

**SECOND RENEWAL TO AGREEMENT FOR THE SALE OF WATER AMONG SONOMA COUNTY
WATER AGENCY, THE WINDSOR WATER DISTRICT AND THE
TOWN OF WINDSOR**

This Second Renewal Agreement for the Sale of Water Among Sonoma County Water Agency, the Windsor Water District and the Town of Windsor is made this _____ day of _____, 2024, by and between the Sonoma County Water Agency, hereinafter referred to as "Sonoma Water", the Windsor Water District, hereinafter referred to as the "District," and the Town of Windsor, hereinafter referred to as the "Town."

RECITALS

A. The Coyote Valley Project was authorized by the Flood Control Act of 1950 (Public Law No. 81-516) and was completed by the U.S. Army Corps of Engineers in 1958. This project includes Lake Mendocino, which was constructed with a capacity of 122,500 acre-feet, of which 70,000 acre-feet was water supply storage.

B. In 1955, Sonoma Water (then called the "Sonoma County Flood Control and Water Conservation District") sold general obligation bonds to raise \$5,650,000, which it then paid to the United States for the reimbursable costs of the water storage element of this project. Parts of the ad valorem taxes paid since 1955 by the taxpayers of Sonoma County, including those within the District, have been used to make payments on these bonds.

C. After 1955, the Mendocino County Russian River Flood Control and Water Conservation Improvement District (hereinafter referred to as the "Mendocino District") paid Sonoma Water \$633,000, plus interest, for a share of the yield of the Coyote Valley Project. Sonoma Water also supplies other entities with water from this project.

D. In its Decision 1030, the State Water Rights Board partially approved Application 12919A of Sonoma Water and the Mendocino District, subject to various conditions. One of these conditions, described in paragraph 8 on page 46 of that decision, was that Permit 12947, which was issued pursuant to Application 12919A and Decision 1030, was subject to water rights within the Russian River Valley in Sonoma County to the extent that water had been beneficially used continuously since before January 28, 1949. Another condition, described in paragraph 10 on pages 46-47 of Decision 1030, was that export water from the Russian River Valley under Permit 12947 was subject to depletion not to exceed 10,000 acre-feet per year by diversion of project water within the Russian River Valley in Sonoma County. In its Order WR 74-30, the State Water Resources Control Board (the "State Board") divided and revised the rights granted pursuant to Permit 12947, and directed that Permit 12947A be issued to Sonoma Water. In paragraphs 11 and 12 on page 11 of this order, the State Board confirmed the permit conditions described in the second and third sentences of this paragraph. Subject to these and other conditions, Permit 12947A authorizes Sonoma Water to store water in Lake Mendocino, to then release the stored water for rediversion at

specified downstream locations, and also to directly divert East Fork Russian River water at these locations.

E. The State Board also issued Permits 12949 and 12950 to Sonoma Water pursuant to Applications 15736 and 15737, which authorize Sonoma Water to make diversions from the Russian River at specified locations under specified terms and conditions.

F. The Warm Springs Dam Project was authorized by the Flood Control Act of 1962 (Pub. L. No. 87-874), and was completed by the United States Army Corps of Engineers in 1984. This project includes Lake Sonoma, which has a capacity of 381,000 acre-feet, of which 212,000 acre-feet is allocated to storage for water supply.

G. The Agency contracted with the United States to pay a total of \$99,427,000 plus interest in annual payments between 1993 and 2034 for the reimbursable costs (including interest during construction) of the water storage element of this project. Parts of the ad valorem taxes paid since 1971 by the taxpayers of Sonoma County, including those within the District, have been paid into a sinking fund that was established to fund Sonoma Water's future payment obligations to the United States based on this project. Parts of the ad valorem taxes that will be paid by the taxpayers of Sonoma County from now until 2034 will likewise be paid into this sinking fund.

H. In its Decisions 1416 and 1610, the State Board partially approved Sonoma Water's Application 19351 to appropriate water from Dry Creek for storage in Lake Sonoma and rediversion at specified locations on the Russian River, and to appropriate Russian River water for direct diversion at these locations. Permit 16596, which was issued pursuant to Application 19351 and Decision 1416, and amended pursuant to Decision 1610, authorizes Sonoma Water, subject to specified terms and conditions, to store water in Lake Sonoma, to then release the stored water for rediversion at specified downstream locations, and also to directly divert Russian River water at these specified locations.

