



BOARD APPROVED ON

Meeting Date: 8/24/2021

s/ Catherine Taylor

Catherine Taylor, Chief, Board Proceedings
and Support Services Division

Minutes Exhibit: 8.10

Sonya Yim (SBN 223464)
Tax Counsel III (Specialist)
Board of Equalization, Legal Department
PO Box 942879, MIC:121
Sacramento, CA 94279
Tel: (916) 274-3520

Appeals Attorney

STATE OF CALIFORNIA
BOARD OF EQUALIZATION

In the Matter of the Application of
WOODLAND-DAVIS CLEAN WATER
AGENCY,
Applicant,
for Review, Equalization, and Adjustment of the
Assessment made by the County Assessor of the
COUNTY OF YOLO,
Respondent.

**APPEALS ATTORNEY'S SUMMARY
DECISION ON THE CONSOLIDATED
PETITIONS FOR REASSESSMENT ON THE
LEGAL APPEAL PROPERTY TAX
MATTERS, NONAPPEARANCE
(CONSENT) CALENDAR**

(CAL. CONST. ART. XIII, SECTION 11)

Appeal Nos. ARA17-001, ARA18-001, ARA
18-002 and ARA 19-001
Case ID Nos. 034994, 1046284, 1059344 and
1063762

Representing the Parties:

For the Applicant:

Robert R. Rubin, Attorney
Boutin Jones Inc.

For the Respondent:

Eric May, Senior Deputy County Counsel
Office of the Yolo County Counsel

Appeals Attorney:

Sonya Yim, Tax Counsel III (Specialist)

PROPOSED VALUES**Appeal No. ARA17-001 (2016-2017)**

	Value	Penalty	Total
County-Assessed Value	\$17,007,994	\$0	\$17,007,994
Applicant's Requested Unitary Value	\$836,510	\$0	\$836,510
Parties' Agreed Recommendation	\$0	\$0	\$0
Appeals Attorney's Recommendation	\$0	\$0	\$0

Appeal No. ARA18-001 (2017-2018)

	Value	Penalty	Total
County-Assessed Value	\$17,633,617	\$0	\$17,633,617
Applicant's Requested Unitary Value	\$836,510	\$0	\$836,510
Parties' Agreed Recommendation	\$0	\$0	\$0
Appeals Attorney's Recommendation	\$0	\$0	\$0

Appeal No. ARA18-002 (2018-2019)

	Value	Penalty	Total
County-Assessed Value	\$17,986,289	\$0	\$17,986,289
Applicant's Requested Unitary Value	\$836,510	\$0	\$836,510
Parties' Agreed Recommendation	\$0	\$0	\$0
Appeals Attorney's Recommendation	\$0	\$0	\$0

Appeal No. ARA19-001 (2019-2020)

	Value	Penalty	Total
County-Assessed Value	\$18,346,014	\$0	\$18,346,014
Applicant's Requested Unitary Value	\$836,510	\$0	\$836,510
Parties' Agreed Recommendation	\$0	\$0	\$0
Appeals Attorney's Recommendation	\$0	\$0	\$0

Appeals Attorney's Recommendation¹

The Appeals Attorney recommends that the Board adopt the values agreed to by the parties for the lien dates at issue, reducing the assessed property values for the years stated above to zero. Both the Woodland-Davis Clean Water Agency (Woodland-Davis or Applicant) and the County of Yolo (County) (collectively, the parties) are in agreement with the recommendation.

Background Information and Resolution of the Issues

Applicant is a joint powers agency whose founding members were the City of Woodland and the City of Davis. In 2016, Applicant acquired water rights, the point of diversion for which was located in Yolo County outside of the boundaries of the two cities. Because the point of diversion was outside of the boundaries of the member cities, and therefore outside of the boundaries of Applicant, the water

¹ Unless the Board holds otherwise, the Board shall take official notice of the "Yolo County Agreement No. 20-19, Water Rights Taxation Dispute Settlement Agreement II" signed in February 2020, and "Yolo County Agreement No. 20-20, Amendment No. 1 to Amended and Restated Woodland-Davis Clean Water Agency Joint Powers Agreement," signed in March 2020, both of which are attached hereto as Exhibit 1.

rights were taxable pursuant to article XIII, section 11 of the California Constitution (Section 11). Section 11 generally provides that real property owned by a local government but located outside of its boundaries is taxable if it was taxable when acquired.² The County Assessor therefore assessed the property at the values stated above, for their respective fiscal years.

