

**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 - David Simpson  
Treasurer - Charles Starr II  
Director – Brady Colburn

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

**Monday, March 31, 2025  
2:00 p.m.  
Lodi Grape Festival Grounds- Barrel Room  
413 E. Lockeford St, Lodi CA 95240**

Join Zoom Meeting

<https://us02web.zoom.us/j/87883217427>

Meeting ID: 878 8321 7427

One tap mobile

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Meeting ID: 878 8321 7427

The agenda and all noted documentation may be viewed and downloaded at [www.nsigroundwater.org](http://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 February 25, 2025 (*attachment 1*) pages 5-8

#### B. FINANCIAL/ADMINISTRATIVE

1. Receive and Approve March 2025 NSJWCD Monthly Treasurer's Report and Summary of Accounts and Transfers (*attachment 2*) pages 9-10
2. Approve Payment of Bills (*attachment 3*) pages 11-12
3. Receive Report on June 30, 2022 Audit (*attachment 4*) *page 13 and extra attachment handout*
4. Report on Cash Flow considerations of current operations
5. Receive Report on Retirement Plan Options and Give Direction to Staff on Retirement Program Design (*attachment 5*) *sep email attachment*
6. Adopt 2025 Irrigation Water Rates (*attachment 6*) *pages 20-22*

#### C. CONTRACTS

- 1) Adopt CEQA Notice of exemption for North System Phase 1C Project and award bid funded by the SGMA grant and GW funds to replace the North System Pipeline in Tretheway Road and install the Lakso Recharge Basin (*attachment 7*) *pages 23-29*
- 2) Authorize General Manager to enter contract with Zanjero to analyze ET data and provide GW use for irrigated parcels in the District in years 2022, 2023 and 2024, not to exceed \$40,000 (*attachment 8*) *pages 30-31*
- 3) Approve Teichert Change Order for South System Phase 3 project to remove unmarked gas pipeline (*attachment 9*) *pages 32-33*
- 4) Authorize General Manager to Pay John and Helen Lakso \$4,500 for 2024/25 Winter FloodMAR lease.
- 5) Authorize General Manager to enter contract with Edwards Lien and Toso for \$4,000 to appraise Westwind Ranch property at Handel Road and Alpine Road.
- 6) Authorize General Manager to sign Recharge Basin Lease with John and Helen Lakso (*attachment 10*) *pages 34-38*

#### D. SYSTEM AND PROJECTS

1. Engineer's Report and Operations Plan
2. North System
3. South System
4. Cal-Fed/Woodbridge
5. Tracy Lake ID
  - i. Update Board on progress with Tracy Lake Pump repair discussions

#### E. Grant Activity

1. Consero report (*attachment 11*) *pages 39 -46*

F. Strategic Plan Activity

1. Give Direction to staff on schedule to adopt new Strategic Plan

G. Groundwater Charge

1. Receive Staff Report on schedule for 2025 Ground Water Charge adoption. (*attachment 12) pages 47-48*)

H. Sustainable Groundwater Management Act/ GWA Activity

I. SJC Mokelumne River Application Update

J. Bay Delta Flow Program Update/Voluntary Agreements

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) 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) South System Easements – Negotiators are General Counsel Jennifer Spaletta and General Manager Steve Schwabauer, b) 8400 East Handel Road, Lodi CA APN 063-060-39 Negotiators are General Counsel Jennifer Spaletta

and General Manager Steve Schwabauer for the District and Andrew Rotner for seller.

### **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 April 28, 2025** 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*

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, February 24, 2025**

**REGULAR MEETING**

- 1. Call to Order - Roll Call - Acceptance of Agenda** - The meeting was called to order by President Valente at 2:02 p.m. A motion for the acceptance of the Agenda of January 27, 2025 made by Vice President Colombini, second by Treasurer Starr. Motion passed unanimously 5/0/0.

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

- 2. Correspondence/Announcements** – Wednesday the LDGGA and NSJWCD will hold a Water Forum meeting from 9:00 am-11:30 am.
- 3. Action Items** Note: Votes recorded as: For/Against/Abstention (name)

**A. CONSENT CALENDAR**

1. Approval of the Minutes of the Regular Scheduled Board meeting on January 27, 2025. A motion to approve the Minutes for the meeting of the Regular Scheduled Board Meeting on January 27, 2024, made by Director Simpson, second by Vice President Colombini. Motion passed 5/0/0.

**B. FINANCIAL MATTERS**

1. Receive and approve February 2025 NSJWCD Monthly Treasurer’s Report and Summary of Accounts and Transfers presented to the board. Perla from Butterfield + Company prepared financial statements for Board action. A motion to approve February 2025 NSJWCD Monthly Treasurer’s Report, made by Vice President Colombini, second by Secretary Simpson. 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 Treasurer Starr, second by Secretary Simpson. Motion passed 5/0/0.
3. Report on Cash Flow considerations of current operations – General Manager Schwabauer reviewed draft of cash flow considerations and current operations with reimbursements projections. Cash Flow reports will be done for all projects

and monitored by staff.

**C. CONTRACTS**

1) Authorize General Manager enter Employment Agreement with Lisa Noffsinger for part time assistance with Budget and Cash Flow Management – A motion to approve Employment Agreement with Lisa Noffsinger for part time assistance with Budget and Cash Flow Management, made by Vice President Colombini, second by Treasurer Starr. Motion passed 5/0/0

**D. System and Projects**

1. Engineer's Report and Operations Plan. District Engineer deGraaf gave an overview of where the district stands on each project. Report was presented available upon request.

i. Provide Direction to Staff on Landowner Meter Selection and Automation- On going board discussion topic.

2. North System-

i. Authorize General Manager with agreement of the Board President, General Counsel, and District Engineer to prepare plans and specifications and issue bid package to replace North System Steel Pipeline with remaining SGMA Grant Funds – A motion to authorize General Manager with agreement of the Board President, General Counsel, and District Engineer to prepare plans and specifications and issue bid package to replace North System Steel Pipeline with remaining SGMA Grant Funds to present at the next scheduled board meeting made by Director Simpson, second by Treasurer Starr

ii. Authorize General Manager together along with staff to enter into a contract with Arnaudo Construction, to install a valve in steel pipeline at the north end of the Lakso Recharge Project – A motion to authorize General Manager together along with staff to enter into a contract with Arnaudo Construction, to install a valve in steel pipeline at the north end of the Lakso Recharge Project made by Director Simpson, second by Vice President Colombini. Motion passed 5/0/0

3. South System –

i. Authorize General Manager with agreement of Board President, General Counsel, and District Engineer to enter contract with a VFD contactor to repair South Pump Station VFD, not to exceed \$40,000 – A motion to authorize General Manager with agreement of Board President, General Counsel, and District Engineer to enter contract with a VFD contactor to repair South Pump Station VFD, not to exceed \$40,000 made by Vice President Colombini, second by Director Simpson. Motion passed 5/0/0

4. Cal-Fed Woodbridge – The Costa field recharge project was operational while water was available. Pump test was performed on Friday, February 14, 2025 and as expected, the efficiency of the pump could be improved. Discussion about options to improve efficiency, included installation of a VFD or replacement of the pump bowls to better match the system demand. Both options will be explored.

5. Tracy lake ID – Pump test was performed, and very poor efficiency was identified for the pump. Delta Pump was contacted to evaluate the cause of poor efficiency

and a plan to repair and improve the pump that is being developed- General Manager will meet to authorize agreement with board president, General Counsel, and District Engineer to enter contract with Delta Pump to repair Tracy Lake Pump, not to exceed \$40,000- A motion to approve General Manager to meet and approve agreement with Tracy Lake landowner representatives to enter contract with Delta Pump to repair Tracy Lake Pump not to exceed \$40,000, made by Treasurer Starr, second by Director Simpson. Motion approved 5/0/0

**E. Grant Activity**

1. Consero Report – Update on funding requests and grant opportunities. Climate Bond has passed, including SWEEP funding and WaterSMART. WaterSMART grant is now on hold due to budgets.

**F. Strategic Plan Activity –** Staff is in the process of updating the report card at this time and will be presented at the Town Hall Meeting on February 26, 2025. Additional work be done to update Strategic Plan in the future for presentation purposes.

**G. Groundwater Charge-** Property tax bills have been mailed and received by landowners. Additional appeals and phone calls are being made at this time.

**H. Sustainable Groundwater Management Act/GWA Activity-** Meeting will be held on Thursday and Vice President Colombini will attend.

**I. SJC Mokelumne River Application Update –** Final EIR for Board of Supervisors will be presented in September 2025

**J. Bay Delta Flow Program Update/Voluntary Agreements –** No update at this time

**K. Landowner Communications –** No additional updates at this time.

**L. Board Planning Calendar –** No additional updates at this time.

**4. Director and Staff Reports**

**A. Director’s Report –**no reports at this time.

**B. Committee Reports –** No reports at this time.

**C. Other –** No reports at this time.

**5. Public Comment –** Woodbridge Irrigation District provided operational updates.

**6. Closed Session –** The Board entered closed session 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 February 24, 2025 made by Vice President Colombini, second by Treasurer Starr. Motion passed

5/0/0. Meeting adjourned at 4:51 p.m.

**The next regular scheduled Board Meeting March 31, 2025, 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 February 24, 2025.

Respectfully submitted:

Board Clerk- Shasta Burns



# North San Joaquin Water Conservation District

## Treasurer's Report

### March 2025 – Monthly Summary of Accounts

#### As of March 31, 2025

The chart below is a summary of account information including account balances and transactions since the last scheduled Board meeting (February 2024). The attached reports are prepared by Butterfield + Co., CPAs, Inc. for the month of March 2025. Additional attachments that follow include accounts payable, recommendations for bill payments and transfers as noted herein.

