



**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
Fax 209-948-0423

E-mail sewd@sewd.net

6767 East Main Street
Stockton, CA 95215

Post Office Box 5157
Stockton, CA 95205

SPECIAL MEETING NOTICE

The Agriculture Operations Committee
Of the Stockton East Water District
Board of Directors will meet at

10:00 a.m. on Wednesday, April 22, 2026

At the District Office, 6767 East Main Street, Stockton, CA

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

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

AGENDA

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| 1. Roll Call - Chairperson Atkins, Director Nakaue, Director Hansen, Director Sanguinetti (Alternate) | |
| 2. Public Comment | |
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Certification of Posting

I hereby certify that on April 17, 2026, I posted a copy of the foregoing agenda in the outside display case at the District Office, 6767 East Main Street, Stockton, California, and said time being at least 24 hours in advance of the Agriculture Operations Committee Meeting (Government Code Section 54954.2). Executed at Stockton, California on April 17, 2026.

Priya Ram, Director of Finance & Administration
Stockton East Water District

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

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DATE: April 22, 2026**AGENDA ITEM NO. 3**

TITLE: Ability-to-Pay (ATP) Study Results – Agricultural and Financial Analysis**SUBJECT: Update on ATP Study Findings and Implications for Agricultural Funding and District Reserves**

Executive Summary

The Bureau of Reclamation completed the Ability-to-Pay (ATP) Study for the 2025–2029 period to evaluate the District’s eligibility for relief on Central Valley Project (CVP) costs. The study concluded that the District has the ability to meet its repayment obligations and does not qualify for ATP relief.

While the study finds overall District ability to pay, it also identifies that agricultural operations have no financial capacity to contribute toward repayment. The ATP determination is primarily supported by the availability of unrestricted reserves, rather than agricultural revenues or operating performance.

Background

The ATP study is conducted periodically by the U.S. Bureau of Reclamation (USBR) to determine whether irrigation districts have the financial capacity to repay CVP-related construction costs and Restoration Fund charges.

The analysis evaluates:

- Agricultural (farm-level) economics
- District-level financial condition, including revenues, expenses, and reserves

The outcome determines whether a district qualifies for reduced federal repayment obligations.

Summary

The ATP study found that all major crop categories within the District generate negative net returns when accounting for full production costs.

Under Reclamation methodology:

- Negative returns are normalized to zero
- Agricultural operations are assigned no repayment capacity

As a result, agriculture does not contribute to the District’s ability to pay under the ATP analysis.

Additionally, agricultural operations rely heavily on groundwater supplies, increasing production costs and further limiting financial capacity.

Financial Impact

Despite the lack of agricultural repayment capacity, the ATP study determined that the District has the ability to pay based on its overall financial position. District AG operations alone do not generate sufficient net revenue to support repayment; instead, the determination is primarily driven by the availability of reserve balances.

Under the District’s Reserve Policy, reserves are categorized as restricted or designated for specific purposes, including Dry Year Reserves, Capital and Water Treatment Reserves, and Emergency Reserves. These funds are intended for defined uses and are not available for general repayment obligations.

However, ATP methodology excludes only formally restricted reserves and assumes that all unrestricted reserves are available for repayment, regardless of Board-designated purposes, capital planning needs, or rate stabilization objectives.

As a result, the only reserve realistically available for repayment is the Operating Reserve. Given that expenses are allocated approximately 95% to M&I and 5% to agriculture, only a limited portion—approximately 5% of the Operating Reserve balance—would be attributable for use in the ATP analysis.

Table 1: District Reserve Funds and ATP Considerations

Reserve Fund	Reserve Type	Purpose / Use	ATP Consideration
AG Dry Year Reserve	Restricted	Ensures agricultural water supply reliability during dry years	Not available; restricted to water supply purposes
M&I Dry Year Reserve	Restricted	Ensures municipal and industrial water supply reliability	Not available; restricted to water supply purposes
Water Treatment Facilities Reserve	Restricted	Supports operation, maintenance, repair, and expansion of treatment facilities	Not available; restricted to treatment-related costs
Repair and Replacement Reserve	Designated	Funds infrastructure repairs and replacements to maintain system reliability	Required for system maintenance; not discretionary
Water Deficiency Reserve	Designated	Supports development of water supply infrastructure to meet minimum delivery requirements	Intended for supply reliability; not available for repayment

Reserve Fund	Reserve Type	Purpose / Use	ATP Consideration
Emergency Reserve	Designated	Provides funding for emergencies and unforeseen events	Limited to emergency use only
Capital Reserve	Designated	Supports capital improvement program and infrastructure replacement	Required for long-term planning and regulatory compliance
Goodwin Dam Reserve	Designated	Dedicated to Goodwin Dam maintenance and replacement	Restricted to specific asset use
Bond / Debt Reserve	Restricted	Maintains required balances under bond covenants	Legally restricted; not available for reallocation
Operating Reserve	Unrestricted	Maintains liquidity, supports operations, and stabilizes rates	Only partially available; approximately 5% attributable to AG

Key Issues

The ATP results highlight a structural disconnect:

- Agricultural operations demonstrate no financial ability to pay.
- The District is deemed capable of repayment based on reserve balances
- The analysis relies on one-time financial resources, rather than ongoing revenue streams

This approach does not reflect the long-term financial constraints of the agricultural sector or the intended use of District reserves.

