STOCKTON EAST WATER DISTRICT

PROVIDING SERVICE SINCE 1948

REGULAR BOARD MEETING

NOVEMBER 17, 2026

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

DIRECTORS

Richard Atkins
Division 1

Andrew Watkins
Division 2

Ryan Hansen
Division 3

Melvin Panizza
Division 4

Paul Sanguinetti
Division 5

Paul Nakaue
Vice President
Division 6

Thomas McGurk
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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6767 East Main Street
Stockton, CA 95215

Post Office Box 5157
Stockton, CA 95205

MEETING NOTICE

A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE STOCKTON EAST WATER DISTRICT WILL BE HELD AT 12:30 P.M., TUESDAY, NOVEMBER 17, 2026 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.

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

AGENDA

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   b. Stockton East Water District – Staff Report – Informational Reporton Project History, Prior Board Actions, and the Phase 1 Progressive Design-Build Agreement with Shimmick Construction Company, Inc 169

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I. Agenda Planning/Upcoming Events, *continued*

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   This meeting has been cancelled

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8. Washington, DC Trip, 12/07/26 – 12/11/26

9. Eastern San Joaquin Groundwater Authority Board Meeting, 10:30 a.m., 12/09/26

10. San Joaquin Farm Bureau Federation Monthly Water Committee Meeting, 4:30 p.m., 12/09/26
    This meeting has been cancelled

J. Closed Session

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

K. Adjournment

Certification of Posting

I hereby certify that on November 12, 2026, 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 November 12, 2026.

Priya Ram, Director of Finance & Administration
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 people with disabilities.

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THE 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, NOVEMBER 3, 2026, AT 12:30 P.M.

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:30 p.m. Director of Finance & Administration Ram led the Pledge of Allegiance.

Present at roll call at the District were Directors Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti and Watkins. Also present were Manager Hopkins, Assistant Manager Vega, Director of Finance & Administration Ram, District Engineer Evensen, Maintenance & Construction Manager Higares, Administrative Assistant Barraza, Legal Counsel Zolezzi and Consultant Barkett.

B. PUBLIC COMMENT (NONE)

President McGurk opened the floor for public comments. Mr. Armando Valerio, a Delta College Trustee, addressed the Board regarding the college's current projects.

Mr. Valerio reported the Phase 1 bond includes five projects. The first is an energy efficiency project to expand solar panels and electric vehicle charging stations throughout the campus, with approximately $15 million allocated. The second involves upgrading cables in older campus buildings, with approximately $120 million allocated to account for potential unforeseen issues.

Mr. Valerio reported the Delta College Board approved a public safety training center in Lodi near the water treatment plant, with approximately $10 million allocated. An additional $89 million has been allocated for planning and constructing permanent buildings in Mountain House. The final project involves relocating the college's aging police department facilities, with approximately $8 million allocated.

Mr. Valerio reported Phase 2 will involve allocating additional funding for other projects, with an emphasis on using funds wisely.

C. CONSENT CALENDAR

1. Minutes 10/20/26 Regular Board Meeting

3. Warrants – California's Public Employees' Retirement System

A motion was moved and seconded to approve C-1 and C-3, as presented.
Roll Call:
Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti, Watkins
Nayes: None
Abstain: None
Absent: None

2. Warrants
   a. Fund 68 – Groundwater Production Fund
   b. Fund 70 – Administration Fund
   c. Fund 71 – Water Supply Fund
   d. Fund 89 – Fish Screen Improvement Fund
   e. Fund 91 – Vehicle Fund

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f. Fund 94 – Municipal & Industrial Fund
g. Payroll
h. Summary
i. Short Name/Acronym List
j. SEWD Vehicles & Heavy Equipment

Director McGurk inquired on the expense on page 9, line item10 for the California Rural Water Association for the 2026/2027 CRWA membership 11/01/26-11/30/26 in the amount of $278.00. Director of Finance and Administration Ram replied the membership is not for 13 months, but the invoice does state from November 2026 to November 2027.

A motion was moved and seconded to approve the November 3, 2026, Warrants, as presented.
Roll Call:
Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti, Watkins
Nayes: None
Abstain: None
Absent: None

D. SCHEDULED PRESENTATIONS AND AGENDA ITEM

1. Stockton East Water District – Staff Report – Consideration Recommending Approval of Revisions to Policy No. 3015 – Disposal of Surplus Property or Equipment to the Board of Directors
Manager Hopkins presented the Board with a Staff Report for Consideration Recommending Approval of Revisions to Policy No. 3015 – Disposal of Surplus Property or Equipment to the Board of Directors. Manager Hopkins reported staff reviewed the disposal of property previously declared surplus by the Board of Directors as part of the District's review of its Surplus Property Disposal Guidelines and potential use of GovDeals, a nationwide online government auction platform.

A motion was moved and seconded to approve the revised Policy No. 3015 – Disposal of Surplus Property or Equipment to include online auction services, as presented
Roll Call:
Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti, Watkins
Nayes: None
Abstain: None
Absent: None

2. Stockton East Water District – Staff Report – Consider Approval of Updated Expense Reimbursement and Travel Policy
Manager Hopkins presented the Board with a Staff Report to Consider Approval of Updated Expense Reimbursement and Travel Policy. Director of Finance and Administration Ram reported staff wants to streamline travel reimbursement procedures, establish advance payment of meal expense allowances, and clarify the Board's authority to approve exceptions to travel reimbursement limits when necessary and consistent with applicable law.
A motion was moved and seconded to approve the updated Expense Reimbursement and Travel Policy, as presented.
Roll Call:
Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti, Watkins
Nayes: None
Abstain: None
Absent: None

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3. Stockton East Water District – Staff Report – Consideration of Agreement with U.S. Bureau of Reclamation to Authorize Diversion of Section 215 Flood Water from New Melones Reservoir
Manager Hopkins presented the Board with a Staff Report for Consideration of Agreement with the U.S. Bureau of Reclamation to Authorize Diversion of Section 215 Flood Water from New Melones Reservoir. Manager Hopkins reported to obtain Section 215 flood water from the U.S. Bureau of Reclamation, subject to availability and applicable terms and conditions.

Director Hansen inquired about the staff report and asked how the U.S. Bureau of Reclamation would determine the amount of water the District takes. Manager Hopkins responded the District will measure the water, which will flow through the normal facilities.

A motion was moved and seconded to authorize the General Manager to execute the necessary agreement and related documents with the U.S. Bureau of Reclamation to obtain Section 215 flood water from New Melones Reservoir, subject to availability and confirmation that the applicable water changes are based on New Melones Project rates rather than CVP water rates, as presented.
Roll Call:
Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti, Watkins
Nayes: None
Abstain: None
Absent: None

4. Stockton East Water District – Staff Report – Consideration of Recommendation to Authorize the General Manager to Execute a Professional Services Agreement with Zanjero in an Amount Not to Exceed $35,000 for Development of a Long-Range Decision Support Tool for Strategic Planning
Manger Hopkins presented the Board with a Staff Report for Consideration of recommendation to Authorize the General Manager to Execute a Professional Services Agreement with Zanjero in an Amount Not to Exceed $35,000 for Development of a Long-Range Decision Support Tool for Strategic Planning. Manager Hopkins reported this is to develop a long-range Decision Tool to support the District's strategic planning and investment decisions across its portfolio of regional water and resiliency projects.

Director Atkins inquired about the staff report and asked about potential disadvantages of the Professional Services Agreement. Legal Counsel Zolezzi responded the only downside is the cost.

Director McGurk inquired whether the staff report accounts for political considerations when comparing government and civilian projects. He emphasized the importance of advancing the government project before elected decision-makers change. Manager Hopkins responded District staff and the Board would consider those factors, while the current effort focuses on reviewing data.

A motion was moved and seconded to authorize the General Manager to execute a Professional Services Agreement with Zanjero, in an amount not to exceed $35,000 plus a 10% contingency of $3,500 for a total amount of $38,500, for the scope of services described above, and make all other necessary approvals, as presented.
Roll Call:
Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti, Watkins
Nayes: None
Abstain: None
Absent: None

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5. Stockton East Water District – Staff Report – Consider Authorization of Progressive Design-Build Agreement Low-Lift Pump Station Electrical Improvements
   Manager Hopkins presented the Board with a Staff Report to Consider Authorization of Progressive Design-Build Agreement Low-Lift Pump Station Electrical Improvements. Assistant Manager Vega reported the District is pursuing electrical improvements at the Low-Lift Pump Station to modernize aging infrastructure and improve operational reliability at the Dr. Joe Waidhofer Water Treatment Plant. He reported District staff selected Shimmick Construction Company, Inc. as the preferred design-build contractor.

Director Sanguinetti asked whether the District currently has only one VFD in service. District Engineer Evensen responded there are three VFDs in service.

Director Sanguinettiasked whether the VFDs were upgrades. District Engineer Evensen responded the VFDs were improvements presented to the Board a few years ago and not part of this design build project.

Director Hansen inquired about the staff report and requested an update on the generator, noting delivery was originally expected in July. Assistant Manager Vega responded the delivery date shifted from July to the fall and is now expected in January 2027. He reported the generator and engine set is built, but the Tier 4 emissions equipment for California compliance requirements and the enclosure have not been completed to date. District staff will continue pressing the manufacturer to finalize these items.

Director Atkins inquired about the staff report and asked whether the entire electrical system would be changed, switched, and optimized. Assistant Manager Vega confirmed this is correct.

Director Watkins recommended District staff bring back an informational item with additional details regarding the Design-Build Agreement for the Low-Lift Pump Station Electrical Improvements.

A motion was moved and seconded to authorize the General Manager to execute a contract with Shimmick Construction Company, Inc., for approximately $300,000, plus a 10% contingency of $30,000, for a total Board approval of $330,000, and make all other necessary approvals, as presented.

Roll Call:
Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti, Watkins
Nayes: None
Abstain: None
Absent: None

6. Stockton East Water District – Staff Report – Marciano Property Maintenance NOE
   Manager Hopkins presented the Board with a Staff Report for the Marciano Property Maintenance NOE. Manager Hopkins reported District staff recommend the Board approve and authorize the General Manager to execute and file a Notice of Exemption pursuant to the California Environmental Quality Act. He reported District staff and the District attorney havedetermined that the Project qualifies for categorical exemptions.

   Director Watkins inquired about the staff report and asked whether the scope includes only the ponds or also fencing and other listed improvements. He questioned the need for fencing. Assistant Manager Vega responded the plans include a v-ditch and fencing, but the current priority is repairing several leaks on the existing pipeline on the property.

Director Atkins inquired about the staff report and asked whether a ridge or similar feature would be installed around the Marciano property. Manager Hopkins responded District staff are considering a V-ditch and substantial berm along the length of Cox Road and access roads, with fencing and a gate at the access points.

A motion was moved and seconded to approve the Marciano Property Maintenance Project and authorize the General Manager to approve and sign the Marciano Property Maintenance NOE, as presented.
Roll Call:
Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti, Watkins
Nayes: None
Abstain: None
Absent: None

7. Stockton East Water District – Consideration and Selection of District Representative for the December Political Engagement Trip to Washington, D.C.
Manager Hopkins presented to the Board a Consideration and Selection of District Representatives for the December Political Engagement Trip to Washington, D.C. Manager Hopkins reported the Board must vote to select three Board members to attend this year's trip. Director Sanguinetti emphasized the value of attending these engagement trips, as they provide opportunities for Directors to meet and speak with decision-makers who vote on matters affecting the District.

Directors Atkins and Watkins volunteered to attend. Director Nakaue will review the dates before confirming his availability.

A motion was moved and seconded to authorize Board members to attend the trip.
Roll Call:
Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Sanguinetti, Watkins
Nayes: None
Abstain: None
Absent: None

E. COMMITTEE REPORTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 10/21/26
Director Atkins attended the San Joaquin County Flood and Water Conservation District Advisory Water Commission meeting. He reported the Commission discussed Spring 2026 Groundwater Monitoring, including whether monitoring occurred during the first week of April. The Commission also discussed the MICUP update and the North San Joaquin Master Study, including flood-prone areas, El Niño conditions, warm ocean currents, and potential flooding.

2. Administration Committee Meeting, 10/28/26
Director Panizza, Sanguinetti and Watkins along with Assistant Manager Vega and Director of Finance and Administration Ram. Director Sanguinetti reported the committee discussed a Staff Report for Consideration of Accepting Technical Analysis Regarding Groundwater Recharge Benefits to SEWD from Adjacent GSA's and Request for Board Direction in Whether to Pursue In-Lieu Recharge Outside SEWD or Within SEWD's Service Area. He reported the committee would like more information on this item before making a recommendation to the Board. Director

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Sanguinetti also reported the committee recommended four items go to the Board for approval which are items D-1, D-2, D-3 and D-4.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 10/20/26
   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 October 20th

2. Information Items: F-2a and F-2b

3. Report on General Manager Activities
   a. Stockton East Water District's Activities Update

   Manager Hopkins reported on the Bay-Delta Plan Update, noting the Water Board adopted the staff-proposed plan, which is unfavorable to the District because the District does not have a voluntary agreement. He reported District staff are working with legal counsel to determine the next steps.

   Manager Hopkins reported on the SRF Loan Update, noting District staff have been working to finalize the loan. He anticipates the loan will be processed within the next ten days, allowing the District to draw funds.

   Manager Hopkins reported on attendance coordination through calendar invites. Administrative staff will send a calendar invite to each Director's preferred email address when an event is listed under Item F-2 on the agenda. Accepting the invite will add the event to the Director's calendar and confirm their RSVP.

   Manager Hopkins reported on his attendance at the C-Suite Summit, which included water executives from around the world, and the 2026 AMWA EMC. Both events focused on three high-level topics: using AI in capital replacement planning, personnel development and training with an emphasis on AI, and implementing AI across all areas of operations.

   Manager Hopkins reported on a meeting with another agency regarding Proposition 4 funding and legislatively directing a $50 million funding pool related to groundwater recharge for the watershed resilience pilot projects. He noted the District participated in one of five watershed resilience pilot projects and understood the District would receive priority for funding to implement projects.

   Manager Hopkins reported on the SAWS Water Treatment Plant tour hosted by District operators for approximately 70 Spanos Elementary students, teachers, and parents. He noted the tour went very well, the students were engaged, and the operators did an excellent job.

   Manager Hopkins reported the Employee Spotlights for the month of October featuring Sheryl Morris, Senior Water Treatment Plant Operator and Angelo Imbrunetti, Maintenance Mechanic II.

   Manager Hopkins provided the Board with the equipment use for the week of October 19th.

4. Stockton East Water District Engineering and Maintenance Update
   District Engineer Evensen presented the Board with an Engineering update. District Engineer Evensen reported on planning, design, permitting, and grant activities, including filters and sedimentation design, Clements Pipeline and Reservoirs design, LLPS electrical design-build, Mormon Slough Railroad Bridge Fish Passage, and SWEEP and SWEG grants.

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He also reported on project and construction management activities, including Bellota Weir Modifications, George Watkins Low-Water Crossing, Highway 4 Trash Rack and Powerline, White Pine Solar Project, and the Utility Water Booster Pump Station. District Engineer Evensen provided the Board with current photographs of Bellota Weir construction.

Maintenance and Construction Manager Higares presented a maintenance update to the Board. He reported on mechanical projects and maintenance, including corrective maintenance, preventative maintenance, and the Booster Pump Station. He also reported on electrical projects and maintenance, including Highway 4 Trash Rack electrical work, preventative maintenance, and corrective maintenance.

Lastly, Maintenance and Construction Manager Higares reported on construction projects. Work at George Watkins is complete for the season, while work on the Booster Pump Station and Highway 4 electrical projects will proceed after Safety Week.

G. DIRECTOR REPORTS

1. 41st Annual San Joaquin County Ag Hall of Fame, 10/21/26
   Directors Atkins, Hansen, Sanguinetti, and Watkins attended the 41st Annual San Joaquin Ag Hall of Fame. Director Sanguinetti reported the event had a large turnout and a pleasant crowd, with dinner provided by the Waterloo Gun and Bocce Club.

H. COMMUNICATIONS

1. Public Records Request 01/01/25-10/15/26
   Manager Hopkins presented the Board with a public records request covering January 1, 2025, through October 15, 2026. He reported the District receives numerous public records requests throughout the year and shared a thank-you email received in response to the District's handling of the request, noting it was the first such acknowledgment received.

I. AGENDA PLANNING/UPCOMING EVENTS

1. ACWA Region 2&4 Event, 9:00 a.m., 11/04/26

2. District Holiday – Veteran's Day, 11/11/26

3. Eastern San Joaquin Groundwater Authority Board Meeting, 10:30 a.m., 11/11/26
   Rescheduled for 11/17/26

4. San Joaquin Farm Bureau Federation Monthly Committee Meeting, 4:30 p.m., 11/11/26

5. Dream BIGR Tour, 9:00 a.m., 11/13/26

J. REPORT OF THE COUNSEL

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

President McGurk adjourned the meeting to closed session at 2:00 p.m. The regular meeting reconvened at 2:15 p.m., with no reportable action.

K. ADJOURNMENT

President McGurk adjourned the meeting at 2:16 p.m.

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Respectfully submitted,

Justin M. Hopkins
General Manager

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

	Vendor name	Account #	Description	Amount	Invoice No.
			GROUNDWATER PROD. FUND 68		
1	PG&E 8587816171-1	10-53020-	Electricity 09/28/26-10/26/26 North Side Extraction Well #2	20,415.22	85878161711-11/02/26
			GROUNDWATER PROD. FUND 68 TOTAL	**$20,415.22**	

PK

Agenda Item: C-2a
Date: 11/17/26

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

	Vendor name	Account #	Description	Amount	Invoice No.
			ADMIN FUND 70		
2	Action Asap Delivery Service	10-51260-	October 2026 courier services	725.00	94270
3	ACWA Joint Powers Insurance Authority	10-51280-	SEWD Liability Insurance 10/01/26-09/30/27	95,301.00	2699
4	ACWA Joint Powers Insurance Authority	10-17100-	SEWD Liability Insurance 10/01/26-09/30/27	95,824.64	2699
5	ACWA/JPIA (Health Benefits)	10-50470-	December 2026 medical, dental, vision, & life insurance- Admin	24,770.54	710844
6	ACWA/JPIA (Health Benefits)	10-50620-	December 2026 medical, dental, vision, & life insurance- DIR	14,818.58	710844
7	ACWA/JPIA (Health Benefits)	10-50500-	December 2026 medical, dental, vision, & life insurance- RET Admin	3,854.25	710844
8	Airespring Inc.	10-51410-	Monthly internet charges 11/01/26-11/30/26	1,281.04	214107118
9	Amazon Capital Services Inc.	10-51250-	Office Supplies ordered on 10/19/26-11/04/26	325.09	1TMV-LCHJ-9CQG/6P/MQ
10	American West Communications, L.P.	10-51410-	Monthly Gopher Ridge tower rental for the WS maint	671.93	46352
11	Andrew Watkins	10-51040-	2026 ACWA Region 2&4 Tour- Mileage reimb.	120.50	837
12	Anthony Barkett	10-51550-	Nov 26 Consulting fees-Efforts to protect NM Water	5,500.00	021
13	AT&T Messaging	10-51410-	November 2026 Ag call-in voicemail services	14.84	7091371218
14	Availability Professional Staffing	10-50440-	Temp. labor- Admin & Finance week ending 09/13/26	1,161.00	12398
15	Calidad Services, Inc.	10-51430-	Remote Guarding & Monitoring- November 2026	1,282.40	5672
16	Cameron Adams	10-51030-	2026 Tuition Reimbursement	1,255.00	832/833
17	CCT Telecommunications, Inc.	10-51410-	Lab phone programing	216.63	313160
18	Darrel Evensen	10-51040-	New Generator meeting reimb.	271.93	941
19	Darrel Evensen	10-51040-	Fall 2026 ACWA conference- Per diem	301.00	942
20	David Strohm	10-51040-	2026 USCID Annual conference reimb.	115.76	909
21	David Strohm	10-51030-	2026 Tuition Reimbursement	273.25	956
22	Derrick Veldstra	10-51030-	2026 Tuition Reimbursement	3,284.96	963/964/965
23	Employee Relations Network	10-51540-	New employee background check	88.83	102036
24	Employment Development Dept. (EDD)	10-50470-	EDD Unemployment	41.00	L0756754224
25	Frontier Communications	10-51410-	Linden Tel Directory listing for 11/07/26-12/06/26	24.11	5301961403-11/07/26
26	Grainger, Inc.	10-51010-	LOTO Tags	41.44	9124057804
27	Grainger, Inc.	10-51010-	Threshold ramps (2) for LLPS grating	110.96	9125872086

STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

	Vendor name	Account #	Description	Amount	Invoice No.
			ADMIN FUND 70		
28	Hazen and Sawyer	10-51160-	Water Sanitary Survey- Stanislaus & Calaveras	26,579.50	3
29	James De Fremery	10-51040-	2026 USCID Annual conference reimb.	49.22	912
30	James W. Robinson	10-51030-	2026 Tuition Reimbursement	335.00	839
31	Jan-Pro of the Greater Bay Area	10-51540-	November 2026 monthly janitorial services- Admin	670.00	37009
32	Jorgensen Company	10-51010-	Recharge and service Fire Extinguishers	587.75	6274519
33	Justin Hopkins	10-51040-	2026 Western Groundwater Congress reimb.	168.60	922
34	KAN Ventures Inc	10-51540-	Consulting services for November 2026	2,000.00	2212
35	Kristin V. Coon	10-51310-	Water Conservation Education December 2026	17,250.00	2026-12
36	Midwest Motor Supply	10-51010-	First Aid Kits (6)	2,302.77	104962749
37	NATEC International, Inc.	10-51010-	Basic Hazardous Waste Management training (21)	1,485.00	225407
38	Noah Patterson	10-51030-	2026 Tuition Reimbursement	509.99	831
39	Quadient Leasing USA Inc.	10-51240-	Postage Machine lease 11/29/26-02/27/27	545.15	Q2612693
40	Quill Corporation	10-51250-	Office supplies ordered on 10/14/26-10/27/26	813.51	50731273/910/024/600
41	Red Wing Shoe Store	10-51010-	2026 Safety Shoe Allowance- M. Sutton	240.87	20261029014569
42	Ryan Welch	10-51010-	2026 Safety Shoe reimbursement	250.00	767
43	Shred City LLC	10-51250-	Document destruction service - October 2026	60.00	27182102726
44	Standard Insurance	10-50470-	December 2026 long term insurance- Admin	427.29	881
45	Target Special Products	10-51030-	Sprayer Training & Certification- C. Donis	80.00	INVP502309768
46	The Gualco Group	10-51550-	Prof. Services for 10/01/26-10/31/26	6,500.00	894
47	Tyler Technologies, Inc.	10-51450-	Implementation of Financial software 10/13/26 RBM: 09/24/24	700.00	045-583686
48	US Bank Corp. Trust Services	10-51520-	Trustee fees-Safe Drinking Water State Revolving Fund 10/01/26-09/30/27	628.27	8385221
49	US Bank Corp. Trust Services	10-17100-	Trustee fees-Safe Drinking Water State Revolving Fund 10/01/26-09/30/27	631.73	8385221
50	US Bank Corporate Payment Systems	10-51040-	2026 USCID Annual conference registration- Strohm/de Fremery	1,442.00	Evensen3257-102226c
51	US Bank Corporate Payment Systems	10-51040-	2026 USCID Annual conference- Lodging expense - Strohm/de Fremery	102.16	Evensen3257-102226ef
52	US Bank Corporate Payment Systems	10-51040-	2026 USCID Annual conference- Lodging expense - Strohm/de Fremery	324.50	Evensen3257-112226ab
53	US Bank Corporate Payment Systems	10-51040-	New Generator meeting- Meal expense	155.99	Evensen3257-112226cdghik

STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

	Vendor name	Account #	Description	Amount	Invoice No.
			ADMIN FUND 70		
54	US Bank Corporate Payment Systems	10-51040-	New Generator meeting- Travel expense	$491.38	Evensen3257-112226efg
55	US Bank Corporate Payment Systems	10-51040-	New Generator meeting- Parking expense	$93.00	Evensen3257-112226j
56	US Bank Corporate Payment Systems	10-51040-	New Generator meeting- Lodging expense	$428.42	Evensen3257-112226l
57	US Bank Corporate Payment Systems	10-51040-	2026 ACWA Executive Edge conference- Meal expense	$72.46	Hopkins1198-092226n
58	US Bank Corporate Payment Systems	10-51040-	2026 ACWA Executive Edge conference- Lodging expense	$711.09	Hopkins1198-092226o
59	US Bank Corporate Payment Systems	10-51040-	2026 Western Groundwater Congress- Travel expense	$346.12	Hopkins1198-102226ad
60	US Bank Corporate Payment Systems	10-51040-	2026 Western Groundwater Congress- Meal expense	$233.68	Hopkins1198-102226bce
61	US Bank Corporate Payment Systems	10-51040-	2026 Western Groundwater Congress- Lodging expense	$799.07	Hopkins1198-102226f
62	US Bank Corporate Payment Systems	10-51040-	2026 C-Suite Summit meeting- Travel expense	$879.96	Hopkins1198-102226hpqst
63	US Bank Corporate Payment Systems	10-51270-	Meeting expense on 10/08/26	$27.33	Hopkins1198-102226m
64	US Bank Corporate Payment Systems	10-51270-	Meeting expense on 10/13/26	$51.35	Hopkins1198-102226n
65	US Bank Corporate Payment Systems	10-51270-	Meeting expense on 10/14/26	$46.64	Hopkins1198-102226o
66	US Bank Corporate Payment Systems	10-51040-	2026 C-Suite Summit meeting- Lodging expense	$365.08	Hopkins1198-102226r
67	US Bank Corporate Payment Systems	10-51040-	2026 C-Suite Summit meeting- Meal expense	$33.50	Hopkins1198-112226a
68	US Bank Corporate Payment Systems	10-51040-	2026 C-Suite Summit meeting- Travel expense	$46.00	Hopkins1198-112226b
69	US Bank Corporate Payment Systems	10-51040-	2026 C-Suite Summit meeting- Lodging expense	$369.27	Hopkins1198-112226c
70	US Bank Corporate Payment Systems	10-51040-	2026 ACWA Region 2&4 Tour- Lodging expense	$170.31	Hopkins1198-112226x
71	US Bank Corporate Payment Systems	10-51270-	Board meeting supplies/meal expense on 10/20/26	$305.15	Rangel5834-102226h
72	US Bank Corporate Payment Systems	10-51270-	Meeting expense on 10/22/26	$87.84	Rangel5834-102226i
73	US Bank Corporate Payment Systems	10-51270-	Board meeting supplies/meal expense on 10/20/26	$12.00	Rangel5834-102226j
74	US Bank Corporate Payment Systems	10-51270-	Meeting expense on 10/21/26	$127.93	Rangel5834-102226k
75	Verizon Wireless Multi-line account	10-51410-	Wireless charges from 09/26/26-10/25/26	$1,274.42	6156712858
76	Xerox Business Solutions	10-51240-	Contract overage charge 07/25/25-10/24/25	$53.13	IN5068941
77	Xerox Business Solutions	10-51240-	Contract overage charge 07/18/26-10/17/26	$51.89	IN5586005
78	Xerox Business Solutions	10-51240-	Contract overage charges 07/25/26-10/24/26	$57.19	IN5591912
79	Xerox Financial Services LLC	10-51240-	10/25/26-11/24/26 SEWD Printers Lease (4)	$1,501.87	42996810
			ADMIN FUND 70 TOTAL	**$325,151.06**	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

	Vendor name	Account #	Description	Amount	Invoice No.
			WATER SUPPLY FUND 71		
80	7-11 Material Inc	10-52050-	G. Watkins LWC prj- Blended concrete (38 yards)	8,124.36	410174253
81	ACWA/JPIA (Health Benefits)	10-50470-	December 2026 medical, dental, vision, & life insurance- NM	21,977.93	710844
82	ACWA/JPIA (Health Benefits)	10-50560-	December 2026 medical, dental, vision, & life insurance- NH	10,647.02	710844
83	ACWA/JPIA (Health Benefits)	10-50500-	December 2026 medical, dental, vision, & life insurance- RET WS	4,737.79	710844
84	Badger Meter, Inc.	10-52020-	Cellular service for Orion End Points- Oct. 2026	160.38	80255824
85	Calidad Services, Inc.	10-52050-	G. Watkins LWC prj- Monitoring & remote guarding November 2026 (3)	4,350.01	5673
86	Cintas Corporation	10-52130-	Weekly uniform & laundry service weeks of 10/22/26 & 10/29/26	224.07	4286604313/4287338725
87	Delta Cable & Supply, Inc.	10-52050-	G. Watkins LWC prj- Materials and supplies	3,035.79	50662
88	Dokken Engineering	10-52030-	Clements Pipeline prj- Environmental Services	12,237.70	53732
89	F.T.G. Construction Materials Inc.	10-52020-	12" Minus Rip Rap (1 Load)	1,840.88	1045566
90	George Reed Inc.	10-52050-	G. Watkins LWC prj- Rip Rap- 1/4 Ton (6 loads)	2,219.64	100416207
91	Gridless Power Corporation	10-17100-	License Renewal for camera at NH 10/26/26-10/26/27	130.49	120564
92	Gridless Power Corporation	10-52020-	License Renewal for camera at NH 10/26/26-10/26/27	97.56	120564
93	HDR Engineering, Inc.	10-52050-	Mormon Slough Bridge prj- Prof Serv. 08/23/26-09/26/26	65,334.04	1200873891
94	Holt of CA	10-52050-	G. Watkins LWC prj- Rental of Roller 09/18/26-10/16/26	6,023.63	ER7217742010
95	Holt of CA	10-52050-	G. Watkins LWC prj- Rental of Roller W/B Trench 09/18/26-10/16/26	3,531.92	ER7217743010
96	Holt of CA	10-52050-	G. Watkins LWC prj- Rental of Roller CP34 09/18/26-10/02/26	1,528.68	ER7217742020
97	Interstate Concrete Pumping	10-52050-	G. Watkins LWC prj- Concrete pumping (57 yards)	3,019.72	329063
98	Interstate Concrete Pumping	10-52050-	G. Watkins LWC prj- Concrete pumping (65.5 yards)	2,841.03	329064
99	Interstate Concrete Pumping	10-52050-	G. Watkins LWC prj- Concrete pumping (32 yards)	2,755.72	329065

STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

	Vendor name	Account #	Description	Amount	Invoice No.
			WATER SUPPLY FUND 71		
100	Kludt & Sons, Inc.	10-52050-	G. Watkins LWC prj- Red Dyed Diesel (950 gallons)	6,572.22	347951/347655/348102
101	PG&E 0530302291-6	10-52130-	Electricity 09/27/26-10/27/26 Birdcage trash rack	413.92	05303022916-11/04/26
102	Platt Electric Supply Inc.	10-52130-	Trash Rack Generator Provision prj- End caps (17)	127.57	7T06823
103	Provost & Pritchard Engineering Group, Inc.	10-52030-	Clements Pipeline & Reservoir prj- Prof serv Sept 2026	15,940.60	135527
104	RAT Inc.	10-52170-	HWY 4 Traveling Trash Racks prj- Rental trailer unit 10/26/26-11/22/26	210.00	INV/2026/10833
105	RAT Inc.	10-52050-	G. Watkins LWC prj- Rental of portable restroom	210.00	INV/2026/10810
106	Salazar Transportation	10-52050-	G. Watkins LWC prj- Sandbags (3 loads) hauled from prj to TP	1,980.00	60352
107	Salazar Transportation	10-52050-	G. Watkins LWC prj- Units 77 & 98 hauled from prj to TP	1,260.00	60384
108	Standard Insurance	10-50560-	December 2026 long term insurance- NH	119.95	881
109	Standard Insurance	10-50470-	December 2026 long term insurance- NM	259.59	881
110	Synergy Rents LLC	10-52050-	G. Watkins LWC prj- Rental breaker 09/30/26-10/14/26	6,570.07	1663779-0001
111	Synergy Rents LLC	10-52170-	HWY 4 Traveling Trash Racks prj- Rental excavator 10/14/26-11/11/26	7,063.01	1674112-0001
112	United Rentals North America Inc	10-52020-	Rental of Variable Reach 10/22/26-10/23/26	1,093.12	269243578-001
113	United Rentals North America Inc	10-52050-	G. Watkins LWC prj- Rental reach 10/09/26-11/06/26	5,275.44	264898111-004
114	United Rentals North America Inc	10-52020-	Rental of reach for dam removal 10/14/26-10/19/26	2,759.06	268888927-001
115	United Rentals North America Inc	10-52050-	G. Watkins LWC prj- Rental tread plates (2) 10/05/26-11/02/26	698.22	265911850-004
			WATER SUPPLY FUND 71 TOTAL	**$205,371.13**	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

	Vendor name	Account #	Description	Amount	Invoice No.
			VEHICLE FUND 91		
116	J. Milano Company, Inc.	10-51820	Bearings (2), fasteners & disc blade for Unit 52	669.70	190790/190957
117	Kludt & Sons, Inc.	10-51820	Propane for Unit 70	55.16	553431
			VEHICLE FUND 91 TOTAL	**$724.86**	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

	Vendor name	Account #	Description	Amount	Invoice No.
			MUNICIPAL & INDUSTRIAL FUND 94		
118	ACE Amature & Motor Company	10-53210-	Repair Motor on P-23	20,469.49	RI8014
119	ACWA/JPIA (Health Benefits)	10-50470-	December 2026 medical, dental, vision, & life insurance- M&I	65,939.33	710844
120	ACWA/JPIA (Health Benefits)	10-50500-	December 2026 medical, dental, vision, & life insurance- RET M&I	11,101.10	710844
121	Amazon Capital Services Inc.	10-53230-	Well Caps (4) for monitoring wells at TP	141.86	1MK1-DL1V-K67X
122	Amazon Capital Services Inc.	10-53440-	Paint Markers (24) for Shop stock	22.51	1YHW-3NKF-F93D
123	Amazon Capital Services Inc.	10-53260-	Phone Mount for Ops Lab	16.13	1D3W-VYVV-MDFG
124	Amazon Capital Services Inc.	10-53410-	Circuit breakers for Ops Lab & rubber boots	270.84	1D3W-VYVV-MDFG/QHFW
125	Aqua Metrology Systems	10-17100-	THM Service Contract- 11/13/26-11/12/27	13,977.10	INV11013036
126	Aqua Metrology Systems	10-53250-	THM Service Contract- 11/13/26-11/12/27	8,596.53	INV11013036
127	Availability Professional Staffing	10-50440-	Temp. labor- Admin & Finance week ending 09/13/26	1,161.00	12398
128	Calidad Services, Inc.	10-53250-	Remote Guarding & Monitoring- November 2026	1,500.00	5672
129	Chemtrade Chemicals	10-53010-	Acidified Alum delivered 10/19/26-10/22/26	35,266.17	90468047/294/295/721/183
130	Cintas Corporation	10-53420-	Weekly uniform & laundry service weeks of 10/22/26 & 10/29/26	637.79	4286604313/4287338725
131	Contract Coatings Corp.	10-53210-	Paint, stripper & supplies for Fuel Tanks	442.79	80833
132	FGL Environmental	10-53080-	Subcontracted analysis on 09/02/26 & 09/30/26	5,486.00	654769A/653248A
133	FGL Environmental	10-53080-	Coliform bacti monitoring sampled on 10/04/26-10/12/26	1,026.00	655419A-655339A
134	Geiger Manufacturing, Inc.	10-53210-	Repair Pins (2) with snap ring groves	300.00	99321
135	George W. Lowry Inc.	10-53210-	Food Grade oil (2 pails) for pump motors	256.15	3621530
136	Grainger, Inc.	10-53230-	Connecting Link for monitoring wells at TP	27.19	9124067076
137	Grainger, Inc.	10-53410-	Safety glasses (1 box)	57.28	9134541656
138	Grainger, Inc.	10-53440-	First Aid Kit Supplies	47.47	9125465543
139	Grainger, Inc.	10-53260-	Safety signs for Electrical room door at Ops base	14.15	9124067084
140	Hazen and Sawyer	10-53210-	Solar & Battery Storage prj- Prof. Serv. August 26	6,001.32	20323-001-1
141	Holt of CA	10-53230-	Utility Water PS prj- Trailer Vacuum 500G 09/21/26-10/20/26	7,387.92	ER7217770010/0020
142	Iconix Waterworks/Corix Water Products US Inc.	10-53230-	Valve box, lip & gaskets for monitoring Wells	2,925.95	U2616039577
143	Iconix Waterworks/Corix Water Products US Inc.	10-53230-	Fasteners, pipe & fittings for monitoring Wells	3,624.92	U2616039746
144	Industrial Scientific Corporation	10-17100-	Air Monitors Lease 08/01/26-07/31/27	2,321.42	2942879

STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

	Vendor name	Account #	Description	Amount	Invoice No.
			MUNICIPAL & INDUSTRIAL FUND 94		
145	Industrial Scientific Corporation	10-53410-	Air Monitors Lease 08/01/26-07/31/27	4,623.80	2942879
146	J. Milano Company, Inc.	10-53210-	Fasteners, coil chain, thread rod for Hypo	109.25	190792
147	Jan-Pro of the Greater Bay Area	10-53260-	November 2026 monthly Janitorial services- Maint & Ops	553.00	37009
148	JCI Jones Chemicals, Inc	10-53010-	12.5% Sodium Hypochlorite delivered 10/16/26	8,719.23	1010138
149	MSC Industrial Supply Co.	10-53410-	Class 2 Electrical glove set (3), ear plugs (2) & leather gloves (20)	1,029.49	91115101/92183611
150	MSC Industrial Supply Co.	10-53440-	Electrolyte Freeze pops (2 cases)	78.02	93555521
151	Platt Electric Supply Inc.	10-53230-	Fasteners (10) & adapter for monitoring wells- TP	53.62	7T77404
152	Platt Electric Supply Inc.	10-53260-	Conduit (10), knockout box, LED wall pack	77.14	7T99998
153	RAT Inc.	10-53240-	Rental double basin sink for TP 10/22/26-11/18/26	80.00	INV/2026/10715
154	RAT Inc.	10-53240-	Rental restroom for Maint. Yard 10/30/26-11/26/26	180.00	INV/2026/10958
155	Republic Services	10-53040-	October 2026 garbage service @6767 East Main St	1,584.95	0208-000921065
156	Rexel USA Inc	10-53210-	Potentiometer & legend plate for P-24	467.13	S146605305.001
157	Roto-Rooter Plum	10-53260-	Maintenance on Ops bathroom sink	660.28	510-28062275
158	San Joaquin Area Flood Control Agency	10-53210-	FY 26/27 Levee Construction & Maintenance Installment 1 & 2	43.50	2026-LCMA-10086/10079
159	San Joaquin Area Flood Control Agency	10-17100-	FY 26/27 Levee Construction & Maintenance Installment 1 & 2	14.45	2026-LCMA-10086/10079
160	Standard Insurance	10-50470-	December 2026 long term insurance- M&I	1,254.96	881
161	Stockton Windustrial Co.	10-53210-	Pipe fittings (19) for Hypo System	78.59	409552 03
162	Stockton Windustrial Co.	10-53210-	Pipe (6 ft), fittings (4) & valves (2) for T-4 at TP	501.08	409748 01/409905 01
163	The Home Depot	10-53260-	Repurpose Chlorine Room prj- Sealant (5)	70.74	4012393
164	United Rentals North America Inc	10-53230-	Utility Water PS prj- Rental demo hammer on 10/28/26	163.78	269543787-001
165	Univar USA Inc.	10-53010-	Caustic Soda delivered 10/15/26-10/27/26	19,755.95	54241521-54232506
166	USA Blue Book	10-53210-	Pressure regulator	612.45	IN01195212
167	Valley Landscaping & Maintenance Inc.	10-53250-	WTP landscaping services for October 2026	2,750.00	93978
168	Valley Springs Feed & Pet Supply	10-53210-	Security supplies delivered on 10/27/26	84.41	192
169	Wille Electric Supply Co. Inc.	10-53210-	Breaker contactor & motor control for P-26	210.88	S2319295.001
170	WMB Architects Inc.	10-53260-	ADA Compliance prj- Prof design serv. 09/01/26-10/20/26	1,380.00	26-082-001
			MUNICIPAL & INDUSTRIAL FUND 94 TOTAL	**$234,155.11**	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
NOVEMBER 17, 2026

Fund Number	Fund Summary	AP Amount
Fund 68	Groundwater Prod. Fund	20,415.22
Fund 70	Administration Fund	325,151.06
Fund 71	Water Supply Fund	205,371.13
Fund 91	Vehicle Fund	724.86
Fund 94	Municipal & Industrial Fund	234,155.11
	TOTAL FUND SUMMARY	**$785,817.38**

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Short Names/Acronym List

ACH	Aluminum Chlorohydrate
ACWA	Association of California Water Agencies
Admin	Administration
Ads	Advertisement
AF	Acre Feet
AG	Agriculture
AR	Accounts Receivable
AWP	Alternative Work Program
CEQA	California Environmental Quality Act
Chgs	Charges
CM	Construction Management
COP	Certificate of Participation
CSDA	California Special District Authority
CSJWCD	Central San Joaquin Water Conservation District
CVPWA	Central Valley Project Water Association
CWS	California Water Services Company
DB	Distribution Box
DBCP	Dibromochloropropane
DDTS	Direct Distance Telephone Service
DL	Direct Line
Educ	Education
FCC	Federal Communications Commission
FOIA	Freedom of Information Act
GM	General Manager
GW	**George Watkins**
HCP	Habitat Conservation Plan
HP	Hewlett Packard
HSPS	High Service Pump Station
HVAC	Heating, Ventilating Airconditioning
HWY	**Highway**
LD	Long Distance
LFC	Lower Farmington Canal
LLPS	Low Lift Pump Station
LT2	Long Term 2 -Enhanced Surface Water Treatment Rule
LWC	**Low Water Crossing**
M&O	Maintenance & Operations
MCC	Master Control Center
Misc.	Miscellaneous
mtg	Meeting
NH-	New Hogan
NM	New Melones
NH3-N	Ammonia
NMCF	New Melones Conveyance Facility
NWRP	New Water Reservoir Project
OBA	Oxygen Breathing Apparatus
OCR	Old Calaveras River
PACL	Poly Aluminum Chloride
PM	Preventive Maintenance
Prof	Professional
PS	**Pump Station**
PSM	Process Safety Management
RMA	**Riparian Management Area**
PVC	Polyvinyl Chloride
RMP	Risk Management Plan
SCADA	Supervisory Control And Data Acquisition
SCBA	Self Contained Breathing Apparatus
SEWD	Stockton East Water District
SWRCB	State Water Resources Control Board
St	Street
T5	Water Treatment Operator Certificate Grade 5
Tel	Telephone
THM	Trihalomethane
TO	Task Order
TP	Treatment Plant
UFC	Upper Farmington Canal
UPS	Uninterrupted Power Supply
VAMP	Vernalis Adaptive Management Plan
VFD	Variable Frequency Drive
WMP	Water Management Plan
WQMS	Water Quality Monitoring System
WS	Water Supply
WSEP	Water Supply Enhacement Project
WTP	Water Treatment Plant

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Vehicles	
Unit 57 2011 Ford F150 Pickup Long Bed	Pickup Truck
Unit 65 2015 Ford F250 S-Duty 4wd	Pickup Truck
Unit 66 2015 Ford F250 S-Duty 4wd	Pickup Truck
Unit 67 2015 Ford F250 S-Duty 4wd	Pickup Truck
Unit 69 2015 Ford F150 4x4 Supercrew Pickup	Pickup Truck
Unit 74 2019 Ford F250 S-Duty 4wd	Pickup Truck
Unit 75 2019 Ford F250 S-Duty 4wd	Pickup Truck
Unit 76 2020 Ford Escape	Automobile
Unit 79 2022 Ford F150	Pickup Truck
Unit 80 2022 Ford F150	Pickup Truck
Unit 81 2022 Ram 1500	Pickup Truck
Unit 82 2023 Toyota Tacoma	Pickup Truck
Unit 83 2023 Toyota Tacoma	Pickup Truck
Unit 84 2023 Toyota Tacoma	Pickup Truck
Unit 85 2023 Toyota Tacoma	Pickup Truck
Unit 86 2023 Ford F-350	Pickup Truck
Unit 87 2023 Ford F-350	Pickup Truck
Unit 88 2024 Toyota Rav4	Automobile
Unit 89 2024 Toyota Rav4	Automobile
Unit 90 2024 Ford F-350	Pickup Truck
Unit 92 2024 Ford F-150	Pickup Truck
Unit 93 2024 Toyota Tacoma	Pickup Truck
Unit 94 2024 Toyota Tacoma	Pickup Truck
Unit 97 2026 Ford F-650 Flatbed Dump Truck	Pickup Truck
Unit 103 2025 Ford F-150 Lightning Pro	Pickup Truck-Electric
Light equipment	
Unit 102 Genie GS 1930 Scissor Lift	Lift
Unit 70 2016 Cat Forklift	Forklift
Unit 58 2014 Polaris Ranger EV- Maintenance	Utility Vehicle
Unit 59 2014 Polaris Ranger EV- Maintenance	Utility Vehicle
Unit 62 2014 Polaris Ranger EV- Water Supply	Utility Vehicle
Unit 99 2025 Kubota RTVX2 UTV	Utility Vehicle
Unit 100 2025 Kubota RTVX2 UTV	Utility Vehicle
Unit 101 2025 Kubota RTVX2 UTV	Utility Vehicle
Unit 104 2025 Kubota RTVX2 UTV	Utility Vehicle
Heavy equipment	
Unit 29 Caterpillar Backhoe	Heavy Equip.
Unit 38 John Deere 6420 Tractor	Tractor
Unit 41 Case Tractor 570mxt Turbo	Tractor
Unit 52 Kubota Tractor	Tractor
Unit 53 2011 Kenworth T300 Dump Truck (dsl)	Heavy Truck
Unit 56 2010 Ford F450 Truck	Heavy Truck
Unit 73 2018 Caterpillar Backhoe	Heavy Equip.
Unit 77 2022 CAT Long Reach Excavator	Heavy Equip.
Unit 95 Manitex 26 Ton Crane Truck	Heavy Truck
Unit 96 2024 F-550 Crew Cab Diesel w.12ft scelzi	Heavy Truck
Unit 98 2025 325 Blade Excavator	Heavy Equip.
Accessories	
Dive Boat	Accessory
Boat Trailer	Trailer
Allis-Chalmers Disc	Accessory
Pak Flail Mower (orange)	Accessory
Alamo Articulate Mower Attachment	Accessory
Landpride RCR2596 Rotary Mower	Accessory
Unit 30 Big Tex Equipment Trailer /25,900gvwr	Trailer
Unit 34 2000 Cartaway Tank Trailer /6000gvw	Trailer
Unit 43 2007 Wells Cargo Trailer Model TW122	Trailer
Unit 44 1996 Genie Lift TZ-34/20 Knuckleboom	Trailer
Unit 50 6 Diesel Pump	Trailer
Unit 51 12 Diesel Pump	Trailer
Unit 68 2015 Utility Trailer	Trailer
Unit 71 2017 Utility Landscaping Trailer	Trailer
Unit 72 2002 Utility Trailer	Trailer
Unit 91 2024 Kauffman Equipment Trailer	Trailer
Unit 105 XK125 Generator	Accessory
Spray Rig 03	Trailer
Spray Rig 05	Trailer

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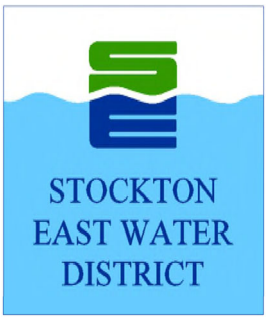
STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
CALPERS EFT REQUEST
November 17, 2026

	Vendor name	District Fund#	Account #	Description	Amount	Invoice No.
1	CA Public Employees Retirement System (CalPERS)	70	10-5049-0	Retirement Contributions for Payroll 11/06/26-Admin	8,785.25	11/06/26 1245106351
				Total Fund 70 Admin	**$ 8,785.25**	
2	CA Public Employees Retirement System (CalPERS)	71	10-5049-0	Retirement Contributions for Payroll 11/06/26-WS-NM	6,925.56	11/06/26 1245106351
3	CA Public Employees Retirement System (CalPERS)	71	10-5058-0	Retirement Contributions for Payroll 11/06/26-WS-NH	2,377.02	11/06/26 1245106351
				Total Fund 71 Water Supply	**$ 9,302.58**	
4	CA Public Employees Retirement System (CalPERS)	94	10-5049-0	Retirement Contributions for Payroll 11/06/26-M&I	22,828.76	11/06/26 1245106351
				Total Fund 94 Municipal & Industrial	**$ 22,828.76**	
Grand Total for Electronic Funds Transfer Request on RBM 11/17/26					**$ 40,916.59**	

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Agenda Item: C-3
Date: 11/17/26

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STOCKTON EAST WATER DISTRICT

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

MARCH 31, 2026 AND 2025

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STOCKTON EAST WATER DISTRICT

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JWT and Associates, LLP

Certified Public Accountants

7797 N First Street, Suite 101 #111, Fresno, CA 93750

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Independent Auditor's Report

To the Board of Directors
Stockton East Water District

Opinion

We have audited the accompanying financial statements of the business-type activities of Stockton East Water District (the District), as of and for the years ended March 31, 2026 and 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the business-type activities of Stockton East Water District, as of March 31, 2026 and 2025 and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with GAAS and *Government Auditing Standards,* we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Districts' s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

JWT & Associates, LLP

Fresno, California
November 17, 2026

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STOCKTON EAST WATER DISTRICT

Management's Discussion and Analysis

March 31, 2026

The following is a narrative overview and analysis by the management of Stockton East Water District (the District) of the financial activities of the District for the fiscal year ended March 31, 2026. Readers should consider the information presented here in conjunction with the financial statements.

Financial Highlights

- Total assets and deferred outflows of resources were $199,893,466, consisting of capital assets, net of accumulated depreciation, of $119,410,363; current and other assets of $40,778,319; restricted assets of $37,800,964; and deferred outflows of resources of $1,903,820.

- Total liabilities and deferred inflows of resources were $67,705,564, consisting of long-term liabilities of $52,918,587, current liabilities of $13,729,863, and deferred inflows of resources of $1,057,114.

- Assets of the District exceeded liabilities at the close of the most recent fiscal year by $132,187,902 (net position). Of this amount, $19,277,154 (unrestricted net position) may be used to meet the District's ongoing obligations and $76,764,483 represents the District's net investment in capital assets.

- The District's net assets increased by $20,846,967 from $111,340,935 in FYE 2025 to $132,187,902 in FYE 2026.

- Total operating revenues for the fiscal year 2025-2026 were $35,287,152, which is an increase of 4.4% from the prior year or $1,481,042. Surface and groundwater sales and assessments decreased by $124,399. Base Monthly Payments from the District's Urban Contractors increased by $2,139,193 due to a prior year Second Amendment Settlement Agreement with the Urban Contractors and increases to cover the District's overall municipal and industrial expenses. Rate of equalization charges to other municipal and industrial (M&I) customers decreased by $596,384. Sources of supply charges were largely unchanged from the previous fiscal year. Transmission and distribution charges were increased by $30,656 due to an increase in acre foot charge for actual usage to Central San Joaquin Water Conservation District.

- Total operating expenses for the fiscal year 2025-2026 were $30,744,978. This figure shows an increase of 11.6% or $3,185,106 from the prior fiscal year figure of $27,559,872. Several factors contributed to the increase in operating expenses which were offset by some decreases in other broad expense categories.

  Water treatment costs increased by $1,704,059. The increase was offset with fluctuations in other expense categories. For instance, employee and benefit expenses increased by $560,982, maintenance and repairs increased by $767,630, electricity increased by $118,895 and chemical costs increased by $147,013.

  Transmission and distribution costs decreased by $149,058, primarily due to lower expenses associated with canal and distribution system maintenance.

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Sources of supply expenses saw an increase of $510,322. The increase was due to the District receiving 4,002 acre feet more of water delivery from the United States Bureau of Reclamation and water purchases from Woodbridge Irrigation District, as compared to in the previous year.

Administrative expenses increased by $285,518, primarily due to an increase of $144,561 in application development related to the implementation of a new financial software, an increase in employee and benefit expenses of $107,122, professional services increased by $97,285 primarily due to a water rate study and public outreach for the Farmington Dam. This was also mitigated by decreases in other expense categories.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District is an independent special District formed by the California Legislature and follows enterprise fund reporting. There are three main divisions to the District's operations: 1) the Municipal and Industrial (M&I) Division is primarily funded by base monthly payments from the Urban Contractors and ground water rate equalization charges from other municipal and industrial customers; 2) the Agricultural (Ag) Division derives its revenues from fees and assessments charged to agricultural irrigators within District boundaries; and 3) the Administration Division is non-revenue generating division that provides administrative support to the M&I and Ag divisions.

Accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. The District's basic financial statements are comprised of three components: 1) Statement of Net Position; 2) Statement of Revenues, Expenses and Changes in Net Position; and 3) Statement of Cash Flows. This report also contains other supplemental information in addition to the basic financial statements themselves.

The *Statement of Net Position* presents the current and long-term portions of assets and liabilities separately and may provide a useful indicator of whether the financial position of the District is improving or deteriorating over time. This statement includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the District's creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing profitability and credit worthiness as well as how the District's net position changed during the most recent fiscal year. This statement shows revenues and expenses from operations, non-operating revenues and expenses, and capital contributions, and reconciles the change from one fiscal year to the next. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges.

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The *Statement of Cash Flows* is prepared using the direct method and is concerned solely with input and outlay of cash from operating activities, noncapital financing activities, capital and related financing activities and investing activities. This statement also includes a reconciliation of operating profit (loss) to cash from operating activities. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period.

Notes to the Basic Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

Financial Analysis

Net Position

As noted earlier, net position may serve as a useful indicator of the District's financial position. As shown in Figure 1, the District's assets exceeded liabilities by $132,187,902 on March 31, 2026, an increase of $20,846,967 from the District's net assets at March 31, 2025.

By far the largest portion of the District's net assets reflects its net investment in capital assets (e.g., land, buildings, conveyance facilities, water treatment plant, pipelines and equipment), less related outstanding debt used to acquire those assets. The District uses these assets to provide water services to its customers; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from services to customers or other sources, since capital assets themselves cannot be used to liquidate these liabilities.

Figure 1

Net Position

	3/31/2026	3/31/2025	Variance	%
Current and other assets	$ 78,579,283	$ 55,920,330	$ 22,658,953	40.5%
Property, plant and equipment, net	119,410,363	93,487,895	25,922,468	27.7%
Total assets	197,989,646	149,408,225	48,581,421	32.5%
Deferred outflows	1,903,820	2,456,034	(552,214)	
Total assets and deferred outflows	199,893,466	151,864,259	48,029,207	
Current liabilities	13,729,863	12,422,833	1,307,030	10.5%
Long-term liabilities	52,918,587	27,240,497	25,678,090	94.3%
Total liabilities	66,648,450	39,663,330	26,985,120	68.0%
Deferred inflows	1,057,114	836,545	220,569	
Total liabilities and deferred inflows	67,705,564	40,499,875	27,205,689	
Net investment in capital assets	76,764,483	79,878,421	(3,113,938)	-3.9%
Restricted	36,146,265	6,983,253	29,163,012	417.6%
Unrestricted	19,277,154	24,479,261	(5,202,107)	-21.3%
Total net position	**$ 132,187,902**	**$ 111,340,935**	**$ 20,846,967**	18.7%

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A portion of the District's net position ($36,146,265) represents resources that are subject to external restrictions on how they may be used. These net positions consist of funds dedicated to specific purposes, e.g., urban contractors' directives, capital construction and dry year reserves. The remaining balance of the District's net assets is unrestricted and may be used to meet the District's ongoing obligations and creditors.

Change in Net Position

As shown in Figure 2, the District's operating, non-operating activities and developer fees increased net assets by $20,846,967 as compared to a $12,799,300 increase in net assets in the prior year. The District's net position increase is due to the combined changes of the following major components:

- The District's operating profit for the fiscal year ending 2026 is $4,542,172, indicating that its operating revenues exceeded operating expenses by this amount. This represents a decrease of $1,704,066 compared to the prior year, which reported an operating profit of $6,246,238 for fiscal year ending 2025. The decrease is primarily attributed to a combination of increased municipal and industrial water revenue of $1,542,809 and an increase in water treatment costs of $1,704,059 and other expenses.

- Non-operating revenues, net increased $10,190,228 from $3,412,271 in FYE 2025 to $13,602,499 in FYE 2026. This increase was primarily due to an increase in grant reimbursements.

Operating Revenues. Operating revenues increased by 4.4%, or $1,481,040, compared to the prior fiscal year. This increase was primarily attributable to an increase of $1,542,809 in municipal and industrial (M&I) water revenues, partially offset by a decrease of $124,401 in surface water sales and groundwater assessments. Source of supply charges increased by $31,976, while transmission and distribution charges increased by $30,656. M&I water revenues are primarily derived from Base Monthly Payments (BMP) made by the District's Urban Contractors and groundwater rate equalization charges paid by other M&I customers. Under the Second Amended Contract, the Urban Contractors are required to reimburse the District for applicable municipal and industrial costs, including water supply, transmission and distribution, water treatment plant operations and maintenance, debt service associated with treatment plant facilities, and their allocated share of conveyance and storage facilities.

Operating Expenses. Operating expenses increased by 11.6%, or $3,185,106, primarily driven by higher water treatment costs of $1,704,059, source of supply expenses of $510,322, and general and administrative expenses of $285,518. These increases were partially offset by a decrease of $149,058 in transmission and distribution expenses, primarily due to lower canal and distribution system maintenance costs.

Non-operating Revenues (Expenses). Total net non-operating revenues (expenses) for FYE 2026 increased $10,190,228 from $3,412,271 in FYE 2025 to $13,602,499 in FYE 2026. This increase is composed of an increase in grant reimbursements of $10,406,805, a decrease in interest expense of $323,063, an increase in property taxes of $28,448, and an increase in GASB 68 pension expense of $444,494 offset by decrease in interest and other income of $367,031.

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Developer Fees. During FYE 2026, the District received $2,702,294 in developer fees representing capital contributions compared to $3,140,791 in FYE 2025 for a decrease of $438,497.

Figure 2

Changes in Net Position

	3/31/2026	3/31/2025	Variance	%
Operating revenues	$ 35,287,152	$ 33,806,110	$ 1,481,042	4.4%
			-	
Operating expenses	30,744,978	27,559,872	3,185,106	11.6%
Operating profit	4,542,174	6,246,238	(1,704,064)	-27.3%
Nonoperating revenues (expenses)				
Property taxes	735,654	707,206	28,448	4.0%
Interest, LAIF	1,640,348	1,992,985	(352,637)	-17.7%
Interest, investments and other	45,512	59,906	(14,394)	-24.0%
Gain (loss) on sale of fixed assets	30,575	30,000	575	N/A
Grant Reimbursements	11,609,370	1,202,565	10,406,805	865.4%
Interest expense	(965,798)	(642,735)	(323,063)	50.3%
GASB 68 pension expense	506,838	62,344	444,494	713.0%
Total non-op revenues/(exp)	13,602,499	3,412,271	10,190,228	298.6%
Developer fees	2,702,294	3,140,791	(438,497)	-14.0%
Change in net position	$ 20,846,967	$ 12,799,300	$ 8,047,667	62.9%
Net position -- beginning of period	**111,340,935**	**98,541,635**		
Net position -- end of period	**$ 132,187,902**	**$ 111,340,935**		

Budget Comparisons

The following table compares actual operating revenues and expenses to the 2025-2026 budget:

Figure 3

	Budgeted 2025-2026	Actual 2025-2026	Variance
Operating Revenues	$ 37,341,512	$ 35,287,152	$ (2,054,360)
Operating Expenses	28,278,275	21,152,954	(7,125,321)
Net Operating Income	$ 9,063,237	$ 14,134,198	$ 5,070,961

For FYE 2026, operating revenues were $2,054,360 below budget, primarily due to a $2,771,319 shortfall in water rate equalization revenues. Groundwater usage was approximately 6,000 acre-feet below projections, potentially due to conservation efforts. This was partially offset by increases of $299,185 in surface water sales and groundwater assessments, $54,574 in source of supply charges, and $363,200 in transmission and distribution charges.

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Capital Asset and Debt Administration

Capital Assets Activity

The District's net investment, after depreciation, in capital assets as of March 31, 2026 amounted to $119,410,363. The District's capital assets include all land, buildings, conveyance facilities, water treatment plant, pipelines and equipment owned by the District. The total increase in the District's investment in capital assets for the current fiscal year was 27.7% or $25,922,468. This represents capital additions of $31,657,225 offset by $5,734,757 of depreciation.

Additional information on the District's capital assets can be found within the audited financial statements.

Long Term Debt Activity

On July 15, 2019 the District refunded previously issued Certificates of Participation with Banc of CA, formerly Pacific Western Bank as a taxable debt issuance via a note payable. The refunding did not extend repayment terms but rather lowered the cumulative interest rate being paid over the same period. Refunding is estimated to yield $3,757,786 in savings. Principal indebtedness of the refunded debt on March 31, 2022 was $28,520,000. The District completed a rate reset amendment with Banc of CA on November 2021 that is estimated to net additional savings of $1,137,963 over the life of the debt and which reset the principal owed to 28,710,000. The District paid down principal indebtedness according to the terms of the note during the fiscal year ending March 31, 2026 in the amount of $3,229,000. Principal indebtedness as of March 31, 2026 is $10,451,000.

The District entered into a funding agreement with the State of California Department of Public Health during FYE 2013 to assist the District in financing the construction of a 10 million gallon finished water reservoir and repair of the District's existing finished water reservoir. The funding agreement consists of a $15,000,000 revolving loan, equal to the estimated total cost of construction and repairs. The revolving loan carries no interest and is amortized over a 20-year term. The loan is due to be retired in 2035.

Total outstanding indebtedness as of March 31, 2026 of $5,443,922 related to the state revolving fund loan is included in the District's financial statements.

On October 22, 2025, the District issued Certificates of Participation with the US Bank Trust Company as a taxable debt issuance via note payable in the amount of $32,130,000. The purpose of the certificates of participation is to fund capital improvement projects. Principal indebtedness on March 31, 2026 was $32,130,000.

Note 7 in the Notes to the Financial Statements contains information showing the debt transactions for notes and loans payable for the year, the status of the debt as of March 31, 2026, and schedules of future debt service requirements. In addition, further detailed information regarding debt maturities is contained in the Other Supplemental Information subsection.

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Future Financial Outlook

The California Legislature imposed rate limitations for the District's Agricultural Division when it provided the District with additional powers in 1979. Therefore, by design, the District has limited ability to raise revenues in its Agricultural Division. In 2022, the Legislature approved SB 656, which provides relief from the revenue limitation and was signed into law by the Governor. The Second Amended Contract between the District and its Urban Contractors establishes a base monthly payment by the Urban Contractors that, in addition to ground water rate equalization charges paid by other municipal and industrial customers, covers 100% of the cost of the Municipal Division-Treatment Plant.

The District's water treatment plant is currently rated by the California State Water Resources Control Board – Division of Drinking Water (DDW) to treat 65 million gallons of water per day (mgd). On May 18, 2012, the District entered into an agreement to receive funding through the California Department of Public Health's State Revolving Fund Loan Program in the amount of $15,000,000 for the construction of an additional 10 million gallon finished water reservoir. The 10 million gallon finished water reservoir was completed in November 2013, and represents a step toward expanding future treatment plant capacity.

In 2023, the District and the Urban Contractors reached a settlement to ensure compliance with the terms of the Second Amendment Contract. In FY 2026, payments from the Urban Contractors have been made correctly in accordance with the Second Amended Contract.

The District will continue to focus its efforts in achieving its mission of restoring and protecting the Eastern San Joaquin Groundwater Basin by implementing projects to reach sustainability in accordance with the Eastern San Joaquin Groundwater Basin Groundwater Sustainability Plan submitted to DWR. By encouraging a dual surface and groundwater supply system among the Urban Contractors, land developers, and the District's agricultural customers, the District can address the problems created by the region's critically over-drafted basin, retard saline intrusion, provide seasonal habitat for migratory waterfowl, and ultimately provide a sustainable long-term reliable water supply for its customers.

Joint efforts are ongoing to develop and undertake groundwater recharge/banking projects to achieve a sustainable conjunctively managed surface and groundwater supply for the region. The focus of these projects is the construction of surface water distribution, storage, and recovery systems that store unused surface water and ultimately put it to beneficial use when surface water shortages occur.

Requests for Information

The financial report is designed to provide the reader with a general overview of the District's finances. Questions concerning any of the information provided herein or requests for additional information should be addressed to the Director of Finance and Administration, Stockton East Water District, P.O. Box 5157, Stockton, California 95205.

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Stockton East Water District

Statement of Net Position

March 31,

Assets	**2026**	**2025**
Current assets		
Cash and cash equivalents	$ 5,775,393	$ 6,074,993
Water assessments receivable	595,063	653,772
Investments	29,516,745	40,612,528
Interest and other receivables	4,408,120	3,514,160
Current maturities of contract receivable	-	48,066
Prepaid expenses and supplies	482,998	650,965
Total current assets	40,778,319	51,554,484
Restricted assets		
Cash and cash equivalents	1,926,282	616,299
Investments	3,236,518	3,105,977
Trustee Receivable	32,130,000	-
Developer fees receivable	508,164	643,570
Total restricted assets	37,800,964	4,365,846
Property, plant and equipment, net of depreciation	119,410,363	93,487,895
Total assets	197,989,646	149,408,225
Deferred outflows of resources	1,903,820	2,456,034
Total assets and deferred outflows of resources	$ 199,893,466	$ 151,864,259
Liabilities and net position		
Current liabilities		
Accounts payable and accrued liabilities	$ 5,262,402	$ 5,362,326
Compensated absences payable	835,374	777,980
Customer prepaid water tolls	2,707,043	2,480,483
Current portion of long-term debt	4,925,044	3,802,044
Total current liabilities	13,729,863	12,422,833
Long-term debt, less current portion		
State revolving fund	4,870,877	5,443,922
Other loans payable	38,229,000	10,451,000
Interest payable	-	23,449
Post employment benefits	4,692,365	4,954,544
Net pension liability	5,126,345	6,391,031
Total liabilities	66,648,450	39,686,779
Deferred inflows of resources	1,057,114	836,545
Total liabilities and deferred inflows of resources	67,705,564	40,523,324
Net position		
Invested in capital assets	76,764,483	79,878,421
Restricted for urban contractors	1,833,637	4,880,698
Restricted for capital projects	33,784,073	1,610,980
Restricted for dry year reserves	528,555	491,575
Unrestricted	19,277,154	24,479,261
Total net position	132,187,902	111,340,935
Total liabilities and net position	$ 199,893,466	$ 151,864,259

See accompanying notes to the financial statements

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Stockton East Water District

Statement of Revenues, Expenses and Changes in Net Position

For the Years Ended March 31,

	2026	2025
Operating revenues		
Surface water sales and ground assessments	$ 2,166,883	$ 2,291,284
Municipal and industrial water	32,060,397	30,517,588
Source of supply charges	456,670	424,694
Distribution charges	603,200	572,544
Total operating revenues	35,287,150	33,806,110
Operating expenses		
Source of supply	3,640,121	3,129,799
Transmission and distribution	2,796,661	2,945,719
Water treatment	13,496,031	11,791,972
General and administrative	5,077,408	4,791,890
Depreciation and amortization	5,734,757	4,900,492
Total operating expenses	30,744,978	27,559,872
Operating profit	4,542,172	6,246,238
Nonoperating revenues (expenses)		
Property taxes	735,654	707,206
Interest and investment income	1,685,862	2,052,891
Gain/(loss) on sale of fixed assets	30,575	30,000
Grant and other revenues	11,609,370	1,202,565
Interest expense	(965,798)	(642,735)
Developer fees	2,702,294	3,140,791
Total nonoperating revenues	15,797,957	6,490,718
Net pension expense	506,838	62,344
Increase in net position	20,846,967	12,799,300
Total net position, beginning of year	111,340,935	98,541,635
Total net position, end of year	$ 132,187,902	$ 111,340,935

See accompanying notes to the financial statements

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Stockton East Water District

Statement of Cash Flows

For the Year Ended March 31,

	2026	2025
Cash flows from operating activities		
Cash received from customers	$ 35,339,496	$ 29,114,446
Cash payments for goods and services	(21,127,156)	(19,774,279)
Cash payments to employees	(4,104,758)	(2,788,856)
Net cash provided by operating activities	10,107,582	6,551,311
Cash flows from non-capital and related financing activities		
Property taxes	735,654	707,206
Grant revenues	11,609,370	1,202,565
Net cash provided by non-capital and related financing activities	12,345,024	1,909,771
Cash flows from capital and related financing activities		
Interest paid	(965,798)	(642,735)
Developer fees received	2,702,294	3,140,791
Proceeds from long-term contract receivable	-	96,402
Change in other loans payable	(5,328,910)	(5,795,025)
Purchases of capital assets, net	(30,636,319)	(8,182,680)
Net cash provided by (used) in cap and related financing activities	(34,228,733)	(11,383,247)
Cash flows from investing activities		
Net change in restricted assets	4,865	4,256,711
Net change investments	11,095,783	(6,086,337)
Interest income	1,685,862	2,052,891
Net cash used in investing activities	12,786,510	223,265
Net (de)/increase in cash and cash equivalents	1,010,383	(2,698,900)
Cash and cash equivalents, beginning of period	6,691,292	9,390,192
Cash and cash equivalents, end of period	$ 7,701,675	$ 6,691,292

See accompanying notes to the financial statements

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Stockton East Water District

Statement of Cash Flows

For the Year Ended March 31,

	2026	2025
Reconciliation of operating income to net cash provided by operating activities		
Income from operations	$ 4,542,172	$ 6,246,238
Adjustments to reconcile income from operations to net cash provided by operating activities		
Depreciation and amortization	5,734,757	4,900,492
Other non-cash adjustments	265,945	(792,868)
Changes in operating assets and liabilities		
Water assessments and other receivables	(787,185)	(2,230,817)
Prepaid expenses and supplies	167,967	(67,205)
Accounts payable	(100,028)	(2,346,338)
Accrued payroll and related liabilities	57,394	74,011
Deferred revenue	-	(172,466)
Customer prepaid water tolls	226,560	940,264
Net cash provided by operating activities	$ 10,107,582	$ 6,551,311

See accompanying notes to the financial statements

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Note 1 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Stockton East Water District (the District) is presented to assist in understanding the District's financial statements.

Description of reporting entity

The District was organized on June 7, 1948 under the provisions of the California Water Conservation District Act of 1931.

The District's principal functions are:

a. Develop and operate groundwater recharge and banking facilities to restore and protect the underground water supply,
b. Contract for and regulate the flow of water from the New Hogan Dam on the Calaveras River to provide maximum benefit to the underground water supply,
c. Contract for a supply of water from New Melones Dam on the Stanislaus River and regulate the diversion flow at Goodwin Dam through the New Melones Conveyance System for use within the Stockton East Water District and the Central San Joaquin Water Conservation District,
d. Distribution of an agricultural surface water supply to more than 26,000 acres by use of check dams in natural channels,
e. Operation of a drinking water treatment plant to supplement the supply of potable water to the metropolitan Stockton area, and
f. Develop additional water supply contracts to provide future supplemental sources for the ultimate water needs of the area.

The governing board of the District consists of seven directors elected by the registered voters to represent specific areas within the District.

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

Basis of accounting

The financial statements have been prepared on the economic resources measurement focus and the accrual basis of accounting. As allowed by Governmental Accounting Standards Board (GASB) Statement No. 56, *Codification of Accounting and Financial Reporting Guidance* the District's proprietary funds follow all GASB pronouncements and accounting standards set by the Financial Accounting Standards Board (FASB) and included in the Accounting Standards Codification (ASC), except those that conflict with a GASB pronouncement.

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Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of accounting

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The District's operating revenues include all revenues derived from the District's principal functions. Operating expenses include all costs related to the District's principal functions, general and administrative expenses, depreciation on capital assets and amortization on certificates of participation and installment purchase agreement issuance costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses, except for developer fees which are reported separately and represent capital contributions charged by the District relative to water service area annexation.

The District combines the accounts of all divisions. Interdivision transactions are eliminated in combination.

Fund accounting

The District utilizes proprietary funds to account for its activities, which are similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration.

Budgetary accounting

The District utilizes formal budgetary procedures as required by District contracts, but is not required to adopt such procedures by law. The District adopts a budget annually which is approved by the Board of Directors.

Cash and cash equivalents

For purposes of the statement of cash flows, the District considers cash on hand, amounts due on demand from financial institutions within three months to be cash and cash equivalents.

Investments

Investments with an original maturity of three months or less when purchased are reported at cost, which approximates fair value. Investments that mature beyond six months when purchased are reported at fair value. Fair value is determined by examining quoted market prices. The change in fair value is included in nonoperating revenues and expenses in the statement of revenues, expenses and changes in net assets.

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Note 1 – Summary of Significant Accounting Policies (Continued)

Water assessments receivable

Water assessments receivable includes all amounts invoiced and not received by the District for surface water sales and groundwater assessments and municipal and industrial water. District management considers all accounts receivable from water users and others to be fully collectible. Accordingly, an allowance for doubtful accounts has not been recorded in these financial statements.

Prepaid chemicals and supplies

The District's prepaid supplies, which includes chemicals, fuel and laboratory supplies is stated at the lower of cost or market using the first-in, first-out (FIFO) method of valuation.

Restricted assets

Restricted assets recorded in the financial statements consist of cash and cash equivalents, investments, interest receivable and developer fees receivable restricted for the following:

Repayment of certificates of participation
Urban Contractors' (City of Stockton, California Water Service Company, Lincoln Village Maintenance District and Colonial Heights Maintenance District) directives
New Melones Conveyance System construction and improvements originating from certificates of participation issuances
Treatment plant repairs and replacement
Dry year reserves

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Note 1 – Summary of Significant Accounting Policies (Continued)

Capital assets

All capital assets are valued at historical cost. The District's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation has been provided on capital assets and is charged as an expense against operations each year. The total amount of depreciation taken over the years is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets.