NSJWCD Accounts Summary - February 24, 2025	Beg Balance as of 2/24/25 with approved transfers	Checks authorized after last meeting (See Note #1)	ACH/Autopays made after last meeting		Revenue Received after last meeting	Current Balance March 26, 2025	Proposed bills to be paid today	Proposed transfers	Ending balance March 31, 2025
F&M Checking	81,779.34	(800.00)	(42,272.05)	-	1,849.25	40,556.54	(323,829.79)	400,000.00	116,726.75
County GW Fund	11,842.06	-	-	-	-	11,842.06	-	(400,000.00)	(388,157.94)
County Account Fund	252,707.86	-	-	-	-	252,707.86	-	-	252,707.86
ID#3	207,072.63	-	-	-	291.34	207,363.97	-	-	207,363.97
Tracy Lake O&M	29,405.61	-	(975.79)	-	-	28,429.82	-	-	28,429.82
<b>Totals</b>	<b>\$ 582,807.50</b>	<b>\$ (800.00)</b>	<b>\$ (43,247.84)</b>	<b>\$ -</b>	<b>\$ 2,140.59</b>	<b>\$ 540,900.25</b>	<b>\$ (323,829.79)</b>	<b>\$ -</b>	<b>\$ 217,070.46</b>

	Payments after last meeting	Revenue Received after last meeting	Classes	Proposed bills to be paid today
McAfee	(129.98)	291.34	Interest ID#3	General Exp (31,410.82)
AT&T	(195.85)	1,849.25	Permit Reimb.	GW Management (30,579.92)
Dropbox	(11.99)			Operations Fund (3,355.00)
Microsoft	(48.00)			Planning Fund (1,315.00)
Payroll	(26,364.90)			Recharge Lakso (4,500.00)
PG&E	(13,206.15)	-		South System II (2,086.80)
Costco	(180.02)	-		South System III (219,470.58)
State Comp Ins	(1,210.32)	-		NS Pump Station (15,713.17)
Zoom	(31.98)			NS Phase 1B (9,302.00)
Central Valley	(36.22)			North System (4,918.50)
Pacific Coast Seed	(590.24)			TLID (1,178.00)
Tractor & Supply	(395.64)			
Amazon Adjustment	129.24			
PGE TLID	(975.79)			
<b>Total</b>	<b>\$ (43,247.84)</b>	<b>\$ 2,140.59</b>	<b>Total</b>	<b>\$ (323,829.79)</b>

1. SEE ATTACHMENT 1 - ACCOUNTS PAYABLE REPORT.
2. CURRENT PAYMENT RECOMMENDATIONS - SEE TABLE BELOW:

Butterfield & Co.	\$ 3,338.00	February Invoice
Consero Solutions	6,435.00	February Services
Cumming Management Group, Inc.	308.00	February Services
deGraaf Engineering	38,935.59	February Services
Grandberg & Associates	4,275.00	February Services
HydroFocus, Inc.	7,033.22	February Services
John Lakso & Helen Lakso, Trustees	4,500.00	Annual Lease Payment
Lodi District Grape Growers Association	437.40	Public Outreach
Pacific Southwest Irrigation	2,500.00	Repairs
Shasta Burns	5,861.80	March Invoice
Spaletta Law PC	962.70	March Rent + Copies Reimb.
Stoel Rives, LLP	39,980.10	January & February Services
Teichert Construction	209,262.98	January Invoice
Total payments recommended	<b>\$ 323,829.79</b>	

3. REMAINING ACCOUNTS PAYABLE – \$1,263,939.47

- a. \$ 254,042.87 - Retention due to Arnaudo Construction, Inc.
- b. \$ 9,896.60 – Pacific Southwest Irrigation.
- c. \$1,000,000.00 – Teichert Construction.

4. WARRANTS PAYABLE

- a. \$499,988.17 – F&M Bank

5. ACCOUNTS RECEIVABLE – \$1,353,778.29

- a. \$ 300,000.05 - DWR – Prop 1.
- b. \$ 1,051,890.24 – San Joaquin County – Project 4 North System Improvement Component Phase 1 Period 10/01/23-09/30/2024 – Reimbursements.
- c. \$ 1,888.00 – ID3 Assessment Installment #7.

**Note #1**

- Old Republic Title Company - check #10698 dated 2/27/25 for \$800.

## North San Joaquin Water Conservation District Unpaid Bills by Vendor All Transactions

Type	Date	Num	Source Name	Memo	Account	Class	Open Balance
<b>Arnaudo Construction, Inc.</b>							
Bill	05/31/2023	RET- SS II App No. 1	Arnaudo Construction, Inc.	Progress Billing - (Retainage \$31,885.50)	6115.5 - Pipeline	Capital Outlay:South System Phase 2	31,300.50
Bill	05/31/2023	RET- SS II App No. 1	Arnaudo Construction, Inc.	Handel Lateral Junction Box	6115.5 - Pipeline	Capital Outlay:South System Phase 2	585.00
Bill	12/26/2023	RET-SS II- App No. 4	Arnaudo Construction, Inc.	48" RCP - (Retainage \$32,568.24)	6115.5 - Pipeline	Capital Outlay:South System Phase 2	30,603.00
Bill	12/26/2023	RET-SS II- App No. 4	Arnaudo Construction, Inc.	Miller Recharge Project	6205 - Repairs & Maintenance	-Groundwater Management	654.24
Bill	12/26/2023	RET-SS II- App No. 4	Arnaudo Construction, Inc.	Cleaning SS pump	6205 - Repairs & Maintenance	.Operations Fund:South System O&M	1,311.00
Bill	01/19/2024	RET NS 1B - App No1.	Arnaudo Construction, Inc.	42" Pipe - (Retainage \$10,550)	6115.5 - Pipeline	Capital Outlay:North System Phase 1	10,550.00
Bill	02/09/2024	RET NS 1B- App No. 2	Arnaudo Construction, Inc.	42" Pipe - (Retainage \$59,080)	6115.5 - Pipeline	Capital Outlay:North System Phase 1B	59,080.00
Bill	03/31/2024	RET NS 1B- App No. 3	Arnaudo Construction, Inc.	Pipe related work. (Retainage \$8,130)	6115.5 - Pipeline	Capital Outlay:North System Phase 1B	8,130.00
Bill	04/30/2024	RET SS II - App No.6	Arnaudo Construction, Inc.	SS Phase II - (Retainage \$4,842)	6115.5 - Pipeline	Capital Outlay:South System Phase 2	4,842.00
Bill	04/30/2024	RET NS 1B-App No. 4	Arnaudo Construction, Inc.	NS Phase 1b - (Retainage \$9,335)	6115.5 - Pipeline	Capital Outlay:North System Phase 1B	9,335.00
Bill	05/18/2024	RET NS 1B - App No.5	Arnaudo Construction, Inc.	NS Phase 1b - (Retainage \$26,740)	6115.5 - Pipeline	Capital Outlay:North System Phase 1B	26,740.00
Bill	06/25/2024	RET NS 1B - App #6	Arnaudo Construction, Inc.	NS Phase 1b - (Retainage \$34,016.40)	6115.5 - Pipeline	Capital Outlay:North System Phase 1B	34,016.40
Bill	09/30/2024	RET SS II Ret App #7	Arnaudo Construction, Inc.	SS Phase II - (Retainage \$10,871.07)	6115.5 - Pipeline	Capital Outlay:South System Phase 2	10,871.07
Bill	09/30/2024	RET NS 1B Ret APP #7	Arnaudo Construction, Inc.	NS Phase 1b - (Retainage \$15,363.46)	6115.5 - Pipeline	Capital Outlay:North System Phase 1B	15,363.47
Bill	11/11/2024	RET NS-1B App 8	Arnaudo Construction, Inc.	NS Phase 1b - (Retainage \$3,237.19)	6115.5 - Pipeline	Capital Outlay:North System Phase 1B	3,237.19
Bill	11/25/2024	RET SS Phase II	Arnaudo Construction, Inc.	SS Phase II - (Retainage \$7,424)	6115.5 - Pipeline	Capital Outlay:South System Phase 2	7,424.00
Total Arnaudo Construction, Inc.							254,042.87
<b>Butterfield &amp; Co.</b>							
Bill	02/28/2025	107186	Butterfield & Co.	Accounting	6180.1 - Accounting	-G&A	3,338.00
Total Butterfield & Co.							3,338.00
<b>Consero Solutions</b>							
Bill	02/28/2025	2097	Consero Solutions	Funding Research	6180.3 - Consulting	-Planning Fund	650.00
Bill	02/28/2025	2097	Consero Solutions	Other Duties	6180.3 - Consulting	-G&A	200.00
Bill	02/28/2025	2097	Consero Solutions	Communit Engagement	6180.3 - Consulting	-G&A	5,585.00
Total Consero Solutions							6,435.00
<b>Cumming Management Group, Inc.</b>							
Bill	02/28/2025	164364	Cumming Management Grou...	Wage Compliance Services	6180.12 - Labor Compliance Consultant	Capital Outlay:South System Phase 3	264.00
Bill	02/28/2025	164365	Cumming Management Grou...	Wage Compliance Services	6180.12 - Labor Compliance Consultant	Capital Outlay:South System Phase 3	44.00
Total Cumming Management Group, Inc.							308.00
<b>de Graaf Engineering, Inc.</b>							
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	General	6180.4 - Engineering Expense	-G&A	3,543.42
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	SGMA	6180.4 - Engineering Expense	-Groundwater Management	475.00
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	Grant Funding	6180.4 - Engineering Expense	-Planning Fund	665.00
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	NS	6180.4 - Engineering Expense	.Operations Fund:North System O&M	190.00
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	SS	6180.4 - Engineering Expense	.Operations Fund:South System O&M	665.00
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	TL	6180.4 - Engineering Expense	TLID #1	1,178.00
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	SS	6180.4 - Engineering Expense	Capital Outlay:South System Phase 2	665.00
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	SS	6180.4 - Engineering Expense	Capital Outlay:South System Phase 3	4,658.00
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	NS	6180.4 - Engineering Expense	Capital Outlay:North System Phase 1	1,881.00
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	NS	6180.4 - Engineering Expense	Capital Outlay:North System Phase 1B	9,302.00
Bill	03/07/2025	1253	de Graaf Engineering, Inc.	NS Pump	6180.4 - Engineering Expense	Capital Outlay:North System Pump Station	15,713.17
Total de Graaf Engineering, Inc.							38,935.59
<b>Granberg &amp; Associates</b>							
Bill	03/03/2025	31	Granberg & Associates	SS Contract Status	6180.7 - Project Management	Capital Outlay:South System Phase 3	1,710.00
Bill	03/03/2025	31	Granberg & Associates	SGMA Grant Adm	6180.7 - Project Management	Capital Outlay:North System Phase 1	2,137.50
Bill	03/03/2025	31	Granberg & Associates	General	6180.7 - Project Management	-G&A	427.50
Total Granberg & Associates							4,275.00
<b>HydroFocus, Inc</b>							
Bill	03/12/2025	5658-31Rev	HydroFocus, Inc	Hydrologist	6180.5 - Hydrologist	-Groundwater Management	7,033.22
Total HydroFocus, Inc							7,033.22
<b>John Lakso &amp; Helen Lakso, Trustees</b>							
Bill	03/04/2025	Email 3.4.25	John Lakso & Helen Lakso, T...	Lease Payment	6115.2 - Easements	Capital Outlay:Recharge Lakso Project	4,500.00
Total John Lakso & Helen Lakso, Trustees							4,500.00
<b>Lodi District Grape Growers Association</b>							
Bill	02/26/2025	2.26.25	Lodi District Grape Growers ...		6175 - Public Outreach	-G&A	437.40
Total Lodi District Grape Growers Association							437.40
<b>Pacific Southwest Irrigation</b>							
Bill	09/05/2024	104271	Pacific Southwest Irrigation	Pumping Station for 4000 GPM#2	6115.6 - Pump Station	Capital Outlay:North System Phase 1B	9,896.60
Bill	02/18/2025	294002	Pacific Southwest Irrigation	Labor	6205 - Repairs & Maintenance	.Operations Fund:North System O&M	2,500.00
Total Pacific Southwest Irrigation							12,396.60
<b>Shasta Burns</b>							
Bill	03/17/2025	224	Shasta Burns	March Invoice	6180.8 - Board Clerk	-G&A	5,390.00