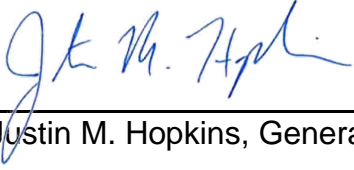
Recommendation

Staff requests the Agricultural Operations Committee recommend to the Board of Directors the following dedications of currently unrestricted reserves:

Following approval, staff will provide comments and feedback to the USBR regarding the incorrect application of District reserves within the ATP study and coordinate with the USBR to revise and finalize the study.

Staff is also seeking direction regarding USBR policy to normalize negative returns to zero. Section PEC 11-01 is part of the Reclamation Manual (Reclamation Manual | Bureau of Reclamation) and was specifically developed by the Reclamation Law Administration Division (RLAD), located in Denver. The District could invest in lobbying and legislative avenues to attempt modification of PEC 11-01; however, success is not likely.

Staff Responsible for Report



Justin M. Hopkins, General Manager

Date: 04/22/2026

Attachments

None

DATE: April 22, 2026

AGENDA ITEM NO. 4

TITLE: What is 'Normal'?

SUBJECT: Evaluation and Comparison of 'Normal' as Defined by NOAA and the San Joaquin Index

Executive Summary

This staff report explains: (1) what NOAA means by “normal precipitation,” (2) what constitutes a “normal water year” under the San Joaquin Valley Water Year Hydrologic Classification Index, commonly called the San Joaquin River Index or “60-20-20” index, (3) how those concepts are related, (4) why NOAA normals should not be used directly as a proxy for a normal San Joaquin River Index year, and (5) practical methodologies for using NOAA precipitation projections to estimate the annual San Joaquin River Index..

Background

NOAA “Normal Precipitation”.

NOAA climate normals are official 30-year averages of climatological variables calculated for a uniform period. NOAA’s current U.S. Climate Normals are based on the 1991–2020 period. In the strictest sense, a precipitation “normal” is simply the 30-year average precipitation for a location and time interval, such as monthly or annual precipitation. NOAA normals describe typical meteorological conditions over a recent 30-year baseline; they are not runoff forecasts and do not themselves account for watershed storage, snowpack timing, soil moisture, or basin hydrology.

“Normal Water Year” Under the San Joaquin River Index.

The San Joaquin Valley Water Year Hydrologic Classification is not based directly on precipitation totals. Under Decision 1641 and related implementation materials, the San Joaquin index is computed as:

$$\text{Index} = 0.6(X) + 0.2(Y) + 0.2(Z)$$

where X is current-year April–July San Joaquin Valley unimpaired runoff, Y is current-year October–March unimpaired runoff, and Z is the previous year’s index, capped at 4.5 million acre-feet for this purpose. For San Joaquin River flow objectives, year types are set from forecasts beginning in February, and the final determination is based on the May 1st 90% exceedance forecast. The San Joaquin year-type thresholds are:

- Wet ≥ 3.8 MAF
- Above Normal > 3.1 and < 3.8 MAF
- Below Normal > 2.5 and ≤ 3.1 MAF
- Dry > 2.1 and ≤ 2.5 MAF
- Critical ≤ 2.1 MAF.

Accordingly, a “normal water year” in San Joaquin practice is not a single NOAA-style climatological average; it is best understood as the middle regulatory classifications, especially Above Normal or Below Normal, determined from unimpaired runoff rather than precipitation alone.

How the Two Concepts Are Related

The two concepts are related because precipitation is one of the primary physical drivers of runoff, and DWR's hydroclimate materials note that the Southern Sierra five-station precipitation index corresponds fairly well with San Joaquin River water-year runoff. In that sense, NOAA precipitation normals and projections can provide useful climate-side information about whether a basin is trending wetter or drier than its historical baseline. But the relationship is indirect: NOAA normals describe typical precipitation, while the San Joaquin index measures a weighted runoff response over two seasons plus a carryover term from the prior year.

Issues With Using NOAA "Normal" Precipitation to Project "Normal" San Joaquin Index

There are several problems with treating NOAA normal precipitation as equivalent to a normal San Joaquin River Index year.

First, the variables are different. NOAA normals are precipitation averages at stations or grid cells, while the San Joaquin index is based on unimpaired runoff volume from the Stanislaus, Tuolumne, Merced, and upper San Joaquin basins. Runoff is a transformed response, not the same thing as precipitation.

Second, timing matters. The San Joaquin index explicitly separates October–March runoff and April–July runoff with different weights. A given annual precipitation total can produce very different index values depending on whether precipitation falls as early-season rain, late-season snow, warm storm rain-on-snow, or a sequence of storms that changes antecedent moisture and snow accumulation. NOAA annual normals do not preserve that hydrologically important seasonal structure.

Third, snowpack and temperature matter. In the Sierra, precipitation phase and melt timing strongly influence how much volume appears in April–July runoff, which is the most heavily weighted component of the San Joaquin index. Two years with similar precipitation can produce different runoff depending on temperature, snowline elevation, and melt timing. NOAA precipitation normals alone omit that information.

Fourth, the index includes hydrologic memory through the prior-year term Z . NOAA normal precipitation has no analogous carryover feature. A basin emerging from a wet year and a basin emerging from a dry year may respond differently even under similar current-year precipitation conditions because the San Joaquin index formula explicitly carries prior conditions forward.

Fifth, station and spatial-representation issues matter. NOAA normals are often point-based or gridded meteorological products, while the San Joaquin index reflects runoff from a specific four-river watershed system. Basin-average runoff response depends on where precipitation falls within elevation bands, watershed aspects, and snow-dominant versus rain-dominant zones. A simple comparison between NOAA "normal precipitation" and basin runoff can therefore misstate actual water-supply response.

