City Council Meeting Agenda

May 26, 2026
6:00 PM
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

Mayor
Amy Bublak

Council Members
Kevin Bixel
Cassandra Abram
Erika Phillips
Rebecka Monez
(Vice Mayor)

Acting City Manager
Christopher Fisher
City Clerk
Nichole Fiez
City Attorney
Katie Lucchesi

SPEAKER CARDS: To accommodate those wishing to address the Council and allow for staff follow-up, speaker cards are available for any agendized topic or any other topic delivered under Public Comment. Please fill out and provide the Comment Card to the City Clerk or Police Officer.

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Turlock City Council meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, please contact the City Clerk's Office at (209) 668-5540. The City is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the City to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the City Council on any item appearing on the agenda, including Consent Calendar and Public Hearing items, before or during the City Council's consideration of the item. Members of the public will be allowed three (3) minutes for comments.

AGENDA PACKETS: Prior to the City Council meeting, a complete Agenda Packet is available for review on the City's website at www.cityofturlock.org and in the City Clerk's Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Council after distribution of the Agenda Packet are also available for public inspection in the City Clerk's Office. Such documents may be available on the City's website subject to staff's ability to post the documents before the meeting.

1. **CALL TO ORDER**

2. **SALUTE TO THE FLAG**

3. **ROLL CALL AND DECLARATION OF CONFLICTS**

4. **APPROVAL OF AGENDA AS POSTED OR AMENDED**

   This is the time for the City Council to remove items from the agenda or to change the order of the agenda. Matters may be taken up out of order of the established agenda by a four-fifths vote of the City Council.

5. **PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS, PRESENTATIONS, AND BRIEFINGS**

   A. Proclamation: Older Americans Month & Recognition: Martin & Nancy Qualle

   B. Presentation: Turlock Partnership Incentive Program Check Presentation: Pupusas Francis Inc. (Economic Development)

6. **PUBLIC PARTICIPATION**

   Pursuant to California Government Code Section 54954.3(a), this portion of the meeting is set aside for members of the public to address the City Council on matters that are not listed on tonight's agenda but are within the subject matter jurisdiction of the City Council. Speakers will be allowed up to three (3) minutes for their comments. Speakers who wish to address a matter listed later on the agenda may be asked to wait until that item is heard. Comments on matters outside the Council's subject matter jurisdiction may be ruled out of order by the presiding officer and not permitted to continue. Pursuant to Government Code Section 54954.2(a)(3), the City Council may not take action or engage in substantive discussion on items not listed on the posted agenda. However, the Council or staff may briefly respond to public comments, refer matters to staff, or request that a topic be placed on a future agenda.

7. **CITY MANAGER REPORTS/UPDATES**

   City Manager reports/updates are provided for informational purposes only and no action or discussion may be undertaken. The City Manager may direct department heads to provide reports/updates at the City Manager's request.

8. **CONSENT CALENDAR**

   All matters listed under the Consent Calendar are considered routine and will be enacted by one motion with no separate discussion. Any item may be removed from the Consent Calendar and considered separately at the request of the Mayor or any Councilmember. Prior to Council action, members of the public may address the Council on the Consent Calendar. If during their Consent Calendar comments, a member of the public requests removal of an item for separate consideration, the Mayor or a Councilmember may do so. Public comment on the Consent Calendar is limited to one (1) minute per speaker, regardless of the number of items addressed by the speaker.

   A. Accepting the Minutes of the May 9, 2026 Special City Council Meeting and the May 12, 2026 Regular City Council Meeting

   B. Accepting the Weekly demands of May 1, 2026 through May 7, 2026 in the amount of $1,562,765.76.

   C. Accepting the Investment and Cash Report for the Month of April 2026 in the Amount of $322,740,152.29.

   D. Accepting Improvements for City Project No. 25-051 "El Paseo Sewer Line Replacement" and Authorizing the City Engineer to File a Notice of Completion (Engineering)

   E. Approving the Submission of a FY 2026-27 Transportation Development Act (TDA) Transit

Claim to the Stanislaus Council of Governments (StanCOG) for Funding for Transit Operations and Facilities (Transit)

F. Approving Amendment No. 2 to an Agreement Between the City of Turlock and Axon Enterprises, Inc., for Dictation Services, to Change the Current Total Compensation from $2,156,109.62 to $2,477,404.52 for the Duration of the Contract (Police)

G. Authorizing the Submittal of a Grant Application to the State Water Resources Control Board for the Treatment of Emerging Contaminants in the City of Turlock's Water Distribution System (Regulatory Affairs)

H. Approving an Agreement for the Turlock Police Department to Partner with Stanislaus County on the County's Tobacco Retailer Grant (Police)

I. Ratify Prior City Manager Action and Confirm Appointment of City Clerk (City Manager's Office)

J. Approving an Amendment with NV5, Inc. in the Amount of $559,649.47 for Construction Management and Inspection Services for Roadway Improvements on E. Linwood Avenue, Rosewood Drive, Baywood Lane, and Rockwood Avenue (Roads Program)

K. Awarding a Contract to Granite Construction Company in the Amount of $3,462,283.50, Plus a 10% Contingency, for Roadway Improvements on E. Linwood Avenue, Rosewood Drive, Baywood Lane, and Rockwood Avenue (Roads Program)

L. Approving an Agreement with Romeo Medical Corporation, d/b/a Work Wellness to Provide Pre-Employment Examinations, Annual Physicals, and Occupational Medical Services for the City of Turlock in an Annual Amount not to Exceed $70,000 (Human Relations)

9. **FINAL READINGS**

A. Second and Final Reading of an Ordinance Amending Turlock Municipal Code Title 7 (Public Works), Chapter 7-7 (Street Trees) (Municipal Services Department)

10. **PUBLIC HEARINGS**

A. Annual Review of the Development Agreement for The Evergreen Market dba FF Farms and Introduction and First Reading of an Ordinance Amending the Development Agreement between the City of Turlock and the Evergreen Market dba FF Farms at 101 E. Glenwood Avenue. (Development Services)

B. Annual Review of the Development Agreement for NHC Turlock LLC and First Reading and Introduction of an Ordinance Amending the Development Agreement Between the City of Turlock and NHC Turlock LLC located at 3401 W Monte Vista Avenue (Development Services)

C. Annual Review of the Development Agreement for Perfect Union and First Reading and Introduction of an Ordinance Amending the Development Agreement Between the City of Turlock and Perfect Union located at 2500 N Golden State Boulevard (Development Services)

D. Annual Review of the Development Agreement for Fire House Turlock, Inc. and First Reading

and Introduction of an Ordinance Amending the Development Agreement Between the City of Turlock and Fire House Turlock, Inc. located at 1601 West Main Street (Development Services)

E. Introduction of an Ordinance Amending the Development Agreement Between the City of Turlock and Plan4Dream Investments LLC at 600 D Street (Development Services)

F. Calling a Special Mailed-Ballot Election and Declaring Results for Community Facilities District 2 Annexation 41 for the Property Located at 1143 9th Street, Turlock (Development Services)

G. Adoption of the City of Turlock Water Shortage Contingency Plan and the City of Turlock and Stanislaus Regional Water Authority 2025 Joint Urban Water Management Plan (Municipal Services)

11. **ACTION ITEMS**

A. Authorizing Construction Bids for Phase 1 of City Project No. 25-057 of the Citywide Water Meter Replacement Project (Engineering)

B. Accepting the City of Turlock's Audited Financial Statements and Related Reports for the Fiscal Year Ended June 30, 2025 (Finance)

C. Approving an Agreement with the City of Modesto for Fire Administration Services (Fire Department)

12. **COUNCILMEMBER COMMENTS, ANNOUNCEMENTS AND FUTURE ITEMS**

13. **CLOSED SESSION**

A. Conference with Labor Negotiator, Cal. Gov't Code §54957.6(a)
Agency Designated Representative: Mayor Amy Bublak
Unrepresented Employee: City Manager

B. Public Employee Appointment, Cal. Gov't Code §54957
Title: City Manager

C. Conference with Legal Counsel – Existing Litigation, Cal. Gov't Code §54956.9(d)(1)
Name of Case(s): *In re: National Prescription Opiate Litigation*, Case No. 1:17-md-2804-DAP (N.D. Ohio), regarding proposed Settlement with "Remnant Defendants": Associated Pharmacies, Inc., American Associated Pharmacies, J M Smith Corporation, Louisiana Wholesale Drug Company, Inc., Morris & Dickson Co., North Carolina Mutual Wholesale Drug Company, Inc., United Natural Foods, Inc.

D. Conference with Legal Counsel – Anticipated Litigation, Cal. Gov't Code §54956.9(d)(2)
Significant exposure to litigation: (2 potential cases), Government Claim Act Claim Nos. (FR103280, FR103903)

14. **REPORTS FROM CLOSED SESSION**

15. **ADJOURNMENT**

PROCLAMATION

CITY OF TURLOCK INC. 1908

IN HONOR OF

OLDER AMERICANS MONTH

MAY 2026

WHEREAS, May is recognized as Older Americans Month, established in 1963 to honor the contributions of older citizens, support their independence, and promote healthy aging; and

WHEREAS, the 2026 theme is "Champion Your Health," highlighting prevention, wellness, and self-management; and

WHEREAS, older Americans have built the foundation of our communities through their hard work, service, and dedication and they continue to contribute their time, wisdom, and experience to enrich our neighborhoods, workplaces, and families; and

WHEREAS, communities are strongest when people of all ages are included, valued, and connected and we recognize the importance of supporting older adults in leading healthy, independent, and fulfilling lives; and

WHEREAS, Older Americans Month provides an opportunity to celebrate the many contributions of older adults and to highlight the importance of meaningful engagement at every stage of life.

NOW, THEREFORE, I, AMY BUBLAK, by virtue of the authority vested in me as Mayor of the City of Turlock, and on behalf of the entire City Council and all of our citizens, do hereby proclaim May 2026 as **OLDER AMERICANS MONTH** in the City of Turlock and urge all citizens to celebrate Older Americans Month and encourage all residents to honor older adults, strengthen connections across generations, and support efforts that promote inclusion, independence, and dignity for all.

IN WITNESS WHEREOF, I, AMY BUBLAK, Mayor of Turlock, have hereunto set my hand and caused the Seal of the City of Turlock to be affixed this 26th day of May, 2026.

AMY BUBLAK, MAYOR,
City of Turlock, County of Stanislaus,
State of California

CITY OF TURLOCK

Certificate of Recognition

Presented by the City of Turlock City Council on behalf of the citizens of Turlock to

Martin & Nancy Qualle

For their exceptional contributions to the community and for being recipients of the 2026 Outstanding Senior Citizens for Stanislaus County District 2

AMY BUBLAK, MAYOR

May 26, 2026
DATE

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City Council Special Meeting Minutes

May 9, 2026
9:30 AM
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

1. **CALL TO ORDER**

Mayor Bublak called the meeting to order at 9:30 AM.

2. **SALUTE TO THE FLAG**

3. **ROLL CALL AND DECLARATION OF CONFLICTS**

Present: Councilmembers Cassandra Abram, Kevin Bixel, Erika Phillips, Vice Mayor Rebecka Monez and Mayor Amy Bublak
Absent: None

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
None	None	None	None	None

4. **APPROVAL OF AGENDA AS POSTED OR AMENDED**

Motion: Approval of Agenda as Posted, motioned by Vice Mayor Monez, seconded by Councilmember Bixel and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

5. **PUBLIC PARTICIPATION - LIMITED TO ITEMS LISTED ON THE AGENDA**

Mayor Bublak opened public comment and the following members of the public spoke:

Lynn Sarraille
Milt Trieweiler
Mary Jackson

With no further comments, Mayor Bublak closed public comment.

6. **CLOSED SESSION**

City Clerk Fiez read the closed session items out loud.

A. Public Employee Appointment, Cal. Gov't Code §54957
Title: City Manager (Interviews)

7. **REPORTS FROM CLOSED SESSION**

None.

8. **ADJOURNMENT**

Mayor Bublak adjourned the meeting at 1:39 PM.

Respectfully Submitted

_____
Nichole Fiez, City Clerk

City Council Meeting Minutes

May 12, 2026
6:00 PM
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

1. **CALL TO ORDER**

Mayor Bublak called the meeting to order at 6:00 PM.

2. **SALUTE TO THE FLAG**

3. **ROLL CALL AND DECLARATION OF CONFLICTS**

Present: Councilmembers Cassandra Abram, Kevin Bixel, Erika Phillips, Vice Mayor Rebecka Monez and Mayor Amy Bublak
Absent: None

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
None	None	None	None	None

4. **APPROVAL OF AGENDA AS POSTED OR AMENDED**

Motion: Approval of Agenda as amended, motioned by Vice Mayor Monez, seconded by Councilmember Phillips to move Item 10B after the consent calendar and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

5. **PROCLAMATIONS, RECOGNITIONS, APPOINTMENTS, ANNOUNCEMENTS, PRESENTATIONS, AND BRIEFINGS**

A. Turlock Partnership Incentive Program Check Presentation: AFS Investments (Economic Development)

This item was presented by Economic Director Sims.

B. Proclamation: National Police Week 2026 (Police Department)
This item was presented by Police Chief Hedden and Mayor Bublak.

C. Proclamation: National Public Works Week May 17-23, 2026 (Municipal Services)

This item was presented by Municipal Services Director Fisher

6. **PUBLIC PARTICIPATION**

Mayor Bublak opened public comment at 6:10pm and the following members of the public spoke:

Milt Trieweiler
No name provided
Brian Raymond
Carthy Prasad

With no further comments, Mayor Bublak closed public comment at 6:21pm.

7. **CITY MANAGER REPORTS/UPDATES**

A. Monthly Department Reports

None

8. **CONSENT CALENDAR**

Mayor Bublak opened the item for public comment at 6:22pm. There were no comments from the public, and Mayor Bublak closed public comment.

Action: Motion: by Vice Mayor Monez, seconded by Councilmember Abram, to adopt the Consent Calendar and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

A. Accepting the Weekly Demands of April 17, 2026 through April 30, 2026 in the amount of $8,650,855.60 (Finance)

Action: Approved Motion: Accepting the Weekly Demands of April 17, 2026 through April 30, 2026 in the amount of $8,650,855.60

B. Accepting the Minutes of the April 28, 2026 Regular City Council Meeting (City Clerk)

Action: Approved Motion: Accepting the Minutes of the April 28, 2026 Regular City Council Meeting

C. Authorizing the award of Community Events and Activities Grants as attached totaling $60,000 Funded by Fund 120 "Tourism" in Fiscal Year 2026 - 2027 pending budget approval and finding said awards to be in the best interest of the City (Recreation)

Action: Approved Resolution No. 2026-042: Authorizing the award of Community Events and Activities Grants as attached totaling $60,000 funded by Fund 120 "Tourism" in Fiscal Year 2026 - 2027 pending budget approval and finding said awards to be in the best interest of the City

D. Approving the Amendment No. 1 to the Design Professional Services Agreement with Bay Area Coating Consultants, Inc. for the City Project No. 23-027 "Secondary Clarifier No. 4 Recoating" for an Additional Compensation in the Amount of $87,377.35 (Engineering)

Action: Approved Motion: Approving the Amendment No. 1 to the Design Professional Services Agreement with Bay Area Coating Consultants, Inc. for the City Project No. 23-027 "Secondary Clarifier No. 4 Recoating" for an additional compensation in the amount of $87,377.35 increasing the total agreement compensation to a not to exceed amount of $112,226.55 to be funded by Fund 410 "Water Quality Control".

E. Accepting improvements for City Project No. 23-067 "Mark Thomas Task Order No. 3 for Roads Program CIP Projects" (Bid Package 2) and authorizing the City Engineer to file a Notice of Completion (Roads Program)

Action: Approved Motion: Accepting improvements for City Project No. 23-067 "Mark Thomas Task Order No. 3 for Roads Program CIP Projects" (Bid Package 2) and authorizing the City Engineer to file a Notice of Completion

F. Approving an Agreement with Government Consulting Partners, Inc for Preparation of a Cost Allocation Plan, for a Five-Year Term in an Amount not to Exceed $85,000 (Finance)

Action: Approved Motion: Approving a Professional Services Agreement with Government Consulting Partners, Inc for preparation of a Cost Allocation Plan required under federal regulations for Fiscal Years 2026-2027 through 2031-2032, for a five-year term in an amount not to exceed $85,000, expensed to Fund 110 General Fund

G. Accepting the 2024-2025 Schedule of Maximum Allowable Fees Charged by Tow Companies (Police Department)

Action: Approved Resolution No. 2026-043: Accepting the 2024-2025 schedule of maximum allowable fees charged by tow companies as adopted by the Modesto California Highway Patrol

H. Approving the Revisions to the Job Description for Fire Battalion Chief Effective May 12, 2026, and Amending the Turlock Firefighters Local #2434 Fire Salary Schedule Effective March 1, 2026 (Human Relations)

Action: Approved Resolution No. 2026-050: Approving the revisions to the job description for Fire Battalion Chief effective May 12, 2026, and amending the Turlock Firefighters Local #2434 Fire Salary Schedule effective March 1, 2026, and appropriate $10,535 to Fund 110 General salary and various benefits account numbers 110-30-300.xxx from March 1, 2026, through June 30, 2026.

I. Authorize the Fire Department to Overhire One(1) Battalion Chief Position Effective June 1, 2026, to Address an Extended Operational Vacancy on B-Shirt (Fire Department)

Action: Approved Motion: Authorize the Fire Department to overhire one (1) Battalion Chief position effective June 1, 2026, to address an extended operational vacancy on B-Shift.

9. **FINAL READINGS**

None

10. **PUBLIC HEARINGS**

A. Adopting a Resolution of Concurrence with the Stanislaus HOME Consortium for the Fiscal Year 2026-2027 Annual Action Plan (Housing)

This item was presented by Housing Manager Figueroa.

Mayor Bublak opened the public hearing at 7:28pm and the following member of the public spoke:

Milt Trieweiler

With no further comments, Mayor Bublak closed the public hearing at 7:31pm.

Motioned by Vice Mayor Monez, seconded by Councilmember Abram and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

Action: Approved Resolution No. 2026-045: Adopting a resolution of concurrence with the Stanislaus Urban County and Stanislaus HOME Consortium Annual Action Plan (AAP) for Fiscal Year 2026-2027 for the HOME Investment Partnership Program and support submission to the U.S. Department of Housing and Urban Development (HUD) by Stanislaus County.

B. Consideration of Denying or Approving the Appeal and Granting Conditional Use Permit 2024-09 for a Food Truck Park at 2400 Fulkerth Road (Development Services)

Councilmember Abram disclosed that she had an ex parte communication with David Paul on May 7, 2025.

Mayor Bublak disclosed that she had ex parte communications via email with Mr. Vieira and received an email from Mr. Jolley.

Vice Mayor Monez disclosed that she had ex parte communications with Mr. Vieira and received the same email from Mr. Jolley.

Councilmember Bixel disclosed that he had an ex parte communication with a realtor in 2025.

The item was presented by Development Services Director Werner.

Mayor Bublak invited comments on behalf of the applicant. Architect Jim Shaw and Brett Jolley, counsel for the Paul Family, spoke on behalf of the applicant.

Mayor Bublak opened the public hearing at 6:54pm and the following members of the public spoke:

Roberta
Deborah Scully-Miller
John Gabelon
Milt Trieweiler
Edmond Barron
Joe Vieira
Harprit Sumal

With no further comments, Mayor Bublak closed the public hearing at 7:06pm.

Director Werner addressed comments and questions from the public and council.

The applicant was entitled to a rebuttal and Mr. Jolley spoke again on the item.

Motioned by Vice Mayor Monez, seconded by Councilmember Phillips to adopt the resolution denying the appeal and reaffirming the Planning Commission Denial based on the findings of the adopted resolution, and carried 3/2 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
No	No	Yes	Yes	Yes

Action: Approved Resolution No. 2026-044: Denying the appeal and affirming the Planning Commission Denial of Conditional Use Permit 2024-09

C. Revising the City of Turlock's Street Tree Policy by Adopting Resolutions Related to a New Street Tree List and Street Tree Planting, Watering, and Maintenance Guidelines and Presenting the Introduction and First Reading of an Ordinance Amending Turlock Municipal Code Title 7 (Public Works), Chapter 7-7 (Street Trees) and Title 9 (Zoning Ordinance), Chapter 9-2 (Regulations Applying to All Districts), Article 1 (Special Provisions Applying to All or Several Districts) and Article 2 (Off-street Parking and Loading Regulations) (Municipal Services Department)

Management Analyst James Governale presented the item.

Mayor Bublak opened the public hearing at 7:45pm and the following members of the public spoke:

Milt Treiweiler
Bob Puffer
John Gableon

With no further comments, Mayor Bublak closed the public hearing at 7:50pm.

Motioned by Councilmember Abram, seconded by Vice Mayor Monez to adopt the resolutions and amend the ordinance to include only Title 7 and exclude Title 9, and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

Action: Approved Resolution No. 2026-046: Rescinding Resolution 2016-094 and adopting a new City of Turlock Street Tree List

Approved Resolution No. 2026-047: Adopting City of Turlock Street Tree Planting, Watering, and Maintenance Guidelines and authorizing administrative updates thereto

11. **ACTION ITEMS**

A. Approving revised Measure A Expenditure Policy to establish guidelines on the allocation of three-quarter (3/4) cent transactions and use (sales) tax commencing Fiscal Year 2026-2027 and authorizing the addition of three full-time Firefighter positions

Item was presented by Finance Director Moreno.

Mayor Bublak opened public comment at 8:03pm and the following members of the public spoke:

Milt Trieweiler
Bob Puffer

With no further comments, Mayor Bublak closed public comment at 8:08pm.

Motioned by Vice Mayor Monez, seconded by Councilmember Abram, to approve with the amendment that no overtime will be paid from the additional 3% and that the matter will be revisited in one year and carried 5/0 by the following vote:

Councilmember Abram	Councilmember Bixel	Vice Mayor Monez	Councilmember Phillips	Mayor Bublak
Yes	Yes	Yes	Yes	Yes

Action: Approved Resolution No. 2026-048: Approving revised Measure A Expenditure Policy to establish guidelines on the allocation of three-quarter (3/4) cent transactions and use (sales) tax commencing Fiscal Year 2026-2027

Approved Resolution No. 2026-049: Approving the Amendment to Fiscal Year 2025-2026 budgeted Full-time Employee allocation by the addition of three Firefighters

12. **COUNCILMEMBER COMMENTS, ANNOUNCEMENTS AND FUTURE ITEMS**

Vice Mayor Monez spoke on the Brown Act. She thanked the Modesto Fire Department for assisting with a recent two-alarm fire, and ended by recognizing National Police Week and thanked law enforcement officers and local prosecutors for their service and memorial tribute.

Mayor Bublak stated her support for HR 309, a proposal to establish a national law enforcement museum in Washington, D.C., announced the upcoming 58th Annual Assyrian Convention on May 22–25, and requested staff explore additional options to address ongoing concerns regarding Race

Communications.

13. **CLOSED SESSION**

Closed sessions were read out loud by City Clerk Fiez.

A. Conference with Labor Negotiators, Cal. Gov't Code §54957.6(a)
"Notwithstanding any other provision of law, a legislative body of a local agency may hold closed sessions with the local agency's designated representatives regarding the salaries, salary schedules, or compensation paid in the form of fringe benefits of its represented and unrepresented employees, and, for represented employees, any other matter within the statutorily provided scope of representation."
Agency Designated Representative: Interim City Manager, Gary Hampton
Employee Organization: Turlock Associated Police Officers

B. Threat to Public Services of Facilities, Cal. Gov't Code §54957(a)
"This chapter shall not be construed to prevent the legislative body of local agency from holding closed sessions with the Governor, Attorney General, district attorney, agency counsel, sheriff, or chief of police, or their respective deputies, or a security consultant or a security operations manager, on matters posing a threat to the security of public buildings, a threat to the security of essential public services, including water, drinking water, wastewater treatment, natural gas service, and electric service, or a threat to the public's right of access to public series or public facilities."
Consultation with: City Attorney Katie Lucchesi

C. Public Employee Appointment, Cal. Gov't Code §54957(b)(1)
Title: City Manager (Discussion Only)

14. **REPORTS FROM CLOSED SESSION**

None

15. **ADJOURNMENT**

Mayor Bublak adjourned the meeting at 8:32 PM.

Respectfully Submitted

_____
Kelly Renteria, Deputy City Clerk

CITY OF TURLOCK INC. 1908

DEVELOPMENT SERVICES

156 S. BROADWAY, SUITE 120 | TURLOCK, CALIFORNIA 95380 | PHONE 209-668-5640 | FAX 209-668-5107| TDD 1-800-735-2929

MEMORANDUM

DATE: May 12, 2026

TO: City Council

FROM: Adrienne Werner – Development Services Director

RE: Item 10B – Appeal of Planning Commission Conditional Use Permit 2024-09

Attached are emails received by the Development Services Department and the City Clerk's Office on May 11 and May 12 regarding Item 10B on tonight's agenda. These emails were received after the agenda and staff reports had already been posted and, therefore, were not included in the original agenda packet provided to the City Council.

Authentisign ID: D88BE9B3-734D-F111-8EF3-000D3A1E5FED

Pushpinder Kahlon and Nimrat Sandhu
3451 Catamaran Ct.
Atwater, CA 95301

May 11, 2026

SENT VIA EMAIL ONLY

Hon. Mayor Amy Bublak
And members of the Turlock City Council
C/O City Clerk
156 S. Broadway, Ste. 120
Turlock, CA 95380-5456
Email: nfiez@turlock.ca.us
abublak@turlock.ca.us
kbixel@turlock.ca.us
rmonez@turlock.ca.us
cabram@turlock.ca.us
ephillips@turlock.ca.us

Re: May 12, 2026 Continued Hearing on CUP 2024-09 (Agenda Item 10.B.)
(Food Truck Project - 2400 Fulkerth Road)

Dear Mayor Bublak and Councilmembers:

As you may recall, we are the applicants for the above-referenced Food Truck Project.

While we were available for the continued hearing initially scheduled for April that was pushed to May 12, 2026 due to a public notice issue, unfortunately we are out of the country for tomorrow's continued meeting and cannot attend. However our architect Jim Shaw will be present to address the Council, as will the members of the landowner Paul Family and their land use attorney Brett Jolley.

As a reminder, the application was heard by the Turlock City Council on May 13, 2025, and continued to allow us to revise the project to address concerns raised during the meeting. At that time our application proposed developing the site with thirty-three on-site parking spaces, paving, and landscaping to allow fourteen mobile food trucks to operate onsite with a canopy, seating area, trash enclosure, and restroom building. The mobile food truck park would be closed by 10:00 p.m. daily, with all vendors required to have their vehicles moved at that time.

At the City Council meeting members of the public and Council articulated concerns surrounding the number of trucks, available parking, noise, traffic, and better defining

Authentisign ID: D88BE9B3-734D-F111-8EF3-000D3A1E5FED

hours of operation. Although our original proposal is consistent with the Turlock General Plan, zoning designation, and would be developed consistent with Turlock Municipal Code, in an effort to address the concerns raised, we have voluntarily revised the original site plan as shown in the staff report.

As reflected in the revised site plan and my December 2025 letter to Planning Staff, the project has been modified as follows:

- **Number of Operators:** Reduced the number of food truck operators from a maximum of 14 to a maximum of 12. This reduction will reduce the number of visitors to the Project and in turn free up additional space for parking.

- **Parking:** Adding 3 additional parking spaces. As a result, the project will offer a total of 36 parking spaces. That results in 3 spaces per truck which is 50% more than what is required by the ordinance. Additional parking addresses the concerns stated regarding street parking and parking in adjacent parking lots.

- **Traffic Control:** Installing new 8" by 8" concrete curb with 36" High by 3" dia. rubber diverter posts per city standards at the entrance/exit onto Fulkerth Road. This will prevent left-out turns from the site.

- **Hours of Operation:** The six spaces furthest from the residences would be allowed to operate from 6 a.m. to 10 p.m. while the other six spaces would be allowed to operate from 10 a.m. to 10 p.m. This revision would allow some breakfast crowd service while limiting morning noise to adjacent residential properties.

- **Noise/Smoking:** A condition requiring that we post signs prohibiting smoking and loud music on site. This condition would place customers on notice that such activities are prohibited in the mobile food truck park.

Regarding the evaluation of traffic impacts from the project in compliance with CEQA, please refer to the memorandum prepared by McKinley, Conger, Jolley, & Galarneau, LLP, counsel for the landowner Paul Family, attached to the staff report, that explains that the Project is exempt from further environmental review pursuant to Section 15183 of the CEQA Guidelines.

This parcel has long been planned and zoned for development of a commercial business like the project. This project implements that goal and will bring new and desired use to Turlock. Members of the public at the City Council Meeting expressed a desire for this type of use to prevent having to travel outside of Turlock to experience a mobile food truck park. (https://turlockca.portal.civicclerk.com/event/37/media; 2:16:24-2:16:33.) Amilia Giomo expressed that she "hoped [that the City Council] actually open[s] it up to be able to offer something to the people of Turlock that's affordable" as she noted "food is getting pretty expensive" and "food trucks are affordable." (2:16:29-2:16:38)

Authentisign ID: D88BE9B3-734D-F111-8EF3-000D3A1E5FED

It was further articulated that this type of use will bring new customers into this area benefiting surrounding businesses and that it would benefit the residents as a central hub for members of the community to share a meal, hang out, and talk with one another enhancing their overall sense of community (2:14:45-2:15:35.) As articulated by members of the public at the City Council Meeting this is a desired and needed use in the area that will provide the residents of Turlock with a place to hang out and talk with one another (2:14:45 - 2:15:35; 2:16:53-2:17-47.)

Accordingly, we request that the Council approve the project, as modified, and further promote small business development and operations in Turlock.

Very truly yours,

AuthentiSIGN
Pushpinderdeep Singh Kahlon

Pushpinder Kahlon
05/11/2026

AuthentiSIGN
Nimrat Kaur Sandhu

Nimrat Kaur Sandhu
05/11/2026

cc: Adrienne Werner, Development Services Director (awerner@turlock.ca.us)
Katie Quintero, Senior Planner (kquintero@turlock.ca.us)

Joseph B. Vieira
The Vieira Company
227 North Santa Cruz Avenue, Suite B
Los Gatos, CA 95030
Phone 408.354.5817 Fax 408.384.6224
joe@vieiraco.com

The VIEIRA COMPANY
PROPERTY MANAGEMENT
REAL ESTATE & CONSULTING

May 11, 2026

Members of the Turlock City Council
c/o Katie Quintero, Planning Manager
156 S. Broadway, Ste. 120
Turlock, CA 95380-5456

VIA EMAIL: KQuintero@turlock.ca.us

RE: Appeal of Planning commission Denial of Conditional Use Permit (2024-09) - Non-Compliance with TMC §9-5-604: Traffic, Parking, and Noise Impacts

Dear Members of the City Council,

I am writing to respectfully urge the City Council to **deny Conditional Use Permit (CUP) 2024-09** for the proposed food truck park at **2400 Fulkerth Road**. While I appreciate efforts to support economic development, the proposed project does **not meet the findings required for approval under Turlock Municipal Code (TMC) §9-5-604**, even with the applicant's revisions and proposed conditions of approval.

Under TMC §9-5-604, all required findings must be met in order to grant a conditional use permit. In this case, substantial evidence in the record demonstrates that **the City cannot make several of these required findings**.

1. The Site Is Not Adequate to Accommodate the Intensity of the Proposed Use *(TMC §9-5-604(a))*

Although the parcel is 1.31 acres in size, **site adequacy is not determined by acreage alone**, but by whether the site can accommodate the *intensity* of the proposed use in a manner compatible with surrounding properties.

The revised proposal concentrates **12 food service operations on a single site**, along with on-site seating, restrooms, extended customer dwell times, and synchronized evening peak hours. Functionally, this resembles a **multi-restaurant destination use**, not a single commercial tenant.

The project relies on **36 parking spaces**, or **three spaces per food truck**. This number is not supported by comparative parking requirements for brick-and-mortar restaurants in Turlock. In commercial retail shopping centers, restaurants are typically required to provide **approximately one parking space per 100 square feet of floor area or per 3 to 4 seats**. If even a fraction of the food trucks were treated as restaurant-equivalent uses, the parking demand would exceed what is provided on site.

When parking demand exceeds supply, impacts are not eliminated—they are **exported off-site** into surrounding streets, drive aisles, adjacent neighborhoods and shopping centers. This directly undermines the site adequacy finding.

2. The Project Is Not Properly Related to the Street System to Carry Its Traffic *(TMC §9-5-604(b))*

The City's reliance on the **2012 General Plan traffic analysis** is insufficient for this discretionary decision.

General Plan EIRs are **program-level documents**, not substitutes for evaluating the unique traffic characteristics of a **destination food truck park**. The analysis conducted in 2012 did not examine the cumulative effects of multiple food vendors operating simultaneously on a constrained site adjacent to residential uses.

The report affirmatively states, "Because the study analyzed traffic conditions through the 2030 horizon year, it already accounted for the cumulative traffic expected from planned development throughout the community, including development on this site." It is assumed this references the Turlock General Plan Final Environmental Impact Report dated August 2012, which has no actual traffic study or traffic count. The City of Turlock 2015 Traffic Count Database confirms the traffic count on Countryside/Fulkerth/Hwy 99 for a 3-day average (T-Th) of 24,381, 5-day average (M-F) of 24,978, and weekend average of 22,668 (5th highest in the City).

Additionally, Food truck parks generate:

- Focused on peak hour traffic
- Circulating vehicles searching for parking
- Uber Eats and Ride-share drop-offs and short-term stopping
- Higher evening congestion than typical retail uses

The project's **right-in/right-out access** further concentrates traffic movements on Fulkerth Road and limits circulation options when congestion occurs. Without a site-specific traffic analysis addressing these operational realities, the City cannot reasonably conclude that the street system can safely and efficiently carry the quantity and kind of traffic generated by this use.

3. The Use Will Adversely Affect Adjacent Residential Properties *(TMC §9-5-604(c))*

Despite proposed conditions, the project will create **ongoing and unavoidable land-use conflicts** with the residential subdivision to the east.

Food truck parks are inherently outdoor, transient, and activity-intensive. Even with limits on amplified music and operating hours, the project will introduce:

- Evening and weekend noise from customers
- Late-night vehicle movements and headlights
- Trash, odors, and operational disturbances
- Cumulative impacts that conditions cannot fully mitigate

A masonry wall and landscaping buffer do not eliminate these impacts; they merely reduce them. A conditional use permit requires a finding that the use **will not adversely affect abutting properties**, not that impacts will be partially reduced.

4. The Project Is Functionally Inconsistent With the General Plan's Compatibility Objectives *(TMC §9-5-604(d))*

While the site is designated Community Commercial, **General Plan consistency involves more than land-use labels.** It also requires compatibility with surrounding development patterns, infrastructure capacity, and neighborhood character.

The General Plan did not contemplate **food-truck-park-scale intensity** on this site, particularly adjacent to established residential uses. Allowing this project sets a precedent for high-intensity, quasi-restaurant developments without requiring the same parking, infrastructure investment, and operational controls imposed on traditional restaurants.

5. The Project Exceeds the Scope of TMC §9-2-124 (Mobile Food Facilities)

TMC §9-2-124 regulates **individual mobile food facilities**, not permanent, multi-vendor food parks operating as a primary land use. The scale, permanence, and infrastructure of this proposal place it well outside the intent of §9-2-124, reinforcing the need for strict compliance with CUP findings rather than relaxed standards.

Approving the project despite these inconsistencies would effectively create a **de facto zoning exception**, contrary to the structure of Title 9.

Conclusion

Conditional use permits are discretionary precisely because **not every use is appropriate on every site**, even within the same zoning district. In this case, the proposed food truck park may be viable elsewhere, but **it is not appropriate at this location.**

They are intended to allow certain uses **only when they demonstrably fit a site without creating adverse impacts.** In this case, the record shows that:

- The site is not adequate for the intensity proposed
- Traffic impacts are not sufficiently evaluated
- Adjacent residential properties will be adversely affected
- General Plan consistency is nominal rather than substantive

Because the City Council **cannot make all findings required under TMC §9-5-604**, I respectfully urge the Council to **deny CUP 2024-09 and uphold the Planning Commission's original denial**.

Thank you for your careful consideration of this matter and for your service to the Turlock community.

Sincerely,

Joseph B. Vieira

Property Manager/Owner
Countryside Plaza

cc: Gary Hampton, Interim City Manager ghampton@turlock.ca.us

Adrienne Werner

From: BP <sweetheliotrope@yahoo.com>
Sent: Tuesday, May 12, 2026 12:50 PM
To: Planning (General); Adrienne Werner
Subject: Comments: Conditional Use Permit Item 24-09

This Message Is From an External Sender
This message came from outside your organization.

Dear Mayor Bublak and Turlock City Council Members,

We are writing as property owners in Turlock to express our strong support for the proposed food truck court at 2400 Fulkerth. This casual, outdoor setting would be a unique option, setting it apart from traditional restaurants in the surrounding area.

This project represents an important opportunity to foster small business growth and cultivate the entrepreneurial spirit that has long defined our community. Food truck courts provide an accessible entry point for new and emerging business owners—many of whom are working to establish themselves, support their families, and contribute meaningfully to the local economy.

Turlock has a proud history shaped by immigrants and first-generation families, like our own, who built their livelihoods through determination, hard work, and small business ownership. This proposal reflects those same foundational values. By creating a space where entrepreneurs can launch and grow their ventures, the food truck court will continue that legacy for the next generation.

Beyond its economic impact, the food truck court will help strengthen a sense of community in Turlock. It will serve as a gathering place where neighbors, families, and visitors can come together, share meals, and build connections. These everyday interactions—meeting friends, supporting local vendors, and experiencing diverse cultures through food—help foster belonging and civic pride.

The project will also bring vibrant, diverse dining options to our town, enhancing the energy and character of the area. It will encourage relationship-building, support collaboration among small business owners, and contribute to a welcoming, inclusive atmosphere that reflects the best of Turlock.

We believe this development will be a meaningful and positive addition to the city and respectfully urge your support.

Thank you for your time and consideration.

Sincerely,

Bernadette Paul - Trustee

Dean Paul - Trustee

Mary Paul Stewart - Trustee

Adrienne Werner

From: Beatriz Saldana <beatriz.saldana08@gmail.com>
Sent: Tuesday, May 12, 2026 6:26 AM
To: Adrienne Werner
Subject: Opposition to Proposed Food Truck Parking Location

This Message Is From an Untrusted Sender
You have not previously corresponded with this sender.

To Turlock City Counsel,

Thank you for this opportunity to express my opposition to the proposed food truck project parking location near our neighborhood.

I respectfully oppose the proposed food truck parking site near our neighborhood for the following concerns.

First, I am concerned about security, loitering, traffic, litter, and whether this area can realistically be monitored and enforced properly at all times. If enforcement or security issues arise, who will be responsible for those costs? Will the owner of the parking space be held accountable for providing ongoing security and ensuring the area remains safe and secured at all times?

Another important concern is whether nearby property values will be negatively affected. Has any consideration or study been done regarding the impact this type of operation may have on surrounding homes and neighborhoods?

Also, the proposed hours of operation are not acceptable. Beginning operations as early as 6:00 a.m. appear inconsistent with city ordinances that require businesses to begin later in the day. In addition, although operations may officially end at 10:00 p.m., that does not guarantee that customers, vehicles, noise, or truck activity will cease at that time.

I respectfully ask the developer and the city to consider an alternative location better suited for this type of operation, preferably in a commercial or business area rather than adjacent to established neighborhoods.

Lastly and most importantly, our community is a quiet, family-friendly neighborhood where residents look out for one another and value safety, peace, and quality of life. I have serious concerns regarding the impact this proposal may have on nearby residents. I truly hope the concerns of residents like myself are heard and seriously considered. Again, I respectfully ask the city and developer to look for a more appropriate location in a commercial business area rather than next to homes and families.

For these reasons, my vote is **"No"** on the proposed food truck parking stand.

Thank you for your consideration.

Sincerely,

Beatriz Saldaña

May 10, 2026

Signed letter to follow via mail.

I, Isaac Moreno, the Finance Director of the City of Turlock attest that each check is entered into the Check Register with each check number, the date of issue, the amount, and the name of the payee. Each check entered into the Check Register conforms to the current City budget. I hereby submit the Check Register to the City Manager for approval prior to being placed on the council agenda for ratification per Turlock Municipal Code Sections 3-2-05 and 3-2-07.

Check Register dated 5/1/26 – 5/7/26

5-11-26

Isaac Moreno – Finance Director Date

5-12-26

Gary Hampton - Interim City Manager Date

City of Turlock

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
AP - Accounts Payable									
Check									
159077	05/05/2026	Open			Accounts Payable	CORTEZ MARIA L	$138.47		
	Invoice		Date	Description			Amount		
	APN: 071071150		04/01/2026	Fitzpatrick Apartments - 1360 SHADY LN #913			$138.47		
	Paying Fund			Cash Account			Amount		
	246 - Landscape Assessment			246.11000 (Cash)			$138.47		
159078	05/05/2026	Open			Accounts Payable	SANGHERA MANDIP	$280.36		
	Invoice		Date	Description			Amount		
	APN: 073045046		04/01/2026	Voumard #1 - 1690 MILESTONE WAY			$280.36		
	Paying Fund			Cash Account			Amount		
	246 - Landscape Assessment			246.11000 (Cash)			$280.36		
159079	05/05/2026	Open			Utility Management Refund	FRANK BUYS HOUSES LLC	$279.19		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		218103-010	MOVE OUT CREDIT	05/04/2026	Refund			
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$279.19		
159080	05/05/2026	Open			Utility Management Refund	PERALTA, SYLVIA	$430.29		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		473928-004	MOVE OUT CREDIT	05/04/2026	Refund			
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$430.29		
159081	05/05/2026	Open			Utility Management Refund	RASHID, MELISSA	$147.28		
	Account Type		Account Number	Description	Transaction Date	Transaction Type			
	Single Family Res Metered		639753-005	MOVE OUT CREDIT	05/04/2026	Refund			
	Paying Fund			Cash Account			Amount		
	420 - WATER			420.11000 (Cash)			$147.28		
159082	05/07/2026	Open			Accounts Payable	ABS DIRECT INC	$8,000.00		
	Invoice		Date	Description			Amount		
	MP-20260427		04/27/2026	POSTAGE ADVANCE FOR JUN/JUL 2026			$8,000.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$8,000.00		
159083	05/07/2026	Open			Accounts Payable	ALTA Language Services, Inc.	$69.00		
	Invoice		Date	Description			Amount		
	IS833900		02/28/2026	Alta February Invoice 2026			$69.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$69.00		
159084	05/07/2026	Open			Accounts Payable	ANDREW MIKKELSEN DBA CALSCADA LLC	$2,200.00		
	Invoice		Date	Description			Amount		
	1175		04/16/2026	SCADA SERVICES			$2,200.00		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$2,200.00		

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159085	05/07/2026	Open			Accounts Payable	Aqua Source	$1,311.25		

Invoice	Date	Description	Amount
406955	04/21/2026	Service Call; Annual Cleaning of feed system and supplies	$1,311.25

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$1,311.25

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159086	05/07/2026	Open			Accounts Payable	AT&T MOBILITY	$2,779.59		

Invoice	Date	Description	Amount
287307496865X042	04/19/2026	POLICE - MONTHLY CELL PHONE CHARGES	$2,779.59

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$2,779.59

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159087	05/07/2026	Open			Accounts Payable	AutomationDirect.com Inc	$923.32		

Invoice	Date	Description	Amount
19062109	03/25/2002	AUTOMATION LED INDICATING LIGHT	$355.75
19147605	04/22/2026	STAHLIN SUBPANEL SOLAR SHEILD COVER NEMA	$567.57

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$181.62
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$741.70

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159088	05/07/2026	Open			Accounts Payable	BARTH ROOFING COMPANY INC	$143,192.02		

Invoice	Date	Description	Amount
PP2/CP 24-004	12/30/2025	24-004 WQC Admin Building Reroof-12/30/2025	$143,192.02

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$71,596.01
420 - WATER	420.11000 (Cash)	$71,596.01

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159089	05/07/2026	Open			Accounts Payable	Bearing Engineering Company	$23,550.00		

Invoice	Date	Description	Amount
5718731	04/15/2026	Asset Identification/Lubrication	$23,550.00

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$11,775.00
420 - WATER	420.11000 (Cash)	$11,775.00

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159090	05/07/2026	Open			Accounts Payable	BICSEC SECURITY INC	$2,063.66		

Invoice	Date	Description	Amount
239400	04/09/2026	SERVICE CALL; PSF; 3/25/2026	$115.00
239439	04/09/2026	SERVICE CALL; PEDRETTI SHOP; 2/27/2026	$230.00
240200	05/01/2026	TRAINING FACILITY - U.L. Cert 6/1- 6/30/2026	$20.00
239814	05/01/2026	BUS SHOP; COMMERCIAL MONITORING: 601 - 6/30/2026	$36.00
239801	05/01/2026	PARKS, REC & PFM; COMMERCIAL MONITORING: 6/01 - 6/30/2026	$36.00
239796	05/01/2026	PAINT SHOP; COMMERCIAL MONITORING: 6/01 - 6/30/2026	$36.00
239795	05/01/2026	UTILITIES MAINT.; COMMERCIAL MONITORING: 6/1 - 6/30/2026	$36.00
239790	05/01/2026	FLEET; COMMERCIAL MONITORING: 6/01 - 6/30/2026	$36.00
239785	05/01/2026	PEDRETTI SHOP; COMMERCIAL MONITORING 6/1 - 6/30/2026	$36.00
239749	05/01/2026	ASSESSMENT BLDG; FIRE MONITORING: 6/01 - 6/30/2026	$263.00

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name		Transaction Amount	Reconciled Amount	Difference
	239748		05/01/2026	ASSESSMENT BLDG; COMMERCIAL MONITORING: 6/01 - 6/30/2026			$36.00			
	239592		05/01/2026	SWITCH GEAR FIRE MONITORING: 6/01 - 6/30/2026			$120.00			
	239591		05/01/2026	CITY HALL; COMMERCIAL & FIRE MONITORING: 6/01 - 6/30/2026			$195.00			
	239590		05/01/2026	CHLORINE BLDG- FIRE MONITORING; 6/01 - 6/30/2026			$161.25			
	239588		05/01/2026	TRANSIT CENTER; COMMERCIAL MONITORING; 6/01 - 6/30/2026			$20.00			
	239586		05/01/2026	FIRE STATION FIRE MONITORING: 6/01 - 6/30/2026			$121.25			
	239552		05/01/2026	TRANSIT CENTER; FIRE MONITORING; 6/01 - 6/30/2026			$186.25			
	239583		05/01/2026	CNG BLDG FIRE MONITORING: 6/1 - 6/30/2026			$138.25			
	240458		04/01/2026	PSF BLDG- UL Cert. & Fire Inspections; 5/01-5/31/2026			$241.66			
	Paying Fund			Cash Account			Amount			
	110 - General Fund			110.11000 (Cash)			$728.91			
	205 - Sports Facilities			205.11000 (Cash)			$266.00			
	217 - Streets - Gas Tax			217.11000 (Cash)			$36.00			
	246 - Landscape Assessment			246.11000 (Cash)			$299.00			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$281.25			
	420 - WATER			420.11000 (Cash)			$36.00			
	426 - Transit			426.11000 (Cash)			$380.50			
	505 - Fleet			505.11000 (Cash)			$36.00			
159091	05/07/2026	Open			Accounts Payable	BLACK BOX SAFETY, INC.		$8,367.12		
	Invoice		Date	Description			Amount			
	INVP-10012033		03/26/2026	BALLISTIC HELMETS (16)			$8,367.12			
	Paying Fund			Cash Account			Amount			
	110 - General Fund			110.11000 (Cash)			$8,367.12			
159092	05/07/2026	Open			Accounts Payable	BONANDER AUTO TRUCK & TRAILER INC		$72.83		
	Invoice		Date	Description			Amount			
	285568		04/29/2026	86344986 hose			$72.83			
	Paying Fund			Cash Account			Amount			
	505 - Fleet			505.11000 (Cash)			$72.83			
159093	05/07/2026	Open			Accounts Payable	California Dept of Transportation		$8,125.97		
	Invoice		Date	Description			Amount			
	SL260719		04/20/2026	Freeway Maintenance Agreement SIGNALS&LIGHTING JAN-MARCH 2026			$8,125.97			
	Paying Fund			Cash Account			Amount			
	216 - Streets - Local Transportation			216.11000 (Cash)			$8,125.97			
159094	05/07/2026	Open			Accounts Payable	CALIFORNIA LANDSCAPE SUPPLY INC		$7,933.05		
	Invoice		Date	Description			Amount			
	117380		03/13/2026	CONTRACTOR BLEND SEED			$7,933.05			
	Paying Fund			Cash Account			Amount			
	246 - Landscape Assessment			246.11000 (Cash)			$7,933.05			

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159095	05/07/2026	Open			Accounts Payable	CHAMPION INDUSTRIAL	$28,410.68		

Invoice	Date	Description	Amount
87500	04/20/2026	SERVICE CALL: NO A/C IN SLEEPING QUARTERS AT FIRE STATION #3	$189.95
87433	04/14/2026	A/C #2 REPAIRS @ POLICE DEPARTMENT	$2,516.00
87429	04/13/2026	SERVICE CALL: A/C #1 REPAIR @ CITY HALL	$2,816.90
87527	04/21/2026	SECTION 3; FIRE STATION/SERVER RM/BOILER WATER; FEB 2026	$2,194.16
87526	04/21/2026	PM- JAN. 2026; Section 1 & Section 3 (City Hall Server Room)	$20,693.67

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$15,890.94
205 - Sports Facilities	205.11000 (Cash)	$563.23
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$7,374.66
420 - WATER	420.11000 (Cash)	$495.36
426 - Transit	426.11000 (Cash)	$1,481.05
501 - Information Technology	501.11000 (Cash)	$1,709.94
505 - Fleet	505.11000 (Cash)	$895.50

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159096	05/07/2026	Open			Accounts Payable	CINCINNATI LIFE INS INC	$459.74		

Invoice	Date	Description	Amount
4010782014	05/01/2026	APRIL 2026 PREMIUMS	$459.74

Paying Fund	Cash Account	Amount
104 - Payroll Clearing Fund	104.11000 (Cash)	$459.74

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159097	05/07/2026	Open			Accounts Payable	CINTAS FIRST AID AND SAFETY, CINTAS CORP NO 2	$229.85		

Invoice	Date	Description	Amount
5330634607	04/20/2026	FIRST AID CABINET REFILL - WQC / ELECTRICAL	$229.85

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$114.92
420 - WATER	420.11000 (Cash)	$114.93

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159098	05/07/2026	Open			Accounts Payable	Cloudburst Consulting Group, Inc.	$1,782.50		

Invoice	Date	Description	Amount
INV-0000019556	04/30/2026	On Demand Consulting- Housing FY- 2025-26- March 2026	$1,782.50

Paying Fund	Cash Account	Amount
255 - CDBG	255.11000 (Cash)	$658.75
256 - Stanislaus Housing Consortium	256.11000 (Cash)	$697.50
259 - HOME-ARP	259.11000 (Cash)	$426.25

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159099	05/07/2026	Open			Accounts Payable	CRUZIN' CRITTERS	$6,009.00		

Invoice	Date	Description	Amount
3.20.26	03/20/2026	Go Green Week Presentations 2026	$6,009.00

Paying Fund	Cash Account	Amount
204 - SolidWaste/Recycle/PublicEducati	204.11000 (Cash)	$6,009.00

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159100	05/07/2026	Open			Accounts Payable	CULLIGAN INC	$100.35		

Invoice	Date	Description	Amount
CD3679429	04/25/2026	ACCT #180900 De-ionized water for WQC Lab	$100.35

Paying Fund	Cash Account	Amount
420 - WATER	420.11000 (Cash)	$100.35

City of Turlock

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159101	05/07/2026	Open			Accounts Payable	Dirt Dynasty, Inc.	$599,096.92		
	Invoice		Date	Description			Amount		
	P5/CP23-069		04/28/2026	23-069 Construction for Roads CIP February 2026			$599,096.92		
	Paying Fund			Cash Account			Amount		
	115 - Measure A - Roads			115.11000 (Cash)			$599,096.92		
159102	05/07/2026	Open			Accounts Payable	DYETT & BHATIA URBAN	$22,199.25		
	Invoice		Date	Description			Amount		
	21-580-29-B		04/28/2026	Professional Services March1, 2026-March 31, 2026			$22,199.25		
	Paying Fund			Cash Account			Amount		
	271 - Development Services Grants			271.11000 (Cash)			$22,199.25		
159103	05/07/2026	Open			Accounts Payable	Dynamic Pavement, Inc.	$1,319.78		
	Invoice		Date	Description			Amount		
	25-017 Retention		04/28/2026	25-017 Speed Lumps at Berkeley Roundabouts			$1,319.78		
	Paying Fund			Cash Account			Amount		
	218 - Measure L			218.11000 (Cash)			$1,319.78		
159104	05/07/2026	Open			Accounts Payable	EDGES ELECTRICAL GROUP LLC	$356.52		
	Invoice		Date	Description			Amount		
	S6701668.001		04/13/2026	LIGHT CONDUIT REPARI			$77.92		
	S6702735.001		04/14/2026	AREATION BASIN #3 LIGHT CONDUIT REPAIR			$278.60		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$356.52		
159105	05/07/2026	Open			Accounts Payable	FASTENAL COMPANY INC	$869.25		
	Invoice		Date	Description			Amount		
	CATUR205711		04/24/2026	1 50 50 0 5/16-18x2.5 TRX FLOR			$29.98		
	catur205600		04/24/2026	SHIPPING & RECEIVING GENERAL SUPPLIES			$839.27		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$869.25		
159106	05/07/2026	Open			Accounts Payable	FEDERAL EXPRESS	$161.69		
	Invoice		Date	Description			Amount		
	9-279-91641		05/01/2026	SHIPPING CHARGES FOR 5/1/26			$161.69		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$144.30		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$17.39		
159107	05/07/2026	Open			Accounts Payable	FLORIDA RUBBER MULCH DISTRIBUTORS, LLC DBA RMPUSA	$5,031.51		
	Invoice		Date	Description			Amount		
	7909		03/31/2026	RUBBER MULCH			$5,031.51		
	Paying Fund			Cash Account			Amount		
	246 - Landscape Assessment			246.11000 (Cash)			$5,031.51		
159108	05/07/2026	Open			Accounts Payable	FRANCHISE TAX BOARD	$97.69		
	Invoice		Date	Description			Amount		
	042526GONZALEZ		05/01/2026	04252026 PAYROLL WITHHOLDING			$97.69		
	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			$97.69		
159109	05/07/2026	Open			Accounts Payable	FRANCHISE TAX BOARD	$1,143.50		
	Invoice		Date	Description			Amount		
	042526MACIAS		05/01/2026	04252026 PAYROLL WITHHOLDING			$1,143.50		

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	Paying Fund			Cash Account			Amount		
	104 - Payroll Clearing Fund			104.11000 (Cash)			$1,143.50		
159110	05/07/2026	Open			Accounts Payable	FRESNO CITY COLLEGE	$429.00		
	Invoice		Date	Description			Amount		
	19893429		04/29/2026	BASIC DISPATCHER ACADEMY			$429.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$429.00		
159111	05/07/2026	Open			Accounts Payable	GILLIG LLC	$339.28		
	Invoice		Date	Description			Amount		
	41431856		04/21/2026	55-08792-003 1 EA HATCH,ESCAPE,W/ENGLISH EMERGENCY IN			$339.28		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$339.28		
159112	05/07/2026	Open			Accounts Payable	GOLDEN STATE COMMUNICATIONS, INC.	$12,000.00		
	Invoice		Date	Description			Amount		
	RI42103		04/01/2026	MICROWAVE SYSTEM MAINTENANCE 4/1/26-3/31/27			$12,000.00		
	Paying Fund			Cash Account			Amount		
	116 - Special Public Safety			116.11000 (Cash)			$12,000.00		
159113	05/07/2026	Open			Accounts Payable	GRAINGER INC, W W	$6,664.40		
	Invoice		Date	Description			Amount		
	9877792995		04/13/2026	SHIPPING & RECEIVING GENERAL SUPPLIES			$3,414.69		
	9894860551		04/27/2026	BATTERY LITHIUM 9V HI PERFORMANCE			$93.70		
	9891072929		04/23/2026	SRWA Supplies - Mig Welding Wire			$124.04		
	9878333161		04/14/2026	WARNING LIGHT LED			$418.79		
	9878333179		04/14/2026	WARNING LIGHT LED			$837.58		
	9887272392		04/21/2026	SUBMERSIBLE LVL TRANSMITER 60FT CABLE			$1,741.28		
	9886831529		04/20/2026	BREATHER VENT PARTS FOR NEW #2 WATER PRESSURE SENSOR			$34.32		
	Paying Fund			Cash Account			Amount		
	270 - Recreation Grants			270.11000 (Cash)			$3,414.69		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,869.30		
	450 - SRWA - Operations			450.11000 (Cash)			$124.04		
	505 - Fleet			505.11000 (Cash)			$1,256.37		
159114	05/07/2026	Open			Accounts Payable	Guidepost Solutions LLC	$7,100.00		
	Invoice		Date	Description			Amount		
	76474		03/31/2026	Design Services for Camera System -Kickoff- March 2026			$7,100.00		
	Paying Fund			Cash Account			Amount		
	120 - Tourism			120.11000 (Cash)			$5,893.00		
	217 - Streets - Gas Tax			217.11000 (Cash)			$710.00		
	420 - WATER			420.11000 (Cash)			$497.00		
159115	05/07/2026	Open			Accounts Payable	HD SUPPLY INC, DBA USABLUEBOOK	$224.16		
	Invoice		Date	Description			Amount		
	INV01028270		04/23/2026	SRWA supplies - Hardness, Powder Pillow, Brom.,Buffer			$224.16		

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	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			$224.16		
159116	05/07/2026	Open			Accounts Payable	HILMAR LUMBER INC	$1,819.01		
	Invoice		Date	Description			Amount		
	771291		03/19/2026	BLUE REGAL TOOL / LUBRICANT MULTIPUR 10OZ			$16.12		
	777539		04/16/2026	SUCTION HOSE/ DISCHARGE HOSE/ GALV STEEL CLAMP/ CAMLOCK/ SPUMP			$1,704.63		
	776469		04/13/2026	TRUCK SUPPLIES			$98.26		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,819.01		
159117	05/07/2026	Open			Accounts Payable	HILMAR READY MIX	$110.03		
	Invoice		Date	Description			Amount		
	13567		04/03/2026	CONCRETE AND WASHOUT FEE			$110.03		
	Paying Fund			Cash Account			Amount		
	217 - Streets - Gas Tax			217.11000 (Cash)			$110.03		
159118	05/07/2026	Open			Accounts Payable	Imperial Bag & Paper Co., LLC DBA Imperial Dade	$1,078.16		
	Invoice		Date	Description			Amount		
	41481226		04/24/2026	SHIPPING & RECEIVING GENERAL SUPPLIES			$1,078.16		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$1,078.16		
159119	05/07/2026	Open			Accounts Payable	IN-SITU INC.	$551.55		
	Invoice		Date	Description			Amount		
	INV125656		04/22/2026	KEYPAD ASSEMBLY FOR MINI ANALYZER 4X4 KEYES			$551.55		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$551.55		
159120	05/07/2026	Open			Accounts Payable	IVES TRAINING & COMPLIANCE GROUP INC.	$2,460.00		
	Invoice		Date	Description			Amount		
	PSI-42380		03/27/2026	FORKLIFT TRAINING PROGRAM - BRADLEY MORING			$1,230.00		
	PSI-42381		03/27/2026	FORKLIFT TRAINING PROGRAM - SCOTT HAGGSTROM			$1,230.00		
	Paying Fund			Cash Account			Amount		
	217 - Streets - Gas Tax			217.11000 (Cash)			$1,230.00		
	246 - Landscape Assessment			246.11000 (Cash)			$1,230.00		
159121	05/07/2026	Open			Accounts Payable	J A MOMANEY SERVICES INC	$807.78		
	Invoice		Date	Description			Amount		
	201597		04/17/2026	GOLDEN STATE & FULKERTH STRIPPER FOR SNS			$807.78		
	Paying Fund			Cash Account			Amount		
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)			$807.78		
159122	05/07/2026	Open			Accounts Payable	Jocelyn E. Roland Ph.D., ABPP, INC	$1,000.00		
	Invoice		Date	Description			Amount		
	24969		04/23/2026	POLICE - PSYCHOLOGICAL ANNUAL AGREEMENT 7/1/25 - 6/30/26			$1,000.00		
	Paying Fund			Cash Account			Amount		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	110 - General Fund			110.11000 (Cash)			$1,000.00		
159123	05/07/2026	Open			Accounts Payable	JORGENSEN & CO INC	$304.95		
	Invoice		Date	Description			Amount		
	6244386		03/31/2026	Animal Svcs. Fire Ext. Maint. and Parts			$304.95		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$304.95		
159124	05/07/2026	Open			Accounts Payable	LANGUAGE LINE SERVICES	$56.00		
	Invoice		Date	Description			Amount		
	11876963		03/31/2026	Acct #9020101104 - Translation services for Police Department			$56.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$56.00		
159125	05/07/2026	Open			Accounts Payable	LC ACTION POLICE SUPPLY, LTD	$2,433.20		
	Invoice		Date	Description			Amount		
	487351		04/23/2026	TRAINER PISTOLS AND ACCESSORIES			$2,433.20		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$2,433.20		
159126	05/07/2026	Open			Accounts Payable	LEGACY HEALTH ENDOWMENT	$75,000.00		
	Invoice		Date	Description			Amount		
	PCC2026-2		04/23/2026	Person-Centered Care Pilot Program - 2 of 4			$75,000.00		
	Paying Fund			Cash Account			Amount		
	119 - American Rescue Plan Act			119.11000 (Cash)			$75,000.00		
159127	05/07/2026	Open			Accounts Payable	LEHR Upfitters OpCo LLC dba LEHR	$40,596.56		
	Invoice		Date	Description			Amount		
	SI131359		04/29/2026	32600 police car build			$20,298.28		
	SI131602		04/17/2026	32611 police car build			$20,298.28		
	Paying Fund			Cash Account			Amount		
	506 - Vehicle/Equipment Replacement			506.11000 (Cash)			$40,596.56		
159128	05/07/2026	Open			Accounts Payable	Lhoist North America of Arizona, Inc.	$9,603.20		
	Invoice		Date	Description			Amount		
	1102608257		04/22/2026	SRWA SUPPLY AND DELIVERY OF Hydrated Lime 4.22.26			$9,603.20		
	Paying Fund			Cash Account			Amount		
	450 - SRWA - Operations			450.11000 (Cash)			$9,603.20		
159129	05/07/2026	Open			Accounts Payable	MARTIN MARIETTA MATERIALS INC	$274.28		
	Invoice		Date	Description			Amount		
	48987012		04/14/2026	ASPHALT			$94.12		
	49073626		04/23/2026	ASPHALT			$87.65		
	49097580		04/27/2026	ASPHALT			$92.51		
	Paying Fund			Cash Account			Amount		
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)			$274.28		
159130	05/07/2026	Open			Accounts Payable	MCMASTER-CARR SUPPLY COMPANY	$1,616.89		
	Invoice		Date	Description			Amount		
	63285583		04/15/2026	LONG LIFE REUSABLE MESH PANEL AIR FILTER 1"			$1,616.89		
	Paying Fund			Cash Account			Amount		