## 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	03/17/2025	224-Mileage	Shasta Burns	March Invoice	6228 - Travel	-G&A	471.80
Total Shasta Burns							5,861.80
<b>Spaletta Law PC</b>							
Bill	03/17/2025	March Rent	Spaletta Law PC	March Rent	6142 - Lease Expense	-G&A	700.00
Bill	03/17/2025	March Rent	Spaletta Law PC	Reimbursement	6145 - Meeting Supplies	-G&A	262.70
Total Spaletta Law PC							962.70
<b>Stoel Rives, LLP</b>							
Bill	02/24/2025	8057965	Stoel Rives, LLP	January Services	6180.6 - Legal	-G&A	3,314.00
Bill	02/24/2025	8057964	Stoel Rives, LLP	January Services	6180.6 - Legal	-Groundwater Management	12,069.20
Bill	02/24/2025	8056336	Stoel Rives, LLP	January Services	6180.6 - Legal	-G&A	2,310.80
Bill	03/17/2025	8060451	Stoel Rives, LLP	February Services	6180.6 - Legal	-G&A	360.00
Bill	03/17/2025	8060454	Stoel Rives, LLP	February Services	6180.6 - Legal	-G&A	4,111.00
Bill	03/17/2025	8060450	Stoel Rives, LLP	February Services	6180.6 - Legal	-Groundwater Management	11,002.50
Bill	03/17/2025	8060453	Stoel Rives, LLP	February Services	6180.6 - Legal	Capital Outlay:North System Phase 1	900.00
Bill	03/17/2025	8060452	Stoel Rives, LLP	February Services	6180.6 - Legal	Capital Outlay:South System Phase 2	855.00
Bill	03/17/2025	8057966	Stoel Rives, LLP	January Services	6180.6 - Legal	Capital Outlay:South System Phase 3	3,531.60
Bill	03/17/2025	8057966	Stoel Rives, LLP	January Services	6180.6 - Legal	Capital Outlay:South System Phase 2	566.80
Bill	03/17/2025	8057966	Stoel Rives, LLP	January Services	6180.6 - Legal	-G&A	959.20
Total Stoel Rives, LLP							39,980.10
<b>Teichert Construction</b>							
Bill	01/31/2025	1056580	Teichert Construction	SS Phase III	6115.5 - Pipeline	Capital Outlay:South System Phase 3	1,000,000.00
Bill	02/28/2025	1057317	Teichert Construction	SS Phase III	6115.5 - Pipeline	Capital Outlay:South System Phase 3	189,150.00
Bill	03/04/2025	Change Order #3	Teichert Construction	SS Phase III	6115.5 - Pipeline	Capital Outlay:South System Phase 3	20,112.98
Total Teichert Construction							1,209,262.98
<b>TOTAL</b>							<b>1,587,769.26</b>

# North San Joaquin Water Conservation District

## Board of Directors:

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



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

**NORTH SAN JOAQUIN WATER  
CONSERVATION DISTRICT  
POST OFFICE BOX E  
VICTOR, CALIFORNIA 95253**

March 6, 2025

Croce, Sanguinetti, & Vander Veen, Inc.  
3520 Brookside Road, Suite 141  
Stockton, California 95219

This representation letter is provided in connection with your audit of the financial statements of **North San Joaquin Water Conservation District** (the District), which comprise the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows for the years then ended, and the disclosures (collectively, the “financial statements”), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with the accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 5, 2025, the following representations made to you during your audit.

## Financial Statements

Mailing - PO Box 334, Victor, CA 95253  
(209) 368-2101

Physical - 498 East Kettleman Lane, Lodi, CA  
[www.NSJWCD.com](http://www.NSJWCD.com)

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 9, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for the preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
8. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
9. Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

### **Information Provided**

10. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
11. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13. We have no knowledge of any fraud or suspected fraud that affects the District and involves:
  - a. Management,
  - b. Employees who have significant roles in internal control, or
  - c. Others where the fraud could have a material effect on the financial statements.
14. We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
16. We have disclosed to you all known and actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
17. We have disclosed to you the names of the District's related parties and all the related party relationships and transactions including any side agreements.

#### **Government - Specific**

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
19. We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
20. We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
21. The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.
22. We are responsible for the District's compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
23. We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts and grant agreements, that we believe have a material effect on the financial statements.



24. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
25. As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
26. The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
27. The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
28. The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
29. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB Statement No. 84.
30. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
31. Components of net position (net investment in capital assets, restricted, and unrestricted) and equity amounts are properly classified and, if applicable, approved.
32. Provisions for uncollectible receivables have been properly identified and recorded.
33. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
34. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
35. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
36. Special and extraordinary items are appropriately classified and reported, if applicable.
37. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

# North San Joaquin Water Conservation District

## Board of Directors:

Joe Valente (Area 3) President  
Jason Colombini (Area 2) Vice-President  
David Simpson (Area 1) Secretary  
Charles Starr (Area 4) Treasurer  
Marden Wilbur (Area 5)



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

38. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
39. We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position is properly recognized under the policy.
40. We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.
41. The adjusting journal entries for the period ended June 30, 2022, which have been proposed by you, are approved by us and will be recorded on the books of the District.
42. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
43. With respect to the schedule of the summary of operating expenses:
  - a. We acknowledge our responsibility for presenting the schedule of summary of operating expenses in accordance with U.S. GAAP, and we believe the schedule of summary of operating expenses, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the schedule of summary of operating expenses have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - b. If the schedule of summary of operating expenses is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.
44. In regards to preparing the standard, adjusting, or correcting journal entries, assisting in preparing the financial statements and the preparation of the Special Districts Financial Transactions Report and Local Government Compensation Report, by you, we have -
  - a. Assumed all management responsibilities.

- b. Designated an individual (within senior management), with suitable skill, knowledge, or experience to oversee the services.
- c. Evaluated the adequacy and results of the services performed.
- d. Accepted responsibility for the result of the services.

Signature \_\_\_\_\_  
Joe Valente, President

**BOARD OF DIRECTORS**

P.O. Box E, Victor, CA 95253

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From: Steve Schwabauer, General Manager

**ACTION:** Establish 2025 Water Rates for Irrigation Water

**DISCUSSION:**

The District conducted a Proposition 218 proceeding in January 2015 to set irrigation water rates at the following maximum rates:

South System with delivery of 3,000 af	\$104.41
South System with delivery of 6,000 af	\$81.60
Tracy Lake	\$3.10 on top of O&M assessment

Actual O&M costs have been inconsistent for the District for the last 9 years because of reconstruction of the North and South Pump Stations, pipelines and bringing groundwater recharge projects on-line. The district has not conducted a new Proposition 218 rate proceeding or set rates for the North System.

The District formed ID3 and ID3A and those landowners are paying capital assessments for the South System and should not pay the same water rate as lands that are not in the IDs. There is interest in two landowners on the North System to create an ID4 and they should receive the same benefit of a reduced rate if they are covering infrastructure costs.

The District needs to set water rates for 2025.

**RECOMMENDATION:** Staff recommends that the Board set the following rates

Tracy Lake rate at \$3.10 per af

South System in ID3 \$40.00 per af off of the pipeline or east ditch

South System in ID3A \$40.00 per af plus \$15.00 per af for pump out of Pixley Slough with District facilities

South System or North System not in an ID: \$80.00 per AF

North System once ID4 is created: will be set by contract once formed

The above proposal increases water rates for the South System ID by \$10.00 over last year and the Non ID Customers by \$20.00 over last year. The District engaged the services of Power Services, Inc. to update the pump efficiency/cost studies for the North and South Pumps to inform an updated rate analysis and Proposition 218 proceeding in this year, and to inform required reports under the Proposition 1 grant from DWR related to efficiencies gained with the new South Pump Station and those reports are being completed now. Unfortunately, the South System Pump failed during the test so the rate analysis work will need to be pushed back to next year.