Sixth, nonstationarity is a real concern. Published work on California water-year classification has noted that the runoff relationships underlying traditional indices can shift under a warming climate. That means even a historically reasonable precipitation-to-index relationship may drift over time if warmer storms produce more rain and less snow or change the seasonal runoff pattern.

Summary

The most defensible approach is not to convert NOAA precipitation projections straight into an index value using a simple ratio. Instead, NOAA precipitation should be one input into a runoff-estimation framework that mirrors the structure of the San Joaquin index.

1. Seasonal statistical runoff model tied to the index formula

Develop a basin-specific regression or other statistical model that estimates October–March unimpaired runoff (Y) and April–July unimpaired runoff (X) separately from meteorological inputs. Inputs should include at minimum: seasonal precipitation totals, precipitation by elevation band or representative station group, temperature, and where available snow water equivalent. The annual San Joaquin index can then be calculated using the official formula:

$$\text{Estimated Index} = 0.6(\text{Estimated X}) + 0.2(\text{Estimated Y}) + 0.2(\text{Previous Year Index})$$

This is the most straightforward planning method because it respects the actual structure of the regulatory index.

2. Use anomalies from NOAA normals, not raw “normal” values

Rather than saying “NOAA projects 100 percent of normal precipitation, therefore the San Joaquin index should be normal,” use NOAA data to compute departure from normal or percent of normal for the relevant basin and season. Then calibrate historical relationships between seasonal precipitation anomalies and the resulting X and Y runoff components. This avoids confusing the precipitation baseline with the runoff classification itself.

3. Build separate rain-season and snowmelt-season models

Because the San Joaquin index weights April–July runoff at 60 percent, it is important to model snowmelt-season runoff separately from cool-season runoff. A useful framework is:

Estimate Y from October–March precipitation, antecedent soil moisture, and storm temperature.

Estimate X from accumulated cold-season precipitation, snow water equivalent, spring temperature, and melt timing.

This approach better captures the fact that equal precipitation totals can produce different spring runoff depending on snow storage and melt conditions.

4. Calibrate to the San Joaquin precipitation index and four-river runoff history

DWR has noted that the Southern Sierra five-station precipitation index corresponds fairly well with San Joaquin runoff. A practical intermediate method is therefore to first translate NOAA precipitation projections into projected seasonal values for the five-

station San Joaquin precipitation index, then calibrate that index against historical four-river unimpaired runoff for X and Y. This is generally more defensible than using statewide or local NOAA normals alone because it is more spatially aligned with San Joaquin basin hydrology.

5. Use ensemble ranges, not point estimates
Because the precipitation-to-runoff relationship is uncertain, especially in mixed rain-snow basins, use NOAA projections to produce a range of plausible index outcomes rather than a single deterministic value. For example, develop low, median, and high runoff cases or exceedance-based cases, then map those to likely year types. This is more consistent with the way official San Joaquin year types are forecast using exceedance assumptions.
6. Update estimates through the water year
A planning estimate prepared from preseason NOAA outlooks should be updated as the year develops. Early estimates can use forecast precipitation anomalies and prior-year index values. By midwinter and spring, the model should be refreshed with observed precipitation, snowpack, and temperature conditions, because the official year type itself evolves through monthly forecasts and is finalized from the May 1 forecast basis for San Joaquin flow objectives.

Recommended Practical Framework

For planning purposes, the recommended methodology is a two-step seasonal runoff estimation approach:

Use NOAA precipitation projections and observations to estimate seasonal basin precipitation anomalies for the San Joaquin headwaters.

Convert those seasonal meteorological conditions into estimates of October–March unimpaired runoff and April–July unimpaired runoff using a calibrated historical model that also includes temperature, snowpack, and the prior-year index.


Apply the official San Joaquin formula and thresholds to estimate the annual index and likely year type.

This framework is preferable because it preserves the regulatory structure of the San Joaquin index, uses NOAA data appropriately as climate input rather than as a direct proxy for runoff, and reduces the risk of systematic error from ignoring snow processes, seasonal timing, basin geography, and prior-year hydrologic memory.

Next Steps

NOAA “normal precipitation” and a San Joaquin “normal water year” are related but fundamentally different concepts. NOAA normals describe typical precipitation over a 30-year climate baseline, while the San Joaquin River Index is a runoff-based regulatory classification driven by weighted seasonal unimpaired runoff and a prior-year carryover term. Because of that difference, NOAA normal precipitation should not be used as a direct substitute for a normal San Joaquin index year. The better practice is to use NOAA precipitation projections as meteorological inputs to a calibrated seasonal runoff model that estimates the San Joaquin index in the same structure used by the official 60-20-20 methodology.

Staff Responsible for Report



Justin M. Hopkins, General Manager

Date: 04/22/26

Attachments

None

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DATE: April 22, 2026

AGENDA ITEM NO. 5

TITLE: SWEEP Block Grant Cost Sharing Agreement

SUBJECT: Recommendation to Approve Cost Sharing Agreement for Joint SWEEP Block Grant Application

Executive Summary

Staff is requesting that the Agricultural Operations Committee review and recommend that the Board of Directors (Board) approve a cost-sharing agreement between Stockton East Water District (SEWD), North San Joaquin Water Conservation District (NSJWCD), and partner agencies for the preparation and submittal of a State Water Efficiency and Enhancement Program (SWEEP) Block Grant application. The agreement establishes roles, responsibilities, and equal cost participation among the agencies for development of a concept proposal.

