

AGREEMENT FOR THE CONVERSION OF TWO PRIORITY WATER CONNECTIONS TO NON-PRIORITY USE FOR THE PURPOSES OF REPLACING FAILED WATER WELLS LOCATED IN THE CITY OF HALF MOON BAY

This Agreement is made and entered this 17 day of May 2005 by and among the City of Half Moon Bay (“City”), the County of San Mateo (“County”) and the Coastside County Water District (“District”) as follows:

WHEREAS, the City, County and District recognize that the failure of water wells serving single family residences constitutes a public health and safety concern to the citizens within their respective jurisdictions; and

WHEREAS, the City and the County have adopted policies which provide priority water connections to single family dwellings with failed domestic wells, reserving a certain level of priority water connections for that purpose; and

WHEREAS, the City has received four (4) applications from the owners of parcels at 2905 Alameda Avenue, 211 Washington Boulevard, 405 Washington Boulevard and 500 Washington Boulevard, Half Moon Bay, to allow for the conversion of a priority water service to non-priority use in order to serve these residence due to failed water wells; and

WHEREAS, the City has found that the applications meet the requirements under its policy, but is only able to provide two (2) priority connections under its policy at this time; and

WHEREAS, the City owns non-priority water connections which the City purchased at regular market rate; and

WHEREAS, the City is proposing an amendment to its Local Coastal Plan (LCP) to address the long-term issue for failed wells within the City’s jurisdiction (“LCP Amendment”);

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The County hereby authorizes the District to provide two (2) priority water connections reserved under the County's Local Coastal Program for Single Family Residences with Failed Domestic Wells for use at two of the above-mentioned properties located in the City.
2. The City agrees to return the connections and hereby authorizes the District to transfer two (2) priority water connections to the County's failed well allocation when the City's LCP amendment is certified by the Coastal Commission. The District hereby agrees to make the transfer at such time.
3. The City further agrees that it will retain at least two (2) City-owned connections while its LCP amendment on failed wells is pending.
4. In the event that the County determines, for whatever reason, that it needs one or both of the priority water connections provided under this Agreement before the City's LCP amendment is certified, the County will give notice to the City and the District, and the District is hereby authorized to and shall transfer City-owned connections as requested by the County to replace those provided by the County under this Agreement. The connections will be sold at priority rate to the owners of failed wells as directed by the County. Any money received in payment for the water connections transferred under this section shall go to the City, but the City shall bear the risk of any loss represented by the difference between the price originally paid for the connection by City and the priority connection price paid by the owner of the residence requiring the connection.
5. In the event City's LCP amendment is not certified by the Coastal Commission, and without further notice from the County, City shall transfer two (2) City-owned connections to be held by County until such time as County shall require such

In the case of City, to:

In the case of County, to:

Marcia Raines, Director of Environmental Services
County of San Mateo
455 County Center, 4th Floor
Redwood City, California 94063

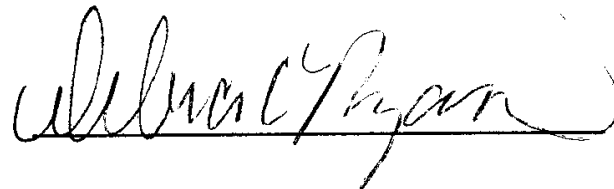
In the case of District, to:

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives,
have affixed their hands.

Date:

6/1/05

CITY OF HALF MOON BAY

A handwritten signature in cursive script, appearing to read "Deborah Ryan", written over a horizontal line.