



REGULAR BOARD MEETING

OCTOBER 20, 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

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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, OCTOBER 20, 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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I.	Agenda Planning/Upcoming Events	
1.	Agricultural Operations Committee Meeting, 10:00 a.m., 10/21/26 <i>*This meeting has been cancelled*</i>	
2.	Municipal Operations Committee Meeting, 12:30 p.m., 10/21/26 <i>*This meeting has been cancelled*</i>	
3.	Special Administration Committee Meeting, 12:30 p.m., 10/21/26	
4.	San Joaquin County Flood Control and Water Conservation District Advisory Water Commissions Meeting, 1:00 p.m., 10/21/26	117
5.	41 st Annual San Joaquin County Agricultural Hall of Fame, 5:30 p.m., 10/21/26	
J.	Closed Session (None)	
K.	Stockton East Water District Board of Directors Tour	
1.	New Solar Facility	
3.	George Watkins Crossing	
4.	Marciano Property	
4.	Bellota Weir Project	
L.	Adjournment	

Certification of Posting

I hereby certify that on October 15, 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 October 15, 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, OCTOBER 6, 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 Nakaue led the Pledge of Allegiance.

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

B. PUBLIC COMMENT (NONE)

C. CONSENT CALENDAR

1. Minutes 09/15/26 Regular Board Meeting
2. Warrants
 - a. Fund 67 – Agricultural Fund
 - b. Fund 68 – Groundwater Production Fund
 - c. Fund 70 – Administration Fund
 - d. Fund 71 – Water Supply Fund
 - e. Fund 89 – Fish Screen Improvement Fund
 - f. Fund 91 – Vehicle Fund
 - g. Fund 94 – Municipal & Industrial Fund
 - h. Payroll
 - i. Summary
 - j. Short Name/Acronym List
 - k. SEWD Vehicles & Heavy Equipment
3. Warrants – California’s Public Employees’ Retirement System

A motion was moved and seconded to approve the Consent Calendar, as presented.

Roll Call:

Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Watkins

Nays: None

Abstain: None

Absent: Sanguinetti

D. SCHEDULED PRESENTATIONS AND AGENDA ITEM

1. Stockton East Water District – Staff Report – Consideration of Recommendation to Approve Adoption of Rule No. 181 (Water Allocation Rule) and Policy No. 3900 (Water Allocation Policy)
Manager Hopkins presented the Board with a staff report to Consider Recommendation to Approve Adoption of Rule No. 181(Water Allocation Rule) and Policy No. 3900 (Water Allocation Policy). Manager Hopkins reviewed the staff report and staff provided responses to questions.
 - a. Public Hearing

President McGurk opened the Public Hearing at 12:31 p.m., to receive comments on the Adoption of Rule No. 181.

Seeing no public comment, President McGurk closed the Public Hearing at 12:32 p.m.

b. Rule No. 181

Manager Hopkins reported Rule No. 181 will provide notice to customers, while Policy No. 3900 will guide staff in implementing the water allocation rule. The proposed allocation hierarchy prioritizes riparian users, followed by municipal and industrial demands not met by other sources, with groundwater recharge receiving the lowest priority. Manager Hopkins will present an annual water supply plan to the Board, followed by quarterly updates on allocation status. Staff also corrected the agricultural irrigation efficiency figure from 50 percent to 40 percent in the staff report, clarifying that the figure more accurately reflects overall system efficiency and delivery losses rather than agricultural losses alone.

A motion was moved and seconded to Adopt Rule No. 181, Water Allocation Rule, as presented.

Roll Call:

Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Watkins

Nayes: None

Abstain: None

Absent: Sanguinetti

c. Water Allocation Policy No. 3900

Manager Hopkins reviewed the Water Allocation Policy No. 3900 and staff provided responses to questions.

d. Analysis of New Hogan Reservoir Releases and Reported System Losses 2016-2025

Director Atkins inquired if the Municipal customers have more authority than Agriculture on water. Manager Hopkins reported Municipal has priority over Agricultural use for remaining demand on Hogan, after riparian rights.

A motion was moved and seconded to adopt Policy No. 3900, Water Allocation Policy, as presented.

Roll Call:

Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Watkins

Nayes: None

Abstain: None

Absent: Sanguinetti

2. Preliminary Base Monthly Payment – Fiscal Year 2027/2028

a. Public Hearing 12:42

President McGurk opened the public hearing at 12:42 p.m., to receive comments the Preliminary Base Monthly Payment for fiscal year 2027/2028.

Seeing no public comment, President McGurk closed the Public Hearing at 12:43 p.m.

Resolution No. 26-27-11 – Setting Preliminary Base Monthly Payment (BMP) for FY2027-28 Director of Finance & Administration Ram presented the Board with the Preliminary Base Monthly Payment. Director of Finance & Administration Ram reported that the

proposed total BMP, including the State Revolving Fund loan payment, is \$3,065,093.95 per month, representing an increase of approximately \$227K per month, or 8.13%, over the current amended BMP. Preliminary BMP is based on the District's initial FY 2027-28 budget estimates and is subject to revision. The full budget will be reviewed with the Administration, M&I, and Agricultural Committees before being brought to the Board for final adoption. Director of Finance and Administration Ram also reported the preliminary BMP resolution, and all the supporting schedules were provided to the Urban Contractors on September 30th.

A motion was moved and seconded to adopt Resolution No. 26-27-11 – Setting Preliminary Base Monthly Payment for Period April 7, 2027 to March 31, 2028, as presented.

Roll Call:

Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Watkins

Nays: None

Abstain: None

Absent: Sanguinetti

3. Stockton East Water District – Staff report – Consideration of Adopting Policy No. 3020 Workplace Violence Prevention Plan and Approving the Updated Injury Illness Prevention Plan

Manager Hopkins presented the Board with a staff report and staff provided responses to questions.

a. Injury & Illness Prevention Plan

Manager Hopkins presented the Board with the updated Injury & Illness Prevention Plan.

b. Workplace Violence Prevention Plan Policy No. 3020

Manager Hopkins presented the Board with the Workplace Violence Prevention Plan Policy No. 3020. Manager Hopkins reported beginning July 1, 2024, the district was required to establish and maintain a Workplace Violence Prevention Plan. The Workplace Violence Prevention Plan was separated into its own policy because updates made it large enough to stand alone.

A motion was moved and seconded to adopt Policy No. 3020 Workplace Violence Prevention Plan and Approving the Updated Injury Illness Prevention Plan, as presented.

Roll Call:

Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Watkins

Nays: None

Abstain: None

Absent: Sanguinetti

4. Stockton East Water District – Staff Report – Consideration of Cancellation of the Agricultural Lease with Carna Farming, Inc and New Agricultural Lease with Lagorio Brothers – North Site Property

Manager Hopkins presented the Board with a staff report to Consider Cancellation of the Agricultural Lease with Carna Farming, Inc and New Agricultural Lease with Lagorio Brothers – North Site Property. Manager Hopkins reviewed the staff report and staff provided responses to questions.

Director Atkins inquired if the lease cancellation is just a cancellation or are there other requirements. Manager Hopkins replied cancellation required 30-day notice, missing the 90-day window before the lease ends allows the tenant claims for reimbursement for investments made.

Director McGurk inquired whether the District has insurance coverage for tenant-related liability. Manager Hopkins stated that staff would research the matter and provide the Board with an update.

Director Atkins inquired if all the tenant workers are identified and trained. Manager Hopkins replied the District maintains an emergency action plan for the treatment plant campus but does not train the tenant's employees.

Director Watkins inquired if all visitors, chemical truck drivers and landscapers are tracked. Manager Hopkins replied truck drivers are tracked; landscapers generally stay in public areas; all visitors must be checked in and escorted.

Director Hansen inquired if there have been problems with tenant spills. Manager Hopkins replied no spills; access was the primary issue.

The item will be brought back before the Board at a future meeting.

5. Stockton East Water District – Staff Report – Consider Approval of Direct Purchase of Flow Meters for the Bellota Weir Modification Project
Assistant Manager Vega presented the Board with a staff report to Consider Approval of Direct Purchase of Flow Meters for the Bellota Weir Modification Project. Assistant Manager Vega reviewed the staff report and staff provided responses to questions.

Director Watkins inquired where does the 54-inch meter go. District Engineer Evensen replied it goes on the steel pipe in the original 54-inch alignment.

Director McGurk inquired if the valve purchase just for hardware. District Engineer Evensen replied staff can install the flow meter and valve.

Director McGurk inquired about what the lead time is for the meters. District Engineer Evensen replied approximately 22-25 weeks.

Director Hansen inquired how deep the pipes are. District Engineer Evensen replied about 30 feet.

A motion was moved and seconded to authorize the General Manager to execute the direct purchase of two 48-inch Rubicon Slip Meters for the Calaveras Headworks and one 54-inch Krohne magnetic flow meter for the New Bellota Pipeline Inlet, for a total estimated purchase price of \$334,443, as presented.

Roll Call:

Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Watkins

Nays: None

Abstain: None

Absent: Sanguinetti

6. Stockton East Water District – Staff Report – Consider Approval of Contract Award for Lighting and Surge Protection Project
Assistant Manager Vega presented the Board with a staff report to Consider Approval of Contract Award for Lighting and Surge Protection Project. Assistant Manager Vega reviewed the staff report and staff provided responses to questions.

A motion was moved and seconded to adopt authorize the General Manager to execute a contract with Bockmon and Woody Electric Co., Inc for \$353,765, plus a 10% contingency of \$35,376.50, for a total Board approval of \$389,141.50, and make all necessary approvals, as presented.

Roll Call:

Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Watkins

Nayes: None

Abstain: None

Absent: Sanguinetti

7. Stockton East Water District – Designation of ACWA Voting Representative

Manager Hopkins presented the Board with a staff report to designate a voting representative for ACWA. Manager Hopkins reviewed the staff report and staff provided responses to questions.

A motion was moved and seconded to appoint Manager Hopkins as the Districts authorized voting representative for the ACWA membership vote, as presented.

Roll Call:

Ayes: Atkins, Hansen, McGurk, Nakaue, Panizza, Watkins

Nayes: None

Abstain: None

Absent: Sanguinetti

E. COMMITTEE REPORTS

1. Agricultural Operations Committee Meeting, 09/16/26

None to report.

2. Municipal Operations Committee Meeting, 09/16/26

None to report.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 09/15/26

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 5th

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 the Groundwater Resources Association 2026 Western Groundwater Congress was last week and the District Engineer, Darrel Evensen, presented the Calaveras River Watershed Resilience Plan.

Manager Hopkins reported he had a CWP GW Recharge Working Group meeting last week. The primary purpose is to satisfy SB 659 that requires recharge be integrated into the 2028 CWP. Department of Water Resources expects 1.5 – 3MAF of the 9MAF SB72 goal to be met with recharge. There will be another working group meeting in December.

Manager Hopkins reported he completed the Eastern San Joaquin Groundwater Authority (GWA) survey to that was sent to all GSA's. Manager Hopkins advised the survey included two questions about the GWA performing outreach engagement activities on behalf of the GSA's

and the GSA's funding the GWA for the additional work. The Board did not express interest in funding GWA outreach activities.

Manager Hopkins reported the State of the County will be on October 14th at the Great Wolf Lodge.

Manager Hopkins reported the Central Valley Water Supply Coalition effort is coming together, with seven of eight agencies having signed the coalition letter. Chowchilla Water District will decide whether to sign on Wednesday, October 14.

Manager Hopkins reported Assistant General Manager Vega will attend the Denmark operations delegation, Manager Hopkins will attend a C-suite summit of global water leaders in Los Angeles on October 20, and Manager Hopkins will call in remotely for the board discussion before the quarterly milestone tour.

Manager Hopkins reported Water Professionals Week is taking place from October 3-11, so the District will be making some related posts on the Districts LinkedIn account.

Manager Hopkins reported the employee spotlights for the month of September featuring Stephen Bonnensen, Water Supply Supervisor and Heather Wood, Safety & Compliance Analyst.

Manager Hopkins provided the Board with the equipment use for the week of September 28th.

4. Stockton East Water District Engineering & Maintenance & Construction Update
Assistant Manager Vega provided the Board with an Engineering update. Assistant Manager Vega reported on the following; Filter & Sedimentation Design, Clements Pipeline & Reservoirs Design, LLPS Electrical Design Build, Mormon Slough RR Bridge Fish Passage and SWEEP and SWEG Grants.

Maintenance & Construction Manager Higaes presented the Board with a Maintenance & Construction update. Manager Higaes reported on the booster pump station, ASR Well. Highway 4 Trash Racks, George Watkins and preventive and corrective maintenance.

G. DIRECTOR REPORTS

1. 2026 AMWA Q3 All Membership Meeting, 09/17/26
Director Watkins attended the 2026 AMWA Q3 All Membership Meeting. Director Watkins reported the meeting included discussion of a rate comparison matrix tool.

H. COMMUNICATIONS

1. United States Department of Commerce National Oceanic and Atmospheric Administration Letter, 09/04/26
Manager Hopkins presented the Board with a letter of the United States Department of Commerce National Oceanic and Atmospheric Administration.

I. AGENDA PLANNING/UPCOMING EVENTS

1. District Holiday, Columbus Day, 10/12/26
2. Eastern San Joaquin Groundwater Authority Board Meeting, 10:30 a.m., 10/14/26

3. San Joaquin Farm Bureau Federation Monthly Water Committee Meeting, 4:30 p.m., 10/14/26

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 2:14 p.m. The regular meeting reconvened at 2:41 p.m., with no reportable action.

K. ADJOURNMENT

President McGurk adjourned the meeting at 2:42 p.m.