Background

The California Department of Food and Agriculture (CDFA) administers the SWEEP Block Grant Program, which provides funding for projects that improve irrigation efficiency, reduce water use, and lower greenhouse gas emissions. SEWD, along with NSJWCD, South San Joaquin Irrigation District (SSJID), Central San Joaquin Water Conservation District (CSJWCD), and Woodbridge Irrigation District (WID), are members of the Eastern San Joaquin Groundwater Authority, serve as Groundwater Sustainability Agencies within the basin, and are interested in increasing in-lieu recharge within the basin.

The participating agencies intend to jointly submit a SWEEP Block Grant application to secure funding that would be administered collectively and distributed to eligible agricultural producers within each agency's service area. To support preparation of the grant application, NSJWCD will enter into a consulting agreement with Consero Solutions to develop a competitive concept proposal and coordinate application materials.

Summary

The proposed cost-sharing agreement outlines the framework for collaboration among the participating agencies and establishes the following key provisions:

- Joint Application Effort: The agencies will collaborate to prepare and submit a SWEEP Block Grant concept proposal and, if successful, a full application.
- Consultant Support: NSJWCD will contract with Consero Solutions to provide grant writing and coordination services.
- Cost Sharing: The total estimated cost for preparation of the concept proposal is \$7,500, which will be shared equally among the five participating agencies at \$1,500 per agency.
- Reimbursement Structure: NSJWCD will pay consultant invoices and seek reimbursement from the partner agencies within 30 days.
- Future Participation: If the concept proposal is successful, the agencies will negotiate in good faith regarding participation, cost-sharing, and responsibilities for the full application phase.

Participation in this effort provides SEWD with an opportunity to support agricultural water use efficiency, advance SGMA implementation goals, and bring additional funding resources to local growers. If the concept proposal is acceptable and the participating agencies are invited to submit a full application, the estimated cost of preparing the full application is \$30,000.

Financial Impact


SEWD's share of the concept proposal cost is \$1,500. This cost can be accommodated within the current fiscal year budget for Grant Writing Services. Additional costs associated with preparation of a full grant application, if pursued, will be brought back to the Board for consideration.

Recommendation

Staff recommends that the Agricultural Operations Committee:

1. Recommend that the Board of Directors approve the SWEEP Block Grant Cost Sharing Agreement; and
2. Recommend that the Board authorize the General Manager to execute the agreement on behalf of the District.

Staff Responsible for Report



Justin M. Hopkins, General Manager

Date: 04/14/2026

Attachments

1. Cost Sharing Agreement
2. NSJWCD Contract with Consero Solutions

GRANT ADMINISTRATION AGREEMENT FOR STATE WATER EFFICIENCY & ENHANCEMENT PROGRAM (SWEEP) BLOCK GRANT BETWEEN STOCKTON EAST WATER DISTRICT, SOUTH SAN JOAQUIN IRRIGATION DISTRICT, CENTRAL SAN JOAQUIN WATER CONSERVATION DISTRICT, WOODBRIDGE IRRIGATION DISTRICT AND NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT

This Grant Administration Agreement (“**Agreement**”) entered into on April _____, 2026 (“**Effective Date**”), by and between Stockton East Water District, a public agency of the State of California (“**SEWD**”), South San Joaquin Irrigation District, a public agency of the State of California (“**SSJID**”), Central San Joaquin Water Conservation District, a public agency of the State of California (“**CSJWCD**”), Woodbridge Irrigation District, a public agency of the state of California, (“**WID**”) and North San Joaquin Water Conservation District, a public agency in the State of California (“**NSJWCD**”), (each individually a “**Party**” or “**Agency**,” and altogether the “**Parties**” or “**Agencies**”) hereby agree as follows:

RECITALS

A. SEWD, SSJID, CSJWCD, WID, and NSJWCD are members of the Eastern San Joaquin Groundwater Authority and serve as Groundwater Sustainability Agencies within the Eastern San Joaquin Groundwater Basin.

B. The California Department of Food and Agriculture (“**CDF**A”) administers the State Water Efficiency and Enhancement Program (“**SWEEP**”) Block Grant Program which provides funding for on-farm projects that enable farmers to invest in irrigation systems that save water and reduce greenhouse gas emissions (the “**Projects**”). The SWEEP Block Grant Program permits public agency partnerships to apply for the Block Grant funding to be administered jointly by the partnering agencies for distribution to farmers.

C. The Parties plan to jointly apply for a SWEEP Block Grant award (“**Grant Funds**”) to be administered by the five Agencies and awarded to sub-recipient farmers within the Agencies. The grant application process calls for the Agencies to Submit a “**Concept Proposal**” by March 15 and later a final proposal if the concept proposal is positively reviewed by CDF A (“**Final Proposal**”).

D. This Agreement is intended to set forth the terms pursuant to which the Agencies will jointly apply for the Grant Funds.

E. The Agencies received a proposed budget for a grant writing firm, “**Consero Solutions**”, to prepare the concept proposal (“**Concept Proposal**”) for \$7,500, a copy of which is attached hereto as **Exhibit A** (the “**Concept Proposal Agreement**”).

F. The Parties are all familiar with the terms of the Grant Application, including without limitation all exhibits thereto. Because not all the Parties will be a party to the Concept

Proposal Agreement, the Parties desire to establish terms and conditions for the Parties' application.

NOW, THEREFORE, based on the Recitals set forth above and, on the terms, and conditions set forth herein, the Parties agree as follows:

AGREEMENT

The Recitals set forth above constitute an integral part of this Agreement and are incorporated by reference as if fully set forth herein.

