

Yolo County Flood Control & Water Conservation District

**Board Meeting
Tuesday, December 1, 2020
7:00 P.M.**

NOTE: This meeting is being agendized to allow Board Members, staff, and the public to participate in the meeting via teleconference, pursuant to the [Governor's Executive Order N-29-20 \(March 17, 2020\)](#).

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YCFC&WCD Board of Directors' Meeting
Tuesday, December 1, 2020 7:00 PM - 9:00 PM (PDT)

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Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of COVID-19, please consider the following:

1. You are strongly encouraged to observe the live stream of the Yolo County Flood Control & Water Conservation District Board of Directors' meeting (see details above).
2. If you are joining the meeting via GoToMeeting and wish to make a comment on an item, please provide your comment in the chat box to "YCFC&WCD Board of Directors". You will be called by name or phone number when it is your turn to comment.
3. If you choose not to observe the Board of Directors' meeting but wish to make a comment on a specific agenda item, please submit your comment via email by 5:00 p.m. on Monday, November 30, 2020. Please submit your comment to Christina Cobey at ccobey@ycfcwcd.org to place your comment into the Board meeting record.
4. If you are watching/listening to the live stream of the Board meeting and wish to make either a general public comment or to comment on a specific agenda item as it is being heard, you may submit your comment to Kristin Sicke at ksicke@ycfcwcd.org. Comments received after an agenda item will be made part of the record if received prior to the end of the meeting.

Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection by scheduling an appointment with Christina Cobey at (530) 662-0265 or ccobey@ycfewcd.org.

In compliance with the Americans with Disabilities Act, if you have a disability and need a disability-related modification or accommodation to participate in this meeting please contact Christina Cobey. Requests should be made as early as possible, and at least one full business day before the start of the meeting.

AGENDA

- 7:00 1. Consideration: Adoption of the November 3, 2020 Regular Board Meeting Minutes
- 7:02 2. Open forum (Limited to five minutes): Guest introductions, unscheduled appearances, opportunity for public comment on non-agenda items
- 7:07 3. Consideration: Adding Items to the Posted Agenda
In order to add an item to the agenda, it must fit one of the following categories:
a) A majority determination that an emergency (as defined by the Brown Act) exists; or
b) A 4/5ths determination that the need to take action that arose subsequent to the agenda being posted.
- 7:10 4. Consideration: Adoption of Resolution 20.05 Adopting the January 2019 Westside Sacramento Integrated Regional Water Management Plan Update
- 7:15 5. Consideration: Adoption of the District’s Revised Investment Policy
- 7:25 6. Consideration: Adoption of Resolution 20.06 Requesting Yolo County LAFCo to Initiate and Approve the Annexation of Property to the District
- 7:35 7. Directors’ Reports: Report on meetings and conferences attended during the prior month on behalf of the District
- 7:40 8. Attorney’s Report: Report on legal matters of concern to the District
- 7:45 9. General Manager’s Report: Report regarding current general activities and projects of the District
a) Operations, Maintenance, and Water Conditions
b) Financial Report
c) Capital Improvement Program
d) YSGA Update
e) General Activities
f) Upcoming Events

- 8:05 10. General Discussion: Opportunity for clarification or additional information request
- 8:10 11. Consideration: Consider the approval and the payment of bills
- 8:15 12. Closed Session: Conference with Real Property Negotiators (Government Code § 54956.8)
 Property: Long-Term Water Supply Agreements with Clear Lake Diverters Agency Negotiators: Tim O’Halloran, Kristin Sicke, Bruce Rominger, Tom Barth
- Negotiating Parties: California Water Service Company, City of Lakeport, Clear Water Mutual Water Company, Clearlake Lakewood Resort, Clearlake Oaks County Water District, Golden State Water Company, Harbor View Mutual Water Company, Highlands Water Company, Konocti County Water District, Lake County CSA No. 2, Lake County CSA No. 20, Lake County CSA No. 21, Lake County Flood Control and Water Conservation District, Lake County Sanitation District, Lower Lake Cemetery District, Lower Lake County Waterworks District No. 1, Mt. Konocti Mutual Water Company, Nice Mutual Water Company, Rodman Ranch
- Under Negotiation: Price and Terms of Payment
- 8:25 13. Closed Session Report: Report action and vote, if any taken, in Closed Session
- 8:30 14. Consideration: Approval of Amendment No. 1 to Standard Agreements for Sale of Water with Clearlake Oaks County Water District; County of Lake for County Services Areas #20 and #21; and Clear Water Mutual Water Company
- 8:40 15. Adjourn

The public may address the Board concerning an agenda item either before or during the Board’s consideration of that agenda item. Public comment on items within the Board’s jurisdiction is welcome, subject to reasonable time limits for each speaker. Upon request, agenda items may be moved up to accommodate those in attendance wishing to address that item. Times listed for consideration of agenda items are approximate only. The Board may consider any agenda item at any time during the Board meeting.

I declare that the foregoing agenda was posted at the office of the Yolo County Flood Control & Water Conservation District, 34274 State Highway 16, Woodland, CA on November 25, 2020.

By: _____
 Christina Cobey, Administrative Assistance

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
AGENDA REPORT

MEETING DATE: December 1, 2020

ITEM #: 1

SUBJECT: Consideration: Adoption of the November 3, 2020 Regular Board Meeting Minutes

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

Pursuant to Section 54957.5 of the Brown Act, copies of the draft minutes are available to the public at the Board meeting prior to their approval.

Staff request the Directors call the Yolo County Flood Control & Water Conservation District (District) office if a correction is needed to be made to the draft minutes to clarify a substantial point or to correct content. Staff will then have time to make the appropriate change(s) and submit the revised draft for review to the Board and the public at the Board meeting.

RECOMMENDATION:

District staff recommend the adoption of the attached minutes with any corrections.



Y O L O C O U N T Y
FLOOD CONTROL &
WATER CONSERVATION
DISTRICT

BOARD MEETING MINUTES

Tuesday, November 3, 2020, 7:00 PM

YCFC&WCD Offices
34274 State Highway 16
Woodland, CA 95695

Due to the threat of COVID-19 and pursuant to the [Governor's Executive Order N-29-20 \(March 17, 2020\)](#), the regular meeting of the Board of Directors of the Yolo County Flood Control & Water Conservation District (District) was agendized to allow Board members, staff, and the public to participate in the meeting via teleconference. The meeting was held at 7:00 p.m. on Tuesday, November 3, 2020 remotely via GoToMeeting. Chair Mayer convened the meeting. The following people were remotely in attendance:

District Board

Jim Mayer, Chair
Tom Barth (in attendance at the District Boardroom)
Mary Kimball
Bruce Rominger
Erik Vink

District Staff

Tim O'Halloran, General Manager (in attendance at the District Boardroom)
Max Stevenson, Assistant General Manager
Kristin Sicke, Assistant General Manager (in attendance at the District Boardroom)
Andrew Ramos, Legal Counsel

Members of the Public

Jim Barrett

1. CONSIDERATION: Approval of Minutes

M/S/C approved the minutes of the October 6, 2020 regular Board meeting as submitted.