Respectfully submitted,

Justin M. Hopkins
General Manager

br

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026

Vendor name	Account #	Description	Amount	Invoice No.
1 South San Joaquin Irrigation District	10-52110-	Transfer of Water Agreement August 2026 832.5 a/f	30,597.00	9576
		AGRICULTURAL FUND 67 TOTAL	\$30,597.00	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026

Vendor name	Account #	Description	Amount	Invoice No.
2 PG&E 8587816171-1	10-5302-0	GROUNDWATER PROD. FUND 68 Electr 07/28/26-08/26/26 North Side Extraction Well #2	1,178.13	85878161711-10/02/26
		GROUNDWATER PROD. FUND 68 TOTAL	\$1,178.13	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026

Vendor name	Account #	Description	Amount	Invoice No.
		ADMIN FUND 70		
3 Action Asap Delivery Service	10-51260-	September 2026 courier services	425.00	94233
4 ACWA/JPIA (Health Benefits)	10-50470-	November 2026 medical, dental, vision, & life ins.	23,735.22	0710577
5 ACWA/JPIA (Health Benefits)	10-50620-	November 2026 medical, dental, vision, & life ins.	14,818.58	0710577
6 ACWA/JPIA (Health Benefits)	10-50500-	November 2026 medical, dental, vision, & life ins.	3,854.25	0710577
7 ADT Security Services	10-51410-	10/18/26-11/17/26 Alarm monitoring services for Ad	65.07	1242585838
8 Airespring Inc.	10-51410-	Monthly internet charges 10/01/26-10/30/26	1,249.89	213106917
9 Amazon Capital Services Inc	10-51250-	Office supplies ordered on 09/24/26	13.75	17YV-X4WH-R6GJ
10 Amazon Capital Services Inc	10-51010-	2026 Safety Shoe Allowance- A.Cahoon	161.57	1QF9-R797-T1KJ
11 Amazon Capital Services Inc	10-51420-	Laptop charger- P. Teixeira	20.36	1DHR-61V7-37R9
12 Anthony Barkett	10-51550-	Oct 26 Consulting fees-Efforts to protect NM Water	5,500.00	20
13 Association of California Water Agencies	10-51050-	2027 Annual agency dues ACWA 01/01/27-12/31/27	6,828.90	2027 Annual Dues
14 Association of California Water Agencies	10-17100-	2027 Annual agency dues ACWA 01/01/27-12/31/27	20,866.10	2027 Annual Dues
15 AT&T Messaging	10-51410-	October 2026 Ag call-in voicemail services	14.84	4044550211
16 Availability Professional Staffing	10-50440-	Temp Labor- Finance & Admin week ending 09/28/2026	2,600.00	12443
17 Availability Professional Staffing	10-50440-	Temp Labor- Finance & Admin weeks ending 09/20/26 & 09/27/26	4,650.88	12438/12423
18 Calidad Services	10-51430-	Remote Guarding & Monitoring- October 2026	1,282.40	5567
19 CCT Telecommunications	10-51410-	Update extensions and ring group- Lab phone	100.00	322608
20 Cole Land Surveyors	10-51160-	Professional serv for Sept 2026 General Surveying	3,150.00	184
21 Darrel Evensen	10-51040-	2026 Western GW Congress- Travel & mileage reimb.	558.27	309
22 Employee Relations Network	10-51540-	Background check	102.65	101872
23 Fishbio	10-51740-	September 2026 BMI, Thermos, Rescues & HCP Reporting	2,401.20	5486
24 Fishbio	10-51740-	September 2026 Calaveras Lifehistory Study & RST Monitoring	5,019.89	5486
25 Fishbio	10-51740-	September 2026 Consulting Calaveras O.mykiss & RMA Compliance	7,212.50	5486
26 Frontier Communications	10-51410-	Linden Tel Directory listing for 10/07/26-11/06/26	24.11	5301961403-10/07/26
27 Herum, Crabtree, Suntag	10-51500-	September 2026 General & Personal Matters, Mokelumne River Forum	6,261.64	118820/118824/118825
28 Herum, Crabtree, Suntag	10-51650-	September 2026 Stanislaus River Matters	678.30	118819

**STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026**

Vendor name	Account #	Description	Amount	Invoice No.
		ADMIN FUND 70		
29 Herum, Crabtree, Suntag	10-51710-	September 2026 Calaveras River Fish Flows	314.16	119078
30 Herum, Crabtree, Suntag	10-51760-	Sept 2026 Water Right Application (Master File)	157.08	118827
31 Herum, Crabtree, Suntag	10-51900-	September 2026 Eastern Water Alliance & GSA	2,599.82	118826/118829
32 Herum, Crabtree, Suntag	10-51900-	September 2026 SEWD v. SWRCB (Triennial Review)	85.68	118830
33 Herum, Crabtree, Suntag	10-51770-	September 2026 GSA - CALSPA v.	1,017.45	118831
34 Herum, Crabtree, Suntag	10-51900-	September 2026 Triennial Review	4,987.29	118828
35 Herum, Crabtree, Suntag	10-51500-	September 2026 Solar Project & McGurk Crossing Condemnation	2,963.53	118832/118833
36 JWT & Associates	10-51510-	FY 2025/2026 Audit	41,000.00	301
37 KAN Ventures Inc.	10-51540-	Consulting services for October 2026	2,000.00	2169
38 Kristin V. Coon	10-51310-	Water Conservation Education November 2026	17,250.00	2026-11
39 Novara Software LLC	10-51430-	Flex- SDS Manager subscription 09/16/26-04/06/27	1,079.45	INV855340
40 Novara Software LLC	10-17100-	Flex- SDS Manager subscription 09/16/26-04/06/27	32.88	INV855340
41 Quill Corporation	10-51250-	Office supplies ordered on 09/24/26 & 09/30/26	708.01	50482850/50548113
42 Red Wing Shoe Store	10-51010-	2026 Safety Shoe Allowance- K. McGee & Z. Zamaroni	500.00	20261001014569
43 Robert Half Finance	10-50440-	Temp. labor for Finance week ending 09/25/26	599.52	66658966/66658961
44 Rocket Leaders L	10-51540-	P-I Team Assessment	500.00	SEWD102
45 San Joaquin County Dept. of Public Works	10-51050-	Member contributions to ESJGWA	110,614.00	WR2026-13
46 Standard Insurance Co.	10-50470-	November 2026 long term insurance	427.29	290
47 The Gualco Group	10-51550-	Prof. Services for 09/01/26-09/30/26	6,500.00	09/01/26
48 Tyler Technologies, Inc.	10-51450-	Implementation of Financial software 09/18/26-09/30/26	8,400.00	045-580274/405/891
49 Uline Inc	10-51240-	File cabinet for Admin. building	425.81	213260835
50 US Bank Corporate Payment Systems	10-51270-	Meeting expense on 09/10/26 & 09/14/26	201.67	Ram/7551-092226op
51 US Bank Corporate Payment Systems	10-51270-	Meeting expense on 09/16/26	148.88	Rangel5834-092226l
52 US Bank Corporate Payment Systems	10-51240-	Office expense on 09/16/26	64.64	Ram/7551-092226s
53 US Bank Corporate Payment Systems	10-51030-	ACWA 2026 Fall conf registration- Atkins, Sanguinetti & Watkins	2,997.00	Ram/7551-092226t
54 Verizon Wireless Multi-line account	10-51410-	Wireless charges from 08/26/26-09/25/26	1,273.86	6154343142
55 Verve Networks	10-51400-	Managed IT service monthly billing for November 2026	9,113.60	37094
56 Wagner & Bonsignore	10-51750-	Sept. 2026 Prof. services New Hogan Water Right	1,160.00	10-26-681
57 Xerox Financial Services LLC	10-51240-	09/25/26-10/24/26 SEWD Printers Leases (4)	1,501.87	42840247
		ADMIN FUND 70 TOTAL	\$330,218.86	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026

Vendor name	Account #	Description	Amount	Invoice No.
		WATER SUPPLY FUND 71		
58 AA and Bob Allen	10-52020-	Road base (6 yards)	606.48	137290
59 ACWA/JPIA (Health Benefits)	10-50470-	November 2026 medical, dental, vision, & life ins.	21,977.93	0710577
60 ACWA/JPIA (Health Benefits)	10-50560-	November 2026 medical, dental, vision, & life ins.	10,647.02	0710577
61 ACWA/JPIA (Health Benefits)	10-50500-	November 2026 medical, dental, vision, & life ins.	4,737.79	0710577
62 Badger Meter, Inc.	10-52020-	Cellular service for Orion End Points- Sept 2026	161.37	80252256
63 Calidad Services	10-52050-	G. Watkins LWC prj- Rental of Mobile cameras (3)	5,800.01	5566
64 Central Valley Flood Protection Board	10-52050-	20131Construction Inspection Fee Fujinaka Crossing	1,000.00	295
65 Charlie's Day & Nite, Inc.	10-52050-	G. Watkins LWC prj- Keys & locks for office & gate	161.47	587219/587081
66 Cintas Corporation	10-52130-	Weekly uniform & laundry service week of 09/24/26 & 10/01/26	224.07	4283568836/4284311566
67 Cole Land Surveyors	10-52050-	G. Watkins LWC prj- Construction Staking	1,125.00	185
68 Ecco Equipment Corp.	10-52050-	G. Watkins LWC prj- Rental of Hammer ZX210	550.00	313827-003
69 Edges Electric Group	10-52130-	Fasteners for Vault radio installation	135.89	56823885.001
70 F.T.G. Construction Materials Inc.	10-52050-	G. Watkins LWC prj- 3/4" Virgin AB (22 loads)	16,700.80	1044322/818/597/817
71 FedEx	10-52020-	Shipping for Endpoints for warranty repair	6.89	9-487-06387
72 HDS White Cap Construction Supply	10-52020-	Adhesive, fasteners & bits- Hosie Drainage Ditch	361.20	10024876456
73 HDS White Cap Construction Supply	10-52050-	G. Watkins LWC prj- Materials and supplies	6,582.51	10024888073/61/47/96/19
74 Holt of CA	10-52170-	Rental of Track skid steer for HWY4 Traveling	7,858.30	ER7217207020
75 McMaster-Carr Supply	10-52020-	Fittings (2), strainer & pH probe guard	81.69	72376323
76 Mid Valley Agricultural Services, Inc.	10-52020-	Herbicide (3)	621.38	INVMV187975
77 PG&E 0530302291-6	10-52130-	Electricity 08/28/26-09/28/26 Birdcage trash rack	1,041.11	05303022916-10/05/26

**STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026**

Vendor name	Account #	Description	Amount	Invoice No.
		WATER SUPPLY FUND 71		
78 PG&E 6722855250-0	10-52020-	Electricity 08/24/26-09/22/26 Mosher Slough H/W	21.50	67228552500-09/30/26
79 Platt Electric Supply	10-52130-	Fasteners (500), conduit fittings (9) & strut (30)	389.92	7R75586/7R67770
80 RAT Inc.	10-52050-	G. Watkins LWC prj- Rental port. restroom 09/29/26-10/26/26	210.00	INV/2026/9875
81 Salazar Transportation	10-52170-	HWY 4 Traveling TrashRacks prj- Haul Unit 98 back to TP	619.50	59536
82 Standard Insurance Co.	10-50560-	November 2026 long term insurance	119.95	290
83 Standard Insurance Co.	10-50470-	November 2026 long term insurance	256.15	290
84 Stockton Windustrial	10-52130-	Pipe fittings (2) for Duck Creek trash rack	101.28	409118 01
85 The Home Depot	10-52050-	G. Watkins LWC prj- Lumber (39) & straps	1,439.88	5022492/5022520
86 Titan Crane & Rigging, Inc.	10-52050-	G. Watkins LWC prj- Rental crane, operator & rigger 09/22/26-09/24/26	46,360.00	10881
87 United Rentals North America Inc	10-52050-	G. Watkins LWC prj- Rental reach forklift 09/11/26-10/09/26	5,275.44	264898111-003
88 United Rentals North America Inc	10-52050-	G. Watkins LWC prj- Rental cleaning tread plates 09/07/26-10/05/26	698.22	265911850-003
89 United Rentals North America Inc	10-52050-	G. Watkins LWC prj- Rental shoring equip. 09/08/26-10/06/26	3,647.99	265987869-003
90 United Rentals North America Inc	10-52050-	G. Watkins LWC prj- Rental excavator 09/29/26-09/30/26	507.63	268240241-001
91 US Bank Corporate Payment Systems	10-52050-	G. Watkins LWC prj- Floating barriers (2) & anchor kit (2)	3,242.97	Higares1184-092226c
92 Vega Americas, Inc	10-52130-	Controller & display for Vega Sensor on NM	1,874.08	700722
		WATER SUPPLY FUND 71 TOTAL	\$145,145.42	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026

Vendor name	Account #	Description	Amount	Invoice No.
93 North Valley Labor Compliance Services	10-5180-0	FISH SCREEN IMPROVEMENT FUND 89 Bellota Weir Mod prj- Prof. services Sept 2026	2,025.00	5973
		FISH SCREEN IMPROVEMENT FUND 89 TOTAL	\$2,025.00	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026

Vendor name	Account #	Description	Amount	Invoice No.
		VEHICLE FUND 91		
94 Amazon Capital Services Inc	10-53430-	Transmission oil cooler line disconnect tools	15.07	16VT-F1TQ-7XK4
95 AutoZone Stores	10-51820-	Coolant for Unit 74 & fuel hose for Unit 38	86.72	04036228225/04036203272
96 AutoZone Stores	10-51820-	Fuses for Unit 87	11.83	0436204277
97 Big Valley Ford	10-51820-	Radiator for Unit 74 & service for Unit 80	1,300.69	660496/FTCS131310
98 Dentoni's Welding Works, Inc.	10-51820-	Front suspension and axel repairs for Unit 74	5,223.94	02W4512
99 GoodYear/Wingfoot Commercial Tire	10-51820-	Flat tire repair for Unit 90 & new tire for Unit 29	496.17	190-1058076
100 Grainger, Inc.	10-51820-	Float switch for Unit 51	277.84	9101890649
101 Hixco	10-51820-	Fasteners and paint markers for Unit 98	26.68	3014562
102 John Deere Financial	10-51820-	Coolant (2), temp sensor & O-ring for Unit 38	153.50	1238271/1238431
103 Kludt & Sons, Inc.	10-51820-	Unleaded gasoline (1400 gallons)	7,919.23	346660
104 N & S Tractor	10-51820-	Gasket (2) & fuel pump	149.21	IS92634
		VEHICLE FUND 91 TOTAL	\$15,660.88	

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**STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026**

