

SPECIAL MEETING MINUTES

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

March 09, 2022

A special meeting of the Board of Directors of the Santa Ynez River Water Conservation District was held on Wednesday, March 09, 2022. As a result of the existing State of Emergency in California due to the COVID-19 pandemic, Santa Barbara County Public Health recommendations to protect public health by limiting public gatherings, recommending social distancing, and masking while gathering indoors, and as authorized by State Assembly Bill 361, this meeting occurred in-person at the Vandenberg Village Community Services District, 3745 Constellation Road, Lompoc, CA with remote participation via video and teleconference.

Directors Present, in-person: Cynthia Allen, Art Hibbits, and Steve Jordan

Directors Present, remote participation: Brett Marymee

Directors Absent: Mark Altshuler

Others Present, in-person: Board Secretary Amber Thompson

Others Present, remote participation: Groundwater Program Manager Bill Buelow, Laura Copple (Bartlett, Pringle & Wolff, LLP), Carol Redhead, General Manager Kevin Walsh, and Legal Counsel Steve Torigiani.

I. CALL TO ORDER AND ROLL CALL

President Allen called the meeting to order at 6:30 pm. Ms. Thompson called roll. All Directors except for Director Altshuler were present providing a quorum.

II. PLEDGE OF ALLEGIANCE

President Allen led the Pledge of Allegiance.

III. CONSIDER REAFFIRMING RESOLUTION 703, ENTITLED “RESOLUTION INITIALLY AUTHORIZING REMOTE TELECONFERENCE MEETINGS UNDER AB361”

As the State of Emergency in California due to the COVID-19 pandemic is still in effect and the Santa Barbara County Public Health Department issued recommendations to protect public health by limiting public gatherings, recommending social distancing, and masking while gathering indoors, and as authorized by State Assembly Bill 361, Director Hibbits **MOVED** to reaffirm Resolution No. 703, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT INITIALLY AUTHORIZING REMOTE TELECONFERENCE MEETINGS UNDER AB361. Director Jordan seconded, and the motion passed 4-0-1 by the following roll call

vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee

NOES, Directors: None

ABSENT, Directors: Altshuler

IV. ADDITIONS, IF ANY, TO THE AGENDA

There were no additions to the agenda.

V. PUBLIC COMMENT

There was no public comment. Ms. Thompson announced she did not receive any public comments prior to the meeting.

VI. RECEIVE AND FILE FY 2020-21 FINANCIAL AUDIT, PRESENTATION BY BARTLETT, PRINGLE & WOLF, LLP

Ms. Laura Cople, Audit Manager of Bartlett, Pringle and Wolf, LLP, presented highlights and main points from the Fiscal Year (FY) 2020-21 Independent Auditor's Report and Report on Internal Controls for the year ended June 30, 2021. Discussion followed.

Director Jordan made a **MOTION** to receive and file the Fiscal Year 2020-21 Independent Auditor's Report and Report on Internal Controls. Director Hibbits seconded the motion and it passed 4-0-1 by the following roll call vote:

AYES, Directors: Cynthia Allen, Art Hibbits, Steve Jordan, Brett Marymee

NOES, Directors: None

ABSENT, Directors: Mark Altshuler

VII. PUBLIC HEARING ON THE 2022 PROPOSED ADJUSTMENTS TO DIVISION BOUNDARIES

President Allen opened the public hearing at 6:49 pm. Ms. Thompson announced that the Public Hearing was properly noticed two times in the Santa Barbara News-Press, at the District office, and on the District website. The maps and descriptions of the proposed new divisions have been and are still available to the public on the District website (SYRWCD.com). Ms. Thompson announced she did not receive any public comments prior to the Public Hearing.

Mr. Kevin Walsh, General Manager, explained that no changes were made to the proposed adjusted division boundaries that were presented to the Board of Directors during the public meeting of December 2, 2021. There was no discussion. There was no public comment.

President Allen closed the public hearing at 6:52 pm.

VIII. CONSIDER ADOPTION OF RESOLUTION NO. 708, ADJUSTING DIVISION BOUNDARIES

Director Jordan waived reading of the Resolution and made a **MOTION** to adopt Resolution No. 708, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT ADJUSTING DIVISION BOUNDARIES and directed staff to file documentation of the new division boundaries with the County of Santa Barbara, Elections Division. Director Marymee seconded the motion and it passed 4-0-1 by the following roll call vote:

AYES, Directors: Cynthia Allen, Art Hibbits, Steve Jordan, Brett Marymee
NOES, Directors: None
ABSENT, Directors: Mark Altshuler

IX. CONSIDERATION TO APPROVE MINUTES OF THE REGULAR MEETING OF DECEMBER 1, 2021

President Allen submitted the minutes of the special meeting of December 01, 2021 for Board approval. Director Jordan made a **MOTION** to approve the minutes. Director Hibbits seconded the motion and it passed 4-0-1 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee
NOES, Directors: None
ABSENT, Directors: Altshuler

X. GENERAL MANAGER REPORT

A. Surface Water Report

Mr. Walsh provided the Rainfall and Reservoir Status Report, Cachuma Daily Operations Report, and Downstream Users Accounting Report. He reported, as of January 2022, the Below Narrows Account credit was 4,981 acre-feet and Above Narrows Account credit was 9,405 acre-feet. If March 2022 continues to be dry, a water rights releases will be scheduled for Summer 2022. There were no comments and no action.

B. Financial Reports, Monthly Warrant Reports and 1st Quarter Investment Report

Mr. Walsh presented the financial report through January 31, 2022. The Board reviewed the financial reports and notable items for Period 7 of FY 2021-22. There were no comments and no action.

Mr. Walsh presented the Quarterly Investment Report for 2nd Quarter of FY 2021-22 and said investments were made in accordance with policy and sufficient funds are available to meet District obligations in accordance with law. There were no comments and no action.

Mr. Walsh presented Warrant Lists for December 2021, January 2022, and February 2022. There was no discussion. Director Jordan made a **MOTION** to ratify the warrant lists as presented (nos. 5376-5412 including ACHs) for a total of \$209,838.20. Director Marymee seconded, and it passed 4-0-1 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee
NOES, Directors: None
ABSENT, Directors: Altshuler

C. Consider Resolution No. 709, Readopting an Investment Policy

Mr. Walsh stated a review of the District's Investment Policy was done and no changes were made to the policy. He presented Resolution No. 709. There were no comments. Director Hibbits waived reading of the Resolution and **MOVED** to adopt Resolution No. 709, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT READOPTING AN INVESTMENT POLICY. Director Marymee seconded the motion, and the Resolution was adopted and passed 4-0-1 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee
NOES, Directors: None
ABSENT, Directors: Altshuler

D. Draft Preliminary Budget FY 2022-23

Mr. Walsh presented a Memorandum dated March 09, 2022 regarding Draft Preliminary Budget FY 2022-23. He reviewed the Draft Preliminary Budget for FY 2022-23 as well as a comparison of the FY 2021-22 Approved Budget versus FY 2021-22 Projected Actuals. Discussion followed, no action.

XI. GROUNDWATER PROGRAM MANAGER REPORT

A. Groundwater Production, Reporting, Charges and Program Update

Mr. Buelow reviewed income received from Groundwater Pump Charges and Groundwater Production reported to date since January 1, 2021. Discussion followed, no action.

Mr. Buelow provided an update on delinquent Groundwater Production Reporting and Well Registrations. He reported that staff continue to pursue unregistered wells in the District and have registered approximately 32 new wells so far. He reported that approximately 20 accounts are considered severely delinquent, most of the properties are located in Zones B, D, and E. Staff recommended they begin the full Investigation and Report process on those severely delinquent parcels with registered wells but are not reporting water production. Discussion followed. Board agreed for staff to proceed with Investigation and Report process. No action

was required.

B. Preliminary 44th Annual Groundwater Report

Mr. Buelow presented the Preliminary 44th Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District, FY 2021-2022 summarizing groundwater pumping for FY 2021-2022 in the District. He stated the Report provides information on revenues collected and groundwater production from FY 2020-2021 and the first half of FY 2021-2022 through February 18, 2022. He confirmed the Annual Report will be presented to the Board at a Public Hearing in late April 2022. There was no discussion, no action.

C. Sustainable Groundwater Management Act (SGMA) Update

Mr. Buelow reported that the three Groundwater Sustainability Plans (GSPs) for the Basin were submitted to DWR in January 2022. He provided an update regarding the outstanding issues of funding for implementation and future governance options. Discussion followed, no action.

Mr. Buelow provided an update on the first Annual Reports being prepared by Stetson Engineers for the CMA, and WMA and the Annual Report for the EMA being prepared by GSI. The Annual Reports will be presented to the respective GSA at the end of March for review and approval prior to submission to DWR by April 1, 2022. There were no comments.

Mr. Buelow presented a revised cost estimate for Stetson Engineers Annual Report Task Order. Discussion followed. Director Jordan made a **MOTION** to authorize staff to revise the Not to Exceed (NTE) from \$60,000 to \$70,000 for the GSAs Annual Report task order as per Stetson's revised cost estimate and email for the single year Task 2 reports. Discussion followed. Director Marymee suggested the motion be amended to include being retroactive to the project start. Director Jordan amended the motion as suggested. Director Hibbits seconded, and it passed 4-0-1 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee

NOES, Directors: None

ABSENT, Directors: Altshuler

Mr. Buelow reported that the CMA GSA Committee authorized their first GSP implementation project, a surface water gauge project for the USGS to monitor the surface water flow at the Narrows gauge monthly. To facilitate a timely start of this GSP implementation project, the USGS can add a new separate task to the District's existing contract the monthly monitoring at the Narrows Gauge on behalf of the CMA GSA. The CMA GSA Committee will reimburse the District for all associated costs with the expected annual cost being \$10,000. Discussion followed. Director Jordan made a **MOTION** to authorize adding a new task order to the District's existing contract with USGS for surface water gauge reading at the Narrows Gauge on behalf

of the CMA GSA, contingent on an agreement from the CMA GSA to repay all associated costs for this task order to the District. Director Hibbits seconded, and it passed 4-0-1 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee

NOES, Directors: None

ABSENT, Directors: Altshuler

Mr. Buelow provided an update on the SGMA finances and GSP implementation budgets. He reported that continued financial support of the GSAs by member agencies is anticipated until the GSAs can establish a fee structure and governance. There was no discussion, no action.

XII. BOARD SECRETARY AND DISTRICT ADMINISTRATOR REPORT

A. Consider Financial Institution Changes and Adoption of Resolution No. 710, "Authorizing the Opening of Accounts at Five Star Bank"

Ms. Thompson presented a Memorandum dated March 9, 2022 regarding proposed change of primary financial institution in which staff recommended establish accounts at Five Star Bank, open seven accounts at Five Star Bank and transfer funds from Mechanics Bank. She reviewed the main reasons for the suggested change in primary financial institution being that Five Star Bank is offering no-fee banking, considerably higher interest rates earned on money market account funds, availability of interest-bearing checking accounts while Mechanics Bank banking fees have continually risen, and interest income earned has dropped dramatically over the last few years. Discussion followed.