Ayes: Directors Barth, Kimball, Mayer, Rominger, and Vink

Noes: None

Absent: None

Abstain: None

2. OPEN FORUM

There were no comments.

3. CONSIDERATION: Adding Items to the Posted Agenda

There were no changes made to the agenda.

4. PRESENTATION: Request for Annexation and Review of District's Annexation Policy

Assistant General Manager Sicke briefly reviewed the District's Annexation Policy, discussing the procedures, costs, terms, and conditions for allowing parcels to annex into the District's service boundary. Sicke provided a map of existing landowners requesting to annex into the District's boundary and Sicke discussed the LAFCo application process for proceeding.

General Manager O'Halloran reviewed the District's rationale for bringing new property into the District's service area; O'Halloran reviewed the economic and water allocation considerations. O'Halloran explained new acres would represent a net gain in terms of revenue, and the impact on water supply would be relatively small per user since the increase in permanent crops and conversion to pumping has allowed the demand on District's supply to be stable.

5. DIRECTORS' REPORTS

Directors Rominger and Barth reported they had participated in the meeting at Clearlake Oaks County Water District on October 27, 2020. Director Barth also reported he had participated in the YSGA's North Yolo Management Area workshop. Chair Mayer reported on NCWA's upcoming Board of Directors' meeting to review the strategic plan and adopt the budget. Due to an increase in NCWA members, Mayer reported there would not be an increase in NCWA dues for 2021.

6. ATTORNEY'S REPORTS

Legal Counsel Ramos did not have anything to report.

7. GENERAL MANAGER'S REPORT

General Manager O'Halloran provided reports on the following:

- a) Operations, Maintenance, and Water Conditions
- b) Financial Report Summary – Highlights from the October 31, 2020 financial statements report were quickly reviewed, and the actual FY 2020/2021 Budget was compared to the projected FY 2020/2021 Budget.
- c) Capital Improvement Program – Review of upcoming capital jobs (discussion of financing opportunities would be presented at a future Board meeting after meeting with the Infrastructure Committee).
- d) YSGA Update – Assistant General Manager Sicke provided an update on the recent Management Area workshops and GSP-related tasks.
- e) General Activities – A list of outreach activities and projects both in-house and coordinated with other agencies was reviewed.

f) The following upcoming events were announced:

1. November 3: YSGA – Clarksburg Management Area Workshop (GoToMeeting)
2. November 4: FSY 2.0 – Highway 16 Project Update (Microsoft Teams)
3. November 5: Hungry Hollow Canal Extension Project Meeting (Boardroom)
4. November 13: YSGA – South Yolo Management Area Workshop (GoToMeeting)
5. November 14: FSY 2.0 – Madison Projects Meeting (Microsoft Teams)
6. November 16: WRA/YSGA Board of Directors’ Meetings (GoToMeeting)
7. November 18: Cache Creek Capacity Analysis Check-In (Conference Call)
8. November 18: Multi-Benefit Recharge Planning Discussion with DWR/TNC (Microsoft Teams)
9. December 1: YSGA – North Sacramento Valley Interbasin Coordination Meeting (Zoom)

8. GENERAL DISCUSSION

There was no general discussion.

9. CONSIDERATION: Payment of Bills

M/S/C approved the following claims for payment – Yolo County Flood Control & Water Conservation District Checks # 059042–059055.

Ayes: Directors Barth, Kimball, Mayer, and Rominger

Noes: None

Absent: Director Vink

Abstain: None

10. CLOSED SESSION

Conference with Real Property Negotiators (Government Code § 54956.8)

Property: Long-Term Water Supply Agreements with Clear Lake Diverters

Agency Negotiators: Tim O’Halloran, Kristin Sicke, Bruce Rominger, Tom Barth

Negotiating Parties: California Water Service Company, City of Lakeport, Clear Water Mutual Water Company, Clearlake Lakewood Resort, Clearlake Oaks County Water District, Golden State Water Company, Harbor View Mutual Water Company, Highlands Water Company, Konocti County Water District, Lake County CSA No. 2, Lake County CSA No. 20, Lake County CSA No. 21, Lake County Flood Control and Water Conservation District, Lake County Sanitation District, Lower Lake Cemetery District, Lower Lake County Waterworks District No. 1, Mt. Konocti Mutual Water Company, Nice Mutual Water Company, Rodman Ranch

Under Negotiation: Price and Terms of Payment

11. CLOSED SESSION

Public Employee Performance Evaluation (Government Code § 54954.5(e) and 54957)

Title: General Manager

12. CLOSED SESSION REPORT

Chair Mayer reported that the Board of Directors, General Manager, Assistant General Managers, and Legal Counsel Ramos were in attendance during the Closed Session Item #10 and that there was nothing to report at this time.

Chair Mayer reported that the Board of Directors and General Manager were in attendance during the Closed Session Item #11 and that there was nothing to report at this time.

13. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned.

Jim Mayer, Chair

ATTEST:

Tim O'Halloran, Secretary

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: December 1, 2020

ITEM #: 4

SUBJECT: Consideration: Adoption of Resolution 20.05 Adopting the January 2019 Westside Sacramento Integrated Regional Water Management Plan Update

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Kristin Sicke
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

In 2002, the California Legislature enacted Division 6, Part 2.2, of the California Water Code, known as the Integrated Regional Water Management Planning Act of 2002 for the purpose of encouraging local agencies to work together to manage their available water supplies and to improve the quality, quantity, and availability of those supplies. The Westside Sacramento Integrated Regional Water Management (Westside IRWM) formed in 2011, which the District is a member of through its subsidiary membership in the Water Resources Association of Yolo County (WRA).