**FISCAL IMPACT:** Revenue to district based on rates set and water delivered for irrigation to offset cost of operations.

**Resolution 2025-\_\_  
of the Board of Directors of the**

**NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT  
Setting 2025 Water Rates for Surface Water**

WHEREAS, North San Joaquin Water Conservation District is preparing to deliver surface water for irrigation to the South System, North System and Tracy Lake Improvement District during 2025.

WHEREAS, the District conducted a Proposition 218 proceeding regarding water rates in December 2014-January 2015. The Engineer's Report proposed maximum water rates as follows:

South System — with delivery of 3,000 af	\$104.41
South System — with delivery of 6,000 af	\$81.60
Tracy Lake System	\$3.10 (over and above operation and maintenance assessment)

The report did not address the North System because it was not operational at the time.

WHEREAS, thereafter the District formed Improvement District No. 3 to include landowners along the South System who desire to use surface water for irrigation and voluntarily agreed to assess their lands \$500 per acre to cover facility costs.

WHEREAS, the South System has been substantially improved since 2015 with a new pump station and a second pump will be added this year and there is insufficient data at this time to establish new cost of service rates. The North System has also recently been improved with a temporary pump and landowners have requested water.

WHEREAS, the District desires to cover costs of service and incentivize landowners to maximize the use of surface water to alleviate groundwater overdraft conditions.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The 2025 Water Rates for the District shall be:

South System Landowners within ID3 \$40.00 per acre-foot

North System Landowners and South System Landowners not within ID3 \$80.00 per acre-foot

Tracy Lake System \$3.10 per acre-foot (over and above the operation and maintenance assessment required by existing agreements)

North System Landowners once ID4 is formed will be established by contract once the ID is formed

Moved by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes:           \_\_\_ Directors

Noes:           \_\_\_ Directors

Absent:         \_\_\_ Directors

Abstain:        \_\_\_ Directors

The President declared the resolution adopted.

I, David Simpson, Secretary of the Board of Directors of the NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT, do hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors held the \_\_\_ day of March, 2025.

---

Brady Colburn, Secretary

Prepared by: Steve Schwabauer, General Manager  
Daniel de Graaf, District Engineer

**RECOMMENDATION:**

Award a Construction Contract to Arnaudo Construction, Inc. in the amount of \$731,600 for elements 1 and element 3 and a portion of element 2 of the North System Improvements - Phase 1C Project, contingent upon District staff securing a grant revenue anticipation loan or other short term financing arrangement.

**DISCUSSION:**

The North San Joaquin Water Conservation District North System Improvements – Phase 1C Project Request For Proposals was distributed on March 11, 2025. A mandatory Pre-Bid meeting was held at 2:00 p.m. on March 18, 2025, at which eight (8) contractors attended. Bidders were required to submit questions regarding the project to the District Engineer by 5:00 P.M. on March 20, 2025. Several contractors contacted the District Engineer for clarification on the plans that did not require an addendum for a response. The bids included three elements. Element 1 included the pipeline between Acampo Road and the Lakso Lateral which failed and must be replaced. Element 2 included the pipeline between the Lakso Lateral and the Powell Driveway. The last element included grading and berming the 36 acre basin the district currently operates on. The remaining 44 acres still has vines awaiting curtain burning. The original bid package was structured on the assumption that a prior project would have placed a valve 50 feet north of the Lakso Lateral making element one work as a stand alone project. However materials were not available to install that valve and it needs to be added to this project connect element 1 to the upstream pipeline and connect the Lakso lateral to the North System.

At 10:00 a.m. on March 26, 2025, seven (7) bids were received, one of which was incomplete and rejected as non-responsive. A complete bid canvas with a summary of the six accepted bids is attached.

The RFP was issued, and bids were evaluated pursuant to the District's procurement policy. The District may award a contract for a project to a qualified bidder based on the lowest bid or the best value to the District, at the discretion of the Board.

The RFP included two separate options, including an option to complete the project with PVC (the same material as the previous phase) and an option to complete the project with HDPE as an alternative material. PVC provides consistency throughout the project and allows for easier repairs and modification to the system in the future. HDPE would likely provide more longevity and resistance to leaks and damage from permanent crops but would also likely have a higher cost for repairs or modifications in the future due to specialty equipment and the size of the pipe.

The six accepted bids for the PVC option ranged from \$795,532 (Avid Water) to \$2,917,000 (Golden State Irrigation), with four bids coming in between \$1,141,880 and \$1,454,580. This is compared to the Engineer's Estimate of \$1,458,500. Staff is not comfortable with the Avid proposal given how much lower it is than the normal range of bids. As such it is not discussed further, however it remains a board option.

Only five contractors submitted bids for the HDPE option. The accepted bids ranged from \$759,002 (Avid Water) to \$3,046,000 (Golden State Irrigation), with three bids coming in between \$1,241,025 and \$1,561,560. This is compared to the Engineer's Estimate of \$1,458,500.

After reserving \$200,000 for the North System Monitoring Wells that we are awaiting a quote on now, the Board has approximately \$642,500 remaining on the SGMA grant to fund the project. Following a detailed review of the bids received, conversations with the contractors about their bids, means and methods, and weighing the cost and benefits of both PVC and HDPE, staff recommend awarding a contract for elements 1 at \$430,600 and 3 at 274,000 and a change order to add to add 50 feet of pipeline and a valve to reconnect the Lakso Lateral at 39,950 which represents the values bid for those items in Arnaudo's element 2 bid package. P Under that scenario Arnaudo Construction is the low bidder at \$731,600 for the PVC option. As such staff recommends awarding the contract to Arnaudo Construction in the amount of **\$731,600**. In the event dollars remain available after the next SGMA billing cycle, staff will return to the board at its next meeting to negotiate a change order to use the remainder of the grant money on additional pipeline and basin work on the remaining 44 acres.

If the Board alternatively wants to award all three phases, the low bidder is Arnaudo Construction, and the Board will need to find a revenue source to cover the \$398,525 shortfall. Given cash flow challenges to accomplish existing grant projects staff does not feel this is possible outside awarding a multi-year contract which would of course drive up mobilization costs.

#### **FINANCIAL SUMMARY:**

This project will be full funded by the Sustainable Groundwater Management Act (SGMA) Implementation Grant, Component 4, North System Improvement Component - Phase 1; and \$100,000 in GW funds.

#### **ENVIRONMENTAL DETERMINATION:**

The Project is Categorically Exempt from CEQA as follows:

Pipeline Replacement: Class 2 Exemption CCR section 15302: replacement or reconstruction of facilities within the same site for substantially the same purpose.

Recharge Basin: Class 4 Exemption CCR section 15304: minor alterations to land that does not involve removal of mature trees or grading of land with more than 10 percent slope.



**Attachments**

1 – Bid Canvas

**Resolution 2025-  
of the Board of Directors of the**

**NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT  
Authorizing Execution of Delivery of Contract with Arnaudo Construction in the Amount  
of \$731,600 for North System Improvements Phase 1C**

WHEREAS, North San Joaquin Water Conservation District solicited proposals for construction of the North System Improvements Project – Phase 1C (the Project) in March of 2025.

WHEREAS, the bid request included three elements including element 1: pipeline between Acampo Road and the Lakso Lateral, Element 2: pipeline between the Lakso Lateral and the Powell gate and Element 3: 36 acre Lakso basin grading.

WHEREAS the project bid structure was put together on the assumption that a prior project would have installed a valve in the pipe that would have made element 1 work as a stand alone project but the materials needed to install that valve were not timely available for the prior project.

WHEREAS the District received 7 proposals for evaluation and has selected the proposal from Arnaudo Construction for elements 1 at \$430,600 and 3 \$274,00 and requested a change order to add to add 50 feet of pipeline and a valve to reconnect the Lakso Lateral at 39,950 as the proposal that is the best value to the District at a cost of \$731,600 for the Project.

WHEREAS the \$39,950 number is based on the price for 50 feet of pipe and the valve set forth in Arnaudo’s Element 2 bid response,

WHEREAS the Project is Categorically Exempt from CEQA as follows:

Pipeline Replacement: Class 2 Exemption CCR section 15302: replacement or reconstruction of facilities within the same site for substantially the same purpose.

Recharge Basin: Class 4 Exemption CCR section 15304: minor alterations to land that does not involve removal of mature trees or grading of land with more than 10 percent slope.

WHEREAS, the Project will be paid for with the Sustainable Groundwater Management Act (SGMA), Grant Agreement No. 4600014643 awarded to the Eastern San Joaquin Groundwater Authority,

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Board President is authorized to execute and deliver to Arnaudo Construction a contract for the Project, in the amount of \$731,600 on the District’s standard long-form construction contract as approved by legal counsel.
2. The District designates the General Manager as the Contracting Officer/Project Manager for the Project. The Contracting Officer/Project Manager may approve change orders of \$25,000 or less and the President of the Board and the Contracting Officer/Project Manager may approve change orders of \$50,000 or less. Cumulative change orders exceeding \$100,000 require subsequent board approval.

Commented [RG1]: Having not seen the bids, is the basin out? If so, delete this sentence.

3. The Contracting Officer/Project Manager shall issue a Notice to Proceed and meet with the contractor to define a construction schedule to be presented to the Board at the next regular board meeting.