I. The Agency has concluded that Sonoma Water's water supply, including its share of the Coyote Valley Project and Warm Springs Dam Project yields, is sufficient to supply the District with water according to the terms set forth in this Agreement.

J. On April 4, 1990, the District filed water-right Application 29737 with the State Board. The Agency does not require the District to pursue this water-right Application. A decision by the District to withdraw water-right Application 29737 shall have no impact on this Agreement, the terms and conditions of which will remain in full force and effect.

K. On July 1, 1992, the Town of Windsor ("Town") was incorporated. The District is a subsidiary district of the Town, and the Town Council is the District's governing board. The Town is a party to the Restructured Agreement for Water Supply dated June 2006.

L. On January 8, 1991, Sonoma Water and the District entered into the Agreement for the Sale of Water ("the 1991 Agreement"). Pursuant to Section 11 of the 1991 Agreement, the 1991 Agreement became effective on February 3, 1994, when the State Board's January 4, 1994, order approving Agency's first petition for a change in point of diversion to allow District's diversions under the Agreement became final. In June 2006, the 1991 Agreement was amended by the Restructured Agreement for Water Supply.

M. The term of the 1991 Agreement ended on June 30, 2014, and as provided in Section 11 of the 1991 Agreement, the parties negotiated the First Renewal to Agreement for the Sale of Water Among the Sonoma County Water Agency, the Windsor Water District and the Town of Windsor ("the First Amended Agreement") to extend this term of, and to update the 1991 Agreement. The First Amended Agreement became effective on June 18, 2014.

N. The term of the First Amended Agreement ends on June 30, 2024, and as provided in Section 11 of the First Amended Agreement, the parties negotiated this Second Renewal to Agreement for the Sale of Water Among the Sonoma County Water Agency, the Windsor Water District and the Town of Windsor ("the Second Amended Agreement") to extend this term of, and to update, the First Amended Agreement.

O. This Second Amended Agreement maintains the District's rights to divert and use Sonoma Water's water but does not authorize any significant changes in or expansions of such rights.

NOW, THEREFORE, in consideration of these recitals and the mutual promises made herein, Sonoma Water, the District and the Town agree as follows:

AGREEMENT

1. Recitals. The Recitals stated above are true and correct and are incorporated herein by reference.

2. District Diversions. Except as otherwise provided for in this Second Amended Agreement, and during the term of this Second Amended Agreement, the District may divert Russian River water, or redivert previously stored water, that is available to the District pursuant to Sonoma Water's Permits 12947A, 12949, 12950 and 16596. The total amount of the District's diversions and rediversions of water from the Russian River, including water diverted and rediverted pursuant to this agreement and all other water diverted or rediverted by the District or the Town, shall not exceed either 7.2 million gallons per day or 4,725 acre-feet per year.

3. District Limited by Terms of Sonoma Water's Water Right Permits. Diversions and rediversions by the District pursuant to this agreement shall be subject to all of the applicable terms and conditions of Permits 12947A, 12949, 12950 and 16596, as they now exist or in the future may be modified by the State Board, and the applicable terms and conditions of any licenses that the State Board issues and that supersede these permits.

4. Shortage of Water and Apportionment. In the event of a shortage in the quantity of water available to Sonoma Water's customers, including the District and the Town, Sonoma Water shall apportion water as provided in the Restructured Agreement for Water Supply, dated June 2006. In such event, (1) the District and the Town shall limit their total diversions and rediversions of water from the Russian River, including both diversion and rediversions pursuant to this Second Amended Agreement and all its other diversions and rediversions, to the amounts of water that Sonoma Water allocates to the District and Town, and (2) in determining the amount of water available for allocation, Sonoma Water shall include the amount of water available for diversion or rediversion by the District and the Town under their water rights in addition to the amount available to Sonoma Water under its own water rights.

