

STAFF

Steve Schwabauer, General Manager
Jennifer Spaletta - General Counsel
Roger Masuda - Special Counsel
Shasta Burns - Deputy Secretary
Daniel de Graaf - District Engineer
Robert Granberg – Grants Administrator

BOARD OF DIRECTORS

President - Joe Valente
Vice President – Jason Colombini
Secretary – Brady Colburn
Treasurer - Charles Starr II
Director – David Simpson

**NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT
NOTICE OF MEETING AND PUBLIC HEARING AND AGENDA FOR
REGULAR MEETING OF THE BOARD OF DIRECTORS**

**Monday, January 26, 2026
2:00 p.m.
Lodi Grape Festival Grounds- Barrel Room
413 E. Lockeford St, Lodi CA 95240**

The agenda and all noted documentation may be viewed and downloaded at www.nsigroundwater.org . Requests to receive the agenda and documentation by e-mail may be submitted in writing to the Secretary of the Board. The NSJWCD printed agendas are posted at the District’s location of business at: 498 E. Kettleman Lane, Lodi. The District’s mailing address is: PO Box 334, Victor CA 95253.

NOTICE: Members of the public may address the Board of Directors concerning any agenda item during the Board’s consideration of that item. The public may address non-agenda items at the end of the regular meeting. No action will be taken on those items; however, the Board may agendaize items for future consideration.

- 1. Call to Order - Roll Call - Acceptance of Agenda**
- 2. Correspondence/Announcements**
- 3. Action Items**

Any and all of the following agenda items are subject to action being taken by the Board of Directors by motion, resolution or ordinance.

Action items may be added to the agenda upon determination by a majority vote of the Board that an emergency exists, as defined by state law, or by a 2/3 vote of the Board that (1) there is a need to take immediate action; and (2) that the need for action came to the District’s attention after the agenda was posted.

A. CONSENT CALENDAR

- 1. Approval of the Minutes for the Regular Scheduled Board Meeting on December 15, 2025 (*attachment 1*). *Pages 4-7*

B. FINANCIAL/ADMINISTRATIVE

- 1. Receive and Approve January 26, 2026 NSJWCD Monthly Treasurer’s Report and Summary of Accounts and Transfers (*attachment 2*) pages 8-10
- 2. Approve Payment of Bills (*attachment 3*) pages 11-13
- 3. Receive Update on three-month cash flow projection (*attachment 4*) p.14

C. CONTRACTS

1. Ratify General Manager's waiver of vehicle and commercial general liability insurance for Contract for Accounting Services with Lyndsay George (attachment 5) pages 15-20
2. Authorize General Manager to execute revised FloodMAR Lease with Al Costa (attachment 6) pages 21-23

D. SYSTEM AND PROJECTS

1. Engineer's Report and Operations Plan
 2. North System
 - i. NS Phase 2 update
 - ii. Improvement District No. 4 Petition for Formation Update
 3. South System
 4. Cal-Fed/Woodbridge
 5. Tracy Lake ID
- E. Grant Activity (attachment 7) pages 24-27 addition pages upon request

F. Receive Master Plan Update and Provide Direction to Staff

G. Groundwater Charge

H. Sustainable Groundwater Management Act/ GWA Activity

1. Groundwater Report for 2025 from Hydrofocus

I. MICUP/SJC Mokelumne River Application

J. Consider Funding MICUP Activities for 2026 (attachment 8) pages 29 Bay Delta /Healthy Rivers and Landscapes

K. Landowner communications

L. Board Planning Calendar

4. Director and Staff Reports

A. Directors Reports

B. Committee Reports

C. Other

5. Public Comment on Items Not on the Agenda

Interested persons in the audience are welcome to introduce any topic within the jurisdiction of the NSJWCD Board. The time allowed for each speaker for comments made by the public is limited to 3 minutes. Matters presented under this agenda item may be discussed, but no action can be taken by the Board at this meeting except as

follows:

- Briefly respond to statements made or questions raised.
- Ask a question for clarification.
- Provide a reference to staff or other resources for factual information.
- Request staff to report back at a subsequent meeting.
- An individual Board member or the Board itself may have the matter placed on a future agenda.

6. Closed Session – 4 items

Closed Session pursuant to Section 54956.9(a) Existing Litigation
CONFERENCE WITH LEGAL COUNSEL – *California Sportfishing Protection Alliance v. Eastern San Joaquin Groundwater Authority, et al., Stanislaus County Superior Court, Case No. CV-20-001720*

Closed Session pursuant to Section 54956.9(a) Existing Proceeding
CONFERENCE WITH LEGAL COUNSEL – *SWRCB Pending Application A029835*

Closed Session pursuant to Section 54956.9(a) Anticipated Litigation – two cases Bay Delta/Flow Proceeding, and one case where facts shall not be disclosed because they are unknown to potential litigants

Closed Session pursuant to Government Code Section 54956.8 Real Property Negotiations– a) North System Easements and Leases – Negotiators are General Counsel Jennifer Spaletta and General Manager Steve Schwabauer for the District and for the landowners, Thomas and Jean Powell, Lodi CA APN 017-250-07, James Patrick and Sandra Marie Hale Trust, 01725008, Karen Somers 01725016 b) South System Recharge Locations Negotiators are Drew Rotner on behalf of Locust Tree LLC APN 051-13-056; and Maria Doi APN 06307022

Return to Open Session

All reportable actions taken in closed session will be announced in open session following the closed session and will be duly noted in the official minutes of the meeting.