ADOPTED: March 31, 2025 upon motion of \_\_\_\_\_, seconded by Director \_\_\_\_\_ and passed by the following vote:

AYES: \_\_\_\_ NOES: \_\_\_\_ ABSENT: \_\_\_\_ ABSTAINS: \_\_\_\_

**CERTIFICATE OF SECRETARY**

I do hereby certify that I am the Secretary of the North San Joaquin Water Conservation District, a water conservation district organized and existing under the laws of the State of California, and that the foregoing Resolution was duly adopted by the Board of Directors of said District at a meeting thereof duly and regularly held at Grape Festival Barrel Room, Lodi, California on the 31 day of March 2025, at which meeting a quorum of said Board of Directors was at all times present and acting, and that said Resolution has not been rescinded or amended in whole or any part thereof, and remains in force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of the North San Joaquin Water Conservation District this 31 day of March, 2025

\_\_\_\_\_  
Brady Colburn, Secretary  
North San Joaquin Water Conservation District

## EXHIBIT A: SCOPE OF WORK & FEE SCHEDULE

### Services:

This scope of work outlines the proposed task that Zanjero, Inc. will provide to North San Joaquin Water Conservation District (NSJWCD or District). The specific task described here is focused on supporting the District with assessing recent historic evapotranspiration (ET) data associated with irrigated agricultural operations within its District, primarily through an analysis using OpenET data combined with review of relevant District and SWRCB reported data.

### Task 1: 2022 through 2024 ET Analysis

Zanjero will work with NSJWCD to prepare an analysis of ET quantities and trends for irrigated lands throughout the District's service area. The intended outcome is to provide NSJWCD with insight and understanding of parcel-by-parcel ET as well as trends in overall ET and use of groundwater to meet ET. This task will also evaluate and consider surface water diversion data to assist in quantifying estimated groundwater use by parcel. In this task, Zanjero will:

- Coordinate data collection with District staff
- Access and analyze publicly available OpenET data for irrigated lands within the District boundary area
- Incorporate data regarding private-party and District reported surface water use by parcel, including comparing eWRIMS data to data reported to the District and performing quality control of data
- Incorporate crop layers, and other useful data to help assess groundwater application and consumption (also referred to as ET of Applied Water or ETAW) over the past 3 years.
- Prepare tabular reports and summary graphics to display results
- Refine analysis as may result from District coordination and discussion

### Task 2: Meetings and Additional Support

Zanjero anticipates several virtual meetings with District representatives, its Board, and potentially other interested stakeholders (e.g. landowners or other GSAs in the subbasin). Zanjero will also provide as-needed additional support, if budget is available, to discuss and recommend use of ET data, use of data platforms, and other GSA demand management related implementation tasks, as may be requested by NSJWCD from time to time during the course of this contract:

### Schedule and Budget:

Once under contract, Zanjero anticipates completing Task 1 by the end of May 2025, depending on the availability of surface water data and reports via eWRIMS for identified surface water right holders within the District. This schedule anticipates timely coordination with NSJWCD for meetings and receipt of requested data. Zanjero anticipates these tasks can be completed on a time and materials basis using the billable rates shown below, not to exceed \$40,000.

## Fee Schedule:

These rates will be maintained for the period of performance of this contract or until January 1, 2026.

Any additional work requested by NSJWCD may be subject to alternative costs as agreed to between Zanjero and NSJWCD.

Title	Rate (\$/hour)
Principal	330
Strategic Advisor	295
Managing Planner/Engineer	270
Senior Planner/Engineer	240
Planner/Engineer	225
Communications Director	270
Senior Communications Specialist	240
Communications Specialist	215
Analyst	155
Administrative	125

# Teichert Construction Change Order Request



**Teichert Construction - Stockton Office**  
PO Box 1118  
Stockton, CA 95201  
Phone: 209-983-2300 Fax: 209-983-2375

**Owner :** North San Joaquin Water Conservation District  
498 East Kettleman Lane  
Lodi, CA 95240

**Project:** 12313.00 - South System Improvement Project - Phase III

**Date:** March 04, 2025

Item	Quantity	UM	Unit Price	Amount
<b>Change Order Request: #3 - 9001 - Gas Line Demo</b>				
1	EWB 1.0 1/3/2025 9001 - Gas Line Demo	LS		1,636.60
2	EWB 2.0 1/4/2025 9001 - Gas Line Demo	LS		18,476.38
<b>Total For Change Order</b>				<b>\$20,112.98</b>

**Approved By:** North San Joaquin Water Conservation District **Submitted By:** Tyler McIntosh

**Signed:** \_\_\_\_\_ **Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## DAILY EXTRA WORK REPORT

<b>North San Joaquin Water Conservation District</b> Contractor Job: 12313.00 - South System Improvement Project - Phase III Work Performed By: Teichert Construction Description of Work: 9001 - GAS LINE DEMO										Change Order <b>901</b> Billing Number <b>1.0</b> Report Date <b>3/04/2025</b> Perform Date <b>1/03/2025</b>	
Report No.											
<b>Labor Charges</b>										<b>Labor Charges</b>	
Craft/Level	Employee Name	RT Hrs	OT/DT Hrs	Subs Units	RT Rate	OT/DT Rate	Subs Rate	Extended			
L01 OE GP02	P Benge	2.00			96.120			192.240	RT Labor		461.28
L02 LBR CS	JN Jimenez	2.00			68.360			136.720	SC 9.00%		41.51
L03 LBRAP AP03	CM Wray	2.00			66.160			132.320	OT/DT Labor		0.00
<b>Equipment Charges</b>										Subtotal Labor 502.79	
Equipment ID	Class	Make	Model	A1	A2	RT Hrs	OT Hrs	RT Rate	OT Rate	Delay Factor	Extended
E01 SGN0251	HCECL	CAT	349F			2.00		353.050			706.100
E02 ACH02298	TRUCK	T&TT	12-20			2.00		54.230			108.460
E03 ACF01771	TRUCK	T&TT	06-12			2.00		41.960			83.920
										Subsistence 0.00	
										Other Expenses 0.00	
										MU 20.00% 100.56	
										<b>Labor Total 603.35</b>	
										<b>Equipment Charges</b>	
										Subtotal 898.48	
										MU 15.00% 134.77	
										<b>Equipment Total 1,033.25</b>	
										<b>Material Charges</b>	
										Activity Total <b>1,636.60</b>	
										Work Total <b>1,636.60</b>	
										<b>Bill Subtotal 1,636.60</b>	
<b>Teichert Construction</b> 3500 American River Drive, Sacramento, CA 95864							Accepted:				
							Customer:		Date:		
							Contractor:		Date:		
									<b>Bill Total + 1,636.60</b>		

## DAILY EXTRA WORK REPORT

<b>North San Joaquin Water Conservation District</b> Contractor Job: 12313.00 - South System Improvement Project - Phase III Work Performed By: Teichert Construction Description of Work: 9001 - GAS LINE DEMO										Change Order <b>901</b> Billing Number <b>2.0</b> Report Date <b>3/04/2025</b> Perform Date <b>1/04/2025</b>			
Report No.													
<b>Labor Charges</b>										<b>Labor Charges</b>			
Craft ID	Employee Name	RT Hrs	OT/DT Hrs	Subs Units	RT Rate	OT/DT Rate	Subs Rate	Extended	RT Labor		0.00		
L01	LBR CS	JN Jimenez	4.00			87.585		350.340	OT/DT Labor		869.24		
L02	OE FOR	PC Wray	4.00			129.725		518.900	SC	9.00%	78.23		
<b>Equipment Charges</b>										Subtotal Labor		947.47	
Equipment ID	Class	Make	Model	A1	A2	RT Hrs	OT Hrs	RT Rate	OT Rate	Delay Factor	Extended		
E01	SGN0251	HCECL	CAT			4.00		353.050			1,412.200		
E02	ACH02298	TRUCK	T&TT			4.00		54.230			216.920		
E03	ACB02124	TRUCK	T&TT			4.00		41.960			167.840		
<b>Subcontract/Specialist Work</b>										Subsistence		0.00	
Number	Date	Vendor Name and Description					Units	Unit Price	Extended	Other Expenses		0.00	
S01	52500101	1/14/2025	Michels Pacific Energy, Inc. / Vac Truck & X-Ray Services					1.000 LS	13,884.47	13,884.47	MU	20.00%	189.49
										Labor Total		<b>1,136.96</b>	
										<b>Equipment Charges</b>			
										Subtotal		1,796.96	
										MU	15.00%	269.54	
										Equipment Total		<b>2,066.50</b>	
										<b>Material Charges</b>			
										<b>Subcontract Charges</b>			
										Subtotal		13,884.47	
										MU	10.00%	1,388.45	
										Subcontract Total		<b>15,272.92</b>	
										Activity Total		<b>18,476.38</b>	
										Work Total		<b>18,476.38</b>	
										Bill Subtotal		<b>18,476.38</b>	
<b>Teichert Construction</b> 3500 American River Drive, Sacramento, CA 95864							Accepted:						
							Customer:		Date:				
							Contractor:		Date:				
										Bill Total +		<b>18,476.38</b>	





Michels Pacific Energy  
 PO Box 128 | 817 Main Street, Brownsville, WI 53006

Bill to: Teichert Pipelines  
 Attn: Accounting Department  
 Address: 400 Sunrise Ave, Suite 300  
Roseville, CA 95661  
 Email: ap@teichertpipelines.com  
 Contracts: Jolynn Bauser  
 Email: jbauser@teichert.com  
 Phone: 916-757-6478

**Project:** South System Improvement Project - Phase III - MPE Gas Work  
 MPC PM: Sebastian Gonzales  
 Phone: 920-579-7934  
 Email: sgonzales@michels.us  
 Client PM: Alfredo Bustos Torres  
 Phone: 925-321-0843  
 Email: abustostorres@teichert.com

Date: 01/14/25  
 Invoice # 52500101  
 Michels Job # 24056950  
 Customer #  
 MSA #  
 CWA # 12313  
 PO # 12313.00507  
 Terms: Net 30

Item #	Description	Qty	Unit Price	Total
1	Labor & Equipment - Lump Sum	1	\$ 10,487.00	\$ 10,487.00
2	Standby Vac Truck - Invoice + 10%	1	\$ 1,347.89	\$ 1,347.89
3	X-Ray Services - Invoice + 10%	1	\$ 2,049.58	\$ 2,049.58

PAYMENT SHALL BE MADE WITHIN 30 DAYS FOLLOWING THE DATE OF INVOICE OR COMPLETION OF WORK, WHICHEVER IS EARLIER A LATE CHARGE OF 1 1/2% PER MONTH WILL BE ASSESSED ON UNPAID BALANCES. IN THE EVENT SUIT OR ACTION, INCLUDING ANY APPEAL THEREFROM, IS BROUGHT TO ENFORCE ANY TERMS OF THIS AGREEMENT, THE PREVAILING PARTY SHALL BE ENTITLED TO SUCH REASONABLE ATTORNEY'S FEES AND COSTS AS MAY BE AWARDED BY THE TRIAL APPELLATE COURTS.

