

Yolo County Flood Control & Water Conservation District

Board Meeting
Tuesday, May 4, 2021
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, May 4, 2021 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, May 3, 2021. 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@ycfcwcd.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 April 6, 2021 Regular and April 15, 2021 Special Board Meetings' 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: Resolution 21.04 Authorizing the Execution and Delivery of an Installment Purchase Agreement in an Amount Not to Exceed \$6.2M and Approving the Execution and Delivery of Certain Related Documents
- 7:35 5. Consideration: Adoption of the FY 2021/2022 District Budget
- 8:00 6. Consideration: Appointment of General Manager and Approval of Employment Agreement
- 8:05 7. Directors' Reports: Report on meetings and conferences attended during the prior month on behalf of the District
- 8:10 8. Attorney's Report: Report on legal matters of concern to the District
- 8:15 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

- 8:20 10. General Discussion: Opportunity for clarification or additional information request
- 8:25 11. Consideration: Consider the approval and the payment of bills
- 8:30 12. 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 April 30, 2021.

By: _____
Christina Cobey, Administrative Assistant

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
AGENDA REPORT

MEETING DATE: May 4, 2021

ITEM #: 1

SUBJECT: Consideration: Adoption of the April 6, 2021 Regular and April 15, 2021 Special Board Meetings' 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 on the District's website and at the District office 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, April 6, 2021 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, April 6, 2021 remotely via GoToMeeting. Chair Rominger convened the meeting. The following people were remotely in attendance:

District Board

Jim Mayer
Tom Barth
Mary Kimball
Bruce Rominger, Chair
Erik Vink

District Staff

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

Members of the Public

Jim Barrett
Jonathan Edwards
Lori Raineri
Jason Smith

1. CONSIDERATION: Approval of Minutes

M/S/C approved the minutes of the March 2, 2021 regular Board meeting as submitted.

Ayes: Directors Kimball, Mayer, Rominger, and Vink

Noes: None

Absent: Director Barth

Abstain: None

2. OPEN FORUM

There were no comments during the open forum.

3. CONSIDERATION: Adding Items to the Posted Agenda

There were no changes made to the agenda.

4. CONSIDERATION: Financing Plan for Indian Valley Hydroelectric Rehabilitation and the Moore Siphon Replacement Projects and Review of District's Draft Investment Policy

Assistant General Manager Sicke introduced Lori Raineri and Jonathan Edwards of Government Financial Strategies and provided a brief introduction to the Financing Plan for Indian Valley Hydroelectric Rehabilitation and the Moore Siphon Replacement Projects. Edwards reviewed details on the bond issuance and lender identification methods, borrowing term scenarios, revenue pledge options, and schedule. After soliciting bids from lenders, a formal request to consider authorizing financing will be presented to the Board at the May 4, 2021 meeting.

Director Mayer asked staff how the District planned to manage the money to make it worthwhile since the District would be incurring interest rate debt. Mayer suggested staff and the Board consider managing the financed funds as an infrastructure reserve for investing in capital projects that will ensure economic sustainability and water supply reliability and return the District's investment.

General Manager O'Halloran reported the District was very interested in taking advantage of the low interest rate opportunity to reinvest in other capital jobs and implement the capital improvement program.

Mayer continued to recommend the Board and staff have a longer-term fiscal discussion about the state of the District's finances and the opportunities to bolster or restructure the District's revenue structure. O'Halloran agreed that the District would also need to investigate the potential of a groundwater assessment while evaluating how that would interact with the YSGA's Groundwater Sustainability Plan (GSP) development and implementation process.

Director Vink commented that he appreciated Mayer's comments and he reiterated the need to maximize the use of the financed funds by reinvesting in prioritized capital projects.

Sicke reported on a need to revise the District's Investment Policy to recognize District procedures regarding short-term expenditures and make minor modifications to allow for a "lockbox" revenue pledge concept if the District desires to proceed with the bond-financing opportunity.

District staff recommended the Board adopt the revised Investment Policy.

M/S/C adopted the District's Revised Investment Policy.

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

Noes: None

Absent: None

Abstain: None

5. CONSIDERATION: Teichert/Shifler Moore Canal Relocation

Assistant General Manager Stevenson provided an overview of the project, reiterated the District's comments submitted and reviewed alternatives discussed with Teichert Aggregates (Teichert) after the February 2, 2021 Board meeting. Stevenson reported on the Infrastructure Committee's meetings and request to keep the canal in place until a better solution can be considered for the northern alignment.

Director Vink relayed his concerns about the tall embankment that would be created from keeping the canal in place. He suggested reaching out to Teichert to evaluate the cost of the lost property for potentially evaluating a benefit to the District for moving the canal to the north. This lost-property cost could be a negotiating discussion for the District to offset the risk for moving the canal to the north.

Director Mayer also commented on the lost revenue to Teichert in keeping the canal where it is and wondered if there was a way for the District to recognize the value of where the canal is currently located. He suggested the District keep an open mind to an emergency reserve fund where money could be used to take on the risk in moving the canal to the northern alignment.

District staff and the Infrastructure Committee recommended sending a letter to Teichert and the County of Yolo discussing the desire to keep the Moore Canal in-place for the time being, with further consideration of the northern alignment if a mutually beneficial solution can be identified.

M/S/C approved staff sending a letter to Teichert Aggregates and the County of Yolo.

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

Noes: None

Absent: None

Abstain: None

6. CONSIDERATION: Lower Lake Emergency Water Intertie Project: Amendment of Water Sales Agreements for Highlands Mutual Water Company and Konocti County Water District

Assistant General Manager Sicke provided an overview of the Lower Lake Emergency Water Intertie Project: an emergency intertie is being proposed between Lower Lake County Waterworks District No. 1 (LLCWD), Highlands Mutual Water Company (Highlands MWC), and Konocti County Water District (Konocti CWD). The three water systems serve the unincorporated community of Lower Lake and parts of the City of Clearlake in Lake County.

Sicke reported that the District currently has water sales agreements with all three entities; however, LLCWD's water supply is derived from eight active groundwater wells and they have not claimed use of surface water from Clear Lake. Sicke also reported that staff and legal counsel worked with Highlands MWC and Konocti CWD staff, along with legal support at UC Davis Water Justice Clinic, to understand the arrangements as part of the proposed emergency intertie project. To accommodate the proposed intertie project and formally recognize the District's relationship to Highlands MWC and Konocti CWD, amendments to the water sales agreements were drafted and reviewed by legal counsel and staff of all interested parties.

District staff recommended the Board consider approval of the agreements and authorize Chair Rominger to sign the agreements.

M/S/C approved the agreements and authorized Chair Rominger to sign the agreements.

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

Noes: None

Absent: None

Abstain: None

7. DIRECTORS' REPORTS

Director Barth reported on participating in the YSGA's Working Group and Board of Directors meetings, along with the Rumsey Water Users Association annual meeting. He also reported on participating in meetings of the the Infrastructure, Finance, and Clear Lake Committees, along with a meeting with Clear Lake Oaks County Water District.

Director Mayer reported on participating in NCWA's Board of Directors meeting and the Conservation and Dry Year Task Force meetings. Mayer also reported on participating in the meetings of the General Manager Recruitment Committee.

Director Vink reported on participating in the Finance Committee meeting. Chair Rominger reported on participating in meetings of the General Manager Recruitment, Clear Lake, and Infrastructure Committees.

8. ATTORNEY'S REPORTS

Legal Counsel Ramos did not have anything to report.

9. 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 March 31, 2021 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 – An update on the successful commissioning of the Indian Valley Hydroelectric Rehabilitation Project was provided to the Board.
- d) YSGA Update – Assistant General Manager Sicke provided an update on recent YSGA meetings 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. April 12: YSGA – Meeting to Discuss Winters’ Groundwater Wells (GoToMeeting)
 - 2. April 13: YSGA – Nitrate Management Zone Discussion: Yolo Subbasin (Microsoft Teams)
 - 3. April 13: WRA/YSGA Executive Committee Meetings (GoToMeeting)
 - 4. April 14: YSGA – ILRP CV-SALTS update from Regional Board (online webinar)
 - 5. April 14 and 28: NCWA Dry Year Task Force Meetings (Microsoft Teams)
 - 6. April 19: YSGA Working Group Meeting (GoToMeeting)
 - 7. April 21: FSY 2.0: Detention, Retention, and Infiltration Sites Project (Microsoft Teams)
 - 8. April 26: YSGA – North Sac Valley Interbasin Coordination Meeting (Zoom)
 - 9. May 12-13: ACWA Virtual Spring Conference (online platform)

10. GENERAL DISCUSSION

There was no general discussion.

11. CONSIDERATION: Payment of Bills

M/S/C approved the following claims for payment – Yolo County Flood Control & Water Conservation District Checks # 059800-059822.

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

Noes: None

Absent: None

Abstain: None

12. CLOSED SESSION

Public Employment Appointment

Title: General Manager (Government Code 54954.5(e) and 54957)

13. CLOSED SESSION REPORTS

Chair Rominger reported that the Board of Directors, General Manager O’Halloran, Project Manager Reed, and Legal Counsel Ramos were in attendance during Closed Session and that there was nothing to report at this time.

14. ADJOURNMENT

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

Bruce Rominger, Chair

ATTEST:

Tim O'Halloran, Secretary



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

SPECIAL BOARD MEETING MINUTES
Tuesday, April 15, 2021, 2:00 PM

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

A special meeting (workshop) of the Board of Directors of the Yolo County Flood Control & Water Conservation District (District) was held at 2 p.m. on Thursday, April 15, 2021, at its regular place of business, 34274 State Highway 16, Woodland, California. Chair Rominger convened the meeting. The following people were in attendance at different times throughout the special meeting:

District Board

Bruce Rominger, Chair
Tom Barth
Mary Kimball
Jim Mayer
Erik Vink

District Staff

Tim O'Halloran, General Manager
Jenn Reed, Project Manager

1. OPEN FORUM

There were no comments.

2. CLOSED SESSION

Public Employment (Government Code § 54954.5(e) and 54957)
Title: General Manager

3. CLOSED SESSION REPORT

Chair Rominger reported that the Board of Directors, General Manager, and Project Manager were in attendance during the Closed Session Item at various times throughout the Special Board meeting.

M/S/C the selection of the new General Manager and appointed the Negotiating Committee of Chair Rominger and Director Mayer to negotiate an employment contract for review and potential approval by the full Board in a future regular session.

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

Noes: None

Absent: None

Abstain: None

4. ADJOURNMENT

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

Bruce Rominger, Chair

ATTEST:

Tim O'Halloran, Secretary

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: May 4, 2021

ITEM #: 4

SUBJECT: Consideration: Resolution 21.04 Authorizing the Execution and Delivery of an Installment Purchase Agreement in an Amount Not to Exceed \$6.2M and Approving the Execution and Delivery of Certain Related Documents

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:

Over the past 18 months, District staff have worked with Government Financial Strategies (GFS) to investigate financing opportunities for large capital projects. At the August 6, 2019 and February 2, 2021 meetings, the Board adopted Resolutions 19.07 and 21.01 allowing for bond-financing reimbursement of the Moore Siphon Replacement Project and Indian Valley Hydroelectric Rehabilitation Project, respectively.

At the April 6, 2021 meeting, GFS provided a presentation on the Financing Plan for reimbursing these projects, which included details on the bond issuance and lender identification methods, borrowing term scenarios, revenue pledge options, and schedule. In April, a request for proposals for financing terms was solicited, and GFS provided staff and the Finance Committee with a summary of proposals received and recommended the selection of a lender. GFS will provide a brief summary of the process, updating the Board on the recommended lender and reviewing the documents needing Board consideration.

Attached for the Board's review are the 1) draft installment purchase agreement between the District and the Public Property Financing Corporation of California, 2) draft depository agreement between the District and River City Bank, and 3) engagement letter between the District and Bond Counsel Stradling Yocca Carlson & Rauth.

RECOMMENDATION:

District staff request the Board adopt Resolution 21.04 Authorizing the Execution and Delivery of an Installment Purchase Agreement in an Amount Not to Exceed \$6.2M and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters.

RESOLUTION NO. 21.04

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE AGREEMENT IN AN AMOUNT NOT TO EXCEED \$6,200,000 AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS**

WHEREAS, the Yolo County Flood Control and Water Conservation District (the “District”), a special district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the “State”), proposes to improve certain existing water system facilities for the District and to refinance certain water system facilities through the refunding of a loan from the State Water Resources Control Board (the “State Loan”) made to the District to finance the “Capay Diversion Dam Apron Renovation Project.”

WHEREAS, the Public Property Financing Corporation of California (the “Corporation”) has agreed to assist the District in the improvement of such existing water system facilities and the refunding of the State Loan; and

WHEREAS, this Board has determined that it is in the best interest of the District to execute and deliver an Installment Purchase Agreement (the “Installment Purchase Agreement”) with the Corporation to finance the improvement of such water system facilities, to refund the State Loan and to approve certain documents in connection therewith;

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

The Installment Purchase Agreement, in substantially the form presented to this meeting, is hereby approved. Each of the Chair or Vice Chair of the Board, the General Manager of the District or the designee thereof (each an “Authorized Representative”), are hereby individually authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth, as Special Counsel (“Special Counsel”), and approved by the Authorized Representative executing the same, said execution being conclusive evidence of such approval; provided however the Installment Purchase Agreement shall not exceed a principal amount of \$6,200,000. The execution and delivery of the Installment Purchase Agreement is determined to be consistent with the District’s Debt Management Policy and to the extent the execution and delivery of the Installment Purchase Agreement is not in compliance with the District’s Debt Management Policy, such noncompliance is waived in accordance with the terms of the District’s Debt Management Policy.

The Depository Agreement, in substantially the form presented to this meeting, is hereby approved. Each Authorized Representative is individually authorized and directed to execute and deliver the Depository Agreement with such changes, insertions and omissions as may be required or approved by General Counsel or Special Counsel and approved by such Authorized Representative executing the same, said execution being conclusive evidence of such approval.

Each Authorized Representative and any other proper officer of the District, acting individually, is hereby authorized and directed individually to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper to deliver the Installment Purchase Agreement and the Depository Agreement, to finance the improvement of District water system facilities, to refund the State Loan and to carry out the transactions contemplated by this resolution.

The Board of Directors acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in Exhibit A attached to this Resolution and are available to the public at the meeting at which this resolution is approved.

The engagement letter between the District and Stradling Yocca Carlson & Rauth, a Professional Corporation, as Special Counsel (the “Engagement Letter”) is hereby approved. The General Manager is authorized and directed for and on behalf of the District to execute and deliver the Engagement Letter.

Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Installment Purchase Agreement unless the context otherwise clearly requires.

This resolution shall take effect immediately.

PASSED AND ADOPTED by the Board of Directors of the Yolo County Flood Control and Water Conservation District on May 4, 2021 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Signed and approved by me this 4th day of May 2021.

Bruce Rominger, Chair

Attest:

Tim O’Halloran, Secretary

Exhibit A

Good Faith Estimates

Set forth below are **good faith estimates** of Government Financial Strategies inc., the municipal advisor, as required under Section 5852.1 of the California Government Code (the “Code”). **The following estimates have no bearing on, and should not be misconstrued as, any not-to-exceed financial parameters authorized by resolution.**

- (a) The true interest cost of the Installment Purchase Agreement is estimated at 2.26%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
- (b) The finance charge of the Installment Purchase Agreement, including all fees and charges paid to third parties, is estimated at \$80,000.
- (c) Proceeds of the Installment Purchase Agreement expected to be received by the District for the sale of the installment agreement, less the finance charge described in (b) above and any capitalized interest or reserves paid from proceeds of the installment agreement (if any) is equal to \$5,984,358.
- (d) The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$7,458,000.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

INSTALLMENT PURCHASE AGREEMENT

by and between

YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

and

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA

Dated as of May 1, 2021

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, made and entered into as of May 1, 2021 by and between YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a special district duly organized and existing under and by virtue of the laws of the State of California (the “District”), and PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the “Corporation”).

WITNESSETH:

WHEREAS, the District proposes to undertake the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its water system, as described in Exhibit B hereto (the “2021 Project”);

WHEREAS, the District is authorized pursuant to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code to refinance the acquisition of property for the water system (the “Refunding Project”);

WHEREAS, the Corporation has agreed to assist the District in acquiring the 2021 Project and refinancing the Refunding Project;

WHEREAS, the District and the Corporation have duly authorized the execution of this Agreement;

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

Accountant’s Report. The term “Accountant’s Report” means a report signed by an Independent Certified Public Accountant.

Agreement. The term “Agreement” means this Installment Purchase Agreement, dated as of May 1, 2021, by and between the District and the Corporation, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

Assignment Agreement. The term “Assignment Agreement” means the Assignment Agreement, dated as of May 1, 2021, by and between the Corporation and the Bank, as originally executed and as it may from time to time be amended or supplemented in accordance with its terms.

Bank. The term “Bank” means Zions Bancorporation, N.A., a national banking association, solely in its capacity as assignee under the Assignment Agreement, and its successors and assignors.

Bonds. The term “Bonds” means all revenue bonds or notes of the District authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the Installment Payments and which are secured by a pledge of and lien on the Revenues as described in Section 5.01 hereof. As of the date of execution of this Agreement, no Bonds are outstanding.

Business Day. The term “Business Day” means a day other than: a Saturday or Sunday or a day on which: (i) banks located in San Francisco are not required or authorized to remain closed; and (ii) the New York Stock Exchange is not closed.

Contracts. The term “Contracts” means and is limited to: (1) this Agreement and any amendments and supplements hereto; and (2) all contracts of the District hereto or hereafter authorized the Parity Installment Payments with respect to which are payable from Net Revenues on a parity with the Installment Payments and which are secured by a pledge and lien on the Revenues as described in Section 5.01 hereof.