7. Motion to Adjourn

Next Regular Meeting February 23, 2026 from 2:00 PM- 4:00 PM

Lodi Grape Festival Grounds- Barrel Room

413 E. Lockeford St, Lodi CA 95240

Action may be taken on any item

Agendas and Minutes may also be found at [http:// www.NSJGroundwater.org](http://www.NSJGroundwater.org)

Note: If you need disability-related modification or accommodation in order to participate in this meeting, please contact North San Joaquin Water Conservation District Staff at (209) 712-1693 at least 48 hours prior to the start of the meeting

President Joe Valente - Area 3
Vice President Jason Colombini - Area 2
Director David Simpson – Area 1
Treasurer Charles Starr – Area 4
Secretary Brady Colburn – Area 5

General Counsel Jennifer Spaletta
Special Counsel Roger Masuda - Absent
Daniel deGraaf – District Engineer
Deputy Secretary – Shasta Burns
General Manager – Steve Schwabauer

NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT
REGULAR MEETING AND CONCURRENT SPECIAL MEETING
OF THE BOARD OF DIRECTORS

Lodi Grape Festival Grounds – Barrel Room
413 E. Lockeford Street, Lodi, CA

Monday, December 15, 2025

REGULAR MEETING

1. **Call to Order - Roll Call - Acceptance of Agenda** - The meeting was called to order by President Valente at 2:04 p.m. A motion for the acceptance of the Agenda of December 15, 2025, made by Director Simpson, second by Secretary Colburn. Motion passed 5/0/0.

2. **Correspondence/Announcements** – EBMUD will open South Shore Camanche only. Inspected and banded and quarantined for 30 days in a slow reopening on the lake. Pardee will not reopen until further notice. Introductions from the public and Nic Bursi who is the water master for the district. HydroFocus gave a Groundwater Monitoring presentation and is available upon request.

3. **Action Items** Note: Votes recorded as: For/Against/Abstention (name)
 - A. **CONSENT CALENDAR**

Approval of the Minutes of the Regular Scheduled Board meeting on November 17, 2025. A motion to approve the meeting of the Regular Scheduled Board Meeting on November 17, 2025, made by Vice President Colombini, second by Treasurer Starr. Motion passed 5/0/0.
 - B. **FINANCIAL MATTERS**
 1. Receive and approve December 2025 NSJWCD Monthly Treasurer’s Report and Summary of Accounts and Transfers presented to the board. Perla and Wally from Butterfield + Company prepared financial statements for Board action. A motion to approve December 2025 NSJWCD Monthly Treasurer’s, made by Directo Simpson, second by Vice President Colombini. Motion passed 5/0/0.
 2. Approve Payment of Bills. A motion to approve payment of bills listed in the Board meeting packet, made by Vice President Colombini, second by Secretary

Colburn. Motion passed 5/0/0.

3. Receive Update on three-month cash flow projection- Cash Flow Statement handout and the meeting prepared by Susan Bjork. Presented in the board meeting packet.

CONTRACTS

1. Authorize General Manager to sign Change Orders 2 and 3 for North System Phase 1C contract for removal of T posts and addition of new turnouts that were not in plans – General Manager Schwabauer reviewed Changes orders 2 and 3 for the North System Phase 1C contract presented in the board meeting packet. A motion to approve Change orders 2 and 3 for North System Phase 1C made by Director Simpson, second by Treasurer Starr. Motion passed 5/0/0.
2. Authorize General Manager to purchase Trail Cams for Pump Stations – General Manager Schwabauer reviewed alarm system need, and met with Alamo Alarm System. A motion to purchase Trail Cameras (up to two cameras) for pump systems for security purposes on District Facilities made by Vice President Colombini, second by Director Starr. Motion passed 5/0/0.
3. Authorize General Manager to enter into Contract with Lyndsay George for accounting services in form approved by General Counsel – Staff and President Valente met with Lyndsay George for accounting services last week. A motion to approve accounting services with Lyndsay George for accounting services subject to General Counsels approval of contract, made by Treasurer Starr, second by Director Colburn. Motion passed 5/0/0.

C. System and Projects

1. Engineer's Report and Operations Plan. District Engineer deGraaf gave an overview of where the district stands on each project.
2. North System –
 - i. Give Staff Direction on Basin Weed Control- General Manager Schwabauer has Lakso mowed this season and if the project keeps operating GM Schwabauer sees the potential of having to mow about every 6 weeks and will do additional research on weed control.
 - ii. NS Phase 2 update – Meeting was held last week with Arnaudo and discussed concepts on the plan.
 - iii. Improvement District No. 4 Petition for Formation Update – General Counsel and General Manager reviewed Petition for Formation to explain where the District is with the formation of Irrigation District No. 4 and get information and direction to talk with landowners who are potentially interested in formation. A draft has been reviewed and in the board meeting packet and use the existing infrastructure with an estimate of about 600 acres.
3. South System – Construction of the Tecklenburg Recharge Basin is nearing completion. Once the berms are completed the remaining pipeline and valves will

be installed, followed by the automation equipment.

4. Cal-Fed Woodbridge – No current activity to report.

5. Tracy lake ID- Staff is working with the landowners and a pump company to replace the pump impeller. Arnaudo construction is working to install a stilling well and conduit to install the lake level sensor.

D. Grant Activity – no update at this time.

F. Receive Master Plan Update and Provide Direction to Staff – Update from Engineer Daniel deGraaf. All projects and proposed projects reviewed. Reviews are being made with district consultant, Consero. Discussion only. A draft to the public will be presented and a public workshop will be held. Once comments are received by the public and final draft will be presented at the District Town Hall. Small group meetings will be held before the Town Hall Meeting and Water Forum meeting on April 1, 2026.

G. Groundwater Charge- No update at this time.

H. Sustainable Groundwater Management Act/GWA Activity- GWA activity- Demand Management Agreement is being worked on and Monitoring Wells are going in on this time.

I. SJC Mokelumne River Application Update – Second Draft of EIR is circulating now.

J. Bay Delta Flow Program Update/Voluntary Agreements – December 12, 2026 a draft was sent out and waiting for comments are due February 2, 2026.

K. Landowner Communications – No additional updates at this time

L. Board Planning Calendar – 2026 meeting calendar is set.

4. Director and Staff Reports

A. Director's Report –ACWA Conference was attended by Jason Colombin and Steve Schwabauer and was a great conference.

B. Committee Reports – No reports at this time.

C. Other – No reports at this time.

5. Public Comment – No public comments at this time.

6. Closed Session – The Board entered closed session at 3:35 pm, and came out of closed session. **Return to Open Session** – President Valente returned the meeting to open session and announced there was no reportable action.

7. Adjournment - Motion to adjourn the NSJWCD Regular Meeting on November 17, 2025 made by Vice President Colombini, second by Director Simpson. Motion passed 5/0/0. Meeting adjourned at 4:05 p.m.