The original Westside IRWM Plan completed in 2013 was based on DWR's 2012 IRWM Guidelines. The District adopted the 2013 Westside IRWM Plan on May 13, 2014 via Resolution 14.03. Since then, new legislation created DWR's 2016 IRWM Guidelines, which required incorporation of water quality constituents, climate change considerations, and stormwater resource plans into IRWM Plans. The Westside IRWM Coordinating Committee updated the Westside IRWM Plan to comply with DWR's new guidelines and to reflect current project status. The 2019 Westside IRWM Plan Update is available at the following link: <http://westsideirwm.com/plan.html>.

The District has benefited from previous IRWM solicitations and is supportive of the region continuing to benefit from the financial assistance program. On August 6, 2019, the District Board of Directors' adopted the 2019 Westside IRWM Plan Update, but a formal Resolution was not adopted at that time.

RECOMMENDATION:

District staff recommend the Board adopt Resolution 20.05 Adopting the January 2019 Westside Sacramento Integrated Regional Water Management Plan Update.

RESOLUTION NO. 20.05

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
ADOPTING THE JANUARY 2019 WESTSIDE SACRAMENTO INTEGRATED
REGIONAL WATER MANAGEMENT PLAN UPDATE**

WHEREAS, the Westside Sacramento Integrated Regional Water Management Plan (Westside Sacramento IRWMP), which encompasses all of Yolo County and portions of Solano County, Napa County, Colusa County, and Lake County was prepared in 2013 pursuant to prevailing guidelines provided by the California Department of Water Resources; and

WHEREAS, the Regional Water Management Group, which consists of representative from the Lake County Watershed Protection District, Napa County Flood Control and Water Conservation District, Solano County Water Agency, Water Resources Association of Yolo County (WRA), and Colusa County Resource Conservation District oversees implementation of the Westside Sacramento IRWMP; and

WHEREAS, the Westside Sacramento IRWMP was updated in January 2019 to incorporate and address new State mandates; and

WHEREAS, each of the current Westside Sacramento IRWMP participants, including the Yolo County Flood Control and Water Conservation District, must formally approve the updated Westside Sacramento IRWMP in order to remain a participant and be eligible for future grant funding opportunities. At the August 6, 2019 Board of Directors' meeting, the Yolo County Flood Control and Water Conservation District Board of Directors adopted by motion the January 2019 Westside Sacramento IRWMP Update.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Yolo County Flood Control and Water Conservation District do hereby adopt the January 2019 updates made to the 2013 Westside Sacramento Integrated Regional Water Management Plan.

PASSED AND ADOPTED by the Board of Directors of the Yolo County Flood Control and Water Conservation District on December 1, 2020 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Signed by me after its passage this 1st day of December 2020.

James Mayer, Chair

ATTEST:

Tim O'Halloran, Secretary

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: December 1, 2020

ITEM #: 5

SUBJECT: Consideration: Adoption of the District's Revised Investment Policy

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Andrew Ramos
APPROVED BY: Kristin Sicke

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

The District's Investment Policy (Policy) and state law require an annual review of the Policy by the Board. The current Policy was sent to Legal Counsel Ramos for review and comment. The revisions made to the policy are detailed below.

Pursuant to Government Code §53600, et. seq, the District is permitted to invest any surplus money that is not required for immediate needs in a variety of permissible investment vehicles. In order to ensure compliance with the statutory requirements for public agency investment of public funds, the District has adopted the attached Investment Policy to guide its investment of any surplus funds. This policy is reviewed annually for compliance and to ensure it is up to date with new legislation impacting public agency investing.

The attached policy incorporates changes enacted during the most recent legislative session, specifically related to investments in commercial paper and the maximum percentage of total portfolio that such investments may comprise. In addition, several other clarifying changes are suggested to ensure that the District's policy fully complies with the statutory mandates.

SB 998 (Moorlach) amended §53601 of the Government Code, which specifies permissible investment types that local agencies may invest surplus funds in, to alter the specifications related to investment in commercial paper. Previously, local agencies were permitted to invest no more than 25% of their surplus funds in eligible commercial paper. This bill increased the maximum percentage to 40% of total assets for local agencies which have \$100 million or more in managed investments. Local agencies with less than \$100 million in investments remain subject to the 25% cap. In addition, a local agency may only hold a maximum of 10% of its total investment assets in the commercial paper of any single issuer. The investment policy was updated to reflect these changes.

Other proposed changes are clarifying of existing law, including a specification that the District is not permitted to invest in any negotiable certificate of deposit issued by a state or federal credit union if a member of the Board of Directors or other person with investment decision-making authority serves on the board of directors or certain committees of that state or federal credit union. In addition, minor clarifying changes and footnotes were added to the policy matrix that describes the statutory requirements for public agency investing.

Attached is the proposed Investment Policy as revised and submitted for Board adoption.

RECOMMENDATION:

District staff recommend the Board adopt the revised Investment Policy as reviewed by Counsel.

YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

INVESTMENT POLICIES GUIDELINES

Adopted October 4, 2005

Reviewed annually, last adopted ~~November~~ December 2020

District funds not required for immediate expenditure will be invested in compliance with governing provisions of law (Government Code Sections 53600 et. seq.) and this policy. Consistent with the primary goal of safeguarding principal, the District will maintain adequate cash availability and maximum yield on invested funds.

Investments will be made in a range of instruments to insure diversification of the District's portfolio and liquidity of assets in an emergency situation. The higher duty of care policy recognizes Board members and officials as deemed trustees and fiduciaries. When investing, they must, first, safeguard principal, second, maintain the liquidity needs of the District, and last, strive for yield or return on investment.

DEFINITION AND PROVISION OF THE GOVERNMENT CODE

The Yolo County Flood Control and Water Conservation District Board of Directors hereby delegates the investment authority of the District to the General Manager. In accordance with Government Code Sections, collateral established as security for District funds will be those securities specified by law as eligible for collateral for deposits of local public agencies. Investments of District funds not required for immediate expenditure will be made in securities or other certificates of indebtedness as allowed by law for the investment of public funds. Bond proceeds may be invested pursuant to the indenture or trust document governing the bonds. Investments will be made in accordance with this policy.

CASH FLOW AND AVAILABILITY

The District will deposit an amount equal to its short-term cash demands in the State Treasurer's Local Agency Investment Fund (LAIF). Additional amounts may also be invested in LAIF, if the rate of return warrants.

AMOUNT TO BE INVESTED

The District will prepare a cash flow analysis for future cash requirements from time to time and for inclusion with the annual budget. All funds not required for immediate use will be invested.

ACCEPTABLE INVESTMENT INSTRUMENTS AND GUIDELINES FOR INVESTMENT

The District investment portfolio shall include the following instruments in which District funds may be invested according to the ~~stated~~ District-adopted guidelines stated herein and the legal requirements and limitations contained in the attached table.

