



REGULAR BOARD MEETING

JANUARY 9, 2024



**STOCKTON  
EAST WATER  
DISTRICT**

PROVIDING SERVICE SINCE 1948

[www.sewd.net](http://www.sewd.net)

DIRECTORS

Richard Atkins  
President  
Division 1

Andrew Watkins  
Division 2

Alvin Cortopassi  
Division 3

Melvin Panizza  
Division 4

Paul Sanguinetti  
Division 5

Loralee McGaughey  
Division 6

Thomas McGurk  
Vice President  
Division 7

STAFF

Justin M. Hopkins  
General Manager

Juan M.Vega  
Assistant General Manager

LEGAL COUNSEL

Jeanne M. Zolezzi  
General Counsel

Phone 209-948-0333  
Fax 209-948-0423

E-mail [sewd@sewd.net](mailto:sewd@sewd.net)

6767 East Main Street  
Stockton, CA 95215

Post Office Box 5157  
Stockton, CA 95205

MEETING NOTICE

THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STOCKTON EAST WATER DISTRICT WILL BE HELD AT 12:30 P.M., TUESDAY, JANUARY 9, 2024 AT THE DISTRICT OFFICE, 6767 EAST MAIN STREET STOCKTON, CALIFORNIA 95215

**Assistance for the Disabled:** If you are disabled in any way and need accommodation to participate in the meeting, please contact Administrative Staff at (209) 948-0333 at least 48-hours in advance for assistance so the necessary arrangements can be made.

FOR CONTINUED CONVENIENCE STOCKTON EAST WATER DISTRICT BOARD MEETINGS WILL BE AVAILABLE BY TELECONFERENCE.

Please call (669) 444-9171/Meeting ID: 895 8357 0571/Passcode: 258952 to be connected to the Regular Board Meeting, to begin at 12:30 p.m. Agendas and minutes are located on our website at [www.sewd.net](http://www.sewd.net).

**AGENDA**

Page No

- A. Pledge of Allegiance (Director Panizza) & Roll Call**
- B. Consent Calendar (None)**
- C. Public Comment (Non-Agenda Items)**
- D. Scheduled Presentations and Agenda Items**
  - 1. Minutes 01/02/24 01
  - 2. Warrants – California Public Employees’ Retirement System 05
  - 3. Stockton East Water District – Support of AB 1567 and SB 867 Memo 07
    - a. AB 1567 Letter of Support 09
    - b. SB 867 Letter of Support 11
  - 4. Stockton East Water District – Agricultural Lease Agreement for Remainder of North Site Property Memo 13
    - a. Agricultural Lease Agreement Carna Farming-Lagorio 15
  - 5. Stockton East Water District – Water Right Applications – Revised Calaveras River Project Memo 31
- E. Committee Reports**
  - 1. San Joaquin County and Delta Water Quality Coalition Steering Committee Meeting, 01/08/24

- F. Report of the General Manager**
1. Water Supply Report 01/02/24 37
  2. Informational Items
    - a. Material Included, but Bound Separately from Agenda Packet:
      1. Extinction Watch: No Delta Smelt Collected in CDFW Fall Survey for Sixth Year in a Row, www.Daily KOS.com, 12/27/23
      2. First Snow Survey of the Season Finds Below Average Conditions for California, California Department of Water Resources, 01/02/24
  3. Report on General Manager Activities
    - a. Stockton East Water District Activities Update
  4. Stockton East Water District Treatment Plant Update
- G. Director Reports**
1. Greater Stockton Chamber of Commerce Monthly Mixer – University of the Pacific Athletics At The Alex G. Spanos Center, 01/04/24
- H. Communications**
- I. Agenda Planning/Upcoming Events**
1. Eastern San Joaquin Groundwater Authority Steering Committee, 8:30am, 01/10/24 39  
*\*This meeting was cancelled\**
  2. Eastern San Joaquin Groundwater Authority Board Meeting, 10:30 a.m., 01/10/24
  3. Stockton East Water District - Agriculture Operations Committee Meeting, Noon, 01/11/24 41
  4. Stockton Area Water Suppliers Meeting (SAWS), 1:00 p.m., 01/12/24
  5. District Holiday – Martin Luther King Jr., 01/15/24
- J. Closed Session**
1. CONFERENCE WITH LEGAL COUNSEL: REAL PROPERTY GOVERNMENT CODE SECTION 54956.9 – Property: Water Rights  
Agency Negotiator: Justin M. Hopkins  
Negotiating Parties: Rock Creek Water District  
Under Negotiation: Water Transfer
  2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Potential exposure to litigation – Government Code Section 54956.9 – two cases

**K. Adjournment**

**Certification of Posting**

I hereby certify that on January 4, 2024 I posted a copy of the foregoing agenda in the outside display case at the District Office, 6767 East Main Street, Stockton, California, said time being at least 72 hours in advance of the meeting of the Board of Directors of the Stockton East Water District (Government Code Section 54954.2).

Executed at Stockton, California on January 4, 2024.



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Priya Ram, Finance Director  
Stockton East Water District

Any materials related to items on this agenda distributed to the Board of Directors of Stockton East Water District less than 72 hours before the public meeting are available for public inspection at the District's office located at the following address: 6767 East Main Street, Stockton, CA 95215. Upon request, these materials may be available in an alternative format to persons with disabilities

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THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF STOCKTON EAST WATER DISTRICT WAS HELD AT THE DISTRICT OFFICE  
6767 EAST MAIN STREET, STOCKTON, CA  
ON TUESDAY, JANUARY 2, 2024 AT 12:30 P.M.

President Atkins informed the Board that Director Loralee McGaughey, representative of Division 6, passed away. President Atkins paid tribute with a minute of silence to honor Director McGaughey.

**A. PLEDGE OF ALLEGIANCE AND ROLL CALL**

President Atkins called the regular meeting to order at 12:30 p.m., and Administrative Clerk Rodriguez led the Pledge of Allegiance.

Present at roll call at the District were Directors Atkins, Cortopassi, McGurk, Panizza, Sanguinetti and Watkins. Also present were Manager Hopkins, Assistant Manager Vega, Finance Director Ram, District Engineer Evensen, Administrative Clerk Rodriguez and Legal Counsel Zolezzi. Director McGaughey was absent.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT (None)**

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 12/26/23 – Regular Meeting

Vice President McGurk made the following correction to the minutes;

- On page 3, section F-1, paragraph 1, line 7; add New Hogan Dam and Reservoir.

A motion was moved and seconded to approve the December 26, 2023 Regular Board Meeting Minutes, as amended.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Panizza, Sanguinetti, Watkins

Nays: None

Abstain: None

Absent: McGaughey

2. Warrants

- a. Fund 68 – Municipal & Industrial Groundwater Fund
- b. Fund 70 – Administration Fund
- c. Fund 71 – Water Supply Fund
- d. Fund 91 – Vehicle Fund
- e. Fund 94 – Municipal & Industrial Fund
- f. Summary
- g. Short Names/Acronym List
- h. SEWD Vehicles & Heavy Equipment

Director Panizza inquired on the expense on page 9, line item 19 for Planet Bids, LLC for Service and Support for Vendor and Bid Management in the amount of \$3,978.00. Manager Hopkins replied this charge is for a one-year subscription to an online bid support and management software to advertise the District's bids to a broader network of companies.

Director McGurk inquired on the expense on page 7, line item 4 for Stockton East Water District – Bank of Stockton for Principal North Site Property Qtr. Ending Jan 2023 and line item 5 for Stockton

East Water District-Bank of Stockton for Interest North Site Property Qtr. Ending Jan 2023. Manager Hopkins replied it is the loan payment for the actual property. Director McGurk inquired why it took long to make the payment. Assistant Manager Vega replied it should say Jan 2024 instead of Jan 2023.

Director Sanguinetti inquired on the expense on page 12, line item 56 for Target Special Products for Herbicide for Weed Abatement Along New Melones System in the amount of \$4,792.20. Assistant Manager Vega replied the Water Supply Manager is licensed in three different counties and has attended numerous courses which of those Target Special Products has offered. Manager Hopkins added that Target Special Products provides a Pest Control Advisor to evaluate the District's vegetation and recommend products. Director Sanguinetti suggested working with local vendors for future purchases.

Director Atkins inquired on the expense on page 10, line item 21 for R-Tek Security and Consulting for Servers and Licensing for Security Cameras in the amount of \$10,440.47. Manager Hopkins replied the server and camera licenses are only for the water treatment plant campus.

Director Watkins inquired on the expense on page 16, line item 96 for Salazar Transportation Inc for Transportation for D8 Dozer from Tom Allen Treatment plant in the expense of \$824.10. Assistant Manager Vega replied the dozer was a D6 and not a D8.

A motion was moved and seconded to approve the January 2, 2024 Warrants, as amended.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Panizza, Sanguinetti, Watkins

Nayes: None

Abstain: None

Absent: McGaughey

3. Approval of the Tri-Dam 2024 Budget

A motion was moved and seconded to approve the Approval of the Tri-Dam 2024 Budget, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Panizza, Sanguinetti, Watkins

Nayes: None

Abstain: None

Absent: McGaughey

4. Stockton East Water District – 2024/2025 Board Committee Assignments

Manager Hopkins presented the Board with Stockton East Water District – 2024/2025 Board Committee Assignments. Manager Hopkins provided the Board with the current list of committees and assignments for any changes.