Corporation. The term “Corporation” means the Public Property Financing Corporation of California, a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California.

Date of Operation. The term “Date of Operation” means, with respect to any uncompleted Parity Project, the estimated date by which such Parity Project will have been completed and, in the opinion of an engineer, will be ready for operation by or on behalf of the District.

Debt Service. The term “Debt Service” means, for any period of calculation, the sum of:

- (1) the interest payable on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are prepaid or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized);
- (2) those portions of the principal amount of all outstanding serial Bonds maturing in such period (but excluding Excluded Principal);
- (3) those portions of the principal amount of all outstanding term Bonds required to be prepaid or paid in such period (but excluding Excluded Principal); and

(4) those portions of the payments under the Contracts required to be paid during such period (except to the extent the interest evidenced and represented thereby is capitalized and except Excluded Principal shall be excluded for payments under the Contracts);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Bonds or Contracts;

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to bear interest at a fixed rate equal to the higher of:

(i) the actual rate on the date of calculation, or if such Contract or Bond is not yet outstanding, the initial rate (if established and binding), and

(ii) if such Contract or Bond has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or if such Contract or Bond has not been outstanding for the twelve prior months, the average rate borne by reference to an index comparable to that to be utilized in determining the interest rate for the Bonds to be issued or the Contracts to be executed;

provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year, Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

provided further that, as to any such Bonds or Contracts or portions thereof bearing no interest but which are sold at a discount and which discount accretes with respect to such Bonds or Contracts or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and to the extent the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

Depository Agreement. The term “Depository Agreement” means that certain Depository Agreement by and between the District, as depositor, and River City Bank, as depository agent, dated as of May 1, 2021, pursuant to which the District directed the County of Yolo to transfer all amounts allocated by the County of Yolo from time to time to the District pursuant to Article XIII A of the Constitution of the State of California and Section 95 et seq. of the California Revenues and Taxation Code (or any successor or supplementary provisions) and Section 95 et. seq. of the California Revenues and Taxation Code (or any successor or supplementary provisions) directly to River City Bank for deposit to the 1% Property Tax Account established under the Depository Agreement.

Determination of Taxability. The term “Determination of Taxability” means (a) the occurrence of any action that, in the judgment of the District, in reliance on the advice of Bond Counsel, will

adversely affect the tax-exempt status of the Installment Payments, (b) the failure to take any action that, in the judgment of the District, in reliance on the advice of Bond Counsel, is necessary to preserve the exemption from income taxation of interest on the Installment Payments, (c) a final judgment or order of a court of competent jurisdiction, or a final ruling or decision of the Internal Revenue Service, in any such case to the effect that the interest on the Installment Payments is includable for Federal income tax purposes in the gross incomes of the recipients thereof, or (d) the enactment of Federal legislation that would cause the interest on the Installment Payments to be includable for Federal income tax purposes in the gross incomes of the recipients thereof. A judgment or order of a court of competent jurisdiction or a ruling or decision of the Internal Revenue Service shall be considered final only if no appeal or action for judicial review has been filed (and is pending) and the time for filing such right of appeal or action has expired.

District. The term “District” means Yolo County Flood Control and Water Conservation District, a special district duly organized and existing under and by virtue of the laws of the State of California.

Event of Default. The term “Event of Default” means an event described in Section 8.01.

Excluded Principal. The term “Excluded Principal” means each payment of principal of any Bond or Contract for which there is on file with the Bank (i) a certificate of an Independent Municipal Advisor to the effect that such Bond or Contract is commercial paper or otherwise of a short term or revolving nature and has a maturity of less than 42 months and (ii) a certificate of an Authorized Representative to the effect that the District intends to pay such principal from the proceeds of Bonds or Contracts or other bonds, notes or other obligations of the District. No such determination shall affect the security for such Bonds or Contracts or the obligation of the District to pay such Bonds or Contracts from Net Revenues.

Fiscal Year. The term “Fiscal Year” means the period beginning on May 1 of each year and ending on the last day of April, or any other twelve-month period selected and designated as the official Fiscal Year of the District.

Generally Accepted Accounting Principles. The term “Generally Accepted Accounting Principles” means the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor.

Independent Certified Public Accountant. The term “Independent Certified Public Accountant” means any firm of certified public accountants appointed by the District, each of whom is independent of the District and the Corporation pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Municipal Advisor. The term “Independent Municipal Advisor” means a municipal advisor or firm of such municipal advisors appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; (3) is registered as a “municipal advisor,” as defined in Section 15B of the Securities Exchange Act of 1934, as amended; and (4) is not connected with the District as an officer or employee thereof, but who may be regularly retained to make reports thereto.

Installment Payment Date; Parity Installment Payment Date. The term “Installment Payment Date” means: (i) November 15, 2021 and each May 15 and November 15 thereafter, or if said date is not a Business Day, then the preceding Business Day; or (ii) any other date upon which Installment Payments become due and payable, whether by acceleration, prepayment or otherwise. The term “Parity Installment Payment Date” means each date on which Parity Installment Payments are scheduled to be paid by the District under and pursuant to any Contract.

Installment Payments; Parity Installment Payments. The term “Installment Payments” means the installment payments of interest and principal scheduled to be paid by the District under and pursuant hereto. The term “Parity Installment Payments” means the payments of interest and principal scheduled to be paid by the District under and pursuant to the Contracts.

Law. The term “Law” means the Yolo County Flood Control and Water Conservation District Act, Chapter 1657 of the California Statutes of 1951, as amended to the date hereof, and all laws amendatory thereof or supplemental thereto, including but not limited to Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

Manager. The term “Manager” means the General Manager of the District, or any other person designated by the General Manager to act on behalf of the General Manager.

Material Adverse Effect. The term “Material Adverse Effect” means an event or occurrence which adversely affects in a material manner: (i) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District; (ii) the ability of the District to carry out its business in the manner conducted as of the date of this Agreement or to meet or perform its obligations under this Agreement on a timely basis; (iii) the validity or enforceability of this Agreement; or (iv) the exclusion of interest with respect to the Installment Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

Net Revenues. The term “Net Revenues” means, for any Fiscal Year, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year.

1% Property Tax Account. The term “1% Property Tax Account” means the account by that name established under the Depository Agreement.

Operation and Maintenance Costs. The term “Operation and Maintenance Costs” means: except as described in clause (i) and (ii) of the exclusions set forth at the end of this definition, (1) costs spent or incurred for maintenance and operation of the Water System calculated in accordance with Generally Accepted Accounting Principles, including, but not limited to, the reasonable expenses of management and repair and other expenses necessary to maintain and preserve the Water System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Water System, including but not limited to salaries and wages of employees, payments to the District’s money purchase pension plan, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys, consultants or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than Debt Service) required to be paid by it to comply with the terms of this Agreement or any other Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; and (2) all costs of water purchased or otherwise acquired for delivery by the Water System (including any interim or renewed arrangement therefor), and any other contract for the purchase of water (including both fixed and variable components thereof) and (3) all payments with respect to Operation and Maintenance Obligations; but

excluding in all cases all costs for water purchased or otherwise acquired for groundwater banking projects, depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles, unrealized losses on investments, write off of the value of any unpaid assets or other bookkeeping entries of a similar nature.

Operation and Maintenance Obligation. The term “Operation and Maintenance Obligation” means any contractual obligation with respect to any facilities, properties, structures, works, services, water or rights to receive water, or any loan of credit to or guaranty of debts, claims or liabilities of any other person (including a joint powers agency of which the District is a member) with respect to any facilities, properties, structures, works, services, water or rights to receive water, so long as in each case the payments thereunder are designated as Operation and Maintenance Costs by the Board of Directors of the District.

Permitted Investments. The term “Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein:

for all purposes, including but not limited to discharge of Installment Payments in accordance with Section 9.01: (1) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below); or (2) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America; and

for all purposes other than discharge of Installment Payments in accordance with Section 9.01: (1) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including the Export - Import Bank; Farmers Home Administration; General Services Administration; U.S. Maritime Administration; Small Business Administration; Government National Mortgage Association (GNMA); U.S. Department of Housing & Urban Development (PHAs); and Federal Housing Administration; (2) bonds, notes or other evidences of indebtedness rated “AAA” and “Aaa” by the applicable rating agency issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years; (3) U.S. dollar denominated deposit accounts, certificates of deposit, federal funds and banker’s acceptances with domestic commercial banks (including the Bank and its affiliates) which are either insured by the Federal Deposit Insurance Corporation or have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank); (4) commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P and which matures not more than 270 days after the date of purchase; (5) investments in a money market fund rated “AAAm” or “AAAm G” or better by S&P, including such funds for which the Bank or an affiliate acts as investment advisor or provides other services; (6) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice and which are rated, based on the escrow, in the highest rating category of S&P or any successor thereto; (7) the State of California Local Agency Investment Fund; (8) the Yolo County Treasury Investment Pool; and (9) any other investment approved in writing by the Bank.

Purchase Price. The term “Purchase Price” means the principal amount plus interest thereon owed by the District to the Corporation under the terms hereof as provided in Section 4.01.

Refunding Project. The term “Refunding Project” means the additions, betterments, extensions and improvements to the Water System described as the Refunding Project in Exhibit B hereto.

Revenue Fund. The term “Revenue Fund” means those District accounts designated by the District as account numbers 41100 through 49890 together with other accounts into which Revenues are currently deposited or any other accounts created in the future and designated by action of the Board of Directors as a part of the Revenue Fund by that name continued pursuant to Section 5.02 hereunder.

Revenues. The term “Revenues” means:

(1) all income, rents, rates, fees, charges and other moneys derived by the District from the ownership or operation of the Water System, determined in accordance with Generally Accepted Accounting Principles, including, without limiting the generality of the foregoing:

(a) all income, rents, rates, fees, charges or other moneys derived from the sale, furnishing and supplying of water for irrigation purposes; plus

(b) all income, rents, rates, fees, charges or other moneys derived by the District from the sale, furnishing and supplying water for municipal and industrial purposes; plus

(c) all income, rents, rates, fees, charges and other money derived from the generation and transmission of electricity; plus

(d) the proceeds of any special or benefit assessments, including stand-by or water availability charges; plus

(e) capital facility fees, development fees or similar charges, penalties, interest and rental income related to the Water System, and income from private work by the District; plus

(f) other services, facilities, and commodities sold, furnished or supplied through the facilities of or in the conduct or operation of the business of the Water System; plus

(g) amounts received by the District from Yolo County from the levy by Yolo County of the 1% *ad valorem* property tax; plus

(2) the earnings on and income derived from the investment of the amounts described in clause (1) hereof, and on the general unrestricted reserves of the District;

but excluding in all cases (y) customers’ deposits or any other deposits or advances subject to refund until such deposits or advances have become the property of the District, and (z) proceeds of taxes or benefit assessments restricted by law to be used by the District to pay amounts due on bonds or other obligations hereafter incurred; provided, however, that Revenues shall be increased by the amounts, if any, on deposit in the Revenue Fund which have been previously released from the pledge and lien of the Revenue Fund securing Bonds and Contracts, which amounts shall include the unencumbered reserves of the District.

Taxable Rate. The term “Taxable Rate” means the interest rate equal to the interest rate applicable to the unpaid balance of the principal amount of the Installment Payments accruing on a tax-exempt basis, adjusted to a taxable rate by multiplying the interest rate otherwise applicable to such principal amount by 2.86%, but not in excess of the maximum interest rate permitted by law.

2021 Project; Parity Project. The term “2021 Project” has the meaning ascribed thereto in the first WHEREAS clause herein. The term “Parity Project” means any additions, betterments, extensions or improvements to the District’s Water System designated by the Board of Directors of the District as a Parity Project, the acquisition and construction of which is to be paid for with the proceeds of any Contracts or Bonds.

Water Service. The term “Water Service” means the water distribution service made available or provided by the Water System, including but not limited to any electric generation or transmission services related thereto.

Water System. The term “Water System” means the whole and each and every part of the water system of the District, including facilities for irrigation service, municipal and industrial water service, any other water service and electric generation or transmission service, and including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such water system or any part thereof hereafter acquired or constructed.

Written Consent of the Corporation or District, Written Order of the Corporation or District, Written Request of the Corporation or District, Written Requisition of the Corporation or District. The terms “Written Consent of the Corporation or District,” “Written Order of the Corporation or District,” “Written Request of the Corporation or District,” and “Written Requisition of the Corporation or District” mean, respectively, a written consent, order, request or requisition signed by or on behalf of: (a) the Corporation by its Authorized Representative; or (b) the District by the Chair of its Board of Directors or its Manager or by the Secretary of its Board of Directors or by any two persons (whether or not officers of the Board of Directors of the District) who are specifically authorized by resolution of the District to sign or execute such a document on its behalf.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 2.01 Representations by the District. The District makes the following representations:

The District is a special district duly organized and existing under and pursuant to the laws of the State of California.

The District has full legal right, power and authority to enter into this Agreement and carry out its obligations hereunder, to carry out and consummate all other transactions contemplated by this Agreement, and the District has complied with the provisions of the Law in all matters relating to such transactions.

By proper action, the District has duly authorized the execution, delivery and due performance of this Agreement.

The District will not take or, to the extent within its power, permit any action to be taken which results in the interest paid for the installment purchase of the Project under the terms of this Agreement

being included in the gross income of the Bank for purposes of federal or State of California income taxation.

The District has determined that it is necessary and proper for District uses and purposes within the terms of the Law that the District finance the 2021 Project and refinance the Refunding Project in the manner provided for in this Installment Purchase Agreement, in order to provide essential services and facilities customers within the service area of the District.

The District has determined that it is necessary and proper for District uses and purposes within the terms of the Law that the District finance the 2021 Project and refinance the Refunding Project in the manner provided for in this Agreement.

No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the delivery or sale of the Installment Payments or the consummation of the other transactions effected or contemplated herein or hereby. The District gives no representation or warranty with regard to compliance with Blue Sky or similar state or federal securities requirements.

The execution and delivery of this Installment Purchase Agreement, the consummation of the transactions therein and herein contemplated, including the 2021 Project and the Refunding Project, and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Installment Purchase Agreement or the financial condition, assets, properties or operations of the District.

There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, or the financial condition, assets, properties or operations of the District.

The District is empowered to set rates and charges for Water Service without review or approval by any state or local government agency.

Section 2.02 Representations and Warranties by the Corporation. The Corporation makes the following representations and warranties:

The Corporation is a nonprofit public benefit corporation duly organized and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Agreement and to carry out and consummate all transactions contemplated by this Agreement and by proper action has duly authorized the execution and delivery and due performance of this Agreement.

The execution and delivery of this Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Corporation is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Corporation.

The Corporation will not take or permit any action to be taken which results in interest paid for the installment purchase of the 2021 Project and the Refunding Project under the terms of this Agreement being included in the gross income of the Bank for purposes of federal or State of California income taxation.

There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Corporation after reasonable investigation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Agreement or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, or the financial condition, assets, properties or operations of the Corporation.

Section 2.03 No Financial Advisory or Fiduciary Relationship. Each of the District and the Corporation represent, warrant and covenant that: (i) the transaction contemplated herein and in the Assignment Agreement is an arm's length commercial transaction among the District, the Corporation and the Bank and its affiliates, (ii) in connection with such transaction, the Bank and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), an agent or a fiduciary of the District or the Corporation, (iii) the Bank and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Bank and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District or the Corporation with respect to the transaction contemplated hereby or by the Assignment Agreement and the discussions, undertakings and procedures leading thereto (whether or not the Bank, or any affiliate of the Bank, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Bank and its affiliates have financial and other interests that differ from those of the District or the Corporation, and (vi) each of the District and the Corporation has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the

extent it deemed appropriate.
ARTICLE III

SALE AND PURCHASE OF THE REFUNDING PROJECT AND THE 2021 PROJECT

Section 3.01 Sale of the Refunding Project to Corporation. In consideration for assistance in refinancing the Refunding Project, the District agrees to sell, and hereby sells, to the Corporation and the Corporation agrees to purchase, and hereby purchases from the District, the Refunding Project.

Section 3.02 Purchase and Sale of the 2021 Project and the Refunding Project. In consideration for the Installment Payments as set forth in Section 4.02, the Corporation agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Corporation, the 2021 Project and the Refunding Project at the Purchase Price specified in Section 4.01 in the manner and in accordance with the provisions of this Agreement.

Section 3.03 Title. All right, title and interest in the Refunding Project shall vest in the District immediately. Each component of the 2021 Project shall vest in the District immediately upon acquisition or construction thereof. Such vesting shall occur without further action by the Corporation or the District and the Corporation shall, if requested by the District or if necessary to assure such automatic vesting deliver any and all documents required to assure such vesting.

Section 3.04 Acquisition and/or Construction, Sale and Conveyance of the 2021 Project.
(a) The Corporation hereby agrees to acquire and/or construct the 2021 Project, for and to sell and convey the 2021 Project to the District. In order to implement this provision, the Corporation hereby appoints the District as its agent for the purpose of acquisition and construction of the 2021 Project and, subject to such construction, the District hereby agrees to enter into such construction contracts and purchase orders as may be necessary, as agent for the Corporation, to provide for the acquisition and construction of the 2021 Project. The District hereby further agrees that it will cause the acquisition and construction of the 2021 Project to be diligently prosecuted with all practical dispatch and in an expeditious manner.

After the execution and delivery of this Agreement, the District shall, as agent of Corporation, use its best efforts to cause the acquisition and construction of the 2021 Project to be completed as soon as possible, unforeseeable delays beyond the reasonable control of the District only excepted.

