

**SUBMITTAL TO THE FLOOD CONTROL AND
WATER CONSERVATION DISTRICT
BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



ITEM: 11.7
(ID # 12226)

MEETING DATE:
Tuesday, April 07, 2020

FROM: FLOOD CONTROL DISTRICT AND General Manager-Chief Engineer:

SUBJECT: FLOOD CONTROL DISTRICT: Ratification and Approval of the Service Provider Agreement and the Custodial Agreement for the District 457 Deferred Compensation Plan, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and approve the Service Provider Agreement by and between VALIC Retirement Services Company and the Riverside County Flood Control and Water Conservation District. This agreement amends, restates and supersedes the Administrative Services Addendum to the Section 457 Deferred Compensation Plan Adoption and Services, effective July 1, 2019 through December 31, 2020 ("Initial Term") (Attachment A), and authorize the Chairwoman of the Board to execute the agreement on behalf of the District,
2. Ratify and approve the Custodial Agreement designating AIG Federal Savings Bank as the nondiscretionary directed custodian of the Custodial Account effective July 1, 2019 through December 31, 2020. This Custodial Agreement amends, restates and supersedes the Custodial Account Addendum to the Section 457 Deferred Compensation Plan Adoption and Services Agreement originally effective July 1, 2004 (Attachment B), and authorize the Chairwoman of the Board to execute the agreement on behalf of the District.

ACTION: Policy


Bob Cullen, Assistant Chief Engineer 3/30/2020

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: April 7, 2020
xc: Flood

Kecia R. Harper
Clerk of the Board

By: 
Deputy

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD
OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

- Direct the Clerk of the Board to retain one (1) copy of each of the signed documents, return three (3) signed copies of each of the documents to the County of Riverside Human Resources Department for distribution.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: None			Budget Adjustment:	No
			For Fiscal Year: 19/20 – 20/21	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Riverside County Flood Control and Water Conservation District (District) provides employees with savings plan options for retirement which includes a 457(b) Deferred Compensation Plan, Money Purchase Plan, and a Supplemental Contribution Plan. Each plan allows employees to save on a tax deferred basis towards retirement. The District offers employees a choice of two vendors, VALIC Retirement Services, and Nationwide Retirement Solutions. VALIC Retirement Services has provided deferred compensation services to the County of Riverside, including the District, since 1999 with approximately \$275 million in employer plan assets. Nationwide Retirement Solutions has provided deferred compensation services to the County since 1987 with approximately \$725 million in employer plan assets.

The Riverside County Flood Control and Water Conservation District designates VALIC Retirement Services Company as one of two plan administrative service providers, to provide non-discretionary plan administrative services described in the Service Provider Agreements for the District Deferred Compensation Plan, an eligible deferred compensation plan established pursuant to Section 457 of the Internal Revenue Code consisting of deferred compensation contributions; and the Riverside County Money Purchase Plan, a plan established pursuant to Section 401(a) of the Internal Revenue Code consisting of employer basic contributions; and the County of Riverside Supplemental Contribution Plan, a plan established pursuant to Section 401(a) of the Internal Revenue Code consisting of employer discretionary contributions.

The provisions of the Service Provider Agreement (Attachment A) are for the benefit of the Riverside County Flood Control and Water Conservation District Deferred Compensation Plan and shall be subject to the terms of the Plan, any related Custodial Agreement (Attachment B) entered into with AIG Federal Savings Bank, and any annuity contract entered into with The Variable Annuity Life Insurance Company.

Impact on Residents and Businesses

There is no direct impact to residents or private businesses in the County of Riverside.

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Additional Fiscal Information

There is no additional cost to the District or the County.

Contract History and Price Reasonableness

VALIC Retirement Services has provided deferred compensation services to the District and the County since 1999.

ATTACHMENTS:

Attachment A: 457(b) Deferred Compensation Plan - Service Provider Agreement AATF

Attachment B: 457(b) Deferred Compensation Plan - Custodial Agreement AATF

JR:mc
P8/230325
MT#12226



Jason Farin, Senior Management Analyst

4/1/2020



Gregory F. Priamos, Director County Counsel

3/30/2020

SERVICE PROVIDER AGREEMENT

This Service Provider Agreement ("Agreement") by and between VALIC Retirement Services Company ("Service Provider") and Riverside County Flood Control and Water Conservation District ("Employer or County") amends, restates and supersedes the Administrative Services Addendum to the Section 457 Deferred Compensation Plan Adoption and Services Agreement by and between Service Provider and Employer originally effective July 1, 2004. The Agreement is effective July 1, 2019 through December 31, 2021 ("Initial Term"), provided that this Agreement has been executed by Employer and received by Service Provider on or before April 30, 2020 and shall continue thereafter unless and until terminated according to the terms of this Agreement.

This Agreement includes Appendix A and, if Appendix A includes as an investment option a Personal Choice Retirement Account™ ("PCRA") established with Charles Schwab & Company, Inc. ("Schwab"), a California corporation, then this Agreement includes Appendices B and C, and Employer accepts and acknowledges on behalf of the Plan and participants the terms and conditions of the agreement entered into between Custodian for Employer's Plan and Schwab attached hereto as Appendix C.

WHEREAS, Employer wishes to obtain non-discretionary plan administrative services with respect to a retirement plan established for the benefit of employees of the Employer;

WHEREAS, Service Provider is offering to provide such non-discretionary plan administrative services; and,

WHEREAS, Employer acknowledges and agrees that Employer or a third party designated as Plan Administrator shall be responsible for all discretionary decisions with respect to such plan;

THEREFORE, in consideration of the mutual promises herein contained, Employer and Service Provider agree as follows:

I. Plan. Employer designates Service Provider as one of two plan administrative service providers, to provide plan administrative services described in this Agreement for the plan described below:

457 Deferred Compensation Plan, an eligible deferred compensation plan established pursuant to Section 457 of the Internal Revenue Code of 1986, as amended ("Code"), consisting of deferred compensation contributions.

This plan shall be referred to as the "Plan."

The provisions of this Agreement shall be subject to the terms of the Plan, any related custodial agreement ("Custodial Agreement") entered into with AIG Federal Savings Bank ("Custodian"), and any annuity contract entered into with The Variable Annuity Life Insurance Company, except that the terms of such Plan, custodial agreement, or annuity contract shall not adversely affect the rights or duties of Service Provider under this Agreement without Service Provider's prior written consent. Service Provider shall be permitted to review the terms of the Plan, and any current or future amendments thereto. Service Provider shall not be responsible for determining whether the plan document or any amendment thereof satisfies the qualification requirements of the Code.

Employer shall retain sole responsibility for taking all necessary steps to ensure that administrative services provided for under this Agreement are consistent with the terms of the Plan.

II. Plan Investment Options. The Plan investment options which are subject to the terms of this Service Provider Agreement ("Plan Investment Options") shall be those listed in Appendix A. Such Plan Investment Options may be limited where required under the Plan or the Code. Appendix A, which may also describe requirements or limitations applicable to one or more of the listed investments, may be revised annually following any anniversary of this Agreement by the Employer, subject to prior written consent from the Service Provider upon not less than sixty (60) days' prior written notice from Employer. A change to Appendix A, including but not limited to a change in the reimbursements from the fund families listed on Appendix A, may result in an adjustment by Service Provider to the Administrative Service Fee described in Section XI. Where any Plan Investment Option contains restrictions on amounts that may be transferred out of or into such Plan Investment Option, Service Provider is hereby directed to enforce such restrictions in its performance of administrative services for the Plan. In the event that Service Provider cannot confirm that such restrictions will be complied with under a transferee investment option, Service Provider is hereby directed to deny the transfer request on behalf of the Employer. In the event of frequent trading in a Participant Account, Service Provider and/or the investment managers of the underlying fund options may impose reasonable timing restrictions on the frequency of transfers between Plan Investment Options. To avoid market timing and frequent trading or other disruptive trading activities, Service Provider may impose limitations on the number, frequency or dollar amount of transfers a participant can make. Service Provider may restrict the method and manner of providing or communicating transfers or reallocation instructions if it is determined that a participant's trading activity is potentially harmful to other investors.

With respect to the Fixed-Interest Option (policy form GFUA-398): under the terms of that contract, interest shall be credited in accordance with; annual effective rates which shall include a guaranteed minimum annual effective interest rate of 2% for the duration of the contract, an annually declared rate which is guaranteed for a year and which shall not be less than the guaranteed minimum annual rate, and rates declared monthly which shall not be less than either the guaranteed minimum annual rate or the annually declared rate. The Variable Annuity Life Insurance Company agrees to enhance the standard crediting rate for interest crediting on a daily basis, by an annual effective rate of 0.65% (sixty-five basis points) and that such enhanced minimum crediting rate will not be less than 2.65%.

III. Maintenance of Plan Records. Service Provider shall maintain participant-level and aggregate Plan records as follows:

A. A separate account shall be established for each participant ("Participant Account") in which Participant Account shall be recorded pertinent participant information, including, but not limited to, the participant's name, Social Security number, address, date of birth, beneficiary(ies), and selection of Plan Investment Options. Separate records may be maintained under the Plan for the same participant, where appropriate for the recording of separate contribution types.

