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**THIRD AMENDMENT TO
1995 MASTER WATER AGREEMENT
between
SOLANO IRRIGATION DISTRICT and CITY OF VACAVILLE**

This Third Amendment to the 1995 Master Water Agreement, originally entered into on the 25th day of May, 1995 (hereinafter referred to as “Agreement”) by and between the SOLANO IRRIGATION DISTRICT, an irrigation district formed and existing under the laws of the State of California (hereinafter referred to as “DISTRICT”) and the CITY OF VACAVILLE, a municipal corporation, formed and existing under the laws of the State of California (hereinafter referred to as “CITY”), is entered into on this 22nd day of June, 2018 (the “Effective Date”) by CITY and DISTRICT, and the parties do agree, stipulate and covenant as follows:

RECITALS

A. **Background of the First Amendment to the Agreement.** The Agreement was previously amended by the First Amendment to Master Water Agreement, effective from and after November 20, 2001. CITY’S anticipated growth rate during the late 1990s did not reach levels anticipated at the time the Agreement was executed in 1995. Therefore, at the request of CITY, the First Amendment created a ten-year “Suspension Period” that relieved CITY of certain obligations under Section 5.2 of the Agreement regarding minimum payments and scheduled purchases of water.

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B. Background of the Second Amendment to the Agreement. With the expiration of the ten-year Suspension Period established by the First Amendment, the Second Amendment to Master Water Agreement, effective from and after February 28, 2010, was executed to re-establish water purchases, schedules for increasing water purchases, and the cost of water purchases, including an annual Consumer Price Index adjustment to the unit purchase price for water.

C. Background for the Third Amendment to the Agreement. CITY wishes to expand its developed area east of Leisure Town Road up to the westerly edge of the PG&E transmission line right of way, as contemplated in Sections 3.E and 8.A.2 of the Agreement, and included in the CITY'S adopted 2015 General Plan Update (hereinafter referred to as "2015 General Plan).

DISTRICT wishes to protect its continued ability to provide economic water service to prime irrigated agricultural soils in Solano County.

CITY and DISTRICT acknowledge that accommodating reasonable urban growth while maintaining productive agriculture on prime soils with agricultural water prices that remain economical for farmers and orchardists, as stated in Recitals 3 and 4 of the Agreement, are consistent with the mutual goals of DISTRICT and CITY as stated in the Agreement.

45 CITY and DISTRICT further acknowledge that a Third Amendment to the
46 Master Water Agreement (hereinafter referred to as “Third Amendment”) is
47 necessary to allow CITY to accomplish its urban growth goals while mitigating
48 impacts to DISTRICT resulting from urban growth (described above as east of
49 Leisure Town Road up to the westerly edge of the PG&E transmission line right of
50 way) which is beyond the limitations established under the terms and conditions of
51 the Agreement and the First and Second Amendments.

52 Each of the Background Facts above is a true and correct statement and is
53 incorporated within this Third Amendment to the Master Water Agreement.
54

55 **NOW THEREFORE, THE PARTIES DO AGREE AS FOLLOWS:**

56 **A. Loss of Farmland – Amendment of Section 3.D of the Agreement.**

57 1.0 CITY and DISTRICT agree that developers proposing to annex and/or
58 develop land for urban uses in the East of Leisure Town Road Growth Area
59 within the Urban Growth Boundary, as shown as Area B on the Proposed
60 City of Vacaville Urban Growth Boundary Map, adopted March 25, 2008
61 by City of Vacaville Resolution No. 2008-31, attached hereto as “Exhibit 3-
62 1” , and in Figure LU-3 of the adopted 2015 General Plan, attached hereto
63 as “Exhibit 3-2”, both of which are incorporated herein by this reference,
64 shall mitigate impacts on agricultural and open space lands by preserving,

65 to the extent consistent with applicable law, for each acre of land
66 developed, at least one acre of agricultural land outside of the Urban
67 Growth Boundary pursuant to the 2008 Settlement Agreement between
68 CITY and the Greenbelt Alliance. This mitigation requirement shall be
69 imposed and enforced by CITY as part of the development review and
70 approval process, and may be met by the land developer by purchasing said
71 mitigation lands in fee or by obtaining permanent agricultural conservation
72 easements over existing agricultural lands.

73 2.0 The 2008 Settlement Agreement between CITY and the Greenbelt Alliance
74 required the mitigation for loss of agricultural lands to occur within a one-
75 mile radius of the Urban Growth Boundary. Due to the limited availability
76 of agricultural land that meets this requirement, CITY and the Solano Land
77 Trust have agreed to allow the acquisition of agricultural conservation
78 easements and/or land purchases beyond the one-mile radius as satisfaction
79 of the mitigation requirement as reflected in CITY'S 2015 General Plan
80 policy LU-P5.2 . CITY and DISTRICT agree that the agreements and
81 understandings set forth in subsections 1.0 and 2.0 above provide adequate
82 mitigation for the loss of agricultural lands in the East of Leisure Town
83 Road Growth Area and that there shall be no restrictions on the location of

84 lands or easements acquired in satisfaction of this mitigation requirement
85 relative to the Agreement.