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Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		$1,616.89			
159131	05/07/2026	Open			Accounts Payable	MICROBAC LABORATORIES, INC. dba GEOANALYTICAL LAB	$1,944.91		
	Invoice		Date	Description		Amount			
	726001317		04/27/2026	CORROSION CONTROL WQP MONITORING		$48.00			
	726001318		04/27/2026	BIMONTHLY WASTEWATER ANALYSIS NITRATE +NITRATE AS N		$72.57			
	726001315		04/27/2026	MONTHLY WASTEWATER ANALYSIS THMs		$181.71			
	726001316		04/27/2026	WEEKLY WASTEWATER SAMPLING AMMONIA		$46.58			
	726001271		04/22/2026	WEEKLY WASTEWATER SAMPLING AMMONIA		$37.80			
	726001266		04/22/2026	DRINKING WATER WELL ANALYSIS-504		$193.54			
	726001246		04/22/2026	CORROSION CONTROL WQP MON-TERMINAL TANK PUMP STATION		$69.97			
	726001247		04/22/2026	CORROSION CONTROL WQP MONITORING		$654.74			
	726001265		04/22/2026	DRINKING WATER WELL ANALYSIS		$320.00			
	726001264		04/22/2026	DRINKING WATER WELL ANALYSIS - PCE		$320.00			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		$338.66			
	420 - WATER			420.11000 (Cash)		$1,606.25			
159132	05/07/2026	Open			Accounts Payable	MOTION INDUSTRIES INC - CA82	$963.52		
	Invoice		Date	Description		Amount			
	CA15-01002640		03/27/2026	CONE STOCK TX DIST CTR		$716.83			
	CA15-01001910		03/18/2026	6207 2ZJEM BRG		$246.69			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		$963.52			
159133	05/07/2026	Open			Accounts Payable	Mountain Cascade, Inc.	$177,567.07		
	Invoice		Date	Description		Amount			
	PP8/CP23-067 BP3		04/28/2026	23-067 Construction for Roads BP3 February 2026		$177,567.07			
	Paying Fund			Cash Account		Amount			
	218 - Measure L			218.11000 (Cash)		$177,567.07			
159134	05/07/2026	Open			Accounts Payable	NAPA AUTO PARTS	$1,602.31		
	Invoice		Date	Description		Amount			
	856710		04/22/2026	25061000HD NBH FLEETRUNNER BELT		$55.04			
	856832		04/23/2026	7734 NGK SPARK PLUG		$4.78			
	856902		04/24/2026	7548 BAT 2YR WTY BAT 520 ENV CA Battery Enviro		$300.13			
	856919		04/24/2026	SW181 ECH SWITCH - DISCONNECT		$73.91			
	856955		04/27/2026	G604010008 GAT ADAPTERS block off plugs		$8.06			
	857047		04/28/2026	3416 FIL FUEL FILTER		$303.39			
	857048		04/28/2026	1748XD FIL OIL FILTER		$88.92			
	857111		04/29/2026	6850BR NBH FHP BLADERUNNER BELT		$99.39			
	857122		04/29/2026	7825316 BK ATC FUSE BLOCK		$14.85			
	857129		04/29/2026	KCPVC6X14 NON 6X14 TARP ()		$65.03			
	857148		04/29/2026	SG8523X PSG SILENTGUARD BRK PADS		$43.16			
	857182		04/30/2026	XP5224 ASP IRIDIUM SPARK PLUG		$17.12			
	856221		04/13/2026	BATTERY CORE DEPOSIT 7269		$144.00			
	856220		04/13/2026	PUMP STATION #1 GENERATOR		$528.53			
	856250		04/14/2026	PUMP STATION #1 GENERATOR BATTERIES		($144.00)			
	Paying Fund			Cash Account		Amount			

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	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$528.53		
	505 - Fleet			505.11000 (Cash)			$1,073.78		
159135	05/07/2026	Open			Accounts Payable	OFFICIA IMAGING INC DBA MO-CAL OFFICE SOLUTIONS	$7,622.35		
	Invoice		Date	Description			Amount		
	AR1408615		04/22/2026	Ricoh IM C3010 Copier Item No IMC3010-MAP			$7,561.26		
	AR1407258		04/20/2026	RICOH STAPLE TYPE T REFILL			$61.09		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$7,622.35		
159136	05/07/2026	Open			Accounts Payable	OREILLY AUTO PARTS	$859.31		
	Invoice		Date	Description			Amount		
	2800-250074		04/21/2026	1 FEL MS92836-1 MANIFOLD SET			$46.53		
	2800-250342		04/22/2026	DOR 615-188 INT MANIFOLD			$216.79		
	2800-250608		04/22/2026	FEL MS92836-1 MANIFOLD SET credit			($46.53)		
	2800-250696		04/23/2026	DOR 615-188 INT MANIFOLD			$216.79		
	2800-250944		04/23/2026	BC 18B4761 BRACKTED CAL			($309.37)		
	2800-251083		04/24/2026	1 MHT CU2171 RADIATOR			$282.43		
	2800-251266		04/24/2026	MHT CU2171 RADIATOR			$282.43		
	2800-251315		04/24/2026	1 MHT CU2171 RADIATOR			($282.43)		
	2800-252374		04/27/2026	MOT DY1075 IGN MODULE			$168.87		
	2800-252793		04/29/2026	MRY DA1199 HVAC ACTUATR			$23.80		
	2800-252836		04/29/2026	ULT R613407 STARTER			$174.02		
	2800-252903		04/29/2026	1 PPS 13402231 PWR STR HOSE			$85.98		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$859.31		
159137	05/07/2026	Open			Accounts Payable	OTIS ELEVATOR CO INC	$4,337.40		
	Invoice		Date	Description			Amount		
	100402303137		04/13/2026	CITY HALL ELEVATOR MAINTENANCE TERM: 5/1/2026-4/30/2027			$4,337.40		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$4,337.40		
159138	05/07/2026	Open			Accounts Payable	P G & E	$7.84		
	Invoice		Date	Description			Amount		
	REC 4/24/26		04/24/2026	2749172768-4 / 144 S Broadway			$7.84		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$7.84		
159139	05/07/2026	Open			Accounts Payable	PIRES, LIPOMI & BURKETT ARCHITECTURAL CORP	$1,690.00		
	Invoice		Date	Description			Amount		
	7695		01/31/2026	SR04, 24-036 Renovation Sr Center- Marty Yerby Facility-1/31/26			$430.00		
	7694		01/31/2026	SR03, 24-033 Transit Center EV Chargers-1/31/26			$1,260.00		
	Paying Fund			Cash Account			Amount		
	258 - Housing Stimulus Funds			258.11000 (Cash)			$430.00		
	426 - Transit			426.11000 (Cash)			$1,260.00		
159140	05/07/2026	Open			Accounts Payable	PUMP PROS INC	$93.40		
	Invoice		Date	Description			Amount		
	2231		03/16/2026	SPRINKLER SUPPLIES			$93.40		

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	Paying Fund			Cash Account			Amount		
	217 - Streets - Gas Tax			217.11000 (Cash)			$93.40		
159141	05/07/2026	Open			Accounts Payable	QWAKE TECHNOLOGIES, INC	$173,799.90		
	Invoice		Date	Description			Amount		
	INV3035		03/19/2026	C-THRU HELMET CAMERAS - YEAR ONE			$173,799.90		
	Paying Fund			Cash Account			Amount		
	119 - American Rescue Plan Act			119.11000 (Cash)			$173,799.90		
159142	05/07/2026	Open			Accounts Payable	REED INC, GEORGE	$251.99		
	Invoice		Date	Description			Amount		
	100396787		04/28/2026	ASPHALT			$134.30		
	100396660		04/27/2026	ASPHALT			$117.69		
	Paying Fund			Cash Account			Amount		
	219 - SB1 Road Maint & Rehab Account			219.11000 (Cash)			$251.99		
159143	05/07/2026	Open			Accounts Payable	Rigo Dagio DBA AMERICA'S AUTO GLASS	$45.00		
	Invoice		Date	Description			Amount		
	00007189		04/28/2026	32633 WINDSHIELD CHIP REPAIR			$45.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$45.00		
159144	05/07/2026	Open			Accounts Payable	ROMEO MEDICAL CLINIC	$3,562.00		
	Invoice		Date	Description			Amount		
	March 2026		03/31/2026	Romeo Medical Service March 2026			$3,562.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$1,817.00		
	205 - Sports Facilities			205.11000 (Cash)			$287.00		
	217 - Streets - Gas Tax			217.11000 (Cash)			$79.00		
	246 - Landscape Assessment			246.11000 (Cash)			$214.00		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$322.00		
	420 - WATER			420.11000 (Cash)			$362.00		
	505 - Fleet			505.11000 (Cash)			$481.00		
159145	05/07/2026	Open			Accounts Payable	RUSH TRUCK CENTERS OF CALIFORNIA, INC.	$1,238.02		
	Invoice		Date	Description			Amount		
	3045849501		04/22/2026	68193872AD - PROP / GAS			$65.94		
	3045892199		04/24/2026	397-9883:CT - SEAL KIT			$517.57		
	3045967543		04/27/2026	4 W520114S442:FRD NUT - HEX.			$140.27		
	3045959446		04/27/2026	4991808:CE TUBE,CPR WATER OUTLET			$514.24		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$1,238.02		
159146	05/07/2026	Open			Accounts Payable	SAFE-T-LITE OF MODESTO, INC	$299.66		
	Invoice		Date	Description			Amount		
	409900		04/28/2026	SHIPPING & RECEIVING GENERAL SUPPLIES			$299.66		
	Paying Fund			Cash Account			Amount		
	505 - Fleet			505.11000 (Cash)			$299.66		
159147	05/07/2026	Open			Accounts Payable	SEEGERS PRINTING INC	$3,113.19		
	Invoice		Date	Description			Amount		
	0147693-IN		04/20/2026	DOOR HANGER - WATER SHUT OFF			$1,082.99		

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name		Transaction Amount	Reconciled Amount	Difference
	0147694-IN		04/20/2026	DOOR HANGER - SORRY WE MISSED YOU			$1,082.99			
	0147634-IN		04/02/2026	Check Rebate Insert- 5000 for Finance			$947.21			
	Paying Fund			Cash Account			Amount			
	246 - Landscape Assessment			246.11000 (Cash)			$947.21			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,083.00			
	420 - WATER			420.11000 (Cash)			$1,082.98			
159148	05/07/2026	Open			Accounts Payable	SHARPENING SHOP		$1,313.27		
	Invoice		Date	Description			Amount			
	462676		04/21/2026	SHARPENING SERV.; BOLT 6; WASHER			$70.68			
	463238		04/29/2026	12" POWER PRUNER STD BAR; 12" PICCO CHAIN; 16" PICCO CHAIN			$241.11			
	463240		04/29/2026	16" PICCO CHAIN; 25.4CC TELESCOPING SHAFT PRUNER; 12" PRUNER			$1,001.48			
	Paying Fund			Cash Account			Amount			
	246 - Landscape Assessment			246.11000 (Cash)			$1,242.59			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$70.68			
159149	05/07/2026	Open			Accounts Payable	STANISLAUS COUNTY AUDITOR CONTR		$61,197.33		
	Invoice		Date	Description			Amount			
	3/24/26		03/24/2026	Payment Adjustment - Court Fines Distribution 7/1/18-6/30/22			$61,197.33			
	Paying Fund			Cash Account			Amount			
	110 - General Fund			110.11000 (Cash)			$61,197.33			
159150	05/07/2026	Open			Accounts Payable	State Supply Company		$1,375.08		
	Invoice		Date	Description			Amount			
	738955		04/21/2026	HEAD MECHANISM WITH NO 2 SWITCH			$1,375.08			
	Paying Fund			Cash Account			Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$1,375.08			
159151	05/07/2026	Open			Accounts Payable	SUPPORT PAYMENT CLEARING		$405.35		
	Invoice		Date	Description			Amount			
	042526BECCHETTI		05/01/2026	04252026 PAYROLL WITHHOLDING			$405.35			
	Paying Fund			Cash Account			Amount			
	104 - Payroll Clearing Fund			104.11000 (Cash)			$405.35			
159152	05/07/2026	Open			Accounts Payable	T I D		$40,028.28		
	Invoice		Date	Description			Amount			
	624170 - Apr 26		04/11/2026	ACC#6241700000 - Apr 2026			$40,028.28			
	Paying Fund			Cash Account			Amount			
	950 - SRWA - JPA			950.11000 (Cash)			$40,028.28			
159153	05/07/2026	Open			Accounts Payable	Tech M3 Inc dba PureForge		$1,098.73		
	Invoice		Date	Description			Amount			
	19-0638		04/14/2026	PFK00131T 2021-2026 Chevy Tahoe Front			$1,098.73			
	Paying Fund			Cash Account			Amount			
	505 - Fleet			505.11000 (Cash)			$1,098.73			
159154	05/07/2026	Open			Accounts Payable	TERRACON CONSULTANTS INC		$2,190.00		
	Invoice		Date	Description			Amount			
	TQ67164		04/18/2026	SR04, 21-003 Fulkerth Road Widening-4/18/26			$2,190.00			
	Paying Fund			Cash Account			Amount			

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
	305 - Capital Facility Fees			305.11000 (Cash)		$2,190.00			
159155	05/07/2026	Open			Accounts Payable	THE MCCLATCHY COMPANY LLC	$882.00		
	Invoice		Date	Description		Amount			
	IN117919A		02/28/2026	McClatchy City Manager Ad 2/28/26		$882.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$882.00			
159156	05/07/2026	Open			Accounts Payable	TURF STAR	$32.46		
	Invoice		Date	Description		Amount			
	INV151132		04/28/2026	137-4100: SWITCH-IGNITION (Supersedes 117-2221,116-0229)		$32.46			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		$32.46			
159157	05/07/2026	Open			Accounts Payable	TURLOCK CITY TOW INC	$636.12		
	Invoice		Date	Description		Amount			
	122542		04/05/2026	Unit 1476 Flat Tire		$46.17			
	125138		04/07/2026	Unit 1415 Flat Tire		$46.17			
	122541		04/04/2026	Unit 502 Flat Tire		$41.04			
	134642		02/17/2026	TOWING SERVICE FOR EVIDENCE ON 2/17/26		$76.95			
	134641		04/09/2026	TOWING SERVICE FOR EVIDENCE ON 4/9/26		$76.95			
	125137		04/07/2026	TOWING SERVICE FOR EVIDENCE ON 4/7/26		$76.95			
	134345		04/06/2026	TOWING SERVICE FOR EVIDENCE ON 4/6/26		$76.95			
	134665		04/02/2026	TOWING SERVICE FOR PD ON 4/2/26		$41.04			
	134458		04/01/2026	TOWING SERVICE FOR TRANSIT ON 4/1/26		$76.95			
	122452		03/17/2026	TOWING SERVICE FOR TRANSIT ON 3/17/26		$76.95			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$482.22			
	426 - Transit			426.11000 (Cash)		$153.90			
159158	05/07/2026	Open			Accounts Payable	TURLOCK JOURNAL	$1,070.00		
	Invoice		Date	Description		Amount			
	415735		03/31/2026	ESD I/II Turlock Journal Ads 3.14.26-3.28.26		$220.00			
	415689		03/31/2026	ESD I/II Turlock Journal Ads 3.2.26		$250.00			
	417086		04/24/2026	Public Notice for 5/7/26 PC Meeting		$600.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$1,070.00			
159159	05/07/2026	Open			Accounts Payable	TYLER TECHNOLOGIES INC.	$3,600.00		
	Invoice		Date	Description		Amount			
	045-553079		02/11/2026	CUSTOM SCRIPT FOR INDUSTRIAL BILLING		$3,600.00			
	Paying Fund			Cash Account		Amount			
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)		$3,600.00			
159160	05/07/2026	Open			Accounts Payable	UNITED RENTALS (NORTH AMERICA) INC	$1,055.66		
	Invoice		Date	Description		Amount			
	261546081-001		04/23/2026	RAKES, BROOM HANDLES, BLADES		$1,055.66			
	Paying Fund			Cash Account		Amount			
	505 - Fleet			505.11000 (Cash)		$1,055.66			

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159161	05/07/2026	Open			Accounts Payable	UNITED SITE SERVICES OF CALIFORNIA, INC.	$70.84		

Invoice	Date	Description	Amount
114-14225010	04/28/2026	PEDRETTI COVERED AREA PORTABLES WEEKLY SERVICE	$70.84

Paying Fund	Cash Account	Amount
205 - Sports Facilities	205.11000 (Cash)	$70.84

159162	05/07/2026	Open			Accounts Payable	UTILITY TELECOMP GROUP LLC	$1,282.89		

Invoice	Date	Description	Amount
0128444260501	05/01/2026	Acct #128444 - Public Safety internet service	$917.93
0131803260501	05/01/2026	Acct #131803 - Transit Center telephone	$364.96

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$917.93
426 - Transit	426.11000 (Cash)	$364.96

159163	05/07/2026	Open			Accounts Payable	VERIZON WIRELESS	$1,666.23		

Invoice	Date	Description	Amount
6140210363A	04/03/2026	972530635-00026 - CM/CA/EDC/CC - Verizon	$428.94
6140210369	04/03/2026	972530635-00036 Maintenance MAR 4 - APR 3 2026	$616.60
6140210359	04/03/2026	Human Relations Verizon 3/4/26-4/3/26	$41.38
6141400121	04/18/2026	642482150-00001 UT Well Sites Sim Card Use Mar 19 -Apr 18 2026	$579.31

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$660.37
205 - Sports Facilities	205.11000 (Cash)	$68.03
217 - Streets - Gas Tax	217.11000 (Cash)	$230.06
246 - Landscape Assessment	246.11000 (Cash)	$40.01
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$38.01
420 - WATER	420.11000 (Cash)	$579.31
505 - Fleet	505.11000 (Cash)	$50.44

159164	05/07/2026	Open			Accounts Payable	WARDEN'S OFFICE INC	$36.41		

Invoice	Date	Description	Amount
215917-00	04/17/2026	NAME PLATE - VERONICA F	$36.41

Paying Fund	Cash Account	Amount
410 - WATER QUALITY CONTROL (WQC)	410.11000 (Cash)	$18.20
420 - WATER	420.11000 (Cash)	$18.21

159165	05/07/2026	Open			Accounts Payable	WEST PUBLISHING CORPORATION	$359.00		

Invoice	Date	Description	Amount
853401658	04/01/2026	POLICE-INVESTIGATIVE SERVICES	$359.00

Paying Fund	Cash Account	Amount
110 - General Fund	110.11000 (Cash)	$359.00

159166	05/07/2026	Open			Accounts Payable	WFG National Title Insurance Company	$500.00		

Invoice	Date	Description	Amount
26-151389	04/27/2026	25-044 Preliminary Title Report-3501 W Monte Vista	$500.00

Paying Fund	Cash Account	Amount
422 - Well Remediation	422.11000 (Cash)	$500.00

City of Turlock

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159167	05/07/2026	Open			Accounts Payable	WILLE ELECTRIC SUPPLY INC	$4,023.53		
	Invoice		Date	Description			Amount		
	S2291921.001		04/16/2026	SEWER 69 VTSCADA MIGRATION			$2,125.57		
	S2294251.001		04/27/2026	RF LINK FOR SCADA REMOTE SITES			$1,897.96		
	Paying Fund			Cash Account			Amount		
	410 - WATER QUALITY CONTROL (WQC)			410.11000 (Cash)			$4,023.53		
159168	05/07/2026	Open			Accounts Payable	YOSEMITE CHAPTER OF ICC	$4,000.00		
	Invoice		Date	Description			Amount		
	257		03/02/2026	2026 CASp Training			$4,000.00		
	Paying Fund			Cash Account			Amount		
	301 - Capital Improvements			301.11000 (Cash)			$4,000.00		
159169	05/07/2026	Open			Accounts Payable	ARGUETA, TONY	$114.00		
	Invoice		Date	Description			Amount		
	TR 5307 PER DIEM		04/29/2026	PRISONER EXTRADITION, 4/28-4/29, TILLAMOOK, OR			$114.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$114.00		
159170	05/07/2026	Open			Accounts Payable	David, James, Gavilan	$746.50		
	Invoice		Date	Description			Amount		
	APN: 073052055		05/07/2026	Fairbanks Ranch - 2752 MEADOWBROOK LN			$746.50		
	Paying Fund			Cash Account			Amount		
	246 - Landscape Assessment			246.11000 (Cash)			$746.50		
159171	05/07/2026	Open			Accounts Payable	DAVIDOF, ROMELA	$22.50		
	Invoice		Date	Description			Amount		
	19808115		04/28/2026	CHECK REFUND FOR SWIM LESSONS CREDIT			$22.50		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$22.50		
159172	05/07/2026	Open			Accounts Payable	DELACRUZ, SALVADOR	$114.00		
	Invoice		Date	Description			Amount		
	TR 5307 PER DIEM		04/29/2026	PRISONER EXTRADITION, 4/28-4/29, TILLAMOOK, OR			$114.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$114.00		
159173	05/07/2026	Open			Accounts Payable	FERREIRA, DUSTIN	$640.00		
	Invoice		Date	Description			Amount		
	TR 5306 PER DIEM		04/30/2026	ICI CORE INVESTIGATION COURSE, 5/10-5/22, MONTEREY			$640.00		
	Paying Fund			Cash Account			Amount		
	206 - Traffic Safety			206.11000 (Cash)			$640.00		
159174	05/07/2026	Open			Accounts Payable	FORTADO, RICHARD	$158.00		
	Invoice		Date	Description			Amount		
	TR 5263 PER DIEM		02/26/2026	LEADERSHIP DEVELOPMENT SESSION 4, 5/27/26-5/29/26, MONTEREY			$158.00		
	Paying Fund			Cash Account			Amount		
	110 - General Fund			110.11000 (Cash)			$158.00		

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source	Payee Name	Transaction Amount	Reconciled Amount	Difference
159175	05/07/2026	Open			Accounts Payable	GONZALEZ, LEO	$248.79		
	Invoice		Date	Description		Amount			
	TR5308		05/01/2026	WORK ZONE SAFETY - TRAINING - PER DIEM		$248.79			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$248.79			
159176	05/07/2026	Open			Accounts Payable	GUTIERREZ RAFAEL PADILLA	$446.60		
	Invoice		Date	Description		Amount			
	APN: 071067042		04/01/2026	Traditions No. 4 & 5 - 4644 PROVIDENCE LN		$446.60			
	Paying Fund			Cash Account		Amount			
	246 - Landscape Assessment			246.11000 (Cash)		$446.60			
159177	05/07/2026	Open			Accounts Payable	Hurtado, Emiliano R, & Purificacion F	$353.50		
	Invoice		Date	Description		Amount			
	APN: 087010013		05/07/2026	Autumn Brook No. 1 - 2182 AUTUMN MOON WAY		$353.50			
	Paying Fund			Cash Account		Amount			
	246 - Landscape Assessment			246.11000 (Cash)		$353.50			
159178	05/07/2026	Open			Accounts Payable	NACCED	$550.00		
	Invoice		Date	Description		Amount			
	1289		04/30/2026	IDIS Training- Jennifer Figueroa		$550.00			
	Paying Fund			Cash Account		Amount			
	255 - CDBG			255.11000 (Cash)		$550.00			
159179	05/07/2026	Open			Accounts Payable	Oldson, Jay, Jeffrey	$750.37		
	Invoice		Date	Description		Amount			
	APN: 087007028		05/07/2026	Monte Vista Village - 2123 SPRING BLOSSOM LN		$750.37			
	Paying Fund			Cash Account		Amount			
	246 - Landscape Assessment			246.11000 (Cash)		$750.37			
159180	05/07/2026	Open			Accounts Payable	Ravnan, Kathleen	$750.37		
	Invoice		Date	Description		Amount			
	APN: 087007034		05/07/2026	Monte Vista Village - 2180 SPRING VALLEY DR		$750.37			
	Paying Fund			Cash Account		Amount			
	246 - Landscape Assessment			246.11000 (Cash)		$750.37			
159181	05/07/2026	Open			Accounts Payable	SEQUEIRA CONSTRUCTION	$10,450.00		
	Invoice		Date	Description		Amount			
	26-079E		05/02/2026	EP 26-079E REFUND IMP SECURITY TO BE REPLACED WITH BOND		$10,450.00			
	Paying Fund			Cash Account		Amount			
	110 - General Fund			110.11000 (Cash)		$10,450.00			
Type Check Totals:					105 Transactions		$1,562,765.76		
AP - Accounts Payable Totals									

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	105	$1,562,765.76	$0.00
	Reconciled	0	$0.00	$0.00
	Voided	0	$0.00	$0.00
	Stopped	0	$0.00	$0.00
	Total	105	$1,562,765.76	$0.00

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	105	$1,562,765.76	$0.00

City of Turlock

Payment Register

From Payment Date: 5/1/2026 - To Payment Date: 5/7/2026

Number	Date	Status	Void Reason	Reconciled/ Voided Date	Source		Payee Name	Transaction Amount	Reconciled Amount	Difference
					Reconciled	0		$0.00	$0.00	
					Voided	0		$0.00	$0.00	
					Stopped	0		$0.00	$0.00	
					Total	105		$1,562,765.76	$0.00	

Grand Totals:

Checks	Status	Count	Transaction Amount	Reconciled Amount
	Open	**105**	**$1,562,765.76**	**$0.00**
	Reconciled	**0**	**$0.00**	**$0.00**
	Voided	**0**	**$0.00**	**$0.00**
	Stopped	**0**	**$0.00**	**$0.00**
	Total	**105**	**$1,562,765.76**	**$0.00**

All	Status	Count	Transaction Amount	Reconciled Amount
	Open	**105**	**$1,562,765.76**	**$0.00**
	Reconciled	**0**	**$0.00**	**$0.00**
	Voided	**0**	**$0.00**	**$0.00**
	Stopped	**0**	**$0.00**	**$0.00**
	Total	**105**	**$1,562,765.76**	**$0.00**

INVESTMENT AND CASH REPORT FOR APRIL 30, 2026

CURRENT INVESTMENT AND CASH BALANCE

The City's cash and investments as of APRIL 30, 2026 totaled the following:

Invested Cash	$	315,193,603.12
Demand Deposits	$	7,546,549.17
(excludes outstanding items)		
Total Cash and Investments	$	322,740,152.29

See the attached *Schedule of Investments* for detail regarding individual investments.

In compliance with the California Government Code, The City of Turlock has adequate resources to meet its expenditure requirements for the next six months.

COMPLIANCE WITH INVESTMENT POLICY

As of APRIL 30, 2026, the investment portfolio was in compliance with all elements of the City's Investment Policy.

Prepared by: Jamie Gomes, Accountant III

Jamie Gomes — 05/19/2026

Signature — Date Signed

Reviewed and approved as to accuracy by: Michael Abram, City Treasurer

Michael Abram — 05/20/2026

Signature — Date Signed

Updated: May 19, 2026

CITY OF TURLOCK

Schedule of Investments - As of April 30, 2026

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
Local Agency Investment Fund (LAIF)	$ 10,358,595.60	$ 10,358,595.60	n/a	3.811%	n/a	n/a	$ 10,358,595.60	Quarterly
Total LAIF	**10,358,595.60**	**10,358,595.60**					**10,358,595.60**	
California Asset Management Program (CAMP)	44,095,100.59	44,095,100.59	n/a	3.780%	n/a	n/a	$ 44,095,100.59	Monthly
Total CAMP	**44,095,100.59**	**44,095,100.59**					**44,095,100.59**	
DEMAND DEPOSITS:								
West America Bank Daily Receipts (unreconciled)	6,990,759.51	6,990,759.51	n/a	n/a	n/a	n/a	6,990,759.51	monthly
Petty Cash	7,880.00	7,880.00	n/a	n/a	n/a	n/a	7,880.00	n/a
Charles Schwab	547,909.66	547,909.66	n/a	3.316%	n/a	n/a	547,909.66	n/a
Total Demand Deposits	**7,546,549.17**	**7,546,549.17**					**7,546,549.17**	
CERTIFICATES OF DEPOSIT:								
Valley Natl Bk Wayne	245,000.00	245,000.00	n/a	4.600%	4/2/24	4/2/27	246,638.32	Monthly
Owen County St Bk Spencer Ind	248,000.00	248,000.00	n/a	5.100%	10/31/23	10/29/27	252,713.98	Monthly
JPMorgan Chase Bank	249,000.00	250,000.00	4.400%	4.488%	3/3/25	1/16/30	249,331.00	Jan & July
Total Certificates of Deposit	**742,000.00**	**743,000.00**					**748,683.30**	
MONEY MARKET AND MUTUAL FUNDS								
WestAmerica Bank-MM	9,983,666.11	9,983,666.11	n/a	3.510%	10/23/23	open	9,983,666.11	monthly
	9,983,666.11	**9,983,666.11**					**9,983,666.11**	
U.S. TREASURIES:								
US Treasury Note	1,791,406.25	2,000,000.00	0.750%	3.602%	6/16/22	5/31/26	1,994,687.40	May & Nov
US Treasury Note	978,398.44	1,000,000.00	4.125%	5.001%	10/19/23	6/15/26	3,001,288.80	Jun & Dec
US Treasury Note	1,997,656.25	2,000,000.00	4.125%	4.176%	2/6/24	6/15/26		Jun & Dec
US Treasury Note	970,781.25	1,000,000.00	0.875%	1.564%	2/3/22	6/30/26	995,195.30	Jun & Dec
US Treasury Note	1,982,187.50	2,000,000.00	4.500%	4.843%	10/3/23	7/15/26	2,003,046.80	Jan & July
US Treasury Note	1,918,750.00	2,000,000.00	0.625%	1.565%	2/3/22	7/31/26	1,984,843.60	Jan & July
US Treasury Note	1,845,000.00	2,000,000.00	1.625%	3.590%	6/16/22	9/30/26	1,982,734.20	March & Sept
US Treasury Note	2,018,664.38	2,000,000.00	4.625%	4.021%	3/3/25	10/15/26	2,008,437.40	Apr & Oct
US Treasury Note	1,788,671.88	2,000,000.00	1.125%	4.068%	11/29/22	10/31/26	1,974,218.60	Apr & Oct
US Treasury Note	897,343.75	1,000,000.00	1.500%	4.924%	10/19/23	1/31/27	983,554.60	Jan & July
US Treasury Note	1,858,750.00	2,000,000.00	2.500%	4.717%	10/3/23	3/31/27	1,977,500.00	March & Sept
US Treasury Note	1,859,687.50	2,000,000.00	2.625%	4.735%	10/3/23	5/31/27	1,975,078.00	May & Nov
US Treasury Note	1,964,375.00	2,000,000.00	3.250%	3.691%	2/3/23	6/30/27	1,986,953.00	Jun & Dec
US Treasury Note	962,187.50	1,000,000.00	2.750%	3.671%	2/3/23	7/31/27	986,757.80	Jan & July
US Treasury Bond	2,223,125.00	2,000,000.00	6.375%	3.680%	2/3/23	8/15/27	2,058,906.20	Feb & Aug
US Treasury Note	2,004,687.50	2,000,000.00	4.125%	4.062%	7/25/23	9/30/27	2,006,875.00	March & Sept
US Treasury Note	2,005,312.50	2,000,000.00	4.125%	4.055%	7/25/23	10/31/27	2,006,875.00	Apr & Oct
US Treasury Note	954,531.25	1,000,000.00	3.500%	4.672%	10/3/23	1/31/28	993,554.60	Jan & July
US Treasury Note	1,947,500.00	2,000,000.00	4.000%	4.665%	10/3/23	2/29/28	2,003,828.00	Feb & Aug
US Treasury Note	1,714,062.50	2,000,000.00	1.250%	4.863%	10/19/23	3/31/28	1,903,281.20	March & Sept
US Treasury Note	1,959,375.00	2,000,000.00	3.500%	4.026%	2/6/24	4/30/28	1,984,843.60	Apr & Oct
US Treasury Note	1,968,906.25	2,000,000.00	3.625%	4.020%	2/6/24	5/31/28	1,989,140.60	May & Nov
US Treasury Note	1,704,687.50	2,000,000.00	1.250%	4.860%	10/19/23	5/31/28	1,894,921.80	May & Nov
US Treasury Note	1,703,437.50	2,000,000.00	1.000%	4.528%	11/13/23	7/31/28	3,752,500.00	Jan & July
US Treasury Note	1,755,078.13	2,000,000.00	1.000%	4.012%	2/6/24	7/31/28		Jan & July

CITY OF TURLOCK

Schedule of Investments - As of April 30, 2026

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
US Treasury Note	1,761,250.00	2,000,000.00	1.125%	4.014%	2/6/24	8/31/28	1,876,875.00	Feb & Aug
US Treasury Note	2,008,125.00	2,000,000.00	4.375%	4.272%	3/28/24	8/31/28	2,020,703.00	Feb & Aug
US Treasury Note	2,014,375.00	2,000,000.00	4.625%	4.440%	5/28/24	9/30/28	2,033,281.20	March & Sept
US Treasury Note	2,050,000.00	2,000,000.00	4.875%	4.269%	3/28/24	10/31/28	2,045,546.80	Apr & Oct
US Treasury Note	1,905,625.00	2,000,000.00	3.125%	4.258%	3/28/24	11/15/28	1,962,187.40	May & Nov
US Treasury Note	501,386.72	500,000.00	4.375%	4.294%	2/5/25	11/30/28	505,644.50	May & Nov
US Treasury Note	3,996,250.00	4,000,000.00	3.500%	3.534%	2/12/26	12/15/28	3,960,000.00	Jun & Dec
US Treasury Note	1,754,062.50	2,000,000.00	1.375%	4.257%	3/28/24	12/31/28	1,873,125.00	Jun & Dec
US Treasury Note	1,965,000.00	2,000,000.00	4.000%	4.417%	5/28/24	1/31/29	2,004,531.20	Jan & July
US Treasury Note	1,848,437.50	2,000,000.00	2.625%	4.422%	5/28/24	2/15/29	3,864,531.20	Feb & Aug
US Treasury Note	1,863,984.38	2,000,000.00	2.625%	4.250%	6/20/24	2/15/29		Feb & Aug
US Treasury Note	1,834,687.50	2,000,000.00	2.375%	4.320%	7/3/24	3/31/29	1,915,781.20	March & Sept
US Treasury Note	1,975,000.00	2,000,000.00	4.125%	4.413%	5/28/24	3/31/29	2,011,328.00	March & Sept
US Treasury Note	1,997,343.75	2,000,000.00	4.250%	4.280%	7/3/24	6/30/29	2,018,906.20	Jun & Dec
US Treasury Note	1,973,281.26	2,000,000.00	4.000%	4.332%	2/10/25	7/31/29	2,003,984.20	Jan & July
US Treasury Note	1,900,011.30	2,000,000.00	3.125%	4.348%	2/10/25	8/31/29	1,949,296.80	Feb & Aug
US Treasury Note	3,947,343.75	4,000,000.00	3.625%	3.968%	6/23/25	8/31/29	3,960,937.20	Feb & Aug
US Treasury Note	1,956,560.00	2,000,000.00	3.875%	4.400%	2/19/25	9/30/29	1,995,156.20	March & Sept
US Treasury Note	6,029,296.86	6,000,000.00	4.125%	4.003%	5/30/25	10/31/29	6,033,280.80	Apr & Oct
US Treasury Note	1,970,500.00	2,000,000.00	4.000%	4.348%	2/10/25	10/31/29	2,003,046.80	Apr & Oct
US Treasury Note	1,958,940.00	2,000,000.00	3.875%	4.352%	2/10/25	11/30/29	1,994,531.20	May & Nov
US Treasury Note	1,947,109.38	2,000,000.00	3.875%	4.473%	1/8/25	12/31/29	3,987,656.00	Jun & Dec
US Treasury Note	1,934,760.00	2,000,000.00	3.875%	4.618%	1/14/25	12/31/29		Jun & Dec
US Treasury Note	1,963,111.78	2,000,000.00	3.500%	3.929%	5/5/25	1/31/30	5,902,500.00	Jan & July
US Treasury Note	3,897,880.00	4,000,000.00	3.500%	4.109%	6/9/25	1/31/30		Jan & July
US Treasury Note	2,002,578.12	2,000,000.00	4.000%	3.968%	7/18/25	2/28/30	2,002,109.20	Feb & Aug
US Treasury Note	1,974,920.00	2,000,000.00	3.625%	3.908%	5/7/25	3/31/30	1,974,687.40	March & Sept
US Treasury Note	5,856,562.50	6,000,000.00	3.500%	4.040%	5/30/25	4/30/30	5,894,062.20	Apr & Oct
US Treasury Note	1,964,977.56	2,000,000.00	3.750%	4.139%	5/22/25	5/31/30	1,982,421.80	May & Nov
US Treasury Note	1,991,718.76	2,000,000.00	3.750%	3.842%	6/30/25	6/30/30	1,981,875.00	
US Treasury Note	1,985,460.00	2,000,000.00	3.500%	3.662%	12/31/25	11/30/30	1,957,812.40	May & Nov
Total U.S. Treasuries	**115,505,101.45**	**119,500,000.00**					**118,164,819.40**	
U.S. AGENCY SECURITIES:								
FFCB (Federal Farm Credit Bank)	MATURED	MATURED	4.875%	5.112%	10/19/23	4/20/26	MATURED	Apr & Oct
FFCB (Federal Farm Credit Bank)	1,987,672.00	2,000,000.00	4.375%	4.700%	6/20/24	6/23/26	2,001,474.00	June & Dec
FFCB (Federal Farm Credit Bank)	957,212.00	1,000,000.00	0.600%	1.580%	2/3/22	8/18/26	990,544.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	1,004,300.00	1,000,000.00	4.875%	4.664%	7/3/24	8/28/26	1,003,576.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	2,344,629.43	2,358,000.00	4.750%	4.960%	10/3/23	9/1/26	2,365,038.63	March & Sept
FFCB (Federal Farm Credit Bank)	2,977,740.00	3,000,000.00	3.625%	3.841%	2/3/23	10/26/26	2,988,837.00	Apr & Oct
FHLB (Federal Home Loan Bank)	1,047,690.00	1,000,000.00	2.625%	1.600%	2/3/22	12/11/26	992,793.00	June & Dec
FHLB (Federal Home Loan Bank)	983,617.00	1,000,000.00	1.250%	1.600%	2/3/22	12/21/26	983,945.00	June & Dec
TVA (Tennessee Valley Authority)	1,907,880.00	2,000,000.00	2.875%	4.300%	7/25/23	2/1/27	1,984,116.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	2,003,580.00	2,000,000.00	4.500%	4.435%	3/28/24	3/26/27	2,011,070.00	March & Sept
FFCB (Federal Farm Credit Bank)	1,903,352.00	2,000,000.00	2.875%	4.282%	7/25/23	4/26/27	1,980,988.00	Apr & Oct
FFCB (Federal Farm Credit Bank)	1,999,930.00	2,000,000.00	4.500%	4.500%	6/20/24	5/20/27	2,012,704.00	May & Nov
FHLB (Federal Home Loan Bank)	1,995,276.00	2,000,000.00	4.125%	4.190%	7/25/23	6/11/27	2,005,072.00	June & Dec
FHLB (Federal Home Loan Bank)	5,000,000.00	5,000,000.00	3.600%	3.600%	2/12/26	8/12/27	4,976,495.00	

CITY OF TURLOCK

Schedule of Investments - As of April 30, 2026

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
FFCB (Federal Farm Credit Bank)	1,996,124.00	2,000,000.00	4.625%	4.679%	11/15/23	11/15/27	2,020,370.00	May & Nov
FHLB (Federal Home Loan Bank)	1,818,046.00	2,000,000.00	2.500%	4.956%	10/19/23	12/10/27	1,955,336.00	June & Dec
FHLB (Federal Home Loan Bank)	1,986,000.00	2,000,000.00	4.250%	4.471%	7/3/24	12/10/27	2,009,334.00	June & Dec
FHLB (Federal Home Loan Bank)	1,878,638.00	2,000,000.00	3.250%	4.708%	10/3/23	6/9/28	3,941,840.00	June & Dec
FHLB (Federal Home Loan Bank)	1,916,302.00	2,000,000.00	3.250%	4.420%	7/3/24	6/9/28		June & Dec
FHLB (Federal Home Loan Bank)	3,000,000.00	3,000,000.00	4.000%	4.000%	8/14/25	8/14/28	2,990,235.00	Feb & Aug
FFCB (Federal Farm Credit Bank)	3,000,000.00	3,000,000.00	4.070%	4.069%	8/29/25	8/21/28	2,990,181.00	Feb & Aug
FNMA (Fannie Mae)	3,750,000.00	3,750,000.00	4.000%	4.000%	9/26/25	9/25/28	3,736,402.50	March & Sept
FFCB (Federal Farm Credit Bank)	2,005,680.00	2,000,000.00	4.625%	4.561%	11/13/23	11/13/28	2,029,884.00	May & Nov
FFCB (Federal Farm Credit Bank)	2,026,700.00	2,000,000.00	4.750%	4.444%	5/28/24	4/30/29	2,042,066.00	Apr & Oct
FNMA (Fannie Mae)	2,159,700.00	2,000,000.00	6.250%	4.439%	5/28/24	5/15/29	4,257,600.00	May & Nov
FNMA (Fannie Mae)	2,174,240.00	2,000,000.00	6.250%	4.261%	6/20/24	5/15/29		May & Nov
FHLB (Federal Home Loan Bank)	2,031,170.00	2,000,000.00	4.625%	4.271%	6/20/24	6/8/29	2,035,574.00	June & Dec
FHLB (Federal Home Loan Bank)	CALLED	CALLED	4.950%	4.885%	3/3/25	2/26/30	CALLED	Feb & Aug
FFCB (Federal Farm Credit Bank)	1,398,250.00	1,398,000.00	4.470%	4.465%	7/18/25	3/5/30	1,397,377.89	March & Sept
FHLMC (Freddie Mac)	2,001,584.00	2,000,000.00	4.500%	4.480%	7/21/25	5/23/30	1,997,706.00	May & Nov
FHLB (Federal Home Loan Bank)	2,002,750.00	2,000,000.00	4.320%	4.288%	7/21/25	7/1/30	1,993,112.00	Jan & July
FHLMC (Freddie Mac)	5,000,000.00	5,000,000.00	4.050%	4.050%	2/13/26	8/13/30	4,942,785.00	
FNMA (Fannie Mae)	2,000,000.00	2,000,000.00	3.800%	3.800%	2/26/26	8/26/30	1,964,912.00	
FHLB (Federal Home Loan Bank)	2,750,000.00	2,750,000.00	4.000%	4.000%	9/26/25	9/11/30	2,719,150.50	March & Sept
FFCB (Federal Farm Credit Bank)	1,998,750.00	2,000,000.00	4.120%	4.134%	10/22/25	10/21/30	1,980,350.00	Apr & Oct
FFCB (Federal Farm Credit Bank)	2,000,050.00	2,000,000.00	3.870%	3.869%	11/26/25	11/18/30	1,965,774.00	May & Nov
FHLMC (Freddie Mac)	999,600.00	1,000,000.00	4.070%	4.078%	1/30/26	12/17/30	988,640.00	Jan & July
FNMA (Fannie Mae)	999,500.00	1,000,000.00	4.000%	4.011%	1/30/26	1/21/31	986,775.00	Jan & July
FNMA (Fannie Mae)	999,900.00	1,000,000.00	4.000%	4.002%	1/30/26	1/28/31	989,850.00	Jan & July
Total U.S. Agencies	**78,005,862.43**	**78,256,000.00**					**78,231,907.52**	
CORPORATE NOTES/BONDS								
Microsoft Corp	1,930,730.00	2,000,000.00	3.300%	4.210%	11/29/22	2/6/27	1,990,782.00	Feb & Aug
Apple Inc	1,905,342.00	2,000,000.00	3.000%	4.100%	2/3/23	11/13/27	1,973,244.00	May & Nov
Stanford University	483,500.00	500,000.00	3.089%	3.975%	4/7/25	5/1/29	483,013.00	May & Nov
Walmart Inc	480,800.00	500,000.00	3.250%	4.225%	3/3/25	7/8/29	488,556.00	Jan & July
Citibank, N.A.	2,025,000.00	2,000,000.00	4.838%	4.422%	3/31/26	8/6/29	2,023,838.00	Feb & Aug
Apple Inc	457,305.00	500,000.00	2.200%	4.298%	3/3/25	9/11/29	944,254.00	March & Sept
Apple Inc	462,565.00	500,000.00	2.200%	4.064%	4/7/25	9/11/29		March & Sept
State Street Bank	508,360.00	500,000.00	4.782%	4.354%	7/18/25	11/23/29	506,018.00	May & Nov
Johnson & Johnson	203,038.00	200,000.00	4.700%	4.358%	3/3/25	3/1/30	1,530,238.50	March & Sept
Johnson & Johnson	507,245.00	500,000.00	4.700%	4.358%	3/3/25	3/1/30		March & Sept
Johnson & Johnson	304,375.00	300,000.00	4.700%	4.358%	3/3/25	3/1/30		March & Sept
Johnson & Johnson	512,700.00	500,000.00	4.700%	4.121%	4/7/25	3/1/30		March & Sept
Berkshire Hathaway	445,150.00	500,000.00	1.850%	4.333%	3/28/25	3/12/30	917,999.00	March & Sept
Berkshire Hathaway	450,355.00	500,000.00	1.850%	4.094%	4/7/25	3/12/30		March & Sept
President & Fellows	2,044,490.00	2,000,000.00	4.887%	4.374%	5/7/25	3/15/30	2,044,398.00	March & Sept
NVIDIA CORP	2,760,510.00	2,900,000.00	2.850%	4.192%	4/29/26	4/1/30	2,749,118.80	Apr & Oct
Visa Inc.	450,190.00	500,000.00	2.050%	4.368%	6/23/25	4/15/30	920,957.00	Apr & Oct
Visa Inc.	452,260.00	500,000.00	2.050%	4.297%	7/18/25	4/15/30		Apr & Oct
Yale University	1,738,810.00	2,000,000.00	1.482%	4.422%	4/15/25	4/15/30	1,796,678.00	
Walmart Inc	500,840.00	500,000.00	4.350%	4.311%	5/30/25	4/28/30	503,778.00	Apr & Oct

CITY OF TURLOCK

Schedule of Investments - As of April 30, 2026

INVESTMENT DETAIL	Cost	Par	Coupon Rate	YIELD	Purchase Date	Maturity Date	Market	When Interest Paid
BlackRock, Inc.	457,665.00	500,000.00	2.400%	4.355%	6/24/25	4/30/30	929,374.00	Apr & Oct
BlackRock, Inc.	459,625.00	500,000.00	2.400%	4.266%	6/30/25	4/30/30		Apr & Oct
Chevron	452,255.00	500,000.00	2.236%	4.432%	6/23/25	5/11/30	923,222.00	May & Nov
Chevron	453,650.00	500,000.00	2.236%	4.393%	7/18/25	5/11/30		May & Nov
Alphabet Inc	494,545.00	500,000.00	4.000%	4.245%	5/30/25	5/15/30	495,049.00	May & Nov
Meta Platforms Inc	992,500.00	1,000,000.00	4.200%	4.383%	4/29/26	11/15/30	987,134.00	May & Nov
Alphabet Inc	2,009,580.00	2,000,000.00	4.100%	3.992%	2/23/26	2/15/31	1,973,828.00	Feb & Aug
Total Corporate Notes/Bonds	**23,943,385.00**	**24,900,000.00**					**24,181,479.30**	
HELD WITH TRUSTEE								
Money Market - US Bank - Roads Bond	22,501,449.55	22,501,449.55	n/a	3.120%	1/31/25	open	22,501,449.55	monthly
US Treasury Note - US Bank - Roads Bond	10,058,442.39	10,000,000.00	4.500%	4.490%	7/30/25	7/15/26	10,016,200.00	Jan & July
Total Held with Trustee	**32,559,891.94**	**32,501,449.55**					**32,517,649.55**	
TOTAL INVESTMENTS	**$ 315,193,603.12**	**$ 320,337,811.85**					**$ 318,281,901.37**	
TOTAL INVESTMENTS AND DEMAND DEPOSITS	**322,740,152.29**	**327,884,361.02**					**325,828,450.54**	

Note: Market values are as stated by Charles Schwab Investment statements.

City Council Staff Report

May 26, 2026

From: Christopher Fisher, Municipal Services Director
Prepared by: Janine Lee, Associate Engineer
Agendized by: Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Motion: Accepting improvements for City Project No. 25-051 “El Paseo Sanitary Sewer Main Replacement” and authorizing the City Engineer to file a Notice of Completion (Engineering)

2. NARRATIVE:

On December 9, 2025, City Council approved an agreement with Mid Cal Pipeline & Utilities, Inc., of Merced, California for the construction of City Project No. 25-051 "El Paseo Sanitary Sewer Main Replacement.” Construction has been completed in accordance with the approved plans and specifications.

The purpose of City Project No. 25-051 “El Paseo Sanitary Sewer Main Replacement” was to install new sewer main pipe prior to the rehabilitation of the asphalt concrete road segments on El Paseo Street between Arbor Way and El Capitan Drive that are part of the Roads Program Construction projects in Spring 2026. The main elements of the scope of work for this project consisted of:

- Removal of the existing 6-in sewer main pipe and replacement of 1,150 lineal feet of 8-in PVC sewer main pipe in the same alignment
- Installation of new sanitary sewer service laterals to customers along the alignment of the new sewer main pipe
- Trench restoration

Change Order Summary:

	Amount	Approval Date
Original Contract	$ 350,950.00	December 5, 2025
Change Order No. 1	$ (2,632.71)	April 17, 2025
Adjusted Total Contract	**$ 348,317.29**	

A contingency amount for change orders in the amount of $36,000 was approved with the award of the construction agreement. Change Order No. 1 was approved by the City Engineer in accordance with the City’s Change Order policies identified in Resolution No. 2025-007.

Change Order No. 1 in the amount of $(2,632.71) included the following:

- A credit for the change in reduced asphalt quantity required for trench restoration.
- Modification to Step 2 of the Trench Repair Detail in City Standard Drawing No. T-2 to allow installation of 3 inches of hot mix asphalt in lieu of the specified 5 inches. The

City concurred with the Contractor's request for this modification in order to maintain the project schedule, with the understanding that a separate City Roads Program project would rehabilitate the roadway. As such, the reduced asphalt thickness will not adversely impact the long-term performance of the pavement.

3. FISCAL IMPACT / BUDGET AMENDMENT:

No General Fund money will be used for this project.

The total estimated project costs are displayed below:

Preliminary Engineering Design - *GDR Engineering, Inc.*	$	83,725.00
Preliminary Engineering Management - *City Staff*	$	25,406.87
Original Construction Contract - *Mid Cal Pipeline & Utilities, Inc.*	$	350,950.00
Contract Change Orders	$	(2,632.71)
Surveying Services - *GDR Engineering, Inc.*	$	26,015.80
Materials Testing Services - *NV5, Inc.*	$	38,977.62
Construction Inspection & Project Management - *City Staff*	$	22,000.00
Total Project Cost	**$**	**544,442.58**

The total project cost is $544,442.58. All project costs are to be expended in Fiscal Year 2025-26. The account number for Preliminary Engineering Design and Engineering Management is 410-51-534.51189 "Sewer Line Replace – Alleys." The account number for construction is 410-51-534.51300 "Construction Repairs/Improvements". Adequate funds are available in each account and no appropriation is needed.

4. ENVIRONMENTAL DETERMINATION:

On December 9, 2025, the City Council determined the project to be exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15302 (Replacement or Reconstruction) as the project involves replacement.

5. ALTERNATIVES:

A. Council could choose to deny authorizing the City Engineer to file the Notice of Completion. Staff does not recommend this alternative. The project is complete, and recordation of a Notice of Completion is the appropriate and customary step to

formally close out the contract and establish the statutory claim periods available to any subcontractors or suppliers who provided services under the contract.

6. ATTACHMENTS:

1. 25-051 NOC
2. 25-051 Final Quantities

RECORDED AT THE REQUEST OF:
CITY OF TURLOCK

WHEN RECORDED MAIL TO:
CITY OF TURLOCK
OFFICE OF THE CITY CLERK
156 S. BROADWAY, SUITE 230
TURLOCK, CA 95380-5454

NOTICE OF COMPLETION
CITY PROJECT NO. 25-051
EL PASEO SEWER LINE REPLACEMENT

Notice is hereby given that work on the above-referenced project located on El Paseo Street between Arbor Way and El Capitan Drive in Turlock, California, was completed by the undersigned agency on May 26th, 2026. The contractor of work is Mid Cal Pipeline & Utilities, Inc. of Merced, California, 95341 and the owner is the City of Turlock, 156 South Broadway, Suite 150, Turlock, California, 95380. Kindly refer to said Project Number on all communications relating to this work.

Date: _____

_____
(Signature- William D. Morris, P.E., City Engineer, Owner's Agent),
City of Turlock

VERIFICATION

I, the undersigned, City Engineer of the owner of the aforesaid interest, have read this notice; I know and understand the contents thereof; and the facts stated therein are true of my own knowledge.

I declare under penalty of perjury that the foregoing is true and correct.

CITY OF TURLOCK

_____
WILLIAM D. MORRIS, P.E.
CITY ENGINEER
OWNER'S AGENT

Executed on May 27, 2026 at Turlock, California, Stanislaus County

FINAL QUANTITIES

City Project No: 25-051
Project Title: El Paseo Sanitary Sewer Main Replacement

Item No.	Item Description	Unit of Measure	Contractor's Unit Price	Final Actual Quantities	Final Actual Amount	Bid Quantities	Bid Amount	Total Difference
1	Mobilization & Demobilization	LS	$ 50,000.00	1.00	$ 50,000.00	1.00	$ 50,000.00	$ -
2	Construction Project Signs	EA	$ 2,500.00	2.00	$ 5,000.00	2.00	$ 5,000.00	$ -
3	Traffic Control System	LS	$ 2,500.00	1.00	$ 2,500.00	1.00	$ 2,500.00	$ -
4	Pothole Existing Utilities	LS	$ 2,500.00	1.00	$ 2,500.00	1.00	$ 2,500.00	$ -
5	Remove Existing Improvements	LS	$ 10,000.00	1.00	$ 10,000.00	1.00	$ 10,000.00	$ -
6	Tree Trimming	EA	$ 1,000.00	2.00	$ 2,000.00	2.00	$ 2,000.00	$ -
7	Earthwork	LS	$ 13,000.00	1.00	$ 13,000.00	1.00	$ 13,000.00	$ -
8	Shoring, Sheeting, and Bracing	LS	$ 2,000.00	1.00	$ 2,000.00	1.00	$ 2,000.00	$ -
9	Sanitary Sewer Manhole	EA	$ 5,000.00	4.00	$ 20,000.00	4.00	$ 20,000.00	$ -
10	8-in Sanitary Sewer Pipe (SDR-26)	LF	$ 129.00	0.00	$ -	0.00	$ -	$ -
11	4-in Sanitary Sewer Service Lateral (SDR-26) with Cleanout, Connect to New	EA	$ 3,000.00	14.00	$ 42,000.00	14.00	$ 42,000.00	$ -
12	4-in Sanitary Sewer Service Lateral (C-900 DR-14) with Cleanout, Connect to New	EA	$ 3,800.00	7.00	$ 26,600.00	7.00	$ 26,600.00	$ -
13	Abandon Existing Sewer Pipe with Grout	LF	$ 13.00	0.00	$ -	0.00	$ -	$ -
14	Adjust Frames and Covers to Grade	EA	$ 500.00	4.00	$ 2,000.00	4.00	$ 2,000.00	$ -
15	Allowance for Unknown Utilities	LS	$ 5,000.00	1.00	$ 5,000.00	1.00	$ 5,000.00	$ -
16	Allowance for Irrigation Repairs	LS	$ 5,000.00	1.00	$ 5,000.00	1.00	$ 5,000.00	$ -
17	Other Work Not Covered by Bid Items	LS	$ 500.00	1.00	$ 500.00	1.00	$ 500.00	$ -
Bid Alternate "A"								
A1	Remove Existing Sanitary Sewer Line and Install New Sanitary Sewer Line in Place	LF	$ 139.00	1150.00	$ 159,850.00	1150.00	$ 159,850.00	$ -
A2	Temporary Handling of Wastewater Flows	LS	$ 3,000.00	1.00	$ 3,000.00	1.00	$ 3,000.00	$ -
	SUB-TOTAL CONTRACT ITEMS =				**$ 350,950.00**		**$ 188,100.00**	**$ -**

C.O. #	CHANGE ORDERS							
1.1	Credit for Asphalt Quantity Change	LS	$ (2,632.71)	1.00	$ (2,632.71)	0.00	$ -	$ (2,632.71)
	SUB-TOTAL CHANGE ORDER ITEMS =				**$ (2,632.71)**		**$ -**	**$ (2,632.71)**
	TOTAL PROJECT =				**$ 348,317.29**		**$ 188,100.00**	**$ (2,632.71)**

City Council Staff Report

May 26, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	Wayne York, Transit Manager
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Approving the submission of a FY 2026-27 Transportation Development Act (TDA) Transit Claim to the Stanislaus Council of Governments (StanCOG) for funding for transit operations and facilities

2. NARRATIVE:

Each year the City of Turlock ("City") submits claims to the Stanislaus Council of Governments ("StanCOG") for transit and non-transit funds as authorized by the Transportation Development Act (TDA) and StanCOG's Transit Cost Sharing Procedures (TCSP). The TDA funding comes from two sources: Local Transportation Funds (LTF), which are derived from the one-quarter-cent statewide retail sales tax, and State Transit Assistance (STA) funds, which contribute a small portion of the funding used primarily for ADA Paratransit service.

Funding is distributed in a two-step method in accordance with the TCSP. First, non-motorized improvements, administrative costs, regional projects, and multi-modal transit center expenses are taken "off the top" of the available funds. Second, transit operators are permitted to submit claims for expenses associated with running their respective transit services, with individual, pre-determined caps. Any remaining funds not claimed by a transit operator will be held in reserve by StanCOG for future transit purposes, including future Altamont Commuter Express (ACE) service to the region.

The TDA Transit Claim Packet for FY 2026-27 is attached as Exhibit A. The City is claiming $4,107,178 in Local Transportation Funds (LTF) and $18,504 in State Transit Assistance (STA) funding, which will augment other transit revenue as specified in Exhibit A.

Transit Center Claims

The first step of the funding disbursement process includes multi-modal transit centers, of which Turlock is responsible for two: the Roger K. Fall Transit Center in Turlock ("Transit Center") and the Turlock-Denair Amtrak Station in Denair.

Regarding the Transit Center, City staff submitted a claim for LTF funds for anticipated operational costs and capital projects for the site for the following fiscal year. Some highlighted expenses include:

- Two (2) full-time facilities maintenance personnel for maintenance of the site and building;
- Contracted private security services, 24/7/365;

- Contracted law enforcement services

In regards to the Amtrak Station, the City submitted a claim for LTF funds to pay the electrical utility costs for the site and provide for minor repairs and maintenance, as needed. This site is located outside Turlock city limits, but does fall within the Turlock urbanized area, as defined by the Federal Transit Administration (FTA), so the City assumes responsibility for filing the claim.

Funding for Transit Services

After TDA funds are distributed for projects or activities under Step 1, as stated above, the remaining funds are made available to transit operators under Step 2 of the TCSP distribution process with ceiling caps established for each transit operator based on a predetermined, agreed-upon methodology. These funds pay for both planning/capital projects and operating expenses.

In addition to transit funds derived from the State, the City is a direct recipient of federal operating assistance and has budgeted FTA Section 5307 transit funds for both operations and capital purchases.

City staff proposes to maintain fixed route, ADA paratransit and On-Demand services with no significant changes, pending the recommendations from the forthcoming Short-Range Transit Plan (SRTP) and Long-Range Transit Plan (LRTP).

Some of the highlights expected during FY 2026-27 include:

- Completion of a revised SRTP/LRTP to guide future service changes and investments in transit.
- Increased training for Transit staff and City staff that support transit functions.
- Increase in promotions and marketing, including additional community engagement opportunities, focusing on customer experience, and consulting with a marketing firm to assist with promotional efforts to increase ridership and improve service.
- Preliminary design of a new Transit Operations Facility north of the City's existing Corporation Yard, which will provide state-of-the-art fueling infrastructure for alternative fuel vehicles, expanded parking, canopies, fueling generation and storage, an operations building for training and fare collection, and future space for expansion.
- Installation of bus shelters, benches, solar-powered lighting and related amenities at various locations throughout the City as part of multiple bus stop improvement projects.
- Installation of Intelligent Transportation System (ITS) equipment on fixed route buses that will provide additional data and tools for passengers and staff.
- Upgrades to the CNG Slow-Fill Station.
- Improvements to the perimeter security at the Corporation Yard where buses are stored. Project costs shall be split between multiple stakeholders, including transit.

The TDA transit claim outlines sufficient revenues to offset the estimated expenses for the following fiscal year, resulting in a balanced budget.

Approval of the claim, with subsequent approval by the StanCOG Policy Board, provides Turlock Transit with a steady, reliable, and sustainable funding stream needed to maintain operations. These TDA transit claims reflect conservative ridership and revenue values, as well as liberal expense values, better ensuring sufficient funding to address future, unexpected changes. City staff has observed that in recent years the rate of increase in expenses continues to outpace the increase in revenues, which will be a focal point for discussion and analysis with the forthcoming SRTP/LRTP process to ensure long-term, sustainable service.

The transit claim has been reviewed and approved by StanCOG staff and the StanCOG Transit Cost Sharing Committee, and will be routed to other StanCOG committees prior to StanCOG Policy Board adoption. All of Turlock's claims are tentative until formally approved by both the Turlock City Council and the StanCOG Policy Board.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Sufficient funding will be appropriated during the Fiscal Year 2026-2027 budget process so that the City budget aligns with the TDA Transit Claim. There is no impact to the General Fund. No budget amendment is required.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ALTERNATIVES:

1. Reject approval of the Fiscal Year 2026-2027 TDA transit claim with no modifications. This action is not recommended because the proposed claim represents the projected costs of providing transit services to the community and secures the necessary funding to meet those service demands, as well as funding necessary to complete transit-related capital improvement projects. Failure to submit a claim would mean the loss of TDA transit funds for Turlock.
2. Reject approval of the Fiscal Year 2026-2027 TDA transit claim as-is, modifying projects or services prior to submission. This action is not recommended because the proposed claim reflects status-quo services pending the completion of the SRTP/LRTP project. This ensures service stability and continuity while service alternatives are reviewed and discussed with the public as part of a holistic planning effort.

6. ATTACHMENTS:

1. Resolution
2. Exhibit A - TDA Transit Claim

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROVING THE SUBMISSION OF A FY 2026-27 TRANSPORTATION DEVELOPMENT ACT (TDA) TRANSIT CLAIM TO THE STANISLAUS COUNCIL OF GOVERNMENTS (STANCOG) FOR FUNDING FOR TRANSIT OPERATIONS AND FACILITIES	} } } } } } }	**RESOLUTION NO. 2026-**

WHEREAS, each year the City of Turlock submits transit claim forms to the Stanislaus Council of Governments (StanCOG) for Transportation Development Act (TDA) funds, with funding divided into two parts: Local Transportation Funds (LTF) and State Transit Assistance (STA) funds. These funds are a major source of revenue for transit operations and transit-related capital improvement projects and may only be used for eligible transit-related expenses; and

WHEREAS, the FY 2026-27 TDA Transit Claim, attached to this resolution as Exhibit A, includes a request for $4,107,178 in LTF funds and $18,504 in STA funds, for a total of $4,125,682 in TDA funds; and

WHEREAS, this action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378 (Project) of the CEQA guidelines because this action consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby approve the submission of a FY 2026-27 Transportation Development Act (TDA) Transit Claim to the Stanislaus Council of Governments (StanCOG) for funding for transit operations and facilities.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of
Stanislaus, State of California

StanCOG Claim Application - Article 4 Transit Checklist
Claim Application Checklist - Article 4 Funded Services
FY 2026-27
Submittal Date: 4/3/26 **Operator: City of Turlock**

Enter an "X" in the cells highlighted yellow to indicate that each required document is being submitted with the claim application.