Water contracts and rights	40 years
Wells and equipment	5 – 20 years
Groundwater recharge projects and pipelines	10 – 50 years
New Melones Conveyance System	5 – 50 years
Ponding dams	15 – 50 years
Bridges and crossings	5 – 33 years
Treatment plant	10 – 50 years
Treatment plant equipment	5 – 30 years
Automotive equipment	5 – 15 years
Administration building	10 – 25 years
Furniture and office equipment	5 – 10 years

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

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Note 1 – Summary of Significant Accounting Policies (Continued)

Amortization of cost of issuance and refunding costs

Issuance costs related to certificates of participation and installment purchase agreements are capitalized and amortized using the effective interest method over the life of the respective certificates of participation and installment purchase agreement. Refunding costs related to the issuance of certificates of participation used to advance refund other certificates of participation are capitalized and amortized using the effective interest method over the remaining life of the old debt (had it not been refunded) or the life of the new debt, whichever is shorter. All is recorded in accordance with GASB 65.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year financial statement presentation. Net position was unaffected.

Customer prepaid water tolls

Overpayments of BMP payments by the Urban Contractors are accrued and reported as customer deposits. As of March 31, 2026 and 2025, customer deposits totaled $2,707,043 and $2,480,483, respectively.

Deferred outflows/inflows of resources

In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and inflows of resources. This separate financial statement element, *deferred outflows and inflows of resources,* represents a consumption and acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/expenditure) until then. The District reported $1,903,820 and $2,456,034 and $1,057,114 and $836,545 of deferred outflow and inflows, respectively, as of March 31, 2026 and 2025.

Due from other divisions

Expenses incurred by each division are occasionally paid by another division, upon authorization by the Board of Directors pursuant to its authorizing legislation.

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Note 1 – Summary of Significant Accounting Policies (Continued)

Net position

Equity in the financial statements is classified as net position and displayed in three components as follows:

a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

c. Unrestricted net position – Consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Net position restrictions

Net position restricted for Urban Contractors' directives, New Melones Conveyance System construction and improvements, treatment plant repairs and replacements and dry year reserves, are recorded in the financial statements as restricted net position.

Surface water sales and ground water assessments

Surface and ground water revenues result from assessments by the District and are based upon acres irrigated or actual usage for agricultural or municipal and industrial purposes.

Municipal and industrial water

Municipal and industrial water revenues are primarily derived from fees charged under the Second Amended Contract. In addition, ground water rate equalization charges levied on ground water users within the municipal and industrial water service area are also included in municipal and industrial water revenue.

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Note 1 – Summary of Significant Accounting Policies (Continued)

Property taxes

Property taxes levied January 1, 2025 were payable in two installments on December 10, 2025 and April 10, 2026. Property taxes levied January 1, 2024 were payable in two installments on December 10, 2024 and April 10, 2025. The County of San Joaquin bills and collects property taxes on behalf of the District.

The District is allocated a portion of property taxes collected by San Joaquin County. Property taxes receivable represents a portion of the July 1 to June 30 property taxes earned but uncollected at March 31.

Grant revenues

Income from grant agreements is recognized over the periods in which performance under the respective grant agreement relates. Determination of the classification of grant revenues as operating or nonoperating is based on the capital or operating nature of the related expenditures.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Accounting pronouncements-

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements,* issued April 2018, improves the information that is disclosed in notes related to debt. Statement No. 88 simplifies which liabilities government should include when disclosing information related to debt. It requires that additional information related to debt be disclosed. This statement is effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 94, *P3s and Availability Payment Arrangements* The new statement is effective for reporting periods beginning after June 15, 2022.

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Note 1 – Summary of Significant Accounting Policies (Continued)

GASB 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Distinctions are made regarding the particular requirements for employers based on the number of employers whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared. In addition, this Statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This Statement also addresses circumstances in which a nonemployer entity has a legal requirement to make contributions directly to a pension plan.

The District recognized additional liabilities for outstanding defined pension benefit obligations as of March 31, 2026.

Note 2 – Cash and Cash Equivalents

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District's bank deposits are not held in public deposit accounts and are, therefore, not collateralized in accordance with the California Government Code.

Note 3 – Investments

The District is a voluntary participant in the following external investment pools: Local Agency Investment Fund (LAIF) and California Cooperative Liquid Asset Securities System (CLASS). LAIF is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investments in these pools are reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the pools for their entire portfolio (in relation to the amortized cost of that portfolio). California CLASS is regulated by the California Government Code under the oversight of joint exercise of powers agreement among California public agencies. This is a new investment pool aimed to meet the growing investment needs of California public agencies. The funds transferred to California CLASS from LAIF was to diversify investments.

Note 4 – Restricted Assets

The following is a summary of restricted assets along with the purpose of each restriction as of March 31,

	2026	2025
Urban Contractors' directives	$ 1,833,637	$ 4,880,698
New Melones Conveyance System construction and improvements	340,229	326,761
Treatment plant repairs and replacement	33,443,844	1,284,219
Dry year reserves	528,555	491,575
	$ 36,146,265	$ 6,983,253

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Note 5 – Capital Assets

Capital asset activity for the year ended March 31, 2026 is as follows:

	March 31, 2025	Additions	Disposals	Transfer	March 31, 2026
Non-depreciable capital assets					
Land and land rights	$ 7,610,338	$ 2,838,389	$ -	$ -	$ 10,448,727
Construction in progress	6,666,263	26,784,518	-	(1,173,332)	32,277,449
Total nondepreciable capital assets	14,276,601	29,622,907	-	(1,173,332)	42,726,176
Depreciable capital assets					
Water contracts and rights	3,142,139	-	-	-	3,142,139
Wells and equipment	1,709,839	138,000	-	589,942	2,437,781
Groundwater recharge projects	2,297,775	-	-	-	2,297,775
Pipeline	18,041,820	-	-	-	18,041,820
New Melones Conveyance	77,257,508	-	-	-	77,257,508
Ponding dams	827,155	340,374	-	75,100	1,242,629
Bridges and crossings	2,735,403	-	-	-	2,735,403
Treatment plant	53,036,794	-	-	-	53,036,794
Conveyance/Plant Equipment	9,882,915	641,508	-	508,290	11,032,713
Automotive equipment	2,592,955	528,524	(370,839)	-	2,750,640
Administration building	369,531	-	-	-	369,531
Furniture and office equipment	2,311,916	385,912	-	-	2,697,828
Total depreciable assets	174,205,750	2,034,318	(370,839)	1,173,332	177,042,561
Less accumulated depreciation	(94,994,456)	(5,734,757)	370,839	-	(100,358,374)
Total depreciable assets, net	79,211,294	(3,700,439)	-	1,173,332	76,,684,187
Total capital assets, net	$ 93,487,895	$ 25,922,468	$ -	$ -	$ 119,410,363

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Note 5 – Capital Assets (Continued)

Capital asset activity for the year ended March 31, 2025 is as follows:

	March 31, 2024	Additions	Disposals	Transfer	March 31, 2025
Non-depreciable capital assets					
Land and land rights	$ 7,610,338	$ -	$ -	$ -	$ 7,610,338
Construction in progress	12,541,035	2,765,745	-	(8,640,517)	6,666,263
Total nondepreciable capital assets	20,151,373	2,765,745	-	(8,640517)	14,276,601
Depreciable capital assets					
Water contracts and rights	3,142,139	-	-	-	3,142,139
Wells and equipment	1,709,839	-	-	-	1,709,839
Groundwater recharge projects	2,297,775	-	-	-	2,297,775
Pipeline	18,041,820	-	-	-	18,041,820
New Melones Conveyance	77,257,508	-	-	-	77,257,508
Ponding dams	712,576	-	-	114,579	827,155
Bridges and crossings	1,949,747	284,597	-	501,059	2,735,403
Treatment plant	46,603,992	-	-	6,432,802	53,036,794
Conveyance/Plant Equipment	4,131,741	4,159,097	-	1,592,077	9,882,915
Automotive equipment	1,967,625	700,618	(75,288)	-	2,592,955
Administration building	369,531	-	-	-	369,531
Furniture and office equipment	1,854,438	457,478	-	-	2,311,916
Total depreciable assets	160,038,731	5,601,790	(75,288)	8,640,517	174,205,750
Less accumulated depreciation	(90,169,252)	(4,900,492)	75,288	-	(94,994,456)
Total depreciable assets, net	69,869,479	701,298	-	8,640,517	79,211,294
Total capital assets, net	$ 90,020,852	$ 3,467,043	$ -	$ -	$ 93,487,895

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Note 5 – Capital Assets (Continued)

Construction in progress at March 31, 2026 consists of:

1. The District is constructing a new fish ladder at the Bellota Weir, reconstructing the weir structure, screening the Bellota intake, and constructing a fish exclusion structure at the Old Calaveras River headgate. As of March 31, 2026, $26,668,230 has been expended toward the design and construction, which is included in the construction in progress account. The total estimated cost to complete design and construction is $83 million. Funding will come from the Treatment Plant budget, various grants, and revenue bonds. Construction is expected to be completed in FY 2026–2027.

2. The District is currently replacing all low water crossings along the Mormon Slough with box culverts to improve fish passage, with design and construction support provided by the Department of Water Resources. As of March 31, 2026, the District has incurred $391,329 in design costs for the George Watkins Low Water Crossing. The total estimated cost for design and construction is $900,000, which is funded by the Water Supply budget and external grants. Project design completion is anticipated in FY 2027–2028. For the McGurk Low Water Crossing, the District has expended $330,534 toward a $500,000 budget for design and construction. This project is expected to be completed in FY 2028–2029.

3. In accordance with the Water Treatment Plant Master Plan, the District is upgrading the existing filtration system to enhance reliability and redundancy, supporting the plant's permitted capacity of 65 million gallons per day (MGD). The design includes retrofitting eight existing filters and adding four new filters. As of March 31, 2026, $409,170 has been expended toward design, with total design and construction costs estimated at $62.7 million. Design was completed in the current fiscal year and construction is scheduled to start in FY 2026-2027.

4. The District is currently in the design phase for the Clements Pipelines and Reservoirs, which will deliver agricultural water from the Calaveras River to customers located east of Linden. As of March 31, 2026, the District has incurred $353,517 in design costs against a total project budget of $1.18 million. The design portion of the project is expected to be completed in FY 2026-2027 with a design budget of $400,000.

5. A 3.2-mile segment of the Peters Pipeline, composed of deteriorated cast-in-place concrete pipe, is scheduled for rehabilitation using steel slip-lining to restore capacity and improve flow reliability. The estimated cost for construction and construction management is $34 million. As of March 31, 2026, the District has incurred $212,990 in design-related costs. Design completion is anticipated in FY 2026–2027.

6. At year end, the District incurred $3,911,679 in other projects which are expected to be completed in FY 2026-2027 and several other projects to be completed in FY 2027-2028.

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Note 6 – Long-Term Contract Receivable

Under terms of the "District Contract" dated August 25, 1970, between Stockton East Water District and Calaveras County Water District, the payment of all obligations under the "New Hogan Contract" is the responsibility of Stockton East Water District. The District Contract provides for payment by Calaveras County Water District to Stockton East Water District for 43.5% of the construction costs of New Hogan Dam exclusive of recreation features. The original amount receivable was determined by reference to the final construction cost of $15,362,636. The contract also provides for payment to Stockton East Water District for Calaveras County Water District's share of expense for operation, maintenance, replacement, contract administration and water- master expense. Total remaining balance at March 31, 2026 and 2025, (including current portion) was $0 and $48,066, respectively.

Note 7 – Long-Term Debt

In 2019, the District entered in three notes payable with Banc of California, formerly Pacific Western Bank, to provide financing for the retirement and repayment of all Certificates of Participation and Installment Agreement. These were refinanced during the year ended March 31, 2020. The interest rates range from 4.31% to 4.90%, ten year amortization period. Future principal payments for the remaining three succeeding years of March 31, 2026 are as follows: $3,352,000 in 2027; $3,486,000 in 2028; and $3,613,000 in 2029.

The District entered into a funding agreement with the State of California Department of Public Health. The purpose of the funding agreement is to assist the District in financing the construction of a 10 million gallon finished water reservoir and repair of the District's existing finished water reservoir. The funding agreement consists of a $15,000,000 revolving loan, equal to the total estimated construction cost and repairs. The revolving loan carries no interest, and, upon completion of construction and repairs, is amortized over a 20-year term and payable in semi-annual payments each January 1 and July 1, beginning January 1, 2016. The District will fund the repayment of the revolving loan with municipal and industrial water revenues. The balance of the state revolving fund loan was $5,443,922 and $6,016,966 as of March 31, 2026 and 2025, respectively. Future principal payments for the five succeeding years of March 31, 2026 are as follows: $573,044 in 2027; $573,044 in 2028; $573,044 in 2029; $573,044 in 2030; and $573,044 in 2031.

In October 2025, the District issued $32,130,000 in Revenue Certificates of Participation (Series 2025A) to finance certain capital improvements to the District's Water System. The certificates bear interest at 5%, payable semiannually on March 1 and September 1 with principal payments beginning in Martch 1, 2027, and final maturity on March 1, 2054. The certificates are secured by a pledge of the District's Water System Net Revenues. The Future principal payments for the five fiscal years succeeding March 31, 2026 are as follows: $1,000,000 in 2027; $2,500,000 in 2028; $4,000,000 in 2029; $165,000 in 2030; and $170,000 in 2031.

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Note 8 – Net Position

Reconciliations of net investment in capital assets and restricted net position classifications in the financial statements as of March 31, 2026 and 2025 are as follows:

	2026	2025
Net investment in capital assets		
Developer fees receivable	$ 508,164	$ 643,570
Capital assets, net of accumulated depreciation	119,410,363	93,487,895
Current liabilities (payable from restricted assets)	(4,925,044)	(3,802,044)
Long-term debt	(38,229,000)	(10,451,000)
Total net investment in capital assets	$ 76,764,483	$ 79,878,421
Restricted for urban contractors		
Cash and cash equivalents – restricted	10,000	10,000
Investments and interest receivable, restricted	1,823,637	4,870,698
Total net position restricted for urban contractors	$ 1,833,637	$ 4,880,698
Restricted for capital projects		
Cash and cash equivalents – restricted	586,374	586,345
Investments and interest receivable, restricted	33,197,699	1,024,635
Total net position restricted for capital projects	$ 33,784,073	$ 1,610,980
Restricted for dry year reserves		
Cash and investments – restricted	528,555	491,575
Total net position restricted for dry year reserves	$ 528,555	$ 491,575

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Note 9 – Compensated Absences

As of March 31, 2026 and 2025, the District's accrued liabilities for accumulated unused vacation and sick leave were $835,374 and $777,980, respectively. Employees accrue vacation and sick leave benefits based on length of service and current compensation. Accumulated vacation days are subject to a maximum accrual of 240 hours. Accumulated unused sick leave is 25% vested upon five years of continued service and 50% vested upon ten years of continued service. Employees are paid for their accumulated unused vacation and sick leave upon separation of service.

Note 10 – Developer Fees

Developer fees are collected to repay debt associated with the New Melones Conveyance System, which is currently expected to be through 2029. Fees collected are recorded in the statement of revenues, expenses and changes in net assets. A schedule of the changes in total developer fees collected during the years ended March 31, 2026 and 2025 is as follows:

	City of Stockton	San Joaquin County	Total
Total developer fees collected as of March 31, 2024	$ 87,018,245	$ 7,007,191	$ 94,025,436
Developer fees collected during the year ended March 31, 2025	2,777,057	363,734	3,140,791
Total developer fees collected as of March 31, 2025	$ 89,795,302	$ 7,370,925	$ 97,166,227
Developer fees collected during the year ended March 31, 2026	2,106,479	595,815	2,702,294
Total developer fees collected as of March 31, 2026	$ 91,901,781	$ 7,966,740	$ 99,868,521

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Note 11 – Defined Benefit Pension Plan

Plan description

The District's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The plan is part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS. CalPERS issues a separate comprehensive annual financial report. CalPERS maintains all plan documents on a June 30 fiscal year basis. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814 or electronically on their website.

California Public Employees Pension Reform Act of 2012

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013.

Key components of the legislation are as follows:

Establishes PEPRA, which will apply to all public employers and public pension plans on and after January 1, 2013 (Except specific exemptions);
Establishes new retirement tiers/benefits for new public employees;
Requires that new employees pay at least 50% of the total annual normal cost and that current employees approach the same goal through collective bargaining;
Increases retirement age for all new public employees.

Separate tiers based on employee classification (Miscellaneous 2% at 55 and PEPRA Miscellaneous 2% at 62) are maintained and reported by CalPERS on behalf of the District. Both tiers are under the scope of GASB 68.

Funding policy

Active plan members who are part of the Miscellaneous 2% at 55 tier are required to contribute 7% of their annual covered salary which the District pays as a component of the employees' benefit package. Active plan members who are part of the PEPRA Miscellaneous 2% at 62 tier are required to contribute 50% of the total normal cost. District contributions on behalf of active plan members who are part of the PEPRA Miscellaneous 2% at 55 tier will continue until March 31, 2032, at which time the current memorandum of understanding with employees expires.

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Note 11 – Defined Benefit Pension Plan (continued)

The Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*, became effective for 2014 fiscal years. The statement established accounting and financial reporting standards for the recognition and disclosure requirements for employers with a liability to a defined benefit pension plan. GASB 68 requires that the District's liability be measured as the portion of the present value of projected benefit payments to be provided to current and inactive employees that is attributed to the employee's past periods of service, less the amount of the plan's net position. The statement also requires employers to present information about the changes in net pension liability. The District is also required to present a ten year schedule containing the net pension liability and certain related ratios, and information about statutorily or contractually required contributions and related ratios. Until a full ten year trend is complied, the District will present information for only those years for which information is available.

The following is information the District is required to disclose under GASB 68.

Pension liabilities: At March 31, 2026, the District reported a liability of $5,126,345 for its proportionate share of the net pension liability. The District's proportion of the net pension liability was based on the District's share of contributions in the plan relative to the total contributions of all participating employers. At June 30, 2025, the District's proportion was .001285 percent. The District's liability as of March 31, 2026 was measured as of June 30, 2025, for the measurement period of June 30, 2024 to June 30, 2025.

Employees covered by benefit terms: There are currently 49 active participants in the plan, and 51 participants receiving benefits.

Contributions: The recommended contribution for the 2025 plan year is $835,224 (assuming contributions will be deposited throughout the plan year). The overall contributions to the plan as a percentage of covered-employee payroll was 15.9%.

Actuarial assumptions: Level percentages of payroll normal costs are determined using the Entry Age Normal Cost Method. Under the Entry Age Normal Cost Method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated as a level percentage of each year's earning of the individual between entry age and assumed exit age. The total pension liability in the June 30, 2025 measurement date actuarial valuation was determined using the following assumptions, applied to all periods in the measurement: 1) Inflation of 2.30%; 2) Payroll growth of 8.06%; 3) 6.90% investment rate of return.

Mortality rates were based on the CalPERS experience Study for an eighteen-year period reported in 2021.

Sensitivity of the net pension liability to changes in the discount rate: It is estimated that a 1% increase in the discount rate would decrease the net pension liability by approximately $3.25 million dollars and a 1% decrease in the discount rate would increase the net pension liability by approximately $3.96 million dollars.

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Note 11– Defined Benefit Pension Plan (continued)

Discount rate: The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of pension plan investment expense but without reduction for pension plan administrative expense.

Deferred Outflows and Inflows of Resources: The following table presents deferred outflows and inflows of resources related to pensions as of March 31, 2026:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	-	-
Differences between Expected and Actual Experience	614,259	-
Differences between Projected and Actual Investment Earnings	-	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	76,166
Change in Employer's Proportion	48,730	1,617
Pension Contributions Made Subsequent to Measurement Date	932,785	-
	1,595,774	771,434

Deferred outflows and inflows of resources will be amortized in pension expense in future years as required.

Note 12 – Deferred Compensation Plan

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees, permits them to defer a portion of their compensation until future years, and is strictly voluntary on behalf of the employees, and is not mandated by the District. The deferred compensation is available to employees upon termination, retirement, death or unforeseeable emergency.

Note 13 – Subsequent events

The District has evaluated all events and transactions that occurred after March 31, 2026, and through the date the financial statements were available to be issued.

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Note 14 – Other Post-Employment Benefits

The District provides post-employment health benefits, in accordance with a negotiated memorandum of understanding with employees and adoption by the Board of Directors, for retired employees who meet the eligibility requirements and elect the option. Benefits are recognized as claims are paid. The District implemented GASB 75. The required disclosures from the new standard are as follows:

Plan description

Plan administration. The District administers the Other Post-Employment Benefit (OPEB) Plan, a single employer defined benefit plan.

Benefits provided. The District provides post-employment health benefits, in accordance with a negotiated memorandum of understanding with employees and adoption by the Board of Directors, for retired employees who meet the eligibility requirements and elect the option.

In order to be eligible to retire with District-paid health benefits, an employee must have been hired before April 1, 2015, completed five years of service with the District, and have retired under CalPERS. For retirements occurring before the effective date of the MOU dated August 19, 2008, the District will pay full medical premiums for the lifetime of the retiree. For retirements occurring after the effective date of the MOU, the following two additional provisions apply:

1. Retirees over age 65 must enroll in Medicare to preserve their eligibility for lifetime District-paid benefits; and
2. The District will contribute a percentage of a covered spouse's medical premium based on years of service of the retiree as follows: 0% for less than 20 years of service, 50% for at least 20 years but less than 30 years of service, and 100% for 30 or more years of service.

Benefits are recognized as claims are paid.

Plan membership. At March 31, 2026, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	22
Active plan members	12

Contributions. The District pays 100% of the cost of the OPEB plan. The District funds the plan on a pay-as-you-go basis.

Net OPEB Liability

The District's Net OPEB Liability was measured as of March 31, 2026 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of April 1, 2024. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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Note 14 – Other Post-Employment Benefits (continued)

Salary increases	3.00 percent
Inflation rate	2.50 percent
Healthcare cost trend rate	6.0 percent for 2026 decreasing to 5.40 percent for 2029, 5.25 percent for 2030-2034, 4.60 percent for 2035-2049, 4.50 percent for 2050-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2026-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2070 and later years.

Pre- and post-retirement mortality rates were based on the CalPERS 2000-2019 Experience Study for Public Agency Miscellaneous members, and include 20 years of mortality improvement projections using Scale MP-2020, consistent with CalPERS assumptions adopted in June 2021.

Actuarial assumptions used in the April 1, 2024 valuation were based on a review of plan experience during the period April 1, 2022 to March 31, 2024.

Discount rate. GASB 75 requires a discount rate that reflects the following:

a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
March 31, 2025	March 31, 2025	4.45%	4.45%
March 31, 2026	March 31, 2026	4.94%	4.94%

The components of the net OPEB liability were as follows:

Total OPEB liability	$4,692,365
Plan fiduciary net position	0
Net OPEB liability	$4,692,365

Measurement date	March 31, 2026
Reporting date	March 31, 2026

Covered payroll	$1,544,216
Net OPEB liability (asset) as a percentage of covered payroll	303.87%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%

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Note 14 – Other Post-Employment Benefits (continued)

Schedule of Changes in Net OPEB Liability (April 1, 2025 to March 31, 2026)

Total OPEB Liability	
Service Cost	$ 63,506
Interest	217,414
Changes of benefit terms	0
Difference between expected and actual experience	0
Changes of assumptions	(275,493)
Benefit payments[1]	(267,606)
Net change in total OPEB liability	(262,179)
Total OPEB liability – March 31, 2025 (a)	$ 4,954,544
Total OPEB liability – March 31, 2026 (b)	$ 4,692,365
Plan fiduciary net position	
Contributions – employer[1]	267,606
Net investment income	0
Benefit payments[1]	(267,606)
Trustee fees	0
Administrative expense	0
Net change in plan fiduciary net position	0
Plan fiduciary net position – March 31, 2025 (c)	$0
Plan fiduciary net position – March 31, 2026 (d)	$0
Net OPEB liability – March 31, 2025 (c) – (a)	$ 4,954,544
Net OPEB liability – March 31, 2026 (d) – (b)	$ 4,692,365

1 Amount includes implicit subsidy associated with benefits paid.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease (3.94%)	Discount Rate (4.94%)	1% Increase (5.94%)
Net OPEB liability (asset)	5,281,978	4,692,365	4,199,270

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate	1% Increase
Net OPEB liability (asset)	4,092,990	4,692,365	5,420,280

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Note 14 – Other Post-Employment Benefits (continued)

Net OPEB Expense

The District's Net OPEB expense (credit) for March 31, 2026 was $20,362.

Net OPEB Liability - beginning (a)	$ 4,954,544
Net OPEB Liability – ending (b)	$ 4,692,365
Change in Net OPEB Liability [(b)-(a)]	(262,179)
Change in Deferred Outflows	190,721
Change in Deferred Inflows	(175,786)
Employer Contributions	267,606
Net OPEB Expense – April 1, 2025 to March 31, 2026	$ 20,362

Service Cost	63,506
Interest Cost	217,414
Recognition of Deferred Outflows and Inflows	
Differences between expected and actual experience	(102,924)
Changes of assumptions	(157,634)
Differences between projected and actual investments	0
Total	(260,558)
Net OPEB Expense – April 1, 2025 to March 31, 2026	$20,362

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At March 31, 2026, the District's deferred outflows of resources and deferred inflows of resources to OPEB from the following sources are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	305,154	(29,364)
Changes in assumptions or other inputs	0	(254,489)
Total	$ 305,154	$(283,853)

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year ending March 31:	Deferred Outflows of Resources	Deferred Inflows of Resources
2027	$ 190,721	(159,999)
2028	114,433	(98,810)
2029	0	(25,044)
2030	0	0
2031	0	0
Thereafter+	0	0

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Note 15 – Joint Venture (Joint Powers Agreement)

The District is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to insure for risks of loss, the District participates in a joint venture under a joint powers agreement with the Association of California Water Agencies Joint Powers Insurance Authority (JPIA). The relationship between the District and the JPIA is such that the JPIA is not a component unit of the District for financial reporting purposes.

The JPIA arranges for and provides self-insured programs for liability, property, workers' compensation and underground storage tank pollution liability coverages for member districts. Each district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPIA. The District's share of surpluses and deficits cannot be determined, although District management does not expect such amounts, if any, to be material in relation to the financial statements.

The latest audited financial information for the JPIA is for the fiscal year ending September 30, 2025 and the condensed financial information of the JPIA is as follows:

Total assets and deferred outflows	$ 320,329,706
Total liabilities and deferred inflows	(197,007,665)
Net position	$ 123,322,041

The entity did not have long-term debt outstanding at September 30, 2025. The District's share of the year-end assets, liabilities or fund equity has not been calculated by the JPIA.

Note 16 – Commitments and Contingencies

Second Amended Contract

The District is a party to the Second Amended Contract with City of Stockton, California Water Service Company, San Joaquin County, representing the Lincoln Village Maintenance District, and Colonial Heights Maintenance District (Urban Contractors) in which the District agreed to make available to the Urban Contractors a minimum of 20,000 acre-feet of treated water. The contract calls for the Urban Contractors to make payments to the District in the amounts necessary to reimburse the District for all municipal and industrial source of supply and transmission and distribution expenses, operation and maintenance costs of the treatment plant, principal and interest payments on certificates of participation used for the construction of the treatment plant and for the municipal and industrial share of conveyance and storage facilities and other items as specified under the Second Amended Contract. The Contract remains in effect until April 1, 2035.

New Hogan Dam Contract

Under terms of a contract known as the "New Hogan Contract" dated August 25, 1970, between the United States of America, Stockton East Water District and Calaveras County Water District, the two districts contracted to receive the full yield of the New Hogan Project in exchange for repaying the United States of America a portion of the construction costs of New Hogan Dam, excluding recreation features. This repayment obligation was paid in 2011. The District now continues to pay for its pro rata share of the annual operation, maintenance, replacement and contract administration costs. This payment is determined every five years based on estimated costs as

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Note 16 – Commitments and Contingencies (continued)

determined by the U.S. Army Corps of Engineers and adjusted for the differences between the actual costs and estimated costs of the prior five years.

New Melones Contract and Conveyance System

The District constructed the New Melones Conveyance System (the "System") which transports water from the New Melones Reservoir to the District's water treatment plant, as well as providing water for irrigation. This water provides a surface water supply in addition to the District's existing surface supply from the New Hogan Reservoir and wells pumping ground water. The System consists of the purchase of an undivided one-third interest in Goodwin Dam, a diversion structure at Goodwin Dam, the Goodwin Tunnel, and the Upper Farmington Canal Improvements to Shirley, Hoods and Rock Creeks for conveyance, the Lower Farmington canal, Peters Pipeline and improvements to the existing District water treatment plant. The System contains both single-use facilities, to be used exclusively by the District, and facilities that may be used to wheel New Melones water to the Central San Joaquin Water Conservation District.

Merger with Central San Joaquin Water Conservation District

The District is currently pursuing consolidation with its neighbor district to the south, the Central San Joaquin Water Conservation District. The districts came to terms on a merger agreement, and have filed a joint application with the San Joaquin Local Agency Formation Commission (LAFCO). LAFCO is now preparing a Municipal Services Review, which is the first step in moving towards consolidation. No formal timeline is available with regards to approval by LAFCO or completion of the consolidation, and District management does not expect material changes to the financial statements or operations as a result of the potential merger.

Note 17 – Governing Board

As of March 31, 2026, the seven members of the District's Board of Directors were as follows:

Director	Division	Term expires
Richard Atkins	1	December 2028
Andrew Watkins	2	December 2026
Ryan Hansen	3	December 2026
Melvin Panizza	4	December 2028
Paul Sanguinetti	5	December 2026
Paul Nakaue	6	December 2026
Thomas McGurk	7	December 2026

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Note 18 – Supplementary Information

The supplementary information includes a schedule of historical operating results and debt service coverage for the fiscal years ended March 31, 2021 through 2026. The schedule presents the District's revenues, operating and maintenance costs, adjustments for certain noncash expenses and expenses paid from non-pledged revenues, and applicable debt service payments.

The debt service coverage ratio is calculated by dividing net revenues available for debt service by the debt service payments included in the schedule. This information is provided to assist lenders, investors, and other interested parties in evaluating the District's historical financial performance and its ability to meet debt service obligations. The schedule is supplemental to the District's basic financial statements and includes adjustments that may differ from amounts reported under generally accepted accounting principles.

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COMBINING FINANCIAL STATEMENTS

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Stockton East Water District

Combining Statement of Net Position

March 31, 2026

	Admin	Agricultural	Municipal Division Groundwater	Municipal Division Treatment Plant	Eliminations	Consolidated Total	2025 Consolidated Total
Assets							
Current assets							
Cash and cash equivalents	909,047	1,550,894	21,286	3,294,166	-	5,775,393	6,074,993
Water assessments receivable	-	578,173	16,890	(2,707,043)	2,707,043	595,063	653,772
Interest receivable, LAIF	-	-	-	-		-	-
Investments	21,258,669	1,644,699	17,025	6,596,352	-	29,516,745	40,612,528
Other receivables	2,064,111	859,625	(3,891)	1,488,275	-	4,408,120	3,514,160
Due to other divisions	(16,391,499)	(665,968)	4,688,985	12,368,377	105	-	-
Contract receivable, current	-	-	-	-	-	-	48,066
Inventory	17,764	-	-	158,128	-	175,892	177,650
Prepaid expenses	288,881	-	-	18,225	-	307,106	473,315
Restricted assets							
Cash and cash equivalents	6,330	1,321,582	8,326	590,044		1,926,282	616,299
Investments	333,898	245,422	99,760	2,557,438	-	3,236,518	3,105,977
Trustee receivable	-	-	-	32,130,000	-	32,130,000	-
Developer fees receivable	-	-	-	508,164		508,164	643,570
Total current and restricted assets	8,487,201	5,534,427	4,848,381	57,002,126	2,707,148	78,579,283	55,920,330
Property, plant and equipment, net	40,563,843	2,642,767	5,924,049	70,279,704	-	119,410,363	93,487,895
Other assets							
Water assessments receivable	-	-	-	-	-	-	-
Long term contract receivable	-	-	-	-	-	-	-
Debt refunding costs, net of amortization	-	-	-	-	-	-	-
Total assets	49,051,044	8,177,194	10,772,430	127,281,830	2,707,148	197,989,646	149,408,225
Deferred outflows	1,741,394	37,499	-	124,927	-	1,903,820	2,456,034
Total assets and deferred outflows	$ 50,792,438	$ 8,214,693	$ 10,772,430	$ 127,406,757	2,707,148	$ 199,893,466	$ 151,864,259
Liabilities and net position							
Current liabilities							
Accounts payable and accrued liabilities	2,447,255	370	30,500	2,784,172	105	5,262,402	5,362,326
Compensated absences payable	305,574	-	-	529,800	-	835,374	777,980
Customer prepaid water tolls	-	-	-	-	2,707,043	2,707,043	2,480,483
Deferred revenue	-	-	-	-	-	-	-
Current portion of long-term debt	3,352,000	-	-	1,573,044	-	4,925,044	3,802,044
Interest payable	-	-	-	-	-	-	-
Total current liabilities	6,104,829	370	30,500	4,887,016	2,707,148	13,729,863	12,422,833
Long-term debt, less current portion							
Certificates of participation	-	-	-	-	-	-	-
State revolving fund loan	-	-	-	4,870,877	-	4,870,877	5,443,922
Other loan payable	7,099,000	-	-	31,130,000	-	38,229,000	10,451,000
Interest payable	-	-	-	-	-	-	23,449
Accrued post-employment benefits	1,858,953	575,371	-	2,258,041	-	4,692,365	4,954,544
Net pension liability	5,126,345	-	-	-	-	5,126,345	6,391,031
Total liabilities	20,189,127	575,741	30,500	43,145,934	2,707,148	66,648,450	39,686,779
Deferred inflows	789,836	20,408	-	246,870	-	1,057,114	836,545
Net position							
Invested in capital assets	4,320,042	(291,002)	(436,267)	(15,501,597)	88,673,307	76,764,483	79,878,421
Restricted for urban contractors	-	-	-	1,347,822	485,815	1,833,637	4,880,698
Restricted for capital projects	17,902	-	-	1,021,191	32,744,980	33,784,073	1,610,980
Restricted for dry year reserves	-	297,239	96,888	-	134,428	528,555	491,575
Unrestricted	25,475,531	7,612,307	11,081,309	97,146,537	(122,038,530)	19,277,154	24,479,261
Total net position	29,813,475	7,618,544	10,741,930	84,013,953	-	132,187,902	111,340,935
Total liabilities and net position	$ 50,792,438	$ 8,214,693	$ 10,772,430	$ 127,406,757	$ 2,707,148	$ 199,893,466	$ 151,864,259

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Stockton East Water District

Combining Statement of Revenues, Expenses and Changes in Net Position

March 31, 2026

	Admin	Agricultural	Municipal Division Groundwater	Municipal Division Treatment Plant	Eliminations	Consolidated Total	2025 Consolidated Total
Operating revenues							
Surface water sales and assessments	-	2,120,244	46,639	-		2,166,883	2,291,284
Municipal and industrial water	-	-	-	32,060,397		32,060,397	30,517,588
Administration charges	5,187,963	-	-	-	(5,187,963)	-	-
Source of supply charges	456,670	-	-	-		456,670	424,694
Transmission and distribution charges	3,409,603	-	-	603,200	(3,409,603)	603,200	572,544
Total operating revenues	9,054,236	2,120,244	46,639	32,663,597	(8,597,566)	35,287,150	33,806,110
Operating expenses							
Source of supply	1,187,836	630,798	-	1,821,487		3,640,121	3,129,799
Transmission and distribution charges	2,788,222	657,377	813,858	1,946,807	(3,409,603)	2,796,661	2,945,719
Water treatment	-	-	139,226	13,356,805		13,496,031	11,791,972
General and admin	5,483,454	673,100	-	4,108,817	(5,187,963)	5,077,408	4,791,890
Depreciation	2,574,295	127,236	66,169	2,967,057		5,734,757	4,900,492
Amortization	-	-	-	-		-	-
Total operating expenses	12,033,807	2,088,511	1,019,253	24,200,973	(8,597,566)	30,744,978	27,559,872
Operating profit (loss)	(2,979,571)	31,733	(972,614)	8,462,624	-	4,542,172	6,246,238
Nonoperating revenues (expenses)							
Property taxes	735,654	-	-	-		735,654	707,206
Interest, LAIF	970,337	76,679	5,167	588,169		1,640,352	1,992,985
Interest, investments and other	4,015	-	40,400	1,095		45,510	59,906
Loss on sale of fixed assets	30,575	-	-	-		30,575	30,000
Grant revenues	133,262	5,407	-	11,470,701		11,609,370	1,202,565
Interest expense	(506,160)	-	-	(459,638)		(965,798)	(642,735)
Developer fees	-	-	-	2,702,294		2,702,294	3,140,791
Net profit prior to other items	(1,611,888)	113,819	(927,047)	22,765,245	-	20,340,129	12,736,956
Net change in pension expense	506,838	-	-	-		506,838	62,344
Interdivision transfers- debt service	-	-	-	-	-	-	-
Interdivision transfers- other	(801,623)	535,990	2,294,610	(2,028,977)	-	-	-
Change in net position	(1,906,673)	649,809	1,367,563	20,736,268	-	20,846,967	12,799,300
Net position, beginning of year	31,720,148	6,968,735	9,374,367	63,277,685	-	111,340,935	98,541,635
Net position, end of year	$ 29,813,475	$ 7,618,544	$ 10,741,930	$ 84,013,953	$ -	$ 132,187,902	$ 111,340,935

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SUPPLEMENTAL SCHEDULE

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STOCKTON-EAST WATER DISTRICT
HISTORICAL OPERATING RESULTS AND DEBT SERVICE COVERAGE (FISCAL YEARS ENDED MARCH 31)

	Audited					
	2021	2022	2023	2024	2025	2026
Revenues						
Municipal and industrial water	$ 26,924,669	$ 26,199,101	$ 24,177,104	$ 20,915,825	$ 30,517,588	$ 32,060,397
Surface water sales and assessments	1,746,599	5,136,871	2,128,254	2,150,186	2,291,284	2,166,883
Investment Income	336,125	161,805	197,951	2,178,864	2,052,891	1,685,862
Total Revenues	29,007,393	31,497,777	26,503,309	25,244,875	34,861,763	35,913,142
Operation and Maintenance Costs						
Source of supply	4,687,055	3,626,333	5,166,196	4,081,812	3,129,799	$ 3,640,121
Transmission and distribution costs	2,486,200	2,601,396	3,474,698	2,606,224	2,945,719	$ 2,796,661
Water Treatment	7,519,518	9,943,183	9,983,117	10,581,871	11,791,972	$ 13,496,031
General and administrative	4,245,195	4,001,646	4,784,720	4,485,054	4,791,890	$ 5,077,408
Less: GASB 68 Adjustment (Net out Non-cash Pension Expense)	(339,293)	3,053,162	(3,037,459)	(428,100)	62,344	$ 506,838
Less: GASB 75 Adjustment (Net out Non-cash OPEB Expense)	(167,232)	453,321	1,297,183	96,299	86,872	$ (247,244)
Less: Operating Expenses Paid with Non-Pledged Revenues	(669,585)	(840,177)	(862,444)	(953,127)	(1,279,750)	$ (1,338,854)
Total Operating Expenses	17,761,858	22,838,864	20,806,011	20,470,033	21,528,846	23,930,961
Net Revenue Before Debt Service & Capital	$ 11,245,535	$ 8,658,913	$ 5,697,298	$ 4,774,842	$ 13,332,917	$ 11,982,181
2019 Installment Purchase Agreement						
2019 Installment Purchase Agreement	6,705,649	5,589,095	4,265,611	4,269,541	4,271,761	3,735,160
Less Developer Fees	(3,744,457)	(5,125,865)	(3,848,811)	(3,577,530)	(3,140,791)	(2,702,294)
2019 Installment Purchase Agreement (Net of Developer Fees)	2,961,192	463,230	416,800	692,011	1,130,970	1,032,866
Debt Service						
Department of Public Health Funding	573,044	573,044	573,044	573,044	573,044	573,044
Agreement						
2014 Loan	239,865	239,865	239,865	239,865	119,933	-
Net 2019 Installment Purchase Agreement (Net of Developer Fees)	2,961,192	463,230	416,800	692,011	1,130,970	1,032,866
Total Debt Service Payments	3,774,101	1,276,139	1,229,709	1,504,920	1,823,947	1,605,910
Debt Service Coverage (1.10x Minimum)	2.98	6.79	4.63	3.17	7.31	7.46
Net Revenues After Debt Service	$ 7,471,434	$ 7,382,774	$ 4,467,589	$ 3,269,922	$ 11,508,970	$ 10,376,271

DRAFT

DATE: **November 17, 2026**

AGENDA ITEM NO. D-3

TITLE: **Professional Services Agreement with Silsby Strategic Advisors, Inc.**

SUBJECT: **Consideration to Authorize the General Manager to Execute a Professional Services Agreement with Silsby Strategic Advisors, Inc. in an Amount Not to Exceed $25,000**

Executive Summary

Stockton East Water District (District) staff requests that the Board of Directors (Board) authorize the General Manager to execute a Professional Services Agreement (PSA) with Silsby Strategic Advisors, Inc. (SSA), in an amount not to exceed $25,000, to provide strategic support services on two priority initiatives: (1) investigation into, and development of, a feasibility study evaluating potential public-private partnership opportunities; and (2) continued support for the development of District Key Performance Indicators (KPIs).