86 3.0 CITY and DISTRICT agree that Section 3.D of the Agreement shall be
87 amended to read in full as follows:

88 “D. During the term of this Agreement, in the area to the east of
89 the City of Vacaville Urban Growth Boundary, east of the East of Leisure
90 Town Road Growth Area, as shown on Exhibits 3-1 and 3-2, , except in
91 that portion of the Roberts Ranch development located east of the 2015
92 General Plan Urban Growth Boundary and west of the Union Pacific
93 Railroad (UPRR) right of way identified as Detention Basin or as Greenbelt
94 Buffer, and as shown on Exhibit 3-3 attached hereto and incorporated
95 herein by this reference. Changes to future General Plans by CITY or
96 changes in agreements with the County of Solano or agreements with third
97 party entities regarding preservation of agricultural or open space use that
98 expand the urban growth boundary, shall not constitute agreement by
99 DISTRICT to further expansion in violation of the terms of this
100 Agreement.”

101 **B. Agricultural Greenbelt-Buffers – Amendment of Section 8.A.2. of the**
102 **Agreement.**

103 1.0 CITY and DISTRICT agree that the establishment of buffers and transition
104 areas between areas designated for urban development in the 2015 General
105 Plan and agricultural lands is essential to the preservation of agricultural
106 lands and the orderly urban development of CITY. For this reason, Section
107 8 of the Agreement identified three greenbelt-buffers to be maintained
108 during the term of the Agreement.

109 2.0 CITY'S 2015 General Plan identifies the eastern edge of CITY'S Urban
110 Growth Boundary in the East of Leisure Town Road Growth Area as
111 coinciding with the western edge of the 385-foot PG&E transmission main
112 easement from the southern boundary of the 20-foot SID Kilkenny Canal
113 Lateral 4-2 easement (3-R-173) at the southern boundary of the Locke
114 Paddon Colony to the northwestern boundary of the UPRR right of way,
115 and coinciding with the northwestern boundary of the UPRR right of way
116 from the western edge of the PG&E transmission line right of way to the
117 eastern boundary of the Vanden Road right of way.

118 3.0 Proposed land use changes in the East of Leisure Town Road Growth Area
119 in the 2015 General Plan require revisions to the greenbelt-buffer identified
120 in Section 8.A.2 of the Agreement. CITY and DISTRICT agree that
121 Section 8.A.2 of the Agreement is amended to read in full as follows:

122 “2. a. A greenbelt-buffer of three hundred feet (300’) in
123 width west of and parallel to CITY’S Urban Growth Boundary,
124 which is contiguous to the westerly boundary of the PG&E
125 transmission line right of way, extending from the southern edge of
126 the 20-foot SID Kilkenny Canal Lateral 4-2 easement (3-R-173) at
127 the southern boundary of the Locke Paddon Colony, as that urban
128 development exists on the date of this Third Amendment, to the
129 northerly limit of the Elmira Road right of way.

130 b. A greenbelt-buffer of five hundred feet (500’) in
131 width for the Brighton Landing development west of and parallel to
132 the easterly boundary of the 385-foot PG&E transmission line right
133 of way, extending from the southerly limit of the Elmira Road right
134 of way to the southerly limit of the Brighton Landing development,
135 approximately two-thousand two-hundred eight feet (2,208’) south
136 of the Elmira Road right of way as measured along the westerly
137 boundary of the PG&E transmission line right of way, as shown in
138 Exhibit 3-3.

139 c. A greenbelt-buffer with a radius of 500-feet
140 extending from the intersection of the greenbelt buffer described in
141 Section 8.A.2.b with the southerly limit of the Brighton Landing

142 development through an arc of 90 degrees and then extending in a
143 straight line parallel to and five hundred feet (500') south of the
144 southern limit of the Brighton Landing development to the
145 intersection with the greenbelt line running parallel to the UPRR
146 right-of-way and the SID Dally Canal (3-R-353) described in
147 Section 8.A.2.d, and as shown in Exhibit 3.3.

148 d. A greenbelt buffer of five hundred feet (500') in
149 width northwest of and parallel to the UPRR right of way and the
150 SID Dally Canal (3-R-353), measured from the southeastern
151 boundary of the SID Dally Canal, extending from the intersection
152 with the greenbelt buffer parallel to the southern boundary of the
153 Brighton Landing development and described in Section 8.A.2.c to
154 the northern boundary of Fry Road, and as shown in Exhibit 3-3.”