(b) The District may add, delete or substitute other improvements for the facilities relating to the 2021 Project listed in Exhibit B hereto, but only if the District first files with the Corporation and the Bank a statement of the District;

(i) identifying the improvements to be substituted and the improvements to be added; and

(ii) stating that the estimated costs of construction, acquisition and installation of the added, deleted or substituted improvements are not less than such costs for the previously planned and/or the Corporation has sufficient funds advanced by the District to construct and/or acquire the substituted or added improvements; and

(iii) stating that such added, deleted or substituted improvements will not reduce the Installment Payments payable hereunder.

Notwithstanding the foregoing, it is hereby expressly understood and agreed that the Corporation shall be under no liability of any kind or character whatsoever for the payment of any cost or expenses incurred by the District for the acquisition and construction of the 2021 Project and that all such costs and expenses shall be paid by the District.

Section 3.05 Construction Fund. There is hereby established with [the County of Yolo on behalf of] the District the Construction Fund. Amounts on deposit in the Construction Fund may be used and withdrawn by the District for the payment for the costs of the acquisition or construction of the 2021 Project or to reimburse the District for previous costs expended in the acquisition or construction of the 2021 Project.

Within the Construction Fund the District may establish such accounts therein as it shall determine in order to provide for the accounting of any component or group of components constituting a portion of the 2021 Project.

When the acquisition and construction of the 2021 Project has been completed, any remaining balance shall be transferred by the District to the Revenue Fund.

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.01 Purchase Price.

(a) The Purchase Price with respect to the 2021 Project to be paid by the District hereunder to the Corporation is the sum of the principal amount of the District's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

Upon the occurrence of a Determination of Taxability, the interest to accrue on the unpaid balance of such principal amount shall accrue at the Taxable Rate, and the District shall pay an amount equal to the difference between the interest paid at the tax-exempt rate and the interest which would have been paid if the interest rate had been the Taxable Rate from the date that the interest component of the Installment Payments is determined to be taxable, plus any penalties, interest, assessments and additions to tax payable by the Bank as a result of the loss of the tax-exempt status of the interest component of the Installment Payments.

(b) The principal amount of the payments to be made by the District hereunder is set forth in Exhibit A hereto.

(c) The interest to accrue on the unpaid balance of such principal amount is as specified in Section 4.02 and Exhibit A hereto, and shall be paid by the District as and constitute interest paid with respect to the principal amount of the District's obligations hereunder.

Section 4.02 Installment Payments. The District shall, subject to any rights of prepayment provided in Article VII, pay the Corporation the Purchase Price of the 2021 Project in installment payments of interest and principal in the amounts and on the Installment Payment Dates as set forth in Exhibit A hereto.

Each Installment Payment shall be paid to the Corporation in lawful money of the United States of America. In the event the District fails to make any of the payments required to be made by it under this section, such payment shall continue as an obligation of the District until such amount shall have been fully paid; and the District agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Installment Payments if paid in accordance with their terms.

Subject to Section 10.01 hereof, the obligation of the District to make the Installment Payments is absolute and unconditional, and until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the District will not discontinue or suspend any Installment Payments required to be made by it under this section when due, whether or not the Water System or any part thereof is operating or operable, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the 2021 Project has been completed, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.01 Pledge of Revenues. All Revenues and all amounts on deposit in the Revenue Fund are hereby irrevocably pledged to the payment of the Installment Payments as provided herein, subject, however, to the pledge thereon securing Bonds or Contracts now in existence; and the Revenues shall not be used for any other purpose while any of the Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge, together with the pledge created by all other Contracts and Bonds, shall constitute a first lien on Revenues and, subject to application of Revenues and all amounts on deposit in the Revenue Fund as permitted herein, on the Revenue Fund and other funds and accounts created hereunder for the payment of the Installment Payments and all other Contracts and Bonds in accordance with the terms hereof.

Pursuant to Section 5451 of the Government Code of the State of California, the pledge of the Revenues by the District for the payment of the Installment Payments constitutes a pledge and lien which immediately attaches to such Revenues, and is effective, binding and enforceable against the District, its successors, creditors and all others asserting rights therein, to the extent set forth, and in accordance with, this Agreement, irrespective of whether those parties have notice of the pledge and without the need for physical delivery, recordation, filing or further act.

Section 5.02 Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is hereby continued and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as any Contracts or Bonds remain unpaid.

The District shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as such Operation and

Maintenance Costs become due and payable. Thereafter all remaining moneys in the Revenue Fund shall be applied by the District at the following times for the transfer to the following respective special funds in the following order of priority; and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes set forth in this Section.

(a) Installment Payments. Not later than each Installment Payment Date, the District shall, from the moneys in the Revenue Fund, transfer to the Bank the portion of each Installment Payment due and payable on that Installment Payment Date, and shall transfer to the applicable trustee for deposit in the respective payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service in accordance with the provisions of any Bond or Contract.

(b) Reserve Funds. On or before each Installment Payment Date the District shall, from the remaining moneys in the Revenue Fund, thereafter, without preference or priority and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer for deposit in reserve funds and/or accounts, if any, as may have been established in connection with Bonds or Contracts other than this Agreement, that sum, if any, necessary to restore such reserve funds to the required amount.

(c) Surplus. On the last day of each month, moneys on deposit in the Revenue Fund not necessary to make any of the payments required above may be expended by the District at any time for any purpose permitted by law, including but not limited to the payment of unpaid amounts due on obligations subordinate hereto.

Section 5.03 Additional Contracts and Bonds – Net Revenues. The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided:

- (a) The Net Revenues for either: (i) the most recent audited Fiscal Year; or (ii) twelve of the last eighteen months, in each case preceding the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds or the date of the execution of such Contract, as the case may be, as evidenced by both a calculation prepared by the District and a special report prepared by an Independent Certified Public Accountant or Independent Municipal Advisor on such calculation on file with the District and in form and substance acceptable to the Bank in its sole discretion, shall have produced a sum equal to at least one hundred twenty percent (120%) of Debt Service for such Fiscal Year; and
- (b) The Net Revenues for either: (i) the most recent audited Fiscal Year; or (ii) twelve of the last eighteen months, in each case preceding the date of the execution of such Contract or the date of adoption by the Board of Directors of the District of the resolution authorizing the issuance of such Bonds, as the case may be, including adjustments to give effect as of the first day of such Fiscal Year or twelve month period, as the case may be, to increases or decreases in rates and charges for the Water Service approved and in effect as of the date of calculation, as evidenced by a calculation prepared by the District, shall have produced a sum equal to at least one hundred twenty percent (120%) of Debt Service for such Fiscal Year or twelve month period, as the case may be, plus the Debt Service which would have accrued on any Contracts executed or Bonds issued since the end of such Fiscal Year or twelve month period, as the case may be, assuming such Contracts had been executed or Bonds had been issued at the beginning of such Fiscal Year, plus the Debt

Service which would have accrued had such Contract been executed or Bonds been issued at the beginning of such Fiscal Year or twelve month period, as the case may be;

- (c) The estimated Net Revenues for the then-current Fiscal Year and for each Fiscal Year thereafter to and including the first complete Fiscal Year after the latest Date of Operation of any uncompleted Parity Project, as evidenced by a certificate of the District, including (after giving effect to the completion of all such uncompleted Parity Projects) an allowance for estimated Net Revenues for each of such Fiscal Years arising from any increase in the income, rents, fees, rates and charges estimated to be fixed, prescribed or received for the Water Service and which are economically feasible and reasonably considered necessary based on projected operations for such period, as evidenced by a certificate of the District, shall produce a sum equal to at least one hundred twenty percent (120%) of Debt Service for each of such Fiscal Years, after giving effect to the execution of all Contracts and the issuance of all Bonds estimated to be required to be executed or issued to pay the costs of completing all uncompleted Parity Projects within such Fiscal Years, assuming that all such Contracts and Bonds have maturities, interest rates and proportionate principal repayment provisions similar to the Contract last executed or then being executed or the Bonds last issued or then being issued for the purpose of acquiring and constructing any of such uncompleted Parity Projects;

- (d) No event of default hereunder has occurred and is continuing.

Notwithstanding the foregoing, Bonds or Contracts may be issued or incurred to refund outstanding Bonds or Contracts if, after giving effect to the application of the proceeds thereof, total Debt Service (including Bonds or Contracts outstanding on the date of issuance or incurrence of such refunding Bonds or Contracts, but excluding such refunding Bonds or Contracts) will not be increased in any Fiscal Year in an amount in excess of 10%.

Section 5.04 Investments. All moneys held by the District in the Revenue Fund shall be invested in Permitted Investments and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.01 Compliance with Installment Purchase Agreement and Ancillary Agreements. The District will punctually pay the Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate this Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2021 Project or the Refunding Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Corporation to observe or perform any agreement, condition, covenant or term contained herein required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Corporation or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes,

industrial disputes, lock outs, lack of transportation facilities, fire, explosion, or acts or regulations of governmental authorities.

It is expressly understood and agreed by and among the parties to this Agreement that, subject to Section 10.6 hereof, each of the agreements, conditions, covenants and terms contained in this Agreement is an essential and material term of the purchase of and payment for the 2021 Project and the Refunding Project by the District pursuant to, and in accordance with, and as authorized under the Law.

Section 6.02 Against Encumbrances. The District will not make any pledge of or place any lien on any other Revenues or the moneys in the Revenue Fund senior to the lien created in Section 5.01 hereof. The District will not make any pledge of or place any lien on any other Revenues or the moneys in the Revenue Fund on a parity with the lien created in Section 5.01 hereof except as provided in Section 5.03. The District may at any time, or from time to time; (i) incur evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of or lien on Revenues or any moneys in the Revenue Fund as may from time to time be deposited therein, provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein; or (ii) execute Contracts or issue Bonds as permitted herein.

Section 6.03 Against Sale or Other Disposition of Property. The District will not enter into any agreement or lease which impairs the operation of the Water System or any part thereof necessary to secure adequate Revenues for the payment of the Installment Payments, or which would otherwise impair the rights of the Corporation hereunder or the operation of the Water System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Water System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the District to pay the Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the District to sell any portion of the Water System if such portion is immediately repurchased by the District and if such arrangement cannot by its terms result in: (i) the purchaser of such portion of the Water System exercising any remedy which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Water System; or (ii) the creation of a payment obligation of the District structurally or contractually senior to the obligation to make Installment Payments.

Section 6.04 Against Competitive Facilities. To the extent permitted by law, the District covenants that it will not acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, district or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any water system competitive with the Water System.

Section 6.05 Tax Covenants. Notwithstanding any other provision of this Agreement, absent an opinion of Special Counsel that the exclusion from gross income of the interest component of the Installment Payments will not be adversely affected for federal income tax purposes, the District and the Corporation covenant to comply with all applicable requirements of the Code necessary to preserve

such exclusion from gross income and specifically covenant, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District and the Corporation will not take or omit to take any action or make any use of any proceeds of this Agreement or of any other moneys or property which would cause the Installment Payments to be “private activity bonds” within the meaning of Section 141 of the Code.

(b) Arbitrage. The District and the Corporation will make no use of any proceeds of this Agreement or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Installment Payments to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(c) Federal Guarantee. The District and the Corporation will make no use of any proceeds of this Agreement or take or omit to take any action that would cause the Installment Payments to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The District and the Corporation will take or cause to be taken all necessary action to comply with the informational reporting requirements of Section 149(e) of the Code.

(e) Hedge Bonds. The District and the Corporation will make no use of any proceeds of this Agreement or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Installment Payments to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of the interest component of the Installment Payments for federal income tax purposes.

(f) Bank Qualified. The District hereby designates this Agreement as "bank-qualified" for purposes of paragraph (3) of Section 265(b) of the Code and represents that not more than \$10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding: (i) private activity bonds, as defined in Section 141 of the Code, except qualified 501(c)(3) bonds as defined in Section 145 of the Code; and (ii) current funding obligations to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation), including this Agreement, has been or will be issued by the District, including all subordinate entities of the District, during the calendar year 2021.

(g) Miscellaneous. The District and the Corporation will take no action, or omit to take any action, inconsistent with the expectations stated in any tax certificate executed in connection with the Installment Payments and will comply with the covenants and requirements stated therein and incorporated by reference herein.

This Section and the covenants set forth herein shall not be applicable to, and nothing contained herein shall be deemed to prevent the District and the Corporation from causing to be executed and delivered Contracts or to issue Bonds, the interest with respect to which has been determined by Special Counsel not to be subject to federal income taxation.

Section 6.06 Maintenance and Operation of the Water System. The District will maintain and preserve the Water System in good repair and working order at all times and will operate the Water System in an efficient and economical manner and will pay all Operation and Maintenance Costs as they become due and payable.

Section 6.07 Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or on any funds in the hands of the District pledged to pay the Installment Payments or to the Owners prior or superior to the lien of the Installment Payments or which might impair the security of the Installment Payments.

Section 6.08 Compliance with Contracts. The District will neither take nor omit to take any action under any contract, if the effect of such act or failure to act would in any manner materially adversely impair the ability of the District to pay Installment Payments; and the District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, required to be performed by it contained in all other contracts affecting or involving the Water System, to the extent that the District is a party thereto.

Section 6.09 Insurance.

(a) The District will procure and maintain or cause to be procured and maintained insurance on the Water System with responsible insurers in such amounts and against such risks (including damage to or destruction of the Water System) as are usually covered in connection with water systems similar to the Water System so long as such insurance is available from reputable insurance companies.

In the event of any damage to or destruction of the Water System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Water System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Water System shall be free and clear of all claims and liens.

If such net proceeds exceed the costs of such reconstruction, repair or replacement, then the excess net proceeds shall be applied by the District in any manner permitted by law, including but not limited to prepay the Installment Payments, in the manner provided in Section 7.01 herein.

The District shall procure and maintain or cause to be procured and maintained, with responsible insurers, public liability and worker's compensation insurance covering claims against the District (including its directors, officers and employees) for bodily injury or death, or damage to property occasioned by reason of the District's operations, including any use of the Water System, and such insurance shall afford protection in such amounts as are usually covered in connection with operations similar to the Water System; provided, that such insurance coverage may be satisfied under a self-insurance program which is actuarially sound.

(b) The District will procure and maintain such other insurance as it shall deem advisable or necessary to protect its interests and the interests of the Corporation, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with water systems similar to the Water System.

(c) Any insurance required to be maintained by paragraph (a) above and, if the District determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained through the participation by the District of an insurance program administered by a joint exercise of powers authority for public agencies.

All policies of insurance required to be maintained herein shall provide that the Corporation and the Bank shall be given thirty (30) days written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 6.10 Accounting Records; Financial Statements and Other Reports.

(a) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the District, which records shall be available for inspection by the Corporation and the Bank at reasonable hours and under reasonable conditions.

(b) The District will prepare and file with the Corporation and the Bank annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ending April 30, 2021) financial statements of the District for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon.

(c) The District will provide the Corporation and the Bank with copies of its annual budget within 30 days following the adoption thereof and any interim updates of the budget.

Section 6.11 Protection of Security and Rights of the Corporation. The District will preserve and protect the security hereof and the rights of the Corporation to the Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.12 Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Water System or any part thereof or upon the Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Water System or any part thereof, but the District shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.13 Amount of Rates and Charges.

(a) To the fullest extent permitted by law, the District shall fix and prescribe, at the beginning of each Fiscal Year, rates and charges (including land based charges) for the Water Service provided by the Water System which, together with other Revenues, are reasonably expected to be at least sufficient to yield during each Fiscal Year Net Revenues equal to one hundred twenty percent (120%) of Debt Service payable during such Fiscal Year.

(b) The District may make adjustments from time to time in such rates and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates and charges then in effect unless the Net Revenues from such reduced rates and charges are reasonably expected to be sufficient to meet the requirements of this section.

(c) For avoidance of doubt, so long as the District has complied with its obligations set forth in Section 6.13(a) above, the failure of Net Revenues to meet the threshold set forth in Section 6.13(a) above at the end of a Fiscal Year shall not constitute a default or an Event of Default so long as the District has complied with Section 6.13(a) at the commencement of the succeeding Fiscal Year.

Section 6.14 Collection of Rates and Charges. The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the Water Service and providing for the billing thereof and for a due date and a delinquency date for each bill.

Section 6.15 Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Corporation of the rights and benefits provided to it herein.

Section 6.16 Enforcement of Contracts. The District will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts previously or hereafter entered into, including but not limited to the 9(d) Contract, if such rescission or amendment would result in a default by the District in the payment of Installment Payments.

Section 6.17 Budgets. On or prior to the fifteenth day of each Fiscal Year, the District shall certify to the Bank that the amounts budgeted for payment of Installment Payments are fully adequate for the payment of all Installment Payments due under this Agreement for such Fiscal Year. If the amounts so budgeted are not adequate for the payment of Installment Payments due under this Agreement, the District will take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the District in the then ensuing Fiscal Year for the payment of Installment Payments due under this Agreement and will notify the Bank of the proceedings then taken or proposed to be taken by the District.

Section 6.18 Observance of Laws and Regulations. To the extent necessary to assure its performance hereunder, the District will well and truly keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the District, respectively, including its right to exist and carry on its business, to the end that such contracts, rights and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 6.19 Compliance with Contracts. The District shall comply with the terms, covenants and provisions, express or implied, of all contracts for the use of the Water System by the District, and all other contracts and agreements affecting or involving the Water System to the extent that the District is a party thereto.

Section 6.20 Prosecution and Defense of Suits. The District shall promptly, upon request of the Bank, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Water System or any part thereof, whether now existing or hereafter developing, shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose and shall indemnify and save the Corporation and the Bank harmless from

all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

The District shall defend against every suit, action or proceeding at any time brought against the Corporation upon any claim arising out of the receipt, application or disbursement of any of the Installment Payments or involving the rights of the Corporation under this Agreement; provided that the Corporation at its election may appear in and defend any such suit, action or proceeding. The District shall indemnify and hold harmless the Corporation against any and all liability claimed or asserted by any person, arising out of such receipt, application or disbursement. The District shall promptly reimburse the Corporation in the full amount of any attorneys' fees or other expenses which the Corporation may incur in litigation or otherwise in order to enforce such party's rights under this Agreement.