Director Hibbits waived reading of the Resolution and **MOVED** to adopt Resolution No. 710, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT AUTHORIZING THE OPENING OF AN ACCOUNT AT FIVE STAR BANK; directed staff to complete the necessary documents to establish and open six accounts at Five Star Bank: one interest-bearing checking account for SYRWCD, one interest-bearing checking account For Benefit of (FBO) CMA GSA, one interest-bearing checking account FBO EMA GSA, one interest-bearing checking account FBO WMA GSA, one money market account for SYRWCD, and one money market account FBO CMA, EMA, WMA GSA; directed staff to transfer funds from accounts at Mechanics Bank to accounts at Five Star Bank and close all checking and money market accounts, except one non-interest-bearing checking account for SYRWCD currently held at Mechanics Bank. Director Jordan seconded the motion, and the Resolution was adopted and passed 4-0-1 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee

NOES, Directors: None

ABSENT, Directors: Altshuler

B. Consider Enrollment in SDRMA for Employee Benefits

1. Consider Memorandum of Understanding

Ms. Thompson briefly reviewed SDRMA ancillary health benefits program available to small public entities compared to the program SYRWCD currently offers. The SDRMA program, effective July 1, 2022, will be at a comparable cost plus offers Short Term Disability option. An executed Memorandum of Understanding is required for entry into the program and coverage is subject to approval by the program underwriter. There was no discussion.

2. Consider Resolution No. 711, “Approving the Form of and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the Special District Risk Management Authority’s Health Benefits Program”

Director Hibbits waived reading of the Resolution and **MOVED** to adopt Resolution No. 711, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY’S HEALTH BENEFITS PROGRAM and directed staff to complete and file the necessary documents to establish accounts benefits policies through SDRMA Health Benefits Program. Director Jordan seconded the motion, and the Resolution was adopted and passed 4-0-1 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee

NOES, Directors: None

ABSENT, Directors: Altshuler

C. Consider Resolution No. 712, “Establish an Internal Revenue Service (IRS) 401(a) Retirement Plan for Employer Contributions”

Ms. Thompson briefly summarized the Memorandum from Kevin Walsh dated March 9, 2022 regarding Retirement Plan Options explaining the request to establish a 401(a) plan in addition to the District’s existing 457(b) retirement plan. The only cost to the District would be a minimal one-time set-up fee. She noted a correction should be made to the title of the Resolution to remove the word “matching”. There was no discussion.

Director Jordan waived reading of the Resolution and **MOVED** to adopt Resolution No. 712, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT ESTABLISH AN INTERNAL REVENUE SERVICE (IRS) 401(A) RETIREMENT PLAN FOR

EMPLOYER CONTRIBUTIONS and directed staff to complete and file the necessary documents to establish a 401(a) Plan. Director Jordan seconded the motion, and the Resolution was adopted and passed 4-0-1 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee

NOES, Directors: None

ABSENT, Directors: Altshuler

D. Review Conflict of Interest Code

Ms. Thompson reported that staff reviewed the current Conflict of Interest Code which was adopted by Resolution No. 685 on January 23, 2019, and recommended no changes were needed. There was no discussion.

Director Jordan made a **MOTION** to keep the District's Conflict of Interest Code as written and directed staff to inform the County of Santa Barbara of no changes. Director Marymee seconded the motion, and the motion passed 4-0-1 by the following roll call vote:

AYES, Directors: Allen, Hibbits, Jordan, Marymee

NOES, Directors: None

ABSENT, Directors: Altshuler

E. Required Conflict of Interest Form 700 Filing

Ms. Thompson reminded Directors and staff of the April 1, 2022 deadline to file the required Annual Form 700. Discussion followed, no action.

F. Required Ethics and Harassment Prevention Training

Ms. Thompson reminded Directors and staff of required Ethics and Harassment Prevention Training that were due in 2021. Discussion followed, no action.

G. Consider LAFCO Ballots

Directors reviewed the two ballots received from LAFCO. Discussion followed. Director Marymee recommended supporting Mr. Edward Fuller of the Goleta Sanitary District for the position of Regular Special District Member. Unanimous consensus was for President Allen to complete and return both ballots to LAFCO on behalf of the Board.

XIII. ATTORNEY REPORT

Mr. Steve Torigiani reported on a couple of legislative items.

XIV. REPORTS, ACTS BY BOARD MEMBERS, QUESTIONS OF STAFF, STATUS REPORTS, ANNOUNCEMENTS, OBSERVATIONS AND OTHER MATTERS, AND/OR COMMUNICATIONS NOT REQUIRING ACTION

There were none.

XV. REQUEST FOR ITEMS TO BE INCLUDED ON THE NEXT AGENDA. THE NEXT MEETING IS SCHEDULED AS A SPECIAL MEETING FOR APRIL 27, 2022, AT 6:30 PM.

There were no requests.

The next Board meeting will be a Special meeting, including a Public Hearing on the 44th Annual Engineering and Survey Report on Water Supply Conditions of the Santa Ynez River Water Conservation District, FY 2021-2022, planned for April 27, 2022 at 6:30 pm, at Vandenberg Village Community Services District Conference Room with remote participation also provided.

XVI. CLOSED SESSION

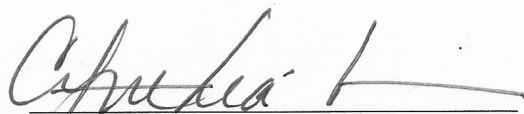
At 8:55 pm, the Board recessed for five minutes then convened into Closed Session from 9:00 pm to 10:10 pm.

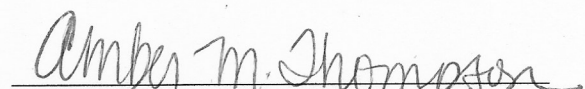
XVII. RECONVENE OPEN SESSION / CLOSED SESSION REPORT

President Allen advised there is nothing to report from Closed Session.

XVIII. ADJOURNMENT

There being no further business, President Allen adjourned the meeting at 10:10 pm.


Cynthia Allen, President


Amber M. Thompson, Secretary

RESOLUTION NO. 708

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
ADJUSTING DIVISION BOUNDARIES**

WHEREAS, Water Code section 74430 provides that the Santa Ynez River Water Conservation District's ("District's") Board of Directors shall, by resolution, adjust the boundaries of any of its divisions pursuant to Elections Code section 22000, et seq.;

WHEREAS, Election Code section 22000 requires certain special districts (including Santa Ynez River Water Conservation District) to adjust their division boundaries after each federal decennial census, and using that census as the basis, adjust the boundaries of any divisions so that the divisions are, as far as practicable, equal in population and in compliance with Section 10201 of Title 52 of the United States Code, as amended, to the extent those provisions are applicable; and

WHEREAS, Election Code section 22000 further provides that in adjusting the boundaries of the divisions, the board may give consideration to the following factors: (1) topography, (2) geography, (3) cohesiveness, contiguity, integrity, and compactness of territory, and (4) community of interests of the division; and

WHEREAS, recently enacted Senate Bill No. 594 provides that the governing board of a district that has a regular election to elect members of its governing board on the same date as the 2022 statewide general election shall adopt adjusted boundaries of the divisions no later than April 17, 2022 (Election Code § 22000.1(b)(1)); and

WHEREAS, Water Code sections 74431 and 74432 require that, before changing of the boundaries of the divisions, the District is to give notice of its intention to do so by publication and hold a hearing at which any owner of land in the District may appear before the board and object to the making of the proposed change or changes or petition that a change be made otherwise than as posted; and

WHEREAS, on December 1, 2021, the Board of Directors of the Santa Ynez River Water Conservation District adopted Resolution No. 704, a resolution of intent to adjust division boundaries and give notice of the proposed division boundary adjustments and a hearing therein, which said notice has been duly given and published and a hearing has been held thereon by the District, all as required by law including the required specification of such proposed division boundary adjustments, on the 9th day of March, 2022 at the Vandenberg Village Community Services District, Conference Room, 3745 Constellation Road, Lompoc, California with remote video/teleconference participation available; and

WHEREAS, at the time and place appointed for the hearing, the Board of Directors heard all objections and petitions presented to the Board with respect to the proposed division boundary adjustments which the Board proposed in said notification; and

WHEREAS, the Board of Directors of the Santa Ynez River Water Conservation District has determined that there exists a population disparity between the divisions of the District as presently established; and

WHEREAS, the Board of Directors of the Santa Ynez River Water Conservation District has determined that it is advisable in order to comply with applicable state law, e.g., Water Code section 74430, et seq. and Election Code sections 22000 and 22000.1, and in the best interests of the District and the electors, to adjust the boundaries of the District's divisions; and

WHEREAS, a proposed adjustments of the boundaries of the divisions based upon an analysis of population deviation between divisions has been duly noticed, been the subject of the required public hearing, and submitted to the Board of Directors which meets constitutional requirements; and

WHEREAS, a copy of a map of the proposed division boundary adjustments is on file in the District offices in Santa Ynez;

NOW THEREFORE, the Board of Directors of the Santa Ynez River Water Conservation District hereby resolves as follows:

SECTION 1: The foregoing recitals are true and correct, and the Board of Directors deems it advisable in order to comply with applicable state law, e.g., Water Code section 74430, et seq. and Election Code sections 22000 and 22000.1, and in the best interests of the District and the electors, to adjust the boundaries of its divisions as proposed.

SECTION 2: The Board of Directors does hereby approve of the proposed division boundary adjustments and adjust the boundaries of the divisions of the District as follows:

(a) DIVISION 1

Those 2020 Census blocks located within the County of Santa Barbara and the City of Lompoc as listed below at the end of this document:

Also described generally as follows: Beginning at a point on the western boundary of the current Santa Ynez River Water Conservation District (District), said point also being the mouth of the Santa Ynez River at the Pacific Ocean; thence easterly along the Santa Ynez River to the intersection with H St, said H St is also known as State Highway 1; thence southerly along H St/State Highway 1 to the intersection

with Central Ave; thence easterly along Central Ave to the intersection with D St; thence southerly along D St to the intersection with North Ave; thence easterly along North Ave to the intersection with C St; thence southerly along said C St to the intersection with Pine Ave; thence westerly along Pine Ave to the intersection with F St; thence southerly along F St to the intersection with College Ave; thence westerly along College Ave to the intersection with R St; thence southerly along R St to the intersection with Laurel Ave; thence westerly along Laurel Ave to the intersection with V St; thence southerly along V St to the intersection with Ocean Ave; thence westerly along Ocean Ave to the intersection with De Wolff Ave and La Salle Canyon Rd; thence following La Salle Canyon Rd first southerly, then westerly and then southerly along La Salle Canyon Rd to a point on the southern boundary of the District, said point also being the intersection with the boundary of the Vandenberg Space Force Base (VSFB); thence generally westerly following along said southern boundary of the District to a point, said point being the intersection with the mean tide of the Pacific Ocean; thence generally northly along mean tide of the Pacific Ocean, also being the western boundary of the District to the mouth of the Santa Ynez River, and the point of beginning.