Document	Document Description	Submitted
Document A(a)	Claimant Information	X
Document A(b)	Claim Summary	X
Document A(c)	Revenue Detail (Do Not Sumbit)	X
Document B	Authorizing Resolution	X
Document C	Opinion of Counsel	NA
Document D	Environmental Documentation	NA
Document E	Description of Claimant and Transit System	X
Document F(a)	Operating Expenses and Revenues	X
Document F(c)	Capital Allocation Requests	X
Document G(a)	Productivity Improvement Program Project Report	X
Document G (b)	Productivity Improvement Program Development	NA
Document H(a)	Maximum Allocation Worksheet - Article 4	X
	OR	
Document I(a)	TDA Eligibility Statement - Article 4	X
	OR	
Document I(d)	STA Eligibility Calculation	
Document J(a)	Standard Certifications - Article 4	X
Document K(a)	Transit Asset Management and Public Transportation Agency Safety Plan Report	X
Document K(b)	Regional Claim Form	X
Contract(s)	Copy(ies) of Current Service Contract(s)	X

StanCOG Claim Application - Document A(a)
Claimant Information
FY 2026-27
Submittal Date: 4/3/26

Enter requested information in yellow cells
Enter requested information using dropdown menu
Information appears automatically in cells highlighted blue

Claimant Information

1	Claimant Name	City of Turlock
2	Street Address	156 S Broadway
3	City	Turlock
4	ZIP Code	95380
5	County	Stanislaus

Claimant Personnel Information

6	Authorized Signature Name	Gary Hampton	
7	Authorized Signature Title	Interim City Manager	
8	CFO Name	Isaac Moreno	
9	CFO Title	Finance Director	
		Contact for question about Claim	Contact to send Allocation Instructions and Disbursement (if different)
10	Contact Person Name	Wayne York	
11	Contact Person Title	Transit Manager	
12	Contact Person's Telephone	209-669-2800	
13	Contact Person's FAX		
14	Contact E-Mail Address	wyork@turlock.ca.us	

Application Submittal Date

15	Fiscal Year	2026-27
16	Claim Submittal Date	4/3/26

Public Transportation Modes Operated

	Mode Type	Service Name
17	Demand Response	Paratransit
18	Motorbus	Fixed Route
19	Demand Response	On-Demand
20		
21		
22		
23		
24		
25		
26		

StanCOG Claim Application - Docment A(b)
Claim Summary
FY 2026-27 Information from other documents (tabs) in the workbook will appear automatically on this form.
Submittal Date: 4/3/26 This form must be signed and dated **Operator: City of Turlock**

OPERATING FUNDS REQUESTED

TDA Operating Fund Request

Article	Purpose	PUC§	Amount	Apportionment Area
TDA 4	Transit Operating	99260 (a)	$ 885,356	City of Turlock
			Total TDA Operating	**$ 885,356**

STA Operating Fund Request

STA fund	Purpose	CCR§	Amount	Apportionment Area
Revenue Based	Paratransit Operating	6731(c)	$ 18,504	City of Turlock
			Total STA Operating	**$ 18,504**

Other Operating Funds Requested

Senate Bill 125	**$**	**-**
TOTAL OPERATING REQUEST	**$**	**903,860**

CAPITAL FUNDS REQUESTED				
TDA Capital Fund Request				
Article	**Purpose**	**PUC §**	**Amount**	**Apportionment Area**
TDA 4	Capital	99260 (a)	$ 2,563,426	City of Turlock
			Total TDA Capital	**$ 2,563,426**
STA Capital Fund Request				
STA fund	**Purpose**	**CCR§**	**Amount**	**Apportionment Area**
Capital	Revenue Based	6730(b)	$ -	City of Turlock
			Total STA Capital	**$ -**
Other Capital Funds Requested				
				$ -
				$ -
			TOTAL CAPITAL REQUEST	**$ 2,563,426**

The above named applicant hereby applies for an allocation of Transportation Development Act (TDA) & State Transit Assistance (STA), as the case may be, in the amount(s) and for the purposes as specified above. Applicant acknowledges that payment of funds allocated by StanCOG, is subject to such funds being on hand and available for distribution, and agrees to the provision that such funds be used strictly in accordance with statutory and regulator requirements, and the terms of the allocation instruction issued by StanCOG.

Sign _____ Date

Gary Hampton, Interim City Manager

StanCOG Claim Application - Document A(c)
Revenue Detail
FY 2026-27
Submittal Date: 4/3/26 **Operator: City of Turlock**

Information in cells highlighted light-blue are entered via drop-down menu

line no.			
TDA Operating			
	TDA Article	Purpose	Apportionment Area
1	TDA 4	Transit Operating	City of Turlock
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
STA Operating			
	STA Type	Purpose	Apportionment Area
21	Revenue Based	Paratransit Operating	City of Turlock
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
TDA Capital			
	TDA Article	Purpose	Apportionment Area
33	TDA 4	Capital	City of Turlock
34			
35			
36			
37			
38			
39			
40			
41			
42			
STA Capital			
	STA Type	Purpose	Apportionment Area
43	Revenue Based	Capital	City of Turlock
44			
45			
46			

StanCOG Claim Application - Document F(a)
Operating Expenses and Revenues
FY 2026-27
Submittal Date: 4/3/26
Operator: City of Turlock

Calculations and mode names appear automatically in the cells highlighted blue

	Systemwide		
IF YOU ARE AN FTA GRANTEE, PAST ACTUAL MUST BE CONSISTENT WITH YOUR NTD REPORT!	**Past Actual FY 2024-25**	**Current Adjusted FY 2025-2026**	**Budgeted FY 2026-27**
OPERATING EXPENSES – FUNCTIONAL CLASS			
1. Vehicle Operations	$ 4,631,037	$ 4,793,151	$ 4,916,109
2. Vehicle Maintenance	$ 441,923	$ 590,500	$ 503,000
3. Facilities Maintenance	$ 15,873	$ 15,000	$ 15,000
4. General Administration	$ 1,650,325	$ 2,222,378	$ 2,473,632
5. Adjustment (provide explanation on Form X)	$ -	$ -	$ -
6. **TOTAL, LINE 6 MUST EQUAL LINE 22!**	**$ 6,739,158**	**$ 7,621,029**	**$ 7,907,741**
7. Memo Item (Explain on Form X)	$ -	$ -	$ -
OPERATING EXPENSES – OBJECT CLASS			
8. Labor, Operators (5011)	$ -	$ -	$ -
9. Labor, Others (5013)	$ 654,839	$ 818,796	$ 875,647
10. Fringe Benefits (5012, 5014, portion 5015)	$ 198,230	$ 258,618	$ 261,536
11. Pension Plans/Retirement Costs (portion 5015)	$ 87,004	$ 84,642	$ 90,980
12. Services (5020)	$ 473,945	$ 696,840	$ 658,340
13. Fuel and Lubricants (5031)	$ 241,888	$ 310,000	$ 314,000
14. Other Materials and Supplies (3032, 5039)	$ 281,599	$ 628,900	$ 612,800
15. Utilities (5040)	$ 13,171	$ 29,150	$ 24,150
16. Casualty and Liability (5050)	$ 28,378	$ 35,000	$ 29,250
17. Purchased Transportation (5100)	$ 4,389,149	$ 4,483,151	$ 4,602,109
18. Interest Expense (5210)	$ -	$ -	$ -
19. Leases and Rentals (5220, 5240)	$ -	$ 5,000	$ 4,000
20. ADA Expenses (5910)	$ -	$ -	$ 22,776
21. Other (5060, 5090, 5280, 5290, 5920)	$ 370,956	$ 270,932	$ 412,153
22. Adjustment (provide explanation on Form X)	$ -	$ -	$ -
23. **TOTAL, LINE 22 MUST EQUAL LINE 6!**	**$ 6,739,158**	**$ 7,621,029**	**$ 7,907,741**
24. Depreciation and Amortization (5260, 5270)	$ -	$ -	$ -
25. Memo Item (Other 5200)	$ -	$ -	$ -

StanCOG Claim Application - Document F(a)
Operating Expenses and Revenues
FY 2026-27
Submittal Date: 4/3/26
Operator: City of Turlock

	Enter amounts to the nearest dollar in the cells highlighted yellow			Enter amounts to the nearest dollar in the cells highlighted yellow			Enter amounts to the nearest dollar in the cells highlighted yellow		
	Demand Response - Paratransit			**Motorbus - Fixed Route**			**Demand Response - On-Demand**		
IF YOU ARE AN FTA GRANTEE, PAST ACTUAL MUST BE CONSISTENT WITH YOUR NTD REPORT!	**Past Actual FY 2024-25**	**Current Adjusted FY 2025-2026**	**Budgeted FY 2026-27**	**Past Actual FY 2024-25**	**Current Adjusted FY 2025-2026**	**Budgeted FY 2026-27**	**Past Actual FY 2024-25**	**Current Adjusted FY 2025-2026**	**Budgeted FY 2026-27**
OPERATING EXPENSES – FUNCTIONAL CLASS									
1. Vehicle Operations	$ 455,830	$ 482,557	$ 547,503	$ 3,498,234	$ 3,684,825	$ 3,678,757	$ 676,973	$ 625,769	$ 689,849
2. Vehicle Maintenance	$ 41,715	$ 89,000	$ 94,000	$ 338,925	$ 418,000	$ 328,000	$ 61,283	$ 83,500	$ 81,000
3. Facilities Maintenance	$ -	$ -	$ -	$ 15,873	$ 15,000	$ 15,000	$ -	$ -	$ -
4. General Administration	$ 257,187	$ 339,138	$ 344,513	$ 1,184,998	$ 1,591,471	$ 1,815,641	$ 208,140	$ 291,769	$ 313,478
5. Adjustment (provide explanation on Form X)	$ -	$ -	$ -		$ -	$ -			$ -
6. **TOTAL, LINE 6 MUST EQUAL LINE 22!**	**$ 754,732**	**$ 910,695**	**$ 986,016**	**$ 5,038,030**	**$ 5,709,296**	**$ 5,837,398**	**$ 946,396**	**$ 1,001,038**	**$ 1,084,327**
7. Memo Item (Explain on Form X)									
OPERATING EXPENSES – OBJECT CLASS									
8. Labor, Operators (5011)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
9. Labor, Others (5013)	$ 98,226	$ 109,661	$ 104,439	$ 466,583	$ 611,460	$ 666,769	$ 90,031	$ 97,675	$ 104,439
10. Fringe Benefits (5012, 5014, portion 5015)	$ 20,786	$ 38,553	$ 36,493	$ 132,244	$ 184,043	$ 188,736	$ 45,200	$ 36,022	$ 36,307
11. Pension Plans/Retirement Costs (portion 5015)	$ 20,387	$ 12,637	$ 12,035	$ 55,838	$ 60,696	$ 66,910	$ 10,779	$ 11,309	$ 12,035
12. Services (5020)	$ 64,778	$ 99,907	$ 92,927	$ 335,080	$ 510,106	$ 477,586	$ 74,087	$ 86,827	$ 87,827
13. Fuel and Lubricants (5031)	$ 34,260	$ 40,000	$ 43,000	$ 174,397	$ 225,000	$ 225,000	$ 33,231	$ 45,000	$ 46,000
14. Other Materials and Supplies (3032, 5039)	$ 10,396	$ 113,955	$ 99,305	$ 241,421	$ 418,390	$ 418,390	$ 29,782	$ 96,555	$ 95,105
15. Utilities (5040)	$ 2,801	$ 3,900	$ 3,900	$ 7,479	$ 16,520	$ 16,520	$ 2,891	$ 8,730	$ 3,730
16. Casualty and Liability (5050)	$ 3,097	$ 4,000	$ 3,600	$ 23,430	$ 28,000	$ 22,050	$ 1,851	$ 3,000	$ 3,600
17. Purchased Transportation (5100)	$ 421,570	$ 442,557	$ 505,503	$ 3,323,836	$ 3,459,825	$ 3,453,757	$ 643,742	$ 580,769	$ 642,849
18. Interest Expense (5210)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
19. Leases and Rentals (5220, 5240)	$ -	$ 750	$ 750	$ -	$ 3,500	$ 2,500	$ -	$ 750	$ 750
20. ADA Expenses (5910)	$ -	$ -	$ 22,776	$ -	$ -	$ -	$ -	$ -	$ -
21. Other (5060, 5090, 5280, 5290, 5920)	$ 78,432	$ 44,775	$ 61,288	$ 277,721	$ 191,756	$ 299,180	$ 14,803	$ 34,401	$ 51,685
22. Adjustment (provide explanation on Form X)			$ -			$ -			$ -
23. **TOTAL, LINE 22 MUST EQUAL LINE 6!**	**$ 754,732**	**$ 910,695**	**$ 986,016**	**$ 5,038,030**	**$ 5,709,296**	**$ 5,837,398**	**$ 946,396**	**$ 1,001,038**	**$ 1,084,327**
24. Depreciation and Amortization (5260, 5270)									
25. Memo Item (Other 5200)									

StanCOG Claim Application - Document F(a)
Operating Expenses and Revenues
FY 2026-27
Submittal Date: 4/3/26
Operator: City of Turlock

	Enter amounts to the nearest dollar in the cells highlighted yellow			Enter amounts to the nearest dollar in the cells highlighted yellow		
IF YOU ARE AN FTA GRANTEE, PAST ACTUAL MUST BE CONSISTENT WITH YOUR NTD REPORT!	**Past Actual FY 2024-25**	**Current Adjusted FY 2025-2026**	**Budgeted FY 2026-27**	**Past Actual FY 2024-25**	**Current Adjusted FY 2025-2026**	**Budgeted FY 2026-27**
OPERATING EXPENSES – FUNCTIONAL CLASS						
1. Vehicle Operations						
2. Vehicle Maintenance						
3. Facilities Maintenance						
4. General Administration						
5. Adjustment (provide explanation on Form X)						
6. **TOTAL, LINE 6 MUST EQUAL LINE 22!**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
7. Memo Item (Explain on Form X)						
OPERATING EXPENSES – OBJECT CLASS						
8. Labor, Operators (5011)						
9. Labor, Others (5013)						
10. Fringe Benefits (5012, 5014, portion 5015)						
11. Pension Plans/Retirement Costs (portion 5015)						
12. Services (5020)						
13. Fuel and Lubricants (5031)						
14. Other Materials and Supplies (3032, 5039)						
15. Utilities (5040)						
16. Casualty and Liability (5050)						
17. Purchased Transportation (5100)						
18. Interest Expense (5210)						
19. Leases and Rentals (5220, 5240)						
20. ADA Expenses (5910)						
21. Other (5060, 5090, 5280, 5290, 5920)						
22. Adjustment (provide explanation on Form X)						
23. **TOTAL, LINE 22 MUST EQUAL LINE 6!**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
24. Depreciation and Amortization (5260, 5270)						
25. Memo Item (Other 5200)						

Operator: City of Turlock IF YOU ARE AN FTA GRANTEE, PAST ACTUAL MUST BE CONSISTENT WITH YOUR NTD REPORT!	Systemwide Past Actual FY 2024-25	Current Adjusted FY 2025-2026	Budgeted FY 2026-27
REVENUE – OPERATING			
26. Fares (4110)	$ 120,668	$ 116,500	$ 95,001
27. Advertising	$ 54,000	$ 78,000	$ 78,000
28. LCTOP	$ 160,075	$ 149,510	$ 133,425
29. type identity of other oper. revenue here	$ -	$ -	$ -
30. type identity of other oper. revenue here	$ -	$ -	$ -
REVENUE – NON-OPERATING			
Federal, even if administered by Caltrans or StanCOG (4500)			
31. FTA Section 5307	$ 4,304,881	$ 2,450,000	$ 3,177,742
32. FTA Section 5303 Planning	$ -	$ -	$ -
33. type identity of other federal source of rev. here	$ -	$ -	$ -
34. type identity of other federal source of rev. here	$ -	$ -	$ -
State (4400)			
35. State of Good Repair (SGR)	$ 70,000	$ 220,359	$ 93,000
36. type identity of state source of rev. here	$ -	$ -	$ -
Regional, not allocated by StanCOG:			
37. type identity of other regn'l source of rev. here	$ -	$ -	$ -
38. type identity of other regn'l source of rev. here	$ -	$ -	$ -
39. type identity of other regn'l source of rev. here	$ -	$ -	$ -
Local (4200, 4300):			
40. General Fund	$ -	$ -	$ -
41. type identity of other local source of rev. here	$ -	$ -	$ -
42. type identity of other local source of rev. here	$ -	$ -	$ -
Other Non-Operating, not allocated by StanCOG (4600)			
43. Interest Income	$ 50,797	$ -	$ 51,400
44. Salary Reimbursement	$ 26,416	$ -	$ -
45. type identity of other non-oper. revenue here	$ -	$ -	$ -
StanCOG-ALLOCATED REVENUE			
46. Measure L	$ 67,041	$ 67,000	$ 65,000
47. Senate Bill 125	$ -	$ -	$ -
48. Measure L Rail Services	$ 518,065	$ -	$ 625,000
49. type identity of other StanCOG-allocated rev. here	$ -	$ -	$ -
Transportation Development Act (TDA)			
50. TDA Carryover FY 2025-26	$ -	$ (2,685,313)	$ 2,685,313
51. TDA Carryover FY 2024-25	$ (4,669,112)	$ 4,669,112	$ -
52. TDA Carryover FY 2023-24	$ 2,596,515	$ -	$ -
53. TDA Carryover FY 2022-23	$ -	$ -	$ -
54. TDA Carryover FY 2021-22	$ -	$ -	$ -
55. TDA 4 - Transit Operating - City of Turlock	$ 3,426,590	$ 2,535,357	$ 885,356
State Transit Assistance (STA)			
75. STA Carryover FY 2025-26	$ -	$ -	$ -
76. STA Carryover FY 2024-25	$ -	$ -	$ -
77. STA Carryover FY 2023-24	$ -	$ -	$ -
78. STA Carryover FY 2022-23	$ -	$ -	$ -
79. STA Carryover FY 2021-22	$ -	$ -	$ -
80. Revenue Based - City of Turlock	$ 13,222	$ 20,504	$ 18,504
92. **TOTAL REVENUE**	**$ 6,739,159**	**$ 7,621,029**	**$ 7,907,741**
93. **Surplus/(Deficit)**	**$ 0**	**$ -**	**$ -**
94. (provide explanation on Form X) **Memo Item**	$ -	$ -	$ -

Operator: City of Turlock	Demand Response - Paratransit			Motorbus - Fixed Route			Demand Response - On-Demand		
IF YOU ARE AN FTA GRANTEE, PAST ACTUAL MUST BE CONSISTENT WITH YOUR NTD REPORT!	Past Actual FY 2024-25	Current Adjusted FY 2025-2026	Budgeted FY 2026-27	Past Actual FY 2024-25	Current Adjusted FY 2025-2026	Budgeted FY 2026-27	Past Actual FY 2024-25	Current Adjusted FY 2025-2026	Budgeted FY 2026-27
REVENUE – OPERATING									
26. Fares (4110)	$ 14,367	$ 18,000	$ 10,000	$ 93,584	$ 88,500	$ 70,001	$ 12,717	$ 10,000	$ 15,000
27. Advertising	$ 13,500	$ 19,000	$ 19,000	$ 40,500	$ 59,000	$ 59,000			
28. LCTOP				$ 160,075	$ 149,510	$ 133,425			
29. type identity of other oper. revenue here									
30. type identity of other oper. revenue here									
REVENUE – NON-OPERATING									
Federal, even if administered by Caltrans or Star									
31. FTA Section 5307	$ 566,040	$ 450,000	$ 469,256	$ 3,738,841	$ 2,000,000	$ 2,708,486			
32. FTA Section 5303 Planning									
33. type identity of other federal source of rev. here									
34. type identity of other federal source of rev. here									
State (4400)									
35. State of Good Repair (SGR)				$ 70,000	$ 220,359	$ 93,000			
36. type identity of state source of rev. here									
Regional, not allocated by StanCOG:									
37. type identity of other regn'l source of rev. here									
38. type identity of other regn'l source of rev. here									
39. type identity of other regn'l source of rev. here									
Local (4200, 4300):									
40. General Fund									
41. type identity of other local source of rev. here									
42. type identity of other local source of rev. here									
Other Non-Operating, not allocated by StanCOG									
43. Interest Income	$ 3,520		$ 3,600	$ 41,574		$ 42,000	$ 5,703		$ 5,800
44. Salary Reimbursement	$ 3,963			$ 18,491			$ 3,963		
45. type identity of other non-oper. revenue here									
StanCOG-ALLOCATED REVENUE									
46. Measure L				$ 67,041	$ 67,000	$ 65,000			
47. Senate Bill 125									
48. Measure L Rail Services							$ 518,065		$ 625,000
49. type identity of other StanCOG-allocated rev. here									
Transportation Development Act (TDA)									
50. TDA Carryover FY 2025-26		$ (241,928)	$ 241,928		$ (2,363,033)	$ 2,363,033		$ (80,352)	$ 80,352
51. TDA Carryover FY 2024-25	$ (521,954)	$ 521,954		$ (3,823,758)	$ 3,823,758		$ (323,400)	$ 323,400	
52. TDA Carryover FY 2023-24	$ 164,441			$ 2,142,863			$ 289,211		
53. TDA Carryover FY 2022-23									
54. TDA Carryover FY 2021-22									
55. TDA 4 - Transit Operating - City of Turlock	$ 497,633	$ 123,165	$ 223,728	$ 2,488,820	$ 1,664,202	$ 303,453	$ 440,137	$ 747,990	$ 358,175
State Transit Assistance (STA)									
75. STA Carryover FY 2025-26									
76. STA Carryover FY 2024-25									
77. STA Carryover FY 2023-24									
78. STA Carryover FY 2022-23									
79. STA Carryover FY 2021-22									
80. Revenue Based - City of Turlock	$ 13,222	$ 20,504	$ 18,504						
92. **TOTAL REVENUE**	**$ 754,732**	**$ 910,695**	**$ 986,016**	**$ 5,038,031**	**$ 5,709,296**	**$ 5,837,398**	**$ 946,396**	**$ 1,001,038**	**$ 1,084,327**
93. **Surplus/(Deficit)**	**$ 0**	$ -	$ -	**$ 0**	$ -	$ -	**$ (0)**	$ -	$ -
94. (provide explanation on Form X) **Memo Item**									

Operator: City of Turlock IF YOU ARE AN FTA GRANTEE, PAST ACTUAL MUST BE CONSISTENT WITH YOUR NTD REPORT!	Past Actual FY 2024-25	Current Adjusted FY 2025-2026	Budgeted FY 2026-27	Past Actual FY 2024-25	Current Adjusted FY 2025-2026	Budgeted FY 2026-27
REVENUE – OPERATING						
26. Fares (4110)						
27. Advertising						
28. LCTOP						
29. type identity of other oper. revenue here						
30. type identity of other oper. revenue here						
REVENUE – NON-OPERATING						
Federal, even if administered by Caltrans or Star						
31. FTA Section 5307						
32. FTA Section 5303 Planning						
33. type identity of other federal source of rev. here						
34. type identity of other federal source of rev. here						
State (4400)						
35. State of Good Repair (SGR)						
36. type identity of state source of rev. here						
Regional, not allocated by StanCOG:						
37. type identity of other regn'l source of rev. here						
38. type identity of other regn'l source of rev. here						
39. type identity of other regn'l source of rev. here						
Local (4200, 4300):						
40. General Fund						
41. type identity of other local source of rev. here						
42. type identity of other local source of rev. here						
Other Non-Operating, not allocated by StanCOG						
43. Interest Income						
44. Salary Reimbursement						
45. type identity of other non-oper. revenue here						
StanCOG-ALLOCATED REVENUE						
46. Measure L						
47. Senate Bill 125						
48. Measure L Rail Services						
49. type identity of other StanCOG-allocated rev. here						
Transportation Development Act (TDA)						
50. TDA Carryover FY 2025-26						
51. TDA Carryover FY 2024-25						
52. TDA Carryover FY 2023-24						
53. TDA Carryover FY 2022-23						
54. TDA Carryover FY 2021-22						
55. TDA 4 - Transit Operating - City of Turlock						
State Transit Assistance (STA)						
75. STA Carryover FY 2025-26						
76. STA Carryover FY 2024-25						
77. STA Carryover FY 2023-24						
78. STA Carryover FY 2022-23						
79. STA Carryover FY 2021-22						
80. Revenue Based - City of Turlock						
92. **TOTAL REVENUE**	$ -	$ -	$ -	$ -	$ -	$ -
93. **Surplus/(Deficit)**	$ -	$ -	$ -	$ -	$ -	$ -
94. (provide explanation on Form X) **Memo Item**						

StanCOG Claim Application - Document F(c)
Capital Allocation Request
FY 2026-27

START HERE

Submittal Date: 4/3/26 **Operator: City of Turlock**

Enter amounts to the nearest dollar in the cells highlighted yellow
Cells highlighted blue calculate automatically
Start in Column 1

		Totals FY 2026-27	Column 1 Proposed Project FY 2026-27	Column 2 Proposed Project FY 2026-27
1.	**Project Name**		20010 Corp Yard Security	21001 Transit Operations Facility
2.	**ENTER Total Project Cost**	**$ 7,410,029**	**$ 125,000**	**$ 4,373,669**
	Capital Project Revenue			
	Federal Sources			
3.	FTA Section 5309	$ -		
4.	FTA Section 5307	$ -		
5.	FTA Section 5310	$ -		
6.	FTA Section 5311	$ -		
7.	FTA Section 5314	$ -		
8.	STP	$ -		
9.	CMAQ	$ -		
10.	FTA Section 5339	$ 1,412,188		$ 422,913
11.	type the source of other federal funds here	$ -		
12.	type the source of other federal funds here	$ -		
	State Sources			
13.	STIP	$ -		
14.	Transportation Congestion Relief Program	$ -		
15.	State of Good Repair (SGR)	$ 374,469		
16.	type the source of other state funds here	$ -		
17.	type the source of other state funds here	$ -		
	Regional Sources			
18.	type the source of other regional funds here	$ -		
19.	type the source of other regional funds here	$ -		
20.	type the source of other regional funds here	$ -		
	Local Sources			
21.	type the source of other local funds here	$ -		
22.	type the source of other local funds here	$ -		
23.	type the source of other local funds here	$ -		
24.	type the source of other local funds here	$ -		
25.	type the source of other local funds here	$ -		
26.	type the source of other local funds here	$ -		
27.	type the source of other local funds here	$ -		
28.	type the source of other local funds here	$ -		
29.	type the source of other local funds here	$ -		
	StanCOG Funds (not in this request)			
30.		$ -		
31.		$ -		
32.		$ -		
33.	Prior Allocated TDA	$ 3,059,946	$ 125,000	$ 1,387,330
34.	Prior Allocated STA	$ -		
	TDA & STA Request			
35.		$ -		
36.		$ -		
37.	TDA 4 - City of Turlock	$ 2,563,426		$ 2,563,426
38.		$ -		
39.		$ -		
40.		$ -		
41.		$ -		
42.		$ -		
43.		$ -		
44.		$ -		
45.		$ -		
46.		$ -		
47.	STA - Capital - City of Turlock	$ -		
48.		$ -		
49.		$ -		
50.		$ -		
51.	**Total Revenue**	**$ 7,410,029**	**$ 125,000**	**$ 4,373,669**
52.	**Surplus/(Deficit)**	**$ -**	**$ -**	**$ -**

StanCOG Claim Application - Document F(c)
Capital Allocation Request
FY 2026-27
Submittal Date: 4/3/26 Operator: City of Turlock
Enter amounts to the nearest dollar in the cells highlighted yellow
Cells highlighted blue calculate automatically
Start in Column 1

		Column 3	Column 4	Column 5	Column 6	Column 7
		Proposed Project	**Proposed Project**	**Proposed Project**	**Proposed Project**	**Proposed Project**
		FY 2026-27	**FY 2026-27**	**FY 2026-27**	**FY 2026-27**	**FY 2026-27**
1.	**Project Name**	21009 Fixed Route ITS Enhancements	21001 Bus Stop Improvements	21032 CNG Slow Fill Station Upgrade	23064 SRTP-LRTP	25065 Emergency Operations Plan
2.	**ENTER Total Project Cost**	**$ 989,275**	**$ 374,469**	**$ 500,000**	**$ 320,000**	**$ 130,000**
Capital Project Revenue						
	Federal Sources					
3.	FTA Section 5309					
4.	FTA Section 5307					
5.	FTA Section 5310					
6.	FTA Section 5311					
7.	FTA Section 5314					
8.	STP					
9.	CMAQ					
10.	FTA Section 5339	$ 989,275				
11.	type the source of other federal funds here					
12.	type the source of other federal funds here					
	State Sources					
13.	STIP					
14.	Transportation Congestion Relief Program					
15.	State of Good Repair (SGR)		$ 374,469			
16.	type the source of other state funds here					
17.	type the source of other state funds here					
	Regional Sources					
18.	type the source of other regional funds here					
19.	type the source of other regional funds here					
20.	type the source of other regional funds here					
	Local Sources					
21.	type the source of other local funds here					
22.	type the source of other local funds here					
23.	type the source of other local funds here					
24.	type the source of other local funds here					
25.	type the source of other local funds here					
26.	type the source of other local funds here					
27.	type the source of other local funds here					
28.	type the source of other local funds here					
29.	type the source of other local funds here					
StanCOG Funds (not in this request)						
30.						
31.						
32.						
33.	Prior Allocated TDA			$ 500,000	$ 320,000	$ 130,000
34.	Prior Allocated STA					
	TDA & STA Request					
35.						
36.						
37.	TDA 4 - City of Turlock					
38.						
39.						
40.						
41.						
42.						
43.						
44.						
45.						
46.						
47.	STA - Capital - City of Turlock					
48.						
49.						
50.						
51.	**Total Revenue**	**$ 989,275**	**$ 374,469**	**$ 500,000**	**$ 320,000**	**$ 130,000**
52.	**Surplus/(Deficit)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

StanCOG Claim Application - Document F(c)
Capital Allocation Request
FY 2026-27
Submittal Date: 4/3/26 Operator: City of Turlock
Enter amounts to the nearest dollar in the cells highlighted yellow
Cells highlighted blue calculate automatically
Start in Column 1

		Column 8	Column 9	Column 10	Column 11
		Proposed Project	**Proposed Project**	**Proposed Project**	**Proposed**
		FY 2026-27	**FY 2026-27**	**FY 2026-27**	**FY 2026-27**
1.	**Project Name**	22013 Amtrak Bus Shelter	26002 RKF Transit Center Improvements	Department Strategic Plan	Contingencies
2.	**ENTER Total Project Cost**	**$ 20,000**	**$ 525,116**	**$ 7,500**	**$ 45,000**
Capital Project Revenue					
	Federal Sources				
3.	FTA Section 5309				
4.	FTA Section 5307				
5.	FTA Section 5310				
6.	FTA Section 5311				
7.	FTA Section 5314				
8.	STP				
9.	CMAQ				
10.	FTA Section 5339				
11.	type the source of other federal funds here				
12.	type the source of other federal funds here				
	State Sources				
13.	STIP				
14.	Transportation Congestion Relief Program				
15.	State of Good Repair (SGR)				
16.	type the source of other state funds here				
17.	type the source of other state funds here				
	Regional Sources				
18.	type the source of other regional funds here				
19.	type the source of other regional funds here				
20.	type the source of other regional funds here				
	Local Sources				
21.	type the source of other local funds here				
22.	type the source of other local funds here				
23.	type the source of other local funds here				
24.	type the source of other local funds here				
25.	type the source of other local funds here				
26.	type the source of other local funds here				
27.	type the source of other local funds here				
28.	type the source of other local funds here				
29.	type the source of other local funds here				
StanCOG Funds (not in this request)					
30.					
31.					
32.					
33.	Prior Allocated TDA	$ 20,000	$ 525,116	$ 7,500	$ 45,000
34.	Prior Allocated STA				
	TDA & STA Request				
35.					
36.					
37.	TDA 4 - City of Turlock				
38.					
39.					
40.					
41.					
42.					
43.					
44.					
45.					
46.					
47.	STA - Capital - City of Turlock				
48.					
49.					
50.					
51.	**Total Revenue**	**$ 20,000**	**$ 525,116**	**$ 7,500**	**$ 45,000**
52.	**Surplus/(Deficit)**	**$ -**	**$ -**	**$ -**	**$ -**

StanCOG Claim Application - Docment G(a) **NEXT FORM >>**
Productivity Improvement Program (PIP) Progress Report
FY 2026-27
Submittal Date: 4/3/26 **Operator: City of Turlock**

Enter information in cells highlighted yellow Use a decimal point to enter Project Percent
Calculations will appear automatically in cells highlighted blue
Provide Signature and Date in area highlighted purple (color does not print)

A. Project Title (as listed in the PIP) *begin typing in upper left corner of text box*

Increase transit administrative staffing by one FTE

B. Project Goal (as listed in the PIP) *begin typing in upper left corner of text box*

C. Project Description (as listed in the PIP) *begin typing in upper left corner of text box*

D. Project Milestones/Deliverables (as listed in the PIP)

	Milestone/Deliverable	(mo/yr) Completion	(e.g., 0.25) Project %
1.	Increase transit administrative staffing by one FTE	10/2001	100%
2.			
3.			
4.			
5.			
6.			
	(must equal 100%) Total		**100%**

E. Milestones and Deliverables - Status

Enter date completed, or anticipated completion date. If anticipated date differs from date shown in section "D" above, enter short explantion for delay. Use Form X if you need more space to type explanations.

1.	Transit Analyst hired at the milestone date stated above.
2.	
3.	
4.	
5.	
6.	

F. Contact Information and Signature

Enter Name and Telephone Number Below of Staff Person to Contact Concerning this Project

Wayne York (209) 669-2800

Sign: Date:

Gary Hampton, Interim City Manager

StanCOG Claim Application - Docment G(a) **NEXT FORM >>**
Productivity Improvement Program (PIP) Progress Report
FY 2026-27
Submittal Date: 4/3/26 **Operator: City of Turlock**

Enter information in cells highlighted yellow Use a decimal point to enter Project Percent
Calculations will appear automatically in cells highlighted blue
Provide Signature and Date in area highlighted purple (color does not print)

A. Project Title (as listed in the PIP) *begin typing in upper left corner of text box*

Itemize farebox recovery ratio calculations

B. Project Goal (as listed in the PIP) *begin typing in upper left corner of text box*

C. Project Description (as listed in the PIP) *begin typing in upper left corner of text box*

D. Project Milestones/Deliverables (as listed in the PIP)

	Milestone/Deliverable	(mo/yr) Completion	(e.g., 0.25) Project %
1.	Review and consider farebox recovery exemptions annually	01/22	100%
2.			
3.			
4.			
5.			
6.			
	(must equal 100%) Total		**100%**

E. Milestones and Deliverables - Status

Enter date completed, or anticipated completion date. If anticipated date differs from date shown in section "D" above, enter short explantion for delay. Use Form X if you need more space to type explanations.

1.	All applicable exclusions or exemptions are reviewed and considered for each mode annually. Exclusions are not required for farebox recovery compliance.
2.	
3.	
4.	
5.	
6.	

F. Contact Information and Signature

Enter Name and Telephone Number Below of Staff Person to Contact Concerning this Project

Wayne York (209) 669-2800

Sign: Date:

Gary Hampton, Interim City Manager

StanCOG Claim Application - Docment G(b) **NEXT FORM >>**
Productivity Improvement Program (PIP) Development
FY 2026-27
Submittal Date: 4/3/26 **Operator: City of Turlock**

Enter information in cells highlighted yellow Use a decimal point to enter Project Percent
Calculations will appear automatically in cells highlighted blue
Provide Signature and Date in area highlighted purple (color does not print)

A. Basis of Project

	Yes	No
Is this project derived from a TDA Triennial Performance Audit Recommendation (enter an "X" under Yes or No)		
If "Yes," provide cite to the Performance Audit Report: Month, Year, Page Number (e.g., June 2004 pp.23,24)		

If "No," use Form X to provide an explanation of the basis for the project. Include reference to any studies, policies or documentation used to demonstrate the need and purpose, and expected outcome of the project. Contact StanCOG Staff for further information on PIP projects.

B. Project Title (to be listed in the PIP) *begin typing in upper left corner of text box*

C. Project Goal (to be shown in the PIP) *begin typing in upper left corner of text box*

D. Project Description (to be shown in the PIP) *begin typing in upper left corner of text box*

E. Project Milestones/Deliverables (to be listed in the PIP)

	Milestone/Deliverable	(mo/yr) Completion	(e.g., 0.25) Project %
1.			
2.			
3.			
4.			
5.			
6.			
	(must equal 100%) Total		**0%**

F. Contact Information and Signature

Enter Name and Telephone Number Below of Staff Person to Contact Concerning this Project:

Sign: Date:

Gary Hampton, Interim City Manager

StanCOG Claim Application - Document H(1.a)
Maximum Allocation Worksheet
FY 2026-27
Submittal Date: 4/3/26 **Operator: City of Turlock** **City of Turlock**

Enter amounts to the nearest dollar in the cells highlighted yellow.
Calculations will appear automatically in the cells highlighted blue.

Mode: Mode: Demand Response

	Past Actual FY 2024-25	Budgeted FY 2026-27
Fare Revenue: (Uniform System of Accounts revenue classes shown in parentheses)		
1. Fare revenue	$ 14,367	$ 10,000
2. Fare revenue	$ -	$ -
3. **Total Fare Revenue:**	**$ 14,367**	**$ 10,000**
Local Funds		
4. Non-Tranportation Revenues (4130)	$ 7,482	$ 3,600
5. Other Agency Revenue (4150)	$ 13,500	$ 19,000
6. Taxes directly levied (4200)		
7. Local cash grants and reimbursements (4300)		
8. Local special fare assistance (e.g. LCTOP for fares)		
9. Subsidy from other sectors of operation (4170)		
10. **Total Local Fund Revenue:**	**$ 20,982**	**$ 22,600**
11. **Total Fares-Plus-Local-Fund Revenue:**	**$ 35,350**	**$ 32,600**
State And Federal Operating Assistance Grants: (USOA revenue classes in parentheses)		
12. State cash grants (4400)	$ 153,342	$ 484,160
13. Federal cash grants and reimbursements (4500)	$ 566,040	$ 469,256
14. **Total State and Federal Grants:**	**$ 719,382**	**$ 953,416**
All Other Operating Revenue:		
15. Other operating revenue (please explain on Document X)		
16. Other non-operating revenue (please explain on Document X)		
17. **Total All Other Operating Revenue:**	**$ -**	**$ -**
18. **Total Revenue:**	**$ 754,732**	**$ 986,016**

Operating Costs:					
19.	Operating costs	$	754,732	$	986,016
20.	Operating costs of service extensions.	$	-	$	-
20.	**Total Operating Cost:**	**$**	**754,732**	**$**	**986,016**
21.	**Operating Deficit:**	**$**	**0**	**$**	**-**
Exclusions And Exemptions (optional if needed to meet farebox recovery standard):					
22.	Qualified depreciation and amortization expense (5260,5270)				
23.	Qualified direct charter service expense				
24.	Qualified vehicle lease expenses				
25.	Qualified principal and interest payments on capital projects				
26.	Qualified service extension expense				
27.	Qualified ridesharing and/or microtransit expenses				
28.	Fuel cost increase in excess of CPI				
29.	Power, including electricity cost increase in excess of CPI				
30.	Liability insurance cost increase in excess of CPI				
31.	ADA costs	$	754,732	$	986,016
32.	State and Federal Mandate costs in excess of CPI (explain on Doc. X)				
33.	Other (explain on Doc. X)				
34.	**Total Exclusions and Exemptions:**	**$**	**754,732**	**$**	**986,016**
TDA-defined Ratios:					
35.	**TDA-Adjusted Operating Cost:**	**$**	**-**	**$**	**-**
36.	**TDA Fare Recovery Ratio:**				
37.	**TDA Fares-Plus-Local-Funds Recovery Ratio:**				
Maximum Allocation:					
38.	*Operating Deficit (from line 15)*	$	0	$	-
39.	TDA requested for capital purposes.				
40.	STA requested for capital purposes.				
41.	Payments to a railroad corporation				
42.	TDA requested for other purposes.				
43.	STA requested for other purposes.				
44.	**Total Maximum Allocation:**	**$**	**0**	**$**	**-**
45.	TDA for qualified service extension				
46.	STA for qualified service extension				
47.	Operating Request (cell E46) from Form A(b)			**$**	**903,860**
48.	Capital Request (cell E60) from Form A(b)			**$**	**2,563,426**
49.	Total Request from form A(b)			**$**	**3,467,286**
50.	Does the request for funding comply with CCR Section 6634?				No
51.	Is line 40 less than or equal to line 35?				No

StanCOG Claim Application - Document H(2.a)
Maximum Allocation Worksheet
FY 2026-27
Submittal Date: 4/3/26 **Operator: City of Turlock** **City of Turlock**

Enter amounts to the nearest dollar in the cells highlighted yellow.
Calculations will appear automatically in the cells highlighted blue.

Mode: Mode: Motorbus

	Past Actual FY 2024-25	Budgeted FY 2026-27
Fare Revenue: (Uniform System of Accounts revenue classes shown in parentheses)		
1. Fare revenue	$ 93,584	$ 70,001
2. Fare revenue	$ -	$ -
3. **Total Fare Revenue:**	**$ 93,584**	**$ 70,001**
Local Funds		
4. Non-Tranportation Revenues (4130)	$ 60,065	$ -
5. Other Agency Revenue (4150)	$ 40,500	$ 59,000
6. Taxes directly levied (4200)	$ 67,041	$ 65,000
7. Local cash grants and reimbursements (4300)		
8. Local special fare assistance (e.g. LCTOP for fares)	$ 160,075	$ 133,425
9. Subsidy from other sectors of operation (4170)		
10. **Total Local Fund Revenue:**	**$ 327,681**	**$ 257,425**
11. **Total Fares-Plus-Local-Fund Revenue:**	**$ 421,265**	**$ 327,426**
State And Federal Operating Assistance Grants: (USOA revenue classes in parentheses)		
12. State cash grants (4400)	$ 877,925	$ 2,759,486
13. Federal cash grants and reimbursements (4500)	$ 3,738,841	$ 2,708,486
14. **Total State and Federal Grants:**	**$ 4,616,766**	**$ 5,467,972**
All Other Operating Revenue:		
15. Other operating revenue (please explain on Document X)		
16. Other non-operating revenue (please explain on Document X)		
17. **Total All Other Operating Revenue:**	**$ -**	**$ -**
18. **Total Revenue:**	**$ 5,038,031**	**$ 5,795,398**

Operating Costs:			
19. Operating costs	$ 5,038,030	$ 5,837,398	
20. Operating costs of service extensions.	$ -	$ -	
20. **Total Operating Cost:**	**$ 5,038,030**	**$ 5,837,398**	
21. **Operating Deficit:**	**$ (1)**	**$ 42,000**	
Exclusions And Exemptions (optional if needed to meet farebox recovery standard):			
22. Qualified depreciation and amortization expense (5260,5270)			
23. Qualified direct charter service expense			
24. Qualified vehicle lease expenses			
25. Qualified principal and interest payments on capital projects			
26. Qualified service extension expense			
27. Qualified ridesharing and/or microtransit expenses			
28. Fuel cost increase in excess of CPI			
29. Power, including electricity cost increase in excess of CPI			
30. Liability insurance cost increase in excess of CPI			
31. ADA costs			
32. State and Federal Mandate costs in excess of CPI (explain on Doc. X)			
33. Other (explain on Doc. X)			
34. **Total Exclusions and Exemptions:**	**$ -**	**$ -**	
TDA-defined Ratios:			
35. **TDA-Adjusted Operating Cost:**	**$ 5,038,030**	**$ 5,837,398**	
36. **TDA Fare Recovery Ratio:**	**1.86%**	**1.20%**	
37. **TDA Fares-Plus-Local-Funds Recovery Ratio:**	**82.57%**	**52.01%**	
Maximum Allocation:			
38. *Operating Deficit (from line 15)*	$ (1)	$ 42,000	
39. TDA requested for capital purposes.			
40. STA requested for capital purposes.			
41. Payments to a railroad corporation			
42. TDA requested for other purposes.			
43. STA requested for other purposes.			
44. **Total Maximum Allocation:**	**$ (1)**	**$ 42,000**	
45. TDA for qualified service extension			
46. STA for qualified service extension			
47. Operating Request (cell E46) from Form A(b)		**$ 903,860**	
48. Capital Request (cell E60) from Form A(b)		**$ 2,563,426**	
49. Total Request from form A(b)		**$ 3,467,286**	
50. Does the request for funding comply with CCR Section 6634?		No	
51. Is line 40 less than or equal to line 35?		No	

StanCOG Claim Application - Document H(3.a)
Maximum Allocation Worksheet
FY 2026-27
Submittal Date: 4/3/26 **Operator: City of Turlock** **City of Turlock**

Enter amounts to the nearest dollar in the cells highlighted yellow.
Calculations will appear automatically in the cells highlighted blue.

Mode: Mode: Demand Response

	Past Actual FY 2024-25	Budgeted FY 2026-27
Fare Revenue: (Uniform System of Accounts revenue classes shown in parentheses)		
1. Fare revenue	$ 12,717	$ 15,000
2. Fare revenue	$ -	$ -
3. **Total Fare Revenue:**	**$ 12,717**	**$ 15,000**
Local Funds		
4. Non-Tranportation Revenues (4130)	$ 9,666	$ -
5. Other Agency Revenue (4150)	$ -	$ -
6. Taxes directly levied (4200)	$ 518,065	$ 625,000
7. Local cash grants and reimbursements (4300)		
8. Local special fare assistance (e.g. LCTOP for fares)		
9. Subsidy from other sectors of operation (4170)		
10. **Total Local Fund Revenue:**	**$ 527,731**	**$ 625,000**
11. **Total Fares-Plus-Local-Fund Revenue:**	**$ 540,448**	**$ 640,000**
State And Federal Operating Assistance Grants: (USOA revenue classes in parentheses)		
12. State cash grants (4400)	$ 405,948	$ 438,527
13. Federal cash grants and reimbursements (4500)		
14. **Total State and Federal Grants:**	**$ 405,948**	**$ 438,527**
All Other Operating Revenue:		
15. Other operating revenue (please explain on Document X)		
16. Other non-operating revenue (please explain on Document X)		
17. **Total All Other Operating Revenue:**	**$ -**	**$ -**
18. **Total Revenue:**	**$ 946,396**	**$ 1,078,527**

Operating Costs:					
19.	Operating costs	$	946,396	$	1,094,099
20.	Operating costs of service extensions.	$	-	$	-
20.	**Total Operating Cost:**	**$**	**946,396**	**$**	**1,094,099**
21.	**Operating Deficit:**	**$**	**(0)**	**$**	**15,572**
Exclusions And Exemptions (optional if needed to meet farebox recovery standard):					
22.	Qualified depreciation and amortization expense (5260,5270)				
23.	Qualified direct charter service expense				
24.	Qualified vehicle lease expenses				
25.	Qualified principal and interest payments on capital projects				
26.	Qualified service extension expense				
27.	Qualified ridesharing and/or microtransit expenses	$	946,396	$	1,094,099
28.	Fuel cost increase in excess of CPI				
29.	Power, including electricity cost increase in excess of CPI				
30.	Liability insurance cost increase in excess of CPI				
31.	ADA costs				
32.	State and Federal Mandate costs in excess of CPI (explain on Doc. X)				
33.	Other (explain on Doc. X)				
34.	**Total Exclusions and Exemptions:**	**$**	**946,396**	**$**	**1,094,099**
TDA-defined Ratios:					
35.	**TDA-Adjusted Operating Cost:**	**$**	**-**	**$**	**-**
36.	**TDA Fare Recovery Ratio:**				
37.	**TDA Fares-Plus-Local-Funds Recovery Ratio:**				
Maximum Allocation:					
38.	*Operating Deficit (from line 15)*	$	(0)	$	15,572
39.	TDA requested for capital purposes.				
40.	STA requested for capital purposes.				
41.	Payments to a railroad corporation				
42.	TDA requested for other purposes.				
43.	STA requested for other purposes.				
44.	**Total Maximum Allocation:**	**$**	**(0)**	**$**	**15,572**
45.	TDA for qualified service extension				
46.	STA for qualified service extension				
47.	Operating Request (cell E46) from Form A(b)			**$**	**903,860**
48.	Capital Request (cell E60) from Form A(b)			**$**	**2,563,426**
49.	Total Request from form A(b)			**$**	**3,467,286**
50.	Does the request for funding comply with CCR Section 6634?				No
51.	Is line 40 less than or equal to line 35?				No

StanCOG Claim Application - Document I(1.a)
TDA Eligibility Statement - Article 4
FY 2026-27 **Operator: City of Turlock**
Submittal Date: 4/3/26 **Mode: Demand Response**

This form must be signed and dated

		Past Actual FY 2024-25	Budgeted FY 2026-27
1.	**The Calculated Fare Recovery Ratio from Document "H(a)" is:**		
2.	**The Calculated Fares-Plus-Local-Funds Recovery Ratio from Document "H(a)" is:**		

Select the eligibility statement(s) below, pertaining to the service(s) for which operating funds are being requested, and enter the calculated ratio(s) shown above in the appropriate cell(s) highlighted yellow.

In accordance with PUC §99268.2, or §99268.3, or §99268.4, an operator serving an urbanized area and is required to achieve a fare recovery ratio of at least twenty percent.

		Past Actual FY 2024-25	Budgeted FY 2026-27
3.	**Fare Recovery Ratio**		
4.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

In accordance with PUC §99268.2, or §99268.4, an operator serving a nonurbanized area and is required to achieve a fare recovery ratio of at least ten percent.

		Past Actual FY 2024-25	Budgeted FY 2026-27
5.	**Fare Recovery Ratio**		
6.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

In accordance with PUC §99268.5, the operator is claiming funds to provide services using vehicles for the exclusive use of elderly and handicapped persons, and is required to achieve a fare recovery ratio equal to its FY 1978-79 base year fare recovery ratio, or ten percent, whichever is greater (operators not in service in FY 1978-79 are subject to the ten percent requirement). NOTE: In a county which had less than 500,000 population as determined by the 1970 federal census and more than 500,000 in population as determined by the 1990 census, the required fare recovery ratio is at least twenty percent, if serving an urbanized area, and at least ten percent if serving a non-urbanized area.

(Use PUC §99268.5 only when submitting a combined claim for Article 4 funded general public and Article 4 funded exclusive elderly and handicapped services.)

		Past Actual FY 2024-25	Budgeted FY 2026-27
7.	**Fare Recovery Ratio**		
8.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

	In accordance with PUC §99270.5, the operator provides service within the service area of the Bay Area Rapid Transit District, and is requesting that StanCOG make a determination that it is in compliance with PUC §99268.1, §99268.2, §99268.3, §99268.4 or §99268.5, as the case may be, on the basis that its service is coordinated with BART's.	Past Actual FY 2024-25	Budgeted FY 2026-27
9.	**Fare Recovery Ratio**		
10.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR (go to next page)

	In accordance with PUC §99268.12, the operator is in a county with 500,000 population or less and serves an urbanized area, and StanCOG has made findings related to and set the required fare recovery ratio at less than twenty percent, but not less than fifteen percent. Note: Requires prior approval with StanCOG.	Past Actual FY 2024-25	Budgeted FY 2026-27
11.	**Fare Recovery Ratio**		
12.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

	In accordance with PUC §99270.2 (applicable to newly-designated urbanized areas) the operator is requesting a recovery ratio exemption.	Past Actual FY 2024-25	Budgeted FY 2026-27
13.	**Fare Recovery Ratio**		
14.	**Fares-Plus-Local-Funds Recovery Ratio**		
	This claim covers which year of the exemption (check one):		
15.	☐ 1st of 5 years ☐ 2nd of 5 years ☐ 3rd of 5 years ☐ 4th of 5 years	☐ 5th of 5 years	

Non-Compliance With Fare or Fares-Plus-Local-Funds Recovery Ratio Requirement

Operator has failed to comply with fare or fares-plus-local-support recovery ratio requirement during the following fiscal years:

16. type the fiscal years in here

(see instructions for a discussion of the "Penalty Due to Noncompliance" in accordance with PUC §99268.9)

The undersigned attest that to the best of their knowledge, the budgeted recovery ratio(s) shown above is/are accurate and correct.

Sign Date

Gary Hampton, Interim City Manager

Sign Date

Isaac Moreno, Finance Director

StanCOG Claim Application - Document I(2.a)
TDA Eligibility Statement - Article 4
FY 2026-27 **Operator: City of Turlock**
Submittal Date: 4/3/26 **Mode: Motorbus**

This form must be signed and dated

		Past Actual FY 2024-25	Budgeted FY 2026-27
1.	**The Calculated Fare Recovery Ratio from Document "H(a)" is:**	**1.9%**	**1.2%**
2.	**The Calculated Fares-Plus-Local-Funds Recovery Ratio from Document "H(a)" is:**	**82.6%**	**52.0%**

Select the eligibility statement(s) below, pertaining to the service(s) for which operating funds are being requested, and enter the calculated ratio(s) shown above in the appropriate cell(s) highlighted yellow.

In accordance with PUC §99268.2, or §99268.3, or §99268.4, an operator serving an urbanized area and is required to achieve a fare recovery ratio of at least twenty percent.

		Past Actual FY 2024-25	Budgeted FY 2026-27
3.	**Fare Recovery Ratio**	**1.9%**	**1.2%**
4.	**Fares-Plus-Local-Funds Recovery Ratio**	**82.6%**	**52.0%**

OR

In accordance with PUC §99268.2, or §99268.4, an operator serving a nonurbanized area and is required to achieve a fare recovery ratio of at least ten percent.

		Past Actual FY 2024-25	Budgeted FY 2026-27
5.	**Fare Recovery Ratio**		
6.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

In accordance with PUC §99268.5, the operator is claiming funds to provide services using vehicles for the exclusive use of elderly and handicapped persons, and is required to achieve a fare recovery ratio equal to its FY 1978-79 base year fare recovery ratio, or ten percent, whichever is greater (operators not in service in FY 1978-79 are subject to the ten percent requirement). NOTE: In a county which had less than 500,000 population as determined by the 1970 federal census and more than 500,000 in population as determined by the 1990 census, the required fare recovery ratio is at least twenty percent, if serving an urbanized area, and at least ten percent if serving a non-urbanized area.
(Use PUC §99268.5 only when submitting a combined claim for Article 4 funded general public and Article 4 funded exclusive elderly and handicapped services.)

		Past Actual FY 2024-25	Budgeted FY 2026-27
7.	**Fare Recovery Ratio**		
8.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

	In accordance with PUC §99270.5, the operator provides service within the service area of the Bay Area Rapid Transit District, and is requesting that StanCOG make a determination that it is in compliance with PUC §99268.1, §99268.2, §99268.3, §99268.4 or §99268.5, as the case may be, on the basis that its service is coordinated with BART's.	Past Actual FY 2024-25	Budgeted FY 2026-27
9.	**Fare Recovery Ratio**		
10.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR (go to next page)

	In accordance with PUC §99268.12, the operator is in a county with 500,000 population or less and serves an urbanized area, and StanCOG has made findings related to and set the required fare recovery ratio at less than twenty percent, but not less than fifteen percent. Note: Requires prior approval with StanCOG.	Past Actual FY 2024-25	Budgeted FY 2026-27
11.	**Fare Recovery Ratio**		
12.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

	In accordance with PUC §99270.2 (applicable to newly-designated urbanized areas) the operator is requesting a recovery ratio exemption.	Past Actual FY 2024-25	Budgeted FY 2026-27
13.	**Fare Recovery Ratio**		
14.	**Fares-Plus-Local-Funds Recovery Ratio**		
	This claim covers which year of the exemption (check one):		
15.	☐ 1st of 5 years ☐ 2nd of 5 years ☐ 3rd of 5 years ☐ 4th of 5 years	☐ 5th of 5 years	

Non-Compliance With Fare or Fares-Plus-Local-Funds Recovery Ratio Requirement

Operator has failed to comply with fare or fares-plus-local-support recovery ratio requirement during the following fiscal years:

16. type the fiscal years in here

(see instructions for a discussion of the "Penalty Due to Noncompliance" in accordance with PUC §99268.9)

The undersigned attest that to the best of their knowledge, the budgeted recovery ratio(s) shown above is/are accurate and correct.

Sign Date

Gary Hampton, Interim City Manager

Sign Date

Isaac Moreno, Finance Director

StanCOG Claim Application - Document I(1.a)
TDA Eligibility Statement - Article 4
FY 2026-27 **Operator: City of Turlock**
Submittal Date: 4/3/26 **Mode: Demand Response**

This form must be signed and dated

		Past Actual FY 2024-25	Budgeted FY 2026-27
1.	**The Calculated Fare Recovery Ratio from Document "H(a)" is:**		
2.	**The Calculated Fares-Plus-Local-Funds Recovery Ratio from Document "H(a)" is:**		

Select the eligibility statement(s) below, pertaining to the service(s) for which operating funds are being requested, and enter the calculated ratio(s) shown above in the appropriate cell(s) highlighted yellow.

In accordance with PUC §99268.2, or §99268.3, or §99268.4, an operator serving an urbanized area and is required to achieve a fare recovery ratio of at least twenty percent.

		Past Actual FY 2024-25	Budgeted FY 2026-27
3.	**Fare Recovery Ratio**		
4.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

In accordance with PUC §99268.2, or §99268.4, an operator serving a nonurbanized area and is required to achieve a fare recovery ratio of at least ten percent.

		Past Actual FY 2024-25	Budgeted FY 2026-27
5.	**Fare Recovery Ratio**		
6.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

In accordance with PUC §99268.5, the operator is claiming funds to provide services using vehicles for the exclusive use of elderly and handicapped persons, and is required to achieve a fare recovery ratio equal to its FY 1978-79 base year fare recovery ratio, or ten percent, whichever is greater (operators not in service in FY 1978-79 are subject to the ten percent requirement). NOTE: In a county which had less than 500,000 population as determined by the 1970 federal census and more than 500,000 in population as determined by the 1990 census, the required fare recovery ratio is at least twenty percent, if serving an urbanized area, and at least ten percent if serving a non-urbanized area.
(Use PUC §99268.5 only when submitting a combined claim for Article 4 funded general public and Article 4 funded exclusive elderly and handicapped services.)

		Past Actual FY 2024-25	Budgeted FY 2026-27
7.	**Fare Recovery Ratio**		
8.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

	In accordance with PUC §99270.5, the operator provides service within the service area of the Bay Area Rapid Transit District, and is requesting that StanCOG make a determination that it is in compliance with PUC §99268.1, §99268.2, §99268.3, §99268.4 or §99268.5, as the case may be, on the basis that its service is coordinated with BART's.	Past Actual FY 2024-25	Budgeted FY 2026-27
9.	**Fare Recovery Ratio**		
10.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR (go to next page)

	In accordance with PUC §99268.12, the operator is in a county with 500,000 population or less and serves an urbanized area, and StanCOG has made findings related to and set the required fare recovery ratio at less than twenty percent, but not less than fifteen percent. Note: Requires prior approval with StanCOG.	Past Actual FY 2024-25	Budgeted FY 2026-27
11.	**Fare Recovery Ratio**		
12.	**Fares-Plus-Local-Funds Recovery Ratio**		

OR

	In accordance with PUC §99270.2 (applicable to newly-designated urbanized areas) the operator is requesting a recovery ratio exemption.	Past Actual FY 2024-25	Budgeted FY 2026-27
13.	**Fare Recovery Ratio**		
14.	**Fares-Plus-Local-Funds Recovery Ratio**		
	This claim covers which year of the exemption (check one):		
15.	☐ 1st of 5 years ☐ 2nd of 5 years ☐ 3rd of 5 years ☐ 4th of 5 years	☐ 5th of 5 years	

Non-Compliance With Fare or Fares-Plus-Local-Funds Recovery Ratio Requirement

Operator has failed to comply with fare or fares-plus-local-support recovery ratio requirement during the following fiscal years:

16. type the fiscal years in here

(see instructions for a discussion of the "Penalty Due to Noncompliance" in accordance with PUC §99268.9)

The undersigned attest that to the best of their knowledge, the budgeted recovery ratio(s) shown above is/are accurate and correct.

Sign Date

Gary Hampton, Interim City Manager

Sign Date

Isaac Moreno, Finance Director

StanCOG Claim Application - Document I(d)
STA Eligibility Calculation Enter amounts to the nearest dollar in cells highlighted yellow
FY 2026-27 **Operator: City of Turlock** Calculations will appear automatically in cells highlighted blue
Submittal Date: 4/3/26 This form must be signed and dated

EFFICIENCY STANDARD 1 **Based on One Year CPI-Adjusted Change in Cost per Revenue Hour**		**Preceding Audited Year FY2023-24 Column B**	**Most Recent Audited Year FY2024-25 Column A**
1. Total operating cost		$ 534,816	$ 754,732
2.			
3. Exclusions from operating cost		$ 534,816	$ 754,732
4. Exclusion of new service operating cost			$ -
5.	Allowable Exclusions Subtotal	$ 534,816	$ 754,732
6.			
7. Costs eligible for CPI adjustment		$ -	$ -
8.	Change in Unadjusted Exclusions		n/a
9.	Change in CPI		2.80%
10.	Change Attributable to CPI		n/a
11.	Allowable CPI-Adjusted Exclusion		n/a
12.	Operating Cost net of Allowable Exclusions	$ -	$ (0)
13. Adjusted Service Hours		5,100	5,466
14.	Cost (net of Allowable Exclusions) per (Adjusted) Revenue Hour	$ -	$ -
15. **Efficiency Standard 1 Pass or Fail?**	CPI Inflated net Cost per Adj. Rev Hour	$ -	**Pass**

EFFICIENCY STANDARD 2 **Based on 3-Yr. Avg. CPI-Adjusted Change in Cost per Revenue Hour**	**Preceding Audited Year FY 2020-21 Column E**	**Preceding Audited Year FY 2021-22 Column D**	**Preceding Audited Year FY 2022-23 Column C**	**Preceding Audited Year FY 2023-24 Column B**	**Most Recent Audited Year FY2024-25 Column A**
16. Total operating cost				$ 534,816	$ 754,732
17.					
18.					
19. Exclusions from operating cost				$ 534,816	$ 754,732
20. Exclusion of new service operating cost				$ -	$ -
21. Allowable Exclusions Subtotal		$ -	$ -	$ 534,816	$ 754,732
22.					
23. Costs eligible for CPI adjustment				$ -	$ -
24. Change in Unadjusted Exclusions		n/a	n/a	n/a	n/a
25. Change in CPI		2.20%	3.40%	3.00%	2.80%
26. Change Attributable to CPI		n/a	n/a	n/a	n/a
27. Allowable CPI-Adjusted Exclusion		n/a	n/a	n/a	n/a
28. Operating Cost net of Allowable Exclusions		$ -	$ -	$ -	$ (0)
29. ADJUSTMENT TO REVENUE HOURS FOR NEW SERVICE					
30. Adjusted Service Hours				5,100	5,466
31. Cost (net of Allowable Exclusions) per (Adjusted) Revenue Hour		$ -	$ -	$ -	$ -
32.		Average net Cost per Adj. Revenue Hour (Columns B, C & D)		$ -	
33.		Average Change in CPI (Columns B, C & D)		2.87%	
34.		CPI Inflated Average net Cost per Adjusted Revenue Hour		$ -	
35.		Average net Cost per Adjusted Revenue Hour (Columns A, B & C)			0
36. **Efficiency Standard 2 Pass or Fail?**					

I hereby attest to the reasonableness and accuracy of this information.