Applicant disagreed with the assessed value amounts determined by the County, and filed Applications ARA17-001, ARA18-001, ARA18-002 and ARA 19-001 for fiscal years 2016-2017, 2017-2018, 2018-2019, and 2019-2020, respectively, with the State Board of Equalization (Board) for review, equalization and adjustment of the assessed values.³

To facilitate the settlement of these property tax appeals, the County of Yolo became a member of Applicant pursuant to Amendment No. 1 to the Amended and Restated Woodland-Davis Clean Water Agency Joint Powers Agreement. (See Exhibit 1.) As a result, Applicant's boundaries now encompass the entirety of Yolo County, including the point of diversion, and as such, the parties agreed that pursuant to the case of *Long Beach v. Board of Supervisors* (1958) 50 Cal.2d 674, 678 and Property Tax Annotation⁴ No. [490.0016](#) (Oct. 4, 1996), the water rights at issue became exempt from property tax under article XIII, section 3(b) of the California Constitution.⁵ As such, the parties agreed that the taxable value of the property at issue in the subject applications before the Board is zero.

The Board has constitutional authority to review, equalize, and adjust assessments made pursuant to Section 11. (Cal. Const., art. XIII, § 11, subd. (g).) Revenue and Taxation Code section 1840 states that if any county, city and county, or municipal corporation desires to secure a review, equalization, or adjustment of the assessment of its property pursuant to subdivision (g) of Section 11, it must apply to the Board for that review, equalization, or adjustment. (See also Cal. Code Regs, Tit. 18, "Rules for Tax Appeals" § 5332 et seq.)

² Section 11 also prescribes a method for the valuation of taxable government owned lands.

³ The Board's Chief of Board Proceedings approved joint stipulations by the parties to stay the appeals pending settlement discussions. The Board Proceedings Division also consolidated the four applications for administrative convenience, without objection from the parties.

⁴ Property tax annotations are summaries of the conclusions reached in selected legal rulings of State Board of Equalization counsel published in the State Board of Equalization's Property Taxes Law Guide. (See Cal. Code Regs., tit. 18, § 5700 for more information regarding annotations.)

⁵ Article XIII, section 3(b) of the California Constitution states that property owned by a local government, except as otherwise provided in Section 11(a), is exempt from property taxation.

1 In this case, the Applicant has applied to the Board for review, equalization, and adjustment of
2 the property assessed by Yolo County for each of the four assessment years (2016-2017; 2017-2018;
3 2018-2019; and 2019-2020). After filing the applications, the County of Yolo became a member of
4 Applicant, such that the property came within the boundaries of Applicant, and the parties agreed to a
5 taxable value of zero.

6 Thus, the County of Yolo, along with Applicant, have agreed to a joint recommendation on a
7 proposed resolution of all issues in the applications and have provided the Appeals Attorney evidence of
8 that agreement (Exhibit 1). For the above reasons, the Appeals Attorney recommends that the Board
9 adopt the parties' agreed-to values of zero for the property for each of the lien dates at issue in the
10 instant applications.

YOLO COUNTY AGREEMENT NO. 20-20

AMENDMENT NO. 1

TO AMENDED AND RESTATED WOODLAND-DAVIS CLEAN WATER AGENCY JOINT POWERS AGREEMENT

THIS AMENDMENT TO AGREEMENT ("**Amendment**") is made by and between the City of Davis, a general law city ("**Davis**"), City of Woodland, a general law city ("**Woodland**"), and County of Yolo, a general law county ("**County**"). This Amendment will become effective on the date that it is signed by the last party to sign as indicated by the date associated with that party's signature below. Davis, Woodland and County (the "**Parties**") agree as follows:

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

A. On September 15, 2009, Davis and Woodland approved the Davis-Woodland Water Supply Project Authority Joint Powers Agreement, which created a joint powers authority known as the Davis-Woodland Water Supply Project Authority, which later was renamed as the Woodland-Davis Clean Water Agency (the "**Agency**"). Davis and Woodland established the Agency in order to develop, construct, operate, and maintain a water supply project known as the Davis-Woodland Water Supply Project (the "**Project**").