A Participant Account shall reflect contributions, distributions, allocated forfeitures (if any), gains, losses, and other debits or credits attributable to the investments within the Participant Account, and shall reflect reductions for any forfeitures upon separation from service prior

to full vesting and/or administrative service fees described in Section XI of this Agreement that are not paid directly by the Employer.

B. Contributions and distributions or Plan credits and debits shall be processed following receipt in good order of all funds and documentation necessary to effect the requested transaction, subject to market limitations or valuation limitations outside of Service Provider's immediate control. Service Provider shall provide reconciliation between Plan and Participant Account records on a regular basis, not less frequently than quarterly.

C. Service Provider shall perform and make available the results of daily valuations of Participant Accounts, as of 4:00PM Eastern Time of any day on which the appropriate trading market or exchanges are open, subject to intra-day closings, trading suspensions, or other similar or unforeseeable circumstances outside of the control of the Service Provider. Plan Investment Options that are guaranteed as to principal or interest shall be valued according to the terms of such investment options. Plan Investment Options that are not guaranteed as to principal, or principal and interest, shall be valued according to the laws and rules applicable to such investment options. Notwithstanding any provision of this Agreement to the contrary, access to Participant Accounts for transactions or other account maintenance may be subject to interruption, or a "blackout," for a pre-defined period commencing with the transfer of records to the Service Provider at the beginning of the Initial Term of this Agreement.

IV. Supported Technologies. Participant enrollment shall be effected through any of the following means, as agreed from time to time by Employer and Service Provider: interactive Internet or paper enrollment form, telephone enrollment, or financial advisor software. Participant transactions other than enrollment shall be effected through a combination of the following means, as agreed from time to time by Employer and Service Provider: paper transaction request forms, telephone response, interactive Internet, and financial advisor software. Voice response shall be available approximately 24 hours per day (subject to periodic maintenance). Customer service representatives will be available from Monday through Friday 7:00AM to 8:00PM Central Time. Availability of voice response and interactive Internet shall be subject to periodic maintenance.

V. Application of Contribution Limitations. Service Provider shall perform contribution limit testing applying the limits of Code Section 457 for each participant enrolling in the Plan or increasing his or her rate of contribution under the Plan upon receipt by the Service Provider of the information necessary to perform such calculations. Annual contribution limit testing will be provided for all participants within three (3) months after the close of the year for which the calculations are to be performed, or within twelve (12) weeks after receipt of necessary data from Employer, whichever is later. Identified excess contributions shall be distributed to the extent permitted by the Code; Treasury regulations or other regulatory guidance, including any Internal Revenue Service ("IRS") self-correction programs; the Plan; the annuity contract; custodial account; or as otherwise provided in this Agreement or agreed by the Employer, Service Provider and Custodian.

VI. Distributions to Plan Participants. Distributions to participants shall be authorized by the Employer or subject to non-discretionary determinations by the Service Provider pursuant to written guidelines established by Employer. Employer will review and have final decision-making

authority with respect to all appeals from Service Provider determinations. Distributions may be in any form permitted by the Plan, Service Provider, Custodian and the Code.

VII. Participant Loans. If the Plan allows loans, Service Provider shall provide administrative services for loans from the Plan. Loans from the Plan shall not exceed the maximum dollar or percentage limits and shall comply at origination with the reasonable interest rate and repayment requirements, as such limits and requirements are prescribed by the Code. Loan interest rates established at loan origination shall remain fixed during the period of the loan, except to the extent required under any annuity contract under which such loans may be issued or under the terms of any loan accepted by the Plan in a transfer from another similar plan or contract. As part of Service Provider's reasonable compensation for services under this Agreement, Service Provider shall be entitled to receive a nonrefundable loan fee of \$50 and an annual loan charge of \$50 per loan. The interest and principal components of a participant's loan payment shall be credited to his or her Participant Account under the Plan.

VIII. Technical Services. Service Provider shall make reasonable efforts to inform Employer of legislative and/or regulatory changes that may affect the Plan. Service Provider shall offer to provide to Employer a plan document for review by Employer's legal counsel. Employer understands and agrees that it retains full responsibility for the compliance of Employer's Plan with the requirements of the Code and that, if it adopts a Plan pursuant to Code Section 457, Employer may not rely upon any private rulings issued by the IRS to another party with respect to such Plan and may wish to apply to the IRS for such a ruling. Service Provider will provide administrative assistance with respect to any such application for such additional compensation as is agreed upon at such time.

IX. Additional Plan Services. Service Provider will render all of the following additional plan administrative services:

- Provide quarterly Plan statements to participants;
- Prepare annual reports for Employer on the financial status of the Plan;
- Provide investment education seminars and materials, subject to the limitations of Section XIV of this Agreement;
- Provide technical assistance to Employer with respect to Domestic Relations Orders;
- Monitor, calculate, and process minimum required distributions in accordance with the terms of the Plan and the Code;
- Prepare Loan Policy for review by Employer's legal counsel; and
- Provide technical assistance to Employer, subject to review by Employer's legal counsel, in drafting plan amendments to comply with changes in the law.

X. Employer Duties. Employer shall have all other duties under the Plan, including, but not limited to, the following: Employer shall remit to the Custodian such contributions as are required or permitted under the Plan, by wire transfer or other format acceptable to the Custodian and Employer, in a timely manner complying with any laws applicable to such contributions, and shall timely provide to Service Provider all necessary data that is required by Service Provider to perform its obligations under this Agreement, in electronic format except as otherwise agreed between Employer and Service Provider. Contributions and supporting data shall be provided in an electronic media format acceptable to Service Provider. Employer shall notify Service Provider within 31 days following the close of a Plan year if it intends to make additional contributions with

respect to such Plan year. Employer shall retain responsibility for establishing and maintaining the tax-qualified status of the Plan, including the execution of any necessary documents and/or amendments. Employer shall complete all necessary forms to establish an annuity contract or to open an account with a life insurance company or a registered broker-dealer, if required by the Plan Investment Options selected by the Employer.

XI. Administrative Service Fees. In exchange for the services provided for under this Agreement, Service Provider shall receive the following compensation, which the Employer has determined to be reasonable in light of the services to be provided:

The gross annual Administrative Service Fee shall be an amount equal to an effective annual rate of 0.17% (seventeen one-hundredths of one percent) of the dollar amount of the assets in Participant Accounts. Effective July 1, 2019, the net annual Administrative Service Fee will be 0.00% (zero one-hundredths of one percent), based on the estimated 12b-1 and sub-transfer agency fees expected to be received from the regulated investment companies the shares of which are offered under the Plan as described on the Appendix A effective July 1, 2019, attached to this Agreement.

On or before June 30, 2019 and on or before the end of each calendar quarter thereafter, Service Provider shall determine the net annual Administrative Service Fee to be applied for the upcoming calendar quarter. The net annual Administrative Service Fee shall be the result of the gross annual Administrative Service Fee set forth above in this section offset by the weighted average expected reimbursement rate comprising the 12b-1 reimbursements and sub-transfer agency fees expected to be received during the calendar quarter from the regulated investment companies the shares of which are offered under the Plan as described on Appendix A at the time of the determination and adjusted for any difference between the gross annual Administrative Service Fee (reduced by the actual Administrative Service Fee assessed to participant accounts), and the reimbursement rate comprising the 12b-1 reimbursements and sub-transfer agency fees, or reasonable estimate thereof, received since the prior determination.

The net annual Administrative Service Fee shall be collected in quarterly installments. Each quarterly installment shall be determined with respect to each full or partial calendar quarter by multiplying the corresponding quarterly rate by the dollar amount of the assets in Participant Accounts as determined on a date on or before the last business day of each calendar quarter, and payable on a date that is not more than ten (10) business days following the end of each calendar quarter. Such amount shall be paid out of Participant Accounts on a pro rata basis, according to the value and allocations of their respective accounts at that time.

Service Provider will also share a portion of the gross annual Administrative Service Fee (0.17%) with the Employer. The Service Provider will make a payment to the Employer each quarter based on an effective annual rate of 0.025% (2.5 one hundredths of one percent) of the dollar amount of the Plan assets for which such administrative services are provided, determined with respect to each full or partial calendar quarter by multiplying the corresponding quarterly rate, by the dollar amount of assets in the Plan as determined on a date on or before the last day of each calendar quarter. Service Provider will make the revenue sharing payment to Employer not more than 30 days following the end of each calendar quarter.

XII. Amendment and Termination. This Agreement may be amended from time to time with the written consent of Employer and Service Provider. Service Provider may with prior written consent of Employer amend this Agreement if it is deemed advisable to do so in order to conform the Agreement to applicable laws and regulations. This Agreement may be terminated by either party upon not less than ninety (90) days' written notice to the other party. Participant Accounts and Plan records shall be released by Custodian or Service Provider upon termination of this Agreement in accordance with the provisions of this section at a time and in a manner as mutually agreed by Employer, Service Provider and Custodian. Termination of the Plan shall only constitute termination of this Agreement upon distribution of all of the accounts under the Plan. Termination of the Plan shall not alter the application of Administrative Service Fees under Section XI.