(b) DIVISION 2

Those 2020 Census blocks located within the County of Santa Barbara and the City of Lompoc as listed in the attachment:

Also described generally as follows: Beginning at the intersection with La Salle Canyon Rd, the southern boundary of the District, and the VSFB boundary; thence along said southern boundary of the District to the intersection with Cabrillo Highway, also known as State Highway 1; thence northerly along said highway to the intersection with 12th St and Ocean Ave, said Ocean Ave is also known as State Highway 1; thence westerly along said Ocean Ave/State Highway 1 to the intersection with H St, said H St is also known as State Highway 1; thence northerly along said H St/State Highway 1 to the intersection with College Ave; thence westerly along College Ave to the intersection with R St; thence southerly along R St to the intersection with Laurel Ave; thence westerly along Laurel Ave to the intersection with V St; thence southerly along V St to the intersection with Ocean Ave; thence generally westerly along Ocean Ave to a point that is the intersection with La Salle Canyon Rd, De Wolff Ave and Ocean Ave; thence southerly, westerly and southwesterly along La Salle Canyon Rd to the point of beginning.

(c) DIVISION 3

Those 2020 Census blocks located within the County of Santa Barbara and the City of Lompoc as listed in the attachment:

Also described generally as follows: Beginning at a point on the western boundary of the District, said point also being the mouth of the Santa Ynez River at the Pacific

Ocean; thence easterly along the Santa Ynez River to the intersection with H St, also known as State Highway 1; thence southerly along H St/State Highway 1 to the intersection with Central Ave; thence easterly along Central Ave to the intersection with D St; thence southerly along D St to the intersection with North Ave; thence easterly along East North Ave to the intersection with Riverside Dr; thence southerly along Riverside Dr with the intersection with Pine Ave, said point also being a point on the eastern Lompoc City Limit boundary; thence easterly and generally northerly along said Lompoc City Limit boundary to the intersection with McLaughlin Rd; thence easterly along McLaughlin Rd to the intersection with the northeast corner of parcel number 099-141-003 (within census block 060830028091025); thence southerly along the eastern line of said parcel to the northwest corner of parcel number 099-141-001 (within census block 060830028091025); thence easterly along said parcel northern boundary to the intersection with Mission Gate Rd; thence northeasterly along said Mission Gate Rd to the intersection with Purisima Rd; thence southeasterly along Purisima Rd to the intersection with Buellton-Lompoc Rd, said Buellton-Lompoc Rd also being State Highway 246; thence easterly along said State Highway 246 to the intersection with Gypsy Canyon Rd; thence generally northerly along Gypsy Canyon Rd to the intersection with Cebada Canyon Rd, said point being near the most northwest corner of parcel number 099-610-005 (within census block 060830028091009); thence generally first westerly and then northerly along Cebada Canyon Rd to the intersection with the north boundary of the District, said point being on the north boundary of parcel number 099-060-026 (within census block 060830028091012); thence generally westerly along said District boundary to a point on the mean tide line of the Pacific Ocean; thence southerly approximately 660 feet along said mean hide tide line to the point of beginning.

(d) DIVISION 4

Those 2020 Census blocks located within the County of Santa Barbara and the Cities of Lompoc and Buellton as listed in the attachment:

Also described generally as follows: Beginning at the intersection with H St, said H St also known as State Highway 1, and College Ave; thence easterly along College Ave to the intersection with F St; thence northerly along F St to the intersection with Pine Ave; thence easterly along Pine Ave to the intersection with C St; thence northerly along C St to the intersection with North Ave; thence easterly along North Ave to the intersection with Riverside Dr; thence southeasterly along Riverside Dr to the intersection with Pine Ave, said point also being a point on the City of Lompoc City Limit boundary; thence easterly and generally northerly along said Lompoc City Limit boundary to the intersection with McLaughlin Rd; thence easterly along McLaughlin Rd to the intersection with the northeast corner of parcel number 099-141-003 (within census block 060830028091025); thence southerly along the eastern line of said parcel to the northwest corner of parcel number 099-141-001 (within census block 060830028091025); thence easterly along said parcel

northern boundary to the intersection with Mission Gate Rd; thence northeasterly along said Mission Gate Rd to the intersection with Purisima Rd; thence southeasterly along Purisima Rd to the intersection with Buellton-Lompoc Rd, said Buellton-Lompoc Rd also being State Highway 246; thence easterly along said State Highway 246 to the intersection with Gypsy Canyon Rd; thence generally northerly along Gypsy Canyon Rd to the intersection with Cebada Canyon Rd, said point being near the most northwest corner of parcel number 099-610-005 (within census block 060830028091009); thence generally first westerly and then northerly along Cebada Canyon Rd to the intersection with the north boundary of the District, said point being on the north boundary of parcel number 099-060-026 (within census block 060830028091012); thence generally easterly along said north boundary of the District to the intersection with US Highway 101; thence generally southerly along said US Highway 101 to the intersection with the northern boundary of the City of Buellton City Limits; thence along the eastern and southern boundaries of the Buellton City Limits lying easterly of the right of way of US Highway 101 to the intersection with US Highway 101; thence southerly along said US Highway 101 to the intersection with the southern boundary of the District; thence along said southern boundary of the District generally westerly to the intersection with State Highway 1; thence generally northerly along said State Highway 1 to the intersection with Ocean Ave, said Ocean Ave is also known as State Highway 1; thence along said Ocean Ave/State Highway 1 generally westerly to the intersection with H St, said H St is also known as State Highway 1; thence northerly along H St/State Highway 1 to the intersection with College Ave and the point of beginning.

(e) DIVISION 5

Those 2020 Census blocks located within the County of Santa Barbara and the City of Solvang as listed in the attachment:

Also described generally as follows: All of the Santa Ynez River Water Conservation District area lying easterly of the right of way of US Highway 101, excepting there of any area within the city limits of the City of Buellton.

SECTION 3: The approved adjusted boundaries of the divisions of the District, described herein, are depicted on the map attached as Exhibit “A” which is incorporated herein by this reference and shall be controlling.

SECTION 4: All Division boundaries not specifically mentioned in this Resolution shall remain unchanged.

SECTION 5: The District’s staff are hereby directed and authorized to take any action as may be necessary to implement such division boundary adjustments.

WE, THE UNDERSIGNED, being the duly qualified and acting President and Secretary, respectively, of the Board of Directors of the Santa Ynez River Water Conservation District, do hereby certify that the above and foregoing Resolution was duly and regularly adopted and passed by the Board of Directors at a special meeting duly held on the 9th day of March 2022 by the following vote:

AYES, and in favor thereof, Directors:

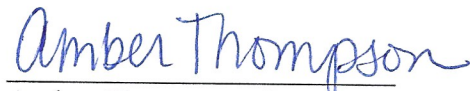
Cynthia Allen
Art Hibbits
Steve Jordan
Brett Marymee

NOES, Directors:

None

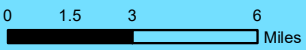
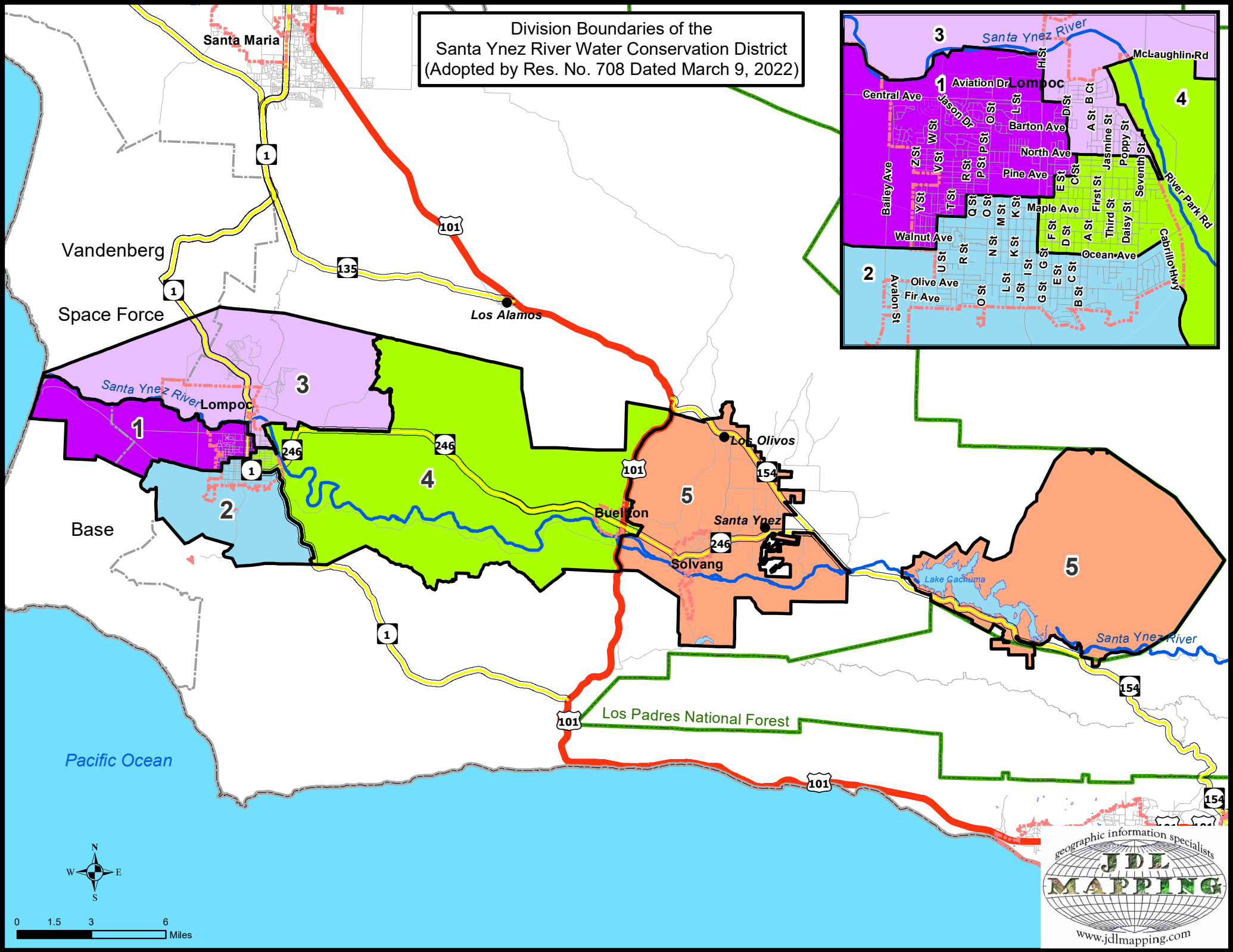
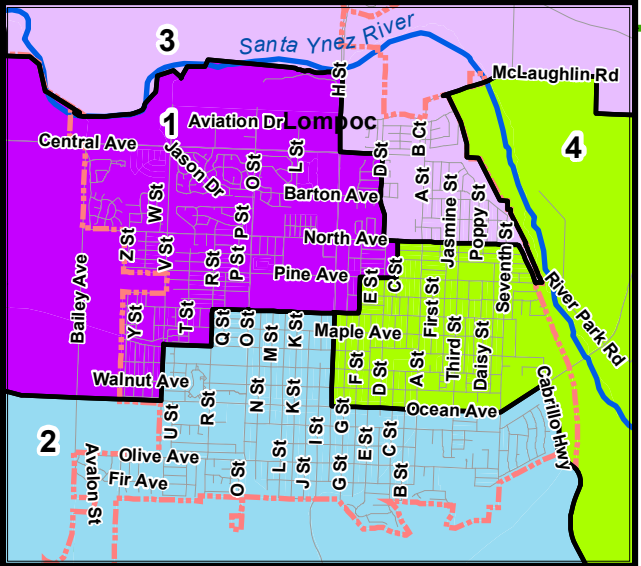
ABSENT/ABSTAINING, Directors:

Mark Altshuler


Amber Thompson, Secretary


Cynthia Allen, President

Division Boundaries of the
Santa Ynez River Water Conservation District
(Adopted by Res. No. 708 Dated March 9, 2022)



**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
DECEMBER 2021 WARRANT LIST FOR BOARD APPROVAL**

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	12/1/2021	Payroll	November 16-30, 2021 Salary	\$ 9,602.57
ACH	12/1/2021	Cynthia Allen	11/15/21 CMA; 11/18/21 EMA Meetings	\$ 138.52
ACH	12/1/2021	Art Hibbits	11/15/21 CMA Meeting	\$ 69.26
ACH	12/1/2021	Steve Jordan	10/17/21 WMA Meeting	\$ 69.26
ACH	12/1/2021	Brett Marymee	11/18/21 EMA Meeting	\$ 69.26
ACH	12/1/2021	Employment Development Dept.	EDD Tax Deposit (November 16-30, 2021)	\$ 950.21
ACH	12/1/2021	Lincoln Financial Group	457 Plan Combined Contributions (#1 December)	\$ 3,113.61
ACH	12/1/2021	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (November 16-30, 2021)	\$ 4,450.03
5376	12/13/2021	Judith K. Adams	November 2021 GW Admin Service	\$ 681.25
		Adamski Moroski Madden		
5377	12/13/2021	Cumberland & Green, LLC	June 2021 Labor and Employment Matters	\$ 1,161.00
5378	12/13/2021	Guardian	December 2021 Dental, Vision, Life, LTD & ADD Insurance	\$ 405.27
5379	12/13/2021	Jim Heyerly	December 2021 Rent	\$ 1,500.00
5380	12/13/2021	JDL Mapping	2022 Redistricting Proposal	\$ 840.00
5381	12/13/2021	Alex Pappas	November 2021 GW and SGMA Research Service	\$ 744.00
5382	12/13/2021	Pacific Gas & Electric	November 2021 Electric Service	\$ 185.25
5383	12/13/2021	Shirley Scales Bookkeeping	November 2021 GW Admin Service	\$ 3,222.00
5384	12/13/2021	Staples Credit Plan	Office Supplies	\$ 38.83
5385	12/13/2021	Stetson Engineers	October 2021 Engineering Service	\$ 14,699.10
5386	12/13/2021	US Bank Corp	November 2021 CalCard	\$ 1,439.26
5387	12/13/2021	Valley Bookkeeping Services	November 2021 Bookkeeping	\$ 380.00
5388	12/13/2021	Young Wooldridge	November 2021 Legal Service	\$ 12,286.82
ACH	12/17/2021	Payroll	December 1-15, 2021 Salary	\$ 9,946.77
ACH	12/17/2021	Employment Development Dept.	EDD Tax Deposit (December 1-15, 2021)	\$ 950.21
ACH	12/17/2021	Lincoln Financial Group	457 Plan Combined Contributions (#2 December)	\$ 3,113.61
ACH	12/17/2021	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (December 1-15, 2021)	\$ 3,704.23
TOTAL				\$ 73,760.32

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
JANUARY 2022 WARRANT LIST FOR BOARD APPROVAL**

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
ACH	1/3/2022	Payroll	December 16-31, 2021 Salary	\$ 9,244.59
ACH	1/3/2022	Cynthia Allen	12/1/21 SYRWCD; 12/9/21 EMA Meetings	\$ 138.52
ACH	1/3/2022	Mark Altshuler	12/1/21 SYRWCD Meeting	\$ 69.26
ACH	1/3/2022	Art Hibbits	12/1/21 SYRWCD Meeting	\$ 69.26
ACH	1/3/2022	Steve Jordan	12/1/21 SYRWCD; 12/8/21 WMA Meetings	\$ 138.52
ACH	1/3/2022	Brett Marymee	12/1/21 SYRWCD; 12/9/21 EMA Meetings	\$ 138.52
ACH	1/3/2022	Employment Development Dept.	EDD Tax Deposit (December 16-31, 2021)	\$ 925.05
ACH	1/3/2022	Lincoln Financial Group	457 Plan Combined Contributions (#1 January)	\$ 3,113.61
ACH	1/3/2022	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (December 16-31, 2021)	\$ 5,284.14
5389 *	1/13/2022	Guardian	January 2021 Dental, Vision, Life, LTD & ADD Insurance	\$ 405.27
5390	1/13/2022	Jim Heyerly	January 2021 Rent	\$ 1,500.00
5391	1/13/2022	Inklings Printing Co.	SGMA Newsletter #6, envelopes, and GW forms	590.71
5392	1/13/2022	JDL Mapping	2022 Redistricting Proposal & additional efforts	\$ 840.00
5393	1/13/2022	Alex Pappas	December 2021 GW and Fish Research Service	\$ 504.00
5394	1/13/2022	Pacific Gas & Electric	December 2021 Electric Service	\$ 124.41
5395	1/13/2022	Shirley Scales Bookkeeping	December 2021 GW Admin Service	\$ 3,681.00
5396	1/13/2022	Stetson Engineers	November 2021 Engineering Service	\$ 7,593.90
5397	1/13/2022	US Bank Corp	December 2021 CalCard	\$ 1,630.04
5398	1/13/2022	Valley Bookkeeping Services Judith K. Adams	December 2021 Bookkeeping	\$ 380.00
5399	1/13/2022	Willow Creek Ranch	December 2021 GW Admin Service	\$ 968.75
5400	1/13/2022	Young Wooldridge	December 2021 Legal Service	\$ 12,601.86
ACH	1/18/2022	Payroll	January 1-15, 2021 Salary	\$ 9,244.59
ACH	1/18/2022	Employment Development Dept.	EDD Tax Deposit (January 1-15, 2021)	\$ 925.05
ACH	1/18/2022	Lincoln Financial Group	457 Plan Combined Contributions (#2 January)	\$ 3,113.61
ACH	1/18/2022	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (January 1-15, 2021)	\$ 5,192.30

TOTAL \$ 68,416.96

5389 *	2/1/2022	Guardian - STOP PAYMENT	VOID, Stop Payment, Check returned - see February Warrant List	
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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
FEBRUARY 2022 WARRANT LIST FOR BOARD APPROVAL

<u>NUMBER</u>	<u>DATE</u>	<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
5389*	2/1/2022	Guardian - STOP PAYMENT	(Check Issued 1/13/2022) Stop Payment, Check Returned	\$ (405.27)
ACH	2/2/2022	Payroll	January 16-31, 2021 Salary	\$ 9,244.59
ACH	2/2/2022	Cynthia Allen	1/3/22 CMA, 1/6/22 EMA Meetings	\$ 138.52
ACH	2/2/2022	Art Hibbits	1/3/22 CMA Meeting	\$ 69.26
ACH	2/2/2022	Steve Jordan	1/5/22 WMA Meeting	\$ 69.26
ACH	2/2/2022	Brett Marymee	1/6/22 EMA Meeting	\$ 69.26
ACH	2/2/2022	Employment Development Dept.	EDD Tax Deposit (January 16-31, 2021)	\$ 925.05
ACH	2/2/2022	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (January 16-31, 2021)	\$ 5,249.70
ACH	2/2/2022	Lincoln Financial Group	457 Plan Combined Contributions (#1 February)	\$ 3,113.61
5401	2/8/2022	Bartlett Pringle Wolf	FY 2020-21 Financial Audit	\$ 7,500.00
5402	2/8/2022	County of Santa Barbara	IRWM Participation Cost 7/1-12/31/2021	\$ 99.10
5403	2/8/2022	Jim Heyerly	February 2021 Rent	\$ 1,500.00
5404	2/8/2022	JDL Mapping	2022 Redistricting & DAC mapping	\$ 280.00
5405	2/8/2022	Alex Pappas	January 2021 GW, SGMA, and Fish Research Service	\$ 792.00
5406	2/8/2022	Pacific Gas & Electric	January 2021 Electric Service	\$ 93.61
5407	2/8/2022	Shirley Scales Bookkeeping	January 2021 GW Admin Service	\$ 3,006.00
5408	2/8/2022	Staples Credit Plan	Office Supplies	\$ 212.23
5409	2/8/2022	Stetson Engineers	December 2021 Engineering Service	\$ 4,195.57
5410	2/8/2022	US Bank Corp	January 2021 CalCard	\$ 1,628.91
5411	2/8/2022	Valley Bookkeeping Services	January 2021 Bookkeeping	\$ 380.00
5412	2/8/2022	Young Wooldridge	January 2021 Legal Service	\$ 10,213.43
ACH	2/9/2022	Guardian	January & February 2021 Dental, Vision, Life, LTD & ADD Insurance	\$ 810.54
ACH	2/16/2022	Payroll	February 1-15, 2021 Salary	\$ 9,244.59
ACH	2/16/2022	Employment Development Dept.	EDD Tax Deposit (February 1-15, 2021)	\$ 925.05
ACH	2/16/2022	Lincoln Financial Group	457 Plan Combined Contributions (#2 February)	\$ 3,113.61
ACH	2/16/2022	Mechanics Bank (Payroll Acct)	Payroll Tax Deposit (February 1-15, 2021)	\$ 5,192.30
TOTAL				\$ 67,660.92

RESOLUTION NO. 709

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
RE-ADOPTING INVESTMENT POLICY**

WHEREAS, the Legislature of the State of California has declared that the deposit and investment of public funds by local officials and local agencies is an issue of Statewide concern (California Government Code Sections 53600.6 and 53630.1); and

WHEREAS, the legislative body of a local agency may invest monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5921 and 53601 et seq.; and

WHEREAS, the Santa Ynez River Water Conservation District invests its monies in accordance with the provisions described above; and

WHEREAS, the Investment Policy shall be reviewed by the Board of Directors annually and any modifications must be approved in a public meeting; and

WHEREAS, the Board of Directors determined that modifications are not needed in the Investment Policy.