Background

SSA is a strategic advisory firm led by Shane L. Silsby, MsCE, PE, CEO and Founder, whose background includes senior public-sector executive roles — including Director of Public Works for Orange County, California — as well as private-sector engineering and organizational leadership positions.

Summary

SSA submitted a proposal to the District, dated September 4, 2026, offering a range of strategic support services, including research and survey review, facilitation of working sessions, organizational recommendations, and support for public-private partnership evaluation processes.

Of the services described in SSA's proposal, staff has identified two priority scopes for near-term engagement:

- Public-Private Partnership Feasibility Study: The District continues to receive interest from private developers regarding potential partnerships involving District infrastructure, land, and water and power resources in connection with development. Staff propose to engage SSA to investigate and develop a feasibility study evaluating potential public-private partnership structures with other parties, including review of the District's evaluation processes and readiness for the infrastructure, operational, and exaction requirements associated with proposed developments.

- Key Performance Indicators: The District has been developing a set of Key Performance Indicators to measure organizational performance consistent with the District's 2023 Strategic Plan. Staff propose to engage SSA to continue this work, including refinement and finalization of KPIs and associated SMART goals and objectives for review by the General Manager and, ultimately, the Board.

SSA's proposal structures compensation as a time-and-materials draw-down pool, with services performed by Mr. Silsby at an hourly rate of $350, for maximum flexibility as the specific scope of work is refined. Staff recommend limiting the initial engagement under

the PSA to the two scopes of work described above, within a not-to-exceed amount of $25,000. The proposed term of the agreement would run from execution through March 31, 2027, unless the scope of work is completed earlier, at which point the District and SSA would reassess whether to continue any further engagement.

Financial Impact

This expense was not included in the District's adopted budget. However, funding for this engagement, in an amount not to exceed $25,000, is available within the General Manager Professional Services account and would not require a budget amendment. Costs will be incurred and invoiced on a time-and-materials basis as work is performed, up to the not-to-exceed contract amount.

Recommendation

Staff recommend that the Board of Directors authorize the General Manager to execute a Professional Services Agreement with Silsby Strategic Advisors, Inc., in an amount not to exceed $25,000, for the scope of services described above.

Staff Responsible for Report

Justin M. Hopkins, General Manager

Date: 11/17/26

Attachments

1. Silsby Strategic Advisors, Inc. Strategic Support Services Proposal, dated September 4, 2026

September 4, 2026

Justin Hopkins
Stockton East Water District - General Manager
6767 East Main Street
Stockton CA 95215
Submitted via email: jhopkins@sewd.net

Subject: Strategic Support Services Proposal for Agency Initiatives

Dear Mr. Hopkins:

Silsby Strategic Advisors, Inc. is submitting this proposal to provide strategic support services to assist the Stockton East Water District (District) with targeted initiatives and recommendations for the agency and its associated functions. A summary describing the anticipated scope of services are summarized in Exhibit "A," the associated proposed compensation is outlined in Exhibit "B" and supporting qualifications have been provided in Exhibit "C."

The opportunity to provide services to the District in support of these important strategic initiatives is greatly appreciated. If you would like to discuss this proposal or need any additional information for your review, please do not hesitate to contact me at 949-734-0534 or at shane@silsby-sa.com.

Respectfully submitted,
Silsby Strategic Advisors, Inc.



Shane L. Silsby
CEO and Founder
www.silsby-sa.com
www.managingformeteors.com

EXHIBIT "A"

Strategic Support Services Proposal for Agency Initiatives

PROPOSED SCOPE OF SERVICES

Silsby Strategic Advisors, Inc. (or "Silsby Strategic Advisors") will provide "External Support Services" to assist the District with strategic organizational analyses that require specialized, time-intensive efforts that may include coordination between various other agencies and hierarchical levels of the District. The Scope of Services associated with assisting the District in targeted initiatives, high-level strategy sessions, facilitation of meetings, summary reports, and follow-up support actions for this proposal includes the following.

Meetings, Research, and Initial Coordination

External Support Services will include meetings with the District to clarify alignment on the primary direction of focus to best position the District for success. These efforts will also include productively identifying and resolving known liabilities and facilitating enhanced coordination with key stakeholders as authorized by the District.

Primary Initiatives

Silsby Strategic Advisors proposes supporting the District with targeted strategic initiatives and analyses including, but not limited to, the following primary tasks:

Task 1: Research of District Priorities and Survey Review

- Review available District employee feedback surveys; review General Manager level priorities for key departments / divisions; research District Board priority policies; and review alignment with the 2023 Strategic Plan.
- Categorize employee feedback survey response trends and associated comments.
- Provide potential near-term actions / future initiatives to address survey categorical responses.
- Research current organizational structures, functional business units, and supporting position classifications.

Task 2: Facilitation of Working Sessions and Draft Recommendations Development

- Preparation of presentation materials and initial outreach to District key staff.
- Facilitation of Working Sessions with the department's key business units.
- Strategy and observation reporting sessions with the General Manager's Office.
- Deliver report on summary of efforts from sessions and collation of draft recommendations for organizational adjustments, position classifications, and operational efficiencies.
- Provide potential refined solutions / identify key initiatives to meet District goals.

Task 3: Facilitation of Master Session, Finalize Recommendations, and Final Report

- Preparation of presentation materials for Master Session (alignment meeting).
- Facilitation of Master Session with all key staff to review final recommended initiatives.
- Finalization of implementation SMART goals / objectives / key performance indicators after review by General Manager's Office.
- Development of final report and distribution to identified District leadership.

Task 4: Implementation Support for Identified Adjustments or Initiatives

- Based upon the results from the final report, provide strategic support in the structure and implementation of targeted initiatives, as requested.

Task 5: Ongoing Support / Strategy Sessions with Leadership

- Provide ongoing support to the General Manager's Office, including strategy sessions to refine initiatives or align priorities with trends from employee surveys and / or key department goals.
- Support with other requests or presentations as identified and requested, including but not limited to, the following categories:

  Category 1. – Planning and Delivery
  Strategic Planning; Grant Strategies; Program / Project Management; Capital Improvement Programs; Federal Funding Targets; PPP / P4; Alternative Project Delivery Methods: DB, CMAR, JOC; Asset Management; Capital Procurement / E-Commerce Strategies; Design / Construction Contract Dispute Mediation; Public Agency Representative in Litigation; Fee Analyses for Public Services; Fleet Modernization or Consolidation Assessments

  Category 2. – Organizational and Advocacy Enhancements
  Owner's Representative Advisor Services; Organizational Structure Evaluations; Service Enhancements / Cost Efficiency Measures; State / Federal Legislative Support; Cooperative / Intergovernmental Agreements; Development Agreements; Development of Joint Powers Authorities; Federal Agency Liaison Services; Wireless Communications Facilities Ordinances; Grants / State & Federal Funding

  Category 3. – Customer Service
  Customer Service Enhancements: 24-hour Access to Information / Virtual Services; Customer Relationship Management System Implementation; Enhanced Public Meeting Strategies; Land Development / Land Planning Support; Inputs for Development Entitlements; Targeted Constituent Liaison Services; Service Counter Strategies

Task 6: Support with Data Center Evaluation Processes and Agency Preparedness

- Review and enhance the evaluation process for determining exactions / infrastructure and operational requirements for proposed data center developments.
- Research current processes and identify adjustments to improve readiness for forecasted infrastructure demands.
- Develop a report to outline prioritized adjustments to the development review process, financial strategies, capital delivery plans, and operations.

TERM OF SERVICES

The proposed term for the scope of services described is to be from execution of the professional services agreement to September 30, 2027, unless all elements are completed earlier. At that time, all parties can reassess the progress and initiative support needs for the remainder of 2027 and beyond.

EXHIBIT "B"

Strategic Support Services Proposal for Agency Initiatives

PROPOSED COMPENSATION (FEE)

Silsby Strategic Advisors, Inc. is pleased to provide the following proposed compensation breakdown. However, since the specific scope of all work is subject to change based upon the feedback from the working sessions, positioning of other departments, or stakeholder interests, services provided under this contract are proposed to be on an hourly basis.

For maximum flexibility, a contract totaling a not-to-exceed value of **$25,000** is proposed be executed to create a draw down pool for the time and materials efforts associated with the Scope of Services in Exhibit "A." The proposed services will be performed by Shane Silsby of Silsby Strategic Advisors, Inc. at a rate of $350 per hour, and he will be the primary point of contact with the District – although strategic subconsultants may be utilized with District approval – to deliver the following tasks.

Task 1: Research of District Priorities and Survey Review

Task 2: Facilitation of Working Sessions and Draft Recommendations Development

Task 3: Facilitation of Master Session, Finalize Recommendations, and Final Report

Task 4: Implementation Support for Identified Adjustments or Initiatives

Task 5: Ongoing Support / Strategy Sessions with Leadership

Task 6: Support with Data Center Evaluation Processes and Agency Preparedness

EXHIBIT "C"

Strategic Support Services Proposal for Agency Initiatives

QUALIFICATIONS

Throughout his career, Silsby L. Silsby, MsCE, PE, has established a reputation as a transformational leader who is driven by challenge, undeterred by obstacles, and committed to furthering standards of excellence. His expertise encompasses all aspects of strategic oversight within both the public and private sectors from complex negotiations, to controlling costs and maximizing revenues through effective strategies that harness team strengths and improve enterprise-wide performance. Further, his ability to build consensus among executive teams and stakeholders, to promote transparency, and to influence positive change, has been repeatedly proven. Mr. Silsby is the current CEO and President of Silsby Strategic Advisors, Inc.

Former Private Sector Positions

Senior Vice President – International Engineering Services Firm (West Region). Leadership team member responsible for developing key client relationships and providing client management initiatives. Responsible for regional strategic initiatives, such as high-level market assessments, enhanced client focused plans, talent acquisition of key positions, improved pursuit elements, and organizational recommendations to increase success rates. Developed strategic initiatives such as Olympic venues and infrastructure attraction and implementation plans. Took on additional responsibilities for oversight of the regional business development activities including direct management of regional practice leaders in transportation, planning, water, and land development. Indirectly coordinated support staff to implement business success strategies across the region while customizing approaches for each sub-geography. West Region Business: ~600 positions in 12 offices across 5 states.

Chief Operating Officer – Global Architectural/Engineering Firm (West Region). Executive responsible for building / refining the organizational capabilities needed to deliver business results and sustain high performance within the business lines. Provided firsthand dynamic leadership to the organization and focused on executing the company's vision. Functioned as a change agent to build on the firm's impressive track record and make the organization even more effective through operational excellence. Responsible for guiding implementation of projects / services, ensuring client satisfaction, and contributing to growth opportunities. Built organizational capabilities through robust performance management, mentoring and development, effective strategic recruiting, and talent management. West Region Business: ~1,600 positions in 30 offices and FY20 GR of $587 Million / NSR of $396 Million / EBITDA of $36 Million.

Former Public Sector Positions

Director of Public Works - Orange County, California. Executive that created the mission and long-term vision for OC Public Works based on efficient and effective responsiveness to the public and client department needs; oversaw the development of strategic plans and department goals; established policies and determined priorities; adjusted plans to respond to emerging or urgent issues; and directed the allocation of resources to achieve timely outcomes and measurable goals within the County's budget guidelines. During his tenure at Orange County, Mr. Silsby's reputation as a professional problem solver with a focus on delivering results earned him the honor of being named 2016 Public Works Leader of the Year by the American City & County magazine. Additionally, he was named the 2017 Top Leader of the Year by the SoCal Chapter of the American Public Works Association.

Deputy Director for the Street Transportation Department - City of Phoenix, AZ. Management responsibility for the planning, coordination, and design plan review for long- and short-term project development; programming of funds for capital improvement projects ($500 million 5-Year program); coordination of federal / state aid procurement – including ARRA 2009 federal stimulus funding; and provision of environmental assessments for all ground disturbing Street Transportation projects. Responsibilities also included the functions of Floodplain Management, Utility Coordination, Utility Inspection, and Street Lighting. Finally, the transference of the City Engineer functions to the Street Transportation Department in May of 2011 added citywide Procurement Services, Labor Compliance, and Small Business Enterprise management to the division for oversight responsibility.

Major Projects / Downtown Team Leader for the Development Services Department - City of Phoenix, AZ. During four plus years with the Development Services Department, Mr. Silsby worked on over 1,000 development projects ranging in use and size from a new local restaurant to the $1 billion Cityscape downtown redevelopment project. For two years, he led the Downtown Development Team through review and approval of high-profile projects such as the Arizona State University (ASU) Walter Cronkite School of Journalism / KAET Channel 8 Studios, the ASU Capstone Student Housing Project, the Historic Luhrs Complex rehabilitation, and the PetSmart Headquarters home office expansion.

Division Head / Transportation Engineer for the Transportation & Parking Office - City of Lansing, MI. Responsibilities included project oversight, regional coordination of transportation projects, providing reports and presentations to the Mayor, City Council members, citizen boards, and the public. Highlights encompassed several major projects including the construction closure of a cross-town freeway through the heart of the City, a two-way street conversion study effecting the traffic patterns of several downtown streets, and the Capitol Loop project that reconstructed many of the downtown streets surrounding the State Capitol building and impacting the City's most recognized business core.

Education & Credentials

Mr. Silsby holds a master's degree and bachelor's degree in civil engineering from Michigan State University. He is also a registered Professional Engineer in the states of Arizona and Michigan. Finally, he is a two-term member of the American Public Works Association Government Affairs National Committee and recently authored the Amazon best-selling book "Managing for Meteors: *Preparing Local Government Leaders Before the Impact*."

PUBLIC SECTOR CLIENT REFERENCES FOR SIMILAR SERVICES

County of Seal Beach (ongoing)
Iris Lee – Public Works Director
Email: ilee@sealbeachca.gov
Phone: 562-431-2527 x 1322

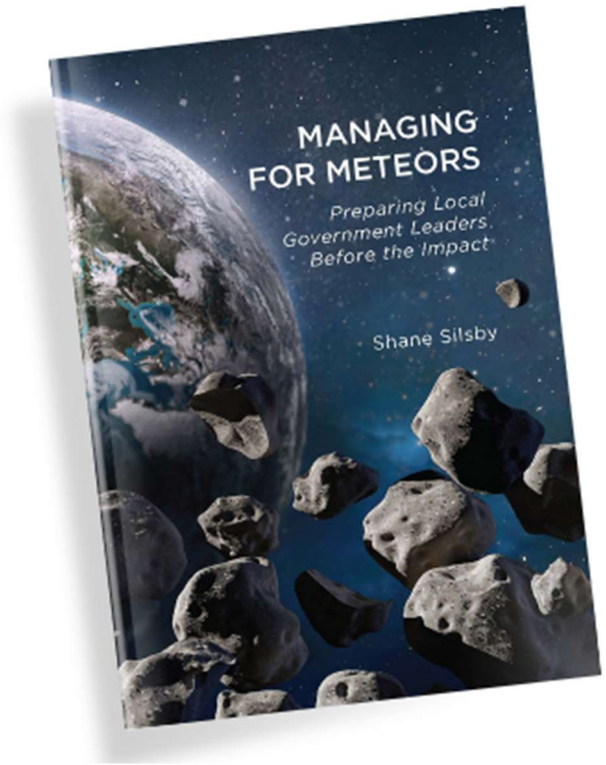
City of Westminster (ongoing)
Adolfo Ozaeta – Assistant City Manager
Email: aozaeta@westminster-ca.gov
Phone: 714-548-3462

County of San Bernardino (ongoing)
Noel Castillo – Director of Public Works
Email: noel.castillo@dpw.sbcounty.gov
Phone: 909-387-7906

REFERENCE FOR POTENTIAL FRAMEWORK

Organizational Development Training Experience to Establish Local Government Strategic Plans and Goals

Silsby Strategic Advisors is uniquely suited to work with the agency's elected and appointed leadership team to deliver training to focus the organization on strategic plans and cultural alignment. The company's CEO, Shane Silsby, has authored the book titled "*Managing for Meteors: Preparing Local Government Leaders Before the Impact*" which was developed to address the challenges being faced by local governments in today's climate. As a training tool, *Managing for Meteors* provides a conduit for passing on direct experiences, raising questions, and providing tools for leaders to consider for enhancing the functions of local governments and getting prepared in advance of major disruptors or to simply create a more strategically secure organization.



ROAD MAP TO READINESS

1. Identify Issues and Define Plan Elements
   - ☐ Conduct anonymous employee engagement surveys
   - ☐ Review survey feedback versus industry trends and updated business practices - *Chapter 1*
   - ☐ Engage leadership team to discuss survey evaluations and exchange ideas on improvement strategies - *Chapter 2*
   - ☐ Evaluate organizational structures against efficiency metrics - *Chapter 3*
   - ☐ Analyze operating budgets and trends to inform initial refinements through organizational structure efficiencies and zero-based budgeting strategies - *Chapter 4*
   - ☐ Organize capital improvement project budgets through development of fiscally constrained and resource balanced, multi-year capital improvement programs - *Chapter 5*
   - ☐ Review operational functions against industry best practices and develop initiatives to enhance efficiencies and effectiveness - *Chapter 6 & 7*
   - ☐ Analyze services and assets for new or enhanced revenue initiatives to create budgetary flexibility - *Chapter 8*
2. Developing Next Steps and Goals
   - ☐ Report out information to employees on proposed actions related to survey results and baseline efficiency enhancements or agency alignment with updated business practices
   - ☐ Outline steps necessary to complete transition plans or new policy, practice, or procedure implementations
   - ☐ Set SMART goals and supporting objectives to address each task or initiative and assign responsible person(s) - *Chapter 9*
   - ☐ Determine deadlines for each of the targeted goals and objectives, including key milestones, and define the resources that will be needed
3. Measure Progress and Repeat Analyses
   - ☐ Measure implementation progress against established metrics, and provide status updates to employees periodically or as available
   - ☐ Report up to senior executives and elected officials and report out to the public on key goal achievements - *Chapter 10*
   - ☐ Repeat the readiness process every 3 to 5 years

The American workplace, and especially local governments, faces increasingly numerous metaphoric meteors in these ever-changing times. These meteors can appear in the form of cyber-attacks, international military conflicts, continental supply chain disruption, a global pandemic, infrastructure funding, or things we have yet to imagine... Under these scenarios, inevitably the attention of leaders is diverted from daily operational activities on which community constituents rely. This book - and the associated training or exercises - is aimed at priming organizations to be as efficient and effective as possible, so when that major disruption hits – an agency will be more likely to pass the preparedness test. As a #1 Amazon Best Seller, "*Managing for Meteors*" is a tool that continues to be reviewed and utilized by public agencies and those wanted to work more effectively with local governments.

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DATE: **November 17, 2026** **AGENDA ITEM NO. D.4**

TITLE: **Professional Services Agreement with The Gualco Group, Inc., Amendment**

SUBJECT: **Consider Authorizing the General Manager to Approve an Amendment to the Professional Services Agreement to allow Reimbursement of Incidental Expenses Under Professional Services Agreement No. AGR 1143 with The Gualco Group, Inc. for Legislative Lobbying Services.**

Executive Summary

Stockton East Water District (District) staff requests that the Board of Directors (Board) authorize, consistent with Section 2 of the District's Professional Services Agreement with The Gualco Group, Inc. (Agreement No. AGR 1143), reimbursement of specific categories of incidental expenses incurred by The Gualco Group on the District's behalf: telephone, in-California travel, copying, occasional meals with elected or appointed officials or their deputies to the extent allowed by law, and other miscellaneous business expenses, none of which are marked up. This authorization is required because the approved agreement authorized a not-to-exceed Contract Price of $78,000 and did not include any allowances for incidental costs. Staff recommends the Board authorize an additional $7,800 for incidental costs, for a revised total not-to-exceed cost of $85,800, including the original contract price plus 10% for incidental costs.

Background

The Board approved Professional Services Agreement No. AGR 1143 (Agreement) with The Gualco Group, Inc. (TGG) for legislative lobbying and government relations advocacy services at its March 3, 2026, Regular Board Meeting, and the Agreement was executed on March 5, 2026. The Agreement establishes a Contract Price of $78,000, with compensation structured as a monthly retainer of $6,500 plus expenses incurred, to be billed at actual cost.

Section 2 of the Agreement (Compensation) provides that TGG shall receive compensation, including authorized reimbursements, for all services rendered, and further specifies that “Reimbursable Expenses shall be limited to actual expenditures of Consultant for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by District.” The Agreement therefore requires the District to specifically authorize categories of reimbursable expense before they become payable, separate from the monthly retainer for services.

On May 4, 2026, Jackson Gualco, President of The Gualco Group, submitted a written request asking the District to authorize reimbursement of the following categories of incidental expenses, incurred during the course of regular business performed on the District's behalf and not marked up in any way: telephone; in-California travel; copying;

occasional meals, if with elected or appointed officials or their deputies for District business, to the extent allowed by law; and other miscellaneous expenses. These categories are consistent with the type of incidental costs typically associated with legislative advocacy work performed in Sacramento on the District's behalf.

Summary

The expense categories requested for authorization, and the corresponding terms under which they would be reimbursed, are as follows:

- Telephone, in-California travel, and copying: reimbursed at actual cost, not marked up, when incurred in the course of regular business performed on the District's behalf.
- Occasional meals: reimbursed at actual cost, not marked up, only when the meal is with an elected or appointed official or their deputy for District business, and only to the extent allowed by law.
- Other miscellaneous expenses: reimbursed at actual cost, not marked up, when incurred in the course of regular business performed on the District's behalf.

All of the above remain subject to the Agreement's existing invoicing requirements, including that invoices separately itemize Services and Reimbursable Expenses, and that reimbursable expenses be necessary for the proper completion of the Services.

Financial Impact

All reimbursable expenses authorized under this item will be billed within the existing Agreement for a revised not-to-exceed Contract Price of $85,800. Funding is available within the lobbying services account in the approved Fiscal Year 2026-2027 budget.

Recommendation

Staff recommends that the Board of Directors authorize the General Manager to approve reimbursement, within the existing Agreement No. AGR 1143 with The Gualco Group, Inc., of $78,000 plus 10% for actual, unmarked-up incidental expenses for telephone, in-California travel, copying, occasional meals with elected or appointed officials or their deputies to the extent allowed by law, and other miscellaneous expenses incurred in the course of regular business performed on the District's behalf, for a total not-to-exceed amount of $85,800.

Staff Responsible for Report

Justin M. Hopkins, General Manager

Date: 11/17/2026

DATE: **November 17, 2026** **AGENDA ITEM NO. D-5**

TITLE: **Resolution No. 26-27-12 – Closing Resolution for DWSRF Installment Sale Agreement No. D2602016, Bellota Weir Modification Project**

SUBJECT: **Consider Approving Resolution No. 26-27-12 - State Water Resources Control Board Drinking Water State Revolving Fund Installment Sale Agreement for the Bellota Weir Modification Project and Ratifying its Execution by the General Manager**

Executive Summary

The State Water Resources Control Board (State Water Board) has issued the District a $50,000,000 Drinking Water State Revolving Fund (DWSRF) Installment Sale Agreement for the Bellota Weir Modification Project at 2.10 percent interest, repayable over 30 years. The General Manager signed the agreement on November 5, 2026, under the authority granted by Resolution Nos. 25-26-01 and 26-27-01. Before the agreement takes effect, the State Water Board requires a closing resolution in which the Board approves the agreement and the pledge of Net Revenues that secures it. Resolution No. 26-27-12 provides that approval and ratifies the General Manager's signature.

Staff Recommends adoption of Resolution 26-27-12.

Background

On April 8, 2025, the Board adopted Resolution No. 25-26-01, designating the General Manager as the District's Authorized Representative to apply for DWSRF financing and execute the financing agreement, and Resolution No. 25-26-02, the reimbursement resolution for the Project. On April 7, 2026, the Board adopted Resolution No. 26-27-01, which restated that authority and added language the State Water Board requires designating the Authorized Representative to carry out the District's responsibilities under the agreement, including certifying disbursement requests. The State Water Board issued Agreement No. D2602016 on November 5, 2026, and the General Manager signed it the same day.

Summary

Resolution No. 26-27-12 approves the agreement and ratifies the General Manager's November 5 signature. It authorizes the General Manager to sign amendments that do not increase the funding amount, interest rate, or term, and it repeats the State Water Board's required language on certifying disbursement requests and compliance with state and federal law. The resolution also confirms the pledge of the District's Enterprise Fund, Net Revenues, and Reserve Fund to repay the agreement, on parity with the District's existing parity obligations. Adoption at this meeting allows District Counsel and Bond Counsel to deliver their opinions and closing documents to the State Water Board ahead of its December 5, 2026 deadline.

Financial Impact

The agreement provides up to $50,000,000 at 2.10 percent. Based on the State Water Board's preliminary payment schedule, the District pays interest only in December 2027 ($448,438) and December 2028 ($785,006), then annual principal and interest payments of about $2,261,145 from December 30, 2029, through December 30, 2058. Total

repayment is estimated at $69,046,943, including $19,046,943 in interest; the schedule will be finalized after the last disbursement. The District must also establish a Reserve Fund equal to one year's debt service (about $2.26 million) before construction is complete and maintain rates sufficient to produce Net Revenues of at least 120 percent of maximum annual debt service.

Recommendation

Staff recommends that the Board adopt Resolution No. 26-27-12, approving Drinking Water State Revolving Fund Installment Sale Agreement No. D2602016 with the State Water Resources Control Board for the Bellota Weir Modification Project and ratifying its execution by the General Manager.

Staff Responsible for Report

Juan Vega

Juan M. Vega, Assistant General Manager

Date: 11/17/2026

Justin M. Hopkins, General Manager

Date: 11/17/2026

Attachments

1. Resolution No. 26-27-12
2. Installment Sale Agreement No. D2602016

RESOLUTION NO. 26-27-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF STOCKTON-EAST WATER DISTRICT APPROVING AND RATIFYING EXECUTION OF A DRINKING WATER STATE REVOLVING FUND CONSTRUCTION INSTALLMENT SALE AGREEMENT WITH THE STATE WATER RESOURCES CONTROL BOARD FOR THE BELLOTA WEIR MODIFICATION PROJECT (AGREEMENT NO. D2602016, PROJECT NO. 3910006-004C)

WHEREAS, the Stockton East Water District (District) is a special district of the State of California, organized and existing under Chapter 819 of the Statutes of 1971, as amended, and Division 21 of the California Water Code (Section 74000 et seq.), and has legal authority to enter into a financing agreement with the State of California;

WHEREAS, the District is constructing the Bellota Weir Modification Project (Project) to provide effective volitional fish passage at the Bellota Weir in Mormon Slough, exclude fish from the Old Calaveras River, improve sediment continuity, and provide a more reliable surface water intake for the District's Water Treatment Plant, which supplies drinking water to the City of Stockton and surrounding area;

WHEREAS, on November 1, 2022, the District, as lead agency under the California Environmental Quality Act (CEQA), adopted an Initial Study/Mitigated Negative Declaration (State Clearinghouse No. 2022090262) and a Mitigation Monitoring and Reporting Program for the Project, approved the Project, and filed a Notice of Determination on November 2, 2022;

WHEREAS, on April 8, 2025, the District's Board of Directors (Board) adopted Resolution No. 25-26-02, the District's reimbursement resolution for the Project;

WHEREAS, on April 8, 2025, the Board adopted Resolution No. 25-26-01, designating the General Manager as the District's Authorized Representative to sign and file a Financial Assistance Application for the Project, and authorizing the Authorized Representative, or his/her designee, to execute a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto;

WHEREAS, on April 7, 2026, the Board adopted Resolution No. 26-27-01, which restated the designation and authority granted in Resolution No. 25-26-01 and further designated the Authorized Representative, or his/her designee, to represent the District in carrying out the District's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the District and compliance with applicable state and federal laws;

WHEREAS, the State Water Resources Control Board (State Water Board) has offered the District a Construction Installment Sale Agreement, Agreement No. D2602016 (Agreement), under which the State Water Board will provide up to $50,000,000 in DWSRF financing for the Project at an interest rate of 2.10 percent per annum, repayable in annual installments over 30 years with a Final Payment Date of December 30, 2058;

DRAFT

WHEREAS, pursuant to Resolution Nos. 25-26-01 and 26-27-01, the General Manager executed the Agreement on behalf of the District on November 5, 2026;

WHEREAS, the District's obligation to make payments under the Agreement is secured by a pledge of and lien on the District's Enterprise Fund, Net Revenues, and Reserve Fund, as those terms are defined in the Agreement, on parity with the District's existing Parity Obligations identified in the Agreement; and

WHEREAS, the Agreement requires, as a condition precedent to its effectiveness, that the District deliver to the State Water Board a resolution of its Board authorizing the Agreement, and the Board desires to approve the Agreement and ratify its execution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Stockton East Water District (the "District") as follows:

1. The foregoing recitals are true and correct.

2. The Board approves the Agreement in the form presented to the Board at this meeting, and hereby ratifies, approves, and confirms the execution and delivery of the Agreement on behalf of the District by the General Manager (the "Authorized Representative") on November 5, 2026, pursuant to Resolution Nos. 25-26-01 and 26-27-01.

3. The Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required under the Agreement, and to execute any amendments or changes to the Agreement, including amendments to adjust final budget costs and Project dates, provided such amendments do not increase the Project Funding Amount, the interest rate, or the term of the Agreement.

4. The Authorized Representative, or his/her designee, is designated to represent the District in carrying out the District's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the District and compliance with applicable state and federal laws.

5. The District's obligation to make Payments and Additional Payments under the Agreement shall be payable from, and secured by a pledge of and lien on, the Enterprise Fund, Net Revenues, and Reserve Fund, on parity with the Parity Obligations, as provided in the Agreement. The District shall establish, prior to Completion of Construction, and thereafter maintain a restricted Reserve Fund equal to one year's Debt Service on the Agreement, and shall comply with the rates, fees, and charges covenant set forth in the Agreement.

6. The Board President, the General Manager/Board Secretary, and the other officers and staff of the District are authorized and directed, jointly and severally, to do all things and to execute and deliver all certificates, documents, and instruments necessary or advisable to carry out the Agreement and this resolution, including obtaining and delivering the opinions of General Counsel and Bond Counsel and the other closing documents required by the State Water Board.

DRAFT

7. All actions heretofore taken by the officers and staff of the District consistent with this resolution are hereby ratified, approved, and confirmed.

8. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED at a regular meeting by the Board of Directors of the Stockton East Water District on the 17th day of November, 2026, by the following vote of the members thereof:

Ayes:
Noes:
Absent:
Abstain:

_____
Thomas McGurk, President
Board of Directors
Stockton East Water District

ATTEST:

_____
Justin M. Hopkins
Secretary of the Board
Stockton East Water District

DRAFT

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CALIFORNIA Water Boards

GAVIN NEWSOM
GOVERNOR

YANA GARCIA
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

November 5, 2026

Stockton-East Water District
Attn: Justin M. Hopkins. - General Manager
6767 E. Main St
Stockton, CA 95215

Agreement Number: D2602016
Project Number: 3910006-004C

Please review, and if appropriate, electronically sign the signature page of the Agreement via Adobe Sign no later than thirty (30) calendar days from the date of this letter. Once electronically signed, the Agreement will be routed automatically to the next signer. You will automatically receive a copy of the fully executed Agreement via Adobe Sign once the final signer has signed. This Agreement cannot be considered binding by either party until executed by the State Water Resources Control Board (State Water Board).

For the Funding Agreement to be executed by the State Water Board, the following items **must also be returned electronically with the signed signature pages**: The Opinion will need to be dated and signed on or after the date the agreement is signed. Counsel can file and attach the letters and submit them back to Adobe.

1. Opinion of General Counsel.
2. Bond Counsel Letter.
3. Closing Resolution.

If you have questions about the General Counsel Opinion Letter, Bond Counsel Letter, and Closing Resolution, please contact Xia Lao, at (916) 341-5961 or email at Xia.Lao@waterboards.ca.gov.

Except for letterhead, date, and signature, opinions of counsel must be identical to the form of opinion attached to this submittal in order for timely execution and for the opinion cost to be reimbursable. For questions regarding General Counsel Opinion Letter, Bond Counsel Letter, and Closing Resolution please contact your Agreement Analyst.

Please note that all projects receiving funding must comply with all applicable implementing guidelines and regulations adopted by the California Department of Industrial Relations (DIR), regarding state prevailing wage requirements. You must contact DIR for guidance on how to comply. Information can be found at: http://www.dir.ca.gov/lcp.asp.

Additional Compliance Requirements:

Davis Bacon Compliance:
https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/davisbacon.shtml

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Disadvantaged Business Enterprise (DBE)
https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/docs/policy0513/dbe_compliance_guidelines_instructions.pdf

We strive to provide superior service to our recipients and would appreciate your feedback on the application process. Please assist us in completing a 5-minute Customer Satisfaction Survey at https://www.surveymonkey.com/s/DWSRFSatisfaction so we can continue to improve on our service and process. Your comments are valuable to the success of the DWSRF Program. Thank you for your time and we look forward to continuing to work with you.

Ms. Xia Lao may be contacted at (916) 341-5961 or Xia.Lao@waterboards.ca.gov.