Director McGurk suggested to remove him from the Association of California Water Agencies Committees (ACWA) as the Authorized Voting Delegate and replace him on the Association of California Water Agencies/ Joint Powers Insurance Authority (ACWA/JPIA), Director Atkins will replace him.

A motion was moved and seconded to approve the Stockton East Water District – 2024/2025 Board Committee Assignments, as amended.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Panizza, Sanguinetti, Watkins

Nays: None

Abstain: None

Absent: McGaughey

5. Association of California Water Agencies Committee Assignments – 2024/2025 Term  
Manager Hopkins presented the Board with Association of California Water Agencies Committee Assignments – 2024/2025 Term. Manager Hopkins provided an updated list to the Board with a list of the 2024/2025 term of the committees the District requested to participate in along with Legal Counsel and Consultants.

## **E. COMMITTEE REPORTS**

### **F. REPORT OF GENERAL MANAGER**

1. Water Supply Report as of 12/26/23

Manager Hopkins provided a handout of the Water Supply Report for information only that included storage, release, and production data collected from various sources as of midnight last night.

There is 168,688 AF in storage at New Hogan Reservoir. Current releases are set at 200 cfs. There is 1,983,130 AF in storage at New Melones Reservoir. Current releases are set at 202 cfs. Current release at Goodwin Dam to Stanislaus River is set at 204 cfs and release to all water users is set at 0 cfs. The district water treatment plant (WTP) is currently processing 34 mgd. North Stockton is currently utilizing 12 mgd. South Stockton is currently utilizing 4 mgd. Cal Water is currently utilizing 18 mgd. The City of Stockton WTP is currently processing 0 mgd.

2. Information Items:

Manager Hopkins noted items: F2a-1, F2a-2

3. Report on General Manager Activities

- a. Stockton East Water District Activities Update

Manager Hopkins reported an update from the previous board meeting on the New Hogan Water Control Manual update. Manager Hopkins reported he reached out to U.S. Army Corps of Engineer (USACE) to obtain more information, USACE does expect to consider the forecast informed reservoir operations (FIRO) methodology as part of the update which will be included as an alternative amongst many other alternatives which will be evaluated, and one will be chosen. Manager Hopkins also reported USACE is planning to include a stakeholder coordination process which the District will be engaged early on in the process.

Manager Hopkins reported he attended a meeting with the board president from Rock Creek Water District. Manager Hopkins reported Rock Creek Water District is still interested in pursuing a potential long-term water transfer. Manager Hopkins informed the Board he will be creating draft items for the Board to consider at a future Board meeting

Manager Hopkins reported over the past seven months staff and himself have been working through several of the District's surface water customer accounts to perform an audit per Rule 109, which provides discounts to customers based on their water rights. Manager Hopkins reported there are some discrepancies between the District's files and how the rule is intended



to be applied. Manager Hopkins informed the Board that Rule 109 will be an item for discussion in the upcoming Agriculture Operations Committee Meeting.

4. Stockton East Water District Finance Update

Finance Director Ram presented the Board with a finance update. Finance Director Ram reported for investments LAIF's current interest rate is 3.59%, and California Class annualized interest rate is 4.8%. Finance Director Ram reported the year-to-date budget up to November 30th is at 67% and year-to-date expense is at 50%. Finance Director Ram also reported the District has the state controllers report due on January 31, 2024, and the annual billing is approaching where invoices will be mailed out by February 29, 2024.

**G. DIRECTOR REPORTS**

**H. COMMUNICATIONS**

1. City of Stockton, Office of the Mayor – Thank you Letter  
Manager Hopkins reported the District received a Thank You Letter from the Mayor Lincoln in response to the Stockton East Water District (SEWD) Water Treatment Plant and the Bellota Weir Officials Tour.

**I. AGENDA PLANNING/UPCOMING EVENTS**

1. Greater Stockton Chamber of Commerce Monthly Mixer – University of the Pacific Athletics at the Alex G. Spanos Center, 5:00p.m., 01/04/24

Director McGurk inquired if there will be a game for the Greater Stockton Chamber of Commerce Monthly Mixer. Chief Policy Officer Frank Ferral from the Greater Stockton Chamber of Commerce replied yes, there will be a men's basketball game and free admission for members.

2. San Joaquin County and Delta Water Quality Steering Committee Meeting, 9:00 a.m., 01/08/24

**J. REPORT OF THE COUNSEL**

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Potential exposure to litigation – Government Code Section 54956.9 – two cases

President Atkins adjourned the meeting to closed session at 12:58 p.m. The regular meeting reconvened at 1:18 p.m., with no reportable action.

**K. ADJOURNMENT**

President Atkins adjourned the meeting at 1:19 p.m.

Respectfully submitted,

Justin M. Hopkins  
Secretary of the Board

bra

**STOCKTON EAST WATER DISTRICT  
INVOICES FOR BOARD PACKAGE  
CALPERS EFT REQUEST  
JANUARY 09, 2024**

Vendor name	District Fund#	Account #	Description	Amount	Invoice No.
1 CA Public Employees Retirement System (CalPERS)	70	10-5049-0	Retirement Contributions for Payroll 01/05/24-Admin	5,335.53	01/05/24 1245106351
			<b>Total Fund 70 Admin</b>	<b>\$ 5,335.53</b>	
2 CA Public Employees Retirement System (CalPERS)	71	10-5049-0	Retirement Contributions for Payroll 01/05/24-WS-NM	5,621.53	01/05/24 1245106351
3 CA Public Employees Retirement System (CalPERS)	71	10-5058-0	Retirement Contributions for Payroll 01/05/24-WS-NH	1,399.85	01/05/24 1245106351
			<b>Total Fund 71 Water Supply</b>	<b>\$ 7,021.38</b>	
4 CA Public Employees Retirement System (CalPERS)	94	10-5049-0	Retirement Contributions for Payroll 01/05/24-M&I	19,225.90	01/05/24 1245106351
			<b>Total Fund 94 Municipal &amp; Industrial</b>	<b>\$ 19,225.90</b>	
<b>Grand Total for Electronic Funds Transfer Request on RBM 01/09/24</b>				<b>\$ 31,582.81</b>	

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# Memorandum

**To:** Board of Directors  
**From:** Justin M. Hopkins – General Manager  
**Date:** January 9, 2024  
**Re:** Support of AB 1567 and SB 867

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## **Background**

On February 17, 2023, Assembly Member Eduardo Garcia (D-36) of Coachella and Senator Ben Allen (SD-24) of El Segundo introduced Assembly Bill (AB) 1567 and Senate Bill (SB) 867, respectively, to place a \$15B natural resources general obligation bond on the November 2024 ballot. The bond will provide funding for wildfire prevention, extreme heat mitigation, clean energy, workforce development, and, most importantly, over \$5B is directed towards safe drinking water, drought preparation, and flood protection.

## **Summary**

The Stockton East Water District (District) is continually making investments to improve the reliability of our water supply portfolio. Additionally, the District has committed to habitat/wildlife improvements on the Calaveras River as part of the Habitat Conservation Plan and is required to support regional groundwater sustainability. The natural resources general obligation bond proposed by AB 1567 and SB 867 would provide substantial amounts of grant funding for projects like the District's. Any awards of grant funding will support the District's reasonable water rates, in alignment with the Resource Management area of the District's Strategic Plan.

## **Recommendations**

District staff recommends the Board of Directors (Board) support Assembly Bill 1567 and Senate Bill 867 and authorize the Board President to approve letters of support.

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January 9, 2024

Honorable Assemblymember Eduardo Garcia  
1021 O Street, Suite 8120  
Sacramento, CA 95814

RE: Support for Water Infrastructure Funding in Assembly Bill No. 1567 (Garcia) – Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024 (May 26, 2023 version)

Honorable Assemblymember Eduardo Garcia:

The Stockton East Water District (District) strongly supports the funding for water infrastructure related investments in AB 1567, your natural resources general obligation bond, and appreciates your leadership in the discussions regarding placement of a bond on the November 2024 ballot. As a Groundwater Sustainability Agency (GSA) in the critically overdrafted East San Joaquin Subbasin and a member of the East San Joaquin Subbasin Groundwater Authority, as well as a member of the Greater San Joaquin County Regional Water Coordinating Committee responsible for implementation of the Integrated Regional Water Management (IRWM) Plan in San Joaquin County, a wholesaler of drinking water to the City of Stockton, and lead agency for the Calaveras River Habitat Conservation Plan we are strong supporters of additional funding to assist in Groundwater Sustainability Plan (GSP) implementation, IRWM planning and implementation, ensuring safe drinking water, and protecting fish and wildlife.

The District understands negotiations regarding this important bond will resume in January 2024 and urges you to maintain the amounts in the May 26, 2023 version of AB 1567 during future discussions regarding the bonds. State funding helps the District maximize investments in sustaining groundwater supplies, securing surface water supplies, providing fish passage improvements, and bolstering drought resiliency. The District is comprised of primarily small agricultural parcels (less than 40 acres) and many disadvantaged areas, so leveraging local funding with State funding is critical to accomplishing District goals without undue financial hardship on small farms and our most vulnerable customers.