Section 6.21 Depository Agreement. The District hereby covenants and agrees that so long as any Installment Payment remains unpaid or undischarged, the District will not terminate the 1% Property Tax Account established under the Depository Agreement.

ARTICLE VII

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 7.01 Prepayment.

The District may prepay the principal component of Installment Payments (a) as a whole or in part, on any date from insurance or condemnation awards with respect to damage, destruction or taking of a significant portion of the Water System; and (b) in whole or in part on any date from any available funds. The principal amount of the unpaid Installment Payments is payable at a prepayment price equal to the principal amount of the Installment Payments to be prepaid plus accrued interest thereon to the date of prepayment without premium.

Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Corporation).

Section 7.02 Method of Prepayment. Before making any prepayment pursuant to Section 7.01, the District shall give written notice to the Corporation and the Bank specifying the date on which the Installment Payments will be paid, which date shall be not less than thirty (30) days from the date such notice is given.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE CORPORATION

Section 8.01 Events of Default and Acceleration of Installment Payments. If one or more of the following Events of Default shall happen:

(a) if default shall be made by the District in the due and punctual payment of any Installment Payment or any Contract or Bond when and as the same shall become due and payable;

(b) if default shall be made by the District in the performance of any of the other agreements or covenants required herein or in any Contract or Bond to be performed by it, and such default shall have continued for a period of thirty (30) days after the District shall have been given notice in writing of such default by the Corporation, provided, however, that if in the reasonable opinion of the District the default stated in the notice can be corrected, but not within such thirty (30) day period, and corrective action is instituted by the District within such thirty (30) day period and diligently pursued in good faith until the default is corrected, such default shall not be an Event of Default hereunder;

(c) if the District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property; or

(d) if payment of the principal of any Contract or Bond is accelerated in accordance with its terms; or

then and in each and every such case during the continuance of such Event of Default specified above, the Corporation may, by notice in writing to the District, declare the entire principal amount of the unpaid Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This subsection however, is subject to the condition that if at any time after the entire principal amount of the unpaid Installment Payments and the accrued interest thereon shall have been so declared due and payable and before any judgment or decree for the payment of the moneys due shall have been obtained or entered the District shall deposit with the Corporation a sum sufficient to pay the unpaid principal amount of the Installment Payments and/or the unpaid payment of any other Contract or Bond referred to in clause (a) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Corporation, and any and all other defaults known to the Corporation (other than in the payment of the entire principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Corporation, or provision deemed by the Corporation to be adequate shall have been made therefor, then and in every such case the Corporation, by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.02 Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.01, all Revenues thereafter received shall be applied in the following order:

First, to the payment of the fees, costs and expenses of the Bank, if any, including reasonable compensation to its accountants and counsel;

Second, to payment of the fees, costs and expenses of the Corporation, if any, including reasonable compensation to its accountants and counsel;

Third, to the payment of the Operation and Maintenance Costs; and

Fourth, to the payment of the entire principal amount of the unpaid Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms.

Section 8.03 Other Remedies of the Corporation. The Corporation shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any director, officer or employee thereof, and to compel the District or any such director, officer or employee to perform and carry out its or his duties under the Law and the agreements and covenants required to be performed by it or him contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Corporation; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, neither the Corporation or the Bank shall have a security interest in or mortgage on the 2021 Project or the Refunding Project, the Water System or other assets of the District, and no default hereunder shall result in the loss of the 2021 Project, the Refunding Project, the Water System or other assets of the District.

Section 8.04 Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Corporation at the respective due dates or upon prepayment from the Net Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Corporation, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Corporation shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Corporation to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Corporation by the Law or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Corporation.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the District and the Corporation shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.05 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Law or any other law.

If any remedial action is discontinued or abandoned, the Corporation and the Bank shall be restored to their former positions.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.01 Discharge of Obligations.

(a) When all or any portion of the Installment Payments shall have become due and payable in accordance herewith or a written notice of the District to prepay all or any portion of the Installment Payments shall have been filed with the Bank; and

(b) there shall have been deposited with the Bank at or prior to the Installment Payment Dates or date (or dates) specified for prepayment, in trust for the benefit of the Corporation or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Installment Payments, sufficient moneys and non-callable Permitted Investments, issued by the United States of America and described in clause (a) of the definition thereof, the principal of and interest on which when due will provide money sufficient, without reinvestment, to pay all principal, prepayment premium, if any, and interest of such Installment Payments to their respective Installment Payment Dates or prepayment date or dates as the case may be, as evidenced by a special report prepared by an Independent Certified Public Accountant addressed to the Bank and the Bank has received an opinion addressed to it in form and substance satisfactory to the Bank in its sole discretion of qualified counsel to the effect that such deposit and prepayment will not cause the interest component of Installment Payments to be included in gross income for federal income tax purposes;

then and in that event, the right, title and interest of the Corporation herein and the obligations of the District hereunder shall, with respect to all or such portion of the Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Corporation and the obligation of the District to have such moneys and such Permitted Investments applied to the payment of such Installment Payments, and the obligation of the District to pay any deficiency in such moneys and Permitted Investments).

Upon payment in full of the principal component of all Installment Payments plus interest thereon to the date of payment, the Bank shall pay over to the District as an overpayment of Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Installment Payments, which moneys and Permitted Investments shall continue to be held by the Bank in trust for the payment of the Installment Payments and shall be applied by the Bank to the payment of the Installment Payments of the District.

ARTICLE X

MISCELLANEOUS

Section 10.01 Liability of District Limited. The obligation of the District to make the Installment Payments is a special obligation of the District payable solely from the Net Revenues, and does not constitute a debt of the District or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Notwithstanding anything contained herein, but subject to the priority payment with respect to Operation and Maintenance Costs, the District shall not be required to advance any moneys derived from any source of income other than the Revenues and the Revenue Fund for the payment of amounts due hereunder or for the performance of any agreements or covenants required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

Section 10.02 Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District, the Corporation and the Bank, as assignee of the Corporation pursuant to the terms of the Assignment Agreement, any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Corporation shall be for the sole and exclusive benefit of the other party.

Section 10.03 Successor Is Deemed Included in all References to Predecessor. Whenever either the District or the Corporation is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Corporation, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Corporation shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04 Waiver of Personal Liability. No director, officer or employee of the District shall be individually or personally liable for the payment of the Installment Payments, but nothing contained herein shall relieve any director, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.05 Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith” and other words of similar import refer to this Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.06 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District or the Corporation shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Corporation hereby declare that they would have executed this Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.07 Assignment. This Agreement and any rights hereunder may be assigned by the Corporation, as a whole or in part, without the necessity of obtaining the prior consent of the District.

The District hereby acknowledges that the Corporation has assigned its rights hereunder, including, without limitation, the right to receive Installment Payments, to exercise any remedies and grant any consents hereunder, to the Bank and references herein to the Corporation shall mean the Bank.

Section 10.08 Net Contract. This Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof the Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.09 California Law. THIS INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.10 Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the District:	Yolo County Flood Control and Water Conservation District 34274 State Highway 16 Woodland, CA 95695 Attention: General Manager
If to the Corporation:	Public Property Financing Corporation of California 2945 Townsgate Road, Suite 200 Westland Village, California 91361 Attention: Secretary
If to the Bank:	Zions Bancorporation, N.A. 456 California Street, Suite 2300 San Francisco, California 94104 Attention: [Vice President]

Section 10.11 Effective Date. This Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Corporation).

Section 10.12 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13 Indemnification of Corporation and Bank. The District hereby agrees to indemnify and hold harmless the Corporation, the Bank, their respective shareholders, owners, officers, directors, and assigns if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder by the Corporation or the Bank.

Section 10.14 Amendments Permitted. This Agreement and the rights and obligations of the Corporation and the District may be modified or amended at any time by an amendment hereto which shall become binding when the written consents of the Bank.

Section 10.15 Waiver of Jury Trial; Agreement for Judicial Reference. To the fullest extent permitted by law, the District hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, this Agreement or any related documents, or the enforcement of any remedy under any law, statute, or regulation.

To the extent the foregoing waiver of a jury trial is unenforceable under applicable State of California law, the District agrees to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee's decision will stand as the decision of the court. Such judgment will be entered on the referee's statement of judgment in the same manner as if the action had been tried by the court. The District and the Assignee shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the District and the Assignee cannot agree upon a referee, the referee will be appointed by the court.

Section 10.16 Transfer. This Agreement is not subject to transfer or assignment by the District. The District acknowledges that the Bank may transfer or assign this Agreement in whole and not in part provided that:

(a) the transferring holder thereof shall first have complied with all applicable state and federal securities laws and regulations;

(b) the transferring holder thereof can transfer this Agreement only to a transferee who executes and delivers to the District a letter of the transferee substantially in the form attached as Exhibit C and who qualifies as an:

(i) a qualified institutional buyer pursuant to Rule 144A of the 1933 Securities Act; or

(ii) an “accredited investor” within the meaning of Section 2(15) of the 1933 Securities Act; and

(c) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the District without the prior review and written consent of the District, in the District’s sole discretion.

Section 10.17 Restrictions on Agreement. The District and the Corporation understand that this Agreement shall not be, and the District and the Corporation shall not cause this Agreement to be, (a) assigned a rating by any credit rating agency, (b) registered with The Depository Trust Company or any other securities depository, (c) offered pursuant to any type of offering document or official statement, (d) assigned a DTC-registered CUSIP number by Standard & Poor’s CUSIP Service or (e) listed on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access website (“EMMA”); provided, however, that Hilltop Securities Inc., as placement agent for the District, will post the issuer’s name, issue description, closing date, principal amount, the interest rate and the maturity date of this Agreement on EMMA.

Section 10.18 Expenses. The District or the Corporation shall pay (or cause to be paid), and the Bank shall be under no obligation to pay, the costs of the execution and delivery of the Installment Purchase Agreement, including but not limited to the following (i) the cost of the preparation and reproduction of the Resolution; (ii) the fees and disbursements of the following: Special Counsel, Counsel to the Bank, the District's General Counsel, the Placement Agent to the District and the Municipal Advisor to the District; (iii) the California Debt and Investment Advisory Commission fees; and (iv) all other fees and expenses incident to the execution and delivery of the Installment Purchase Agreement. The Bank shall not have any responsibility for any expenses associated with the Installment Purchase Agreement, including, but not limited to, the expenses identified above as the obligation of the District or the Corporation.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have executed and attested this Agreement by their officers thereunto duly authorized as of the day and year first written above.

YOLO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT

Chair

ATTEST

Secretary of the Board

PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA

President

Secretary

EXHIBIT A
PURCHASE PRICE

1. The principal amount of payments to be made by the District hereunder is \$5,958,390*.
2. The interest amount of the installment payments shall accrue as follows:

(i) interest with respect to the principal amount of the installment payments coming due on November 15, 2021 through May 15, 2036 shall accrue at the rate of 2.26% and shall be calculated on the basis of a 360 day year composed of twelve 30 day months.

(ii) interest with respect to the principal amount of the installment payments coming due on and after November 15, 2036 shall accrue at a rate of 2.26% through May 14, 2036 and shall be calculated on the basis of a 360 day year composed of twelve 30 day months. Beginning on May 15, 2036, and on each May 15 thereafter, interest with respect to the installment payments for the period beginning on such May 15 and ending on May 14 of the following calendar year, shall accrue at a rate equal to the one-year Federal Home Loan Bank Des Moines Regular Fixed Advance Rate in effect on the applicable May 15 plus 84 basis points and shall be calculated on the basis of a 360 day year composed of twelve 30 day months. The Bank shall promptly, but in no event later than three Business Days following May 15, 2036 and each May 15 thereafter, notify the District of the interest rate for the applicable period beginning on May 15 and ending on May 14 of the following calendar year.

3. The installment payments of principal and interest are payable in the amounts and on the Installment Payment Dates as follows:

<i>Installment Payment Date</i>	<i>Amount Attributable to Principal*</i>	<i>Amount Attributable to Interest*</i>	<i>Total*</i>
11/15/2021	\$	\$	\$
05/15/2022			
11/15/2022			
05/15/2023			
11/15/2023			
05/15/2024			
11/15/2024			
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05/15/2034		
11/15/2034		
05/15/2035		
11/15/2035		
05/15/2036	TBD	TBD
11/15/2036	TBD	TBD
05/15/2037	TBD	TBD
11/15/2037	TBD	TBD
05/15/2038	TBD	TBD
11/15/2038	TBD	TBD
05/15/2039	TBD	TBD
11/15/2039	TBD	TBD
05/15/2040	TBD	TBD
11/15/2040	TBD	TBD
05/15/2041	TBD	TBD

TBD = To Be Determined

EXHIBIT B

THE 2021 PROJECT AND THE REFUNDING PROJECT

DESCRIPTION OF THE 2021 PROJECT

The 2021 Project comprises the following:

1. Moore Siphon Replacement Project
2. Indian Valley Reservoir Hydroelectric Rehabilitation Project

DESCRIPTION OF THE REFUNDING PROJECT

1. Capay Diversion Dam Apron Renovation Project

EXHIBIT C

FORM OF INVESTOR LETTER

Yolo County Flood Control and Water Conservation District
34274 State Highway 16
Woodland, CA 95695

*Re: \$5,958,390 Yolo County Flood Control and Water Conservation District 2021
Installment Purchase Agreement*

Ladies and Gentlemen:

The undersigned, an authorized representative of Zions Bancorporation, N.A. (the “Purchaser”), hereby represents and warrants to you as follows:

1. The Purchaser is the assignee of the above-referenced agreement (the “Agreement”) approved pursuant to that certain Resolution adopted by the Board of Directors of the Yolo County Flood Control and Water Conservation District (the “District”) on May 4, 2021 (the “Resolution”).

2. The Purchaser has sufficient knowledge and experience in business and financial matters in general, and the lending to public agencies, to enable the Purchaser to evaluate the Agreement, the credit of the District, the collateral and the Agreement terms and that the Purchaser will make or has made its own independent credit analysis and decision to enter into the Agreement based on an independent examination and evaluation of the transaction and the information deemed appropriate, without reliance on the District or its affiliates, its directors, officers, employees, attorneys or agents.

3. The Purchaser acknowledges that no official statement has been prepared in connection with the Agreement, that the execution and delivery of the Agreement is exempt from Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, pursuant to Section (d) of said Rule, and that the District will not be entering into a continuing disclosure agreement to provide ongoing disclosure respecting the Agreement or the security therefor. The Purchaser has been offered copies of or full access to all documents relating to the Agreement and all records, reports, financial statements and other information concerning the District and pertinent to the source of payments due under the Agreement as deemed material by the Purchaser, which the Purchaser has requested and to which the Purchaser would attach significance in making a transaction decision.

4. The Purchaser confirms that its execution and delivery of the Agreement is suitable for and consistent with its loan portfolio and that the Purchaser is able to bear the economic risk of the execution and delivery of the Agreement, including a complete loss under the Agreement.

5. The Purchaser is executing and delivering the Agreement for not more than one account, solely for its own loan account, and not with a present view to, or in connection with, any distribution, resale, pledging, fractionalization, subdivision or other disposition thereof (subject to the understanding that disposition of Purchaser’s property will remain at all times within its control). Because the Purchaser intends to treat the execution and delivery of the Agreement as a loan and hold

the Agreement in its loan portfolio, the Purchaser has not directed or requested a CUSIP number for this transaction, or applied for eligibility with The Depository Trust Company (DTC).

6. The Purchaser understands that: (i) the Agreement: (a) has not been registered under the Securities Act of 1933 (the “Securities Act”); (b) has not been registered or qualified under any state securities or “Blue Sky” laws; (c) will not be listed on any stock or other securities exchange; (d) will carry no rating from any rating service specific to the Agreement at the request of the District (although similar securities of the District may carry ratings); and (e) due to a lack of a rating and lack of registration with a securities depository may not be readily marketable and the Purchaser will be required to bear the risk of an investment in the Agreement for a certain period of time; and (ii) this Agreement has not been qualified under the Trust Indenture Act of 1939, as amended.

7. The Purchaser has been furnished with and has examined the Agreement, the Resolution and other documents, certificates and the legal opinions delivered in connection with the execution and delivery of the Agreement.

8. The Purchaser is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it was incorporated or formed and is authorized to execute and deliver the Agreement. The person executing this letter on behalf of the Purchaser is duly authorized to do so on the Purchaser’s behalf.

9. The Purchaser is a “qualified institutional buyer” (a “Qualified Institutional Buyer”) within the meaning of Rule 144A promulgated under the Securities Act, or an institutional “accredited investor” (an “Institutional Accredited Investor”) as defined in Section 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the Securities Act.

10. The Purchaser understands and agrees that interest in the Agreement may be transferred: (i) only to a Person that the Purchaser reasonably believes is either: (A) a Qualified Institutional Buyer that is receiving an interest in the Agreement for not more than one account, for their own account and not with a view to distributing such interest; or (B) an Institutional Accredited Investor that is receiving an interest in the Agreement for not more than one account and not with a view to distributing such interest; and (ii) only if such Qualified Institutional Buyer or Institutional Accredited Investor delivers to the District a completed and duly executed Investor Letter substantially in the form hereof. The Purchaser retains the right to participate its interests in the Agreement but only to Qualified Institutional Buyers or Institutional Accredited Investors.

11. Inasmuch as the Agreement represents a negotiated transaction, the Purchaser is not acting as a fiduciary of the District, but rather is acting solely in its capacity as the Purchaser, for its own loan account.