- A. CERTIFICATES OF DEPOSIT: Cash will be invested only in FDIC insured or fully collateralized certificates of deposit. Collateral for a given investment must be 110 percent of principal for first mortgage collateral. No more than 10 percent of the District portfolio, not to exceed \$1 million, shall be invested in any one institution unless fully insured by FDIC. An institution must meet the following criteria to be considered by the District:
 - Institutions must have at least \$500 million in assets.
 - Maximum fully collateralized investment - \$500,000.

- Any investment exceeding \$100,000 must be fully collateralized with 110 percent federal securities.
 - The District will not invest in any institution less than four years old.
 - The institution must maintain a net worth to asset ratio of at least 2.5 percent, and a positive earnings record.
 - The District may not invest in any negotiable certificate of deposit issued by a state or federal credit union if a member of the Board of Directors or other person with investment decision-making authority serves on the board of directors or any committee appointed by the board of directors, or the credit committee or supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- B. BANKERS ACCEPTANCES: The District will only invest through the 15 largest banks in the United States or the 100 largest banks in the world (in terms of assets). The maximum investment with any one institution will not exceed \$3 million.
- C. SECURITIES OF THE U.S. GOVERNMENT, AGENCIES AND INSTRUMENTALITIES: The District will require physical delivery of these securities to an acceptable safekeeping account in the District's name. Examples of these securities include Governmental National Mortgage Association and Federal National Mortgage Association.
- E. STATE LOCAL AGENCY INVESTMENT FUND: The investment with LAIF may not exceed the limit set by state law, regulation, or administrative pronouncement.
- F. PASSBOOK SAVINGS ACCOUNTS: Savings accounts may be maintained for amounts under \$100,000 that are received too late in the day to invest in other instruments.
- G. MUTUAL FUNDS: Funds, including money market accounts, whose investments are totally in securities having the backing of the full faith and credit of the U.S. Treasury Guaranteed Securities. The Mutual Fund/Money Market account must meet the requirements set forth in Government Code section 53601.

Additionally, the Mutual Fund/Money Market account must not invest in securities disallowed by District Policy.

Although District Policy does not allow direct investment in repurchase or reverse repurchase agreements, indirect investment in these, through a Mutual Fund, is allowed. The fund, however, must not enter into repurchase agreements that would cause more than 15% of the fund's total assets to be subject to repurchase agreements maturing in more than 7 days.

PROPERTY TAX REVENUES FROM YOLO COUNTY AUDITOR

As provided in the Revenue & Taxation Code and the County of Yolo Special District Financial Handbook, the District receives its allocation of property tax revenues, with interest, from Yolo County on three occasions throughout the year. To the extent that the interest received with these disbursements is considered an "investment" of District funds, such investment is authorized under this Policy.

MATURITY OF INVESTMENTS

There shall be no maturity limitations on investments in U. S. Treasury securities and those for which the faith and credit of the United States are pledged. In addition to such maturity limitations as are imposed by law (e.g., bankers' acceptances limited to 180-day maturity), the maturity of a given investment will not exceed two years without Board approval.

USE OF SECURITIES DEALERS AND BROKERS

The District may use brokers and dealers in placing of investments. Under the supervision of the General Manager, the Financial Supervisor or other appointed designee will place all investments. All securities must be held in the District's name and not in the name of a broker or dealer. Should management determine that it would be prudent to enter into a long-term relationship with a broker or securities firm, at least three proposals will be brought to the Finance Committee for review.

USE OF EXTERNAL INVESTMENT MANAGERS

The District may engage the services of one or more external investment managers to assist in the management of the District's investment portfolio. Such external managers may be granted discretion to purchase and sell investment securities in accordance with this investment policy. Such managers must be registered under the Investment Advisers Act of 1940. The investment performance (net of fees) of any external manager shall be measured regularly against an appropriate benchmark approved by the General Manager, the Financial Supervisor, or other appointed designee. The benchmark shall be reflective of the actual securities being purchased and risks undertaken, and the benchmark shall have a similar weighted average maturity and credit profile as the portfolio.

REPORTING

Each month, the Financial Supervisor (or other appointed designee) shall furnish the Board of Directors with a detailed listing of the previous month's investments, the date of purchase, the date of maturity, the institution(s) where the investments were placed and the interest rate on investments. Included with the report will be a statement indicating compliance with this investment policy.

RENEWAL

Each year the District will review this investment policy at a public Board meeting, as an agenda item. Any changes or amendments shall be made only with Board approval.

LONG TERM RESERVE

Management shall make every effort to establish and maintain a long-term reserve of at least \$2,000,000 to be utilized only in critical financial situations (i.e., PIK program, drought, etc.) with Board approval.

TRANSFER OF FUNDS

Management shall be assured that funds are wired directly to institutions or securities dealers only. In NO case shall funds be wired or transmitted in any manner to brokers.

BOARD OF DIRECTORS REQUIRED APPROVALS

The signature of an active Board member shall be required on all investment purchases, dispositions or transfers involving transactions of \$100,000 or more, and for the purchase of any fixed investments with terms in excess of two years.

**Government Code §53600, et seq. –
 Legal Requirements and Limitations for Public Agency Investment Policy
 November-December 2020¹⁹**

Investment	Maximum Maturity	Maximum Permitted % of Portfolio	Minimum Rating
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations (all 50 states)	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U.S. Agencies	5 years	None	None
Bankers' Acceptances - Commercial Banks	180 days	40% (1 bank 30% limit)	None
Commercial Paper-Select Agencies (Non-Pooled Funds) ¹	270 days	25% ² (No more than 10% with any one issuer)	Prime quality as rated by a nationally recognized statistical-rating organization ("NRSRO") and either: A. is a U.S. corporation with total assets >\$500 million with other debt rated "A" or better by a NRSRO or B. is a U.S. special purpose corporation, trust, or limited liability company with program-wide credit enhancements and its commercial paper is rated A-1 or higher by a NRSRO.
Commercial Paper - Other Agencies (Pooled Funds) ³	270 days	25% ⁴ (No more than 10% with any one issuer)	Same as above
Negotiable Certificates of Deposit	5 years	30%	None
Placement Service Deposits And Certificates of Deposit	5 years	50%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20 %	None
Medium-Term Notes	5 years	30% (No more than 10% with any one issuer)	"A" rating

¹ A "select agency" is a local agency that pools money in deposits or investments exclusively with local agencies that have the same governing body.