B. On February 26, 2013, Davis and Woodland amended the September 15, 2009 agreement through the approval of the Amended and Restated Woodland-Davis Clean Water Agency Joint Powers Agreement (the "**Joint Powers Agreement**"), which is on file with each of the Parties. Capitalized terms in this Amendment that are not otherwise defined shall have the meanings as set forth in the Joint Powers Agreement.

C. On March 23, 2015, Agency and University of California, Davis ("**UC Davis**") approved the Water Supply Contract Between Woodland-Davis Clean Water Agency and University of California, which was amended on June 29, 2015 (the "**UC Davis Agreement**"). The UC Davis Agreement provides for UC Davis to participate in the Project and receive water from the Agency. As authorized and contemplated by Joint Powers Agreement section 6.1.6, the UC Davis Agreement modified the tables in Joint Powers Agreement sections 6.1.1, 6.1.2, 6.1.3, 6.1.5 and 7.3.1 to show the Project Participant amounts and percentages that apply with UC Davis' participation in the Project.

D. Prior to this Amendment, Davis and Woodland have been the only members of the Agency and County and UC Davis have participated as Participating Agencies under the terms of the Joint Powers Agreement.

E. For the reasons explained in the Water Rights Taxation Dispute Settlement Agreement II dated February 25, 2020 between County and Agency (which is on file with each of the Parties), and for other reasons, the Parties desire to amend the Joint Powers Agreement to add the County as a party to Joint Powers Agreement and a member of the Agency and to make the Agency a countywide agency. The purpose of this Amendment is to add the County as a full party to the Joint Powers Agreement, make the County a full

member of the Agency, and make related revisions to the Joint Powers Agreement.

F. Joint Powers Agreement section 11.8 provides for and authorizes the addition of new parties to the Agency through an amendment of the Joint Powers Agreement.

2. Amendments to Agreement. Davis and Woodland amend the Agreement as set forth in this section 2. County approves the Joint Powers Agreement as modified by the amendments in this section 2.

A. County agrees to become a party to the Joint Powers Agreement and a member of the Agency. Davis and Woodland agree that County shall become a party to the Joint Powers Agreement and a member of the Agency. With this Amendment, the Parties intend that the boundaries of the Agency for purposes of the Act shall be the combined boundaries of each of the three members of the Agency.

B. Joint Powers Agreement section 1.3 is amended to read as follows:

1.3. "Agreement" and "Joint Powers Agreement" mean this Amended and Restated Joint Powers Agreement, as amended.

C. Joint Powers Agreement section 1.24 is amended to read as follows:

1.24. "Participating Agency" means UC Davis and any other future participating agency approved pursuant to section 4.2.

D. Joint Powers Agreement section 1.26 is amended to read as follows:

1.26. "Parties" mean the City of Davis, City of Woodland, and County of Yolo. "Party" means any one of the Parties.

E. Joint Powers Agreement section 1.30 is amended to read as follows:

1.30. "Project Participants" mean the City of Davis, City of Woodland, and UC Davis. "Project Participant" means any one of the Project Participants.

F. Section 1.41 is added to the Joint Powers Agreement to read as follows:

1.41. "Cities" mean the City of Davis and City of Woodland. "City" means any one of the Cities.

G. Section 1.42 is added to the Joint Powers Agreement to read as follows:

1.42. "County" means the County of Yolo.

H. Joint Powers Agreement section 4.1 is amended to read as follows:

4.1. Membership. The Parties and members of the Agency shall be the City of Davis, City of Woodland, and County of Yolo.

I. Joint Powers Agreement section 4.2.1 is amended to read as follows:

4.2.1. UC Davis shall participate as a Participating Agency with the Agency. UC Davis is a Participating Agency because UC Davis has transferred and assigned a water right permit application to the Agency and UC Davis is a Project Participant and receives Dedicated Capacity in the Project and a water supply from the Agency. The Agency Board may by resolution approve additional Participating Agencies.