NOW, THEREFORE, BE IT RESOLVED, that the Investment Policy, as attached to this resolution, is hereby approved and re-adopted by the Board of Directors.

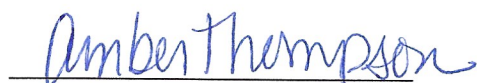
WE, THE UNDERSIGNED, being the fully qualified and acting President and Secretary, respectively, of the Board of Directors of the Santa Ynez River Water Conservation District, County of Santa Barbara, California, do hereby certify that the above and foregoing Resolution was duly adopted and passed by the Board of Directors of said District at a special meeting duly held on the 9th day of March 2022 by the following roll call vote:

AYES, and in favor thereof, Directors: Cynthia Allen
Art Hibbits
Steve Jordan
Brett Marymee

NOES, Directors: None

ABSENT/ABSTAINING, Directors: Mark Altshuler


Cynthia Allen, President


Amber M. Thompson, Secretary

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

INVESTMENT POLICY

(Adopted by Resolution No. 688 dated March 6, 2019)
(Re-Adopted by Resolution No. 709 dated March 9, 2022)

1.0 INTRODUCTION

The deposit and investment of public funds by local officials and local agencies is an issue of statewide concern. (Gov. Code, §§ 53600.6, 53630.1). As representatives of a local agency, the Board of Directors of the Santa Ynez River Water Conservation District (SYRWCD or District) may invest surplus monies not required for the immediate necessities of the District in accordance with the provisions of Government Code sections 5921 and following and 53601 and following. The Treasurer of the District shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the Board of Directors at a public meeting. (Gov. Code, § 53646(a).) It shall be the policy of the SYRWCD to invest funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the District and conforming to all statutes governing the investment of the District's funds.

2.0 SCOPE

This Investment Policy applies to all financial assets and investment activities under the direct control of the SYRWCD. It does not apply to the District's employee retirement plans.

3.0 PRUDENCE

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by investment officials shall be the "prudent investor" standard (Gov. Code, § 53600.3) and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the Investment Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4.0 OBJECTIVES

As specified in Government Code section 53600.5, when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objectives, in priority order, of the investment activities shall be:

A. Safety: Safety of principal is the foremost objective of the investment program. Investments of the SYRWCD shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

B. Liquidity: The investment portfolio will remain sufficiently liquid to enable to the SYRWCD to meet all operating requirements which might be reasonably anticipated.

C. Return on Investments: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

5.0 DELEGATION OF AUTHORITY

Authority to manage the investment program is derived from California Government Code sections 53600 and following. Management responsibility for the investment program is hereby delegated by the Board of Directors to the General Manager/Treasurer, who shall establish written procedures for the operation of the investment program consistent with this Investment Policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the General Manager/Treasurer. The General Manager/Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials. Under the provisions of Government Code section 53600.3, the General Manager/Treasurer is a trustee and a fiduciary subject to the prudent investor standard.

6.0 ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

7.0 AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The SYRWCD will maintain a list of financial institutions, selected on the basis of credit worthiness, financial strength, experience, and a minimal capitalization authorized to provide investment services. No public deposit shall be made except in a qualified public depository as established by state laws.

A list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment and financial advisory services in the State of California. The SYRWCD shall select only broker/dealers who are licensed and in good standing with the California Department of Securities, the Securities and Exchange Commission, the National Association of Securities Dealers or other applicable self-regulatory organizations.

Before engaging in investment transactions with a broker/dealer, the General Manager/Treasurer shall have received from said firm a signed Certification Form. This form shall attest that the individual responsible for the SYRWCD's account with that firm has reviewed the SYRWCD's Investment Policy and that the firm understands the Policy and intends to present investment recommendations and transactions to the SYRWCD that are appropriate under the terms and conditions of the Investment Policy.

8.0 AUTHORIZED AND SUITABLE INVESTMENTS

The SYRWCD is empowered by Government Code sections 53601 and following to invest in the types of investments shown in Figure 1. However, it has authorized its General Manager/Treasurer to invest only in the following:

1. Collateralized Bank Deposits, in accordance with Government Code sections 53601(m), 53652, and 53653, including waiver of collateralization in amounts up to the amount insured by the Federal Deposit Insurance Corporation (FDIC).
2. Non-negotiable CDs, offered by a depository institution that is a participant in a private CD placement service, which allocates funds to other institutions such that all accounts are insured by the FDIC (CDARS) in accordance with Government Code sections 53601.8 and 53635.8 (limited to 30% of portfolio).
3. Local Agency Investment Fund (LAIF) (Gov. Code, § 53601(d))
4. County Pooled Investment Funds (SBIF) (Gov. Code, § 53601(d))
5. Any investment authorized by Government Code section 53601 that is approved in advance by the Board of Directors.

9.0 SAFEKEEPING AND CUSTODY

All security transactions entered into by the SYRWCD shall be conducted on delivery-versus-payment basis. All securities purchased or acquired shall be delivered to the SYRWCD by book entry, physical delivery, or by third party custodial agreement as required by Government Code section 53601.

10.0 DIVERSIFICATION

The SYRWCD will diversify its investments by security type and institution. It is the policy of the SYRWCD to diversify its investment portfolio. Assets shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer, or a specific class of securities. Diversification strategies shall be determined and revised periodically. In establishing specific diversification strategies, the following general policies and constraints shall apply:

- A. Portfolio maturities shall be matched versus liabilities to avoid undue concentration in a specific maturity sector.
- B. Maturities selected shall provide for stability of income and liquidity.
- C. Disbursement and payroll dates shall be covered through securities investments, marketable U.S. Treasury bills or other cash equivalent instruments such as money market mutual funds.

11.0 REPORTING

In accordance with Government Code section 53646(b)(1), the General Manager/Treasurer shall submit to each member of the SYRWCD Board a quarterly investment report. The report shall include a complete description of the portfolio, the type of investments, issuers, maturity dates, par values and current market values of each component of the portfolio, including funds managed for SYRWCD by third party contracted managers. The report will also include the source of the portfolio valuation. As specified in Government Code section 53646(e), if all funds are placed in LAIF, FDIC-insured accounts, and/or in a county investment pool, the foregoing report elements may be replaced by copies of the latest statements from such institutions. The report must also include a certification that (1) all investment actions executed since the last report have been made in full compliance with the Investment Policy and, (2) the SYRWCD will meet its expenditure obligations for the next six months as required by Government Code section 53646(b)(2) and (3), respectively. The General Manager/Treasurer shall maintain a complete and timely record of all investment transactions.

12.0 INVESTMENT POLICY ADOPTION

The Investment Policy shall be adopted by resolution of the SYRWCD. Moreover, the Policy shall be reviewed on an annual basis, and modifications must be approved by the SYRWCD Board.

Attachments:

Figure 1

Operating Procedures

Government Code sections 53600 through 53610

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

OPERATING PROCEDURES

INVESTMENT PROGRAM (REFERENCE INVESTMENT POLICY)

1. This program shall be implemented in accordance with the District's Investment Policy.
2. General Manager/Treasurer (GM/T) shall monitor and manage funds between investments and institutions in order to maximize return from such accounts while providing for safety of principal, diversification of investment/maturities, and cash flow available to meet District obligations.
3. Authorized financial institutions include Rabobank, Union Bank, and Montecito Bank and Trust (MBT). Public money contracts are in place at these institutions. SYRWCD does not retain a broker/dealer for investment purposes.
4. GM/T and the Board President are authorized to conduct LAIF and/or SBIF transactions. Such transactions are accomplished through wire transfers between the LAIF and SBIF accounts and the Rabobank accounts. These transfers can be accomplished only with appropriate bank contacts and passwords known to authorized individuals. Transfers between Rabobank and other institutions are by double-signature District checks or cashier's checks in the name of the District.

FIGURE 1

**ALLOWABLE INVESTMENT INSTRUMENTS PER STATE GOVERNMENT CODE
(AS OF JANUARY 1, 2019)^A APPLICABLE TO ALL LOCAL AGENCIES^B**

See “Table of Notes for Figure 1” on the next page for footnotes related to this figure.

INVESTMENT TYPE	MAXIMUM REMAINING MATURITY ^C	MAXIMUM SPECIFIED % OF PORTFOLIO ^D	MINIMUM QUALITY REQUIREMENTS	GOVERNMENT CODE SECTIONS
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations: CA and Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers’ Acceptances	180 days	40% ^E	None	53601(g)
Commercial Paper: Non-pooled Funds ^F	270 days or less	25% of the agency’s money ^G	Highest letter and number rating by an NRSRO ^H	53601(h)(2)(C)
Commercial Paper: Pooled Funds ^I	270 days or less	40% of the agency’s money ^G	Highest letter and number rating by an NRSRO ^H	53635(a)(1)
Negotiable Certificates of Deposit	5 years	30% ^J	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	30% ^K	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	30% ^K	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days ^L	20% of the base value of the portfolio	None ^M	53601(j)
Medium-term Notes ^N	5 years or less	30%	“A” rating category or its equivalent or better	53601(k)
Mutual Funds and Money Market Mutual Funds	N/A	20% ^O	Multiple ^{P,Q}	53601(l) and 53601.6(b)
Collateralized Bank Deposits ^R	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass-through and Asset Backed Securities	5 years or less	20%	“AA” rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple ^S	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund ^T	N/A	None	None	16340
Supranational Obligations ^U	5 years or less	30%	“AA” rating category or its equivalent or better	53601(q)