155 4.0 CITY and DISTRICT agree CITY may permit or participate in
156 urban development within the East of Leisure Town Road Growth
157 Area located easterly of a line measured 1,000 feet from the easterly
158 edge of the right of way of Leisure Town Road up to the easterly
159 boundaries of the greenbelt-buffer areas as defined in this Section
160 (hereinafter referred to as “the Additional Area”), provided the other

161 terms of this Third Amendment, the Second Amendment, and the
162 Agreement are fully complied with.

163

164 **C. Loss of DISTRICT Revenues Due to Detachment of Agricultural Land –**
165 **Amendment of Agreement to Add Additional Terms.**

166 1.0 CITY and DISTRICT agree that the detachment of agricultural lands from
167 DISTRICT’S service area in order to urbanize impacts DISTRICT’S ability
168 to provide economic water service to remaining agricultural lands within
169 DISTRICT due to direct loss of DISTRICT revenues from water sales and
170 due to loss of economic efficiencies in the operation and maintenance of
171 DISTRICT facilities. CITY and DISTRICT agree that a new Section 10,
172 entitled “Detachment of Agricultural Lands from DISTRICT for
173 Urbanization” shall be added to the Agreement to read in full as follows:

174

175 **“SECTION 10. DETACHMENT OF AGRICULTURAL LANDS**
176 **FROM DISTRICT FOR URBANIZATION**

177

178 A. CITY and DISTRICT agree that all lands in the East of Leisure
179 Town Road Growth Area being considered for urbanization in CITY’S
180 2015 General Plan, from the eastern edge of the Leisure Town Road right

181 of way to the eastern boundary of the greenbelt-buffer areas described in
182 Section 8.A.2 of the Agreement, as revised by this Third Amendment, shall
183 be required to detach from DISTRICT and annex to CITY prior to
184 urbanization. These lands being considered for urbanization and subject to
185 detachment from DISTRICT will hereinafter be referred to as “the
186 Detachment Area”.

187 B. DISTRICT is currently in the process of updating its studies for
188 Local Agency Formation Commission (LAFCo) Detachment Fees
189 (hereinafter referred to as “the Detachment Fee”). The Detachment Fee is
190 applicable to the gross acreage of all lands detaching from DISTRICT, i.e.
191 the Detachment Area, whether already developed for urban purposes or
192 planned to be developed for urban purposes.

193 C. DISTRICT has also prepared preliminary estimates of the cost to
194 expand or improve DISTRICT facilities to bring new irrigated lands into
195 DISTRICT or provide additional irrigation water to existing irrigated
196 DISTRICT lands in other areas of Solano County to replace revenues lost
197 to DISTRICT due to lands in the East of Leisure Town Road Growth Area
198 detaching from DISTRICT. DISTRICT estimates the replacement costs to
199 be equal to \$10,000 per gross acre detaching from DISTRICT in the East of
200 Leisure Town Road Growth Area. DISTRICT is currently preparing an

201 Engineering Study to substantiate a revised Detachment Fee in the amount
202 of \$10,000 per acre and expects to present it to the LAFCo Board in early
203 2018.

204 D. CITY and DISTRICT agree upon a two-tiered approach to mitigate
205 for lost DISTRICT revenues due to lands detaching from DISTRICT.

206 1. CITY agrees to support DISTRICT'S efforts with LAFCo for
207 a revised Detachment Fee of \$10,000 per acre, plus additional fees
208 related to DISTRICT debt, to be adjusted annually commencing
209 January 1 of the calendar year following execution of this 3rd
210 Amendment, by the Cost of Living Index specified in Paragraph 5.2
211 of the Agreement. If that fee is approved and ordered paid by
212 LAFCo as to the Detachment Area and paid, no other detachment
213 mitigation payment provisions of this Agreement will apply to the
214 Detachment Area for which the fee is paid.

215 2. In the event LAFCo adopts a Detachment Fee of less than
216 \$10,000 per acre, plus fees related to DISTRICT debt, for
217 detachment of lands from DISTRICT, and the developer proposing
218 the development tenders the LAFCo established Detachment Fee,
219 CITY shall nevertheless require the developer, as part of the
220 development review and approval process, to enter into a written

221 agreement with DISTRICT addressing developer's payment to
222 DISTRICT of the total difference between the final LAFCO per-acre
223 Detachment Fee and the \$10,000 per acre amount. This per acre
224 difference (hereinafter referred to as "the Detachment Mitigation
225 Payment") shall be multiplied by the total gross acreage of the lands
226 detaching from DISTRICT and annexing to CITY. CITY agrees to
227 not issue final approval of subdivision maps for the development
228 (exclusive of "large lot" subdivision maps) or issue building permits
229 for properties not requiring a subdivision map until CITY has
230 received confirmation that the Detachment Mitigation Payment
231 agreement has been entered into or, in the alternative, that the
232 Detachment Mitigation Payment has been made to DISTRICT.