Agenda Item: C-2g
Date: 10/20/26

Vendor name	Account #	Description	Amount	Invoice No.
		MUNICIPAL & INDUSTRIAL FUND 94		
105 ACWA/JPTA (Health Benefits)	10-50470-	November 2026 medical, dental, vision, & life ins.	67,464.91	0710577
106 ACWA/JPTA (Health Benefits)	10-50500-	November 2026 medical, dental, vision, & life ins.	10,034.10	0710577
107 Amazon Capital Services Inc	10-53210-	UPS network management cards (3)	572.82	1X1Q-N37F-DV3W
108 Amazon Capital Services Inc	10-53250-	Storage sensor soaking solution for pH	16.79	13LN-494D-GLK3
109 Amazon Capital Services Inc	10-53070-	pH tester for Lab	365.92	1FGL-QJDF-37N1
110 Automation direct	10-53210-	Input Isolators (2)	693.91	19638468
111 AutoZone Stores	10-53440-	Funnel and hose clamp kit for Shop	36.34	04036236250
112 Availability Professional Staffing	10-50440-	Temp. labor- Admin & Finance Week Ending 09/20/26	1,892.00	12423
113 Batteries Plus Bulbs	10-53210-	Batteries (8) for UPS	197.56	P95024011
114 Calidad Services	10-53250-	Remote Guarding & Monitoring- October 2026	1,500.00	5567
115 Capital Rubber C	10-53230-	Utility Water PS prj- pipe fittings & gaskets	26.71	30065866
116 Central Valley Rentals	10-53230-	Utility Water PS prj- Concrete & rental of mixer on 09/16/26	257.19	R50404
117 Central Valley Rentals	10-53230-	Utility Water PS prj- Rental excavator & trailer 09/09/26-10/06/26	5,530.75	R50521
118 Chemtrade Chemicals	10-53010-	Acidified Alum delivered 09/09/26, 09/17/26 & 09/22/26	48,585.39	90450236/35/88/89/36/68
119 Cintas Corporation	10-53420-	Weekly uniform & laundry service week of 09/24/26 & 10/01/26	637.79	4283568836/4284311566
120 Digi-Key Corporation	10-53440-	Coax cable (1000 ft) for radios- stock	1,533.64	133247825
121 Fastenal Company	10-53440-	Paper towels (2 cases) Bathroom Tissue (2 cases)	537.90	CAST2114606
122 FGL Environmental	10-53080-	Inorganic analysis on 08/18/26 & 09/14/26	809.00	652385A-653979A
123 FGL Environmental	10-53080-	Subcontracted analysis on 08/11/26-09/01/26	12,293.00	651916A-652681A
124 FGL Environmental	10-53080-	Coliform bacti monitoring sampled on 08/25/26-09/10/26	1,910.00	652832A-653683A

**STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026**

Vendor name	Account #	Description	Amount	Invoice No.
		MUNICIPAL & INDUSTRIAL FUND 94		
125 Grainger, Inc.	10-53210-	Plastic Yellow Chain & carabiners (6)	189.22	9101890656
126 HDS White Cap Construction Supply	10-53430-	Portable air compressor for WS	1,357.52	50039634012
127 Hixco	10-53440-	Water (1 Pallet) for Treatment Plant	486.36	3014542
128 Holt of CA	10-53210-	Trouble shoot Overspeed alarm at HSPS EG-3	811.71	SW030145168
129 Holt of CA	10-53210-	Rental of Roller W/B Trench for ASR Well Radio	4,678.97	ER7217445010
130 JCI Jones Chemicals	10-53010-	12.5% Sodium Hypochlorite delivered 09/09/26-09/23/26	34,695.43	1006735/306/566/041
131 MSC Industrial Supply	10-53440-	Dry cell battery recycling kit & AA batteries (18)	236.98	81841301/81141071
132 Platt Electric Supply	10-53230-	Utility Water PS pri- Conduit fittings (13)	207.54	7S9808
133 Platt Electric Supply	10-53210-	Junction box & conduit fittings (4) for LLPS radio installation	86.63	7R75862
134 Platt Electric Supply	10-53210-	Fasteners (117) & pipe clamps (71)	191.46	7R65125/7R64993/7R65022
135 Platt Electric Supply	10-53260-	Wire cover for Lab phone installation	2.06	7S16624
136 Platt Electric Supply	10-53270-	Thermal Camera (all connections & license)	17,158.49	3Y46258
137 R & S Erection Tri C	10-53210-	Troubleshoot New Water Ln entry gate	475.00	151232
138 RAT Inc.	10-53240-	Rental sink & portable restroom 09/26/26-10/29/26	260.00	INV/2026/9756/10015
139 Republic Service	10-53040-	September 2026 garbage service @6767 East Main St	865.48	0208-000918311
140 South San Joaquin Irrigation District	10-52110-	Transfer of Water Agreement August 2026 832.5 a/f	207,750.00	9576
141 Standard Insurance Co.	10-50470-	November 2026 long term insurance	1,252.79	290
142 Stockton Windustrial	10-53210-	Gaskets (4), strainer & pipe fittings (2) for Tank Farm	312.42	409134 01/408986 01
143 Stockton Windustrial	10-53210-	Pipe & fittings (5) for LLPS radio installation	67.18	409087 01
144 Univar USA Inc.	10-53010-	Caustic Soda delivered 09/15/26	10,169.60	54168578/54171486
145 US Bank Corporate Payment Systems	10-53210-	Coax cable (50 feet) for LLPS radio installation	101.38	Cahoon8501-092226f
146 US Bank Corporate Payment Systems	10-53070-	Potassium Iodide (500g) for Lab	182.63	Cahoon8501-092226g
147 USA Blue Book	10-53070-	pH sensors (8), pH electrode & bulb guard	4,695.34	INV01174368/385/849/529
148 Valley Landscaping & Maintenance Inc	10-53250-	WTP landscaping services for September 2026	2,750.00	93783
149 Valley Springs Feed & Pet Supply	10-53210-	Security supplies delivered on 09/23/26	45.45	191
150 Wille Electric Supply Co, Inc.	10-53210-	Conduit fittings (3) for LLPS radio installation	9.04	S2314965.002
151 Woodbridge Irrigation District	10-52110-	Water transfer sale September 2026 36 a/f	1,782.00	2582
		MUNICIPAL & INDUSTRIAL FUND 94 TOTAL	\$445,716.40	

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STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
OCTOBER 20, 2026

Fund Number	Fund Summary	AP Amount
Fund 67	Agricultural Fund	30,597.00
Fund 68	Groundwater Prod. Fund	1,178.13
Fund 70	Administration Fund	330,218.86
Fund 71	Water Supply Fund	145,145.42
Fund 89	Fish Screen Improvement Fund	2,025.00
Fund 91	Vehicle Fund	15,660.88
Fund 94	Municipal & Industrial Fund	445,716.40
	TOTAL FUND SUMMARY	\$970,541.69

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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 Enhancement 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
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
Spray Rig 03	Trailer
Spray Rig 05	Trailer

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**STOCKTON EAST WATER DISTRICT
INVOICES FOR BOARD PACKAGE
CALPERS EFT REQUEST
October 20, 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 10/09/26-Admin	8,618.90	10/09/26 1245106351
			Total Fund 70 Admin	\$ 8,618.90	
2 CA Public Employees Retirement System (CalPERS)	71	10-5049-0	Retirement Contributions for Payroll 10/09/26-W-S-NM	6,869.40	10/09/26 1245106351
3 CA Public Employees Retirement System (CalPERS)	71	10-5058-0	Retirement Contributions for Payroll 10/09/26-W-S-NH	2,325.04	10/09/26 1245106351
			Total Fund 71 Water Supply	\$ 9,194.44	
4 CA Public Employees Retirement System (CalPERS)	94	10-5049-0	Retirement Contributions for Payroll 10/09/26-M&I	23,013.44	10/09/26 1245106351
			Total Fund 94 Municipal & Industrial	\$ 23,013.44	
Grand Total for Electronic Funds Transfer Request on RBM 10/20/26				\$ 40,826.78	

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DATE: October 20, 2026

AGENDA ITEM NO D.1

TITLE: ACWA Proposed Amended and Restated Bylaws**SUBJECT: Authorize General Manager to Cast Vote in Favor of Amended and Restated Bylaws**

Executive Summary

The Association of California Water Agencies (ACWA) will conduct an electronic vote of its membership on proposed Amended and Restated Bylaws. Staff is requesting that the Board authorize the District's representative to vote in favor of the proposed amendments.

Background

ACWA will conduct a vote of membership by electronic ballot on proposed Amended and Restated Bylaws, as recommended by the ACWA Board of Directors on September 25, 2026.

The vote will be conducted electronically using a process consistent with the voting process used by ACWA members to elect Board Officers and Region Boards. Conducting the vote electronically provides all member agencies an opportunity to participate, rather than limiting voting to members attending an ACWA conference, thereby promoting broader member participation and engagement.

Each ACWA member agency is entitled to one vote, which will be cast by its authorized voting representative. Member agencies must designate their voting representative by submitting the Voting Representative Form to ACWA by Friday, October 30, 2026.

Summary

The Board of Directors authorized the General Manager as the voting representative at the October 6, 2026, regular Board meeting. Staff recommends authorizing General Manager Hopkins to cast the District's vote in favor of the proposed amendments.

Recommendation

Authorize the General Manager to cast the District's vote in favor of the proposed Amended and Restated Bylaws.

Staff Responsible for Report


Bianca Rodriguez, Administrative Assistant

Date: 10/20/26


Justin Hopkins, General Manager

Date: 10/20/26**Attachments**

1. Proposed Amended and Restated Bylaws of the Association of California Water Agencies

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PROPOSED AMENDED AND
RESTATED BYLAWS of the
Association of California
Water Agencies

Amended and restated by the ACWA Members: December 4, 2024

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(As amended and restated by the Members on December 4, 2024)

ARTICLE 1 - General

Section 1.01. Name. The name of this California nonprofit corporation shall be the Association of California Water Agencies (hereinafter referred to as the Association).

Section 1.02. Principal Office. The principal office for the transaction of business of the Association shall be located in Sacramento, California.

Section 1.03. Purposes. The purposes of the Association shall be to work together with its members and others for the best interests of California and its citizens and landowners who use, need and depend upon water; to encourage the orderly development of the waters of the state; to seek means of obtaining and making available to all of California a dependable water supply of the best possible quality at the lowest possible cost, giving due consideration to environmental factors involved therein; to provide inspiration and leadership in meeting and solving the water supply problems of this state; to propose and advocate such policies and measures—local, state and federal—that serve the best interests of the Association, opposing those of contrary nature; to assist in promoting the health, safety and welfare of the employees of its members; and to do all other things that are in the best interests of its members.

ARTICLE 2 – Membership and Dues

Section 2.01. Membership.

- (a) **Members.** Only a public district, public agency, or public organization created and operated for the purpose of controlling, treating, developing, acquiring, using or supplying water for any purpose for inhabitants or lands within the state of California, or for the protection, drainage or reclamation of lands within the state of California, may become a member of the Association. Such an entity will become a member upon written application, approval by the Board of Directors, and the payment of the required dues. Acceptance to membership shall authorize full participation in Association activities. Except as otherwise provided in Section 2.01(b) below, in no case may an organization other than a state, a political subdivision (as defined in § 1.103-1(b) of the Income Tax Regulations) of a state or an entity the income of which is excluded from gross income under § 115 of the Internal Revenue Code be a member of the Association. A member of the Association shall be in good standing if in compliance with all bylaws and requirements of membership, including timely payment of annual dues and emergency assessments.
- (b) **Honorary Life Members.** Any person who has rendered conspicuous service in furthering the purposes of the Association may, by vote of the Board of Directors, be granted an honorary life membership in the Association without payment of dues or assessments. All past presidents of the Association shall automatically be honorary life members without vote of the Board of Directors. Honorary life members shall not be entitled to a vote or to hold office automatically because of their status as honorary life members.
- (c) **Termination of Members.** Membership shall cease upon the failure of any member to pay the dues provided for in Section 2.02 of this Article. The membership of any member may be terminated at any time by such member sending written notification of its intention to withdraw to the Association's principal office. The Board of Directors may terminate the membership of any member upon 30 days' written notice by first-class mail when it is determined at any regular Board meeting or at any special Board meeting called for that purpose that continuance of such membership would not be in the best interests of the Association. Withdrawal or termination of membership ends any participation in Association activities and shall terminate a member's interest in the Association's assets.

Section 2.02. Dues. The annual dues of each member of the Association shall be established by the Board of Directors; provided, however, that any member may apply for a change in its dues because of conditions that differentiate such applicant from other members.

Section 2.03. Liability of Members. No member shall be liable for any obligation incurred by the Association with the following exception: (1) the payment of the annual dues while it remains a member;

and (2) the payment of emergency assessments, which shall not exceed 10 percent of current annual dues for each member in any calendar year while it remains a member. No emergency assessment may be levied against any member during its first two years of membership in the Association.

ARTICLE 3 - Officers

Section 3.01. President and Vice President.

- (a) **General.** The president and vice president of the Association shall be the elected officers of the Association. At the time of their election the president and vice president shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association. The president and vice president shall be elected by the members of the Association by written ballot in each odd-numbered year before the Association's annual meeting, shall be announced at the Association's annual meeting, shall take office on January 1 of the calendar year following election, and shall hold office until such time as their successors take office or are appointed. An elected president shall not be permitted to succeed himself/herself to that office. Except as provided in this Article, should vacancies occur in either office of the president or vice president, the Board of Directors shall appoint persons to fill such offices for the unexpired terms thereof.
- (b) **President.** The president shall preside at all meetings of the Board of Directors, the Executive Committee, and the general membership; shall appoint members of all committees, including the chair and vice chair of each, upon recommendation from members and regions (as communicated by the region chairs), with each such committee chair and vice chair ratified by the Board of Directors; and shall perform all other duties necessary to carry out the functions of the office. The president shall be a non-voting, *ex officio* member of each committee, but shall not be an *ex officio* member of the Election Committee or the region boards.
- The president may be expelled from office with or without cause, upon the satisfaction of the following two events: (1) a two-thirds vote of the Board of Directors; and (2) a subsequent simple majority vote of the members of the Association during a meeting of the membership.
- (c) **Vice President.** The vice president shall, in the absence of the president, assume all of the duties of that office and, if a vacancy occurs, succeed thereto for the unexpired term. The vice president shall sit as a member of the Executive Committee of the ACWA Joint Powers Insurance Authority and shall perform such other duties as assigned by the president. The vice president shall be a non-voting, *ex officio* member of each committee, but shall not be an *ex officio* member of the Election Committee or the region boards.

The vice president may be expelled from office with or without cause, upon the satisfaction of the following two events: (1) a two-thirds vote of the Board of Directors; and (2) a subsequent simple majority vote of the members of the Association during a meeting of the membership.

Section 3.02. Executive Director/Secretary and Controller/Treasurer.

