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To join the meeting, click on:
<https://smcgov.zoom.us/j/98751599933>

or call by phone: 669-900-6833, ID # 98751599933

**San Mateo County Flood & Sea Level Rise
Resiliency District
Board of Directors**

County Supervisors:

District 3 Don Horsley
At-Large: Dave Pine - **Chair**

City Representatives:

North: Donna Colson
Central: Diane Papan
South: Lisa Gauthier
Coast: Debbie Ruddock – **Vice Chair**
At-Large Maryann Moise Derwin

AGENDA

September 14, 2020 4:00 PM

1. **Roll Call**
2. **Public Comment** This item is reserved for persons wishing to address the Board for up to two minutes on any District-related matters not listed on this agenda. Public comments for up to two minutes on matters listed on the agenda shall be heard at the time the matter is called.
3. **Action to Set the Agenda**
4. **Approval of Consent Agenda:** Minutes of August 10, 2020 District Board Meeting (ACTION)
5. **Regular Business**
District membership in the Association of California Water Agencies (ACWA) and District enrollment in the ACWA Joint Powers Insurance Authority for employee health, dental, vision, and other benefits effective January 1, 2021 (ACTION)
6. **Chair's Report ***
7. **CEO's Report: on grants and on the following project areas (and benefitting jurisdictions) ***
 - Bayfront Canal & Atherton Channel (Atherton, Menlo Park, Redwood City, San Mateo County)
 - Belmont Creek (Belmont, San Carlos, San Mateo County)
 - Colma Creek (Colma, Daly City, Pacifica, San Bruno, San Mateo County, and South San Francisco)
8. **Board Member Reports ***
9. **Items for a Future Agenda**
10. **Adjournment**

* There is no written staff report for this item.

Meeting information, and public access and communications

- Public Comment can be submitted during the meeting via Zoom Chat or by raising your hand, speaking up at the appropriate time if joining by phone, or via email prior to 12:00 pm on the day of the meeting to the Clerk of the Board at board@oneshoreline.org; please indicate the agenda item to which your comment applies. All written comments received by 12:00 pm will be read or summarized at the meeting by the Clerk of the Board.
- If you require assistance to participate in the meeting or wish to submit written communication to all Board Members regarding the meeting, please contact the Clerk of the Board by 9:00 am on the day of the meeting.
- Public records relating to an open session item on the agenda are available at least 72 hours prior to a Regular Board meeting or at least 24 hours prior to a Special Board meeting, when these records are distributed to Board members. Public records are available at the District office at 1700 South El Camino Real, Suite 502, San Mateo, CA 94402 and at www.oneshoreline.org. To receive these documents electronically, please email board@oneshoreline.org.

**SAN MATEO COUNTY
FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
Board of Directors meeting held remotely via Zoom
August 10, 2020
DRAFT MINUTES**

1. Roll Call

Chair Pine called the meeting to order at 4:01 p.m. via Zoom video conference software. Interim Board Clerk Sukhmani Purewal took the roll call.

Directors Present:

Dave Pine, Representing Board of Supervisors, At Large (Chair)
Donna Colson, Representing Northern San Mateo County cities
Maryann Moise Derwin, Representing San Mateo County cities at-large
Lisa Gauthier, Representing Southern San Mateo County cities
Don Horsley, Representing Board of Supervisors, District 3
Diane Papan, Representing Central San Mateo County cities
Debbie Ruddock, Representing Coastside (Vice Chair)

Directors Absent: None

Staff Present:

Len Materman, Chief Executive Officer
Brian Kulich, Esq., Legal Counsel
Colin Martorana, Associate Project Manager
Lucy Dong, Senior Accountant
Makena Wong, Associate Project Manager
Sukhmani Purewal, Assistant Clerk of the Board
Sherry Golestan, Deputy Interim Clerk of the Board

2. Public Comment

No written or verbal comments.

3. Action to Set the Agenda

4. Approval of Consent Agenda

- A. Approve Minutes of July 13, 2020 District Board Meeting (ACTION)
- B. Authorize the Chief Executive Officer to execute an Agreement with the San Mateo County Counsel's Office for District legal counsel services through June 30, 2021, with an option to extend the term through June 30, 2022, and to execute a Notice and Waiver of Conflict (ACTION)

Motion made by Director Horsley and seconded by Director Ruddock to set the agenda and approve consent agenda items 4A and 4B:

Ayes: Colson, Derwin, Gauthier, Horsley, Papan, Ruddock, Pine

Noes: None

Absent: None

Vote: 7-0-0

No written or verbal public comments.

5. Chair's Report

Director Pine hoped the State would put on the November ballot a resiliency bond to create opportunities for the District, though that is not moving forward.

Director Ruddock mentioned a different stimulus bill focusing on housing and homelessness that would appropriate some funding for climate resilience work.

6. CEO’s Report: Brief verbal update on several projects

Mr. Materman provided 3 updates:

Bayfront Canal and Atherton Channel Project: On July 23rd, the District sent a draft MOU of funding and responsibilities for construction and maintenance to the heads of the agencies party to the MOU: San Mateo County, Redwood City, Menlo Park, Atherton, and the District. The District has also been working on easements with Redwood City, Menlo Park, San Mateo County, and Cargill. The District hopes to present the MOU and easements to this Board in September for approval. The District is also working with the Fish & Wildlife Service Refuge on a detailed plan of operational roles and responsibilities in the Ravenswood salt ponds. Permits are progressing slowly with CA Department of Fish and Wildlife and the District may seek legislative support.

Flood Warning System: In 2019, the State awarded a grant to install a countywide flood warning system. At four locations this fall –a tributary of San Bruno Creek, Colma Creek, San Mateo Creek, and Atherton Channel – the District is either installing a new gauge or tying into an existing gauge to monitor streamflow and thus anticipate flooding downstream.

Colma Creek: With the support of Chair Pine, the District has been working over the past month with city staff and elected officials to discuss a high-level reset of the approach to the Colma Creek watershed – so that the creek is no longer considered a liability, but is instead an asset to a community. We plan to discuss this at a Board meeting in September.