J. Joint Powers Agreement section 4.3 is amended to read as follows:

4.3. Board of Directors. The Agency shall be governed by a legislative body known as the Board of Directors. The Board shall consist of four voting Directors, with two appointed by each City, and one non-voting Director appointed by County. The non-voting Director shall not be counted towards a quorum, and may not make, or second, motions. Each Party shall also select one alternate. Each voting Director shall be entitled to one vote.

4.3.1. A Participating Agency may appoint a non-voting member to the Board who shall sit with the Directors at Board meetings, and have the right to participate in public Board discussions but shall not be counted towards a quorum, and may not make, or second, motions. A Participating Agency may also appoint an alternate member to the Board to attend in absence of the designated Participating Agency representative.

K. Joint Powers Agreement section 4.4 is amended to read as follows:

4.4. Selection of Directors. Each City shall designate and appoint two representatives to serve as voting Directors on the Board, and County shall designate and appoint one representative to serve as a non-voting Director on the Board. Each Party also shall appoint an alternate Director. For the Cities, each representative (including the alternate) shall be a city council member. For the County, each representative (including the alternate) shall be member of the County Board of Supervisors. Alternates shall assume all rights of a Director representing the appointing entity and shall have the authority to act in the absence of a Director or in the event that a Director has a conflict of interest that precludes participation by the Director in any decision-making process of the Agency. Each Party shall give written notice to the Agency Secretary of the names of its Directors and alternate Director. The names of all directors and alternates shall be on file with the Board. Each of the Directors and alternate Directors shall hold office from the first meeting of the Board after the appointment of the Director or alternate Director until a successor is selected. Directors, alternate Directors and Participating Agency members shall serve at the pleasure of the governing body of their appointing Parties or agency and may be removed at any time, with or without cause, at the sole discretion of such governing body.

L. Joint Powers Agreement section 4.6.3 is amended to read as follows:

4.6.3. For the purposes of transacting the business of the Board, a quorum shall consist of three voting Directors and a majority vote of the four voting Directors (i.e., at least three affirmative votes) shall be required for any Board action, except where different voting requirements are provided for in this

Agreement or by state law. In calculating and determining any supermajority vote requirement, the denominator for purposes of the calculation shall be four.

M. Joint Powers Agreement sections 4.9, 6.3, 6.4, 10.3 and 10.4 are amended to change "Party" and "Parties" (wherever the terms appear in such sections) to "City" or "Cities," respectively.

N. Joint Powers Agreement sections 8 and 10.2 and Exhibit C are deleted.

O. Section 10.5 is added to the Joint Powers Agreement to read as follows:

10.5. County Withdrawal. County may withdraw from the Agency by resolution passed by the Board of Supervisors. County's withdrawal shall be effective one year following delivery of the resolution to the Agency, unless such time period is waived by resolution approved by the Board of Directors.

P. Joint Powers Agreement section 11.8 is amended to read as follows:

11.8. Amendment. Sections 6 and 7 of this Agreement may be modified or amended by a subsequent written agreement approved by the city council of each City and executed by both Cities. Other sections of this Agreement may be modified or amended by a subsequent written agreement approved by the governing board of each Party and executed by all Parties. The addition of new parties to the Agency shall require an amendment of this Agreement approved by the governing board of each Party and executed by all Parties.

Q. Joint Powers Agreement section 11.10 is amended to read as follows:

11.10. Notice. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement shall be in writing and either served personally or sent by prepaid, first class U.S. mail and addressed as follows:

Davis:	Woodland:	County:
City Manager City of Davis 23 Russell Boulevard Davis, CA 95616	City Manager City of Woodland 300 First Street Woodland, CA 95695	County Administrator County of Yolo 625 Court Street, Room 202 Woodland, CA 95695

Any Party may change its address by notifying the other Parties in writing of the change of address.