5. Petition for Change in Points of Diversion. On May 7, 2004, Sonoma Water filed a second petition with the State Board, requesting additions to the authorized points of diversion and rediversion under Permits 12947A, 12949, 12950 and 16596 to allow diversions by the District of Russian River water and rediversions of water released from storage in Lake Sonoma and Lake Mendocino at additional District points of diversion/rediversion, as specified in the petition. Sonoma Water shall use its best efforts to obtain the State Board's approval of this petition upon terms and conditions that are acceptable to Sonoma Water. However, if the State Board or its staff indicates that the State Board will or may include in its order on this petition terms and conditions that are not acceptable to Sonoma Water, or if the State Board's order contains terms or conditions that are not acceptable to Sonoma Water, then Sonoma Water may withdraw this petition, and, if necessary, ask the State Board to revoke, or the courts to overturn, any order that the State Board has issued on this petition. If Sonoma Water withdraws its petition, then District shall either not divert or redivert any water at any of the points of diversion specified in the petition under any of Sonoma Water's water rights, or shall reimburse Sonoma Water and hold it harmless from any costs or fines or penalties associated with such diversions by the District.

6. Place of Use. Water received by the District pursuant to this agreement shall only be used in the areas identified in Exhibit A and other service areas as provided for by separate outside service area agreements. The place of use is described as within the corporate boundaries and sphere of influence of the District; the Shiloh Ranch/Mayacama/Shiloh Regional Park area; the County Airport and Industrial Park area; and other miscellaneous parcels outside the Town limits.

7. Reporting of Water Use and Water Rights Matters. On or before the 20th day of each month, the District shall submit a report to Sonoma Water, listing separately for each day during the previous month the total amount of water diverted by the District from the Russian River. These amounts shall include all water diverted by the District. In addition, whenever the District submits any report of water use to the State Board, the District shall at the same time submit a copy of the report to Sonoma Water.

8. Water Conservation. The District and the Town shall comply with all water conservation provisions in the Restructured Agreement for Water Supply, dated June 2006, and any amendments to that agreement. This requirement shall apply to all water received or delivered by District or Town, regardless of the source of the water.

9. California Environmental Quality Act. Pursuant to section 15061 of the California Environmental Quality Act (CEQA) Guidelines, the parties have evaluated this Amended Agreement and have concluded that their approval of this Amended Agreement is exempt from the provisions of CEQA under Section 15301 of the CEQA Guidelines because future levels of diversions and use of water by District or Town under this agreement will not be significantly different from present levels of diversion and use. Accordingly, the parties will file, pursuant to CEQA Guidelines section 15062, notices of exemption with the Sonoma County Clerk and the State Clearinghouse of the Office of Planning and Research.

10. Payment. The District shall pay during the term of this Agreement a charge of \$1.00 per year. This District shall pay the amount due to Sonoma Water each calendar year within 60 days after receipt of Sonoma Water's invoice for the charge. The Town shall also pay any charges required by the Restructured Agreement for Water Supply, dated June 2006, including the charges required by Section 4.17 (b) of that agreement. These charges shall apply to all water diverted by District or Town from the Russian River using their own facilities, whether under Sonoma Water's water rights or the District's or the Town's water rights.

11. Term of Agreement. This Agreement shall become effective on the date that the last party signs the Agreement, that is, when the Agreement is fully executed. Except as provided in Paragraph 13 of this Second Amended Agreement, this Second Amended Agreement will remain in effect until June 30, 2034. Sonoma Water shall enter into renewal agreements for periods not to exceed 40 years upon the request of District for such quantities of water which may be available under Sonoma Water's permits during such renewal periods, but not to exceed the amounts stated in Paragraph 2 of this Second Amended Agreement.

12. Merger. With the exception of the provisions of the Restructured Agreement for Water Supply dated 2006 that are referenced in and incorporated into this Second Amended Agreement, this writing is intended both as the final expression of the agreement among the parties with respect to the included terms and as a complete and exclusive statement of the terms of the agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this agreement will be effective unless and until such modification is evidenced by a writing signed by all parties.

13. Termination by District. At any time, and with or without cause, the District may terminate this agreement by giving Sonoma Water 30 days' written notice of such termination, and such notice shall state the reason, if any, for such termination.

14. First Amended Agreement is Superseded. This Second Amended Agreement supersedes the First Amended Agreement, and the First Amended Agreement shall have no further force or effect.