233 E. When the Detachment Mitigation Payments are made, DISTRICT
234 agrees those monies shall be placed in a separate fund to be used
235 exclusively for the expansion or improvement of DISTRICT facilities to
236 bring new irrigated lands or provide additional irrigation to existing
237 irrigated lands in other areas of Solano County to replace future revenues
238 DISTRICT has lost due to lands in the East of Leisure Town Road Growth
239 Area detaching from DISTRICT. DISTRICT agrees to prepare a report at a
240 minimum of every five years to show the amount of Detachment Mitigation

241 Payments received, and an itemization of expenditures on DISTRICT
242 facilities to mitigate for lost DISTRICT revenues due to detachment. A
243 copy of this report shall be provided to CITY for informational purposes
244 and compliance with this Third Amendment.

245 F. CITY and DISTRICT agree that CITY has no regulatory authority
246 over the establishment or collection of Detachment Fees and/or Detachment
247 Mitigation Payments, and DISTRICT shall defend and indemnify CITY
248 and hold CITY harmless from and against any legal claims, demands,
249 actions, or liability arising from or in any way related to Detachment Fees
250 and/or Detachment Mitigation Payments.

251 G. CITY and DISTRICT agree all of the Detachment Fees and
252 Detachment Mitigation Payments shall be payable directly from the
253 developer to DISTRICT and shall not be credited against the costs to
254 refurbish, replace or relocate water conveyance or control facilities of
255 DISTRICT as a result of detachment from DISTRICT.

256 H. CITY and DISTRICT further agree that the costs of any
257 refurbishment, replacement, or relocation work of DISTRICT facilities
258 necessary for the development of detaching lands shall be borne by the
259 landowner or developer of lands in the East of Leisure Town Growth Area,
260 and shall be paid as specified in the written agreement between the

261 developer and DISTRICT referred to in Section 10.D.2 of the Agreement as
262 amended by this Third Amendment.

263 I. CITY and DISTRICT agree that the landowner or developer of the
264 land that is detaching from DISTRICT shall pay the LAFCo Detachment
265 Fee and Detachment Mitigation Payment directly to DISTRICT, and not as
266 a special tax levy or assessment added to the County of Solano or CITY tax
267 bills, if any.

268 J. CITY and DISTRICT agree that the written agreement between the
269 landowner or developer and DISTRICT referred to in Section 10.D.2,
270 above, and all other documents necessary to accomplish the detachment and
271 annexation to CITY shall be executed and recorded prior to such
272 detachment and annexation.”

273

274 **D. CITY Provision of Potable Water to DISTRICT**

275 1.0 CITY and DISTRICT agree there shall be added to the Agreement a new
276 Section 11 entitled **CITY Provision of Potable Water to DISTRICT**,
277 which shall read in full as follows:

278

279 **“SECTION 11. CITY PROVISION OF POTABLE WATER TO**
280 **DISTRICT**

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A. DISTRICT provides treated water to certain specific areas of its service area. Treated water service is currently supplied to those areas located outside, but adjacent, to the Vacaville city limits. These potable water systems are the Gibson Canyon Water System, the Elmira Water System, and the Stocking Ranch Water System. DISTRICT is interested in establishing mechanisms and procedures for purchasing potable water from CITY to serve DISTRICT'S customers in these three service areas, either as an alternative to DISTRICT'S existing potable water systems, or as a backup potable water supply.

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B. CITY and DISTRICT agree that CITY providing urban services to areas outside the city limits is unusual, but not without precedent. For example, CITY provides fire protection services outside the city limits under mutual aid agreements with other agencies. CITY and DISTRICT agree that CITY'S provision of potable water to DISTRICT as an alternative water supply, or as a backup water supply, is reflective of the cooperative relationship between the two agencies.

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C. If agreement to serve is achieved between CITY and DISTRICT,

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CITY and DISTRICT agree that CITY'S provision of potable water to

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DISTRICT shall be provided through a single metered water connection to

301 CITY'S potable water distribution system for any of the DISTRICT'S three
302 said potable water systems, at which point DISTRICT will be considered to
303 be a commercial customer of CITY. CITY and DISTRICT further agree
304 that DISTRICT will be the sole customer of CITY from said connection,
305 and that once DISTRICT takes possession of potable water at said
306 connection, DISTRICT shall be solely responsible for the delivery, use,
307 maintenance, quality, and all other aspects of serving the potable water on
308 DISTRICT'S side of the connection.