- (a) **General.** The executive director/secretary and controller/treasurer of the Association shall also be officers of the Association. The executive director/secretary shall be appointed by and hold office at the pleasure of the Board of Directors of the Association.
- (b) **Executive Director/Secretary.** The executive director/secretary shall: (1) advise and assist the Board of Directors, all committees, the boards of each region, and the workgroups of each region; (2) be responsible for administering the total operations of the Association; (3) employ, direct, and release all employed staff in accordance with the policies adopted by the Board of Directors and consistent with the budget adopted by the Board of Directors; (4) provide relevant information to the Board of Directors needed by the Board to take actions; (5) give members notice and record minutes of all meetings of the membership, Board of Directors, and Executive Committee; and (6) have such other powers and perform such other duties as may be provided and assigned by the Board of Directors directly or through the president of the Board or the Executive Committee. The executive director/secretary, with the assistance of the controller/treasurer, shall render a report to the Board of Directors at the first meeting following the close of each calendar year showing the membership of the Association, the receipts and expenditures during the year, and the work accomplished during the previous year.
- (c) **Controller/Treasurer.** The controller/treasurer shall report to and act under the direction of the executive director/secretary. The controller/treasurer shall be a signatory on all accounts held by the Association and shall act as a fiduciary for all assets of the Association.

ARTICLE 4 – Board of Directors

Section 4.01. Membership. The Board of Directors shall consist of:

- (a) The Association president and vice president.
- (b) The chair and vice chair of each region.
- (c) The chair of each standing committee.
- (d) The most immediate active past president.
- (e) The vice president of the ACWA/Joint Powers Insurance Authority.

Section 4.02. Term of Office. The term of office of all members of the Board of Directors shall commence on January 1 of the calendar year following election of the president and vice president, except for those persons who serve on the Board of Directors by nature of their position as chairs of standing committees, whose terms shall instead commence upon their ratification by the Board of Directors. Except as provided in Article 4, Section 4.11, the term of office for all members of the Board of Directors shall terminate on December 31 of the following odd-numbered year two years later, or until their successors take office.

Section 4.03. Attendance Requirement. Any member of the Board of Directors who misses two consecutive regular Board meetings without being excused by the Board will no longer be a member of the Board of Directors.

Section 4.04. Regular Meetings. Regular meetings of the Board of Directors shall be held bimonthly at such times and places as the Board may determine.

Section 4.05. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. [However, the president's determination of necessity shall control.](#) Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.

Section 4.06. Meetings by Electronic Communication. Alternatives to Traditional Meetings.

(a) Any meeting of the Board of Directors, region boards, or any committee may be conducted, in whole or in part, by telephone, electronic transmission, or by electronic video screen communication. A member of the Board of Directors, a region board, or any committee shall be deemed present in person at the meeting if the following apply:

(a)(1) Each director, region board, or committee member participating in the meeting can communicate concurrently with all other directors, region board, or committee members.

~~(1)-(2)~~ Each director, region board or, committee member is provided the means of participating in all matters before the board, region board, or committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association.

(b) To the extent permitted by applicable law and subject to all applicable requirements, any action that may be taken at a regular or special Board of Directors, a region board, or any committee may be approved by unanimous written consent of the members of that body.

~~Section 4.06.~~**Section 4.07. Quorum.** At any meeting of the Board of Directors, the attendance of 50 percent of the voting members of the Board of Directors, or their permitted alternates as specified in these bylaws, shall constitute a quorum for the transaction of any business. The Board may hold a closed session for discussion of personnel matters; enforcement of violations of the code of conduct; pending or anticipated litigation or other legal matters, including, but not limited to, considering whether to file or join in an amicus brief; real property negotiations and discussions; and other confidential matters as determined by the Board to the extent permitted by applicable law. (See Board Policy 2.1.8.3.)

~~Section 4.07.~~**Section 4.08. Alternates.** Each region shall designate an alternate for each chair and vice chair, who shall meet the qualification requirements for chair and vice chair, to act at meetings of the Board of Directors when the chair or vice chair is unable to attend. The vice chair of each standing committee will be the alternate to act at meetings of the Board of Directors when the standing committee chair is unable to attend. An alternate may not act or vote on behalf of more than one member of the Board of Directors. A member of the Board of Directors may not act as an alternate for any other member.

~~Section 4.08.~~**Section 4.09. Vacancies for Standing Committee Chairs and Vice Chairs.** Should a vacancy occur in the office of any standing committee chair or vice chair before the end of the term, the president shall appoint a new committee chair or vice chair to fulfill the unexpired term of such committee chair or vice chair subject to ratification by the Board of Directors. A vacancy in the office of any such standing committee chair or vice chair as described in the previous sentence shall be deemed to exist when the chair or vice chair: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

~~Section 4.09.~~**Section 4.10. Duties, Authorities, and Delegation.** Subject to the provisions and limitations of California Nonprofit Corporation Law, other applicable laws, and the provisions of these bylaws, the Association's activities and affairs are to be exercised by or under the direction of the Association's Board of Directors. The Board of Directors is responsible for the overall supervision, control, and direction of the Association. The Board of Directors shall: (1) employ and release the executive director/secretary; (2) set performance expectations for the executive director/secretary; (3) receive, review, and consider approval of executive director/secretary recommended compensation, other terms and conditions of employment, and annual evaluations as prepared by the Executive Committee; (4)

annually adopt a budget; and (5) set the level of dues for the Association. Except as to the duties listed in the previous sentence, and subject to Article 3, Section 2, the Board of Directors may delegate the supervision, control, and direction of the Association's affairs to any person or group, including a committee, provided the Association Board retains ultimate responsibility for the actions of such person or group. Where such powers are delegated, the delegation shall be documented in writing.

~~Section 4.10.~~**Section 4.11.** **Immediate Past President.** The immediate past president automatically assumes this position after serving as the Association's elected president and is a voting member of the Board of Directors and Executive Committee. The term of office for the immediate past president shall commence on January 1 of the calendar year following election of the president and vice president and shall terminate on December 31 of the following odd-numbered year two years later. In the event the most immediate active past president is unavailable to serve, the most recent and available active past president in succession shall serve in this capacity.

~~Section 4.11.~~**Section 4.12.** **Code of Conduct of Board Members.**

- (a) The Board of Directors shall establish, and update as appropriate, a code of conduct for its Directors that recognizes the Association's commitment of integrity, respect, and fair representation to its members and the public they serve and establishes minimum ethical standards for the performance of the duties of office. (See Code of Conduct Policy, Board Policy Manual, Policy No. GO-2.1A.) The code shall be consistent with the procedural processes contained in the Code of Conduct Policy. (See sections 2.1.3A and 2.1.4A of Policy GO-2.1A of the Board Policy Manual.) The code shall be distributed to all new Directors and shall be distributed annually to all members of the Association.

ARTICLE 5— Regions

Section 5.01. Boundaries of Each Region.

- (a) There shall be a maximum of 10 regions within the state. The Board of Directors shall determine the regional boundaries. Insofar as is practicable, the regions shall have a numerical balance in members of the Association; make geographic sense; and promote regional problem solving.
- (b) A member of the Association may file a written petition to the Board of Directors requesting a change in regions. Such petition shall set forth the reasons for such requested change. The Board shall, within a reasonable time, act upon such petition and set forth the reasons for its action. Such action by the Board shall be based on factors in Section 5.01(a) above, as well as others deemed by the Board of Directors to be relevant to the decision.

Section 5.02. Officers.

- (a) The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region in each odd-numbered year. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. Five or more members of the Association from the region shall constitute a quorum for purposes of regional board elections. Association staff shall verify the legitimacy of the ballots.
- (b) The officers of each region shall: (1) exercise the powers and perform duties of the region during the interim between region meetings; and (2) make recommendations to the president regarding appointments to committees. The chair and vice chair shall be the region's representatives to the Board of Directors.
- (c) Each officer of a region shall be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the office, the individual may not serve during the remaining term of that office unless that individual can again meet the criteria for the office and is appointed to complete the term. The region board may adopt more stringent criteria for board member qualifications as part of the region's rules and regulations.
- (d) Should a vacancy occur in any of the region board positions before the end of the term, the remaining members of the region board shall appoint a new member. A vacancy in the office of any region board position shall be deemed to exist when a region board member: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 5.03. Nominating Committees. There shall be a nominating committee for each region consisting of three or more designees, each representing a member of the Association located within the region, appointed by the chair of the region and approved by the region board. Nominating committees shall be formed by February 28 of each odd-numbered year.

Section 5.04. Meetings. The meetings of each region shall be held at both the spring and fall conferences and at such other times and places as may be determined by the region chair. Representatives of five or more members of the Association from the region present at any region meeting shall constitute a quorum for purposes of conducting the business of the region. Any meeting,

regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06.

Section 5.05. Workgroups. Workgroups may be appointed by the region chair as needed.

Section 5.06. Rules. Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association. Each region shall abide by the code of conduct adopted by the Board of Directors of the Association.

ARTICLE 6 – Executive Committee

Section 6.01. Membership. There shall be an Executive Committee consisting of the following: the president of the Association, who shall be the chair thereof; the vice president; the most immediate active past president; the chair of the Finance Committee; and three at-large representatives selected from and by the members of the Board of Directors. The election of the three at-large representatives to the Executive Committee shall occur at the first Board of Directors meeting held in each even-numbered year and the elected representatives shall serve immediately following their election and until such time as their successors take office. To the extent practical, the Executive Committee should be constituted so as to reflect the geographic extent of the Association and the functions of the members of the Association.

Section 6.02. Powers. The Executive Committee shall have the following authority:

- (a) **Personnel.** Subject to the budget adopted by the Board of Directors, the Executive Committee shall perform the following personnel actions: (1) recommend compensation for the executive director/secretary to the Board of Directors for approval; (2) perform annual reviews of the executive director/secretary and submit that review to the Board of Directors; (3) review the classification and compensation plan and publicly posted salary schedule for Association employees submitted by the executive director/secretary, which shall be approved by the Board of Directors; (4) establish personnel policies for the conduct and behavior of employees, which shall be reviewable by the Board of Directors; and (5) undertake such other personnel actions as may be requested by the executive director/secretary in support of his or her oversight of all other personnel matters, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors.
- (b) **Delegation.** The Executive Committee may act pursuant to any authority specifically delegated to it by the Board of Directors. The delegation shall indicate whether the authority is still subject to the ultimate authority of the Board.
- (c) **Authority to Act Between Meetings.** The Executive Committee may act for the Board of Directors between Board meetings when calling a special meeting of the Board of Directors is impracticable, provided that no such action of the Executive Committee shall be binding on the Board of Directors until authorized or approved by the Board. The

Executive Committee has the authority to authorize actions recommended by the Legal Affairs Committee (such as the filing of letter briefs and amicus curiae briefs) by electronic means without the need for an in-person or telephonic meeting, but such actions shall be ratified by the Board of Directors at its next meeting.

Section 6.03. Reporting. The president, or any person designated by the president, shall report to the Board of Directors, at each regular Board meeting, any action taken by the Executive Committee since the last preceding regular Board meeting. The minutes of Executive Committee meetings, which at that time may still be in draft form, shall be mailed (using the U.S. Postal Service, express delivery, electronic means, or otherwise) to each member of the Board of Directors at least five days prior to Board meetings, except in cases in which the Executive Committee meets during or immediately prior to a conference of the Association or immediately prior to a Board meeting, in which case the minutes, which may still be in draft form, shall be mailed to each director promptly thereafter.

Section 6.04. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06. With the exception of closed sessions as designated by the Executive Committee, all members of the Board of Directors and Council of Past Presidents may attend any meeting of the Executive Committee. However, Meetings of the Executive Committee may be closed its meetings to select or all non-members of the Committee to others at the discretion of the president or by a majority vote of the Executive Committee. Any decision to close an Executive Committee meeting to others shall be final and not reversible except with the consent of party that decided to close the meeting. Only members of the Executive Committee are allowed to vote on Executive Committee matters at a meeting of the committee.

Section 6.05. Minutes. The minutes of the Executive Committee meetings shall be kept by the executive director/secretary at the Association's principal office. Actions of the Executive Committee shall be reported to the Board of Directors as provided in Section 3 of this Article and shall be available to any member of the Board of Directors upon request to the executive director/secretary.

ARTICLE 7 – Standing Committees

Section 7.01. Qualification. In order to serve on any Association standing committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the

appointment, the individual may not serve during the remaining term of that appointment unless that individual can again meet the criteria for appointment and is appointed to complete the term.

Section 7.02. Term of Office. The term of office of standing committee members shall be two years commencing on January 1 of each even-numbered year. The term of office of standing committee chairs and vice chairs shall be approximately two years and shall commence as soon after January 1 of the even-numbered year as they may be appointed by the president and ratified by the then-seated Board of Directors, and shall terminate on December 31 of the odd-numbered year approximately two years later or until their successors are appointed and ratified.

Section 7.03. Meetings. Meetings of standing committees may be called at such times and places designated by the respective chair thereof except where provided otherwise by these bylaws. Any meetings of standing committees may be conducted, in whole or in part, by electronic transmission or by electronic video screen communication, as set forth in Section 4.06. Subject to the provisions of these bylaws and any actions that may be taken by the Board of Directors, the chairs of each standing committee may establish their own rules for the efficient operation of the committee they each chair. The chairs of each standing committee are authorized to create subcommittees and workgroups in order to complete the work of the committee.

Section 7.04. Committee Composition. Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committees subject to the rules and procedures of each committee. If the chair is absent, the vice chair shall fill the role of the chair during such absence.

Section 7.05. Agriculture Committee. There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of the Association and its members. The committee shall consist of at least one member from each region.

Section 7.06. Business Development Committee. There shall be a Business Development Committee whose duty it is to develop and recommend to the Board of Directors programs and activities to be provided or administered by the Association that generate non-dues revenue and provide a service or benefit to member agencies. The committee shall consist of at least one member from each region and may include members from any of the other standing committees.

Section 7.07. Communications Committee. There shall be a Communications Committee whose duty it shall be to develop and make recommendations to the Board of Directors regarding a comprehensive internal and external communications program for the Association and to promote development of sound public information and education programs and practices among member agencies. The committee shall

consist of no more than 40 members. The committee shall consist of at least one member from each region.

Section 7.08. Energy Committee. There shall be an Energy Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.09. Federal Affairs Committee. There shall be a Federal Affairs Committee whose duty it shall be to review all federal legislative proposals and regulatory proposals affecting member agencies, after consulting with other appropriate committees, and to develop Association positions consistent with existing policy, where it has been established; recommend sponsorship of bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's federal legislative program. The committee shall consist of at least one, but no more than five members from each region.