The next regular scheduled Board Meeting January 26, 2026, from 2:00 p.m. - 4:00 p.m.

The above minutes of the North San Joaquin Water Conservation District Board of Directors Meeting of December 15, 2025.

Respectfully submitted:
Board Clerk- Shasta Burns

North San Joaquin Water Conservation District
Vendor Balance Summary
All Transactions

	<u>Jan 22, 26</u>
ABS Direct Inc	-4,516.91
Arnaudo Construction, Inc.	30,000.00
Butterfield & Co.	2,238.00
Central Irrigation, Inc.	136,826.60
Consero Solutions	6,762.50
de Graaf Engineering, Inc.	32,796.28
Edwards, Lien & Toso, Inc.	3,000.00
Granberg & Associates	2,850.00
Henderson Hatfield, A	311.61
HydroFocus, Inc	5,982.75
Jean Powell	5,000.00
Joe Peterson	3,600.00
Kludt Oil	196.86
Pacific Southwest Irrigation	423.96
Richard Rodriguez Farms	2,950.00
Shasta Burns	5,142.20
Spaletta Law PC	1,162.50
Stoel Rives, LLP	17,415.00
Thomas Powell	5,000.00
West Coast Arborists	8,800.00
TOTAL	<u>265,941.35</u>

North San Joaquin Water Conservation District Unpaid Bills by Vendor

Accrual Basis		All Transactions						
Type	Date	Num	Source Name	Memo	Account	Class	Open Balance	
Arnaudo Construction, Inc.								
Bill	09/30/2024	RET NS 1B APP #7	Arnaudo Construction, Inc.	NS Phase 1b - (Retainage \$15,363.46)	6115.5 - Pipeline	Capital Outlay:North System Phase 1B	10,000.00	
Bill	06/30/2025	RET NS 1C App #1	Arnaudo Construction, Inc.	Pipeline	6115.6 - Pump Station	Capital Outlay:North System Phase 1C	20,000.00	
Total Arnaudo Construction, Inc.							30,000.00	
Butterfield & Co.								
Bill	12/31/2025	107983	Butterfield & Co.	Accounting	6180.1 - Accounting	-G&A	2,238.00	
Total Butterfield & Co.							2,238.00	
Central Irrigation, Inc.								
Bill	11/04/2025	105863	Central Irrigation, Inc.	Pipeline	6115.5 - Pipeline	Capital Outlay:Recharge Tecklenbur...	54,000.00	
Bill	11/20/2025	106234	Central Irrigation, Inc.	Pipeline	6115.5 - Pipeline	Capital Outlay:Recharge Tecklenbur...	1,826.60	
Bill	12/09/2025	106599	Central Irrigation, Inc.	Pipeline	6115.5 - Pipeline	Capital Outlay:Recharge Tecklenbur...	54,000.00	
Bill	12/30/2025	106889	Central Irrigation, Inc.	Pipeline	6115.5 - Pipeline	Capital Outlay:Recharge Tecklenbur...	27,000.00	
Total Central Irrigation, Inc.							136,826.60	
Consero Solutions								
Bill	12/31/2025	2199	Consero Solutions	Management, Research & Outreach	6180.3 - Consulting	-G&A	6,762.50	
Total Consero Solutions							6,762.50	
de Graaf Engineering, Inc.								
Bill	01/15/2026	1320	de Graaf Engineering, Inc.	General - Prep and attend Board Meeting	6180.4 - Engineering Expense	-G&A	1,858.80	
Bill	01/15/2026	1320	de Graaf Engineering, Inc.	Master Plan & CIP	6180.4 - Engineering Expense	-Groundwater Management	13,471.00	
Bill	01/15/2026	1320	de Graaf Engineering, Inc.	SS III	6180.4 - Engineering Expense	Capital Outlay:South System Phase 3	4,922.00	
Bill	01/15/2026	1320	de Graaf Engineering, Inc.	NS Operations	6180.4 - Engineering Expense	.Operations Fund:North System O&M	2,147.00	
Bill	01/15/2026	1320	de Graaf Engineering, Inc.	NS Pump	6180.4 - Engineering Expense	Capital Outlay:North System Pump St...	5,723.48	
Bill	01/15/2026	1320	de Graaf Engineering, Inc.	SS Operations	6180.4 - Engineering Expense	.Operations Fund:South System O&M	988.00	
Bill	01/15/2026	1320	de Graaf Engineering, Inc.	Water Rights	6180.4 - Engineering Expense	-G&A	3,686.00	
Total de Graaf Engineering, Inc.							32,796.28	
Edwards, Lien & Toso, Inc.								
Bill	11/19/2025	ELT09307	Edwards, Lien & Toso, Inc.	Appraisal Services - Gotelli Basin	6205 - Repairs & Maintenance	-Groundwater Management	3,000.00	
Total Edwards, Lien & Toso, Inc.							3,000.00	
Granberg & Associates								
Bill	12/02/2025	40	Granberg & Associates	November Services	6180.7 - Project Management	-Groundwater Management	1,282.50	
Bill	01/02/2026	41	Granberg & Associates	December Services	6180.7 - Project Management	-Groundwater Management	1,567.50	
Total Granberg & Associates							2,850.00	
Henderson Hatfield, A								
Bill	11/25/2025	29851	Henderson Hatfield, A	Employee Handbook	6180.6 - Legal	-G&A	311.61	
Total Henderson Hatfield, A							311.61	
HydroFocus, Inc								
Bill	12/29/2025	5658-39	HydroFocus, Inc	Hydrologist	6180.5 - Hydrologist	-Groundwater Management	5,982.75	
Total HydroFocus, Inc							5,982.75	
Jean Powell								
Bill	01/01/2026	2024 & 2025	Jean Powell	Easement APN 017-250-07	6115.2 - Easements	Capital Outlay:North System Phase 1	5,000.00	
Total Jean Powell							5,000.00	
Joe Peterson								
Bill	01/01/2026	2026 Rent	Joe Peterson	Jan-Dec Rent 2026	6142 - Lease Expense	-G&A	3,600.00	
Total Joe Peterson							3,600.00	
Pacific Southwest Irrigation								
Bill	12/03/2025	320276	Pacific Southwest Irrigation		6205 - Repairs & Maintenance	.Operations Fund:South System O&M	123.96	