XIII. Trust or Custodial Services. If a trustee or custodian other than AIG Federal Savings Bank, or an issuer of annuity contracts other than The Variable Annuity Life Insurance Company, is providing trust or custodial services or annuity contracts to the Plan, Employer shall by written agreement with such other trustee, custodian, or issuer require that such trustee, custodian, or issuer shall cooperate with Service Provider and provide any and all data, instructions, and other support required of such trustee, custodian or issuer for the performance of Service Provider's obligations under this Agreement. Nonperformance by Service Provider resulting from a failure by such other trustee, custodian or issuer to provide such data, instructions, or other support shall not constitute default by Service Provider under this Agreement.

XIV. Broker-Dealer and Investment Advisory Services. Registered broker-dealer services will be provided through VALIC Financial Advisors, Inc. (VFA) and its authorized representatives or such other broker-dealers as Service Provider designates. VFA is a wholly-owned subsidiary of The Variable Annuity Life Insurance Company and affiliated with Service Provider and is a registered broker/dealer and registered investment advisor. VFA may also offer investment advisory services as described below. Participants may enter into an investment advisory agreement with VFA and/or with such other broker-dealers (or their investment advisor affiliate), and that designated firm may receive an investment advisory fee, such fee to be payable from the Participant Account, subject to any restrictions in the Plan, Code or this Agreement.

VFA Plan-related Services and Offerings: VFA representatives, in their role as financial advisors, facilitate a wide range of services to the Employer and to Plan participants, both for investments identified in Appendix A and, if applicable, for other legacy Plan investments provided by The Variable Annuity Life Insurance Company or an affiliate. Services generally include education about the Plan, support and customer service, and assistance with group or individual meetings, enrollment, distributions (including required minimum distributions), and transfers or rollovers into the Plan. Additionally, if authorized by the Employer (or alternatively, where such authorization is not required), VFA may offer to Plan participants the Guided Portfolio Services® (GPS) advisory service. Compensation paid to a VFA representative for services provided to Plan participants may have one or more of the following components, and The Variable Annuity Life Insurance Company and its affiliates may change the components and/or the allocations over time:

Fixed and Incentive Compensation. Financial advisors may be compensated for in-Plan education and service such as Plan reviews, participant seminars/webinars, new Plan enrollments, and periodic deposit growth. Advisor compensation can be in the form of a fixed payment, a per diem payment, and/or incentive compensation tied to goals such as increasing Plan enrollments.

Compensation for Payroll Deduction and Asset Transfers. In certain instances, compensation may be paid to financial advisors based upon contributions and/or transfer of assets into a Participant Account.

Investment Advisory Compensation. If the GPS service is available in the Plan and a participant enrolls in the service, an investment advisory fee is deducted from the Participant Account. If the participant is enrolled in the managed account option of the GPS service, a portion of that fee is paid to the financial advisor for their service.

VFA Non-Plan Retirement Planning and Related Activity: Outside of the Plan, VFA representatives are qualified to provide broader financial services that are aimed at achieving financial wellness. This includes, among other things, assisting participants in making decisions about managing their retirement plan assets following retirement or upon some other distributable event. VFA services include both brokerage transactions and investment advisory offerings. VFA representatives are compensated separately for these services, including in the form of commissions, distribution fees and advisory fees.

XV. Investment Direction. To the extent permitted under the Plan, as determined by the Employer, Service Provider is directed to accept and follow investment directions received from individual participants or beneficiaries, subject to any other limitations described in this Agreement. Service Provider and VFA shall be entitled to rely upon instructions received from the Employer, the Plan Administrator, another authorized Plan representative, or a participant, subject to the limitations of the preceding sentence, and shall have no obligation to investigate either the prudence of such instructions or the absence of any instructions.

XVI. Assignment and Delegation. Service Provider may assign or delegate certain of the administrative services described in this Agreement to be provided by third parties on behalf of Service Provider. Notwithstanding any such assignment or delegation, Service Provider shall remain responsible for the services provided for in this Agreement.

XVII. Governing Law. County, Service Provider, and this Agreement are subject to the laws of the state of California, and any regulations promulgated thereto. Any provision required to be in this Agreement by any of applicable State laws and regulations thereto shall bind County and Service Provider, whether or not expressly provided in this Agreement.

XVIII. Venue. All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the State courts located in the County of Riverside, state of California.

XIX. Acts or Omissions of Other Parties. Except in cases of gross negligence or willful misconduct, neither Service Provider nor its affiliates, successors and assigns shall have any liability, duty or other obligation with respect to actions or omissions (including incomplete or incorrect data provided to Service Provider) of the Employer, the Plan Administrator, or other authorized Plan representative, or of any concurrent or predecessor trustee, custodian, or other investment or service provider.

XX. Notice. Notice to either party shall be provided in writing as follows:

To Employer:

Attn: Amy Onopas
County Benefits Plan Administrator
Riverside County Flood Control and Water
Conservation District
4080 Lemon St. (1st Floor HR Retirement Division)
Riverside, CA 92502-1326

To Service Provider:

Attn: Sr. Vice President
Relationship Management
VALIC Retirement Services Company
2929 Allen Parkway, L6-20
Houston, TX 77019-2155

XXI. Release of Information. Where necessary to the proper administration of the Employer's Plan, Service Provider may release information to the Employer or a governmental agency examining the Employer's Plan.

XXII. Entire Agreement. Executed by the authorized representatives of the parties, this Agreement together with the referenced exhibits and attachments constitutes the entire intent of the parties hereto, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Agreement.

XXIII. Excess Service Provider Revenue. If the total revenue received by Service Provider in accordance with Section XI, as determined each calendar quarter, exceeded the gross annual Administrative Service Fee (0.17%) as described in that same section, then Service Provider will deposit the amount of such excess into an account under the Plan. Such deposits will be invested in the Vanguard Federal Money Market Investor fund until such time as Employer changes such investment election. Service Provider shall pay from this Plan account invoices received no more frequently than quarterly from Employer for Plan administration expenses, which expenses Employer has determined to be reasonable and properly payable from Plan assets. Service Provider shall pay such invoices within thirty (30) days of their receipt from Employer.

XXIV. Severability. If any provision, clause, sentence or paragraph of this Agreement shall be held invalid by any court of competent authority, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision or application, and to this end, the provisions of this Agreement are severable.

XXV. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

XXVI. Amendment. This Agreement may be amended or modified only by mutual written consent of the Parties.

XXVII. Disputes. The parties shall attempt to resolve any disputes amicably at the working level. If that is not successful, the dispute shall be referred to the senior management of the parties. Service Provider shall proceed diligently with the performance of this Agreement pending resolution of a dispute.

XXVIII. Non-Appropriation of Funds. The County obligation for payment of this Agreement beyond the current fiscal year end is contingent upon and limited by the availability of County funding from which payment can be made, and invoices shall be rendered “monthly” in arrears. No legal liability on the part of the County shall arise for payment beyond June 30 of each calendar year unless funds are made available for such payment. In the event that such funds are not forthcoming for any reason, County shall immediately notify Service Provider in writing and this Agreement shall be deemed terminated and have no further force and effect. After termination, County shall make payment only for services purchased up to the date of termination in accordance with this Agreement.

{The remainder of this page is intentionally left blank.}

IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to execute this Service Provider Agreement effective as of July 1, 2019.

Each party certifies that the individual signing below has the authority to execute this Service Provider Agreement on behalf of such party and may legally bind such party to the terms and conditions of the Service Provider Agreement, including any attachments hereto.

ATTEST:

**RIVERSIDE COUNTY FLOOD
CONTROL AND WATER
CONSERVATION DISTRICT:**

Clerk of the Board
Kecia R. Harper

By: [Signature]
Deputy

Date: APR 07 2020

By: [Signature]
Karen Spiegel

Chairwoman, Board of Supervisors

Date: APR 07 2020

Approved as to Form:
Gregory P. Priamos
County Counsel

By: [Signature]
SYNTHIA M. GUNZEL
Chief Deputy County Counsel

VALIC RETIREMENT SERVICES COMPANY:

By: [Signature]

Printed Name: Stephanie Smith

Title: Administrative Officer

Date: 3/9/2020

APPROVED
AS TO CONTRACT COMPLIANCE
LAW SERVICES

CONTROL NO. 2870

DATE 3-6-2020

SIGNED [Signature]

**Appendix A
To
Service Provider Agreement
Effective July 1, 2019**

Available Investment Options

AIG Retirement Services* receives 12b-1 fees and recordkeeping fees from mutual funds or their affiliates as shown below for administrative and shareholder services. AIG Retirement Services offsets the plan sponsor's administrative fee by the 12b-1 fees and recordkeeping fees received from the fund families as described in this Agreement.