The District supports maintaining the following language:

- **Funding related to the Sustainable Groundwater Management Act (SGMA):** \$250M to California Department of Water Resources (DWR) in collaboration with the State Water Board, for grants and projects that advance groundwater sustainability consistent with the SGMA, with preference given to either projects that address water quality or quantity needs of disadvantaged communities...and projects that enhance drought and water shortage resiliency or projects that provide multiple benefits or encourage local and regional coordination with land use agencies.
- **Funding for the delivery of safe drinking water, drought preparation and response, and flood protection:** \$255M, including the capture of stormwater to reduce stormwater runoff, reduction of water pollution, or recharge of groundwater supplies, or a combination of those activities and support to groundwater sustainability agencies for regional groundwater sustainability.
- **Funding related to IRWM implementation:** \$350M for expenditures on, and competitive grants and loans to, projects that are included in, and implemented in, an adopted IRWM Plan and that respond to climate change and contribute to regional water security.
- **Funding for the protection and restoration of rivers:** \$620M to improve climate resilience, water supplies, or water quality, with preference for natural infrastructure projects, including projects that protect and restore riparian habitats.

The District is committed to planning for and investing in projects and management actions to build drought resiliency. If you are interested in a tour of the District's work, please feel free to reach out to our General Manager, Justin Hopkins, at [jhopkins@sewd.net](mailto:jhopkins@sewd.net) and we would be honored to show you and your staff the impact of the state/local partnerships on efforts to achieve the District's goals for the benefit of our region.

The District is grateful for your leadership in the development of AB 1567.

Sincerely,

**Draft**

Richard Atkins  
President, Board of Directors

cc: Senator Susan Talamantes Eggman  
Assemblymember Carlos Villapudua

January 9, 2024

Honorable Senator Ben Allen  
1021 O Street, Suite 6610  
Sacramento, CA 95814

RE: Support for Groundwater Sustainability Funding in Senate Bill No. 867 (Allen)  
– Drought, Flood, and Water Resilience, Wildlife and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024 (June 22, 2023 version)

Honorable Senator Ben Allen:

The Stockton East Water District (District) strongly supports the funding for water infrastructure related investments in SB 867, your natural resources general obligation bond, and appreciates your leadership in the discussions regarding placement of a bond on the November 2024 ballot. As a Groundwater Sustainability Agency (GSA) in the critically overdrafted East San Joaquin Subbasin and a member of the East San Joaquin Subbasin Groundwater Authority, as well as a member of the Greater San Joaquin County Regional Water Coordinating Committee responsible for implementation of the Integrated Regional Water Management (IRWM) Plan in San Joaquin County, a wholesaler of drinking water to the City of Stockton, and lead agency for the Calaveras River Habitat Conservation Plan we are strong supporters of additional funding to assist in Groundwater Sustainability Plan (GSP) implementation, IRWM planning and implementation, ensuring safe drinking water, and protecting fish and wildlife.

The District understands negotiations regarding this important bond will resume in January 2024 and urges you to maintain the amounts in the June 22, 2023 version of SB 867 during future discussions regarding the bonds. State funding helps the District maximize investments in sustaining groundwater supplies, securing surface water supplies, providing fish passage improvements, and bolstering drought resiliency. The District is comprised of primarily small agricultural parcels (less than 40 acres) and many disadvantaged areas, so leveraging local funding with State funding is critical to accomplishing District goals without undue financial hardship on small farms and our most vulnerable customers.

The District supports maintaining the following language:



- \$400M to the State Water Resources Control Board for projects to help provide clean, safe, and reliable drinking water, especially for disadvantaged communities, while increasing the affordability of safe drinking water for severely disadvantaged communities.
- \$400M to the Department of Water Resources for projects related to groundwater storage, banking, conjunctive use, recharge, or other groundwater projects that improve water resilience. Projects funded pursuant to this subdivision shall provide multiple benefits, such as improved water quality and supply, improved flood water management, and provision of wildlife habitat.
- \$250M to the Natural Resources Agency and the Department of Water Resources for competitive grants for regional conveyance projects or repairs to existing conveyances. Priority shall be given to projects that provide one or more of the following benefits...increased groundwater recharge or mitigation of conditions of groundwater overdraft, salinity intrusion, water quality degradation, or subsidence.
- \$600M for projects that protect and restore rivers, streams, lakes and watersheds, while improving climate resilience, water supplies, or water quality for the benefit of disadvantaged communities or vulnerable populations and for the protection of fish and wildlife habitat.

The District is committed to planning for and investing in projects and management actions to build drought resiliency. If you are interested in a tour of the District's work, please feel free to reach out to our General Manager, Justin Hopkins, at [jhopkins@sewd.net](mailto:jhopkins@sewd.net) and we would be honored to show you and your staff the impact of the state/local partnerships on efforts to achieve the District's goals for the benefit of our region.

The District is grateful for your leadership in the development of SB 867.

Sincerely,

**Draft**

Richard Atkins  
President, Board of Directors

cc: Senator Susan Talamantes Eggman  
Assemblymember Carlos Villapudua

# Memorandum

**To:** Board of Directors  
**From:** Justin Hopkins – General Manager  
**Date:** January 9, 2024  
**Re:** Agricultural Lease Agreement for Remainder of North Site Property

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## **Background**

The Stockton East Water District (District) owns approximately 113 acres of undeveloped property that is a portion of the North Site. To help offset costs for the North Site property purchase, the District entered into Agricultural Lease agreements (Agreement), beginning in 2015, to generate revenue until the property is fully developed into recharge facilities.

## **Summary**

The current Agreement is expired, and the District must approve a new Agreement to allow for continued use of the North Site property by the tenant. Staff updated the Agreement through a review and feedback process with the current Lessee and legal counsel. The update includes an automatic renewal clause, provided neither party initiates the 90-days termination, which will prevent the need for future renewal Agreements. The final draft of the Agreement is acceptable to the involved parties.

## **Financial Impact**

The Agreement is estimated to generate approximately \$40,000 of revenue per year. The revenue will continue to offset the total annual loan payments of \$239,865.40 for the North Site property.

## **Recommendation**

District staff recommends the Board of Directors approve the Agricultural Lease agreement and authorize the General Manager to execute the Agreement on behalf of the District.

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**2024 AGRICULTURAL LEASE**

1. **Parties.** This 2024 Agricultural Lease ("**Lease**") is entered into this 9<sup>th</sup> day of January, 2024 by and between STOCKTON EAST WATER DISTRICT ("**Lessor**" or "**Owner**"), and CARNA FARMING, INC., A CALIFORNIA CORPORATION, ("**Lessee**").

2. **Property.** Lessor owns that real property, and upon and subject to the terms and conditions of this Lease, Lessor hereby leases to Lessee and Lessee hereby leases from Lessor that certain real property located at 6833 E. Main Street, Stockton, and 6700 East Copperopolis Road, Stockton, in the County of San Joaquin, State of California, together with all improvements located thereon excepting the building structures, as more particularly described in **EXHIBIT A** attached hereto and made a part hereof consisting of 113 acres of farmland (the "**Farm**").

3. **Term and Effective Date.**

3.1 The term of this Lease shall be effective beginning on January 1, 2024 and ending on December 31, 2024 ("**Term**"), unless sooner terminated as provided in the Lease. On the first day of the Term, Lessee shall be entitled to possession of the Farm, subject to compliance with the terms and conditions of this Lease and payment of the rent set forth in Section 4 hereof. The Term ends at midnight on the last day of the Term of the Lease unless sooner terminated as provided in this Lease.

3.2 At the expiration of the initial Term, this Agreement shall continue from year to year under its then existing conditions unless and until a party hereto gives the other no less than ninety (90) days written notice of termination prior to expiration of the initial Term or of the one year extension then in effect. Upon such 90 days notice, this Agreement shall terminate on December 31 of the year such notice is provided.

4. **Rent.** In consideration of the leasing, occupancy and use of the Farm, Lessee hereby promises and agrees to pay, yield and deliver, in addition to all other sums agreed to be paid by it under this Lease, pay all farm costs, repairs and maintenance costs, insurance costs, all irrigation assessments, irrigation water costs, utilities, and any and all other expenses to maintain the operations of the Property during the Term, cash rent in the amount of Four Hundred Dollars (\$400.00) per acre cash rent for cash crops, and Two Hundred Dollars (\$200.00) per acre cash rent for cereal grains, which shall be paid in two equal annual installments by January 31 and November 30. Lessee shall advise Owner of annual crop type with first installment and provide confirmation of crop type with second installment. All amounts above constituting "**Rent.**" Lessee shall pay all Rent without setoff, deduction, counterclaim, or prior notice or demand. At the expiration of the Term, property taxes, utilities and assessments shall be prorated between Lessor and Lessee.

5. **Maintenance.** Lessee shall maintain and repair, the Farm and all improvements and structures on, approaches to, and appurtenances of the Farm and maintain them in as good order and condition as reasonable use for agricultural purposes and wear permit, damage by the elements and other causes and events beyond the control of Lessee excepted. No substitution, alteration of, or addition to the Farm or to the improvements located thereon may be made without the express,

prior written consent of Lessor, except as provided in Section 5 hereof concerning irrigation equipment. Lessee shall preserve and protect all irrigation, drainage, or pumping items and equipment and any and all appurtenances thereto situated on the Farm and shall properly lubricate, service and care for same so as to prevent undue wear and tear on the items or equipment. Lessee shall also be responsible, unless otherwise provided in this Lease, for all services, maintenance, repairs to and replacement, if necessary, of the irrigation, drainage and pumping items and equipment or appurtenances thereto, only up to the first Two Thousand and five hundred Dollars (\$2,500.00) per repair, provided the necessary repairs are not caused by Lessee's or Lessee's agents', employees' or contractors' negligence, in which case the entire cost of the repair shall be the responsibility of Lessee. Lessee shall furnish, at its sole expense, any irrigation, drainage or pumping items or equipment not included in the Farm as are necessary to the proper irrigation, drainage and operation of the Farm. All those items or equipment shall become a part of the Farm, with the exception of those items brought onto the Farm to temporarily replace a piece of equipment which has been removed for repair. Lessee shall not remove any irrigation, drainage or pumping items, equipment or appurtenances thereto from the Farm and shall return same to Lessor in good working condition. When the Farm is used for dry land farming and where no irrigation is in use or required, all irrigation requirements contained in this Lease shall be automatically eliminated.