1. Term. This Agreement shall commence and be effective among the Parties as of the Effective Date. This Agreement will remain in effect until the earlier of the Grant Application being denied, or all of the funds under an approved Grant Application are expended ("**Term**").

2. Submission and Contracting Party. The Parties hereby agree to prepare and submit a Concept Proposal for the SWEEP Block Grant Program. NSJWCD agrees to enter into the Agreement attached hereto as **EXHIBIT A** with Consero Solutions to prepare the Concept Proposal on behalf of all Parties.

3. Grant Committee. The Parties will appoint a SWEEP Grant Committee made up of representatives of each Party to act on their behalf for purposes of management, oversight, and submission of the Concept Proposal.

4. Funding for Concept Proposal. The Agencies agree to fund the \$7500.00 Concept Proposal cost equally (\$1,500 apiece). NSJWCD will pay invoices as received from Consero Solutions and submit them for reimbursement to the other four Agencies. In the event costs exceed the estimate, the Parties agree to meet and confer whether to continue to pursue the concept proposal and if so how to share additional costs. The Agencies shall reimburse NSJWCD within thirty (30) days of receiving invoices.

5. Final Proposal: In the event the Concept Proposal is well received By CDFA, the Parties agree to negotiate in good faith on the amount of the Grant Application to be submitted, each Parties share thereof, and how to share the costs of the Final Proposal.

6. General Conditions. Upon filing a Grant Application, the Agencies shall comply with all standard conditions and requirements set forth in the Grant Agreement and shall not fail to take any action that would result in a breach of such standard conditions or requirements.

7. Indemnification. The Parties agree that review or approval of the Project applications, documents, permits, plans and specifications, or other landowner Project information by CDFA and/or NSJWCD is for administrative purposes only and does not relieve any Agency of its responsibility to properly carry out its own responsibilities with respect to Projects. To the fullest extent permitted by law, each Agency agrees to indemnify, defend, and hold harmless the other Agencies ("**Indemnified Person**") against any loss or liability arising out of any claim or action brought against the Indemnified Person 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 the preparation and submission of the Concept Proposal except to the extent caused by NSJWCD's or any other Indemnified Person's

gross negligence or willful misconduct or failure to comply with this Agreement in any material respect. The provisions of this Section shall survive the Term.

8. Defaults. In the event of a material default by an Agency under this Agreement, NSJWCD may suspend performance of any and all of its obligations under this Agreement if such default is not cured within ten (10) Business Days of written notice of default provided by NSJWCD to the defaulting Agency, without any liability whatsoever to NSJWCD. If the defaulting Agency fails to cure the default, NSJWCD may take any actions to recover any loss or damage including, but not limited to terminating this Agreement.

9. Representations and Warranties. Each Agency hereby makes represents and warrants to NSJWCD that its signing Parties are authorized to enter into this Agreement.

10. Further Assurances. From time to time and at any time after the execution and delivery hereof, each of the Parties, at its own expense, shall execute, acknowledge and deliver any further instruments, documents and other assurances reasonably requested by another Party, and shall take any other action consistent with the terms of this Agreement that may reasonably be requested by another Party, to evidence or carry out the intent of this Agreement.

11. Performance on a Business Day. If the date on which payment or performance of any obligation of a Party hereunder is other than a Business Day, or the last day for the giving of any notice required or permitted hereunder is other than a Business Day, the time for such payment, performance or delivery shall automatically be extended to the first Business Day following such date. If the date on which payment or performance of any obligation of a Party hereunder is other than a Business Day, or the last day for the giving of any notice required or permitted hereunder is other than a Business Day, the time for such payment, performance or delivery shall automatically be extended to the first Business Day following such date. “**Business Day**” means any day other than a Saturday, Sunday, or any other day on which banking institutions in the State of California are authorized by law or executive action to close.

12. Time and Computation of Time. Time is of the essence of this Agreement and each and all of its provisions. The Parties agree that the time for performance of any action permitted or required under this Agreement shall be computed as if such action were “an act provided by law” within the meaning of California Civil Code Section 10, which provides: “The time in which any act provided by law to be done is computed by excluding the first day and including the last, unless the last day is a holiday, and then it is also excluded.”

13. Effect of Headings. The subject headings of the paragraphs and subparagraphs of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

14. Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and understandings of the Parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all of the Parties hereto.

15. Waiver. Waiver of any breach of this Agreement by any Party hereto shall not constitute a continuing waiver or a waiver of any breach of the same or another provision of this Agreement.

16. Counterparts; Fax and Email Signatures. This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original instrument, all of which together shall constitute one and the same instrument. Facsimile and electronic mail signature pages shall constitute originals.

17. Assignment; Binding Effect. No Party shall assign any interest in this Agreement without the express written consent of all other Parties. This Agreement shall be binding upon and inure to the benefit of the heirs, executors, administrators, assigns, and successors of the Parties hereto.

18. Interpretation. It is agreed and acknowledged by the Parties that this Agreement has been arrived at through negotiation, and that each Party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

19. Governing Law. This Agreement shall be governed by the laws of the State of California.

20. Construction. All words used in this Agreement shall be construed to include the plural as well as the singular number and vice versa. Words used herein in the present tense shall include the future as well as the present, and words used in the masculine gender shall include the feminine and neutral genders.

21. Parties in Interest. Nothing in this Agreement, whether expressed or implied, is intended to confer any rights or remedies on any persons other than the Parties hereto and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, nor shall any provision give any third person any right of subrogation or action over and against any Party to this Agreement.