Signature: _____ Date: _____

Chief Financial Officer or Equivalent: Isaac Moreno,Finance Director

StanCOG Claim Application - Document J(a)
Standard Assurances for Applicants - Article 4

FY 2026-27 **Operator: City of Turlock**
Submittal Date: 4/3/26

CLAIMANT ASSURANCES: Initial Each Section or Indicate N/A.
This form must be signed and dated

1. Annual Fiscal Audit Requirements:

a) IM Claimant certifies it has submitted a satisfactory, independent fiscal audit, with required certification statement, to StanCOG and to the State Controller, pursuant to Public Utility Code (PUC) 99245 and 21 California Code of Regulations (CCR) 6664, for the prior fiscal year (project year minus two). Claimant also assures this audit requirement will be completed for the current fiscal year (project year minus one).

b) IM Claimant certifies that it has submitted a satisfactory, independent fiscal audit, with required certification statement, to the State Controller, pursuant to PUC 99245 and 21 CCR 6664 for the prior fiscal year. Claimant assures that this audit requirement will be completed for the current fiscal year.
Applies to Articles 4 (transit), 4.5 (CTSA's), and 8 (streets/roads)

2. IM Claimant certifies it has submitted an annual report, documenting agency operations, in conformance with the uniform system of accounts and records, to StanCOG and to the State Controller, pursuant to PUC 99243, for the prior year (project year minus two). Claimant assures this report will be audited by an independent Certified Public Accountant (CPA). Claimant also assures this report will be completed for the current fiscal year (project year minus one).
Applies to Articles 4 (transit), 4.5 {CTSA's), and 8 (streets/roads)

3. IM Claimant certifies it has submitted an annual report, regarding expenditure of funds

received, to the State Controller, pursuant to 21 CCR 6665, for the prior year (project year minus two). Claimant assures this report will be audited by an independent CPA. Claimant also assures this report will be completed for the current fiscal year (project year minus one)
Applies to Articles 3 (bike/ped) and 8 (streets/roads)

1-3 1/29/2026 Date of submittal to State Controller
1-3 Date of submittal to StanCOG

4.Claimant certifies that (initial one)

a) the current cost of its retirement system is fully funded with respect to the officers and employees of its public transportation system (PUC 99271(a)); or

b) IM The operator is implementing a plan which will fully fund the retirement system for such officers and employees within 40 years (PUC 99271(a)); or

c) the operator has a private pension plan which sets aside and invests, on a current basis, funds sufficient to provide for the payment of future pension benefits and which is fully compliant with the requirements stated in PUC 99272 and 99273.
Applies to Articles 4 (transit) and 4.5 (CTSA's)

5. WY Claimant certifies that, pursuant to PUC 99264, it does not routinely staff, with two or more persons, a vehicle for public transportation purposes designed to be operated by one person.
Applies to Articles 4 (transit) and 4.5 (CTSA's)

6. WY Claimant certifies that the transit operator's operating budget has not increased more than 15% over the preceding year and does not include a substantial increase or decrease in scope of operations or capital budget provisions for major new fixed facilities or ***if the budget does include such changes, documentation is attached*** that identifies and substantiates the reason and need for the changes, pursuant to PUC 99266.
ATTACHMENTS MAY BE REQUIRED
Applies to Articles 4 (transit) and 4.5 (CTSA's)

7. WY Claimant certifies that ***attached is certification from the Department of California Highway Patrol*** (CHP), completed within the last 13 months, that indicates the operator is in compliance with Section 1808.1 of the Vehicle Code. Section 1808.1 of the Vehicle Code requires, among other things, that operators participate in a pull notice system for obtaining current driver records from the Department of Motor Vehicles.
ATTACHMENTS REQUIRED
Applies to Articles 4 (transit) and 4.5 (CTSA's)

8. WY Claimant certifies it is in compliance with PUC 99155: if it offers reduced fares to seniors, it offers the same reduced rate to disabled persons, and disabled veterans, and it honors the federal Medicare card for identification to receive reduced fares.
Applies to Articles 4 (transit) and 4.5 (CTSA's)

9. WY Claimant certifies it is in compliance with PUC 99155.5: dial-a-ride and paratransit services are accessible to disabled persons and the service is provided to persons without regard to vehicle ownership and place of residence.
Applies to Articles 4 (transit), 4.5 (CTSA 's), and 8 (streets/roads)

10. WY Claimants that contract with another entity or entities for transit service certify that a copy of ***the contract negotiated with that entity is attached*** , pursuant to CCR 6630.
ATTACHMENTS REQUIRED
Applies to Articles 4 (transit) and 8 (streets/roads)

11. Claimant certifies that, per StanCOG Resolution 90-1, attached to this claim is an operations plan and budget that describes existing and proposed service, and report on progress of coordination and consolidation objectives.
ATTACHMENTS REQUIRED
Applies to Article 4.5 {CTSA's)

12. Claimant certifies that it has attached an agreement to indemnify and hold harmless StanCOG any claims, judgments or liabilities against the claimant. Claimant certifies it has also attached proof of insurance coverage, with limits of general liability to be specified.
ATTACHMENTS REQUIRED
Applies to Article 4.5 {CTSA's)

13. WY If StanCOG has found that there are unmet transit needs within its jurisdiction, the claimant certifies it has attached a summary of the actions it plans to take to meet the needs.
ATTACHMENTS MAY BE REQUIRED
Applies to Article 4 (transit)

14. WY 1. Farebox Recovery Ratio Requirements - Claimant filing a claim for Local Transportation Funds (LTF) or State Transit Assistance (STA) funds certifies that it will maintain for the project that ratio of fare revenues and local support to operating cost required under PUC Sections 99268.3, 99268.4, 99268.S(a), 99268.5(b), 99268.12, 99270.1, and 99270.2, as appropriate. (Refer to PUC Section 99268, PUC Section 99270.8, CCR Section 6633.2)
Applies to STA claims and Articles 3 (bike/ped), 4 (transit), 4.5 {CTSA's), and 8 (streets/roads)

15. WY Implementation of Productivity Improvements - Claimant certifies that the operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244.
Applies to STA claims and Articles 3 (bike/ped), 4 (transit), 4.5 (CTSA's), and 8 (streets/roads)

16. WY Triennial Performance Audit- Claimant assures that it has complied with the requirements of a triennial performance audit. (Refer to PUC Section 99248, CCR Section 6664.5)
Applies to STA claims and Articles 3 (bike/ped), 4 (transit), 4.5 {CTSA's), and B (streets/roads)

17. WY Extension of Service - Claimant who receives an allocation of LTF funds for extension of service pursuant to PUC Section 99268.8 certifies that it will file a report of these services pursuant to CCR section 6633.8(b) within 90 days after close of the fiscal year in which the allocation was granted. Claimant has completed ***[name of form].***
Applies to Articles 4 (transit) and 8 (streets/roads)

18. WY Conformance with the Regional Transportation Plan - Claimant certifies that all of the purposes for claim expenditures are in conformance with the Regional Transportation Plan. (Refer to CCR 6754(a))
Applies to STA claims and Articles 3 (bike/ped), 4 (transit), and 8 (streets/roads)

19. WY Full Use of Federal Funds - Claimant certifies that it is making full use of Federal Funds available under the Federal Transit Act. (Refer to CCR 6754(a))
Applies to STA claims

20. Consistency with Bicycle Plan - Claimant certifies that all of the purposes for claim expenditures are in conformance with the City/Town or County bicycle plan.
Applies to Article 3 (bike/ped)

21. WY Part-Time Employees - Claimant certifies that it is not precluded by any contract entered into on or after June 28, 1979, from employing part-time drivers or contracting with common carriers of persons Operating under a franchise or license. Claimant further certifies that no person who was a Full-time employee on June 28, 1979, shall have his/her employment terminated or his/her Regular hours of employment, excluding overtime, reduced as a result of it employing part-time drivers or contracting with such common carriers.
Applies to STA claims

22. WY Claimant certifies that StanCOG has received the most recent submission of the following documents: Transit Asset Management Plan (including fleet replacement plan), and Public Transportation Agency Safety Plan (including safety performance targets).
Applies to STA claims and Articles 3 (bike/ped), 4 (transit), 4.5 (CTSA's), and 8 (streets/roads)

Authorized Representative Signature:	Gary Hampton
Name:	Gary Hampton
Title:	Interim City Manager
Date:	4/3/26

Transit Asset Management (TAM) and Public Transportation Agency Safety Plan (PTASP) Report

TAM PLAN ANNUAL TARGETS AS REPORTED TO NTD

FY Most Recently Updated	25-26
FY to be Next Updated	26-27

	Rolling Stock (Percent of revenue vehicles > ULB)		Equipment (Percent of non-revenue vehicles > ULB)		Facilities (Percent of facilities < TERM scale 3)		Infrastructure (Percent of track segments with restrictions)	
	Actual	Target	Actual	Target	Actual	Target	Actual	Target
Fixed Route	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
DR/Support Equipment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	N/A

Narrative *(provide a brief description of how you plan to meet your targets for this FY)*

Plans to replace or repair all rolling stock, equipment and facilities to maintain a satisfactory state of good repair, contingent on the availability of funding.

PTASP ANNUAL SAFETY PERFORMANCE TARGETS

FY Most Recently Updated	25-26
FY to be Next Updated	26-27

	Fatalities	Fatalities Rate *(per 100k VRM)*	Injuries	Injuries Rate *(per 100k VRM)*	System Reliability *(per 100k VRM)*	Safety Events	Safety Events Rate *(per 100k VRM)*
Rail	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fixed-Route Bus	-	-	3.00	0.25	20.30	3.00	0.25
Non-Fixed-Route Bus	-	-	1.00	0.08	6.65	1.00	0.08
Other	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Narrative *(provide a brief description of how you plan to meet your targets for this FY)*

Turlock Transit will continue to follow established guidance within the adopted PTASP for identifying, addressing and resolving safety-related issues.

REGIONAL TRANSPORTATION DEVELOPMENT ACT CLAIM FORM

(All claimants must complete this document)

Project Year	FY 2026-27		
Claimant	City of Turlock		
Address	1418 N Golden State Blvd., Suite 1, Turlock, CA 95380		
Contact Person	Wayne York	Title	Transit Manager
Telephone	209-669-2801	Email	wyork@turlock.ca.us
Contact Person	Rich Green	Title	Transit Analyst
Telephone	209-669-2802	Email	rgreen@turlock.ca.us

The above named Claimant hereby applies for allocations of Transportation Development

Local Transportation Fund		
Purpose		**Claimed**
Article 4 Regional Multi-Modal Station (PUC 99234.9)		
Regional Multi-Modal Station Operations		$655,652
Regional Multi-Modal Station Capital		
Article 4 Rail (PUC 99234.9)		
Rail Operations		$2,744
Rail Capital		
Article 4 Alternate Transportation (PUC 99234.9)	$	-
Article 4.5 CTSA (PUC 99262) - Operator		
CTSA Operations	$	-
CTSA Capital	$	-
Article 8 (PUC 99400 (b,c,d,e))	$	-
Total Local Transportation Fund Claim	**$**	**658,396.00**

State Transportation Assistance		
Purpose		**Claimed**
PUC 99313		
PUC 99314		
Total State Transportation Assistance Claim	**$**	**-**
Total Transportation Development Act Claim	**$**	**658,396.00**

Submitted By _____

Title _____

Date _____

StanCOG Claim Application - Form X
Explanatory Notes
FY 2026-27 **Operator: City of Turlock**
Submittal Date: 4/3/26

Use the form below to provide explanations or additional information for any of the claim documents.
Make certain you identify the workbook tab and line number to which the explanation or information pertains

tab	line #	explanatory and/or supplemental information

City Council Staff Report

May 26, 2026

From: Jason Hedden, Police Chief
Prepared by: Amanda Fortado, Support Operations Manager
Agendized by: Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Motion: Approving Amendment No. 2 to an Agreement between the City of Turlock and Axon Enterprises, Inc., for Dictation Services, to change the current total compensation from $2,156,109.62 to $2,477,404.52 for the duration of the contract

2. NARRATIVE:

On September 15, 2024 the City Council approved an agreement with Axon Enterprises Inc., for the purchase of body cameras, drone software, interview room recording equipment and video and platform software for five years with a total not to exceed $2,060,900. On May 15, 2025, the City Manager signed Amendment No. 1 for the purchase of six additional body camera bundles increasing the contract price to $2,156,109.62 over the duration of the agreement. Per TMC 2-7-11 (a)(1)(i) the City Manager shall have the authority to approve in writing any amendment directing an addition, deletion, or revision to such contract, including contract price, plans, specifications, and the nature or quality of services, equipment, supplies or work, subject to the following limitations: The cumulative dollar value of all such amendments relating to any one contract shall not exceed 10% of the contract price approved by the City Council.

Recently, Police Department staff tested Axon Auto-Transcribe, “Draft One”, an AI assisted report writing tool that provides a more efficient process in completing police reports. Draft One saves time by drafting police report narratives based on body-worn camera audio. All reports are still reviewed and approved by the officer, ensuring accuracy and ownership of the information. The Department has held previous contracts for dictation. However, the turnaround time and response has not been ideal. Draft One works with current equipment to create a streamlined process for Officers. The current quote will merge with the existing agreement and align with the remaining terms of the agreement.

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is adequate funding available in the applicable operating accounts in Fiscal year 2025-2026, and funding for future years is being requested in the 2026-2027 budget.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of “organization or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ALTERNATIVES:

Alternative 1: Reject the amendment and direct staff to issue a solicitation. This would delay

staff's ability to use this product, which has been vetted by Officers and deemed effective in reducing report writing timelines.
Alternative 2: Direct Staff to not use dictation. This would increase report writing timeframes, increasing timelines in which reports are completed and available to release.

6. ATTACHMENTS:

1. Axon Amendment No. 2
2. Axon Quote

AMENDMENT NO. 2
to the
Agreement between the
CITY OF TURLOCK
and
Axon Enterprise, Inc.

THIS AMENDMENT NO. 2, dated May 26, 2026, is entered into by and between the **CITY OF TURLOCK**, a California municipal corporation (hereinafter "CITY") and **Axon Enterprise, Inc.**, a Delaware corporation (hereinafter "SERVICE PROVIDER").

WHEREAS, the parties hereto previously entered into an Agreement dated September 15, 2024, whereby SERVICE PROVIDER will perform body worn camera services (hereinafter the "Agreement").

WHEREAS, on May 15, 2025, the parties entered into Amendment No. 1 to the agreement dated September 15, 2024, whereby SERVICE PROVIDER was to provide additional equipment in accordance with Exhibit A to Amendment No. 1.

NOW, THEREFORE, the parties hereto mutually agree to amend said Agreement as follows:

1. Amending the Pricing Schedule to include items listed in Exhibit A (Quote Q-762263-46119KP) attached hereto.

2. The Compensation Schedule is amended to read as follows:

> **COMPENSATION:** CITY agrees to pay SERVICE PROVIDER additional compensation in the amount of three hundred twenty-one thousand two hundred ninety-four and 90/100^{ths} Dollars ($321,294.90) in accordance with Exhibit A attached hereto and made a part hereof. The compensation for completion of all items of work, as set forth in the Agreement, Amendment No. 1 and this Amendment No. 2 shall not exceed two million four hundred seventy-seven thousand four hundred four and 52/100^{ths} Dollars ($2,477,404.52). Such maximum amount shall be compensation for all of SERVICE PROVIDER's expenses incurred in the performance of the Agreement, Amendment No. 1 and this Amendment No. 2.

3. **Execution and Counterparts**. This Amendment may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Amendment

and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

4. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective officers thereunto duly authorized on the date first written hereinabove.

CITY OF TURLOCK, a municipal corporation

By: _____
Gary R Hampton, Interim City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
Jason Hedden, Chief of Police

APPROVED AS TO FORM:

By: _____
George A. Petrulakis, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

Axon Enterprise, Inc.

By: _____

Title: _____

Print name: _____

Date: _____

Axon Enterprise, Inc.
17800 N 85th St
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic:(800) 978-2737
International: +1.800.978.2737

Q-762263-46119KP

Issued: 04/07/2026

Quote Expiration: 04/30/2026

Estimated Contract Start Date: 05/15/2026

Account Number: 108703

Payment Terms: N30

Mode of Delivery: AUTO-GND

Credit/Debit Amount: $0.00

SHIP TO	BILL TO
Turlock Police Dept. - CA 244 N Broadway Turlock, CA 95380-4737 USA	Turlock Police Dept. - CA 244 N Broadway Turlock CA 95380-4737 USA Email: dhall@turlock.ca.us

SALES REPRESENTATIVE	PRIMARY CONTACT
Kyle Panasewicz Phone: +1 4803294734 Email: kpanasewicz@axon.com Fax: (480) 905-2071	David Hall Phone: 209-664-7381 Email: dhall@turlock.ca.us Fax:

Quote Summary

Program Length	40 Months
TOTAL COST	$321,294.90
ESTIMATED TOTAL W/ TAX	$321,294.90

Discount Summary

Average Savings Per Year	$19,046.97
TOTAL SAVINGS	$63,489.90

Payment Summary

Date	Subtotal	Tax	Total
May 2026	$21,526.77	$0.00	$21,526.77
Aug 2026	$99,922.71	$0.00	$99,922.71
Aug 2027	$99,922.71	$0.00	$99,922.71
Aug 2028	$99,922.71	$0.00	$99,922.71
Total	**$321,294.90**	**$0.00**	**$321,294.90**

Quote Unbundled Price:	**$384,784.80**
Quote List Price:	**$384,784.80**
Quote Subtotal:	**$321,294.90**

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
A la Carte Software									
85760	AXON AUTO-TRANSCRIBE - UNLIMITED SERVICE	102	40		$26.20	$21.88	$89,258.16	$0.00	$89,258.16
101283	AXON RECORDS - DRAFT ONE - AI-ASSISTED REPORT WRITING	102	40		$68.11	$56.87	$232,036.74	$0.00	$232,036.74
Total							**$321,294.90**	**$0.00**	**$321,294.90**

Delivery Schedule

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
A la Carte	101283	AXON RECORDS - DRAFT ONE - AI-ASSISTED REPORT WRITING	102	05/15/2026	09/14/2029
A la Carte	85760	AXON AUTO-TRANSCRIBE - UNLIMITED SERVICE	102	05/15/2026	09/14/2029

Shipping Locations

Location Number	Street	City	State	Zip	Country
1	244 N Broadway	Turlock	CA	95380-4737	USA

Payment Details

May 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1 - Part 1	101283	AXON RECORDS - DRAFT ONE - AI-ASSISTED REPORT WRITING	102	$15,546.47	$0.00	$15,546.47
Year 1 - Part 1	85760	AXON AUTO-TRANSCRIBE - UNLIMITED SERVICE	102	$5,980.30	$0.00	$5,980.30
Total				**$21,526.77**	**$0.00**	**$21,526.77**

Aug 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1 - Part 2	101283	AXON RECORDS - DRAFT ONE - AI-ASSISTED REPORT WRITING	102	$72,163.42	$0.00	$72,163.42
Year 1 - Part 2	85760	AXON AUTO-TRANSCRIBE - UNLIMITED SERVICE	102	$27,759.29	$0.00	$27,759.29
Total				**$99,922.71**	**$0.00**	**$99,922.71**

Aug 2027

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 2	101283	AXON RECORDS - DRAFT ONE - AI-ASSISTED REPORT WRITING	102	$72,163.42	$0.00	$72,163.42
Year 2	85760	AXON AUTO-TRANSCRIBE - UNLIMITED SERVICE	102	$27,759.29	$0.00	$27,759.29
Total				**$99,922.71**	**$0.00**	**$99,922.71**

Aug 2028

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 3	101283	AXON RECORDS - DRAFT ONE - AI-ASSISTED REPORT WRITING	102	$72,163.42	$0.00	$72,163.42
Year 3	85760	AXON AUTO-TRANSCRIBE - UNLIMITED SERVICE	102	$27,759.29	$0.00	$27,759.29
Total				**$99,922.71**	**$0.00**	**$99,922.71**

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at https://www.axon.com/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature

Date Signed

4/7/2026



City Council Staff Report

May 26, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	Juan Tejeda, Regulatory Affairs Manager
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Authorizing the submittal of a grant application to the State Water Resources Control Board for the treatment of emerging contaminants in the City of Turlock's water distribution system and authorizing the Municipal Services Director or their designee to sign any and all necessary documents.

2. NARRATIVE:

Well 36 currently exceeds the State and Federal Maximum Contaminant Level (MCL) for 1,2,3-Trichloropropane (1,2,3-TCP). This well is a critical component of the City's water system and serves a significant number of drinking water customers.

To rehabilitate Well 36 and restore it to service, the City proposes installing wellhead treatment using granular activated carbon (GAC) to reduce 1,2,3-TCP concentrations to below the regulatory MCL. To help offset planning and construction costs, the City intends to apply for an Emerging Contaminants Grant through the State Water Resourcre Control Board.

The proposed resolution authorizes the Municipal Services Director or their designee to apply for this grant and, if awarded, to execute all necessary documents, accept the funding, and assume all associated financial responsibilities on behalf of the City of Turlock.

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is no fiscal impact associated with the submission of the application.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ALTERNATIVES:

1. Not approving the resolution and not apply for a grant
2. Not approving the resolution, the City fund the entire project
3. Not approving the resolution and seek other (if available) funding source

6. ATTACHMENTS:

1. Draft Resolution

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

RESOLUTION NO. 2026-xx

IN THE MATTER OF AUTHORIZING THE SUBMITTAL OF A GRANT APPLICATION TO THE STATE WATER RESOURCES CONTROL BOARD FOR THE TREATMENT OF EMERGING CONTAMINANTS IN THE CITY OF TURLOCK'S WATER DISTRIBUTION SYSTEM AND AUTHORIZING THE MUNICIPAL SERVICES DIRECTOR OR THEIR DESIGNEE TO SIGN ANY AND ALL NECESSARY DOCUMENTS

WHEREAS, authorizing the submittal of a grant application to the State Water Resources Control Board for the treatment of emerging contaminants in the City of Turlock's water distribution system and authorizing the Municipal Services Director or his/her designee to sign any and all necessary documents; and

WHEREAS, the City of Turlock desires to enhance the provision and protection of the drinking water supplied to its customers; and

WHEREAS, the City of Turlock water Well 36 is nonoperational and not meeting Federal and State drinking water standards; and

WHEREAS, the Environmental Protection Agency and State Water Resources Control Board (State Revolving Funds) have a grant opportunity for water systems affected by emerging contaminant(s) in disadvantaged communities; and

WHEREAS, this action is not subject to the provision of the National Environmental Policy Act (NEPA) in accordance with Section 102 Title 1 of the Act which requires federal agencies to incorporate environmental considerations in their planned decision-making through a systematic, interdisciplinary approach; and

WHEREAS, the projects submitted for consideration with this authorized resolution may or may not be subject to CEQA and NEPA and those considerations will be presented to Council at that time.

NOW, THEREFORE, BE IT RESOLVED by the City of Turlock Council that that the Municipal Services Director is hereby designated and directed to sign and file, for and on behalf of the City, the Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the design and construction of Well 36 Treatment Project: and

BE IT FURTHER RESOLVED that the Municipal Services Director or their designee of the City of Turlock is hereby designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto; and

BE IT FURTHER RESOLVED that the Municipal Services Director or their designee of the City of Turlock is hereby designated to represent the City in carrying out the responsibilities under the financing agreement, including certifying disbursement requests on behalf of the City of Turlock and compliance with applicable state and federal laws.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th of May, 2026, by the following vote:

AYES:
NOES:
NOT PARTICPATING:
ABSENT:

ATTEST

_____
Nicole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

City Council Staff Report

May 26, 2026

From:	Jason Hedden, Police Chief
Prepared by:	Amanda Fortado, Support Operations Manager
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Approving the agreement between the City of Turlock and the County of Stanislaus where Turlock Police Department will partner with the County in fulfilling the needs of the tobacco retailer program grant obtained by the County on an overtime basis to be reimbursed to the City from the County up to $144,582 between time of approval and ending March 14, 2029

2. NARRATIVE:

On November 20, 2025, the California Department of Justice (DOJ) awarded Stanislaus County Health Services Agency (HSA) a grant award under the Tobacco Grant Program. This highly competitive program supports local enforcement of state tobacco retail laws and reduces youth access to tobacco products. In preparation for the grant application, HSA issued a request for interest to local law enforcement partners to determine who could support the proposed enforcement operations required by the grant. Turlock Police Department (TPD) responded, indicating their interest in partnering on this work and provided a Letter of Commitment confirming their willingness to lead enforcement activities. Turlock would benefit from targeted enforcement and education due to its concentration of tobacco retailers near youth-serving areas and the presence of tobacco wholesalers. Under the partnership of this grant, HSA staff will coordinate and support key components of the tobacco enforcement and education strategy, including scheduling and collaborating with TPD, assisting with recruitment and training of youth decoys and police explorers, and developing accessible educational materials.

Staff seeks approval of the MOU between the County and TPD to conduct operations over the term of the agreement. Staff will work on an overtime basis, which will be reimbursed by the County through the Grant. The term of the agreement is three years and will end March 14, 2029 and have a maximum amount to be reimbursed of $144,582.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Overtime will be charged to account number 110-20-200.41100_029 "Overtime Billable" and reimbursements will be deposited into 110-20-200.35014_003 "Salary Reimbursement Police"

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of “organization or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ALTERNATIVES:

Alternative 1: Decline participation in this grant. This would remove the need for officer

overtime, but the department would lose the ability to particpate in operations that positively impact community safety.

Alternative 2: Authorize scaled-back participation in the grant. This would reduce upfront overtime spending that is reimbursable but would reduce the effectiveness of the grant.

6. ATTACHMENTS:

1. Agreement

AGREEMENT
FOR
INDEPENDENT CONTRACTOR SERVICES

This Agreement for Independent Contractor Services (the "Agreement") is made and entered into by and between the County of Stanislaus ("County") and Turlock Police Department ("Contractor") on _____ (the "Effective Date").

Recitals

WHEREAS, the County has a need for services involving fulfilling certain goals, objectives, and outcomes for the Tobacco Prevention Program; and;

WHEREAS, the Contractor is specially trained, experienced and competent to perform and has agreed to provide such services; and

NOW, THEREFORE, in consideration of the mutual promises, covenants, terms and conditions hereinafter contained, the parties hereby agree as follows:

Terms and Conditions

1) Scope of Work

a) The Contractor shall furnish to the County upon execution of this Agreement or receipt of the County's written authorization to proceed, those services and work set forth in **Exhibit A**, ("Services") which is attached hereto and, by this reference, made a part hereof.

b) Any interest, including copyright interests, of Contractor or its subcontractors in studies, reports, memoranda, computational sheets, drawings, plans or any other documents, including electronic data, prepared in connection with the Services, shall be the property of County. To the extent permitted by law, work product produced under this Agreement shall be deemed works for hire and all copyrights in such works shall be the property of the County. In the event that it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire, Contractor hereby assigns to County all copyrights to such works. With the County's prior written approval, Contractor may retain and use copies of such works for reference and as documentation of experience and capabilities. Should the County desire to reuse the documents specified above and not use the services of the Contractor, then the County agrees to require the new contractor to assume any and all obligations for the reuse of the documents, and the County releases Contractor and its subcontractors from all liability associated with the reuse of such documents.

c) Services and work provided by the Contractor at the County's request under this Agreement will be performed in a timely manner in accordance with a schedule of work set forth in **Exhibit A**. If there is no schedule, the hours and times for completion of said services and work are to be set by the Contractor; provided, however, that such schedule is subject to review by and concurrence of the County.

d) Contractor shall provide services and work under this Agreement consistent with the requirements and standards established by applicable federal, state and County laws, ordinances, regulations and resolutions. Contractor represents and warrants that it will perform its work in accordance with generally accepted industry standards and practices for the profession or professions that are used in performance of this Agreement and that are in effect at the time of performance of this Agreement.

1.5 Upon the mutual agreement, the Contractor and other County departments or other local agencies may contract directly with Contractor for similar scope of work on the substantially the same terms and conditions set forth herein.

2) Consideration

a) The Contractor shall be compensated on either a time and materials basis or a lump sum basis, as provided in **Exhibit A** attached hereto.

b) Except as expressly provided in this Agreement, Contractor shall not be entitled to nor receive from County any additional consideration, compensation, salary, wages or other type of remuneration for services rendered under this Agreement, including, but not limited to, meals, lodging, transportation, drawings, renderings or mockups. Reimbursable travel expenses will be limited to meals, lodging, and transportation, and will be paid in accordance with the County's travel policy. Any such request for reimbursement by Contractor shall include all receipts. The County will not pay any markup by Contractor on such travel expenses. Specifically, Contractor shall not be entitled by virtue of this Agreement to consideration in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

c) The Contractor shall provide the County with a monthly or a quarterly statement, as services warrant, of fees earned and costs incurred for services provided during the billing period, which the County shall pay in full within 30 days of the date each invoice is approved by the County. The statement will generally describe the services performed, the applicable rate or rates, the basis for the calculation of fees, and a reasonable itemization of costs. All invoices for services provided shall be forwarded in the same manner and to the same person and address that is provided for service of notices herein.

d) County will not withhold any Federal or State income taxes or Social Security tax from any payments made by County to Contractor under the terms and conditions of this Agreement. Payment of all taxes and other assessments on such sums is the sole responsibility of Contractor. County has no responsibility or liability for payment of Contractor's taxes or assessments.

3) Term

a) The term of this agreement shall be from the Effective Date through March 14, 2029.

b) Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

c) The County may terminate this agreement upon 30 days' prior written notice without cause. Termination of this Agreement shall not affect the County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Contractor as provided in Paragraph 2 herein, subject to any applicable setoffs.

3.4 Upon written notice to Contractor, the County may terminate this Agreement upon the occurrence of Contractor's bankruptcy or the sale of Contractor's business.

4) Required Licenses, Certificates and Permits and Compliance with Laws

Any licenses, certificates or permits required by the federal, state, county or municipal governments for Contractor to provide the services and work described in **Exhibit A** must be procured by Contractor and be valid at the time Contractor enters into this Agreement. Further, during the term of this Agreement, Contractor must maintain such licenses, certificates and permits in full force and effect. Licenses, certificates and permits may include but are not limited to driver's licenses, professional licenses or certificates and business licenses. Such licenses, certificates and permits shall be procured and maintained in force by Contractor at no expense to the County.

5) Office Space, Supplies, Equipment, Etc.

Unless otherwise provided in this Agreement, Contractor shall provide such office space, supplies, equipment, vehicles, reference materials and telephone service as is necessary for Contractor to provide the services under this Agreement. Contractor - not the County - has the sole responsibility for payment of the costs and expenses incurred by Contractor in providing and maintaining such items.

6) Insurance

Coverage Required: Contractor shall obtain, and maintain at all times during the term of this Agreement, insurance coverage in the amounts and coverage specified in the attached **Exhibit B**.

7) Defense and Indemnification

a) To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend the County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Contractor or Contractor's officers, employees, agents, representatives or subcontractors. This obligation shall survive termination of this Agreement.

b) Contractor's obligation to defend, indemnify and hold the County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Contractor to procure and maintain a policy of insurance.

7.3 Contractor shall indemnify, defend and hold harmless and shall be responsible for any and all federal, state and local taxes, fees, or contributions required to be paid with respect to Contractor and Contractor's officers, employees, and agents engaged in the performance of this Agreement, including and without limitation unemployment insurance, social security and payroll tax withholding.

8) Status of Contractor

a) All acts of Contractor and its officers, employees, agents, representatives, subcontractors and all others acting on behalf of Contractor relating to the performance of this Agreement, shall be performed as independent contractors and not as agents, officers or employees of County. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of County. Except as expressly provided in **Exhibit A**, Contractor has no authority or responsibility to exercise any rights or power vested in the County. No agent, officer or employee of the County is to be considered an employee of Contractor. It is understood by both Contractor and County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

b) At all times during the term of this Agreement, the Contractor and its officers, employees, agents, representatives or subcontractors are, and shall represent and conduct themselves as, independent contractors and not employees of County.

c) Contractor shall determine the method, details and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to County only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to County's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. Contractor is permitted to provide services to others during the same period service is provided to County under this Agreement. If necessary, Contractor has the responsibility for employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.

d) If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other

term of employment or requirements of law shall be determined by the Contractor.

e) It is understood and agreed that as an independent contractor and not an employee of County, the Contractor and the Contractor's officers, employees, agents, representatives or subcontractors do not have any entitlement as a County employee, and do not have the right to act on behalf of the County in any capacity whatsoever as an agent, or to bind the County to any obligation whatsoever.

f) It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.

8.7 Contractor retains all of their powers and authority to direct and control to the full extent of the law. Included in but not limited to those duties and powers are the rights to: direct the work of its employees; establish the developmental philosophy, goals, and objectives; ensure the rights and opportunities of children and families; determine the staffing patterns; determine the number and kinds of personnel required; determine the classification of positions; maintain the efficiency of the program operation; determine the curriculum; develop a budget; and develop and implement budget procedures. In addition, the Contractors retains the right to hire, assign, evaluate, promote, terminate, and discipline employees, and to take action on any matter in the event of an emergency. The exercise of the foregoing powers, rights, authority, duties, and responsibilities by the Contractor, the adoption of policies, rules, regulation, and practices in furtherance thereof, and the use of judgment and discretion in connection therewith, shall be limited only by the specific and express terms of this Agreement, and then only to the extent such specific and express terms are in conformance with the laws of the State of California.

8.8 As an independent Contractor, Contractor hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

9) Records and Audit

a) Contractor shall prepare and maintain all writings, documents and records prepared or compiled in connection with the performance of this Agreement for a minimum of four (4) years from the termination or completion of this Agreement. This includes any handwriting, typewriting, printing, photostatic, photographing and every other means of recording upon any tangible thing, any form of communication or representation including letters, words, pictures, sounds or symbols or any combination thereof.

b) Any authorized representative of County shall have access to any writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Contractor. Further, County has the right at all reasonable times to audit, inspect or otherwise evaluate the work performed or being performed under this Agreement.

10) Confidentiality

The Contractor agrees to keep confidential all information obtained or learned during the course of furnishing services under this Agreement and to not disclose or reveal such information for any purpose not directly connected with the matter for which services are provided.

11) Nondiscrimination

11.1 Non-Discrimination. During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any Federal, State or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religious creed, color, national origin, ancestry,

physical or mental disability including perception of a disability, medical condition, genetic information, pregnancy related condition, marital status, gender/sex, sexual orientation, gender identity, gender expression, age (over 40), political affiliation or belief, or military and veteran status. Contractor and its officers, employees, agents, representatives or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the County's non-discrimination policy; the Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101, and 1102; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

11.2 Contractor shall include the non-discrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

11.3 Contractor shall provide a system by which recipients of service shall have the opportunity to express and have considered their views, grievances, and complaints regarding Contractor's delivery of services.

12) Assignment

This is an agreement for the services of Contractor. County has relied upon the skills, knowledge, experience and training of Contractor and the Contractor's firm, associates and employees as an inducement to enter into this Agreement. Contractor shall not assign or subcontract this Agreement without the express written consent of County. Further, Contractor shall not assign any monies due or to become due under this Agreement without the prior written consent of County.

13) Waiver of Default

Waiver of any default by either party to this Agreement shall not be deemed to be waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

14) Notice

Any notice, communication, amendment, addition or deletion to this Agreement, including change of address of either party during the term of this Agreement, which Contractor or County shall be required or may desire to make shall be in writing and may be personally served or, alternatively, sent by prepaid first-class mail to the respective parties as follows:

To County:	To Contractor:
Stanislaus County	Turlock Police Department
Attn: Purchasing Agent	244 N. Broadway
1010 10th Street, Suite 5400	Turlock, CA 95380
Modesto, CA 95354	

15) Conflicts

Contractor agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

16) Severability

If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or county

statute, ordinance or regulation; the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

17) Amendment

This Agreement may be modified, amended, changed, added to or subtracted from by the mutual consent of the parties hereto if such amendment or change is in written form and executed with the same formalities as this Agreement and attached to the original Agreement to maintain continuity.

18) Entire Agreement

This Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties herein with respect to the subject matter hereof and contains all the agreements between the parties with respect to such matter. Each party acknowledges that no representations, inducements, promises or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding.

19) Advice of Attorney

Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

20) Construction

Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

21) Governing Law and Venue

This Agreement shall be deemed to be made under and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

22. Authorized Signature

The person signing this Agreement ("Signatory") represents and warrants that he or she is duly authorized and has legal capacity to execute this Agreement. Signatory represents and warrants that the execution and delivery of the Agreement and the performance of Contractor's obligations hereunder has been duly authorized, and that the Agreement is a valid and legal agreement binding on Contractor and enforceable in accordance with its terms.

23. Counterparts and Electronic Signatures

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one instrument. A signature delivered by electronic means shall be considered binding for all parties. Each party agrees that the electronic signatures (whether digital or encrypted) of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record (including facsimile or email electronic signatures) pursuant to the California Uniform

Electronic Transactions Act (Cal. Civ. Code § 1633.1 et seq.) as amended from time to time.

24. Certification Regarding Economic Sanctions -- California Executive Order N-6-22

24.1 Contractor shall review their investments and contracts to ensure their compliance with economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law (collectively, economic sanctions), and to take actions to support the Ukrainian government and people, including by refraining from new investments in, and financial transactions with, Russian institutions or companies that are headquartered or have their principal place of business in Russia (Russian entities), not transferring technology to Russia or Russian entities, and by directly providing support to the government and people of Ukraine.

24.2 County shall terminate any agreement with any individual or entity that is in violation of Executive Order N-6-22 or that is subject to economic sanctions therein and shall not enter into an agreement with any such individual or entity while the Order is in effect.

24.3 For agreements valued at five million ($5,000,000) or more, Contractor shall provide a written report to the County regarding compliance with economic sanctions and steps taken in response to Russia's action in Ukraine, including but not limited to, desisting from making new investments in, or engaging in financial transactions with Russia or Russian entities, and directly providing support to Ukraine, while the Order is in effect.

25. Debarment

Contractor represents and warrants that neither Contractor nor any of its Principals ("Principal" means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity) is presently debarred, suspended, proposed for debarment, voluntarily excluded, or involuntarily excluded from receiving an agreement from any federal, state or local government or agency, nor has it been declared ineligible for the award of agreements by any federal, state, or local government or agency, nor does it appear on any federal, state or local government's excluded parties list system. Contractor shall provide immediate written notice to the County if, at any time Contractor learns that this representation was erroneous when submitted or has become erroneous by reason of changed circumstances. The representations and warranties above are a material representation of fact upon which reliance was placed when entering into this Agreement. If it is later determined that Contractor knowingly made a false representation, in addition to other remedies available to the County, the County may terminate this Agreement.

[SIGNATURES SET FORTH ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties or their duly authorized representatives have executed this Agreement on the day and year first hereinabove written.

COUNTY OF STANISLAUS

By: _____
Andrew Johnson
GSA Director / Purchasing Agent

"County"

APPROVED: BOS Resolution # 2026-0035

APPROVED AS TO CONTENT
Department of Health Services Agency

By: _____
Heather Duvall
Managing Director

APPROVED AS TO FORM
Thomas E. Boze, County Counsel

By: Mobin Bhatti
Mobin Bhatti (Mar 31, 2026 09:06:15 PDT)
Mobin Bhatti
Deputy County Counsel

TURLOCK POLICE DEPARTMENT

By: _____
Jason Hedden
Chief of Police

"Contractor"

EXHIBIT A

1. Scope of Work

The Contractor shall provide services under this Agreement as follows:

1. The scope of work and budget are identified in **Attachments A** and **A1**, attached hereto and incorporated into this Agreement by reference.

2. The scope of work in **Attachment A** will be conducted throughout Stanislaus County.

2. Compensation

The Contractor shall be compensated for the services provided under this Agreement as follows:

1. Contractor shall be paid, on an end-of-month basis as invoiced to the County for incurred expenses. Contractor shall submit monthly invoices with all documentation setting forth the work performed and compensation due.

2. Invoices shall include dates of service, number of hours, the amount due, and other appropriate documentation mentioned in **Attachment A.** At a minimum, submit invoices quarterly, otherwise, invoices shall be due to County within fifteen (15) calendar days following the end of the month in which services were rendered. County shall make payment to Contractor within thirty (30) days of receipt of invoice.

3. Contractor understands all invoices must be received prior to the end of this Agreement, March 14, 2029. This includes final invoice(s) for expenses incurred in March 2029. Invoices received after the end date of this Agreement cannot be reimbursed.

4. County will have no obligation to distribute any funding under this Agreement in the event the State/Federal government does not appropriate and provide the respective funding.

The parties hereto acknowledge the maximum amount to be paid by the County for services provided hereunder shall not exceed One Hundred Forty-Four Thousand Five Hundred Eighty-Two Dollars ($144,582) for the term of this Agreement. Said maximum amount shall include, without limitation, the cost of any subcontractors, Contractors, experts, or investigators retained by the Contractor to perform or to assist in the performance of its work under this Agreement, and that Contractor shall not be required to provide any additional services that would cause the compensation to exceed such amount.

3. Invoice To

Invoices shall be submitted to: FinGroup@schsa.org

Health Services Agency (HSA)
Tobacco Retailer Program Scope of Work (SOW)

Activities	Responsible Party	Target Number	Deliverables
1. **Conduct Tobacco Retailer Inspections to ensure compliance with state and local laws** a. Quarterly progress will occur throughout the grant term. i. TPD will provide HSA with a quarterly Tobacco Retailer Inspections Plan within 15 days of each quarter's start, specifying the planned operation date and timeframe. ii. Quarterly, HSA will compile and prioritize a list of 15 retailers for TPD to conduct in-store operations. b. During the inspections, officers will verify: i. Valid CDTFA License ii. California tax stamps iii. STAKE Act signage requirements iv. Absence of flavored tobacco products 1. The Attorney General's Unflavored Tobacco List (UTL) is an enforcement tool that can be used to identify flavored tobacco products. c. Officers will address non-compliant retailers i. In year 1, TPD will address non-compliant retailers by providing a written warning. 1. After a warning has been given, notify HSA. 2. HSA will follow-up with non-compliant retailers and will provide on-site retailer education. ii. In year 2-3, TPD will address non-compliant retailers in accordance with the state law. d. Documentation	Officer(s)	*Per year:* 60 retailer inspections *Grant term:* 180 retailer inspections	1. Operation Log 2. Local Enforcement Data Form (Excel)

Health Services Agency (HSA)
Tobacco Retailer Program Scope of Work (SOW)

i. At the conclusion of each retailer operation, the Local Enforcement Data Report (Excel) must be completed.			
2. **Minor Decoy Operations will be coordinated by HSA and executed by TPD** a. TPD will provide HSA with a quarterly Minor Decoy Operations plan within 15 days of each quarter's start, specifying the planned operation date and timeframe. b. Recruitment of Decoys i. Annually, TPD is responsible for coordinating and recruiting four (4) Explorer or Cadet (15-20 years old) for each of the four (4) operations. The Explorer or Cadet will be trained and then will conduct twelve (12) minor decoy retailer operations in the city of Turlock. 1. To ensure safety and privacy, decoys will not be assigned to locations near their homes or frequently visited areas. c. Training i. Trainings will be provided onsite at Turlock Police Department ii. Training of the minor decoy operations will be provided by HSA. 1. Each Explorer or Cadet that will be involved in the operations is required to attend the training.	Explorer or Cadet Officer(s) Sergeant	*Per year:* 4 operations 40 retailers *Grant term:* 12 operations 120 retailers	1. Minor Decoy Operations Plan 2. Operation Log 3. Training sign-in sheet 4. Local Enforcement Data Form (Excel) 5. Copy of any store receipts received 6. Copy of operation route(s) (mileage proof)

Health Services Agency (HSA)
Tobacco Retailer Program Scope of Work (SOW)

d. Organization of Operations i. Routes and retailer stores that will be included in each operation will be coordinated by HSA and approved by TPD. 1. Target is one (1) operation per quarter, targeting 10 retailers per operation. ii. Organization of trained decoys to each operation will be coordinated by TPD. iii. Purchasing of "Buy Money" will be the responsibility of TPD. 1. Maximum allowable cost per operation is $25.00 2. A record of the exact amount of money used in each operation must be documented. iv. Each operation will be supervised by one (1) TPD officer and one (1) HSA staff. e. Warnings and Fines i. Fines will be issued by TPD days after the operation to protect decoy identities and prevent store clerks from knowing who conducted the compliance check. f. Documentation i. At the conclusion of each retailer operation, the Local Enforcement Data Report (Excel) must be completed.			
3. **Conduct Undercover Buy Operations** a. Quarterly progress will occur throughout the grant term. i. TPD will provide HSA with a quarterly Undercover Buy Operations Plan within 15 days of each quarter's start, specifying the planned operation date and timeframe.	Officer(s) Sergeant	*Per year:* 2 Operations 30 Retailers	1. Undercover Buy Operation Plan 2. Operation Log

Health Services Agency (HSA)
Tobacco Retailer Program Scope of Work (SOW)

ii. Quarterly, HSA will compile and prioritize a list of 15 retailers for TPD to conduct undercover buys. iii. Organization of trained decoys to each operation will be coordinated by TPD b. Training i. Trainings will be provided onsite at Turlock Police Department ii. Training for the undercover operations will be provided by HSA. 1. Individuals participating as undercover decoys must be over the legal age of 21 years. 2. Each Cadet or officer that will be involved in the operations is required to attend the training. c. Purchasing of "Buy Money" will be the responsibility of TPD. i. Maximum allowable cost per operation is $25.00 ii. A record of the exact amount of money used in each operation must be documented. d. Warnings and Fines i. Fines will be issued by TPD days after the operation to protect decoy identities and prevent store clerks from knowing who conducted the compliance check e. Documentation: At the conclusion of each retailer operation, the Local Enforcement Data Report (Excel) must be completed.		*Grant term:* 6 Operations 90 Retailers	3. Training sign-in sheet 4. Local Enforcement Data Form (Excel) 5. Copy of any store receipts received 6. Copy of operation route(s) (mileage proof)
4. Per year, 12 enforcement officers will receive education a. Enforcement officers will receive education about tobacco laws and ordinances.		*Annually:* 12 Enforcement	1. Training sign-in sheet

Health Services Agency (HSA)
Tobacco Retailer Program Scope of Work (SOW)

b. In collaboration with TPD, HSA will conduct an annual training for enforcement officers focused on tobacco laws, local ordinances. TPD will include enforcement protocols. i. The training will cover: 1. The identification of flavored tobacco products 2. Recognition of different packaging and product names 3. Provide updates on any new state laws or local ordinances. ii. There will be a review of the Attorney General's unflavored tobacco product list and updates to the list will be shared, as they become available. iii. The session will also include time to answer any questions officers may have to ensure they are well-prepared for effective enforcement c. Training Coordination i. Each year, TPD will organize training for 12 officers. TPD will provide HSA at least one month's notice of the training date, time, and location.		Officers Trained *Grant term:* 36 Instances Enforcement Officers are Trained	

Health Services Agency (HSA)
Tobacco Retailer Program Scope of Work (SOW)

5. Complete quarterly invoice reports using the approved reporting template and the Law Enforcement Data Form provided by the Stanislaus County Tobacco Retailer Program. a. For each activity listed on reporting template, the subcontractor must provide all required information for activities completed during the applicable reporting period. i. Activities listed on the reporting template must match the activities listed on the Law Enforcement Data Form. b. Quarterly items must be submitted no later than the 5th day following the end of each quarter (January 5, April 5, July 5, October 5). c. Appropriate documentation (e.g. deliverables, supporting documents, reporting template) demonstrating the completion of each Scope of Work (SOW) item must be submitted with invoices.	Sargeant or Lieutenant	*Annually:* 4 Reporting Periods *Grant term:* 12 Reporting Periods	1. Supporting Documentation

Health Services Agency (HSA)
Tobacco Retailer Program Scope of Work (SOW)

6. Comprehensive list of deliverables/supporting documents: a. Operation Logs i. Retailer Inspections ii. Minor Decoy Operations iii. Undercover Buys b. Local Enforcement Data Form (Excel) i. Retailer Inspections ii. Minor Decoy Operations iii. Undercover Buys c. Training Sign-in Sheets i. Minor Decoy Operations ii. Undercover Buys iii. Enforcement training d. Operation Plan i. Minor Decoy Operations ii. Undercover Buys e. Copy of any store receipts received i. Minor Decoy Operations ii. Undercover Buys f. Copy of routes of operations via Google Map or other Mapping services i. Retailer Inspections ii. Minor Decoy Operations iii. Undercover Buys			

Health Services Agency (HSA) Contract Agreement

FUND	PROGRAM NAME	TOTAL AMOUNT
DOJ - Tobacco Grant 25-29	Tobacco Retailer Program	**$ 144,582**

COST CATEGORY	FISCAL YEAR 36 Month Grant Term | 2026 - 2029	TOTAL COST
CONTRACTUAL SERVICES		
Turlock Police Department		

GOALS AND ACTIVITIES

	Operations Per Year	Retailers Per Year,	Total Retailers Targeted	Cost Per Deliverable	Total
Tobacco Retailer Inspections	60	60	180	$242.10	$43,578
Minor Decoy Operations	4	40	120	$512.55	$61,506
Undercover Buy Operations	2	30	90	$409.90	$36,891
Category Sub-Total					**$ 141,975**

OTHER COSTS

Mileage	$ 500.00
Buy Money - 210 retailers, each buy ranges in cost from $0.00 - $25.00	$ 2,107.00
Category Sub-Total	**$ 2,607.00**

Total Grant $ 144,582

Exhibit B

Insurance Required for Most Contracts

(Not for Construction Contracts)

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than One Million Dollars ($1,000,000) per incident or occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than $1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation** Insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

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

Umbrella or Excess Policy

The Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The County, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL and Auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability and Auto liability coverage can be provided in the form of an endorsement to the Contractor's insurance (**at least** as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the Contractor's insurance coverage shall be primary coverage **at least** as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

Waiver of Subrogation

Contractor hereby grants to County a waiver of any right to subrogation (except for Professional Liability) which any insurer of said Contractor may acquire against the County by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the County. The County may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. Any and all deductibles and SIRs shall be the sole responsibility of Contractor or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. County may deduct from any amounts otherwise due Contractor to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. County reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with California admitted insurers (licensed to do business in California) with a current A.M. Best's rating of no less than A-VII, unless otherwise approved by the County.

Claims Made Policies

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for **at least** five (5) years after completion of the contract of work.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of five (5) years after completion of work.

Verification of Coverage

Contractor shall furnish the County with a copy of the original certificates and amendatory endorsements, or copies of the applicable policy language effecting coverage required by this clause. **All certificates and endorsements are to be received and approved by the County before work commences.** However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor’s obligation to provide them. The County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Insurance Limits

The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or Subcontractors. Contractor's obligation to defend, indemnify and hold the County and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

Reporting

Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the County or its officers, officials, employees, agents or volunteers.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the County in accordance with policy terms and conditions. If policy does not allow for notice, notification of cancellation shall be the responsibility of the contractor.

[SIGNATURES SET FORTH ON THE FOLLOWING PAGE]

_____ Exempt from Auto – By initialing, I certify Contractor's officers, employees, agents, representatives, or subcontractors will not utilize a vehicle in the performance of my work with the County.

_____ Exempt from WC – By initialing, I certify Contractor is exempt from providing workers' compensation coverage as required under section 1861 and 3700 of the California Labor Code.

I acknowledge the insurance requirements listed above.

Print Name: _____ Date:_____

Signature: _____ Date:_____

Vendor Name: _____

For CEO-Risk Management Division use only

Exception: _____

Approved by CEO for Risk Management: _____ Date: _____

City Council Staff Report

May 26, 2026

From:	Gary Hampton, Interim City Manager
Prepared by:	James Governale, Management Analyst
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Ratify prior City Manager action and confirm appointment of Nichole Fiez as City Clerk

2. NARRATIVE:

During the course of a project involving a comprehensive review of the Turlock Municipal Code, staff identified a potential records issue involving the appointment of the City's current City Clerk. In California, the City Clerk is a required officer in a general law city, and state law allows voters to determine whether the office is elective or appointive. Government Code Section 36509 provides the ballot form for making the Office of City Clerk appointive, and Government Code Section 36510 provides that, if approved by the voters, the City Council appoints the officer upon expiration of the current term or upon vacancy.

In 2002, the City Council submitted Measure F to the voters, asking whether the Office of City Clerk should be appointive. Measure F was approved by the voters, and Resolution No. 2002-245 certified the election results and confirmed that the City Clerk for the City of Turlock shall be appointed by the City Council.

Based on the records reviewed, Nichole Fiez, CMC, began serving as City Clerk on December 3, 2024. However, staff were unable to locate a formal City Council action appointing her to the position. Because the City's records do not appear to include a formal Council appointment, corrective action is recommended to clarify the official record, confirm the appointment, and support continuity in the administration of City business.

The recommended action is intended to correct and clarify the City's official records, preserve continuity of City operations, and avoid uncertainty regarding the City Clerk's authority to perform statutory and administrative duties. Ms. Fiez has faithfully and effectively served in the position. Accordingly, staff recommend that the City Council adopt a resolution ratifying the prior City Manager action and confirming the appointment of Nichole Fiez as City Clerk, effective December 3, 2024.

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is no fiscal impact associated with this action.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

5. ALTERNATIVES:

The City Council could choose not to approve the resolution. However, this alternative is not recommended because Ms. Fiez meets the requirements for the position, has been serving effectively in this capacity, and formal Council action is necessary to clarify the City's official records.

6. ATTACHMENTS:

1. Draft Resolution

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF RATIFYING PRIOR CITY MANAGER ACTION AND CONFIRMING APPOINTMENT OF NICHOLE FIEZ AS CITY CLERK	} } } }	**RESOLUTION NO. 2026-**

WHEREAS, pursuant to Measure F approved by voters in the November 5, 2002 general election and its corresponding Resolution 2002-245, the City Clerk is an appointed position in the City of Turlock; and

WHEREAS, on December 3, 2024, then City Manager Reagan Wilson selected and designated Nichole Fiez to serve as Executive Assistant to the City Manager/City Clerk; and

WHEREAS, on December 9, 2025, the City Council adopted Resolution No. 2025-219 approving revised and reformatted job descriptions and related salary schedules, including revision of the former Executive Assistant to the City Manager/City Clerk classification to the classification title of "City Clerk"; and

WHEREAS, Ms. Fiez has performed the duties of City Clerk in good faith and in service to the City, the City Council, City staff, and the public; and

WHEREAS, the City Council desires to formally ratify the former City Manager's action and confirm the appointment of Ms. Fiez as City Clerk in order to ensure the City's records accurately reflect the Council's appointment of the City Clerk as intended by the voters; and

WHEREAS, this Resolution is intended to clarify and confirm the appointment of Ms. Fiez as City Clerk to support continuity in the administration of City business; and

WHEREAS, this action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines because this action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby find the recitals stated above are true and accurate and hereby ratifies the action of the former City Manager confirming the appointment of Nichole Fiez as City Clerk of the City of Turlock effective December 3, 2024.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:

ABSENT:

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

City Council Staff Report

May 26, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	Fred Pezeshk, P.E., Roads Program Manager
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Motion: Approving Amendment No. 21 for Task Order No. 9A under the terms of the Master Agreement (City Contract No. 2024-111) with NV5, Inc. (Fresno, California office) for Construction Management and Inspection Services for the City of Turlock's Roads Initiative Program in the amount of $559,649.47 to be funded by Fund 115 "Measure A – Roads" for Bid Package 1 for City Project No. 25-025 as "NV5 CM Task Order No. 9A for City Project No. 25-025, Bid Package 1."

2. NARRATIVE:

On February 27, 2024, the City Council approved a Master Agreement for Construction Management and Inspection Services with NV5, Inc. (City Contract No. 2024-111, the "Agreement"). The Agreement stipulates that the scope of services and fees associated with specific projects will be agreed upon through task orders approved under the terms of the Master Agreement.

The scope of services for construction management and inspection is described in three (3) activity components: Pre-Construction, Construction Management and Inspection, and Post-Construction. "Pre-Construction" activities ensure that the projects are properly set up and organized in the lead-up to the start of construction. Activities such as constructibility reviews, file reviews and set-up, scheduling, and pre-construction conference with the contractor take place during this stage. "Construction Management and Inspection" activities during the actual construction of the projects will ensure, in general, that the contractor is complying with the contractual requirements, that the work is constructed in compliance with the bid documents, that the quantities of work are measured accurately for proper payment to the contractor, and that issues encountered in the field are resolved in a timely fashion. "Post-Construction" activities ensure that as-built plans are prepared to document and accurately reflect the project as actually constructed and that contract records are adequately and properly organized and complete.

On February 10, 2026, the City Council approved Task Order No. 9 as an Amendment No. 18 under the terms of the Master Agreement to provide Construction Management and Inspection Services for City Project No. 25-025 Bid Package 1. Since the design was still ongoing at the time, the Task Order only included the scope and fee for "Pre-Construction" activities.

With the completion of the design, critical items, such as: the final scope of construction work, the engineer's estimate of probable construction costs, sequencing of construction, and the number of working days, were determined and a detailed scope of services for the remaining activities could then be developed.

Therefore, the proposed amendment ("Proposed Amendment") includes the scope of services and fee associated with “Construction Management and Inspection” and “Post-Construction Services” activities for Bid Package 1 for City Project No. 25-025 which includes the following street sections:

City Project No. 25-025 Bid Package 1				
Street Name	**From**	**To**	**Length (ft)**	**District**
E. Linwood Ave.	Lander Ave.	County Line	4,668.00	2
Rosewood Dr.	Lander Ave.	Baywood Ln.	1,151.00	2
Baywood Ln.	E. Linwood Ave.	1785 Baywood Ln.	614.00	2
Rockwood Ave.	5th St.	9th St.	1,492.00	2
Total Length (Feet)			7,925.00	

“Construction Management and Inspection” and “Post-Construction Services” activities will commence shortly after the award of bid for each bid package and will continue throughout the construction period.

The Proposed Amendment is essential to ensuring that adequate resources are available for advancing the construction of Roads Program CIP projects.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The fiscal impact of the Proposed Amendment No. 21 for NV5 CM Task Order No. 9A will be $559,649.47 which will be funded from Fund 115 “Measure A – Roads”, account number 115-10-115.43327 “Construction Management.” The cumulative fiscal impact of the Proposed Amendment and the previous Amendment is estimated to be $615,658.41.

City Project No. 25-025 Bid Package 1	
Amendment No. 18 for CM Task Order No. 9	$ 56,008.94
Amendment No. 21 for CM Task Order No. 9A (Proposed)	$ 559,649.47
Total Estimated Fiscal Impact	$ 615,658.41

Appropriate funds have been allocated during Fiscal Year 2025-26 budget process to cover this Proposed Amendment.

4. ENVIRONMENTAL DETERMINATION:

Approving the Proposed Amendment for the task order described above will not have a direct or reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378 because it consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ALTERNATIVES:

A. Council could choose not to approve the Proposed Amendment. Staff does not recommend this alternative as it is essential to ensure that adequate resources are made

available for management and inspection of construction activities and to avoid delaying the construction.

B. Provide staff with direction on how to proceed.

6. ATTACHMENTS:

1. Amendment No. 21 for Task Order No. 9A under the terms of the Master Agreement (City Contract No. 2024-111) with NV5, Inc.

AMENDMENT NO. 21 FOR TASK ORDER NO. 9A
Under the Terms of the
MASTER AGREEMENT BETWEEN THE CITY OF TURLOCK
and
NV5, INC.
for
CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES
City Contract No. 2024-111

City Project No. 25-025, Bid Package 1

THIS AMENDMENT NO. 21 for Task Order No. 9A under the terms of City Contract No. 2024-111 is entered into by and between the CITY OF TURLOCK, a California municipal corporation ("City"), and NV5, INC., a California corporation ("Professional"), on this _____ day of _____ 2026 (the "Effective Date of Task Order No. 9A"). City and Professional may be collectively referred to herein as the "Parties" or individually as "Party." There are no other parties to this Amendment No. 21.

WHEREAS, the Parties hereto previously entered into a Master Agreement (City Contract No. 2024-111) dated February 27, 2024, for Construction Management and Inspection Services for Roads Program Capital Improvement Program (CIP) Projects ("Agreement"); and

WHEREAS, Construction Management and Inspection Services comprise three (3) components: Pre-Construction, Construction Management and Inspection, and Post-Construction; and

WHEREAS, Agreement stipulates that the scope of services and fees associated with specific projects will be agreed upon through task orders approved under the terms of Agreement by a written amendment to the Agreement; and

WHEREAS, Amendment No. 18 provided for the scope of services and fees for "Pre-Construction" services for Bid Package 1 for City Project No. 25-025 as "NV5 CM Task Order No. 9 for City Project No. 25-025, Bid Package 1;" and

WHEREAS, City desires that Professional provide "Construction Management and Inspection" and "Post-Construction" services for said City Project as "NV5 CM Task Order No. 9A for City Project No. 25-025, Bid Package 1;" and

WHEREAS, Amendment No. 21 for Task Order No. 9A provides for the scope of services and associated fees for said City Project.

NOW, THEREFORE, the Parties hereto mutually agree to amend the Agreement as follows:

1. **Exhibit V**, attached hereto and incorporated herein by reference, is hereby added to the Agreement.

2. Recital B of the Agreement is amended to read as follows:

B. Professional has made a proposal to City to provide such professional services. A description of the services Professional proposes to provide is included in the Scope of Services in **Exhibits A through V** attached hereto and incorporated herein by reference ("Services"). City desires to retain Professional to perform the Services, subject to the terms and conditions set forth in this Agreement.

3. Recital C of the Agreement is amended to read as follows:

C. The Parties anticipate that one or more projects for Services shall be determined through creation of a Task Order as a City-requested modification of services under Section 5.2 of this Agreement which shall be approved by written amendment to this Agreement. The Parties shall outline the schedule or timeline for providing the Services agreed upon under each Task Order ("Completion Schedule"), which shall be included in one or more written amendments to this Agreement. Such Completion Schedule is included in **Exhibit V**.

4. Recital D of the Agreement is amended to read as follows:

D. The Parties shall outline the rates and method of payment to Professional for its performance of the Services under this Agreement as determined under each Task Order ("Compensation Schedule"), which shall be included in one or more written amendments to this Agreement. Such Compensation Schedule is included in **Exhibit V**.

5. Section 5 of the Agreement is amended to read as follows:

5.1. Services. Subject to the terms and conditions set forth in this Agreement, Professional shall provide City the Services described in **Exhibits A through V**. Any request for Services not included in **Exhibits A through V** will be considered a request for additional or modified Services ("Modification" or "Modifications"). Professional shall not receive additional compensation for any Modification of the Services unless the Parties agree otherwise in a writing executed by both Parties.

5.2. City Requested Modification of Services. City may, by written order, authorize Modifications to the Services described in **Exhibits A through V**. If such Modifications cause an increase in the cost or time required for performance of Professional's Services, the Parties shall enter into a written amendment to this Agreement to adjust the Services and the compensation to be paid to Professional and, if necessary, amend the Completion Schedule or Compensation Schedule. The Services, Completion Schedule, or Compensation Schedule shall not be revised unless City and Professional mutually agree to a written amendment to this

Agreement reflecting such revisions, additional compensation, time for performance or such other terms or conditions mutually agreed upon by the Parties.

6. Section 6 of the Agreement is amended to read as follows:

6.1. Amount, Time and Manner of Payment for Professional Services. City shall pay Professional according to the rates and timing set forth in the Compensation Schedule for each Task Order within each Amendment to the Agreement. Each Compensation Schedule shall include an exhibit based on Exhibit 10-H of Caltrans Local Assistance Procedures Manual (LAPM). Professional will be allowed to include an amount for the anticipated salary increases as calculated per Exhibit 10-H. City's total compensation to Professional shall not exceed the cumulative amount resulting from each Task Order with each approved Amendment to the Agreement. The compensation for Amendment No. 21 shall not exceed Five-Hundred-Fifty-Nine Thousand Six-Hundred-Forty-Nine Dollars and Forty-Seven Cents ($559,649.47), and Six-Hundred-Fifteen Thousand Six-Hundred-Fifty-Eight Dollars and Forty-One Cents ($615,658.41) for Bid Package 1 for City Project No. 25-025 ("Maximum Payment"), unless the Parties mutually agree in writing otherwise.

Amendment 18 for Task Order No. 9	$ 56,008.94
Amendment 21 for Task Order No. 9A	$ 559,649.47
Project 25-025 Bid Package 1 Not-to-Exceed Amount	$ 615,658.41

7. **Execution and Counterparts**. This Amendment may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Amendment and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

8. All other terms and conditions of the Agreement shall remain in full force and effect for the Term of the Agreement.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 21 to be executed by and through their respective officers thereunto duly authorized.

PROFESSIONAL

NV5, INC., a California corporation

Lori Goodwin

By:_____
Lori Goodwin, Vice President

Date 05/13/2026

CITY

City of Turlock, a California municipal corporation

By: _____
Gary R. Hampton, Interim City Manager

Date:_____

APPROVED AS TO SUFFICIENCY:

By: _____
Christopher Fisher,
Municipal Services Director

APPROVED AS TO FORM:

By: _____
Katie O. Lucchesi, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

EXHIBIT V TO AMENDMENT NO. 21 FOR CM TASK ORDER NO. 9A (CITY CONTRACT NO. 2024-111)

SCOPE OF CONSULTANT SERVICES

CITY OF TURLOCK ROADS PROGRAM CIP PROJECTS
CONTRACT NO. 2024-111 TASK ORDER #9A
(PROJECT NO. 25-025 BP1)
CONSTRUCTION & POST-CONSTRUCTION SERVICES

DESCRIPTION OF PROJECT

Provide construction and post-construction project management services for the City of Turlock Roads Program CIP Project No. 25-025 BP1 project. Project Plans and Specs dated 4/7/2026.