Director Colson asked about the flood warning system. What is the actual mechanism of the warning system? How does it work and who are we warning?

Mr. Materman responded that the recipients of the warning system’s information will be staff at cities and emergency response agencies, and the public. During a storm event, we will capture data regarding the flow of water in a creek, compare that flow to a creek’s capacity downstream, store that information, and provide it to recipients in real time in a format that is actionable. The District also has a related project to develop several regional emergency action plans, for which we will soon send letters to city managers.

Director Horsley mentioned the fire and tsunami early warning system known as Zonehaven that provides information on conditions and evacuation routes. Maybe there is a flood control system similar to Zonehaven that the District can examine.

Director Papan also mentioned that the coastside Tsunami warning system.

Verbal Public Comment: Sue Digre

No written public comments.

7. Board Member Reports

Chair Pine will be talking to Mr. Materman later this week on convening the Board’s ad hoc Strategic Planning to discuss long-term financing for the District.

8. Items for Future Agenda – None

9. Regular Business – Closed Session

Conference with Legal Counsel - Anticipated Litigation: Potential initiation of litigation pursuant to Government Code Section 54956.9(d)(4) *One case*

10. Adjournment

The meeting adjourned to closed session at 4:29 p.m. with no report-out by Legal Counsel Kulich.

**San Mateo County Flood and Sea Level Rise Resiliency District
Agenda Report**

Date: September 14, 2020
To: San Mateo County Flood and Sea Level Rise Resiliency District Board of Directors
From: Len Materman, CEO
Subject: District membership in the Association of California Water Agencies (ACWA) and District enrollment in the ACWA Joint Powers Insurance Authority for employee health, dental, vision, and other benefits effective January 1, 2021 (ACTION)

Recommendation:

That in order to enable the San Mateo County Flood and Sea Level Rise Resiliency District (District) to provide comprehensive and economical health, dental, vision, and other insurance benefits to its employees starting January 1, 2021, the District Board of Directors:

- 1) Authorize the Chief Executive Officer (CEO) to submit an application to join the Association of California Water Agencies (ACWA);
- 2) Approve Resolution 2020-9-14 that authorizes the District to participate in the Joint Protection Program of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) and that authorizes the CEO to execute the Joint Powers Agreement Creating the ACWA JPIA; and
- 3) Designate a District Director to serve as a director of the ACWA JPIA and designate a District staff member to serve as alternate director of the ACWA JPIA.

Background and Discussion:

At the February 10, 2020 meeting, the Board adopted an Ordinance Setting Forth Rules, Regulations, Standards, and Procedures for Appointment, Suspension, and Termination of Employment of District Employees (Ordinance). This Ordinance stated that “each fiscal year, the Chief Executive Officer shall prepare an annual schedule of salaries, including benefits, for District employees [that the Board shall adopt by resolution]...The resolution shall be regularly reviewed by the CEO, who shall recommend any such amendments to the Board as may be appropriate.”

On February 24, 2020, the Board adopted Resolution 2020-6 providing, among other things, that all District employees “shall be eligible for health, vision, and dental benefits” and a “plan will be offered under which the District pays approximately 75% of the costs of such benefits while employees pay approximately 25% of the costs of such benefits.” On June 8, 2020, the Board clarified that health, vision, and dental benefits are automatically provided to full-time District employees and may be provided to part-time employees.

Before a CEO or other employees were hired, the District chose Blue Shield as its provider of health, vision, and dental insurance. Since then, the experience of District employees has led us to seek plans with greater in-network availability and benefits, particularly for dental and vision coverage, and lower cost options.

Consistent with the Ordinance, in recent weeks I have compared the District’s Blue Shield plans against health, vision, and dental plans offered to other public agencies. Based on this review, I recommend that the District Board take steps now to enable us to provide different health, vision, and dental benefits options to employees on January 1, 2021. At that time, I intend to recommend to the Board any necessary amendments to Resolution 2020-6 related to benefits and other matters.

The new provider of insurance and other services I recommend – the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) – is familiar to me from my experience leading the San Francisquito Creek Joint Powers Authority and is familiar to staff and Board members at over 350 water-related agencies in California.

For the District to have access to the comprehensive and cost-saving benefits offered through this insurance authority, our agency must become a member of the Association of California Water Agencies (ACWA), the largest statewide coalition of public water agencies in the country. By joining ACWA, the District will also have access to expertise in climate resiliency, flood management, and other topics; and access to ACWA's trainings, toolkits, and lobbying activities in Sacramento and Washington. The cost to the District of joining ACWA in the first year (January-December 2021) is \$750; in subsequent years the annual cost will be based on District operation and maintenance expenses and is estimated to be approximately \$3,250.

The ACWA JPIA is not an insurance agency, but a risk-sharing pool that provides employee health, vision, and dental insurance, as well as property, liability, and workers' compensation insurance, and human resources and risk management support for ACWA's member agencies. Aggregating products in this way allows for more rate stability, broader coverage, and expanded benefits and services.

The ACWA JPIA has certain requirements of its members, the most notable of which is that the monthly premium of the lowest cost health, vision, and dental plan must be provided at no charge to the employee. The District would offer several plans through the ACWA JPIA, and if an employee chooses a more expensive plan, the District would cover 75% of the incremental increase in the premium cost. The District would continue to cover 75% of the cost of dependents. Thus, there is a substantial savings to employees who choose the lowest cost plans and to employees who do not include dependents in these plans, and there is a modest savings to employees who choose a higher cost plan and/or have dependents on their plan.

So that a person or family does not have two deductible amounts during the course of a calendar year, the most logical date to begin a new health, vision, and dental benefits is on January 1. In order to make that transition on that date, our application to ACWA and agreement with the ACWA JPIA must be approved by those organizations at their upcoming governing board meetings – the ACWA Board would consider our application on September 25th and, if that is approved, the ACWA JPIA Board Executive Committee would consider our agreement on October 14th.

