

Yolo County Flood Control & Water Conservation District

Board Meeting
Tuesday, April 6, 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 \(March 17, 2020\)](#).

Teleconference Options to join GoToMeeting:

YCFC&WCD Board of Directors' Meeting
Tuesday, April 6, 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, April 5, 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 March 2, 2021 Regular Board Meeting Minutes
- 7:02 2. Open forum (Limited to five minutes): Guest introductions, unscheduled appearances, opportunity for public comment on non-agenda items
- 7:07 3. Consideration: Adding Items to the Posted Agenda
In order to add an item to the agenda, it must fit one of the following categories:
a) A majority determination that an emergency (as defined by the Brown Act) exists; or
b) A 4/5ths determination that the need to take action that arose subsequent to the agenda being posted.
- 7:10 4. Consideration: Financing Plan for Indian Valley Hydroelectric Rehabilitation and the Moore Siphon Replacement Projects and Review of District's Draft Investment Policy
- 7:40 5. Consideration: Teichert/Shifler Moore Canal Relocation
- 7:50 6. Consideration: Lower Lake Emergency Water Intertie Project: Amendment of Water Sales Agreements for Highlands Mutual Water Company and Konocti County Water District
- 8:00 7. Presentation: 2021 Allocated Irrigation Season Update
- 8:10 8. Directors' Reports: Report on meetings and conferences attended during the prior month on behalf of the District
- 8:15 9. Attorney's Report: Report on legal matters of concern to the District

- 8:20 10. 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
- 8:30 11. General Discussion: Opportunity for clarification or additional information request
- 8:35 12. Consideration: Consider the approval and the payment of bills
- 8:40 13. Closed Session: Public Employment Appointment (Government Code § 54954.5(e) and 54957)
Title: General Manager
- 8:55 14. Closed Session Report: Report action and vote, if any taken, in Closed Session
- 9:00 15. Adjourn

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

I declare that the foregoing agenda was posted at the office of the Yolo County Flood Control & Water Conservation District, 34274 State Highway 16, Woodland, CA on April 2, 2021.

By: _____
Christina Cobey, Administrative Assistant

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
AGENDA REPORT

MEETING DATE: April 6, 2021

ITEM #: 1

SUBJECT: Consideration: Adoption of the March 2, 2021 Regular Board Meeting Minutes

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

COORDINATED OR
APPROVED BY: Tim O'Halloran

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

Pursuant to Section 54957.5 of the Brown Act, copies of the draft minutes are available to the public 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, March 2, 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, March 2, 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

Cork McIsaac
Dave Pratt
Lee Smith
Mary-Ann Warmerdam

1. CONSIDERATION: Approval of Minutes

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

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

Noes: None

Absent: None

Abstain: None

2. OPEN FORUM

There were no comments during the open forum.

3. CONSIDERATION: Adding Items to the Posted Agenda

There were no changes made to the agenda.

4. CONSIDERATION: Public Hearing on Proposed Adoption of 2020 Agricultural Water Management Plan

Chair Rominger opened the public hearing for the proposed adoption of the 2020 Agricultural Water Management Plan (AWMP) at 7:15 pm. Rominger stated that the purpose of the hearing was to give interested parties the opportunity to present their comments to the Board concerning the AWMP and that the notice of the hearing had been published as required by law. He asked any member of the public to provide oral or written comments regarding the AWMP, and no comments were orally presented. Staff confirmed that no written comments were received prior to the meeting. There being no public comments to consider, the hearing was closed.

Assistant General Manager Stevenson provided a presentation on the AWMP update, describing its purpose and contents, and the District's plan to comply with the requirements of SB X7-7, the Agricultural Water Management Planning Act, the Agricultural Water Measurement Regulation, and AB 1668 Water Management Planning.

M/S/C adopted Resolution 21.02 Adopting the 2020 Agricultural Water Management Plan.