² Agencies that have managed investments which exceed \$100M may invest up to 40% if their portfolio in commercial paper.

³ An "other agency" is Aa local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body, is subject to the limits pursuant to Gov. Code §53635 for purposes of pooled investments in commercial paper.

**Government Code §53600, et seq. –
Legal Requirements and Limitations for Public Agency Investment Policy
November-December 202019**

Investment	Maximum Maturity	Maximum Permitted % of Portfolio	Minimum Rating
Mutual Funds	N/A	20%	Either A. attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or B. retained an investment adviser registered or exempt from registration with the SEC with not less than five years' experience investing in the securities authorized for local agencies and with assets under management in excess of \$500,000,000
Money Market Mutual Funds	N/A	20%	Either A. attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or B. retained an investment adviser registered or exempt from registration with the SEC with not less than five years' experience investing in money market instruments and with assets under management in excess of \$500,000,000
Collateralized Bank Deposits	5 years	None	None
Shares of beneficial interest issued by a joint powers authority that invests in the securities and obligations authorized by this investment policy.	N/A	None	None
Mortgage Pass-Through Securities	5 years	20%	"AA" Rating
Shares of beneficial interest issued by a joint powers authority that invests in the securities and obligations authorized by this investment policy.	N/A	None	None
U.S. dollar-denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.	5 years	30%	None
Time Deposits	5 years	None	None

**Government Code §53600, et seq. –
Legal Requirements and Limitations for Public Agency Investment Policy
~~November-December 2020~~ **2020-19****

Investment	Maximum Maturity	Maximum Permitted % of Portfolio	Minimum Rating
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Retained an investment adviser registered or exempt from registration with the SEC with not less than five years' experience investing in instruments authorized by Govt. C. § 53601(a) thru (n) and with assets under management in excess of \$500,000,000
Local Agency Investment Fund (LAIF)	N/A	None	None
<u>Commercial paper, debt securities, or other obligations of a public bank</u>	<u>N/A</u>	<u>N/A</u>	<u>None</u>

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: December 1, 2020

ITEM #: 6

SUBJECT: Consideration: Adoption of Resolution 20.06 Requesting Yolo County LAFCo to Initiate and Approve the Annexation of Property to the District

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Kristin Sicke
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

As discussed at the November 3, 2020 Board meeting, District staff have received requests for property to be annexed into the District boundary. The District has an Annexation Policy that sets forth the procedures for making an application for annexation, and the costs, terms, and conditions to which the application is subject. The policy states that applications for annexation are considered by the District on a case-by-case basis, and that approval occurs only after the Board of Directors has determined that the proposed annexation is in the best interests of the District and its landowners.

District staff have received a request for approximately 2,200 acres to be annexed into the District. Attached is Resolution 20.06 requesting the Yolo County Local Agency Formation Commission (LAFCo) to initiate and approve the annexation of property into the District, providing the Board's approval of the proposed annexation (as shown in Exhibit A and B). The parcels requesting annexation have not historically used District water, they were likely unirrigated or reliant on groundwater. District staff have reviewed the economic and water allocation considerations of this request: the impact on water supply would be relatively small per user since the increase in permanent crops and conversion to pumping has allowed the demand on District's supply to be stable.

RECOMMENDATION:

District staff recommend the Board adopt Resolution 20.06 Requesting Yolo County LAFCo to Initiate and Approve the Annexation of Property to the District.

RESOLUTION NO. 20.06

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
REQUESTING THE YOLO COUNTY LAFCo INITIATE AND APPROVE THE
ANNEXATION OF PROPERTY TO THE DISTRICT**

WHEREAS, the Board of Directors (“Board”) of the Yolo County Flood Control and Water Conservation District (“District”) desires to initiate proceedings to annex approximately 2,200 acres of agricultural property to the District’s service area pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (commencing with Section 56000 of the Government Code) (“Act”); and

WHEREAS, the District provides agricultural water service to much of Yolo County, including land within and adjacent to the proposed annexation areas; and

WHEREAS, the District has determined that this annexation will be to the long-term benefit of the District and its existing water users; and

WHEREAS, the proposed annexation areas are depicted on the map attached hereto as Exhibit A; and

WHEREAS, the proposed annexation is consistent with the District’s Annexation Policy; and

WHEREAS, the Yolo County Local Agency Formation Commission (“LAFCo”) has jurisdiction over changes of organization, including annexations and detachments within Yolo County; and

WHEREAS, all of the landowners in the annexation have provided consent for the annexation and agreement to comply with the District’s condition of annexation and pay the associated fees and an ongoing in-lieu fee; and

WHEREAS, the Board requests that the LAFCo initiate proceedings to approve the annexation of said property to the District to enable the District to provide non-surplus water service to the annexation areas; and

WHEREAS, the LAFCo requires a Plan of Service (Exhibit B) be provided with this request.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Yolo County Flood Control and Water Conservation District as follows:

1. The Board hereby finds and determines that the recitals contained hereby are true and correct.
2. The Board requests that the LAFCo initiate proceedings to annex the identified property as authorized and in the manner provided by the Act.
3. The Board hereby approves the plan for providing water service to the annexation areas attached hereto as Exhibit B and authorizes the General Manager and his designee to make any changes therein as may be requested by the LAFCo.
4. The General Manager and his designee are hereby directed to cooperate with the LAFCo, take all actions and prepare all documents necessary to facilitate this application and ensure that the annexation areas to the District is duly and timely completed.
5. The Board hereby requests that the LAFCo provide any related notices to the District's Assistant General Manager Kristin Sicke.
6. The Board hereby requests, in approving the proposed annexation, that LAFCo require that landowners within the annexation area comply with the District's Annexation Policy, including the payment of associated fees and the District's ongoing in-lieu fee, which eliminates any need for a property tax exchange.

PASSED AND ADOPTED by the Board of Directors of the Yolo County Flood Control and Water Conservation District on December 1, 2020 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Signed by me after its passage this 1st day of December 2020.