## 6. Water.

6.1 Source. Water necessary for the irrigation of crops to be grown on the Farm during the Term shall be made available by Lessor. Water for irrigation of the Farm shall be supplied by a surface water pump located on a pond owned by Lessor on Lessor's adjacent property ("**Surface Water Pump**"). Lessor hereby grants to Lessee a license to operate the Surface Water Pump on Lessor's property upon twenty-four (24) hours prior notice to Lessor.

6.2 Groundwater. Should Lessor determine that insufficient surface water is available for Lessee's demands under this Lease, it may substitute at any time groundwater supplies upon prior notice to Lessee. Lessor and its Agents shall have the right, at its cost, to drill and install groundwater wells on the Farm.

6.3 No Warranty. Lessor makes no warranty or agreement of any kind concerning the quality of the water available to the Farm or whether drainage or irrigation of the Farm is feasible or necessary, and Lessee shall in no way hold Lessor responsible for the quality of or excess of water for any intended purposes. Lessee agrees that water or water rights related to the Farm shall be preserved and used solely in connection with the operation of the Farm. Lessee shall not remove any water from the Farm or otherwise dispose of any water, except in connection with the proper drainage of the Farm, without the express prior written consent of Lessor.

6.4 Water Supply Reductions. Although Lessor shall use all reasonable efforts to make water available to Lessee for the purposes of irrigation under this Lease, the water supply available to the Farm under this Lease may be reduced by Lessor for any of the following reasons: (i) applicable federal and state laws now in existence and as modified from time to time, affecting Lessor's rights or obligations; (ii) failure of facilities; intervening acts, including litigation and stream adjudication brought by third parties, or actions of any state or federal agency exercising

jurisdiction or claiming an interest and/or right to reduce and/or modify operations and/or quantities of water otherwise available to Lessor; and (iii) any action, legislation, ruling or determination adverse to the Lessor affecting the Lease and beyond the reasonable control of the Lessor. Lessor shall make a good faith effort to oppose such reductions, but Lessee agrees that Lessor shall not be liable for reductions of water supply available under this Lease due to such causes.

7. **Condition of Farm.** Lessee has inspected the Farm and is fully familiar with the physical condition thereof, has received the same in good order and condition, and agrees that the Farm complies in all respects with the requirements of this Lease. Lessor makes no representation or warranty with respect to the condition of the Farm or its fitness or availability for any particular use, and Lessor shall not be liable for any latent or patent defect therein. Lessee shall not do or permit any act or thing which is contrary to any legal or insurance requirement, which might impair the value or usefulness of the Farm or any part thereof, or which constitutes a public or private nuisance or waste. This Lease shall be subject to any existing rights of others, including but not limited to easements, rights of way, water rights, mineral rights, oil and gas leases and restrictions on use of the Farm.

8. **Payment of Taxes and Utilities.** Property taxes on the Farm shall be paid by Lessor. Utilities, including but not limited to gas, telephone, electricity and water, rendered to and used in connection with the Farm shall be paid by Lessee. Said utilities to be paid by Lessee shall include the electricity for the Surface Water Pump, and Lessee shall provide meter readings to Lessor for the purpose of allocating such costs. Should Lessor be required to pump groundwater to meet its obligation to Lessee under Section 6 above, Lessee shall pay all electricity charges for such pumping. All costs, charges, and assessments for irrigation water at the applicable rate established by Lessor shall be paid by Lessee. Lessee shall maintain the Farm in the San Joaquin County and Delta Water Quality Coalition, and all required fees shall be paid by Lessee. All payments by Lessee required under this Section 8 shall be paid by Lessee directly, or reimbursed to Lessor within thirty (30) days of invoice by Lessor.

9. **Assignment or Sublease.** Lessee shall not sublet the Farm or any part thereof, assign this Lease in whole or in part, or in any way encumber this Lease or the Farm without Lessor's prior written consent. Lessor may assign this Lease, in whole or in part, and shall thereupon be released of all duties and obligations under this Lease. Upon a termination of Lessor's leasehold interest in the Farm for any reason, Lessee shall agree to and accept Owner or its assignee as the lessor for the balance of the Term remaining under this Lease, subject to all the terms and conditions of this Lease, on condition that Owner shall perform all of Lessor's obligations under this Lease from and after the date of termination of Lessor's leasehold interest in the Farm.

10. **Operations and Good Farming and Husbandry Practices.**

10.1. **Use of the Farm.** Lessee shall use due diligence and farming practices, consistent with the highest-quality farming practices in the county where the Farm is located, in all aspects pertaining to the growing, storing and marketing of the crops and in the general conduct of operations and use of the Farm. Lessee shall operate and use the Farm for the sole purpose of

conducting an agricultural operation under the terms and conditions provided in this Lease. Lessee shall, in due and proper season, perform all work required and essential in a good and workmanlike manner as will be conducive to the very best results to be had and obtained by a high-quality system of husbandry and farming. If this Lease covers permanent crops, Lessee shall care for, protect and maintain the crops in a good and workmanlike manner consistent with the highest-quality farming practices in the county where the Farm is located.

10.2. Equipment, Tools, Seeds, and Labor. Lessee shall use and furnish, at its sole expense, high-quality equipment, tools, seeds and labor proper or necessary to a top-quality husbandry and farming operation on the Farm.

10.3. Pests, Diseases, Weeds and Erosion. Lessee shall use all diligence by the best means known for the controlling and curing of pests and diseases which hinder and menace growing crops, supply and use all required means to rid the Farm of same, and keep the Farm and crops thereon free from all types of weeds. Lessee agrees to adopt low-input sustainable agricultural practices with respect to the Farm when said practices can be implemented without any adverse impact on the investment returns from the Farm. Lessee shall take reasonable care to prevent soil erosion by strip-cropping and contouring, as well as by filling in or otherwise controlling small washes or ditches that may form on the Farm. Lessee shall keep in good repair all terraces, open ditches and inlets and outlets of tile drains and shall preserve all established watercourses or ditches, including grass waterways, situated or lying on the Farm. Before performing any drainage work, Lessee agrees to check with the county F.M.S. office in regard to the wetland status of the area affected and obtain prior approval for the drainage work to be performed. Lessee shall cut and remove or spray and destroy all noxious weeds before they revert to seed and shall cut and spray all other weeds and grasses growing on the Farm, in the fields, farmstead, roadsides, irrigation ditches and fence rows; and in all other respects, shall attend to the care and maintenance of the Farm in a good and prudent manner. Lessee shall obtain any burning permits necessary in compliance herewith. If the Farm contains any Highly Erodible Land (HEL) as determined by the local F.M.S. office, Lessee agrees to farm the Farm in a manner as to comply with the stated conservation plan.

10.4. Removal of Crop Residue. Lessee shall not, without the prior written consent of Lessor, burn or otherwise remove cornstalks or other crop residue resulting from the conduct of its farming and agricultural operations on the Farm; but shall, as soon as practicable, attend to the spreading of all crop residue, manure, straw and the like upon those fields which have been specified and agreed upon by Lessor.

11. **Inspection.** Lessor or Owner, or their authorized representatives or assignees, may enter the Farm at any time for the purpose of inspecting same or for the purpose of doing any work and taking any action thereon as may be necessary or appropriate for the purpose (but nothing contained in this Lease shall create or imply any duty on the part of Lessor or Owner or their assignees to make any inspection or do any work) and for the purpose of showing the Farm to prospective purchasers. Entry for the purposes specified herein shall not constitute an eviction of Lessee nor termination of this Lease. At all times, Lessor shall have access to the Farm and to all reports, records, and information of the Lessee in respect thereto, for the purposes of inspecting, determining, and ascertaining that all of the requirements of the Lease and the Exhibits hereto have

been fulfilled; including, without limitation, the operation and maintenance procedures, and the public liability insurance requirements. Lessee shall maintain accurate and complete records of its operations on the Farm and make them available at any time for inspection and examination by Lessor. Lessee agrees to provide information as requested by Lessor with regard to fertilizer used, tillage practices, acreage reports, chemical usage, and crop yields in a timely manner.

12. **Legal Requirements.** Lessee, at its expense, shall promptly and diligently comply with all legal requirements pertaining to the operation of the Farm and the farming thereof.

12.1. **Permits, Licenses, Franchises, and Other Authorizations.** Lessee, at its expense, shall promptly and diligently procure, maintain and comply with all permits, licenses, franchises and other authorizations which are now or at any time hereafter may be required for the use and operation of the Farm contemplated hereby.

12.2. **Compliance with Laws.** Lessee, at its expense, shall promptly and diligently comply strictly and in all respects with any and all current and future federal, state, and local laws, statutes, rules, regulations and ordinances, orders, judgments, decrees, injunctions, authorizations, directions, and requirements of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers as amended and modified from time to time which are now, or at any time hereafter, may be applicable to the operation of the Farm and the farming thereof, including but not limited to full compliance with government F.S.A. programs and with federal, state, and local common law.