Enclosures

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Documents Transmitted back to Adobe by the Recipient:

Steps:

1. Once the Adobe notification has been received, the Recipient will open Adobe. The Recipient must checkmark the box to agree to the Consumer Disclosure. Click on [**Accept**]

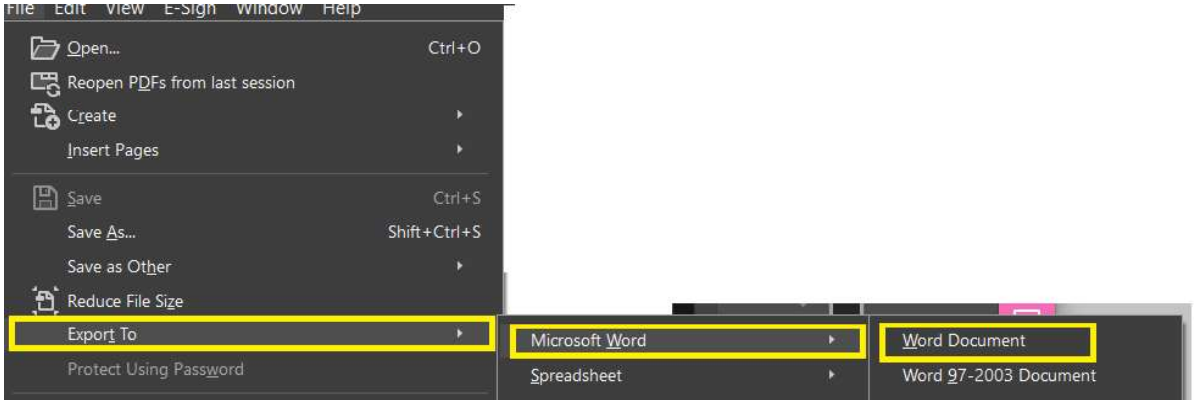


2. The Recipient will need to download the (PDF) documents by selecting the corresponding radio button. Ensure to save the documents to the desired location.





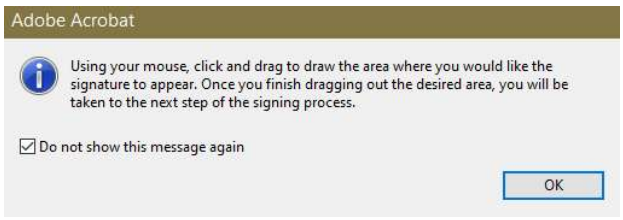
3. Once you have saved the documents to the desired location, the Recipient will proceed with generating the required closing documents. For the documents to be edited, you must save your file in Word format. Click on [**File-Export To-Microsoft Word – Word Document**]



4. Once the Recipient has completed the closing documents, the file must be saved as “Adobe PDF” for their respective digital signatures to be entered.

5. The Recipient will select [**Certificates**] from the tools field and using your mouse, click and drag to draw the area where you would like the signature to appear. A dialogue message box will display your Digital ID press [**Continue**] and click on [**Sign**]. [**Save**]





6. The Recipient will attach the signed documents to Adobe by clicking the [**Click to Attachment**] and downloading the signed document(s).



7. Once the closing document(s) have been attached, the Recipient will click on the [**Click to Sign**] button.



DRINKING WATER

STOCKTON EAST WATER DISTRICT

AND

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

CONSTRUCTION
INSTALLMENT SALE AGREEMENT

BELLOTA WEIR MODIFICATION PROJECT
PROJECT NO. 3910006-004C

AGREEMENT NO. D2602016

PROJECT FUNDING AMOUNT: $50,000,000
ESTIMATED REASONABLE PROJECT COST: $73,413,500

ELIGIBLE WORK START DATE: JULY 19, 2025
ELIGIBLE CONSTRUCTION START DATE: JULY 19, 2025
COMPLETION OF CONSTRUCTION DATE: DECEMBER 30, 2028
PRINCIPAL PAYMENT START DATE: DECEMBER 30, 2029
INTEREST PAYMENT START DATE: SEE SECTION B.2.6
FINAL REIMBURSEMENT REQUEST DATE: JUNE 30, 2029
FINAL PAYMENT DATE: DECEMBER 30, 2058
RECORDS RETENTION END DATE: DECEMBER 30, 2064

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AGREEMENT

1. AUTHORITY.

(a) The State Water Resources Control Board (State Water Board) is authorized, and implements its authority, to provide financial assistance under this Agreement pursuant to 116760 et seq. of the Health and Safety Code, and Resolution Nos. 2025-0014 and 2025-0024.

(b) The Recipient is authorized to enter into this Installment Sale Agreement (Agreement) pursuant to Resolution No. 25-26-01.

2. INTENTION.

(a) The Recipient desires to receive financial assistance for and undertake work required for the drinking water construction Project according to the terms and conditions set forth in this Agreement.

(b) The State Water Board proposes to assist in providing financial assistance for eligible costs of the Project in the amount set forth in Exhibit B, according to the terms and conditions set forth in this Agreement, with the expectation that the Recipient shall repay all of the financial assistance to the State Water Board.

(c) The Recipient intends to evidence its obligation to submit Payments to the State Water Board and secure its obligation with Net Revenues of its water enterprise, as set forth in Exhibit B, according to the terms and conditions set forth in this Agreement.

3. AGREEMENT, TERM, DOCUMENTS INCORPORATED BY REFERENCE.

In consideration of the mutual representations, covenants and agreements herein set forth, the State Water Board and the Recipient, each binding itself, its successors and assigns, do mutually promise, covenant, and agree to the terms, provisions, and conditions of this Agreement.

(a) The Recipient hereby sells to the State Water Board and the State Water Board hereby purchases from the Recipient the Project. Simultaneously therewith, the Recipient hereby purchases from the State Water Board, and the State Water Board hereby sells to the Recipient, the Project in accordance with the provisions of this Agreement. All right, title, and interest in the Project shall immediately vest in the Recipient on the date of execution and delivery of this Agreement by both parties without further action on the part of the Recipient or the State Water Board.

(b) Subject to the satisfaction of all conditions precedent to this Agreement, this Agreement shall become effective upon the signature of both the Recipient and the State Water Board. Conditions precedent are not limited to the following:

i. The Recipient must deliver to the Division a resolution authorizing this Agreement.
ii. The Recipient must deliver an opinion of bond counsel and general counsel satisfactory to the State Water Board's counsel dated on or after the date that the Recipient signs this Agreement.

(c) Upon execution, the term of the Agreement shall begin on the Eligible Work Start Date and extend through the Final Payment Date.

(d) This Agreement includes the following exhibits and attachments thereto:

i. EXHIBIT A – SCOPE OF WORK
ii. EXHIBIT B – FUNDING TERMS

iii. EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS
iv. EXHIBIT D – SPECIAL CONDITIONS
v. EXHIBIT E – PAYMENT SCHEDULE

(e) This Agreement includes the following documents incorporated by reference, as well as any documents incorporated by reference in Exhibit D:

i. the Final Plans & Specifications, dated March 24, 2023, which are the basis for the construction contract to be awarded by the Recipient, including any amendments approved by the Division;
ii. the Drinking Water System Permit No. 01-10-17PA-005(amd)/01-10-15P-006, and any amendments thereto;
iii. the Recipient's Reimbursement Resolution No. 25-26-02 dated April 8, 2025;
iv. the federal Davis-Bacon requirements. By accepting this Agreement, the Recipient acknowledges and agrees to the terms and conditions provided in the DBRA Requirements for EPA Subrecipients | US EPA (https://www.epa.gov/grants/dbra-requirements-epa-subrecipients). The Recipient shall ensure that the following language is included in all contracts and subcontracts funded under this Agreement:

> By accepting this contract, the contractor acknowledges and agrees to the terms and conditions provided in the Contract Provisions for Davis-Bacon and Related Acts | US EPA (https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts).
>
> (For reference, see also https://www.waterboards.ca.gov/water_issues/programs/grants_loans/srf/davisbacon.html.)

(f) This Agreement, and any amendments hereto, may be executed and delivered in any number of counterparts, each of which when delivered shall be deemed to be an original, but such counterparts shall together constitute one document. The parties may sign this Agreement, and any amendments hereto, either by an electronic signature using a method approved by the State Water Board or by a physical, handwritten signature. The parties mutually agree that an electronic signature using a method approved by the State Water Board is the same as a physical, handwritten signature for the purposes of validity, enforceability, and admissibility.

4. PARTY CONTACTS

State Water Board		Stockton-East Water District	
Section:	Division of Financial Assistance		
Name:	Maria Pang, Project Manager	Name:	Justin M. Hopkins, General Manager
Address:	1001 I Street, 16th Floor	Address:	6767 E. Main St
City, State, Zip:	Sacramento, CA 95814	City, State, Zip:	Stockton, CA 95215
Phone:	(916) 319-8256	Phone:	(209) 948-0333
Email:	Maria.Pang@waterboards.ca.gov	Email:	Jhopkins@sewd.net

The Recipient may change its contact upon written notice to the Division, which notice shall be accompanied by authorization from the Recipient's Authorized Representative. The State Water Board will notify the Recipient of any changes to its contact.

While the foregoing are contacts for day-to-day communications regarding Project work, the Recipient shall provide official communications and events of Notice as set forth in Exhibit C to the Division's Deputy Director.

5. DEFINITIONS.

Unless otherwise specified, each capitalized term used in this Agreement has the following meaning:

"Additional Payments" means the reasonable extraordinary fees and expenses of the State Water Board, and of any assignee of the State Water Board's right, title, and interest in and to this Agreement, in connection with this Agreement, including all expenses and fees of accountants, trustees, staff, contractors, consultants, costs, insurance premiums and all other extraordinary costs reasonably incurred by the State Water Board or assignee of the State Water Board.

"Allowance" means an amount based on a percentage of the accepted bid for an eligible project to help defray the planning, design, and construction engineering and administration costs of the Project.

"Agreement" means this agreement, including all exhibits and attachments hereto.

"Authorized Representative" means the duly appointed representative of the Recipient as set forth in the certified original of the Recipient's authorizing resolution that designates the authorized representative by title.

"Charge In Lieu of Interest" means any fee or charge in lieu of some or all of, but not to exceed, the interest that would otherwise be owed under this Agreement, as set forth in Exhibit E.

"Code" as used in Exhibit F of this Agreement means the Internal Revenue Code of 1986, as amended, and any successor provisions and the regulations of the U.S. Department of the Treasury promulgated thereunder.

"Completion of Construction" means the date, as determined by the Division after consultation with the Recipient, that the work of building and erection of the Project is substantially complete, and is identified in Exhibit A of this Agreement.

"Cover Page" means the front page of this Agreement.

"Days" means calendar days unless otherwise expressly indicated.

"Debt Service" means, as of any date, with respect to outstanding System Obligations and, in the case of the additional debt tests in Exhibit B of this Agreement, any System Obligations that are proposed to be outstanding, the aggregate amount of principal and interest scheduled to become due (either at maturity or by mandatory redemption), together with any Charge In Lieu of Interest on this Obligation or other System Obligations to the State Water Board, calculated with the following assumptions:

a. Principal payments (unless a different subdivision of this definition applies for purposes of determining principal maturities or amortization) are made in accordance with any amortization schedule published for such principal, including any minimum sinking fund payments;

b. Interest on a variable rate System Obligation that is not subject to a swap agreement and that is issued or will be issued as a tax-exempt obligation under federal law, is the average of the SIFMA Municipal Swap Index, or its successor index, during the 24 months preceding the date of such calculation;

c. Interest on a variable rate System Obligation that is not subject to a swap agreement and that is issued or will be issued as a taxable obligation under federal law, is the average of SOFR, or its successor index, during the 24 months preceding the date of such calculation;

d. Interest on a variable rate System Obligation that is subject to a swap agreement is the fixed swap rate or cap strike rate, as appropriate, if the variable rate has been swapped to a fixed rate or capped pursuant to an interest rate cap agreement or similar agreement;

e. Interest on a fixed rate System Obligation that is subject to a swap agreement such that all or a portion of the interest has been swapped to a variable rate shall be treated as variable rate debt under subdivisions (b) or (c) of this definition of Debt Service;

f. Payments of principal and interest on a System Obligation are excluded from the calculation of Debt Service to the extent such payments are to be paid from amounts then currently on deposit with a trustee or other fiduciary and restricted for the defeasance of such System Obligations;

g. If 25% or more of the principal of a System Obligation is not due until its final stated maturity, then principal and interest on that System Obligation may be projected to amortize over the lesser of 30 years or the Useful Life of the financed asset, and interest may be calculated according to subdivisions (b)-(e) of this definition of Debt Service, as appropriate.

“Deputy Director” means the Deputy Director of the Division.

“Development Fees” means all development or other capital improvement fees, if any, collected by either the City of Stockton or the County of San Joaquin and required, pursuant to Section 4 of the Addendum to the Installment Purchase Agreement by and between Stockton-East Water District and Stockton-East Water District Financing Corporation, dated as of October 1, 2025.

“District Office” means District Office of the Division of Drinking Water of the State Water Board.

"Division" means the Division of Financial Assistance of the State Water Board or any other segment of the State Water Board authorized to administer this Agreement.

“Division of Drinking Water” means the Division of Drinking Water of the State Water Board.

“Eligible Construction Start Date” means the date set forth on the Cover Page of this Agreement, establishing the date on or after which construction costs may be incurred and eligible for reimbursement hereunder.

“Eligible Work Start Date” means the date set forth on the Cover Page of this Agreement, establishing the date on or after which any non-construction costs may be incurred and eligible for reimbursement hereunder.

“Enterprise Fund” means the enterprise fund of the Recipient in which Revenues are deposited.

“Event of Default” means the occurrence of any of the following events:

a) Failure by the Recipient to make any payment required to be paid pursuant to this Agreement, including Payments;
b) A representation or warranty made by or on behalf of the Recipient in this Agreement or in any document furnished by or on behalf of the Recipient to the State Water Board pursuant to this Agreement shall prove to have been inaccurate, misleading or incomplete in any material respect;

c) A material adverse change in the condition of the Recipient, the Revenues, or the System, which the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement.
d) Failure by the Recipient to comply with the additional debt test or reserve fund requirement, if any, in Exhibit B or Exhibit D of this Agreement;
e) Failure to operate the System or the Project without the Division's approval;
f) Failure by the Recipient to observe and perform any covenant, condition, or provision in this Agreement, which failure shall continue for a period of time, to be determined by the Division;
g) The occurrence of a material breach or event of default under any System Obligation or Material Obligation that results in the acceleration of principal or interest or otherwise requires immediate prepayment, repurchase or redemption;
h) Initiation of proceedings seeking arrangement, reorganization, or any other relief under any applicable bankruptcy, insolvency, or other similar law; the appointment of or taking possession of the Recipient's property by a receiver, liquidator, assignee, trustee, custodian, conservator, or similar official; the Recipient's entering into a general assignment for the benefit of creditors; the initiation of resolutions or proceedings to terminate the Recipient's existence, or any action in furtherance of any of the foregoing;
i) A determination pursuant to Gov. Code section 11137 that the Recipient has violated any provision in Article 9.5 of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code; or
j) Loss of the Recipient's rights, licenses, permits, or privileges necessary for the operation of the System or the Project, or the occurrence of any material restraint on the Recipient's enterprise by a government agency or court order.

"Final Budget Approval" or "FBA" means the Division's written approval of the final budget for the Project or a phase of the Project.

"Final Payment Date" is the date by which all principal and accrued interest due under this Agreement is to be paid in full to the State Water Board and is specified on the Cover Page of this Agreement.

"Final Reimbursement Request Date" means the date set forth as such on the Cover Page of this Agreement, after which date, no further Project Funds disbursements may be requested.

"Fiscal Year" means the period of twelve (12) months terminating on June 30 of any year, or any other annual period selected and designated by the Recipient as its Fiscal Year in accordance with applicable law.

"Force Account" means the use of the Recipient's own employees, equipment, or resources for the Project.

"GAAP" means generally accepted accounting principles, the uniform accounting and reporting procedures set forth in publications of the American Institute of Certified Public Accountants or its successor, or by any other generally accepted authority on such procedures, and includes, as applicable, the standards set forth by the Governmental Accounting Standards Board or its successor, or the Uniform System of Accounts, as adopted by the California Public Utilities Commission for water utilities.

"Initiation of Construction" means the date that notice to proceed with work is issued for the Project, or, if notice to proceed is not required, the date of commencement of building and erection of the Project.

"Listed Event" means, so long as the Recipient has outstanding any System Obligation subject to Rule 15c2-12, any of the events required to be reported with respect to such System Obligation pursuant to Rule 15c2-12(b)(5).

“Material Obligation” means an obligation of the Recipient that is material to this transaction, including System Obligations.

“Maximum Annual Debt Service” means the maximum amount of Debt Service due on System Obligations in a Fiscal Year during the period commencing with the Fiscal Year for which such calculation is made and within the next five years in which Debt Service for any System Obligations will become due.

"Net Revenues" means, for any Fiscal Year, all Revenues received by the Recipient less the Operations and Maintenance Costs for such Fiscal Year.

"Obligation" means the obligation of the Recipient to make Payments (including Additional Payments) as provided herein, as evidenced by the execution of this Agreement, proceeds of such obligations being used to fund the Project as specified in the Project Description in Exhibit A and Exhibit B and in the documents thereby incorporated by reference.

"Operations and Maintenance Costs" means the reasonable and necessary costs paid or incurred by the Recipient for maintaining and operating the System, determined in accordance with GAAP, including all reasonable expenses of management and repair and all other expenses necessary to maintain and preserve the System in good repair and working order, and including all reasonable and necessary administrative costs of the Recipient that are charged directly or apportioned to the operation of the System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits, licenses, and charges to operate the System and insurance premiums; but excluding, in all cases (1) depreciation, replacement, and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, and (2) the portion of operating costs paid from (a) Wheeling Revenues, (b) amounts received by the Recipient from San Joaquin County from the levy by such county of the 1% *ad valorem* property tax, or (c) amounts received by the Recipient from transmission and distribution charges.

“Parity Obligation” means a debt obligation of the Recipient on parity with this Obligation. The Recipient’s Parity Obligations are these:

- Funding Agreement by and between the State of California Department of Public Health and Stockton-East Water District, executed May 18, 2012 (Agreement No. SRF12CX101, DWSRF Project 3910006-003C); and

- Installment Purchase Agreement by and between Pacific Western Bank and Stockton-East Water District, dated as of July 15, 2019, and subsequently amended as of November 23, 2021.

- Installment Purchase Agreement, by and between Stockton-East Water District and Stockton-East Water District Financing Corporation, dated as of October 1, 2025.

“Payment” means any payment due to the State Water Board from the Recipient pursuant to this Agreement.

"Policy" means the State Water Board's “Policy for Implementing the Drinking Water State Revolving Fund,” as amended from time to time, including the Intended Use Plan in effect as of the execution date of this Agreement.

“Project” means the Project financed by this Agreement as described in Exhibits A and B and in the documents incorporated by reference herein.

"Project Completion" means the date, as determined by the Division after consultation with the Recipient, that operation of the Project is initiated or is capable of being initiated, whichever comes first.

"Project Costs" means the incurred costs of the Recipient which are eligible for financial assistance under this Agreement, which are allowable costs as defined under the Policy, and which are reasonable, necessary and allocable by the Recipient to the Project under GAAP, and may include capitalized interest.

“Project Funds” means all moneys disbursed to the Recipient by the State Water Board for eligible Project Costs pursuant to this Agreement.

“Recipient” means Stockton East Water District.

“Records Retention End Date” means the last date that the Recipient is obligated to maintain records and is set forth on the Cover Page of this Agreement.

“Regional Water Quality Control Board” or “Regional Water Board” means the appropriate Regional Water Quality Control Board.

“Reimbursement Resolution” means the Recipient’s reimbursement resolution identified and incorporated by reference in this Agreement.

“Reserve Fund” means the reserve fund required pursuant to Exhibit B of this Agreement.

"Revenues" means, for each Fiscal Year, all gross income and revenue received or receivable by the Recipient from the ownership or operation of the System, determined in accordance with GAAP, including (1) all rates, fees, and charges (including connection fees and charges) as received by the Recipient for the services of the System, and (2) all other income and revenue howsoever derived by the Recipient from the ownership or operation of the System or arising from the System, including all income from (a) the deposit or investment of any money in the Enterprise Fund or any rate stabilization fund of the Recipient or held on the Recipient’s behalf, (b) any refundable deposits made to establish credit, and (c) advances or contributions in aid of construction; but excluding (i) all Development Fees, (ii) all Wheeling Revenues, (iii) all amounts received by the Recipient from San Joaquin County from the levy by such county of the 1% *ad valorem* property tax, and (iv) all amounts received by the Recipient from transmission and distribution charges.

For the avoidance of doubt, refundable deposits and advances or contributions are not included in the definition of Revenues.

“Rule 15c2-12(b)(5)” means Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

“Senior Obligation” means a debt obligation of the Recipient that is senior to this Obligation. There are no Senior Obligations.

“SRF” means the Drinking Water State Revolving Fund.

“State” means State of California.

“State Water Board” means the State Water Resources Control Board.

“Subordinate Obligation” means a debt obligation of the Recipient that is subordinate to this Obligation. There are no Subordinate Obligations.

“System” means all drinking water collection, pumping, transport, treatment, storage, and delivery facilities, including land and easements thereof, owned by the Recipient, including the Project, and all

other properties, structures, or works hereafter acquired and constructed by the Recipient and determined to be a part of the System, together with all additions, betterments, extensions, or improvements to such facilities, properties, structures, or works, or any part thereof hereafter acquired and constructed.

"System Obligation" means any obligation of the Recipient payable from the Revenues, including but not limited to this Obligation, any Parity Obligation, any Subordinate Obligation, and such additional obligations as may hereafter be issued in accordance with the provisions of such obligations and this Agreement.

"Useful Life" means the economically useful life of the Project beginning at Completion of Construction and is set forth in Exhibit A.

"Wheeling Revenues" means all amounts (other than the operation and maintenance cost element) received from Central San Joaquin Water Conservation District pursuant to Water Code section 1810 for use of Stockton East Water District facilities to wheel water.

"Year" means calendar year unless otherwise expressly indicated.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

STOCKTON-EAST WATER DISTRICT:

By:_____
Name: Justin M. Hopkins
Title: General Manager

Date:_____

STATE WATER RESOURCES CONTROL BOARD:

By:_____
Name: Daniel Newton
Title: Deputy Director
Division of Financial Assistance

Date:_____

Adobe Acrobat Sign Transaction Number: CBJCHBCAABAACPizpI3UJJB5e0Ndv3dsD4tZYaYKCrSh

EXHIBIT A – SCOPE OF WORK

A.1. PROJECT DESCRIPTION, USEFUL LIFE, AND SCOPE OF WORK.

(a) The Project is the project set forth on the Cover Page of this Agreement.

(b) The Useful Life of this Project is at least 30 years.

(c) Project Purpose and Description

The Project is for the benefit of the Recipient and has a Useful Life of at least 30 years. The purpose of the Bellota Weir Modifications Project (Project) is to provide a more effective volitional fish passage route at the existing Bellota Weir location in Mormon Slough, exclude fish from the Old Calaveras River, improve sediment continuity in Mormon Slough, and provide a more reliable surface water intake for the Stockton East Water District Water Treatment Plant (WTP) that provides drinking water to the City of Stockton and surrounding area. Specifically, the Project proposes removal and replacement of the existing weir, the surface water intake for the WTP, and construction of a roughened channel.

(d) Scope of Work.

The Recipient agrees to do the following:

The proposed Project facility will include intake and weir replacement and improvements with effective fish passage to reduce fish entrainment and increase water supply reliability. The Recipient agrees to carry out the following proposed Project elements in order to realize the described proposed Project facility:

i. Construct a concrete weir with a series of weir gates designed to modulate forebay pool elevations based on operational needs

ii. Improve sediment conveyance by including sluicing functions in the forebay, intake manifold, and screen channel

iii. Provide reliable fish passage using a roughened channel combined with a fishway utilizing both vertical slot, pool, and weir techniques to accommodate the full range of flows and river stages at the site

iv. Provide reliable fish screening, both for the Bellota Intake and the Old Calaveras River, to prevent fish entrainment

v. Provide a non-entraining fish barrier to the Old Calaveras River using an earthen embankment

A.2. STANDARD PROJECT REQUIREMENTS.

A.2.1 Acknowledgements.

The Recipient shall include the following acknowledgement in any document, written report, or brochure prepared in whole or in part pursuant to this Agreement:

“Funding for this project has been provided in full or in part through Agreement No. D2602016 with the State Water Resources Control Board.

California's Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds.

The contents of this document do not necessarily reflect the views and policies of the foregoing agencies, nor do the foregoing agencies endorse trade names or recommend the use of commercial products mentioned in this document, as well as any images, video, text, or other content created by generative artificial intelligence tools, nor does any such content necessarily reflect the views and policies of the foregoing."

A.2.2 Reports

A.2.2.1 Progress Reports.

(a) The Recipient must provide a progress report to the Division each quarter, beginning no later than 90 days after execution of this Agreement.

(b) The Recipient must provide a progress report with each reimbursement request. Failure to provide a complete and accurate progress report may result in the withholding of Project Funds, as set forth in Exhibit B.

(c) A progress report must contain the following information:

i. A summary of progress to date including a description of progress since the last report, percent construction complete, percent contractor invoiced, and percent schedule elapsed;

ii. A description of compliance with environmental requirements;

iii. A listing of change orders including amount, description of work, and change in contract amount and schedule; and

iv. Any problems encountered, proposed resolution, schedule for resolution, and status of previous problem resolutions.

A.2.2.2 Project Completion Report.

(a) The Recipient must submit a Project Completion Report to the Division with a copy to the appropriate District Office on or before the due date established by the Division and the Recipient at the time of final project inspection. The Project Completion Report must include the following:

i. Description of the Project,

ii. Description of the water quality problem the Project sought to address,

iii. Discussion of the Project's likelihood of successfully addressing that water quality problem in the future, and

iv. Summary of compliance with applicable environmental conditions.

(b) If the Recipient fails to submit a timely Project Completion Report, the State Water Board may stop processing pending or future applications for new financial assistance, withhold disbursements under this Agreement or other agreements, and begin administrative proceedings.

A.2.2.3 As Needed Reports.

The Recipient must provide expeditiously, during the term of this Agreement, any reports, data, and information reasonably required by the Division, including but not limited to material necessary or appropriate for evaluation of the funding program or to fulfill any reporting requirements of the state or federal government.

A.2.2.4 [Reserved.]

A.2.2.5 Disadvantaged Business Enterprise Good Faith Efforts.

The Recipient shall comply with the applicable Disadvantaged Business Enterprises (DBE) requirements in 40 CFR part 33 for the Project and require its prime contractors on the Project to comply. 40 CFR § 33.301 requires the use of good faith efforts to utilize DBE's whenever procuring construction, equipment, services, and supplies. 40 CFR § 33.501 includes recordkeeping requirements. If requested by the Division, the Recipient must provide such information as may be requested demonstrating compliance with DBE requirements.

A.2.3 Signage.

The Recipient shall place a sign at least four feet tall by eight feet wide made of ¾ inch thick exterior grade plywood or other approved material in a prominent location on the Project site and shall maintain the sign in good condition for the duration of the construction period. The sign must include the following disclosure statement and color logos (available from the Division):

a.

b. "Funding for this $50 million Bellota Weir Modification project has been provided in full or in part by the Drinking Water State Revolving Fund through an agreement with the State Water Resources Control Board. California's Drinking Water State Revolving Fund is capitalized through a variety of funding sources, including grants from the United States Environmental Protection Agency and state bond proceeds."

c. The Project sign may include another agency's required promotional information so long as the above logos and disclosure statement are equally prominent on the sign. The sign shall be prepared in a professional manner.

A.2.4 Commencement of Operations.

Upon Completion of Construction of the Project, the Recipient must expeditiously initiate Project operations.

A.3 DATES & DELIVERABLES.

(a) Time is of the essence.

(b) The Recipient must expeditiously proceed with and complete construction of the Project.

(c) The following dates are established as on the Cover Page of this Agreement:

i. Eligible Work Start Date

ii. Eligible Construction Start Date
iii. Completion of Construction Date
iv. Final Reimbursement Request Date
v. Records Retention End Date
vi. Final Payment Date

(d) The Recipient must award the prime construction contract timely.

(e) The Recipient agrees to start construction no later than six (6) months after the execution of this Agreement.

(f) The Recipient must deliver any request for extension of the Completion of Construction date no less than 90 days prior to the Completion of Construction date.

(g) The undisbursed balance of this Agreement will be deobligated if the Recipient does not provide its final reimbursement request to the Division on or before the Final Reimbursement Request Date.

A.4 SCHEDULE.

Failure to provide items by the due dates indicated in the table below may constitute a material violation of this Agreement. The Project Manager may adjust the dates in the "Estimated Due Date" column of this table, but Critical Due Date adjustments will require an amendment to this Agreement. The Recipient must complete and submit all work in time to be approved by the Division prior Project Completion. As applicable for specific submittals, the Recipient must plan adequate time to solicit, receive, and address comments prior to submitting the final submittal. The Recipient must submit the final reimbursement request prior to the Final Reimbursement Request Date set forth on the Cover Page.

ITEM	DESCRIPTION OF SUBMITTAL	CRITICAL DUE DATE	ESTIMATED DUE DATE
EXHIBIT A - SCOPE OF WORK			
A.	ADDITIONAL SUBMITTAL(S)TO DIVISION		
1.	Completion of Construction	December 30, 2028	N/A
B.	REPORTS		
1.	Progress Reports	N/A	Quarterly
2.	Final Project Inspection and Certification	N/A	Upon completion of the Project
3.	Project Completion Report	N/A	June 30, 2029
4.	As Needed Information and Reports	N/A	As Requested by Division
EXHIBIT B – REIMBURSEMENTS, BUDGET DETAIL, AND REPORTING PROVISIONS			
A.	REIMBURSEMENTS		
1	First Reimbursement Request	No later than 90 days from Agreement Execution Date	N/A
2	Final Budget Approval Package	N/A	December 30, 2026
3	Reimbursement Requests	N/A	Quarterly
4	Final Reimbursement Request	June 30, 2029	N/A

EXHIBIT B – FUNDING TERMS

B.1. FUNDING AMOUNTS AND REIMBURSEMENTS

B.1.1 Funding Contingency and Other Sources.

(a) If this Agreement's funding for any fiscal year expires due to reversion or is reduced, substantially delayed, or deleted by the state or federal government, such as by budget act, by executive order, or by order or action of the Department of Finance or a federal agency, the State Water Board has the option to either cancel this Agreement with no liability accruing to the State Water Board, or offer an amendment to the Recipient to reflect the reduced amount.

(b) If funding for Project Costs is made available to the Recipient from sources other than this Agreement, the Recipient must notify the Division. The Recipient may retain such funding up to an amount which equals the Recipient's share of Project Costs. To the extent allowed by requirements of other funding sources, excess funding must be remitted to the State Water Board to be applied to Payments due hereunder, if any.

B.1.2 Estimated Reasonable Cost.

The estimated reasonable cost of the total Project, including associated planning and design costs is seventy-three million four hundred thirteen thousand five hundred dollars and no cents ($73,413,500.00).

B.1.3 Project Funding Amount.

Subject to the terms of this Agreement, the State Water Board agrees to provide Project Funds not to exceed the amount of the Project Funding Amount set forth on the Cover Page of this Agreement.

B.1.4 [Reserved.]

B. 1.5 Budget Costs.

The Division's Final Budget Approval and related Form 259 and Form 260 documents the detailed budget of eligible Project Costs and Project funding amounts. Construction of the Project may be completed in phases with written approval of the Division. If construction proceeds under separate phases, the Recipient must submit a Final Budget Approval package and receive Final Budget Approval from the Division for each phase.

FINAL BUDGET APPROVAL

The Final Budget Approval is incorporated as set forth herein:

Table 1: Approved Construction Bid Amount

CONTRACTOR	AMOUNT BID	APPROVED COSTS
Shimmick Construction Company, Inc.	$50,630,000	$50,000,000

1 - BUDGET

Table 2: Approved Final Project Budget

PROJECT COST TABLE	
TYPE OF WORK	APPROVED BUDGET
A. Construction	
Shimmick Construction Company, Inc.	$50,000,000
B. Pre-Purchased Material / Equipment	$0
C. Real Property / Easement Acquisition	$0
D. Change Order Contingency	$0
E. Force Account	$0
F. Allowances (Soft Costs)	$0
TOTAL (A+B+C+D+E+F)	$50,000,000

Notes:

1. *Recipient is only planning to claim construction costs.*

2 - PROJECT ELIGIBILITY DETERMINATION

The eligibility determinations and conditions of approval identified below are based on the review of:

- Stamped and Signed Final Plans and Specifications (P&S) for the Project received November 4, 2025, dated March 24, 2023
- Addenda Nos. 1, 2, and 3, issued May 30, 2025, June 17, 2025, and June 24, 2025, respectively.

The eligibility determination for the bid items shown in the schedule of values provided by the Recipient are as follows:

Table 3: Eligibility Determination Agreement:

Bid Item	Description	Percent Eligibility
1	Mobilization	
1.1	Mobilization	100%
2	General Requirements	
2.1	Site Maintenance	100%
2.2	SWPPP Maintenance	100%
2.3	Care of Water Submittal	100%
2.4	Schedule Updates	100%
3	Care of Water	
3.1	Install Temp Coffer Dam Season 1	100%
3.2	Remove Temp Coffer Dam Season 1	100%
3.3	Install Temp Coffer Dam Season 2	100%
3.4	Remove Temp Coffer Dam Season 2	100%
3.5	Install Temp Coffer Dam Old Calaveras	100%
3.6	Remove Temp Coffer Dam Old Calaveras	100%
3.7	Install Dewatering System	100%
3.8	Maintain Dewatering System	100%

3.9	Remove Dewatering System	100%
3.10	Install Temp Bypass Lines	100%
3.11	Remove Temp Bypass Lines	100%
4	Demolition	
4.1	Clear and Grub Site Vegetation	100%
4.2	Demo Existing Weir	100%
4.3	Demo Existing Electrical Building	100%
4.4	Remove/Salvage Existing Rock	100%
5	Sitework	
5.1	Excavate Weir/Intake/Fish Passage to Subgrade	100%
5.2	Excavate Roughened Channel	100%
5.3	Offhaul Spoils	100%
5.4	Permanent Site Fencing/Gates	100%
5.5	Permanent Gravel Site Access Roads	100%
5.6	Asphalt Paving	100%
6	Intake	
6.1	Submittal Pipe Pile and Sheet Pile	100%
6.2	Procure Pipe Pile and Sheet Pile	100%
6.3	Install Pipe Pile and Sheet Pile	100%
6.4	Slide Gates Submittal	100%
6.5	Furnish Slide Gates	100%
6.6	Install Slide Gates	100%
6.7	Fish Screens Submittal	100%
6.8	Furnish Fish Screens	100%
6.9	Install Fish Screens	100%
6.10	Debris Rack and Boom Submittal	100%
6.11	Furnish Debris Rack and Boom	100%
6.12	Install Debris Rack and Boom	100%
6.13	Trash Rake Submittal	100%
6.14	Furnish Trash Rake	100%
6.15	Install Trash Rake	100%
6.16	Concrete Structure	100%
6.17	Furnish and Install Miscellaneous Metals	100%
6.18	6" and 8" Pumps Submittal	100%
6.19	Furnish 6" and 8" Pumps and Piping	100%
6.20	Install 6" and 8" Pumps and Piping	100%
7	Weir	
7.1	Pipe Pile and Sheet Pile Submittal	100%
7.2	Procure Pipe Pile and Sheet Pile	100%
7.3	Install Pipe Pile and Sheet Pile North	100%
7.4	Install Pipe Pile and Sheet Pile South	100%
7.5	Obermeyer Gates Submittal	100%
7.6	Furnish Obermeyer Gates	100%
7.7	Install Gates	100%
7.8	Install Compressed Air System	100%
7.9	Concrete Structure North	100%
7.10	Concrete Structure South	100%
7.11	Furnish and Install Wood Stoplogs	100%

7.12	Install Mechanical	100%
8	Sluiceway	
8.1	F/P/S Outfall Structure	100%
8.2	Install 54" Sluice Pipe	100%
8.3	Install Manhole	100%
9	Fish Ladder	
9.1	Pipe Pile and Sheet Pile Submittal	100%
9.2	Procure Pipe Pile and Sheet Pile	100%
9.3	Install Pipe Pile and Sheet Pile	100%
9.4	Install Misc Metals	100%
9.5	F/P/S Concrete Structure	100%
9.6	Furnish and Install Gates	100%
10	Roughened Channel	
10.1	Furnish Boulders	100%
10.2	Place Boulder Bands	100%
10.3	Place Boulder Clusters	100%
10.4	Fine Grade	100%
10.5	Place Filter Material	100%
10.6	Place Void Filled Rip Rap	100%
11	Bellota Conveyance Pipeline	
11.1	54" WSP Submittal	100%
11.2	Furnish 54" WSP	100%
11.3	Install 54" WSP Bellota Conveyance Pipeline	100%
11.4	Install Stone Columns	100%
11.5	Install SOE for South Diversion Structure	100%
11.6	F/P/S South Diversion Structure	100%
12	Old Calaveras Improvements	
12.1	Furnish 54" RCP Pipe	100%
12.2	Install 54" RCP Pipe	100%
12.3	Earthen Embankment and Core	100%
12.4	F/P/S Outfall Structure	100%
12.5	Rip Rap Outfall Structure	100%
13	Rock Slope Protection	
13.1	Fine Grade Embankment North	100%
13.2	Fine Grade Embankment South	100%
13.3	Place RSP North	100%
13.4	Place RSP South	100%
14	Control and Shop Building	
14.1	F/P/S Building Slab	100%
14.2	Erect Building	100%
14.3	Building Mechanical Components	100%
15	Instrumentation and Controls	
15.1	Antenna Submittal	100%
15.2	Furnish and Install Antenna	100%

15.3	Site Electrical	100%
15.4	Instrumentation Installation	100%
15.5	Electrical Panels and Cabinet	100%

Bid items are as shown in the schedule of values provided by the Recipient.