Section 7.10. Finance Committee. There shall be a Finance Committee whose duty it shall be to make recommendations to the Board of Directors regarding annual budgets, dues formula and schedules and other revenue-producing income, annual audit and selection of an auditor, and investment strategies. The committee shall consist of the president and vice president of the Association as *ex officio* members, either the chair or vice chair from each of the Association's 10 region boards, and one additional member from each region with experience in financial matters.

Section 7.11. Groundwater Committee. There shall be a Groundwater Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.12. Legal Affairs Committee. There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to member agencies, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the member agencies and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between 34 and 44 attorneys, each of whom shall be a member of the California Bar and shall be, or act as, counsel for a member agency, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. The committee shall consist of at least one member from each region.

Section 7.13. Local Government Committee. There shall be a Local Government Committee whose duty it shall be to recommend policies to the State Legislative Committee, as appropriate, and Board of Directors on matters affecting water agencies as a segment of local government in California. The committee shall consist of at least one, but no more than three members from each region.

Section 7.14. Membership Committee. There shall be a Membership Committee whose duty it shall be to assist staff in developing membership recruitment and retention programs, make recommendations to the Board of Directors regarding membership policies, eligibility, and applications for membership and review and make recommendations to the Finance Committee regarding an equitable dues structure. The committee shall consist of at least one member from each region.

Section 7.15. State Legislative Committee. There shall be a State Legislative Committee whose duty it shall be to review all state legislative proposals affecting member agencies and to establish Association positions, consistent with existing policy, where it has been established; sponsor bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's legislative program. The committee shall consist of members representing a variety of types of member agencies and at least one, but no more than four members from each region.

Section 7.16. Water Management Committee. There shall be a Water Management Committee whose duty it shall be to recommend policy and programs to the Board of Directors on any area of concern in water management. The committee shall consist of at least one, but no more than four members from each region.

Section 7.17. Water Quality Committee. There shall be a Water Quality Committee whose duty it shall be to develop and recommend Association policy, positions, and programs to the Board of Directors, to promote cost-effective state and federal water quality regulations that protect the public health, to enable interested member agencies to join together to develop and coordinate with other organizations, and to present unified comments regarding agricultural and domestic water quality regulations. The committee shall consist of at least one member from each region.

ARTICLE 8 – Special Councils, Committees, and Task Forces

Section 8.01. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board and Executive Committee meetings, including attending closed sessions [of the Board.](#) [Members of the Council of Past Presidents may also attend closed sessions meetings of the Executive Committee except as designated by the Executive Committee as further described in Section 6.04.](#) With the exception of the immediate past president, members of the Council of Past Presidents are non-voting.

Section 8.02. Election Committee. There shall be an Election Committee consisting of eleven representatives established by February 28 of each odd-numbered year, whose purpose shall be to present qualified individuals for the offices of president and vice president of the Association. The Election Committee shall vet all candidates to determine if the eligibility criteria have been met. The Election Committee will endorse a preferred candidate for president and vice president before presenting an open ballot with all qualifying candidates to the members for a vote in the manner set forth in Section 9.10 and Section 9.11.

(a) Selection. The Election Committee shall be selected in the following manner:

(1) Each of the 10 currently seated Region Boards in the odd-numbered year shall appoint a representative from their respective regions to serve on the Election Committee.

(2) One representative appointed by the president in the odd-numbered year shall also serve on the Election Committee. Neither the president nor the vice president qualifies to be appointed to this position.

(b) Qualification. In order to serve on the Election Committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Past presidents, who are Honorary Life Members of the Association, may also serve on the Election Committee without meeting stated qualifications unless otherwise disqualified. Where an individual ceases to meet these criteria during the election cycle, the individual may not continue to serve. When the disqualified member represented a Region Board, the affected Region Board shall select a replacement representative. When the disqualified member represented the President, the President shall select an alternate representative.

Section 8.03. Other Committees and Task Forces. Other committees and task forces may be appointed by the president from time to time as needed, consistent with and supportive of the mission of the Association.

ARTICLE 9 – Meetings of Members

Section 9.01. Meetings. Meetings of the members of the Association shall be held at the Association's conferences to provide a report to the members on the Association's activities during the past year, provide an overview of the Association's finances, announce the newly elected president and vice president of the Association in each odd-numbered year, and to transact such other proper business as may come before the meeting.

Section 9.02. Special Meetings. Special meetings of the members of the Association may be called by the Board of Directors, the president of the Board of Directors, or by 5 percent or more of the members of the Association. Except when called by the Board, a request for a special meeting must be in writing and must be delivered in person or mailed by first-class mail addressed to the president of the Board at the principal office of the Association, with a copy to the executive director/secretary. The request must state the general nature of the business proposed to be transacted at the meeting.

A special meeting that has been called by written request of 5 percent of the member agencies of the Association to the Board of Directors shall be set by the Board of Directors on a date that is not less than 35 or more than 90 days after receipt of the request.

Section 9.03. Meetings by Remote Communication. Any meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the Association or by electronic video screen communication. The member shall be deemed present in person at the meeting if the following apply:

- (a) The Association implements reasonable measures to provide the member a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings.
- (b) If any member votes or takes other action at the meeting by means of electronic transmission to the Association or electronic video screen communication, a record of that vote or action is maintained by the Association.
- (c) The Association verifies that each person participating remotely is an authorized representative of a voting member.

Section 9.04. Notice Requirements for Membership Meetings. Written notice of any membership meeting shall be given to each voting member of the Association. The notice shall state the date, time, and place of the meeting; the means by which members may participate; and the general nature of the business to be transacted. The member notification information shall also be posted on the Association's website.

Except as otherwise provided in these bylaws or California law, a written notice of regular membership meetings shall be given not less than 10 or more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than 20 days before the meeting.

Section 9.05. Notice Requirements for Special Meetings. The executive director/secretary shall cause notice to be given to all members of the Association of the date, time, and place of the meeting and the general nature of the business to be transacted at the meeting. No business except that specified in the request and notice may be transacted at said special meeting. If notice of the requested special meeting

is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice.

Section 9.06. Voting. Each member of the Association in good standing at the time of the annual or special meeting shall be entitled to one vote that shall be cast by its authorized representative. Each member must designate its authorized representative prior to the annual or special meeting. It is the member's responsibility to designate or update its authorized representative as needed. The Association may confirm with any member the identity of that member's authorized representative for the purpose of casting ballots in any election of president and vice president, amendments to these Bylaws, or other Association business that requires a vote. All questions, except amendments or revisions of these bylaws, shall be determined by a majority of the members present and voting. A roll call may be requested by any authorized representative.

Section 9.07. Amendment of Bylaws. These bylaws may be amended or revised by two-thirds of the member agencies of the Association present and voting at any meeting.

Section 9.08. Quorum. The presence of the authorized representatives of at least 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business. Actions [of the members of the Association](#) taken by written ballot shall require the timely receipt of the written ballot from the authorized representatives of at least 50 members to constitute a quorum.

Section 9.09. Amendments, Revisions, and Resolutions. Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 9.04. The 90-day rule may be suspended at any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections 9.06 and 9.07.

Section 9.10. Nomination of President and Vice President.

- (a) **Qualification.** At the time of their election, the president and vice president of the Association shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association.

- (b) **Nominating Resolutions.** All nominations for the positions of president and vice president shall be accompanied by an official resolution from the Association member agency on whose board the nominee serves. Said resolution shall be signed by an authorized signatory of the member agency's Board of Directors.

Section 9.11. Election of President and Vice President. Each member of the Association in good standing at the time a vote is cast is entitled to one vote for election of the president and vice president that shall be cast by its authorized representative by written ballot. The ballot and any related material may be sent by first class, registered, or certified mail or electronic transmission by the Corporation that meets the requirements of Corporations Code section 20, and responses may be returned to the Corporation by mail or electronic transmission. On any written ballot for the election of president or vice president, an authorized representative acting on behalf of the member may write in a qualified candidate for election. Nominating resolutions for write-in candidates must be received by the deadline for the return of ballots.

Section 9.12. Write-In Candidates. If a write-in candidate prevails in any election for president or vice president, such individual shall not be officially elected into such position until the Election Committee confirms that the individual meets the eligibility criteria and qualifications requirements.

Section 9.13. Run-off Election for President and Vice President. In the event a nominee does not receive a majority of the votes for president or vice president, a run-off election shall be held for the office or offices for which a majority of the votes have not been received. The run-off election shall only involve the nominees who received the two highest amounts of votes. The run-off election shall be conducted in the same manner as the initial election.

Section 9.14. Additional Procedures for Election of President and Vice President. The Board shall have the authority to adopt policies for elections ("Election Policy") of president and vice president setting forth the details for the election of such positions when not otherwise contrary to or covered by these bylaws.

Section 9.15. Action by Written Ballot. To the extent permitted by applicable law and subject to all applicable requirements, any action that may be taken at a regular or special member meeting of the members may be approved by written ballot if a ballot is sent to each member entitled to vote on the matter. If approved by the Board, ballots may be sent and returned by electronic transmission as permitted in the Corporations Code. Ballot format, solicitation and voting thresholds shall meet the requirements of the Corporations Code and be consistent with applicable provisions of these Bylaws.

ARTICLE 10—Indemnification of Directors, Officers, and Other Agents

Section 10.01. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in

connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 10.02. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification.

Section 10.03. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 10.04. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.

ARTICLE 11 - Miscellaneous

Section 11.01. Conduct of Meetings. All meetings of the Association shall be conducted in accord with the code of conduct and in substantial accordance with the latest edition of Robert's Rules of Order Newly Revised unless the Board adopts alternate rules of conduct for itself and/or its committees, region boards, and region workgroups.

Section 11.02. Funds. The funds of the Association shall be used to further the aims and purposes of this Association. They shall be kept by the controller/treasurer and paid out by checks or other electronic means, which shall only be valid with two authorized signatures. The Board of Directors shall designate by resolution which persons, other than the controller/treasurer, may sign for expenditures. The Finance Committee shall implement procedures to ensure necessary internal controls over the receipt and expenditures of Association funds and arrange for an external audit. Audit reports shall be presented to the Board of Directors.

Section 11.03. Disposition of Assets upon Dissolution. The Association's properties and assets are irrevocably dedicated to the fulfillment of the Association's purposes as described in Article 2 of the Articles of Incorporation. No part of the Association's net earnings, properties and assets, on dissolution or otherwise, may inure to the benefit of any private person. Upon the dissolution of the Association, all

debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed to the Association's member political subdivisions for a public purpose, consistent with the provisions of the California Nonprofit Corporation Law relating to mutual benefit corporations then in effect and with the Articles of Incorporation.

Section 11.04. Definitions. As used in these Bylaws, the terms "electronic transmission" and "notice provided by electronic means" shall refer to notice and other communications given by fax or e-mail.

Section 11.05. Conflicts Between Bylaws and Other Association Policies. To the extent permitted by applicable law, these Bylaws shall govern in the event there is a conflict between these Bylaws and another Association policy, rule, or procedure.

Amended comprehensively December 1, 2010

Amended May 9, 2012

Amended May 7, 2014

Amended December 2, 2015

Amended November 29, 2017

Amended & Restated November 30, 2022

Amended & Restated December 4, 2024

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DATE: October 20, 2026

AGENDA ITEM NO. D-2

TITLE: Cancellation of Agricultural Lease with Carna Farming, Inc. and New Agricultural Lease with Lagorio Brothers – North Site Property

SUBJECT: Consideration of Cancellation of the Agricultural Lease Agreement with Carna Farming, Inc. and Recommendation to the Board of Directors to Enter a New Agricultural Lease with Lagorio Brothers for the North Site Property

Executive Summary

Carna Farming, Inc. has leased the Stockton East Water District's (District) ±113-acre North Site Property on a year-to-year agricultural lease since January 2024. Carna Farming has requested that farming operations continue instead under a related entity, Lagorio Brothers, which requires cancelling the existing lease and approval of a new one. Staff has also identified an ongoing security concern involving uncontrolled access to secured areas of the water treatment plant campus, which is tied to agricultural operations on the parcel generally and is not resolved by a change in lessee alone. Staff recommends the Committee recommend that the Board of Directors authorize cancellation of the Carna Farming lease and provide staff direction for a new lease with Lagorio Brothers.

Background

The District has leased the ±113-acre North Site Property (6833 E. Main Street and 6700 E. Copperopolis Road, Stockton) to Carna Farming, Inc. under a 2024 Agricultural Lease since January 1, 2024. The lease renews automatically on a year-to-year basis unless either party gives 90 days' written notice of non-renewal and requires cash rent of \$400 per acre for cash crops or \$200 per acre for cereal grains. Carna Farming has asked that farming operations continue instead under Lagorio Brothers, a related entity whose principal, Brett Lagorio, is also Carna Farming's President. Because Lagorio Brothers is a separate legal entity, this change cannot be accomplished as a renewal; it requires cancelling the existing lease and entering into a new lease directly with Lagorio Brothers.

Summary

In accordance with the terms of the existing lease agreement between the District and Carna Farming, the District should provide written notice of non-renewal by October 2, 2026. A new lease agreement may then be executed with Lagorio Brothers, using the same terms and conditions as the 2024 agreement. Alternatively, the existing lease agreement can remain in effect, and the District may authorize annually the assignment of the lease from Carna Farming to Lagorio Brothers, as has been the practice for the past two years. Although improper compared to executing a new lease between the appropriate parties, the existing lease does allow for assignment with the District's approval.

Concurrent with consideration of the new lease agreement, staff requests the committee consider continued uncontrolled access to the water treatment plant campus.

Staff identified an ongoing security concern relevant to this item: unknown parties have access to secured areas of the water treatment plant campus in connection with farming activity on the North Site Property. This exposure is tied to the presence of agricultural operations on the site, not to the identity of the lessee.

Financial Impact

At current lease rates, the North Site Property generates estimated annual cash rent of approximately \$22,600 to \$45,200 depending on crop mix, with the lessee bearing all farming, maintenance, insurance, and water/utility costs. A mutual termination timed to the end of the current term is not expected to require crop-compensation payments to Carna Farming. At the Board's direction, staff also reviewed the additional property liability cost for the lease. There is no additional property liability cost to lease this land (\$0; the property liability premium is unchanged whether the land is leased or not. Accordingly, leasing the land does not create an additional cost to the District.

Recommendation

Staff recommends the Board of Directors to authorize cancellation of the existing Agricultural Lease with Carna Farming, Inc., consider the security concerns with continued uncontrolled access to the water treatment plant, and provide direction to staff for Board authorization of a new agricultural lease for the North Site Property with Lagorio Brothers.