12.3. Lessee agrees to pay, at Lessee's sole costs and expense, all claims, fines, penalties and damages that may in any manner arise out of, or be imposed upon, the Farm because of the failure of Lessee to comply with the provisions of this Section 12, and Lessee hereby agrees to indemnify, save and hold Lessor harmless for any damage, injury, or claim, imposed or recovered by reason of any breach of this Section 12 by Lessee. The obligations of Lessee under this Section 12 shall survive any termination of this Lease.

13. **Indemnification and Insurance.** Lessee shall protect, indemnify and hold harmless Lessor and Owner from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses) imposed upon, incurred by, or asserted against Lessor, Owner, or the Farm by reason of the operations conducted by Lessee on the Farm or as a result of any failure on the part of Lessee to perform or comply with any of the terms of this Lease. The obligations of Lessee under this section shall survive any termination of this Lease. During the Term of this Lease, Lessee, at its sole cost, shall maintain comprehensive liability and property damage insurance on the premises in the amount of One Million dollars (\$1,000,000.00) combined single limit per occurrence. This insurance shall include hired and non-owned auto coverage and shall name Lessor and Owner as additional insured. This insurance will operate as primary insurance. The insurance policies shall name Owner and Lessor (or their assignees) as additional insureds as their respective interests appear and shall include an effective waiver by the carrier of all rights of subrogation against any named insured of the insured's interest in the Farm or any income derived from the Farm and shall provide that insurance proceeds shall be payable for the benefit of Owner and Lessor (or their assignees),



and Lessee as their respective interests may appear. The insurance policies shall also provide that any losses shall be payable, notwithstanding any act or failure to act or negligence of Owner, Lessor, Lessee, or any other person, corporation or other business entity and that no cancellation, reduction in amount or material change in coverage shall be made effective until at least thirty (30) days after receipt by Lessor and Lessee of written notice thereof. All policies shall be executed with carriers with A.M. Best rating of B+ or higher. Documentation of all coverages, including additional insured certificates and endorsements, shall be provided to Lessor by Lessee. Lessee also agrees to carry Workers Compensation Insurance and Employers Liability to the extent required by law at all times during the Term of this Lease.

14. **Waste and Protection of the Farm.** Lessee shall not commit or permit waste or strip, shall supervise the Farm at all times, and shall exercise every best effort to prevent theft, vandalism and other damage to the Farm.

15. **No Claims Against Lessor, Etc.** Nothing contained in this Lease shall constitute any consent or request by Lessor, express or implied, for the performance of any labor or services; the furnishing of any materials or other property in respect of the Farm or any part thereof; nor as giving Lessee any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in a fashion as would permit the making of any claim against Lessor, it being understood and agreed that the relationship between the parties hereunder shall consist solely as that of landlord and tenant (Lessor and Lessee); and in no event and under no circumstances shall the relationship be considered or construed as an agency, partnership, joint venture, or any similar relationship.

16. **Defaults, Termination, Repossession and Reletting.** If any Event of Default, as defined below, shall have occurred and be continuing, Lessor, whether or not the Term shall have terminated pursuant to this Section 16, may enter upon and repossess the Farm or any part thereof by summary proceeding, ejection or otherwise, and may remove Lessee and all other persons and any and all property therefrom. Lessor shall be under no liability for or by reason of any entry, repossession or removal. At any time or from time to time after the repossession of the Farm or any part thereof, whether or not the Term shall have been terminated pursuant to this Section 16, Lessor may (but shall be under no obligation to) relet the Farm or any part thereof for the account of Lessee, in the name of Lessee or Lessor or otherwise, without notice to Lessee, for the Term and on the conditions and for the uses as Lessor in its uncontrolled discretion, may determine and may collect and receive the rents therefor. Lessor shall not be responsible or liable for any failure to relet the Farm or any part thereof or for any failure to collect any rent due upon any reletting. Lessee shall reimburse Lessor for all costs and expenses incurred by or on behalf of Lessor (including, without limitation, attorneys' fees and expenses) occasioned by any default by Lessee under this Lease. The following events ("**Events of Default**") constitute a default under this Lease:

16.1. **Failure to Pay Rent.** Lessee fails to pay any rent when and as same becomes due and payable;

16.2. **Failure to Comply with Other Terms of this Lease.** Lessee fails to perform or comply with any of the other terms hereof, and the failure continues for more than ten (10) days after notice

thereof from Lessor and Lessee has not within that period commenced with due diligence and dispatch the curing of the default;

16.3. Insolvency. Lessee either:

16.3A. makes a general assignment for the benefit of creditors;

16.3B. admits in writing the inability to pay debts as they become due;

16.3C. files a petition in bankruptcy;

16.3D. is adjudicated a bankrupt or insolvent;

16.3E. files a petition seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation.

16.3F. files an answer admitting, or fails seasonably to contest, the material allegations of a petition filed against Lessee in any bankruptcy or insolvency proceedings;

16.3G. seeks, consents to, or acquiesces in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties;

16.4. Commencement of Proceeding Against Lessee. Within ten (10) days after the commencement of any proceeding against Lessee seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, the proceeding has not been dismissed; or within ten (10) days after the appointment, without the consent or acquiescence of Lessee, or any trustee, receiver or liquidator of Lessee or of any material part of its properties, the appointment has not been vacated;

16.5. Entry of Final Judgment Against Lessee. Within ten (10) days after the entry of a final judgment for the payment of money is rendered against Lessee, the judgment has not been discharged or execution thereof stayed pending appeal; or within ten (10) days after the expiration of any stay, the judgment has not been discharged then, and in any event, Lessor at any time thereafter may give a written termination notice to Lessee; and on the date specified in the notice, this Lease shall terminate and, subject to the provisions of Section 17, the Term shall expire and terminate by limitation; and all rights of Lessee under this Lease shall cease, unless, before the specified date:

16.5A. all arrears of rent and all other sums payable by Lessee under this Lease together with interest thereon at the rate specified in Section 33 and all costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by or on behalf of Lessor hereunder have been paid by Lessee; and

16.5B. all other defaults at the time existing under this Lease shall have been fully remedied to the satisfaction of Lessor.

17. **Survival of Lessee's Obligations; Damages.** No expiration or termination of this Lease or the Term pursuant to Section 16 or by operation of law, or otherwise, and no repossession of the Farm or any part thereof pursuant to Section 16, or otherwise, shall relieve Lessee of its liabilities and obligations hereunder, all of which shall survive the expiration, termination or repossession. In the event of any expiration, termination or repossession, Lessee shall pay to Lessor all rents and other sums required to be paid by Lessee up to the time of the expiration, termination or repossession; and thereafter Lessee (until the end of what would have been the Term in the absence of the expiration, termination or repossession and whether or not the Farm or any part thereof shall have been relet) shall be liable to Lessor for and shall pay to Lessor as liquidated and agreed current damages for Lessee's default all rent and other sums which would be payable under this Lease by Lessee in the absence of the expiration, termination or repossession LESS all net rents collected by Lessor from any reletting effected for the account of the Lessee pursuant to Section 16, after deducting from the proceeds all of Lessor's expenses in connection with the reletting (including, without limitation, all repossession costs, brokerage commissions, legal and accounting expenses, attorney's fees and expenses, employees' expenses, promotional expenses, and expenses of preparation for the reletting). Lessee shall pay current damages annually on the rent payment dates applicable in the absence of the expiration, termination or repossession; and Lessor shall be entitled to recover the same from Lessee on each applicable date.

18. **Performance on Behalf of Lessee.** In the event that Lessee shall fail to make any payment or perform any act required hereunder to be made or performed by Lessee, then Lessor may, but shall be under no obligation to, after notice to Lessee as may be reasonable under the circumstances, make a payment or perform an act with the same effect as if made or performed by Lessee. Entry by Lessor upon the Farm for the above purpose shall not waive or release Lessee from any obligation or default hereunder. Lessee shall reimburse, with interest at the rate specified in Section 33, Lessor for all sums so paid by Lessor and all costs and expenses incurred by Lessor in connection with the performance of any act which Lessee fails to perform as required by this Lease.

19. **Quiet Enjoyment.** Lessor covenants with Lessee that upon Lessee's entry onto the Farm and Lessee's performance of each of the terms and conditions of this Lease, Lessee shall have full freedom and use of the Farm in accordance with the terms hereof.

20. **Remedies.** Each right, power and remedy of Lessor provided in this Lease, or now or hereafter existing at law or in equity or by statute or otherwise, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Lease, or now or hereafter existing at law or in equity or by statute; and the exercise or beginning of the exercise by Lessor of any one or more of the rights, powers, or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Lessor of any or all other rights, powers or remedies.

21. **Waiver.** No failure by Lessor or Lessee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a default thereof, and no

submission by Lessee or acceptance by Lessor of full or partial rent during the continuance of any default, shall constitute a waiver of any default or any term. No waiver of any default shall affect or alter this Lease which shall continue in full force and effect or affect the respective rights of Lessor or Lessee with respect to any other then-existing or subsequent default.