22. Survival. Each of the terms, provisions, representations, warranties, and covenants of the Parties shall be continuous and shall survive the closing or other consummation of the transactions contemplated in this Agreement.

23. Notices. All notices and other communications required under this Agreement shall be in writing and shall be deemed to have been duly given: (i) on the date of service, if served personally on the person to whom notice is to be given, (ii) on the date of service if sent by facsimile or email transmission, provided the original is concurrently sent by first class mail, and provided that notices received by facsimile or email transmission after 5:00 p.m. shall be deemed given on the next Business Day, (iii) on the next Business Day after deposit with a recognized overnight delivery service, or (iv) on the third (3rd) day after mailing, if mailed to the party to whom notice is to be given by first class mail, registered or certified, postage-prepaid, and properly addressed as follows:

STOCKTON EAST WATER DISTRICT

Justin Hopkins, General Manager
Stockton East Water District
Post Office Box 5157
Stockton, CA 95205
6767 East Main Street
Stockton, CA 92515
Email: jhopkins@sewd.net
Phone: (209) 948-0333

NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT

Steve Schwabauer, General Manager
North San Joaquin Water Conservation District
Post Office Box 334
Victor, CA 95253
Email: steve@NSJWCD.com
Phone:

SOUTH SAN JOAQUIN IRRIGATION DISTRICT

Peter Rietkerk, General Manager
South San Joaquin Irrigation District
11011 East Highway 120
Manteca, CA 95336
Email: prietkerk@ssjid.com
Phone: (209) 249-4645

WOODBIDGE IRRIGATION DISTRICT

CENTRAL SAN JOAQUIN WATER CONSERVATION DISTRICT

A Party may change its address for notices by providing notice to the other Parties as provided above.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first above written.

(Signatures on following pages)

NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT

By: _____

Title: _____

Date: _____

Approved as to Form:

By: _____

Title: _____

Date: _____

SOUTH SAN JOAQUIN IRRIGATION DISTRICT

By: _____

Title: _____

Date: _____

Approved as to Form:

By: _____

Title: _____

Date: _____

STOCKTON EAST WATER DISTRICT

By: _____

Title: _____

Date: _____

Approved as to Form:

By: _____

Title: _____

Date: _____

CENTRAL IRRIGATION DISTRICT

By: _____

Title: _____

Date: _____

Approved as to Form:

By: _____

Title: _____

Date: _____

WOODBIDGE IRRIGATION DISTRICT

By: _____

Title: _____

Date: _____

Approved as to Form:

By: _____

Title: _____

Date: _____

Exhibit A
Concept Proposal

DRAFT

CONSULTING SERVICES AGREEMENT

THIS CONSULTING SERVICES AGREEMENT (hereinafter "Agreement"), is effective April 1, 2026, by and between Petrea Marchand, a sole proprietor doing business as **CONSERO SOLUTIONS**, with its principal place of business in Davis, California (hereinafter "CONSERO SOLUTIONS"), and **NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT**, a Special District with its principal place of business in Lodi, California (hereinafter "CLIENT").

RECITALS

WHEREAS, CLIENT desires to retain CONSERO SOLUTIONS for the purpose of helping with submittal of a State Water Efficiency and Enhancement Program (SWEEP) grant and other grant-related assistance (hereinafter "services"), and CONSERO SOLUTIONS desires to provide such services for CLIENT pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

1. Retention of CONSERO SOLUTIONS. Subject to the terms and conditions set forth herein, CLIENT hereby retains CONSERO SOLUTIONS to provide the defined services, and CONSERO SOLUTIONS hereby agrees to provide such services to CLIENT.
2. Services Provided by CONSERO SOLUTIONS. CONSERO SOLUTIONS shall provide the services consistent with **Attachment A** to this Agreement, attached hereto and incorporated herein by this reference.
3. Fees and Expenses. In consideration for the services rendered by CONSERO SOLUTIONS for CLIENT as described in Attachment A, CLIENT shall pay CONSERO SOLUTIONS in accordance with **Attachment B to this Agreement, attached hereto and incorporated** herein by this reference.

CONSERO SOLUTIONS shall invoice CLIENT on a monthly basis for work performed and reimbursable expenses incurred during the previous month. CLIENT shall pay invoices submitted by CONSERO SOLUTIONS within 30 days of receipt.

4. Term. The term of this Agreement shall commence on April 1, 2026, and shall terminate on December 31, 2026, unless terminated earlier as provided below.

5. Termination. This agreement may be terminated by either party for good cause upon written notice to the other party. Good cause may include but is not limited to a material breach of any provision of this Agreement or circumstances beyond the control of either party which make the agreement impossible to perform or delay. Provided however, that if the good cause for termination is one that can be cured, the party receiving notice of termination

shall have 10 days from receipt of the notice in which to cure. If the breach is cured within the 10-day period, the Agreement shall continue as if there had been no breach. If the party fails to cure, then the Agreement shall terminate at the end of the 10-day period.

If the good cause for termination is one that *cannot* be cured, the Agreement shall terminate immediately upon receipt of the notice of termination by the other party.

This Agreement may also be terminated by either party at any time, for any reason or no reason, upon thirty (30) days prior written notice to the other party. Upon such notice, this Agreement shall terminate on the 30th day subsequent to receipt of the written notice. CONTRACTOR shall continue to perform its obligations under this Agreement during the 30-day notice period if requested by CLIENT.