Invoice Subtotal	\$	13,884.47
Tax Rate		
Sales Tax	\$	-
Retention	\$	-
<b>TOTAL</b>	<b>\$</b>	<b>13,884.47</b>

**PLEASE MAKE CHECK PAYABLE TO & REMIT TO:**  
 MICHELS PACIFIC ENERGY, INC  
 PO Box 128  
 Brownsville, WI 53006-0095

**BOARD OF DIRECTORS**

P.O. Box 334, Victor, CA 95253

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From: Steve Schwabauer, General Manager

**RECOMMENDED ACTION:** Authorize General Manager to enter ten-year Lease with John and Helen Lakso

**DISCUSSION:**

The District initially entered a long term FloodMAR lease with John and Helen Lakso to flood their vineyards in the winter. After the first year of operations, the Lakso's decided to pull their vineyards. The removal process took some time so the parties entered an interim agreement to do some longer-term recharge on the land. The District has negotiated a new lease for operations on the property as a long term recharge basin now that the vineyards are partially removed.

Under the terms of the new lease the District will pay the Lakso's \$40,000 per year for 80 acres. The lease covers the same 80 acres the District has operated on for the last two years and is highly productive land for recharge. The District will receive a \$500 credit for a short period for acreage that is still awaiting curtain burning and is not available for recharge.

**RECOMMENDATION:** Authorize Staff to enter ten year lease with John and Helen Lakso.

**FISCAL IMPACT:** \$40,0000 annually for ten years charged to the GW Fund

**GROUND LEASE for GROUNDWATER RECHARGE PROJECT  
(Lakso Property, APN 017-240-080)**

This Lease Agreement ("Lease") is effective April 1, 2025, by and between John Lakso and Helen Lakso, Trustees (collectively "Lessor") and North San Joaquin Water Conservation District ("District").

**1. Lease of Premises.**

a. Lessor agrees to lease to District the Premises for an on-farm groundwater recharge project and related monitoring efforts. The leased "Premises" includes 80 acres known as, San Joaquin County APN 017-240-080.

i. Notwithstanding the above, the western 44 acre portion of the 80 acres is currently not usable to the District due to Lessor's vine removal activities. The leased "Premises" will not include these 44 acres until Lessor has removed all of its vines and equipment from the 44 acres. The parties shall confirm in writing when the 44 acres become available as part of the leased Premises. District's obligations regarding the leased Premises shall not begin until this confirmation occurs.

b. The parties previously entered into a year to year lease for on-farm recharge of the Premises. That lease is hereby terminated and the parties agree that the rent to be paid by District to Lessee for the October 1, 2024 through March 31, 2025 time period under the prior lease shall be \$4,500.

**2. Term.** The initial lease term is ten years beginning April 1,, 2025 and ending on March 31, 2034 ("Initial Term"). The Term shall automatically renew for successive one-year terms, unless either party provides written notice to terminate at least 60 days prior to the end of the Initial Terms. Notwithstanding the above, the District may terminate this lease at any time with at least 12 months written notice. District may also terminate all or any portion of this lease immediately and without notice if all or any portion of the property is condemned by another governmental entity.

**3. Rent and Other Expenses.**

A. Rent. District shall pay annual rent in the amount of \$500 per acre per year (or \$40,000.00 for all 80 acres), payable in two installments annually of \$20,000 on or before each June 1<sup>st</sup> and \$20,000 on or before each December 31<sup>st</sup>. Rent shall be prorated for the 44 acres that are currently unavailable to the District and paid only for those months that the 44 acres are available.

B. Costs and Expenses. District shall pay all costs and expenses associated with delivering water to the Premises for groundwater recharge including adding facilities to or on the Premises, and installing berms as needed, and operating the groundwater recharge activities on the Premises.

- C. Improvements and Modifications. District shall be responsible for the cost of and constructing all improvements necessary for the groundwater recharge project, which District may remove at the conclusion of the lease. District shall return the Premises to the condition that existed prior to this Lease at the request of the Lessor.
- D. Maintenance: District shall be responsible for the cost to maintain the Premises free from weeds and shall keep the leased Premises in a clean and orderly fashion. The costs to maintain farm roads used by the District and Lessor shall be shared 50/50.

#### 4. Use of Premises.

- A. Exclusive. District shall have exclusive use of the Premises for District purposes unless the District elects to sublease the Premises.
- B. Recharge: District will use the Premises for a groundwater recharge project and associated monitoring, including installation of one or more monitoring wells if desired by District. While it is District's goal to conduct groundwater recharge on the Premises, District is not required to conduct groundwater recharge in any particular month or year provided: (1) District is current with its rent obligation; and (2) District is not in default.
- C. Farming. District may, but is not required to, sublease the Premises to a third party on a seasonal basis to farm the Premises in the event the District does not have a groundwater recharge need for the Premises in a particular year.
- D. Compliance: District shall not use the Premises for anything illegal and shall comply with all applicable laws.

#### 5. Obligations.

- A. Access to wells: While this Lease is in effect, Lessor will permit District to access and perform tests and measurements on any groundwater wells located on the Premises and, as may be agreed in writing between District and Lessor, any wells located adjacent to the Premises on property that Lessor owns. District may allow a subletting farmer to use the groundwater wells on the Premises for irrigation of the Premises provided the sublessee pays for all expense associated with operating the well. District shall have no obligation to repair or replace the groundwater well or associated pump.
- B. Irrigation Infrastructure. District may permit a sublessee to install irrigation infrastructure on the Premises for farming purposes with the consent of Lessor, provide the installations do not interfere with District's use of the Premises.

- C. No Interference. Except as provided in the next paragraph, Lessor will not interfere with District facilities or groundwater recharge operations. District shall ensure that its operations on the Premises shall not interfere with Lessor's operations on adjacent parcels.
- D. No Rights to Recharged Water. Water recharged by District pursuant to this Lease shall be for the benefit of all groundwater users within the District. Lessor shall not claim any specific right to or interest in water that is applied for groundwater recharge by District pursuant to this Lease.

## **6. Indemnification and Insurance**

- A. Indemnification. District shall indemnify and save Lessor, its members, managers, agents, officers, and employees harmless from and against any claims, suits, actions, damages, penalties and causes of action arising during the term of this Lease, out of any personal injury, bodily injury, loss of life or damage to property, violation of any federal, state or municipal law or ordinance or other cause in connection with the occupation, use, possession, conduct or management of, or from any work or thing whatsoever done in and about the Premises by District, its employees, agents, licensees, guests and invitees; provided, that Lessor shall not be held harmless from its own acts or those of its agents, employees, licensees, guests, or invitees.
- B. Insurance. During the term of this Lease, District at its cost shall maintain comprehensive liability and property damage insurance on the Premises in the amount of One Million Dollars (\$1,000,000.00) per occurrence combined single limit coverage. Such coverage shall include, but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom and damage to property resulting from operations contemplated under this Lease, use of owned and non-owned automobiles, products and completed operations. Lessor shall be named as additional insureds, and the policy shall stipulate that this insurance will operate as primary insurance. District may provide such insurance through a blanket policy provided that the amount of insurance will not be affected by other policy losses. District will provide to Lessor a Certificate of Insurance showing the above coverages on an annual basis starting with the effective date of this lease.

**7. Default and Remedies**. District shall not be considered to be in default under this Lease unless: (i) Lessor has given written notice specifying the event of default; and (ii) District has failed for thirty (30) days to cure the event of default, if it is curable, or to institute and diligently pursue reasonable corrective or ameliorative acts for incurable defaults. In the event of default by either party, the other party shall have all rights and remedies provided at law or in equity.

**8. Waivers**. No waiver by either party at any time of any of the terms, conditions, covenants or agreements of this Lease shall be deemed or taken as a waiver at any time thereafter of the same or

any other term, condition, covenant or agreement herein contained, or of the strict and prompt performance thereof by the other party.

9. **Complete Agreement.** This Lease represents the complete agreement of the parties and operates as a merger of all prior agreements. The Lease may only be amended by a writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the dates set forth below.

**“LESSOR”**

**“DISTRICT”**

John Lakso, Trustee

\_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Date: \_\_\_\_\_

Helen Lakso, Trustee

\_\_\_\_\_  
Date: \_\_\_\_\_

P.O. Box 334, Victor, CA 95253

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

**RECOMMENDATION:** Receive Update on North San Joaquin Water Conservation District Project Funding Requests and Grant Opportunities

**BACKGROUND:**

Consero Solutions provides monthly reports on funding opportunities for which the District has applied or for which the District is considering applying. Proposition 4, passed by the voters in November 2024 contains \$193 million for the California Department of Water Resources Sustainable Groundwater Management Program, \$100 million for integrated regional water management, \$40 million for the State Water and Energy Efficiency Program (SWEEP), and \$200 million for the Department of Conservation's Multibenefit Land Repurposing Program.

The Governor released the proposed 2025-26 State budget on January 10, 2025 and announced a roughly balanced budget with a modest surplus. According to Environmental and Energy Consulting (EEC), the firm with which Consero Solutions contracts for current information about State budget and policy issues, the Legislature continues to work through budget subcommittees to determine the final allocation of Proposition 4 programs of interest to the District. As a result, the District has opportunities to talk to legislators and joint with other local agencies to request changes to funding allocations before the Governor releases the May Revise of the 2025-26 budget.