22. **Notices.** All notices, demands, consents, approvals and requests given by either party to the other under this Agreement shall be in writing and shall be sent to the parties at the address set forth below, or to the address as shall be supplied in writing by either party to the other. Notices shall be either (I) personally delivered (including delivery by Federal Express or other courier service) to the offices set forth herein, in which case they shall be deemed delivered on the date of first attempted delivery to said offices; (ii) sent by facsimile or electronic mail, in which case they shall be deemed delivered on the date sent, if sent during normal business hours, or on the next business day, if sent outside normal business hours, if such notices sent by facsimile or electronic mail are also sent by overnight courier within one (1) business day after transmission; (iii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered on the date shown on the receipt unless delivery is refused or delayed by the addressee, in which event they shall be deemed delivered on the date of deposit in the United States mail, or (iv) sent in any manner other than as set forth in subsections (i) through (iii) above, in which case they shall be effective when actually received by the party to whom such notices are given. The addresses and addressees may be changed by giving notice of such change in the manner provided for above:

To Lessor: Stockton East Water District  
Attention: General Manager  
PO Box 5157  
Stockton, CA 95205  
Phone: 209.948.0333  
Email: jhopkins@sewd.net

To Lessee: Carna Farming, Inc.  
Attention: Brett Lagorio, President  
18600 Tobacco Road  
Linden, CA 95236  
Phone: 209.887.2141  
Email: lagoriobros@verizon.net

23. **Provisions Subject to Applicable Law/Severability.** All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law and are intended to be limited to the extent necessary so that they will not render this Lease invalid or unenforceable. If any term of this Lease shall be held to be invalid, illegal or unenforceable, the validity of the other terms of this Lease shall in no way be affected thereby. This Lease shall be governed by and construed according to the laws of the state where the Farm is located.

24. **Conveyance by Lessor.** In case the original or any successor Lessor shall convey or otherwise dispose of its interest in the Farm, it shall thereupon be released from all liabilities and

obligations of Lessor under this Lease; and the liabilities and obligations shall be binding solely on the then Lessor of the Farm.

25. **Lessor's Liens.** A crop lien is hereby established for the benefit of Lessor for any unpaid rentals. In connection therewith, Lessee agrees to execute a security agreement and financing statement if same is required by Lessor. Lessor shall be entitled to and shall have a valid claim and lien against Lessee to recover for all money advanced for employment of labor or otherwise advanced to protect Lessor against any loss due to Lessee's failure to fulfill and perform or carry out the conditions and agreements. No lien created by Lessee shall ever be or become prior to Lessor's claim and lien. Lessor shall have a valid first lien on the share of crops of Lessee, for the rent and for damages due Lessor under the terms and conditions of this Lease.

26. **Minerals.** All coal, oil, gas, minerals and mineral rights in, on or underneath the surface of the Farm or any part thereof have been reserved to Owner or its assignee and are not covered by this Lease. Owner or its assignee has the right to enter in and upon the surface of the Farm to have, use and enjoy so much of the Farm as shall be required to prospect and explore for, develop and produce from the Farm or any part thereof. In addition, Owner or its assignee may use as much of the Farm as shall be required for roads, buildings, tanks, pipe lines, fixtures and equipment in connection therewith and desired to be placed on the Farm, all of which shall be done as a reserved right and without opposition or hindrance from the Lessee, as fully and completely as if this Lease had not been made. At the time of the possession for the above purposes, if the land has been prepared for crops, or if a crop is growing thereon, then Lessee shall be reimbursed for any damages resulting to it from the loss of use of the Farm; and the rent shall be proportionately reduced for any subsequent years remaining under the Term. If the Farm has not been prepared for a crop, then it shall be subject to occupancy as reserved land under the direction of Owner or its assignee for its use and occupancy and, in that event, Lessee shall make no claim for damages against Lessor or Owner or their assignees, provided that the rent shall be proportionately reduced.

27. **Conservation Damage or Destruction.** Lessee, in the operation and use of the Farm for the purposes set forth herein, shall not cause, consent to, or in any way or manner, allow any act or practice to be perpetrated upon the Farm which would ultimately result in damage to or destruction of a conservation practice.

28. **Hazardous Materials.**

28.1. **Use of Hazardous Materials and Indemnification.**

28.1A. Lessee covenants that it shall not cause or permit any Hazardous Material to be generated, stored, used, treated, handled, processed, transferred, transported or disposed of or otherwise released on the Farm by Lessee, its agents, employees, or contractors without the prior written consent of Lessor. In no event shall Lessee allow or otherwise authorize discharge or release of any Hazardous Materials to any sewer, storm water system, stream, or other unauthorized point, on the Farm.

28.1B. If Lessee breaches the obligations stated in Section 28.1.A, or if contamination of the Farm by Hazardous Material occurs as a result of the action or inaction of Lessee, its agents, employees, or contractors, then Lessee shall indemnify, defend, and hold Lessor and Owner and their assignees harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, damages and expenses suffered or incurred by Lessor or Owner, as the owner of the Farm, by virtue of any assertion of Federal or State lien or claim brought or filed against Lessor and/or Owner or their assignees or the Farm, diminution in value of the Farm, damage arising from any adverse impact on marketing of the Farm, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of the contamination.

28.1C. The indemnification of Owner and Lessor and their assignees by Lessee, includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up or remediation work required by any federal, state or local governmental agency because of Hazardous Material(s) present in the soil or groundwater on or under the Farm. In the event of any contamination of the Farm or release or disposal of any quantity of hazardous material(s) on the Farm, Lessee shall promptly notify Owner and Lessor, shall comply with all applicable laws, and shall promptly take all actions, in accordance with the provisions of all applicable environmental laws, at its sole expense, as are necessary to return the Farm to the condition existing prior to the presence of any Hazardous Material(s) on the Farm. Lessee shall receive certification from the appropriate state environmental agency that the Farm, and any other affected property, has been cleaned up to the satisfaction of the agency. The foregoing indemnity shall survive the expiration or earlier termination of this Lease.

28.1D. Lessee shall be unconditionally and absolutely liable for all losses and damages sustained by Owner and Lessor and their assignees as a result of any breach of, or the failure by Lessee to perform under, any environmental representation, warranty, covenant, obligation and indemnification provided in this Lease. Lessee shall pay any costs, expenses, claims, damages and attorney's fees due under this Section regardless of whether the amounts occur pre-petition or post-petition after the filing for any bankruptcy or reorganization relief under state or federal laws.

28.2. Hazardous Materials Definition. As used herein, "Hazardous Materials" means:

28.2A. any hazardous or toxic substance, material or waste, including, but not limited to, any substance, product, or other material of any nature whatsoever which is or becomes listed, regulated or addressed pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq. ("CERCLA"); the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. ("RCRA"); the Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq., all as amended; or any other federal, state or local statute, law, ordinance, resolution, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect;

28.2B. any substance, product, waste or other material of any nature whatsoever which may give rise to liability under any of the above statutes or under any statutory or common law theory based on negligence, trespass, intentional tort, nuisance, equitable indemnity, or strict liability or under any reported decisions of a state or federal court.

28.3. Disclosure. At the commencement of this Lease and annually thereafter, Lessee covenants to disclose to Lessor the names and amounts of all Hazardous Materials, or any combination thereof, which are or will be generated, stored, used or disposed of on the Farm. Lessee shall promptly provide Owner and Lessor with all notices and other communications received from any federal, state, and local department and/or agency which enforces and administers environmental laws.

28.4. Inspection. Owner, Lessor and their agents and assignees shall have the right, but not the duty, to inspect the Farm at any time to determine whether Lessee is complying with the terms of this Section 28. If Owner or Lessor or their agents or assignees determine that Lessee is not in compliance with this Section 28, Owner and Lessor and their agents and assignees may immediately enter the Farm to remedy, at Lessee's sole expense, any contamination of Hazardous Material(s) caused by Lessee's failure to comply with applicable laws and to take any and all other actions Owner or Lessor deems necessary to cure the failure of compliance, notwithstanding any other provision of this Lease. Lessee shall immediately reimburse Lessor or Owner or their assignees for any amounts paid by them together with interest thereon at the maximum rate allowed by applicable state law from the date of the payment. Entry by Owner or Lessor or their assignees upon the Farm for the above purpose shall not waive or release Lessee from any obligations or default hereunder.

28.5. Default. Any default under this Section 29 shall be an Event of Default enabling Lessor to exercise any of the remedies set forth in this Lease. The terms of this Section 29 shall survive the termination of this Lease.

29. **Lessor's Right of Termination**. Notwithstanding the foregoing, Lessor may terminate this Lease at any time, and from time to time, as to all or any part of the leased Farm by sending or giving to Lessee thirty (30) days prior written notice of its election to do so; provided that Lessor shall pay Lessee for fertilizing, soil preparation, planting, weed-spraying, and cultivation at the average custom rate as published by the nearest State University or the county extension office of the county where the Farm is located, whichever is the most recent. In addition, Lessee shall be reimbursed for Lessee's direct costs, such as seed, fertilizer, and chemicals, but not for gasoline or lubricants. Lessee shall be paid a fair and reasonable compensation for growing crops. In the event of a sale by Owner of the Farm during the Term and the desire by the purchaser thereof for immediate possession of the Farm, Lessee hereby agrees to surrender possession and terminate the Lease within thirty (30) days of notice from Lessor to Lessee of the sale, upon payment to Lessee of the amounts specified above. If Lessee and Lessor (or Owner's purchaser in the event of a sale of the Farm) cannot agree as to the amount of compensation, then the compensation for growing crops shall be determined by three (3) disinterested appraisers experienced in agricultural and husbandry operations and properties, one of whom shall be appointed by Lessee, one appointed by Lessor (or the Purchaser of the Farm if a sale is involved), and one selected by both Lessee and

Lessor (or by both Lessee and the Purchaser if a sale is involved). In the event the appraisers cannot agree upon compensation to Lessee, Owner shall determine the compensation; and same shall be binding upon Lessee. Lessor reserves to itself, its agents, employees, or assigns the right, after the end of the thirty (30) day notice period, to sow (after severance of crops), to seed, or to apply fertilizers and to do other field work.