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

Noes: None

Absent: None

Abstain: None

5. CONSIDERATION: Adoption of Resolution 21.03 Approving the Application to the USBR for the WaterSMART Grant Program

Assistant General Manager Sicke briefly reviewed an upcoming grant opportunity through the United States Bureau of Reclamation (USBR) WaterSMART (Sustain and Manage America's Resources for Tomorrow) Grant Program. Sicke reported on SCADA Supervisor Tim Ireland's recent initiative to request funding for modernizing up to six headgates within the canal system through the WaterSMART Grants' Small-Scale Water Efficiency Projects funding opportunity.

The project is expected to cost approximately \$175,000 with \$75,000 requested in USBR reimbursement. As part of the application package, USBR requires a resolution from the Board formally recognizing the application request and the desire to enter into a reimbursement arrangement.

District staff requested that the Board approve Resolution 21.03 Approving the Application to the USBR for the WaterSMART Grant Program.

M/S/C adopted Resolution 21.03 Approving the Application to the USBR for the WaterSMART Grant Program.

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

Noes: None

Absent: None

Abstain: None

6. CONSIDERATION: Update on Financing Opportunities and Review of District's Draft Debt Policy

Assistant General Manager Sicke provided an update on management's efforts with the Government Financial Strategies to finalize a financing plan for financing the reimbursement of the Indian Valley Hydroelectric Rehabilitation and Moore Siphon Replacement Projects. An update was provided on the tasks completed to-date and the intention and process for requesting borrowing in the short-term.

Sicke reported that as part of the financing investigation process, it was evident that a comprehensive debt policy was vital to illustrate the District's implementation of a well-managed debt program. The District's draft Debt Management Policy was provided to the Board for review and staff requested formal adoption by the Board.

M/S/C adopted the Debt Management Policy as presented.

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

Noes: None

Absent: None

7. DIRECTORS' REPORTS

Director Barth reported on participating in the YSGA's community outreach meeting with the Capay Valley constituents on February 16, 2021. Director Mayer reported on participating in NCWA's Conservation Task Force to reactivate the floodplains, and he provided meeting dates for the upcoming NCWA Board of Directors, Annual, and Groundwater Management Task Force meetings. Mayer also reported on participating in the meetings of the General Manager Recruitment Committee. Director Kimball reported on participating in meetings of the Infrastructure Committee. Chair Rominger reported on participating in meetings of the General Manager Recruitment 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 February 28, 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 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. March 2-3: Yolo County Irrigated Lands Program (Zoom)
 2. March 3: NCWA Dry Year Task Force Meetings (Microsoft Teams)
 3. March 3: YSGA Coordination Meeting with CDFW (GoToMeeting)
 4. March 4: ACWA Groundwater Committee (Zoom)
 5. March 5: NCWA Annual Meeting (YouTube)
 6. March 8: NCWA Groundwater Management Task Force (Microsoft Teams)
 7. March 9: YSGA Working Group Meeting (GoToMeeting)
 8. March 10: FSY 2.0 Detention, Retention, and Infiltration Sites Project (Microsoft Teams)
 9. March 11: Flood-MAR Merced Presentation (Zoom)
 10. March 15: YSGA/WRA Board of Directors' Meetings (GoToMeeting)
 11. March 17: Cache Creek Capacity Analysis Check-in (Conference Call)

10. GENERAL DISCUSSION

Director Mayer requested an update on the Teichert project related to the request to relocate the Moore Canal. Assistant General Manager Stevenson reported that additional analysis was needed to evaluate creative solutions with the Infrastructure Committee prior to providing the Board with a formal recommendation. The two options currently being considered are to leave the Moore Canal in place or to modify the southern alignment that was proposed in the Draft Environmental Impact Report.

11. CONSIDERATION: Payment of Bills

M/S/C approved the following claims for payment – Yolo County Flood Control & Water Conservation District Checks # 059591-059602.