309 D. DISTRICT understands and agrees that should DISTRICT elect to
310 purchase potable water from CITY, such purchase does not grant to
311 DISTRICT or to any properties served by DISTRICT any other rights to
312 CITY services, such as a connection to CITY'S wastewater collection and
313 treatment system. DISTRICT agrees that DISTRICT shall not seek or
314 encourage the annexation to CITY of any of the unincorporated lands
315 DISTRICT serves with such potable water, unless said unincorporated
316 lands are within CITY'S current Urban Growth Boundary or are within a
317 future revised Urban Growth Boundary established by an amendment to the
318 2015 General Plan. DISTRICT further agrees that the service of potable
319 water by CITY shall not provide any priority or right to the geographic area
320 served for annexation, or the receipt of any other CITY services, or to the

321 continued provision of potable water upon expiration or termination of the
322 Agreement.

323 E. CITY and DISTRICT agree that if DISTRICT elects to
324 connect to CITY'S potable water system in order to serve all or a
325 portion of one or more of its potable water service systems (i.e.
326 Gibson Canyon, Elmira or Stocking Ranch areas), DISTRICT shall
327 be subject to and comply with any and all CITY rules, regulations
328 and policies regarding connection to and use of CITY's potable
329 water system, including but not limited to Title 13, Chapter 13.12 of
330 the Vacaville Municipal Code as may be amended or renumbered
331 from time to time, and shall pay the current standard CITY Water
332 Connection Fee in place at the time of the connection for the size of
333 meter installed. CITY shall, in its reasonable discretion, determine
334 the size of meter to be installed based upon estimated demand
335 provided by DISTRICT. If the size of connection and meter,
336 required by CITY to be of equal diameter, is larger than the standard
337 4-inch meter listed in CITY'S table of Connection & Development
338 Impact Fees, DISTRICT shall pay a Connection Fee that is of equal
339 ratio to the standard 4-inch Connection Fee that the ratio of the
340 cross-sectional area of the actual connection pipe and meter is to the

341 cross-sectional area of a 4-inch diameter pipe and meter, i.e. a 6-inch
342 diameter connection with cross-sectional area of 0.7854 square feet
343 is 2.25 times the cross-sectional area of 0.3491 square feet for a 4-
344 inch diameter connection, thus requiring a Connection Fee of 2.25
345 times the established 4-inch Connection Fee. DISTRICT shall pay
346 the Water Connection Fee in installments, with zero interest (0%
347 interest), spread equally over the number of full CITY billing cycles
348 remaining on the term of the Agreement. Example: If the
349 connection is made when there is exactly 30 years remaining on the
350 term of the Agreement, a hypothetical connection fee of \$100,000
351 may be paid over 180 billing cycles (6 billing cycles per year) at
352 \$555.56 per billing cycle. The term for payment of the Water
353 Connection Fee shall not be modified if any future amendment to the
354 Agreement extends the term of the Agreement. If the Agreement is
355 terminated for any reason prior to the expiration date, CITY shall
356 cease billing DISTRICT for Water Connection Fee installment
357 payments on the first billing cycle that occurs after the water meter
358 has been removed by CITY per Section 11.G.

359 F. CITY and DISTRICT agree that CITY will bill DISTRICT at the
360 standard Commercial Water Rate for water service in effect at the time of

361 billing, including both the Basic Fixed Rate based upon meter size, Volume
362 Charges based upon volume of water flowing and delivered to DISTRICT
363 as measured by the meter, Backflow Prevention Charges, and any
364 additional standard CITY fees related to water service. DISTRICT
365 understands and agrees that once a DISTRICT service system is connected
366 to the CITY system, DISTRICT shall pay the Basic Rate for each billing
367 cycle and any applicable Volume Charges for water taken. CITY agrees
368 that it will not apply a “take or pay” requirement where DISTRICT pays for
369 an agreed upon amount of water, whether the water is delivered to
370 DISTRICT or not.

371 G. DISTRICT understands and agrees that any connections of
372 DISTRICT service areas to the CITY water system shall remain in effect
373 only as long as the Agreement is in place. If the Agreement expires, or is
374 terminated for any reason, CITY shall, not earlier than one-hundred eighty
375 (180) days after expiration or termination of the Agreement, remove the
376 water meter and discontinue providing water service or backup water
377 service to DISTRICT. DISTRICT shall be responsible for all water usage
378 and billing charges incurred through the date the water meter is removed
379 and water service or backup water service to DISTRICT is discontinued.
380 Upon disconnection from the CITY water system, DISTRICT shall be

381 solely responsible for continued water service to DISTRICT customers
382 whether by reestablishing the water service provisions DISTRICT had
383 with their customers prior to this Third Amendment becoming effective or
384 by establishing other water service arrangements.