This agenda item seeks Board authorization for the CEO to submit the attached Public Agency Application to join ACWA, and Board approval of the attached draft Resolution 2020-9-14 to participate in the Joint Protection Program of the ACWA JPIA and to enable the CEO to execute the attached Joint Powers Agreement Creating the ACWA JPIA. District membership in ACWA and ACWA JPIA would be effective January 1, 2021.

Further, because the ACWA JPIA is a joint powers authority, each of its member agencies must be represented on its Board of Directors. Thus, a requirement of joining the ACWA JPIA is that our Board appoint a representative and alternate to the ACWA JPIA Board. The appointed representative must be an elected official on our Board, and the appointed alternate can be (and frequently is) a staff member – I recommend that Lucy Dong be appointed our alternate to the ACWA JPIA. The ACWA JPIA Board meets twice per year and attendance at these meetings is not required.

The ACWA Application, Joint Powers Agreement Creating the ACWA JPIA, and Resolution have been reviewed and approved by District Counsel as to form.

Impact on District Resources:

The District's costs in terms of staff resources to join ACWA and enroll in ACWA JPIA insurance is minimal. The financial of these actions is estimated to be an additional \$3,400 during the second half of the 2020-21 Fiscal Year, an amount that is within the approved FY2020-21 Operating Budget.

Attachments:

1. Public Agency Application to join Association of California Water Agencies
2. Draft Resolution 2020-9-14 to participate in the Association of California Water Agencies Joint Powers Insurance Authority Joint Protection Program
3. Joint Powers Agreement Creating the Association of California Water Agencies Joint Powers Insurance Authority



PUBLIC AGENCY APPLICATION

The Board of Directors of the undersigned Public Agency approves membership in the Association of California Water Agencies and requests approval of the governing body of the Association.

We have been apprised that 20____ membership dues for this public agency are \$_____.

Please complete the form and return with the membership dues (make check payable to ACWA) to ACWA by:
Mail: 980 9th Street, Suite 1000, Sacramento, CA 95814 | Email: membership@acwa.com | Fax: (916) 325-2316

Questions? Call ACWA's Member Services & Events Department at (916) 441-4545.

Public Agency: _____ Date: _____
Referred/Sponsored by (name and organization): _____

ORGANIZATION INFORMATION

Public Agency: _____ Date Agency was Founded: _____
Mailing Address: _____ City/State/Zip: _____
Physical Address: _____ City/State/Zip: _____
County: _____ Website: _____
Main Phone: () _____ Main Fax: () _____
Brief description of your organization: _____

Scheduled Board Meeting Day: _____ Time: _____
Month of Board Election: _____ Odd Year Even Year
Predecessor Agency: _____ No. of Employees: _____
Public Agency Formation Act (check one):
 California County Irrigation Municipal Other (specify): Special District

MEMBERSHIP INFORMATION

Name of person to whom all membership-related should be sent.
Name: _____ Title: _____
Address: _____ Same as main business address
City/State/Zip: _____ Email: _____
Phone: () _____ Fax: () _____

BILLING INFORMATION

Name of person to whom all dues-related materials should be sent.

Name:	Title:	
Address:	Same as main business address	
City/State/Zip:	Email:	
Phone: ()	Fax: ()	Fiscal Year End Date:

AGENCY REPRESENTATIVES

General Manager:

Address:	<input checked="" type="checkbox"/> Same as main business address
City/State/Zip:	Email:
Phone: ()	Fax: ()

Human Resource Manager:

Address:	Same as main business address
City/State/Zip:	Email:
Phone: ()	Fax: ()

Board Secretary/Clerk of the Board:

Address:	Same as main business address
City/State/Zip:	Email:
Phone: ()	Fax: ()

Employee Benefits Contact:

Address:	Same as main business address
City/State/Zip:	Email:
Phone: ()	Fax: ()

Attorney:

Agency Employee?	Yes	No	On Retainer?	Yes	No
Address:	Same as main business address				
City/State/Zip:	Email:				
Phone: ()	Fax: ()				

Chief Engineer:

Agency Employee?	Yes	No	On Retainer?	Yes	No
Address:	Same as main business address				
City/State/Zip:	Email:				
Phone: ()	Fax: ()				

Communications/Public Information Contact:

Agency Employee?	Yes	No	On Retainer?	Yes	No
Address:			Same as main business address		
City/State/Zip:			Email:		
Phone: ()			Fax: ()		

Legislative Contact:

Agency Employee?	Yes	No	On Retainer?	Yes	No
Address:			Same as main business address		
City/State/Zip:			Email:		
Phone: ()			Fax: ()		

Operations Manager:

Agency Employee?	Yes	No	On Retainer?	Yes	No
Address:			Same as main business address		
City/State/Zip:			Email:		
Phone: ()			Fax: ()		

Water Quality Issues Representative:

Agency Employee?	Yes	No	On Retainer?	Yes	No
Address:			Same as main business address		
City/State/Zip:			Email:		
Phone: ()			Fax: ()		

BOARD OF DIRECTORS (attach roster, if necessary)

Name:	Board Position/Title:
Address: Same as main business address	
City/State/Zip: Email:	
Phone: () Fax: ()	

Name:	Board Position/Title:
Address: Same as main business address	
City/State/Zip: Email:	
Phone: () Fax: ()	

Name:	Board Position/Title:
Address: Same as main business address	
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City/State/Zip:	Email:
Phone: ()	Fax: ()

Name:	Board Position/Title:
Address:	Same as main business address
City/State/Zip:	Email:
Phone: ()	Fax: ()