Eligibility Determination Conditions of Approval

1. Necessary insurance directly related to the construction contract and extending throughout the period of the construction contract will be eligible for DWSRF financing. This includes builder risk insurance, public liability insurance, fire, and Project specific insurance.
2. Earthquake insurance and "Act of God" insurance are ineligible for funding.
3. The cost of local permits and licenses other than those issued by the Recipient are eligible for DWSRF financing.
4. The approved change order contingency may not be increased above the approved contingency shown in Table 2. Any unclaimed construction or allowance costs may also be used towards approved construction change orders. The change order approval may not: (1) increase the maximum amount of the financing agreement based on Table 2: Approved Construction Budget, (2) increase the term of the financing agreement, or (3) result in a substantial change in the Project scope.
5. Review of the P&S by the Division is conducted to determine eligibility and administrative compliance with the Policy. Issuance of the FBA does not relieve the Recipient and the design engineer of their legal liability for the adequacy of the design.

Upon written request by the Recipient, the Division may adjust the line items of the budget at the time of Recipient's submittal of its final claim. Any line item adjustments to the budget that are due to a change in scope of work will require an Agreement amendment. The sum of adjusted line items in the budget must not exceed the Project Funding Amount. The Division may also propose budget adjustments.

Any increase in the Project Funding Amount will require an Agreement amendment.

B.1.6 Contingent Disbursement.

(a) The State Water Board's disbursement of funds hereunder is contingent on the Recipient's compliance with the terms and conditions of this Agreement.

(b) The State Water Board's obligation to disburse Project Funds is contingent upon the availability of sufficient funds to permit the disbursements provided for herein. If sufficient funds are not available for any reason, including but not limited to failure of the federal or State government to appropriate funds necessary for disbursement of Project Funds, the State Water Board shall not be obligated to make any disbursements to the Recipient under this Agreement. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any disbursements under this Agreement. Nothing in this Agreement shall be construed to provide the Recipient with a right of priority for disbursement over any other entity. If any disbursements due the Recipient under this Agreement are deferred because sufficient funds are unavailable, it is the intention of the State Water Board that such disbursement will be made to the Recipient when sufficient funds do become available, but this intention is not binding.

(c) Construction costs and disbursements are not available until after the Division has approved the final budget form submitted by the Recipient for the corresponding costs.

(d) No costs incurred prior to the Eligible Work Start Date are eligible for reimbursement.

(e) Construction costs incurred prior to the Eligible Construction Start Date are not eligible for reimbursement.

(f) Failure to proceed according to the timelines set forth in this Agreement may require the Recipient to repay to the State Water Board all disbursed Project Funds.

(g) The Recipient agrees to ensure that its final reimbursement request is received by the Division no later than the Final Reimbursement Request Date. If the final reimbursement request is not received timely, the undisbursed balance of this Agreement will be deobligated.

(h) The Recipient is not entitled to interest earned on undisbursed funds.

B.1.7 Reimbursement Procedure.

Except as may be otherwise provided in this Agreement, disbursement of Project Funds will be made as follows:

(a) Upon execution and delivery of this Agreement by both parties the Recipient may request immediate reimbursement of any eligible incurred planning and design allowance costs through submission to the State Water Board of the Reimbursement Request Form 260 and Form 261, or any amendment thereto, duly completed and executed. To be eligible for reimbursement, Project Costs, including any planning and design allowance costs, must have been incurred in compliance with all applicable requirements, including the state and federal cross-cutting requirements listed in Exhibit C.

(b) The Recipient must submit a reimbursement request for costs incurred prior to the date this Agreement is executed by the State Water Board no later than ninety (90) days after this Agreement is executed by the State Water Board. Late reimbursement requests may not be honored.

(c) The Recipient may request reimbursement of eligible construction and equipment costs consistent with budget amounts approved by the Division in the Final Budget Approval.

(d) Additional Project Funds will be promptly disbursed to the Recipient upon receipt of reimbursement request Form 260 and Form 261, or any amendment thereto, duly completed and executed by the Recipient for incurred costs consistent with this Agreement, along with receipt of progress reports due under Exhibit A.

(e) The Recipient must not request reimbursement for any Project Cost until such cost has been incurred and is currently due and payable by the Recipient, although the actual payment of such cost by the Recipient is not required as a condition of reimbursement request. Supporting documentation (e.g., receipts) must be submitted with each reimbursement request. The amount requested for administration costs must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = total amount claimed). Disbursement of Project Funds will be made only after receipt of a complete, adequately supported, properly documented, and accurately addressed reimbursement request. Upon request by the Division, supporting documents for professional and administrative services must include the employees' names, classifications, labor rates, hours worked, and descriptions of the tasks performed. Reimbursement requests submitted without supporting documents may be wholly or partially withheld at the discretion of the Division.

(f) The Recipient must spend Project Funds within 30 days of receipt. If the Recipient earns interest earned on Project Funds, it must report that interest immediately to the State Water Board. The State Water Board may deduct earned interest from future disbursements.

(g) The Recipient shall not request a reimbursement unless that Project Cost is allowable, reasonable, and allocable.

(h) Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with federal or state laws, policies, or regulations.

(i) No work or travel outside the State of California is permitted under this Agreement unless the Division provides prior written authorization. Failure to comply with this restriction may result in termination this Agreement, pursuant to Exhibit C. Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources at http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx. as of the date costs are incurred by the Recipient.

B.1.8 Withholding of Disbursements.

Notwithstanding any other provision of this Agreement, the State Water Board may withhold all or any portion of the Project Funds upon the occurrence of any of the following events:

(a) The Recipient's failure to maintain reasonable progress on the Project as determined by the Division;
(b) Placement on the ballot or passage of an initiative or referendum to repeal or reduce the Recipient's taxes, assessments, fees, or charges levied for operation of the System or payment of debt service on System Obligations;
(c) Commencement of litigation or a judicial or administrative proceeding related to the Project, System, or Revenues that the State Water Board determines may impair the timely satisfaction of Recipient's obligations under this Agreement;
(d) Any investigation by the State Water Board, District Attorney, California State Auditor, Bureau of State Audits, the USEPA Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;
(e) A material adverse change in the condition of the Recipient, the Revenues, or the System, that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement, or any other event that the Division reasonably determines would materially impair the Recipient's ability to satisfy its obligations under this Agreement;
(f) The Recipient's material violation of, or threat to materially violate, any term of this Agreement;
(g) Suspicion of fraud, forgery, embezzlement, theft, or any other misuse of public funds by the Recipient or its employees, or by its contractors or agents regarding the Project or the System;
(h) An event requiring Notice as set forth in Exhibit C;
(i) An Event of Default or an event that the Division determines may become an Event of Default.

B.1.9 Fraud and Misuse of Public Funds; Enforcement.

All requests for reimbursement submitted must be accurate and signed by the Recipient's Authorized Representative under penalty of perjury. All costs submitted pursuant to this Agreement must only be for

the work or tasks set forth in this Agreement. The Recipient must not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Recipient is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is improper and will not be compensated. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements and, notwithstanding any other section in this Agreement, the termination of this Agreement requiring the repayment of all Project Funds disbursed hereunder. Additionally, the Deputy Director of the Division may request an audit; refer the matter for appropriate administrative action, including but not limited to the recovery of financial assistance provided and the imposition of civil penalties; and/or refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. A person who knowingly makes or causes to be made any false statement, material misrepresentation, or false certification in any submittal may be subject to a civil penalty, criminal fine, or imprisonment. (Wat. Code, § 13490 et seq.)

B.2 RECIPIENT'S PAYMENT OBLIGATION, PLEDGE, AND RESERVE

B.2.1 Project Costs.

The Recipient must pay any and all costs connected with the Project including, without limitation, any and all Project Costs and Additional Payments. If the Project Funds are not sufficient to pay the Project Costs in full, the Recipient must nonetheless complete the Project and pay that portion of the Project Costs in excess of available Project Funds, and shall not be entitled to any reimbursement therefor from the State Water Board.

B.2.2 Estimated Principal Payment Due.

The estimated amount of principal that will be due to the State Water Board from the Recipient under this Agreement is fifty million dollars and no cents ($50,000,000.00).

B.2.3 Interest Rate and In-Lieu of Interest Charges.

(a) The Recipient agrees to make all Payments according to the schedule in Exhibit E, and as otherwise set forth herein, at an interest rate of two and one tenth percent (2.10%) per annum.

(b) Interest will accrue beginning with each disbursement.

(d) In lieu of, and not to exceed, interest otherwise due under this Agreement, the Recipient agrees to pay the following charge(s), as further set forth in Exhibit E:

- an Administrative Service Charge
- a Drinking Water Small Community Emergency Grant Fund Charge

B.2.4 [Reserved.]

B.2.5 Obligation Absolute.

The obligation of the Recipient to make the Payments and other payments required to be made by it under this Agreement, from the Net Revenues and/or other amounts legally available to the Recipient therefor, is absolute and unconditional, and until such time as the Payments and Additional Payments have been paid in full, the Recipient must not discontinue or suspend any Payments or other payments required to be made by it hereunder when due, whether or not the Project, or any related part thereof is operating or operable or has been completed, or its use is suspended, interfered with, reduced or

curtailed or terminated in whole or in part, and such Payments and other payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

B.2.6 Payment Timing.

(a) Once the Division has disbursed Project Funds to the Recipient, the Recipient must pay interest on those Project Funds annually, by December 30 of each year. The Recipient must begin making annual Payments of the principal of Project Funds, together with all interest accruing thereon, by the Principal Payment Start Date stated on the Cover Page, with Payments due by December 30 of each year. The Recipient must make Payments fully amortizing the total principal of the Project Funds, together with interest, by the Final Payment Date stated on the Cover Page. Payment calculations are based on a standard fully amortized assistance amount with equal annual payments. As a courtesy, the Division will provide a payment notice to the Recipient prior to the Payment due date, which will include the Payment amount due. Regardless of the delivery of a payment notice, the Recipient is responsible for timely payment of all amounts due.

(b) The remaining balance is the previous balance, plus the disbursements, plus the accrued interest on both, plus any Charge In Lieu of Interest, less the Payment. Principal payment calculations will be made prior to the Principal Payment Start Date. Exhibit E is a payment schedule based on the provisions of this Exhibit and an estimated disbursement schedule. Actual payments will be based on actual disbursements. The Division will prepare any necessary changes to the payment schedule and send them to the Recipient.

(c) Upon Completion of Construction and submission of necessary reports by the Recipient, the Division will prepare an appropriate payment schedule and supply the same to the Recipient. The Division may amend this schedule as necessary to accurately reflect amounts due under this Agreement.

(d) The Recipient must make each Payment on or before the due date therefor. A ten (10) day grace period will be allowed, after which time a penalty in the amount of costs incurred by the State Water Board will be assessed for late payment. These costs may include, but are not limited to, lost interest earnings, staff time, bond debt service default penalties, if any, and other related costs. For purposes of penalty assessment, payment will be deemed to have been made if payment is deposited in the U.S. Mail within the grace period with postage prepaid and properly addressed. Any penalties assessed will not be added to the assistance amount balance, but will be treated as a separate account and obligation of the Recipient. The interest penalty will be assessed from the payment due date.

(e) The Recipient is obligated to make all payments required by this Agreement to the State Water Board, notwithstanding any individual default by its constituents or others in the payment to the Recipient of fees, charges, taxes, assessments, tolls or other charges ("Charges") levied or imposed by the Recipient. The Recipient must provide for the punctual payment to the State Water Board of all amounts which become due under this Agreement and which are received from constituents or others in the payment to the Recipient. In the event of failure, neglect or refusal of any officer of the Recipient to levy or cause to be levied any Charge to provide payment by the Recipient under this Agreement, to enforce or to collect such Charge, or to pay over to the State Water Board any money collected on account of such Charge necessary to satisfy any amount due under this Agreement, the State Water Board may take such action in a court of competent jurisdiction as it deems necessary to compel the performance of all duties relating to the imposition or levying and collection of any of such Charges and the payment of the money collected therefrom to the State Water Board. Action taken pursuant hereto shall not deprive the State Water Board of, or limit the application of, any other remedy provided by law or by this Agreement.

(f) Each Payment must be paid in lawful money of the United States of America by check or other acceptable form of payment set forth at www.waterboards.ca.gov/make_a_payment.

The Recipient must pay Payments and Additional Payments from Net Revenues and/or other amounts legally available to the Recipient therefor.

B.2.7 Pledged Revenues.

B.2.7.1 Establishment of Enterprise Fund and Reserve Fund.

In order to carry out its System Obligations, the Recipient covenants that it shall establish and maintain or shall have established and maintained the Enterprise Fund. All Revenues received shall be deposited when and as received in trust in the Enterprise Fund. As required in this Exhibit, the Recipient must establish and maintain a Reserve Fund.

B.2.7.2 Pledge of Net Revenues, Enterprise Fund, and Reserve Fund.

The Obligation hereunder shall be secured by a lien on and pledge of the Enterprise Fund, Net Revenues, and any Reserve Fund on parity with the Parity Obligations. The Recipient hereby pledges and grants such lien on and pledge of the Enterprise Fund, Net Revenues, and any Reserve Fund to secure the Obligation, including payment of Payments and Additional Payments hereunder. The Enterprise Fund, Net Revenues in the Enterprise Fund, and any Reserve Fund shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Recipient.

B.2.7.3 Application and Purpose of the Enterprise Fund.

Subject to the provisions of any outstanding System Obligation, money on deposit in the Enterprise Fund shall be applied and used first, to pay Operations and Maintenance Costs, and thereafter, all amounts due and payable with respect to the System Obligations in order of priority. After making all payments hereinabove required to be made in each Fiscal Year, the Recipient may expend in such Fiscal Year any remaining money in the Enterprise Fund for any lawful purpose of the Recipient.

B.2.7 [Reserved.]

B.2.8 No Prepayment.

Pursuant to State Water Board's Debt Management Policy, adopted on October 3, 2017, the Recipient may not prepay any portion of the principal and interest due under this Agreement without the written consent of the Deputy Director of the Division.

B.2.9 Reserve Fund.

Prior to Completion of Construction, the Recipient must establish a restricted Reserve Fund, held in its Enterprise Fund, equal to one year's Debt Service on this Obligation. The Recipient must maintain the Reserve Fund throughout the term of this Agreement. The Reserve Fund is subject to lien and pledged as security for this Obligation, and its use is restricted to payment of this Obligation during the term of this Agreement.

B.3 RATES, FEES AND CHARGES.

(a) The Recipient must, to the extent permitted by law, fix, prescribe and collect rates, fees and charges for the System during each Fiscal Year which are reasonable, fair, and nondiscriminatory and which will be sufficient to generate Revenues in the amounts necessary to cover Operations and Maintenance Costs, and must ensure that Net Revenues are equal to the sum of (i) at least 120% of the Maximum Annual Debt Service with respect to all outstanding System Obligations senior to and on parity with the

Obligation and (ii) at least 100% of the Maximum Annual Debt Service with respect to all outstanding System Obligations subordinate to the Obligation, so long as System Obligations other than this Obligation are outstanding. Upon defeasance of all System Obligations other than this Obligation, this ratio must be at least 120%, except where System Obligations are defeased pursuant to refunding obligations.

(b) The Recipient may make adjustments from time to time in such fees and charges and may make such classification thereof as it deems necessary, but shall not reduce the rates, fees and charges then in effect unless the Net Revenues from such reduced rates, fees, and charges will at all times be sufficient to meet the requirements of this section.

(c) Upon consideration of a voter initiative to reduce Revenues, the Recipient must make a finding regarding the effect of such a reduction on the Recipient's ability to satisfy the rate covenant set forth in this Section. The Recipient must make its findings available to the public. The Recipient's Authorized Representative must request, if necessary, the authorization of the Recipient's decision-maker or decision-making body to file litigation to challenge any such initiative that it finds will render it unable to satisfy the rate covenant set forth in this Agreement and its obligation to operate and maintain the Project for its Useful Life. The Recipient must diligently pursue and bear any and all costs related to such challenge. The Recipient must notify and regularly update the State Water Board regarding the status of any such challenge.

B.4 ADDITIONAL DEBT.

(a) The Recipient's future debt that is secured by Revenues pledged herein may not be senior to this Obligation.

(b) The Recipient may issue additional parity or subordinate debt only if all of the following conditions are met:

i. No Event of Default (or no event with respect to which notice has been given and which, once all notice of grace periods have passed, would constitute an Event of Default) has occurred and is continuing;
ii. Net Revenues in the most recent Fiscal Year, excluding transfers from a rate stabilization fund, if any, meet the ratio for rate covenants set forth in this Exhibit with respect to any outstanding and proposed additional obligations;
iii. The Recipient is in compliance with any reserve fund requirement of this Obligation.

B.4.1 [Reserved.]

B.5 NO LIENS.

The Recipient must not make any pledge of or place any lien on the Project, System, or Revenues except as otherwise provided or permitted by this Agreement.

EXHIBIT C – GENERAL & PROGRAMMATIC TERMS & CONDITIONS

C.1 REPRESENTATIONS & WARRANTIES.

The Recipient represents, warrants, and commits to the following as of the Eligible Work Start Date and continuing thereafter for the term of this Agreement.

C.1.1 Application and General Recipient Commitments.

The Recipient has not made any untrue statement of a material fact in its application for this financial assistance, or omitted to state in its application a material fact that makes the statements in its application not misleading.

The Recipient agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents.

The Recipient agrees to fulfill all assurances, declarations, representations, and commitments in its application, accompanying documents, and communications filed in support of its request for funding under this Agreement.

C.1.2 Authorization and Validity.

The execution and delivery of this Agreement, including all incorporated documents, has been duly authorized by the Recipient. Upon execution by both parties, this Agreement constitutes a valid and binding obligation of the Recipient, enforceable in accordance with its terms, except as such enforcement may be limited by law.

C.1.3 No Violations.

The execution, delivery, and performance by Recipient of this Agreement, including all incorporated documents, do not violate any provision of any law or regulation in effect as of the date of execution of this Agreement by the Recipient, or result in any breach or default under any contract, obligation, indenture, or other instrument to which Recipient is a party or by which Recipient is bound as of the date of execution of this Agreement by the Recipient.

C.1.4 No Litigation.

There are, as of the date of execution of this Agreement by the Recipient, no pending or, to Recipient's knowledge, threatened actions, claims, investigations, suits, or proceedings before any governmental authority, court, or administrative agency which materially affect, or, if resolved unfavorably to the Recipient, would materially affect the financial condition or operations of the Recipient, the System, the Revenues, and/or the Project.

There are no proceedings, actions, or offers by a public entity to acquire by purchase or the power of eminent domain the System or any of the real or personal property related to or necessary for the Project.

C.1.5 Property Rights and Water Rights.

The Recipient owns or has sufficient property rights in the Project property for the longer of the Useful Life or the term of this Agreement, either in fee simple or for a term of years that is not subject to third-party revocation during the Useful Life of the Project.

The Recipient possesses all water rights necessary for this Project.

C.1.6 Solvency and Insurance.

None of the transactions contemplated by this Agreement will be or have been made with an actual intent to hinder, delay, or defraud any present or future creditors of Recipient. The Recipient is solvent and will not be rendered insolvent by the transactions contemplated by this Agreement. The Recipient is able to pay its debts as they become due. The Recipient maintains sufficient insurance coverage considering the scope of this Agreement, including, for example but not necessarily limited to, general liability, automobile liability, workers compensation and employer liability, professional liability.

C.1.7 Legal Status and Eligibility.

The Recipient is duly organized and existing and in good standing under the laws of the State of California. Recipient must at all times maintain its current legal existence and preserve and keep in full force and effect its legal rights and authority. The Recipient acknowledges that changes to its legal or financial status may affect its eligibility for funding under this Agreement and commits to maintaining its eligibility. Within the preceding ten years, the Recipient has not failed to demonstrate compliance with state or federal audit disallowances.

C.1.8 Financial Statements and Continuing Disclosure.

The financial statements of Recipient previously delivered to the State Water Board as of the date(s) set forth in such financial statements: (a) are materially complete and correct; (b) present fairly the financial condition of the Recipient; and (c) have been prepared in accordance with GAAP. Since the date(s) of such financial statements, there has been no material adverse change in the financial condition of the Recipient, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered, except as previously disclosed in writing by Recipient and approved in writing by the State Water Board.

The Recipient is current in its continuing disclosure obligations associated with its material debt, if any.

C.1.9 System Obligations

The Recipient has no System Obligations other than those defined in this Agreement.

C.1.10 No Other Material Obligations.

The Recipient has no Material Obligations other than System Obligations.

C.1.11 Compliance with State Water Board Funding Agreements.

The Recipient represents that it is in compliance with all State Water Board funding agreements to which it is a party.

C.2 DEFAULTS AND REMEDIES

In addition to any other remedy set forth in this Agreement, the following remedies are available under this Agreement.

C.2.1 Return of Funds; Acceleration; and Additional Payments.

Notwithstanding any other provision of this Agreement, if the Division determines that an Event of Default has occurred, the Recipient may be required, upon demand, immediately to do each of the following:

i. return to the State Water Board any grant or principal forgiveness amounts received pursuant to this Agreement;
ii. accelerate the payment of any principal owed under this Agreement, all of which shall be immediately due and payable;
iii. pay interest at the highest legal rate on all of the foregoing; and
iv. pay any Additional Payments.

C.2.2 [Reserved.]

C.2.3 Administrative remedies.

Whenever the State Water Board determines that the Recipient, the Recipient's contractor, consultant, employee, agent, assignee, or grantee has violated any requirement or term of the Agreement, the State Water Board may impose civil penalties in accordance with Water Code, section 13497. The State Water Board may impose civil liability administratively against the Recipient or the Recipient's consultant or contractor or other agent furnishing any information related to funds disbursed or costs claimed for reimbursement if the Recipient or the Recipient's consultant or contractor or other agent fails to personally attest that the information is true, accurate, and complete the best of one's knowledge. (Wat. Code, § 13498.) The State Water Board may impose civil liability administratively against any person who makes a misrepresentation in any submittal to the State Water Board, including, but not limited to, an application, report, certification, record, invoice, form, or other document that is submitted to the State Water Board relating to a financial assistance agreement. (Wat. Code, § 13499.)

C.2.4 Judicial remedies.

Whenever the State Water Board determines that an Event of Default shall have occurred, the State Water Board may enforce its rights under this Agreement by any judicial proceeding, whether at law or in equity. Without limiting the generality of the foregoing, the State Water Board may:

i. by suit in equity, require the Recipient to account for amounts relating to this Agreement as if the Recipient were the trustee of an express trust;
ii. by mandamus or other proceeding, compel the performance by the Recipient and any of its officers, agents, and employees of any duty under the law or of any obligation or covenant under this Agreement, including but not limited to the imposition and collection of rates for the services of the System sufficient to meet all requirements of this Agreement; and
iii. take whatever action at law or in equity as may appear necessary or desirable to the State Water Board to collect the Payments then due or thereafter to become due, or to enforce performance of any obligation or covenant of the Recipient under this Agreement.

Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the State Water Board under this Agreement, the State Water Board may make application for the appointment of a

receiver or custodian of the Revenues, pending such proceeding, with such power as the court making such appointment may confer.

C.2.5 Termination.

Upon an Event of Default, the State Water Board may terminate this Agreement. Interest shall accrue on all amounts due at the highest legal rate of interest from the date that the State Water Board delivers notice of termination to the Recipient.

C.2.6 [Reserved.]

C.2.7 Damages for Breach of Federal Conditions.

In the event that any breach of any of the provisions of this Agreement by the Recipient results in the failure of Project Funds to be used pursuant to the provisions of this Agreement, or if such breach results in an obligation on the part of the State or any subdivision or agency thereof to reimburse the federal government, the Recipient must immediately reimburse the State or any subdivision or agency thereof in an amount equal to any damages paid by or loss incurred by the State or any subdivision or agency thereof due to such breach.

C.2.8 Remedies and Limitations.

None of the remedies available to the State Water Board shall be exclusive of any other remedy, and each such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. The State Water Board may exercise any remedy, now or hereafter existing, without exhausting and without regard to any other remedy.

Any claim of the Recipient is limited to the rights and remedies provided to the Recipient under this Agreement and is subject to the claims procedures provided to the Recipient under this Agreement.

C.2.9 Non-Waiver.

Nothing in this Agreement shall affect or impair the Recipient's Obligation to pay Payments as provided herein or shall affect or impair the right of the State Water Board to bring suit to enforce such payment. No delay or omission of the State Water Board in the exercise of any right arising upon an Event of Default shall impair any such right or be construed to be a waiver of any such Event of Default. The State Water Board may exercise from time to time and as often as shall be deemed expedient by the State Water Board, any remedy or right provided by law or pursuant to this Agreement.

C.2.10 Status Quo.

If any action to enforce any right or exercise any remedy shall be brought and either discontinued or determined adversely to the State Water Board, then the State Water Board shall be restored to its former position, rights and remedies as if no such action had been brought.

C.3 STANDARD CONDITIONS

C.3.1 Access, Inspection, and Public Records.

The Recipient must ensure that the State Water Board, the Governor of the State, the USEPA, the USEPA's Office of Inspector General, any member of Congress, or any authorized representative of the foregoing, will have safe and suitable access to the Project site at all reasonable times during Project construction and thereafter for the term of the Agreement. The Recipient acknowledges that, except for a

subset of information regarding archaeological records, the Project records and locations are public records, including but not limited to all of the submissions accompanying the application, all of the documents incorporated into this Agreement by reference, and all reports, reimbursement requests, and supporting documentation submitted hereunder.

C.3.2 Accounting and Auditing Standards; Financial Management Systems.

(a) The Recipient must maintain project accounts according to GAAP as issued by the Governmental Accounting Standards Board (GASB) or its successor. The Recipient must maintain GAAP-compliant project accounts, including GAAP requirements relating to the reporting of infrastructure assets.

(b) The Recipient must comply with federal standards for financial management systems. The Recipient agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit preparation of reports required by the federal government and tracking of Project funds to a level of expenditure adequate to establish that such funds have not been used in violation of federal or state law or the terms of this Agreement.

(c)The Recipient must comply with the provisions and requirements of the federal Single Audit Act (SAA) of 1984, 2 CFR part 200, subpart F, and 2 CFR section 200.302, and updates or revisions thereto, including but not limited to:

- Maintain an annual (Fiscal Year) accounting system and identify all expenditures of federal financial assistance;
- Conduct a SAA audit using an independent auditor in those Fiscal Years when expenditures of total federal financial assistance equal or exceed the applicable threshold in 2 CFR section 200.501, and submit the SAA audit to the Federal Audit Clearinghouse within the earlier of thirty (30) calendar days after receipt of the auditor's report(s) or nine (9) months of the end of the audit period;
- Notify the Division when a SAA audit has been conducted and submitted to the Federal Audit Clearinghouse;
- Notify and provide the Division with a copy of the SAA audit within thirty (30) days of completion of the audit;
- Inform the Division of findings and recommendations pertaining to federal financial assistance provided through the State Water Board contained in SAA audits conducted by the Recipient;
- Initiate corrective actions for audit reports with findings and recommendations that impact federal financial assistance provided through the State Water Board and notify the Division when corrective actions are complete.

(d) Without limitation of the requirement to maintain Project accounts in accordance with GAAP, the Recipient must:

i. Establish an official file for the Project which adequately documents all significant actions relative to the Project;
ii. Establish separate accounts which will adequately and accurately depict all amounts received and expended on the Project, including all assistance funds received under this Agreement;
iii. Establish separate accounts which will adequately depict all income received which is attributable to the Project, specifically including any income attributable to assistance funds disbursed under this Agreement;
iv. Establish an accounting system which will accurately depict final total costs of the Project, including both direct and indirect costs;

v. Establish such accounts and maintain such records as may be necessary for the State to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and

vi. If Force Account is used by the Recipient for any phase of the Project, other than for planning, design, and construction engineering and administration provided for by allowance, accounts will be established which reasonably document all employee hours charged to the Project and the associated tasks performed by each employee. Indirect costs are not eligible for funding.

C.3.3 Amendment.

No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by both the Recipient and the Deputy Director or designee.

Requests for amendments must be in writing and directed to the contact listed in Section 4 and to the Division's Chief of Loans and Grants Administration Section.

C.3.4 Assignability.

This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the State Water Board in the form of a formal written amendment to this Agreement.

C.3.5 Audit.

(a) The Division may call for an audit of financial information relative to the Project if the Division determines that an audit is desirable to assure program integrity or if an audit becomes necessary because of state or federal requirements. If an audit is called for, the audit must be performed by a certified public accountant independent of the Recipient and at the cost of the Recipient. The audit must be in the form required by the Division.

(b) Audit disallowances must be returned to the State Water Board.

C.3.6 Bonding.

Where contractors are used, the Recipient must not authorize construction to begin until each contractor has furnished a performance bond in favor of the Recipient in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than $25,000.00.

C.3.7 Competitive Bidding

Recipient must adhere to any applicable state law or local ordinance for competitive bidding and applicable labor laws.

C.3.8 Compliance with Applicable Laws, Rules, and Requirements.

The Recipient must, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, to the extent applicable, the Recipient must:

(a) Comply with the provisions of the adopted environmental mitigation plan, if any, for the term of this Agreement;

(b) Comply with the Policy; and

(c) Comply with and require compliance with the state and federal requirements set forth elsewhere in this Agreement.

C.3.9 Computer Software.

The Recipient certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

C.3.10 Conflict of Interest.

The Recipient certifies that its owners, officers, directors, agents, representatives, and employees are in compliance with applicable state and federal conflict of interest laws.

C.3.11 Continuous Use of Project; No Lease, Sale, Transfer of Ownership, or Disposal of Project.

The Recipient agrees that, except as provided in this Agreement, it will not abandon, substantially discontinue use of, lease, sell, transfer ownership of, or dispose of all or a significant part or portion of the Project during the Useful Life of the Project without prior written approval of the Division. Such approval may be conditioned as determined to be appropriate by the Division, including a condition requiring repayment of all disbursed Project Funds or all or any portion of all remaining funds covered by this Agreement together with accrued interest and any penalty assessments that may be due.

C.3.12 Data Management.

The Recipient will undertake appropriate data management activities so that Project data can be incorporated into statewide data systems.

C.3.13 Disputes.

(a) The Recipient may appeal a staff decision within 30 days to the Deputy Director of the Division or designee, for a final Division decision. The Recipient may appeal a final Division decision to the State Water Board within 30 days. The Office of the Chief Counsel of the State Water Board will prepare a summary of the dispute and make recommendations relative to its final resolution, which will be provided to the State Water Board's Executive Director and each State Water Board Member. Upon the motion of any State Water Board Member, the State Water Board will review and resolve the dispute in the manner determined by the State Water Board. Should the State Water Board determine not to review the final Division decision, this decision will represent a final agency action on the dispute.

(b) This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.

(c) Recipient must continue with the responsibilities under this Agreement during any dispute.

(d) This section relating to disputes does not establish an exclusive procedure for resolving claims within the meaning of Government Code sections 930 and 930.4.

C.3.14 [Reserved.]

C.3.15 Environmental Clearance.

(a) No work that is subject to CEQA or NEPA may proceed under this Agreement unless the State Water Board has provided environmental clearance. The State Water Board may require changes in the scope of work or additional mitigation as a condition to providing construction or implementation funding under this Agreement. Recipient shall not perform any work subject to CEQA and/or NEPA before the State Water Board completes its environmental review and specifies any changes in scope or additional mitigation that may be required. Proceeding with work subject to CEQA and/or NEPA without approval by the State Water Board shall constitute a breach of a material provision of this Agreement.

(b) If this Project includes modification of a river or stream channel, the Recipient must fully mitigate environmental impacts resulting from the modification. The Recipient must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.

C.3.16 Governing Law.

This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.

C.3.17 Income Restrictions.

The Recipient agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Recipient under this Agreement must be paid by the Recipient to the State Water Board, to the extent that they are properly allocable to costs for which the Recipient has been reimbursed by the State Water Board under this Agreement.

C.3.18 Indemnification and State Reviews.

The parties agree that review or approval of Project plans and specifications by the State Water Board is for administrative purposes only, including conformity with application and eligibility criteria, and expressly not for the purposes of design defect review or construction feasibility, and does not relieve the Recipient of its responsibility to properly plan, design, construct, operate, and maintain the Project. To the extent permitted by law, the Recipient agrees to indemnify, defend, and hold harmless the State Water Board, the Bank, and any trustee, and their officers, employees, and agents for the Bonds, if any (collectively, "Indemnified Persons"), against any loss or liability arising out of any claim or action brought against any Indemnified Persons from and against any and all losses, claims, damages, liabilities, or expenses, of every conceivable kind, character, and nature whatsoever arising out of, resulting from, or in any way connected with (1) the System or the Project or the conditions, occupancy, use, possession, conduct, or management of, work done in or about, or the planning, design, acquisition, installation, or construction, of the System or the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the Toxic Substances Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the California Hazardous Waste Control Law, and California Water Code Section 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System or the Project; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Recipient for use in any disclosure document utilized in connection with any of the

transactions contemplated by this Agreement, except those arising from the gross negligence or willful misconduct of the Indemnified Persons. The Recipient must also provide for the defense and indemnification of the Indemnified Persons in any contractual provision extending indemnity to the Recipient in any contract let for the performance of any work under this Agreement, and must cause the Indemnified Persons to be included within the scope of any provision for the indemnification and defense of the Recipient in any contract or subcontract. To the fullest extent permitted by law, the Recipient agrees to pay and discharge any judgment or award entered or made against Indemnified Persons with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section survive the term of this Agreement.

C.3.19 Independent Actor.

The Recipient, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State Water Board.

C.3.20 Integration.

This Agreement constitutes the complete and final agreement between the parties. No oral or written understanding or agreement not incorporated in this Agreement shall be binding on either party.

C.3.21 Leveraging Covenants.

(a) The Recipient covenants to furnish such financial, operating and other data pertaining to the Recipient as may be requested by the State Water Board to: (i) enable the State Water Board to cause the issuance of Bonds and provide for security therefor; or (ii) enable any underwriter of Bonds issued for the benefit of the State Water Board to comply with Rule 15c2-12(b)(5).

(b) The Recipient further covenants to provide the State Water Board with copies of all continuing disclosure documents or reports that are disclosed pursuant to (i) the Recipient's continuing disclosure undertaking or undertakings made in connection with any outstanding System Obligation, (ii) the terms of any outstanding System Obligation, or (iii) a voluntary disclosure of information related to an outstanding System Obligation. The Recipient must disclose such documents or reports to the State Water Board at the same time such documents or reports are submitted to any dissemination agent, trustee, nationally recognized municipal securities information repository, the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website or other person or entity.

C.3.22 No Discrimination.

(a) The Recipient must comply with Government Code section 11135 and the implementing regulations (Cal. Code Regs, tit. 2, § 14000 et seq.), including, but not limited to, ensuring that no person is unlawfully denied full and equal access to the benefits of, or unlawfully subjected to discrimination in the operation of, the Project or System on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical disability, medical condition, genetic information, marital status, or sexual orientation as such terms are defined under California law, for as long as the Recipient retains ownership or possession of the Project.

(b) If Project Funds are used to acquire or improve real property, the Recipient must include a covenant of nondiscrimination running with the land in the instrument effecting or recording the transfer of such real property.

(c) The Recipient must comply with the federal American with Disabilities Act of 1990 and implementing regulations as required by Government Code section 11135(b).

(d) The Recipient's obligations under this section shall survive the term of this Agreement.

(e) During the performance of this Agreement, Recipient and its contractors and subcontractors must not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, denial of family care leave, or genetic information, gender, gender identity, gender expression, or military and veteran status.

(f) The Recipient, its contractors, and subcontractors must ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.

(g) The Recipient, its contractors, and subcontractors must comply with the provisions of the Fair Employment and Housing Act and the applicable regulations promulgated thereunder. (Gov. Code, §12990, subds. (a)-(f) et seq.;Cal. Code Regs., tit. 2, § 7285 et seq.) Such regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

(h) The Recipient, its contractors, and subcontractors must comply with all applicable federal civil rights regulations, including statutory and national policy requirements. (2 CFR § 200.300).

(i) The Recipient, its contractors, and subcontractors must give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

(j) The Recipient must include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

C.3.23 No Third Party Rights.

The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation, or undertaking established herein.

C.3.24 No Obligation of the State.

Any obligation of the State Water Board herein contained shall not be an obligation, debt, or liability of the State and any such obligation shall be payable solely out of the moneys encumbered pursuant to this Agreement.

C.3.25 Notice.