James Mayer, Chair

ATTEST:

Tim O'Halloran, Secretary

EXHIBIT A
2020 PROPOSED ANNEXTION
PROPERTY PARCELS

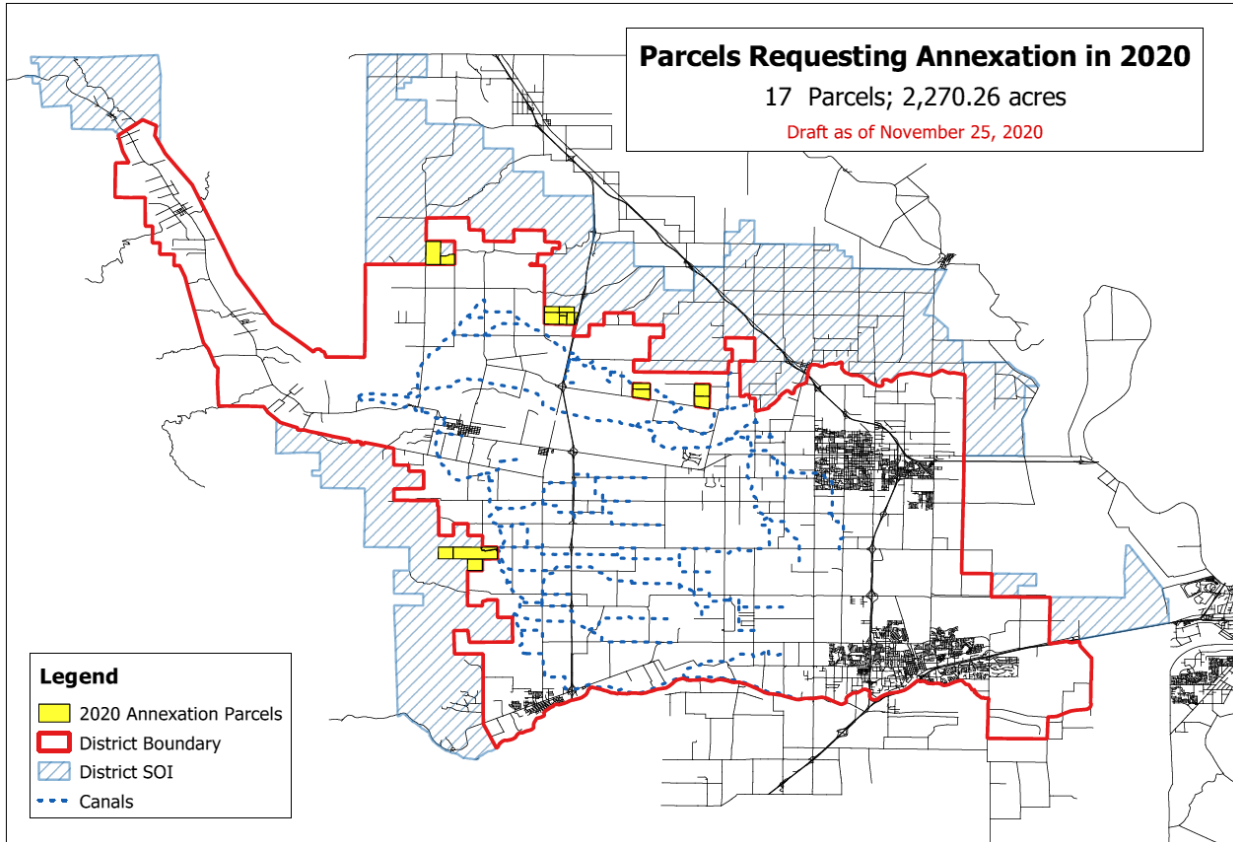


EXHIBIT B
PLAN OF SERVICE FOR THE ANNEXATION AREAS

The District currently provides surplus water to properties outside of the District. The property included in this annexation request are currently unirrigated or solely reliant on groundwater. After the annexation, the parcels will also be able to access non-surplus District water.

The District is not planning to construct canals or laterals. The landowners will continue to use the District's existing facilities or will have to tie into the existing facilities. The landowners will determine if and when additional infrastructure is needed on their own property(ies). The landowners will be responsible for financing, constructing, and maintaining any facilities that they decide are needed.

Upon annexation, the lands within the annexed areas will have the same privileges and obligations as the other WATER USERS of the District regarding the use of District water.

The parcel numbers included in this annexation are listed below:

Assessor's Parcel Number

025-280-001
025-280-002
025-280-005
025-280-008
047-130-006
050-140-001
050-140-003
050-140-007
054-190-011
054-190-012
054-220-001
054-220-002
054-220-003
054-220-004
054-230-015
061-070-002
061-070-010

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: December 1, 2020

ITEM #: 14

SUBJECT: Consideration: Approval of Amendment No. 1 to Standard Agreements for Sale of Water with Clearlake Oaks County Water District; County of Lake for County Services Areas #20 and #21; and Clear Water Mutual Water Company

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
PREPARED BY: Kristin Sicke
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

The District has Standard Agreements for Sale of Water with 1) Clearlake Oaks County Water District; 2) County of Lake for County Services Area #20; 3) County of Lake for County Services Area #21; and 4) Clear Water Mutual Water Company that are auto-renewing on December 31, 2020. To provide District staff with additional time to review what needs to be updated or improved as part of the long-term agreement conditions, the District has requested a 2-year interim renewal for the Standard Agreements for Sale of Water.

Amendment No. 1 to each of the Standard Agreements for Sale of Water is attached for review.

RECOMMENDATION:

District staff recommend the approval of Amendment No. 1 to Standard Agreements for Sale of Water with Clearlake Oaks County Water District; County of Lake for County Services Areas #20 and #21; and Clear Water Mutual Water Company.

**AMENDMENT NO. 1 TO STANDARD AGREEMENT FOR SALE OF WATER
(NON-AGRICULTURAL WATER) WITH
CLEAR LAKE OAKS COUNTY WATER DISTRICT**

This Amendment No. 1 ("Amendment") is entered into as of December 1, 2020 by Yolo County Flood Control and Water Conservation District, a California public agency ("District") and Clearlake Oaks County Water District ("Water User") who agree as follows:

1. Recitals

This Amendment is made with reference to the following background recitals:

1.1. District and Water User are parties to a Standard Agreement for Sale of Water (Non-Agricultural Water) dated July 8, 1996 ("Agreement").

1.2. The Agreement will expire by its own terms on December 31, 2020. District has notified Water User that it desires to work with Water User to negotiate a revised long-term water supply agreement between District and Water User. Therefore, the District does not desire to renew the Agreement for a successive ten-year term under Section 12 of the Agreement.

1.3. At District's request, District and Water User have agreed to extend the Agreement for an additional two-year term to allow District and Water User to negotiate a long-term water supply agreement to replace the Agreement.

2. Amendment to Agreement

2.1. Section 1 of the Agreement is amended to insert the following term at the end of the existing term:

If Water User diverts more water than the annual maximum amount that Water User is allowed to purchase under this section, then Water User shall pay District for the excess water diverted on the terms provided in this Agreement. There is no monthly maximum amount of water that Water User is allowed to purchase under this Agreement.