ESTIMATE MEMBERSHIP DUES WORKSHEET

Public Agency: _____ Date: _____

Prepared By: _____ Phone: _____

_____ Dues are based on _____ State Controllers' report for the _____ fiscal year or calendar year ending _____.

CATEGORY	AMOUNT	NOTES
1. Expenses		Include all operating & maintenance (O&M) expenses including general, administrative, waste water, etc.
DEDUCT (2-6)		
2. Purchased Power		Power purchased for resale ONLY
3. Water Purchase		
4. Ground Water Replenishment		
5. Depreciation		
6. Fixed Assets		Include ONLY assets included in O&M
7. Total Adjusted Expenses		If less than total on line 10, use this figure for Adjusted O&M on dues schedule
8. Less: Pumping		
9. Total Expenses After Pumping		
10. Double Above		Multiply line 9 by 2. If less than total on line 7, use this figure for Adjusted O&M on dues schedule
11. Adjusted O&M		Total from line 7 or line 10 (whichever is less)
12. Annual Dues		Figure from current dues schedule
13. Prorated Dues		Annual dues divided by 12 then multiply by the number of months remaining in the current year

This figure is an estimate for your use only. Before membership application can be processed, financial information must be furnished to ACWA's Accounting Department for final dues figure.



RESOLUTION NO. 2020-9-14

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SAN MATEO COUNTY FLOOD AND SEA LEVEL RISE RESILIENCY DISTRICT
TO PARTICIPATE IN THE JOINT PROTECTION PROGRAM OF THE
ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

WHEREAS, pursuant to the provisions of Section 990, 990.4, 990.8, and 6500 of the Government Code, San Mateo County Flood and Sea Level Rise Resiliency District (District) wishes to enter into an agreement with various other agencies entitled "Joint Powers Agreement: Creating the Association of California Water Agencies Joint Powers Insurance Authority" (the Authority), for the purpose of participating in the Joint Powers Insurance Authority created thereby, which since its formation has provided for and administered a joint protection program as more fully set forth in said agreement; and

WHEREAS, said joint protection program offers significant advantages to the District in terms of cost, liability protection, and services, and entering such program, on the conditions hereinafter set forth, is in the best interests of the District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of San Mateo County Flood and Sea Level Rise Resiliency District:

Section 1. Hereby consents pursuant to the above-mentioned Joint Powers Agreement, and the resolutions and policies enacted in implementation of such Agreement, to enter said joint protection program.

Section 2. That the Agency hereby elects to join the Employee Benefits Program sponsored by the Authority, and will abide the contribution requirements of the Employee Benefits Program.

Section 3. That the Chief Executive Officer (CEO) of the District is hereby authorized to sign the above-mentioned Joint Powers Agreement and to pay to the Authority its first deposit premium.

Section 4. That the CEO of the District is directed to forward a certified copy of this resolution, the signed Joint Powers Agreement, and the JPIA deposit premium payment promptly to the Association of California Water Agencies Joint Powers Insurance Authority, so that coverage may commence on January 1, 2021.

PASSED, APPROVED, AND ADOPTED this 14th day of September, 2020 by the following vote:

AYES:
NOES:
ABSENT:

ATTEST:

APPROVED:

Clerk of the Board of Directors

Chair, Board of Directors

Joint Powers Agreement

Creating The

Association of California Water Agencies Joint Powers Insurance Authority

Adopted May 9, 1979
Revised on May 7, 2012

Joint Powers Agreement — Table of Contents

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Joint Powers Agreement

Creating The

Association Of California Water Agencies Joint Powers Insurance Authority

THIS AGREEMENT is made and entered into in the County of Placer, State of California, by and among the water districts and agencies (hereinafter "Districts") and other public entities (hereinafter "Friends of ACWA") organized and existing under the laws of the State of California, which are parties signatory to this Agreement and listed in Appendix "A", which is attached hereto and made a part hereof. Said Districts and Friends of ACWA are sometimes referred to herein as "parties" or "Members".

Recitals

WHEREAS, California Government Code Section 6500 *et seq.* provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus lines broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local entities may, by a joint powers agreement, provide insurance or reinsurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, the parties to this Agreement desire to join together for the purpose of establishing pools for self-insured losses and purchasing excess insurance or reinsurance and administrative services in connection with joint protection programs for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

Article 1 — Definitions

The following definitions shall apply to the provisions of this Agreement:

- (a) "**Auditor/Controller**" shall mean that person, designated by the Executive Committee who is required to draw, or cause to be drawn, checks, warrants, and electronic payments on behalf of the Authority, and to provide for an annual audit.
- (b) "**Authority**" shall mean the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) created by this Agreement.
- (c) "**Board of Directors**" or "**Board**" shall mean the governing body of the Authority.
- (d) "**Chief Executive Officer**" shall mean that employee of the Authority who is so appointed by the Executive Committee and ratified by the Board of Directors at the next meeting, unless approved unanimously by the Executive Committee.
- (e) "**Claims**" shall mean demands made against Members which are within the Authority's joint protection programs as developed by the Board of Directors.
- (f) "**Deposit Premium**" shall mean the amount determined by the Executive Committee annually, as necessary to fund each joint protection program of the Authority.
- (g) "**Director**" shall mean that individual selected by the Member, from its governing body, to represent the Member on the ACWA/JPIA Board of Directors.
- (h) "**District**" shall mean those entities of local government empowered by law to replenish ground waters, distribute, control, treat, develop, acquire, use, store or supply water, or empowered by laws to protect, drain or reclaim lands within the State of California, including but not limited to irrigation districts, California water districts, municipal water districts, county water districts, municipal utility districts, and drainage, water replenishment, reclamation districts, flood control districts, conservation districts, sanitation districts, sanitary districts, special act districts, cities, and joint powers authorities which are signatories to this Agreement and are members of the Association of California Water Agencies (ACWA), or are affiliated with ACWA based on their meeting the criteria currently specified by ACWA for ACWA Affiliates – "Friends of ACWA".
- (i) "**Duly Constituted Board Meeting**" shall mean any Board of Directors meeting noticed and held in the required manner and at which a Quorum was determined to be present at the beginning of the meeting.