Upon the occurrence of any of the following events, the Recipient must provide notice as set forth below.

(a) Within 24 hours of the following, the Recipient must notify the Division by phone at (916) 327-9978 and by email to Maria.Pang@waterboards.ca.gov, James.Garcia@waterboards.ca.gov, and DrinkingWaterSRF@waterboards.ca.gov of:
   i. The seizure of, or levy on, any Revenues securing this Agreement;
   ii. Any discovery of any potential tribal cultural resource, archaeological or historical resource, or human remains in the Project area (also notify the Division's Senior Cultural Resources Officer, at (CulturalResources@waterboards.ca.gov). Should a potential tribal cultural resource or archaeological or historical resource be discovered during construction or Project implementation, the Recipient must ensure that all work in the area of the find will cease until a qualified

archaeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Division has determined what actions should be taken to protect and preserve the resource. The Recipient must implement appropriate actions as directed by the Division. If there are any applicable provisions of a mitigation, monitoring and reporting program adopted for the Project, the Recipient shall comply with such provisions. In the event of the discovery of human remains during construction of the Project, the Recipient shall cease construction and take other action required by any applicable laws, which may include but are not limited to Health and Safety Code, section 7050.5 and Public Resources Code, section 5097.98.

(b) Within five (5) business days, the Recipient must notify the Division by phone at (916) 327-9978; by email to Lance.Reese@waterboards.ca.gov, Maria.Pang@waterboards.ca.gov, James.Garcia@waterboards.ca.gov, and DrinkingWaterSRF@waterboards.ca.gov and by mail to the contact address set forth in Section 4 of this Agreement of the occurrence of any of the following events:

i. Bankruptcy, insolvency, receivership or similar event of the Recipient, or actions taken in anticipation of any of the foregoing;
ii. Change of ownership of the Project or the System or change of management or service contracts, if any, for operation of the System;
iii. Loss, theft, damage, or impairment to Project, the Revenues or the System;
iv. Failure to meet any debt service coverage test in Exhibit B of this Agreement;
v. Draws on the Reserve Fund;
vi. Listed Events and Events of Default, except as otherwise set forth in this section;
vii. Failure to observe or perform any covenant or comply with any condition in this Agreement;
viii. An offer from a public entity to purchase the Project or the System or any portion thereof, or any of the real or personal property related to or necessary for the Project;
ix. A proceeding or action by a public entity to acquire the Project or the System by power of eminent domain;
x. Incurrence of a System Obligation or other Material Obligation by the Recipient; or
xi. A default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a System Obligation or other Material Obligation of the Recipient, any of which reflect financial difficulties.

(c) Within ten (10) business days, the Recipient must notify the Division by phone at (916) 327-9978, by email to Maria.Pang@waterboards.ca.gov, James.Garcia@waterboards.ca.gov and DrinkingWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement of the following events:

i. Material defaults on Material Obligations, other than this Obligation;
ii. Unscheduled draws on material debt service reserves or credit enhancements, reflecting financial difficulties;
iii. Substitution of credit or liquidity providers, if any or their failure to perform;
iv. Any litigation pending or threatened with respect to the Project or the Recipient's technical, managerial or financial capacity to operate the System or the Recipient's continued existence, or any judgment or court order relating to such litigation that has a significant effect on the Project or the System;
v. Circulation of a petition to repeal, reduce, or otherwise challenge the Recipient's rates for services of the System;

vi. Consideration of dissolution, or disincorporation, or any other event that could materially impair the Revenues;
vii. [Reserved.]
viii. Rating changes on outstanding System Obligations, if any;
ix. Enforcement actions by or brought on behalf of the State Water Board or Regional Water Board; or
x. Any investigation by the District Attorney, California State Auditor, Bureau of State Audits, USEPA's Office of Inspector General, the Internal Revenue Service, Securities and Exchange Commission, a grand jury, or any other state or federal agency, relating to the Recipient's financial management, accounting procedures, or internal fiscal controls;

(d) The Recipient must notify the Division promptly by phone at (916) 327-9978, by email to Maria.Pang@waterboards.ca.gov, James.Garcia@waterboards.ca.gov and DrinkingWaterSRF@waterboards.ca.gov, and by mail to the contact address set forth in Section 4 of this Agreement of any of the following events:

i. The discovery of a false statement of fact or representation made in this Agreement or in the application to the Division for this financial assistance, or in any certification, report, or request for reimbursement made pursuant to this Agreement, by the Recipient, its employees, agents, or contractors;
ii. Any substantial change in scope of the Project. The Recipient must undertake no substantial change in the scope of the Project until prompt written notice of the proposed change has been provided to the Division and the Division has given written approval for the change;
iii. Cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more;
iv. Any circumstance, combination of circumstances, or condition, which is expected to or does delay Completion of Construction for a period of ninety (90) days or more;
v. Any disputes related to the Project that may affect the Recipient's ability to comply with the terms of this Agreement;
vi. Discovery of any unexpected endangered or threatened species, as defined in the federal Endangered Species Act. Should a federally protected species be unexpectedly encountered during construction of the Project, the Recipient agrees to promptly notify the Division. This notification is in addition to the Recipient's obligations under the federal Endangered Species Act;
vii. Any Project monitoring, demonstration, or other implementation activities required in Exhibit A or Exhibit D of this Agreement, if any;
viii. Any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by state and federal representatives with at least ten (10) working days' notice to the Division;
ix. Any allegation of research misconduct involving research activities that are supported in whole or in part with USEPA funds under this Project, as required by Exhibit C.4.3(xxvii);
x. Any events requiring notice to the Division pursuant to the provisions of this Agreement;
xi. Completion of Construction of the Project, and actual Project Completion;
xii. The award of the prime construction contract for the Project;
xiii. Initiation of construction of the Project.

C.3.26 Operation and Maintenance; Insurance.

The Recipient agrees to sufficiently and properly staff, operate and maintain all portions of the System during the Useful Life of the Project in accordance with all applicable state and federal laws, rules, and regulations.

The Recipient will procure and maintain or cause to be maintained insurance on the System with responsible insurers, or as part of a reasonable system of self-insurance, in such amounts and against such risks (including damage to or destruction of the System) as are usually covered in connection with systems similar to the System. Such insurance may be maintained by a self-insurance plan so long as such plan provides for (i) the establishment by the Recipient of a separate segregated self-insurance fund in an amount determined (initially and on at least an annual basis) by an independent insurance consultant experienced in the field of risk management employing accepted actuarial techniques and (ii) the establishment and maintenance of a claims processing and risk management program.

In the event of any damage to or destruction of the System caused by the perils covered by such insurance, the net proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the System. The Recipient must begin such reconstruction, repair or replacement as expeditiously as possible, and must pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same must be completed and the System must be free and clear of all claims and liens. If such net proceeds are insufficient to reconstruct, repair, or restore the System to the extent necessary to enable the Recipient to pay all remaining unpaid principal portions of the Payments, if any, in accordance with the terms of this Agreement, the Recipient must provide additional funds to restore or replace the damaged portions of the System.

Recipient agrees that for any policy of insurance concerning or covering the construction of the Project, it will cause, and will require its contractors and subcontractors to cause, a certificate of insurance to be issued showing the State Water Board, its officers, agents, employees, and servants as additional insured; and must provide the Division with a copy of all such certificates prior to the commencement of construction of the Project.

C.3.27 Permits, Subcontracting, and Remedies.

Recipient must procure all permits, licenses and other authorizations necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Signed copies of any such permits or licenses must be submitted to the Division before any construction begins.

The Recipient must not contract or allow subcontracting with excluded parties. The Recipient must not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which this funding is authorized. For any work related to this Agreement, the Recipient must not contract with any individual or organization on the State Water Board's List of Disqualified Businesses and Persons that is identified as debarred or suspended or otherwise excluded from or ineligible for participation in any work overseen, directed, funded, or administered by the State Water Board program for which funding under this Agreement is authorized. The State Water Board's List of Disqualified Businesses and Persons is located at
http://www.waterboards.ca.gov/water_issues/programs/enforcement/fwa/dbp.shtml

C.3.28 Professionals.

The Recipient agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, design, or other work requiring interpretation and proper application of engineering, architectural, or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 5536.1, 6735, 7835, and 7835.1. To demonstrate compliance with California Code of Regulations, title 16, sections 415 and 3065, all technical reports must contain a statement of the qualifications of the responsible registered professional(s). As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.

C.3.29 Prevailing Wages.

The Recipient agrees to be bound by all applicable provisions of State Labor Code regarding prevailing wages. The Recipient must monitor all agreements subject to reimbursement from this Agreement to ensure that the prevailing wage provisions of the State Labor Code are being met.

In addition, the Recipient agrees to comply with the Davis-Bacon provisions incorporated by reference in Section 3 of this Agreement.

C.3.30 Public Funding.

This Project is publicly funded. Any service provider or contractor with which the Recipient contracts must not have any role or relationship with the Recipient, that, in effect, substantially limits the Recipient's ability to exercise its rights, including cancellation rights, under the contract, based on all the facts and circumstances.

C.3.31 Recipient’s Responsibility for Work.

The Recipient shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Recipient shall be responsible for responding to any and all disputes arising out of its contracts for work on the Project. The State Water Board will not mediate disputes between the Recipient and any other entity concerning responsibility for performance of work.

C.3.32 Records Retention.

The Recipient must maintain separate books, records and other material relative to the Project, including compliance documentation. The Recipient must also retain such books, records, and other material for itself and for each contractor or subcontractor who performed or performs work on this project for a minimum of thirty-six (36) years after Completion of Construction. The Recipient must require that such books, records, and other material are subject at all reasonable times (at a minimum during normal business hours) to inspection, copying, and audit by the State Water Board, the California State Auditor, the Bureau of State Audits, the USEPA, the USEPA’s Office of Inspector General, the Internal Revenue Service, the Governor, or any authorized representatives of the aforementioned. The Recipient must allow and must require its contractors to allow interviews during normal business hours of any employees who might reasonably have information related to such records. The Recipient agrees to include a similar duty regarding audit, interviews, and records retention in any contract or subcontract related to the performance of this Agreement. The provisions of this section survive the term of this Agreement.

C.3.33 Related Litigation.

Under no circumstances may the Recipient use funds from any reimbursement under this Agreement to pay costs associated with any litigation the Recipient pursues against the State Water Board or any Regional Water Quality Control Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Recipient agrees to repay all of the disbursed funds plus interest in the event that Recipient does not complete the project.

C.3.34 Rights in Data.

The Recipient agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Recipient may copyright the same, except that, as to any work which is copyrighted by the Recipient, the State reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so, and to receive electronic copies from the Recipient upon request.

C.3.35 State Water Board Action; Costs and Attorney Fees.

Any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Recipient, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own costs and attorney fees.

C.3.36 Timeliness.

Time is of the essence in this Agreement.

C.3.37 Unenforceable Provision.

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

C.3.38 Venue

Any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California.

C.3.39 Waiver and Rights of the State Water Board.

Any waiver of rights by the State Water Board with respect to a default or other matter arising under this Agreement at any time shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State Water Board provided for in this Agreement are in addition to any other rights and remedies provided by law.

C.4 MISCELLANEOUS STATE AND FEDERAL REQUIREMENTS

C.4.1 [Reserved.]

C.4.2 State Cross-Cutters.

Recipient represents that, as applicable, it complies and covenants to maintain compliance with the following with respect to all Project Costs for the term of this Agreement:

i. The California Environmental Quality Act (CEQA), as set forth in Public Resources Code 21000 et seq. and in the CEQA Guidelines at Title 14, Division 6, Chapter 3, Section 15000 et seq.

ii. Water Conservation requirements, including regulations in Division 3 of Title 23 of the California Code of Regulations.

iii. Monthly Water Diversion Reporting requirements, including requirements set forth in Water Code section 5103.

iv. Public Works Contractor Registration with Department of Industrial Relations requirements, including requirements set forth in Sections 1725.5 and 1771.1 of the Labor Code.

v. Volumetric Pricing & Water Meters requirements, including the requirements of Water Code sections 526 and 527.

vi. Urban Water Management Plan requirements, including the Urban Water Management Planning Act (Water Code, § 10610 et seq.).

vii. Urban Water Demand Management requirements, including the requirements of Section 10608.56 of the Water Code.

viii. Delta Plan Consistency Findings requirements, including the requirements of Water Code section 85225 and California Code of Regulations, title 23, section 5002.

ix. Agricultural Water Management Plan Consistency requirements, including the requirements of Water Code section 10852.

x. Charter City Project Labor Requirements, including the requirements of Labor Code section 1782 and Public Contract Code section 2503.

xi. The Recipient agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with directives or orders issued pursuant to Division 7 of the Water Code.

xii. Regulations in Division 4 of Title 22 of the California Code of Regulations, including but not limited to California Waterworks Standards in Chapter 16, and Lead and Copper regulations in Chapter 17.5.

C.4.3 Federal Requirements and Cross-Cutters for SRF Funding.

The Recipient acknowledges, warrants compliance with, and covenants to continuing compliance with the following federal terms and conditions with respect to all Project Costs for the term of this Agreement and for the Useful Life of the Project:

i. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient shall not purchase “iron and steel products” produced outside of the United States on this Project. Unless the Recipient has obtained a waiver from USEPA on file with the State Water Board or unless this Project is not a project for the construction, alteration, maintenance or repair of a public water system or treatment work, the Recipient hereby certifies that all “iron and steel products” used in the Project were or will be produced in the United States. For purposes of this section, the term "iron and steel products" means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials. “Steel” means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

ii. The Recipient acknowledges that funds received under this Agreement are subject to the Build America Buy America (BABA) requirements of Public Law 117-58 (the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL), signed into law on November 15, 2021), which are in addition to “iron and steel products” requirements described in section C.4.3 (i) above. Specifically, unless (1) the Recipient has requested and obtained a waiver from USEPA on file with the State Water Board pertaining to the Project or the Project is otherwise covered by a general applicability waiver, as confirmed in writing by the State Water Board; or (2) the State Water Board and, to the extent the Project is co-funded by any other agency using federal funds subject to BABA requirements, each such agency, has advised the Recipient in writing that the BABA requirements are not applicable to the Project, the Recipient shall ensure and certifies that, as these terms are defined within and made applicable by Public Law 117-58:

(a) all iron and steel used in the Project are produced in the United States;
(b) the manufactured products used in the Project are produced in the United States; and
(c) the construction materials used in the Project are produced in the United States.

The Recipient must comply and require its contractors and subcontractors to comply with all applicable BABA requirements and reporting and must inform the State Water Board immediately of any information regarding a violation of the foregoing.

iii. The Recipient must include in full the Wage Rate Requirements (Davis-Bacon) language incorporated by reference in Section 3 of this Agreement in all construction contracts and subcontracts.

iv. The Recipient must comply with the signage requirements set forth in Exhibit A.

v. The Recipient shall notify the State Water Board and the USEPA contact of public or media events publicizing the accomplishment of significant events related to this Project and provide the opportunity for attendance and participation by federal representatives with at least ten (10) working days’ notice.

vi. The Recipient shall comply with applicable USEPA general terms and conditions found at: https://www.epa.gov/grants/epa-general-terms-and-conditions-effective-october-1-2025-or-later.

vii. No Recipient may receive funding under this Agreement unless it has provided its Unique Entity Identifier, assigned by the System for Award Management, to the State Water Board.

viii. The Recipient represents and warrants that it and its principals are not excluded or disqualified from participating in this transaction as such terms are defined in Parts 180 and 1532 of Title 2 of

the Code of Federal Regulations (2 CFR). If the Recipient is excluded after execution of this Agreement, the Recipient shall notify the Division within ten (10) days and shall inform the Division of the Recipient's exclusion in any request for amendment of this Agreement. The Recipient shall comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR. Such compliance is a condition precedent to the State Water Board's performance of its obligations under this Agreement. When entering into a covered transaction as defined in Parts 180 and 1532 of 2 CFR, the Recipient shall require the other party to the covered transaction to comply with Subpart C of Part 180 of 2 CFR, as supplemented by Subpart C of Part 1532 of 2 CFR.

ix. To the extent applicable, the Recipient shall disclose to the State Water Board any potential conflict of interest consistent with USEPA's Final Financial Assistance Conflict of Interest Policy at https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy. A conflict of interest may result in disallowance of costs.

x. USEPA and the State Water Board have the right to reproduce, publish, use and authorize others to reproduce, publish and use copyrighted works or other data developed under this assistance agreement. This includes the right to require the Recipient to make such works available through agency-designated public access repositories.

xi. Where an invention is made with Project Funds, USEPA and the State Water Board retain the right to a worldwide, nonexclusive, nontransferable, irrevocable, paid-up license to practice the invention owned by the Recipient. The Recipient must utilize the Interagency Edison extramural invention reporting system at https://www.nist.gov/iedison and shall notify the Division when an invention report, patent report, or utilization report is filed.

xii. The Recipient agrees that any reports, documents, publications or other materials developed for public distribution supported by this Agreement shall contain the Disclosure statement set forth in Exhibit A.

xiii. The Recipient acknowledges that it is encouraged to follow guidelines established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194, with respect to enabling individuals with disabilities to participate in its programs supported by this Project.

xiv. The Recipient, its employees, contractors and subcontractors and their employees warrants that it will not engage in severe forms of trafficking in persons, procure a commercial sex act during the term of this Agreement, use forced labor in the performance of this Agreement, or engage in acts that directly support or advance trafficking in persons, including (i) destroying, concealing, removing, confiscating, or otherwise denying an employee access to that employee's identity or immigration documents; (ii) failing to provide return transportation or pay for return transportation costs to an employee from a country outside the United States to the country from which the employee was recruited upon the end of employment if request by the employee, unless exempted from the requirement to provide or pay for such return transportation by the Federal department or agency providing or entering into the grant or cooperative agreements or the employee is a victim of human trafficking seeking victim services or legal redress in the country of employment or a witness in a human trafficking enforcement action; (iii) soliciting a person for the purpose of employment, or offering employment, by means of materially false or fraudulent pretenses, representations, or promises regarding that employment; (iv) charging recruited employees a placement or recruitment fee; or (v) providing or arranging housing that fails to meet the host country's housing and safety standards. The Recipient must include this provision in its contracts and subcontracts under this Agreement. The Recipient must inform the State Water Board immediately of any information regarding a violation of the foregoing. The Recipient understands that failure to comply with this provision may subject the State Water Board to loss of federal funds. The Recipient agrees to compensate the State Water Board for any such funds

lost due to its failure to comply with this condition, or the failure of its contractors or subcontractors to comply with this condition. The State Water Board may unilaterally terminate this Agreement if the Recipient that is a private entity is determined to have violated the foregoing.

xv. The Recipient certifies to the best of its knowledge and belief that:

a. No federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Agreement, the Recipient shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions, and notify the State Water Board.

The Recipient shall require this certification from all parties to any contract or agreement that the Recipient enters into and under which the Recipient incurs costs for which it seeks reimbursements under this Agreement.

xvi. The Recipient must comply with the following federal non-discrimination requirements:

a. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, and national origin, including limited English proficiency (LEP).
b. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination against persons with disabilities.
c. The Age Discrimination Act of 1975, which prohibits age discrimination.
d. Section 13 of the Federal Water Pollution Control Act Amendments of 1972, which prohibits discrimination on the basis of sex.
e. 40 CFR Part 7, as it relates to the foregoing.

xvii. Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans; 42 USC § 7606; 33 USC § 1368. Except where the purpose of this Agreement is to remedy the cause of the violation, the Recipient may not procure goods, services, or materials from suppliers excluded under the federal System for Award Management: sam.gov.

xviii. Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended; 42 USC §§4601-4655. The Recipient must comply with the Act's implementing regulations at 49 CFR 24.101 through 24.105.

xix. The Recipient agrees that if its network or information system is connected to USEPA networks to transfer data using systems other than the Environmental Information Exchange Network or USEPA's Central Data Exchange, it will ensure that any connections are secure. For purposes of this subsection, a connection is defined as a dedicated persistent interface between a USEPA information technology system and an external information technology system for the purpose of transferring information. Transitory, user-controlled connections such as website browsing are excluded from this definition. If the Recipient's connections as defined above do not go through the Environmental Information Exchange Network or USEPA's Central Data Exchange, the Recipient agrees to contact the USEPA Project Officer and work with the designated

Regional/Headquarters Information Security Officer to ensure that the connections meet USEPA security requirements, including entering into Interconnection Service Agreements as appropriate. This condition does not apply to manual entry of data by the Recipient into systems operated and used by USEPA's regulatory programs for the submission of reporting and/or compliance data.

xx. All geospatial data created pursuant to this Agreement that is submitted to the State Water Board for use by USEPA or that is submitted directly to USEPA must be consistent with Federal Geographic Data Committee endorsed standards. Information on these standards may be found at www.fgdc.gov.

xxi. If the Recipient is a water system that serves 500 or fewer persons, the Recipient represents that it has considered publicly-owned wells as an alternative drinking water supply.

xxii. The Recipient represents that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability; and it is not a corporation that was convicted of a felony criminal violation under a Federal law within the preceding 24 months.

xxiii. The Recipient agrees to immediately notify the Project Manager in writing about any allegation of research misconduct involving research activities that are supported in whole or in part with USEPA funds under this Project, including fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results, or ordering, advising, or suggesting that subordinates engage in research misconduct.

xxiv. The Recipient agrees to comply with, and require all contractors and subcontractors to comply with, USEPA's Scientific Integrity Policy, available at https://www.epa.gov/osa/policy-epa-scientific-integrity, when conducting, supervising, and communicating science and when using or applying the results of science. For purposes of this condition scientific activities include, but are not limited to, computer modelling, economic analysis, field sampling, laboratory experimentation, demonstrating new technology, statistical analysis, and writing a review article on a scientific issue.

The Recipient shall not suppress, alter, or otherwise impede the timely release of scientific findings or conclusions; intimidate or coerce scientists to alter scientific data, findings, or professional opinions or exert non-scientific influence on scientific advisory boards; knowingly misrepresent, exaggerate, or downplay areas of scientific uncertainty; or otherwise violate the USEPA's Scientific Integrity Policy. The Recipient must refrain from acts of research misconduct, including publication or reporting, as described in USEPA's Policy and Procedures for Addressing Research Misconduct, Section 9.C, and must ensure scientific findings are generated and disseminated in a timely and transparent manner, including scientific research performed by contractors and subcontractors.

xxv. The Recipient agrees to comply with the Animal Welfare Act of 1966 (7 USC 2131-2156). Recipient also agrees to abide by the "U.S. Government Principles for the Utilization and Care of Vertebrate Animals used in Testing, Research, and Training," available at http://grants.nih.gov/grants/olaw/references/phspol.htm#USGovPrinciples.

xxvi. The Recipient certifies that no Project Funds will be used on:

a. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities), telecommunications or video surveillance equipment produced by Hytera Communications Corporation, Hangzhou

Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

b. Telecommunications or video surveillance services provided by such entities or using such equipment;
c. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country;
d. Systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system; or
e. Other telecommunications or video surveillance services or equipment in violation of 2 CFR 200.216.

xxvii. The Recipient agrees to ensure that if the Project includes lead service line replacement, each lead service line replaced using Project Funds must be replaced in its entirety, unless the remaining portion of that service line has already been replaced or is concurrently being replaced with another funding source.

xxviii. The Recipient agrees to comply with all applicable federal environmental cross-cutters, including the following:

a. Archeological and Historic Preservation Act (16 U.S.C. § 469; 54 U.S.C. §§ 312501-312508)
b. Clean Air Act (42 U.S.C. § 7401)
c. Coastal Barriers Resources Act (16 U.S.C. § 3501 et seq.)
d. Coastal Zone Management Act (16 U.S.C. § 1451 et seq.)
e. Endangered Species Act (16 U.S.C. § 1531 et seq.)
f. Farmland Protection Policy Act (7 U.S.C. § 4201 et seq.)
g. Floodplain Management [Executive Order 11988 (1977), as amended by Executive Order No. 12148 (1979)]
h. Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. § 1801 et seq.)
i. National Historic Preservation Act (54 U.S.C. §§ 300101 et seq.)
j. Sole Source Aquifer, section 1424(e) of Safe Drinking Water Act, 42 U.S.C. 300h-3(e)
k. Wetlands Protection – Executive Order No. 11990 (1977), as amended by Executive Order No. 12608 (1997)
l. Wild and Scenic Rivers Act (16 U.S.C. § 1271 et seq.)

xxix. The Recipient certifies that no Project Funds will be used on Federal Acquisition Security Council (FASC)-prohibited unmanned aircraft systems, and that FASC-prohibited unmanned aircraft systems will not be used for the Project.

a. Pursuant to section 1825 of the American Security Drone Act of 2023 (P.L. 118-31), the Recipient must not use Project Funds including any cost share: (i) To procure a FASC-prohibited unmanned aircraft system; or (ii) In connection with the operation of a FASC-prohibited unmanned aircraft system. The terms “FASC-prohibited unmanned aircraft system” and “unmanned aircraft system” are defined at 48 CFR 40.201. The FASC Covered Foreign Entity List is published on SAM.gov and directs users to the Consolidated Screening List where unmanned aircraft system manufacturers can be searched by name.
b. If an unmanned aircraft system’s manufacturer appears on the Consolidated Screening List, the Recipient must not use Project Funds for the unmanned aircraft system and must not operate the unmanned aircraft system for the Project

(even if not purchased with Project Funds). If the Recipient procures or operates unmanned aircraft systems for the Project, the Recipient must keep a record in the Project file indicating the date the Consolidated Screening List was searched, the unmanned aircraft system manufacturer and model checked, and the search result.

EXHIBIT D – SPECIAL CONDITIONS

D.1 Special Conditions.

Technical:

1. The Recipient is responsible for ensuring that the Project complies with the requirements of section 64591 of title 22 of the California Code of Regulations and of NSF International/American National Standard Institute (NSF/ANSI) 61-2005 / Addendum 1.0-2005 (Drinking Water System Components--Health Effects) regarding indirect additives.

Financial:

1. The Recipient agrees that any audited financial statement it may submit to the State Water Board per this Agreement shall accurately reflect the Recipient's Revenues and Operations and Maintenance Costs as they are defined in this agreement. The Recipient agrees that any audited financial statement submitted to the State Water Board shall list separately and exclude from any calculation of Revenues: (1) all Development Fees, (2) all Wheeling Revenues, (3) all amounts received by the Recipient from San Joaquin County from the levy by such county of the 1% *ad valorem* property tax, and (4) all amounts received by the Recipient from transmission and distribution charges.

2. The Recipient agrees that any audited financial statement submitted to the State Water Board per this Agreement shall list separately and exclude from any calculation of Operations and Maintenance Costs: (1) depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature, and (2) the portion of Operations and Maintenance Costs paid from (a) Wheeling Revenues, (b) amounts received by the Recipient from San Joaquin County from the levy by such county of the 1% *ad valorem* property tax, or (c) amounts received by the Recipient from transmission and distribution charges.

Environmental:

1. The documents identified below are incorporated by reference and the Recipient shall comply with the conditions and recommendations therein:
    a. The letter dated January 16, 2025, from Michael Fris of the United States Fish and Wildlife Service, San Joaquin Valley Division (USFWS) to Matthew Di Loreto of the USACE.
    b. The letter dated October 31, 2023, from Jonathan Ambrose of the National Oceanic and Atmospheric Administration National Marine Fisheries Service, West Coast Region (NMFS) to Chandra Jenkins of the USACE.
    c. The Mitigation Monitoring and Reporting Program adopted by the Stockton East Water District on November 1, 2022 for the Project.

2. Recipient shall make no changes to the Project, construction area, or special conditions, without obtaining the appropriate and necessary prior approvals from the State Water Board, the USFWS, the NMFS and the SHPO.

3. The Recipient shall provide notice to the Division's Senior Cultural Resources Officer, CulturalResources@waterboards.ca.gov within 24 hours of the discovery of any potential tribal cultural resource and/or archaeological or historical resource, and shall notify the Division promptly upon the discovery of any unexpected endangered or threatened species, as defined in

the federal Endangered Species Act. For additional requirements, please refer to Exhibit C of this Agreement.

REPORTING TO THE STATE WATER BOARD

1. In the Recipient's Progress Reports and the Project Completion Report, submitted pursuant to this Agreement, the Recipient shall include a discussion of the status of its compliance with all environmental measures identified in this Exhibit D, with separate sections clearly labeled with section titles, discussing the status of Recipient's compliance with:
    a. The Mitigation Monitoring and Reporting Program water quality measures adopted for the Project.
        i. Mitigation Measure BIO-1
        ii. Mitigation Measure BIO-10
2. Recipient shall submit a copy of the CWA Section 404 Permit to the State Water Board, Division of Financial Assistance prior to the start of the Project construction.

D.2 Executive Order N-6-22 — Russian Sanctions.

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State Water Board determine Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Agreement. The State Water Board shall provide Recipient advance written notice of such termination, allowing Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State Water Board.

The Recipient represents that the Recipient is not a target of economic sanctions imposed in response to Russia's actions in Ukraine imposed by the United States government or the State of California. The Recipient is required to comply with the economic sanctions imposed in response to Russia's actions in Ukraine, including with respect to, but not limited to, the federal executive orders identified in California Executive Order N-6-22, located at https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf and the sanctions identified on the United States Department of the Treasury website (https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/ukraine-russia-related-sanctions). The Recipient is required to comply with all applicable reporting requirements regarding compliance with the economic sanctions, including, but not limited to, those reporting requirements set forth in California Executive Order N-6-22 for all Recipients with one or more agreements with the State of California with an aggregated value of Five Million Dollars ($5,000,000) or more. Notwithstanding any other provision in this Agreement, failure to comply with the economic sanctions and all applicable reporting requirements may result in termination of this Agreement.

For Recipients with an aggregated agreement value of Five Million Dollars ($5,000,000) or more with the State of California, reporting requirements include, but are not limited to, information related to steps taken in response to Russia's actions in Ukraine, including but not limited to:

1. Desisting from making any new investments or engaging in financial transactions with Russian institutions or companies that are headquartered or have their principal place of business in Russia;

2. Not transferring technology to Russia or companies that are headquartered or have their principal place of business in Russia; and

3. Direct support to the government and people of Ukraine.

CONTRACTOR REQUIREMENTS.
Recipient must ensure that all requirements in this Agreement that are applicable to the Recipient's contractors and subcontractors will apply to all contractors and subcontractors that provide services for the Project regardless of whether the contractors and subcontractors are hired by the Recipient or by another entity.

For avoidance of doubt, all contractor and subcontractor requirements in this Agreement, including but not limited to bonding; competitive bidding; prohibition on use of debarred, disqualified, or excluded contractors; nondiscrimination requirements; and any prevailing wage requirements, apply regardless of whether the Recipient or another entity hires the contractors.

EXHIBIT E – PAYMENT SCHEDULE

See the attached preliminary Payment Schedule, which may be updated as discussed in Exhibit B. The final Payment Schedule will be forwarded to the Recipient after all disbursements have been paid and construction of the Project has been completed.

California DWSRF Payment Schedule

Principal is paid over: **30 Years**

Interest rate: **2.10000%**

Project No. 3910006-004C - Stockton-East Water District

Agreement: D2602016 - based on Actual + Projected Disbursements

Bellota Weir Modification Project

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Ref Num	Due Date	Date Received	Principal Payment	Interest Rate%	Interest Payment	Total P and I Payment	Total Payment	Ending Balance	CPI Interest
1	12/30/2027		0.00	2.100	448,437.50	448,437.50	448,437.50	30,500,000.00	0.00
2	12/30/2028		0.00	2.100	785,006.25	785,006.25	785,006.25	42,950,000.00	0.00
3	12/30/2029		1,259,586.77	2.100	980,700.00	2,240,286.77	2,240,286.77	48,290,413.23	0.00
4	12/30/2030		1,237,990.33	2.100	1,023,154.93	2,261,145.26	2,261,145.26	47,502,422.90	0.00
5	12/30/2031		1,263,594.38	2.100	997,550.88	2,261,145.26	2,261,145.26	46,238,828.52	0.00
6	12/30/2032		1,290,129.86	2.100	971,015.40	2,261,145.26	2,261,145.26	44,948,698.66	0.00
7	12/30/2033		1,317,222.59	2.100	943,922.67	2,261,145.26	2,261,145.26	43,631,476.07	0.00
8	12/30/2034		1,344,884.26	2.100	916,261.00	2,261,145.26	2,261,145.26	42,286,591.81	0.00
9	12/30/2035		1,373,126.83	2.100	888,018.43	2,261,145.26	2,261,145.26	40,913,464.98	0.00
10	12/30/2036		1,401,962.50	2.100	859,182.76	2,261,145.26	2,261,145.26	39,511,502.48	0.00
11	12/30/2037		1,431,403.71	2.100	829,741.55	2,261,145.26	2,261,145.26	38,080,098.77	0.00
12	12/30/2038		1,461,463.19	2.100	799,682.07	2,261,145.26	2,261,145.26	36,618,635.58	0.00
13	12/30/2039		1,492,153.91	2.100	768,991.35	2,261,145.26	2,261,145.26	35,126,481.67	0.00
14	12/30/2040		1,523,489.14	2.100	737,656.12	2,261,145.26	2,261,145.26	33,602,992.53	0.00
15	12/30/2041		1,555,482.42	2.100	705,662.84	2,261,145.26	2,261,145.26	32,047,510.11	0.00
16	12/30/2042		1,588,147.55	2.100	672,997.71	2,261,145.26	2,261,145.26	30,459,362.56	0.00
17	12/30/2043		1,621,498.65	2.100	639,646.61	2,261,145.26	2,261,145.26	28,837,863.91	0.00
18	12/30/2044		1,655,550.12	2.100	605,595.14	2,261,145.26	2,261,145.26	27,182,313.79	0.00
19	12/30/2045		1,690,316.67	2.100	570,828.59	2,261,145.26	2,261,145.26	25,491,997.12	0.00
20	12/30/2046		1,725,813.32	2.100	535,331.94	2,261,145.26	2,261,145.26	23,766,183.80	0.00
21	12/30/2047		1,762,055.40	2.100	499,089.86	2,261,145.26	2,261,145.26	22,004,128.40	0.00
22	12/30/2048		1,799,058.56	2.100	462,086.70	2,261,145.26	2,261,145.26	20,205,069.84	0.00
23	12/30/2049		1,836,838.79	2.100	424,306.47	2,261,145.26	2,261,145.26	18,368,231.05	0.00
24	12/30/2050		1,875,412.41	2.100	385,732.85	2,261,145.26	2,261,145.26	16,492,818.64	0.00
25	12/30/2051		1,914,796.07	2.100	346,349.19	2,261,145.26	2,261,145.26	14,578,022.57	0.00
26	12/30/2052		1,955,006.79	2.100	306,138.47	2,261,145.26	2,261,145.26	12,623,015.78	0.00
27	12/30/2053		1,996,061.93	2.100	265,083.33	2,261,145.26	2,261,145.26	10,626,953.85	0.00
28	12/30/2054		2,037,979.23	2.100	223,166.03	2,261,145.26	2,261,145.26	8,588,974.62	0.00
29	12/30/2055		2,080,776.79	2.100	180,368.47	2,261,145.26	2,261,145.26	6,508,197.83	0.00
30	12/30/2056		2,124,473.11	2.100	136,672.15	2,261,145.26	2,261,145.26	4,383,724.72	0.00
31	12/30/2057		2,169,087.04	2.100	92,058.22	2,261,145.26	2,261,145.26	2,214,637.68	0.00
32	12/30/2058		2,214,637.68	2.100	46,507.39	2,261,145.07	2,261,145.07	0.00	0.00
			50,000,000.00		**19,046,942.87**	**69,046,942.87**	**69,046,942.87**		**0.00**

HERUM \ CRABTREE \ SUNTAG
ATTORNEYS

Jeanne M. Zolezzi
jzolezzi@herumcrabtree.com

_____, 2026

State Water Resources Control Board
Division of Financial Assistance
Attn: Maria Pang
1001 I Street
Sacramento, CA 95814

Re: Stockton East Water District ("Recipient") – Bellota Weir Modification Project –Project No. 3910006-004C ("Project") – Agreement No.: D2602016 ("Agreement")

Ladies and Gentlemen:

This firm is General Counsel to the Recipient in connection with the Project. This opinion is delivered to the State Water Resources Control Board ("State Water Board") at the request of the Recipient. In connection therewith, I have examined the laws pertaining to the Recipient, originals of the Agreement between the Recipient and the State Water Board, the Recipient's authorized representative resolution 26-27-01 adopted on April 07, 2026, the Recipient's authorizing resolution [X-X-X] adopted on [DATE], the Recipient's reimbursement resolution 25-26-02 adopted on April 08, 2025 (together, "the Resolutions"), the Recipient's rate-setting ordinance 52 adopted on April 07, 2026 ("the Ordinance"),and such other documents, legal opinions, instruments and records, and have made such investigation of law, as I have considered necessary or appropriate for the purpose of this opinion.