30. **Next Year's Crop.** Before Lessee prepares seedbed, fertilizes or plants crops to be harvested in the next year, Lessee and Lessor must sign a new lease for the next crop year. Any default, as defined in Section 16 of this Lease, for the remaining Term shall, in Lessor's sole discretion, render the new lease signed for the next year null and void.

31. **End of Lease Term.** Upon expiration or other termination of this Lease, Lessee shall immediately quit and surrender to Lessor the Farm in good order and condition, ordinary wear and tear excepted, and shall remove all of Lessee's equipment. Lessee shall restore any damage to the Farm caused by the removal of Lessee's equipment. No holding over shall be permitted without Lessor's prior written consent.

32. **Interest.** All past due rent and all other sums payable by Lessee under this Lease shall accrue interest of ten percent (10%) per annum from the date due or the date incurred by Lessor, as applicable.

33. **Miscellaneous.**

33.1 **Entire Agreement.** This Lease supersedes any prior agreement and contains the entire agreement of the Parties on the matters covered. No other agreement, statement or promise made by any party that is not in writing and signed by all of the Parties to this Lease shall be binding upon them.

33.2 **Time is of the Essence.** Time is of the essence in the performance by Lessee of the agreements and obligations as provided by this Lease.

33.3 **Severability.** If any term, covenant or provision of this Lease is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

33.4 **Governing Law.** The laws of the State of California shall govern the validity, performance, and enforcement of this Lease.

33.5 **Attorney's Fees.** In the event any action is filed to interpret, enforce or recover damages for the breach of this Lease, the prevailing party shall be entitled to recover, as an element of its cost of suit and not as damages, reasonable attorney's fees and costs from the party not prevailing.

33.6 **Binding on Heirs.** This Lease, and its terms, is expressly intended to and shall inure to the benefit of and be binding upon the Parties, their respective heirs, personal



representatives, permitted assigns, subsequent purchasers of the Property and other successors-in-interest.

33.7 Time is of the Essence. Time is of the essence of this Lease and each and every provision hereof.

33.8 No Partnership. The Parties agree that nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between the Parties or between the Parties and any other party.

33.9 Recording. Neither this lease nor a memorandum of this Lease shall be recorded.

IN WITNESS WHEREOF, the parties hereto, on the date first-above written, have caused this Lease to be executed in duplicate.

STOCKTON EAST WATER DISTRICT

By:           **Draft**            
Justin Hopkins, General Manager

CARNA FARMING, INC., a California Corporation

By:           **Draft**            
Brett Lagorio, President

DRAFT

## EXHIBIT A

### Legal Description

That certain real property situated in the County of San Joaquin, State of California, described as follows:

#### PARCEL ONE:

The Southeast  $\frac{1}{4}$  of Section 65 and the Southwest  $\frac{1}{4}$  of Section 75, of C. M. WEBER GRANT, lying West of Security Tract.

EXCEPT: (a) portion conveyed to Raymond S. Miller and Ardelle Wright Miller, his wife, by Deed recorded October 18, 1935, in Vol. 511 of Official Records, Page 270 and (b) portion conveyed to the Stockton-East Water District, by Corporation Grant Deed dated September 25, 1978, recorded September 29, 1978, in Book 4455, Page 199, Document No. 69170, Official Records.

#### PARCEL TWO:

Lots 6 to 9 inclusive as shown upon Map entitled SECURITY TRACT filed for record March 3, 1914 in Vol. 8 of Maps and Plats, Page 15, San Joaquin County Records.

# Memorandum

**To:** Board of Directors  
**From:** Justin M. Hopkins – General Manager  
Jeanne M. Zolezzi – General Counsel  
**Date:** January 9, 2024  
**Re:** Water Right Applications – Revised Calaveras River Project

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## **Background**

Stockton East Water District (District) currently has the water right applications summarized in **Attachment 1** pending before the State Water Resources Control Board.

- Littlejohns/Rock Creek. The District has filed eight overlapping applications for diversion of water from Rock Creek and Littlejohns Creek in an amount not to exceed 199,000-acre feet annually (afa).
- Calaveras River. The District has one application for the Calaveras River and Mormon Slough in the amount of 288,000 afa, with a maximum diversion rate of 800 cubic feet per second (cfs).

The project developed to utilize these flows is an extensive project contemplating improvements to both river systems and integrated the two rivers through delivery infrastructure including the Alliance Canal. Legal counsel has encouraged the District over the years to revise the project to a more realistic scope. In 2018 a Draft EIR was completed for the original project, which included both the Calaveras River and Littlejohns systems.

A “reduced diversion” project was included as an alternative in the Draft EIR. The reduced diversion alternative eliminated many of the new facilities at Bellota which reduced Calaveras River diversion capacity and resulted in a lower volume of water being withdrawn from the Calaveras River over the course of the diversion season each year. The amount of water withdrawn from the Littlejohns/Rock Creek system would remain the same as under the Proposed Project. This elimination of the Alliance and Bellota canals and the improvements to the Lower Farming Canal eliminated the ability for the District to move water from the North System to the South System. The features of this alternative compared to the original project are summarized in **Attachment 2**.

## **Summary**

The reduced diversion alternative still included numerous extensive and expensive components. Legal counsel recently advised staff to again re-evaluate the feasibility of the proposed project and develop the most likely scenario for actual water use under the permits. Through an ad-hoc committee, a more realistic project description was developed for water use on the Calaveras River system. Five subprojects were developed for the revised WSEP scope with a combined FloodMAR recharge estimate of 108,533 afa at a diversion rate of 300 CFS into the old Calaveras River, 75 CFS into the Bellota Pipeline, and the cumulative pumping capacity of Mormon Slough and Potter Creek private diversions.

Proceeding with such a further revised Calaveras only project would allow the District to reduce the pending Calaveras Application from 288,000 afa to 110,000 afa, and similarly reduced the maximum cfs diversion. In addition, we would greatly reduce the impacts

identified in the Draft EIR. Finally, we could prepare an EIR focused only on the Calaveras River, and not have to include the Littlejohns/Rock Creek improvements as they are now separate projects.

### **Next Steps**

Wagner & Bonsignore are now putting together a new project description based upon the Further Reduced Diversion alternative, and we would recommend proceeding with this proposed project as it is much more likely to be approved. Next steps would be:

1. Meeting with the State Water Resources Control Board to explain the changes;
2. Reduce the pending Calaveras River Application to more closely meet the proposed project; and
3. Revise the Draft EIR to address only the Calaveras River further reduced diversion project.

Attachment 1

STOCKTON EAST WATER DISTRICT APPLICATIONS 20602 and 31535; 31536 through 31541; 31534; and 30603A				
Application No. Source	Quantity Direct Diversion in Cubic Feet Per Second (cfs) Storage – Acre-Feet Annually (afa)	Season of Diversion	Combined Direct Diversion and Storage	Purpose of Use
<i>Littlejohns and Rock Creeks Applications</i>				
Application 30602	350 cfs 104,000 afa	12/01-04/30	104,000 afa	Municipal, Industrial, Irrigation Fish and Wildlife Preservation and Enhancement, Water Quality Enhancement, Saline Repulsion, Groundwater Recharge, and improving Groundwater Levels[NB1]
Application 31535	525 cfs	12/01-04/30	156,000	Same as A30602
<b>Total (Applications 30602 and 31535)</b>			<b>179,000* afa</b>	
<b>*Total combined direct diversion and storage was revised downward from 260,000 per 3/18/08 letter to SWRCB.</b>				
Application 31536	150 cfs	09/01-06/30	90,150 afa	Same as A30602
State Filed A13333	31,100 afa	11/01-05/01		
Applications 31537	150 cfs	09/01-06/30	90,150 afa	Same as A30602
State Filed A 13334	31,100 afa	11/01-05/01		
Applications 31538	65 cfs	09/01-06/30	39,065 afa	Same as A30602
State Filed A 13335	14,100 afa	11/01-05/01		
Applications 31539	65 cfs	09/01-06/30	39,065 afa	Same as A30602
State Filed A 13336	14,100 afa	11/01-05/01		
Applications 31540	100 cfs	09/01-06/30	60,100 afa	Same as A30602
State Filed A 13337	9,000 afa	11/01-05/01		
Applications 31541	100 cfs	09/01-06/30	60,100 afa	Same as A30602
State Filed A 13338	9,000 afa	11/01-05/01		
<b>Combined Direct Diversion &amp; Storage Appls. 31536-31541</b>			<b>163,000* afa</b>	
<b>*Total combined direct diversion and storage was revised downward from 260,000 per 3/18/08 letter to SWRCB.</b>				
<b>Combined Direct Diversion &amp; Storage ALL ABOVE APPLICATIONS</b>			<b>199,000* afa</b>	
<b>*Total combined direct diversion and storage for all applications revised downward from 260,000 per 3/18/08 letter.</b>				
<i>Calaveras River and Mormon Slough</i>				
A31534	800 cfs 288,000 afa	11/01-04/30 11/01-04/30	288,000 afa	Same as A30602
<b>Total Direct Diversion &amp; Storage Application 31534</b>			<b>288,000 afa</b>	