NV5 shall furnish a licensed Civil Engineer as Resident Engineer during the construction and post-construction period. NV5 will also provide support staff, as needed.

The Construction Manager shall be responsible for coordination with the City of Turlock and shall act as the key point of contact with the City. The Construction Manager shall also be responsible for coordination of the Resident Engineer and Construction Management staff. The Resident Engineer will oversee the daily interaction with the Contractor and other public agencies.

NV5 shall complete the following construction and post-construction services:

Task 2: Construction Services

TASK 2.1 DOCUMENT MANAGEMENT

Objectives:

1. Project-related documents shall be maintained through CMIS, the web- based document management software developed in-house by NV5 construction management personnel.

Description:

For project documentation management, the City utilizes the web-based Construction Management Information System (CMIS). This software was created by Paul Gill, a current member of NV5's construction management team. Our team has been an integral part of the development of the software. Throughout the years, our resident engineers and inspectors have tested and provided valuable input to improve the software to meet the needs of our construction management personnel and our clients. No other firm has more expertise and experience utilizing the CMIS software.

CMIS is a fully equipped state-of-the-art tool to effectively manage and document construction projects. CMIS was initially designed and developed in-house to give our resident engineers and inspectors a valuable tool to report construction contractor's daily work activities more efficiently and with more detail. The CMIS' Electronic Daily Diary (EDD) report, patterned after Caltrans' Daily Diary, is still one of the most important of the CMIS innovations. The EDD contains a manpower sheet, narrative sheet, photo sheet, and a contract item quantity sheet, all of which are word searchable. The system pulls daily diary quantities and automatically generates quantity sheets as well as progress pay estimates.

This EDD report has been credited with keeping contractors from filing claims and their activities professionally documented. With the EDDs excellent word search capability, our clients save time and money as project activities, manpower, and equipment expenditures can be instantly recalled for use in evaluating force account work and potential claims. This same tool is important to manage the contractor's construction schedule - it gives us the ability to see where the schedule is gaining and where it is slipping and allows for accurate assessments of the contractor's monthly schedule updates.

The CMIS system also has the capability of full electronic document control. The contractor uploads RFI's, submittals and correspondence to the system. The CMIS system will automatically distribute to the review party, send reminders, and keep time of the review process. Responses are returned through the system and stored for the project documentation. The document control system also has portals for weekly meeting agendas and meeting minutes, field directives, change orders, staking requests, SWPPP reports, material testing reports, certified payroll, and any other project correspondence. All project team members, including the construction management team, the City, the designer, and the contractor, can be given access to the project's CMIS. The web-based system provides real- time access to all project documentation from any office location.

Deliverables:
Searchable daily diaries with project photos.
Quantity Sheets and monthly progress pay summaries.
Force account / cost analysis calculation reports.
Up-to-date submittal, RFI, and CCO logs.
Digital records of all project correspondence and documentation.

TASK 2.2 QUALITY CONTROL

Objectives:

1. Assume total responsibility for the accuracy, completeness, and timeliness of all meeting notes, contract change orders, progress payments, labor compliance documentation, reports, and all other work performed under this contract.

Description:
NV5 acknowledges their responsibility for accuracy, completeness and timeliness of all project documentation including, meeting notes, contract change orders, progress payments, labor compliance documentation, reports and all other work performed under this contract. We have numerous internal quality control procedures that ensure the services and deliverables provided are of the highest quality. Our strong track record of being repeat clients for multiple cities, counties, Caltrans districts, and other agencies demonstrates the quality of our services.

TASK 2.3 CONSTRUCTION MEETINGS

Objectives:

1. Regularly schedule and conduct coordination and status meetings to review project status and budget; facilitate decision making.
2. Discuss issues that have the potential of adversely affecting the project budget, schedule, or product.
3. Prepare meeting agenda in consultation with the City Engineer, distribute agenda prior to meeting, arrange for appropriate participants to attend, and distribute meeting notes for regular project status meetings and public meetings.

Description:
The NV5 Team will facilitate weekly progress meetings with the contractor and their subcontractors, as appropriate, to review construction progress. Meetings topics will include project schedule, safety, environmental permits, SWPPP monitoring issues, traffic control, coordination with stakeholders. We will review updated project logs for submittals, RFIs, and Contract Change Orders. These meetings are also a good time to share complaints or community concerns that have been received. This forum allows for the entire construction team to discuss the concerns and the best actions to take. NV5 will keep minutes of the meetings, assign action items and responsibilities, and document project trends.

Deliverables:
Written agenda and minutes of each progress meeting.
Electronic copies of progress meeting minutes to the attendees.

TASK 2.4 COORDINATION

Objectives:

1. Coordinate all administrative, inspection, and testing activities of the construction contract.

Description:
NV5 will serve as the main contact for the City, design engineer, utility companies, businesses, property owners and other agencies. NV5 will be responsible for coordinating and tracking all project correspondence (RFI's, submittals and letters). NV5 will coordinate and track materials testing, and inspection schedules to ensure the Contractor's work is properly documented and performed per the requirements of the project specifications, standards, and plans.

Deliverables:
Logs for all project correspondence (RFI's, Submittals and Letters)

TASK 2.5 CONTRACT DOCUMENTS

Objectives:

1. Interpret the intent of the plans and specifications to protect the City against defects and deficiencies on the part of the Contractor and maintain the project budget and schedule.
2. Notify the City immediately of any errors or omissions in the Contract Documents.

Description:
NV5 Team will have a full understanding of all contract documents including the plans and specifications. In doing so, we will identify any inconsistencies and conflicts between parts of the plans, specifications, and estimates. We will also evaluate any claims from the contractor of contract document ambiguities, omissions, or conflicts through the RFI process. We will independently evaluate their claims and work with them to reach resolution. As needed, we will also meet with the City and design engineer to discuss any review comments; vet possible revisions, additions and/or deletions; and recommend any possible contract change orders.

Deliverables:
RFI and CCO logs
Prepare meeting agendas and distribute electronic minutes.

TASK 2.6 LABOR COMPLIANCE

Objectives:

1. Perform labor compliance tasks, including verifying certified payrolls, subcontractor and apprentice utilization, and labor interviews.

Description:
Our office engineer will complete a weekly listing documenting every contractor that works on the project and submit to the contractor for their use in submitting certified payroll. NV5 will review all certified payrolls from the contractor and each of its subcontractors, as required in Section 7 of the State Standard Specifications. The NV5 Team will conduct contractor and subcontractor employee interviews following City, state, and federal guidelines; check the contractor's and subcontractor's statements of compliance; check wages for each classification of laborer or craftsperson; and verify apprentice utilization. The NV5 Team will notify the City and the contractor of all discrepancies or errors and request a corrected certified payroll.

Deliverables:
Weekly listings
Hard copies of the contractor's certified payrolls maintained in the project files
Employee interview records

TASK 2.7 PROGRESS REPORTS

Objectives:

1. Prepare monthly progress reports and submit to the City. The reports will address the progress of the work, the project schedule, information/decisions required to maintain the schedule and complete deliverables, problems encountered that may affect schedule, budget, work products, anticipated work for the following week and month.
2. Include photographs documenting the progress of the work.

Description:
Monthly status reports will be prepared and submitted to the City Project Manager. The report will include:

- Progress to date (schedule status)
- Description of key issues
- Status of submittals and change orders, including NV5's change order log
- Anticipated construction tasks for the next week and month
- Potential claims
- Summary statement of working days
- Progress pay estimates (cost status)
- Photographs of completed work and work in progress.

Deliverables:
Prepare monthly progress report and send electronically to City Project Manager.

TASK 2.8 CONTRACT CHANGE ORDERS

Objectives:

1. Prepare change orders in compliance with the specifications and City procedures for City's approval.

Description:
Evaluation and negotiation of contract change orders (CCOs) are among the most important functions of the construction management team. Prior to requesting the City's approval, all CCOs will be evaluated by the NV5 Team. The review will include:

- Keeping the City's project manager informed on status of all CCOs
- Maintaining a log of proposed CCOs, indicating action dates and status
- Determining if the condition is a changed condition and documenting rationale
- Coordinating with the City and designer regarding impacts on the design
- Evaluating the contractor's CCO cost estimate and schedule impacts, and negotiating as required
- Accurately documenting labor, equipment, and materials used on force account work
- Preparing CCO documentation for City and contractor signatures
- Processing and incorporating the CCO into the progress payment breakdown

Deliverables:
Perform quantity and cost analysis as required for negotiation of contract change orders
Contract change order documentation ready for the City's approval and execution
Contract change order summary reports.

TASK 2.9 PROGRESS PAYMENTS

Objectives:

1. Analyze Contractor's initial schedule of values for reasonableness.
2. Reconcile and document items of work in compliance with the specifications
3. Prepare monthly progress payments in compliance with City procedures for approval.

Description:
When the schedule of values for specified lump sum items of work are submitted, NV5 will review for accurate breakdown of items and location for ease of monitoring progress and budget. For monthly progress pay estimates, we will review applications for payment with the contractor and negotiate any differences between the amount requested and NV5's measured quantities for work completed. Payments will be processed in compliance with City procedures and submitted to the City for approval. The estimate will include a systematic determination of the quantities of work completed and their values. Information from the construction management team's field data will include measurements of bid items on the project cost breakdowns. This data will be documented on monthly quantity sheets and used to assist with the monthly progress payments. All payments will be appropriately tied to a field daily diary as required by LAPM procedures.

Deliverables:
Contractor's certified application for payment
Progress payment request document and backup suitable for approval and execution by the City.

TASK 2.10 PROJECT SCHEDULE

Objectives:
1. Monitor and analyze Contractor's schedule for compliance with the specifications and any permit requirements.

Description:
We will review the contractor's baseline schedule and schedule updates as required by the project's specifications. The baseline schedule analysis will include a determination of whether the critical path is correct, the activity durations are reasonable, the interrelation between activities is accurate, all permit restrictions are represented, all necessary utility relocations and their timelines are included, and the overall logic is realistic. Once the baseline schedule is approved, it will serve as the initial blueprint of the contractor's approach to constructing the project. We will use the baseline schedule to evaluate potential delays and workaround strategies to mitigate delay impacts.

Monthly schedule updates will be reviewed for accuracy against the project records such as diaries, paving records, and other documentation. In addition, we will confirm that weather days, contract change orders, and work re-sequencing has been included so that impacts to the critical path can be accurately assessed.

NV5's resident engineer will also prepare the Weekly Statement of Working Days as a record of weather conditions, controlling item(s), and the status of working days remaining on a weekly basis. A copy will be sent to the contractor to allow them an opportunity to dispute the statement.

Deliverables:
Baseline schedule review

Monthly review of contractor's schedule updates including a narrative summary of schedule status and effects of changes on completion date

Preparation and transmittal of statement of working days every week

TASK 2.11 PROJECT BUDGET

Objectives:
1. Monitor and analyze project expenditures, track earned value, forecast project costs, and develop strategies to keep project within budget.

Description:
NV5 will develop and implement a cost control system to monitor and update the status of the construction and construction management costs and budget throughout the project. The goal of the cost control program is to identify trends before they become issues. The status of both the contractor's and construction management budgets will be summarized in our monthly progress reports. We will utilize approved baseline schedule to indicate the contractor's progress and provide a narrative in our monthly reports comparing actual progress to contract duration and budget expired to date. We will provide the City with detailed invoices for construction management services. These invoices will summarize labor expenditures, direct costs, and subconsultant charges. We will provide a narrative in the monthly progress reports detailing the tasks started, continued and/or completed in the reporting period. We will provide a comparison of our rate of expenditure to the overall construction progress.

Deliverables:
Cost analysis discussions in our monthly Progress Reports.

TASK 2.12 CONTRACTOR PROPOSALS

Objectives:

1. Evaluate Contractor's cost-reduction proposals and provide recommendations to the City.

Description:
NV5 will review and evaluate cost reduction proposals, or Value Engineering Cost Proposal (VECP) submitted per Caltrans Standard Specification Section 4-1.07. After review, we will provide comments and recommendations to the City based on their feasibility and benefits to the project.

Deliverables:
Cost analysis and benefits evaluation of cost reduction proposal submittals.

TASK 2.13 UTILITY COORDINATION

Objectives:

1. Coordinate with the appropriate utility companies for work that affects the specific utility.

Description:
The NV5 Team will take the lead in facilitating and documenting utility coordination efforts. Before construction begins, the NV5 Team will create a utility matrix to organize and track utility work. The matrix will allow the project team to anticipate any potential problems with utility work during construction and stay ahead of the contractor's scheduled submittals and work plans. We will hold utility coordination meetings as necessary to make sure that the utility coordination stays on track.

Deliverables:
Utility matrix
Utility coordination meeting minutes
Documentation and correspondence to and from the utility companies

TASK 2.14 SHOP DRAWINGS

Objectives:

1. Coordinate, document, and make recommendations regarding shop drawings and their compliance with the plans and specifications for the City's and design engineer's approval.

Description:
Contract provisions identify specific items to be provided by the contractor that are considered shop drawings, which are typically subject to review by both the construction management team as well as the project designer. When we receive submittals from the contractor, they will be stamped and logged in by date of receipt. NV5 will determine who needs to review, perform an independent analysis and circulate drawings for approval to the appropriate agency and/or team member. For these road rehabilitation projects, we do not anticipate any significant shop drawings to be required. But if the specifications do require any, they will be managed as detailed above.

Deliverables:
Submittal review per contract documents
Correspondence of review by the project's designer.

TASK 2.15 PROJECT SUBMITTALS

Objectives:

1. Coordinate, document, and make recommendations regarding submittals and their compliance with the plans and specifications for the City's and design engineer's approval.

Description:
Contract provisions identify specific items to be provided by the contractor that are subject to review. When we receive submittals from the contractor, they will be stamped and logged in by date of receipt. The NV5 Team will review all construction phase submittals. If the submittals include any proposed changes to the contract documents, the Resident Engineer will coordinate with the design engineer and the City, as appropriate.

A partial list of expected submittals includes:

- Construction Schedule
- Labor Compliance
- Traffic Control Plans
- SWPPP
- Safety Program
- FDR-C Mix Designs
- Minor Concrete Mix Designs
- Hot Mix Asphalt Job Mix Formula
- Material Submittals and COCs
- ADA Compliance Reports

Deliverables:
Comprehensive log of submittal tracking and response
Submittal review documentation per contract documents
Correspondence of review with status (acceptable, revise and resubmit)

TASK 2.16 MATERIALS TESTING

Objectives:

1. Coordinate, conduct, interpret, and supervise all required soils and material tests and inspections in accordance with the City's Quality Assurance Program (QAP), as required.

Description:
NV5 will follow the City's Quality Assurance Plan (QAP) for testing materials incorporated into the work. Materials will be sampled and tested in the field by NV5's subconsultant material testing firms. NV5 will review test results for compliance and maintain a testing log for all field testing.

Anticipated field material testing includes:

- Subgrade and aggregate base compaction testing, aggregate base material acceptance testing, hot mix asphalt material acceptance testing, hot mix asphalt density acceptance testing, and minor concrete acceptance testing.

Deliverables:
Laboratory test result reports maintained in NV5 project files and turned over to the City at the completion of the project

Testing summary logs of all test reports

TASK 2.17 SURVEY VERIFICATION

Objectives:

1. Inspect Contractor's surveying and staking.
2. Provide quality assurance.

Description:
Although construction staking will be performed by the contractor, NV5 will review the contractor's construction staking used to control line and grade along with the corresponding survey notes for conformance with the plans. We will verify the construction staking conforms with Chapter 12 of the Caltrans Survey Manual. NV5 will work closely with the contractor's surveyor in utilizing existing project control to make measurements to the contractor installed construction stakes used to control line and grade for the project. If questions arise or potential survey issues appear, NV5 has licensed surveyors available to perform quality assurance checks as necessary. NV5 will also employ laser levels, smart levels, and other measuring devices to confirm the contractor is constructing project elements in accordance with the lines, grades, and tolerances set forth in the contract plans.

Deliverables:
Survey notes from the contractor's surveyor will be stored in the project files.

TASK 2.18 ARBORIST SERVICES

Objectives:

1. Review arborist reports submitted by the contractor and advise the City on tree trimmings or removals.

Description:
NV5's subconsultant, Central Valley Landscaping and Tree, will provide an International Society of Arboriculture (IBA) certified arborist to review the contractor's arborist reports during construction, and advise the City on any necessary tree trimming and removal associated with the projects.

Deliverables:
Written recommendations to the City

TASK 2.19 CONSTRUCTION INSPECTION

Objectives:

1. Provide daily inspection of the construction and the Contractor's operations.
2. Prepare documentation of daily and weekly inspections.

Description:
The NV5 Team will serve as the front line of quality assurance of the contractor's work, and as the eyes and ears to identify potential problems such as utility conflicts, schedule issues, and design ambiguities, before they occur. Primary inspection services will include the following:

- Provide day-to-day written inspection reports on all activities performed by the contractor.
- Determine whether work complies with the contract documents, City's standards, and project permits, and approve or reject work accordingly.
- Document work performed, manpower, and extra work through daily diaries.
- Verify that the contractor is implementing the safety plan and safe practices in accordance with Cal/OSHA regulations.
- Schedule quality assurance material testing with the material testing firms, and coordinate corrective measures, as required, for failing materials.
- Identify any potential flaws in the constructed product and provide feedback on proposed remedial action from the contractor.
- Perform quantity calculations based on completed work for progress payments.
- Take progress photos of the work and field conditions.
- Monitor traffic detours/lane closures and verify that they are opened in a timely manner.
- Perform and document ADA compliance verification of pedestrian facilities utilizing CEM5773 series forms.
- Prepare a punch list and update as-built drawing records as the work progresses.

Deliverables:
NV5's resident engineer's reports and inspectors' daily diary reports

Digital photographs to document construction activities

Verification of field measurements for compliance with contract plans and specifications and provision of quantity calculations for progress payments

Updates of as-built set of plans.

TASK 2.20 TEST DATA

Objectives:

1. Review material documentation and test data to ensure compliance with contract requirements.

Description:
NV5 will review test results for compliance and maintain a testing log for all field, manufactured and source inspection testing. We will verify that tests are taken and meet the requirements in accordance with the specifications and plans. NV5 will review manufacturer's shop drawings, comment, and provide correspondence to the Contractor. Mill certifications and certificates of compliance (COCs) will be collected (some arrive in the field, others will be submitted with the materials submittal), and verify the material meets the minimum requirements of the project specifications.

Deliverables:
Log of testing which includes, date test was taken, location of test, what type of test, required results actual results, acceptable or failing result, and action taken if test failed, retest information for failing test.

File mill certs and COCs in the job file records as outlined in the Caltrans LAPM and Caltrans Construction Manual.

TASK 2.21 TRAFFIC CONTROL

Objectives:

1. Review and make recommendations regarding all traffic control proposals, any impacts on local businesses, pedestrians, and motorists.
2. Inspect Contractor's traffic control measures to ensure compliance with specifications and the California Manual on Uniform Traffic Control Devices (CA MUTCD).

Description:
The NV5 Team will provide coordination and review of lane closures, detours, and staging to make sure that the traveling public and construction workers can safely maneuver within the project boundaries; to provide the most efficient means of travel with the least amount of congestion; and to keep the public, City, and emergency agencies aware of traffic changes. We will review ingress and egress to the local properties, enforce specifications for lane closures, and timing of and requirements for closures. During closures, our NV5 team will inspect the closure, traffic control devices and spacing to verify the closure meets the requirements of the contract documents, Caltrans standards, and the CA MUTCD.

Deliverables:
Detour and lane closure submittal review comments and approvals.
Documentation of traffic control implementation in the inspectors' daily diaries.

TASK 2.22 SAFETY

Objectives:

1. Conduct and document project safety meetings in accordance with the project requirements.
2. Report all accidents, including property damage, and notify proper authorities.
3. Document all incidents with photographs and written reports.
4. Enforce applicable Federal and State regulations for occupational safety and health standards for all construction activities.

Description:
NV5 will conduct staff safety meetings every week. We have a library of safety topics relevant to construction projects that we will choose from to discuss each week. We will track attendance at these staff meetings and discuss any safety issues observed in the field and opportunities to reconcile the issue. Attendance, topics and meeting notes will be filed in the job files per the Caltrans Construction Manual.

The NV5 Team will document accidents that occur on site during work hours. Property damage complaints will be directed to the Contractor and accident reports will be circulated as necessary depending on the severity of the accident. NV5 has a safety report template that will be completed along with pictures of the accident. These will be kept in the project files.

Deliverables:
Staff safety meeting topic, attendees, and meeting notes in project files for each week.
Complete accident forms with photographs in job files.

TASK 2.23 ENVIRONMENTAL AND STORMWATER

Objectives:

1. Inspect the Contractor's operations for conformance with the environmental documents that apply.
2. Review contractor's Erosion and Sediment Control Plan (ESCP) or Stormwater Pollution Prevention Plan (SWPPP).

Description:
Our team will monitor the contractor's work for compliance with all biological and environmental requirements, including any requirements that may be included in the anticipated Categorical Exemptions. We will also be available to help resolve any potential issues as they arise. Regarding stormwater management, although ESCP and/ or SWPPP compliance is the contractor's responsibility, this NV5 Team includes multiple Qualified SWPPP Developers (QSD) and Qualified SWPPP Practitioners (QSP) who will monitor day-to-day stormwater pollution prevention practices.

The NV5 Team will start by reviewing the contractor's ESCP or SWPPP. If a SWPPP is required, we will verify the NOI is submitted to the water board to obtain a WDID number, and that the contractor's Water Pollution Control Manager (WPC) uploads then necessary SWPPP documents in the SMARTS system upon authorizations. Throughout the length of the project, NV5 will certify that appropriate and effective BMPs are in place and document ineffective BMPs and recommend changes. We will verify that the contractor's inspections, documentation, and sampling are in accordance with the Construction General Permit and verify overall compliance with the approved ESCP or SWPPP. If issues arise, NV5 will investigate and recommend changes, and verify that the amendment is created and logged in the SMARTS system as necessary. If any illicit discharges occur, we will ensure they are reported as required. Lastly, we will verify that the Contractor submits annual reports onto the SMARTS system and assist the City in submitting the NOT at project completion.

Deliverables:
Monitor the implementation and effectiveness of BMPs employed in accordance with the project's ESCP or SWPPP

Document observations in the inspector's daily diaries.

TASK 2.24 CLAIMS MANAGEMENT

Objectives:

1. Analyze, coordinate, administer, and make recommendations regarding potential claims submitted by the Contractor.

Description:
The NV5 Team will take the lead in the resolution of any contract claims for this project during the construction contract period. We will track, provide claims administration, assemble supporting evidence, and prepare documents and responses regarding potential claims. We will draft position papers and be available to present the City position at the dispute resolution hearings. The NV5 Team will also be available to provide additional claims resolution support if further action is required. Claims resolution work, if necessary, is typically handled in the post construction services and will be performed as an extra work item because the amount of work cannot be determined ahead of time.

Deliverables:
Log of potential claims

Complete merit and cost analysis documentation per Caltrans Standard Specifications Section 5-1.4, "Potential Claim and Dispute Resolution"

Prepare letter responses and position papers

TASK 2.25 FINAL INSPECTION

Objectives:

1. Make final inspection of all construction.
2. Provide written documentation indicating conformance with the plans and specifications and approved change orders.

Description:
NV5 will coordinate a walk-through with the City, the designer, and the contractor to prepare a punch list indicating all deficiencies or omissions noted in the walk-through. We will then forward the punch list to the contractor for correction of the work in accordance with timeliness defined in the contract. NV5, in conjunction with the City, will inspect items on the punch list once the contractor has notified us that the work is complete. NV5 will sign off on completed items on the punch list. Upon completion of the punch list, we will notify the City that the work is complete and forward a copy of the completed punch list.

Deliverables:
Completed and signed-off punch-list submitted to the City with the closeout documents
Notice of Completion form for the City

Task 3: Post-Construction Services

TASK 3.1 AS-BUILT PLANS

Objectives:

1. Provide red-lined plans to design firm for completion of final project As-Builts.

Description:
NV5 will monitor contractor-required record drawings on a monthly basis. We will also maintain a copy of up-to-date contract plans for the purpose of aiding the designer in the final review of the record drawings.

Deliverables:
One (1) set of contract drawings indicating recorded changes to the contract in red, as maintained by NV5.

TASK 3.2 CONTRACT RECORDS

Objectives:

1. Provide the City with complete project files documenting the project history.

Description:
All project documentation will be maintained in CMIS as detailed in Task 2.1. At the conclusion of the project, NV5 will perform a final review of the project records to ensure they are complete and accurate. The files will then be archived in PDF format for electronic storage.

Deliverables:
Archived project records in PDF format

TASK 3.3 PREPARE AND RECOMMEND FINAL PAYMENT

Objectives:

1. Negotiate final payment with the contractor.
2. Recommend final payment to the City.

Description:
After project acceptance, the NV5 Team will prepare a proposed final estimate (PFE) to allow the contractor to make exceptions to the final amount of compensation. Prior to submitting the PFE, we will meet with the contractor to attempt to agree on final payment for all contract items and change orders. If the contractor still objects to the PFE, we will assist the City in negotiating final settlement with the contractor and process the final estimate.

Deliverables:
Recommended final payment request with suitable backup documentation

Completion Schedule

NV5 shall be bound by the requirements of the Agreement from the start of construction services commencing in June 2026 until the conclusion of post-construction services. It is understood that this agreement is based on the assumption that the construction contract will have no more than 90 working days. Time extensions may result in the need for additional CM services. The cost proposal is based on 9-hour work shifts according to the Caltrans 5-Day Working Calendar. Weekend and holiday work are not anticipated and therefore not included.

In the event that the City Project Manager requires additional Construction Management services, or the Construction Contract duration exceeds the working days listed above, an amendment may be required as stipulated in the Agreement.

Fee Schedule

Compensation to provide Construction Management services required for the construction observation and administration for the subject construction project as detailed in the Agreement, for the time periods discussed in the previous section throughout the duration of the contract, shall be at the rates included in the attached cost proposal.

Staffing Plan & Fee Proposal for Construction & Post Construction Services
Turlock Roads Program CIP Projects T.O. #9A (Project No. 25-025 BP1)
Prepared for the City of Turlock

Name	Kramer Walker, PE	John Seymour, PE	Neil Novotny, EIT	Abraham Davis	Annette Rodriguez	TBD		BSK Materials Testing	Unico Survey QA	TOTAL COST
Classification	**Construction Manager**	**Resident Engineer**	**Assistant Resident Engineer**	**Lead Inspector (7)**	**Labor Compliance Officer**	**Alt. Inspector (7)**				
Actual Hourly Rate	$137.25	$87.55	$57.54	$89.08	$38.24	$75.00 - $95.00				
Indirect Cost Rate (ICR)	136.58%	136.58%	136.58%	136.58%	136.58%	136.58%				
Net Fixed Fee	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%				
Hourly Billing Rate (1)	$357.18	$227.84	$149.74	$231.82	$99.52	TBD				
Contract Escalation Fee (8)	5.00%	5.00%	5.00%	per DIR	5.00%	per DIR				
TASK 2: CONSTRUCTION MANAGEMENT & INSPECTION										
Project Coordination & Correspondence										
SUBTASKS 2.3, 2.4, 2.7, & 2.13	10	120	60							
Project Administration and Documentation										
SUBTASKS 2.1, 2.2, 2.5, 2.6, 2.8 - 2.12, 2.14, 2.15, 2.20, & 2.24	0	480	240		144					
Construction Observation & Inspection Services										
SUBTASKS 2.16, 2.17, 2.18, 2.19, 2.21, 2.22, 2.23, 2.25	0	120	60	794		0		$79,900.00	$6,630.06	
Man Hour Subtotal	10	720	360	794	144	0		$79,900.00	$6,630.06	
Task 2 Subtotal Fees	$3,571.77	$164,043.63	$53,906.74	$184,065.09	$14,330.16	$0.00		$79,900.00	$6,630.06	$506,447.44
TASK 3: POST-CONSTRUCTION SERVICES										
SUBTASKS 3.1, 3.2, & 3.3	0	80	40	16	40	0				
Man Hour Total	0	80	40	16	40	0				
Tast 3 Subtotal Fees	$0.00	$18,227.07	$5,989.64	$3,709.12	$3,980.60	$0.00		$0.00	$0.00	$31,906.43
Man Hour Total Tasks 2 - 3	10	800	400	810	184	0		$79,900.00	$6,630.06	
									Estimated Escalation (8):	$11,295.60
Total Fees Tasks 2 - 3	$3,571.77	$182,270.70	$59,896.38	$187,774.21	$18,310.76	$0.00		$79,900.00	$6,630.06	$549,649.47

Notes and Assumptions:

1. NV5 employee hourly rates include project-related overhead, profit, safety equipment, vehicles, laptops, and cell phones.
2. Cost proposal is based on 9-hour work shifts according to the Caltrans 5-Day Working Calendar.
3. Overtime, weekend, and holiday work is not included. Overtime hours will be paid in accordance with applicable labor law and prevailing wage rates, and are above and beyond the scope and fee of this estimate.
4. Adjustments to this estimate may be required if the actual schedule requires more or less construction management services than proposed.
5. This cost estimate is based on the construction phase of the project being completed within 90 working days. Time extensions (including weather delays) may result in additional CM services & fees.
6. This estimate is based on the specific scope of work described for the CITY OF TURLOCK ROADS PROGRAM CIP PROJECTS T.O. #9A (PROJECT NO. 25-025 BP1) - CONSTRUCTION & POST-CONSTRUCTION SERVICES.
7. Classifications requiring prevailing wage are subject to the provisions set forth in the latest DIR Determination NC-63-3-9-2025-1.
8. An escalation fee of 5.0% will be applicable for work completed after 03/31/2027 for non-prevailing wage employees. Prevailing wage rates are subject to the predetermined increases listed on attached Determination NC-63-3-9-2025-1.

Other Direct Costs	
Arborist Services	$5,000.00
Per Diem ($120 per day) - TBD	$5,000.00
Proposal Total	**$559,649.47**

Cost Proposal

EXHIBIT 10-H1 COST PROPOSAL

ACTUAL COST-PLUS-FIXED FEE OR LUMP SUM (FIRM FIXED PRICE) CONTRACTS

(DESIGN, ENGINEERING AND ENVIRONMENTAL STUDIES)

Note: Mark-ups are Not Allowed

Consultant NV5, Inc.

Project No. 25-025 BP1 Contract No. 2024-111 Task Order #9A Date 5/6/2026

DIRECT LABOR

Classification/Title	Name	Hours	Actual Hourly Rate	Total
Construction Manager	Kramer Walker, PE*	10	$137.25	$1,372.50
Resident Engineer	John Seymour, PE*	800	$87.55	$70,040.00
Resident Engineer	Kolton Walker, PE	0	$87.11	$0.00
Assistant Resident Engineer	Francisco Nunez, EIT	0	$75.19	$0.00
Assistant Resident Engineer	Neil Novotny, EIT	400	$57.54	$23,016.00
Labor Compliance Officer	Annette Rodriguez	184	$38.24	$7,036.16
Lead Inspector	Brian Klassen**	0	$86.75	$0.00
Lead Inspector	Matt Ramsey**	0	$86.58	$0.00
Inspector	Abraham Davis**	810	$89.08	$72,154.80
Inspector	Bobby Dosanjh**	0	$84.79	$0.00
Inspector	Neil Novotny, EIT**	0	$85.38	$0.00
Inspector	Francisco Nunez, EIT**	0	$83.06	$0.00
Alternate Inspector	TBD**	0	$75 - $90	$0.00
				$0.00
		2204		

LABOR COSTS

a) Subtotal Direct Labor Costs $173,619.46

b) Anticipated Salary Increases (see page 2 for calculation) $4,340.49

c) TOTAL DIRECT LABOR COSTS [(a) + (b)] $177,959.95

FRINGE BENEFITS

d) Fringe Benefits (Rate: 0.00%) **e) Total Fringe Benefits** [(c) x (d)] $0.00

INDIRECT COSTS

f) Overhead (Rate: 136.58%) g) Overhead [(c) x (f)] $243,057.69

h) General and Administrative (Rate: 0.00%) i) Gen & Admin [(c) x (h)] $0.00

j) **Total Indirect Costs** [(e) + (g) + (i)] $243,057.69

FIXED FEE (Profit)

q) (Rate: 10.00%) k) **TOTAL FIXED PROFIT** [(c) + (j)] x (q)] $42,101.76

l) **CONSULTANT'S OTHER DIRECT COSTS (ODC) - ITEMIZE (Add additional pages if necessary)**

Description of Item	Quantity	Unit	Unit Cost	Total
Per Diem	TBD	Calendar Day	$120.00	$5,000.00
Arborist Services	TBD	TBD	ACTUAL	$5,000.00

l) TOTAL OTHER DIRECT COSTS $10,000.00

m) **SUBCONSULTANT'S COSTS (Add additional pages if necessary)**

Subconsultant 1: BSK (Material Testing)	$79,900.00
Subconsultant 2: UNICO (QA Survey)	$6,630.06
m) TOTAL SUBCONSULTANTS	$86,530.06

n) TOTAL OTHER DIRECT COSTS INCLUDING SUBCONSULTANTS [(l)+(m)] $96,530.06

TOTAL COST [(c) +(j) + (k) + (n)] $559,649.47

NOTES:

1. Key personnel must be marked with an asterisk (*) and employees that are subject to prevailing wage requirements must be marked with two asterisks (**). All costs must comply with the Federal cost principles. Subconsultants will provide their own cost proposals.
2. The cost proposal format shall not be amended. Indirect cost rates shall be updated on an annual basis in accordance with the consultant's annual accounting period and established by a cognizant agency or accepted by Caltrans.
3. Anticipated salary increases calculation (page 2) must accompany.

EXHIBIT 10-H1 COST PROPOSAL Page 2 of 3

ACTUAL COST-PLUS-FIXED FEE OR LUMP SUM (FIRM FIXED PRICE) CONTRACTS

(CALCULATIONS FOR ANTICIPATED SALARY INCREASES)

Consultant NV5, Inc. Contract No. 2024-111 Task (Date 5/6/2026

1. Calculate Average Hourly Rate for 1st year of the contract (Direct Labor Subtotal divided by total hours)

Direct Labor Subtotal per Cost Proposal		Total Hours per Cost Proposal		Avg Hourly Rate	5 Year Contract Duration
$173,619.46		2204	=	$78.77	Year 1 Avg Hourly Rate

2. Calculate hourly rate for all years (Increase the Average Hourly Rate for a year by proposed escalation %)

	Avg Hourly Rate		Proposed Escalation			
Year 1	$78.77	+	5%	=	$82.71	Year 2 Avg Hourly Rate
Year 2	$82.71	+	5%	=	$86.85	Year 3 Avg Hourly Rate
Year 3	$86.85	+	5%	=	$91.19	Year 4 Avg Hourly Rate
Year 4	$91.19	+	5%	=	$95.75	Year 5 Avg Hourly Rate
Year 5	$95.75	+	5%	=	$100.54	Year 5 Avg Hourly Rate

3. Calculate estimated hours per year (Multiply estimate % each year by total hours)

	Estimated % Completed Each Year		Total Hours per Cost Proposal		Total Hours per Year	
Year 1	50.00%	*	2204.0	=	1102.0	Estimated Hours Year 1
Year 2	50.00%	*	2204.0	=	1102.0	Estimated Hours Year 2
Year 3	0.00%	*	2204.0	=	0.0	Estimated Hours Year 3
Year 4	0.00%	*	2204.0	=	0.0	Estimated Hours Year 4
Year 5	0.00%	*	2204.0	=	0.0	Estimated Hours Year 5
Total	100%		Total	=	2204.0	

4. Calculate Total Costs including Escalation (Multiply Average Hourly Rate by the number of hours)

	Avg Hourly Rate (calculated above)		Estimated hours (calculated above)		Cost per Year	
Year 1	$78.77	*	1102	=	$86,809.73	Estimated Hours Year 1
Year 2	$82.71	*	1102	=	$91,150.22	Estimated Hours Year 2
Year 3	$86.85	*	0	=	$0.00	Estimated Hours Year 3
Year 4	$91.19	*	0	=	$0.00	Estimated Hours Year 4
Year 5	$95.75	*	0	=	$0.00	Estimated Hours Year 5
	Total Direct Labor Cost with Escalation			=	$177,959.95	
	Direct Labor Subtotal before Escalation			=	$173,619.46	
	Estimated total of Direct Labor Salary Increase			=	**$4,340.49**	Transfer to Page 1

NOTES:

1. This is not the only way to estimate salary increases. Other methods will be accepted if they clearly indicate the % increase, the # of years of the contract, and a breakdown of the labor to be performed each year.
2. An estimation that is based on direct labor multiplied by salary increase % multiplied by the # of years is not acceptable. (i.e. $250,000 x 2% x 5 yrs = $25,000 is not an acceptable methodology)
3. This assumes that the year one rates for non-prevailing wage employees expire 03/31/27 and salary increases due to escalation are effective 04/01/27. Prevailing wage rates are subject to the predetermined increases listed on attached Determination NC-63-3-9-2025-1.
4. Calculations for anticipated salary escalation must be provided.

EXHIBIT 10-H1 COST PROPOSAL Page 3 of 3

Certification of Direct Costs:

I, the undersigned, certify to the best of my knowledge and belief that all direct costs identified on the cost proposal(s) in this contract are actual, reasonable, allowable, and allocable to the contract in accordance with the contract terms and the following requirements:

1. Generally Accepted Accounting Principles (GAAP)
2. Terms and conditions of the contract
3. Title 23 United States Code Section 112 - Letting of Contracts
4. 48 Code of Federal Regulations Part 31 - Contract Cost Principles and Procedures
5. 23 Code of Federal Regulations Part 172 - Procurement, Management, and Administration of Engineering and Design Related Service
6. 48 Code of Federal Regulations Part 9904 - Cost Accounting Standards Board (when applicable)

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files and be in compliance with applicable federal and state requirements. Costs that are noncom pliant with the federal and state requirements are not eligible for reimbursement. Local governments are responsible for applying only cognizant agency approved or Caltrans accepted Indirect Cost Rate{s).

Prime Consultant or Subconsultant Certifying:

Name: Lori Goodwin Title *: Vice President

Signature : Date of Certification (mm/dd/yyyy): 5/6/2026

Email: lori.goodwin@nv5.com Phone Number: 559-661-5228

Address: 2109 West Bullard Avenue, Suite 145, Fresno, CA 93711

* An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President or a Chief Financial Officer, or equivalent, who has authority to represent the financial information utilized to establish the cost proposal for the contract.

List services the consultant is providing under the proposed contract:

Construction Management Services

Prevailing Wage Calculation Worksheet

Craft: Building/Construction Inspector and Field Soils and Material Tester

Determination:
NC-63-3-9-2025-1

Issue Date:
8/22/2025

Expiration date of determination:
6/30/2026

Classification	Basic Hourly Rate	Health & Welfare	Pension	Vacation/ Holiday	Training	Other Payments	Total Hourly Rate
Group 2	$61.39	$13.38	$13.82	$5.89	$1.24	$0.27	$95.99
Inspector							
Abe Davis	**$89.08**	$0.24	$0.00	$5.43	$1.24	$0.00	$95.99

GENERAL PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS
PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773 AND 1773.1
FOR COMMERCIAL BUILDING, HIGHWAY, HEAVY CONSTRUCTION AND DREDGING PROJECTS

Craft: Building/Construction Inspector and Field Soils and Material Tester[#]

Determination:
NC-63-3-9-2025-1

Issue Date:
August 22, 2025

Expiration date of determination:
June 30, 2026** The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director - Research Unit for specific rates at (415) 703-4774.

Localities:
All localities within Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo and Yuba counties.

Wages and Employer Payments:

Classification[a] (Journeyperson)	Basic Hourly Rate	Health and Welfare[b]	Pension	Vacation/ Holiday	Training	Other Payments	Hours	Total Hourly Rate	Daily Overtime Hourly Rate[c] (1 ½ X)	Saturday Overtime Hourly Rate[c] (1 ½ X)	Sunday/Holiday Overtime Hourly Rate (2X)
Group 1	$63.39	$13.38	$13.82	$5.89	$1.24	$0.27	8	$97.99	$129.685	$129.685	$161.380
Group 2	$61.39	$13.38	$13.82	$5.89	$1.24	$0.27	8	$95.99	$126.685	$126.685	$157.380
Group 3	$53.69	$13.38	$13.82	$5.89	$1.24	$0.27	8	$88.29	$115.135	$115.135	$141.980
Group 4	$47.31	$13.38	$13.82	$5.89	$1.24	$0.27	8	$81.91	$105.565	$105.565	$129.220

GENERAL PREVAILING WAGE DETERMINATION MADE BY THE DIRECTOR OF INDUSTRIAL RELATIONS
PURSUANT TO CALIFORNIA LABOR CODE PART 7, CHAPTER 1, ARTICLE 2, SECTIONS 1770, 1773 AND 1773.1
FOR COMMERCIAL BUILDING, HIGHWAY, HEAVY CONSTRUCTION AND DREDGING PROJECTS

Craft: Building/Construction Inspector and Field Soils and Material Tester (Second Shift)[#]

Determination:
NC-63-3-9-2025-1

Issue Date:
August 22, 2025

Expiration date of determination:
June 30, 2026** The rate to be paid for work performed after this date has been determined. If work will extend past this date, the new rate must be paid and should be incorporated in contracts entered into now. Contact the Office of the Director - Research Unit for specific rates at (415) 703-4774.

Localities:
All localities within Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo and Yuba counties.

Wages and Employer Payments:

Classification[a] (Journeyperson) Group	Basic Hourly Rate	Health and Welfare[b]	Pension	Vacation/ Holiday	Training	Other Payments	Hours	Total Hourly Rate	Daily Overtime Hourly Rate[c] (1 ½ X)	Saturday Overtime Hourly Rate[c] (1 ½ X)	Sunday/Holiday Overtime Hourly Rate (2X)
Group 1	$71.31	$13.38	$13.82	$5.89	$1.24	$0.27	8	$105.91	$141.565	$141.565	$177.220
Group 2	$69.06	$13.38	$13.82	$5.89	$1.24	$0.27	8	$103.66	$138.190	$138.190	$172.720
Group 3	$60.40	$13.38	$13.82	$5.89	$1.24	$0.27	8	$95.00	$125.200	$125.200	$155.400
Group 4	$53.22	$13.38	$13.82	$5.89	$1.24	$0.27	8	$87.82	$114.430	$114.430	$141.040

CLASSIFICATIONS:

GROUP 1
ASNT Level II-III
DSA Masonry
DSA Shotcrete
Lead Inspector
NDT Level Two

GROUP 2
AWS-CWI
Building Inspector
Construction Inspector
ICC Certified Structural Inspector
Shear Wall/Floor System Inspector

GROUP 3
Earthwork Grading
Excavation and Backfill
Geotechnical Driller
Soils/Asphalt

GROUP 4
ACI
Drillers Helper
ICC Fireproofing
NDT Level One
Proofload Testing
Torque Testing

Recognized holidays:
Holidays upon which the general prevailing hourly wage rate for Holiday work shall be paid, shall be all holidays in the collective bargaining agreement, applicable to the particular craft, classification, or type of worker employed on the project, which is on file with the Director of Industrial Relations. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the Government Code. You may obtain the holiday provisions for the current determinations on the Director's General Prevailing Wage Determinations Website (http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm). Holiday provisions for current or superseded determinations may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

Travel and/or subsistence payment:
In accordance with Labor Code Sections 1773.1 and 1773.9, contractors shall make travel and/or subsistence payments to each worker to execute the work. You may obtain the travel and/or subsistence provisions for the current determinations on the Director's General Prevailing Wage Determinations Website (http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm). Travel and/or subsistence requirements for current or superseded determinations may be obtained by contacting the Office of the Director – Research Unit at (415) 703-4774.

[#] Indicates an apprenticeable craft. The current apprentice wage rates are available on the Prevailing Wage Apprentice Determinations Website (http://www.dir.ca.gov/OPRL/PWAppWage/PWAppWageStart.asp).
[a] For classifications within each group, see page 3.
[b] Amount shall be paid for all hours worked up to 173 hours per month.
[c] Rate applies to the first 4 daily overtime hours, Monday through Friday, and the first 8 hours on Saturday. All other overtime is paid at the Sunday/Holiday overtime rate.

PREDETERMINED INCREASE

CRAFT:
Building/Construction Inspector and Field Soils and Material Tester (All Shifts)

DETERMINATION:
NC-63-3-9-2025-1

LOCALITIES:
All localities within Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Glenn, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Modoc, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo and Yuba Counties

The predetermined increases for the above-named craft apply only to the above-referenced determination for work being performed on public works projects with bid advertisement dates on or after September 1, 2025, until this determination is superseded by a new determination or a predetermined increase modification notice becomes effective.

When referencing our prevailing wage determinations, please note that if the prevailing wage rate determination which was in effect on the bid advertisement date of a project has a single asterisk (*) after the expiration date, the rate will be good for the life of the project. However, if a prevailing wage rate determination has double asterisks (**) after the expiration date, the rate must be updated on the following date to reflect the predetermined rate change(s).

BUILDING/CONSTRUCTION INSPECTOR AND FIELD SOILS AND MATERIAL TESTER: Group 1 and Group 2 (All Shifts)

The above determination is currently in effect and expires on June 30, 2026**.

Effective July 1, 2026, there will be an increase of $4.00 to be allocated to wages and/or employer payments.

Effective July 1, 2027, there will be an increase of $4.00 to be allocated to wages and/or employer payments.

Effective July 1, 2028, there will be an increase of $4.00 to be allocated to wages and/or employer payments.

Effective July 1, 2029, there will be an increase of $4.00 to be allocated to wages and/or employer payments.

There will be no further increases applicable to these determinations.

BUILDING/CONSTRUCTION INSPECTOR AND FIELD SOILS AND MATERIAL TESTER: Group 3 (All Shifts)

The above determination is currently in effect and expires on June 30, 2026**.

Effective July 1, 2026, there will be an increase of $3.51 to be allocated to wages and/or employer payments.

Effective July 1, 2027, there will be an increase of $3.51 to be allocated to wages and/or employer payments.

Effective July 1, 2028, there will be an increase of $3.51 to be allocated to wages and/or employer payments.

Effective July 1, 2029, there will be an increase of $3.51 to be allocated to wages and/or employer payments.

There will be no further increases applicable to these determinations.

BUILDING/CONSTRUCTION INSPECTOR AND FIELD SOILS AND MATERIAL TESTER: Group 4 (All Shifts)

The above determination is currently in effect and expires on June 30, 2026**.

Effective July 1, 2026, there will be an increase of $3.10 to be allocated to wages and/or employer payments.

Effective July 1, 2027, there will be an increase of $3.10 to be allocated to wages and/or employer payments.

Effective July 1, 2028, there will be an increase of $3.10 to be allocated to wages and/or employer payments.

Effective July 1, 2029, there will be an increase of $3.10 to be allocated to wages and/or employer payments.

There will be no further increases applicable to these determinations.

Issued 8/22/2025, effective 9/1/2025 until superseded.
This page will be updated when wage rate breakdown information becomes available.
Last Updated: September 1, 2025

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P 209.245.0492
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January 28, 2026
BSK Proposal No. C26000069

COST ESTIMATE

City of Turlock
Roads Program Capital Improvement Project
City Project No. 25-025

FIELD SERVICES	DAYS	HRS/DAY	HOURS	RATE	EXTENSION
Earthwork Construction					
Compaction Testing Technician - Subgrade / AB	11	6	66	$175.00	$11,550.00
Compaction Testing Technician - Trench Backfill	2	6	12	$175.00	$2,100.00
Nuclear Gauge Equipment Fee	13			$78.00	$1,014.00
Trip Charge (Mileage, Bridge Toll, Parking Fees)	13			$90.00	$1,170.00
Full Depth Reclamation (FDR)					
Compaction Testing Technician - Full Depth Reclamation (FDR)	6	8	48	$175.00	$8,400.00
Compaction Testing Technician - Full Depth Reclamation (FDR) - OT	6	2	12	$262.50	$3,150.00
Nuclear Gauge Equipment Fee	6			$78.00	$468.00
Trip Charge (Mileage, Bridge Toll, Parking Fees)	6			$90.00	$540.00
Hot Mix Asphalt (HMA)					
Compaction Testing Technician - HMA	7	8	56	$175.00	$9,800.00
Compaction Testing Technician - HMA - OT	7	2	14	$262.50	$3,675.00
Nuclear Gauge Equipment Fee	7			$78.00	$546.00
Trip Charge (Mileage, Bridge Toll, Parking Fees)	7			$90.00	$630.00
Concrete Construction					
Concrete Sampling - Minor Concrete (Periodic)	5	4	20	$155.00	$3,100.00
Sample Pickup and Delivery	5	2	10	$132.00	$1,320.00
Trip Charge (Mileage, Bridge Toll, Parking Fees)	10			$90.00	$900.00
				FIELD SERVICES ESTIMATE	$48,363.00

LABORATORY TESTING	FREQUENCY	SETS/UNITS	RATE	EXTENSION
Subgrade / AB				
Caltrans Maximum Wet Density (CT 216)	as required	11	$298.00	$3,278.00
Modified Proctor, 4" or 6" Curve (ASTM Method)	as required	2	$353.00	$706.00
Sieve Analysis w/Wash (CT 202)	1 per 2,000 CY	1	$237.00	$237.00
Sand Equivalent (CT 217)	1 per 2,000 CY	1	$175.00	$175.00
R-Value of Soils (CT 301)	1 per 2,000 CY	1	$497.00	$497.00
Durability Index (CT 229)	1 per 2,000 CY	1	$348.00	$348.00
Full Depth Reclamation (FDR)				
Sieve Analysis w/Wash (CT 202)	1 per test strip	1	$237.00	$237.00
Moisture Content (CT 226)	1 per test strip	1	$49.00	$49.00
Caltrans Maximum Wet Density (CT 216)	1 per day	6	$298.00	$1,788.00
Hot Mix Asphalt (HMA)				
Sieve Analysis w/Wash (CT 202)	1 per day	7	$237.00	$1,659.00
Sand Equivalent (CT 217)	1 per day	7	$175.00	$1,225.00
Asphalt Binder Content (CT 382)	1 per day	7	$311.00	$2,177.00
Oil Content Correction Factor (CT 382)	1 per mix	1	$723.00	$723.00
Theoretical Maximum Specific Gravity and Density - Rice (CT 309)	1 per day	7	$348.00	$2,436.00
HMA Moisture Content (CT 370)	1 per day	7	$91.00	$637.00
Hamburg Wheel Track (AASHTO T324)	1 per project / mix	1	$2,756.00	$2,756.00
Density of Cores - Bulk Specific Gravit (CT 308)	every 250 tons	26	$88.00	$2,288.00
Concrete - Minor				
Compression Test Concrete (ASTM C39)	1 set per vist	5	$189.00	$945.00
			LABORATORY TESTING ESTIMATE	$22,161.00

BSK SERVICES ADMINISTRATION		HOURS	RATE	EXTENSION
Principal (Contract / Performance Oversight)		4	$314.00	$1,256.00
Registered Engineer (Review, support and reporting)		10	$276.00	$2,760.00
Project Manager (Field Oversight, Daily Report Review)		10	$276.00	$2,760.00
Administration (Data Processing, Report Prep., Field Coordination)		10	$110.00	$1,100.00
Certified Payroll / DIR Upload	Monthly	5	$300.00	$1,500.00
			ADMINISTRATION ESTIMATE	$9,376.00
			TOTAL BUDGET ESTIMATE	$79,900.00

BSK Associates - Schedule of Fees - July 1, 2025 to June 30, 2026

PERSONNEL RATES

Escalation: The prices noted below are subject to an increase of 5% annually, effective July 1 of each year following the initiation of a services agreement.

PROFESSIONAL STAFF

Principal	$	314.00	Seismic GIS	$	243.00
Senior Professional / Senior Associate	$	276.00	GIS Specialist	$	210.00
Project Professional II / Associate II	$	259.00	Information Specialist II	$	198.00
Project Professional I / Associate I	$	221.00	Information Specialist I	$	176.00
Staff Professional III	$	193.00	CAD	$	132.00
Staff Professional II	$	171.00	Litigation support	1.5x standard rate	
Staff Professional I	$	155.00	Deposition / Trial	2.0x standard rate	
Project Administrator / Project Controls Specialist	$	122.00			
Administrative Assistant / Dispatcher	$	110.00			

TECHNICAL STAFF - FIELD AND LABORATORY (NON-PREVAILING WAGE)

Non-Destructive Inspection/Testing	$	175.00	***BASIS OF CHARGES FOR FIELD TECHNICIAN SERVICES***	
Special Inspector	$	158.00	Field Work from 0 to 4 hours	Bill 4 hours
Engineering Technician	$	144.00	Field Work from 4 to 8 hours	Bill 8 hours
Technician	$	139.00	Field Work over 8 hours / Saturdays	Bill time and a half
Ground Penetrating Radar Scanning Technician	$	348.00	Sundays, holidays and over 12 hours	Bill double time
Core Drilling Technician	$	270.00	Night Shift (Shift commencing after 2pm / before 4am)	Base Rate x 12.5%
Floor Flatness Testing Technician	$	232.00	Show-up time (no work performed)	Bill 2 hours
Sample Pickup / Transportation / Delivery	$	132.00	Sampling or cylinder pickup, minimum charge	Bill 2 hours
Laboratory Technician	$	128.00		

NORTHERN CA PREVAILING WAGE LABOR RATES

Group 1 - Special inspector	$	205.00	***BASIS OF CHARGES FOR FIELD TECHNICIAN SERVICES***	
Group 2 - Special Inspector	$	200.00	Field Work from 0 to 4 hours	Bill 4 hours
Group 3 - Engineering Technician	$	175.00	Field Work from 4 to 8 hours	Bill 8 hours
Group 3 - Geotechnical Professional	$	215.00	Field Work over 8 hours / Saturdays	Bill time and a half
Group 3 - Environmental Professional	$	215.00	Sundays, holidays and over 12 hours	Bill double time
Group 4 - Technician	$	155.00	Night Shift (Shift commencing after 2pm / before 4am)	Base Rate x 12.5%
			Show-up time (no work performed)	Bill 2 hours
			Sampling or cylinder pickup, minimum charge	Bill 2 hours

SOUTHERN CA PREVAILING WAGE LABOR RATES

Group 1 - Geotechnical Professional	$	225.00	***BASIS OF CHARGES FOR FIELD TECHNICIAN SERVICES***	
Group 1 - Environmental Professional	$	225.00	Field Work from 0 to 4 hours	Bill 4 hours
Group 1 - Technician	$	205.00	Field Work from 4 to 8 hours	Bill 8 hours
Group 2 - Special Inspector	$	210.00	Field Work over 8 hours / Saturdays	Bill time and a half
Group 3 - Non-Destuctive Testing (NDT)	$	215.00	Sundays, holidays and over 12 hours	Bill double time
			Premium Shift (Weekday work before 6am / after 5pm)	Bill time and a half
			Show-up time (no work performed)	Bill 2 hours
			Sampling or cylinder pickup, minimum charge	Bill 2 hours

REIMBURSABLES

Project Administration Fees	7% of Invoice		DIR Administration Fees	3% of Invoice	
Mileage - 2x4 (Portal to Portal)	$	1.00	Certified Payroll / DIR Upload (Monthly)	$	300.00
Mileage - 4x4 (Portal to Portal)	$	2.00	Non-Performance Certified Payroll / DIR Upload (Monthly)	$	100.00
Bridge Toll	Cost + 15%		Subcontractor Mngmnt / Compliance Forms (Monthly)	$	100.00
Parking Fees	Cost + 15%		Add. LCP Tracker or Other Compliance Software (Monthly)	$	200.00
Per Diem (as required)	Quote / $250 min.		Additional Special Forms, as required (Monthly)	$	150.00
Subconsultant Services	Cost + 15%		Project Setup (Project)	$	550.00

BSK Associates - Schedule of Fees - July 1, 2025 to June 30, 2026

SOFTWARE AND EQUIPMENT

Escalation: The prices noted below are subject to an increase of 5% annually, effective July 1 of each year following the initiation of a services agreement.

ANALYSIS SOFTWARE USAGE FEES

gINT (software)	$ 71.00	Slide (software)	$ 140.00
LPile (software)	$ 71.00	Settle3D (software)	$ 140.00
APile (software)	$ 71.00	Cpet-IT (software)	$ 71.00
SHAFT (software)	$ 71.00	LiqSVs (software)	$ 71.00
GROUP (software)	$ 140.00	ArcGIS (software)	$ 71.00
Cliq (software)	$ 71.00	Surfer (software)	$ 71.00
LiquefyPro (software)	$ 71.00	Seep/W (software)	$ 140.00
LiqIT (software)	$ 71.00		

EQUIPMENT

Nuclear Gauge (Day)	$ 78.00	10' PVC Blank - 2"(Each)	$ 29.00
Skidmore Wilhelm Calibrator (Day)	$ 78.00	10' PVC Blank - 4: (Each)	$ 68.00
NDT Weld Testing Equipment - UT/MT/PT (Day)	$ 78.00	10' PVC Screen - 2" (Each)	$ 46.00
Proof Load Testing Equipment (Day)	$ 78.00	10' PVC Screen - 4" (Each)	$ 92.00
Torque Wrench (Day)	$ 78.00	5' PVC Blank - 2" (Each)	$ 20.00
GPR Scanning Equipment (Day)	$ 358.00	5' PVC Blank - 4" (Each)	$ 59.00
Rebar Locator/Pachometer (Day)	$ 141.00	5' PVC Screen - 2" (Each)	$ 29.00
Coring Equipment (day)	$ 265.00	5' PVC Screen - 4" (Each)	$ 76.00
Relative Humidity Meter (Day)	$ 78.00	55 Gallon Drum (Each)	$ 138.00
Moisture Emission Test Kit (Each)	$ 53.00	6 "x 5' Steel Monument Cover (Each)	$ 326.00
Wood Moisture Meter (Day)	$ 78.00	Air Indicators (Each)	$ 59.00
Air Meter (Concrete)	$ 78.00	Combustible Gas Indicator (Day)	$ 87.00
Laptop (Day)	$ 83.00	Disposable Bailer (Each)	$ 16.00
Document Scanner (Day)	$ 36.00	HydroPunch Tip (Each)	$ 27.00
Vehicle/Truck Charge (Day)	$ 151.00	Lantec GEM 500 (Day)	$ 285.00
Hand Auger (Day - Environmental)	$ 175.00		
Hand Auger (Day - Geotechnical)	$ 300.00	Locking Cap - 2" (Each)	$ 27.00
Seismograph (Day)	$ 350.00	Locking Cap - 4" (Each)	$ 56.00
Hand-held GPS (Day)	$ 107.00	Silicone Tubing (Foot)	$ 9.00
Slope Inclinometer Probe (Each)	$ 551.00	Tedlar Vapor Bags (Each)	$ 34.00
Double Ring Infiltrometer (Day)	$ 600.00	Bottom Cap (Each)	$ 12.00
Drilling Kit - Paint/Stakes/Lath (Each)	$ 38.00	Disposable Purge Pump Tubing (Foot)	$ 2.00
Drilling Supplies (Tubes / Caps)	$ 450.00	Bison Resistivity Meter (Day)	$ 224.00
Sample Sleeve w/ Caps/Teflon 6" (Each)	$ 15.00	Chem Grout Pump (Day)	$ 146.00
Manometer (Day)	$ 272.00	DC Purge Pump (Day)	$ 74.00
Generator	$ 116.00	Development Pump and Controller (Day)	$ 102.00
Power Auger	$ 116.00	Dissolved Oxygen Meter (Day)	$ 88.00
AC Cold Patch (Each)	$ 21.00	Grundfos Converter (Day)	$ 98.00
Bentonite Grout (Bag)	$ 29.00	HydroPunch II (Each)	$ 350.00
Bentonite Medium Chips (Bag)	$ 27.00	Interface Meter (Each)	$ 131.00
Bentonite Pellets (Bucket / Bag)	$ 208.00	Kemmer Sampler (Day)	$ 50.00
Bentonite Powder (Bag)	$ 17.00	ORP Meter (Each)	$ 93.00
Filter Sand (Bag)	$ 16.00	Sample Pump (Day)	$ 140.00
Portland Cement (Bag)	$ 21.00	Scanning Equipment (Day)	$ 141.00
Ready Mix (Bag)	$ 20.00	Water Level Data Logger (Day)	$ 108.00
Padlocks (Each)	$ 29.00	Telescopic Wastewater Sampler (Day)	$ 74.00
pH/EC/Temperature Meter (Day)	$ 83.00	SVE System (Month)	$ 1,544.00
PID/OVA (Day)	$ 166.00	Combustible Gas Meter (Day)	$ 265.00
Steam Cleaner (Day)	$ 153.00	Water Meter (Day)	$ 71.00
Turbidity Kit (Day)	$ 93.00	Flow Monitoring Equipment (Day)	$ 428.00
Water Sample Filters (Each)	$ 30.00	Liquid Proportional Sampling Equipment (Day)	$ 435.00
Well Sounder (Day)	$ 66.00	Gas Detector Pump (Each)	$ 50.00
Well Vault Traffic Rated Box (Each)	$ 153.00	Landfill Gas Chromatograph (Day)	$ 287.00
Bollards (Each)	$ 131.00	Support Truck (Day)	$ 287.00
Air Compressor (Day)	$ 78.00	Sound Level Meter (Each)	$ 45.00
Continuous Core Sampler (Day)	$ 358.00	Water Level Transducers (Each)	$ 17.00
4" Disposable Bailers (Each)	$ 27.00	Multiparameter Env Water Meter (Day)	$ 195.00

BSK Associates - Schedule of Fees - July 1, 2025 to June 30, 2026

MATERIALS LABORATORY TESTS

Escalation: The prices noted below are subject to an increase of 5% annually, effective July 1 of each year following the initiation of a services agreement.
Standard Rate Applies to Normal Testing Schedule. Rush Order Turnaround Time Charged at 1.5 x Standard Unit Rates.