Based on the foregoing, it is my opinion that:

a. The Recipient, a special district of the State of California duly organized, validly existing under the laws of the State of California pursuant to special legislation Chapter 819 of the Statutes of 1971, as amended, and Division 21 of the California Water Code (Section 74000 et seq.), has the requisite legal right, power, and authority to execute and deliver the Agreement and carry out and consummate all transactions contemplated therein.

b. The Resolutions and the Ordinance have been duly adopted at meetings of the Recipient which were called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolutions and the Ordinance were adopted. The Resolutions and the Ordinance are in full force and effect and have not been amended, modified, supplemented,

or rescinded, nor has the rate-setting resolution been challenged or the rates become subject of a referendum or initiative or other similar process.

c. To the best of my knowledge and based upon a reasonable investigation, all proceedings required by law or under the ordinances or bylaws of the Recipient to be taken by the Recipient in connection with the authorization of the Agreement and the transactions contemplated by and related thereto, and all such approvals, authorizations, consents or other orders of or filings or registrations with such public boards or bodies, if any, as may be legally required to be obtained by the Recipient prior to the date hereof with respect to all or any of such matters have been taken or obtained and are in full force and effect, except that no opinion is expressed as to any approvals, obligations or proceedings which may be required under any federal securities laws or state blue sky or securities laws.

d. To the best of my knowledge and based upon a reasonable investigation, the execution and delivery of the Agreement and the consummation of the transactions therein will not conflict with or constitute a breach of or default (with due notice or the passage of time or both) under (i) the statutes creating the Recipient or any amendments thereto, (ii) the ordinances or by laws of the Recipient, (iii) any bond, debenture, note or other evidence of indebtedness, or any material contract, agreement or lease to which the Recipient is a party or by which it or its properties are otherwise subject or bound or (iv) any applicable law or administrative regulation or any applicable court or administrative decree or order. All material contracts, agreements, or leases are listed in Exhibit D of the Agreement.

e. To the best of my knowledge and based upon a reasonable investigation, the Recipient has sufficient property rights in the Project property for the purposes contemplated in the Agreement and has complied with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.) with respect to any property acquired for the purposes of the Project. These property rights extend for at least 50 years from today's date, as follows: in perpetuity.

f. To the best of my knowledge and based upon a reasonable investigation, there is no action, suit, proceeding, inquiry or investigation before any court, or by any federal, state, municipal or other governmental authority pending or threatened against or affecting the Project or the system of which the Project is a part (the System), or the assets, properties, or operations of the Recipient relating to the Project or System, which, if determined adversely to the Recipient or its interests would result in any material change in the assets or financial condition of the Recipient, the Project, or the System; and the Recipient is not in default with respect to any order or decree of any court or any order, regulation, or demand of any federal, state, municipal, or other governmental agency which default might have consequences that would materially and adversely affect the financial condition of the Recipient, the Project, or the System.

g. No facts have come to my attention which lead me to believe that the Recipient's authorized representative has made any untrue statement of a material fact or

omitted or omits to state a material fact or has made misleading statements in the Agreement.

h. The Agreement has been duly authorized, executed, and delivered, and assuming due authorization, execution and delivery of the Agreement by the State Water Board, constitutes legal, valid, and binding obligation of the Recipient enforceable against the Recipient in accordance with its terms, subject to the laws relating to bankruptcy, insolvency, reorganization, or creditors' rights generally and to the application of equitable principles, if equitable remedies are sought.

Very truly yours,

HERUM CRABTREE SUNTAG

JEANNE M. ZOLEZZI
Attorney-at-Law

[FORM OF OPINION OF BOND COUNSEL]

[DATE]

State Water Resources Control Board
Division of Financial Assistance
Attn: Anabel Ruiz 1001 I St., 16th floor
Sacramento, CA 95814

Re: Stockton-East Water District ("District") – Bellota Weir Modification Project – Project No. 3910006-004C ("Project") – Agreement No. [XXXXXXXXXXXXX]

Ladies and Gentlemen:

This firm serves as Bond Counsel to the Stockton-East Water District (the "District"). This opinion is delivered in connection with the referenced Project to the State Water Resources Control Board ("State Water Board") at the request of the District. In connection therewith, we have examined originals of the Construction Installment Sale Agreement, Agreement No. ____ between the District and the State Water Board (the "Financing Agreement"), Resolution No. ___ of the Board of Directors of the District (the "Board") authorizing an authorized designee on behalf of the District, to sign and file a Financial Assistance Application for a financing agreement from the State Water Board, adopted on ____, the reimbursement resolution, Resolution No. ____, adopted by the Board on ____, documents related to each of the Material Obligations, as defined in the Financing Agreement, the District's tax questionnaire dated March 30, 2025, and such other documents, legal opinions, instruments and records, and have made such investigation of law, as we have considered necessary or appropriate for the purpose of this opinion.

To the best of our knowledge and based upon a reasonable investigation, the execution and delivery of the Financing Agreement and the consummation of the transactions therein will not conflict with or constitute a breach of or default (with due notice or the passage of time or both) under any bond, debenture, note or other evidence of indebtedness, or any material contract, agreement or lease to which the District is a party and which relates to such bonds, debentures, notes or evidences of indebtedness.

The Financing Agreement has been duly authorized, executed, and delivered by the District pursuant to Resolution No. __, adopted on ____, and assuming due authorization, execution and delivery of the Agreement by the State Water Board, constitutes a legal, valid and binding obligation of the District enforceable against the District in accordance with its terms.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Financing Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California.

Our opinion is limited to matters governed by the laws of the State of California and federal income tax laws. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

The State Water Board has been represented by its own counsel in connection with the execution and delivery of the Financing Agreement and no attorney-client relationship has existed or exists between the State Water Board and our firm in connection therewith or by virtue of this letter. This letter is delivered to you solely for your benefit, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person.

Sincerely,

California Environmental Quality Act (CEQA) Determination

Stockton East Water District (Applicant)
Bellota Weir Modification Project (Project)
Project Number: 3910006-004C

As the Deputy Director for the State Water Resources Control Board (State Water Board), Division of Financial Assistance, I have been delegated the authority to approve and execute financing agreements for projects that are routine and non-controversial.

The Applicant has requested authorization from the State Water Board to begin construction of the Project in advance of receiving an executed financing agreement. According to the Drinking Water State Revolving Fund regulations at 40 Code of Federal Regulations section 35.3525(a)(2)(i), a state may include eligible project reimbursement costs within loans if a system "received approval, authorization to proceed, or any similar action" by the state prior to initiation of project construction and the construction costs were incurred after such state action.

Although the State Water Board has not approved financing for this Project, the State Water Board has completed its review of the CEQA documents for this Project and has determined to provide approval for the Applicant to begin construction of the Project as provided in 40 C.F.R. section 35.3525(a)(2)(i).

1. The Applicant is the CEQA Lead Agency and has prepared an Initial Study/Mitigated Negative Declaration (MND) titled Bellota Weir Modification Project, for the Project which was circulated through the Governor's Office of Land Use and Climate Innovation (LCI), State Clearinghouse (No. 2022090262) for review and comments. The Applicant adopted the MND and a Mitigation Monitoring and Reporting Program (MMRP) and approved the Project on November 1, 2022. The Applicant filed a Notice of Determination with the San Joaquin County Clerk and the LCI on November 2, 2022.

2. The State Water Board is a Responsible Agency under CEQA. A Responsible Agency complies with CEQA by considering the MND and the MMRP prepared by the Lead Agency and by reaching its own conclusions on whether and how to approve the Project involved. The State Water Board has independently considered the MND and the MMRP, and pursuant to my delegated authority, I make the following determinations regarding the Project:

    - The MND and the MMRP include biological resources mitigation measures 1 and 10 to reduce the potential water quality impacts of the Project to less than significant levels as described in the final MND and the MMRP. Because of the mitigation measures identified herein and in the MND and the MMRP, the Project will not result in any significant adverse water quality impacts.

    - The MND and the MMRP also include mitigation measures for biological resources, cultural resources, geology and soils, hazards and hazardous

materials, and tribal cultural resources that mitigate potential environmental impacts to less than significant levels for these impact categories. Changes or alterations to the Project based on these mitigation measures are within the responsibility and jurisdiction of other public agencies and are not within the jurisdiction of the State Water Board. Such changes either have been adopted by other relevant agencies or can and should be adopted by such other agencies.

This action to approve the start of construction of the Project does not constitute an approval of financial assistance/financing for the Project.

A final copy of the MND, MMRP, comments and responses, and records of the approval for the Project are available to the general public at the State Water Board, Division of Financial Assistance at 1001 I Street, 16th Floor, Sacramento, CA 95814.

Daniel Newton Digitally signed by Daniel Newton
Date: 2026.11.02 15:02:38 -08'00'

Daniel Newton, Deputy Director
Division of Financial Assistance

Adobe Acrobat Sign Transaction Number: CBJCHBCAABAACPizpI3UJJB5e0Ndv3dsD4tZYaYKCrSh

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DATE: **November 17, 2026** **AGENDA ITEM NO. D-6**

TITLE: **Board Consideration of Support for Congressman Jim Costa's Candidacy for Chair of the House Agriculture Committee**

SUBJECT: **Consideration of Board Support for Congressman Jim Costa's Candidacy to Chair the U.S. House Committee on Agriculture in the 120th Congress**

Executive Summary

Stockton East Water District (District) staff presents for the Board of Directors' (Board) consideration a request that the Board support Congressman Jim Costa's (CA-21) candidacy to chair the U.S. House Committee on Agriculture in the 120th Congress, as Democrats prepare to take the House majority in January 2027. The District does not have a direct financial or operational stake in the outcome of this internal Congressional leadership contest, as the District is not located in Congressman Costa's district and the contest does not involve District-specific legislation or funding. However, as a California water district serving agricultural customers, the District's agricultural constituents would benefit generally from having a California-based, agriculturally experienced member chair the Committee responsible for the Farm Bill and national agricultural and nutrition policy. Staff presents this item for the Board's consideration and direction; staff is not making a recommendation on whether the Board should support this candidacy.

Background

Congressman Jim Costa represents California's 21st Congressional District, which includes parts of Fresno and Tulare counties, and is a third-generation farmer and senior member of the House Committee on Agriculture. Over more than two decades on the Committee, he has helped write three Farm Bills enacted into law (2008, 2014, and 2018) and currently serves as Ranking Member of the Committee's Subcommittee on Livestock, Dairy, and Poultry.

With Democrats positioned to take the House majority in January 2027 (120th Congress), Congressman Costa is now seeking to chair the Committee. His campaign is inviting agricultural, water, and related organizations to publicly express support for his candidacy. According to support materials, Congressman Costa's stated priorities for the Committee include restoring and protecting nutrition assistance programs such as SNAP, strengthening the farm safety net and agricultural trade, and advancing a bipartisan Farm Bill. This is an internal matter decided within the House Democratic Caucus and its Steering and Policy Committee, not a public election.

Summary

In evaluating whether to support this candidacy, the Board may wish to consider the following:

- Direct benefit to the District: Staff has not identified any direct financial, operational, or regulatory benefit to the District from this Committee leadership outcome. The District is not located within Congressman Costa's district, and the House Agriculture Committee's jurisdiction (the Farm Bill, nutrition programs, and national

agricultural policy) does not directly govern District-specific water rights, permits, or funding.

- Benefit to District constituents: The District's agricultural water customers, and California agriculture generally, could benefit from having a California-based, agriculturally experienced member chairing the Committee that shapes the Farm Bill and related national agricultural and nutrition policy. This is a general benefit to the broader agricultural community the District serves, rather than a benefit specific to the District's own operations or projects.
- Nature of the action: A Board expression of support would take the form of a letter (Attachment), and would not commit the District to any expenditure or ongoing obligation.
- Precedent: The Board has previously taken positions on leadership matters affecting organizations relevant to the District's interests, such as board elections for industry associations in which the District participates.

Staff has not evaluated, and takes no position on, the relative merits of Congressman Costa's candidacy as compared to any other potential candidate for the position.

Financial Impact

There is no financial impact associated with this item. A letter or statement of support, if directed by the Board, would not require District expenditure.

Recommendation

This item is presented for the Board's consideration and direction. Staff is not making a recommendation on whether the Board should support Congressman Costa's candidacy. Staff requests that the Board consider the information provided and direct staff on how to proceed, including whether to issue a letter or statement of support, decline to take a position, or request additional information.

Staff Responsible for Report

Justin M. Hopkins, General Manager

Date: 11/17/26

Attachments

1. Letter of Support for Congressman Jim Cost

November 17, 2026

Democratic Leader
U.S. House of Representatives H-204
U.S. Capitol Washington, DC 20515

On behalf of the Stockton East Water District (District), I write to express our support for Congressman Jim Costa to serve as the Ranking Member of the House Agriculture Committee in the 120th Congress. While we deeply respect Representative David Scott's distinguished service and contributions as the current Ranking Member, we believe Congressman Costa's unique background, deep understanding of agricultural policy, and steadfast commitment to rural America and nutrition programs make him exceptionally well-suited to lead the Committee during this critical time.

Strong and decisive leadership is urgently needed to ensure the timely completion of the Farm Bill. Congressman Costa has demonstrated the knowledge, experience, and bipartisan approach required to guide this process to a successful resolution. His ability to bring stakeholders together and advocate for balanced, practical solutions will be instrumental in addressing the diverse needs of the agricultural community and ensuring that the Farm Bill supports producers, rural economies, and vulnerable families alike.

As a lifelong farmer and a veteran member of Congress with over 18 years of service, Congressman Costa represents a diverse district that mirrors the complexity of the American agricultural system. His district encompasses parts of Fresno and Tulare counties, which, like our region, collectively produce billions in agricultural value annually and represent a wide array of commodities, production systems, and rural communities. This experience equips him with a comprehensive understanding of the challenges and opportunities facing American agriculture.

Congressman Costa’s leadership on the Agriculture Committee has been marked by his advocacy for policies that strengthen food security, expand access to nutrition programs like SNAP, and address systemic hunger. With nearly one-quarter of his constituents participating in these critical programs, his voice has been indispensable in crafting balanced solutions that support both producers and vulnerable families.

He has also been a tireless advocate for expanding and maintaining U.S. access to foreign markets. His extensive work as Chair of the Subcommittee on Livestock and Foreign Agriculture and his leadership on trade issues have demonstrated his ability to navigate complex international dynamics to benefit American farmers and ranchers.

In addition, Congressman Costa understands that we are a nation of immigrants, past and present, and has championed comprehensive immigration reform and workforce issues, recognizing the essential contributions of agricultural workers to our food system. His advocacy for investment in agricultural innovation, conservation programs, and climate-smart practices underscores his commitment to ensuring that American agriculture remains resilient and sustainable in the face of evolving challenges.

DRAFT

We stand ready to support Congressman Costa and the Committee as they address the critical issues that affect our farmers, ranchers, farm workers, and rural communities, and we respectfully request your consideration of his candidacy for this important role.

Sincerely,

Thomas McGurk, President

DRAFT

SAN JOAQUIN COUNTY AND DELTA WATER QUALITY COALITION
STEERING COMMITTEE MEETING

Monday, November 9, 2026
9:00 am to 10:00 am

Zoom Only Meeting

https://us02web.zoom.us/j/85222562166?pwd=d0ZDWFJNcHN3dngzR0pqUGlBMmR3Zz09
Meeting ID: 852 2256 2166
Passcode: 742391
Phone: 1-669-900-9128

AGENDA

1. **Call to Order** 9:00am (Michael Wackman)
   Roll Call/Introduction of Guests
   Acceptance of Agenda

2. **Approval of Minutes**

3. **Financial Report** (Michael Wackman)
   a. Coalition Financials

4. **Membership** (Ruth Mulrooney)
   a. Update on Membership

5. **Program Manager's Report (**MLJ-LLC) –
   a. Program Report

6. **WDR Implementation** (Michael Wackman)
   a. Membership annual meetings
   b. Non payment of management zone fees

7. **Old Business**
   a. Delta Regional Monitoring Program
   b. CV Salts
      a. Management Zone implementation – Nitrates in groundwater
      b. Long term solutions for Salts

8. **New Business –**

9. **Public Comments** (Limited to 3 minutes per speaker)

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Weekly Water Report	As of: November 3, 2026	As of: November 17, 2026	
New Hogan (NHG) TOC	**226,350**		**AF**
Storage:	151,309		AF
Net Storage Change:	1,705		AF
Inflow:	7		CFS
Release:	41		CFS
New Melones (NML) Allocation	**0**		**AF**
Storage:	1,504,739		AF
Net Storage change:	3,258		AF
Inflow:	496		CFS
Release:	284		CFS
Source: CDEC Daily Reports			

Goodwin Diversion (GDW)		
Inflow (Tulloch Dam):	385	CFS
Release to Stanislaus River (S-98):	456	CFS
Release to OID (JT Main):	0	CFS
Release to SSJID (SO Main):	0	CFS
Release to SEWD & CSJWCD:	0	CFS
Total Release	456	CFS
Source: Tri-Dam Operations Daily Report		
Farmington Dam (FRM)		
Diverted to SEWD:	0	CFS
Diverted to CSJWCD:	0	CFS

Surface Water Used		
Irrigators on New Hogan:	0	
Irrigators on New Melones:	0	
Out-Of-District Irrigators:	0	
DJWWTP Production:	38	MGD
North Stockton:	7	MGD
South Stockton:	6	MGD
Cal Water:	14	MGD
City of Stockton DWSP Production:	10	MGD

District Ground Water Extraction		
74-01	0	GPM
74-02	0	GPM
North	0	GPM
South	0	GPM
Extraction Well # 1	2,544	GPM
Extraction Well # 2	3,125	GPM
Total Well Water Extraction	5,669	GPM
Total Ground Water Production	8	MGD

Note:

****The data reported here is available as of 11/01/26**

***The data reported here is available as of 11/02/26**

All other flow data reported here is preliminary, as of 9:00 a.m. on 11/03/26

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San Joaquin County Historical Society & Museum

Docent Council's 34th Annual



Festival of Trees

DECEMBER 5th & 6th, 2026

10:00AM – 4:00PM

General Admission – $15*

Children (2-12) – $5 Children (under 2) – Free

Friday Preview: December 4th (1pm - 4pm) – $8

For those who may have difficulty in large crowds

Join Us

for a festive celebration of the holidays. Enjoy performances by local artists, pick up a festive swag or wreath made by our Docent Council members, and stroll our 18 acre grounds to view the beautifully decorated holiday trees. Kids' crafts and a picture with Santa help make Festival of Trees a memorable time for the whole family.

** Parking included with pre-purchased ticket*
† Online and phone orders end November 13

For Tickets

Call (209) 331-2055 or
visit www.sanjoaquinhistory.org/trees†

Tickets also available at Music Box or House of Coffees in Lodi and Bungalow in Lincoln Center, Stockton

SAN JOAQUIN COUNTY HISTORICAL MUSEUM AT MICKE GROVE

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DATE: **November 17, 2026** **AGENDA ITEM NO. F-2b**

TITLE: **Low Lift Pump Station Design-Build Project**

SUBJECT: **Informational Report on Project History, Prior Board Actions, and the Phase 1 Progressive Design-Build Agreement with Shimmick Construction Company, Inc.**

Executive Summary

On November 3, 2026, the Board of Directors (Board) approved a Phase 1 Progressive Design-Build Agreement with Shimmick Construction Company, Inc. (Shimmick) for the Low Lift Pump Station (LLPS) Electrical Improvements Project and asked staff for additional information. This report consolidates the project's history and every related Board action in one place.

The project began after a June 2024 lightning strike knocked out power to the LLPS and both standby generators failed. Because major electrical equipment had 1.5- to 2.5-year lead times, the Board first approved purchase of a standby generator, switchboard, and transformer in October 2024. In December 2025, the Board approved a Stantec contract for a 30% design to support a design-build solicitation. The Shimmick agreement is the fourth action; together to this point they total $2,326,174.25 in authorizations, including 10% contingencies.

Phase 1 covers design development and preconstruction only and ends with a construction price. Construction (Phase 2) cannot proceed without a separate Board approval of its scope and cost.

Staff Recommendation: This item is informational as requested by the Board; no action is required.

Background

The LLPS conveys raw water into the treatment process at the Dr. Joe Waidhofer Water Treatment Plant (WTP); a failure of its electrical system would force a WTP shutdown. In June 2024, a lightning strike knocked out power to the LLPS, and both existing standby generators failed afterward. Neither generator could run the LLPS at the WTP's permitted capacity of 65 MGD, so the District rented a large portable generator.

Stantec's 2024 High-Level Facilities Evaluation, prepared for the WTP Master Plan and 20-Year CIP, also found the original LLPS switchboard and transformer past their useful life and at risk of failure. The project replaces or upgrades six LLPS electrical components:

- Purchased in advance by the District: transformer T-2 (2,000 kVA), the 480V Distribution Panel DP-4 switchboard (3,000A), and the 1,500 kW standby diesel generator.

- Designed, procured, and built under the design-build contract: the LLPS high-voltage switchgear and motor control centers MCC-1M and MCC-5M (MCC-5M to be replaced with a distribution panel), plus installation of the pre-purchased equipment.

Prior board actions are listed below on **Table1:**

Date	Item	Winning Vendor	Base $	Contingency$
Oct 8, 2024	Purchase of 1,500 kW Caterpillar standby generator with 3,000A automatic transfer switch, 1,200A tap box, and two-year warranty and maintenance	Holt of California (low of two quotes; Bay City/Kohler $1,395,596)	$1,355,665.00	$1,491,231.50
Oct 8, 2024	Purchase of 3,000A switchboard and 2,000 kVA Square D transformer	ABB ($191,978.79, low of five quotes) and Graybar ($134,603.71, low of two quotes)	$326,582.50	$359,240.75
Dec 9, 2025	30% design and design-build solicitation support, with a $146,000 budget amendment from the ASR Well project	Stantec Consulting Services Inc. (sole source under Purchasing Policy Section D.1)	$132,456.00	$145,702.00
Nov 3, 2026	Phase 1 Progressive Design-Build Agreement (design development and preconstruction)	Shimmick Construction Company, Inc.	~$300,000.00	$330,000.00
Total			$2,114,703.50	$2,326,174.25

Table 1: Summary of Previous Board Actions

The October 2024 switchboard and transformer memo listed the contingency as $64,745.40. Ten percent of the purchase price is $32,658.25, which matches the approved total of $359,240.75. An earlier September 24, 2024 generator memo compared base-unit prices only; the October 8 memo compared both vendors with the same accessories, shipping, and tax.

Summary

The contractor selection and Phase 1 scope were presented in the November 3, 2026 staff report. In brief, staff interviewed three firms in a qualifications-based process. Shimmick ranked first with 378 of 400 points (Telstar Instruments 310; Bockmon & Woody Electric 245). Phase 1 carries Stantec's 30% design forward and ends with a construction

price. Phase 2, final design and construction, will return to the Board for separate approval, anticipated in. The District still hopes to have the generator in hand before the fiscal year end and Staff is working on pushing the contractor to meet that deadline.

Financial Impact
This item has no financial impact. Of the $1,235,000 budgeted for the design-build project (Fund 94, M&I 10-5323), $905,000 remains for Phase 2 after the Phase 1 authorization. The equipment purchases were planned as separate budget line items, and the Stantec contract was funded by the December 2025 budget amendment.

Staff Recommendation
This item is informational; no action is required.

Staff Responsible for Report

James de Fremery
James de Fremery, Associate Engineer — Date: 11/17/26

Darrel Evensen
Darrel Evensen, District Engineer — Date: 11/17/26

Juan Vega
Juan Vega, Assistant General Manager — Date: 11/17/26

Justin M. Hopkins
Justin M. Hopkins, General Manager — Date: 11/17/26

Attachments
1. None

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Stockton East Water District

Board of Directors

November 17, 2026

Agenda Item: F-5
Date: 11/17/26

SEWD State & Federal Delegation

Ballots continue to be counted after Election Day during the canvass period; county elections officials must report final official results to the Secretary of State by December 4, 2026. The Secretary of State will certify the results on December 11, 2026.

- **California State Delegation**
  - **Senator Jerry McNerney – SD 5 (Alameda, San Joaquin)**
  - **Assembly Member Rhodesia Ransom – AD 13 (San Joaquin)**
  - **Assembly Member Heath Flora – AD 9 (Amador, Calaveras, Sacramento, San Joaquin, Stanislaus)**

- **Federal Delegation**
  - **US Senator Alex Padilla**
  - **US Senator Adam Schiff**
  - **US Representative Adam Gray – CD 13 (Fresno, Madera, Merced, San Joaquin, Stanislaus)**
  - **US Representative Josh Harder – CD 9 (Contra Costa, San Joaquin)**
  - **US Representative Doris Matsui – CD 7 (El Dorado, Sacramento, San Joaquin)**
  - **US Representative Tom McClintock – CD (Alpine, Amador, Calaveras, El Dorado, Fresno, Inyo, Madera, Mariposa, Mono, San Joaquin, Stanislaus, Tuolumne)**

119th United States Congress
Tentative 2026 Legislative Schedule
November – December

Dates	Actions
November 9 – November 10	House & Senate In Session
November 11 – November 12	House In Session
November 16	Senate In Session
November 17 – November 20	House & Senate In Session
November 30	House In Session
December 1 – 4	House & Senate In Session (Senate 12/5)
December 8 – 11	House & Senate In Session (Senate 12/7)
December 14 – 17	House & Senate In Session (Senate 12/18)
January 3, 2027	**120th Congress Convenes**

US Congress: Lame Duck Session

- **Lame-duck session begins November 9th**
- **Fund The Federal Government for FY2027**
  - FY 2027 spending bills or other temporary funding extensions
  - Current funding expires December 11th
- **Water:** Federal water infrastructure, Bureau of Reclamation projects and drought-related programs.
- **Agriculture:** Farm Bill programs, agricultural assistance and food supply.
- **Transportation:** Highway, freight and infrastructure funding.
- **Flood protection:** Flood control, levees and water infrastructure.
- **Wildfire:** Federal disaster assistance and wildfire response funding.
- **Rural communities:** Rural healthcare, housing and community development.

California Legislative Calendar: 2026

- **2026 Tentative Legislative Calendar: Key Dates**
  - November 30, 2026 – Adjournment sine die at midnight
- **December 7, 2026 – Convening of the 2027-28 Regular Session**

ACWA Legislative Proposal

- **Legislative Proposal 01:** Capacity Fee Recovery: an ACWA-member agency that has faced challenges with housing development projects delaying requiring water meters and claiming to be exempt from paying higher capacity fees under the Housing Crisis Act's statutory vesting framework. **Status: Defer Action**
- **Legislative Proposal 02:** Designation of Water/Wastewater Vehicles as Emergency Vehicles: proposes to designate vehicles owned or operated by public water and wastewater agencies when used for emergency response, disaster recovery, infrastructure protection, or mutual aid, or to maintain or restore potable water or wastewater services during emergencies, as authorized emergency vehicles. **Status: Defer Action**
- **Legislative Proposal 03:** Public Utility District Director Compensation: would increase the maximum annual compensation that a governing board of a Public Utilities District could compensate an individual board member for from $4,800 to $12,000. **Status: Favor**
- **Legislative Proposal 04:** Water Conservation Affordability Compliance Plans: creates a process for urban retail water suppliers to prove significant challenges to comply with the Making Conservation a Way of Life regulation and provide suppliers with a State Water Board-approved and supplier-specific schedule while continuing to make measurable conservation progress and achieve applicable standards. **Status: Defer Action**
- **Legislative Proposal 05:** Water Efficiency and Conservation Rebate Income Tax Exemption: would exempt any water efficiency, water conservation, or water runoff management improvement program rebate from California gross income tax. **Status: Sponsor**
- **Legislative Proposal 06:** Water Rights Permit Extensions: proposal would seek to create greater clarity for permittees when seeking an extension of their water rights. The final bill language is being developed through a working group process jointly with the State Water Contractors. **Status: Co-Sponsor with State Water Contractors Pending Final Approval in January**

The Gualco Group, Inc. Team

- Jackson R. Gualco
- Kendra Daijogo
- Lisa Rodriguez
- Robert J. Gore
- Clifford H. Moriyama
- Daniel J. Merkley
- Stephanie Roberson



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ACWA REGIONS

ACWA Regions 2 & 4 Tour and Program

Connecting Climate, Water & Habitat

Preliminary Program and Itinerary

Nov. 4, 2026 | Winters Community Center, 201 Railroad Ave, Winters, CA 95694

8:00 a.m.	Check-In and Continental Breakfast
8:20 a.m.	Welcome, **Cary Keaten,** Chair, Region 4
8:30 a.m.	Welcome, Majority Leader **Cecilia Aguiar- Curry**
8:40 a.m.	Board Bus to Kick off Putah Creek Tour **Alex Rabidoux, P.E.,** Assistant General Manager, SCWA
9:00 a.m.	Putah Diversion Dam
9:45 a.m.	UC Riparian Reverse Fish Weir
10:50 a.m.	Return to Winters Community Center
11:00 a.m.	Solano County Water Agency Overview
11:20 a.m.	Panel: Salmon Outlook, Science and Management **MODERATOR** **Max Stevenson, Ph.D.,** Streamkeeper. Solano County WA **PANELIST** **David Weisenberger,** General Manager, Banta-Carbona ID **Jonathan Nelson**, Anadromous Fisheries Program Manager, CDFW **Robert Lusardi**, Assistant Professor, UC Davis
12:35 p.m.	ACWA Update **Carol Lee Brady-Gonzales**, Vice President, ACWA **Karla Nemeth**, Executive Director, ACWA
1:05 p.m.	Keynote Speaker: **Erik Loboschefsky, Ph.D., P.E.,** Executive Manager, DWR

ACWA JPIA HDR Stantec verdantas

Thank you Regions 2 & 4 Event Sponsors

1: 45 p.m. Panel: Winter Outlook and Regional Flood Preparedness

NOAA Weather and Climate Outlook Video
Courtney Carpenter, Warning Coordination Meteorologist, NOAA

MODERATOR
Kristin Sicke, General Manager, Yolo County Flood Control and Water Conservation District

PANELIST
Jennifer Phillips, Executive Manager for Climate Resilience and Sustainability**,** DWR
James Newcomb, Deputy Director Natural Infrastructure and Ecosystem Resilience, DWR
Laurance Sanati, Division Manager for the Division of Flood Operations**,** DWR

3:15 p.m. ACWA JPIA Update
David DeBernardi, Finance Director, ACWA JPIA

3:30 p.m. Concluding Remarks
Eric Larrabee, Chair, Region 2

ACWA 2026-'27 Region 2 Board Members
Chair **Eric Larrabee** Western Canal WD • Vice Chair **Josh Watkins** City of Redding
Board Members **Patrick Meagher** Rec. Dist. #784 • **Kyle Morgado** Yuba WA • **Kevin Phillips** Paradise ID• **Dean Sherrill** Rio Alto WD • **Shandon Smith** Tehama Colusa Canal Authority

ACWA 2026-'27 Region 4 Board Members
Chair **Cary Keaten** Solano ID • Vice Chair **Kristin Sicke** Yolo County FC & WCD
Board Members **Jay Boatwright** Sacramento Suburban WD • **Vincent Lucchesi** Patterson ID• **Thomas Orvis** Oakdale ID • **Andrew Watkins** Stockton East WD • **David Weisenberger,** Banta-Carbona ID

YOUR BEST PROTECTION

ACWA JPIA

P. O. Box 619082
Roseville, CA
95661-9082

phone
916.786.5742
800.231.5742

www.acwajpia.com

Core Values
- **People**
- **Service**
- **Integrity**
- **Innovation**

November 4, 2026

Mr. Justin M. Hopkins
Stockton East WD
6767 East Main Street
Stockton, CA 95215

Re: Graduation of the JPIA Leadership Essentials for the Water Industry Program

Dear Mr. Hopkins,

Thank you for the financial and professional support of Alejandra Rangel's participation in the JPIA Leadership Essentials for the Water Industry Program from November 2025 to November 2026.

This year-long, highly immersive program requires a true commitment to professional growth on the part of the participants, attending 4 in-person sessions along with 12 conference calls and countless Back-at-Work activities. While growing and developing leadership skills, Alejandra was also performing regular job duties at the agency, not an easy task.

I was personally impressed with Alejandra's involvement in the sessions and application of the theories learned. Alejandra has grown in self-awareness and leadership skills, and I hope you will recognize the accomplishment.

I am confident the application of learnings from this program will result in a more inspired and committed workforce at your agency, which leads to less employee-related issues and thus a positive impact on the JPIA pool. Thank you again for your support.

Sincerely,

Sarah Crawford

Sarah Crawford
Member Education Manager, ACWA JPIA

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SAN JOAQUIN COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT
ADVISORY WATER COMMISSION

** CANCELLATION NOTICE **

THE NOVEMBER 18, 2026 ADVISORY WATER COMMISSION MEETING IS CANCELLED

Please Note:

The Next AWC Meeting

Is scheduled for **DECEMBER 16, 2026,**
beginning at 1:00 p.m.

Location

San Joaquin County Robert J. Cabral Agricultural Center

2101 E. Earhart Avenue, Stockton, CA 95206

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ACWA

ACWA'26
FALL CONFERENCE

Dec 1 – 3 • Anaheim, CA

The **ACWA Conference** brings California's water leaders together to address **today's challenges and shape the future**. Through intentional dialogue, discussion forums and informational sessions spanning state and federal policy, finance, legal issues and more, the conference is the **premier destination for those committed to caring for California's water resources now and for generations to come**.

Register at **acwa.com/events/acwaconf-fall26**.



Register for ACWA Conference

ADVANTAGE	By Nov. 3	After Nov. 3
Full Registration *Buy 5 and receive 1 free**	$999	$1,099
One-Day: Tues / Thurs	$495	$595
One-Day: Wed	$595	$695

STANDARD	By Nov. 3	After Nov. 3
Full Registration *Buy 5 and receive 1 free**	$1,475	$1,575
One-Day: Tues / Thurs	$775	$875
One-Day: Wed	$885	$985

*For full pricing details, visit the ACWA website. *Cannot combine with other discounted registrations.*

***Advantage rate** – Special pricing for our Public Agency Members, Affiliates & Associates.*
***Standard rate** – Open to all water professionals and interested attendees.*

Preliminary Agenda Overview

Day 1 | Dec. 1

May qualify for continuing education credits.

9:30 AM	**Committee Meeting & Education Session**	Groundwater Committee
10:45 AM	**Commitee Meetings**	Energy Committee | Water Management Committee
11:45 AM	**Networking Lunch**	
11:45 AM	**Taskforce Meetings**	Outreach Taskforce | Headwater Taskforce
1:00 PM	**Committee Meetings & Education Session**	Agriculture Committee | Local Government Committee
2:15 PM	**Committee Meetings**	Communications Committee | Finance Committee | Water Quality Committee
3:30 PM	**Committee Meetings & Education Session**	Federal Affairs Committee | Legal Affairs Committee | Membership Committee
4:00 PM	**New Member Mixer**	
4:00 PM	**Exhibit Hall Opens**	
5:00 PM	**Welcome Reception in the Exhibit Hall**	

Day 2 | Dec. 2

7:30 AM	Continental Breakfast
8:30 AM	Welcome Keynote & Opening Address
10:30 AM	Program & Spotlight Sessions
11:45 AM	Networking Lunch
1:30 PM	Water Talk at the Main Stage
2:25 PM	Spotlight Sessions
2:30 PM	Program Sessions
3:45 PM	Region Meetings
5:00 PM	Networking Reception in the Exhibit Hall

Day 3 | Dec. 3

7:30 AM	Continental Breakfast
8:30 AM	Grand Prize Drawing in the Exhibit Hall
9:00 AM	Program Sessions
10:30 AM	Closing Keynote & Awards Presentation
12:00 PM	Lunch & Learn Program Sessions

Venue & Hotel Information

Anaheim Marriott
700 W. Convention Way
Anaheim, CA

Room Rate: $239/night + taxes & fees

Note: *Conference registration is required to book at the ACWA group rate. A reservation link will be provided in your registration confirmation email.*

Visit **acwa.com/events/acwaconf-fall26** for full agenda and to register.

Bianca Rodriguez

To: Justin Hopkins

Cc: Priya Ram

Subject: RE: Save the Date: AD13 Alumni & Friends Holiday Mixer

---

From: Johnson, Samantha <Samantha.Johnson@asm.ca.gov>
Sent: Monday, November 2, 2026 4:47 PM
To: Justin Hopkins <JHopkins@sewd.net>
Subject: Save the Date: AD13 Alumni & Friends Holiday Mixer



Dear Justin,

It's time to reconnect, celebrate, and kick off the holiday season together. On behalf of Assemblymember Ransom, I am excited to invite you to the Assembly District 13 Alumni & Friends Holiday Mixer! We're bringing together community leaders as well as our current and former interns and Young Legislator Program (YLP) Alums for an evening of festive fun, meaningful connections, and with the leaders of San Joaquin County.

As a valued YLP guest speaker, your contributions have helped expose our young leaders to new perspectives and opportunities. Our program participants are some of the best and brightest in the county. We would be honored by your presence and opportunity to continue to create connections with these bright minds.

We can't wait to bring everyone together for a fun and festive evening. Mark your calendars! We will send another email with additional details soon.

Date: Friday, December 4, 2026
Time: 5:30pm - 7:00pm
Location: AD13 District Office - 4643 Quail Lakes Drive, Suite 200, Stockton

Best regards,

Samantha Johnson, District Representative
Office of Assemblymember Rhodesia Ransom, District 13
4643 Quail Lakes Drive, Ste. 200
Stockton, CA 95207
O: (209) 948-7479 **ext.** [13413]
https://linktr.ee/asmransom

Submit meeting and event requests for Assemblymember Ransom
Stay Connected and sign up for updates