IN WITNESS WHEREOF, the parties hereto have hereunder set their names the date and year above written.

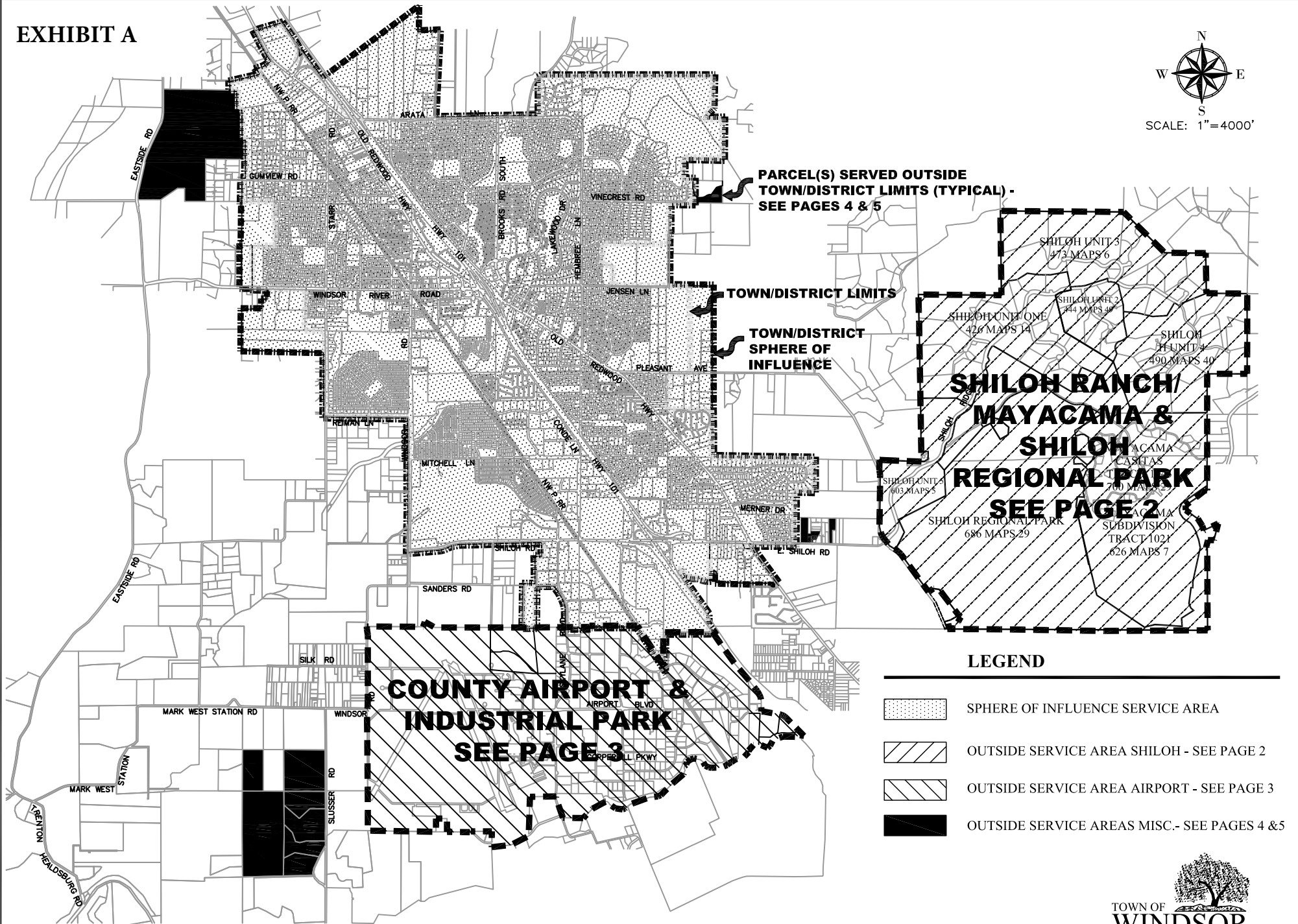
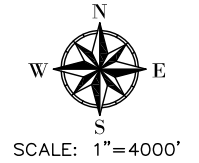
By:

General Manager
Sonoma County Water Agency

Mayor
Town of Windsor

Board President
Windsor Water District

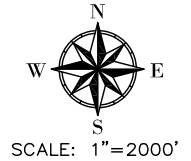
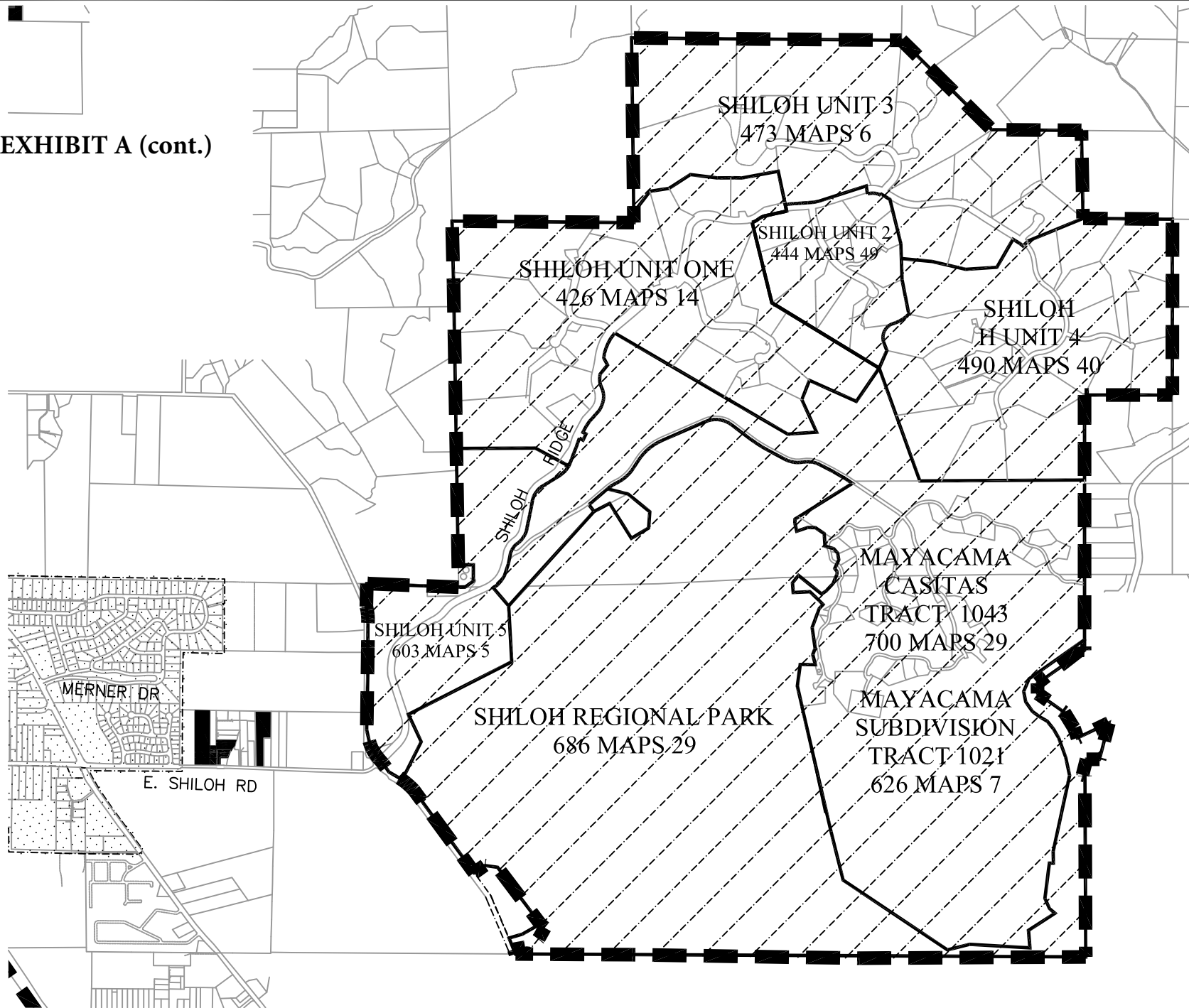
EXHIBIT A



Windsor Water District Water Service Areas



EXHIBIT A (cont.)