				Amounts Paid to AIG Retirement Services from Fund Family	
	Fund Name	Asset Category	Ticker Symbol or CUSIP Number	12b-1 Fees (%)	Record keeping / Admin Fees (%)
1	American Century Government Bond A	Intermediate Government	ABTAX	0.25	0.25
2	American Century Ultra® Inv	Large Growth	TWCUX	0.00	0.35
3	American Funds American Balanced R4	Allocation--50% to 70% Equity	RLBEX	0.25	0.10
4	American Funds Bond Fund of Amer R4	Intermediate Core Bond	RBFEX	0.25	0.10
5	American Funds Europacific Growth R4	Foreign Large Growth	REREX	0.25	0.10
6	American Funds Fundamental Invs R4	Large Blend	RFNEX	0.25	0.10
7	BlackRock Health Sciences Opps Inv A	Health	SHSAX	0.25	0.25
8	BNY Mellon MidCap Index Inv	Mid-Cap Blend	PESPX	0.25	0.15
9	BNY Mellon S&P 500 Index	Large Blend	PEOPX	0.25	0.15
10	BNY Mellon Small Cap Stock Index Inv	Small Blend	DISSX	0.25	0.15
11	BNY Mellon Technology Growth A	Technology	DTGRX	0.25	0.25
12	Columbia Small Cap Value II A	Small Value	COVAX	0.25	0.15
13	Franklin DynaTech A	Large Growth	FKDNX	0.25	0.15
14	Invesco Oppenheimer Global A	World Large Stock	OPPAX	0.25	0.20
15	Invesco Small Cap Equity A	Small Blend	SMEAX	0.25	0.20
16	Janus Henderson Balanced T	Allocation--50% to 70% Equity	JABAX	0.00	0.25
17	Janus Henderson Forty T	Large Growth	JACTX	0.00	0.25
18	JPMorgan Mid Cap Growth A	Mid-Cap Growth	OSGIX	0.25	0.25
19	MFS Massachusetts Inv Gr Stk A	Large Growth	MIGFX	0.25	0.15
20	Neuberger Berman Genesis Adv	Small Growth	NBGAX	0.25	0.25
21	PGIM Jennison Small Company A	Small Growth	PGOAX	0.25	0.25
22	PIMCO Total Return Admin	Intermediate Core-Plus Bond	PTRAX	0.25	0.00
23	T. Rowe Price Retirement 2015 Advisor	Target-Date 2015	PARHX	0.25	0.15
24	T. Rowe Price Retirement 2025 Advisor	Target-Date 2025	PARJX	0.25	0.15
25	T. Rowe Price Retirement 2035 Advisor	Target-Date 2035	PARKX	0.25	0.15
26	T. Rowe Price Retirement 2045 Advisor	Target-Date 2045	PARLX	0.25	0.15
27	T. Rowe Price Retirement 2055 Advisor	Target-Date 2055	PAROX	0.25	0.15
28	Templeton Global Bond A	World Bond	TPINX	0.25	0.15
29	Templeton World A	World Large Stock	TEMWX	0.25	0.15

				Amounts Paid to AIG Retirement Services from Fund Family	
	Fund Name	Asset Category	Ticker Symbol or CUSIP Number	12b-1 Fees (%)	Record keeping / Admin Fees (%)
30	Vanguard Federal Money Market Investor	Money Market - Taxable	VMFXX	0.00	0.00
31	Vanguard Total Stock Market Idx I	Large Blend	VITSX	0.00	0.00
32	Virtus Ceredex Large-Cap Value Equity A	Large Value	SVIIX	0.25	0.40
33	Schwab PCRA	NA	SPCRA	0.00	0.00
34	Fixed-Interest Option ¹				

*AIG Retirement Services represents AIG member companies - The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).

¹ The Fixed-Interest Option is a group fixed unallocated annuity (policy form GFUA-398) issued by The Variable Annuity Life Insurance Company and endorsement GMIR-603 added to revise the minimum guaranteed interest rate for all amounts held under the contract. Transfers from this annuity contract shall be subject to a contractually imposed 90-day "equity wash" limitation, meaning that transfers out of this Fixed-Interest Option may not occur to a "competing option," as defined in the annuity contract, for 90 days after such transfer from the Fixed-Interest Option. This fund will be the default investment option for the Plan.

The default investment option(s) will be used:

- a. for any contributions received on behalf of a participant who does not have investment elections on file with Service Provider; or
- b. in the event a fund selected by the Employer has closed due to fund-company action and the Employer or its authorized Plan representative has not selected a new fund, for any contributions received on behalf of a participant who is participating in such fund; and, where required for the current account balances in the unavailable fund, Employer hereby directs Service Provider and Custodian to transfer such amounts to this investment option.

In the event a fund selected by the Employer has been merged with another fund due to fund-company action and the Employer or its authorized Plan representative has not selected a new fund, for any contributions received on behalf of a participant who is participating in such fund, and, where required for the current account balances in the merged fund, Employer hereby directs Service Provider and Custodian to transfer such amounts to the surviving fund of the fund merger.

Appendix B
To
Service Provider Agreement
Effective July 1, 2019

Personal Choice Retirement Account™ (PCRA) Provisions

Notwithstanding any provision in this Agreement to the contrary, the following provisions shall apply to the Personal Choice Retirement Account™ (PCRA) investment option:

1. **Agreements.** Employer hereby acknowledges receipt and review by the Employer and/or the Employer's legal counsel, as appropriate, of any and all relevant agreements governing the PCRA accounts established with Charles Schwab & Company, Inc. ("Schwab"), a California corporation, and accepts the terms thereof as consistent with the terms of the Plan. Employer specifically acknowledges:

A. the terms of any Limited Power of Attorney that a participant may be required to complete to establish a PCRA account;

B. any binding arbitration that may apply to any claims with respect to such a PCRA account; and

C. Schwab will have the consent of all parties to the monitoring by Schwab of any telephone conversations with its customer service personnel.

2. **Investments; Investment Selections/Direction.**

A. After contributions are allocated to a PCRA account, they will be invested exclusively in shares of mutual funds offered through a PCRA, and shall be subject to the terms of the account agreement and any other agreement governing the PCRA. The Employer hereby authorizes and directs Custodian to instruct Schwab to hold funds in non-interest bearing accounts pending allocation to individual PCRA accounts, where necessary under the PCRA. All contributions allocated to a PCRA account are first invested in a money market fund. Subject to any limitation in the Plan, participants may transfer amounts from the money market fund into other mutual funds available under their PCRA accounts. Except for the authority reserved to the Custodian under the Custodial Agreement, or given to the Employer under the Plan, if any, the participant will have all rights to direct the investment of the PCRA account, according to the provisions and limitations imposed under the PCRA, which will be provided to the participant in a separate document or set of documents, and subject to any limitations in the Plan. Pursuant to an agreement between Schwab and Custodian, certain mutual funds, listed in Appendix A, will not be available for new investments under the PCRA. Any changes to that list, including additions of mutual funds that will be unavailable for future investments, will be communicated to the Employer and to participants in writing prior to the date the change is to be effective. If a fund is excluded by the Employer, the Employer shall provide written notice to participants of its exclusion prior to requesting its exclusion by the Service Provider.

B. Investments in any mutual fund within the PCRA will be subject to any investment minimums and/or charges imposed by that mutual fund or within the PCRA.

C. The Service Provider will reallocate amounts from other funds in a PCRA account to the money market fund, as necessary to effectuate any of the following to the extent not being satisfied from other Plan Investment Options:

- i. the payment of the participant account annual maintenance and administrative service charges;
- ii. the payment of benefits to an alternate payee under a Domestic Relations Order;
- iii. the payment of taxes pursuant to a levy by the Internal Revenue Service;
- iv. the return of contributions as described in Section V of this Agreement; or
- v. any other distribution from the custodial account directed by the Employer in conformity with the Plan and the Code.

The Service Provider will reallocate any amounts pursuant to this paragraph in the following order: first, from mutual funds that are not subject to transaction fee expenses at the time of the transaction, or sales loads (Group 1); second, from mutual funds that are not subject to transaction fee expenses at the time of the transactions, but are subject to sales loads (Group 2); and third, from any remaining mutual funds in which the PCRA account is invested (Group 3). When reallocating from the mutual funds within Group 1, Group 2, or Group 3, the Service Provider will request such reallocations first from the mutual fund in the group that represented the greatest percentage of the PCRA account value at the close of business on the previous day, and then from the mutual fund that represented the next greatest percentage of the PCRA account value at the close of the previous day, continuing until an amount that is not less than the amount required is transferred to the money market fund. Participants who do not want transfers to be processed in this manner must ensure that the value of the money market fund in their PCRA accounts is sufficient to process any of the withdrawals described above.

3. **PCRA Account Statements; Proxies; Other Rights.** PCRA account statements will be regularly provided to each participant directly by Schwab; and, except where inconsistent with the Plan or the Code, Schwab will forward proxies and other rights accruing from the securities purchased through a PCRA account to the participant at the address that the participant has provided to Schwab.

