. Charges will be set with the intent of recovering all operational, capital and maintenance costs expended by the Agency in providing the animal services to a particular agency, both annually and for prorated periods thereof.

Section 6.8. Budget Authority for Executive Director. Notwithstanding what is otherwise provided in Section 3.5, or elsewhere in this Agreement, the Executive Director may not exceed the personnel staffing authorized in the budget, either in number, position classification, or salary. In addition, the Executive Director may not alter the capital budget, utilize any reserve contingency, or increase the total amount of the approved expenditure without the prior approval of the Board of Directors. The Executive Director may recommend expenditures for approval separate from the budget process, in which case the approval of the Board of Directors is required prior to any actual expenditure. The Executive Director must seek authorization from the Board of Directors for budgetary transfers or adjustments above \$10,000, as necessary.

ARTICLE VII ENFORCEMENT

Section 7.1. Enforcement by Agency. The Agency is hereby authorized to take any and all legal or equitable actions on behalf of the Agency, including by not limited to, the seeking of an injunction or specific performance, as necessary or permitted by law, to enforce this Agreement.

ARTICLE VIII WITHDRAWAL OF A MEMBER AGENCY

Section 8.1. Continuation of Agreement. Notwithstanding the provisions of Section 9.1, each Member Agency agrees that the withdrawal of a Member Agency pursuant to the provision of this Agreement shall not result in the termination of this Agreement or otherwise affect the ability of the Board of Directors of the remaining Member Agencies to carry out and fulfill the purposes of this Agreement provided that two or more Member Agencies continue to participate. If, however, the withdrawal results in only one Member Agency continuing to participate, this Agreement shall be deemed to be terminated by mutual agreement and the provisions of Article IX shall apply.

Section 8.2. Withdrawal. A Member Agency may withdraw from the Agency by providing written notice thereof to the Agency. The withdrawal shall become effective on the first day of the fiscal year which is at least six (6) months after service of the notice of withdrawal. Except as provided in Section 8.1. above, the Withdrawal shall in no way affect the rights or obligations of the remaining Member Agencies nor shall it relieve the withdrawing Member Agency of its obligation to pay any amounts due and owing under the terms of this Agreement. In the event that Bonds have been issued, the withdrawing Member Agency shall remain liable for the payment of its proportional share of those Bonds and any interest. Each Member Agency shall retain the right to use its proportionate share of the Joint Facility.

Section 8.3. Waiver of Distribution Upon Withdrawal. Subject to the limitations contained in Section 9.1 below, withdrawal from the Agency shall constitute a waiver of any right which that Member Agency may have to any of the Assets or Cash Reserves of the Agency. Any Member Agency which has withdrawn from the Agency shall likewise waive its right to the distribution of any of the Assets or Cash Reserves of the Agency occasioned by the subsequent dissolution of the Agency.

ARTICLE IX TERMINATION OF THE AGREEMENT AND DISSOLUTION OF THE AGENCY

Section 9.1. Termination. By agreement approved by a vote of three-fourths (3/4) or more of the Board of Directors, the Member Agencies may mutually agree to terminate this Agreement and dissolve the Agency at any time. Upon termination of this Agreement, the debts and obligations of the Agency shall be divided between the Member Agencies based upon the percentages set forth in Section 9.3.

Section 9.2. Effective Date of Termination. The termination of this Agreement shall become effective on the first day of the fiscal year which is at least twelve (12) months after the notice of withdrawal under Section 8.1 or the submission of a written notice of termination submitted to the Board of Directors which has been approved by all of the Legislative Bodies of the current Member Agencies.

Section 9.3. Disposition of Assets. On the effective date of the termination, the Agency shall be dissolved, and each current Member Agency shall, within a reasonable time, receive its proportionate share of the assets of the Agency and contribute its proportionate or otherwise defined share toward the discharge of any enforceable liabilities incurred by the Agency as the same appear on the books of the Agency.

Section 9.3.1. Upon the termination of this Agreement, any assets acquired by the Agency during the period of its existence, which are still on hand, and all unencumbered cash reserves (collectively, "Assets and Cash Reserves") shall be distributed to the current Member Agencies in the following manner: The total amount of maintenance and operating costs paid by each current Member Agency into the Operating Fund during the entire existence of the Agency shall be added together and the percentage of which each Member Agency's total is in relation to the whole, shall be determined. (For any Member Agency which has withdrawn prior to termination of the Agreement, the amounts paid by that Member Agency shall be equally divided among the current Member Agencies based upon the above percentage, based on appraised value of the assets as of the effective date of the termination.)