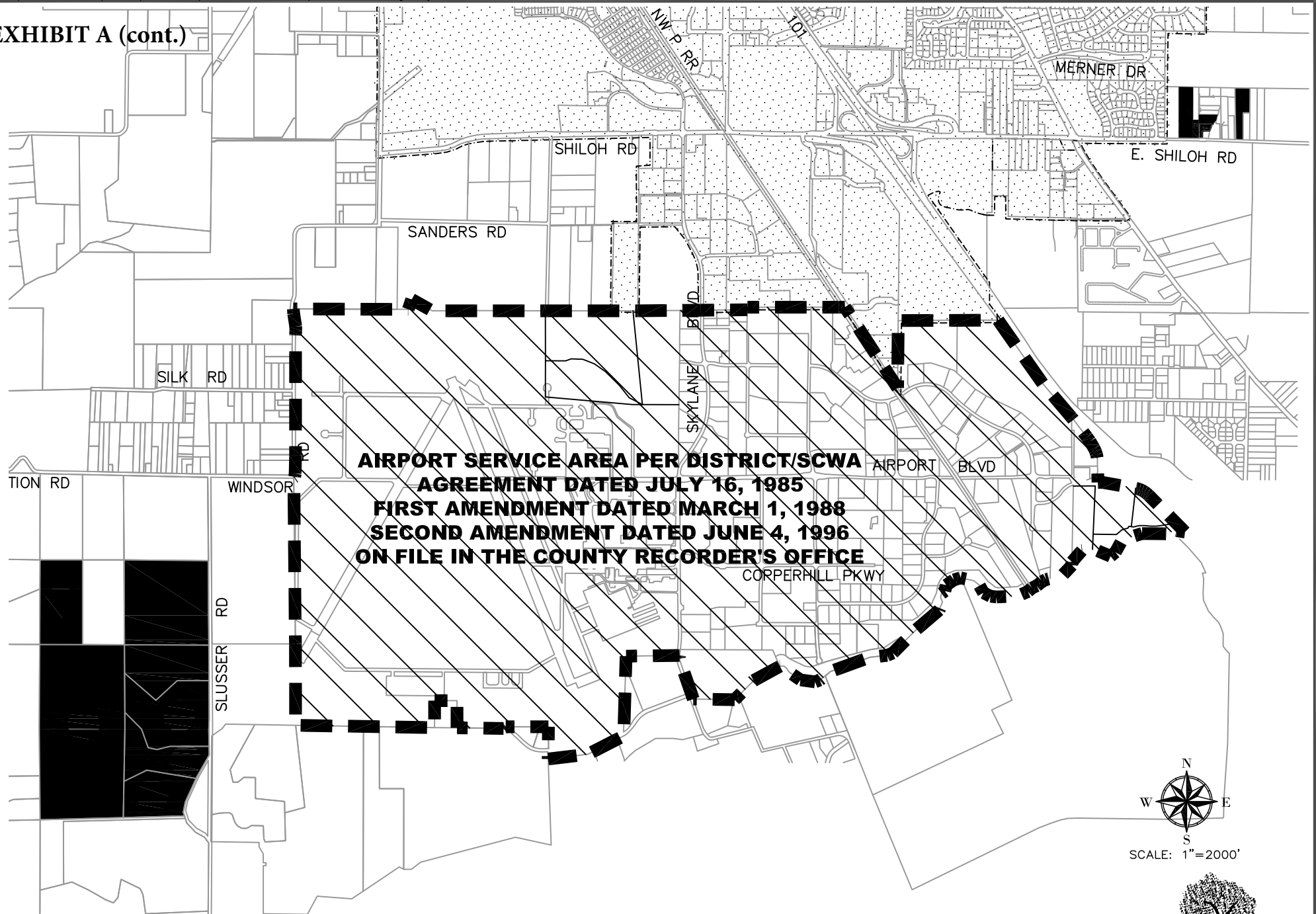


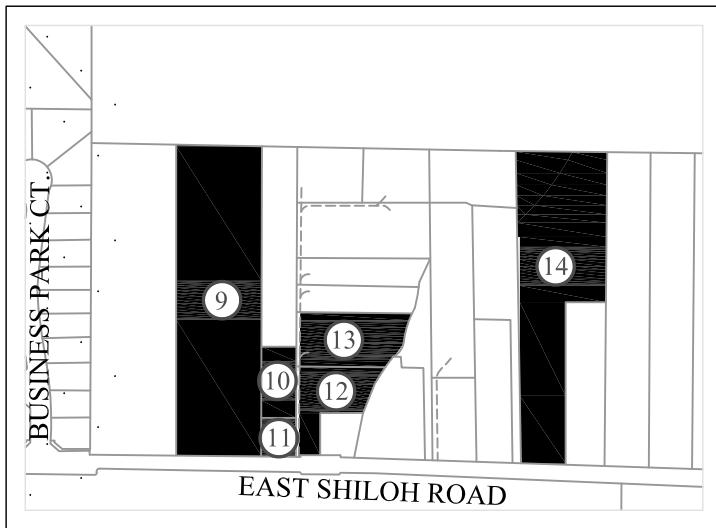
Windsor Water District