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

Public Employee Performance Evaluation

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

14. CLOSED SESSION REPORTS

Chair Rominger reported that the Board of Directors, General Manager O’Halloran, Project Manager Reed, Mary-Ann Warmerdam, and Legal Counsel Ramos were in attendance during Closed Session Item 12; and the Board of Directors, General Manager O’Halloran, and Legal Counsel Ramos were in attendance during Closed Session Item 13, and that there was nothing to report at this time.

15. 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: April 6, 2021

ITEM #: 4

SUBJECT: Consideration: Financing Plan for the Indian Valley Hydroelectric Rehabilitation and Moore Siphon Replacement Projects and Review of District’s Draft Investment Policy

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.

GFS will provide a presentation on the Financing Plan for reimbursing these projects, which will include details on the bond issuance and lender identification methods, borrowing term scenarios, revenue pledge options, and schedule. A formal request to consider authorizing financing will be presented to the Board at the May 4, 2021 meeting.

As part of the financing process, it was evident that a minor modification to the District’s Investment Policy was necessary to recognize District procedures regarding short-term expenditures. The Investment Policy modifications also allow for a “lockbox” revenue pledge concept if the District desires to proceed with the bond-financing opportunity.

The District’s revised Investment Policy is attached for Board review approval.

RECOMMENDATION:

District staff request the Board consider adopting the revised Investment Policy.

YOLO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

INVESTMENT POLICIES GUIDELINES

Adopted October 4, 2005
Reviewed annually, last adopted December 2020

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

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

DEFINITION AND PROVISION OF THE GOVERNMENT CODE

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

CASH FLOW AND AVAILABILITY

The District will deposit an amount equal to its short-term cash demands with a bank approved by a resolution of the Board. Such deposits will be divided between a checking account and a money market mutual fund account. Funds on deposit in a checking account will not exceed the then current FDIC insured account limits. Amounts not needed for short term cash demands will be invested in the State Treasurer's Local Agency Investment Fund (LAIF), or as otherwise directed by a Resolution of the Board. ~~Additional amounts may also be invested in LAIF, if the rate of return warrants.~~

AMOUNT TO BE INVESTED

The District's General Manager or a designee, specified in writing, will determine the amount to be maintained in the checking account and money market account for short-term cash demands. Any amounts not needed for short-term cash demands will be transferred to LAIF and amounts from LAIF may be transferred to the bank for purposes of covering short-term cash demands. Amounts not needed to address short-term cash demands may also be invested in approved investments as described herein, by a Resolution of the Board. The District will prepare a cash flow analysis for future cash requirements from time to time and for inclusion with the annual budget. All funds not required for immediate use will be invested.

ACCEPTABLE INVESTMENT INSTRUMENTS AND GUIDELINES FOR INVESTMENT

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

- A. CERTIFICATES OF DEPOSIT: Cash will be invested only in FDIC insured or fully collateralized certificates of deposit. Collateral for a given investment must be 110 percent of principal for first mortgage collateral. No more than 10 percent of the District portfolio, not to exceed \$1 million, shall be invested in any one institution unless fully insured by FDIC. An institution must meet the following criteria to be considered by the District:
- Institutions must have at least \$500 million in assets.
 - Maximum fully collateralized investment - \$500,000.
 - Any investment exceeding \$100,000 must be fully collateralized with 110 percent federal securities.
 - The District will not invest in any institution less than four years old.
 - The institution must maintain a net worth to asset ratio of at least 2.5 percent, and a positive earnings record.
 - The District may not invest in any negotiable certificate of deposit issued by a state or federal credit union if a member of the Board of Directors or other person with investment decision-making authority serves on the board of directors or any committee appointed by the board of directors, or the credit committee or supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- B. BANKERS ACCEPTANCES: The District will only invest through the 15 largest banks in the United States or the 100 largest banks in the world (in terms of assets). The maximum investment with any one institution will not exceed \$3 million.
- C. SECURITIES OF THE U.S. GOVERNMENT, AGENCIES, AND INSTRUMENTALITIES: The District will require physical delivery of these securities to an acceptable safekeeping account in the District's name. Examples of these securities include Governmental National Mortgage Association and Federal National Mortgage Association.
- E. STATE LOCAL AGENCY INVESTMENT FUND: The investment with LAIF may not exceed the limit set by state law, regulation, or administrative pronouncement.
- F. PASSBOOK SAVINGS ACCOUNTS: Savings accounts may be maintained for amounts under \$100,000 that are received too late in the day to invest in other instruments.
- G. CHECKING ACCOUNT: A checking account will be maintained for facilitating expenditures. The balance will be maintained at no more than the FDIC insured limit.
- GH. MUTUAL FUNDS: Funds, including money market accounts, whose investments are totally in securities having the backing of the full faith and credit of the U.S. Treasury Guaranteed Securities. The Mutual Fund/Money Market account must meet the requirements set forth in Government Code section 53601.