12. The Purchaser understands that the Agreement shall not be, and the Purchaser shall not cause the Agreement to be, (i) assigned a rating by any credit rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) offered pursuant to any type of offering document or official statement, (iv) assigned a DTC-registered CUSIP number by Standard & Poor’s CUSIP Service or (v) listed on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access website (“EMMA”); provided, however, that Hilltop Securities Inc., as placement agent for the District, will post the issuer’s name, issue description, closing date, principal amount, the interest rate and the maturity date of this Agreement on EMMA.

13. The Purchaser understands that the District will rely upon the accuracy and truthfulness of the representations and warranties contained herein and hereby consents to such reliance.

14. No person has made any direct or indirect representation or warranty of any kind to the Purchaser with respect to the economic return which may accrue to the Purchaser. The Purchaser has consulted with its own tax counsel and other advisors with respect to the investment represented by the Agreement.

IN WITNESS WHEREOF, the Purchaser has executed this Letter as of the date set forth below.

Dated: May 18, 2021

Very truly yours,

ZIONS BANCORPORATION, N.A.

By: _____

Name: _____

Title: _____

DEPOSITORY AGREEMENT

THIS DEPOSITORY AGREEMENT dated as of May 1, 2021 (this “Agreement”) by and between Yolo County Flood Control and Water Conservation District (“Depositor”), a special district duly organized and existing under and by virtue of the laws of the State of California, and River City Bank, a California state chartered bank duly organized and existing under and by virtue of the laws to the State of California and the United States of America (“Depository Agent”).

Terms not otherwise defined herein shall have the meaning assigned to such terms in the Installment Purchase Agreement, dated as May 1, 2021 (the “Installment Purchase Agreement”), by and between the Depositor and the Public Property Financing Corporation of California (the “Corporation”).

WHEREAS, the Depositor intends to enter into the Installment Purchase Agreement with the Corporation, pursuant to which the Depositor is obligated to make certain installment payments (the “2021 Installment Payments”) to the Corporation;

WHEREAS, the Corporation has assigned its right to receive the 2021 Installment Payments to Zions Bancorporation, N.A. (the “Purchaser”) pursuant to the terms of an Assignment Agreement, dated as of May 1, 2021, by and between the Corporation and the Purchaser;

WHEREAS, the payment of the 2021 Installment Payments is secured by a pledge of Revenues;

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

Section 1. Appointment of Depository Agent. Depositor hereby appoints Depository Agent to act as depository agent in accordance with the terms and conditions set forth herein, and Depository Agent hereby accepts such appointment.

Section 2. Establishment of the 1% Property Tax Account. Depository Agent will open and maintain an account on the terms and conditions set forth herein (the “1% Property Tax Account”). Moneys on deposit in the 1% Property Tax Account shall be applied in accordance with Section 6 of this Agreement and Schedule I hereto. Schedule I is permitted to be revised and replaced upon delivery of a revised Schedule I by the Depositor to the Depository Agent. Any such revised Schedule I shall be appended to this Agreement without the requirement of further amendment to this Agreement. The Funds (as such term is defined below) held in 1% Property Tax Account will not bear interest independently of the interest, dividends and other distributions and payments that may arise from Permitted Investments (as defined below) made pursuant to Section 5 hereof.

Section 3. Wire Instructions. Wire transfer instructions for sending the Funds, as hereinafter defined, to Depository Agent are set forth in Schedule III.

Section 4. Deposits into the Account. Depositor has directed the County of Yolo to transfer all amounts allocated by the County of Yolo from time to time to the District pursuant to Article XIII A of the Constitution of the State of California and Section 95 et seq. of the California Revenues and Taxation Code (or any successor or supplementary provisions) and Section 95 et. seq. of the California

Revenues and Taxation Code (or any successor or supplementary provisions) (the “1% Ad Valorem Property Tax”) directly to the Depository Agent for deposit to the 1% Property Tax Account set forth in Section 2 hereof. In addition, to the extent the Depositor receives any amounts from the County of Yolo representing 1% Ad Valorem Property Tax, the Depositor shall immediately transfer such amounts to the Depository Agent for deposit to the 1% Property Tax Account set forth in Section 2 hereof. All such amounts transferred to the Depository Agent shall be in immediately available funds (the “Funds”), which Funds will be held by Depository Agent for the benefit of the Purchaser and the owners any other Bonds and Contracts which are outstanding from time to time as provided in Section 6 hereof. The Funds, plus all interest, dividends and other distributions and payments thereon received by Depository Agent from time to time, less any property distributed and/or disbursed in accordance with this Agreement, from time to time are collectively referred to hereinafter as the “Account Property”. To the extent that any portion of the ad valorem property taxes transferred to the Depository Agent includes ad valorem property taxes restricted by law to be applied to a specific use (the “Restricted Property Taxes”), such portion shall not constitute Funds or Account Property. Depository Agent will have no duty to solicit delivery of the Funds. For purposes of this Agreement “Business Day” will mean any day the Depository Agent is open for business at the address set forth herein, excluding Saturdays and Sundays.

Section 5. Investment of the Account Property.

(d) As soon as practicable after the receipt thereof, Depository Agent will cause the Account Property to be invested in such Permitted Investments as defined below as Depositor may specify in writing from time to time. During the term of this Agreement, Depositor will bear and retain the sole responsibility for the selection of the investments of the Account Property and all risks from any such investments.

(e) “Permitted Investments” will be one or more of the following:

(i) Money market or mutual funds registered under the Investment Company Act of 1940,¹ excluding such funds with a floating net asset value, including any fund for which Depository Agent or an affiliate of Depository Agent serves as an investment advisor, administrator, shareholder servicing agent, custodian or sub-custodian, notwithstanding that (A) Depository Agent or an affiliate of Depository Agent charges and collects fees and expenses from such funds for services rendered (provided that such charges, fees and expenses are on terms consistent with terms negotiated at arm’s length) and (B) Depository Agent charges and collects fees and expenses for services rendered, pursuant to this Agreement;

(ii) direct obligations of, or obligations fully guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, provided such obligations are backed by the full faith and credit of the United States; or

(iii) a deposit account of Depository Agent.

(f) If Depository Agent does not receive written instructions for the Account Property, the Account Property shall remain uninvested with no liability for interest therein. The

¹ Depositor hereby acknowledges that it has received and read the Prospectus for the selected investment of the Account Property and understands that investments in the Money Market or Mutual Fund are not insured by the Federal Deposit Insurance Corporation and are not obligations of or guaranteed by Depository Agent.

Depositor hereby instructs the Depository Agent to initially invest all amounts on deposit in the 1% Property Tax Account in a deposit account identified in section 5(b)(iii). Depository Agent will have no obligation to cause the Account Property to be invested on the day of deposit if the Account Property or instructions are not delivered to Depository Agent within a reasonable amount of time prior to the applicable cut-off time for any Permitted Investment. In any event, instructions received after 10:30 a.m. Pacific Time /1:30 p.m. Eastern Time will be treated as if received on the following Business Day and the Account Property will be invested on such day. Depository Agent will have no responsibility for any investment losses resulting from the investment, reinvestment or liquidation of the Account Property. Any interest or other income received on such investment and reinvestment of the Account Property will become part of the Account Property and losses incurred on such investment and reinvestment of the Account Property will be reflected in the value of the Account Property from time to time. Notwithstanding any other provision herein, Depository Agent will have the power to sell or liquidate the foregoing investments whenever Depository Agent is required to release all or any portion of the Account Property pursuant to this Agreement. In no event will Depository Agent be deemed an investment manager or adviser in respect of any selection of investments hereunder.

Section 6. Distribution of the Account Property. Depository Agent will hold the Account Property in its possession and disburse the Account Property or any specified portion thereof only as follows:

(d) Not later than ten (10) Business Days prior to each payment date set forth in Schedule I, the Depositor shall direct the Depository Agent, from Account Property on deposit in the 1% Property Tax Account, to transfer to the Purchaser and the applicable trustees, if any, an amount of Account Property necessary to cause the amount on deposit in the payment fund created with respect to the Bonds or Contracts identified in Schedule I to be equal to the next payment specified in Schedule I. In the event that the Account Property on deposit in the 1% Property Tax Account is insufficient to cause the amount on deposit in each payment fund created with respect to the Bonds or Contracts identified in Schedule I to be equal to the next payment specified in Schedule I, then amounts on deposit will be transferred ratably without any discrimination or preference to the Purchaser and the applicable trustees, if any, for such Bonds or Contracts identified in Schedule I.

(e) On the date that the Depository Agent receives written notice from the Depositor (a copy of such notice shall be provided to the Purchaser and any trustee) that the aggregate amount of Account Property on deposit in the 1% Property Tax Account, after taking into account amounts on deposit in the respective debt service funds established for the obligations identified in Schedule I, is equal to or greater than the aggregate payments identified in Schedule I coming due through the succeeding December 1 (the "Debt Service Payment Amount"), the Depository Agent shall transfer the excess to the Depositor pursuant to a written notice signed by an authorized person as set forth on Schedule II attached hereto ("Authorized Representative") to disburse all or a portion of the Account Property to the Depositor for deposit into the Revenue Fund (the "Disbursement Instruction"). From the date that the Depositor delivered the Disbursement Instruction to the Depository Agent through the succeeding December 1, the Depository Agent shall immediately upon receipt of any additional Funds in excess of the Debt Service Payment Amount transfer such Funds to, or upon the instruction of, the Depositor for deposit into the Revenue Fund. Depository Agent will and is hereby authorized to withdraw and pay said disbursement as specified in a Disbursement Instruction. Depository Agent will act upon a Disbursement Instruction received pursuant to Section 11 hereunder and will rely upon the content in the Disbursement Instruction without making further inquiry and will assume due execution thereof and the truth and correctness of any information or statement contained therein. Further, Depository Agent will rely upon the signature(s) thereon of an Authorized

Representative regardless of by whom or by what means the actual or purported signature(s) thereon may have been affixed thereto if such signature(s) resemble the specimen on Schedule II attached hereto or as provided to Depository Agent from time to time. Depository Agent will incur no liability to Depositor or otherwise for having acted in accordance with instructions on which it is authorized to rely pursuant to the provisions hereof.

(f) All payments of the Account Property will be effected by wire transfer in immediately available funds; provided that transfers to the Trustee may be made by internal transfer.

(g) Notwithstanding anything herein to the contrary, if any portion of the ad valorem property taxes transferred to the Depository Agent includes Restricted Property Taxes, the Depository Agent shall not apply such portion in the manner provided in (a) through (c) of this Section 6. On a monthly basis, the Authorized Representative shall provide the Depository Agent with a written instruction identifying the amount of Restricted Property Taxes that were included in the respective remittances from the County of Yolo, and shall direct the Depository Agent to transfer the amount identified in such written instruction to the Depositor pursuant to the wire instructions included in such written instruction. After the receipt of the written instruction from the Authorized Representative, the Depository Agent shall promptly transfer the amount identified in the written instruction to the Depositor.

Section 7. Compensation of Depository Agent. Depository Agent will be entitled to receive payment from Depositor for fees, costs and expenses for all services rendered by Depository Agent hereunder in accordance with Schedule III to this Agreement. Depositor will reimburse Depository Agent on demand for all losses, liabilities, damages, disbursements, advances or expenses paid or incurred by Depository Agent in the administration of its duties hereunder, including, but not limited to, all counsel, advisor and agent fees and disbursements. At all times, Depository Agent will have a right of set off and first lien upon the 1% Property Tax Account for payment of customary fees, costs and expenses and all such losses, liabilities, damages or expenses from time to time. Such fees, costs and expenses will be paid from the Account Property to the extent not otherwise paid hereunder and Depository Agent may sell, convey or otherwise dispose of any Account Property for such purpose.

Section 8. Resignation or Removal of Depository Agent. Depository Agent may resign and be discharged from its duties hereunder at any time by giving written notice thirty (30) calendar days prior to such resignation to Depositor as provided in this Section. Depositor may remove Depository Agent at any time by giving written notice signed by the Authorized Representative at least thirty (30) calendar days prior to such removal to Depository Agent. Following such resignation or removal, a successor Depository Agent will be appointed by Depositor, who will provide written notice of such to the resigning or removed Depository Agent. Such successor Depository Agent will become Depository Agent hereunder, and all Account Property will be transferred to it upon the resignation or removal date specified in such notice. If Depositor is unable to appoint a successor Depository Agent within thirty (30) calendar days after such notice, Depository Agent may, in its sole discretion, deliver the Account Property to Depositor at the address provided herein or may petition any court of competent jurisdiction for the appointment of a successor Depository Agent or for other appropriate relief. The costs and expenses (including but not limited to its attorney fees and expenses) incurred by Depository Agent in connection with such proceeding will be paid by Depositor. On the resignation/removal date and after receipt of the identity of the successor Depository Agent, Depository Agent will either deliver and/or disburse the Account Property then held hereunder to the successor Depository Agent, less Depository Agent's fees, costs and expenses or other obligations owed to Depository Agent. Upon its resignation or removal and delivery and/or disbursement of the Account

Property in its entirety as set forth in this Section, Depository Agent will be discharged of and from any and all future obligations arising in connection with the Account Property or this Agreement.

Section 9. Indemnification of Depository Agent. Depositor agrees to indemnify and hold Depository Agent harmless against any and all liabilities, losses, claims, damages or expenses, including reasonable attorney's fees, that Depository Agent may incur by reason of or based upon its actions under this Agreement other than as a result of the gross negligence or willful misconduct of Depository Agent.

Section 10. Rights, Duties and Immunities of Depository Agent. Acceptance by Depository Agent of its duties under this Agreement is subject to the following terms and conditions, which all parties to this Agreement hereby agree will govern and control the rights, duties and immunities of Depository Agent.

(a) General Duties. The duties and obligations of Depository Agent will be determined solely by the express provisions of this Agreement and Depository Agent will not be liable except for the performance of such duties and obligations. Depository Agent is not a party to, and is not bound by, or required to comply with any agreement or other document out of which this Agreement may arise. Depository Agent will not be required to inquire as to the performance or observance of any duty, obligation, term or condition under any other agreements or arrangements between Depositor and any other party. Depository Agent will not be under any liability to the party hereto by reason of any failure on the part of Depositor or any maker, guarantor, endorser or other signatory of any document or any other third party to perform, such party's obligations under any such document. Except for amendments to this Agreement referred to herein, and except for notifications or instructions to Depository Agent under this Agreement, Depository Agent will not be obliged to recognize or be chargeable with knowledge of any of the terms or conditions of any agreement between Depositor and any other party, notwithstanding that references thereto may be made herein and whether or not it has knowledge thereof. Depository Agent will not be liable for the accuracy of any calculations or the sufficiency of any funds for any purpose. The Depository Agent may establish additional accounts or subaccounts within the Funds as the Depository Agent shall deem necessary and prudent in furtherance of its duties under this Agreement upon written notification to Depositor.

(b) Depository Agent Funds. Depository Agent will not be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of any of its duties hereunder.

(c) Validity of Communications to Depository Agent. Except for comparisons with the signature specimen provided by the parties in Schedule II, Depository Agent will not have any responsibility to determine the authenticity or validity of any notice, direction, instruction, instrument, document or other items delivered to it by any party, or for the identity, authority or rights of persons executing or delivering any such notice, direction, instruction, instrument, document, or other items delivered to it by such party or parties. Depository Agent is authorized to comply with and rely upon any notice, direction, instruction or other communication believed by it to have been sent or given by Depositor and will be fully protected in acting in accordance with such written direction or instructions given to it under, or pursuant to, this Agreement.

(d) No Fiduciary Relationship. This Agreement will not be deemed to create a fiduciary relationship among the parties hereto under state or federal law.

(e) Judicial, Regulatory or Governmental Acts. If at any time Depository Agent is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects the Account Property (including but not limited to orders of attachment or any other forms of levies or injunctions or stays relating to the transfer of the Account Property), Depository Agent is authorized to comply therewith in any manner as it or its legal counsel of its own choosing deems appropriate; and if Depository Agent complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, Depository Agent will not be liable to any of the parties hereto or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

(f) Liability. Depository Agent will not be liable for any action taken or omitted or for any loss or damage resulting from its actions or its performance of its duties hereunder in the absence of gross negligence or willful misconduct on its part. In no event will Depository Agent be liable (i) for acting in accordance with or relying upon any instructions on which it is authorized to rely pursuant to the provisions hereof, (ii) for any consequential, punitive or special damages, (iii) for the acts or omissions of its nominees, designees, subagents or subcustodians who are appointed with due care, or (iv) for an amount in excess of the value of the Account Property, valued as of the date of loss.

(g) Ambiguity or Disputes. If any ambiguity or uncertainty should arise hereunder or in any notice or other communication received by Depository Agent, Depository Agent is hereby authorized by Depositor to refrain from taking any action other than to retain possession of the Account Property, unless Depository Agent receives a joint written instruction, signed by an Authorized Representative, eliminates such ambiguity or uncertainty.

(h) Legal Counsel. Depository Agent may consult with legal counsel of its own choosing, at the expense of Depositor, as to any matter relating to this Agreement and Depository Agent will incur no liability and will be fully protected in respect of any action taken, omitted or suffered by it in good faith in accordance with the advice or opinion of such counsel.

(i) Conflicting Claim. If any dispute or conflicting claim should arise with respect to the payment, ownership or right of possession of the 1% Property Tax Account or the Account Property, Depository Agent will be entitled, in its sole discretion, to refuse to comply with any and all claims, demands or instructions. Depository Agent is authorized and directed to retain in its possession, without liability to anyone, except for its own gross negligence or willful misconduct, all or any part of the Account Property until such dispute will have been settled either by mutual agreement of the parties concerned or by final order, decree or judgment of a court or other tribunal of competent jurisdiction in the United States of America (as notified to Depository Agent in writing by the parties to the dispute or their Authorized Representatives and setting forth the resolution of the dispute). Depository Agent will be under no duty whatsoever to institute, defend or partake in such proceedings. The rights of Depository Agent under this paragraph are in addition to all other rights which it may have by law or otherwise including, without limitation, the right to file an action in interpleader.