SOILS & AGGREGATES

Modified or Standard Proctor - 4" or 6" Mold (ASTM / AASHTO)	$ 353.00	% Crushed Particles / Fractured Particles (CT 205/AASHTO T335)	$ 229.00
Proctor with Oversize Material (ASTM / AASHTO)	$ 441.00	% Flat & Elongated (ASTM D4791)	$ 175.00
Proctor Check Point (All Methods)	$ 120.00	Minus 200 Wash/Aggregate (ASTM C117)	$ 116.00
Caltrans Maximum Wet Density (CT 216)	$ 298.00	Sieve Analysis w/ Wash (ASTM C136 / CT 202 / AASHTO T27)	$ 237.00
Minus 200 Wash Soil (ASTM D1140)	$ 116.00	Sieve Analysis - Coarse Only (ASTM C136 / CT 202 / AASHTO T27)	$ 116.00
Moisture Content of Soils (ASTM D2216)	$ 49.00	Coarse Specific Gravity / Absorption (ASTM C127/CT 206/AASHTO T85)	$ 221.00
Plasticity Index (ASTM D4318)	$ 305.00	Fine Specific Gravity / Absorption (ASTM C128/CT 207/AASHTO T84)	$ 221.00
Expansion Index of Soils (ASTM D4829)	$ 327.00	Sand Equivalent (ASTM D2419 / CT 217 / AASHTO T176)	$ 175.00
Collapse Potential of Soils (ASTM D2435)	$ 284.00	Durability Index (ASTM D3744 / CT 229 / AASHTO T210)	$ 348.00
Organic Impurities (ASTM C40 / CT 213)	$ 116.00	Abrasion by LA Rattler, Large Size (ASTM C535)	$ 397.00
Tube Density & Moisture Content of Soil (ASTM D2216, D2937)	$ 60.00	Abrasion by LA Rattler, Small Size (ASTM C131/CT 211/AASHTO T96)	$ 327.00
Visual Classification (ASTM D2488)	$ 60.00	Cleanness Value of Aggregate (CT 227)	$ 250.00
Hydrometer (ASTM D422 / CT 203)	$ 331.00	Aggregate Wt pcf Compacted (ASTM C 29)	$ 123.00
Double Hydrometer (ASTM D4221)	$ 435.00	Gradation-Rip Rap - Per Sieve (D5519-Method A)	$ 313.00
Fina Agg. Angularity / Uncompacted Voids (CT 234 / AASHTO T304)	$ 154.00	Sodium Sulfate Soundness-Min. Charge (ASTM C88/CT 214/AASHTO T104)	$ 485.00
Sand Density Calibration (ASTM D1566)	$ 243.00	Sodium Sulfate Soundness-Per Sieve (ASTM C88/CT 214/AASHTO T104)	$ 154.00
Minimum Resistivity of Soils (CT 643)	$ 195.00	R-Value of Soils (CT 301)	$ 497.00
Consolidation (ASTM D2435) w/ 2 Time Rates	$ 581.00	Soil Cement Compression - Set of 3 (ASTM D1633)	$ 331.00
Consolidation (ASTM D2435) w/ No Time Rates	$ 386.00	CIR / FDR Compressive Strength Testing - Set	$ 331.00
Unconfined Compressive Strength, Soil (ASTM D2166)	$ 154.00	CIR / FDR Sample Preparation / Compaction - Set	$ 303.00
Remolded Consolidation (ASTM D2435)	$ 491.00	CBR (ASTM D1883/AASHTO T-180)	$ 1,379.00
Minimum Index Density Soils (ASTM D4254)	$ 96.00	Preparation/Compacting of Soil Stabilization Samples (Lime/Cement) Set of 3	$ 520.00
Direct Shear Remolded (ASTM D3080)	$ 364.00	Soluble Sulfate Chloride & Sulfide	$ 181.00
Direct Shear (ASTM D3080)	$ 305.00	pH Sulfate & Chloride	$ 91.00
Remolded Direct Shear (ASTM D3080)	$ 364.00	% Lumps/Friable Particles (ASTM C142)	$ 112.00
Remolded Flexwall Perm (ASTM D5084)	$ 776.00	% Organics in Soil (ASTM D2974)	$ 190.00

HOT MIX ASPHALT

JMF Mix Design, Superpave / Caltrans	$ 12,430.00	Bitumen Content - Ignition (ASTM D6307 / CT 382 / AASHTO T308)	$ 311.00
JMF Verification - HMA - Superpave / Caltrans / BMD	$ 7,203.00	Oil Content Correction Factor (ASTM D6307 / CT 382 / AASHTO T308)	$ 723.00
JMF Production Startup - Superpave / Caltrans / BMD	$ 6,701.00	Gradation from Extraction (ASTM D5444 / AASHTO T30)	$ 300.00
RAP Material Testing - Additional Fee	$ 872.00	Bulk Specific Gravity - Each (CT308 / AASHTO T275 / ASTM D2726)	$ 88.00
Rubberized RHMA Material - Additional Fee	$ 2,011.00	Max Specific Gravity - Rice Method (ASTM D2041 / CT 309 / AASHTO T209)	$ 348.00
JMF Mix Design, HVEEM	$ 4,300.00	Volumetric Calculations (VMA, VFA, DP, AV, Eff. Calcs)	$ 74.00
JMF Mix Design, Marshall	$ 5,101.00	Moisture Content of Asphalt (CT 370 / AASHTO T329)	$ 91.00
Open Graded Asphalt Optimum Bitumen Content (CT 368)	$ 3,070.00	Film Stripping	$ 123.00
Gyratory Compaction - Set of 3 (AASHTO T312)	$ 464.00	Compaction/Preparation of HMA Briquette (CT 304)	$ 305.00
Hamburg Wheel Track (AASHTO T324 / CT 389)	$ 2,756.00	Stabilometer Value - Set of 3 (CT 366)	$ 386.00
Tensile Strength Ratio (CT 371 / AASHTO T283)	$ 1,521.00	Lab Mixed TSR - Moisture Induced Damage (AASHTO T283 / CT 371)	$ 2,040.00
Marshall Maximum Density - Set of 3 (ASTM D6926)	$ 405.00	Calculated AC Maximum Density (CT 367)	$ 138.00
Marshall Stability & Flow - Set of 3 (ASTM D6927)	$ 348.00	Thickness Determination of AC Cores	$ 29.00
Draindown Characteristics of HMA (ASTM D6390 / AASHTO T305)	$ 350.00	Indirect Tensile Strength of Compacted HMA (ASTM D6931)	$ 350.00
Cracking Index Test (Ideal-CT) (ASTM D8225)	$ 450.00	Ideal Rut Test (Ideal-RT / Ideal-HT) (ASTM D8360)	$ 450.00
		Aggregate Correction Factor (ASTM D6307 / CT 382 / AASHTO T308	$ 650.00

CONCRETE & MASONRY

Compression Test Concrete - Per Cylinder (ASTM C39)	$ 39.00	Flexural Test per Beam (ASTM C78 / CT 523)	$ 124.00
Compression Test Concrete - Set of 4/5 (ASTM C39)	$ 189.00	Linear Shrinkage - Set of 3 (ASTM C157)	$ 551.00
Compression Test of Core (ASTM C42)	$ 84.00	Unit Weight Lt Wt Concrete	$ 78.00
Compressive Strength of Shotcrete Panel	$ 441.00	Splitting Tensile Strength of Concrete (ASTM C496)	$ 166.00
Compression Test Composite CMU Prism (1)	$ 229.00	Compressive Strength CMU Block (ASTM C140)	$ 265.00
Compression Test Grout (Set of 4)	$ 167.00	Comp. Strength, SG, & Abs. of CMU - Per Block (ASTM C140)	$ 305.00
Compression Test Mortar (Set of 3)	$ 152.00	Masonry Linear Shrinkage (ASTM C426)	$ 559.00
Compression Test Cellular Concrete / CLSM (Set of 5)	$ 230.00	Masonry Core Shear Test (Title 24)	$ 260.00

METALS & FIREPROOFING

Tensile & Bend of Rebar #3-11	$ 205.00	Brinell Hardness of Steel (ASTM E10)	$ 138.00
Slip and Tensile Rebar Couplers (CT 670)	$ 298.00	Rockwell Hardness of Steel (ASTM E18)	$ 138.00
Bolt Proof & Ultimate Load - Each	$ 125.00	Face Bend of Steel Coupon	$ 84.00
Bolt Hardness - Set of 3	$ 236.00	Root Bend of Weld Coupon	$ 84.00
Nut Proof Load - Set of 3	$ 236.00	Side Bend of Weld Coupon	$ 84.00
Nut Hardness - Set of 3	$ 236.00	Tensile Test of Steel Coupon	$ 116.00
Washer Hardness - Set of 3	$ 236.00	Bend Test of Steel Coupon	$ 100.00
Dry Density Fireproofing (ASTM E605)	$ 131.00	Adhesion / Cohesion Fireproofing Materials	$ 175.00

SAMPLE COST PROPOSAL 1
COST-PLUS-FIXED FEE OR LUMP SUM OR FIRM FIXED PRICE CONTRACTS
(DESIGN, ENGINEERING AND ENVIRONMENTAL STUDIES)

Note: Mark-Ups are Not Allowed ☐ Prime Consultant ☑ Subconsultant ☐ 2nd Tier Subconsultant

Consultant: UNICO Engineering, Inc.

Project No. CIP 25-025BP1 Contract No. _____ Date April 9, 2026

Project Name City of Turlock | Roads Program CIP 25-025BP1

DIRECT LABOR

Classification/Title	Name	Range	Hours	Actual Hr Rate	Total
Survey Manager	Rob Markes	$90.00 - $120.00	0	$ 92.40	$ -
Senior Land Surveyor	Ryan Ming, PLS	$65.00 - $85.00	12	$ 77.25	$ 927.00
Land Surveyor	Todd Jordan, PLS	$40.00 - $70.00	0	$ 61.00	$ -
Land Surveyor	Roy Porter, LSIT	$40.00 - $70.00	0	$ 45.00	$ -
Party Chief	Staff	$77.00 - $107.00	16	$ 90.00	$ 1,440.00
Rodman	Staff	$70.00 - $100.00	0	$ 80.00	$ -
Survey Technician	Staff	$30.00 - $50.00	0	$ 35.00	$ -
			28		

LABOR COSTS

a) Subtotal Direct Labor Costs	$ 2,367.00	
b) Anticipated Salary Increases	$0.00	
c) **TOTAL DIRECT LABOR COSTS** [(a) + (b)]		**$ 2,367.00**

INDIRECT COSTS

d) Fringe Benefits (Rate:)	c) Total Fringe Benefits [(c) x (d)]	$ -	
f) Overhead (Rate:)	g) Overhead [(c) x (f)]	$ -	
h) General and Administrative (Rate: 154.64%)	i) Gen & Admin [(c) x (h)]	$ 3,660.33	
	j) **TOTAL INDIRECT COSTS** [(e) + (g) + (i)]		**$ 3,660.33**

FIXED FEE k) **TOTAL FIXED FEE** [(c) + (j)] x fixed fee 10%] **$ 602.73**

l) **CONSULTANT'S OTHER DIRECT COSTS (ODC) – ITEMIZE (Add additional pages if necessary)**

Description of Item	Quantity	Unit	Unit Cost	Total
i) **TOTAL OTHER DIRECT COSTS**				**$ -**

m) **SUBCONSULTANTS' COSTS** (Add additional pages if necessary)

m) **TOTAL SUBCONSULTANTS' COSTS**	**$ -**
n) **TOTAL OTHER DIRECT COSTS INCLUDING SUBCONSULTANTS** [(l) + (m)]	**$ -**
TOTAL COST [(c) + (j) + (k) + (n)]	**$ 6,630.06**

NOTES:
1. Key personnel **must** be marked with an asterisk (*) and employees that are subject to prevailing wage requirements must be marked with two asterisks (**). All costs must comply with the Federal cost principles. Subconsultants will provide their own cost proposals.
2. The cost proposal format shall not be amended. Indirect cost rates shall be updated on an annual basis in accordance with the consultant's annual accounting period and established by a cognizant agency or accepted by Caltrans.
3. Anticipated salary increases calculation (page 2) must accompany.

SAMPLE COST PROPOSAL 1
COST-PLUS-FIXED FEE OR LUMP SUM OR FIRM FIXED PRICE CONTRACTS
(CALCULATIONS FOR ANTICIPATED SALARY INCREASES)

1. Calculate Average Hourly Rate for 1st year of the contract (Direct Labor Subtotal divided by total hours)

Direct Labor Subtotal per Cost Proposal	Total Hours per Cost Proposal		Avg Hourly Rate	**5 Year Contract Duration**
$2,367.00	28	=	$84.54	Year 1 Avg Hourly Rate

1. Calculate hourly rate for all years (Increase the Average Hourly Rate for a year by proposed escalation %)

	Avg Hourly Rate		Proposed Escalation			
Year 1	$84.54	+	5.0%	=	$88.76	Year 2 Avg Hourly Rate
Year 2	$88.76	+	5.0%	=	$93.20	Year 3 Avg Hourly Rate
Year 3	$93.20	+	5.0%	=	$97.86	Year 4 Avg Hourly Rate
Year 4	$97.86	+	5.0%	=	$102.75	Year 5 Avg Hourly Rate

3. Calculate estimated hours per year (Multiply estimate % each year by total hours)

	Estimated % Completed Each Year		Total Hours per Cost Proposal		Total Hours per Year	
Year 1	100.0%	*	28	=	28	Estimated Hours Year 1
Year 2	0.0%	*	28	=	0	Estimated Hours Year 2
Year 3	0.0%	*	28	=	0	Estimated Hours Year 3
Year 4	0.0%	*	28	=	0	Estimated Hours Year 4
Year 5	0.0%	*	28	=	0	Estimated Hours Year 5
Total	100.0%		Total	=	28	

4. Calculate Total Costs including Escalation (Multiply Average Hourly Rate by the number of hours)

	Avg Hourly Rate (Calculated above)		Estimated hours (Calculated Above)		Cost Per Year	
Year 1	$84.54	*	28	=	$2,367.00	Estimated Hours Year 1
Year 2	$88.76	*	0	=	$0.00	Estimated Hours Year 2
Year 3	$93.20	*	0	=	$0.00	Estimated Hours Year 3
Year 4	$97.86	*	0	=	$0.00	Estimated Hours Year 4
Year 5	$102.75	*	0	=	$0.00	Estimated Hours Year 5
		Total Direct Labor Cost with Escalation		=	$2,367.00	
		Direct Labor Subtotal before Escalation		=	$2,367.00	
		Estimated total of Direct Labor Salary Increase		=	$0.00	Transfer to Page 1

NOTES:
1. This is not the only way to estimate salary increases. Other methods will be accepted if they clearly indicate the % increase, the # of years of the contract, and a breakdown of the labor to be performed each year.

2. An estimation that is based on direct labor multiplied by salary increase % multiplied by the # of years is not acceptable. (i.e. $250,000 x 2% x 5 yrs = $25,000 is not an acceptable methodology)

3. This assumes that one year will be worked at the rate on the cost proposal before salary increases are granted.

4. Calculations for anticipated salary escalation must be provided.

SAMPLE COST PROPOSAL 1

Certification of Direct Costs:

I, the undersigned, certify to the best of my knowledge and belief that all direct costs identified on the cost proposal(s) in this contract are actual, reasonable, allowable, and allocable to the contract in accordance with the contract terms and the following requirements:

1. Generally Accepted Accounting Principles (GAAP)
2. Terms and conditions of the contract
3. Title 23 United States Code Section 112 - Letting of Contracts
4. 48 Code of Federal Regulations Part 31 - Contract Cost Principles and Procedures
5. 23 Code of Federal Regulations Part 172 - Procurement, Management, and Administration of Engineering and Design Related Service
6. 48 Code of Federal Regulations Part 9904 - Cost Accounting Standards Board (when applicable)

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files and be in compliance with applicable federal and state requirements. Costs that are noncompliant with the federal and state requirements are not eligible for reimbursement. Local governments are responsible for applying only cognizant agency approved or Caltrans accepted Indirect Cost Rate(s).

Prime Consultant or Subconsultant Certifying:

Name**:	Cesar Montes de Oca, PE	Title**:	President
Signature:		Date of Certification (mm/dd/yyyy):	4/9/2026
Email**:	cesar@unicoengineering.com	Phone Number:	916.900.6623
Address:	UNICO Engineering | 80 Blue Ravine Road, Suite 250, Folsom, CA 95630		

**An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President or a Chief Financial Officer, or equivalent, who has authority to represent the financial information utilized to establish the cost proposal for the contract.

List services the consultant is providing under the proposed contract:

QA/QC Staking Verification

City Council Staff Report

May 26, 2026

From: Christopher Fisher, Municipal Services Director
Prepared by: Fred Pezeshk, P.E., Roads Program Manager
Agendized by: Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Motion: Awarding bid and approving an Agreement between the City of Turlock and Granite Construction Company, of Fresno, CA, in the amount of $3,462,283.50 and a contingency amount of $346,000.00 (10%) to be funded by Fund 115 “Measure A - Roads” bond proceeds for construction of Bid Package 1 for City Project No. 25-025 “Provost & Pritchard Task Order No. 4 for Roads Program CIP Projects."

Resolution: Determining the award of bid for construction of Bid Package 1 for City Project No. 25-025 “Provost & Pritchard Task Order No. 4 for Roads Program CIP Projects" is exempt from the provisions of CEQA in accordance with section 15301 of the CEQA guidelines

2. NARRATIVE:

On March 25, 2025, the City Council approved Task Order No. 4 as Amendment No. 4 under the terms of the Master Agreement with Provost & Pritchard Consulting Group for City Project No. 25-025 “Provost & Pritchard Task Order No. 4 for Roads Program CIP Project” for the rehabilitation of a grouping of street sections. The City Council also authorized staff to proceed with advertising the project for construction upon completion of bid documents.

Bid Package 1 is the first of the two (2) bid packages under this Task Order to be completed and includes the following streets:

City Project No. 25-025 Bid Package 1				
Street Name	**From**	**To**	**Length (ft)**	**District**
E. Linwood Ave.	Lander Ave.	County Line	4,668.00	2
Rosewood Dr.	Lander Ave.	Baywood Ln.	1,151.00	2
Baywood Ln.	E. Linwood Ave.	1785 Baywood Ln.	614.00	2
Rockwood Ave.	5th St.	9th St.	1,492.00	2
Total Length (Feet)			7,925.00	

City Project No. 25-025 (Bid Package 1) was advertised for construction bids on April 13, 2026, through the City’s website and the Turlock Journal.

Bids were opened on May 8, 2026, at 2:00PM. A total of three (3) bids were received:

BIDDER	**BID AMOUNT**
Granite Construction Company; Fresno, CA	**$3,462,283.50**

United Pavement Maintenance, Inc.; Hughson, CA	$3,781,974.95
Mountain Cascade, Inc.; Livermore, CA	$3,879,885.00

Staff reviewed the bids for bidder responsiveness and responsibility and recommends approval of an agreement for City Projects No. 25-025 (Bid Package 1) with Granite Construction Company, of Fresno, CA, as the lowest responsive, responsible bidder with a bid amount of $3,462,283.50.

Per contract documents, the contractor is allowed ten (10) days after the date of the City's mailing him/her the Agreement and the Notice of Award to return the signed Agreement along with required bonds and certificate of insurance. The City will then review the submittal for adequacy, execute the Agreement, and issue a Notice to Proceed. The Contractor is required to start work no later than ten (10) working days after Notice to Proceed has been issued. Based on this timeline, the anticipated start of work will be mid to late June 2026.

Per Public Contract Code Section 20166, the City Council has the discretion to decide if a bid shall be awarded or rejected. If Council decides to award the bid, the bid has to be awarded to the lowest responsible bidder submitting a responsive bid.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The total estimated fiscal impact of the proposed action will be $3,808,283.50 which will be funded by Fund 115 "Measure A - Roads" bond proceeds, account number 115-10-115-801.51270 "Construction Project". The overall fiscal impact, including professional services, is shown below.

25-025 Bid Package 1	Fund 115 "Measure A"
Design (Provost & Pritchard) *	$ 445,706.78
CM & Inspection (NV5)	$ 615,658.41
Construction Contract	$3,462,283.50
Construction Contingency	$ 346,000.00
Total Estimated Cost	$4,869,648.69

*Design cost is pro-rated based on the linear footage of street sections included in Bid Package 1.

All Roads Program staff time is expensed to Fund 115 "Measure A - Roads Program". Staff time is directly allocated to each project by the Finance Department at the end of the fiscal year.

Appropriate funds have been allocated during Fiscal Year 2025-26 budget process to cover these costs.

4. ENVIRONMENTAL DETERMINATION:

This project is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15301 (Existing Facilities) as this project involves negligible or no expansion of use of the

existing facilities, and specifically no additional automobile lanes will be created by the projects.

5. ALTERNATIVES:

A. Council could reject the bids submitted for this project. Staff does not recommend this alternative as the proposed improvements are needed and funding is available.

B. Provide staff with direction on how to proceed.

6. ATTACHMENTS:

1. Draft Resolution
2. Bidder's Summary
3. Agreement between the City of Turlock and Granite Construction Company, of Fresno, CA, for construction of Bid Package 1 for City Project No. 25-025

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF DETERMINING THE AWARD OF BID FOR CONSTRUCTION OF BID PACKAGE 1 FOR CITY PROJECT NO. 25-025 "PROVOST & PRITCHARD TASK ORDER NO. 4 FOR ROADS PROGRAM CIP PROJECTS" IS EXEMPT FROM THE PROVISIONS OF CEQA IN ACCORDANCE WITH SECTION 15301 OF THE CEQA GUIDELINES	**RESOLUTION NO. 2026-**

WHEREAS, City Project No. 25-025 "Provost & Pritchard Task Order No. 4 for Roads Program CIP Projects" (Bid Package 1) will rehabilitate a grouping of street sections as approved by the City Council on March 25, 2025, and will include pavement rehabilitation, installation of curb, gutter, sidewalk, and ADA-compliant curb ramps; and

WHEREAS, on May 8, 2026, three (3) bids were received for the construction of City Project No. 25-025 (Bid Package 1), with Granite Construction Company, of Fresno, CA, submitting the lowest responsive, responsible bid in the amount of $3,462,283.50; and

WHEREAS, this project is exempt from California Environmental Quality Act (CEQA) per Section 15301 (Existing Facilities) as this project involves negligible or no expansion of use of the existing facilities, and specifically no additional automobile lanes will be created by project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby determine the award of bid for construction of Bid Package 1 for City Project No. 25-025 "Provost & Pritchard Task Order No. 4 for Roads Program CIP Projects" is exempt from the provisions of CEQA in accordance with section 15301 of the CEQA guidelines.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

CITY OF TURLOCK
BIDDER'S SUMMARY

PROJECT TITLE: 25-025 Bid Package 1 - Roads Program CIP
PROJECT NUMBER: 25-025BP1
BID OPENING: May 8, 2026
2:00 P.M.
ANTICIPATED COUNCIL AWARD DATE: May 26, 2026

						1		2		3	
				ENGINEER'S ESTIMATE		Granite Construction Company		United Pavement Maintenance, Inc.		Mountain Cascade, Inc.	
Item No.	Item Description	Unit of Measure	Estimated Quantity	Unit Price	Total	Unit Price	Total	Unit Price	Total	Unit Price	Total
1	Mobilization	LS	1	$190,000.00	$190,000.00	$345,000.00	$345,000.00	$465,520.23	$465,520.23	$127,369.00	$127,369.00
2	Remove and Replace Monument	EA	23	$2,500.00	$57,500.00	$1,600.00	$36,800.00	$884.84	$20,351.32	$3,200.00	$73,600.00
3	Traffic Control	LS	1	$120,000.00	$120,000.00	$171,000.00	$171,000.00	$121,397.22	$121,397.22	$80,000.00	$80,000.00
4	Portable Changeable Message Signs	EA	6	$5,000.00	$30,000.00	$5,850.00	$35,100.00	$5,045.63	$30,273.78	$4,500.00	$27,000.00
5	Construction Funding Signs	EA	10	$1,500.00	$15,000.00	$1,200.00	$12,000.00	$1,520.53	$15,205.30	$1,350.00	$13,500.00
6	Jobsite Management	LS	1	$30,000.00	$30,000.00	$5,000.00	$5,000.00	$5,959.76	$5,959.76	$9,500.00	$9,500.00
7	Storm Water Pollution Prevention Plan (SWPPP) - Preparation and Implementatio	LS	1	$30,000.00	$30,000.00	$1,950.00	$1,950.00	$12,103.75	$12,103.75	$10,000.00	$10,000.00
8	Erosion and Dust Control BMPs	LS	1	$40,000.00	$40,000.00	$15,000.00	$15,000.00	$7,374.26	$7,374.26	$35,000.00	$35,000.00
9	Construction Staking	LS	1	$60,000.00	$60,000.00	$11,300.00	$11,300.00	$31,050.00	$31,050.00	$24,250.00	$24,250.00
10	Pothole Existing Utilities	LS	1	$60,000.00	$60,000.00	$60,000.00	$60,000.00	$180,007.20	$180,007.20	$300,000.00	$300,000.00
11	Video Sewer and Storm Drain Video	LS	1	$75,000.00	$75,000.00	$50,000.00	$50,000.00	$172,500.00	$172,500.00	$100,000.00	$100,000.00
12	Clearing and Grubbing	LS	1	$50,000.00	$50,000.00	$130,000.00	$130,000.00	$30,940.52	$30,940.52	$22,500.00	$22,500.00
13	Unsuitable Material	CY	458	$100.00	$45,800.00	$141.00	$64,578.00	$80.78	$36,997.24	$235.00	$107,630.00
14	Roadway Excavation (F)	CY	1,382	$250.00	$345,500.00	$70.00	$96,740.00	$153.02	$211,473.64	$150.00	$207,300.00
15	Cold Plane Asphalt Concrete Pavement	SY	25,821	$7.00	$180,747.00	$3.30	$85,209.30	$6.71	$173,258.91	$5.00	$129,105.00
16	Remove Concrete Curb & Gutter	LF	594	$20.00	$11,880.00	$18.00	$10,692.00	$52.06	$30,923.64	$7.00	$4,158.00
17	Remove Concrete Flatwork	SF	3,149	$10.00	$31,490.00	$6.50	$20,468.50	$21.71	$68,364.79	$11.00	$34,639.00
18	HMA (Type A)	TON	10,007	$125.00	$1,250,875.00	$112.00	$1,120,784.00	$112.80	$1,128,789.60	$139.00	$1,390,973.00
19	Full depth Reclamation-Cement	SY	23,051	$17.00	$391,867.00	$15.25	$351,527.75	$13.26	$305,656.26	$10.00	$230,510.00
20	Cement (Full-Depth Reclamation-Cement)	TON	370	$200.00	$74,000.00	$195.00	$72,150.00	$224.25	$82,972.50	$193.00	$71,410.00
21	Mix Design (Full-Depth Reclamation-Cement)	LS	1	$30,000.00	$30,000.00	$9,500.00	$9,500.00	$10,925.00	$10,925.00	$14,500.00	$14,500.00
22	Slurry Backfill Over Shallow Utility	LF	2,075	$50.00	$103,750.00	$105.00	$217,875.00	$69.11	$143,403.25	$43.00	$89,225.00
23	Minor Concrete (Curb Ramp)	SF	1,477	$27.00	$39,879.00	$14.75	$21,785.75	$11.48	$16,955.96	$50.00	$73,850.00
24	Minor Concrete (Curb and Gutter)	LF	1,181	$50.00	$59,050.00	$77.00	$90,937.00	$43.04	$50,830.24	$72.00	$85,032.00
25	Minor Concrete (Wedge Curb)	LF	124	$50.00	$6,200.00	$79.00	$9,796.00	$57.53	$7,133.72	$91.00	$11,284.00
26	Minor Concrete (Sidewalk)	SF	5,680	$15.00	$85,200.00	$9.25	$52,540.00	$11.15	$63,332.00	$17.00	$96,560.00
27	Minor Concrete (Driveway)	SF	850	$28.00	$23,800.00	$22.00	$18,700.00	$16.79	$14,271.50	$25.00	$21,250.00

28	Commercial Drive Approach	SF	475	$38.00	$18,050.00	$39.00	$18,525.00	$22.53	$10,701.75	$26.00	$12,350.00
29	Detectable Warning Surface	SF	213	$45.00	$9,585.00	$44.00	$9,372.00	$40.24	$8,571.12	$50.00	$10,650.00
30	Install Sanitary Sewer Manhole	EA	1	$10,000.00	$10,000.00	$15,000.00	$15,000.00	$23,727.72	$23,727.72	$15,000.00	$15,000.00
31	Install 24” PVC Sanitary Sewer Pipe	LF	66	$600.00	$39,600.00	$340.00	$22,440.00	$502.92	$33,192.72	$500.00	$33,000.00
32	Adjust Manhole Frame & Cover to Finished Grade	EA	34	$2,900.00	$98,600.00	$1,900.00	$64,600.00	$1,367.58	$46,497.72	$3,000.00	$102,000.00
33	Adjust Valve Frame & Cover to Finished Grade	EA	70	$1,400.00	$98,000.00	$1,200.00	$84,000.00	$861.74	$60,321.80	$1,750.00	$122,500.00
34	Remove Tree/Hedge	EA	1	$15,000.00	$15,000.00	$2,000.00	$2,000.00	$2,613.91	$2,613.91	$3,000.00	$3,000.00
35	Relocate Wrought Iron Fence	LF	29	$150.00	$4,350.00	$362.22	$10,504.38	$204.88	$5,941.52	$410.00	$11,890.00
36	Relocate Chain Link Fence	LF	37	$150.00	$5,550.00	$276.86	$10,243.82	$65.80	$2,434.60	$313.00	$11,581.00
37	Relocate Existing Bollard	EA	1	$1,500.00	$1,500.00	$1,100.00	$1,100.00	$587.93	$587.93	$1,700.00	$1,700.00
38	Install Pedestrian Barricade	EA	1	$3,000.00	$3,000.00	$1,050.00	$1,050.00	$1,380.00	$1,380.00	$1,195.00	$1,195.00
39	Install Roadside Sign	EA	8	$3,500.00	$28,000.00	$625.00	$5,000.00	$546.25	$4,370.00	$710.00	$5,680.00
40	Thermoplastic Traffic Stripe	LF	19,780	$5.00	$98,900.00	$1.00	$19,780.00	$1.97	$38,966.60	$1.80	$35,604.00
41	Thermoplastic Pavement Marking	SF	3,745	$12.00	$44,940.00	$9.00	$33,705.00	$13.43	$50,295.35	$11.00	$41,195.00
42	Decomposed Granite	SF	180	$8.00	$1,440.00	$10.00	$1,800.00	$11.87	$2,136.60	$56.00	$10,080.00
43	Relocate Mailbox	EA	2	$600.00	$1,200.00	$1,450.00	$2,900.00	$929.76	$1,859.52	$850.00	$1,700.00
44	Green Traffic Paint for Conflict Zones (MMA)	SF	4,870	$17.00	$82,790.00	$9.00	$43,830.00	$10.35	$50,404.50	$14.50	$70,615.00
	Total				$3,998,043.00		$3,462,283.50		$3,781,974.95		$3,879,885.00
						Lowest Responsible and Responsive Bidder					

AGREEMENT

FOR ROADS PROGRAM PUBLIC IMPROVEMENT PROJECT

Project No. 25-025 Package 1

Roads Program Capital Improvement Project

THIS PUBLIC IMPROVEMENT AGREEMENT (the "Agreement") is entered into by and between the CITY OF TURLOCK, a California municipal corporation ("City"), and Granite Construction Company, a California corporation ("Contractor"), on this ____ day of _____ 20__ (the "Effective Date"). City and Contractor may be collectively referred to herein as the "Parties" or individually as "Party." There are no other parties to this Agreement.

RECITALS

A. City seeks a duly qualified and licensed firm experienced in the construction of Project No. 25-025 Package 1 (the "Project").

B. The Project involves the expenditure of funds in excess of $5,000 and constitutes a "public project" pursuant to Public Contract Code section 20161.

C. Contractor has made a proposal to City to provide construction services, a copy of which is attached and incorporated hereto as Exhibit A (the "Services").

D. City has determined it is necessary and desirable to employ the services of Contractor to perform construction work on the Project.

E. City has taken appropriate proceedings to authorize construction of the Project and execution of this contract pursuant to Public Contract Code section 20160 et seq.; specifically, on May 26, 2026, at a duly noticed meeting of the City Council of the City of Turlock, this contract for the construction of the improvements hereinafter described was awarded to Contractor as the lowest responsive and responsible bidder for said improvements.

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. Contract Documents: This Agreement, together with the following documents, are collectively referred to herein as the "Contract Documents":

i. Notice to Bidders;
ii. Contractor's Bid or Proposal accepted by City;
iii. Special Provisions of the City of Turlock for Project No. 25-025 Package 1;
iv. Plans and detailed drawings prepared for this Project and approved by City ("Project Plans");
v. All bonds and insurance required by the Contract Documents;
vi. Any and all supplemental agreements amending, decreasing, or extending the work contemplated or which may be required to complete the work in a substantial and acceptable manner; and
vii. The current edition of the City of Turlock Standard Specifications and Drawings.

All of the Contract Documents are intended to incorporate the terms of the others so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The documents comprising the complete contract will hereinafter be referred to as the "Contract." In case of any dispute regarding the terms of the Contract, the decision of the City Engineer shall be final.

2. Term. The Contract shall be effective as of the Effective Date first stated above. Contractor shall not commence work on the Project until it has been given notice by City ("Notice to Proceed"). The Contract shall terminate one (1) year after City accepts Contractor's performance of the Services by recording a Notice of Completion with the County of Stanislaus Clerk Recorder (the "Term"), unless the Parties mutually agree in writing to terminate the Contract earlier or extend the Term in an agreed writing executed by both Parties.

3. Scope of Work.

(a) *Services.* Contractor shall perform the Services described in Exhibit A, subject to all terms and conditions in the Contract. Contractor shall not receive additional compensation for the performance of any Services not described therein.

(b) *Modification.* City, at any time, by written order, may make changes within the general scope of the work under this Agreement or issue additional instructions, require additional work or direct deletion of work. Contractor shall not proceed with any change involving an increase

or decrease in the Contract Price, as defined in Section 4 of this Agreement, without prior written authorization from City. Contractor shall not be entitled to compensation for the performance of any such unauthorized work. Contractor further waives any and all right or remedy by way of restitution or quantum meruit for any and all extra or changed work performed without express and prior written authorization of City. Notwithstanding the foregoing, Contractor shall promptly commence and diligently complete any change to the work subject to City's written authorization issued pursuant to this Section ; Contractor shall not be relieved or excused from its prompt commencement of diligent completion of any change subject to City's written authorization by virtue of the absence or inability of Contractor and City to agree upon the extent of any adjustment to the completion schedule or Contract Price on account of such change. The issuance of a change order pursuant to this Section 3 in connection with any change authorized by City shall not be deemed a condition precedent to Contractor's obligation to promptly commence and diligently complete any such change authorized by City hereunder. City's right to make changes shall not invalidate the Contract nor relieve Contractor of any liability or other obligations under the Contract. Any requirement of notice of changes in the scope of work to Contractor's surety shall be the responsibility of Contractor.

(c) *Specific Materials & Performance of Work.* Contractor shall furnish all tools, equipment, facilities, labor, and materials necessary to perform and complete, in good workmanlike manner, the work of general construction as called for and in the manner designated in, and in strict conformity with, the plans and specifications for said work entitled, "Special Provisions for **Project No. 25-025 Package 1**." The equipment, apparatus, facilities, labor, and material shall be furnished, and said work performed and completed as required by the Contract under the direction and supervision, and subject to the approval, of the City Engineer or City Engineer's designated agent.

(d) *Exhibits.* All "Exhibits" referred to below or attached hereto are, by this reference, incorporated into the Contract.

Exhibit Designation	Exhibit Title
1. Exhibit A	Scope of Services
2. Exhibit B	Payment by Force Account
3. Exhibit C	Workers' Compensation Insurance Certification
4. Exhibit D	Performance Bond
5. Exhibit E	Payment Bond

4. Contract Price. City shall pay, and Contractor shall accept in full payment for the work set forth above in Section 3, Scope of Work, an amount not to exceed **Three Million Four Hundred Sixty-Two Thousand Two Hundred Eighty-Three and 50/100ths Dollars ($3,462,283.50)** (the "Contract Price"). Said amount shall be paid pursuant to Section 8 of this Agreement. The Contract Price may only be changed by a contract change order. The value of any work covered by a contract change order for an adjustment in the Contract Price will be determined in the sole discretion of City as follows:

(a) If the work performed is on the basis of unit prices contained in the Contract Documents, the change order will be determined in accordance with the provisions in Section 4-1.05, "Changes and Extra Work", of the Caltrans Standard Specifications, as applicable; or

(b) If the work performed is not included on the engineer's estimate associated with a unit price, the change order will be by a mutually agreed lump sum; or

(c) If the change order is not determined as described above in either subdivision (a) or (b), the change order will be determined on the basis of force account in accordance with the provisions set forth in Exhibit B, "Payment by Force Account," attached hereto and incorporated herein by reference.

5. Time for Performance. The time fixed for the commencement of work under the Contract is within ten (10) working days after the Notice to Proceed has been issued. The work on this project, including all punch list items, shall be completed on or before the expiration of **ninety (90) working days (the "Completion Date")** beginning on the first day of work or no later than the tenth day after the Notice to Proceed has been issued.

(a) Right of City to Increase Working Days: If Contractor fails to complete the Services by the Completion Date, the City Engineer shall have the right to increase the number of working days in the amount the City Engineer may determine will best serve the interests of City, and if the City Engineer desires to increase said number of working days, the City Engineer shall have the further right to charge Contractor and deduct from the final payment for the work the actual cost of engineering, inspection, superintendence, and other overhead expenses which are directly chargeable to Contractor, and which accrue during the period of such extension, except that the cost of the final service and preparation of the final estimates shall not be included in such charges. No extension of time for completion of Services under the Contract shall be considered unless requested by Contractor at least twenty (20) calendar days prior to the Completion Date, in writing, to the City Engineer.

The Completion Date may only be changed by a contract change order. The value of any work covered by a contract change order for an adjustment in the Completion Date will be determined as follows:

i. Additional working days will be awarded where the amount of time is mutually agreed upon by Contractor and the City Engineer; or

ii. Additional working days will be awarded where Contractor is prevented from completing any part of the work identified on the critical path and:

1. where the delay is caused by acts of public enemy, fire, floods, tsunamis, earthquakes, epidemics, quarantine restrictions, strikes, labor disputes, shortage of materials and freight embargos, provided that Contractor shall notify Engineer in writing of the causes of delay within fifteen (15) days from the beginning of that delay; or

2. where the delay is caused by actions beyond the control of Contractor; or

3. where the delay is caused by actions or failure to act by the City Engineer.

Contractor shall not be entitled to an adjustment in the Completion Date for delays within the control of Contractor. Delays resulting from and within the control of a subcontractor or supplier of Contractor shall be deemed to be delays within the control of Contractor.

(b) Excusable Delays. Contractor shall not be in breach of the Contract in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, or explosions; natural disasters, such as floods, earthquakes, landslides, and fires; strikes, lockouts, and other labor disturbances; or other catastrophic events, which are beyond the reasonable control of Contractor. Force Majeure does not include Contractor's financial inability to perform, Contractor's failure to obtain any necessary permits or licenses from other governmental agencies, or Contractor's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of Contractor. If Contractor's performance of the Services is delayed by an excusable delay, the Completion Date shall be extended for such reasonable time as determined by the City Engineer. Extensions in time must be requested by Contractor within fifteen (15) calendar days of the excusable delay in order to receive consideration.

(c) Emergency - Additional Time for Performance - Procurement of Materials. If, because of war or other declared national emergency, the federal or state government restricts, regulates, or controls the procurement and allocation of labor or materials, or both, and if solely because of said restrictions, regulations or controls, Contractor is, through no fault of Contractor, unable to perform the Services, or the work is thereby suspended or delayed, any of the following steps may be taken:

i. City may, pursuant to resolution of the City Council, grant Contractor additional time for the performance of the Contract, sufficient to compensate in time, for delay or suspension.

   To qualify for such extension in time, Contractor within ten (10) days of Contractor's discovering such inability to perform, shall notify the City Engineer in writing thereof, and give specific reasons therefore; the City Engineer shall thereupon have sixty (60) days within which to procure such needed materials or labor as is specified in this agreement, or permit substitution, or provide for changes in the work in accordance with subdivision (b) of this Section.

   Substituted materials, or changes in the work, or both, shall be ordered in writing by the City Engineer, and the concurrence of the City Council shall not be necessary. All reasonable expenses of such procurement incurred by the City Engineer shall be defrayed by the Contractor; or

ii. If such materials or labor cannot be procured through legitimate channels within sixty (60) days after the filing of the aforesaid notice, either Party may, upon thirty (30) days' written notice to the other, terminate this agreement. In such event, Contractor shall be compensated for all work executed upon a unit basis in proportion to the amount of the work completed, or upon a cost-plus-ten-percent

(10%) basis, whichever is the lesser. Materials on the ground, in process of fabrication or in route upon the date of notice of termination specially ordered for the Project and which cannot be utilized by Contractor, shall be compensated for by City at cost, including freight, provided Contractor shall take all steps possible to minimize this obligation; or

iii. The City Council, by resolution, may suspend the Contract until the cause of inability to perform is removed for a period of not to exceed sixty (60) days.

If the Contract is not canceled, and the inability of Contractor to perform continues without fault on Contractor's part, beyond the time during which the Contract may have been suspended, as herein above provided, the City Council may further suspend the Contract, or either Party hereto may, without incurring any liability, elect to declare the Contract terminated upon the ground of impossibility of performance. In the event City declares this agreement terminated, such declaration shall be authorized by the City Council by resolution, and Contractor shall be notified in writing thereof within five (5) days after the adoption of such resolution. Upon such termination, Contractor shall be entitled to proportionate compensation at the Contract Price for such portion of the Contract as may have been performed; or

iv. City may terminate the Contract, in which case Contractor shall be entitled to proportionate compensation at the agreed rate for such portion of the Contract as may have been performed. Such termination shall be authorized by resolution of the City Council. Notice thereof shall be forthwith given in writing to Contractor, and the Contract shall be terminated upon receipt by Contractor of such notice.

In the event of the termination provided in this sub-paragraph (iv), none of the covenants, conditions or provisions hereof shall apply to the Services not performed, and City shall be liable to Contractor for the proportionate compensation last herein mentioned.

(d) Delay Damages. In the event Contractor, for any reason, fails to perform the Services to the satisfaction of the City Engineer by the Completion Date, City may, in accordance with Section 7203 of the Public Contract Code, in lieu of any other of its rights authorized by Section 6 of this agreement, deduct from payments or credits due Contractor after such breach a sum equal to **six thousand seven hundred and no/100ths Dollars ($6,700.00)** for each calendar day beyond the Completion Date. This deduction shall not be considered a penalty but shall be considered as delay damages. The aforementioned rate of deduction is an amount agreed to by the Parties as reasonably representing additional construction engineering costs incurred by City if Contractor fails to complete the Services by the Completion Date. However, any deduction assessed as delay damages shall not relieve Contractor from liability for any damages or costs resulting from delays to other contractors on the project or other projects caused by a failure of the assessed Contractor to complete the Services by the Completion Date. Due account shall be taken of any time extensions granted to Contractor by City. Permitting Contractor to continue work beyond the Completion Date shall not operate as a waiver on the part of City of any of its rights under the Contract nor shall it relieve Contractor from liability for

any damages or costs resulting from delays to other contractors on the project or other projects caused by a failure of the assessed Contractor to complete the Services by the Completion Date.

6. Termination.

(a) *Option of City to Terminate Contract for Failure to Complete Services.* If a Party should fail to perform any of its obligations hereunder within the time and in the manner herein provided, or otherwise violates any of the terms of the Contract (the "Defaulting Party"), the other Party shall give notice to the Defaulting Party and allow the Defaulting Party ten (10) days to correct such deficiency. If the Defaulting Party does not correct such deficiency, the other Party may immediately terminate the Contract by giving written notice of such termination, stating the reason for such termination. In such event, Contractor shall be entitled to receive payment for all Services satisfactorily rendered until such termination, provided, however, there shall be deducted from such amount the amount of damage, if any, sustained by virtue of any breach of the Contract by Contractor, including Delay Damages. If payment under the Contract is based upon a lump sum in total or by individual task, payment for Services satisfactorily rendered shall be an amount which bears the same ratio to the total fees specified in this Agreement as the Services satisfactorily rendered hereunder by Contractor to the total services otherwise required to be performed for such total fee, provided, however, that there shall be deducted from such amount the amount of damage, if any sustained by City by virtue of any breach of the Contract by Contractor. Upon termination, Contractor shall deliver copies of all Work Product, as defined in Section 19 of this Agreement, to City. If District terminates the Contract before Contractor commences any Services hereunder, City shall not be obligated to make any payment to Contractor.

(b) If Contractor should be adjudged bankrupt or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or if it or any of its subcontractors should violate any of the provisions of the Contract, City may serve written notice upon it and its surety of its intention to terminate the Contract. Such notice shall contain the reasons for City's intention to terminate the Contract, and unless such violations shall cease within five (5) calendar days after serving of such notice, the Contract shall cease and terminate upon the expiration of said five (5) calendar days. In the event of any such termination, City shall immediately serve written notice thereof upon the surety and Contractor, and the surety shall have the right to take over and perform the Contract; provided however, that, if the surety does not give City written notice of its intention to take over and perform the Contract or does not commence performance thereof within thirty (30) calendar days from the date of the service of such notice, City may take over the work and prosecute the same to completion by contract or any other method it may deem advisable, for the account and at the expense of Contractor, and Contractor and its surety shall be jointly liable to City for any excess cost occasioned City thereby, and in such event City may, without liability for so doing, take possession of and utilize in completing the work, such materials, appliances, and other property belonging to Contractor as may be on the Project site and necessary thereof.

7. Liability for Breach: Neither Party waives the right to recover direct damages against the other for breach of the Contract, including any amount necessary to compensate City for all detriment proximately caused by Contractor's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. City reserves the right to offset such damages against any payments owed to Contractor. City shall not, in any manner, be liable for special or consequential damages, including but not limited to Contractor's actual or projected lost profits had Contractor completed the Services required by the Contract. In the event of termination by either Party,

copies of all finished or unfinished Work Product, as defined in Section 19 of this Agreement, shall become the property of City. Notwithstanding the foregoing, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with the Contract or the Services performed in connection with the Contract.

8. Compensation:

City shall make payments to Contractor in accordance with the provisions of Section 9 of the City Standard Specifications in legally executed and regularly issued warrants of City, drawn on the appropriate fund or funds as required by law and order of the City Council thereof. Contractor shall be administered a progress payment approximately every thirty (30) calendar days from the time work begins according to the payment schedule furnished by the City Engineer at the time work begins. Contractor shall provide access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Contractor's charges to City under this Contract.

Monthly progress payments in the amount of 95 percent (95%) of the value of the work will be made to Contractor based on the Contractor's estimate and the schedule of prices contained in the accepted bid. The remaining 5 percent (5%) will be retained by City as partial security for the fulfillment of the Contract except that at any time after 50 percent (50%) of the work has been completed, if the City Engineer finds that satisfactory progress is being made and the Project's critical path of work are on schedule, City may discontinue any further retention. Such discontinuance will only be made upon the written request of Contractor. City may, at any time the City Engineer finds that satisfactory progress is not being made, again institute retention of 5 percent (5%) as specified above. Payment will be made as soon as possible after the preparation of the Contractor's estimate. City shall pay the remaining 5 percent (5%) of the value of the Services completed under this Contract, if unencumbered by retentions for claims, not sooner than the expiration of thirty-five (35) calendar days from the date of recordation of the Notice of Completion, pursuant to Section 2 of this agreement, and not later than sixty (60) days from the "completion" of the Services as said term is defined in Public Contract Code section 7107(c).

No estimate or payment shall be made if, in the judgment of the City Engineer, the work is not proceeding in accordance with the provisions of the Contract, or when, in his judgment, the total value of the work done since the last estimate amounts to less than $1,000. No progress payments will be made if the time allotted for the job is thirty (30) working days or less. Payment of any progress payment, or the acceptance thereof by Contractor, shall not constitute acceptance of the work performed under this Contractor, or any portion thereof, and shall in no way reduce the liability of Contractor to replace unsatisfactory work or materials, though the unsatisfactory character of such work or materials may not have been apparent or detected at the time such payment was made.

Additionally, as a precondition to City's progress payments hereunder, Contractor shall provide to City, prior to payment, unconditional waivers and releases of stop notices pursuant to Civil Code section 8128 et seq. from each subcontractor and materials supplier. The form of said waivers and releases shall be as set forth in Civil Code section 3262(d)(2).

Pursuant to Public Contract Code section 22300 et seq., Contractor may request the right to substitute securities for any moneys withheld by City to ensure the performance required of Contractor under the

Contract, or that City make payment of retentions earned directly into an escrow account established at the expense of Contractor.

9. Disputes Pertaining to Payment for Work:

Should any dispute arise respecting the true value of any work performed, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of the Contract, such dispute shall be decided by the City Engineer, and the decision of the latter shall be final and conclusive. The Parties agree to comply with the claims resolution procedures set forth in Public Contract Code section 9204 when applicable.

(a) *Claims Processing.* Any submission of a claim by Contractor must comply with the requirements of Public Contract Code section 9204. Upon receipt of a claim pursuant to this section, City shall conduct a reasonable review of the claim and, within a period not to exceed forty-five (45) days, shall provide Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, the Parties may, by mutual agreement, extend the time period provided in this subdivision. Contractor shall furnish reasonable documentation to support the claim. Any payment due on an undisputed portion of the claim shall be processed and made within sixty (60) days after City issues its written statement. If Contractor disputes City's written response, or if City fails to respond to a claim issued pursuant to this section within the time prescribed, Contractor may demand in writing an informal conference to meet and confer for settlement of the issues in dispute.

(b) *Meet-and-Confer Conference.* Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, City shall schedule a meet-and-confer conference within thirty (30) days for settlement of the dispute. Within ten (10) business days following the conclusion of the meet-and-confer conference, if the claim or any portion of the claim remains in dispute, City shall provide the claimant a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within sixty (60) days after the City issues its written statement.

(c) *Nonbinding Mediation.* Any disputed portion of the claim, as identified by Contractor in writing, shall be submitted to nonbinding mediation, with the Parties sharing the associated costs equally. The Parties shall mutually agree to a mediator within ten (10) business days after the disputed portion of the claim has been identified in writing. If the Parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject judicial review pursuant to Section 23 of this Agreement.

Notwithstanding any claim, dispute, or other disagreement between the Parties regarding performance under the Contract, the scope of work hereunder, or any other matter arising out of or related to, in any manner, the Contract, Contractor shall proceed diligently with performance of the Services in accordance with City's written direction, pending any final determination or decision regarding any such claim, dispute, or disagreement.

10. Permits and Care of Work:

Contractor shall, at Contractor's expense, obtain all necessary permits and licenses for the construction of each improvement, give all necessary notices and pay all fees and taxes required by law, except those City fees set forth in Section 1 of the Special Provisions. Contractor has examined the Project site and is familiar with its topography and condition, location of property lines, easements, building lines, and other physical factors and limitations affecting the performance of the Contract. Contractor, at Contractor's expense, shall obtain any permission necessary for any operations conducted off the property owned or controlled by City. Contractor shall be responsible for the proper care and protection of all materials delivered and work performed until completion and final acceptance.

11. Public Works and Payment of Prevailing Wage:

(a) *Monitoring and Enforcement.* In accordance with the provisions of Sections 1725.5, 1771.1, 1771.3, and 1771.4 of the Labor Code, all work performed under the Contract is subject to compliance monitoring and enforcement by the Department of Industrial Relations ("DIR"). All work performed by Contractor or its subcontractors under the Contract is subject to the requirements of Labor Code section 1720 et seq. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 of the Labor Code at the time the contract is awarded. Contractor and its subcontractors shall furnish the records specified in Section 1776 of the Labor Code directly to the Labor Commissioner, at least monthly, in the format prescribed by the Labor Commissioner.

In accordance with the provisions of Section 1773.3 of the Labor Code, City shall provide notice to DIR of the award of this Contract within thirty (30) working days of the award. The notice shall be transmitted electronically in a format specified by DIR and shall include the name of Contractor, any subcontractor listed on the successful bid, the bid and contract award dates, the contract amount, the estimated start and completion dates, Project location, and any additional information DIR specifies that aids in the administration and enforcement of Section 1720 et seq. of the Labor Code.

(b) *Wages & Hours of Employment*: In the performance of the Services under the Contract, eight (8) hours shall be the maximum hours of labor on any calendar day, and the minimum wages of compensation of persons performing labor in the execution of this agreement shall be the current prevailing scale of wages determined by DIR for the community. Contractor shall forfeit as penalty Twenty-five and no/100ths Dollars ($25.00) to be paid to City for each workman employed in the execution of the Contract by Contractor or its subcontractor(s), for each calendar day during which any workman is required or permitted to labor more than eight (8) hours, in violation of provisions of Labor Code section 1810 et seq. Contractor shall post prevailing wage rates at the Project no later than the first day Contractor commences performance of the Services under the Contract.

12. Superintendence by Contractor: Contractor shall give personal superintendence to the work on the Project or have a competent foreman or superintendent satisfactory to the City Engineer on the Project at all times during construction and performance of work under the Contract, with authority to act for Contractor.

13. Inspection and Testing by City: Contractor shall at all times maintain proper facilities and provide safe access for inspection by City to all parts of the work performed on the Project and to the shops wherein the work is in preparation. Contractor shall notify City with sufficient time in advance

of the manufacture of production materials to be supplied by Contractor under the Contract in order for City to arrange for mill or factory inspection and testing of same. Any materials shipped by Contractor from factory prior to having satisfactorily passed such testing and inspection by City's representative or prior to the receipt of notice from such representative that such testing and inspection will not be required shall not be incorporated on the Project. Contractor shall also furnish to City, in triplicate, certified copies of all factory and mill test reports upon request.

14. Conformity with Law and Safety: Contractor shall observe and comply with all applicable laws, ordinances, codes, and regulations of governmental agencies, including federal, state, municipal, and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the American with Disabilities Act, any copyright, patent, or trademark law, and all other applicable federal, state, municipal, and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. All Services performed by Contractor or its subcontractors must be in accordance with these laws, ordinances, codes, and regulations. Contractor's failure to comply with any laws, ordinances, codes, or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of the Contract, Contractor shall immediately notify City's risk manager by telephone. If any accident occurs in connection with the Contract, Contractor shall promptly submit a written report to City, in such form as City may require. This report shall include the following information: (a) name and address of the injured or deceased person(s); (b) name and address of Contractor's subcontractor, if any; (c) name and address of Contractor's liability insurance carrier; and (d) a detailed description of the accident, including whether any of City's equipment, tools, or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of the Contract, Contractor shall immediately notify City. Contractor shall not store hazardous materials or hazardous waste within City limits without a proper permit from City.

15. Other Contracts: City may award other contracts for additional work on the Project, and Contractor shall fully cooperate with such other contractors and carefully fit Contractor's own work to that provided under other contracts as may be directed by the City Engineer. Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor.

16. Bonds: Concurrently with the execution hereof, Contractor shall furnish, on the forms provided herein as **Exhibits D and E**, respectively, corporate surety bonds to the benefit of City, issued by a surety company acceptable to City and authorized and admitted to do business in the state of California, as follows:

(a) Faithful Performance Bond. In an amount equal to at least one hundred percent (100%) of the Contract Price as security for the faithful performance of the Contract. The bond shall contain a provision that the surety thereon waives the provisions of Sections 2819 and 2845 of the Civil Code.

(b) Payment Bond. In an amount equal to at least one hundred percent (100%) of the Contract Price as security for the payment of all persons performing labor and furnishing materials in connection with the Contract. The bond shall be in accordance with the provisions of Sections 3225, 3226, and 3247 through 3252, inclusive, of the Civil Code and Section 13020 of the Unemployment Insurance Code of California. Said bond shall also contain a provision that the surety thereon waives the provisions of Sections 2819 and 2845 of the Civil Code.

The surety companies shall familiarize themselves with all provisions and conditions of the Contract. It is understood and agreed that the surety or sureties waive the right of special notification of any modification or alterations, omissions or reductions, extra or additional work, extensions of time, or any other act or acts by City or its authorized agents under the terms of this Contract and failure to so notify the surety or sureties of such changes shall in no way relieve the surety or sureties of their obligations under the Contract.

17. Indemnification:

(a) *Indemnity for Professional Liability*. When the law establishes a professional standard of care for Contractor's Services, to the fullest extent permitted by law, Contractor shall indemnify, protect, defend, and hold harmless City and any and all of its elective and appointive boards, officers, officials, agents, employees or volunteers ("City's Agents") from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs but only to the extent Contractor or its subcontractors are responsible for such damages, liabilities and costs on a comparative basis of fault between Contractor or its subcontractors and City in the performance of professional services under the Contract. Contractor shall not be obligated to defend or indemnify City for City's own negligence or for the negligence of others.

(b) *Indemnity for other than Professional Liability.* Other than in the performance of professional services and to the full extent permitted by law, Contractor shall indemnify, defend, and hold harmless City and any and City's Agents from and against any liability, including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees, where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of the Contract by Contractor or by any individual or agency for which Contractor is legally liable, including, but not limited to, officers, agents, employees, or subcontractors of Contractor.

18. Contractor's Insurance: Concurrently with the execution hereof, Contractor shall furnish City with satisfactory proof of carriage of the insurance required under this section, and that Contractor shall give City at least thirty (30) days prior notice of the cancellation of any policy during the Term of this contract. Contractor shall not commence work under this Agreement until Contractor has obtained City's approval regarding all insurance requirements, forms, endorsements, amounts, and carrier ratings, nor shall Contractor allow any subcontractor to commence work on a subcontract until all similar insurance required of the subcontractor shall have been so obtained and approved. Contractor shall procure and maintain for the duration of the Contract insurance against claims for injuries to

persons or damages to property which may arise from or in connection with the performance of the Services hereunder by Contractor, its agents, representatives, employees or subcontractors. Failure to maintain or renew coverage or to provide evidence of renewal may constitute a material breach of the Contract. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to City. The City of Turlock shall be named as a certificate holder.

(a) *General Liability Insurance*. Contractor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than Two Million Dollars ($2,000,000.00) per occurrence, Four Million Dollars ($4,000,000.00) general aggregate, and Two Million Dollars ($2,000,000.00) products and completed operations aggregate for bodily injury, personal injury, and property damage, including, without limitation, blanket contractual liability and coverage for explosion, collapse, and underground property damage hazards. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled. Contractor's general liability policies shall be primary and not seek contribution from City's coverages and be endorsed using Insurance Services Office form CG 20 10 to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction contracts, an endorsement providing completed operations to the additional insured, ISO form CG 20 37, is also required. The policy shall contain, or be endorsed to contain, the following provisions:

(1) City, its elective and appointive boards, officers, agents, employees, and volunteers are to be covered as additional insureds with respect to liability arising out of work or operations performed by or on behalf of Contractor, including materials, parts or equipment furnished in connection with such work or operations, which coverage shall be maintained in effect for at least three (3) years following the completion of the work specified in the Contract. General liability coverage can be provided in the form of an endorsement to Contractor's insurance (at least as broad as CG 20 10 for ongoing operations and CG 20 37 for products/completed operations for construction services), or as a separate Owners and Contractors Protective Liability policy providing both ongoing operations and completed operations coverage.

(2) For any claims related to the Project, Contractor's insurance coverage shall be primary insurance as respects City and any insurance or self-insurance maintained by City shall be excess of Contractor's insurance and shall not contribute with it.

(3) In the event of cancellation, non-renewal, or material change that reduces or restricts the insurance coverage afforded to City under the Contract, the insurer, broker/producer, or Contractor shall provide City with thirty (30) days' prior written notice of such cancellation, non-renewal, or material change.

(4) Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

(b) *Workers' Compensation Insurance*. Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million

Dollars ($1,000,000.00) each accident or disease. Contractor shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

(c) *Commercial Automobile Liability Insurance.* Contractor shall maintain automobile liability using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than Two Million Dollars ($2,000,000.00) each accident—for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If Contractor owns no vehicles, this requirement may be met through a non-owned auto coverage or an endorsement to the CGL policy.

(d) *Builder's Risk Insurance.* {Intentionally Omitted}

(e) *Installation Floater Insurance*. {Intentionally Omitted}

(f) *Contractors Pollution Insurance*. Pollution Coverage shall be maintained on a Contractors Pollution Liability form, or other form acceptable to City, providing coverage for liability arising out of sudden, accidental, and gradual pollution and remediation. The policy limit shall be no less than Two Million Dollars ($2,000,000.00) per claim. All activities contemplated in the Contract shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the Project site to the final disposal location, including non-owned disposal sites.

(g) *Professional Liability Insurance*. Contractor shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with the Contract, in the minimum amount of Two Million Dollars ($2,000,000.00) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement, and Contractor agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by the Contract.

(h) *Umbrella or Excess Policy.* Contractor may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Contractor's primary and excess liability policies are exhausted.

(i) *Deductibles and Self-Insured Retentions*. Upon request of City, any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City and City's Agents; or (2) Contractor shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

(j) *Acceptability of Insurers*. Insurance is to be placed with insurers admitted in California with a current A.M. Best's rating of no less than A-:VII or with an insurer to which City has provided prior approval.

(k) *Verification of Coverage*. Contractor shall furnish City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this Section 18. All certificates and endorsements are to be received and approved by City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive Contractor's obligation to provide them. City reserves the right, at any time, to require complete, certified copies of all required insurance policies and endorsements.

(l) *Waiver of Subrogation*. With the exception of professional liability, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Contractor, its agents, employees, independent contractors and subcontractors. Contractor shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Contractor agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

(m) *Subcontractors*. Contractor shall ensure all subcontractors furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

19. Ownership of Work Product: Any and all work, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, designs, specifications, drawings, diagrams, surveys, source codes, professional or technical information or data, photographs, notes, letters, emails, or any original works of authorship created by contractor or its subcontractors or subcontractors in connection with Services performed under the Contract ("Work Product") shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of City. In the event that it is ever determined that any Work Product created by Contractor or its subcontractors or subcontractors under the Contract are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such Work Product to City. With the prior written approval of the City Engineer, Contractor may retain and use copies of such Work Product for reference and as documentation of its experience and capabilities.

All Work Product shall become the property of City irrespective of where located or stored and Contractor agrees to deliver all such documents and information to City, without charge and in whatever form it exists, upon the Completion Date, as may be extended. Contractor shall have no ownership interest in such Work Product.

All Work Product of Contractor under the Contract, including written information which City will cause to be distributed for either internal or public circulation, including both preliminary and final drafts, shall be delivered to City in both printed and electronic form, or as may be specific in Exhibit A.

When the Contract is terminated, Contractor agrees to return to City all documents, drawings, photographs, and other written or graphic material, however produced, that it received from City or City's Agents, in connection with the performance of its Services under the Contract. All materials shall be returned in the same condition as received.

20. Taxes: Payment of any taxes, including California sales and use taxes, levied upon the Contract, the transaction, or the Services or goods delivered pursuant hereto, shall be the obligation of Contractor. Contractor shall cooperate with City to the full extent possible to maximize the local allocation of California sales and use tax to City. Such cooperation shall include, but not be limited to:

(a) *Use Tax Direct Payment Permits.* Contractor shall apply for, obtain, and utilize, to the maximum extent reasonable, a California Use Tax Direct Payment Permit.

(b) *Purchases of $500,000 or More.* Contractor shall require vendors and suppliers located outside California from whom Contractor makes purchases of $500,000 or more to allocate the use tax to City.

21. Independent Contractor: At all times during the Term of the Contract, Contractor shall be deemed to be an independent contractor and shall be wholly responsible for the manner in which Contractor performs the Services required under the Contract. Contractor shall be liable for its acts and omissions, and those of its employees, contractors, subcontractors, representatives, volunteers, and its agents. Nothing contained herein shall be construed as creating an employment, agency, or partnership relationship between City and Contractor. City shall have the right to control Contractor only insofar as the result of Contractor's Services rendered pursuant to the Contract; however, City shall not have the right to control the means by which Contractor accomplishes Services rendered pursuant to the Contract.

22. Contractor Not Agent: Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to the Contract to bind City to any obligation whatsoever.

23. Arbitration of Disputes: All claims, disputes, and other matters in question between City and Contractor arising out of, or relating to, this Contract or the breach thereof, including claims of Contractor for extra compensation of Services related to the project, shall be decided by arbitration before a single arbitrator in accordance with the provisions of Sections 1281 through 1284.2 of the Code of Civil Procedure (the "Arbitration Laws") unless the Parties mutually agree otherwise. The provisions of Section 1283.05 of the Arbitration Laws apply to any arbitration proceeding except as otherwise provided in the Contract. The arbitrator shall have authority to decide all issues between

the Parties including, but not limited to, claims for extras, delay, and liquidated damages, if any, provided for the Contract, matters involving defects in the Services performed by Contractor or its subcontractors, rights to payment, and whether the necessary procedures for arbitration have been followed. The award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable law in any court having competent jurisdiction thereof.

Notice of the demand for arbitration shall be filed in writing with the other Party. The demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

The parties shall jointly appoint an arbitrator within fifteen (15) calendar days of the date of giving the notice of the demand for arbitration. If the Parties are unable to jointly agree upon the appointment of an arbitrator within said fifteen (15) calendar day period, and do not agree in writing to extend said period for a fixed period, then either Party may seek to have the arbitrator appointed by the Superior Court of Stanislaus County in accordance with the Arbitration Laws.

If any proceeding is brought to contest the right to arbitrate and it is determined that such right exists, the losing Party shall pay all costs and attorney's fees incurred by the prevailing Party.

In addition to the other rules of law which may be applicable to any arbitration hereunder, the following shall apply:

(a) Promptly upon the filing of the arbitration, each Party shall be required to set forth in writing and to serve upon each other Party a detailed statement of its contentions of fact and law.