The District should prepare for upcoming opportunities by developing projects consistent with State guidelines, including focusing on development of a Master Plan and associated funding strategy in 2025. Projects included as a priority in a Master Plan will be more competitive for grant funding.

**DISCUSSION:**

**1. U.S. Bureau of Reclamation WaterSMART Drought Response Program**

Project Name: South System Modernization Project, Phase 4

Amount Requested: \$3 million (compared to \$5 million in FY 2024)

Amount of Cost Share: 50%

Application Submitted: October 4, 2024

Status: **ON HOLD**

**Status:** The Trump Administration has suspended this grant program temporarily. Consero Solutions asked Shelby Neff, manager of the WaterSMART program regarding the status of the program and received this response, "Current WaterSMART NOFOs have been paused and are under review until further notice. We have no further information on the status of these NOFOs and will provide additional information as soon as it becomes available. Thank you for your patience and understanding." The U.S. Bureau of Reclamation also updated its website on January 31, 2025 to replace a graphic with a timeline for the grant process (including an award announcement date of March 2025) with an update that the applications are "under review."

**Context:** The General Manager worked with Consero Solutions to submit the FY 2025 WaterSMART grant application on October 4, 2024. The WaterSMART Drought Response Program is an annual program which receives money through the annual federal appropriations process, but in the last couple of years also received an infusion of funding from the Infrastructure Investment and Jobs Act. The program limits applications to \$2 million and only provides between \$30 million and \$40 million in awards. The District applied unsuccessfully for a \$5 million grant from the program 2023-24 cycle for the South System Modernization Project, Phase 4, when the Bureau briefly lifted the \$2 million cap on projects. District staff met with WaterSMART grant managers on May 30, 2024 to review the District's previous application and addressed all issues the Bureau brought up in the updated application.

**2. California Department of Conservation Multibenefit Land Repurposing Program**

Project Name: N/A

Amount Requested: TBD

Amount of Cost Share: TBD

Release Request for Grant Application: TBD

Application Due: TBD

**Status:** The Proposition 4 Expenditure Plan contains a total of \$12 million for the Multibenefit Land Repurposing Program in 2025-26 and \$51 million in 2026-27 (see Chapter 2 table in Attachment A). The Department of Conservation (DOC) is in the process of revising the program guidelines (see Attachment B for excerpt) to include language clarifying how groundwater recharge achieved through the program must be treated in a groundwater sustainability agency's water budget. The DOC held virtual stakeholder meetings on March 3, 2025 and March 4, 2025 to present revised language and solicit further feedback. The DOC website states DOC staff "will seek to finalize the revised guidelines based on feedback received from grantees" in mid- to late-March. Consero recommends developing a proposal with local partners and exploring submittal of an application for the Multibenefit Land Repurposing Program in FY 2025-26.

**Context:** The District has 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. The new concept is that groundwater recharged with program funded projects still CANNOT be included in the water budget as water that pumpers can extract. However, project outcomes such as groundwater demand reduction, indirect or speculative supply benefits, and passive recharge resulting from the enhancement or restoration of natural conditions may be reported as related outcomes but are not direct groundwater recharge resulting from program funding. Jennifer Spaletta reviewed the language and now recommends exploring a potential application, which in the past she did not recommend because of the previous restrictive language.

**3. California Department of Water Resources Sustainable Groundwater Management Program**



Project Name: N/A  
Amount Requested: TBD  
Amount of Cost Share: TBD  
Release Request for Grant Application: TBD  
Application Due: TBD

**Status:** The District may wish to submit a letter to its legislators to request more funding for SGMA in 2025-26; State Senators have a deadline of April 1, 2025 to submit “statewide” requests to the Governor and the Department of Finance, which could include requesting changes in Prop 4 allocations. Paul Gosselin, Deputy Director of the California Department of Water Resources, indicated the State will use 2025-26 funds to update grant guidelines and therefore will not release a new grant program in 2025-26. He shared the new guidelines are necessary to reflect the requirements of Proposition 4 and would not be to develop a new program. Paul Gosselin suspects the intent of Section 91012 of Proposition 4 (see below) is to fund SGMA implementation projects and expects input from local agencies during guideline development. The State Legislature may change this allocation and Consero Solutions therefore recommends the District write a letter to its legislators as soon as possible requesting more funding for this program in 2025-26 and 2026-27. Consero will provide an update from the results of State budget hearings at the next Board meeting.

**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).” The Governor proposed \$10 million from Proposition 4 funds for “groundwater storage/banking/recharge & instream flow” in 2025-26 and \$15 million in 2026-27 (see Chapter 2 table in Attachment A), with \$358 million from Proposition 4 allocated to “out years.”

**4. California Department of Water Resources Integrated Regional Water Management Program**

Project Name: N/A  
Amount Requested: TBD  
Amount of Cost Share: TBD  
Release Request for Grant Application: TBD  
Application Due: TBD

**Status:** The State Legislature continues to review the Governor’s proposed 2025-26 budget, with budget subcommittee hearings on programs like the IRWMP scheduled for April 2025. The Governor’s proposed 2025-26 budget includes \$500,000 from Proposition 4 funds for “Integrated Regional Water Management” in 2025-26 and \$3 million in 2026-27 (see Chapter 2 table in Attachment A), with the rest of the \$100 million from Proposition 4 allocated to “out years.” The State Legislature may change this allocation and Consero Solutions recommends the District write a letter to its legislators requesting more funding for this program in 2025-26

and 2026-27. Consero will check back with program staff once more details emerge between now and the May revision to the State budget.

**Context:** Section 91031 of SB 867 states: “Of the funds made available by Section 91030, one hundred million dollars (\$100,000,000) shall be available, upon appropriation by the Legislature, to the Department of Water Resources (DWR) for projects related to 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.” The bond language does not name the Integrated Regional Water Management Program, instead specifying “integrated regional water management” and watershed resilience more broadly. This, and recent information from the IRWM Roundtable of Regions, indicate DWR may phase out the current iteration of the IRWM Program in favor of an updated Watershed Resilience Program.

**5. California Department of Food and Agriculture 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

Release Request for Grant Application: TBD

Application Due: TBD

**Status:** On March 19, 2025, Carolyn Cook, Assistant Director of the Office of Agricultural Resilience and Sustainability at the California Department of Food and Agriculture (CDFA), shared that CDFA is likely to run a solicitation for the SWEEP Block Grant Program in 2025-26. The Governor’s proposed 2025-26 budget includes \$38 million from Proposition 4 funds for SWEEP in 2025-26 and \$700,000 for SWEEP in 2026-27 (see Chapter 7 Table in Attachment A). Ms. Cook noted the exact timing of the solicitation will depend on California Natural Resources Agency bond funding requirements. Consero encourages the District to apply, given the District’s success with implementing the Pilot Block Grant Program, resulting in the allocation of \$2.1 million to District growers for infrastructure to connect to the District’s surface water system. Consero Solutions recommends the District prioritize an application to this program because the proposed 2025-26 budget does not contain funding for the SWEEP grant program in 2026-27 based on the current version of the budget. Consero will check back with program staff once more details emerge between now and the May revision to the State budget.

**Context:** Section 93510 of SB 867 states: “Forty million dollars (\$40,000,000) shall be available for the State Water Efficiency and Enhancement Program to promote onfarm water use efficiency with focus on multiple-benefit projects that improve resilience to climate change and save water on California agricultural operations.” The Department released the SWEEP Direct-to-Producer Grant Program guidelines and request for applications on November 28, 2023 and then postponed the solicitation in December 2023. On January 10, 2024, the Governor announced as part of his proposed 2024-25 State budget the delay of this grant program to 2025.

## Chapter 2. Safe Drinking Water, Drought, Flood & Water Resilience

(\$ in Millions)

Department	Program	2025-26	2026-27	Out-Years	Pending Allocation
State Water Resources Control Board	Water Quality & Safe Drinking Water	\$183	\$160	\$242	\$0
	Tribal Water Infrastructure	\$11	\$13	\$1	\$0
	Multibenefit Urban Stormwater Management Projects	\$1	\$39	\$70	\$0
	Water Reuse & Recycling	\$153	\$78	\$154	\$0
	Cross-Border Rivers & Coastal Waters (Tijuana & New River)	\$9	\$21	\$20	\$0
Dept. of Water Resources & State Water Resources Control Board	Water Data Management & Stream Gages	\$1	\$2	\$12	\$0
Dept. of Water Resources	Groundwater Storage/Banking/Recharge & Instream Flow	\$10	\$15	\$361	\$0
	Brackish Desalination & Salinity Management Projects	\$0.2	\$6	\$56.7	\$0
	Regional Conveyance Projects & Repairs to Existing Conveyances	\$0.7	\$11	\$64	\$0
	Water Conservation in Agricultural & Urban Areas	\$0.3	\$5	\$69	\$0
	Various Flood Management Projects	\$173	\$222	\$155	\$0
	Dam Safety & Climate Resilience	\$232	\$232	\$17	\$0
	Integrated Regional Water Management	\$0.5	\$3	\$96	\$0
	Riverine Stewardship Projects	\$0.1	\$0.4	\$50	\$0
	Urban Streams Restoration Program	\$0.3	\$23	\$1	\$0
Dept. of Conservation	Multibenefit Land Repurposing Program	\$12	\$51	\$137	\$0
California Water Commission	Water Storage Investment Program	\$74	\$0	\$0.6	\$0
Los Angeles Rivers & Mountains Conservancy	Climate Resiliency & Protection of the Los Angeles River Watershed	\$0.6	\$8	\$31.0	\$0
Santa Monica Mountains Conservancy		\$15	\$10	\$14	\$0
State Coastal Conservancy	Santa Ana River Conservancy	\$10	\$8	\$7	\$0
	Coyote Valley Conservation Program	\$3	\$0	\$22	\$0
	West Coyote Hills Program	\$0	\$0	\$25	\$0
Natural Resources Agency	Wildlife Refuges & Wetland Habitat Areas	\$0.2	\$23	\$1	\$0
	Clear Lake Watershed	\$0.1	\$19	\$1	\$0
	Nature, Climate Education & Research Facilities Grants	\$0.1	\$19	\$1	\$0
Natural Resources Agency & Dept. of Water Resources	Salton Sea Management Program	\$148	\$1	\$11	\$0
To Be Determined	Salton Sea Conservancy or Salton Sea Authority	\$0	\$0	\$0.1	\$10
Wildlife Conservation Board	Lower American River Conservancy	\$3	\$0	\$7	\$0
	Stream Flow Enhancement Program	\$21	\$1	\$79	\$0
	Habitat Enhancement & Restoration Program	\$11	\$1	\$39	\$0
<b>Total</b>		<b>\$1,074</b>	<b>\$972</b>	<b>\$1,744</b>	<b>\$10</b>