Section 9.3.2. The distribution of assets may be made in kind or assets may be sold and the proceeds thereof distributed to the Member Agencies after discharge of all enforceable liabilities.

Section 9.3.3. In the event the current Member Agencies cannot agree upon an appropriate distribution, the City Managers and County Administrative Officers of all current Member Agencies, or their respective designees, shall meet promptly for the purpose of developing a method for distributing the Assets and Cash Reserves among the current Member Agencies.

Section 9.4. Winding Up the Agency. Following dissolution, the Agency shall remain in existence for the sole purpose of winding up the Agency's affairs, which shall include, but shall not be limited to, the distribution of the Assets and Cash Reserves and the closing out of business and accounts.

ARTICLE X MISCELLANEOUS

Section 10.1. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing language in the section referred to or to define or limit the scope of any provision of this Agreement.

Section 10.2. Consent. Whenever in this Agreement consent or approval is required, the same shall not be unreasonably withheld.

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

Section 10.4. Amendments. This Agreement may be amended at any time, except as limited by Bond covenants, if any. All amendments to the Agreement must be in writing and must be approved by a three-fourths (3/4) vote of the Board of Directors and approved by the Legislative Bodies of the Member Agencies prior to becoming effective.

Section 10.5. Severability. In the event that any provision of this Agreement is determined to be illegal or invalid for any reason, all other provisions and articles of this Agreement shall remain

in full force and effect unless and until otherwise determined. The illegality of any provision of this Agreement shall in no way affect the legality and enforceability of any other provisions of this Agreement.

Section 10.6. Successors. This Agreement shall be binding upon and shall inure to the benefit of the successors of the respective Member Agencies. No Member Agency may assign any right or obligation hereunder without the express written consent of the other Member Agencies.

Section 10.7. Notice. Any notice required to be given or delivered by any provision of this Agreement shall be personally delivered or deposited in the U.S. mail, and shall be deemed to have been received by the party receiving the notice upon the earlier of receipt or 72 hours after mailing.

Section 10.7.1. The Parties may agree to e-mail service but up until the Parties come to this agreement, Section 10.7 prevails.

Section 10.8. Counterpart Execution. This Agreement, or any amendment to this Agreement, may be executed in counterparts, each of which shall be deemed to be an original and said counterparts shall constitute one in the same document which may be sufficiently evidenced by one counterpart.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date and year first herein written above.

-Signatures on Following Pages-

Hitchcock Road Animal Services Agency

Signature Page

COUNTY OF MONTEREY:

DocuSigned by:

3473B0F0E2D645F... Mary Adams
Chair or designee
Monterey County Board of Supervisors

Dated: 12/26/2022 | 4:51 PM PST

CITY OF SALINAS:

DocuSigned by:

F496A00264984D1... Kimbley Craig
Mayor
City of Salinas

Date: 12/21/2022 | 7:26 PM PST

Approved as to Form:

DocuSigned by:

F631FE484254499... Shane Strong
Office of the County Counsel
Office of County Counsel
12/1/2022 | 11:06 AM PST

Approved as to Fiscal Provisions:

DocuSigned by:

4E7E657875454AE... Jennifer Forsyth
Auditor-Controller Analyst II
12/1/2022 | 1:21 PM PST

Approved as to Form:

DocuSigned by:

DF600E62871844E... Christopher A. Callihan
City Attorney

DocuSigned by:

5BE31EC636A6432... Patricia M. Barajas
City Clerk

Exhibit “A”

Member Agencies

The following public agencies, collectively referred to as “Member Agencies” and individually as “Member Agency” are noted as:

County of Monterey - Effective Date 1/1/2023

City of Salinas - Effective date 1/1/2023

Exhibit “B”

Animal Services

The term “Animal Services” in the Agreement to which this Exhibit “B” is attached means all the following services:

A. Field Services

Field Services means all the following services, including any vehicles, communications equipment, office supplies, field and administrative personnel, and any other personnel, supplies and equipment, reasonably required to perform the following services (the “Field Services”):