(b) All Parties to the arbitration shall be entitled to the discovery procedures provided under Section 1283.05 of the California Code of Civil Procedure.

(c) The arbitration shall be commenced and conducted as expeditiously as possible consistent with affording reasonable discovery as provided herein.

(d) These additional rules shall be implemented and applied by the arbitrator.

The costs of arbitration shall be borne by the Parties as determined by the arbitrator, but each Party shall bear its own attorney's fees associated with the dispute with the other Party and to the arbitration.

All administrative remedies required under Section 9 of this Agreement or pursuant to Public Contract Code section 9204, or required by any other law, shall be exhausted prior to commencement of any arbitration under this Section 23.

24. Provisions Cumulative:
The provisions of the Contract are cumulative, and in addition to and not in limitation of, any other rights or remedies available to City.

25. Notices: All notices shall be in writing and delivered in person or transmitted by certified mail, postage prepaid. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below.

If to City:	**City of Turlock** **Attn: Christopher Fisher, Municipal Services Director** **156 S. Broadway, Suite 150** **Turlock, CA 95380-5461**
With courtesy copies to:	**City of Turlock, City Attorney's Office** **Attn: Katie O. Lucchesi, City Attorney** **156 S. Broadway, Suite 230** **Turlock, CA 95380-5456**
If to Contractor:	Granite Construction Company 2716 Granite Court Fresno, CA 93706
If to Contractor's Sureties:	_____ _____ _____ _____

26. City Contract Administrator: The City's contract administrator and contact person for this Agreement is:

Fred Pezeshk, PE
City of Turlock, Roads Program Manager
156 S. Broadway, Suite 150
Turlock, California 95380-5461
Telephone: (209) 668-5520
E-mail: fpezeshk@turlock.ca.us

27. Interpretation: As used herein, any gender includes each other gender, the singular includes the plural and vice versa.

28. Antitrust Claims: Contractor or its subcontractors offer and agree to assign to City all rights, title, and interest to any causes of action under Section Four of the Clayton Act and the Cartwright Act concerning antitrust claims.

29. Use of City Project Number: Contractor or its subcontractors agree to use the aforementioned City project number on all maps, drawings, submittals, billing, and written correspondence that involve City staff or contracted consultants. Nothing in this section shall preclude Contractor or its subcontractors from using their own project numbers for their own internal use.

30. No Conflict of Interest: Contractor represents that no conflict of interest will be created under state or federal law by entering into or in carrying out the Contract.

31. Confidentiality: Contractor understands and agrees that, in the performance of Services under the Contract, or in the contemplation thereof, Contractor may have access to private or confidential

information that may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City ("Confidential Information"). Contractor shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of City. If City gives Contractor written authorization to make any such disclosure, Contractor shall do so only within the limits and to the extent of that authorization. Contractor may be directed or advised by the City Attorney on various matters relating to the performance of Services on the Project or on other matters pertaining to the Project, and in such event, Contractor agrees that it will treat all communications between itself, its employees, and its subcontracts as being communications which are within the attorney-client privilege.

32. Modification. No alteration, amendment, modification, or termination of the Contract shall be valid unless made in writing and executed by all Parties to the Contract.

33. Waiver: No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

34. Assignment: No Party to the Contract shall assign, transfer, or otherwise dispose of this Agreement in whole or in party to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the foregoing provisions, the Contract shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties hereto.

35. Authority: All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, person, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into the Contract have been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

36. Governing Law: The Contract shall be governed and construed in accordance with the laws of the state of California.

37. Severability: If the Contract in its entirety is determined by an arbitrator or a court of competent jurisdiction to be invalid or unenforceable, the Contract shall automatically terminate as of the date of final entry of judgment. If any provision of the Contract shall be determined to be invalid and unenforceable, or if any provision of the Contract is rendered invalid or unenforceable according the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

38. Execution and Counterparts: This Agreement may be executed simultaneously and, in several counterparts, each of which shall be deemed an original but together shall constitute one and the same instrument. The parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on

this Agreement or such other documents are the same as handwritten signature for the purposes of validity, enforceability, and admissibility.

39. Mandatory and Permissive: "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

40. Headings: Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

41. Attorney's Fees and Costs: Except as expressly provided for in Section 23 of this Agreement, if any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret the provisions of the Contract, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

42. Necessary Acts and Further Assurances: The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of the Contract.

43. Recitals: The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Section 1 through 43 of this Agreement, Sections 1 through 43 shall prevail.

[*Signatures on Following Page*]

CONTRACTOR

By: _____

_____
Print Name

Address:_____
_____
_____
Phone: _____

Date: _____

Federal Tax ID or Social Security No:

_____

DIR Registration Number:

_____

Affix Contractor's Seal Here

CITY OF TURLOCK, a municipal corporation

By: _____
Gary R. Hampton, Interim City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
Christopher Fisher, Municipal Services Director

APPROVED AS TO FORM:

By: _____
Katie O. Lucchesi, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

EXHIBIT A
SCOPE OF SERVICES

BIDDING FORM

City of Turlock is hereinafter called the Owner.

BIDDER: Granite Construction Company

The work to be done and referred to herein is in City of Turlock and in Stanislaus County, State of California. It is shown on a set of Plans, entitled: **"City of Turlock Construction Plans for Roads Program Capital Improvement Project Number 25-025 Package 1"** and is to be constructed in accordance with the Project Specifications and contract documents attached hereto by reference.

In submitting this Bid, Bidder represents, as set forth in the Agreement, that:

A. Bidder has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents and the following Addenda, receipt of all which is hereby acknowledged.

Addendum No.	Addendum Date
1	5/4/2026

B. Bidder has visited the Site and became familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

The undersigned, as Bidder, declares that the only persons, or parties interested in this proposal as principals are those named herein, that this proposal is made without collusion with any other person, firm or corporation; that he has carefully examined the location of the proposed work, the Plans and Specifications referred to, the referenced proposed contract, and the Bidder proposes and agrees that, if this proposal is accepted, he will contract with the Owner to provide all necessary machinery, tools, apparatus and other means of construction, and to do all the work and furnish all the materials specified in the contract in the manner and time therein prescribed, and according to the requirements as therein set forth, and that he will take in full payment therefor the following unit prices as set forth in the Bid Schedule below.

CITY OF TURLOCK

Project No. 25-025 Package 1
Roads Program Capital Improvement Project

BID SCHEDULE

Item	Description	Quantity	Unit	Unit Price	Total
	General				
1.	Mobilization	1	LS	$345,000.00	$345,000.00
2.	Remove and Replace Monument	23	EA	$1,600.00	$36,800.00
3.	Traffic Control	1	LS	$171,000.00	$171,000.00
4.	Portable Changeable Message Signs	6	EA	$5,850.00	$35,100.00
5.	Construction Funding Signs	10	EA	$1,200.00	$12,000.00
6.	Jobsite Management	1	LS	$5,000.00	$5,000.00
7.	Storm Water Pollution Prevention Plan (SWPPP) - Preparation and Implementation	1	LS	$1,950.00	$1,950.00
8.	Erosion and Dust Control BMPs	1	LS	$15,000.00	$15,000.00
9.	Construction Staking	1	LS	$11,300.00	$11,300.00
10.	Pothole Existing Utilities	1	LS	$60,000.00	$60,000.00
11.	Video Sewer and Storm Drain Video	1	LS	$50,000.00	$50,000.00
12.	Clearing and Grubbing	1	LS	$130,000.00	$130,000.00
13.	Unsuitable Material	458	CY	$141.00	$64,578.00
14.	Roadway Excavation (F)	1,382	CY	$70.00	$96,740.00
15.	Cold Plane Asphalt Concrete Pavement	25,821	SY	$3.30	$85,209.30
16.	Remove Concrete Curb & Gutter	594	LF	$18.00	$10,692.00
17.	Remove Concrete Flatwork	3,149	SF	$6.50	~~$20,468.50~~ $20,462.50

Item	Description	Quantity	Unit	Unit Price	Total
18.	HMA (Type A)	10,007	TON	$112.00	$1,120,784.00
19.	Full depth Reclamation-Cement	23,051	SY	$15.25	$351,527.75
20.	Cement (Full-Depth Reclamation-Cement)	370	TON	$195.00	$72,150.00
21.	Mix Design (Full-Depth Reclamation-Cement)	1	LS	$9,500.00	$9,500.00
22.	Slurry Backfill Over Shallow Utility	2,075	LF	$105.00	$217,875.00
23.	Minor Concrete (Curb Ramp)	1,477	SF	$14.75	$21,785.75
24.	Minor Concrete (Curb and Gutter)	1,181	LF	$77.00	$90,937.00
25.	Minor Concrete (Wedge Curb)	124	LF	$79.00	$9,796.00
26.	Minor Concrete (Sidewalk)	5,680	SF	$9.25	$52,540.00
27.	Minor Concrete (Driveway)	850	SF	$22.00	$18,700.00
28.	Commercial Drive Approach	475	SF	$39.00	$18,525.00
29.	Detectable Warning Surface	213	SF	$44.00	$9,372.00
30.	Install Sanitary Sewer Manhole	1	EA	$15,000.00	$15,000.00
31.	Install 24" PVC Sanitary Sewer Pipe	66	LF	$340.00	$22,440.00
32.	Adjust Manhole Frame & Cover to Finished Grade	34	EA	$1,900.00	$64,600.00
33.	Adjust Valve Frame & Cover to Finished Grade	70	EA	$1,200.00	$84,000.00
34.	Remove Tree/Hedge	1	EA	$2,000.00	$2,000.00
35.	Relocate Wrought Iron Fence	29	LF	$362.22	$10,504.38
36.	Relocate Chain Link Fence	37	LF	$276.86	$10,243.82
37.	Relocate Existing Bollard	1	EA	$1,100.00	$1,100.00
38.	Install Pedestrian Barricade	1	EA	$1,050.00	$1,050.00
39.	Install Roadside Sign	8	EA	$625.00	$5,000.00

Item	Description	Quantity	Unit	Unit Price	Total
40.	Thermoplastic Traffic Stripe	19,780	LF	$1.00	$19,780.00
41.	Thermoplastic Pavement Marking	3,745	SF	$9.00	$33,705.00
42.	Decomposed Granite	180	SF	$10.00	$1,800.00
43.	Relocate Mailbox	2	EA	$1,450.00	$2,900.00
44.	Green Traffic Paint for Conflict Zones (MMA)	4,870	SF	$9.00	$43,830.00
				TOTAL BID	~~$3,462,500.00~~ MH 3,462,283.50

(F) denotes final pay item per Section 9-1.02C of the State Standard Specifications.

COMPANY'S NAME: Granite Construction Company

BY: Matt Hall, Chief Estimator

ADDRESS: 2716 Granite Court
(Number) (Street)

Fresno, CA 93706
(City) (State) (ZIP)

CONTRACTOR'S PHONE #: 559-441-5700

NOTE: CONTRACTOR WILL BE REQUIRED TO LIST THEIR LICENSE NUMBER, EXPIRATION DATE, AND APPROPRIATE STATEMENT REGARDING PERJURY AND SIGNED BY INDIVIDUAL AUTHORIZED TO DO SO. FAILURE TO INCLUDE THE ABOVE ITEMS MAY CAUSE SAID CONTRACTOR'S BID TO BE REJECTED.

A-General Engineering Contractor:

Granite Construction Company, Contractor's License # 89, Class A, B
(Company's Name)

Expires 5/31/2027. DIR #: 1000000085

This information is true, is provided as per Section 7028.15 of the Business and Professions Code, and is made herein under penalty of perjury.

X _____ 5/8/2026
(Bidder's Signature) Matt Hall, Chief Estimator (Date)

GRANITE CONSTRUCTION COMPANY CALIFORNIA SEAL CORPORATE January 4, 1922

10

If the proposal is accepted and the undersigned shall fail to contract as aforesaid and fail to file with the City insurance certificates as required by said contract, within fourteen (14) days after the bidder has received notice from the City Engineer or his representative of the City of Turlock that the contract has been awarded to bidder and is ready for signature, the City of Turlock may, at its option, determine that the bidder has abandoned his contract, and thereupon this proposal and the acceptance thereof shall be null and void.

Also accompanying this proposal is an affidavit of non collusion and questionnaire to general contractors, a statement of proposed sub contractors, if any, the address of mill, shop or office of any sub contractor, and a statement of work to be performed by sub contractors.

The names and addresses of persons interested in the foregoing proposal as principals are as follows:

(**IMPORTANT NOTICE**: If bidder or other interested person is a corporation, state legal name of corporation, also names of the president, secretary, treasurer, and manager thereof; if a partnership, state true name of firm, also names of all individual co partners composing firm; if bidder or other interested person is an individual, state first and last name in full.)

Licensed in accordance with an act providing for the registration of Contractors,
License No. 89 Expiration Date 5/31/2027.

DATED: May 8, 2026

Address: 2716 Granite Court, Fresno, CA 93706

Phone: 559-441-5700

X _____
Signature of Bidder Matt Hall, Chief Estimator

GRANITE CONSTRUCTION COMPANY CALIFORNIA SEAL January 1922

NOTE: If bidder is a corporation, the legal name of the corporation shall be set forth above together with the signature of the officers authorized to sign contracts on behalf of the corporation; if bidder is a co partnership, the true name of the firm shall be set forth above together with the signature of the partner or partners authorized to sign contracts in behalf of the co partnership; and, if bidder is an individual, his signature shall be placed above. If a signature is by an agent other than an officer of a corporation or a member of the partnership, a Power of Attorney must be on file with the City Clerk prior to opening or submitted with the bid; otherwise, the bid will be disregarded as irregular and unauthorized.

AFFIDAVIT

The undersigned bidder, being first duly sworn, deposes and says that he/she are the party making the foregoing proposal or bid, that this bid is genuine and not collusive or sham, that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any other person or bidder, to put in a sham bid, or that said other person shall refrain from bidding, and has not in any manner sought by collusion to secure any advantage against the said City or any person interested in said improvement, for him/herself or any other person.

X _____

Signature of Bidder Matt Hall, Chief Estimator

GRANITE CONSTRUCTION COMPANY CORPORATE SEAL January 4, 1922 CALIFORNIA

Jurat (Government Code Section 8202)

State of California

County of Fresno

Subscribed and sworn to (or affirmed) before me on this 6 day of May, 2026

by Matt Hall proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(AFFIX SEAL)

Samnang Ngeth
NOTARY PUBLIC SIGNATURE

Samnang Ngeth
NOTARY PUBLIC PRINTED NAME

SAMNANG NGETH
Notary Public - California
Fresno County
Commission # 2444739
My Comm. Expires Apr 20, 2027

EXHIBIT B
PAYMENT BY FORCE ACCOUNT

For work paid by force account, the City Engineer compares City's records to Contractor's daily force account work report. When the City Engineer and Contractor agree on the contents of the daily force account work reports, the City Engineer accepts the report and City pays for the work. If the records differ, City pays for the work based only on the information shown on City's records. If a subcontractor performs work at force account, work paid at force account will be accepted at an additional 2 percent (2%) markup to the total cost of that work, including markups, as reimbursement for additional administrative costs. The markups specified in labor, materials, and equipment includes compensation for all delay costs, overhead costs, and profit. If an item's unit price is adjusted for work-character changes, City excludes Contractor's cost of determining the adjustment. Payment for owner-operated labor and equipment is made at the market-priced invoice submitted.

A. Labor. Labor payment is full compensation for the cost of labor used in the direct performance of the work plus a fifteen percent (15%) markup, as set forth below, and consistent with California Labor Code section 1770 et seq. Force account labor payment consists of:

1. Employer payment to the worker for:

    1.1 Basic hourly wage
    1.2 Health and welfare
    1.3 Pension
    1.4 Vacation
    1.5 Training
    1.6 Other State and federal recognized fringe benefit payments

2. Labor surcharge percentage in *Labor Surcharge and Equipment Rental Rates* current during the work paid at force account for:

    2.1 Workers' compensation insurance
    2.2 Social security
    2.3 Medicare
    2.4 Federal unemployment insurance
    2.5 State unemployment insurance
    2.6 State training taxes

3. Subsistence and travel allowances paid to the workers

4. Employer payment to supervisors, if authorized

The fifteen percent (15%) markup consists of payment for all overhead costs related to labor but not designated as costs of labor used in the direct performance of the work including:

(a) Home office overhead

(b) Field office overhead
(c) Bond costs
(d) Profit
(e) Labor liability insurance
(f) Other fixed or administrative costs that are not costs of labor used in the direct performance of the work

B. Materials. Material payment is full compensation for materials the Contractor furnishes and uses in the work. The City Engineer determines the cost based on the material purchase price, including delivery charges, except:

1. A fifteen percent (15%) markup is added;

2. Supplier discounts are subtracted whether the Contractor takes them or not;

3. If the City Engineer believes the material purchase prices are excessive, City pays the lowest current wholesale price for a similar material quantity;

4. If Contractor procured the materials from a source Contractor wholly or partially own, the determined cost is based on the lower of the:

   4.1 Price paid by the purchaser for similar materials from that source on Contract items; and
   4.2 Current wholesale price for those materials;

5 If Contractor does not submit a material cost record within thirty (30) days of billing, the determined cost is based on the lowest wholesale price:

   5.1 During that period
   5.2 In the quantities used

C. Equipment Rental. Equipment rental payment is full compensation for:

1. Rental equipment costs, including moving rental equipment to and from the change order work site using its own power.

2. Transport equipment costs for rental equipment that cannot be transported economically using its own power. No payment is made during transport for the transported equipment.

3. Fifteen percent (15%) percent markup.

If Contractor wants to return the equipment to a location other than its original location, the payment to move the equipment must not exceed the cost of returning the equipment to its original location.

If Contractor uses the equipment for work other than work paid by force account, the transportation cost is included in the other work.

Before moving or loading the equipment, Contractor must obtain authorization for the equipment rental's original location.

The City Engineer determines rental costs:

1. Using rates in *Labor Surcharge and Equipment Rental Rates*:

    1.1. By classifying equipment using manufacturer's ratings and manufacturer-approved changes.
    1.2. Current during the work paid by force account.
    1.3. Regardless of equipment ownership but City uses the rental document rates or minimum rental cost terms if:
        1.3.1. Rented from equipment business Contractor does not own.
        1.3.2. The Labor Surcharge and Equipment Rental Rates hourly rate is $10.00 per hour or less.

2. Using rates established by the City Engineer for equipment not listed in *Labor Surcharge and Equipment Rental Rates*. Contractor may submit cost information that helps the City Engineer establish the rental rate but City uses the rental document rates or minimum rental cost terms if:
    2.1. Rented from equipment business Contractor does not own.
    2.2. The City Engineer establishes a rate of $10.00 per hour or less.

3. Using rates for transport equipment not exceeding the hourly rates charged by established haulers.

Equipment rental rates include the cost of:

1. Fuel
2. Oil
3. Lubrication
4. Supplies
5. Small tools that are not consumed by use
6. Necessary attachments
7. Repairs and maintenance
8. Depreciation
9. Storage
10. Insurance
11. Incidentals

City pays for small tools consumed by use. The City Engineer determines payment for small tools consumed by use based on Contractor-submitted invoices.

The City Engineer may authorize rates in excess of those in the *Labor Surcharge and Equipment Rental Rates* if:

1. Contractor submits a request to use rented equipment

2. Equipment is not available from Contractor's normal sources or from one of Contractor's subcontractors
3. Rented equipment is from an independent rental company
4. Proposed equipment rental rate is reasonable
5. The City Engineer authorizes the equipment source and the rental rate before Contractor uses the equipment

D. Equipment on the Job Site. For equipment on the job site at the time required to perform work paid by force account, the time paid is the time:

44.

1. To move the equipment to the location of work paid by force account plus an equal amount of time to move the equipment to another location on the job site when the work paid by force account is completed

2. To load and unload equipment

3. Equipment is operated to perform work paid by force account and:
   3.1. Hourly rates are paid in 1/2-hour increments
   3.2. Daily rates are paid in 1/2-day increments

E. Equipment Not on the Job Site Required for Original-Contract Work. For equipment not on the job site at the time required to perform work paid by force account and required for original-Contract work, the time paid is the time the equipment is operated to perform work paid by force account and the time to move the equipment to a location on the job site when the work paid by force account is completed.

The minimum total time paid is:

1. 1 day if daily rates are paid
2. 8 hours if hourly rates are paid

If daily rates are recorded, equipment:

1. Idled is paid as 1/2 day
2. Operated four (4) hours or less is paid as 1/2 day
3. Operated four (4) hours or more is paid as one (1) day

If the minimum total time exceeds eight (8) hours and if hourly rates are listed, City rounds up hours operated to the nearest 1/2-hour increment and pays based on the hours shown in the following table. The table does not apply when equipment is not operated due to breakdowns, in which case rental hours are the hours the equipment was operated.

Equipment Rental Hours

Hours operated	Hours paid
0.0	4.00

0.5	4.25
1.0	4.50
1.5	4.75
2.0	5.00
2.5	5.25
3.0	5.50
3.5	5.75
4.0	6.00
4.5	6.25
5.0	6.50
5.5	6.75
6.0	7.00
6.5	7.25
7.0	7.5
7.5	7.75
≥8.0	hours used

F. Equipment Not on the Job Site Not Required for Original-Contract Work. For equipment not on the job site at the time required to perform work paid by force account and not required for original-Contract work, the time paid is the time:

1. To move the equipment to the location of work paid by force account plus an equal amount of time to return the equipment to its source when the work paid by force account is completed

2. To load and unload equipment

3. Equipment is operated to perform work paid by force account

G. Non-Owner-Operated Dump Truck Rental. Contractor shall submit the rental rate for non-owner-operated dump truck rental to City. The City Engineer shall determine the payment rate. Payment for non-owner-operated dump truck rental is for the cost of renting a dump truck, including its driver. For the purpose of markup payment only, the non-owner-operated dump truck is rental equipment and the owner is a subcontractor.

The above markups shall constitute full compensation for all home office overhead, field office overhead, bond costs, profit, labor liability insurance, and other fixed or administrative costs that are not costs specifically designated as cost or equipment rental as stated above. The total payment made as provided above shall be deemed to be the actual cost of the work and shall constitute full compensation therefor.

When extra work to be paid for on a force account basis is performed by a subcontractor, an additional markup of 2 percent (2%) will be added to the total cost of that extra work including all markups specified in this Section. The additional 2 percent (2%) markup shall reimburse Contractor for

additional administrative costs, and no other additional payment will be made by reason of performance of the extra work by a subcontractor.

EXHIBIT C

WORKERS' COMPENSATION INSURANCE CERTIFICATION

Pursuant to Section 18(b) of the Agreement, Contractor certifies as follows:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Signed: _____ Date: _____

_____
(Typed or Printed Name)

Business Address (Street Address, City, State & Zip Code):

_____

_____

_____

Business Phone: ( ) _____

EXHIBIT D

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the **City of Turlock,** State of California, has awarded to **Granite Construction Company**, hereinafter designated as the "Principal," a contract for **Project No. 25-025 Package 1;** and,

WHEREAS, said Principal is required under the terms of said contract to furnish a bond for the faithful performance of said contract.

NOW, THEREFORE, we the Principal, and _____ as Surety, are held and firmly bound unto the City of Turlock in the penal sum of _____ **($_____)**, lawful money of the United States for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, or assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the above bounden Principal, or Principal's heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in said contract and any alteration thereof made as therein provided, on the Principal's part, to be kept and performed at the time and in the manner therein specified and in all respects according to their true intent and meaning; and shall defend, indemnify and save harmless the City of Turlock, its officers and agents as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

And the Surety, for value received hereby stipulates and agrees that, in accordance with the Plans, Standard Specifications, Special Provisions, and other contract documents, no change, extension of time, alteration, or addition to the terms of the contract, or to the work to be performed hereunder, or to the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration of additions to the terms of the Contract to the work, or to the specifications.

The City of Turlock reserves the right to refuse use of any Contractor assigned by any surety to complete the work.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their seals this _____ day of _____, 20__, the name and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal) **Principal** _____

By _____

Title _____

(Attach Notarial Acknowledgment)

(Corporate Seal) **Surety** _____

Address _____

Phone No.: ( )_____ Fax No.: ( ) _____

By _____
Attorneys-in-Fact

Title _____

(Attach Notarial Acknowledgment)

NOTE TO SURETY COMPANY: There must be submitted a certified copy of unrevoked resolution of authority for the attorneys-in-fact.

(Seal) **Witness** _____

Approved as to form:

_____
Risk Manager

EXHIBIT E

PAYMENT BOND

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the **City of Turlock**, a municipal corporation, has awarded to **Granite Construction Company**, hereinafter designated as the "Principal", a contract for **Project No. 25-025 Package 1"**; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract, to secure payment of claims of laborers, mechanics, or materialmen employed on work under said contract, as provided by law.

NOW, THEREFORE, we the undersigned Principal and Surety are held and firmly bound unto the City of Turlock in the sum of _____ **($_____),** said sum being equal to the estimated amount payable by said City of Turlock under the terms of the contract, for which payment well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, or assigns jointly and severally, firmly by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that if said Principal, or Principal's heirs, executors, administrators, successors, or assigns, or subcontractors shall fail to pay for any material, provisions, provender, or other supplies, implements, or machinery used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code with respect to such work or labor, or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from these wages of employees of the Contractor and Contractor's subcontractors pursuant to the Revenue and Taxation Code, with respect to such work and labor, the Surety or Sureties hereon will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void. In case suit is brought upon this bond, said Surety will pay a reasonable attorney's fee to be fixed by the court.

This bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Section 3138 of the Civil Code of the State of California so as to give a right of action to them or their assigns in any suit brought upon this bond.

Said Surety, for value received, hereby stipulates and agrees that, in accordance with the Plans, Standard Specifications, Special Provisions, and other Contract Documents, no change, extension of time, alteration or addition to the terms of the contract, or to the work to be performed there under, or to the specifications accompanying the same, shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the contract, or to the work, or to the specifications.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the above-bound parties have executed this instrument under their seals this _____ day of _____, 20__, the name and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

(Corporate Seal) **Principal** _____

By _____

Title _____

(Attach Notarial Acknowledgment)

(Corporate Seal) **Surety** _____

Address _____

Phone No.: ( )_____ Fax No.: ( ) _____

By _____
Attorneys-in-Fact

Title _____

(Attach Notarial Acknowledgment)

NOTE TO SURETY COMPANY: There must be submitted a certified copy of unrevoked resolution of authority for the attorneys-in-fact.

(Seal) **Witness** _____

Approved as to form:

_____
Risk Manager

City Council Staff Report

May 26, 2026

From:	Jessie Dhami, Human Relations Director
Prepared by:	Darlene Ingersoll, Principal HR Analyst
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Motion: Approving an Agreement with Romeo Medical Corporation d/b/a Work Wellness to provide Pre-Employment Examinations, Annual Physicals, and Occupational Medical Services for the City of Turlock in an Annual Amount not to Exceed $70,000 for the period covering June 1, 2026, through June 30, 2027, to be paid from various department funds XXX-XX-XXX.43155 “Physicals, Shots & Psychological”.

2. NARRATIVE:

The City of Turlock is requesting to continue services with Romeo Medical Corporation, d/b/a Work Wellness for Pre-employment, Annual Physicals, and Occupational Medical Services.

Romeo Medical Corporation offers services through the Work Wellness Clinic which are critical to support required pre-employment and ongoing employment occupational medical services. These services include new hire evaluations, annual medical evaluations, Hazmat, respiratory tests, vaccination and titers, Department of Transportation (DOT) physicals, drug screening, fit for duty evaluations, and occupational medical services for the City’s Workers’ Compensation program.

All of these services are essential to ensuring the City is hiring healthy candidates and maintaining protection against preventable diseases with the annual medical evaluation and occupational medical services.

The City has contracted these services with Romeo Medical since 2005, and desires to continue services with them as the working relationship is efficient, seamless and effective.

These services are essential and critical to supporting a healthy workforce. Therefore, continuing such services will ensure we meet our pre-employment and ongoing occupational medical service requirements.

Section 2-7-08(b)(3) of the Turlock Municipal Code provides that bidding procedures are not required under the circumstances for contracts involving the obtaining of professional or specialized skill. Work Wellness is the only Occupational Medical Clinic in Turlock, CA that provides specialized Occupational Medical Services to a municipality of our size. Utilizing a vendor outside city limits would not be recommended by staff due to the inconvenience of traveling outside city limits and the potential loss of premier services provided to the City of Turlock by Romeo Medical over the last twenty-one (21) years.

Therefore, the recommendation is to approve the contract to continue services with Romeo Medical Corporation d/b/a Work Wellness.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Appropriate funds have been allocated for Fiscal Year 2025/2026 and will be appropriated during the Fiscal Year 2026/2027 budget process to all impacted Funds and accounts.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ALTERNATIVES:

Council may reject the contract with Romeo Medical Corporation and direct City staff to identify other medical providers that may offer such services.

6. ATTACHMENTS:

1. Professional Services Agreement

AGREEMENT BETWEEN THE CITY OF TURLOCK
and
ROMEO MEDICAL CORPORATION, D/B/A WORK WELLNESS
for
PROFESSIONAL SERVICES

City Contract No. 2026-166

THIS PROFESSIONAL SERVICES AGREEMENT (the "Agreement") is entered into by and between the City of Turlock, a California municipal corporation ("City"), and Romeo Medical Corporation, d/b/a as Work Wellness, a California corporation ("Professional"), on this 1st day of June 2026 (the "Effective Date"). City and Professional may be collectively referred to herein as the "Parties" or individually as "Party." There are no other parties to this Agreement.

RECITALS

A. City seeks to hire an independent contractor to perform professional services to assist City with pre-employment examinations, annual physicals, occupational medical services and review of out of state pre-employment documents (the "Project").

B. Professional has made a proposal to City to provide such professional services. A description of the services Professional proposes to provide is included in the Scope of Services in **Exhibit A** attached hereto and incorporated herein by reference ("Services"). City desires to retain Professional to perform the Services, subject to the terms and conditions set forth in this Agreement.

C. The Parties have outlined the schedule or timeline for providing the Services ("Completion Schedule"), which shall be included in the Scope of Services in **Exhibit A**.

D. The Parties have outlined the rates and method of payment to Professional for its performance of the Services under this Agreement ("Compensation Schedule"), which shall be included in the Scope of Services in **Exhibit A**.

NOW, THEREFORE, in consideration of the promises and covenants set forth below, the Parties agree as follows:

AGREEMENT

1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 53 of this Agreement, Sections 1 through 53 shall prevail.

2. Term. The term of this Agreement shall be one (1) year and one (1) month and will commence on the Effective Date and terminate on the 30th day of June, 2027 ("Term") unless the Parties mutually agree in writing to terminate the Agreement earlier or extend the Term pursuant to this Agreement.

3. Extension of Agreement. **[Intentionally Omitted]**

4. Effective Date. This Agreement shall only become effective once all of the Parties have executed the Agreement (the "Effective Date").

5. Work.

5.1. Services. Subject to the terms and conditions set forth in this Agreement, Professional shall provide City the Services described in **Exhibit A**. Any request for Services not included in **Exhibit A** will be considered a request for additional or modified Services ("Modification" or "Modifications"). Professional shall not receive additional compensation for any Modification of the Services unless the Parties agree otherwise in a writing executed by both Parties.

5.2. City Requested Modification of Services. City may, by written order, authorize Modifications to the Services described in **Exhibit A**. If such Modifications cause an increase in the cost or time required for performance of Professional's Services, the Parties shall enter into a written amendment to this Agreement to adjust the Services and the compensation to be paid to Professional and, if necessary, amend the Completion Schedule or Compensation Schedule. The Services, Completion Schedule, or Compensation Schedule shall not be revised unless City and Professional mutually agree to a written amendment to this Agreement reflecting such revisions, additional compensation, time for performance or such other terms or conditions mutually agreed upon by the Parties.

5.3. Professional Requested Modification in Services. Professional shall not be compensated for work outside the Services described in this Agreement, unless, prior to the commencement of the Services:

(a) Professional provides City with written notice that specific work requested by City or required to complete the Project is outside the agreed upon Services. Such notice shall: (1) be supported by substantial evidence that the work is outside the Services; (2) set forth the Professional's proposed course of action for completing the work and a specific request for City

to approve the Modification to the Services; (3) set forth the Professional's proposed revisions, if any, to the Completion Schedule; and (4) set forth the Professional's proposed revisions, if any, to the Compensation Schedule; and

(b) City agrees that the work requires a Modification;

(c) City approves all adjustments, if any, to the Completion Schedule and Compensation Schedule; and

(d) The Parties execute a written amendment to this Agreement describing any Modification, together with any adjustment in the Completion Schedule and Compensation Schedule for Professional's work.

6. Compensation.

6.1. Amount, Time and Manner of Payment for Professional Services. City shall pay Professional according to the rates and timing set forth in the Compensation Schedule. On each anniversary date of the Effective Date, Professional will be allowed to increase prices with thirty (30) days' written notice to City. Increases may not exceed increases in the San Francisco-Oakland Consumer Price Index for all urban consumers or percentage increases in Professional's published prices, whichever is lower. In all cases, City may cancel this Agreement if a requested price increase is not acceptable. City's annual compensation to Professional shall not exceed Seventy Thousand and No/100ths Dollars ($70,000), unless the Parties mutually agree in writing otherwise.

6.2. Deposit. [Intentionally Omitted]

6.3. Subsequent Payments. City shall make monthly payments in the amount invoiced by Professional within thirty (30) calendar days of receiving such invoice. In the event that an amount of an invoice is in dispute, City shall inform Professional of the amount and basis for the dispute and may withhold the amount which is in dispute until the dispute has been resolved.

6.4. Invoices. Professional shall provide City with monthly invoices sufficiently evidencing Professional's expenses and completion of the Services. All invoices furnished to City by Professional shall be in a form approved by City. The payments specified shall be the only payments made to Professional for performance of the Services, including compensation for any Modification. Professional shall submit all billings for Services to City within forty-five (45) days of the performance of such Services. City shall issue payment according to City's customary procedures and practices for issuing payments to independent contractors.

7. Notice to Proceed. Professional shall not commence the performance of the Services until it has been given notice by City ("Notice to Proceed").

8. Time of Performance. Professional warrants that it will commence performance of the Services with five (5) calendar days of the date the agreement was executed and shall conform to

the Completion Schedule. The time of performance is a material term of this Agreement relied on by City in entering into this Agreement.

9. City Assistance to Professional. **[Intentionally Omitted]**

10. Time and Personnel Devoted to Services. Professional shall devote such time and personnel to the performance of this Agreement, as is necessary to perform the Services in compliance with the Completion Schedule, Compensation Schedule, and this Agreement.

11. Performance by Qualified Personnel; No Subcontracting. Services under this Agreement shall be performed only by competent personnel under the supervision and direct employment of Professional. Professional will conform with City's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at City's request, shall be supervised by Professional. Professional is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is expressly approved by City in writing. Neither Party shall, on the basis of this Agreement, contract on behalf of, or in the name of the other Party. An agreement made in violation of this provision shall confer no rights on any Party and shall be null and void.

12. Representations of Professional. City relies upon the following representations by Professional in entering into this Agreement:

12.1. Qualifications. Professional represents that it is qualified to perform the Services provided in **Exhibit A** and that it possesses the necessary licenses and permits required to perform the Services or will obtain such licenses or permits prior to the time such licenses or permits are required. Professional shall also ensure that all subcontractors are similarly licensed and qualified. Professional and all subcontractors shall also obtain a business license from City before they commence performance of the Services. Professional represents and warrants to City that Professional shall, at Professional's sole cost and expense, keep in effect or obtain at all times during the Term of this Agreement, any licenses, permits, and approvals which are legally required for Professional to practice Professional's profession at the time the Services are rendered.

12.2. Professional Performance. Professional represents that all Services under this Agreement shall be performed in a professional manner and shall conform to the customs and standards of practice observed on similar, successfully completed projects by specialists in the Services to be provided. Professional shall adhere to accepted professional standards as set forth by relevant professional associations and shall perform all Services required under this Agreement in a manner consistent with generally accepted professional customs, procedures and standards for such Services. All work or products completed by Professional shall be completed using the best practices available for the profession. Professional agrees that, if a Service is not so performed, in addition to all of its obligations under this Agreement and at law, Professional shall re-perform or replace unsatisfactory Service at no additional expense to City.

12.3. No Waiver of Claims. The granting of any progress payment by City, or the receipt thereof by Professional, or any inspection, review, approval or oral statement by any representative of City, or state certification shall not, in any way, waive, limit, or replace any certification or

approval procedures normally required or lessen the liability of Professional to re-perform or replace unsatisfactory Service, including, but not limited to, cases where the unsatisfactory character of such Service may not have been apparent or detected at the time of such payment, inspection, review or approval.

12.4. City's Remedies are Cumulative. Nothing in this Section shall constitute a waiver or limitation of any right or remedy, whether in equity or at law, which City or Professional may have under this Agreement or any applicable law. All rights and remedies of City, whether under this Agreement or applicable law, shall be cumulative.

12.5. No Conflict of Interest. Professional represents that no conflict of interest will be created under state or federal law by entering into or in carrying out this Agreement.

13. Conformity with Law and Safety. Professional shall observe and comply with all applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the scope of Services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, the California Building Code, the Americans with Disabilities Act, any copyright, patent, or trademark law, and all other applicable federal, state, municipal and local safety regulations, appropriate trade association safety standards, and appropriate equipment manufacturer instructions. All Services performed by Professional must be in accordance with these laws, ordinances, codes and regulations. Professional's failure to comply with any laws, ordinances, codes, or regulations applicable to the performance of the Services hereunder shall constitute a breach of contract. In cases where standards conflict, the standard providing the highest degree of protection shall prevail.

If a death, serious personal injury or substantial property damage occurs in connection with the performance of this Agreement, Professional shall immediately notify City's risk manager by telephone. If any accident occurs in connection with this Agreement, Professional shall promptly submit a written report to City, in such form as City may require. This report shall include the following information: (a) name and address of the injured or deceased person(s); (b) name and address of Professional's subcontractor, if any; (c) name and address of Professional's liability insurance carrier; and (d) a detailed description of the accident, including whether any of City's equipment, tools or materials were involved.

If a release of a hazardous material, substance, or waste occurs in connection with the performance of this Agreement, Professional shall immediately notify City. Professional shall not store hazardous materials or hazardous waste within City limits without a proper permit from City.

14. Contact by Professional with Project Owner or Project Applicant. Unless otherwise set forth in the Services, neither Professional nor Professional's subcontractors shall directly contact the owner of the property involved in the Project or any party who is the applicant for the Project ("Interested Party"), or an employee or contractor of an Interested Party, on any matter relating to the Project without the prior consent of the Contract Administrator. In no event shall Professional take any instructions or directions from an Interested Party on any matter pertaining to the Professional's Services to be performed for City under this Agreement.

15. Confidentiality. Professional understands and agrees that, in the performance of Services under this Agreement or in the contemplation thereof, Professional may have access to private or confidential information that may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City ("Confidential Information").

Professional shall not, either during or after the Term, disclose to any third party any Confidential Information without the prior written consent of City. If City gives Professional written authorization to make any such disclosure, Professional shall do so only within the limits and to the extent of that authorization. Professional may be directed or advised by the City Attorney on various matters relating to the performance of the Services on the Project or on other matters pertaining to the Project and, in such event, Professional agrees that it will treat all communications between itself, its employees and its subcontractors as being communications which are within the attorney-client privilege.

Notwithstanding the foregoing, Professional may disclose Confidential Information required to be disclosed under law, provided that, prior to disclosure, Professional shall first give notice to City and make a reasonable effort to obtain a protective order requiring that City's Confidential Information not be disclosed. This exception is limited to the extent disclosure is required under law.

16. Excusable Delays; Notice to Other Party of Delay. Professional shall not be in breach of this Agreement in the event that performance of Services is temporarily interrupted or discontinued due to a "Force Majeure" event which is defined as: riots, wars, sabotage, civil disturbances, insurrections, explosion, natural disasters such as floods, earthquakes, landslides, fires, strikes, lockouts and other labor disturbances or other catastrophic events, which are beyond the reasonable control of Professional. Force Majeure does not include: (a) Professional's financial inability to perform; (b) Professional's failure to obtain any necessary permits or licenses from other governmental agencies; or (c) Professional's failure to obtain the right to use the facilities of any public utility where such failure is due solely to the acts or omissions of the Professional.

17. Assignment Prohibited. No Party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempt or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

18. Suspension of Services by City. City reserves the right to suspend Professional's Services under this Agreement when City determines that it is necessary to do so. When possible, City shall give Professional notice of such suspension and Professional shall, upon receipt of said notice, suspend all Services except any Services, the completion of which is authorized by the notice given by City. If the Services are suspended by City for more than sixty (60) consecutive days, for reasons other than the fault of the Professional, the Professional shall be compensated for Services performed prior to notice of such suspension. When the Project is resumed, the Professional's compensation shall be equitably adjusted by City to provide for expenses incurred by the interruption of the Services. In this regard, Professional shall furnish to City such financial

information that, in the judgment of the City Manager, is necessary to determine the reasonable value of the Services rendered by Professional during the period when Services were suspended.

If the Parties are unable to agree upon the amount of extra compensation which is due to Professional within thirty (30) days of Professional resuming Services, the amount of such additional compensation, if any, that is required to appropriately compensate the Professional for its expenses incurred by the interruption of Services may, upon the request of either Party, be determined by arbitration conducted in accordance with the "Arbitration of Disputes" section of this Agreement. Such arbitration shall be commenced by the Professional no later than sixty (60) calendar days following the event which entitles the Parties to pursue arbitration unless the Parties agree in writing to an extended time period for commencement of arbitration. Unless otherwise agreed in writing, all Parties shall carry on the Services and perform their duties during any arbitration proceedings, and City shall continue to make payments for the Services in progress as required by this Agreement.

19. Ownership of Work Product. Any and all work, artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, designs, specifications, drawings, diagrams, surveys, source codes, professional or technical information or data, photographs, notes, letters, emails or any original works of authorship created by Professional or its subcontractors or subcontractors in connection with Services performed under this Agreement ("Products") shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of City. In the event it is ever determined that any Product created by Professional or its subcontractors, or subcontractors under this Agreement, are not works for hire under U.S. law, Professional hereby assigns all copyrights to such Products to City. With the prior written approval of City's point of contact for the Project, Professional may retain and use copies of such Products for reference and as documentation of its experience and capabilities.

All Products shall become the property of City irrespective of where located or stored, and Professional agrees to deliver all such documents and information to City, without charge and in whatever form it exists, on the completion of the Professional's Services hereunder. Professional shall have no ownership interest in such Products.

All work product of Professional under this Agreement, including written information which City will cause to be distributed for either internal or public circulation, including both preliminary and final drafts, shall be delivered to City in both printed and electronic form, or as may be specified in **Exhibit A**.

When this Agreement is terminated, Professional agrees to return to City all documents, drawings, photographs and other written or graphic material, however produced, that it received from City, its contractors or agents, in connection with the performance of its Services under this Agreement. All materials shall be returned in the same condition as received.

20. Termination of Work by City for Its Convenience. City shall have the right to terminate this Agreement at any time for its convenience by giving notice of such termination to Professional.

In the event City shall give such notice of termination, Professional shall cease rendering Services upon receipt of said notice given as required in this Agreement. If City terminates this Agreement:

(a) Professional shall deliver copies of all Products prepared by it pursuant to this Agreement.

(b) If City terminates this Agreement for convenience before City issues the Notice to Proceed to Professional or before Professional commences any Services hereunder, whichever last occurs, City shall not be obligated to make any payment to Professional. If City terminates this Agreement after City has issued the Notice to Proceed to Professional and after Professional has commenced performance under this Agreement, City shall pay Professional the reasonable value of the Services rendered by Professional pursuant to this Agreement prior to termination of this Agreement. City shall not in any manner be liable for Professional's actual or projected lost profits had Professional completed the Services. Professional shall furnish to City such financial information that, in the judgment of the City Manager, is necessary to determine the reasonable value of the Services rendered by Professional prior to termination. In the event of a dispute as to the reasonable value of the Services rendered by Professional prior to termination and the Parties are unable to agree upon said amount within sixty (60) calendar days following the date of the notice of termination by City, such dispute may, upon the request of either Party, be resolved by arbitration conducted in accordance with the "Arbitration of Disputes" section of this Agreement.

(c) Except as provided in this Agreement, in no event shall City be liable for costs incurred by or on behalf of Professional after the date of the notice of termination.

21. Assurance of Performance. If, at any time, City believes Professional may not be adequately performing its obligations under this Agreement or may fail to complete the Services as required by this Agreement, City may submit a written request to Professional for written assurances of performance and a plan to correct observed deficiencies in Professional's performance. Failure to provide written assurances subsequent to such written request, constitutes grounds to declare a breach under this Agreement.

22. Cancellation for Breach by Either Party. Should either Party fail to substantially perform its obligations in accordance with the provisions of this Agreement, the other Party shall thereupon have the right to cancel the Agreement by giving written notice and specifying the effective date of such cancellation. If City cancels this Agreement for breach and it is subsequently determined that Professional did not fail to substantially perform its obligations in accordance with this Agreement, then cancellation for breach by City shall be deemed, and treated, as termination for convenience.

Neither Party waives the right to recover damages against the other for breach of this Agreement, including any amount necessary to compensate City for all detriment proximately caused by Professional's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom. City reserves the right to offset such damages against any payments owed to Professional.

City shall not in any manner be liable for Professional's actual or projected lost profits had Professional completed the Services required by this Agreement.

23. Non-Discrimination. In its performance of the Services, Professional shall adhere to City's EEO Policy which states, "The City is committed to ensuring that all qualified individuals have a full and fair opportunity to compete in all phase of the hiring process and promotion, and to enjoy the benefits of employment with the City. All employees and applicants shall receive equal consideration and treatment in employment without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, genetic information, marital status, amnesty, or status as a covered veteran in accordance with applicable federal or state statutes, the City's ordinances, resolutions, rules or regulations."

In addition, all agreements with sub-contractors will include language as required by the Office of Federal Contract Compliance Programs (OFCCP) that requires sub-contractors to maintain equal employment opportunity policies, and, as necessary, affirmative action policies.

24. Arbitration of Disputes. All claims, disputes, and other matters in question between City and Professional arising out of or relating to this Agreement or the breach thereof, including claims of Professional for extra compensation for Services related to the Project, shall be decided by arbitration before a single arbitrator in accordance with the provisions of Sections 1281 to 1284.2 of the California Code of Civil Procedure (the "Arbitration Laws") unless the Parties mutually agree otherwise. The provisions of Section 1283.05 of the Arbitration Laws apply to any arbitration proceeding except as otherwise provided in this Agreement. The arbitrator shall have authority to decide all issues between the Parties including, but not limited to, claims for extras, delay and liquidated damages, if any, provided for in this Agreement, matters involving defects in the work product of the Professional, rights to payment, and whether the necessary procedures for arbitration have been followed. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Notice of the demand for arbitration shall be filed in writing with the other Party. The demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall it be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitation.

The Parties shall jointly appoint an arbitrator within fifteen (15) calendar days of the date of giving of the notice of the demand for arbitration. If the Parties are unable to jointly agree upon the appointment of an arbitrator within said fifteen (15) calendar day period, and do not agree in writing to extend said period for a fixed period, then either Party may seek to have the arbitrator appointed by the Superior Court of Stanislaus County in accordance with the Arbitration Laws.

If any proceeding is brought to contest the right to arbitrate and it is determined that such right exists, the losing Party shall pay all costs and attorneys' fees incurred by the prevailing party.

In addition to the other rules of law which may be applicable to any arbitration hereunder, the following shall apply:

(a) Promptly upon the filing of the arbitration, each Party shall be required to set forth in writing and to serve upon each other Party a detailed statement of its contentions of fact and law.

(b) All parties to the arbitration shall be entitled to the discovery procedures as provided in Section 1283.05 of the California Code of Civil Procedure.

(c) The arbitration shall be commenced and conducted as expeditiously as possible consistent with affording reasonable discovery as provided herein.

(d) These additional rules shall be implemented and applied by the arbitrator.

The costs of arbitration shall be borne by the Parties as determined by the arbitrator, but each Party shall bear its own attorney's fees associated with the dispute with the other Party and to the arbitration.

25. Insurance Coverage. During the Term, the Professional, at its own cost and expense, shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers admitted in California with a current A M Best's rating of no less than A-:VII and will provide City with written proof of said insurance. Professional shall maintain coverage as follows:

25.1. Commercial General Liability. Professional shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office (ISO) form CG 00 01, in the amount of no less than Two Million Dollars ($2,000,000.00) per occurrence, Four Million Dollars ($4,000,000.00) general aggregate, and Two Million Dollars ($2,000,000.00) products and completed operations for bodily injury, personal injury, and property damage. The general aggregate limit shall apply separately to this Project or the general aggregate shall be doubled.

25.2. Worker's Compensation Insurance. Professional shall maintain workers' compensation insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least One Million Dollars ($1,000,000.00) each accident or disease. Professional shall submit to City, along with the certificate of insurance a Waiver of Subrogation endorsement in favor of City, its officers, agents employees, and volunteers.

25.3. Professional Liability. Professional shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing professional services in the amount of no less than Two Million Dollars ($2,000,000.00) per claim and in the aggregate or greater if appropriate for the Professional's profession. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to City, its elected and appointed councils, commissions, directors, officers, employees, agents, and representatives ("City's Agents"); or the Professional shall provide a financial guarantee

satisfactory to City guaranteeing payment of losses and related investigations, claims administration and defense expenses.

25.4. Commercial Automobile Liability. Professional shall maintain commercial automobile liability insurance using ISO Business Auto Coverage form CA 00 01, or the equivalent, in the amount of no less than Two Million Dollars ($2,000,000.00) each accident for owned, leased, hired, non-owned, and borrowed automobiles. The policy shall provide and be endorsed that the City, its officials, officers, agents, employees, and volunteers are included or named as additional insureds. If Professional owns no vehicles, this requirement may be met through a non-owned auto coverage or an endorsement to the CGL policy.

25.5. Cyber Liability Insurance. Professional shall maintain Cyber Liability Insurance with limits not less than One Million Dollars ($1,000,000.00) per occurrence or claim. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Professional in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations

25.6. Umbrella or Excess Policy. Professional may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying policies of insurance. No insurance coverage or policies maintained by the City ("Additional Insured"), whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Professional's primary and excess liability policies are exhausted.

25.7. Waiver of Subrogation. With the exception of professional liability, Professional hereby agrees to waive subrogation which any insurer of Professional may acquire from Professional by virtue of the payment of any loss. The commercial general liability policy, automobile liability policy, and workers' compensation policy shall be endorsed to contain a waiver of subrogation in favor of City for all work performed by Professional, its agents, employees, independent contractors and subcontractors. Professional shall provide written proof of waiver of subrogation in the Certificate of Insurance. Additionally, Professional agrees to obtain any available endorsements that may be necessary to effectuate this waiver of subrogation.

26. Additional Insurance Requirements. Within five (5) days of the Effective Date, Professional shall provide City with certificates of insurance and amendatory endorsements for all of the policies required under this Agreement, except Cyber Liability policy which is in process ("Certificates and Endorsements"). Such Certificates and Endorsements shall be kept current for

the Term of the Agreement and Professional shall be responsible for providing updated copies. With the exception of the workers' compensation insurance, all of the insurance policies required in this Agreement shall: (a) provide that the policy will not be cancelled, allowed to expire, or materially reduced in coverage without at least thirty (30) days' prior written notice to City of such cancellation, expiration, or reduction and each policy shall be endorsed to state such. If a carrier will not provide the required notice of cancellation, the Professional shall provide written notice to the City no later than ten (10) days before cancellation; and (b) name City, and City's Agents as additional insureds with respect to liability arising out of Services, work or operations performed by or on behalf of Professional and shall be endorsed to state such; (c) name City of Turlock as a certificate holder (d) cover products and completed operations of Professional, premises owned, occupied, or used by the Professional, or automobiles owned, leased, or hired or borrowed by the Professional; contain no special limitations on the scope of protection afforded to City; (e) allow and be endorsed primary with respect to any insurance or self-insurance programs covering City or City's Agents and any insurance or self-insurance maintained by City or City's Agents shall be in excess of Professional's insurance and shall not contribute to it; (f) contain standard separation of insured provisions; and (g) state that any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect the coverage provided to City.

27. Indemnification by Professional. To the fullest extent permitted by law, Professional shall defend with legal counsel reasonably acceptable to City, indemnify and hold harmless City and City's Agents from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Professional or its subcontractors), expense and liability of every kind, nature and description that arise out of, pertain to, or relate to acts or omissions of Professional, or any direct or indirect subcontractor, employee, contractor, representative or agent of Professional, or anyone that Professional controls (collectively "Liabilities"). Such obligations to defend, hold harmless, and indemnify City and City's Agents shall not apply to the extent that such Liabilities are caused in whole by the sole negligence, active negligence, reckless or willful misconduct of City or City's Agents, but shall apply to all other Liabilities. With respect to third party claims against the Professional, the Professional waives any and all rights of any type of express or implied indemnity against City and City's Agents.

28. Liability of City. Notwithstanding any other provision of this Agreement, in no event shall City be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, arising out of or in connection with this Agreement or the Services performed in connection with this Agreement.

29. Independent Contractor. At all times during the Term, Professional shall be deemed to be an independent contractor and shall be wholly responsible for the manner in which Professional performs the Services required under this Agreement. Professional shall be liable for its acts and omissions and those of its employees, contractors, subcontractors, representatives, volunteers, and its agents. Nothing contained herein shall be construed as creating an employment, agency or partnership relationship between City and Professional. City shall have the right to control Professional only insofar as the result of Professional's Services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Professional accomplishes Services rendered pursuant to this Agreement.

30. Professional Not Agent. Except as City may specify in writing, Professional shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Professional shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

31. Payment of Taxes and Other Expenses. Payment of any taxes, including California sales and use taxes, levied upon this Agreement, the transaction, or the Services or goods delivered pursuant hereto, shall be the obligation of Professional.

32. Notices. All notices shall be in writing and delivered in person or transmitted by certified mail, postage prepaid. Any Party hereto may at any time, by giving ten (10) days' written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below.

If to City:	**City of Turlock** **Attn: Jessie Dhami, Human Relations Director** **156 S. Broadway, Suite 235** **Turlock, California 95380**
With courtesy copies to:	**City of Turlock, City Attorney's Office** **Attn: Katie O. Lucchesi, City Attorney** **156 S. Broadway, Suite 230** **Turlock, California 95380**
If to Professional:	**Romeo Medical Corporation, d/b/a Work Wellness** **Attn: Michael W. Romeo, M.D.** **1801 Colorado Ave., Suite 130** **Turlock, California 95382**

33. City Contract Administrator. City's contract administrator and contact person for this Agreement is:

City of Turlock
Attn: Darlene Ingersoll
156 S. Broadway, Suite 235
Turlock, California 95380
Telephone: (209) 669-7209
E-mail: dingersoll@turlock.ca.us

34. Interpretation. As used herein, any gender includes each other gender, the singular includes the plural and vice versa.

35. Use of City Project Number. **[Intentionally Omitted]**

36. Modification. No alteration, amendment, modification, or termination of this Agreement shall be valid unless made in writing and executed by all of the Parties to this Agreement.

37. Waiver. No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

38. Assignment. No Party to this Agreement shall assign, transfer, or otherwise dispose of this Agreement, in whole or in part, to any individual, firm, or corporation without the prior written consent of the other Party. Subject to the forgoing provisions, this Agreement shall be binding upon, and inure to the benefit of, the respective successors and assigns of the Parties hereto.

39. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by state or federal law in order to enter into the Agreement have been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

40. Drafting and Ambiguities. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel, and based upon the advice of that counsel, freely entered into this Agreement. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

41. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of California.

42. Venue. Venue for all legal proceedings shall be in the Superior Court of the State of California, in and for the County of Stanislaus.

43. Severability. If this Agreement in its entirety is determined by a court to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any provision of this Agreement shall be determined by a court to be invalid and unenforceable, or if any provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Agreement, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement.

44. Execution and Counterparts. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed utilizing services such as

DocuSign and Nitro Sign, or by transmitting signatures in pdf or similar format, and that any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

45. Audit. City shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Professional's charges to City under this Agreement.

46. Entire Agreement. This Agreement, together with its specific references, attachments, and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof and supersedes any and all prior negotiations, understanding, and agreements with respect hereto, whether oral or written. Should any conflict exist between the terms and conditions of the agreement and any and all exhibits attached hereto, the terms and conditions of the Agreement shall prevail.

47. Supersedes Prior Agreement. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, whether written, electronic or oral, between the Parties with respect to the subject matter of this Agreement.

48. Mandatory and Permissive. "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

49. Successors and Assigns. All representations, covenants, and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of, any or all of the Parties hereto, shall be binding upon and inure to the benefit of such Party, its successors and assigns.

50. Headings. Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

51. Attorney's Fees and Costs. If any action at law or in equity not resolved pursuant to the "Arbitration of Disputes" section of this Agreement, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

52. Necessary Acts and Further Assurances. The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement.

53. Time is of the Essence. Time is of the essence in this Agreement for each covenant and term of a condition herein.

[*Signatures on Following Page*]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by and through their respective officers thereunto duly authorized.

PROFESSIONAL

ROMEO MEDICAL CORPORATION, D/B/A WORK WELLNESS, a California Corporation

By: _____

Print Name: Mike Romeo MD

Title: President

Date 5-21-26

CITY OF TURLOCK, a California municipal corporation

By: _____
Gary R. Hampton, Interim City Manager

Date: _____

APPROVED AS TO SUFFICIENCY:

By: _____
Jessie Dhami, Human Relations Director

APPROVED AS TO FORM:

By: _____
Katie O. Lucchesi, City Attorney

ATTEST:

By: _____
Nichole Fiez, City Clerk

ROMEO MEDICAL CLINIC, INC.

WORK WELLNESS

PHYSICAL

DMV Physical	$130.00
Pre-employment/Annual Physical	$105.00
Musculoskeletal Lifting Capacity Exam	$100.00
Color Blind Test (without Physical)	$30.00
Tuberculosis Testing (PPD) (Placement and Reading)	$50.00
Chest X-Ray with Physician Review (Valley MRI)	$105.00
Chest X-Ray with Physician Review (EMC)	$205.00
Custom Physical	$150.00

DRUG SCREENS

DOT or Non-DOT Urine Collection only	$60.00
DOT Drug Screen using eScreen	$80.00
MRO DOT Confirmation	$7.00
Non-DOT Drug Screen using eCup	$75.00
Evidential Breath Alcohol DOT or NON	$60.00
Non-DOT Drug Screen using mCup	$70.00
Hair collection	$75.00
Observed collection additional fee	$50.00
Random Generator	$150.00/per year
Oral Collection	$75.00

HEARING TESTS

Audiology with Provider Review	$90.00
Ear Lavage (1wk before audio CPT 69210)	$95.00

RESPIRATORY TESTS

Spirometry with Provider Review	$90.00
Respiratory Questionnaire with Provider Review	$35.00
Fit test N95 respirator	$25.00
Pulse Ox	$20.00

VACCINATIONS

Hepatitis A Vaccine (per injection)	$105.00
Hepatitis B Vaccine (per injection)	$110.00
Measles Mumps and Rubella Vaccine	$110.00
Hep B sAb (includes collection and lab fee)	$125.00
Varicella	$115.00
TDap	$90.00
Influenza (pricing subject to change each year)	$30.00

ENDOCRINE TESTS

Hemoglobin A1C (performed @ WW)	$42.00

CARDIOLOGY TESTS

Resting EKG with Provider Review	$75.00

Laboratory Tests (Labcorp)	
Standard CBC	$45.00
Basic Metabolic Panel	$43.00
Comprehensive Metabolic Panel	$45.00
Lipid Panel	$96.00
Lead levels baseline	$78.00
Zinc Levels baseline	$88.00
Cholinesterase baseline	$91.00
Hemoglobin (A1c)	$30.00
Routine Venipuncture	$35.00
Lab pricing subject to change with written notification	

Laboratory Tests (Quest)	
Standard CBC	$54.00
Basic Metabolic Panel	$52.00
Comprehensive Metabolic Panel	$56.00
Lipid Panel	$126.00
Lead levels baseline	$94.00
Zinc Levels baseline	$106.00
Cholinesterase baseline	$109.00
Hemoglobin (A1c)	$36.00
Routine Venipuncture	$42.00
Lab pricing subject to change with written notification	

After Hours	
6am-8am=2 hours	$250.00/per hour
4pm-5pm=1 hour	$500.00
5pm + (if anyone is here past 5pm)	$250.00
	$250 per additional hour

1. All labs must be done at Lab Corp or Quest. (See Pricing)
2. All Physicals must be done at Work Wellness.
3. All drug screening, hearing testing, spirometry and EKGs must be done at Work Wellness.
4. All imaging studies must be done at Valley MRI or Emanuel Medical Center. (See Pricing)

*****Due to market fluctuations, pricing is subject to change each year. You will be notified in January of any changes/modifications of current pricing to be updated in July renewal.
*****We are working diligently at negotiating the best pricing with our partners at Tower Health and Wellness.

INJURY CARE

Work Wellness, under the provisions of Labor Code Sections 4603.5 and 5307.1, adopted the Official Medical Fee Schedule effective April 1, 1999 for the State of California Worker's Compensation. This fee schedule is the basis for billing and payment of medical services provided to injured employees under Worker's compensation Laws of the State of California. The Official Medical Fee Schedule is available for public download from the Division of Worker's Compensation web site at http://www.dir.ca.gov/dwc .

City Council Staff Report

May 26, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	James Governale, Management Analyst
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Ordinance: Second and final reading of an ordinance amending Turlock Municipal Code Title 7 (Public Works), Chapter 7-7 (Street Trees)

2. NARRATIVE:

Introduction & Background

The City of Turlock is well-known in the valley for its trees; not just at City facilities and parks, but also those in residential areas, at California State University, Stanislaus, and more. Between towering sycamores, charming floral growth, vibrant fall colors, and almond blossoms, trees are an integral part of our community. To memorialize its commitment to trees, the City has maintained an active membership as a "Tree City USA" for 35 years. Street trees are some of the most common trees in Turlock: many of Turlock's iconic streets are lined with street trees that provide shade to pedestrians, reduce air pollution and topsoil erosion, enhance the visual appeal of the community, and much more.

Just like any plant, trees need regular care, especially when they are young and still establishing their root system. Rather than the responsibility for taking care of street trees falling to the City and the cost to taxpayers at large, the maintenance of street trees is performed by the adjacent property owner (Turlock Municipal Code 7-7-206). In addition to practical considerations, this long-standing approach fosters a sense of pride and ownership in each tree.

However, when trees are not properly selected, planted, watered, or maintained, they can negatively impact nearby infrastructure, including curbs, gutters, sidewalks, and utility lines. In May 2016, following findings by an ad hoc subcommittee tasked with evaluating tree maintenance and sidewalk repair programs, the City Council adopted Resolution No. 2016-094, which updated the street tree list, themed planting areas, and provided some limited planting standards.

In conjunction with updates to the sidewalk maintenance policy discussed at the December 9, 2025, and January 13, 2026 City Council meetings, the Interim City Manager authorized a contract with a local professional landscape architect, Linda Fish. Her scope of work included evaluating the current street tree list; proposing updates to the street tree list; developing Planting, Watering, and Maintenance Guidelines; reviewing the Turlock Municipal Code; and reviewing the landscape section of the City Engineer's Standard Specifications and Drawings (last revised in 2016). An updated Street Tree List and Planting, Watering, and Maintenance Guidelines were adopted by the City Council under Resolution Nos. 2026-046 and 2026-047, respectively.

Municipal Code Revisions

As part of her scope of work, Ms. Fish also reviewed the Turlock Municipal Code and provided recommended revisions. Drawing on her experience with municipal landscape standards, she identified opportunities to retain effective provisions while improving clarity and consistency.

The proposed changes align the municipal code with the updated tree list, maintenance guidelines, and the City Engineer's Standard Specifications and Drawings, which she has also evaluated and provided to the City Engineer, creating a more cohesive and consistent regulatory framework.