If CLIENT owes CONSERO SOLUTIONS any fees or reimbursement for expenses on the effective date of termination, CONSERO SOLUTIONS shall invoice CLIENT for such amounts immediately and CLIENT shall pay said invoice within 30 days of receipt. CONSERO SOLUTIONS shall do its best to terminate obligations created on behalf of CLIENT prior to notice of termination; however, CLIENT shall in all cases be fully liable for all un-cancellable obligations incurred for the project and CLIENT shall fully indemnify CONSERO SOLUTIONS against any such liabilities.

6. CLIENT Information. CONSERO SOLUTIONS acknowledges and agrees that any and all information represented as confidential, which is provided to or obtained by CONSERO SOLUTIONS from CLIENT (verbally or in writing) is confidential, proprietary information of CLIENT and shall be treated as such. Except as necessary to perform the services required by this Agreement, or as required by law or legal subpoena, CONSERO SOLUTIONS agrees to maintain in confidence all such confidential and proprietary information and hereby agrees not to use or disclose confidential and proprietary information of CLIENT to any third party without the prior written consent of CLIENT unless required by law or legal subpoena.

Notwithstanding the foregoing, CONSERO SOLUTIONS shall not be held accountable for information that:

(a) is or has become publicly available without restriction through no fault of CONSERO SOLUTIONS';

(b) is received without restriction from a third party lawfully in possession of such information and lawfully empowered to disclose such information;

(c) was rightfully in the possession of CONSERO SOLUTIONS without restriction prior to its disclosure by CLIENT; or

(d) was independently developed by CONSERO SOLUTIONS without use or reference or access to CLIENT's information.

7. Relationship of the Parties. The parties hereto acknowledge and agree that the relationship between CLIENT and CONSERO SOLUTIONS is an independent contractor relationship. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, employment relationship or any other relationship except as set forth between the parties. No employee or contractor of CONSERO SOLUTIONS shall be

considered an employee or contractor of CLIENT and no employee or contractor of CONSERO SOLUTIONS shall be eligible for wages or benefits from CLIENT under any circumstances.

8. Intellectual Property. All intellectual property developed by CONSERO SOLUTIONS during the course of this Agreement shall remain the exclusive property of CONSERO SOLUTIONS unless otherwise agreed in advance, in writing, by the parties. If the parties agree in writing that certain property developed by CONSERO SOLUTIONS shall be the intellectual property of CLIENT, such property shall not be owned by CLIENT unless such items have been accepted in writing by CLIENT after presentation by CONSERO SOLUTIONS and paid for in full by CLIENT.

9. Statement of Nondiscrimination. CONSERO SOLUTIONS agrees that, during the performance of this Agreement, it shall not discriminate against any employee or applicant for employment because of race, color, religion, gender, national origin, age, disability, political beliefs, sexual orientation, and marital or family status. CONSERO SOLUTIONS agrees that it will comply with any and all applicable federal, state and local equal employment opportunity statutes, ordinances, and regulations; provided however that nothing in this section shall require CONSERO SOLUTIONS to comply with or become liable under any law, ordinances, regulation or rule that does not otherwise apply to CONSERO SOLUTIONS.

10. Notice. All notices and other communications hereunder shall be deemed to have been given when delivered personally, or at the time confirmed for delivery if by facsimile or email, or when deposited in the United States mail or with an express mail carrier, postage prepaid if mailed, and addressed as follows:

CONSERO SOLUTIONS
231 G Street, Suite #21
Davis, CA 95616
530-746-2083
petrea@conserosolutions.com

NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT
498 E. Kettleman Lane
Lodi, CA 95240
209-329-0250
steve@nsjwcd.com

The parties hereto may change their address as set forth in this paragraph by providing the other party with written notice thereof.

11. Consero Solutions' Insurance.

During the term of this Agreement, CONSERO SOLUTIONS shall at all times maintain, at its expense, the following insurance coverage.

- a. Comprehensive General Liability – \$1,000,000 per occurrence and \$2,000,000/aggregate
- b. Automobile Liability – \$1,000,000 per occurrence (general) and \$500,000/occurrence (property) [including coverage for Hired and Non-owned vehicles.]
- c. Professional Liability/Malpractice/Errors and Omissions – \$1,000,000 per occurrence and \$2,000,000/aggregate
- d. Workers' Compensation as required by law

12. Limited Warranty and Limitation of Liability.

CONSERO SOLUTIONS agrees that the services provided under this agreement will be performed in a professional manner conforming to generally accepted standards and practices. Except for the foregoing, CONSERO SOLUTIONS makes no warranties or guarantees, whether express, implied or statutory, regarding or relating to any services furnished or provided to CLIENT under this agreement or the results thereof. CONSERO SOLUTIONS specifically disclaims all implied warranties of merchantability and fitness for a particular purpose with respect to said services, and with respect to the use of any of the foregoing.

In no event will CONSERO SOLUTIONS be liable for any loss of profits, loss of use, business interruption, loss of data, or for indirect, special, incidental, punitive, or consequential damages of any kind in connection with or arising out of the furnishing, performance or use of services, whether alleged as a breach of contract or tortious conduct, including negligence, even if CONSERO SOLUTIONS has been advised of the possibility of such damages. In addition, CONSERO SOLUTIONS will not be liable for any damages caused by delay in delivery or furnishing the services. CONSERO SOLUTIONS' liability under this agreement shall not, under any circumstances, exceed the fees paid by CLIENT to CONSERO SOLUTIONS under this Agreement.