North San Joaquin Water Conservation District Unpaid Bills by Vendor

Accrual Basis		All Transactions						
Type	Date	Num	Source Name	Memo	Account	Class	Open Balance	
Bill	12/03/2025	319007	Pacific Southwest Irrigation		6205 · Repairs & Maintenance	.Operations Fund:South System O&M	300.00	
Total Pacific Southwest Irrigation							423.96	
Richard Rodriguez Farms								
Bill	01/17/2026	0128	Richard Rodriguez Farms	Fix Levee and Washout Roads	6205 · Repairs & Maintenance	-Groundwater Management	2,950.00	
Total Richard Rodriguez Farms							2,950.00	
Shasta Burns								
Bill	01/21/2026	234	Shasta Burns	January Invoice	6180.8 · Board Clerk	-G&A	4,655.00	
Bill	01/21/2026	234	Shasta Burns	January Mileage	6228 · Travel	-G&A	430.50	
Bill	01/21/2026	234	Shasta Burns	Reimbursemnt for Dec Microsoft 365 Invoice	6214 · Subscriptions	-G&A	56.70	
Total Shasta Burns							5,142.20	
Spaletta Law PC								
Bill	01/01/2026		Spaletta Law PC	Rent	6142 · Lease Expense	-G&A	1,162.50	
Total Spaletta Law PC							1,162.50	
Stoel Rives, LLP								
Bill	01/09/2026	8105067	Stoel Rives, LLP	December Services	6180.6 · Legal	-G&A	4,635.00	
Bill	01/09/2026	8105066	Stoel Rives, LLP	December Services	6180.6 · Legal	-G&A	1,935.00	
Bill	01/09/2026	8105065	Stoel Rives, LLP	December Services	6180.6 · Legal	.Operations Fund:South System O&M	615.00	
Bill	01/09/2026	8105064	Stoel Rives, LLP	December Services	6180.6 · Legal	.Operations Fund:North System O&M	1,455.00	
Bill	01/09/2026	8105063	Stoel Rives, LLP	December Services	6180.6 · Legal	-Groundwater Management	3,960.00	
Bill	01/09/2026	8105062	Stoel Rives, LLP	December Services	6180.6 · Legal	-Groundwater Management	2,925.00	
Bill	01/09/2026	8105061	Stoel Rives, LLP	December Services	6180.6 · Legal	-Groundwater Management	1,890.00	
Total Stoel Rives, LLP							17,415.00	
Thomas Powell								
Bill	01/01/2026	2024 & 2025	Thomas Powell	Easement APN 017-250-07	6115.2 · Easements	Capital Outlay:North System Phase 1	5,000.00	
Total Thomas Powell							5,000.00	
West Coast Arborists								
Bill	12/12/2025	1-11759	West Coast Arborists	Remove Tree - N. Tretheway Rd.	6205 · Repairs & Maintenance	.Operations Fund:North System O&M	8,800.00	
Total West Coast Arborists							8,800.00	
TOTAL							270,261.40	

**North San Joaquin Water Conservation District
Treasurer's Report
January 2026 - Monthly Summary of Accounts
As of January 20, 2026**

The chart below is a summary of account information including account balances and transactions since the last scheduled Board meeting (December 2025). The attached reports are prepared by LG A&A Services for the month of January 2026. Additional attachments that follow include accounts payable, recommendations for bill payments and transfers as noted herein.

NSJWCD Accounts Summary-December 15, 2025	Beg Balance as of 12/15/2025 with approved transfers	Checks after last meeting (See Note #1)	ACH/Autopays made after last meeting	Transfer after meeting	Revenue Received after last meeting	Current Balance January 20, 2026	Proposed bills to be paid today	Proposed transfer	Ending balance January 20, 2026
F&M Checking - New	-	(22.76)	(1,439.13)	20,000.00	123,864.19	142,402.30	(240,458.26)	150,000.00	51,944.04
F&M Checking - Old	145,561.48	(26,552.84)	(55,244.36)	(20,000.00)	26,361.62	70,125.90			70,125.90
F&M ID #3	132,365.99		(8,731.20)		225.10	123,859.89			123,859.89
F&M Tracy Lake O&M	27,942.66		(131.28)			27,811.38			27,811.38
County GW Fund	420,621.39		(7,206.00)		1,601,401.95	2,014,817.34		(150,000.00)	1,864,817.34
County Account Fund	9,409.91		(2,991.50)		252,178.81	258,597.22			258,597.22
Total	\$ 735,901.43	\$ (26,575.60)	\$ (75,743.47)	\$ -	\$ 2,004,031.67	\$ 2,637,614.03	\$ (240,458.26)	\$ -	\$ 2,397,155.77

Payments After Last Meeting		Revenue Received After Last Meeting		Proposed Bills To Be Paid Today	
		Classes			
ADP	201.45	Checking Interest	0.04	General Expenses	(31,528.47)
Amazon	358.21	ID #3 Assessments	78,146.50	Ground Water	(37,028.75)
Deluxe Checks	540.20	DWR - VA Grant #5	32,200.65	Operations Fund	(14,428.96)
Dropbox	23.98	DWR - VA Grant #6	13,517.00	NS Phase 1	(10,000.00)
F&M	8,884.04	Sweep Grant	705.27	NS Pump Station	(5,723.48)
Home Depot	244.50	Void Checks	25,656.35	Teck Basin	(136,826.60)
Kludt Oil	63.42	ID #3 Interest	224.84	SS Phase 3	(4,922.00)
Microsoft	102.70	ID #3 Interest	0.26		
Payroll	34,839.63	Ground Water Taxes	1,601,401.95		
PG&E	18,071.90	Property Taxes	252,178.81		
QuickQuack	22.99				
SJ County	10,197.50				
State Comp Ins	2,142.66				
Young's Ace	16.31				
Zoom	33.98				
Total	75,743.47	Total	2,004,031.67	Total	(240,458.26)