385 H. CITY shall invoice DISTRICT and DISTRICT shall have sole
386 responsibility for invoicing its customers. CITY's invoice to DISTRICT
387 may include language confirming that DISTRICT (and not DISTRICT's
388 individual customers) is CITY's customer; and that DISTRICT is solely
389 responsible for the delivery, use, maintenance, quality, and all other
390 aspects of serving the potable water on DISTRICT'S side of the
391 connection. DISTRICT's invoices to its customers shall be clear that
392 DISTRICT is the service provider. DISTRICT shall not take any action or
393 provide any information that could lead its customers to believe that they
394 are customers of CITY.

395 I. CITY and DISTRICT acknowledge that service connections to
396 CITY water system (including, but in no way limited to, connections in the
397 vicinity of Farrell Road to serve DISTRICT'S Gibson Canyon Service
398 Area), may trigger the need for CITY water system improvements, such as
399 looping the water main system, as more specifically set forth in subsection
400 J, below. Such improvements may include, but are in no way limited to,

401 the construction of new pipelines, or other improvements, giving desired
402 redundancy and reliability to CITY'S water system and DISTRICT'S
403 service connection.

404 J. CITY and DISTRICT agree that CITY will perform an analysis of
405 the water system capacity and function in the vicinity of any requested
406 DISTRICT connections to CITY water system upon request, using
407 DISTRICT water demand values provided by DISTRICT, to reasonably
408 determine if water system improvements are necessary to serve
409 DISTRICT's requested service connection. CITY will provide to
410 DISTRICT copies of any studies and analysis performed. After conclusion
411 of that analysis, CITY agrees to discuss and provide to DISTRICT its
412 written views, calculations, alternatives and factors entering into the
413 CITY's determination, and fully communicate with DISTRICT the factors
414 leading CITY to consider the alternative actions available to CITY in a
415 prompt and professional fashion. CITY agrees to respond to any inquiries,
416 calculations and analysis of DISTRICT in writing. After that good faith
417 exchange, CITY shall, in the exercise of its sole discretion, determine
418 whether water system improvements are necessary to serve potable water to
419 DISTRICT at the requested connection(s). CITY and DISTRICT further
420 agree if CITY determines water system improvements are necessary,

421 improvements to CITY'S water system shall be designed by CITY to meet
422 current CITY and State design requirements and standards in place at the
423 time, and that DISTRICT shall not connect to the water system until such
424 improvements are completed. CITY and DISTRICT agree to work together
425 to develop and analyze potential funding options to provide such
426 improvements which will equitably spread the costs of the required
427 improvements. The final decision whether to implement water system
428 improvements to serve DISTRICT, or not, shall be at the sole discretion of
429 CITY. CITY agrees to not unreasonably withhold or delay water system
430 improvements necessary to serve DISTRICT.

431 K. CITY and DISTRICT agree that CITY is not obligated to fund
432 improvements necessary for DISTRICT connection to CITY water system
433 that are not included in the CITY's Capital Improvement Program (CIP), or
434 are included in the CIP, but are scheduled for funding in a year later than
435 that requested by DISTRICT. In the event DISTRICT requests connection
436 to CITY water system and improvements are necessary to serve DISTRICT
437 and future CITY development, but are not necessary to serve current CITY
438 customers, DISTRICT may offer to fund the improvements and be
439 reimbursed at a later date through a benefit assessment district to be created
440 by CITY. Such a benefit assessment district shall identify parcels of

441 undeveloped land proposed to be developed in CITY'S 2015 General Plan,
442 or a later version of that General Plan, that would benefit from the
443 improvements funded by DISTRICT when urbanizing, and would be
444 subject to the reimbursement requirements of the benefit assessment
445 district. In the event DISTRICT requests connection to CITY water system
446 and improvements are necessary to serve DISTRICT but are not necessary
447 to serve existing or future CITY development, DISTRICT shall be solely
448 responsible for costs of the necessary improvements.

449 L. Recognizing that the calculation of benefits received and costs
450 properly apportioned may be subjective and difficult to accomplish, CITY
451 and DISTRICT agree to promptly and in good faith exchange data, views
452 and calculations for CITY to use in the creation of the benefit assessment
453 district, should interconnection with CITY's treated water system of any of
454 DISTRICT's service areas be requested by DISTRICT and agreed to by the
455 parties.

456 M. CITY and DISTRICT agree that any potable water supplied by
457 CITY to DISTRICT at DISTRICT service connections will come from
458 CITY'S existing supply entitlements under the Agreement, and no
459 adjustment in those quantities specified in the Agreement shall be made in
460 order to serve DISTRICT's service areas with potable water.