TABLE OF NOTES FOR FIGURE 1

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| <p>A <i>Sources: Sections 16340, 16429.1, 27133, 53601, 53601.6, 53601.8, 53630 et seq., 53635, and 53635.8.</i></p> <p>B <i>Municipal Utilities Districts have the authority under the Public Utilities Code Section 12871 to invest in certain securities not addressed here.</i></p> <p>C <i>Section 53601 provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the legislative body may grant express authority to make investments either specifically or as a part of an investment program approved by the legislative body that exceeds this five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.</i></p> <p>D <i>Percentages apply to all portfolio investments regardless of source of funds. For instance, cash from a reverse repurchase agreement would be subject to the restrictions.</i></p> <p>E <i>No more than 30 percent of the agency's money may be in bankers' acceptances of any one commercial bank.</i></p> <p>F <i>Includes agencies defined as a city, a district, or other local agency that do not pool money in deposits or investment with other local agencies, other than local agencies that have the same governing body.</i></p> <p>G <i>Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer.</i></p> <p>H <i>Issuing corporation must be organized and operating within the U.S., have assets in excess of \$500 million, and debt other than commercial paper must be in a rating category of "A" or its equivalent or higher by a nationally recognized statistical rating organization, or the issuing corporation must be organized within the U.S. as a special purpose corporation, trust, or LLC, have program wide credit enhancements, and have commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical rating agency.</i></p> <p>I <i>Includes agencies defined as a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. Local agencies that pool exclusively with other local agencies that have the same governing body must adhere to the limits set forth in Section 53601(h)(2)(C).</i></p> <p>J <i>No more than 30 percent of the agency's money may be in negotiable certificates of deposit that are authorized under Section 53601(i).</i></p> <p>K <i>No more than 30 percent of the agency's money may be invested in deposits, including certificates of deposit, through a placement service (excludes negotiable certificates of deposit authorized under Section 53601(i)).</i></p> <p>L <i>Reverse repurchase agreements or securities lending agreements may exceed the 92-day term if the agreement includes a written codicil guaranteeing a minimum earning or</i></p> | <p><i>spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity dates of the same security.</i></p> <p>M <i>Reverse repurchase agreements must be made with primary dealers of the Federal Reserve Bank of New York or with a nationally or state chartered bank that has a significant relationship with the local agency. The local agency must have held the securities used for the agreements for at least 30 days.</i></p> <p>N <i>"Medium-term notes" are defined in Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States."</i></p> <p>O <i>No more than 10 percent invested in any one mutual fund. This limitation does not apply to money market mutual funds.</i></p> <p>P <i>A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Sections 53601 and 53635.</i></p> <p>Q <i>A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience investing in money market instruments with assets under management in excess of \$500 million.</i></p> <p>R <i>Investments in notes, bonds, or other obligations under Section 53601(n) require that collateral be placed into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, among other specific collateral requirements.</i></p> <p>S <i>A joint powers authority pool must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Section 53601, subdivisions (a) to (o).</i></p> <p>T <i>Local entities can deposit between \$200 million and \$10 billion into the Voluntary Investment Program Fund, upon approval by their governing bodies. Deposits in the fund will be invested in the Pooled Money Investment Account.</i></p> <p>U <i>Only those obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less.</i></p> |
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SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

OPERATING PROCEDURES

INVESTMENT PROGRAM (REFERENCE INVESTMENT POLICY)

1. This program shall be implemented in accordance with the District's Investment Policy.
2. General Manager/Treasurer (GM/T) shall monitor and manage funds between investments and institutions in order to maximize return from such accounts while providing for safety of principal, diversification of investment/maturities, and cash flow available to meet District obligations.
3. Authorized financial institutions include Rabobank, Union Bank, and Montecito Bank and Trust (MBT). Public money contracts are in place at these institutions. SYRWCD does not retain a broker/dealer for investment purposes.
4. GM/T and the Board President are authorized to conduct LAIF and/or SBIF transactions. Such transactions are accomplished through wire transfers between the LAIF and SBIF accounts and the Rabobank accounts. These transfers can be accomplished only with appropriate bank contacts and passwords known to authorized individuals. Transfers between Rabobank and other institutions are by double-signature District checks or cashier's checks in the name of the District.

Government Code

Title 5. Local Agencies

Division 2. Cities, Counties, and Other Agencies

Part 1. Powers and Duties Common to Cities, Counties, and Other Agencies

Chapter 4. Financial Affairs

Article 1. Investment of Surplus

§ 53600. “Local agency” defined

As used in this article, “local agency” means county, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1984, c. 124, § 2; Stats.1984, c. 1226, § 1; Stats.1987, c. 887, § 2.)

§ 53600.3. Prudent investor standard; investments on behalf of local agencies

Except as provided in subdivision (a) of Section 27000.3, all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

(Added by Stats.1995, c. 784 (S.B.866), § 11. Amended by Stats.1996, c. 749 (S.B.109), § 4.)

§ 53600.5. Objectives; managing public funds

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the primary objective of a trustee shall be to safeguard the principal of the funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control.

(Added by Stats.1995, c. 784 (S.B.866), § 12. Amended by Stats.1996, c. 749 (S.B.109), § 5.)

§ 53600.6. Legislative findings and declarations; solvency and creditworthiness

The Legislature hereby finds that the solvency and creditworthiness of each individual local agency can impact the solvency and creditworthiness of the state and other local agencies within the state. Therefore, to protect the solvency and creditworthiness of the state and all of its political subdivisions, the Legislature hereby declares that the deposit and investment of public funds by local officials and local agencies is an issue of statewide concern.

(Added by Stats.1995, c. 784 (S.B.866), § 13.)

§ 53601. Local agencies; authorized investments

This section shall apply to a local agency that is a city, a district, or other local agency that does not pool money in deposits or investments with other local agencies, other than local agencies that have the same governing body. However, Section 53635 shall apply to all local agencies that pool money in deposits or investments with other local agencies that have separate governing bodies. The legislative body of a local agency having moneys in a sinking fund or moneys in its treasury not required for the immediate needs of the local agency may invest any portion of the moneys that it deems wise or expedient in those investments set forth below. A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered, or nonregistered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisers, consultants, or managers using the agency's funds, by book entry, physical delivery, or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book entry account may be used for book entry delivery.

For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment:

(a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

(e) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(f) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

(g) Bankers' acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days' maturity or 40 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 30 percent of the agency's moneys may be invested in the bankers' acceptances of any one commercial bank pursuant to this section.

This subdivision does not preclude a municipal utility district from investing moneys in its treasury in a manner authorized by the Municipal Utility District Act (Division 6 (commencing with Section 11501) of the Public Utilities Code).

(h) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):

(1) The entity meets the following criteria:

(A) Is organized and operating in the United States as a general corporation.

(B) Has total assets in excess of five hundred million dollars (\$500,000,000).

(C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.

(2) The entity meets the following criteria:

(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.

(B) Has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

(C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their moneys in eligible commercial paper. Local agencies, other than counties or a city and county, may purchase no more than 10 percent of the outstanding commercial paper of any single issuer. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635.

(i) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposit do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the moneys are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or a person with investment decisionmaking authority in the administrative office manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

(j)

(1) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on an investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlie a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when all of the following conditions are met:

(A) The security to be sold using a reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale.

(B) The total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty using a reverse repurchase agreement or securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4)

(A) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security may be made only upon prior approval of the governing body of the local agency and shall be made only with primary dealers of the Federal Reserve Bank of New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

(B) For purposes of this chapter, “significant banking relationship” means any of the following activities of a bank:

(i) Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, warrants, notes, or other evidence of indebtedness.

(ii) Financing of a local agency's activities.

(iii) Acceptance of a local agency's securities or funds as deposits.

(5)

(A) “Repurchase agreement” means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank’s customer book-entry account may be used for book-entry delivery.

(B) “Securities,” for purposes of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) “Reverse repurchase agreement” means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) “Securities lending agreement” means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) For purposes of this section, the base value of the local agency’s pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods.

(F) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(k) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of “A” or its equivalent or better by an NRSRO. Purchases of medium-term notes shall not include other instruments authorized by this section and shall not exceed 30 percent of the agency’s moneys that may be invested pursuant to this section.

(l)

(1) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (k),

inclusive, and subdivisions (m) to (q), inclusive, and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20 percent of the agency's moneys that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(m) Moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the

statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(n) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

(o) A mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20 percent of the agency's surplus moneys that may be invested pursuant to this section.

(p) Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.

(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.

(3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

(q) United States 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, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1951, c. 1643, p. 3697, § 1; Stats.1953, c. 537, p. 1798, § 2; Stats.1954, 1st Ex.Sess., c. 10, p. 257, § 1, eff. April 6, 1954; Stats.1967, c. 275, p. 1433, § 1; Stats.1967, c. 1316, p. 3140, § 2; Stats.1974, c. 1354, p. 2938, § 1; Stats.1975, c. 649, p. 1406, § 1; Stats.1977, c. 1138, p. 3657, § 1.5; Stats.1978, c. 65, p. 181, § 1; Stats.1979, c. 158, p. 354, § 1; Stats.1979, c. 275, p. 942, § 2.5; Stats.1981, c. 185, § 2; Stats.1982, c. 508, § 2; Stats.1983, c. 550, § 1; Stats.1983, c. 567, § 1.5; Stats.1984, c. 659, § 2; Stats.1984, c. 741, § 1; Stats.1985, c. 983, § 14, eff. Sept. 26, 1985; Stats.1985, c. 983, § 15, eff. Sept. 26, 1985, operative Jan. 1, 1988; Stats.1985, c. 1526, § 1; Stats.1985, c. 1526, § 1.5, operative Jan. 1, 1988; Stats.1986, c. 784, § 1; Stats.1986, c. 784, § 2, operative Jan. 1, 1988; Stats.1986, c. 853, § 1, eff. Sept. 17, 1986; Stats.1986, c. 853, § 2, operative Jan. 1, 1987; Stats.1986, c. 853, § 1.5; Stats.1986, c. 853, § 2.5, operative Jan. 1, 1988; Stats.1987, c. 446, § 1; Stats.1987, c. 887, § 3.5; Stats.1988, c. 294, § 1, eff. July 7, 1988; Stats.1988, c. 491, § 1; Stats.1992, c. 173 (A.B.3576), § 1; Stats.1994, c. 705 (S.B.1804), § 10; Stats.1995, c. 784 (S.B.866), § 14; Stats.1996, c. 156 (S.B.864), § 7, eff. July 12, 1996; Stats.1998, c. 588 (S.B.1793), § 1; Stats.1999, c. 643 (A.B.1679), § 9; Stats.1999, c. 644 (A.B.530), § 1.5; Stats.2000, c. 135 (A.B.2539), § 80; Stats.2000, c. 339 (A.B.2220), § 1; Stats.2001, c. 57 (A.B.609), § 1; Stats.2002, c. 664 (A.B.3034), § 120; Stats.2002, c. 454 (S.B.1326), § 20; Stats.2003, c. 197 (S.B.787), § 1; Stats.2004, c. 470 (A.B.969), § 4; Stats.2007, c. 340 (A.B.1745), § 1; Stats.2008, c. 179 (S.B.1498), § 106; Stats.2008, c. 709 (S.B.1124), § 10.5; Stats.2010, c. 328 (S.B.1330), § 91; Stats.2011, c. 382 (S.B.194), § 3; Stats.2014, c. 59 (A.B.1933), § 1, eff. Jan. 1, 2015; Stats.2016, c. 366 (S.B.974), § 12, eff. Jan. 1, 2017; Stats.2018, c. 271 (A.B.1770), § 1, eff. Jan. 1, 2019.)

§ 53601.1. Investment in financial futures or financial option contracts

The authority of a local agency to invest funds pursuant to Section 53601 includes, in addition thereto, authority to invest in financial futures or financial option contracts in any of the investment categories enumerated in that section.

(Added by Stats.1983, c. 534, § 3.)

§ 53601.2. Corporation; limited liability company

As used in this article, “corporation” includes a limited liability company.

(Added by Stats.2004, c. 118 (S.B.1165), § 18.)

§ 53601.5. Investments; qualified purchase agent

The purchase by a local agency of any investment authorized pursuant to Section 53601 or 53601.1, not purchased directly from the issuer, shall be purchased either from an institution licensed by the state as a broker-dealer, as defined in Section 25004 of the Corporations Code, or from a member of a federally regulated securities exchange, from a national or state-chartered bank, from a savings association or federal association (as defined by Section 5102 of the Financial Code) or from a brokerage firm designated as a primary government dealer by the Federal Reserve bank.