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

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

- A. CERTIFICATES OF DEPOSIT: Cash will be invested only in FDIC insured or fully collateralized certificates of deposit. Collateral for a given investment must be 110 percent of principal for first mortgage collateral. No more than 10 percent of the District portfolio, not to exceed \$1 million, shall be invested in any one institution unless fully insured by FDIC. An institution must meet the following criteria to be considered by the District:
- Institutions must have at least \$500 million in assets.
 - Maximum fully collateralized investment - \$500,000.
 - Any investment exceeding \$100,000 must be fully collateralized with 110 percent federal securities.
 - The District will not invest in any institution less than four years old.
 - The institution must maintain a net worth to asset ratio of at least 2.5 percent, and a positive earnings record.
 - The District may not invest in any negotiable certificate of deposit issued by a state or federal credit union if a member of the Board of Directors or other person with investment decision-making authority serves on the board of directors or any committee appointed by the board of directors, or the credit committee or supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.
- B. BANKERS ACCEPTANCES: The District will only invest through the 15 largest banks in the United States or the 100 largest banks in the world (in terms of assets). The maximum investment with any one institution will not exceed \$3 million.
- C. SECURITIES OF THE U.S. GOVERNMENT, AGENCIES, AND INSTRUMENTALITIES: The District will require physical delivery of these securities to an acceptable safekeeping account in the District's name. Examples of these securities include Governmental National Mortgage Association and Federal National Mortgage Association.
- E. STATE LOCAL AGENCY INVESTMENT FUND: The investment with LAIF may not exceed the limit set by state law, regulation, or administrative pronouncement.
- F. PASSBOOK SAVINGS ACCOUNTS: Savings accounts may be maintained for amounts under \$100,000 that are received too late in the day to invest in other instruments.
- G. CHECKING ACCOUNT: A checking account will be maintained for facilitating expenditures. The balance will be maintained at no more than the FDIC insured limit.
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Additionally, the Mutual Fund/Money Market account must not invest in securities disallowed by District Policy.