Attachment 2

**TABLE 22-2  
COMPARISON OF WSEP BUILD ALTERNATIVES**

Feature	Existing	Proposed Project	Reduced Diversion Alternative (Figure 22-1)	Redesign of Key Facilities Alternative (Figure 22-3)
<b>North System</b>				
Bellota Weir	Flashboard dam	CRFSFP improvements	CRFSFP improvements	CRFSFP improvements
Old Calaveras River Headworks	Existing exclusion nets and intake structure	Closed (Figures 3-5, 3-6)	Existing	Closed
Intake to Bellota Pipeline	Existing	Replaced by CRFSFP	Replaced by CRFSFP	Replaced by CRFSFP
Intake #1 to Bellota Canal (with regulatory pond)	N/A	Yes (Figure 3-19)	No (Figure 22-2)	Yes, with smaller footprint for regulatory pond (Figure 22-4)
Intake #2 to Old Calaveras River (with regulatory pond)	N/A	Yes (Figure 3-19)	No, but includes a new gated fish screen at the head of the Old Calaveras; no regulatory ponds (Figure 22-2)	Yes, with smaller footprint for regulatory pond (Figure 22-4)
Maximum Diversion at Bellota	0 cfs for proposed purposes and season	800 cfs for proposed purposes and season	450 cfs for proposed purposes and season	800 cfs for proposed purposes and season
Bellota Pipeline	Yes	No change (Figure 3-19)	No major changes	No change
POD E	N/A	New lateral weir and intake to Alliance Canal; Intake #2 and creation of regulatory pond (Figure 3-20)	No	New lateral weir and intake to Alliance Canal; no Intake #2 or regulatory pond (Figure 22-5)
Clements Dam	Existing flashboard dam	New inflatable dam and intake to LWPDS (Figure 3-21)	New inflatable dam and intake to LWPDS	New inflatable dam and intake to LWPDS
Mosher Creek Cross Canal Headworks	One 48-inch outlet	Add second 48-inch outlet (Figure 3-2)	Add second 48-inch outlet	Add second 48-inch outlet
Alliance Canal	N/A	Yes (Figures 3-2, 3-7, 3-8, 3-9); Potter Creek siphoned under Alliance Canal	No	Yes, but with modified alignment to reduce impacts on wetlands and CTS (Figure 22-6); Alliance Canal siphoned under Potter Creek (Figure 22-7)
Bellota Canal	N/A	Yes (Figures 3-2, 3-7)	No	Yes
Linden-Waterloo Pipeline Distribution System	N/A	138,000 ft of pipeline; connections from Old Calaveras River, Alliance Canal, and Peters and/or Bellota Pipelines (Figure 3-22)	115,000 ft of pipeline; connections from Old Calaveras River and Peters and/or Bellota Pipelines	135,500 ft of pipeline; connections from Old Calaveras River, Alliance Canal, and Peters and/or Bellota Pipelines

**TABLE 22-2  
COMPARISON OF WSEP BUILD ALTERNATIVES**

Feature	Existing	Proposed Project	Reduced Diversion Alternative (Figure 22-1)	Redesign of Key Facilities Alternative (Figure 22-3)
Old Calaveras River Fish Barrier near confluence with SDC	N/A	Yes	Yes	Yes
<b>South System</b>				
Hewitt Road Dam	Existing flashboard dam	New inflatable dam (Figure 3-3)	New inflatable dam	New inflatable dam
Stanley Road Dam	Existing flashboard dam	New inflatable dam (Figure 3-3)	New inflatable dam	New inflatable dam
Mariposa Drain Pump Station	Three pumps; 75 cfs total capacity	Add on new pump; 100 cfs total capacity (Figure 3-3)	Add on new pump; 100 cfs total capacity	Add on new pump; 100 cfs total capacity
Lower Farmington Canal	South-to-north conveyance only	Improvements to allow north-to-south conveyance (Figure 3-3)	<b>South-to-north conveyance only</b>	Improvements to allow north-to-south conveyance
Maximum Diversion at Rock Creek	0 cfs for proposed purposes and season	630- 875 cfs	630- 875 cfs	630- 875 cfs
<b>Entire Project</b>				
Maximum Diversion Capacity	0 cfs for proposed purposes and season	1,430-1675 cfs	1,080-1325 cfs	1,430-1675 cfs
Average Annual Diversions to Recharge	0 af	80,400 af	<b>65,800 af</b>	80,400 af
Total Recharge acreage	102 acres	6,598 additional acres	<b>5,198 additional acres</b>	6,598 additional acres

Values in **red font** = differences compared to the Proposed Project.



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Weekly Water Report	As of: Jan 2, 2024	As of: Jan 9, 2024
<b>New Hogan (NHG) TOC</b>	<b>153,746</b>	<b>AF</b>
Storage:	168,688	AF
Net Storage Change:	-1,824	AF
Inflow:	54	CFS
Release:	200	CFS
<b>New Melones (NML) Allocation</b>	<b>75,000</b>	<b>AF</b>
Storage:	1,983,130	AF
Net Storage change:	+7,040	AF
Inflow:	664	CFS
Release:	202	CFS
<b>Source: CDEC Daily Reports</b>		

<b>Goodwin Diversion (GDW)</b>		
Inflow (Tulloch Dam):	200	CFS
Release to Stanislaus River (S-98):	204	CFS
Release to OID (JT Main):	0	CFS
Release to SSJID (SO Main):	0	CFS
Release to SEWD:	<u>0</u>	CFS
Total Release	204	CFS
<b>Source: Tri-Dam Operations Daily Report</b>		
<b>Farmington Dam (FRM)</b>		
Diverted to SEWD:	0	CFS
Diverted to CSJWCD:	0	CFS

<b>Surface Water Used</b>		
Irrigators on New Hogan:	0	
Irrigators on New Melones:	0	
Out-Of-District Irrigators:	0	
DJWWTP Production:	34	MGD
North Stockton:	12	MGD
South Stockton:	4	MGD
Cal Water:	18	MGD
City of Stockton DWSP Production:	0	MGD

<b>District Ground Water Extraction</b>		
74-01	0	GPM
74-02	0	GPM
North	0	GPM
South	0	GPM
Extraction Well # 1	<u>0</u>	GPM
Total Well Water Extraction	0	GPM
Total Ground Water Production	0	MGD

**Note: All other flow data reported here is preliminary, as of 9:00 a.m. on 01/02/24**

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# **\*\*CANCELLATION NOTICE \*\***

THE JANUARY 10TH, 2024  
EASTERN SAN JOAQUIN  
GROUNDWATER AUTHORITY STEERING  
COMMITTEE MEETING HAS BEEN  
CANCELLED

The next regularly scheduled Eastern San Joaquin  
Groundwater Authority Steering Committee  
meeting will be held on

**February 14th, 2024**

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**STOCKTON  
EAST WATER  
DISTRICT**  
PROVIDING SERVICE SINCE 1948  
www.sewd.net

**MEETING NOTICE**

The Agriculture Operations Committee  
Of the Stockton East Water District  
Board of Directors will meet at  
**12:00 p.m. on Thursday, January 11, 2024**  
At the District Office, 6767 East Main Street, Stockton, CA

**Assistance for the Disabled:** If you are disabled in any way and need accommodation to participate in the meeting, please contact  
Administrative Staff at (209) 948-0333  
for assistance so the necessary arrangements can be made.

Agendas and minutes are located on our website at www.sewd.net.

**AGENDA**

1. Roll Call - Chairperson Cortopassi, Director Atkins, Director Watkins, Director Sanguinetti (Alternate)
2. Public Comment
3. Proposed Rule 176 – Securing Right-of-Way for District Interests
4. Proposed Rule 177 – Establishing a Policy For On-Farm Recharge Of Surface Water
5. Rule 109 – Water Rights Claims
6. Adjournment

**DIRECTORS**

Richard Atkins  
President  
Division 1

Andrew Watkins  
Division 2

Alvin Cortopassi  
Division 3

Melvin Panizza  
Division 4

Paul Sanguinetti  
Division 5

Loralee McGaughey  
Division 6

Thomas McGurk  
Vice President  
Division 7

**STAFF**

Justin M. Hopkins  
General Manager

Juan M. Vega  
Assistant General Manager

**LEGAL COUNSEL**

Jeanne M. Zolezzi  
General Counsel

Phone 209-948-0333  
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E-mail sewd@sewd.net

6767 East Main Street  
Stockton, CA 95215

Post Office Box 5157  
Stockton, CA 95205

**Certification of Posting**

I hereby certify that on January 8, 2024 I posted a copy of the foregoing agenda in the outside display case at the District Office, 6767 East Main Street, Stockton, California, and said time being at least 72 hours in advance of the Agriculture Operations Committee Meeting (Government Code Section 54954.2). Executed at Stockton, California on January 8, 2024.

**DRAFT**

Justin M. Hopkins, General Manager  
Stockton East Water District

Any materials related to items on this agenda distributed to the Agriculture Operations Committee of the Stockton East Water District less than 72 hours before the public meeting are available for public inspection at the District's office located at the following address: 6767 East Main Street, Stockton, CA 95215. Upon request, these materials may be available in an alternative format to persons with disabilities.

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