SHILOH SUBDIVISION, MAYACAMA SUBDIVISION & SHILOH REGIONAL PARK

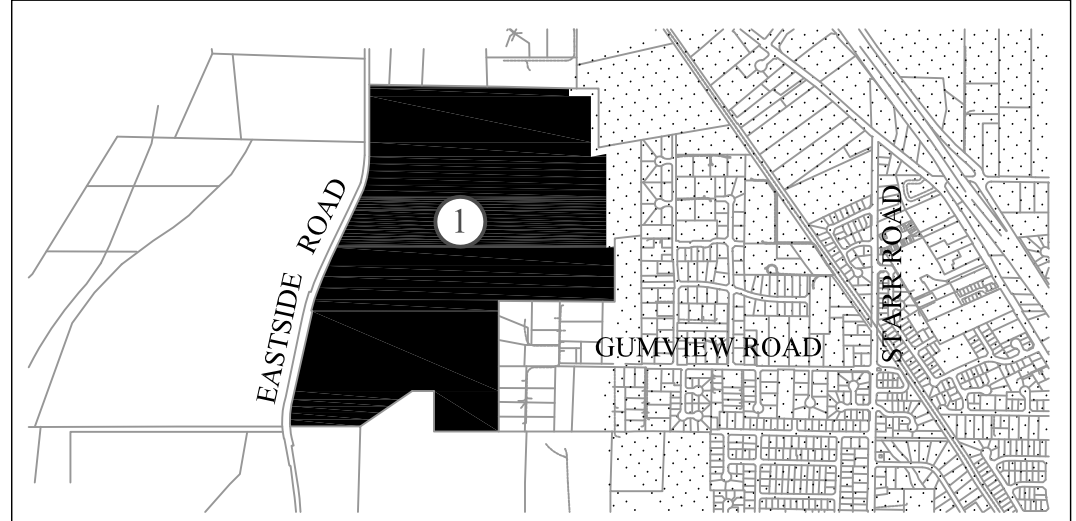


EXHIBIT A (cont.)