4. **Charges.** The quarterly charge described in Section XI of this Agreement shall not apply to the PCRA option. In lieu of that charge, the Service Provider will deduct on a basis not more frequently than quarterly an annual charge in the amount of \$50.00 from the money market fund in each participant's PCRA account under the Plan. If a redemption of some or all of the mutual fund shares held under a PCRA account is requested, either for a distribution or for a transfer to another investment provider, so that the remaining PCRA account value for that participant would be less than the quarterly charge, Service Provider may deduct the full quarterly charge at the time of such

redemption. In lieu of deducting any amount payable under this paragraph 4 from a participant's PCRA account, Service Provider may, at its sole option, withdraw such amount from non-PCRA investments under a Participant Account, in the same manner as described in Section XI of this Agreement.

5. **Timing of Allocations to PCRA.** Employer acknowledges and agrees that posting of contributions to a PCRA account may occur subsequent to the posting of similar allocations to other Plan Investment Options.

6. **Notice of Errors in Reporting.** The Employer, or other authorized representative of the Plan, agrees on behalf of participants to the review of confirmations and/or statements within a reasonable time after receipt thereof, and that participants shall notify the Custodian or Service Provider of any errors discovered by the Employer or the participant within thirty (30) days after such receipt, and the Employer, or other authorized representative of the Plan, authorizes the Custodian and Service Provider to rely on the correctness of any transaction not identified to be in error within such thirty (30) days.

**Appendix C
To
Service Provider Agreement
Effective July 1, 2019**

Schwab Personal Choice Retirement Account Application – Omnibus

CUSTODIAL AGREEMENT

I. Establishment of Custodial Account. A custodial account ("Custodial Account") has been established by Riverside County Flood Control and Water Conservation District ("Employer or County"), to hold, administer, and distribute amounts pursuant to the terms of the 457 Deferred Compensation Plan, an eligible deferred compensation plan established pursuant to Section 457 of the Internal Revenue Code of 1986, as presently or subsequently amended ("Code"), which provides for the following type(s) of contributions: deferred compensation contributions, hereinafter referred to as the "Plan."

This Custodial Agreement includes Appendix A and Appendix B. If Appendix A includes as an investment option a Personal Choice Retirement Account™ ("PCRA") established with Charles Schwab & Company, Inc. ("Schwab"), a California corporation, then this Custodial Agreement includes Appendices C and D, and Employer accepts and acknowledges on behalf of the Plan and participants the terms and conditions of the agreement entered into between Custodian for Employer's Plan and Schwab and attached hereto as Appendix D.

II. Designation of Custodian. By signing below, the Employer designates that AIG Federal Savings Bank, a federally-chartered savings bank, shall be the nondiscretionary directed custodian ("Custodian") of this Custodial Account, beginning on July 1, 2019 ("Effective Date"), and hereby authorizes Custodian to open and maintain the Custodial Account; and the Custodian accepts such designation. This Custodial Agreement amends, restates and supersedes the Custodial Account Addendum to the Section 457 Deferred Compensation Plan Adoption and Services Agreement originally effective July 1, 2004. Except as otherwise provided in this Custodial Agreement, the Custodian shall be directed by the Employer, a plan administrator other than the Employer as designated in the Plan ("Plan Administrator"), or another authorized Plan representative. The Custodian shall hold Custodial Account property in the name of the Plan. The duties of the Custodian shall apply solely with respect to the property allocated to the Custodial Account hereunder, and Custodian shall bear neither responsibility nor liability for other amounts held under the Plan with another trustee, custodian, or other investment or service provider. The Employer hereby agrees that the Custodian shall not serve as, and shall not be deemed to be, a co-custodian or co-trustee and, except as otherwise imposed by applicable law, shall have no co-fiduciary liability for any other person, custodian or trustee. The Custodian shall have no responsibility for any property until it is received and accepted by the Custodian.

III. Protection of Participants.

A. Custodial Account property shall be held for the sole and exclusive benefit of participants and their beneficiaries.

B. No amounts allocable under the Plan shall be returned to the Employer, except as otherwise provided in this Custodial Agreement, until all obligations to participants have been satisfied, and unless consistent with the requirements of the Plan and the Code.

C. A Participant Account may not be assigned or pledged by a participant unless permitted under the Plan, the Code, and this Custodial Agreement.

IV. Protection of Custodian. The Custodian shall not be obligated to give any bond or other security for the performance of the Custodian's duties hereunder. The Custodian shall not be liable for any mistake of judgment or other action taken in good faith, and for any action taken or omitted in reliance in good faith, upon the opinion of counsel or of the Custodian's accountant or auditors, or upon the actions of, or the reports made to the Custodian by, any of Employer's officers, employees, or agents, or the actions of or reports by any regulated investment company or other service provider under the Plan, including any other current or prior custodian or trustee, provided that Custodian acted in good faith in such action or omission and in such reliance. The Custodian shall be entitled to rely on instructions provided by the Employer, the Plan Administrator, or another authorized Plan representative and investment instructions provided by participants and beneficiaries and shall have no duty to inquire with respect to such instructions.

The provisions of this agreement shall be subject to the terms of the Plan, any related service provider agreement ("Service Provider Agreement") entered into with VALIC Retirement Services Company ("Service Provider"), and any annuity contract entered into with The Variable Annuity Life Insurance Company, except that the terms of such Plan, Service Provider Agreement or annuity contract shall not adversely affect the rights or duties of the Custodian under this agreement without the Custodian's prior written consent.

Custodian shall be permitted to review the terms of the Plan, and any current or future amendments thereto. Such review shall not constitute an opinion as to the qualification of the Plan or as to any terms thereof and the Custodian shall have no responsibility for determining whether the Plan or any amendment thereof satisfies the qualification requirements of the Code. No amendment or other revision of the Plan or the Plan's administrative rules and procedures shall be binding upon the Custodian unless advance written notice of such amendment or other revision is provided to the Custodian. Employer shall retain sole responsibility for taking all necessary steps to ensure that administrative services provided for under this Custodial Agreement are not inconsistent with the terms of the Plan.

V. Forms and Procedures. All requests for transactions within Participant Accounts, including any account maintenance requests, and transfers or distributions into or out of such Participant Accounts, must be performed in a manner approved by the Custodian.

VI. Maintenance of Individual Subaccounts for Participants ("Participant Accounts"). The interests of each participant under the Plan shall be accounted for in a separate Participant Account. Records of individual Participant Accounts shall be maintained by Service Provider pursuant to the Service Provider Agreement between the Employer and Service Provider. To the extent permitted by law, the Custodian shall be relieved of any performance obligations under this Custodial Agreement that are also the obligations of the Service Provider under the Service Provider Agreement or any other service provider under the Plan.

VII. Correction of Errors. The Custodian is hereby authorized and directed to make such corrections of contributions to the Plan made under a mistake of fact or such other contributions made in error or other errors as may be corrected under the terms of the Plan and the Code, including corrections under any available Internal Revenue Service ("IRS") self-correction program, as identified by Service Provider, Employer or another authorized Plan representative. Contributions made to a Participant Account that are identified by the Service Provider, Custodian, the Employer or another authorized Plan representative to have resulted from a mistake of fact shall

be returned to the participant or the Employer or shall be reallocated to the proper Participant Account, along with earnings thereon, in accordance with the terms of the Plan and the Code. A mistake of fact may include, but is not limited to (1) a reasonable error in determining the participant's includible compensation; and (2) a reasonable error in determining the amount to be withheld from a participant's wages or the participant to whom a contribution was to be allocated. A mistake of law shall not be considered a mistake of fact.

If an amount credited to a Participant Account by the Custodian under a mistake of fact or other reasonable mistake is transferred to a successor contract issuer, custodian, or trustee, the Custodian is hereby authorized to request the return of such excess amount from the successor contract issuer, custodian, or trustee.

VIII. Administration of Loans to Participants. Subject to applicable provisions of the Plan, and the Code, loans from the Plan may be requested by a participant, provided that such loans are established in or on a form or method acceptable to the Custodian and the Service Provider, and provided that such loans are administered pursuant to a loan program established under the Plan and authorized by the Employer and that conforms to the administrative requirements of the Custodian and the Service Provider. Loan repayments shall be deposited into the Custodial Account and/or Annuity Contract in accordance with the participant's current investment allocations.

IX. Identification of Available Custodial Account Investments. The investments available under Participant Accounts ("Plan Investment Options") are listed in Appendix A to this Custodial Agreement. This list of available investments, which may also describe requirements or limitations applicable to one or more of the investments, was selected by the Employer or the Plan Administrator, and is hereby accepted by the Custodian. Appendix A may be revised annually following any anniversary of this Custodial Agreement provided that sixty (60) days' advance written notice is provided by the Employer, the Plan Administrator, or another authorized Plan representative, to the Custodian, of the intent to revise the Appendix, and subject to the Custodian's agreement to administer any additional investment(s) in advance of the addition of such additional investment(s) to Appendix A. The Custodian shall have no duty or responsibility for monitoring, selecting or providing advice with respect to the Plan Investment Options. Investment directions may be communicated to the Custodian by the Employer or another authorized Plan representative, such as the Service Provider, or by participants where permitted by the Plan. In the absence of contrary instructions from the Employer, the Plan Administrator, or another authorized Plan representative, the Custodian shall direct one or more third parties in the execution of investment instructions received from participants. The Custodian shall be entitled to rely upon instructions received from the Employer, the Plan Administrator, another authorized Plan representative, or a participant, subject to the limitation described in the preceding sentence, and shall have no obligation to investigate either the prudence of such instructions or the absence of any instructions.