3. No Effect on Other Provisions. Except for the amendments in section 2 of this Amendment, the remaining provisions of the Joint Powers Agreement are unaffected and remain in full force and effect. Nothing in this Amendment affects or modifies the UC Davis Agreement or the tables in Joint Powers Agreement sections 6.1.1, 6.1.2, 6.1.3, 6.1.5 and 7.3.1 as modified by the UC Davis Agreement.

CITY OF DAVIS

Date: March 10, 2020

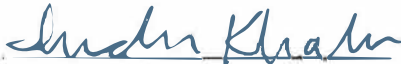
By: 

Brett Lee
Mayor

Attest:


City Clerk

Approved as to form:


Inder Khalsa
City Attorney

CITY OF WOODLAND

Date: Mar 9, 2020

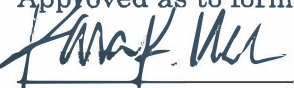
By: 

Lansburgh, Rich
Mayor

Attest:


City Clerk

Approved as to form:


Kara Ueda
City Attorney

COUNTY OF YOLO

Date: February 25, 2020

By: 

Gary Sandy
Chair, Board of Supervisors

Attest:


Clerk, Board of Supervisors

Approved as to form:
Philip J. Pogledich, County Counsel


Eric May
Senior Deputy County Counsel

WATER RIGHTS TAXATION DISPUTE SETTLEMENT AGREEMENT II

THIS SETTLEMENT AGREEMENT is made by and between Woodland-Davis Clean Water Agency, a joint powers authority ("**Agency**"), and County of Yolo, a general law county ("**County**"). This Agreement will become effective on the date that it is signed by the last party to sign as indicated by the date associated with that party's signature below ("**Effective Date**"). The parties agree as follows:

1. **Recitals.** This Agreement is made with reference to the following background recitals:

1.1. Agency purchased from Conaway Preservation Group, LLC ("**CPG**") 10,000 acre-feet/year of CPG's Sacramento River water rights (7,500 acre-feet in Shasta Reservoir critical dry years) and related interests (the "**Water Rights**"). Agency and the CPG closed on this transaction in 2014 and Agency acquired ownership of the Water Rights in 2016.

1.2. Agency diverts water under the Water Rights from an intake site (Yolo Co. APN 057-210-016) located on the Sacramento River just north of the I-5 bridge and outside the Davis and Woodland city limits (and therefore also outside the Agency limits) (the "**Intake Site**"). The Yolo County Assessor ("**Assessor**") determined under California Constitution article 13, section 11 that the Water Rights are taxable to Agency because the Water Rights were located (as determined based on the point of diversion) outside the Agency boundaries when they were acquired. The County Assessor assigned a separate assessor parcel number for the Water Rights: Yolo Co. APN 057-210-016-520. The County Assessor therefore issued a 2016-17 property tax bill for APN 057-210-016-520 to Agency in the sum of \$179,371.60, a 2017-18 property tax bill of \$186,858.24, a 2018-19 property tax bill of \$191,007.80, and a 2019-20 property tax bill of \$192,956.54. The Agency has paid each of these property tax bills in full (except for the second installment of the 2019-20 tax bill, which Agency intends to pay by the April 10, 2020 deadline).

1.3. Agency and County disagree about the valuation amount as determined by the County Assessor. Agency therefore has filed Applications for Review, Equalization and Adjustments (a separate application was filed for each tax year) with the State Board of Equalization ("**BOE**") requesting the BOE to review and adjust the assessments, BOE Appeal Nos. ARA17-001, ARA18-001, ARA18-002, and ARA19-001 (the "**BOE Appeals**"). In June 2018, the BOE approved a joint stipulation filed by the parties to stay the BOE Appeals pending settlement discussions and the approval and implementation of this Agreement. In subsequent stipulations filed with BOE, the parties agreed that the appeal of each tax year will be included in the stay of proceedings issued by the BOE.

1.4. In a Water Rights Taxation Dispute Settlement Agreement dated December 3, 2018, the parties agreed to settle the dispute contingent on the annexation of the Intake Site to the City of Woodland. The parties have reevaluated settlement options and now have decided upon an alternate settlement approach involving the County becoming a member of the Agency through an amendment to the joint powers agreement creating the Agency, as described in more detail below.