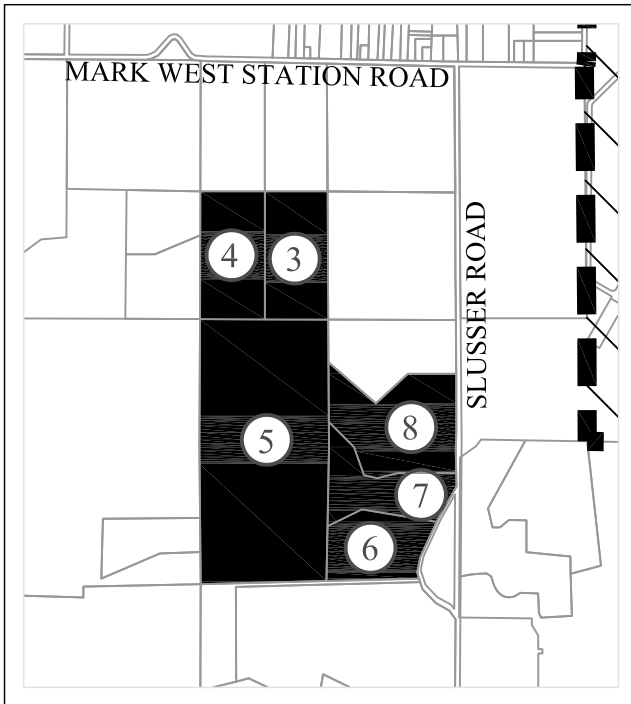




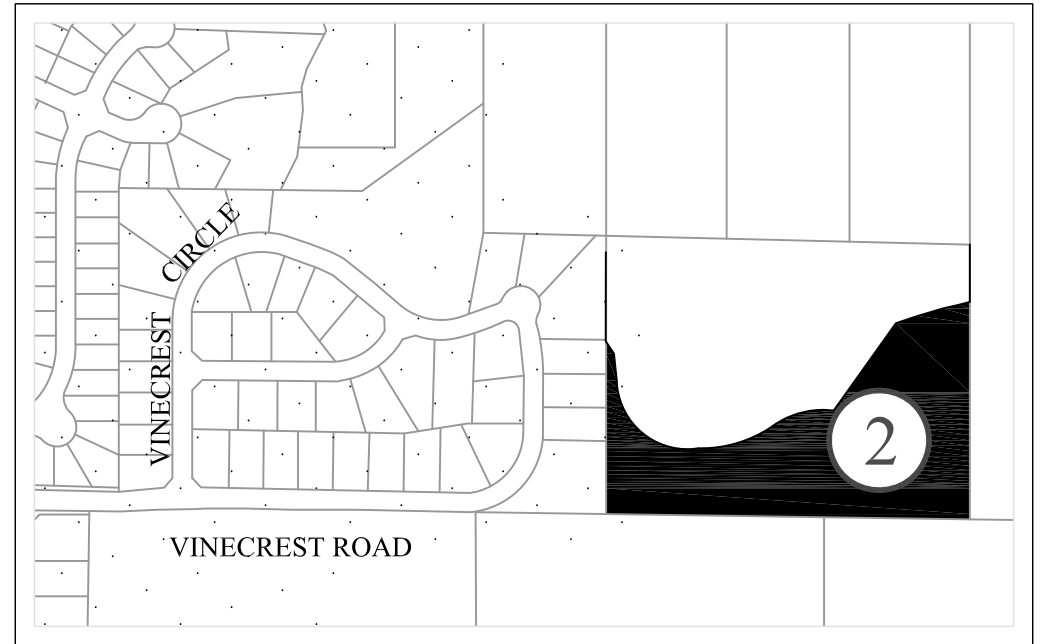
EAST SHILOH ROAD



EASTSIDE ROAD



SLUSSER ROAD



VINECREST ROAD

SEE PAGE 5 FOR KEY NOTES

EXHIBIT A (cont.)

Water Service Parcels - Outside Town/District Limits



EXHIBIT A (cont.)

PARCELS SERVED OUTSIDE TOWN LIMITS

ADDRESS	A.P.N.	LEGAL DESCRIPTION
10200 EASTSIDE ROAD	066-310-028	1998R096243
9618 VINECREST ROAD	162-010-021	2002R056353
2766 MARK WEST STATION ROAD	066-280-034	2005R158348
3001 MARK WEST STATION ROAD	066-280-035	2005R139207
4401 SLUSSER ROAD	057-070-031	1999ILEOPS
4525 SLUSSER ROAD	066-280-036	1987R083727
4677 SLUSSER ROAD	066-280-050	2013R058826
4905 SLUSSER ROAD	066-280-032	2012R102026
105 EAST SHILOH ROAD	067-250-005	2012R098597
109 EAST SHILOH ROAD	067-250-021	2003R157203
113 EAST SHILOH ROAD	067-250-020	1973R2786414
117 EAST SHILOH ROAD	067-250-026	2008R098947
143 EAST SHILOH ROAD	067-250-027	2013R056498`
201 EAST SHILOH ROAD	067-250-011	1997R065989
ALL OF SHILOH RANCH AND SHILOH COUNTY PARK		SEE PAGE 2
SONOMA COUNTY AIRPORT		SEE PAGE 3
AIRPORT BUSINESS PARK		SEE PAGE 3

Windsor Water District
Parcels Served Outside Town Limits