1. SEE ATTACHMENT 1 - ACCOUNTS PAYABLE REPORT.

2. CURRENT PAYMENT RECOMMENDATIONS - SEE TABLE BELOW:

Butterfield & Co.	\$ 2,238.00	December Invoice
Central Irrigation, Inc.	136,826.60	Pipeline
Consero Solutions	6,762.50	December Invoice
de Graaf Engineering, Inc.	32,796.28	December Services
Edwards, Lien & Toso, Inc.	3,000.00	Appraisal - Gotelli Basin
Granberg & Associates	2,850.00	Nov/Dec Services
Henderson Hatfield, A	311.61	November Services
HydroFocus, Inc	5,982.75	December Services
Jean Powell	5,000.00	Easement 24/25
Joe Peterson	3,600.00	Rent 2026
Kludt Oil	196.86	December Invoices
Pacific Southwest Irrigation	423.96	December Invoices
Richard Rodriguez Farms	2,950.00	Fix Levee Road
Shasta Burns	5,142.20	December Invoice
Spaletta Law PC	1,162.50	January Rent
Stoel Rives, LLP	17,415.00	December Invoices
Thomas Powell	5,000.00	Easement 24/25
West Coast Arborists	8,800.00	Remove Tree
Total Payments Proposed	<u>\$ 240,458.26</u>	

3. REMAINING ACCOUNTS PAYABLE – \$25,483.09

- a. \$ 30,000.00 - Retention due to Arnaudo Construction, Inc.
- b. (\$ 4,516.91) – ABS Direct Inc. Duplicate payment. Credit on account.

4. WARRANTS PAYABLE

- a. \$399,988.17 – F&M Bank

5. ACCOUNTS RECEIVABLE – \$142,671.96

- a. \$ 32,024.25 – San Joaquin County – SGMA Grant
- b. \$ 29,999.94 – State of California – FDRE Grant
- c. \$ 32,469.48 – DWR – IRWM Grant
- d. \$ 16,791.79 – DWR – VA Grant – Retention Pmts #1-4
- e. \$ 31,386.50 – ID #3 Direct Bill Assessments

6. OTHER RECEIVABLES - \$39,550.00 – Refund due from F&M Bank.

Note 1

- Check #20000 – Yesenia Huerta - \$22.76 – Payroll 1.20.26
- Check #10867 – Jason Colombini - \$896.49 – Reimbursement ACWA Conference
- Check #10868 – John & Helen Lakso - \$21,049.95 – Replace check #10842
- Check #10869 – Zanjero, Ince - \$2,543.90 – Replace check #10847
- Check #10870 – Spaletta Law PC - \$1,162.50 – Replace check #10845
- Check #10871 – Richard Rodriguez Farms - \$900.00 – Replace check #10843

North San Joaquin Water Conservation District
Three Month Cash Statement

For period: January 2026 through March 2026

Balances	January	February	March
Beginning cash balances	\$575,593	\$2,245,485	\$2,015,815
Projected revenues	\$2,003,807	\$10,848	\$0
Projected expenditures	\$333,915	\$240,517	\$177,000
Projected ending cash balances	\$2,245,485	\$2,015,815	\$1,838,815

Cash projection is sufficient to meet 3 month projected expenditures.



ACCOUNTING & ADVISORY SERVICES

December 16, 2025

VIA E-MAIL: steve@nsjwcd.com

North San Joaquin Water Conservation District

c/o Steve Schwabauer

PO Box E

Victor, California 95253

I am pleased to confirm the acceptance and understanding of the services I am to provide for **North San Joaquin Water Conservation District (NSJWCD or District)** for the partial year beginning January 1, 2026 ending June 30, 2026 and fiscal year ending June 30, 2027.

I will provide the following services:

- Record all receipts, disbursements, and adjusting journal entries each month to the District's general ledger in QuickBooks.
- Reconcile accounts with bank, investment and county statements and reports each month and make correcting entries directly to the District's general ledger in QuickBooks, if necessary.
- Prepare and reconcile payroll reports, payroll tax returns, and payroll tax deposits for the State of California and other jurisdictions, if applicable.
- Prepare other compliance reports as applicable.
- Assist with preparation of District's annual budget.
- Prepare monthly Treasurer's Report for presentation at monthly Board meetings.
- Review and edit draft financial policies and procedures.
- Prepare and deliver all required financial schedules, documents, and reports and respond to all inquiries in connection with District annual audit.
- Initiate the District's payroll through ADP and reconcile payroll and payroll taxes in Quickbooks. ADP will handle payroll reporting.
- Prepare an accounts payable report that includes a statement of checks issued for district staff to upload to its bank for Positive Pay Verification and print and mail checks as appropriate

My Responsibilities

I will perform these services in accordance with the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA) and comply with applicable professional standards, including the AICPA's *Code of Professional Conduct*, and its ethical principles of integrity, objectivity, professional competence, and due care, when

performing these services. I will not provide audit, review, or compilation services on any historical or prospective financial information or provide attestation services under the AICPA *Statements on Standards for Attestation Engagements* and assume no responsibility for any such information.

I am not required to, and will not, verify the accuracy or completeness of the information you provide to me for the engagement or otherwise gather evidence for the purpose of expressing an opinion or a conclusion. Accordingly, I will not express an opinion, conclusion, nor provide any assurance on the financial statements, other than that they are prepared in accordance with all applicable laws and regulations and professional industry standards.

This engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the entity or noncompliance with laws and regulations.

I, in my sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

I will not assume management responsibilities on behalf of NSJWCD. NSJWCD's management understands and agrees that any advice or recommendation that I may provide in connection with the engagement is solely to assist management in performing its responsibilities.

Indemnity: To the extent permitted by law, I shall hold harmless, defend at my own expense, and indemnify the District, its directors, officers, employees, and authorized volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees and costs, arising from all acts or omissions of mine or my officers, agents, or employees in rendering services under this contract; excluding, however, such liability, claims, losses, damages or expenses arising from District's sole negligence or willful acts.

Minimum Insurance Requirements: I shall procure and maintain for the duration of the contract insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by me or my agents, representatives, employees or sub-contractors, with coverages that satisfy Exhibit A hereto.

Your Responsibilities

You will provide, as promptly as possible, all requested information and documentation deemed necessary in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided is true, correct, and complete, to the best of your knowledge and belief.