2.2. Section 11 of the Agreement is deleted and replaced by the following term:

11. This Agreement shall remain in effect until December 31, 2022, and shall be binding on and inure to the benefit of the successors and assigns of the parties, except that, this Agreement may be terminated by Water User, upon written notice to District, only if and upon a final decision of a court of competent jurisdiction, that District has no appropriate right to the waters of Clear Lake.

2.3. Section 12 of the Agreement is deleted and replaced by the following term:

12. After December 31, 2022, this Agreement shall automatically be renewed for a successive one-year term or terms, until such time as either party shall give notice to the other party of its desire not to renew. Such notice shall be made in writing no less than 60 days in advance of the scheduled renewal date.

3. General Provisions

3.1. Recitals. The Recitals in Section 1 are incorporated into and shall constitute a part of this Amendment.

3.2. Authority. Each person signing this Amendment on behalf of a party represents and warrants that he or she has the authority and capacity to make the promises set forth in this Amendment.

3.3. Attorney Fees. Each party shall bear its own attorney fees, costs and expenses arising out of or connected with the negotiation, drafting and execution of this Amendment.

3.4. Integration. The Agreement and this Amendment constitute the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of the Agreement and this Amendment. Each party acknowledges and represents that, in entering into this Amendment, it has not acted in reliance upon any promise, covenant, representation, warranty, warning or inducement whatsoever, express or implied, except as contained in this Amendment.

3.5. Successors and Assigns. This Amendment shall bind and inure to the benefit of the parties and their respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, affiliated and related entities, officers, directors, partners, principals, agents, employees, assigns, representatives, and all persons, firms, associations, partnerships, and/or corporations connected with them, and including, without limitation, their insurers, sureties and/or attorneys.

3.6. Cooperation. Each party to this Amendment agrees to do all things that may be necessary, including, without limitation, the preparation and execution of documents which may be required hereunder, in order to implement and effectuate this agreement.

3.7. Governing Law. Except as otherwise required by law, the Amendment shall be interpreted, governed by, and construed under the laws of the State of California.

[Signatures on Following Page]

Yolo County Flood Control and Water Conservation District

By: _____
Jim Mayer
Chair

Approved as to Form:

By: Andrew J. Ramos
Andrew J. Ramos
Attorney for District

Clear Lake Oaks County Water District

By: Margaret Medeiros
Margaret Medeiros
President

Approved as to Form:

By: Scott C. Nave
Scott Nave
Attorney for Water User

**AMENDMENT NO. 1 TO STANDARD AGREEMENT FOR SALE OF WATER
(NON-AGRICULTURAL WATER) WITH
COUNTY OF LAKE FOR COUNTY SERVICES AREA #20**

This Amendment No. 1 (“Amendment”) is entered into as of December 1, 2020 by Yolo County Flood Control and Water Conservation District, a California public agency (“District”) and County of Lake for County Services Area #20 (“Water User”) who agree as follows:

1. Recitals

This Amendment is made with reference to the following background recitals:

1.1. District and Water User are parties to a Standard Agreement for Sale of Water (Non-Agricultural Water) dated April 11, 1995 (“Agreement”).

1.2. The Agreement will expire by its own terms on December 31, 2020. District has notified Water User that it desires to work with Water User to negotiate a revised long-term water supply agreement between District and Water User. Therefore, the District does not desire to renew the Agreement for a successive ten-year term under Section 12 of the Agreement.

1.3. At District’s request, District and Water User have agreed to extend the Agreement for an additional two-year term to allow District and Water User to negotiate a long-term water supply agreement to replace the Agreement.

2. Amendment to Agreement

2.1. Section 11 of the Agreement is deleted and replaced by the following term:

11. This Agreement shall remain in effect until December 31, 2022, and shall be binding on and inure to the benefit of the successors and assigns of the parties, except that, this Agreement may be terminated by Water User, upon written notice to District, only if and upon a final decision of a court of competent jurisdiction, that District has no appropriate right to the waters of Clear Lake.

2.2. Section 12 of the Agreement is deleted and replaced by the following term:

12. After December 31, 2022, this Agreement shall automatically be renewed for a successive one-year term or terms, until such time as either party shall give notice to the other party of its desire not to renew. Such notice shall be made in writing no less than 60 days in advance of the scheduled renewal date.

3. General Provisions

3.1. Recitals. The Recitals in Section 1 are incorporated into and shall constitute a part of this Amendment.

3.2. Authority. Each person signing this Amendment on behalf of a party represents and warrants that he or she has the authority and capacity to make the promises set forth in this Amendment.

3.3. Attorney Fees. Each party shall bear its own attorney fees, costs and expenses arising out of or connected with the negotiation, drafting and execution of this Amendment.

3.4. Integration. The Agreement and this Amendment constitute the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of the Agreement and this Amendment. Each party acknowledges and represents that, in entering into this Amendment, it has not acted in reliance upon any promise, covenant, representation, warranty, warning or inducement whatsoever, express or implied, except as contained in this Amendment.

3.5. Successors and Assigns. This Amendment shall bind and inure to the benefit of the parties and their respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, affiliated and related entities, officers, directors, partners, principals, agents, employees, assigns, representatives, and all persons, firms, associations, partnerships, and/or corporations connected with them, and including, without limitation, their insurers, sureties and/or attorneys.

3.6. Cooperation. Each party to this Amendment agrees to do all things that may be necessary, including, without limitation, the preparation and execution of documents which may be required hereunder, in order to implement and effectuate this agreement.

3.7. Governing Law. Except as otherwise required by law, the Amendment shall be interpreted, governed by, and construed under the laws of the State of California.

[Signatures on Following Page]

Yolo County Flood Control and Water Conservation District

By: _____
Jim Mayer
Chair

Approved as to Form:

By: _____
Andrew J. Ramos
Attorney for District

County of Lake

By: _____
Chair, Board of Supervisors

Approved as to Form:

By: _____
Anita L. Grant
County Counsel

**AMENDMENT NO. 1 TO STANDARD AGREEMENT FOR SALE OF WATER
(NON-AGRICULTURAL WATER) WITH
COUNTY OF LAKE FOR COUNTY SERVICES AREA #21**

This Amendment No. 1 (“Amendment”) is entered into as of December 1, 2020 by Yolo County Flood Control and Water Conservation District, a California public agency (“District”) and County of Lake for County Services Area #21 (“Water User”) who agree as follows:

1. Recitals

This Amendment is made with reference to the following background recitals:

1.1. District and Water User are parties to a Standard Agreement for Sale of Water (Non-Agricultural Water) dated September 4, 1990 (“Agreement”).