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

PROPERTY TAX REVENUES FROM YOLO COUNTY AUDITOR

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

MATURITY OF INVESTMENTS

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

USE OF SECURITIES DEALERS AND BROKERS

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

USE OF EXTERNAL INVESTMENT MANAGERS

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

REPORTING

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

RENEWAL

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

LONG TERM RESERVE

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

TRANSFER OF FUNDS

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

BOARD OF DIRECTORS REQUIRED APPROVALS

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

**Government Code §53600, et seq.
Legal Requirements and Limitations for Public Agency Investment
December 2020**

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

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

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

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

**Government Code §53600, et seq.
Legal Requirements and Limitations for Public Agency Investment
December 2020**

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

**Government Code §53600, et seq.
 Legal Requirements and Limitations for Public Agency Investment
 December 2020**

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

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT
AGENDA REPORT

MEETING DATE: April 6, 2021

ITEM #: 5

SUBJECT: Consideration: Teichert/Shifler Moore Canal Relocation

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

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

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

Teichert Aggregates (Teichert) has plans to mine the Shifler property on County Road 94B, near the Stevens Bridge crossing of Cache Creek. Coincidentally, the District's Moore Canal (Canal) goes through the middle of the property. To facilitate mining, Teichert would like to move the Moore Canal to the north, within 250 feet of Cache Creek (Creek). Teichert has discussed this move with the District since 2013. A Draft Environmental Impact Report (DEIR) was prepared by Teichert. The DEIR discussed moving the Canal to the north as the preferred project. Alternatives to the northern alignment, including a longer southern alignment, and leaving the Canal in place and mining around the Canal, were also analyzed in the DEIR. The DEIR is scheduled to be finalized and accepted by the Yolo County Board of Supervisors in June of 2021. Teichert would like to begin mining within one year.

Since the District has a 100-foot right-of-way over this section of the Moore Canal, the District can approve or deny Teichert's request to move the Canal.

Directors Rominger and Barth, as members of the Board's Infrastructure Committee, along with District staff, have reviewed the risks and benefits of the northern alignment for the District, the District's water customers, and the water community at large. There are no well-defined benefits (for these groups) to moving the Canal to the northern alignment. The long-term (>30 years) risk of complete canal failure due to encroachment by the Creek is not known, but is a possibility, as the Creek has migrated more than 700 feet into the Creek bank in other nearby areas. Teichert determined that a change from 250-foot to a 700-foot setback from the Creek at the northern alignment was not economically feasible. The southern Canal alignment alternative is less steep than the existing and the northern

alignments. This could cause long term maintenance issues with siltation in the southern alignment and is not preferred by the District. Alternative southern alignments with steeper slopes were analyzed by Teichert as not being economically feasible.

Leaving the Canal in-place is acceptable to both Teichert and the District's Infrastructure Committee, although Teichert still prefers the northern alignment.

District staff are still in discussion with Teichert about creating some type of long-term benefit for the District, in exchange for accepting the long-term risks of the northern alignment. An example of a benefit could be the funding of a pressurized pipeline to replace the Magnolia Canal. This could save water over the long term and benefit the District overall. The District is working on a dollar amount for such a project, but numbers are not available yet.

RECOMMENDATION:

The District's Infrastructure Committee recommends that a letter be sent to Teichert and the County of Yolo stating the District's position on keeping the Moore Canal in place in its current alignment.

If some future benefit to the District can be identified and agreeable to both the District and Teichert, the Board would reconsider allowing Teichert to move the Canal to the northern alignment. The logistics of changing the mining plan after mining has started would need to be evaluated by Teichert.

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: April 6, 2021

ITEM #: 6

SUBJECT: Consideration: Lower Lake Emergency Water Intertie Project: Amendment of Water Sales Agreements for Highlands Mutual Water Company and Konocti County Water District

INITIATED OR BOARD
REQUESTED BY: STAFF
 OTHER _____

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

ATTACHMENT YES NO
 DIRECTION

INFORMATION
 ACTION: MOTION
 RESOLUTION

BACKGROUND:

An emergency intertie is being proposed between three State-regulated public water systems: 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. The usefulness of an emergency intertie was highlighted during the 2016 Clayton Wildfire and the preceding severe drought. An emergency intertie would also be useful during periods when water quality issues curtail the use of surface water from Clear Lake as a supply source.

The proposed interties would allow each water system to take delivery of treated water from one of the other water systems at a flow rate of approximately 400 gallons per minute in the event of an emergency disruption to its own system. The water systems are applying for funding for implementation of these projects through the State Water Board's Division of Financial Assistance.

For additional information on the Lower Lake Emergency Intertie Project, the Initial Study can be found at the following link:

https://llcwd.com/documents/897/Lower_Lake_Intertie_Initial_Study.pdf

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. District 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. These amendments are attached for the Board's review and consideration.

RECOMMENDATION:

District staff recommend approval of the agreements and authorization of the Chair to sign the agreements.