- (j) "**Excess Insurance**" shall mean that insurance or reinsurance which may be purchased on behalf of the Authority to protect the funds of the Members.
- (k) "**Executive Committee**" shall mean the Executive Committee of the Board of Directors of the Authority.
- (l) "**Finance and Audit Committee**" shall mean the committee of the Authority composed of financial staff of districts appointed by the Board President and ratified by their Districts.
- (m) "**Fiscal Year**" shall mean that period of twelve (12) months which is established as the fiscal year of the Authority.
- (n) "**Friends of ACWA**" shall mean those public agencies that do not meet the definition of "**District**" who are members of the ACWA or are affiliated with ACWA based on their meeting the criteria currently specified by ACWA for ACWA Affiliates – "Friends of ACWA," and which are also signatories to this Agreement.
- (o) "**Insurance**" shall mean and include a joint protection program, self-insurance through a funded program, and/or any commercial insurance or reinsurance contract.
- (p) "**Member**" shall mean either a "**Friend of ACWA**" or a "**District**" which is a signatory to this Agreement.
- (q) "**Policy Year**" shall mean a period of time, usually twelve (12) months, determined by the Executive Committee into which each joint protection program is segregated for ease in determining deposit premiums, incurred losses, and retrospective premium calculations.
- (r) "**Retrospective Premium Adjustment**" shall include the terms "Retrospective Premium" and "Retrospective Adjustment" and shall mean the amount determined by the cost allocation plans and formulas adopted from time to time by the Board as a Member's share of losses, expenses, and contribution to the catastrophe fund or other reserve.
- (s) "**Secretary**" shall mean the person appointed by the Executive Committee to record or cause to be recorded, and keep or cause to be kept, at the principal executive office or such other place as the Executive Committee may order, a book of minutes of actions taken at all meetings of the Board of Directors and Executive Committee.
- (t) "**Treasurer**" shall mean the person appointed by the Executive Committee to keep and maintain, or cause to be kept and maintained, adequate and correct financial records of the Authority.

Article 2 — Purposes

This Agreement is entered into by Members pursuant to the provisions of California Government Code sections 990, 990.4, 990.8 and 6500 *et seq.*, in order to provide comprehensive and economical public liability, workers' compensation, unemployment, health, accident and/or dental, and property coverage, or coverage for other risks to which the Board of Directors may agree.

Additional purposes are to reduce the amount and frequency of losses, and to decrease the cost incurred by Members in the handling and litigation of claims. These purposes shall be accomplished through the exercise of the powers of such Members jointly in the creation of a separate entity, the Association of California Water Agencies Joint Powers Insurance Authority (the Authority), to administer joint protection programs wherein Districts and Friends of ACWA will separately pool their losses and claims, and jointly purchase excess insurance and/or reinsurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal, and other related services.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional Members organized and existing under the laws of the State of California as may desire to become parties to the Agreement and members of the Authority, subject to approval by the Board of Directors.

Article 3 — Parties To Agreement

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories to this Agreement and, in addition, with such other parties as may later be added as parties to and signatories to this Agreement pursuant to Article 21. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Article 22 or Article 23, shall not affect this Agreement or such party's intent to contract as described above with the other parties to the Agreement then remaining.

Article 4 — Term Of Agreement

This Agreement became effective on the date of execution hereof by the last of sixty (60) Districts with a combined 1978/79 liability policy premium of \$2 million, and it shall continue until and unless terminated as hereinafter provided.

Article 5 — Creation Of Authority

Pursuant to Section 6500 *et seq.* of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Association of California Water Agencies Joint Powers Insurance Authority. Pursuant to Government Code Section 6508.1, the debts, liabilities and

obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement or of any District or Friend of ACWA.

Article 6 — Powers Of Authority

- (a) The Authority shall have the powers common to Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:
 - (1) To make and enter into contracts;
 - (2) To incur debts, liabilities or obligations;
 - (3) To acquire, hold or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
 - (4) To sue and be sued in its own name; and
 - (5) To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.
- (b) Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law, and in accordance with Government Code Section 6509, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to the Walnut Valley Water District as specified in The California Water District Law (California Water Code Sections 34000 *et seq.*).

Article 7 — Board Of Directors

- (a) The Authority shall be governed by the Board of Directors which is hereby established and which shall be composed of one representative from each Member, who shall be a Member director selected by the governing board of that Member. Each Member, in addition to appointing its member of the Board, shall appoint at least one alternate who shall be an officer, member of the governing board, or employee of that Member. The alternate appointed by a Member shall have the authority to attend and participate in any meeting of the Board when the regular member for whom he or she is an alternate is absent from said meeting.
- (b) Each Director or alternate of the Board shall serve until a successor is appointed. Each Director or alternate shall serve at the pleasure of the Member by which he or she has been appointed.
- (c) Each Director representing a Member, or his or her alternate, shall have one vote.

Article 8 — Powers Of The Board Of Directors

The Board of Directors of the Authority shall have the following powers and functions:

- (a) The Board shall elect from its voting members pursuant to Article 10 of this Agreement an Executive Committee.
- (b) The Board may review all acts of the Executive Committee, and shall have the power to modify and/or reverse any decision or action of the Executive Committee upon a majority vote of the voting Directors present at any Duly Constituted Board Meeting.
- (c) The Board shall review, modify if necessary, and approve the annual operating budget of the Authority, prepared by the Executive Committee pursuant to Article 11 (d).
- (d) The Board shall receive and review periodic accountings of all funds under Articles 17 and 18 of this Agreement.
- (e) The Board shall have the power to conduct on behalf of the Authority all business of the Authority, including that assigned to the Executive Committee, which the Authority may conduct under the provisions hereof and pursuant to law.
- (f) The Board shall have such other powers and functions as are provided for in this Agreement or in the Bylaws.