- Pick up of confined stray dogs.
- Pick up deceased animals, including wildlife when there is no other local agency providing the service.
- Pick up of injured, sick, or abandoned stray domestic animals including dogs, cats, and other small animals commonly kept as pets, without regard to weight, that are located on public property or readily accessible on private property with the permission of the property owner, occupant, or the property owner’s or occupants authorized agent.
- Respond to emergency calls such as animals requiring rescue, causing a public safety concern, or attacking people during business hours.
- Investigating complaints of animal bites or attacks on humans, including the completion of a report that includes the interviewing of parties involved, quarantining animals which have bitten humans, preparing and transporting biting animal specimens for rabies testing, and investigating alleged violations of a quarantine.
- Investigating complaints of potentially dangerous and vicious dogs and provide administrative hearing as required.
- Responding to complaints of animals running at large, to exclude cats and wildlife.
- Responding to complaints of domestic animals causing a nuisance, including noise complaints, to include mailings, additional patrol, referral to a mediation program, and issuing of citations per jurisdictional based ordinance.
- Respond as staffing allows to police assist calls on animal related issues, which service may include taking control of an animal on the scene.
- Investigate complaints regarding the lack of proper care, condition, or attention of domestic animals by their owners.
- Investigate compilations regarding exceeding the limit of the maximum number of animals as applicable per jurisdictional based ordinance.

- Investigate complaints regarding animal related unsanitary conditions as applicable per jurisdictional based ordinance.
- Provide responsible pet owner education as it relates to domestic animals.
- When staffing allows, provide animal safety training for service workers (i.e., postal employees, meter readers, code enforcement).
- Issue administrative and criminal citations as applicable per jurisdictional based ordinance.
- When staffing allows, participate in any related committees or teams as related to public safety.
- Provide an Animal Control Officer on duty for afterhours emergency on-call service for a minimum of 4 days each week when minimum staffing levels are met.

B. Shelter Services.

Shelter Services means all the following services, including shelter facilities, supplies, animal care staff, supervisors and administrative personnel, and any other personnel, supplies, and equipment reasonably required to perform the following services (the “Shelter Services”):

- Shelter of abandoned, impounded, lost or stray domestic animals brought to the shelter by a Member Agency, a Good Samaritan, or shelter personnel.
- Quarantine provision of biting domestic animals that cannot be quarantined at home.
- Provision for surrender and reclaim of abandoned, lost, or stray domestic animals during established business hours.
- Provide adoption program of animals not reclaimed by owners.
- Support as able a shelter-neuter-return program and/or feral cat sterilization program for community feral cats.
- Whenever possible, provide live outcomes for healthy or treatable animals through return to owner, placement with rescue partners, or adoption.
- Provide humane euthanasia and disposal of unhealthy, untreatable, or otherwise unadoptable domestic animals that fail to meet the health and temperament standards of the shelter.
- Provision for collecting unpaid fees from the public for services provided or rendered.

C. Veterinary Services

Veterinary Services means all the following services, including office facilities, supplies and professional and trained personnel necessary to perform the following services (the “Veterinary Services”) by staff or by contract:

- Provision of regular veterinary services by staff or through contracts to treat and provide regular veterinary care to dogs, cats and other impounded domestic animals as needed.
- Monitor quarantined animals that have bitten or designate staff to monitor animals.
- Operate spay/neuter clinic that includes periodic public opportunities for free or low cost spay/neuter for residents of jurisdictional areas.
- Through contract, provision of afterhours emergency veterinary care for injured/sick domestic animals found within member jurisdictions.
- Provide additional spay/neuter opportunities for community through related vendors as available and as approved

D. Animal Licensing Services

Animal Licensing Services means all the following services, including any vehicles, office facilities, supplies, equipment and personnel necessary to perform the following services (the “Animal Licensing Services”):

- Computerized animal licensing including up to delinquent notices on licensing renewals and online purchasing capabilities.
- Provide licenses at animal shelter during established business hours.
- When able, provide staff/volunteers to include issuing licenses at vaccinations, spay/neuter clinics or other community events, as applicable.
- Issue assistance animal identification tags to qualified residents as required by state law.

E. Volunteer and Community Outreach Services

Volunteer and Community Outreach Services means all the following services, including any vehicles, office facilities, supplies, equipment, and personnel necessary to perform the following services (the “Volunteer and Community Outreach Services”):

- Provide regular volunteer opportunities inside the shelter to help support and enrich both care for the animals and programs within the shelter.
- Provide volunteer and community outreach opportunities outside in the community to includes offsite adoption events and participation with events held within member agencies.
- Hold community outreach, education, and fundraising events.

F. Other services that may be provided and for which a fee may be charged:

- Pick up owned animals.
- Impound owner surrendered animals.
- Provide humane cat traps to the public to capture sick, injured or nuisance domestic animals, including feral cats.

Exhibit “C”
Voting Formula