(Added by Stats.1984, c. 929, § 1. Amended by Stats.1985, c. 983, § 16, eff. Sept. 26, 1985; Stats.2001, c. 57 (A.B.609), § 2.)

§ 53601.6. Prohibited investments

(a) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in inverse floaters, range notes, or mortgage-derived, interest-only strips.

(b) A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630) in any security that could result in zero interest accrual if held to maturity. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to subdivision (l) of Section 53601.

(Added by Stats.1995, c. 784 (S.B.866), § 15. Amended by Stats.1996, c. 156 (S.B.864), § 8, eff. July 12, 1996; Stats.2001, c. 57 (A.B.609), § 4; Stats.2009, c. 332 (S.B.113), § 68.1.)

§ 53601.7. Repealed by Stats.2006, c. 164 (A.B.1794), § 1, operative Jan. 1, 2011

§ 53601.8. Investment in deposits

<Section operative until Jan. 1, 2021. See, also, section operative Jan. 1, 2021.>

Notwithstanding Section 53601 or any other provision of this code, a local agency that has the authority under law to invest funds, at its discretion, may invest a portion of its surplus funds in deposits at a commercial bank, savings bank, savings and loan association, or credit union that uses a private sector entity that assists in the placement of deposits. The following conditions shall apply:

(a) The local agency shall choose a nationally or state chartered commercial bank, savings bank, savings and loan association, or credit union in this state to invest the funds, which shall be known as the “selected” depository institution.

(b) The selected depository institution may use a private sector entity to help place local agency deposits with one or more commercial banks, savings banks, savings and loan associations, or credit unions that are located in the United States and are within the network used by the private sector entity for this purpose.

(c) Any private sector entity used by a selected depository institution to help place its local agency deposits shall maintain policies and procedures requiring both of the following:

(1) The full amount of each deposit placed pursuant to subdivision (b) and the interest that may accrue on each such deposit shall at all times be insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

(2) Every depository institution where funds are placed shall be capitalized at a level that is sufficient, and be otherwise eligible, to receive such deposits pursuant to regulations of the Federal Deposit Insurance Corporation or the National Credit Union Administration, as applicable.

(d) The selected depository institution shall serve as a custodian for each such deposit.

(e) On the same date that the local agency's funds are placed pursuant to subdivision (b) by the private sector entity, the selected depository institution shall receive an amount of insured deposits from other financial institutions that, in total, are equal to, or greater than, the full amount of the principal that the local agency initially deposited through the selected depository institution pursuant to subdivision (b).

(f) Notwithstanding subdivisions (a) to (e), inclusive, a credit union shall not act as a selected depository institution under this section or Section 53635.8 unless both of the following conditions are satisfied:

(1) The credit union offers federal depository insurance through the National Credit Union Administration.

(2) The credit union is in possession of written guidance or other written communication from the National Credit Union Administration authorizing participation of federally insured credit unions in one or more deposit placement services and affirming that the moneys held by those credit unions while participating in a deposit placement service will at all times be insured by the federal government.

(g) It is the intent of the Legislature that this section shall not restrict competition among private sector entities that provide placement services pursuant to this section.

(h) The deposits placed pursuant to this section and Section 53635.8 shall not, in total, exceed 30 percent of the agency's funds that may be invested for this purpose.

(i) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.

(Added by Stats.2006, c. 459 (A.B.2011), § 1. Amended by Stats.2009, c. 332 (S.B.113), § 68.3; Stats.2010, c. 112 (S.B.1344), § 1; Stats.2013, c. 228 (A.B.279), § 1; Stats.2015, c. 181 (A.B.283), § 1, eff. Jan. 1, 2016.)

§ 53602. Investment in legal investments for savings banks; securities of public districts

The legislative body shall invest only in notes, bonds, bills, certificates of indebtedness, warrants, or registered warrants which are legal investments for savings banks in the State, provided, that the board of supervisors of a county may, by a four-fifths vote thereof, invest in notes, warrants or other evidences of indebtedness of public districts wholly or partly within the county, whether or not such notes, warrants, or other evidences of indebtedness are legal investments for savings banks.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1953, c. 537, p. 1799, § 3; Stats.1954, 1st Ex.Sess., c. 10, p. 257, § 2, eff. April 6, 1954.)

§ 53602.1. Repealed by Stats.1990, c. 216 (S.B.2510), § 40

§ 53603. Direct purchase of securities

The legislative body may make the investment by direct purchase of any issue of eligible securities at their original sale or after they have been issued.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1953, c. 537, p. 1799, § 4.)

§ 53604. Sale or exchange of securities; reinvestment of proceeds

The legislative body may sell, or exchange for other eligible securities, and reinvest the proceeds of, the securities purchased.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1953, c. 537, p. 1799, § 5.)

§ 53605. Sale of securities; application of proceeds to original purposes

From time to time, the legislative body shall sell the securities so that the proceeds may be applied to the purposes for which the original purchase money was placed in the sinking fund or the treasury of the local agency.

(Added by Stats.1949, c. 81, p. 289, § 1. Amended by Stats.1953, c. 537, p. 1799, § 6.)

§ 53606. Cancellation of bonds issued by purchaser; resale

The bonds purchased, which were issued by the purchaser, may be canceled either in satisfaction or sinking fund obligations or otherwise. When canceled, they are no longer outstanding, unless in its discretion, the legislative body holds them uncanceled. While held uncanceled, the bonds may be resold.

(Added by Stats.1949, c. 81, p. 289, § 1.)

§ 53607. Delegation of duties to treasurer; monthly report

The authority of the legislative body to invest or to reinvest funds of a local agency, or to sell or exchange securities so purchased, may be delegated for a one-year period by the legislative body to the treasurer of the local agency, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires, and shall make a monthly report of those transactions to the legislative body. Subject to review, the legislative body may renew the delegation of authority pursuant to this section each year.

(Added by Stats.1957, c. 220, p. 882, § 1. Amended by Stats.1996, c. 749 (S.B.109), § 6.)

§ 53608. Deposit of securities; receipt; delegation of authority

The legislative body of a local agency may deposit for safekeeping with a federal or state association (as defined by Section 5102 of the Financial Code), a trust company or a state or national bank located within this state or with the Federal Reserve Bank of San Francisco or any branch thereof within this state, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System, the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants, or other evidences of indebtedness in which the money of the local agency is invested pursuant to this article or pursuant to other legislative authority. The local agency shall take from such financial institution a receipt for securities so deposited. The authority of the legislative body to deposit for safekeeping may be delegated by the legislative body to the treasurer of the local agency; the treasurer shall not be responsible for securities delivered to and receipted for by a financial institution until they are withdrawn from the financial institution by the treasurer.

(Added by Stats.1959, c. 1392, p. 3670, § 1. Amended by Stats.1967, c. 582, p. 1928, § 1; Stats.1980, c. 689, p. 2080, § 1; Stats.1985, c. 983, § 17, eff. Sept. 26, 1985.)

§ 53609. Eligible securities for investment of funds held by local agency pursuant to deferred compensation plans

Notwithstanding the provisions of this chapter or any other provisions of this code, funds held by a local agency pursuant to a written agreement between the agency and employees of the agency to defer a portion of the compensation otherwise receivable by the agency's employees and pursuant to a plan for such deferral as adopted by the governing body of the agency, may be invested in the types of investments set forth in Sections 53601 and 53602 of this code, and may additionally be invested in corporate stocks, bonds, and securities, mutual funds, savings and loan accounts, credit union accounts, life insurance policies, annuities, mortgages, deeds of trust, or other security interests in real or personal property. Nothing herein shall be construed to permit any type of investment prohibited by the Constitution.

Deferred compensation funds are public pension or retirement funds for the purposes of Section 17 of Article XVI of the Constitution.

(Added by Stats.1971, c. 1629, p. 3511, § 2. Amended by Stats.1972, c. 1370, p. 2736, § 12; Stats.1974, c. 544, p. 1254, § 26; Stats.1975, c. 822, p. 1874, § 1; Stats.1979, c. 373, p. 1320, § 162.)

§ 53610. Proposition 1A receivables; purchase by local agency

(a) For purposes of this section, "Proposition 1A receivable" means the right to payment of moneys due or to become due to a local agency, pursuant to clause (iii) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the Revenue and Taxation Code.

(b) Notwithstanding any other law, a local agency may purchase, with its revenue, Proposition 1A receivables sold pursuant to Section 53999.

(c) A purchaser of Proposition 1A receivables pursuant to this section shall not offer them for sale pursuant to Section 6588.

(Added by Stats.2009, c. 634 (S.B.67), § 5, eff. Oct. 19, 2009.)

RESOLUTION NO. 710

**A RESOLUTION OF THE OF THE BOARD OF DIRECTORS OF THE
SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
AUTHORIZING THE OPENING OF AN ACCOUNT AT FIVE STAR BANK**

WHEREAS, the Santa Ynez River Water Conservation District (herein "District") Board of Directors is a local governmental agency formed and authorized to provide services within its jurisdiction, pursuant to Section 74000 et seq. of the California Water Code; and

WHEREAS, District staff recommends the opening of bank accounts at Five Star Bank, and transferring funds held in specified money market and checking accounts at Rabobank into the same specified bank accounts at Five Star Bank;

NOW, THEREFORE, the Board of Directors of the Santa Ynez River Water Conservation District hereby resolves as follows:

1. The Santa Ynez River Water Conservation District Board of Directors authorizes the following:
 - a. Creation of **four** interest-bearing checking accounts at Five Star Bank specified for:
 - i. Santa Ynez River Water Conservation District
 - ii. For Benefit of (FBO) CMA GSA
 - iii. For Benefit of (FBO) EMA GSA
 - iv. For Benefit of (FBO) WMA GSA
 - b. Creation of **two** money market accounts at Five Star Bank specified for:
 - i. Santa Ynez River Water Conservation District
 - ii. For Benefit of (FBO) CMA, EMA, WMA GSAs
 - c. The transfer of funds from specified checking and money market accounts at Rabobank to the same specified checking and money market accounts at Five Star Bank;
 - d. The General Manager is authorized to execute the Contract for Deposit of monies.
2. The following persons and their successors are authorized to sign on the account:

Cynthia A. Allen, President	J. Brett Marymee, Vice President
Mark Altshuler	William J. Buelow, Treasurer
Arthur Hibbits	Kevin D. Walsh, General Manager
Stephen Jordan	

WE, THE UNDERSIGNED, being the duly qualified and acting President and Secretary, respectively, of the Board of Directors of the Santa Ynez River Water Conservation District, do hereby certify that the above and foregoing Resolution was duly and regularly adopted and passed by the Board of Directors at a special meeting duly held on the 9th day of March 2022 by the following vote:

AYES, and in favor thereof, Directors:

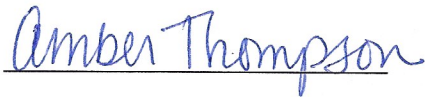
Cynthia Allen
Art Hibbits
Steve Jordan
Brett Marymee

NOES, Directors:


None

ABSENT/ABSTAINING, Directors:

Mark Altshuler



Amber Thompson, Secretary


Cynthia Allen, President

RESOLUTION NO. 711

A RESOLUTION OF THE OF THE BOARD OF DIRECTORS OF THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS PROGRAM

WHEREAS, the Santa Ynez River Water Conservation District, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "ENTITY"), has determined that it is in the best interest and to the advantage of the ENTITY to participate in the Health Benefits Program offered by Special District Risk Management Authority (the "Authority"); and

WHEREAS, the Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 et seq., for the purpose of providing risk financing, risk management programs and other coverage protection programs; and

WHEREAS, participation in Authority programs requires the ENTITY to execute and enter into a Memorandum of Understanding which states the purpose and participation requirements for the Health Benefits Program; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the ENTITY is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, the Board of Directors of the Santa Ynez River Water Conservation District hereby resolves as follows:

Section 1. Findings. The ENTITY's Governing Body hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the ENTITY.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, to be executed and entered into by and between the ENTITY and the Authority, in the form presented at this meeting and on file with the ENTITY's Secretary, is hereby approved. The ENTITY's Governing Body and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the ENTITY, to execute and deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The ENTITY's Governing Body approves participating in the Special District Risk Management Authority's Health Benefits Program.