Article 9 — Meetings Of The Board Of Directors

- (a) **Meetings.** The Board shall provide for at least one annual regular meeting. It may also provide for adjourned regular meetings, special meetings, or meetings upon call of the President of the Board.
- (b) **Minutes.** The Secretary of the Authority shall cause minutes of regular, adjourned regular, and special meetings (but not of any closed-session portion of any such meeting) to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to each Member.
- (c) **Quorum.** Any fifty (50) voting members of the Board present when the meeting is called to order shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. A vote of the majority of those voting members present and voting in the prescribed manner at any Duly Constituted Board Meeting shall be sufficient to constitute action by the Board except as otherwise specifically set forth in this Agreement or in the Bylaws.

- (d) **Compliance with the Brown Act.** All meetings of the Board, including, without limitation, regular, adjourned regular, and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 *et seq.*

Article 10 — Executive Committee

- (a) There shall be an Executive Committee of the Board of Directors which shall consist of nine (9) members, as provided in the Bylaws. Eight (8) members of the Executive Committee shall be elected by the Board of Directors from its voting members as provided in the Bylaws. The ninth member of the Executive Committee shall be the Vice President of the Association of California Water Agencies, who shall be an *ex officio* member of the Executive Committee.
- (b) The Executive Committee shall appoint a President and a Vice President of the Board of Directors from among the eight (8) Executive Committee members elected by the Board of Directors, as provided in the Bylaws. The President of the Board, or the Vice President in his or her absence, shall serve as the Chair of the Executive Committee.
- (c) The unexcused absence of a member of the Executive Committee, other than the Vice President of the Association of California Water Agencies, from two consecutive meetings may be cause for the removal of said member by the Executive Committee.
- (d) Vacancies on the Executive Committee shall be filled as provided in the Bylaws.

Article 11 — Powers Of The Executive Committee

The Executive Committee shall have the following powers:

- (a) The Executive Committee shall determine details of and select the joint protection program or programs of the Authority.
- (b) The Executive Committee shall determine and select all insurance, including excess insurance and reinsurance, necessary to carry out the joint protection program or programs of the Authority.
- (c) The Executive Committee shall have authority to contract for or develop various services for the Authority, including, but not limited to, claims adjusting, loss control and risk management consulting.
- (d) The Executive Committee shall cause to be prepared the operating budget of the Authority for each fiscal year, subject to review, modification and approval by the Board, as provided for in Article 8 (c).

- (e) The Executive Committee shall receive and act upon reports of all other committees and from the Chief Executive Officer.
- (f) The Executive Committee shall appoint the President, Vice President, Chief Executive Officer, Secretary, Treasurer, and Auditor/Controller of the Authority.
- (g) The Executive Committee shall have the authority to engage, retain, and discharge persons, firms, or other organizations as the Executive Committee deems necessary for the administration of the Authority. The Executive Committee may delegate this authority to the Chief Executive Officer of the Authority.
- (h) The Executive Committee shall exercise general supervisory control of and provide policy to the Chief Executive Officer.
- (i) Additional committees and sub-committees shall be established by the Executive Committee as it deems necessary to best serve the interests of the Authority.
- (j) The Executive Committee shall have such other powers and functions as are provided for pursuant to this Agreement.

Article 12 — Meetings Of The Executive Committee

The meetings of the Executive Committee shall be held and conducted as provided in the Bylaws. The Committee shall make periodic reports to the Board of Directors, advising the Board of its decisions and activities.

Article 13 — Officers Of The Authority

- (a) **President and Vice President.** The President and Vice President of the Board shall be appointed by the Executive Committee from among the Executive Committee's eight (8) elected members. In the event the President or Vice President so appointed ceases to be a member of the Board, the resulting vacancy in the office of President or Vice President may be filled on either an interim or a permanent basis at the next regular meeting of the Executive Committee held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence the Vice President, shall preside at and conduct all meetings of the Board, and shall chair the Executive Committee.
- (b) **Chief Executive Officer.** The Chief Executive Officer shall have the general administrative responsibility for the activities of the Authority and shall appoint all necessary employees thereof, subject to prior authorization of

each position by the Executive Committee and shall perform such other duties as may be assigned by the Executive Committee.

- (c) **Auditor/Controller.** The Auditor/Controller shall be appointed by the Executive Committee. The duties of the Auditor/Controller shall be as set forth in Articles 17 and 18 of this Agreement.
- (d) **Secretary.** The Secretary shall be appointed by the Executive Committee and shall be responsible for all minutes, notices, and records of the Authority.
- (e) **Treasurer.** The Treasurer shall be appointed by the Executive Committee. The duties of the Treasurer shall be as set forth in Articles 17 and 18 of this Agreement.
- (f) The Executive Committee shall have the power to appoint such other officers as may be necessary to carry out the purposes of this Agreement.

Article 14 — Standing Committees

The Board or the Executive Committee may establish standing committees from time to time, as provided in the Bylaws.

Article 15 — Insurance Coverage

- (a) The Authority shall maintain such levels of insurance coverage for Members as may be determined by the Executive Committee. Such coverage may provide for binding arbitration before an independent arbitration panel of any disputes concerning coverage between the Authority and a Member.
- (b) The Insurance coverages provided for Members by the Authority may include protection for comprehensive and economical public liability, property, workers' compensation, employee benefits, or coverage for other risks which the Executive Committee may determine to be advisable.
- (c) The Executive Committee may arrange for group policies to be issued for Members interested in obtaining additional coverage, at an additional cost to those participating Members.
- (d) The Executive Committee may arrange for the purchase of Excess Insurance. The Executive Committee may discontinue purchase of this Excess Insurance, if at a future time it is no longer needed to protect the Authority's funds.

Article 16 —Implementation Of The Joint Protection Program

- (a) The Board of Directors shall establish the insurance coverages provided for in Article 15, the amount of deposit premiums, and the precise cost

allocation plans and formulas, and shall provide for the handling of claims, and the pro forma financial statements of each joint protection program, and shall specify the amounts and types of Excess Insurance or reinsurance to be procured.