(j) Force Majeure. Depository Agent will not incur liability for not performing any act or not fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of Depository Agent (including but not limited to any act or provision of any present or future law or regulation or governmental authority, natural catastrophes, civil or military disturbances, loss or malfunctions of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility).

(k) Electronic Communication. When Depository Agent acts on any communication (including, but not limited to, communication with respect to the delivery of securities or the wire transfer of funds) sent by electronic transmission, Depository Agent, absent gross negligence or willful misconduct, will not be responsible or liable in the event such communication is not an authorized or authentic communication of the party involved or is not in the form the party involved sent or intended to send (whether due to fraud, distortion or otherwise). Depository Agent will not be liable for any losses, costs or expenses arising directly or indirectly from Depository Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. Depositor agrees to assume all risks arising out of the use of such electronic transmission to submit instructions and directions to Depository Agent, including without limitation the risk of Depository Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(l) Statements. Depository Agent will furnish Depositor periodic cash transaction statements which include detail for all investment transactions effected by Depository Agent or brokers selected by Depositor or any investment advisor. Upon Depositor's election, such statements will be delivered via Depository Agent's Online Trust and Custody service and upon electing such service, paper statements will be provided only upon request. Statements will be deemed to be correct and final upon receipt thereof by Depositor unless Depositor notifies Depository Agent in writing to the contrary within thirty (30) Business Days of the date of such statement. Depositor agrees and acknowledges that it will be deemed to have been "furnished", "delivered" and/or "in receipt" of a statement at the earlier of: (a) five (5) calendar days after it is mailed to Depositor via U.S. Postal Service; (b) Depositor actually receives it; or (c) Depository Agent makes it available via electronic means. Also, for purposes of this Agreement, the words "delivered" includes, but is not limited to, statements returned to the Depository Agent as a result of a bad mailing address. If statements are returned due to error outside of Depository Agent, Depositor agrees that: (a) Depository Agent may hold all future statements until the mailing address is properly updated in the records of Depository Agent; (b) returned and held statements will be held by the Depository Agent for thirty (30) calendar days from the date of receipt by Depository Agent of the returned statement and/or date the statement was generated by Depository Agent; and (c) Depository Agent is authorized to destroy returned and held paper statements after sixty (60) calendar days have elapsed from the date of receipt by Depository Agent of the returned statement and/or date the statement was generated by Depository Agent. Depositor agrees that its obligation to review statements within the required time frame is not excused in the event Depository Agent holds and/or destroys any returned or held paper statement pursuant to this Agreement. Depositor and waives the right to receive brokerage confirmations of security transactions effected by Depository Agent as they occur, to the extent permitted by law. Depositor further understand that trade confirmations for securities transactions effected by Depository Agent will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

(m) Degree of Care. Depository Agent will not be under any duty to give the Account Property held by it hereunder any greater degree of care than it gives property held by it in similar transactions.

(n) Confidentiality. All non-public information and advice furnished by the party to Depository Agent shall be treated as confidential and will not be disclosed to third parties unless required by law, except that Depository Agent may disclose (a) the identity of Depositor as a client or client reference of Depository Agent; (b) any information required to be disclosed to any government regulator of Depository Agent or its affiliates; and (c) any information to Depository Agent's affiliated

entities and product and service providers to the extent necessary to provide the financial products and services under the Agreement.

Section 11. Notices. All notices, consents, requests, instructions, approvals and other communications provided for in this Agreement must be in writing, signed by the Authorized Representative and sent by: (i) personal delivery, overnight delivery by a recognized courier or delivery service, (ii) mailed by registered or certified mail, return receipt requested, postage prepaid, or (iii) electronic transmission, which includes email with an imaged or scanned attachment (such as a .pdf) or other similar electronic transmission, (receipt confirmed); and become effective when delivered to the addresses noted below or such other address as may be substituted therefor by written notification by the Authorized Representative. Notices to Depository Agent will be deemed to be effective when actually received by Depository Agent's Corporate Trust Department.

If to Depositor, to:

Yolo County Flood Control and Water Conservation District
34274 State Highway 16
Woodland, CA 95695
Attention: General Manager

with a copy to:

Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Attention: Jonathan Guz, Esq.
Email: jguz@stradlinglaw.com
Phone: (949) 725-4097

If to Depository Agent, to:

River City Bank
2485 Natomas Park Drive, Suite 100
Sacramento, California 95833
Email: kinzie.nicholos@rivercitybank.com
Phone: (916) 567-2658

If Depository Agent receives notices or information other than as required by this Agreement, Depository Agent will disregard such information.

Section 12. Wiring Instructions. If fund transfer instructions are given other than as set forth on Schedule III attached hereto, such instructions must be communicated to Depository Agent in a writing delivered pursuant to Section 11. Depository Agent shall seek confirmation of such instructions by telephone call-back to an Authorized Representative, and Depository Agent may rely upon the confirmations of anyone purporting to be the Authorized Representative so designated. Depository Agent and the beneficiary's bank with respect to any funds transfer will rely solely upon any account numbers or similar identifying numbers provided by Depositor to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank. Depository Agent may apply any of the Funds for any payment order it executes using any such identifying number, even when its use

may result in a person other than the beneficiary being paid, or the transfer of funds to a bank other than the beneficiary's bank or an intermediary bank designated. The party to this Agreement acknowledges that such security procedure is commercially reasonable.

Should Depositor propose to direct or direct Depository Agent to make a payment to any other party, including a foreign financial institution (as defined in section 1471(d)(4) of the Internal Revenue Code) or a non-financial institution (as defined in section 1472(d) of the Internal Revenue Code), then Depositor shall provide Depository Agent with each certification described in subparagraph (ii) of Section 21(a).

Without assuming any responsibility to make any such determination, if Depository Agent determines that any withholding (as provided in Section 21) applies to any fund transfer based on the withholding certificates (or lack thereof) or other information that Depository Agent obtains or has in its possession, Depository Agent shall withhold the taxes as applicable and shall not be obligated to increase any amount transferred or otherwise compensate the transfer's recipient for any amounts withheld.

Section 13. Termination. This Agreement will terminate on the date the Depository Agent receives notice from the Depositor or the Trustee that none of the Bonds or Contracts identified in Schedule I remain Outstanding.

Section 14. Continuing Obligations. The obligations under Sections 6 – 10, 15, and 18 – 23 hereof will survive the resignation or removal of Depository Agent, the termination of this Agreement and the payment of all amounts hereunder.

Section 15. Inconsistent Provisions. Depositor agrees that to the extent that the provisions of any other agreement relating to the Account Property are inconsistent with the terms of this Agreement, the terms of this Agreement will control.

Section 16. Counterparts. This Agreement and any amendments hereto may be executed in any number of counterparts each of which will be deemed to be an original, and all of which together will constitute but one and the same instrument. Executed copies of this Agreement and any amendments hereto delivered pursuant to Section 11 above will be as effective as an original to bind the parties.

Section 17. Severability. The invalidity, illegality or unenforceability of any provision of this Agreement will in no way affect the validity, legality or enforceability of any other provision; and if any provision is held to be unenforceable as a matter of law, the other provisions will not be affected thereby and will remain in full force and effect.

Section 18. Authorized Representative. Depositor hereby identifies to Depository Agent the officers, employees or agents designated on Schedule II attached hereto as an Authorized Representative with respect to any notice, certificate, instrument, demand, request, direction, instruction, waiver, receipt, consent or other document or communication required or permitted to be furnished to Depository Agent. Such Schedule II may be amended and updated by written notice to Depository Agent with a copy to the other party to this Agreement provided that failure to furnish such copy to any other party will not affect the validity of such notice to Depository Agent. Depository Agent will be entitled to rely on such original or amended Schedule II with respect to any party until a new Schedule II is furnished by such party to Depository Agent.

Section 19. Governing Law. THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 20. Jurisdiction. Each of the parties hereto hereby irrevocably agrees that any action, suit or proceedings against any of them by any of the other aforementioned parties with respect to this Agreement will be brought before the jurisdiction of any federal or state court of competent jurisdiction located in the County of Yolo, California. Each party hereto further irrevocably consents to the service of any complaint, summons, notice or other process relating to any such action or proceeding by delivery thereof to it by hand or by registered or certified mail, return receipt requested, in the manner provided for herein. Each party hereto hereby expressly and irrevocably waives any claim or defense in any such action or proceeding based on improper venue or forum non conveniens or any similar basis. To the extent permitted by law, in connection with any claim, cause of action, proceeding or other dispute concerning this Agreement (each a "Claim"), the parties to this Agreement expressly, intentionally, and deliberately waive any right each may otherwise have to trial by jury. In the event that the waiver of jury trial set forth in the previous sentence is not enforceable under the law applicable to this Agreement, the parties to this Agreement agree that any Claim, including any question of law or fact relating thereto, will, at the written request of any party, be determined by judicial reference pursuant to California law. The parties will select a single neutral referee, who will be a retired state or federal judge. If the parties are unable to agree upon a referee, the court will appoint the referee. The referee will report a statement of decision to the court. Nothing in this paragraph will limit the right of any party at any time to exercise self-help remedies, foreclose against collateral or obtain provisional remedies. The parties will bear the fees and expenses of the referee equally, unless the referee orders otherwise. The referee will also determine all issues relating to the applicability, interpretation, and enforceability of this paragraph. The parties acknowledge that if a referee is selected to determine the Claims, then the Claims will not be decided by a jury.

Section 21. Tax Matters.

(a) Withholding Forms. (i) Depository Agent does not have any interest in the Account Property deposited hereunder but is serving as depository holder only and having only possession thereof. Depositor will pay or reimburse Depository Agent upon request for any taxes relating to the Account Property incurred in connection herewith and will indemnify and hold harmless Depository Agent from any amounts that it is obligated to pay in the way of such taxes. Any payments of income from this Account will be subject to withholding regulations then in force with respect to United States taxes. Due to the requirement that all accounts have Taxpayer Identification Numbers documented by appropriate W-8 or W-9 forms, Depositor agrees to provide the appropriate form to Depository Agent, duly completed and signed by its Authorized Representative. Depositor acknowledges that failure to provide such forms may prevent or delay disbursement of the Account Property hereunder. The Depositor agrees to submit new Forms W-8 or W-9 (as the case may be) should the jurisdiction of its domicile or residence change or any other change in circumstances make the applicable withholding tax consequence incorrect during the terms of this Agreement.

(ii) Additionally, if Depositor proposes to direct or direct Depository Agent to make a payment to any other party, including a foreign financial institution (as defined in section 1471(d)(4) of the Internal Revenue Code) or a non-financial institution (as defined in section 1472(d) of the Internal Revenue Code) then Depositor shall provide Depository Agent with a certification in form and substance satisfactory to Depository Agent acting in its sole discretion that it has obtained valid documentation sufficient to determine the Chapter 3 and Chapter 4 (FATCA) status

of the payee and that any payment to the payee is not subject to Chapter 3 and Chapter 4 (FATCA) withholding.

(iii) If Depository Agent does not receive either a Form W-8 or Form W-9 required by subparagraph (i) of this Section 21(a) or each certification required by subparagraph (ii) of this Section 21(a) from Depositor regarding the beneficiary of any payment made hereunder, then Depository Agent shall treat the recipient as a foreign financial institution.

(b) Tax Reporting. Depository Agent will report payments of income from the 1% Property Tax Account, and if required and applicable, of principal, to Depositor or other payment recipients on an annual basis as required by law, by providing the applicable IRS Form 1099 or Form 1042-S.

(c) Owner(s) of Income. For purposes of reporting the aggregate amount of income on the Account Property, Depositor will be considered owner of such income.

(d) Withholding. Depository Agent will withhold any taxes as and to the extent required by sections 1471 through 1474 of the Internal Revenue Code (“FATCA”), sections 1441 through 1464 of the Internal Revenue Code (“Chapter 3 withholding”) or any provision of the Internal Revenue Code and the regulations thereunder. In transferring any funds or payment to any entity pursuant to this Agreement, Depository Agent will transfer the funds net of any FATCA, Chapter 3 withholding or other withholding taxes. Depository Agent will not be required to increase any payment in respect of which it withholds U.S. taxes or otherwise compensate the recipient of the payment for any amount so withheld withholding. Each of Depositor agrees to provide Depository Agent with information sufficient to identify the type of payment, allocation statement to each party and a certification of the Chapter 3 and Chapter 4 (FATCA) status of each payee and whether any U.S. withholding taxes (including but not limited to FATCA withholding taxes and Chapter 3 withholding taxes) apply to payments being made to any such payee. Depositor has the primary responsibility to determine the validity of Forms W-8 and W-9 obtained from the beneficiary of any payment and any applicable withholding tax consequence thereto. Notwithstanding any identification by Depositor of the type of payment or the rate of withholding applicable thereto, if Depository Agent determines that the payment is subject to withholding taxes, Depository Agent will withhold the applicable tax.

Section 22. USA PATRIOT Act. Depositor will provide to Depository Agent such information as Depository Agent may reasonably require to permit Depository Agent to comply with its obligations under the federal USA PATRIOT Act (Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001) and any other law, statute, regulation or regulation relating to prohibited practices. Depository Agent will not credit any amount of the Funds or any interest or investment proceeds earned thereon, or make any payment of all or a portion of the Funds or any interest or investment proceeds earned thereon, to any person unless and until such person has provided to Depository Agent such documents as Depository Agent may require to permit Depository Agent to comply with its obligations under such Act or any other such law, statute, regulation or regulation relating to prohibited practices.

Section 23. Miscellaneous.

(a) The rights and remedies conferred upon the parties hereto shall be cumulative, and the exercise or waiver of any such right or remedy will not preclude or inhibit the exercise of any

additional rights or remedies. The waiver of any right or remedy hereunder will not preclude the subsequent exercise of such right or remedy.

(b) This Agreement is for the exclusive benefit of the parties hereto and their respective successors hereunder, and will not be deemed to give, either express or implied, any legal or equitable right, remedy, or claim to any other entity or person whatsoever.

(c) Each party hereby represents and warrants (i) that this Agreement has been duly authorized, executed and delivered on its behalf and constitutes its legal, valid and binding obligation and (ii) that the execution, delivery and performance of this Agreement by the parties hereto does not and will not violate any applicable law or regulation.

(d) The headings contained in this Agreement are for convenience of reference only and will have no effect on the interpretation or operation hereof.

(e) Except as otherwise permitted herein, this Agreement may be modified only by a written amendment signed by the Authorized Representative and Depository Agent, and no waiver of any provision hereof will be effective unless expressed in a writing signed by the proper party's Authorized Representative and Depository Agent.

(f) No party may assign any of its rights or obligations under this Agreement without the written consent of the other parties.

(g) Any entity into which Depository Agent may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which Depository Agent will be a party, or any entity succeeding to all or substantially all of the corporate trust business of Depository Agent will be the successor of Depository Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

YOLO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT
as Depositor

By: _____
General Manager

RIVER CITY BANK
as Depository Agent

By: _____
Authorized Officer

SCHEDULE I

Payment Schedule(s)

Name of Obligation:

Principal Amount:

Enterprise Fund:

Payment Schedule

Date

Amount

\$

SCHEDULE II

Account Signing Authority

Authorized Representative(s) of Depositor

Signature: _____
Print: _____
Title: General Manager
Phone: _____
Email: _____

Signature: _____
Print: _____
Title: _____
Phone: _____
Email: _____

Certification: The undersigned certifies that each of the individuals listed above is an authorized representative of Depositor with respect to any instruction or other action to be taken in connection with the Agreement and River City Bank will be entitled to rely on such list until a new list is furnished to River City Bank. The undersigned further certifies that he or she is duly authorized to sign this Account Signing Authority.

Signature: _____
Name: _____
Its: Assistant Secretary
Date: _____, 2021

Schedule III

Schedule of Fees

Fee Type	Amount
Initial Establishment Fee (one time)	\$150.00
Maintenance Fee (monthly)	15.00

The above fees may be waived at the discretion of the Depository Agent.

SCHEDULE IV

Wire Instructions:

If to Depositor:

ABA No.:
Bank Name:
Account No.:
Account Name:

If to Depository Agent:

ABA:
Bank Name:
Account No.:
BNF:
Account Name:
Attention:

STRADLING YOCCA CARLSON & RAUTH

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
500 CAPITOL MALL, SUITE 1120
SACRAMENTO, CA 95814
TELEPHONE 916.449.2350
FACSIMILE 916.441.2034

CALIFORNIA
LOS ANGELES
NEWPORT BEACH
SACRAMENTO
SAN DIEGO
SAN FRANCISCO
SANTA BARBARA
COLORADO
DENVER
NEVADA
LAS VEGAS
RENO
WASHINGTON
SEATTLE

DOUGLAS S. BROWN
DIRECT DIAL: (949) 500-0855
DBROWN@SYCR.COM

May 4, 2021

Mr. Tim O'Halloran
General Manager
Yolo County Flood Control & Water Conservation District
34274 State Highway 16
Woodland, CA 95695

Dear Mr. O'Halloran:

We thank you for the opportunity to work with the Yolo County Flood Control & Water Conservation District (the "District") as bond counsel. Unless otherwise confirmed in writing, the terms of this letter and the enclosed Terms of Retention will govern our bond and disclosure counsel representation of the District.

We are attaching our normal Terms of Retention, which is an integral part of our retention agreement. If this letter, including the attached Terms of Retention, accurately reflects your understanding of our relationship, please acknowledge your approval and acceptance of these terms by signing and returning this letter to me. Copies of each are enclosed for your files. I would be pleased to answer any questions you might have.

Very truly yours,

STRADLING YOCCA CARLSON & RAUTH

Douglas S. Brown

Enclosure

The undersigned hereby agrees that the terms and conditions in this letter and the accompanying Terms of Retention shall apply to services rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation.