**AMENDMENT NO. 1 TO STANDARD AGREEMENT FOR
NON-AGRICULTURAL WATER SALES**

This Amendment No. 1 (“Amendment”) is entered into effective May 1, 2021, by Yolo County Flood Control and Water Conservation District (“District”) and Highlands Mutual Water Company (“Water User”) (collectively “Parties”), which agree as follows:

RECITALS

- A. District and Water User are parties to a Standard Agreement for Non-Agricultural Water Sales (“Water Sales Agreement”) dated December 31, 1986.
- B. Pursuant to the Water Sales Agreement, the District provides Water User with water to the extent that the District has water supplies available from Clear Lake sufficient to meet Water User’s ultimate needs.
- C. Water User has notified the District that Water User intends to enter into an Intertie Agreement that will govern the transfer of Water User’s water to Lower Lake County Waterworks District No.1 (“Lower Lake”) and Konocti County Water District (“Konocti”) in case of an emergency or disaster.
- D. The District supports Clear Lake water suppliers like Water User in constructing facilities to interconnect water systems and allowing for water sharing if one or more of their water systems experiences an emergency or disaster.
- E. This Amendment amends Paragraph 1 of the Water Sales Agreement to permit Water User to transfer District water supplies to Lower Lake and Konocti in case of an emergency or disaster.
- F. The District has expressed interest in negotiating a long-term renewal of the Water Sales Agreement with Water User. That future agreement may further address or amend the terms on which District grants permission for Water User to transfer water to Lower Lake and Konocti in cases of emergencies or disasters.

TERMS AND CONDITIONS

The Parties agree as follows:

- 1. *Amendment of Paragraph 1 of the Water Sales Agreement:* The Parties agree to delete Paragraph 1 of the Water Sales Agreement and replace it with the following:
 - 1. The District agrees to make available to Water User up to 3,000 acre feet annually (in excess of Water User’s prescriptive water right of 78.89 acre feet) of untreated Water from Clear Lake for municipal, industrial, or other non-agricultural use for use on non-littoral land within Water User’s service area. Water User shall be under no obligation to take any particular amount of water in any year, but shall pay for all water diverted from Clear Lake in excess of its water rights, as set forth above, pursuant to this Agreement, except as provided in Paragraph 8. Except as provided in this Paragraph for the case of an emergency or disaster, water diverted by Water User pursuant to this Agreement shall only be used within the service area of Water User, as

shown on Exhibit B, attached hereto and incorporated herein (as modified by annexations from time to time which have been approved in advance by the District) and shall not be used in, or delivered to, areas outside such service area, provided that, District consent to annexations to Water User's service area which are within the city limits of the City of Clear Lake shall not be unnecessarily withheld.

Subject to the terms set forth in this Paragraph, in the event of emergency or disaster, the District permits Water User to temporarily deliver water outside of Water User's service area by transferring water through interties to transferees Lower Lake County Waterworks District No.1 ("Lower Lake") and Konocti County Water District ("Konocti"). For the purpose of this Paragraph, "emergency or disaster" shall mean a condition causing a substantial, temporary disruption of the transferee's ability to provide water supplies suitable for municipal, industrial, or other non-agricultural use by the transferee's customers. Prior to transferring water, Water User shall install or cause to be installed a water measurement device on the interties and provide written confirmation to the District. Water User shall provide the District with written notice of both the commencement and termination of each emergency transfer no later than 10 days after each such event. The commencement notice shall also identify the nature and status of the emergency or disaster authorizing the transfer. For each transferee, Water User shall transfer water for no more than 30 days for a given emergency or disaster and for no more than 90 days in any 365-day period. If Water User wishes to request an extension of these limits, Water User shall first provide a written request to the District asking the District to consent in writing to the extension. Such consent shall not be unreasonably withheld, but may be subject to conditions agreed upon in writing by the Parties. Water User shall report the measured amount of any water transferred and the name of the transferee with its monthly Statements of Water Usage submitted pursuant to Paragraph 3. Water User shall be solely responsible for paying District for any water transferred under this Paragraph to Konocti, including water wheeled through Konocti's system to Lower Lake. All water transferred under this Paragraph shall be deemed non-littoral water and in excess of Water User's water rights. Nothing in this Agreement shall be construed to authorize Water User to transfer water to transferees other than those expressly identified, or otherwise to use water outside of Water User's service area, except as provided in this Paragraph.