13. Indemnification/hold harmless.

14. Mediation; Attorneys' Fees/Costs; Venue. The parties agree to engage first in mediation in the event of any dispute regarding this Agreement. However, if mediation fails and an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs in addition to any other reasonable relief to which it may be entitled from the non-prevailing party. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue of the appropriate court in the County of Yolo, State of California for any proceeding arising hereunder.

15. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

16. Assignment. Neither party may assign or transfer this Agreement without the express written consent of the other party.

17. Successors and Assigns. The covenants and agreements contained in this Agreement shall be binding upon and inure to the benefit of the heirs, successors and permitted assigns of the parties hereto.

18. Amendment. No change, amendment or modification of this Agreement shall be valid unless in writing and signed by the parties hereto.

19. Governing Law. This Agreement shall be construed and governed pursuant to the laws of the State of California.

20. Force Majeure. Neither CLIENT nor CONSERO SOLUTIONS shall be liable or responsible for delays or failures in performance resulting from events beyond

the reasonable control of such party and without fault or negligence of such party. Such events shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism, or other disasters, whether or not similar to the foregoing, and acts or omissions or failure to cooperate of the other party or third parties (except as otherwise specifically provided herein).

21. Survival. The provisions of this Agreement which are necessary to enforce or interpret it in the event of a dispute, both as to the letter and spirit of the Agreement, shall survive the expiration or termination of this Agreement.

22. Electronic/Digital Signatures. Each electronic or digital signature to this Agreement is deemed equivalent to a valid original handwritten signature of the person signing this Agreement for all purposes, including but not limited to evidentiary proof in any administrative or judicial proceeding, and has the same force and effect as the valid original handwritten signature of that person.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the day and in the year first set forth above.

CONSERO SOLUTIONS

Date: _____

By: _____
Petrea Marchand, President

NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT

Date: _____

By: _____
Joe Valente

ATTACHMENT A

SCOPE OF WORK

North San Joaquin Water Conservation District, Stockton East Water District and Woodbridge Irrigation SWEEP Grant Application

CONSERO SOLUTIONS will support CLIENT with development of a State Water Efficiency and Enhancement Program (SWEEP) grant. Work includes coordination with CLIENT partners on the grant application, including Stockton East Water District, Woodbridge Irrigation District, and South San Joaquin Irrigation District, and preparation of a concept proposal.

Tasks

Task 1: Develop Concept Proposal

CONSERO SOLUTIONS will work with CLIENT to develop a competitive concept proposal aligned with the SWEEP requirements and scoring criteria. CONSERO SOLUTIONS will review existing project information and coordinate with CLIENT to develop the project and concept proposal. This task includes identifying alignment of CLIENT and partner needs with SWEEP priorities (e.g., water use efficiency, energy savings, benefits to disadvantaged communities), and shaping the project to maximize competitiveness under current program guidelines. CONSERO SOLUTIONS will prepare and refine the concept proposal through iterative review with CLIENT to ensure the project is well-defined, feasible, and positioned for advancement to full application development.

Deliverables:

- Development of materials and attendance for two (2) group meetings
- One (1) Draft SWEEP Concept Proposal including project description, objectives, and anticipated outcomes
- One (1) Final SWEEP Concept Proposal incorporating CLIENT feedback
- Preliminary quantification approach for water savings and GHG emissions reductions consistent with SWEEP methodologies)

Task 2: Project Management

CONSERO SOLUTIONS will meet with CLIENT to review progress, discuss decisions necessary to move tasks forward, and discuss edits to documents.

Deliverables:

- Draft and final timeline
- Up to one meeting with CLIENT if needed

Task 3: Other Duties As Assigned

CONSERO SOLUTIONS will provide as-needed support to CLIENT to advance grant-related activities not explicitly included in Tasks 1–2. This may include assistance with community engagement, coordination, or other tasks necessary to support successful concept proposal

development or implementation if budget is sufficient for this work. All work under this task will be mutually agreed upon in advance to ensure alignment with CLIENT priorities and available budget.

Deliverables:

- Ad hoc technical or administrative support related to concept proposal development, as agreed upon by CONSERO SOLUTIONS and CLIENT

Timeline/Milestones

This timeline reflects CONSERO SOLUTIONS' best estimate for completing the deliverables outlined in this scope of work. The SWEEP grant application is anticipated to open in April 2026 with some concept proposal development occurring in advance of application preparation. CONSERO SOLUTIONS expect the State will establish a deadline for the concept proposal in May 2026.

Budget

CONSERO SOLUTIONS will bill on a time and materials basis in accordance with the fee schedule in Attachment C. Based on current assumptions, CONSERO SOLUTIONS estimates up to \$7,500.00 for completion of this work.

DRAFT

ATTACHMENT C

Consero Solutions 2025-26 Fee Schedule

Labor Classification	Billing Rate
President	\$250
Principal Consultant	\$220
Senior Consultant	\$195
Associate Consultant	\$170
Operations Manager	\$195
Operations Coordinator	\$170
Executive Assistant	\$160
Administrative Assistant	\$120
Direct Costs	Rates
Reproduction: 8 ½" by 11" black & white	\$0.08/page
Reproduction: 8 ½" by 11" color	\$0.45/page
Automobile mileage (IRS rate in effect)	\$0.565
Per Diem	Standard Government Rates or as negotiated
Other direct costs, including subcontractors	As incurred

Rates apply to all agreements executed during the calendar year. After the current calendar year, agreements (including contract amendments) will be subject to the rate in effect at the time the agreement is executed.

A general and administrative cost of 7 percent will be applied to all subcontractors.