Staff Responsible for Report



Priya Ram, Director of Finance & Administration

Date: 10/20/26



Justin M. Hopkins, General Manager

Date: 10/20/26

Attachments

1. 2024 Agricultural Lease Agreement between Stockton East Water District and Carna Farming, Inc. (executed January 31, 2024)
2. Draft Lease Agreement Termination Letter
3. Draft new agricultural lease with Lagorio Brothers

2024 AGRICULTURAL LEASE

1. **Parties.** This 2024 Agricultural Lease ("**Lease**") is entered into this 31st day of January, 2024 by and between STOCKTON EAST WATER DISTRICT ("**Lessor**" or "**Owner**"), and CARNA FARMING, INC., A CALIFORNIA CORPORATION, ("**Lessee**").

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

3. **Term and Effective Date.**

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

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

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

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

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

6. **Water.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16.3. Insolvency. Lessee either:

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

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

16.3C. files a petition in bankruptcy;

16.3D. is adjudicated a bankrupt or insolvent;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28. **Hazardous Materials.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

33. **Miscellaneous.**

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

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

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

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

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

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

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

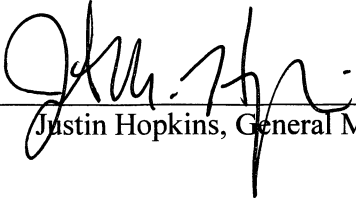
33.7 Time is of the Essence. Time is of the essence of this Lease and each and every provision hereof.

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

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

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

STOCKTON EAST WATER DISTRICT

By: 
Justin Hopkins, General Manager

CARNA FARMING, INC., a California Corporation

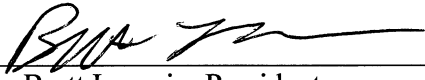
By: 
Brett Lagorio, President

EXHIBIT A

Legal Description

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

PARCEL ONE:

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

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

PARCEL TWO:

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

October 20, 2026

Carna Farming, Inc.
Attn: Brett Lagorio, President
18600 Tobacco Road
Linden, CA 95236

Re: Notice of Termination of 2024 Agricultural Lease – North Site Property

Dear Mr. Lagorio:

This letter constitutes the written notice of Stockton East Water District (the “District”) terminating that certain 2024 Agricultural Lease dated January 31, 2024 (the “Lease”), by and between the District, as Lessor, and Carna Farming, Inc. (“Carna Farming”), as Lessee, covering the District's North Site Property located at 6833 E. Main Street and 6700 East Copperopolis Road, Stockton, California, consisting of approximately 113 acres of farmland, as more particularly described in Exhibit A to the Lease (the “Farm”).

Pursuant to Section 3.2 of the Lease, this notice is given not less than ninety (90) days prior to expiration of the one-year extension term currently in effect. Accordingly, the Lease and Carna Farming's tenancy of the Farm shall terminate effective December 31, 2026.

All of Carna Farming's obligations under the Lease remain in full force and effect through the termination date, including without limitation those relating to rent, farm maintenance, insurance, and water and utility costs. Upon expiration of the Lease, Carna Farming shall immediately quit and surrender the Farm to the District in good order and condition, ordinary ‘wear and tear’ excepted, and shall remove all of Carna Farming's equipment and restore any damage caused by such removal, in accordance with Section 31 of the Lease.

As we have discussed, the District is open to negotiating a new agricultural lease for the Farm with Lagorio Brothers to commence upon expiration of the Lease. District staff will follow up separately to continue that discussion. This notice is being sent to preserve the District's rights and to comply with the notice requirements of Section 3.2 of the Lease and does not waive or foreclose those ongoing discussions.

Please feel free to contact me at (209) 948-0333 or jhopkins@sewd.net with any questions regarding this notice. The District appreciates Carna Farming's tenancy of the Farm and looks forward to a smooth transition.

Sincerely,

Justin M. Hopkins, P.E.

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2027 AGRICULTURAL LEASE

1. **Parties.** This 2026 Agricultural Lease ("**Lease**") is entered into this _____ day of _____, 2026 by and between STOCKTON EAST WATER DISTRICT ("**Lessor**" or "**Owner**"), and LAGORIO BROTHERS, ("**Lessee**").

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

3. **Term and Effective Date.**

3.1 The term of this Lease shall be effective beginning on January 1, 2027 and ending on December 31, 2027 ("**Term**"), unless sooner terminated as provided in the Lease. On the first day of the Term, Lessee shall be entitled to possession of the Farm, subject to compliance with the terms and conditions of this Lease and payment of the rent set forth in Section 4 hereof. The Term ends at midnight on the last day of the Term of the Lease unless sooner terminated as provided in this Lease.

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

4. **Rent.** In consideration of the leasing, occupancy and use of the Farm, Lessee hereby promises and agrees to pay, yield and deliver, in addition to all other sums agreed to be paid by it under this Lease, pay all farm costs, repairs and maintenance costs, insurance costs, all irrigation assessments, irrigation water costs, utilities, and any and all other expenses to maintain the operations of the Property during the Term, cash rent in the amount of Four Hundred Dollars (\$400.00) per acre cash rent for beans and other irrigated crops, and Three Hundred Fifty Dollars (\$350.00) per acre cash rent for corn, hay or wheat, which shall be paid in two equal annual installments on April 30, 2027 and October 31, 2027. All amounts above constituting "**Rent**." Lessee shall pay all Rent without setoff, deduction, counterclaim, or prior notice or demand. At the expiration of the Term, property taxes, utilities and assessments shall be prorated between Lessor and Lessee.

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

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

6. **Water.**

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

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

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

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

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

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

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

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

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

10.1. **Use of the Farm.** Lessee shall use due diligence and farming practices, consistent with the highest-quality farming practices in the county where the Farm is located, in all aspects pertaining to the growing, storing and marketing of the crops and in the general conduct of operations and use of the Farm. Lessee shall operate and use the Farm for the sole purpose of conducting an agricultural operation under the terms and conditions provided in this Lease. Lessee shall, in due and proper season, perform all work required and essential in a good and workmanlike

manner as will be conducive to the very best results to be had and obtained by a high-quality system of husbandry and farming. If this Lease covers permanent crops, Lessee shall care for, protect and maintain the crops in a good and workmanlike manner consistent with the highest-quality farming practices in the county where the Farm is located.

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

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

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

11. Inspection. Lessor or Owner, or their authorized representatives or assignees, may enter the Farm at any time for the purpose of inspecting same or for the purpose of doing any work and taking any action thereon as may be necessary or appropriate for the purpose (but nothing contained in this Lease shall create or imply any duty on the part of Lessor or Owner or their assignees to make any inspection or do any work) and for the purpose of showing the Farm to prospective purchasers. Entry for the purposes specified herein shall not constitute an eviction of Lessee nor termination of this Lease. At all times, Lessor shall have access to the Farm and to all reports, records, and information of the Lessee in respect thereto, for the purposes of inspecting, determining, and ascertaining that all of the requirements of the Lease and the Exhibits hereto have been fulfilled; including, without limitation, the operation and maintenance procedures, and the public liability insurance requirements. Lessee shall maintain accurate and complete records of its

operations on the Farm and make them available at any time for inspection and examination by Lessor. Lessee agrees to provide information as requested by Lessor with regard to fertilizer used, tillage practices, acreage reports, chemical usage, and crop yields in a timely manner.

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

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

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

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

13. **Indemnification and Insurance.** Lessee shall protect, indemnify and hold harmless Lessor and Owner from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses) imposed upon, incurred by, or asserted against Lessor, Owner, or the Farm by reason of the operations conducted by Lessee on the Farm or as a result of any failure on the part of Lessee to perform or comply with any of the terms of this Lease. The obligations of Lessee under this section shall survive any termination of this Lease. During the Term of this Lease, Lessee, at its sole cost, shall maintain comprehensive liability and property damage insurance on the premises in the amount of One Million dollars (\$1,000,000.00) combined single limit per occurrence. This insurance shall include hired and non-owned auto coverage and shall name Lessor and Owner as additional insured. This insurance will operate as primary insurance. The insurance policies shall name Owner and Lessor (or their assignees) as additional insureds as their respective interests appear and shall include an effective waiver by the carrier of all rights of subrogation against any named insured of the insured's interest in the Farm or any income derived from the Farm and shall provide that insurance proceeds shall be payable for the benefit of Owner and Lessor (or their assignees), and Lessee as their respective interests may appear. The insurance policies shall also provide that any losses shall be payable, notwithstanding any act or failure to act or negligence of Owner, Lessor, Lessee, or any other person, corporation or other business entity and that no cancellation,

reduction in amount or material change in coverage shall be made effective until at least thirty (30) days after receipt by Lessor and Lessee of written notice thereof. All policies shall be executed with carriers with A.M. Best rating of B+ or higher. Documentation of all coverages, including additional insured certificates and endorsements, shall be provided to Lessor by Lessee. Lessee also agrees to carry Workers Compensation Insurance and Employers Liability to the extent required by law at all times during the Term of this Lease.

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

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

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

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

16.2. **Failure to Comply with Other Terms of this Lease.** Lessee fails to perform or comply with any of the other terms hereof, and the failure continues for more than ten (10) days after notice thereof from Lessor and Lessee has not within that period commenced with due diligence and dispatch the curing of the default;

16.3. **Insolvency.** Lessee either:

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

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

16.3C. files a petition in bankruptcy;

16.3D. is adjudicated a bankrupt or insolvent;

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

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

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

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

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

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

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

17. **Survival of Lessee's Obligations; Damages.** No expiration or termination of this Lease or the Term pursuant to Section 16 or by operation of law, or otherwise, and no repossession of the Farm or any part thereof pursuant to Section 16, or otherwise, shall relieve Lessee of its

liabilities and obligations hereunder, all of which shall survive the expiration, termination or repossession. In the event of any expiration, termination or repossession, Lessee shall pay to Lessor all rents and other sums required to be paid by Lessee up to the time of the expiration, termination or repossession; and thereafter Lessee (until the end of what would have been the Term in the absence of the expiration, termination or repossession and whether or not the Farm or any part thereof shall have been relet) shall be liable to Lessor for and shall pay to Lessor as liquidated and agreed current damages for Lessee's default all rent and other sums which would be payable under this Lease by Lessee in the absence of the expiration, termination or repossession LESS all net rents collected by Lessor from any reletting effected for the account of the Lessee pursuant to Section 16, after deducting from the proceeds all of Lessor's expenses in connection with the reletting (including, without limitation, all repossession costs, brokerage commissions, legal and accounting expenses, attorney's fees and expenses, employees' expenses, promotional expenses, and expenses of preparation for the reletting). Lessee shall pay current damages annually on the rent payment dates applicable in the absence of the expiration, termination or repossession; and Lessor shall be entitled to recover the same from Lessee on each applicable date.

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

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

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

21. **Waiver.** No failure by Lessor or Lessee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a default thereof, and no submission by Lessee or acceptance by Lessor of full or partial rent during the continuance of any default, shall constitute a waiver of any default or any term. No waiver of any default shall affect or alter this Lease which shall continue in full force and effect or affect the respective rights of Lessor or Lessee with respect to any other then-existing or subsequent default.

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

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

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

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

24. **Conveyance by Lessor.** In case the original or any successor Lessor shall convey or otherwise dispose of its interest in the Farm, it shall thereupon be released from all liabilities and obligations of Lessor under this Lease; and the liabilities and obligations shall be binding solely on the then Lessor of the Farm.

25. **Lessor's Liens.** A crop lien is hereby established for the benefit of Lessor for any unpaid rentals. In connection therewith, Lessee agrees to execute a security agreement and financing statement if same is required by Lessor. Lessor shall be entitled to and shall have a valid

claim and lien against Lessee to recover for all money advanced for employment of labor or otherwise advanced to protect Lessor against any loss due to Lessee's failure to fulfill and perform or carry out the conditions and agreements. No lien created by Lessee shall ever be or become prior to Lessor's claim and lien. Lessor shall have a valid first lien on the share of crops of Lessee, for the rent and for damages due Lessor under the terms and conditions of this Lease.

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

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

28. **Hazardous Materials.**

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

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

28.1B. If Lessee breaches the obligations stated in Section 28.1.A, or if contamination of the Farm by Hazardous Material occurs as a result of the action or inaction of Lessee, its agents, employees, or contractors, then Lessee shall indemnify, defend, and hold Lessor and Owner and their assignees harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses (including, without limitation, damages and expenses suffered or incurred by Lessor or Owner, as the owner of the Farm, by virtue of any assertion of Federal or State lien or claim brought or filed against Lessor and/or Owner or their assignees or the Farm,

diminution in value of the Farm, damage arising from any adverse impact on marketing of the Farm, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of the contamination.

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

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

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

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

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

28.3. Disclosure. At the commencement of this Lease and annually thereafter, Lessee covenants to disclose to Lessor the names and amounts of all Hazardous Materials, or any

combination thereof, which are or will be generated, stored, used or disposed of on the Farm. Lessee shall promptly provide Owner and Lessor with all notices and other communications received from any federal, state, and local department and/or agency which enforces and administers environmental laws.

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

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

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

30. **Next Year's Crop.** Before Lessee prepares seedbed, fertilizes or plants crops to be harvested in the next year, Lessee and Lessor must sign a new lease for the next crop year. Any

default, as defined in Section 16 of this Lease, for the remaining Term shall, in Lessor's sole discretion, render the new lease signed for the next year null and void.

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

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

33. **Miscellaneous.**

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

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

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

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

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

33.6 **Binding on Heirs.** This Lease, and its terms, is expressly intended to and shall inure to the benefit of and be binding upon the Parties, their respective heirs, personal representatives, permitted assigns, subsequent purchasers of the Property and other successors-in-interest.