2. *Counterparts*: This Amendment may be executed in one or more counterparts, each of which is an original, and all of which constitute only one agreement between the Parties.
3. *Authority*. Each person signing this Amendment on behalf of a Party represents and warrants that he or she has the authority and capacity to make the promises set forth in this Amendment.
4. *Integration*. The Water Sales Agreement and this Amendment constitute the sole, final, complete, exclusive, and integrated statement of the terms of this contract between the Parties concerning the subject matter addressed herein, and supersedes all prior

negotiations, representations or agreements, either oral or written, that may be related to the subject matter of the Water Sales Agreement and this Amendment. Each Party acknowledges and represents that, in entering into this Amendment, it has not acted in reliance upon any promise, covenant, representation, warranty, warning or inducement, express or implied, except as contained in this Amendment.

To evidence the Parties' agreement to this Amendment, they have executed it on the dates set forth below:

**Yolo County Flood Control and
Water Conservation District:**

By: _____
Bruce Rominger, Chair

Dated: _____

Approved as to Form:

By: _____
Andrew J. Ramos
Attorney for District

Highlands Mutual Water Company:

By: _____
Board President

By: _____
Board Secretary

Dated: _____

**AMENDMENT NO. 1 TO STANDARD AGREEMENT FOR
NON-AGRICULTURAL WATER SALES**

This Amendment No. 1 (“Amendment”) is entered into effective May 1, 2021, by Yolo County Flood Control and Water Conservation District (“District”) and Konociti County Water District (“Water User”) (collectively “Parties”), which agree as follows:

RECITALS

- A. District and Water User are parties to an Agreement for Sale of Water (Non-Agricultural Water) (“Water Sales Agreement”) dated January 1, 2016.
- B. Pursuant to the Water Sales Agreement, the District provides Water User with water to the extent that the District has water supplies available from Clear Lake sufficient to meet Water User’s ultimate needs.
- C. Water User has notified the District that Water User intends to enter into an Intertie Agreement that will govern the transfer of Water User’s water to Lower Lake County Waterworks District No.1 (“Lower Lake”) and Highlands Mutual Water Company (“Highlands”) in case of an emergency or disaster.
- D. The District supports Clear Lake water suppliers like Water User in constructing facilities to interconnect water systems and allowing for water sharing if one or more of their water systems experiences an emergency or disaster.
- E. This Amendment amends Paragraphs 1 and 2 of the Water Sales Agreement to permit Water User to transfer District water supplies to Lower Lake and Highlands in case of an emergency or disaster.
- F. The District has expressed interest in negotiating a long-term renewal of the Water Sales Agreement with Water User. That future agreement may further address or amend the terms on which District grants permission for Water User to transfer water to Lower Lake and Highlands in cases of emergencies or disasters.

TERMS AND CONDITIONS

The Parties agree as follows:

- 1. *Amendment of Paragraph 1 of the Water Sales Agreement:* The Parties agree to delete Paragraph 1 of the Water Sales Agreement and replace it with the following:

1. To the extent that the District has water supplies available from Clear Lake sufficient to meet Water User’s needs, the District agrees to allow Water User to purchase up to 2,500 acre-feet annually of untreated water from Clear Lake for municipal, industrial, or other non-agricultural use within its service area, as shown on Exhibit “A”, attached hereto. Water User will be under no obligation to take any particular amount of water in any year, but will pay for all water diverted from Clear Lake on the terms set forth in this Agreement. Except as provided in this Paragraph for the case of an emergency or disaster, water diverted by Water User pursuant to this Agreement will only be used within the service area of Water User, as shown on Exhibit

“A”, attached hereto and incorporated herein (as modified by annexations from time to time which have been approved by the District) and will not be used in, or delivered to, areas outside such service area.