1.5. The parties have agreed that it is in their best interests to settle their disputes without further administrative proceedings before the BOE and possible litigation.

Therefore, without admitting fault or liability, they have agreed to resolve any claims related to the taxation of Agency's Water Rights that exist or may exist between them, as set forth below.

1.6. This Agreement supersedes the Water Rights Taxation Dispute Settlement Agreement between the parties dated December 3, 2018.

2. JPA Amendment to Make Agency Countywide

2.1. The parties agree that the Agency's boundaries for purposes of Article XIII, section 11 are the combined boundaries of its constituent members, which currently are the Cities of Davis and Woodland ("Cities"). The parties further agree that if the County becomes a member of the Agency, then the Agency's boundaries would be countywide. As a result, the Water Rights no longer would be located outside the Agency boundaries and no longer taxable under Article XIII, section 11, or subject to any property tax liens.

2.2. County agrees to join Agency as a member by approving and signing Amendment No. 1 to Amended and Restated Woodland-Davis Clean Water Agency Joint Powers Agreement ("**Amendment No. 1**") in the form as shown on the attached Exhibit A. Amendment No. 1 also requires approval by the Cities. Agency (which is created by, but not a party to, the joint powers agreement) supports approval of Amendment No. 1.

2.3. If County and the Cities approve and sign Amendment No. 1, then the parties will proceed to implement the remainder of this settlement as described below. If Amendment No. 1 is not approved and signed by County and the Cities during the term of this Agreement, then this Agreement shall terminate in accordance with the terms of section 6 and Agency thereafter may renew its prosecution of the BOE Appeals.

2.4. The parties agree that as of the effective date of approval of Amendment No. 1, the Water Rights become nontaxable and are discharged from all property tax liens pursuant to BOE Property Tax Annotation 490.0016 and *City of Long Beach v. Board of Supervisors* (1958) 50 Cal.2d 674, 678.

3. BOE Stipulated Order

3.1. If County and the Cities approve and sign Amendment No. 1, the parties shall request the BOE to order that the assessed value of the Water Rights be reduced to zero and that the County Department of Financial Services ("**County DFS**") issue property tax refunds to Agency for tax years 2016-17, 2017-18, 2018-19 and 2019-20. Accordingly, within one week after the effective date of Amendment No. 1, the parties through their attorneys shall sign the stipulated order in the form as shown on the attached Exhibit B ("**Stipulated Order**") and file it with the BOE.

3.2. If BOE approves the Stipulated Order, then, within 30 days of BOE's approval, (a) the Assessor shall enter the value of zero on the local assessment roll for the Water Rights for the assessment years 2016-17, 2017-18, 2018-19, and 2019-20, and (b) the County DFS shall issue property tax refunds to Agency in the amounts of \$179,371.60, \$186,858.24, \$191,007.80, and \$192,956.54. Agency agrees to forgo any interest that may have accrued or may be payable on any refunded tax payments.

3.3. If the BOE does not approve the Stipulated Order to apply the exemption retroactively, then County will take a non-opposition position to Agency's petitions and the valuations sought in the BOE Appeals. Agency will then proceed with the BOE Appeals until final resolution. If the process of final resolution includes a property tax refund action in Superior Court, County will execute a stipulation for entry of judgment in the form as shown on the attached Exhibit C. If the process of final resolution includes a judicial action other than a refund action, then County will take a non-opposition position. Within 30 days of BOE's final adjudication, or if appealed any final court judgment, (a) the Assessor shall enter the adjudicated values on the local assessment roll for the Water Rights for the assessment years 2016-17, 2017-18, 2018-19, and 2019-20, and (b) the County DFS shall issue property tax refunds to Agency in the amounts dictated by those values.

3.4. BOE has granted the parties' joint stipulation for a stay of the BOE Appeals pending implementation of a settlement under the terms of the superseded settlement agreement dated December 3, 2018. The BOE stipulation refers to a stay pending annexation of the Intake Site to the City of Woodland, which is no longer the settlement plan. The parties therefore agree to jointly prepare and file with the BOE a modified stipulation for a stay of the BOE proceedings pending implementation of the modified settlement under this Agreement.