The Employer hereby directs the Custodian to hold in cash or cash equivalents such amounts as may be necessary for the proper administration of Custodial Account assets and to retain for Custodian's sole benefit any income that it may receive while such amounts are so held as a portion of the reasonable compensation to be paid to the Custodian for its services to the Plan. Custodian may, in addition to or in lieu of charging Employer for the costs incurred by Custodian in providing these custodial services, invest funds received from Employer through a custodial account in investment vehicles that emphasize safety and liquidity. These investment vehicles will comprise obligations of the United States or its agencies and instrumentalities, or other obligations, the

principal and interest of which are unconditionally guaranteed or insured by, or backed by, the full faith and credit of the United States. All investment vehicles utilized must be liquid on a daily basis. Custodian may retain any income earned from such investments and, if applicable, any fees charged by Custodian as reasonable compensation for services rendered.

X. Limitations on Contributions. Contributions to a Participant Account shall not exceed the applicable limits provided in the Code and the Plan. Contributions in excess of applicable limits under the Code or the Plan may be distributed to the Employer or to the participant to the extent permitted under the Code; Treasury regulations or other regulatory guidance, including any IRS self-correction programs; the Plan; the Custodial Account; or as otherwise provided in this agreement or agreed by the Employer, Service Provider and Custodian.

XI. Custodial Account Distributions to Participants and Beneficiaries. Distributions to participants and beneficiaries may be made only as permitted under the Plan and the Code and subject to any limitations in Employer's agreement with Service Provider. Distributions from Participant Accounts must also comply with applicable distribution requirements under Code Section 401(a)(9), which generally requires that distributions commence not later than the April 1 of the year following the year the participant either attains age 70½ or retires, whichever is later. It shall be the responsibility of the Employer, the Plan Administrator, or an authorized designee to make determinations of eligibility for such distributions, comply with applicable distribution requirements, and direct the Custodian accordingly. The Custodian shall have no duty to inquire or investigate as to the validity of any such directions.

XII. Term of Agreement. This Custodial Agreement shall be coterminous with the Service Provider Agreement and shall be subject to the same renewal and termination rights, requirements and limitations described in the Service Provider Agreement. Employer shall notify Custodian in writing of its intent to terminate the services of Service Provider not less than ninety (90) days in advance of such termination. In such written notice, Employer shall identify the successor to the Service Provider and to the Custodian, and Custodian shall resign effective as of the date of termination of the Service Provider, without regard to any other provision of this Custodial Agreement. If no successor custodian is designated, Employer shall be the successor to the Custodian and shall amend its Plan to so provide, and shall take all necessary steps to so qualify.

XIII. Taxes and Tax Reporting. Distributions shall be reported to participants and/or beneficiaries and the IRS by the Custodian. In the event that a governmental taxing authority appropriately levies a tax upon the Custodial Account, the Custodian may pay such tax out of the assets of the Custodial Account.

XIV. Reports to Employer. Custodian shall provide periodic reports of aggregate Custodial Account activity to Employer not less frequently than quarterly.

XV. Employer's Duties. As a condition of Custodian's performance hereunder, Employer shall remit to Custodian, or to a party designated by Custodian, in a timely manner and in a medium and format that have been agreed to between the Employer and the Custodian, all information and contributions that are reasonably necessary for the Custodian to perform its duties hereunder. Custodian shall have no duty to allocate amounts to a Participant Account prior to the collection of such amounts by the Custodian from the bank or other depository institution maintaining the account of the Employer upon which any negotiable instrument for such contribution is or was

drawn. If Custodian makes investments for and/or allocates one or more contributions to Participant Accounts in reliance upon one or more negotiable instruments issued by the Employer, and if any such negotiable instrument is dishonored or otherwise fails to be paid, the Custodian shall be authorized to liquidate such investments and reverse such allocations to reflect the proper value of the Participant Accounts. Employer agrees to indemnify the Custodian for any losses incurred by Custodian from such dishonor or other failure of payment.

XVI. Broker-Dealer Services. Enrollment services, investment education, purchases and sales of variable Plan investments, and other registered broker-dealer services will be provided as described in Employer's agreement with Service Provider and not by Custodian.

XVII. Participant Direction of Investment. To the extent permitted under the Plan, as determined by the Employer, Custodian is directed to accept and follow investment directions received from individual participants or beneficiaries, subject to any other limitations described in this Custodial Agreement.

XVIII. Assignment and Delegation. Custodian may assign or delegate certain of the administrative or record keeping services described in this Custodial Agreement to be provided by third parties on behalf of Custodian. Notwithstanding any such assignment or delegation, Custodian shall remain responsible for the services provided for in this Custodial Agreement.

XIX. Governing Law. County, Custodian, and this Custodial Agreement are subject to the laws of the state of California, and any regulations promulgated thereto. Any provision required to be in this Custodial Agreement by any of applicable State laws and regulations thereto shall bind County and Custodian, whether or not expressly provided in this Custodial Agreement.

XX. Venue. All actions and proceedings arising in connection with this Custodial Agreement shall be tried and litigated exclusively in the State courts located in the County of Riverside, state of California.

XXI. Acts or Omissions of Other Parties. Except in cases of gross negligence or willful misconduct, neither Custodian nor its affiliates, successors or assigns shall have any liability, duty or other obligation with respect to actions or omissions (including incomplete or incorrect data provided to Custodian) of the Employer, the Plan Administrator, or other authorized Plan representative, or of any concurrent or predecessor trustee, custodian, or other investment or service provider.

XXII. Notice. Notice to either party shall be provided in writing as follows:

To Employer:

Attn: Amy Onopas
County Benefits Plan Administrator
Riverside County Flood Control and Water
Conservation District
4080 Lemon St. (1st Floor HR Retirement Division)
Riverside, CA 92502-1326

To Custodian:

Attn: Robert Rossiter
President & CEO
AIG Federal Savings Bank
503 Carr Road, Ste. 130
Wilmington, Delaware 19809-2800

XXIII. Release of Information. Where necessary to the proper administration of Employer's Plan, the Custodian may release information to the Employer or a governmental agency examining the Employer's Plan.

XXIV. Representations and Warranties. Employer and Custodian each represent and warrant to the other as follows:

a. Each is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and, in the case of AIG Federal Savings Bank, the laws of the United States;

b. Each is not a party to or subject to any charter, by-law, agreement, law, rule, regulation, judgment or decree of any kind that would prevent performance of the terms and conditions of this Custodial Agreement;

c. Each has full power and authority to execute and deliver this Custodial Agreement and to consummate and perform the transactions contemplated hereby;

d. This Custodial Agreement has been duly authorized, executed and delivered by Employer and Custodian and constitutes the legal, valid and binding obligation of each, enforceable against each in accordance with its terms; and

e. (Check applicable provision below; if neither checked, paragraph 1. shall apply):

1. _____ (*Only individual executing this agreement authorized to act with respect to the Custodial Account*). Employer has invested the fullest authority at all times in the individual executing this Custodial Agreement, which individual is empowered by resolution and applicable law to execute any documents that Custodian requires relevant to the opening or maintaining of the Custodial Account for the Plan and to take any and all action deemed to be proper in connection with the Custodial Account, including, but not limited to, authority to give written or oral instructions to Custodian with respect to Custodial Account transactions; or

2. _____ (*Individuals other than individual executing this agreement authorized to act with respect to the Custodial Account*). Employer has invested the fullest authority at all times in the individuals named and whose signatures appear in Appendix B, which individuals are empowered by resolution and applicable law to execute any documents that Custodian requires relevant to the opening or maintaining of a Custodial Account for the Plan and to take any and all action deemed by any of them to be proper in connection with the Custodial Account, including, but not limited to, authority to give written instructions to Custodian with respect to Custodial Account transactions.

Said powers and authority granted shall continue fully effective until receipt by Custodian of written notice of change or revision thereof. Employer will certify to Custodian promptly, when and as made, any change in the individual(s) or powers of said individual(s) hereby authorized and such modifications when received by Custodian shall be adequate both to terminate the powers of the individual(s) theretofore authorized and to empower the individual(s) thereby substituted. The Custodian shall be entitled to rely on and shall be fully protected in acting upon directions, instructions and any information provided by the individual(s) until a notice described in this paragraph is received.

XXV. Entire Agreement. Executed by the authorized representatives of the parties, this Custodial Agreement together with the referenced exhibits and attachments constitutes the entire intent of the

parties to this Custodial Agreement and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter of this Custodial Agreement.