- (b) The Deposit Premium for each Member for each joint protection program shall be determined by the Executive Committee.
 - (1) Deposit Premiums shall be based on estimated costs for a given program year. Costs shall include estimates for claims, excess insurance/reinsurance, general & administrative expenses, program reserves and include an estimate for interest earnings.
 - (2) Each Member's share of the Deposit Premium for the given program year shall generally be based on its payroll and past loss history for the Liability, Workers' Compensation, and Employee Benefits Programs and scheduled values for the Property Program.

The Executive Committee may make retrospective premium adjustments to prior program years.

- (c) The Retrospective Premium Adjustment, and all other adjustments to the Authority's financial records respecting each Member, shall be made annually. All premiums shall be due and payable within thirty (30) days after the invoice date.
- (d) Inasmuch as some Members may experience an unusually high dollar value of losses during a single Policy Year, which would increase their Retrospective Premium substantially above the Deposit Premium for that joint protection program for that Policy Year and cause budgetary problems, the Executive Committee may allow for payment of a portion of such additional Retrospective Premium to be made over a period of time, not to exceed five years, with reasonable interest.
- (e) The Executive Committee shall have the power to disburse or distribute reserve funds for their intended purposes.

Article 17 — Accounts And Records

- (a) **Annual Budget.** The Authority shall annually adopt an operating budget, pursuant to Article 8 (c) of this Agreement.
- (b) **Funds and Accounts.** The Treasurer of the Authority shall establish and maintain such funds and accounts as required by the Executive Committee and as required by generally accepted accounting principles. Books and records of the Authority shall be open to any inspection at all reasonable times by authorized representatives of Members as otherwise required by law.

- (c) **Treasurer's Report.** The Treasurer shall present a complete written report of all investment activities for the most recently completed fiscal year to the Board at its regularly scheduled meeting.
- (d) **Annual Audit.** The Auditor/Controller shall provide for a certified, annual audit of the accounts and records of the authority, which audit shall be made by a certified public accountant and shall conform to generally accepted auditing standards. Such report shall be presented to the Executive Committee and, following its approval by the Executive Committee, shall be presented to the Board of Directors for concurrence.

Article 18 — Responsibility For Monies

- (a) The Treasurer of the Authority shall have the authority to delegate the signatory function of Treasurer to such persons as are authorized by resolution of the Executive Committee.
- (b) A bond in the amount determined adequate by the Executive Committee shall be required of all officers and personnel authorized to disburse funds of the Authority, such bond to be paid for by the Authority.
- (c) The Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5, including:
 - (1) Receive and acknowledge receipt for all money of the Authority and place it in the treasury of the Authority;
 - (2) Be responsible upon his or her official bond for the safekeeping and disbursement of all of the Authority's money so held by him or her;
 - (3) Pay, when due, out of money of the Authority so held by him or her, all sums payable on outstanding bonds and coupons of the Authority;
 - (4) Pay any other sums due from Authority money only upon checks, warrants, or electronic payments approved by the Chief Executive Officer or his or her designee. The checks, warrants, or electronic payments shall be reviewed by the President of the Board and the Chair of the Finance & Audit Committee.

Article 19 — Responsibilities Of The Authority

The Authority shall perform the following functions in discharging its responsibilities under this Agreement:

- (a) Provide insurance coverage as necessary, including but not limited to a self-insurance fund and commercial insurance, as well as excess coverage, reinsurance, and umbrella insurance, by negotiation or bid, and purchase, as necessary.

- (b) Assist Members in obtaining insurance coverage for risks not included within the coverage of the Authority.
- (c) Assist each Member's designated risk manager with the implementation of that risk management function as it relates to risks covered by the joint protection programs within the Member.
- (d) Provide loss prevention and safety consulting services to Members as required.
- (e) Provide claims adjusting and subrogation services for Claims covered by the Authority's joint protection programs.
- (f) Provide loss analysis and control by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles.
- (g) Review Member contracts to determine sufficiency of indemnity and insurance provisions when requested.
- (h) Conduct risk assessments for each Member.
- (i) The Authority shall have such other responsibilities as deemed necessary by the Board of Directors or Executive Committee.

Article 20 — Responsibilities Of Members

Members shall have the following responsibilities:

- (a) The governing board of each Member shall appoint a representative and at least one alternate representative to the Board of Directors, pursuant to Article 7 of this Agreement.
- (b) Each Member shall appoint an employee of the Member to be responsible for the risk management function within that Member and to serve as a liaison between the Member and the Authority as to risk management.
- (c) It is recommended that each Member maintain an active safety officer and/or committee. Each Member shall consider all recommendations of the Authority concerning unsafe practices.
- (d) Each Member shall pay its deposit premium and premium adjustments, including any Retrospective Adjustment, within thirty (30) days after the invoice date. After withdrawal or termination, each Member or former Member or its successor shall pay within 45 days to the Authority its share of any additional premium, when and if required of it by the Executive Committee under Article 24 or Article 25 of this Agreement.

- (e) Each Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the joint protection programs under this Agreement.
- (f) Each Member shall in any and all ways cooperate with and assist the Authority, and any insurer or reinsurer of the Authority, in all matters relating to this Agreement and covered claims, and shall also comply with all Bylaws, rules and regulations adopted by the Board of Directors and Executive Committee.

Article 21 — New Members

The Authority shall allow new Members entry into its joint protection programs only upon approval by the Board, or by the Executive Committee if specifically delegated such authority by resolution of the Board, which resolution may impose such conditions or limitations upon such authority of the Executive Committee as the Board deems appropriate. Members entering under this Article may be required to pay their share of the organizational expenses as determined by the Executive Committee, including expenses necessary to analyze their loss data and determine their Deposit Premiums.

Article 22 — Withdrawal

- (a) A Member may withdraw as a party to this Agreement any time prior to its consenting in writing to enter the joint protection program.
- (b) A Member that does not consent in writing to enter the joint protection program must withdraw as a party to this Agreement prior to the effective date of the program, or it will be considered to have voluntarily withdrawn upon such effective date.
- (c) As respects to coverage Programs of the Authority, other than the Employee Benefits Program:
 - (1) A Member that enters or has entered any pooled joint protection program may not withdraw as a participant of that program, as a party to this Agreement, or as a Member of the Authority, for a three-year period commencing on the Member's date of entry into said pooled joint protection program.
 - (2) After the initial three-year non-cancellable commitment to each pooled joint protection program, a Member may withdraw only at the end of said program's Policy Year, provided it has given the Authority a twelve-month written notice of its intent to withdraw from said pooled joint protection program.