YOLO COUNTY FLOOD CONTROL & WATER
CONSERVATION DISTRICT

By: _____
General Manager

STRADLING YOCCA CARLSON & RAUTH

A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
500 CAPITOL MALL, SUITE 1120
SACRAMENTO, CA 95814
TELEPHONE 916.449.2350
FACSIMILE 916.441.2034

DOUGLAS S. BROWN
DIRECT DIAL: (949) 500-0855
DBROWN@SYCR.COM

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SAN DIEGO
SAN FRANCISCO
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DENVER
NEVADA
LAS VEGAS
RENO
WASHINGTON
SEATTLE

**TERMS OF RETENTION
OF
STRADLING YOCCA CARLSON & RAUTH**

1. **Fees and Costs.** Stradling Yocca Carlson & Rauth (the “Firm”) is compensated for its services based primarily on the value of the services and the time spent performing them. Such compensation may include the time spent on client conferences, travel, research, drafting documents, and other activities. The amount of fees charged on a statement is determined by the hours expended by the different attorneys and other professional personnel involved and the applicable rates. **Notwithstanding the foregoing, all fees for bond counsel services with respect to specific transactions will be at fixed fees payable contingent upon closing of the transaction as agreed in supplements to these Terms of Retention. The fixed fee for the private placement of the District’s installment purchase agreement is set forth in Exhibit A attached hereto.**

The Firm also charges for various costs such as copying, telephone charges, computerized legal research, word processing and/or other computer time, overtime costs, messenger services, travel, filing fees and other costs. Bills for some costs are passed on directly, such as bills for certified shorthand reporters, technical consultants, and other professional fees. **For bond counsel matters on specific transactions, expenses will be included in any fixed amount quoted to you as described above.**

2. **Termination by Us.** We reserve the absolute right to withdraw from representing you if, among other things, you fail to honor the terms of our agreement, you fail to cooperate fully or follow our advice on a material matter, or any fact or circumstance occurs that would, in our view, render our continuing representation unlawful or unethical. If we elect to withdraw, you will take all steps necessary to free us of any obligation to perform further services, including the execution of any documents necessary to complete our withdrawal, and we will be entitled to be paid at the time of withdrawal for all services rendered and costs and expenses paid or incurred on your behalf. Notwithstanding the foregoing, no portion of any contingent bond counsel fee shall be payable in the event we terminate our representation of you as discussed above prior to closing of the proposed transaction. If necessary in connection with litigation, we would request leave of court to withdraw.

3. **Termination by District.** We understand that we serve at the pleasure of the District and this Terms of Retention may be terminated by the District at any time, upon 10 days written notification with or without cause. In the event that our services are terminated prior to completion of the financing, no portion of any contingent bond counsel fee shall be payable to us.

4. **Date of Termination.** Our representation of you will be considered terminated at the earlier of (i) your termination of our representation, (ii) our withdrawal from our representation of you, or (iii) the substantial completion of our substantive work for you.

5. **Related Activities.** If any claim or action is brought against us or any personnel or agents of the firm based on your negligence or misconduct, or if we are asked to testify as a result of our representation of you or must defend the confidentiality of your communications in any proceeding, you agree to pay us for any resulting fees, costs, or damages, including our time, even if our representation of you has ended.

6. **No Guarantee of Outcome.** The Firm will provide its services consistent with the level and quality of expertise expected of a nationally recognized Firm specializing in securities law and the transactions contemplated by this agreement. We do not and cannot guarantee any outcome in a matter.

7. **Insurance.** We hereby advise you that this Firm maintains professional errors and omissions insurance coverage applicable to the services to be rendered to you. Evidence of such insurance will be provided upon request.

8. **Client.** This Firm's client for the purpose of our representation is only the person or entity identified in the letter accompanying these Terms of Retention. Unless expressly agreed, we are not undertaking the representation of any related or affiliated person or entity, nor any parent, brother-sister, subsidiary, or affiliated corporation or entity, nor any of your or their officers, directors, agents, or employees.

9. **Payment Notwithstanding Dispute.** In the event of any dispute that relates to our entitlement to any payment from you, all undisputed amounts shall be paid by you. Any amounts in any client trust account held on your behalf, sufficient to pay the disputed amounts, shall continue to be held in such trust account until the final disposition of the dispute.

10. **Arbitration.** We appreciate the opportunity to serve as your attorneys and anticipate a productive and harmonious relationship. If you should feel for any reason that there is a problem with the services we have performed or with our charges, we encourage you to bring that to our attention immediately. If we perceive a problem with your representation, we likewise will endeavor to discuss it with you. Most problems should be rectified by communication and discussion. However, a dispute might arise between us which could not be resolved by negotiation. We believe that such attorney-client disputes are most satisfactorily resolved through final and binding arbitration rather than by litigation. Both the United States Supreme Court and the California Supreme Court have endorsed arbitration as an accepted and favored method of resolving disputes, because it is economical and expeditious.

In arbitration, there is no right to a trial by jury and the arbitrator's legal and factual determinations are generally not subject to appellate review. Arbitration rules of evidence and procedure are often less formal and less rigid than the rules which apply in Court. Arbitration usually results in a decision much more quickly than proceedings in Court, and the attorneys' fees and other costs incurred by both sides may be substantially less. You are free to discuss the advisability of arbitration with us, or with your own independent counsel or any of your other advisors, and to ask any questions which you may have.

By signing this Terms of Retention, we agree that, in the event of any dispute or claim arising out of or relating to our engagement, our relationship, our charges, or our services (including but not limited to disputes or claims regarding our charges, professional malpractice, errors or omissions, breach of contract, breach of fiduciary duty, fraud, or violation of any statute), SUCH DISPUTE OR CLAIM SHALL BE RESOLVED BY SUBMISSION TO FINAL AND BINDING ARBITRATION IN YOLO COUNTY, CALIFORNIA, BEFORE A RETIRED JUDGE OR JUSTICE. BY AGREEING TO ARBITRATE, YOU WAIVE ANY RIGHT YOU HAVE TO A COURT OR JURY TRIAL. Venue with regard to any ancillary proceedings arising out of such dispute or claim shall also be in Yolo County. If we are unable to mutually agree on a retired judge or justice, then each side will name one retired judge or justice and the two named persons will select a neutral judge or justice who will act as the sole arbitrator. The fees of the arbitrator will be paid initially equally by both the Firm and you. However, the arbitrator shall have the right to order either party to pay all fees and costs as part of his award.

In arbitration, we shall both be entitled to conduct discovery in accordance with the provisions of the California Code of Civil Procedure, but either of us may request that the arbitrator limit the amount or scope of such discovery and, in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively.

Under California law, you have the right, if you desire, to request arbitration of any fee dispute before an arbitrator or panel of arbitrators selected by a local bar association or the State Bar ("Bar Arbitration") and a trial de novo in court if dissatisfied with the result. If you do request a Bar Arbitration, the law provides that evidence of any claim of malpractice or professional misconduct is admissible only concerning the fees or costs in dispute and that the Bar Arbitrators shall not award any affirmative relief in the form of damages, offset or otherwise on account of such claim. By signing this Terms of Retention, you agree that if a Bar Arbitration is conducted, that Bar Arbitration or any trial de novo in Court thereafter shall determine only the issue of the amount of fees properly chargeable to you, if any, and that such Bar Arbitration or trial de novo in Court thereafter shall have no effect on the provisions set forth above which require arbitration before a retired judge or justice of any claims for affirmative relief based on alleged professional malpractice, errors or omissions, breach of conduct, breach of fiduciary duty, fraud or violation of any statute. Any such claims shall be solely determined in an arbitration proceeding by a retired judge or justice without regard to the result of any Bar Arbitration or trial de novo thereafter.

11. **Primary Attorney.** The primary attorney with responsibility for this representation will be Douglas S. Brown. The parties agree that the Firm is being retained based on the unique skill, experience, and expertise of Mr. Brown and no change will be made in the primary attorney without the prior, written consent of the District.

12. **Other Clients.** As a law firm with many diverse clients and practice areas, we seek to retain the ability to accept unrelated matters for all of our clients. We may thus request your informed written consent in the event we seek to represent any other client in any future matter that is not substantially related to this matter and does not involve material confidential information we obtained while representing you in this matter. Such matters could arise during our representation of you in this matter. You may determine to consent or not consent to such request and should feel free to consult

independent counsel of your choice before deciding whether to grant any consent should it be requested.

The Firm represents various investment banks and underwriters from time-to-time on transactions for public agencies other than the District. The Firm is not representing any investment bank or underwriter (or any other party to the transaction) on the initial transaction and will not represent any investment bank or underwriter (or any other party) on any future District transaction.

The Firm represents public agencies, including various irrigation districts and other water agencies within the Friant Division as well as other CVP contractors and other water agencies, on financing transactions. The Firm does not represent any Friant Division or other CVP contractors as general counsel or on non-finance matters.

EXHIBIT A

SCOPE OF SERVICES – PRIVATE PLACEMENT

Stradling Yocca Carlson & Rauth, a Professional Corporation (the “Firm”), will undertake the following Scope of Services with respect to bond counsel services in connection with a private placement:

Advise the District with respect to the process for the proposed financing, including but not limited to:

(a) advice and consultation with the general manager, other District staff, general counsel and the Board of Directors regarding the financing process;

(b) prepare all legal proceedings in connection with the proposed financing, including, but not limited to drafting various resolutions, documents and agreements for consideration by the Board of Directors of the District;

(c) participation in meetings, hearings or negotiations with the District staff, Board of Directors, municipal advisors, underwriters and other financing team members as the circumstances require;

(d) render a validity opinion with respect to the proposed debt obligation and, with respect to transactions expected to be tax exempt, deliver a tax opinion that interest earned with respect to the District’s debt obligation is exempt from State and Federal taxes;

(e) prepare final closing documents to be executed by the District to effect delivery of any financing (including the tax certificate).

The fixed fee for the bond counsel for the Scope of Services – PRIVATE PLACEMENT described in Exhibit A shall be \$20,000. Such fee shall be payable contingent on the closing of the private placement.

The above fees are related to the District's planned private placement and proposed public offering. Such fees shall remain effective through May 4, 2023. The fixed fees for subsequent transactions under this engagement letter will be set forth in a supplement to this engagement letter.

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: May 4, 2021

ITEM #: 5

SUBJECT: Consideration: Adoption of the FY 2021/2022 District Budget

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

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

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

Attached is the proposed Budget for Fiscal Year (FY) 2021/2022 as recommended by the Finance Committee. Staff prepared the FY 2021/2022 Budget in coordination with the Board's Finance Committee.

FY 2021/2022 revenues are projected to be \$3,699,834 while expenses are projected to be \$6,699,218. The FY 2021/2022 Budget projects a negative cash balance of \$2,999,384 at the end of the Fiscal Year. The Budget projects a cash reserve balance of \$5,566,772 at the end of the fiscal year considering the deposit of financed funds for reimbursement of the Indian Valley Hydroelectric Rehabilitation and Moore Siphon Replacement Projects.

General Manager O'Halloran will present the proposed Budget to the Board, including a year-end summary of FY 2020/2021 actuals, the key drivers and assumptions used in developing the proposed budget, and a prioritization of Capital and Non-Capital Projects.

RECOMMENDATION:

The Finance Committee and staff recommend adoption of the proposed Operations and Maintenance and Capital Budgets for FY 2021/2022.

YOLO COUNTY FLOOD CONTROL AND
WATER CONSERVATION DISTRICT
34274 State Highway 16
Woodland, California 95695-9371



PROPOSED BUDGET

FOR THE FISCAL YEAR
5/1/2021 THRU 4/30/2022

Operating Budget

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2021 - 2022**

May 1 - April 30

	Proposed Budget Fiscal Year 2021-2022	Prior Year Budget Fiscal Year 2020-2021	Difference	% of Change
OPERATING REVENUE				
41110 WATER - AG - MEASURED	1,161,000	4,160,000	(2,999,000)	-72%
41130 WATER - AG - RIPARIAN	9,460	6,500	2,960	46%
41140 WATER - AG - APPROPRIATED	21,774	3,000	18,774	626%
41210 WATER - NON-AG - M&I	263,000	253,000	10,000	4%
41230 WATER - NON-AG - GOLF COURSE / TRUCKS / INDUSTRIAL	35,000	35,000	0	0%
41240 WATER - NON-AG - APPROPRIATED	8,700	8,700	0	0%
42300 CANAL MAINTENANCE	3,500	8,000	(4,500)	-56%
42400 WATER WHEELING CHARGE	10,000	0	10,000	#DIV/0!
44200 HYDROELECTRIC REVENUES - INDIAN VALLEY	50,000	335,000	(285,000)	-85%
44400 RECREATION INCOME	4,000	8,500	(4,500)	-53%
44800 YSGA CONTRACT REVENUES	267,000	213,280	53,720	25%
44700 FLOODSAFE YOLO 2.0 REVENUES	10,000	100,000	(90,000)	-90%
TOTAL OPERATING REVENUE	\$ 1,843,434	\$ 5,130,980	\$ (3,287,546)	-64%
NON-OPERATING REVENUE				
48006 GRANT REV - DWR PROP 1 YOLO SUBBASIN GSP GRANT (YSGA)	106,000	330,000	(224,000)	-68%
48400 REVENUE FROM OTHER SOURCES - SHARED SERVICES / PRIVATE JOBS	99,400	50,000	49,400	99%
48800 CONTRIBUTIONS TO CAPITAL	10,000	35,000	(25,000)	-71%
49200 INTEREST REVENUES	10,000	50,000	(40,000)	-80%
49300 YOLO COUNTY GENERAL FUND PROPERTY TAXES	1,550,000	1,640,000	(90,000)	-5%
49321 YOLO COUNTY MERCSA TAXES (per Chad Rinde w/Yolo Co)	52,000	0	52,000	#DIV/0!
49360 YOLO COUNTY RPTTF RESIDUAL - PRIOR YEAR CORRECTIONS	29,000	0	29,000	#DIV/0!
TOTAL NON-OPERATING REVENUE	\$ 1,856,400	\$ 2,105,000	(248,600)	-12%
TOTAL REVENUE	\$ 3,699,834	\$ 7,235,980	\$ (3,536,146)	-49%
OPERATING EXPENSES				
<i>BUDGETED PAYROLL EXPENSE (for information only)</i>	<i>2,304,065</i>	<i>2,210,423</i>	<i>93,642</i>	<i>4%</i>
<i>Employee Cash-out Benefits (Health, Retire, FICA, Work Comp)</i>	<i>1,034,227</i>	<i>985,191</i>	<i>49,036</i>	<i>5%</i>
<i>Allocation of Payroll & Benefits to Capital Jobs - Estimate</i>	<i>(187,783)</i>	<i>(224,068)</i>	<i>36,285</i>	<i>-16%</i>
<i>Allocation of Payroll & Benefits to General Expense Accounts</i>	<i>(3,150,509)</i>	<i>(2,971,546)</i>	<i>(178,963)</i>	<i>6%</i>
	<i>0</i>	<i>0</i>	<i>0</i>	<i>-</i>
SOURCE OF SUPPLY				
51100 SOS - CACHE CREEK DAM	76,659	92,233	(15,574)	-17%
51200 SOS - INDIAN VALLEY DAM & RESERVOIR	439,737	461,967	(22,230)	-5%
51300 SOS - I.V. WATER TREATMENT PLANT	17,538	12,297	5,241	43%
51400 SOS - I.V. RECREATION	28,714	21,556	7,158	33%
Total	562,648	588,053	(25,405)	-4%
HYDROELECTRIC EXPENSE				
52100 CACHE CREEK DAM HYDRO EXPENSES	4,890	4,890	0	0%
52200 INDIAN VALLEY HYDRO EXPENSES	111,759	133,834	(22,075)	-16%
Total	116,649	138,724	(22,075)	-16%

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2021 - 2022**

May 1 - April 30

	Proposed Budget Fiscal Year 2021-2022	Prior Year Budget Fiscal Year 2020-2021	Difference	% of Change	
<u>WATER RESOURCES</u>					
53100	GROUNDWATER LEVEL MONITORING	35,508	35,274	234	1%
53200	GROUNDWATER QUALITY MONITORING	3,626	3,589	37	1%
53300	WATER FLOW MEASUREMENTS	100,128	46,567	53,561	115%
53400	SURFACE WTR QUALITY MONITORING	13,990	17,740	(3,750)	-21%
56970	SGMA (SUSTAINABLE GROUNDWATER MANAGEMENT ACT)	28,553	25,000	3,553	14%
56971	YSGA (YOLO SUBBASIN GROUNDWATER AGENCY)	225,000	194,694	30,306	16%
56713	SCADA	280,037	221,393	58,644	26%
	Total	686,842	544,257	142,585	26%
56000	<u>ENVIRONMENTAL RESOURCES</u>	16,365	16,273	92	1%
<u>TRANSMISSION / DISTRIBUTION</u>					
54100	T & D OPERATIONS	225,369	432,946	(207,577)	-48%
54200	T & D MAINTENANCE	938,791	840,562	98,229	12%
	Total	1,164,160	1,273,508	(109,348)	-9%
54500	<u>MERCSA ACTIVITIES</u>	39,932	51,357	(11,425)	-22%
54470	<u>FLOODSAFE YOLO 2.0 ACTIVITIES</u>	20,000	200,000	(180,000)	-90%
<u>ADMINISTRATIVE & GENERAL</u>					
56100	ADMINISTRATIVE SALARIES & BENEFITS	652,269	690,545	(38,276)	-6%
56200	OFFICE EXPENSE	13,000	13,000	0	0%
56300	INSURANCE EXPENSE	71,100	67,660	3,440	5%
56410	EMPLOYEE BENEFITS	652,611	624,108	28,503	5%
56600	INFORMATION TECHNOLOGY SYSTEMS	73,000	102,000	(29,000)	-28%
56720	COMMUNICATIONS & UTILITIES	52,000	48,000	4,000	8%
56810	ACCOUNTING AND AUDIT	16,200	15,000	1,200	8%
56820	LEGAL EXPENSE	55,000	45,000	10,000	22%
56830	ENGINEERING	292,548	108,885	183,663	169%
56940	FERC	29,293	15,496	13,797	89%
56910	RENTALS AND LEASES	56,000	57,000	(1,000)	-2%
56950	PUBLIC EDUCATION	5,000	5,000	0	0%
56980	MEMBERSHIPS & DUES	250,000	250,000	0	0%
56980	SYSTEM PLANNING & ADMIN	49,627	26,151	23,476	90%
56990	OTHER GENERAL & ADMIN EXPENSE	5,500	5,500	0	0%
	Total	2,273,148	2,073,345	199,803	10%
<u>GENERAL PLANT / FACILITIES MAINTENANCE</u>					
56730	GP - TRANSPORTATION EQUIPMENT	137,007	145,166	(8,159)	-6%
56740	GP - CONSTRUCTION EQUIPMENT	78,759	86,667	(7,908)	-9%
56750	GP - SHOP / YARD / BUILDING MAINTENANCE	161,769	152,148	9,621	6%
	Total	377,535	383,981	(6,446)	-2%