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

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

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

DRAFT

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

STOCKTON EAST WATER DISTRICT

By: _____
Justin Hopkins, General Manager

LAGORIO BROTHERS

By: _____
Brett Lagorio, President

DRAFT

EXHIBIT A

Legal Description

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

PARCEL ONE:

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

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

PARCEL TWO:

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

Water Advisory Committee

San Joaquin Farm Bureau Federation

October 14th, 2026, 4:30 pm SJFB Office & via Zoom

<https://us02web.zoom.us/j/83044823153?pwd=ILeHF1qQfCbIn8wR0GHpVbnIHMUi4M.1>

Meeting ID: 830 4482 3153

Passcode: 101426

Meeting Agenda

1. CALL TO ORDER
2. APPROVAL OF MINUTES: September 9th, 2026 - *Attachment 1*
3. DISTRICT REPORTS:
 - a) East Bay Municipal Utility District (EBMUD)
 - b) North San Joaquin Water Conservation District (NSJWCD)
 - c) Central Delta
 - d) South Delta
 - e) Reclamation Districts
 - f) Woodbridge Irrigation District (WID)
 - g) Stockton East Water District (SEWD)
 - h) Oakdale Irrigation District (OID)
 - i) South San Joaquin Irrigation District (SSJID)
 - j) Banta-Carbona Irrigation District (BCID)
 - k) Central San Joaquin Water Conservation District (CSJWCD)
 - l) San Joaquin County & Delta Water Quality Coalition (SJCDWQC) - *Attachment 2*
 - m) San Joaquin County (SJC) - *Attachment 3*
 - n) Delta Caucus
 - o) CAFB
4. OLD BUSINESS:
 - a. Golden Mussels
5. NEW BUSINESS:
 - a.
6. ANNOUNCEMENTS/OTHER BUSINESS
 - a. Mr. Bruce Blodgett Obituary - *Attachment 4*

Next meeting: November 11th, 2026

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Weekly Water Report		As of: October 6,2026	As of: October 20, 2026
New Hogan (NHG) TOC	303,350	AF	
Storage:	155,777	AF	
Net Storage Change:	5,577	AF	
Inflow:	24	CFS	
Release:	122	CFS	
New Melones (NML) Allocation	0	AF	
Storage:	1,526,341	AF	
Net Storage change:	21,701	AF	
Inflow:	477	CFS	
Release:	1,231	CFS	
Source: CDEC Daily Reports			

Goodwin Diversion (GDW)		
Inflow (Tulloch Dam):	1,447	CFS
Release to Stanislaus River (S-98):	805	CFS
Release to OID (JT Main):	471	CFS
Release to SSJID (SO Main):	152	CFS
Release to SEWD & CSJWCD:	<u>81</u>	CFS
Total Release	1,509	CFS
Source: Tri-Dam Operations Daily Report		
Farmington Dam (FRM)		
Diverted to SEWD:	80	CFS
Diverted to CSJWCD:	0	CFS

Surface Water Used		
Irrigators on New Hogan:	26	
Irrigators on New Melones:	1	
Out-Of-District Irrigators:	0	
DJWWTP Production:	46	MGD
North Stockton:	12	MGD
South Stockton:	12	MGD
Cal Water:	18	MGD
City of Stockton DWSP Production:	18	MGD

District Ground Water Extraction		
74-01	0	GPM
74-02	0	GPM
North	0	GPM
South	0	GPM
Extraction Well # 1	0	GPM
Extraction Well # 2	<u>0</u>	GPM
Total Well Water Extraction	0	GPM
Total Ground Water Production	0	MGD

Note:

****The data reported here is available as of 10/04/26**

***The data reported here is available as of 10/05/26**

All other flow data reported here is preliminary, as of 9:00 a.m. on 10/06/26

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Stockton East Water District

Board of Directors

October 20, 2026

119th United States Congress Tentative 2026 Legislative Schedule October – December 2026

Dates	Actions
October 1	House & Senate In Session (Senate 10/2)
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)

US Congress: Remaining Issues

■ Fund The Federal Government for FY2027

- Budget
- Appropriations
 - Defense
 - Homeland Security
 - Health and Human Services
 - Education
 - Transportation
 - Housing
 - Agriculture
 - Energy
 - State Department/foreign aid
- Deal with the debt ceiling
- Expiring expenditure authorizations
- Social Security reform
- Lame-duck session begins November 9th

California Legislative Calendar: 2026

■ 2026 Tentative Legislative Calendar: Key Dates

- September 30, 2026 – Last day for governor to sign, veto, or allow bills to become law without his signature
- November 3, 2026 – Election Day
- November 30, 2026 – Adjournment sine die at midnight
- **December 7, 2026 – Convening of the 2027-28 Regular Session**

ACWA Sponsored Bills

- **AB 2180 (Ward) - Local government: Proposition 218 Omnibus Implementation Act: proportional cost of service**
This bill clarifies how local water agencies comply with Proposition 218 when establishing water rates. This clarification would provide predictability for agencies, support California's water-use conservation goals and help minimize unnecessary legal disputes over water rates.
Status: Signed by Governor - Chapter 587, Statutes of 2026
- **SB 1153 (Caballero) - Disaster preparedness: urban retail water suppliers and public water systems: wildfire**
This legislation proposes to clarify the limited role of public water systems during wildfires while strengthening emergency preparedness in high-risk areas. It would also establish that limitations in water supply or pressure during a wildfire are not a substantial cause of damages and require certain urban water suppliers to include wildfire response procedures in their emergency response plans.
Status: Signed by Governor - Chapter 776, Statutes of 2026

Updated: October 14, 2026

ACWA Bills Of Interest

- **AB 1894 (Rubio) - Fish and wildlife: invasive mussels: imported water**
 Prevents a public agency from prohibiting imported water deliveries for groundwater replenishment due to invasive mussels unless there is substantial, documented evidence of a proven health and safety risk as a result of the invasive mussels.
Status: Vetoed by Governor
- **AB 1881 (Ramos) – California Indian Freedom Act of 2026**
 Enacts the California Indian Freedom Act of 2026 which prohibits a governmental agency from substantially burdening a California Native American tribe from exercising religious beliefs or spiritual practices on state lands unless it is in furtherance of a compelling government interest by the least restrictive means.
Status: Vetoed by Governor
- **AB 2218 (Katra) - Water policy: California Native American tribes**
 Declares it statewide policy to recognize and address the wrongs inflicted upon California Native American tribes regarding certain water-related issues. Directs certain state agencies to take steps to implement this policy and establishes a mediation process to resolve disputes.
Status: Vetoed by Governor
- **SB 1125 (Menjivar) - Water Rate Assistance Program**
 Establishes a statewide water rate assistance program for low-income residential ratepayers and requires the State Water Resources Control Board (State Water Board) to implement and administer the Program upon appropriation by the Legislature.
Status: Vetoed by Governor
- **AB 2032 (Ransom) – Fish and wildlife: invasive mussels: golden mussels**
 Exempts a public or private agency that operates a water supply system from certain California Department of Fish and Wildlife invasive mussel permitting requirements until CDFW approves or denies the agency's control plan and requires the California Department of Food and Agriculture and the State Water Resources Control Board to quickly and efficiently respond to the threat of golden mussels.
Status: Signed by Governor - Chapter 587, Statutes of 2026

Updated: October 14, 2026

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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Board Members:

Chairman
South San Joaquin
Irrigation District
Robert Holmes

Vice Chairman
Stockton East Water
District
Mel Panizza

California Water Service
Company
Craig Stevens

Central Delta Water
Agency
George Biagi Jr.

Central San Joaquin Water
Conservation District
Richard Wagner

City of Lodi
Alan Nakanishi

City of Manteca
Regina Lackey

City of Stockton
Michael Blower

Eastside San Joaquin GSA
Gary Tofanelli

Linden County Water
District
Myron Blanton

Lockeford Community
Services District
Mike Henry

North San Joaquin Water
Conservation District
Jason Colombini

Oakdale Irrigation District
Scot Moody

San Joaquin County
Paul Canepa

South Delta Water Agency
Dean Ruiz

Woodbridge Irrigation
District
Keith Bussman

Board of Directors

AGENDA

Wednesday, October 14, 2026

10:30 a.m. – 12:00 p.m.

San Joaquin County Council of Governments
555 E. Weber Avenue, Stockton, CA 95202

I. Call to Order/Pledge of Allegiance & Roll Call

II. Additions to the Agenda

(The Board may add an item to the agenda if, upon a two-thirds vote, the Board finds that there is a need for immediate action on the matter and the need came to the attention of the Authority after the posting of this Agenda)

III. Public Comment

(Members of the public may address the Board on any matter related to the Authority that is not included on the Agenda. Comments are limited to three (3) minutes per person.)

IV. Presentations

- A. Rhett Anderson, Self Help Enterprises - [Page 3](#)

V. Action Items

- A. Approval of September 9, 2026, Meeting Minutes - [Page 24](#)
- B. Access Agreements – Review and consider action to direct the Chairman or Secretary of the Authority to enter into an agreement for access to construct monitoring wells using ARPA funds, in a form approved by Counsel. - [Page 26](#)
- C. Well Mitigation Claim Maximum Claim Amount – Review and consider action to amend the Domestic Well Mitigation Program to include a maximum claim amount of \$30,000 per claim - [Page 31](#)
- D. Stakeholder Engagement Framework – Review and consider action to approve a framework for stakeholder engagement - [Page 33](#)
- E. Board Meetings Online – Review and consider action to approve a scope of work not to exceed \$2500 to post recorded meetings online. *No fiscal impact - \$5,000 budgeted for website in FY 2026-2027 Budget, existing contractor* - [Page 43](#)
- F. Self Help Enterprises – Review and consider action to place on the agenda at the November Board of Directors meeting an agreement with Self Help enterprises to provide support services to the ESJGWA Domestic Well Mitigation Program - [Page 45](#)

VI. Authority Staff/Agency Reports

- A. Staff Report – Julia D. Berry, ESJGWA Executive Director
- B. Chelsea Spier, Department of Water Resources

VII. Directors’ Comments and Project Status Reports

VIII. Adjournment

Next Meeting

November 11, 2026

San Joaquin County Council of Governments
555 E. Weber Avenue, Stockton, CA 95202

Items on the Agenda may be taken in any order.

Action may be taken on any item listed on the Agenda.

Writings relating to open session Agenda items that are distributed to members of the Board of Directors will be available for inspection at the San Joaquin County Public Works Water Resources office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.

Agendas and Minutes may also be found at <http://www.ESJGroundwater.org>

Note: If you need disability-related modification or accommodation in order to participate in this meeting, please contact San Joaquin County Public Works Water Resources Staff at (209) 468-3089 at least 48 hours prior to the start of the meeting.

ZOOM LINK:

<https://sjcog.zoom.us/j/82989811836>

Phone One Tap:

+16694449171,,82989811836#

DIAL: +1 669 444 9171

Meeting ID: 829 8981 1836

Passcode: 903992

HOSTED BY CHAIR SONNY DHALIWAL AND
THE BOARD OF SUPERVISORS

Agenda Item: G-2
Date: 10/20/26

20 | STATE | 26 ★ ★ ★ OF THE ★ ★ ★ COUNTY

United in Service ★ Focused on the Future

SPEAKERS



Sonny Dhaliwal
Board Chair, District 3



Sandy Regalo
County Administrator

OCTOBER 14, 2026

2:00 pm - 4:00 pm

GREAT WOLF LODGE

2500 Daniels Street ★ Manteca, CA 95337

This event will be a special meeting of the Board of Supervisors.
It is open to the public and free of charge.

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Thank You!

Dear Stockton East Water District,
Thank you for continuing to support the SSC
AgVenture Program. Your generosity allows us to
educate thousands annually. We offer ag education
year-round with digital and in-person programming.

Thank you for your investment.

many thanks,

Krista McCann

Krista McCann, coordinator

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CENTRAL VALLEY WATER SUPPLY COALITION

c/o Stockton East Water District • 6767 East Main Street, Stockton, CA 95215 • (209) 948-0333

October 15, 2026

The Honorable Adam R. Telle
Acting Secretary of the Army
Department of the Army
108 Army Pentagon
Washington, DC 20310

Re: Common Barriers Facing Central Valley, California Water Storage Studies — Black Butte, Farmington, Redbank and Fancher Creek, and Pine Flat Dams

Dear Secretary Telle:

We write to address significant barriers hindering critically needed water supply, storage, and flood-damage reduction projects and to propose actionable steps for your office to facilitate

progress – consistent with the President's direction under Executive Orders 13956, “Modernizing America’s Water Resource Management and Water infrastructure” which expressly connects water resources with economic activity, agriculture, energy, public health, environmental resources, and recreation, and states that water infrastructure must be modernized for current and future generations and Executive Order 14181, “Emergency Measures to Provide Water Resources in California and Improve Disaster Response in Certain Areas,” to eliminate regulatory hurdles that unduly burden California water supply and storage projects. On behalf of the Central Valley Water Storage Coalition – eight California water and irrigation agencies collectively responsible for water supply reliability, flood risk management, and groundwater sustainability across the San Joaquin and Sacramento Valleys – we ask your office to take the concrete steps below to help each of our projects move forward on schedule.

Our coalition's member agencies are sponsors or interested parties on five water resources projects authorized in, or advanced under, the Thomas R. Carper Water Resources Development Act of 2024 (WRDA 2024, Pub. L. 118-272) and referenced in the FY2026 Energy and Water Development Appropriations Committee report. Collectively, these five projects have the potential to increase critical surface water supplies in California by up to 357,000 acre-feet annually:

- **Black Butte Dam** (Glenn-Colusa Irrigation District, Tehama-Colusa Canal Authority, Orland Unit Water Users Association) spillway gate study, with the potential to increase reservoir storage by up to approximately 100,000 acre-feet.
- **Farmington Dam** (Stockton East Water District) re-evaluation for 112,000 acre-feet of permanent water supply storage in a drought-prone, groundwater-overdrafted region.
- **Redbank and Fancher Creek Reservoirs, including Big Dry Creek Reservoir** (Fresno Irrigation District) reoperation for approximately 25,000 acre-feet of storage for flood control and flood damage reduction and water supply.
- **Pine Flat Dam** (Kings River Conservation District and Kings River Water Association) spillway raise feasibility study to increase storage by up to approximately 120,000 acre-feet, providing downstream flood-damage reduction.

Though these projects sit in different watersheds and serve different communities, our respective experiences advancing them through the USACE's process have surfaced the same obstacles.

1. Sequencing Conflicts of USACE-Performed Issue Evaluation Studies (IES) and DSAC Classification Ahead of Section 203 Feasibility Studies

As examples, at Farmington Dam, the USACE has identified the need for a forthcoming Issue Evaluation Study (IES) prior to advancing the work our sponsors are prepared to fund. At Black Butte Dam, Congress has directed USACE to expedite the recently funded IES. Similarly, Pine Flat and the Redbank and Fancher Creek projects may require changing Dam operations, altering dam facilities and/or updating Dam Safety Action Classification (DSAC) and hydrologic baseline work. USACE Sacramento District staff have advised that the IES should be completed before a Section 203 non-Federal feasibility study can be performed, to avoid subsequent dam safety impacts to a completed study. Without a clear commitment on timing, non-Federal sponsors cannot execute cost-share agreements or begin parallel study work, and each month of delay extends project schedules that already span a decade or more.