Subject to the terms set forth in this Paragraph, in the event of emergency or disaster, the District permits Water User to temporarily deliver water outside of Water User’s service area by transferring water through interties to transferees Lower Lake County Waterworks District No.1 (“Lower Lake”) and Highlands Mutual Water Company (“Highlands”). For the purpose of this Paragraph, “emergency or disaster” shall mean a condition causing a substantial, temporary disruption of the transferee’s ability to provide water supplies suitable for municipal, industrial, or other non-agricultural use by the transferee’s customers. Prior to transferring water, Water User shall install or cause to be installed a water measurement device on the interties and provide written confirmation to the District. Water User shall provide the District with written notice of both the commencement and termination of each emergency transfer no later than 10 days after each such event. The commencement notice shall also identify the nature and status of the emergency or disaster authorizing the transfer. For each transferee, Water User shall transfer water for no more than 30 days for a given emergency or disaster and for no more than 90 days in any 365-day period. If Water User wishes to request an extension of these limits, Water User shall first provide a written request to the District asking the District to consent in writing to the extension. Such consent shall not be unreasonably withheld, but may be subject to conditions agreed upon in writing by the Parties. Water User shall report the measured amount of any water transferred and the name of the transferee with its monthly Statements of Water Usage submitted pursuant to Paragraph 3. With the exception of water that is wheeled through Water User’s system from Highlands to Lower Lake or from Lower Lake to Highlands, Water User shall be solely responsible for paying the District for any water transferred under this Paragraph to Lower Lake or Highlands. Water User is not responsible to pay the District for water that is wheeled through Water User’s system from Highlands to Lower Lake or from Lower Lake to Highlands. Nothing in this Agreement shall be construed to authorize Water User to transfer water to transferees other than those expressly identified, or otherwise to use water outside of Water User’s service area, except as provided in this Paragraph.

2. *Amendment of Paragraph 2 of the Water Sales Agreement:* The Parties agree to delete Paragraph 2 of the Water Sales Agreement and replace it with the following:

2. Water User agrees that it will not divert water from Clear Lake at any location other than that set forth in Exhibit "A" without the prior written consent of the District. To the extent it is authorized to do so, Water User will prohibit all other diversions from Clear Lake within its service area, except through the diversion point set forth on Exhibit "A". Water User will pay all costs of diverting water from Clear Lake.

3. *Counterparts:* This Amendment may be executed in one or more counterparts, each of which is an original, and all of which constitute only one agreement between the Parties.

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

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

To evidence the Parties' agreement to this Amendment, they have executed it on the dates set forth below:

**Yolo County Flood Control and
Water Conservation District:**

By: _____
Bruce Rominger, Chair

Dated: _____

Approved as to Form:

By: _____
Andrew J. Ramos
Attorney for District

Konocti County Water District:

By: _____
Board President

By: _____
Board Secretary

Dated: _____

Approved as to Form:

By: _____
Anita Grant
District Counsel

YOLO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

AGENDA REPORT

MEETING DATE: April 6, 2021

ITEM #: 7

SUBJECT: Presentation: 2021 Allocated Irrigation Season Update

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:

As has been announced previously, the 2021 irrigation season will have an allocated water supply. At the Board meeting, staff will review the key elements of conducting an allocated irrigation season including:

1. The process for determining an allocation.
2. The rationale behind a “coordinated” run to minimize losses and maximize allocation.
3. The process for determining the length of the irrigation season.
4. The changes to the order/entry (STORM database) system.
5. The process for communicating daily changes to the water customers.

While managing an allocated irrigation season always brings special challenges, District staff are committed to anticipating and addressing all issues in a professional and competent manner.

RECOMMENDATION:

This agenda item is for informational purposes only. No Board action is required.