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2021 - 2022**

May 1 - April 30

	Proposed Budget Fiscal Year 2021-2022	Prior Year Budget Fiscal Year 2020-2021	Difference	% of Change
<u>OTHER OPERATING EXPENSES</u>				
59100 DEPRECIATION AND AMORTIZATION	1,163,400	1,016,500	146,900	14%
59200 REAL ESTATE TAXES (LAKE COUNTY)	253,000	240,000	13,000	5%
59210 YOLO COUNTY TAXES / ASSESSMENTS	300	300	0	0%
59300 OTHER OPERATING EXPENSES	1,000	1,000	0	0%
59400 EXPENSE CREDITS	(280,500)	(280,500)	0	0%
Total	1,137,200	977,300	159,900	16%
TOTAL OPERATING EXPENSES	6,394,479	6,246,798	147,681	2%
<u>NON-OPERATING EXPENSES</u>				
61000 INTEREST ON LONG-TERM DEBT	96,839	67,342	29,497	44%
61500 OTHER INTEREST EXPENSE	500	500	0	0%
64000 COUNTY ADMINISTRATION CHARGE	13,000	13,000	0	0%
66000 SHARED SERVICES	88,400	0	88,400	#DIV/0!
69720 YOLO SUBBASIN GSP PLANNING & PREPARATION GRANT	106,000	450,000	(344,000)	-76%
TOTAL NON-OPERATING EXPENSES	304,739	530,842	(226,103)	-43%
TOTAL EXPENSES	\$ 6,699,218	\$ 6,777,640	\$ (78,422)	-1%
NET INCOME / (LOSS)	\$ (2,999,384)	\$ 458,340	\$ (3,457,724)	-754%

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2021 - 2022**

May 1 - April 30

	Proposed Budget Fiscal Year 2021-2022	Prior Year Budget Fiscal Year 2020-2021	Difference	% of Change
<i>--- Supporting Schedules ---</i>				
<u>EXPENSES</u>				
<u>51100 SOS - CACHE CREEK DAM</u>				
51100-10	15,109	21,394	(6,285)	-29%
51100-11	7,562	9,831	(2,269)	-23%
51100-20	5,000	5,000	0	0%
51100-21	2,000	2,000	0	0%
51100-30	7,500	8,000	(500)	-6%
51100-31	2,000	2,000	0	0%
51100-40	2,500	2,500	0	0%
51100-61	28,000	30,500	(2,500)	-8%
51100-70	6,988	11,008	(4,020)	-37%
Total	76,659	92,233	(15,574)	-17%
<u>51200 SOS - INDIAN VALLEY</u>				
51200-10	32,650	31,956	694	2%
51200-11	13,052	12,801	251	2%
51200-20	10,000	10,000	0	0%
51200-21	2,000	2,000	0	0%
51200-30	50,000	50,000	0	0%
51200-31	100,000	100,000	0	0%
51200-40	2,000	2,200	(200)	-9%
51200-61	66,000	71,000	(5,000)	-7%
51200-70	164,035	182,010	(17,975)	-10%
Total	439,737	461,967	(22,230)	-5%
<u>51300 SOS - IV - WATER TREATMENT</u>				
51300-10	9,488	5,890	3,598	61%
51300-11	3,250	2,007	1,243	62%
51300-20	3,000	3,000	0	0%
51300-30	1,000	800	200	25%
51300-62	800	600	200	33%
Total	17,538	12,297	5,241	43%
<u>51400 IV RECREATION</u>				
51400-10	10,315	7,702	2,613	34%
51400-11	3,399	2,354	1,045	44%
51400-20	12,500	10,000	2,500	25%
51400-30	2,500	1,500	1,000	67%
Total	28,714	21,556	7,158	33%
<u>52100 CACHE CREEK DAM HYDRO EXPENSES</u>				
52100-20	500	500	0	0%
52100-30	500	500	0	0%
52100-40	3,890	3,890	0	0%
Total	4,890	4,890	0	0%

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2021 - 2022**

May 1 - April 30

	Proposed Budget Fiscal Year 2021-2022	Prior Year Budget Fiscal Year 2020-2021	Difference	% of Change
<i>— Supporting Schedules —</i>				
52200	<u>INDIAN VALLEY HYDRO EXPENSES</u>			
52200-10	16,949	11,300	5,649	50%
52200-11	6,810	4,534	2,276	50%
52200-20	10,000	10,000	0	0%
52200-30	30,000	50,000	(20,000)	-40%
52200-31	10,000	20,000	(10,000)	-50%
52200-40	38,000	38,000	0	0%
Total	111,759	133,834	(22,075)	-16%
53100	<u>GROUNDWATER LEVEL MONITORING</u>			
53100-10	18,009	18,002	7	0%
53100-11	11,499	11,272	227	2%
53100-20	1,000	1,000	0	0%
53100-30	5,000	5,000	0	0%
Total	35,508	35,274	234	1%
53200	<u>GROUNDWATER QUALITY MONITORING</u>			
53200-10	2,423	2,423	0	0%
53200-11	1,203	1,166	37	3%
Total	3,626	3,589	37	1%
53300	<u>WATER FLOW MEASUREMENTS</u>			
53300-10	23,640	15,016	8,624	57%
53300-11	14,403	9,183	5,220	57%
53300-20	45,000	1,000	44,000	4400%
53300-61	17,085	21,368	(4,283)	-20%
Total	100,128	46,567	53,561	115%
53400	<u>SURFACE WTR QUALITY MONITORING</u>			
53400-10	5,992	8,395	(2,403)	-29%
53400-11	3,998	5,345	(1,347)	-25%
53400-20	1,000	1,000	0	0%
53400-62	3,000	3,000	0	0%
Total	13,990	17,740	(3,750)	-21%
56970	<u>SGMA (SUSTAINABLE GROUNDWATER MANAGEMENT ACT)</u>			
56970-10	14,344	12,054	2,290	19%
56970-11	7,021	5,758	1,263	22%
56970-20	7,188	7,188	0	0%
Total	28,553	25,000	3,553	14%
56971	<u>YSGA (YOLO SUBBASIN GROUNDWATER AGENCY)</u>			
56971-10	138,604	136,667	1,937	1%
56971-11	64,686	58,027	6,659	11%
56971-30	21,710	0	21,710	#DIV/0!
Total	225,000	194,694	30,306	16%

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2021 - 2022**

May 1 - April 30

	Proposed Budget Fiscal Year 2021-2022	Prior Year Budget Fiscal Year 2020-2021	Difference	% of Change
<i>— Supporting Schedules —</i>				
56713	<u>SCADA</u>			
56713-10	139,613	109,234	30,379	28%
56713-11	79,624	61,359	18,265	30%
56713-20	50,000	40,000	10,000	25%
56713-30	10,800	10,800	0	0%
Total	280,037	221,393	58,644	26%
54500	<u>MERCESA</u>			
54500-10	17,929	17,023	906	5%
54500-11	12,003	11,807	196	2%
54500-20	10,000	22,527	(12,527)	-56%
Total	39,932	51,357	(11,425)	-22%
55000	<u>ENVIRONMENTAL RESOURCES</u>			
55000-10	6,057	6,057	0	0%
55000-11	3,008	2,916	92	3%
55000-20	3,000	3,000	0	0%
55200-30	2,000	2,000	0	0%
55300-30	2,300	2,300	0	0%
Total	16,365	16,273	92	1%
54100	<u>T & D OPERATIONS</u>			
54100-10	116,904	218,822	(101,918)	-47%
54100-11	70,434	128,624	(58,190)	-45%
54100-20	4,000	4,500	(500)	-11%
54100-22	20,000	50,000	(30,000)	-60%
54100-40	700	15,000	(14,300)	-95%
54170	13,331	16,000	(2,669)	-17%
Total	225,369	432,946	(207,577)	-48%
54200	<u>T & D MAINTENANCE</u>			
54200-10	445,236	379,689	65,547	17%
54200-11	282,555	249,873	32,682	13%
54200-20	110,000	105,000	5,000	5%
54200-22	75,000	75,000	0	0%
54200-30	20,000	25,000	(5,000)	-20%
54200-40	6,000	6,000	0	0%
Total	938,791	840,562	98,229	12%
54470	<u>FLOODSAFE YOLO 2.0</u>			
54470-30	20,000	200,000	(180,000)	-90%
Total	20,000	200,000	(180,000)	-90%
56100	<u>ADMINISTRATIVE SALARIES/BENEFITS</u>			
56100-10	438,749	475,487	(36,738)	-8%
56100-11	208,520	210,058	(1,538)	-1%
56100-30	5,000	5,000	0	0%
Total	652,269	690,545	(38,276)	-6%

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2021 - 2022**

May 1 - April 30

	Proposed Budget Fiscal Year 2021-2022	Prior Year Budget Fiscal Year 2020-2021	Difference	% of Change
— Supporting Schedules —				
56300	<u>INSURANCE EXPENSE</u>			
56310	51,500	50,000	1,500	3%
56320	18,200	16,500	1,700	10%
56340	1,400	1,160	240	21%
	Total	67,660	3,440	5%
56400	<u>EMPLOYEE BENEFITS</u>			
	<u>MISC BENEFIT ALLOCATION</u>			
56411	175,724	164,581	11,143	7%
56412	105,557	100,955	4,602	5%
56413	167,620	154,701	12,919	8%
56414	105,628	101,170	4,458	4%
56415	12,671	10,962	1,709	16%
56419	9,600	9,600	0	0%
56510	30,000	30,000	0	0%
56520	2,000	2,000	0	0%
56530-10	36,211	42,539	(6,328)	-15%
56530-20	5,000	5,000	0	0%
56530-30	1,600	1,600	0	0%
56560	1,000	1,000	0	0%
	<u>Cash-Out Benefits:</u>			
56421	547,585	510,030	37,555	7%
56422	155,609	148,907	6,702	5%
56423	171,694	164,529	7,165	4%
56424	6,399	7,750	(1,351)	-17%
56425	54,178	60,549	(6,371)	-11%
56426	32,072	31,558	514	2%
56427	66,690	61,868	4,822	8%
56429	(1,034,227)	(985,191)	(49,036)	5%
	Total	624,108	28,503	5%
56600	<u>INFORMATION TECHNOLOGY</u>			
56600-20	7,000	7,000	0	0%
56600-30	66,000	95,000	(29,000)	-31%
	Total	102,000	(29,000)	-28%
56700	<u>COMMUNICATIONS & UTILITIES</u>			
56714-50	30,000	26,000	4,000	15%
56720-40	22,000	22,000	0	0%
	Total	48,000	4,000	8%
56730	<u>GP - TRANSPORTATION EQUIP.</u>			
56730-10	13,559	15,819	(2,260)	-14%
56730-11	5,448	6,347	(899)	-14%
56730-20	35,000	40,000	(5,000)	-13%
56730-21	65,000	65,000	0	0%
56730-30	18,000	18,000	0	0%
	Total	145,166	(8,159)	-6%

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2021 - 2022**

May 1 - April 30

	Proposed Budget Fiscal Year 2021-2022	Prior Year Budget Fiscal Year 2020-2021	Difference	% of Change
— Supporting Schedules —				
56740	<u>GP - CONSTRUCTION EQUIP.</u>			
56740-10	16,949	22,599	(5,650)	-25%
56740-11	6,810	9,068	(2,258)	-25%
56740-20	20,000	20,000	0	0%
56740-21	25,000	25,000	0	0%
56740-30	10,000	10,000	0	0%
Total	78,759	86,667	(7,908)	-9%
56750	<u>GP - SHOP / YARD / BUILDING MAINTENANCE</u>			
56750-10	55,814	53,224	2,590	5%
56750-11	40,955	38,924	2,031	5%
56750-20	35,000	35,000	0	0%
56750-30	30,000	25,000	5,000	20%
Total	161,769	152,148	9,621	6%
56820	<u>LEGAL EXPENSE</u>			
56820-32	30,000	30,000	0	0%
56821-32	2,000	2,000	0	0%
56823-32	3,000	3,000	0	0%
56824-32	20,000	10,000	10,000	100%
Total	55,000	45,000	10,000	22%
56830	<u>ENGINEERING</u>			
56830-10	120,196	49,049	71,147	145%
56830-11	46,352	18,836	27,516	146%
56830-31	125,000	35,000	90,000	257%
56838	1,000	1,000	0	0%
56839	0	5,000	(5,000)	-
Total	292,548	108,885	183,663	169%
56840	<u>FERC</u>			
56840-10	13,572	3,875	9,697	250%
56840-11	5,721	1,621	4,100	253%
56840-30	10,000	10,000	0	0%
Total	29,293	15,496	13,797	89%
56950	<u>PUBLIC EDUCATION</u>			
56950-20	5,000	5,000	0	0%
Total	5,000	5,000	0	0%
56960	<u>MEMBERSHIPS & DUES</u>			
ACWA DUES	12,800	12,800	0	0%
NCWA DUES	111,483	111,483	0	0%
YSGA	110,000	110,000	0	0%
OTHER	15,717	15,717	0	0%
Total	250,000	250,000	0	0%

Yolo County Flood Control and Water Conservation District

**PROPOSED OPERATING BUDGET
FISCAL YEAR 2021 - 2022**

May 1 - April 30

	Proposed Budget Fiscal Year 2021-2022	Prior Year Budget Fiscal Year 2020-2021	Difference	% of Change
<i>— Supporting Schedules —</i>				
56980	<u>SYSTEM PLANNING & ADMIN</u>			
56981-10	43,427	10,903	32,524	298%
56981-20	2,500	5,248	(2,748)	-52%
56981-30	3,700	10,000	(6,300)	-63%
Total	49,627	26,151	23,476	90%
56990	<u>OTHER GENERAL & ADMIN EXPENSE</u>			
56992	5,000	5,000	0	0%
56995	500	500	0	0%
Total	5,500	5,500	0	0%
69720	<u>YOLO SUBBASIN GSP PLANNING & PREPARATION GRANT</u>			
69720-10	33,880	47,336	(13,456)	-28%
69720-11	13,232	24,328	(11,096)	-46%
69720-20	3,888	0	3,888	#DIV/0!
69720-30	55,000	378,336	(323,336)	-85%
Total	106,000	450,000	(344,000)	-76%

YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

ESTIMATED EFFECT OF BUDGET ON CASH
FOR PERIOD 5/1/2021 TO 4/30/2022

	<u>TOTAL</u>
Cash and Investments, April 30, 2021 (Estimated)	\$ 4,700,000
NET INCOME/(LOSS) FROM OPERATING BUDGET	\$ (2,999,384)
 <u>CASH IN (OTHER - not included in Operating Budget):</u>	
ACCOUNTS RECEIVABLE FROM APRIL 30, 2020:	
DWR Yolo Subbasin GSP Grant Reimbursements Due	\$ 366,156
LOAN PROCEEDS (AFTER PAYMENT OF SWRCB LOAN)	\$ 3,600,000
	\$ 3,966,156
 <u>CASH OUT (OTHER):</u>	
Capital Projects and Purchases (use depreciation included in budget)	n/a
Accounts Payable Due as of April 30, 2021 - Estimated	\$ (100,000)
CA Bank & Trust Loan Principal Payment (use deprec included in budget)	n/a
SWRCB Loan Proceeds from CA Bank & Trust Funds	n/a
	\$ (100,000)
 Net Increase (Decrease) in Cash	 \$ 866,772
 ESTIMATED Cash and Investments, April 30, 2022	 \$ 5,566,772

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: May 4, 2021

ITEM #: 6

SUBJECT: Consideration: Appointment of General Manager and Approval of Employment Agreement

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

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

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

At the January 5, 2021 meeting, the Board of Directors appointed a General Manager Recruitment Ad Hoc Committee consisting of Chair Rominger and Director Mayer. Additionally, at the January meeting, the Board directed and authorized General Manager O'Halloran to solicit proposals from executive search firms and initiate the General Manager recruitment process.

On February 5, 2021, District staff published recruitment materials to the District's website, along with various water job websites and listservs, requesting application packages be submitted by March 5, 2021. The Board of Directors hosted a Special Board meeting (workshop) on April 15, 2021 to interview selected candidates for consideration of the General Manager position, which also included an appointment of a General Manager Negotiating Committee consisting of Chair Rominger and Director Mayer.

The General Manager Recruitment and Negotiating Committees recommend the Board appoint the General Manager and approve the Employment Agreement.

RECOMMENDATION:

Appoint the General Manager and approve the Employment Agreement.