461 N. By entering into this Third Amendment the Vacaville City Council
462 expressly approves the extension of water service to one or more of the
463 DISTRICT's service areas set forth above which are not within the City
464 limits, as required by Vacaville Municipal Code section 13.12.270."

465 **E. Renumbering of Sections 10 and 11: Remedies for Violation of the Agreement**
466 **and Miscellaneous Provisions**

467 1.0 CITY and DISTRICT agree that Section 10 of the Agreement: entitled
468 "Remedies for Violation of Agreement" shall be renumbered Section 12:
469 and entitled "Remedies for Violation of Agreement."

470 2.0 CITY and DISTRICT agree that Section 11 of the Agreement:
471 Miscellaneous Provisions shall be renumbered Section 13: Miscellaneous
472 Provisions.

473
474 CITY and DISTRICT agree that in all other respects and manners, the 1995
475 Master Water Agreement, as amended by the First Amendment dated November 20,
476 2001, as amended by the Second Amendment effective March 1, 2010, and as hereby
477 amended shall remain in full force and effect.

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481 CITY OF VACAVILLE

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By: Leonard Augustine
Mayor 6-22-18

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Attest: Mickie A. Johnson
City Clerk

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SOLANO IRRIGATION DISTRICT

By:

John Kluge
President

Attest:

Cynthia
Secretary

Exhibit 3-1

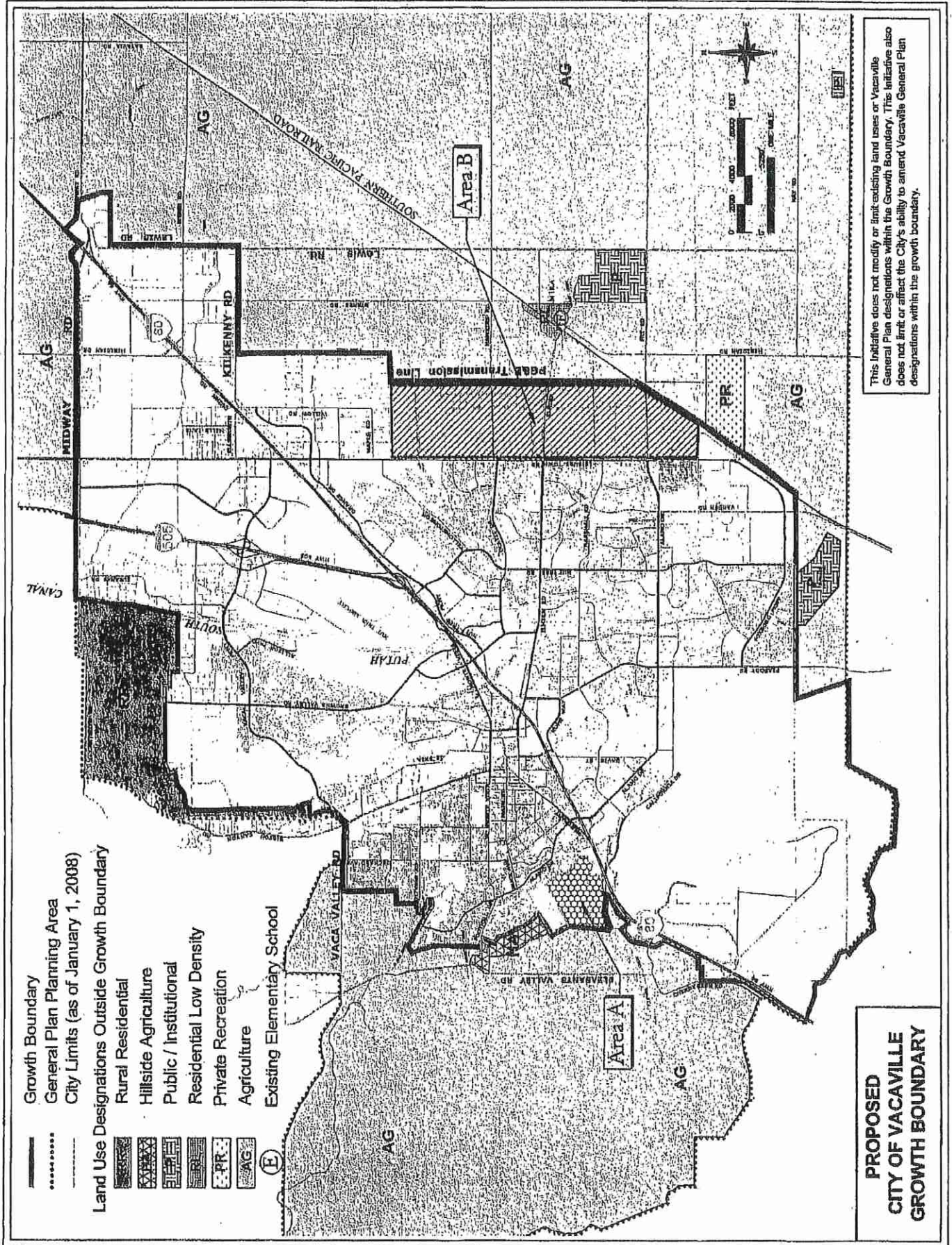
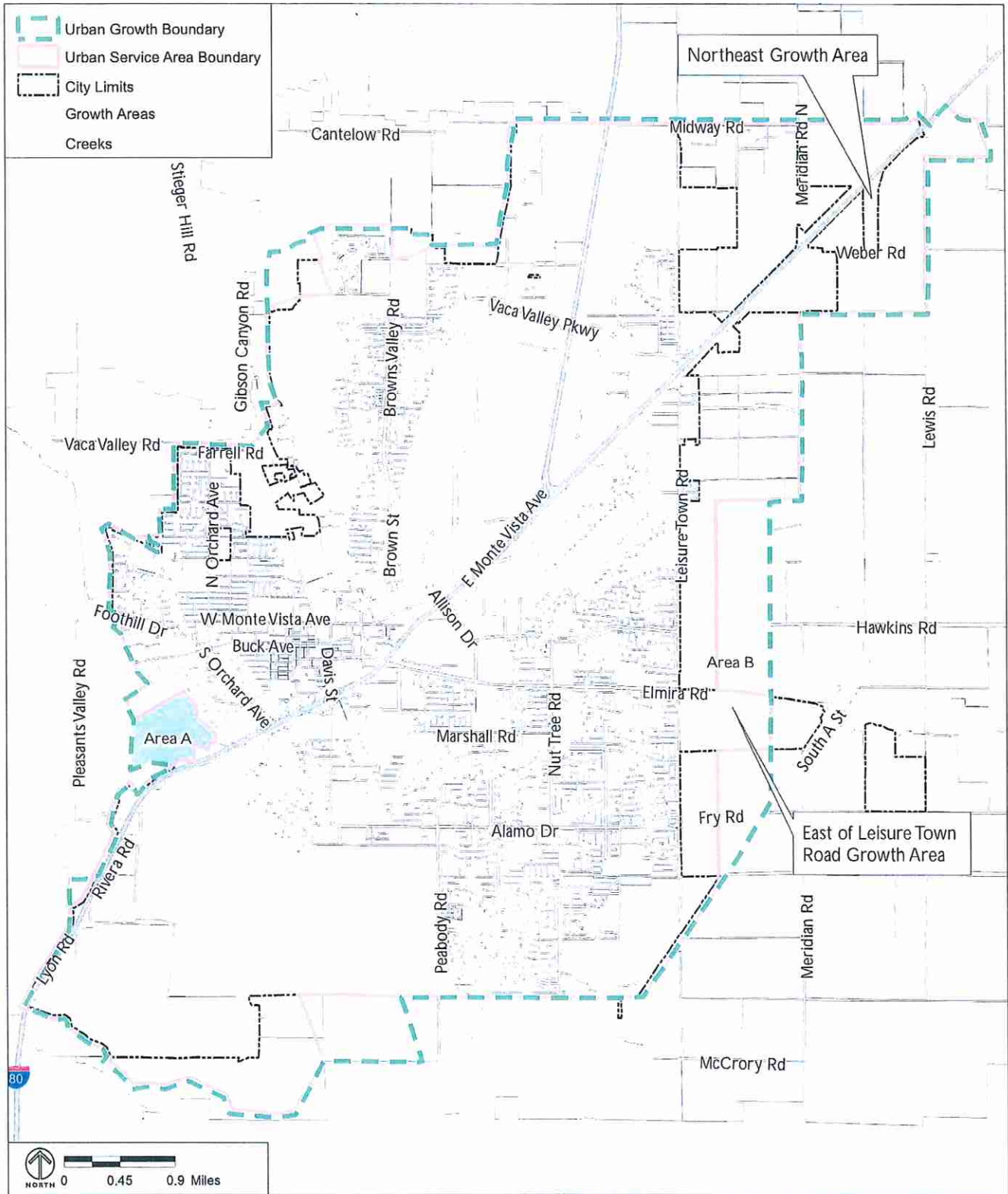


Exhibit 3-2



Note: Areas A and B refer to specific areas that are addressed in the Urban Growth Boundary policies.
 Source: City of Vacaville.

FIGURE LU-3
 URBAN GROWTH BOUNDARY, URBAN SERVICE AREA, AND GROWTH AREAS

Exhibit 3-3