XXVI. Amendment. This Custodial Agreement may be amended with the written consent of Employer and Custodian. Custodian may with prior written consent of Employer amend this Custodial Agreement if it is deemed advisable to do so in order to conform the Custodial Agreement to applicable laws and regulations.

{The remainder of this page is intentionally left blank.}

IN WITNESS WHEREOF, the parties hereto have caused their duly appointed representatives to execute this Custodial Agreement effective as of July 1, 2019.

Each party certifies that the individual signing below has the authority to execute this Custodial Agreement on behalf of such party and may legally bind such party to the terms and conditions of the Custodial Agreement, including any attachments hereto.

ATTEST:

RIVERSIDE COUNTY FLOOD
CONTROL AND WATER
CONSERVATION DISTRICT:

Clerk of the Board
Kecia R. Harper

By: [Signature]
Deputy

By: Karen S. Spiegel
Karen Spiegel
Chairwoman, Board of Supervisors

Date: APR 07 2020

Date: APR 07 2020

Approved as to Form:
Gregory P. Priamos
County Counsel

By: Synthia M. Gunzel
SYNTHIA M. GUNZEL
Chief Deputy County Counsel

AIG FEDERAL SAVINGS BANK

Appointment of AIG Federal Savings Bank as non-discretionary directed custodian accepted by authorized representative:

By: [Signature]

Printed Name: Kimberly Robinson

Title: Vice President and Trust Officer

Date: 3/15/2020

APPROVED
AS TO CONTRACT COMPLIANCE
LAW SERVICES

CONTROL NO. 2870

DATE 3-6-2020

SIGNED [Signature]

**Appendix A
To
Custodial Agreement
Effective July 1, 2019**

Available Investment Options

AIG Retirement Services* receives 12b-1 fees and recordkeeping fees from mutual funds or their affiliates as shown below for administrative and shareholder services. AIG Retirement Services offsets the plan sponsor's administrative fee by the 12b-1 fees and recordkeeping fees received from the fund families as described in the Service Provider Agreement.

				Amounts Paid to AIG Retirement Services from Fund Family	
	Fund Name	Asset Category	Ticker Symbol or CUSIP Number	12b-1 Fees (%)	Record keeping / Admin Fees (%)
1	American Century Government Bond A	Intermediate Government	ABTAX	0.25	0.25
2	American Century Ultra® Inv	Large Growth	TWCUX	0.00	0.35
3	American Funds American Balanced R4	Allocation--50% to 70% Equity	RLBEX	0.25	0.10
4	American Funds Bond Fund of Amer R4	Intermediate Core Bond	RBFEX	0.25	0.10
5	American Funds Europacific Growth R4	Foreign Large Growth	REREX	0.25	0.10
6	Americari Funds Fundamental Invs R4	Large Blend	RFNEX	0.25	0.10
7	BlackRock Health Sciences Opps Inv A	Health	SHSAX	0.25	0.25
8	BNY Mellon MidCap Index Inv	Mid-Cap Blend	PESPX	0.25	0.15
9	BNY Mellon S&P 500 Index	Large Blend	PEOPX	0.25	0.15
10	BNY Mellon Small Cap Stock Index Inv	Small Blend	DISSX	0.25	0.15
11	BNY Mellon Technology Growth A	Technology	DTGRX	0.25	0.25
12	Columbia Small Cap Value II A	Small Value	COVAX	0.25	0.15
13	Franklin DynaTech A	Large Growth	FKDNX	0.25	0.15
14	Invesco Oppenheimer Global A	World Large Stock	OPPAX	0.25	0.20
15	Invesco Small Cap Equity A	Small Blend	SMEAX	0.25	0.20
16	Janus Henderson Balanced T	Allocation--50% to 70% Equity	JABAX	0.00	0.25
17	Janus Henderson Forty T	Large Growth	JACTX	0.00	0.25
18	JPMorgan Mid Cap Growth A	Mid-Cap Growth	OSGIX	0.25	0.25
19	MFS Massachusetts Inv Gr Stk A	Large Growth	MIGFX	0.25	0.15
20	Neuberger Berman Genesis Adv	Small Growth	NBGAX	0.25	0.25
21	PGIM Jennison Small Company A	Small Growth	PGOAX	0.25	0.25
22	PIMCO Total Return Admin	Intermediate Core-Plus Bond	PTRAX	0.25	0.00
23	T. Rowe Price Retirement 2015 Advisor	Target-Date 2015	PARHX	0.25	0.15
24	T. Rowe Price Retirement 2025 Advisor	Target-Date 2025	PARJX	0.25	0.15
25	T. Rowe Price Retirement 2035 Advisor	Target-Date 2035	PARKX	0.25	0.15
26	T. Rowe Price Retirement 2045 Advisor	Target-Date 2045	PARLX	0.25	0.15
27	T. Rowe Price Retirement 2055 Advisor	Target-Date 2055	PAROX	0.25	0.15
28	Templeton Global Bond A	World Bond	TPINX	0.25	0.15
29	Templeton World A	World Large Stock	TEMWX	0.25	0.15

				Amounts Paid to AIG Retirement Services from Fund Family	
Fund Name	Asset Category	Ticker Symbol or CUSIP Number	12b-1 Fees (%)	Record keeping / Admin Fees (%)	
30 Vanguard Federal Money Market Investor	Money Market - Taxable	VMFXX	0.00	0.00	
31 Vanguard Total Stock Market Idx I	Large Blend	VITSX	0.00	0.00	
32 Virtus Ceredex Large-Cap Value Equity A	Large Value	SVIIX	0.25	0.40	
33 Schwab PCRA	NA	SPCRA	0.00	0.00	
34 Fixed-Interest Option ¹					

*AIG Retirement Services represents AIG member companies - The Variable Annuity Life Insurance Company (VALIC) and its subsidiaries VALIC Financial Advisors, Inc. (VFA) and VALIC Retirement Services Company (VRSCO). All are members of American International Group, Inc. (AIG).

¹ The Fixed-Interest Option is a group fixed unallocated annuity (policy form GFUA-398) issued by The Variable Annuity Life Insurance Company and endorsement GMIR-603 added to revise the minimum guaranteed interest rate for all amounts held under the contract. Transfers from this annuity contract shall be subject to a contractually imposed 90-day "equity wash" limitation, meaning that transfers out of this Fixed-Interest Option may not occur to a "competing option," as defined in the annuity contract, for 90 days after such transfer from the Fixed-Interest Option. This fund will be the default investment option for the Plan.

The default investment option(s) will be used:

- a. for any contributions received on behalf of a participant who does not have investment elections on file with Service Provider; or
- b. in the event a fund selected by the Employer has closed due to fund-company action and the Employer or its authorized Plan representative has not selected a new fund, for any contributions received on behalf of a participant who is participating in such fund; and, where required for the current account balances in the unavailable fund, Employer hereby directs Service Provider and Custodian to transfer such amounts to this investment option.

In the event a fund selected by the Employer has been merged with another fund due to fund-company action and the Employer or its authorized Plan representative has not selected a new fund, for any contributions received on behalf of a participant who is participating in such fund, and, where required for the current account balances in the merged fund, Employer hereby directs Service Provider and Custodian to transfer such amounts to the surviving fund of the fund merger.

**Appendix B
To
Custodial Agreement
Effective July 1, 2019**

Authorized Individuals

Name: Karen Spiegel
Title: Chair, Board of Supervisors
Signature: _____

Name: Kevin Jeffries
Title: Vice Chair, Board of Supervisors
Signature: _____

Name: _____
Title: _____
Signature: _____

Name: _____
Title: _____
Signature: _____

Name: _____
Title: _____
Signature: _____

Appendix C
To
Custodial Agreement
Effective July 1, 2019

Personal Choice Retirement Account™ (PCRA) Provisions

Notwithstanding any provision in this Custodial Agreement to the contrary, the following provisions shall apply to the Personal Choice Retirement Account™ (PCRA) investment option:

1. **Agreements.** Employer hereby acknowledges receipt and review by the Employer and/or the Employer's legal counsel, as appropriate, of any and all relevant agreements governing the PCRA accounts established with Charles Schwab & Company, Inc. ("Schwab"), a California corporation, and accepts the terms thereof as consistent with the terms of the Plan. Employer specifically acknowledges:

A. the terms of any Limited Power of Attorney that a participant may be required to complete to establish a PCRA account;

B. any binding arbitration that may apply to any claims with respect to such a PCRA account; and

C. Schwab will have the consent of all parties to the monitoring by Schwab of any telephone conversations with its customer service personnel.