### Chapter 7. Climate Smart Agriculture

(\$ in Millions)

Department	Program	2025-26	2026-27	Out-Years	Pending Allocation
Dept. of Food & Agriculture	Healthy Soils Program	\$36	\$26	\$3	\$0
	State Water Efficiency & Enhancement Program	\$38	\$0.7	\$2	\$0
	Invasive Species Account	\$20	\$0	\$0.2	\$0
	Certified Mobile Farmers' Markets	\$10	\$10	\$0.9	\$0
	Year-Round Certified Farmers' Markets	\$10	\$10	\$0.9	\$0
	Urban Agriculture Projects	\$19	\$0.4	\$0.9	\$0
	Regional Farm Equipment Sharing	\$0.2	\$14	\$0.7	\$0
	Tribal Food Sovereignty	\$0.2	\$14	\$0.7	\$0
Dept. of Conservation	Protection, Restoration, Conservation and Enhancement of Farm and Range Lands	\$2	\$9	\$3	\$0
	Improve Land Access and Tenure for Socially Disadvantaged Farmers, Ranchers, or Tribal Producers	\$0	\$0	\$0.2	\$30
Dept. of Community Services & Development	Farmworkers Housing Component of the Low-Income Weatherization Program	\$0	\$0.2	\$10	\$0
California Vanpool Authority	Deployment of Vanpool Vehicles, Clean Technologies and Infrastructure	\$0	\$0	\$0.1	\$15
California Dept. of Education	Grants to Postsecondary Education Institutions to Develop Research Farms to Improve Climate Resiliency	\$0	\$0	\$0.1	\$15
<b>Total</b>		<b>\$134</b>	<b>\$84</b>	<b>\$22</b>	<b>\$60</b>

**California Department of Conservation  
Solicitation Notice and Application for:**

**Multibenefit Land Repurposing Program**

**FINAL**  
**January 24, 2022**  
**AMENDED**  
**January XX, 2025**



California  
**Department of  
Conservation**

On a case-by-case basis, the Department may approve use of funds to implement projects outside of an eligible groundwater basin if that project can be shown to:

- 1) Reduce groundwater use in an eligible groundwater basin interconnected with surface water,
- 2) Improve groundwater supply in an eligible groundwater basin interconnected with surface water , or
- 3) Improve baseflows in rivers and streams in an eligible groundwater basin.

For the Department to consider such projects for funding, the GSA responsible for the eligible groundwater basin must provide a letter attesting to the benefits the project would provide to the eligible groundwater basin.

~~The Public Resources Trailer Bill (AB 211, Ch. 574, Stat. of 2022) requires that any groundwater recharge achieved through these strategies and projects must be subtracted from any calculation by the Groundwater Sustainability Agency from the groundwater available for extraction by water users for the duration of the benefits paid for by the program. Payments for benefits must be linked to the achievement and delivery of the defined conservation outcomes for the project and the duration of those outcomes.~~

In accordance with the Budget Act of 2021, Stat. of 2022, Ch. 574, Sec. 35(e)(3), "Any groundwater recharge achieved with this funding shall be subtracted from any calculation by the groundwater sustainability agency of groundwater available for extraction by water users for the duration of benefits paid for by the Multibenefit Land Repurposing Program." Positive groundwater supply benefits which directly result from substantive actions undertaken as part of a land repurposing project using program funds (e.g. major construction or alteration of recharge infrastructure, the purchase and application of water for the express purpose of facilitating groundwater recharge, etc.) shall be considered groundwater recharge achieved. Outcomes such as groundwater demand reduction, indirect or speculative supply benefits, and passive recharge resulting from the enhancement or restoration of natural conditions may be reported as related outcomes but are not direct groundwater recharge resulting from program funding.

Where it is determined, as part of the implementation project review process, that a project provides direct groundwater recharge benefits, it is the responsibility of the groundwater sustainability agency (GSA) to ensure, under their existing authorities, that this water is not made available for extraction. Grantees are required to obtain GSA certification at the time of project submittal that groundwater recharge will be accounted for within the GSA's water budget. An updated certification may be required if the scope of the project changes or it is otherwise determined that the achieved benefits vary from those claimed at the time of project submittal. Individual water rights will not be reconfigured, and GSAs may use their discretion to determine the most effective way to balance their water budgets. As with all benefits of the program, groundwater recharge benefits must be reasonably durable. All GSA certifications must be valid for the duration of the benefit, and proportional to the investment of the program in the benefits achieved.

**NORTH SAN JOAQUIN WATER CONSERVATION DISTRICT**

**BOARD OF DIRECTORS**

P.O. Box 334, Victor, CA 95253

Item B 6  
(attachment 6)  
March 31, 2025

From: Steve Schwabauer, General Manager

**RECOMMENDED ACTION:** Provide Direction to Staff on Proposed Charge Amount for Purposes of the Notice and Hearing on the Imposition of the 2025-26 Groundwater Charge.

**DISCUSSION:**

In 2022 the District successfully completed a Proposition 218 proceeding to impose a groundwater charge to fund Sustainable Groundwater Management Act. The Engineer's Report provided that the charge would be a maximum of \$15 per AF per year for the first two years (2022-23 and 2023-24), \$20 per AF per year for the next two years (2024-25 and 2025-26), and \$25 per AF per year thereafter (2026-27 and beyond). In 2024 the Board implemented the first proposition 218 preapproved increase to \$20 per AF for the 2024-25 year. Based on the pre-approval this year's rate can be set no higher than \$20 per AF.

The Board of Directors must set the amount of the charge annually, not to exceed the maximums set forth above. The District is to complete the final list of charges per parcel by June 30<sup>th</sup> of each year so that the San Joaquin County tax assessor can collect charges through property tax bills.

The charge is imposed based on estimated groundwater use per parcel based on either County tax land use codes, or more accurate information provided by landowners through the Landowner appeal process. For example, parcels with the Irrigated Vineyard land use code are assumed to use 2 AF of groundwater per acre per year and parcels with the Irrigated Orchard land use code are assumed to use 2.8 AF per year of groundwater per year, (See Engineers report at page A-2).

For 2022-23 and 2023-24, the Board set the charge at \$15 per AF which generated approximately \$2.4 million in revenue and 2024-25 at \$20 per AF which generated approximately \$3.2 million in revenue. Staff is requesting that the Board provide direction to staff regarding the 25-26 fiscal year and the amount of the charge, which cannot exceed \$20 per AF. This direction will allow staff to prepare the appropriate notice and proposed resolution to impose the 2025-26 groundwater charge at the June 2025 board meeting.

There are a number of issues that impact the Boards decision to increase the charge at this time. The first and most obvious is the state of the market for land and crop values. Both are at historic lows with many grape contracts canceled in the last year as wine consumption falls. Countervailing this obvious market distress on District Landowners are the demands of the Sustainable Groundwater Management Act (SGMA) which are not abated by the current economic situation.

The district has a number of planned capital improvement projects that must be completed in order to meet our obligations under SGMA. A few additional project concepts have been added since our prior meeting as a result of landowner engagement in the table below:

	<u>Projected Min Cost</u>	<u>Current Funding</u>
North System Pump Station	\$10 Million	\$4 million
NS Phase 1b Creekside Lateral	\$200,000	\$0
Handle Lateral	\$1.7 million	\$1 million
South System Phase 4	\$14 million	\$0 <sup>1</sup> Total
	\$26.6 million	\$5 million

Commented [JS1]:

As demonstrated above, we have about a \$20 million short-fall to fund the desired projects to get the District’s North and South System projects completed to maximize use of Permit 10477 for both direct and in-lieu groundwater recharge over the next four years. While some funding will come from landowners using surface water, through improvement district assessments, most of the capacity of these projects will be used for groundwater recharge and should be paid for with the groundwater charge.

Further, this project list does not include projects to utilize the additional wet year Mokelumne River flows that are likely to become available from the MICUP project (the County’s pending water right application).

Moreover, the District has other management, planning and operation costs that the groundwater charge funding must cover, such as the required groundwater monitoring, costs to pump and deliver water to recharge projects, annual DWR reporting and GSP updates, and the staff costs for all of the above.

The District could address the cash shortfall through bond funding. However, bond funding typically doubles the cost of a project when accounting for issuance and interest costs. Those costs ultimately fall on district landowners. Moreover, bond funding will not be an option until the District’s audits are completed, which is projected to happen sometime in late 2025 or early 2026. As such Staff recommends that the Board direct staff to begin the process to impose the groundwater charge at the existing \$20.00 rate.

The Board can always charge a lower amount in the future after capital projects are constructed, but if the board does not increase the charge within the first five years it may not be able to increase it thereafter within the maximums described in the Engineer’s report without undergoing another Proposition 218 proceeding, which is another \$100,000 or more expense.

**RECOMMENDATION:** Provide Direction to Staff on whether to prepare a notice of hearing to impose a groundwater charge of \$20.00 per AF for the 2025-26 fiscal year for the June 2025 board meeting, and other related actions.

**FISCAL IMPACT:** Dependent on-Board Action.

<sup>1</sup> The District has a \$3,000,000 Watersmart Grant Application which has been placed on hold by the Federal Government