1.2. The Agreement will expire by its own terms on December 31, 2020. District has notified Water User that it desires to work with Water User to negotiate a revised long-term water supply agreement between District and Water User. Therefore, the District does not desire to renew the Agreement for a successive ten-year term under Section 12 of the Agreement.

1.3. At District’s request, District and Water User have agreed to extend the Agreement for an additional two-year term to allow District and Water User to negotiate a long-term water supply agreement to replace the Agreement.

2. Amendment to Agreement

2.1. Section 11 of the Agreement is deleted and replaced by the following term:

11. This Agreement shall remain in effect until December 31, 2022, and shall be binding on and inure to the benefit of the successors and assigns of the parties, except that, this Agreement may be terminated by Water User, upon written notice to District, only if and upon a final decision of a court of competent jurisdiction, that District has no appropriative right to the waters of Clear Lake.

2.2. Section 12 of the Agreement is deleted and replaced by the following term:

12. After December 31, 2022, this Agreement shall automatically be renewed for a successive one-year term or terms, until such time as either party shall give notice to the other party of its desire not to renew. Such notice shall be made in writing no less than 60 days in advance of the scheduled renewal date.

3. General Provisions

3.1. Recitals. The Recitals in Section 1 are incorporated into and shall constitute a part of this Amendment.

3.2. Authority. Each person signing this Amendment on behalf of a party represents and warrants that he or she has the authority and capacity to make the promises set forth in this Amendment.

3.3. Attorney Fees. Each party shall bear its own attorney fees, costs and expenses arising out of or connected with the negotiation, drafting and execution of this Amendment.

3.4. Integration. The Agreement and this Amendment constitute the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of the Agreement and this Amendment. Each party acknowledges and represents that, in entering into this Amendment, it has not acted in reliance upon any promise, covenant, representation, warranty, warning or inducement whatsoever, express or implied, except as contained in this Amendment.

3.5. Successors and Assigns. This Amendment shall bind and inure to the benefit of the parties and their respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, affiliated and related entities, officers, directors, partners, principals, agents, employees, assigns, representatives, and all persons, firms, associations, partnerships, and/or corporations connected with them, and including, without limitation, their insurers, sureties and/or attorneys.

3.6. Cooperation. Each party to this Amendment agrees to do all things that may be necessary, including, without limitation, the preparation and execution of documents which may be required hereunder, in order to implement and effectuate this agreement.

3.7. Governing Law. Except as otherwise required by law, the Amendment shall be interpreted, governed by, and construed under the laws of the State of California.

[Signatures on Following Page]

Yolo County Flood Control and Water Conservation District

By: _____
Jim Mayer
Chair

Approved as to Form:

By: _____
Andrew J. Ramos
Attorney for District

County of Lake

By: _____
Chair, Board of Supervisors

Approved as to Form:

By: _____
Anita L. Grant
County Counsel

**AMENDMENT NO. 1 TO STANDARD AGREEMENT FOR SALE OF WATER
(NON-AGRICULTURAL WATER) WITH
CLEAR WATER MUTUAL WATER COMPANY**

This Amendment No. 1 (“Amendment”) is entered into as of December 1, 2020 by Yolo County Flood Control and Water Conservation District, a California public agency (“District”) and Clear Water Mutual Water Company (“Water User”) who agree as follows:

1. Recitals

This Amendment is made with reference to the following background recitals:

1.1. District and Water User are parties to a Standard Agreement for Sale of Water (Non-Agricultural Water) dated September 29, 2009 (“Agreement”). The Agreement refers to Water User as “Water Customer.”

1.2. The Agreement will expire by its own terms on December 31, 2020. District has notified Water User that it desires to work with Water User to negotiate a revised long-term water supply agreement between District and Water User. Therefore, the District does not desire to renew the Agreement for a successive ten-year term under Section 12 of the Agreement.

1.3. At District’s request, District and Water User have agreed to extend the Agreement for an additional two-year term to allow District and Water User to negotiate a long-term water supply agreement to replace the Agreement.

2. Amendment to Agreement

2.1. Section 11 of the Agreement is deleted and replaced by the following term:

11. This Agreement shall remain in effect until December 31, 2022, and shall be binding on and inure to the benefit of the successors and assigns of the parties, except that, this Agreement may be terminated by Water Customer, upon written notice to District, only if and upon a final decision of a court of competent jurisdiction, that District has no appropriative right to the waters of Clear Lake.

2.2. Section 12 of the Agreement is deleted and replaced by the following term:

12. After December 31, 2022, this Agreement shall automatically be renewed for a successive one-year term or terms, until such time as either party shall give notice to the other party of its desire not to renew. Such notice shall be made in writing no less than 60 days in advance of the scheduled renewal date.

3. General Provisions

3.1. Recitals. The Recitals in Section 1 are incorporated into and shall constitute a part of this Amendment.

3.2. Authority. Each person signing this Amendment on behalf of a party represents and warrants that he or she has the authority and capacity to make the promises set forth in this Amendment.

3.3. Attorney Fees. Each party shall bear its own attorney fees, costs and expenses arising out of or connected with the negotiation, drafting and execution of this Amendment.

3.4. Integration. The Agreement and this Amendment constitute the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of the Agreement and this Amendment. Each party acknowledges and represents that, in entering into this Amendment, it has not acted in reliance upon any promise, covenant, representation, warranty, warning or inducement whatsoever, express or implied, except as contained in this Amendment.

3.5. Successors and Assigns. This Amendment shall bind and inure to the benefit of the parties and their respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, affiliated and related entities, officers, directors, partners, principals, agents, employees, assigns, representatives, and all persons, firms, associations, partnerships, and/or corporations connected with them, and including, without limitation, their insurers, sureties and/or attorneys.

3.6. Cooperation. Each party to this Amendment agrees to do all things that may be necessary, including, without limitation, the preparation and execution of documents which may be required hereunder, in order to implement and effectuate this agreement.

3.7. Governing Law. Except as otherwise required by law, the Amendment shall be interpreted, governed by, and construed under the laws of the State of California.

[Signatures on Following Page]

Yolo County Flood Control and Water Conservation District

By: _____
Jim Mayer
Chair

Approved as to Form:

By: _____
Andrew J. Ramos
Attorney for District

Clear Water Mutual Water Company

By: _____
President

Approved as to Form:

By: _____
Attorney for Water User