- (i) No later than ninety (90) days prior to the end of said pooled joint protection program's Policy Year, any Member having given an Article 22 (d) conditional notice shall make clear to the Authority its final decision on withdrawal. Final notice of actual withdrawal must be given and received by that date in clear, unambiguous form. The staff is instructed to rely on such final notice received on or before ninety (90) days prior to the end of the program's Policy Year, and no rescission of such final notice can be made after close of business ninety (90) days prior to the end of the program's Policy Year. If no such final notice is received by close of business on the required date, staff shall treat the original notice with all its conditions and ambiguities as final notice of withdrawal.
 - (ii) Any participation by a former Member must be effected as a new Member. No benefits will be held over from the withdrawing Member's former status as a previous program participant.
- (3) Members may withdraw from any group purchase program at the conclusion of its Policy Year, without being required to give the twelve-month written notice required for withdrawal from pooled joint protection programs.
- (d) Members may withdraw as a party of the Employee Benefits Program to be effective on the first day of any month by providing written intention of withdrawing to the Authority at least 60 days prior to the proposed effective date of the withdrawal. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Authority which shall acknowledge receipt of such notice of the withdrawal in writing effective upon the proposed filing date, or such other date as the Executive Committee may designate which is not more than 90 nor less than 60 days from the notice in order to bring such notice of withdrawal in compliance with the terms hereof.
 - (e) A Member may not withdraw as a party to this Agreement nor as a member of the Authority until it has withdrawn from all of the programs of the Authority.

Article 23 — Cancellation Of Membership Or Participation

- (a) Notwithstanding the provisions of Article 22, the Authority shall have the right to cancel any Member's participation in any joint protection program upon a two-thirds vote of the voting Directors present at any Duly Constituted Board Meeting, provided that a reasonable time shall be afforded, at the discretion of the Board of Directors, to place coverage elsewhere.
- (b) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's

programs, shall cease and be canceled automatically at the end of the next complete Policy Year for each program whenever such Member's membership in the Association of California Water Agencies, or its affiliation with said Association based on its meeting the criteria currently specified by ACWA for ACWA Affiliates – “Friends of ACWA,” ceases. Such automatic cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 24 (b).

- (c) Notwithstanding any other provisions of this Agreement, the participation of any Member of the Authority, including participation in any of the Authority's programs, may be canceled at the discretion of the Executive Committee whenever such Member is dissolved, consolidated, merged or annexed. A reasonable time shall be afforded, in the discretion of the Executive Committee, to place coverage elsewhere. Any such cancellation shall not relieve the Member or former Member of its responsibilities as provided for in Article 24 (b).

Article 24 — Effect Of Withdrawal Or Cancellation

- (a) The withdrawal or cancellation of any Member from this Agreement shall not terminate the same and a Member by withdrawing or being canceled shall not be entitled to payment or return of any premium, consideration or property paid, or donated by the Member to the Authority, or to any distribution of assets, except as provided in Article 25 (c).
- (b) The withdrawal or cancellation of any Member after the effective date of any joint protection program shall not terminate its responsibility to contribute its share of deposit premium, premium adjustments or funds to any funds or insurance program(s) created by the Authority until all claims, or other unpaid liabilities, covering the Program period any part of which the Member was signatory thereto have been finally resolved and a determination of the final amount of payments due by the Member or credits to the Member for the period of its participation has been made by the Executive Committee. In connection with this determination, the Executive Committee may exercise similar powers to those provided for in Article 25 (b) of this Agreement.

Article 25 — Termination And Distribution

- (a) This Agreement may be terminated at any time by the written consent of three-fourths (3/4) of the voting Members, provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to wind up the affairs of the Authority.
- (b) The Executive Committee is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Members and former

Members, including those which were signatory hereto at the time the Claim arose or was incurred, to pay their share of any additional amount of premium in accordance with loss allocation formulas for final disposition of all Claims and losses covered by this Agreement. A Member's or former Member's share of such additional premium shall be determined on the same basis as that provided for Retrospective Premiums in Article 16 of this Agreement.

- (c) Upon termination of this Agreement all assets of the Authority shall be distributed only among the Members that have been signatories hereto, including any of those Members which previously withdrew pursuant to Article 22 (d) or were canceled pursuant to Article 23 of this Agreement, in accordance with and proportionate to their cash contributions (including premium payments and property at market value when received) made during the term of this Agreement. The Executive Committee shall determine such distribution within six (6) months after disposal of the last pending Claim or loss covered by this Agreement.
- (d) In the absence of an Executive Committee, the Chief Executive Officer shall exercise all powers and authority under this Article. The decision of the Executive Committee or Chief Executive Officer under this Article shall be final.

Article 26 — Provision For Bylaws And Manuals

As soon as practicable after the first meeting of the Board of Directors, the Board shall cause to be developed Authority Bylaws and a Mission Statement.

Article 27 — Notices

Notices to Members hereunder shall be sufficient if delivered to the principal office of the respective Member.

Article 28 — Amendment

This Agreement may be amended at any time by a two-thirds (2/3) vote of the voting Directors present at any Duly Constituted Board Meeting.

Article 29 — Prohibition Against Assignment

No Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member shall have any right, claim or title or any part, share, interest, fund, premium or asset of the Authority.

Article 30 — Agreement Complete

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

IN WITNESS WHEREOF, the parties hereto have first executed this Agreement by authorized officials thereof on the date indicated below:

DATE: _____

**San Mateo County Flood and Sea Level Rise
Resiliency District**

Member

BY:

Signature of Authorized Representative