Left unresolved, this sequencing bottleneck leaves flood-prone communities – including hundreds of thousands of residents in Tehama Glenn, Colusa, Yolo, San Joaquin, Madera, Fresno, Kings, and Tulare Counties – exposed to flood risk the modernized project would help address, and leaves groundwater-dependent agricultural regions unable to develop the drought-year surface storage needed to slow overdraft and reduce well-interference risk during dry years.

Proposed solution: The Coalition respectfully requests your office direct the USACE Divisions and Districts to publish, within 90 days, a sequenced schedule for completing any outstanding IES and DSAC classification work at each of the five projects, and to explore running that work concurrently with – rather than strictly prior to – Section 203 feasibility study scoping wherever the two efforts do not depend on each other's findings.

2. Misapplication of the “3x3x3” Study Requirements — and Underfunded RAPID 35% Design — to Defer Authorized Studies

USACE guidance limits feasibility studies to three years, \$3 million, and three levels of review (District, Division, HQ) and under the RAPID program, USACE added a 35% design level as a tool to improve efficiency and produce a timely, high-quality work product. Across the five projects, however, we have consistently heard the 3x3x3 and RAPID thresholds cited by USACE staff as a reason a study cannot be initiated or advanced at all, rather than as a scoping discipline to keep an active study on schedule and on budget. This is compounded by the RAPID program's funding structure, which requires studies to reach a 35% design level but caps total program funding at \$3 million (up to \$4 million maximum), split 50/50 between USACE and the non-Federal sponsor. For projects at the scale our members are pursuing, that cap supports only a small fraction of the design work actually required for 35% design, effectively constraining project ambition rather than appropriately scoping it. Using either tool as a basis to defer or decline authorized work leaves Congressionally authorized, non-Federal-sponsor-ready studies sitting idle.

Each year a study sits idle under an artificially constraining cost or design ceiling is a year of wet-season flows that go uncaptured and a year of continued reliance on groundwater pumping in basins already working to comply with the Sustainable Groundwater Management Act — delaying exactly the kind of new surface storage California needs to weather both flood and drought extremes.

Proposed solution: The Coalition asks your office to issue clear direction to the USACE Divisions and Districts confirming that the 3x3x3 framework is a study-management tool – to be used for scoping, phasing, and exception requests where a project's complexity genuinely warrants more time or funding – and is not a threshold for declining to begin or continue an authorized, sponsor-supported feasibility study. We further ask that your office direct a review of the RAPID program's \$3M/\$4M funding cap to ensure it reflects realistic 35% design costs for larger authorized water storage and flood-damage reduction projects.

3. Ambiguity in WRDA “Priority Project” Status and Section 203 Cost-Sharing for Required USACE Support

Several of our projects have been informally referred to by USACE staff as “Priority Projects” under WRDA 2024, but neither the practical meaning of that designation nor the process for expediting funding and contracting once so designated has been clearly defined for non-Federal sponsors. Separately, under Section 203, our agencies are the lead on developing feasibility studies, with USACE support required for certain technical aspects – most notably hydrologic and hydraulic model approvals – yet the cost of that is not consistently scoped or estimated up front, leaving sponsors exposed to unplanned costs mid-study.

This ambiguity discourages the kind of up-front sponsor investment these studies depend on, and unplanned mid-study cost growth is often what ultimately stalls a project, delaying flood control and water supply benefits for rural and disadvantaged communities across the Central Valley that can least absorb repeated schedule slippage.

Proposed solution: The Coalition asks your office to (1) clarify in writing what a WRDA “Priority Project” designation means in practice and what specific funding and contracting benefits, if any, accompany it, and (2) direct the USACE Divisions and Districts to provide sponsors a detailed scope of work and an itemized, binding estimate of required USACE support costs (e.g., model approvals) at the outset of any Section 203 study, enabling sponsors to budget accurately and eliminate risks of cost growth on work outside their control.

4. Project Funding Prioritization and Transparency

Project prioritization remains closely tied to the availability and timing of federal funding. A significant concern is the lack of consistency and transparency between the USACE project-prioritization, budgeting, and congressional appropriations processes. High-profile flood risk management projects may receive strong regional support and demonstrate substantial public-safety and economic benefits, yet it is often unclear how those factors translate into inclusion in the USACE’s annual budget recommendations or subsequent work plans. Further, USACE feedback regarding appropriations requests is not always communicated clearly or consistently, leaving local sponsors without a meaningful understanding of how projects are evaluated, why funding requests are advanced or rejected, or what specific actions are needed to improve a project’s standing.

Proposed solution: Establishing a more transparent and predictable prioritization process would allow local sponsors to better align technical work, funding commitments, and advocacy efforts with federal expectations.

5. Establish a Pathway to Advance Prior Studies Without an Unnecessary “New Start” Determination

Projects with substantial prior federal study history should not be required to restart the planning process or duplicate completed work solely because they may be classified as a “New Start.” USACE should have a clear and practical pathway to use, validate, and update prior federal studies

– particularly when local sponsors have invested significant resources to update the underlying technical information. A “New Start” determination should not become a procedural barrier that delays projects, increases costs, and disregards years of federal and local investment.

The proposed Pine Flat Dam Raise is a prime example. Pine Flat Dam and potential improvements to its flood-control and water-storage capabilities have previously been studied by USACE. Since that time, local agencies have worked to update much of the economic analysis, hydrologic and hydraulic modeling, flood-damage information, and other technical data needed to evaluate the project’s current federal interest. Collectively, this prior federal work and the more recent locally funded analyses provide a substantial foundation for advancing the project. Requiring the evaluation to begin again as an entirely new study would unnecessarily duplicate completed work and further delay a project intended to reduce flood damage, protect downstream communities and agricultural lands, and improve regional water-supply reliability.

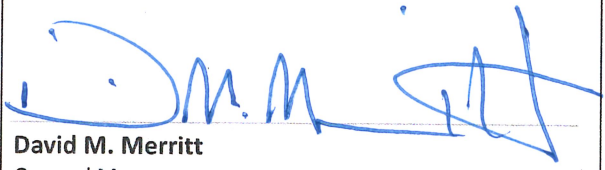
Proposed solution: The Coalition asks your office to direct USACE to establish and apply a reasonable pathway – whether through continuation of a prior study, a spin-off or new study phase, a Federal Interest Determination, or another available mechanism – that allows prior federal analyses and locally funded updates to be incorporated, validated, and supplemented only where necessary to satisfy current requirements. The “New Start” process should not be used as a default determination or as a means of making an already lengthy and complex project-development process more cumbersome.

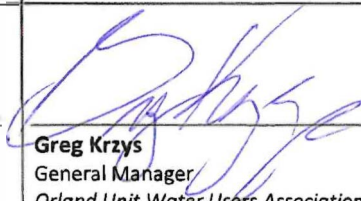
The Coalition recognizes the scope of the USACE' national portfolio and appreciates the pressures your office manages in balancing it. Rather than leave next steps open-ended, we respectfully request a meeting with your office within the next 60 days to discuss these items and identify concrete next steps for each of our five projects.

Thank you for your consideration.

Sincerely,

The Central Valley Water Storage Coalition:

 Justin Hopkins General Manager Stockton East Water District	 David M. Merritt General Manager Kings River Conservation District
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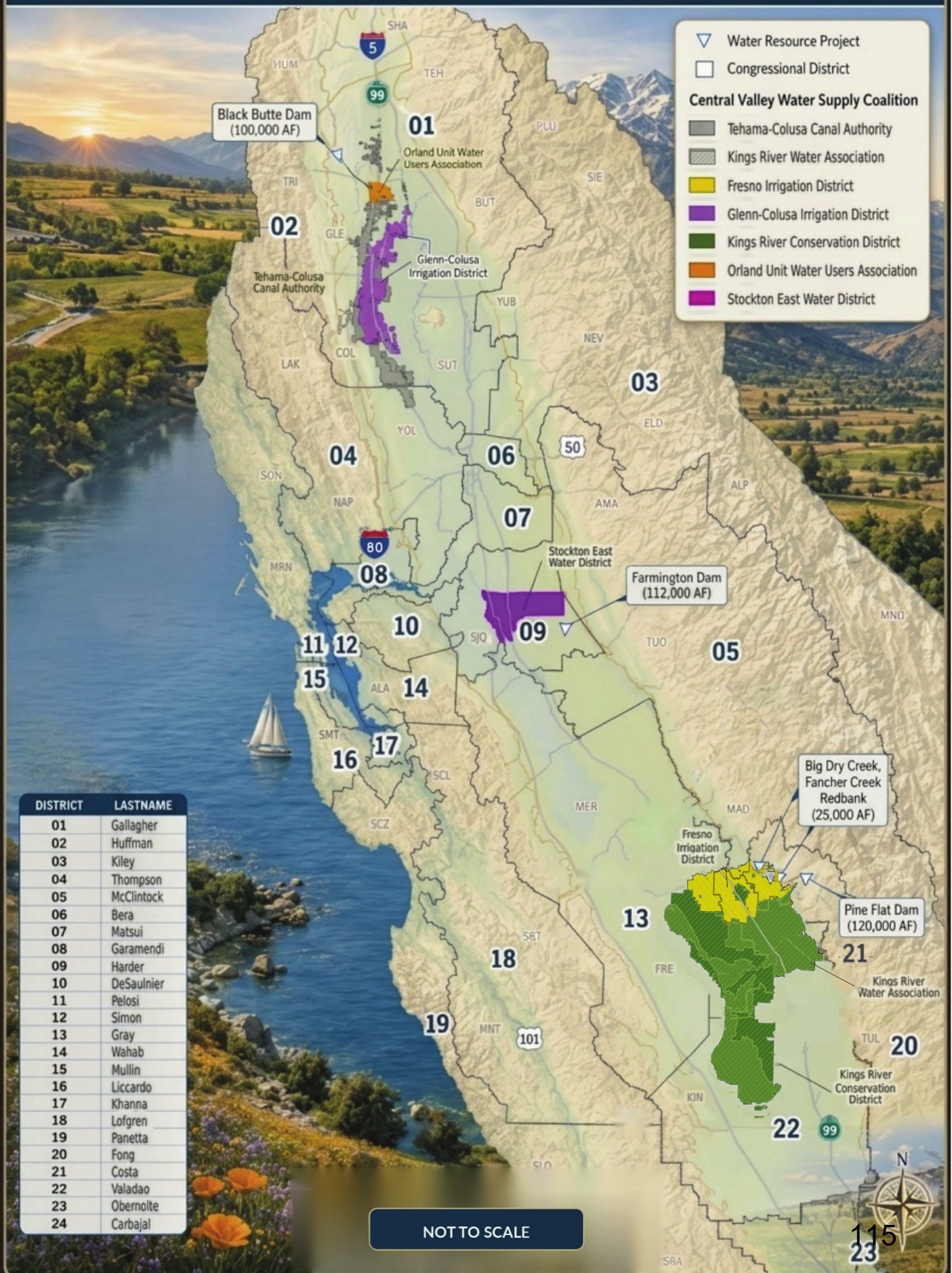
 Steve Haugen Watermaster <i>Kings River Water Association</i>	 Bill Stretch General Manager <i>Fresno Irrigation District</i>
	 Jeff Sutton General Manager <i>Glenn-Colusa Irrigation District</i>
 William Vanderwaal General Manager <i>Tehama-Colusa Canal Authority</i>	 Greg Krzys General Manager <i>Orland Unit Water Users Association</i>

cc:

- * Sen. Alex Padilla and Sen. Adam B. Schiff, United States Senate
- * Rep. Josh Harder (CA-9) — Stockton East Water District
- * Rep. Vince Fong (CA-20), Rep. Jim Costa (CA-21), Rep Valadao (CA-22), Rep. Tom McClintock (CA-5) — Kings River Conservation District, Kings River Water Association, Fresno Irrigation District
- * Rep. Adam Gray (CA-13) — Chowchilla Water District, Kings River Conservation District, Kings River Water Association, and Fresno Irrigation District
- * Rep. James Gallagher (CA-1) — Glenn-Colusa Irrigation District, Tehama-Colusa Canal Authority, Orland Unit Water Users Association
- * BG Joseph C. Goetz, Commander, USACE South Pacific Division
- * Lt. Gen. William H. "Butch" Graham, Jr., USACE Chief of Engineers
- * Maj. Gen. Jason E. Kelly, USACE Deputy Commanding General for Civil and Emergency Operations
- * Col. Robert McTighe, Commander, USACE Sacramento District

CENTRAL VALLEY WATER SUPPLY COALITION

— Securing Water for Our Communities and Agriculture —



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San Joaquin County
**Flood Control & Water
Conservation District**
1810 EAST HAZELTON AVENUE
STOCKTON, CALIFORNIA 95205
TELEPHONE: (209) 468-3000

Agenda Item: I-3

Date: 10/20/26

NAJEE ZARIF
DIRECTOR OF PUBLIC WORKS
FLOOD CONTROL ENGINEER

ADVISORY WATER COMMISSION

October 21, 2026, 1:00 p.m.

San Joaquin County Council of Governments

555 E. Weber Ave. Stockton, CA 95202

AGENDA

- I. Roll Call**
- II. Approval of the May 20, 2026 Minutes**
- III. Discussion/ Action Items:**
 - A. Spring 2026 Groundwater Monitoring
 - B. MICUP Update
 - C. Flood Resilience Ordinance Update
 - D. Local Floodplain Delineation Project
- IV. Public Comment:** *Please limit comments to three minutes.*
- V. Commissioner Comments**
- VI. Future Agenda Items**
- VII. Adjournment**

Next Regular Meeting

November 18, 2026, 1:00 p.m.

San Joaquin County Robert J. Cabral Agricultural Center

2101 E. Earhart Avenue, Stockton, CA 95206

Commission may make recommendations to the Board of Supervisors on any listed item.

If you need disability-related modification or accommodation in order to participate in this meeting, please contact the Water Resources Staff at (209) 468-3089 at least 48 hours prior to the start of the meeting. Any materials related to items on this agenda distributed to the Commissioners less than 72 hours before the public meeting are available for public inspection at Public Works Dept. Offices located at the following address: 1810 East Hazelton Ave., Stockton, CA 95205. These materials are also available at <http://www.sjwater.org>. Upon request these materials may be made available in an alternative

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