2. **Investments; Investment Selections/Direction.**

A. After contributions are allocated to a PCRA account, they will be invested exclusively in shares of mutual funds offered through a PCRA, and shall be subject to the terms of the account agreement and any other agreement governing the PCRA. The Employer hereby authorizes and directs Custodian to instruct Schwab to hold funds in non-interest bearing accounts pending allocation to individual PCRA accounts, where necessary under the PCRA. All contributions allocated to a PCRA account are first invested in a money market fund. Subject to any limitation in the Plan, participants may transfer amounts from the money market fund into other mutual funds available under their PCRA accounts. Except for the authority reserved to the Custodian under this Custodial Agreement, or given to the Employer under the Plan, if any, the participant will have all rights to direct the investment of the PCRA account, according to the provisions and limitations imposed under the PCRA, which will be provided to the participant in a separate document or set of documents, and subject to any limitations in the Plan. Pursuant to an agreement between Schwab and Custodian, certain mutual funds, listed in Appendix A, will not be available for new investments under the PCRA. Any changes to that list, including additions of mutual funds that will be unavailable for future investments, will be communicated to the Employer and to participants in writing prior to the date the change is to be effective. If a fund is excluded by the Employer, the Employer shall provide written notice to participants of its exclusion prior to requesting its exclusion by the Service Provider.

B. Investments in any mutual fund within the PCRA will be subject to any investment minimums and/or charges imposed by that mutual fund or within the PCRA.

C. The Service Provider will reallocate amounts from other funds in a PCRA account to the money market fund, as necessary to effectuate any of the following to the extent not being satisfied from other Plan Investment Options:

- i. the payment of the participant account annual maintenance and administrative service charges;
- ii. the payment of benefits to an alternate payee under a Domestic Relations Order;
- iii. the payment of taxes pursuant to a levy by the Internal Revenue Service;
- iv. the return of contributions as described in Sections VII and X of this Custodial Agreement; or
- v. any other distribution from the Custodial Account directed by the Employer in conformity with the Plan and the Code.

The Service Provider will reallocate any amounts pursuant to this paragraph in the following order: first, from mutual funds that are not subject to transaction fee expenses at the time of the transaction, or sales loads (Group 1); second, from mutual funds that are not subject to transaction fee expenses at the time of the transactions, but are subject to sales loads (Group 2); and third, from any remaining mutual funds in which the PCRA account is invested (Group 3). When reallocating from the mutual funds within Group 1, Group 2, or Group 3, the Service Provider will request such reallocations first from the mutual fund in the group that represented the greatest percentage of the PCRA account value at the close of business on the previous day, and then from the mutual fund that represented the next greatest percentage of the PCRA account value at the close of the previous day, continuing until an amount that is not less than the amount required is transferred to the money market fund. Participants who do not want transfers to be processed in this manner must ensure that the value of the money market fund in their PCRA accounts is sufficient to process any of the withdrawals described above.

3. **PCRA Account Statements; Proxies; Other Rights.** PCRA account statements will be regularly provided to each participant directly by Schwab; and, except where inconsistent with the Plan or the Code, Schwab will forward proxies and other rights accruing from the securities purchased through a PCRA account to the participant at the address that the participant has provided to Schwab.

4. **Charges.** The quarterly charge described in Section XI of the Service Provider Agreement shall not apply to the PCRA option. In lieu of that charge, the Service Provider will deduct on a basis not more frequently than quarterly an annual charge in the amount of \$50.00 from the money market fund in each participant's PCRA account under the Plan. If a redemption of some or all of the mutual fund shares held under a PCRA account is requested, either for a distribution or for a transfer to another investment provider, so that the remaining PCRA account value for that participant would be less than the quarterly charge, Service Provider may deduct the full quarterly

charge at the time of such redemption. In lieu of deducting any amount payable under this paragraph 4 from a participant's PCRA account, Service Provider may, at its sole option, withdraw such amount from non-PCRA investments under a Participant Account, in the same manner as described in Section XI of the Service Provider Agreement.

5. **Timing of Allocations to PCRA.** Employer acknowledges and agrees that posting of contributions to a PCRA account may occur subsequent to the posting of similar allocations to other Plan Investment Options.

6. **Notice of Errors in Reporting.** The Employer, or other authorized representative of the Plan, agrees on behalf of participants to the review of confirmations and/or statements within a reasonable time after receipt thereof, and that participants shall notify the Custodian or Service Provider of any errors discovered by the Employer or the participant within thirty (30) days after such receipt, and the Employer, or other authorized representative of the Plan, authorizes the Custodian and Service Provider to rely on the correctness of any transaction not identified to be in error within such thirty (30) days.

**Appendix D
To
Custodial Agreement
Effective July 1, 2019**

Schwab Personal Choice Retirement Account Application – Omnibus

PLAN LOAN POLICY

The Plan Administrator of the 457 Deferred Compensation Plan adopts the following loan policy pursuant to the terms of the Plan. As a participant under the Plan, you may receive a loan only as permitted by this loan policy.

1. **LOAN APPLICATION/FEES.** Any Plan participant may apply for a loan from the Plan. For purposes of this loan policy, the term "participant" means any participant with respect to the Plan who is currently employed by the employer. A participant must apply for a loan by completing a Loan Application and reviewing the Loan Disclosure Statement. Upon approval and issuance of the loan, there will be a \$50 loan initiation fee and a \$50 annual loan maintenance fee charged to the participant's account.

2. **LIMITATION ON LOAN AMOUNT/PURPOSE OF LOAN.** Loans will not be approved for an amount that exceeds 50% of the participant's vested accrued benefit, as reflected by the books and records of the Plan, reduced by the current outstanding balance of all loans from the Employer's Qualified Plans as of the date of this loan. If the Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), and the Plan so provides or does not otherwise prohibit, the 50% limit does not apply when the loan amount requested is \$10,000 or less. The maximum dollar amount of a new loan to any participant may not exceed \$50,000, reduced by the highest outstanding loan balance of all loans from the Employer's Qualified Plans during the 12-month period immediately preceding the date of this loan. A participant may not request a loan for less than \$1,000.00, and may have no more than one loan outstanding at any time.

A participant loan may be made for any purpose.

3. **EVIDENCE AND TERMS OF LOAN.** The loan will be documented by a promissory note signed by the participant for the amount of the loan, together with a commercially reasonable rate of interest. The interest rate applicable at the time the loan is issued will remain fixed for the life of the loan.

General purpose loans may be for a period of not less than 12 months nor more than five years. A loan for the purchase of a home may be for a period of not less than 12 months nor more than 15 years. A "home loan" is a loan used to purchase a dwelling unit which the participant will use as a principal residence within a reasonable time.

A loan will provide a fixed rate of interest of 1.00(%) above the current prime interest rate as published from time to time in the Wall Street Journal. The loan must provide at least quarterly payments under a level amortization schedule. The participant receiving a loan from the Plan must enter into an Automated Clearing House ("ACH") debit agreement to repay the loan from the participant's personal bank or savings account.

Loan payments may be suspended for a period not exceeding one year that a participant is on an approved leave of absence without pay (or is on leave at a pay rate, after applicable withholdings, that is lower than the loan payments). If the participant is on a leave of absence due to the performance of military service, loan payments may be suspended for the entire period of the military leave. In either case, the loan will accrue interest during the period of leave. Upon return from a period of non-military leave, the loan will be reamortized such that (i) the loan (and the interest that accrued during the leave of absence) is paid off within 5 years from the original date of a general purpose loan (or within 15 years from the original date of a loan to purchase a principal residence), and (ii) the amount of each payment is not less than under the terms of the original loan. Upon return from a period of military leave, the

loan will be reamortized such that the loan (and the interest that accrued during the leave of absence) will be paid off over a period equal to the original term of the loan plus the period of military leave.

If a general purpose loan is not fully repaid five years after the date of the loan, any amount due at that time is considered a taxable distribution. This is also applicable sooner if the loan is in default.

If a loan for the purchase of a principal residence is not fully repaid 15 years after the date of the loan, any amount due at that time is considered a taxable distribution. This is also applicable sooner if the loan is in default.

4. **SECURITY FOR LOAN.** A participant must secure each loan with an irrevocable pledge and assignment of an amount equal to the amount of the loan from the vested amount of the participant's accrued benefit under the Plan.

5. **DEFAULT/RISK OF LOSS.** The loan will be considered in default in these instances:

- (a) if any scheduled payment remains unpaid on the last day of the calendar quarter following the calendar quarter in which the payment is due;
- (b) if there is any representation or statement to the Plan by or on behalf of the participant which proves to have been false in any material respect;
- (c) upon the dissolution, insolvency, business failure, appointment of receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws of, by or against the participant.

A default will be considered a deemed distribution which is a taxable event under the terms of the Plan. The loan will be offset in the participant's account upon the occurrence of a distributable event under the Plan. Pending final disposition of the note, the participant remains obligated for any unpaid principal and accrued interest.

This loan program is not intended to place other participants at risk with respect to their interests in the Plan. In this regard, any participant loan will be administered as a participant-directed investment of that portion of the participant's vested account balance equal to the outstanding principal balance of the loan. The Plan will credit that portion of the participant's account balances with the interest earned on the note and with principal payments received by the participant. The Plan also will charge that portion of the participant's account balances with expenses directly related to the maintenance and collection of the note (i.e., the annual loan maintenance fee).

Dated this _____ day of _____, 20____.

Plan Administrator