You are responsible for:

- Making all management decisions and performing all management functions
- Establishing and maintaining internal controls, including monitoring ongoing activities

- Providing accurate, timely information to me to allow me to perform the services identified in this contract.

Other Relevant Information

Professional standards prohibit me from being the sole host and/or the sole storage for your financial and non-financial data. I will not keep any original client records and will return all records to you at the completion of the services rendered under this agreement. When records are returned to you, it is your responsibility to retain and protect your records for potential future use, including potential examination by government or regulatory agencies. By your signature below, you acknowledge and agree that you will maintain your original data and records.

My billing for the services set forth in this letter will be based upon a standard hourly rate of \$160 per hour. This rate is subject to adjustment for inflation annually. You will also be billed for actual out-of-pocket expenses and mileage. This rate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the work performed. My invoices for the services outlined in this letter are payable at presentation. A late fee of 1.0% per month will be applied to any unpaid balance after 30 days of billing.

The proposed engagement includes only those services specified in this letter. Appearances before government organizations or regulatory bodies arising from this engagement, other than appearances at regular District board meetings, will be billed separately.

You may request that I perform additional services not contemplated by this engagement letter. If this occurs, I will communicate with you regarding the scope of the additional services and the estimated fees. I may also issue a separate engagement letter covering the additional services. In the absence of any other written communication documenting such additional services, my services will continue to be governed by the terms of this engagement letter.

You agree to hold me harmless and to release, indemnify, and defend me from any liability or costs, including attorney fees, resulting from management's knowing misrepresentations to me.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association or another organization under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Upon written notice, NSJWCD may discharge me at any time. I may withdraw only for good cause. Among the facts constituting good cause are NSJWCD's breach of this agreement, NSJWCD management's refusal to cooperate or to follow my advice on a material matter, or any fact or circumstance that would render my continuing representation of NSJWCD unlawful or unethical.

Upon the termination or conclusion of our services, NSJWCD must pay all fees and costs I incur up to the termination of our relationship. I acknowledge my obligation, upon NSJWCD's demand, to deliver its file at or after the termination or conclusion of our services.

I appreciate the opportunity to be of service to **North San Joaquin Water Conservation District** and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you acknowledge and agree with the terms of our engagement as described in this letter, please sign and return the enclosed copy.

Respectfully,



Lyndsay George, CPA

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of North San Joaquin Water Conservation District
by:



Name
NSJWCD Board President

Title
January 13, 2026

Date

EXHIBIT A – MINIMUM INSURANCE COVERAGE REQUIREMENTS

Member Water Agency refers to North San Joaquin Water Conservation District.

Consultant refers to Lyndsay George, CPA.

Coverage - Coverage shall be at least as broad as the following:

1. **Workers' Compensation Insurance** - as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
2. **Waiver of Subrogation:** The insurer(s) named above agree to waive all rights of subrogation against the Member Water Agency, its elected or appointed officers, officials, agents, authorized volunteers and employees for losses paid under the terms of this policy which arise from work performed by the Named Insured for the Agency; but this provision applies regardless of whether or not the Member Water Agency has received a waiver of subrogation from the insurer.
3. **Professional Liability** - (Also known as Errors & Omission) Insurance appropriate to the Consultant profession, with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

If Claims Made Policies:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work.**
3. If coverage is canceled or non-renewed, and not **replaced with another claims-made policy form with a Retroactive Date** prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of **five (5) years** after completion of contract work.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the Member Water Agency requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Member Water Agency.

Other Required Provisions - The general liability policy must contain, or be endorsed to contain, the following provisions:

Additional Insured Status: Member Water Agency, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 10 01), with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations.

Primary Coverage: For any claims related to this project, the Consultant's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to the Member Water Agency, its directors, officers, employees and authorized volunteers. Any insurance or self-insurance maintained by the Member Water Agency its directors, officers, employees and authorized volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Notice of Cancellation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Member Water Agency.

Self-Insured Retentions - Self-insured retentions must be declared to and approved by the Member Water Agency. The Member Water Agency may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Member Water Agency. .

Acceptability of Insurers - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A: VII or as otherwise approved by Member Water Agency.

Verification of Coverage – Consultant shall furnish the Member Water Agency with certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the Member Water Agency before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Member Water Agency reserves the right to require complete, certified copies of all required insurance policies, including policy Declaration pages and Endorsement pages.

Sub-contractors - Consultant shall require and verify that all sub-contractor maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that Member Water Agency its directors, officers, employees, and authorized volunteers are an additional insured are an additional insured on Commercial General Liability Coverage.

GROUNDWATER RECHARGE PROJECT AGREEMENT

This Agreement (“Agreement”) is entered into this 23rd day of December 2025 by these parties:

Owner: Al Costa, Trustee, owner of the 23 acre vineyard property known as:
APN: 017-110-11, in San Joaquin County

District: North San Joaquin Water Conservation District (“District”)

1. Project: The **Project** is a joint effort by Owner, District and Sustainable Conservation to conduct and monitor groundwater recharge on Owner’s 23 acre vineyard property (the “Property”) to improve knowledge about soil saturation and effect on crop health and improve groundwater conditions. Owner and District will work to evaluate whether the Project can be expanded to the southern portion of Owner’s adjacent parcels APN 017-120-35 and/or 017-120-15. If the parties agree the Project can be expanded on these parcels, the “Property” will include the additional designated acres and payment by District to Owner shall be increased accordingly based on the total acres used for recharge. District will confirm the total number of acres used for the Project to Owner in writing.

2. Term: This Agreement shall be effective from December ____, 2025 through March 30, 2026, and automatically renew on December 1st, 2026 and each year thereafter unless earlier terminated. Any Party may terminate this Agreement on 5 days written notice if a Party reasonably determines that circumstances have rendered the purpose of this Agreement impractical to achieve. Any Party may terminate this Agreement on 30 days written notice for any reason.

3. Work Activities and Obligations

Owner agrees to:

- Allow District to prepare, manage and apply water to the Property for recharge during the Term.
- Inform District of all known safety hazards on the Property.
- Help improve knowledge to benefit other growers, Irrigation Districts, Groundwater Sustainability Agencies, State and Local Governmental Agencies, and interested third parties considering the use of on-farm recharge.
- Promptly notify the other Parties of the occurrence of: A change of address; change in the business name or ownership; existence of any litigation or other legal proceeding affecting the Project; occurrence of any damage, casualty or other loss related to the Project and Equipment; earth moving activities that could damage any equipment installed on the Property by District or Sustainable Conservation.