Section 4. Severability. If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or

applications of the resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are severable.

Section 5. Other Actions. The Authorized Officers of the ENTITY are each hereby authorized and directed to execute and deliver any and all documents which are necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 6. Effective Date. This resolution shall take effect immediately upon its passage.

WE, THE UNDERSIGNED, being the duly qualified and acting President and Secretary, respectively, of the Board of Directors of the Santa Ynez River Water Conservation District, do hereby certify that the above and foregoing Resolution was duly and regularly adopted and passed by the Board of Directors at a special meeting duly held on the 9th day of March 2022 by the following vote:

AYES, and in favor thereof, Directors:

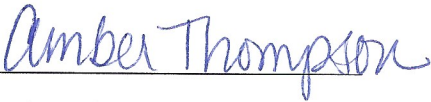
Cynthia Allen
Art Hibbits
Steve Jordan
Brett Marymee

NOES, Directors:

None

ABSENT/ABSTAINING, Directors:

Mark Altshuler



Amber Thompson, Secretary


Cynthia Allen, President

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER "MEMORANDUM") IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER "SDRMA") AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER "ENTITY") WHO IS SIGNATORY TO THIS MEMORANDUM.

WHEREAS, on August 1, 2006, SDRMA was appointed administrator for the purpose of enrolling small public entities into the Public Risk Innovation, Solutions and Management (PRISM) Health and/or Employee Benefits Small Group Program (hereinafter "PROGRAM"); and

WHEREAS, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by the PRISM Health Committee and/or PRISM Employee Benefits Committee for the PROGRAM (the "COMMITTEE") and not SDRMA; and

WHEREAS, ENTITY desires to enroll and participate in the PROGRAM.

NOW THEREFORE, SDRMA and ENTITY agree as follows:

1. **PURPOSE.** ENTITY is signatory to this MEMORANDUM for the express purpose of enrolling in the PROGRAM.
2. **ENTRY INTO PROGRAM.** ENTITY shall enroll in the PROGRAM by making application through SDRMA which shall be subject to approval by the PROGRAM's Underwriter and governing documents and in accordance with applicable eligibility guidelines.
3. **MAINTENANCE OF EFFORT.** PROGRAM is designed to provide an alternative health benefit solution to all participants of the ENTITY including active employees, retired employees (optional), dependents (optional) and public officials (optional). ENTITY public officials may participate in the PROGRAM only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements
4. **PREMIUMS.** ENTITY understands that premiums and rates for the PROGRAM are set by the COMMITTEE. ENTITY will remit monthly premiums based upon rates established for each category of participants and the census of covered employees, public officials, dependents and retirees.

Rates for the ENTITY and each category of participant will be determined by the COMMITTEE designated for the PROGRAM based upon advice from its consultants and/or a consulting Benefits Actuary and insurance carriers. In addition, SDRMA adds an administrative fee to premiums and rates for costs associated with administering the PROGRAM. Rates may vary depending upon factors including, but not limited to,

demographic characteristics, loss experience of all public entities participating in the PROGRAM and differences in benefits provided (plan design), if any.

SDRMA will administrate a billing to ENTITY each month, with payments due by the date specified by SDRMA. Payments received after the specified date will accrue penalties up to and including termination from the PROGRAM. Premiums are based on a full month, and there are no partial months or prorated premiums. Enrollment for mid-year qualifying events and termination of coverage will be made in accordance with the SDRMA Program Administrative Guidelines.

5. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the PROGRAM and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to PROGRAM underwriter for approval.
6. **COVERAGE DOCUMENTS.** Except as otherwise provided herein, coverage documents from each carrier outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the PROGRAM and will be provided by SDRMA to each ENTITY. SDRMA will provide each ENTITY with additional documentation, defined as the SDRMA Program Administrative Guidelines which provide further details on administration of the PROGRAM.
7. **PROGRAM FUNDING.** It is the intent of this MEMORANDUM to provide for a fully funded PROGRAM by any or all of the following: pooling risk; purchasing individual stop loss coverage to protect the pool from large claims; and purchasing aggregate stop loss coverage.
8. **ASSESSMENTS.** Should the PROGRAM not be adequately funded for any reason, pro-rata assessments to the ENTITY may be utilized to ensure the approved funding level for applicable policy periods. Any assessments which are deemed necessary to ensure approved funding levels shall be made upon the determination and approval of the COMMITTEE in accordance with the following:
 - a. Assessments/dividends will be used sparingly. Generally, any over/under funding will be factored into renewal rates.
 - b. If a dividend/assessment is declared, allocation will be based upon each ENTITY's proportional share of total premiums paid for the preceding 3 years. An ENTITY must be a current participant to receive a dividend, except upon termination of the PROGRAM and distribution of assets.

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- c. ENTITY will be liable for assessments for 12 months following withdrawal from the PROGRAM.
 - d. Fund equity will be evaluated on a total PROGRAM-wide basis as opposed to each year standing on its own.
9. WITHDRAWAL. ENTITY may withdraw subject to the following condition: ENTITY shall notify SDRMA and the PROGRAM in writing of its intent to withdraw at least 90 days prior to their requested withdrawal date. ENTITY may rescind its notice of intent to withdraw. Once ENTITY withdraws from the PROGRAM, there is a 3-year waiting period to come back into the PROGRAM, and the ENTITY will be subject to underwriting approval again.
 10. LIAISON WITH SDRMA. Each ENTITY shall maintain staff to act as liaison with SDRMA and between the ENTITY and SDRMA's designated PROGRAM representative.
 11. GOVERNING LAW. This MEMORANDUM shall be governed in accordance with the laws of the State of California.
 12. VENUE. Venue for any dispute or enforcement shall be in Sacramento, California.
 13. ATTORNEY FEES. The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.
 14. COMPLETE AGREEMENT. This MEMORANDUM together with the related PROGRAM documents constitutes the full and complete agreement of the ENTITY.
 15. SEVERABILITY. Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
 16. AMENDMENT OF MEMORANDUM. This MEMORANDUM may be amended by the SDRMA Board of Directors and such amendments are subject to approval of ENTITY's designated representative, or alternate, who shall have authority to execute this MEMORANDUM. Any ENTITY who fails or refuses to execute an amendment to this MEMORANDUM shall be deemed to have withdrawn from the PROGRAM on the next annual renewal date.
 17. EFFECTIVE DATE. This MEMORANDUM shall become effective on the later of the first date of coverage for the ENTITY or the date of signing of this MEMORANDUM by the Chief Executive Officer or Board President of SDRMA.
 18. EXECUTION IN COUNTERPARTS. This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: _____

By: _____

Special District Risk
Management Authority

Dated: 3/9/22

By:  _____

Santa Ynez River Water Conservation
District

RESOLUTION NO. 712

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SANTA YNEZ RIVER WATER CONSERVATION DISTRICT
ESTABLISH AN INTERNAL REVENUE SERVICE (IRS) 401(A) RETIREMENT PLAN
FOR EMPLOYER CONTRIBUTIONS**

WHEREAS, the Santa Ynez River Water Conservation District (herein "District") Board of Directors (herein "Board") is a local governmental agency formed and authorized to provide services within its jurisdiction, pursuant to Section 74000 et seq. of the California Water Code; and

WHEREAS, the District maintains a 457(b) Governmental Deferred Compensation Plan (457(b) Plan) with Lincoln Financial Group for the benefit of its employees, which Plan is funded from both voluntary contributions from District employees and one-for-one company match of up to 7% of employees annual salary, as stated in the approved Employee Benefits Plan; and

WHEREAS, the 457(b) Plan no longer fully meets the needs of the District and its employees; and

WHEREAS, the Board believes it is in the best interests of the District and its employees to establish a new 401(a) Governmental Deferred Compensation Plan (401(a) Plan) with Lincoln Financial Group to receive employer matching contributions and/or employer contributions, and deposit only voluntary contributions from District employees to the existing 457(b) Plan; and

WHEREAS, the District, as employer and sponsor of the 401(a) Plan, utilizes the Lincoln Multi-Fund group variable annuity contract, Lincoln Multi-Fund Select annuity contract, Lincoln Multi-Fund Individual annuity contract, and/or Lincoln Group Variable Annuity contract to fund its 401(a) Plan; and

WHEREAS, the 457(b) Plan and 401(a) Plan have created and will create no contingent liability to the District; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Ynez River Water Conservation District declares and directs as follows:

Section 1. The Board hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the District.

Section 2. The Board approves establishing a 401(a) Governmental Deferred Compensation Plan with Lincoln Financial Group for contribution of employer matching contributions and/or employer contributions as stated in the approved Employee Benefits Plan.

Section 3. The General Manager is hereby authorized and directed to execute and deliver to Lincoln Financial Group any and all documents which are necessary in order to consummate the actions authorized hereby and all such actions heretofore taken by the General Manager are hereby ratified, confirmed and approved.

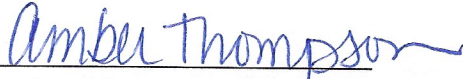
Section 4. This resolution shall take effect immediately upon its passage.

WE, THE UNDERSIGNED, being the duly qualified and acting President and Secretary, respectively, of the Board of Directors of the Santa Ynez River Water Conservation District, do hereby certify that the above and foregoing Resolution was duly and regularly adopted and passed by the Board of Directors at a special meeting duly held on the 9th day of March 2022 by the following vote:

AYES, and in favor thereof, Directors: Cynthia Allen
Art Hibbits
Steve Jordan
Brett Marymee

NOES, Directors: None

ABSENT/ABSTAINING, Directors: Mark Altshuler


Amber Thompson, Secretary


Cynthia Allen, President