4. 2020-21 Tax Bill. If this settlement is not previously implemented, the 2020-21 assessment roll will include an assessed value for the Water Rights and in fall 2020, County will issue to Agency a Water Rights property tax bill for 2020-21. If the settlement is not implemented and completed prior to November 30, 2020, then Agency shall file another Application for Review, Equalization and Adjustments with BOE to challenge the 2020-21 tax bill and Agency shall pay the tax bill installment(s). If Agency files an Application for Review, Equalization and Adjustments for the 2020-21 assessed value, then the scope of the Stipulated Order and the parties' actions under section 3 shall be modified to incorporate the 2020-21 assessment, tax bill payment(s), and refund.

5. Indemnification and Defense

5.1. To the extent allowed by law, Agency shall indemnify, defend and hold harmless the County, its officers, agents, and employees from and against any and all claims, damages, demands, losses, defense costs, expenses (including attorneys' fees) and liability of any kind or nature arising out of or resulting from Agency's performance or failure to perform its obligations of this Agreement. In addition, Agency shall reimburse County for any expenses and attorneys' fees reasonably incurred in defending the validity of this Agreement or the legality of any action taken hereunder. Agency's obligations under this section shall survive the termination or completion of this Agreement for the full period of time allowed by law.

5.2. To the extent allowed by law, County shall indemnify, defend and hold harmless the Agency, its officers, agents, and employees from and against any and all claims, damages, demands, losses, defense costs, expenses (including attorneys' fees) and liability of any kind or nature arising out of or resulting from County's performance or failure to perform its obligations under this Agreement. County's obligations under this section shall survive the termination or completion of this Agreement for the full period of time allowed by law.

6. Term and Termination. Except as otherwise provided herein, this Agreement shall terminate by the earlier of (a) one year from the Effective Date (or such longer period as may be approved by the County Administrator and Agency's General Manager in writing), or (b) if County, City of Davis, and City of Woodland approve Amendment No. 1, upon the payment of the refunds under Section 3.

7. General Provisions

7.1. **Attorneys' Fees.** Except as provided herein, each party shall bear its own attorneys' fees, costs and expenses arising out of or connected with the disputes that are the subject of this Agreement, including but not limited to all attorneys' fees, costs and expenses relating to the BOE Appeals or arising out of the disputes between the parties or the negotiation, drafting and execution of this Agreement.

7.2. **Integration.** This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this contract among the parties concerning the subject matter addressed herein, and supersedes all prior negotiations, representations or agreements, either oral or written, that may be related to the subject matter of this Agreement.

7.3. **Construction.** The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

7.4. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the parties and their respective officers, directors, employees, agents, and successors.

7.5. **Amendment.** This Agreement may be modified or amended only by a subsequent written agreement approved and executed by all parties.

7.6. **Governing Law.** Except as otherwise required by law, this Agreement shall be interpreted, governed by, and construed under the laws of the State of California.

7.7. **Further Assurances.** In order to carry out and give full effect to this Agreement, each party will use all reasonable efforts to provide such information, sign and deliver such further instruments and documents, and take such actions as may be reasonably requested by the other party, so long as not inconsistent with the provisions of this Agreement and not involving the assumption of obligations or liabilities different from, in excess of, or in addition to those expressly provided for in this Agreement. The parties will reasonably cooperate with each other to carry out the purpose and intent of this Agreement, including


providing assistance in processing the Stipulated Order required to implement this settlement.


COUNTY OF YOLO


WOODLAND-DAVIS CLEAN
WATER AGENCY

Date: 2/25/20

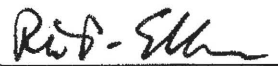
Date: 2/12/2020

By: 
Gary Sandy
Chair, Board of Supervisors

By: 
Timothy Busch
General Manager


Chad Rinde
Chief Financial Officer (in his
capacity as County Tax Collector)

Approved as to form:



Richard P. Shanahan
General Counsel


Jesse Salinas
Clerk-Recorder/Registrar of
Voters/Assessor

Attest:
Julie Dachtler, Deputy Clerk
Board of Supervisors

By: 


Approved as to form:


Philip J. Pogledich
County Counsel