District (NSJWCD), agrees to:

- Pay Owner \$60/acre/month for the use of the Property for recharge. If the Property is only available for recharge for a partial month due to Owner cultural activities (such as pruning), payment shall be prorated for that month. Payment shall not be prorated due to the District’s lack of water to apply to the Property. For 23 acres, the monthly payment is \$1,380 per month.

- Coordinate with Owner regarding all activities on the Property.
- Employ labor, at District's cost, to prepare the Property for recharge and manage the water applied to the Property.
- Provide surface water and energy to pump surface water, for the Project, at District's cost, subject to the availability of surface water to District.
- Purchase, install, service, repair and maintain flow meter at the District's pumping station.

4. Permission to Disclose Information

Owner grants permission to the District and Sustainable Conservation to disclose and publish information related to the Project, such as

- Information and data that is presented as aggregate data representative of the region and crops.
- Before, during and after photos of work occurring on the Property.
- List and description of practices being implemented that are associated with the data collected.
- Assessment information about the effectiveness of the implementation.

5. Access Permission

Owner gives District and its designated employees or anyone authorized to perform tasks on their behalf, permission to enter onto the Property to operate the recharge project, install and monitor agreed-to equipment, and to monitor and gather necessary information relating to the Project. Access shall be limited to those portions of the Property which are relevant to the Project and those additional portions of the Property that are reasonably necessary to gain access to the site in question, with reasonable notice to Owner prior to entering the property.

6. Assumption of Risk and Waiver of Liability

Owner understands and acknowledges that participation in the Project is entirely voluntary and application of recharge water on the Property involves some risks of damage to Property and/or crops and associated risk of economic loss. Owner agrees to assume full and complete responsibility for any personal injury or property damage that may arise as a result of participation in the Project and waives any and all claims or causes of action against the District unless caused by District or District's agents or contractor's gross negligence or willful misconduct.

7. Mutual Hold Harmless and Indemnification

Each Party to this agreement certifies that it carries a policy of General Liability Insurance which provides coverage for the Party's (or its agents or employees) grossly negligent or wrongful acts. Each Party agrees to indemnify, defend and hold the other Parties and their authorized agents, officers and employees harmless from any claims or liability arising from the negligence or wrongdoing of the insured Party associated with Project activities, except as expressly set forth otherwise in this Agreement.

8. Compliance with Laws

All parties shall comply with applicable laws with respect to the Project.

P.O. Box 334, Victor, CA 95253

PREPARED BY: Petrea Marchand, Consero Solutions
Steve Schwabauer, General Manager

RECOMMENDATION: Receive Update on 2026-27 State Budget Proposals and North San Joaquin Water Conservation District Project Funding Opportunities

BACKGROUND:

Governor Newsom released his proposed 2026-27 State budget on January 9, 2026, which proposes additional allocation of Proposition 4 funding to various State agencies.

As a reminder, Proposition 4 contains the following funding of interest to the District and annual State budgets will appropriate these funds over a five-year period which started in 2025-26:

- \$193 million for the California Department of Water Resources Sustainable Groundwater Management Program (SGMA)
- \$100 million for integrated regional water management,
- \$40 million for the State Water and Energy Efficiency Program (SWEEP)
- \$200 million for the Department of Conservation’s Multibenefit Land Repurposing Program.

This report provides an update on the additional amount appropriated for each of these programs in the proposed 2026-27 State budget, as well as a refresher on appropriations in the 2025-26 budget. The proposed January budget is only the start of the process, as the Legislature will now review and propose changes to the Governor’s proposals. As a reminder, the 2025-26 budget included significant funding for SGMA, SWEEP, and the Multibenefit Land Repurposing Program but contained only \$500,000 for the Integrated Regional Water Management Program. Consero Solutions will continue to provide updates on available funding as information becomes available. The District’s Master Plan, currently under development, will help identify priority projects for which the District should pursue Proposition 4 and other funding.

DISCUSSION:

1. California Department of Water Resources Sustainable Groundwater Management Program or Alternative Groundwater Program

Project Name: N/A

Amount Requested: TBD

Amount of Cost Share: TBD

Release Request for Grant Application: 2026/27 TBD

Application Due: TBD

Status: The 2026-27 proposes an additional \$20 million for sustainable groundwater management, adding to the \$30 million appropriated in the 2025-26 budget for a total of \$48 million of the \$193 million available in Proposition 4 for this purpose. The 2025-26 State

budget included language that the funds were for “projects related to groundwater storage, groundwater banking, groundwater recharge, or instream flow projects that support the conjunctive use of groundwater and surface water supplies,” which does not clearly state whether the California Department of Water Resources (DWR) can use these funds for the SGMA grant program or will need to develop a new competitive grant program. It is highly likely DWR will at least need to update the SGMA guidelines, a process which Consero expects will take place in 2026 with a solicitation in late 2026 or early 2027. Consero has sent an email to senior staff at DWR for more information about the 2026 solicitation.

Context: Section 91012 of Proposition 4 states: “Of the funds made available by subdivision (a), one hundred ninety-three million one hundred twenty-five thousand dollars (\$193,125,000) shall be available for projects that increase groundwater storage, or are for groundwater banking, and support implementation of the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code).”

2. California Department of Food and Agriculture (CDFA) Office of Environmental Farming and Innovation State Water Efficiency and Enhancement Program (SWEEP)

Project Name: N/A

Amount Requested: TBD

Amount of Cost Share: TBD

Solicitation Release Date: TBD 2026

Application Due: TBD 2026

Status: The 2026-27 budget only contains \$700,000 for the SWEEP program, meaning the \$38 million appropriated in the 2025-26 budget is the only funding available for this program in 2026 and CDFA will likely not issue a SWEEP grant solicitation in 2027. Proposition 4 only contained \$40 million total for SWEEP, so the 2026 solicitation will likely issue most of the available Proposition 4 funding. Carolyn Cook, Assistant Director of the Office of Agricultural Resilience and Sustainability at CDFA, emailed Consero on January 16, 2026 and said the CDFA will release another block grant program, not a grant program which allows individual growers to apply. The Department will release draft guidelines for public comment in January 2026, so more information will be available once the guidelines are out. Like other Proposition 4 programs, SWEEP is held up by the need to file emergency regulations. The District is unlikely to secure another block grant given the District’s success in securing \$5 million from the 2023 SWEEP Block Grant but may wish to apply just in case.

Context: Proposition 4 contains a total of \$40 million for the SWEEP program and specifically states funds “shall be available for the State Water Efficiency and Enhancement Program to promote on-farm water use efficiency *with focus on multiple-benefit projects* that improve resilience to climate change and save water on California agricultural operations. (emphasis added)”

3. Department of Conservation Multibenefit Land Repurposing Program

Project Name: N/A

Amount Requested: TBD
Amount of Cost Share: TBD
Solicitation Release Date: TBD
Application Due: TBD

Status: The 2026-27 proposed budget includes an additional \$65 million for the Multibenefit Land Repurposing Program, which adds to the \$32 million appropriated in the 2025-26 budget for a total of \$97 million in available funding from Proposition 4. (There is a total of \$200 million available for this program in Proposition 4.) The Department of Conservation finalized program [guidelines](#) in April 2025 but has not yet released a solicitation for funding. According to the final guidelines, the program “seeks to increase regional capacity to repurpose agricultural land to reduce reliance on groundwater while providing community health, economic wellbeing, water supply, habitat, and climate benefits.” District staff will evaluate the updated guidelines and return to the Board in February 2026 with a recommendation regarding whether to apply.

Context: In January 2025, the Governor proposed \$12 million for the Multibenefit Land Repurposing Program in 2025-26 and \$51 million in 2026-27, so the \$65 million proposed in 2026-27 and the \$32 million appropriated by the Legislature in 2025-26 represents an increase from the Governor’s original proposal and an increased emphasis in the State Legislature on this program. The Department revised program guidelines in 2025 to include language clarifying how groundwater recharge achieved through the program must be treated in a groundwater sustainability agency’s water budget; the District had declined to apply to the Multibenefit Land Repurposing Program in the past because the program did not allow the District to count groundwater recharge or demand reduction through program-funded projects towards its water budget. District staff will review the guidelines to determine whether the updated guidelines address this important issue.

4. Department of Water Resources Integrated Regional Water Management Program

Project Name:
Amount Requested: TBD
Amount of Cost Share: TBD
Solicitation Release Date: TBD
Application Due: TBD

Status: The Governor’s proposed 2026-27 budget includes \$2 million in Proposition 4 funds for “Integrated Regional Water Management,” adding to \$500,000 appropriated in the 2025-26 budget. This low amount of money indicates DWR will not release a solicitation for grant funding for which local water districts can apply, but District staff is checking with DWR staff to confirm this assumption.

Context: There is \$100 million in Proposition 4 funds for integrated regional management but it is not proposed for allocation in 2026-27. Proposition 4 states these funds should be used for

“integrated regional water management to improve climate resilience on a watershed basis. The department shall update and revise the guidelines for the integrated regional water management program to address impacts associated with climate risk.” Consero expects DWR will develop a new program because of this language.

MEMORANDUM

January 22, 2026

TO: BOARD OF DIRECTORS, GENERAL MANAGER SCHWABAUER
FROM: JENNIFER L. SPALETTA
RE: FUNDING MICUP PROJECT JANUARY-MAY 2026

A. Background

MICUP refers to the Mokelumne River Integrated Storage and Conjunctive Use Program which involves the County's pending water right Application to appropriate wet year available water for direct and in-lieu recharge projects in the subbasin. The Application has the potential to provide over 100,000 acre-feet of addition surface water in wet years. Only three subbasin entities have elected to participate in MICUP and put this water to beneficial use: NSJWCD, SEWD and the City of Stockton (the Participating Agencies). The current agreed upon allocation of available MICUP water between these agencies is:

40 percent	NSJWCD
40 percent	City of Stockton
20 percent	SEWD

B. Status

The Application is pending at the State Water Resources Control Board. To move forward, the County needs to process an amendment to the Application to update the details regarding where the water will be diverted and used, and also needs to complete CEQA. To complete CEQA, the County needs to finish and release a Draft Environmental Impact Report (DEIR) for public comment, respond to comments, and then finalize the EIR. The County and the Participating Agencies have made substantial progress on these tasks with funding from a \$2.9 million state grant. However, the tasks are not complete.

Remainder of 25-26 fiscal year: There is final work to be done in January-April to finalize and submit the amendment to the Application, and finalize and release the DEIR.

The consultants estimate \$100,000 to \$150,000 work of work between now and May for these tasks.

26-27 Fiscal Year: The DEIR will be out for public comment for a few months, then the County and Participating Agencies will need to review and respond to comments and complete the final EIR. During this same time, and continuing through June 2027, there will be work required with the SWRCB to process the application and resolve protests. We will have a better idea of the cost estimate for MICUP in 26-27 after receiving the comments on the DEIR, but a current estimate for 26-27 is \$300,000.

C. Cost Contribution from the Participating Agencies

The County has asked the Participating Agencies to share the go-forward costs related to processing the Application and completing CEQA. The Participating Agencies, at the staff level, have agreed to this in concept (at the 40/40/20 split) subject to board approval – which may take several months. If NSJWCD approves first, it may need to front costs, subject to reimbursement from SEWD and the City. The County is also looking for opportunities to fund this effort with \$50,000 per fiscal year of Zone 2 funds.

Staff recommends that the NSJWCD Board approve expenditures of up to \$100,000 between now and April 2026 related to MICUP, subject to reimbursement from the other Participating Agencies and Zone 2 if the cost split is approved by their respective boards. Staff would bring any additional expenditure back to the board for approval prior to April.

NSJWCD's share of the \$100,000 would be \$40,000, assuming the City and SEWD approve the cost contribution.

Staff also recommends that the Board direct staff and counsel to negotiate a longer-term cost share agreement for MICUP with the County and other Participating Agencies.