Proposed changes to the municipal code include:

- Aligning it properly with the proposed resolutions
    - Removing language about themed areas
    - Modifying planting areas to match what is referenced in the Planting, Watering, and Maintenance Guidelines
- Performing cleanup work

Conclusion
Staff have worked with Ms. Fish to take a comprehensive approach on the consideration of trees in Turlock. If implemented, these updates are expected to improve public understanding of proper tree care and ownership responsibilities, particularly in relation to local and state requirements for maintaining sidewalks, curbs, gutters, and utility connections.

Staff recommend adoption of this ordinance, as the updates are expected to address ongoing concerns related to tree impacts on public infrastructure while supporting public health, safety, and the overall experience of residents and visitors.

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is no fiscal impact as a result of the adoption of this ordinance. The cost to the public, if all the actions are adopted, is unchanged, and the contract with Ms. Fish is being expensed in Fiscal Year 2025 - 2026 with existing appropriations. No budget amendment is required.

4. ENVIRONMENTAL DETERMINATION:

The amendments to the Turlock Municipal Code involve administrative activities regarding general policy and procedure-making and does not itself result in direct or indirect physical changes in the environment. Therefore, the action is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378.

5. ALTERNATIVES:

1. The Council could choose not to adopt the proposed amendments to the Turlock Municipal Code. This alternative is not recommended because the proposed changes are part of a comprehensive approach to tree management in Turlock and primarily consist of clarifying and updating existing code provisions.
2. The Council can provide alternative direction to staff.

6. ATTACHMENTS:

1. Draft Ordinance

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF AMENDING TURLOCK MUNICIPAL CODE TITLE 7 (PUBLIC WORKS), CHAPTER 7-7 (STREET TREES)	**}** **}** **}**	**ORDINANCE NO. -CS**

WHEREAS, the City of Turlock has long recognized the public health, safety, environmental, and aesthetic benefits of street trees; and

WHEREAS, street trees contribute to the character of the City, provide shade, reduce air pollution and erosion, and support the overall quality of life for residents and visitors; and

WHEREAS, the proper planting, placement, and maintenance of street trees is necessary to prevent damage to public infrastructure, including sidewalks, curbs, gutters, and utilities, and to minimize risks to public safety; and

WHEREAS, the Turlock Municipal Code currently establishes requirements related to street trees and landscaping, including responsibilities for adjacent property owners and standards applicable to development; and

WHEREAS, the City has identified the need to update and clarify these provisions to improve consistency, usability, and alignment with current practices related to tree planting, maintenance, and infrastructure protection; and

WHEREAS, the proposed amendments are intended to reorganize and refine existing regulations, remove outdated or ineffective provisions, and improve coordination between street tree requirements and other development standards within the Municipal Code; and

WHEREAS, the City Council finds that these amendments will promote clearer administration and enforcement of the Municipal Code while continuing to protect public improvements and support the long-term health and sustainability of the City's urban forest; and

WHEREAS, the City further finds that restructuring and clarifying these provisions will improve transparency and ease of use for residents, property owners, and staff responsible for implementation and compliance.

BE IT ORDAINED by the City Council of the City of Turlock as follows:

SECTION 1. ENVIRONMENTAL DETERMINATION: The Ordinance has been reviewed with respect to applicability of CEQA and the CEQA Guidelines. This action involves administrative activities regarding general policy and procedure making and does not itself result in direct or indirect physical changes in the environment. Therefore, the action is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378.

SECTION 2. AMENDMENT: Title 7, Chapter 7-7 shall hereby be amended to read as follows:

CHAPTER 7-7

STREET TREES

Article 1
Miscellaneous

§ 7-7-101. Purpose.

The Council finds that:

(a) Street trees are of economic, environmental, and aesthetic importance to the City; and

(b) The City requires the planting of street trees as a part of subdivision developments and along ~~major~~ streets to enhance the character of the City; and

(c) Street trees directly benefit the City residents by:

(1) Reducing erosion of the topsoil by breaking the summer winds;

(2) Reducing air pollution by producing oxygen from carbon dioxide;

(3) Increasing property values;

(4) Maintaining the ecological balance of the area;

(5) Providing shade and buffering noise and glare; and

(6) Providing energy conservation by the reduction of summer temperatures; and

(d) The health, safety, and general welfare of the citizens will best be served by regulating the removal, severe pruning, topping, and planting of street trees and encouraging the reforestation of areas in which street trees have been removed.

§ 7-7-102. Definitions.

For the purposes of this chapter, unless otherwise apparent from the context, certain words and phrases used in this chapter are defined as follows:

~~(a) "Department" shall mean the Parks, Recreation and Public Facilities Department.~~

(a) "Director" shall mean the ~~Parks, Recreation and Public Facilities~~ Municipal Services Director or his or her designated representative.

(b) "Street Tree Plan" shall mean the officially adopted plan for the planting of certain varieties of trees in public rights-of-way~~,~~ or planting easements~~, or along certain specified theme streets~~.

(c) "Planting easement" shall mean an easement on private property of five (5') feet in width along the frontage of the parcel for the purposes of planting and maintaining street trees.

(d) "Parkway" shall mean that portion of land within the public right-of-way between the curb or curb line and sidewalk.

(e) "Street Tree List" shall mean the list of street trees specified by resolution and approved for planting and maintenance as street trees.

~~(f) "Theme street" shall mean a specifically named street, or streets within an area, specified by resolution, for which uniformity of species is desired for special effects or purposes.~~

~~(g)~~(f) "Maintenance" or "maintain" shall mean and include pruning, spraying, watering, mulching, fertilizing, cultivating, supporting, treating for disease or injury, or any other similar act which promotes the life, growth, health, or beauty of street trees.

~~(h)~~(g) "Pruning" shall mean the usual pruning, cutting, or thinning or otherwise the removal of branches, stems, and other parts of a tree.

~~(i)~~(h) "Person" shall be defined as set forth in TMC 1-3-13 and shall include a public utility company or similar entity.

(i) "Property owner" shall mean the owner of the real property, or the owner of the property adjacent to the right-of-way, on which the street tree is located or his authorized agent or representative.

(j) "Trimming" shall mean the minor cutting or removal of small branches or foliage for routine clearance or maintenance that does not materially alter the tree's natural form, structure, health, or stability.

Article 2
Responsibilities, Authority, Duties, And Costs

§ 7-7-201. Director to enforce chapter provisions.

The Director, under the general direction of the City Manager, shall have the authority and responsibility to carry out the provisions of this chapter.

§ 7-7-202. Authority to enter premises.

The Director or his or her designee shall have the authority to enter in or upon any part of the parkway or planting easement or adjacent property as is reasonably necessary for the purpose of planting, maintaining, pruning, spraying, or removing a street tree.

§ 7-7-203. Control of disease and the like.

The Director or his or her designee shall have the authority to order a property owner to take such action as is necessary to control insects, scales, parasites, fungus, or other injurious pests or plant materials which could cause serious injuries to the City street trees or other plant materials within the City. The Director or his or her designee shall notify the property owner in writing of the condition which exists and the controls necessary to correct the conditions and establish a reasonable time in which the corrective action shall be taken.

§ 7-7-204. Responsibility for condition of trees.

The Director or his or her designee shall be responsible for inspecting, supervising, or ordering the maintenance, removal, and replacement of street trees planted within parkways or planting easements by the property owner or by the City. The Director or his or her designee may cause or permit street trees or other plant materials planted in the parkways or planting easements to be removed by the City or the property owner if the trees are deemed by the Director or his or her designee to be unhealthy, hazardous, undesirable, or causing, or will cause, excessive damages to the existing public improvements or street trees.

§ 7-7-205. Authority to seek advice.

The Director or his or her designee shall have the authority to consult and seek the advice and recommendations of nurserymen, arborists, and other persons qualified in horticulture.

§ 7-7-206. Duty to maintain.

It shall be the duty of every property owner and every person occupying property within the City to maintain street trees in the parkway or planting easement on or adjacent to his or her property.

(a) In conjunction with any sale or transfer of real property and using the Local Option Real Estate Transfer Disclosure Statement form set forth in Civil Code Section 1102.6a, the seller/transferor shall provide notice of the maintenance obligations set forth in this article to the buyer/transferee. The notice shall, at a minimum, include the following language:

> Every property owner and every person occupying property within the City shall maintain street trees in the parkway or planting easement on or adjacent to his/her property.

(b) To provide all property owners and occupants with notice of his/her obligation to maintain street trees as set forth in this article, the ordinance codified in this chapter shall be recorded with the County Clerk of the County of Stanislaus.

§ 7-7-207. Trimming~~Pruning~~.

Street trees shall be ~~pruned~~ trimmed as needed to enhance the natural growth, characteristics, and traits of the trees. A street tree permit is required for all pruning of street trees pursuant to TMC 7-7-301, except for the trimming of small branches necessary to maintain clearance for pedestrian or vehicle travel from ground level that does not materially alter the tree's structure or remove more than 10% of live foliage. Street trees shall not be pruned to create a form unnatural to the street tree.

§ 7-7-208. Duty to protect.

It shall be the responsibility of every property owner and every person occupying land to

protect street trees planted in the parkways or planting easements on or adjacent to his property from physical damages and other plant materials which can be detrimental to the street tree's growth or health.

§ 7-7-209. (Not used).

§ 7-7-210. Owners to perform work: Costs.

All work, and the costs thereof, required in the removal, pruning, or maintenance of a street tree shall be provided by the property owner or his agent, including the removal of the stump to a depth as specified by the Director or his or her designee.

§ 7-7-211. Refusal to perform work.

If the property owner refuses to perform the work after notice from the Director or his or her designee, the Director or his or her designee may order the work done by the City, and the costs shall be assessed to the property owner and tenant consistent with the provisions of TMC 7-7-210 as a personal debt and, if unpaid within thirty (30) days after billing by the City, shall become a lien on the property.

§ 7-7-212. Appeals.

Any person aggrieved by any action taken ~~by any City Official~~ pursuant to the provisions of this chapter or any guideline or procedure issued pursuant to the chapter, may appeal such action the decision first to the City Manager or their designee, then to the City Council pursuant to TMC 1-4-01(b)~~as provided by Chapter 1-4 TMC~~.

Article 3
Permits: Costs: Removal And Limb Reduction

§ 7-7-301. Permits required.

It shall be unlawful for any person to remove, prune, ~~or~~ severely prune, or alter any street tree within the City, without a permit from the City. This prohibition does not extend to trimming as outlined ~~the regular maintenance required~~ under TMC 7-7-207~~206~~.

§ 7-7-302. Applications for permits.

Any person desiring to remove, prune, severely prune, or otherwise alter a street tree shall file an application for a permit with the Director or his or her designee. Such application shall be provided by the Director or his or her designee and may contain such information deemed necessary by the Director or his or her designee to ~~insure~~ ensure compliance with the spirit and intent of this chapter.

Applications for permits shall be signed by the property owner.

§ 7-7-303. Time for performance under permits.

The Director or his or her designee shall stipulate a time by which all work shall be

performed, not to exceed sixty (60) days after the date of the issuance of the permit, and may require the posting of cash or other surety in an amount equal to the cost of the work to ~~insure~~ ensure the faithful completion of the work specified and the cleanup of debris within the time stipulated for performance.

§ 7-7-304. Removal permits.

(a) Upon the receipt of an application to remove a street tree, the Director or his or her designee shall determine whether or not such tree should be removed.

(b) The Director or his or her designee may issue a permit to remove or conditionally remove a street tree when one (1) or more of the following conditions apply to the tree:

The tree is:

(1) Dying or dead;

(2) Decayed, rotted, or otherwise hazardous to the public;

(3) Diseased beyond reclamation;

(4) Damaging public improvements, such as curbs, gutters, sidewalks, or other utilities;

(5) Required to be removed due to building moving from the lot or parcel provided it is not practical or reasonable to save the tree; all work and costs will be provided by the owner;

(6) Required to be removed for new construction and the Director or his or her designee believes better and more suitable planting will result provided there is no practical or reasonable means to save the tree; all work and costs will be provided by the owner; or

(7) Located so that thinning is desired to improve spacing or conformity.

(c) The Director or his or her designee, as a condition of the removal of a tree, whenever possible shall require the planting ~~of either a theme tree or~~ a tree from the Street Tree List in a location along the property frontage in keeping with the Street Tree Plan.

§ 7-7-305. Pruning permits.

(a) Upon the receipt of an application to prune or severely cut a street tree, the Director or his or her designee shall determine whether or not the tree should be pruned or otherwise severely cut.

(b) The Director or his or her designee may issue a permit to prune or severely cut a street tree when limb reduction or severe cutting is required either to:

(1) Maintain pedestrian or traffic clearance and visibility;

(2) Maintain tree health;

(3) Maintain continuity with prior pruning practices; or

(4) Remove a building from the parcel.

§ 7-7-306. Permits not required.

A permit shall not be required when an immediate threat to the public health and safety exists due to an accidental occurrence or act of God and, in the opinion of the Director or his or her designee, the removal, pruning, or cutting is required.

Article 4
Cooperation With Other Agencies And Departments

§ 7-7-401. Public utilities.

(a) Any public utility maintaining any overhead wire or underground pipe, wire, or conduit shall obtain permission from the Director or his or her designee before performing any maintenance to wires or pipes or conduits which would cause injuries to street trees. Such public utility shall in no way injure, deface, prune, scar, or top any tree until its plans and procedures have been approved by the Director or his or her designee.

(b) The Director or his or her designee shall be permitted to inspect all maintenance or operational work performed by public utilities which might affect the street trees. If, in the opinion of the Director or his or her designee, the performance of work would cause excessive or unnecessary injuries to any street tree, the Director or his or her designee shall have the authority to stop such maintenance and operational work and arrange with such utility another method of maintenance or operational work satisfactory to the City.

(c) This section shall not apply to emergency public utility maintenance work which is performed during nonworking hours for City personnel.

§ 7-7-402. Notification of street improvements.

The Engineering Department and Planning Department shall notify the Director or his or her designee of any known applications for a new curb, gutter, sidewalk, driveway approach, or other installation which might require the removal of, or cause injury to, any street tree or otherwise be contrary to the intent of this chapter.

Article 5
Street Tree Plan

§ 7-7-501. Street trees required.

Street trees shall be planted and maintained as part of all new construction and all remodeling which exceeds twenty-five (25%) percent of the value of the structure as

shown on the latest equalized assessment roll of the County. All required street trees shall be planted as required by this chapter prior to the issuance of a certificate of occupancy or approval of final inspection by the Building Inspector.

§ 7-7-502. ~~Subdivision~~ Street Tree List ~~and Theme Street List.~~

Street trees shall be planted of the type, size, and at the locations specified in the ~~Subdivision~~ Street Tree List ~~and Theme Street List~~ which shall be adopted by resolution of the Council.

§ 7-7-503. Street tree types.

REPEALED

§ 7-7-504. Location of street trees.

Street trees shall be planted in the following locations:

(a) In areas of the City~~,~~ where parkways exist, ~~and not more than fifty (50%) percent of the block frontage has been converted to current sidewalk standards,~~ street trees ~~may~~ shall be planted in the parkway.

(b) In areas where parkways do not exist and tree wells are not required, ~~blocks where more than fifty (50%) percent of the parkway has been eliminated and replaced consistent with current sidewalk standards~~street trees shall be planted three (3') ~~two and one-half (2-1/2')~~ feet behind the sidewalk.

(c) In commercial areas or in those areas in which sidewalks are required or authorized to extend from the curb to the property line, street trees shall be planted in the sidewalk area in a four (4') foot by six (6') foot rectangular ~~square~~ area adjacent to the curb, unless otherwise authorized by the Director or his or her designee. (See City ~~Standard No.~~ of Turlock Standard~~s,~~ Specifications and Drawings ~~No. ST-22.~~)

~~(d) In all subdivisions for which the final map is filed prior to June 1, 1978, street trees shall be planted two and one-half (2-1/2') feet behind the sidewalk.~~

~~(e)~~(d) In all subdivisions and parcel map areas, street trees shall be planted three (3') ~~two and one half (2 ½') within an area two and one-half (2-1/2') feet to four (4')~~ feet behind the sidewalk ~~in a planting easement~~, except in areas with parkways.

~~(f)~~(e) In industrial areas and other commercial areas, street trees shall be planted as provided in the Street Tree List or as determined by the Director or his or her designee.

SECTION 3. VALIDITY: If any section, subsection, sentence, clause, word, or phrase of this ordinance is held to be unconstitutional or otherwise invalid for any reason, such decision shall not affect the validity of the remainder of this ordinance. The Turlock City Council hereby declares that they would have passed this ordinance, and each section, subsection, sentence, clause, word, or phrase thereof, irrespective of the fact that one or more section, subsection, sentence, clause, word, or phrase be declared invalid or unconstitutional.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

Signed and approved this 26th day of May, 2026.

SIGNED:

_____
Amy Bublak, Mayor

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

APPROVED AS TO FORM:

_____
Katie O. Lucchesi, City Attorney

City Council Staff Report

May 26, 2026

From:	Katie Quintero, Planning Manager
Prepared by:	Katie Quintero, Planning Manager
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Finding that The Evergreen Market dba FF Farms has complied in good faith with the terms and conditions of the Development Agreement between The Evergreen Market dba FF Farms and the City of Turlock for the operation of a cannabis retail dispensary at 101 E. Glenwood Avenue, Stanislaus Assessor's Parcel Number 044-022-013

Ordinance: Introduction and First Reading of an Ordinance amending terms and extending the Development Agreement between the City of Turlock and Evergreen Market dba FF Farms

2. NARRATIVE:

The Evergreen Market is located at 101 E. Glenwood Avenue. The property is zoned Community Commercial, which allows cannabis dispensaries with a Conditional Use Permit and Development Agreement.

At their February 28, 2023, meeting, the City Council adopted the ordinance approving the Development Agreement (DA). As required in the DA, The Evergreen Market applied for a Conditional Use Permit. The Planning Commission granted Conditional Use Permit 2022-07 at the April 6, 2023, public hearing, allowing The Evergreen Market to operate a cannabis dispensary in the existing 2,785 square foot building.

On March 31, 2024, Jose Rodrigues and the City of Turlock executed an Assignment and Assumption Agreement, as allowed under Section 10.1 of the Development Agreement. The Assignment and Assumption Agreement allowed the sale, assignment, or transfer of The Evergreen Market at 101 E. Glenwood Avenue to Jose Rodrigues. All other conditions of the Conditional Use Permit and the Development Agreement remain unchanged.

<u>Planning Department</u>

A sign permit was issued for the signs on the building.

Evergreen Market dba FF Farms has complied with the requirements of the Planning Division.

<u>Building Department</u>

The Evergreen Market is in compliance with the requirements of the Building and Safety Division.

<u>Finance Department</u>

Business License

The Evergreen Market was issued a business license on August 1, 2024. Their business

license is current and active. There are no outstanding issues.

Public Benefit Amount
The Development Agreement requires the monthly payment of a public benefit amount. Section 4.2 of the Development Agreement details the public benefit amount that Evergreen Market must submit to the City on a monthly basis.

The above public benefit amounts include a one-quarter percent (.25%) dollar amount dedicated to supporting the City of Turlock juvenile drug and alcohol treatment and rehabilitation programs.

The audits and compliance checks have been completed. Evergreen Market is in compliance with the Finance Department requirements. The public benefit amount that Evergreen Market has paid is detailed in the table below:

Fiscal Year	**Public Benefit Payment**
2020-21	N/A
2021-22	N/A
2022-23	N/A
2023-24	N/A
2024-25	$275,000.00
2025-26*	$262,360.00
Total through 4/29/26	**$537,360.00**

*Through March 2026

<u>Police Department</u>
Calls for Service
In 2024, there were two calls for service (CFS). The landscaping crew set off an alarm when leaf blowing near the front doors. The other call for service was a false alarm set off by the business owner. Both calls were closed by the responding officer and did not result in a report or arrests.

Calls for service from January 1, 2025, through October 22, 2025, totaled two. Both calls were accidental alarms by the employees. Both calls were closed by the responding officer with no arrests made.

There were five calls for service from October 2025 through April 2026. Four calls for service were false or accidental alarms and closed by the responding officer. One call was to assist another agency to check security guard credentials.

It is important to remember, when responding to calls for service, the location is indexed by where the incident occurred or where the officer should respond to contact the victim. If the

officer responds to the Evergreen Market parking lot or in close proximity to Evergreen Market, the business name will be indexed in the report. It does not mean a crime occurred at Evergreen Market. If no report was made, the responding officer did not find probable cause to show a crime occurred.

Annual Inspection
On April 23, 2026, the Police Department conducted their annual inspection. The following items were found at the inspection:

The point of sale cash drawer had the key sitting in the lock and viewable to the public. This is a security concern. The key needs to be secured by an employee or manager during business hours.

The dumpster to the business was not locked. The dumpster needs to be locked at all times when not in use to prevent people from accessing the dumpster.

Immature clone cannabis plants were left stacked outside the back door against the fence line in preparation for disposal. These plants need to be properly secured until they are disposed of per DDC regulations.

The security door to the lobby was propped open during business hours. This door needs to be secure at all times and requires key card access to open. *This occurred during the last inspection in 2025.*

The manager was not able to provide permits for all employees. The Police Department discussed the necessity of displaying all employee permits in the manager's office for inspections.

The business has been mailed a letter noting these deficiencies and a second inspection will be conducted to ensure these items have been corrected. These items are minor in nature and can be corrected easily and, therefore, Evergreen Market dba FF Farms is in substantial compliance with the Police Department's conditions.

Annual Review
TMC §9-5-912 directs the Planning Commission to recommend to the City Council whether the business has complied in good faith with the terms and conditions of the Development Agreement.

Proposed Amendments
Various amendments are proposed to the Development Agreement. To capture all previous amendments to the Development Agreement into one document, the City has prepared a First Amended and Restated Development Agreement. This captures the previous amendments and newly proposed amendments into this one complete Agreement.

In response to concerns from many of the dispensary operators, the City is proposing to amend the language for the public benefit amount to remove the monthly minimum payment and move to a percentage only. The percentage is set as a range up to 9% of gross receipts but proposes to set the amount required to be paid at 5.25% through May 31, 2027, at which time Council may set a new Public Benefit amount within the range. This change will cause

a reduction in the overall amount the City will receive in the public benefit, but it will provide more stability and will reduce the financial strain on the cannabis operators.

This Development Agreement does not expire until July 13, 2028, but staff is proposing to amend the term of the agreement through June 30, 2029, so it is on the same schedule as the other dispensary Development Agreements.

Other regulations proposed to be added to the agreement include requiring remote real-time live access to the video footage of cameras installed at the businesses and requiring background checks prior to any changes in ownership or on any individual or entity every two years or at any other time upon reasonable cause. A section has been added detailing that if anyone with direct or indirect ownership or controlling interest in the project is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may terminate the Development Agreement. If given such notice, the Developer would have 180 days to complete a transfer of their interest to a transferee approved by the City.

Other proposed changes include various language cleanups and updates to current laws and regulations.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Approving the amendment to remove the monthly minimum payment will result in a reduction in the public benefit amount collected annually but will provide more stability for the cannabis operators.

4. ENVIRONMENTAL DETERMINATION:

The project consists of the annual review to determine if Evergreen Market dba FF Farms has complied in good faith with the terms and conditions of the Conditional Use Permit and Development Agreement as well as a three-year time extension and miscellaneous amendments to the Development Agreement.

No changes or modifications to the site are anticipated as a result of this review; therefore, this action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the annual review, request for a time extension and various miscellaneous changes to the Development Agreement. This action will not result in direct or indirect physical changes in the environment.

5. ALTERNATIVES:

1. City Council could find The Evergreen Market dba FF Farms has not complied in good faith with the terms of the Development Agreement for the annual review.
2. City Council could propose other changes to the terms of the Development Agreement.

6. ATTACHMENTS:

1. Draft Resolution
2. Draft Ordinance and 1st Amended and Restated DA Evergreen

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF THE CITY COUNCIL FINDING THAT THE EVERGREEN MARKET DBA FF FARMS HAS COMPLIED IN GOOD FAITH WITH THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT BETWEEN THE EVERGREEN MARKET DBA FF FARMS AND THE CITY OF TURLOCK FOR THE OPERATION OF A CANNABIS RETAIL DISPENSARY AT 101 E. GLENWOOD AVENUE, TURLOCK, CALIFORNIA, COUNTY OF STANISLAUS, ASSESSOR'S PARCEL NUMBER 044-022-013	}	**RESOLUTION NO. 2026-**

WHEREAS, on February 28, 2023 the City adopted Ordinance No. 1300-CS approving a Development Agreement by and between the City and The Evergreen Market dba FF Farms to operate a storefront retail dispensary as defined in Turlock Municipal Code Section 5.21 in strict accordance with applicable state and local law, at 101 E. Glenwood Avenue, Turlock, California, County of Stanislaus Assessor's Parcel Number 044-022-013 (the "Project"), consistent with the General Plan, as amended; and

WHEREAS, on May 7, 2026, the Planning Commission of the City of Turlock met in accordance with Turlock Municipal Code Section 9-5-912(c); and

WHEREAS, pursuant to Section 9-5-912(c), the City Council, upon recommendation of the Planning Commission, shall determine whether the property owner has complied in good faith with the terms and conditions of the agreement during the period under review;

WHEREAS, the City Council determined the recommended action does not constitute a project and will not create a physical impact on the environment or authorize any action that has the potential to impact the physical environment and would not make any changes in current policy or regulations; therefore, the proposed action is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3)(General Rule, No Environmental Impact) of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby determine that The Evergreen Market dba FF Farms has complied in good faith with the terms and conditions of the Development Agreement between The Evergreen Market dba FF Farms and the City of Turlock for the operation of a cannabis retail dispensary at 101 E. Glenwood Avenue, Turlock, CA, County of Stanislaus, Assessor's Parcel Number 044-022-013.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

ATTEST:

_____

Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

–

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

INTRODUCTION AND FIRST READING OF AN ORDINANCE AMENDING TERMS AND EXTENDING BY AMENDMENT, THE DEVELOPMENT AGREEMENT BETWEEN EVERGREEN MARKET DBA FF FARMS AND THE CITY OF TURLOCK FOR THE OPERATION OF A CANNABIS DISPENSARY AT 101 E. GLENWOOD AVENUE, TURLOCK, CALIFORNIA, STANISLAUS COUNTY APN 044-022-013 THROUGH JUNE 30, 2029	}	**ORDINANCE NO. 13XX-CS**

WHEREAS, on June 11, 2019, the City Council of the City of Turlock (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations for cannabis businesses pursuant to AUMA and MAUCRSA, by amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program"); and

WHEREAS, on June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City; and

WHEREAS, on February 28, 2023 the City adopted Ordinance No. 1300-CS approving a Development Agreement by and between the City and The Evergreen Market to operate a storefront retail dispensary as defined in Turlock Municipal Code Section 5.21 in strict accordance with applicable state and local law, at 101 E. Glenwood Avenue, Turlock, California, County of Stanislaus Assessor's Parcel Number 044-022-013 (the "Project"), consistent with the General Plan, as amended; and

WHEREAS, on March 31, 2024, the City of Turlock and The Evergreen Market entered into an Assignment and Assumption Agreement; and

WHEREAS, pursuant to Section 1.9 of the Development Agreement a "Major Amendment" to the Development Agreement shall be approved by the City Council; and

WHEREAS, after the public hearing held on May 7, 2026, the Planning Commission recommended the City Council make the proposed amendments to the Development Agreement and extend the term of the Development Agreement through June 30, 2029; and

WHEREAS, the City Council, based on its independent review and analysis of the Planning Commission's recommendation, oral and written testimony, and the record as a whole, finds, after due study, deliberation, and holding a public hearing, and based on its independent judgement, find that the following circumstances exist:

1. The Project is consistent with the goals, policies, and standards of the City's General Plan and all other applicable standards and ordinances of the City.
2. In accordance with the Development Agreement Statute, the City Council finds that the amendment to the Development Agreement:
    a. Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole; and
    b. Will not adversely affect the orderly development of property or the preservation of property values; and
    c. Is consistent with the relevant provisions of Government Code Sections 65864 through 65869.5; and
    d. Contains a legal description of the property.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Turlock does hereby determine:

Section 1. The recitals stated above are true and correct, and hereby incorporated herein.

Section 2. This request is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the request for a time extension for the Development Agreement (DA) between the City of Turlock and Evergreen Market dba FF Farms This action will not result in direct or indirect physical changes in the environment.

Section 3. The City Council of the City of Turlock approved the proposed amendments and extends the terms of the Development Agreement between the City of Turlock and Evergreen Market dba FF Farms through June 30, 2029.

Section 4. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more sections(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

Section 5. Upon passage of this Ordinance, the City Manager is authorized to execute the amendment to the First Amended and Restated Development Agreement as shown in Exhibit A on behalf of the City. Within ten (10) days of the execution, but no earlier than 30 days after passage of this Ordinance, the City Clerk shall cause the amendment to the Development Agreement to be recorded in the Office of the County Recorder as provided for by Government Code section 65868.5. The amendment to the Development Agreement shall not take effect for thirty (30) days following passage and adoption of this Ordinance.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock

this 26th day of May, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

SIGNED:

_____
Amy Bublak, Mayor

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

APPROVED AS TO FORM:

_____
Katie Lucchesi, City Attorney

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City of Turlock
156 S Broadway
Turlock, CA 95380
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §6103

FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TURLOCK AND THE EVERGREEN MARKET (TURLOCK), INC.

THIS FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this _____ (____) day of _____, 2026, by and between the **City of Turlock**, a California municipal corporation ("City"), and **The Evergreen Market (Turlock), Inc.**, a California corporation ("Developer"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

A. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing and distribution of medical marijuana to qualified patients and their primary caregivers.

B. On November 8, 2016, California voters enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act ("AUMA"), which establishes a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products, for use by adults 21 years and older and to tax the growth and retail sale of cannabis for nonmedical use.

C. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which creates a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in Commercial Cannabis Activity, as defined in Section 1.4 of this Agreement, may operate in a particular jurisdiction.

D. On June 11, 2019, the Turlock City Council (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations as defined under Turlock Municipal Code ("T.M.C.") Section 5.21 pursuant to AUMA and MAUCRSA; and

E. On June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City.

F. Developer proposed to improve, develop and use real property to operate a Cannabis Business Project, as defined below, in strict accordance with California Cannabis Laws, as defined in Section 1.4 of this Agreement and the T.M.C., as each may be amended from time to time.

G. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 et seq. (the "Development Agreement Statute"), which authorizes City and an individual or business entity with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.

H. On June 11, 2019, following the adoption of the Pilot Program, the City issued and circulated a request for qualifications ("RFQ"). The purpose of the RFQ was to form the basis for a selection process of qualified cannabis operators for participation in the Pilot Program. The Evergreen Market (Turlock), Inc. has completed the RFQ requirements; and

I. Developer submitted an application to the City Planning Commission Department for consideration of a development agreement for a commercial cannabis business.

J. Developer has leased property located at 101 E Glenwood Avenue, Turlock, California, County of Stanislaus Assessor's Parcel Number 044-022-013 of which Developer improved approximately 2,677 (two thousand six hundred and seventy-seven) square feet of space (the "Site") to operate the Cannabis Business Project, more particularly described in the legal description attached hereto as **Exhibit A** ("Legal Description") and the Cannabis Business Project Site Map attached hereto as **Exhibit B**.

K. Developer leased the Site for the purpose of carrying out the Cannabis Business Project. A copy of the lease to the Site is attached hereto as **Exhibit C**, within satisfaction of the requirement of T.M.C. Chapter 5.21.

L. On January 5, 2023 the Turlock Planning Commission ("Planning Commission"), in a duly noticed and conducted public hearing, considered Developer's application for this Agreement. At that public hearing, the Planning Commission recommended the City Council adopt Ordinance No.1300-CS, which would allow Developer to operate the Cannabis Business Project at the Site.

M. On February 28, 2023, pursuant to Government Code section 65867.5, and following a duly noticed and conducted public hearing, the City Council reviewed, considered, adopted, and entered into this Agreement pursuant to Ordinance No. 1300-CS.

N. This Agreement is entered into pursuant to the Development Agreement Statute.

O. On March 31, 2024, the City of Turlock and The Evergreen Market entered into an Assignment and Assumption Agreement.

P. The City Council has determined that this Agreement is consistent with the City's General Plan and has conducted all necessary proceedings in accordance with the T.M.C. for the approval of this Agreement.

Q. Under Section 5-21-103 of the Turlock Municipal Code, any cannabis dispensary business allowed in the City shall obtain a development agreement, a City business license, and a conditional use permit.

R. The Parties wish to enter into this First Amended and Restated Development Agreement to replace previous agreement between the Parties and to fulfill the requirement that a cannabis business requires a development agreement pursuant to TMC Section 5-21-103.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT

ARTICLE 1
GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety and general welfare and is consistent with the City's General Plan, including all text and maps in the General Plan.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 10 of this Agreement, the provisions of Articles 1 through 10 shall prevail.

Section 1.3. Exhibits. The following "Exhibits" are attached hereto and incorporated into this Agreement:

Designation	**Description**
Exhibit A	Cannabis Site Legal Description
Exhibit B	Cannabis Business Project Site Map
Exhibit C	Lease
Exhibit D	Notice of Non-Performance Penalty
Exhibit E	Indemnification Agreement
Exhibit F	Notice of Termination
Exhibit G	Assignment and Assumption Agreement

Section 1.4. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meaning:

(a) "Additional Insureds" has the meaning set forth in Section 6.1.

(b) "Additional Licenses" has the meaning set forth in Section 2.4.

(c) "Adult-use cannabis" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended for use by adults 21 years of age and older in California pursuant to the California Cannabis Laws.

(d) "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.

(e) "Application" has the meaning set forth in Recital G.

(f) "Assignment and Assumption Agreement" has the meaning set forth in Section 10.1.

(g) "AUMA" means the Adult Use of Marijuana Act (Proposition 64) approved by California voters on November 8, 2016.

(h) "Authorized License" has the meaning set forth in Section 2.3.

(i) "Department" means the Department of Cannabis Control or any successor state agency.

(j) "California Building Standards Codes" means the California Building Code, as amended from time to time, in Part 2, Volumes 1 and 2, as part of Title 24 of the California Code of Regulations, as may be adopted by the T.M.C.

(k) "California Cannabis Laws" includes AUMA, MAUCRSA, CUA (as defined below), the Medical Marijuana Program Act of 2004 codified as Health and Safety Code

sections 11362.7 through 11.62.83 and any other applicable laws that may be enacted or approved.

(l) "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis and the term "marijuana" may be used interchangeably.

(m) "Cannabis Business Pilot Program" means the cannabis business program established and authorized by T.M.C. Chapter 5.21.

(n) "Cannabis Business Project" means the cannabis retail business operated by Developer on the Site pursuant to the Authorized License.

(o) "Cannabis Manufacturing Business" means a business engaged in commercial cannabis activity pursuant to a state approved Type 6 or 7 license, Type A and M licenses designated as a Cannabis business.

(p) "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(q) "CEQA" means the California Environmental Quality Act, as set forth in Division 13 (Commencing with Section 21000) of the California Public Resources Code, and the CEQA Guidelines, as set forth in Title 14 (Commencing with Section 15000) of the California Code of Regulations.

(r) "City" means the City of Turlock, a California municipal corporation having general police powers.

(s) "City Council" means the City of Turlock City Council, as defined in T.M.C. Section 2.1.

(t) "City Manager" means the City Manager of the City of Turlock or his or her designee, as described in T.M.C. Section 2.4.

(u) "Charged Party" has the meaning set forth in Section 8.1.

(v) "Charging Party" has the meaning set forth in Section 8.1

(w) "Commercial Cannabis Activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis or a cannabis product that requires a state license pursuant to MAUCRSA.

(x) "Planning Commission" means the City of Turlock Planning Commission, as established by T.M.C. Section 9.5.

(y) "Conditional Use Permit" means a conditional use permit issued by City pursuant to T.M.C. Section 9.3.

(z) "CUA" means the Compassionate Use Act (Proposition 215) approved by California voters on November 5, 1996.

(aa) "Developer" means Evergreen Market, (Turlock), Inc. Developer also has the meaning set forth in Section 6.1.

(bb) "Development Agreement Statute" has the meaning set forth in Recital H.

(cc) "Exhibits" has the meaning set forth in Section 1.3.

(dd) "Gross Receipts from Operations" means total revenue actually received or receivable from operation of the Cannabis Business Project, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares, or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;

2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";

3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

4. Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit; and

5. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded.

The intent of this definition is to ensure that in calculating the payment required under Section 4.2, all sales of cannabis products through the Cannabis Business Project are captured. This definition shall therefore be given the broadest possible interpretation consistent with this intent.

(ee) "Indemnification Agreement" has the meaning set forth in Section 6.3.

(ff) "Major Amendment" means an amendment that shall have a material effect on the terms of this Agreement. A Major Amendment also has the meaning set forth in Section 2.4. Major Amendments shall require approval by the City Council.

(gg) "Marijuana" has the same meaning as cannabis and those terms may be used interchangeably.

(hh) "MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code section 26000 et seq., as may be amended from time to time.

(ii) "MCRSA" has the meaning set forth in Recital A.

(jj) "Ministerial Fee" or "Ministerial Fees" has the meanings set forth in Section 4.1.

(kk) "Minor Amendment" means a clerical amendment to this Agreement that shall not materially affect the terms of this Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 1.7.

(ll) "Mortgage" has the meaning set forth in Article 7.

(mm) "Non-Performance Penalty" has the meaning set forth in Section 4.5.

(nn) "Notice of Non-Performance Penalty" has the meaning set forth in Section 4.5.

(oo) "Notice of Termination" has the meaning set forth in Section 9.1.

(pp) "Processing Costs" has the meaning set forth in Section 1.11.

(qq) "Project Litigation" has the meaning set forth in Section 10.7.

(rr) "Public Benefit" has the meaning set forth in Section 4.2.

(ss) "Public Benefit Amount" has the meaning set forth in Section 4.2.

(tt) "State Licensing Authority" means the state agency responsible for the issuance, renewal or reinstatement of a state cannabis license or the state agency

authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

(uu) "State Cannabis Regulations" means the regulations promulgated by the State Licensing Authority pursuant to the California Cannabis Laws (4 CCR 15000 et seq., or their respective successors).

(vv) "State Taxing Authority" has the meaning set forth in Section 4.2.

(ww) "Subsequent City Approvals" has the meaning set forth in Section 3.1.

(xx) "Term" has the meaning set forth in Section 1.7.

(yy) **"TMC" means Turlock Municipal Code.**

(zz) "Type 1A license" or "Specialty Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting of between 501 and 5,000 square feet of total canopy size on one premises.

(aaa) "Type 2A license" or "Small Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

(bbb) "Type 3A license" or "Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

(ccc) "Type 4 license" or "Nursery" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for cultivation.

(ddd) "Type 6 license" or "Manufacturer 1" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using nonvolatile solvents.

(eee) "Type 7 license" or "Manufacturer 2" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using volatile solvents.

(fff) "Type 10 license" or "Retailer" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws authorizing the retail sale of cannabis and cannabis products. Retail sale includes sales at a storefront and by delivery, pursuant to all state and local laws and regulations.

(ggg) "Type 11 license" or "Distributor" means a state license issued by the

Department of Cannabis Control pursuant to the California Cannabis Laws for the distribution of cannabis and cannabis products from manufacturer to dispensary.

(hhh) "Type 12 license" or "Microbusiness" means a state license issued by a State Licensing Authority pursuant to the California Cannabis Laws relating to cannabis manufacturing, retail and distribution.

(iii) "Type 13 license" or "Distribution Transport-Only" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for distribution cannabis and cannabis products.

Conforming Interpretation of State Cannabis License References. Any reference in this Agreement to a State cannabis license, State Cannabis Regulations, licensing authority, or specific state cannabis license type or designation shall be deemed to include any successor license, permit, approval, agency, or regulation that replaces, renames, consolidates, or reclassifies such license or regulatory framework under California law, including those administered by the California Department of Cannabis Control or any successor agency.

No change in the name, number, classification, or structure of any State cannabis business license shall be construed to expand, limit, or otherwise modify the cannabis activities authorized under this Agreement, except as required by applicable state law or as expressly approved in writing by the City.

The scope of permitted commercial cannabis activities shall be determined solely by this Agreement and applicable City approvals, and not by the type, title, or designation of any state license held by Developer, unless expressly mandated by state law.

Section 1.5. Project is a Private Undertaking. The Parties agree that the Cannabis Business Project is a private development and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Developer or of the Cannabis Business Project.

Section 1.6. Effective Date of Agreement. This Agreement shall become effective upon the date that the ordinance approving this Agreement becomes effective (the "Effective Date").

Section 1.7. Term. The term of this Agreement ("Term") shall be through June 30, 2029, unless earlier terminated in accordance with the provisions of this Agreement.

(a) Government Tolling or Termination. City may provide written notice to Developer to cease all Commercial Cannabis Activity, upon which Developer shall immediately comply if City is required, directed or believes, in its sole and absolute discretion, it must temporarily halt or terminate Commercial Cannabis Activity within the City to comply with federal or state law. If City temporarily halts this Agreement to comply with federal or state law, this Agreement shall be tolled for no longer than one (1) calendar year (the "Tolling Period"). Developer shall not accrue or be liable to City for any Ministerial Fees or Public Benefit Amount during the Tolling Period. Developer shall

resume paying any applicable fees after the Tolling Period ends. City and Developer shall discuss in good faith the termination of this Agreement if the Tolling Period exceeds one (1) calendar year to comply with federal or state law.

(b) Developer Tolling or Termination. Developer may not temporarily halt or terminate this Agreement for any purpose without causing a default of this Agreement, except as otherwise allowed by this Agreement or by mutual agreement of the Parties.

Section 1.8. Priority of Enactment. In the event of a conflict between the various land use documents referenced in this Agreement, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (a) General Plan, (b) Specific Plan, (c) Agreement, (d) Conditional Use Permit, (e) Indemnification Agreement, and (f) Subsequent City Approvals.

Section 1.9. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification of the City Council. A Major Amendment to this Agreement shall be approved by the City Council. The City Manager shall, on behalf of City, have sole discretion for City to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.10. Recordation of Development Agreement. The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Site within ten (10) business days of the Effective Date.

Section 1.11. Funding Agreement for Processing Costs. If Developer proposes an amendment to this agreement, Developer shall pay for all actual fees and expenses incurred by City that are related to the preparation and processing of amendments to this Agreement, including recording fees, publishing fees, staff time, and consultant and attorneys' fees and costs (collectively, "Processing Costs"). Developer shall deposit monies for such processing as estimated by the Development Services Department. The Processing Costs are refundable solely to the extent of non-expended Processing Costs.

(a) Accounting. Developer may request, and City shall issue within a reasonable time not to exceed thirty (30) days, an accounting and written acknowledgement of Processing Costs paid to City.

ARTICLE 2
DEVELOPMENT OF PROPERTY

Section 2.1. Vested Right of Developer. During the Term, in developing the Site consistent with the Cannabis Business Project described herein, Developer is assured that the development rights, obligation terms, and conditions specified in this Agreement, including, without limitation, the terms, conditions, and limitations set forth in the Exhibits,

are fully vested in Developer and may not be modified or terminated by City except as set forth in this Agreement or with Developer's written consent.

Section 2.2. Vested Right to Develop. In accordance with Section 2.1, Developer shall have the vested right to develop and use the Cannabis Business Project consistent with this Agreement, the Conditional Use Permit, and Subsequent City Approvals.

Section 2.3. Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Site for Commercial Cannabis Activity consistent with the following license type (the "Authorized License"):

Type 10	Storefront Dispensary

Pursuant to this Agreement, Developer shall be permitted to use the Site consistent with the Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Developer shall begin operations of the Cannabis Business Project under the Authorized License within twelve (12) months of the issuance of a Conditional Use Permit or adoption of the operative ordinance approving this Agreement, whichever is later, unless Developer is prevented from doing so due to any event or circumstance set forth in Section 8.6 of this Agreement. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Authorized License to Developer, Developer shall immediately cease Commercial Cannabis Activity and any other operations on the respective site. Developer shall also, within thirty (30) days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of the Authorized License. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Conditional Use Permit to serve as the definitive and controlling documents for all subsequent actions, discretionary or ministerial, relating to development of the Site and the Cannabis Business Project.

Section 2.4. Major Amendment to Permitted Uses. Developer may request to add to the Authorized License additional license types once that license is applied for or obtained from the appropriate State Licensing Authority (the "Additional Licenses"). Such request shall be a Major Amendment to this Agreement.

Section 2.5. Conditional Use Permit. Developer shall obtain a Conditional Use Permit for the Commercial Cannabis Activity and Authorized License contemplated herein for the Project and at the Site. No Commercial Cannabis Activity may occur at the Site until Developer has obtained a Conditional Use Permit to use and operate the Authorized License at the Site. This Conditional Use Permit must be maintained in good standing throughout the Term. This Agreement shall immediately terminate if the Conditional Use Permit for the Authorized License is revoked by City for any reason.

Section 2.6. Subsequent Entitlements, Approvals, and Permits. Successful implementation of the Cannabis Business Project shall require Developer to obtain additional approvals and permits from City and other local and state agencies. City shall

comply with CEQA in the administration of all Subsequent City Approvals. In acting upon any Subsequent City Approvals, City's exercise of discretion and permit authority shall conform to this Agreement. Notwithstanding the foregoing, in the course of taking action on the Subsequent City Approvals, City will exercise discretion in adopting mitigation measures as part of the Conditional Use Permit. The exercise of this discretion is not prohibited or limited in any way by this Agreement. Nothing in this Agreement shall preclude the evaluation of impacts or consideration of mitigation measures or alternatives, as required by CEQA.

(a) Contemplated City Rules and Guidelines. City anticipates issuing additional rules, administrative guidelines, and amendments to the T.M.C. associated with operation of the Cannabis Business Program. City may establish requirements that are identical to or place a higher standard of care as existing provisions of the California Cannabis Laws, State Cannabis Regulations, or any amendments thereto. City reserves the right to adopt additional categories of rules or guidelines that are not listed in this Section as part of the Cannabis Business Program. Developer shall comply with any and all additional rules, administrative guidelines, and amendments to the T.M.C. adopted by City that govern or pertain to the Cannabis Business Project. Nothing in this Agreement shall be construed as limiting the City to amend the T.M.C or issue rules or guidelines following the Effective Date of this Agreement that Developer will be required to adhere to.

Section 2.7. Initiatives and Referenda. If any City ordinance, rule or regulation, or addition to the T.M.C. is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement, an associated Conditional Use Permit, Subsequent City Approvals, or reduce the development rights or assurances provided to Developer in this Agreement, such T.M.C. changes shall not be applied to the Site or the Cannabis Business Project; provided, however, the Parties acknowledge that City's approval of this Agreement is a legislative action subject to referendum. City shall cooperate with Developer and shall undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms to the fullest extent permitted by state or federal law.

Section 2.8. Regulation by Other Government Entities. Developer acknowledges that City does not have authority or jurisdiction over any other government entities' ability to grant governmental approvals or permits or to impose a moratorium or other limitations that may negatively affect the Cannabis Business Project or the ability of City to issue a permit to Developer or comply with the terms of this Agreement. Any moratorium imposed by another government entity, including the State Licensing Authority, on City shall not cause City to be in breach of this Agreement.

Section 2.9. Developer's Right to Rebuild. Developer may renovate portions of the Site any time within the Term of this Agreement consistent with the T.M.C. Any such renovation or rebuild shall be subject to all design, building code, and other requirements imposed on the Cannabis Business Project by this Agreement.

Section 2.10. Changes in California Building Standards Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Cannabis Business Project shall be subject to changes occurring from time to time to the California Building Standards Codes.

Section 2.11. Changes Mandated by Federal or State Law. The Site and the Cannabis Business Project shall be subject to subsequently enacted state or federal laws or regulations that may preempt the T.M.C. or mandate the adoption or amendment of local regulations or are in conflict with this Agreement or local rules or guidelines associated with the Cannabis Business Program. As provided in Section 65869.5 of the Development Agreement Statute, in the event state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Upon discovery of a subsequently enacted federal or state law meeting the requirements of this Section, City or Developer shall provide the other Party with written notice of the state or federal law or regulation, and a written statement of the conflicts thereby raised with the provisions of the T.M.C. or this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation provided City shall not be obligated to agree to any modification materially increasing its obligations or materially adversely affecting its rights and benefits hereunder. In such discussions, City and Developer will attempt to preserve the terms of this Agreement and the rights of Developer derived from this Agreement to the maximum feasible extent while resolving the conflict. If City, in its judgment, determines it necessary to modify this Agreement to address such conflict, City shall have the right and responsibility to do so, and shall not have any liability to Developer for doing so or be considered in breach or default of this Agreement. City also agrees to process, in accordance with the provisions of this Agreement, Developer's proposed changes to the Cannabis Business Project that are necessary to comply with such federal or state law and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without further need for any amendment to this Agreement.

Section 2.12. Health and Safety Emergencies. In the event that any future public health and safety emergencies arise with respect to the Cannabis Business Project contemplated by this Agreement, City agrees that it shall attempt, if reasonably possible as determined by City in its discretion, to address such emergency in a way that does not have a material adverse impact on the Cannabis Business Project. If City determines, in its discretion, that it is not reasonably possible to so address such health and safety emergency in a way that does not have a material adverse impact on the Cannabis Business Project, City may select an option which, in its discretion, minimizes, so far as reasonably possible, the impact on development and use of the Cannabis Business Project in accordance with this Agreement, while still addressing such health and safety emergency in a manner acceptable to City.

Section 2.13. Other Regulations. The following provisions establish operational requirements applicable to this Agreement in furtherance of public safety and to ensure

compliance with applicable regulations governing the Project and Developer's obligations hereunder.

(a)In addition to other requirements, remote and real-time, live access to the video footage of cameras installed by the cannabis business shall be provided to the Chief of Police or his/her designee(s) using such software as designated by the Chief of Police. Developer shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police or his/her designee(s), and that it is compatible with the City's software and hardware. Such access shall be required within 120 days of approval of this agreement.

(b)Prior to changes in ownership, ownership structure, and management, or any sale or other transfer of the cannabis business, shall be subject to additional background checks as required by the Turlock Police Department, and passage by the applicant of such background checks. The City may repeat background checks on any individual every two (2) years, and at any other time upon reasonable cause.

ARTICLE 3
ENTITLEMENT AND PERMIT PROCESSING, INSPECTIONS

Section 3.1. Subsequent City Approvals. City shall permit the development, construction, and conditionally permitted use contemplated in this Agreement. City agrees to timely grant, pursuant to the terms of this Agreement, the T.M.C., and any Subsequent City Approvals reasonably necessary to complete the goals, objectives, policies, standards, and plans described in this Agreement. The Subsequent City Approvals shall include any applications, permits, and approvals required to complete the improvements necessary to develop the Site, in general accordance with this Agreement ("Subsequent City Approvals"). Nothing herein shall require City to provide Developer with Subsequent City Approvals prior to, or without complying with, all of the requirements in this Agreement, the T.M.C., and any applicable state law.

Section 3.2. Timely Processing. City shall use its reasonable best efforts to process and approve, within a reasonable time, any Subsequent City Approvals or environmental review requested by Developer during the Term of this Agreement.

Section 3.3. Cooperation Between City and Developer. Consistent with the terms set forth herein, City agrees to cooperate with Developer, on a timely basis, in securing all permits or licenses that may be required by City or any other government entity with permitting or licensing jurisdiction over the Cannabis Business Project.

Section 3.4. Further Consistent Discretionary Actions. The exercise of City's authority and independent judgment is recognized under this Agreement and nothing in this Agreement shall be interpreted as limiting City's discretion or obligation to hold legally required public hearings. Except as otherwise set forth herein, such discretion and action taken by City shall, however, be consistent with the terms of this Agreement and not prevent, hinder, or compromise development or use of the Site as contemplated by the Parties in this Agreement.

Section 3.5 Existing Pole Sign. Developer agrees that it shall not utilize the existing pole sign along the East Glenwood frontage of the Site.

ARTICLE 4
PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 4.1. Processing Fees and Charges. Developer shall pay to City those processing, inspection, plan checking and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any post-Effective Date increases in such fees and charges) for processing applications and requests for building permits, inspections, other permits, approvals and actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions (each a "Ministerial Fee" and collectively, the "Ministerial Fees").

Section 4.2. Public Benefit.

(a) The Parties acknowledge and agree that this Agreement, and the Cannabis Business Project, confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Parties intend to provide consideration to City to offset these impacts that commensurate with the private benefits conferred on Developer (the "Public Benefit"). In consideration of the foregoing, Developer shall remit to City an amount determined and set by the City Council up to a maximum of nine percent (9%) of Gross Receipts from Operations. (the "Cannabis Business Public Benefit" or "Public Benefit Amount"). Notwithstanding the foregoing, the City Council determines and sets the Public Benefit Amount at five and one-quarter percent (5.25%) of gross receipts from operations through May 31, 2027. The City Council may take any actions required to change the Public Benefit Amount that will be in effect from June 1, 2027 and thereafter. Such actions may include, without limitation, setting a new Public Benefit Amount by adopted resolution of the Council. Any such Public Benefit Amount shall be due on the 5th day of each month before 5:00 p.m..

(b) The above public benefit amounts include a one-quarter percent (.25%) dollar amount dedicated to supporting the City of Turlock juvenile drug and alcohol treatment and rehabilitation programs.

(c) Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of the Cannabis Business Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City.

Section 4.3. Reporting. Developer shall provide City with copies of any reports provided to a State Licensing Authority within forty-five (45) days of that submission. Any failure or refusal of Developer to provide any statement or report to City, the State Taxing Authority, or any other State Licensing Authority, as required within the time required, or to pay such sums due hereunder when the same are due and payable in

accordance with the provisions of this Agreement, may constitute full and sufficient grounds for the revocation or suspension of the Conditional Use Permit.

Section 4.4. Records. Developer shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code and the applicable State Cannabis Regulations. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Site or at an alternate facility as approved in writing by the City Manager, or his or her designee.

Section 4.5. Penalty. Developer acknowledges that to ensure proper compliance with the terms of this Agreement and any applicable laws, City must engage in costly compliance review, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Developer fails to make any payment when due, as required by this Agreement, including the Public Benefit Amount, City may impose a "Non-Performance Penalty." A Non-Performance Penalty of ten percent (10%) shall be applied to all past due payments. City shall deliver to Developer a "Notice of Non-Performance Penalty," attached hereto as **Exhibit D**. Payment of the Non-Performance Penalty shall be in a single installment due on or before a date fifteen (15) days following delivery of the Notice of Non-Performance Penalty.

Section 4.6. Interest on Unpaid Non-Performance Penalty. If Developer fails to pay the Non-Performance Penalty after City has delivered the Notice of Non-Performance Penalty, then, in addition to the principal amount of the Non-performance Penalty, Developer shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the principal amount of the Non-Performance Penalty, from a date fifteen (15) days following delivery of the Notice of Non-performance Penalty.

Section 4.7. Protections from Duplicative Payments . Notwithstanding Section 4.2, Developer shall be exempt from paying the Public Benefit Amount if the City imposes a tax specific to commercial cannabis businesses and instead shall pay such specific tax. Notwithstanding the foregoing, Developer and the Cannabis Business Project shall be subject to any and all taxes, assessments, or similar charges or fees of general applicability enacted by the federal government, state government, County of Stanislaus, including any tax applicable to an area greater than the City limits to which City may be a party (i.e., county tax sharing agreement with City).

ARTICLE 5
PUBLIC FACILITIES, SERVICES, AND UTILITIES

City shall use the Public Benefit Amount in any way the City Council deems appropriate to offset the impact of the Project or to benefit the City.

ARTICLE 6
INSURANCE AND INDEMNITY

Section 6.1. Insurance. Developer shall require all persons doing construction or related work on the Cannabis Business Project and, including its contractors and subcontractors (collectively, "Developer" for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) General Liability Insurance. Developer shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars ($2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars ($2,000,000) each occurrence. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as "Additional Insureds" by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insured.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(b) Automotive Liability Insurance. Developer shall maintain business automobile liability insurance or equivalent form with a limit of not less than One Million Dollars ($1,000,000) for each accident. Such insurance shall include coverage for owned, hired and non-owned automobiles. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as Additional Insureds by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(c) Workers' Compensation Insurance. Developer shall take out and maintain during the Term of this Agreement, workers' compensation insurance for all of Developer's employees employed at or on the Cannabis Business Project and, should any of the work be subcontracted, Developer shall require any general contractor or subcontractor similarly to provide workers' compensation insurance for such contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Developer. In case any class of employee engaged in work on the Cannabis Business Project and is not protected under any workers' compensation law, Developer shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer hereby indemnifies City for any damage resulting from failure of Developer, its agents,

employees, contractors or subcontractors to take out or maintain such insurance. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars ($1,000,000) for each accident shall be maintained by Developer.

Section 6.2. Other Insurance Requirements. Developer shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire or materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) days of said request, certified copies of endorsements and policies and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies, and endorsements for any insurance required herein expiring prior to the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the Term or the mutual written termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 6.3. Indemnity. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless City, and its agents, elected and appointed officials, officers, employees, consultants, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City or City's Agents, to attack, set aside, void, or annul an approval concerning the Cannabis Business Project and this Agreement, any applicable Conditional Use Permit or Subsequent City Approvals. Developer shall execute the indemnification agreement ("Indemnification Agreement") attached hereto as **Exhibit E**.

Section 6.4. Failure to Indemnify; Waiver. Failure by Developer to indemnify City, when required by this Agreement and the Indemnification Agreement, shall constitute a material breach of this Agreement and of any applicable Conditional Use Permit and Subsequent City Approvals, which shall entitle City to all remedies available under law, including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of any applicable Conditional Use Permit. Developer's failure to indemnify City shall be a waiver by Developer of any right to proceed with the Cannabis Business Project or any portion thereof, and a waiver of Developer's right to file a claim, action, or proceeding against City or City's Agents, based on City's rescission or revocation of any Conditional Use Permit, Subsequent City Approvals, or City's failure to defend any claim, action, or proceeding based on Developer's failure to indemnify City.

Section 6.5. Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer and, therefore, Developer hereby waives all claims for damages against City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that, under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against City in the event that this Agreement or any Project approval is: (1) not approved by the City Council; or (2) is approved by the City Council but with new changes, amendments, conditions, or deletions to which Developer is opposed. Developer further acknowledges that, as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that, under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against City in this regard.

ARTICLE 7
MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Site or any portion thereof following recording of this Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and immediately terminate upon the foreclosure or transfer of any interest in the Site or Project, whether by operation of law or any other method of interest change or transfer, unless the City Manager has authorized such change or transfer in advance, in writing. City agrees to not unreasonably withhold its authorization.

ARTICLE 8
DEFAULT

Section 8.1. General Provisions.

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with the terms and provisions of this Agreement shall constitute a default. Any Party alleging a default or breach of this Agreement ("Charging Party") shall give the other Party ("Charged Party") not less than ten (10) days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice or if the breach cannot reasonably be cured within ten (10) days, the Charging

Party may, at its option, institute legal proceedings pursuant to this Agreement, and give notice of its intent to terminate this Agreement pursuant to Government Code section 65868. In the event City is the Charging Party, City may, in its sole discretion, give notice, as required by law, to the Charged Party of its intent to revoke or rescind any operable Conditional Use Permit related to or concerning the Cannabis Business Project.

(c) Prior to the Charging Party giving notice to the Charged Party of its intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review by City in the manner set forth in Government Code sections 65865, 65867 and 65868 within thirty (30) days from the expiration of the ten (10) day notice period.

(d) Following consideration of the evidence presented and said review before City, and after providing the Charged Party an additional five (5) calendar day period to cure, the Charging Party may institute legal proceedings against the Charged Party or may give written notice of termination of this Agreement to the Charged Party.

(e) Evidence of default may arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code section 65865.1, as set forth in Section 8.2. If any Party determines that another Party is in default following the completion of the normally scheduled periodic review, without reference to the procedures specified in Section 8.1(c), said Party may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) days or within such longer period specified in the notice or the defaulting Party is not diligently pursuing a cure, or if the breach cannot reasonably be cured within the period or the defaulting Party waives its right to cure such alleged default, this Agreement may be terminated by the non-defaulting Party by giving written notice. An extension of the ten (10) day cure period may be given by mutual consent of the Parties.

(f) In the event Developer is in default under the terms and conditions of this Agreement, no permit application shall be accepted by City, nor will any permit be issued to Developer until the default is cured or the Agreement is terminated.

Section 8.2. Annual Review. City shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith, substantial compliance of Developer and City with the terms of this Agreement. Such periodic review by City shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. City shall deposit in the mail or fax to Developer a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Cannabis Business Project's performance, at least seven (7) days prior to such periodic review. Developer shall be entitled to appeal a determination of City or the City Manager to the City Council. Any appeal must be filed within ten (10) days of the decision of City or the City Manager, respectively. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before City, the City Manager, or the City Council, as applicable. The reasonable cost for

City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by City in connection with the review.

Section 8.3. Estoppel Certificate.

(a) City shall, with at least twenty (20) days prior written notice, execute, acknowledge, and deliver to Developer, Developer's lender, potential investors, or assignees, an Estoppel Certificate in writing which certifies that this Agreement is in full force and effect, that there are no breaches or defaults under the Agreement, and that the Agreement has not been modified or terminated and is enforceable in accordance with its terms and conditions.

(b) At Developer's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full force and effect, that there are no uncured breaches or defaults in Developer's performance of the Agreement or violation of any City ordinances, regulations, and policies regulating the use and development of the Site, the Cannabis Business Project, or the subject to this Agreement.

Section 8.4. Default by City. In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Developer shall not be obligated to proceed with or complete the Cannabis Business Project and shall constitute grounds for termination or cancellation of this Agreement by Developer.

Section 8.5. Cumulative Remedies of Parties. In addition to any other rights or remedies, City or Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, enforce any covenant, or enjoin any threatened or attempted violation of the provisions of this Agreement, so long as any such action conforms to Section 9.1(c) of this Agreement.

Section 8.6. Forced Delay, Extension of Times of Performance. Delays in performance, by either Party, shall not be deemed a default if such delays or defaults are due to war, terrorism, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

Section 8.7. Appeals. Developer may appeal any adverse decision or action of City pursuant to the T.M.C, as may be amended from time to time.

ARTICLE 9
TERMINATION

Section 9.1. Termination. This Agreement shall terminate upon the expiration of the Term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination in substantial conformance with the "Notice of Termination" attached hereto as **Exhibit F**, and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 9.2. Effect of Termination on Developer's Obligations. Termination of this Agreement shall eliminate any further obligation of Developer to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Developer to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.3. Effect of Termination on City's Obligations. Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.4. Survival After Termination. The rights and obligations of the Parties set forth in this Section 9.4, Section 2.8, Section 6.3, Section 10.3, Section 10.4, Section 10.5, Section 10.7, and Section 10.10, and any right or obligation of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

Section 9.5. Criminal Conviction; Termination; Transfer Rights. If Developer, or any owner, officer, director, manager, or person with a direct or indirect ownership or controlling interest in Developer, is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may, in its sole and absolute discretion, terminate this Agreement upon written notice. A "conviction" includes a guilty or nolo contendere plea and is deemed final upon entry of judgment, regardless of appeal.

Following such notice, Developer shall have a one hundred and eighty (180) day period to complete a transfer of its interest in this Agreement and the Project to a transferee approved in advance and in writing by the City. Approval is in the City's sole and absolute discretion. Any proposed transferee shall undergo a background investigation and meet all applicable eligibility requirements, including approval by the Chief of Police or designee.

If an approved transfer is not completed within the one hundred and eighty (180) day period, this Agreement shall automatically terminate. Any unapproved transfer is void.

ARTICLE 10
OTHER GENERAL PROVISIONS

Section 10.1. Assignment and Assumption. Developer shall not have the right to sell, assign or transfer all or any part of its rights, title, and interests in all or a portion of the Site or Project, subject to or a part of this Agreement, to any person, firm, corporation or entity during the Term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to the corporate and business entities of Developer that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an assignment or transfer of any interest detailed in this Section 10.1, City and Developer shall execute an "Assignment and Assumption Agreement" in the form attached hereto as **Exhibit G**.

Section 10.2. Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Site or Project, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Cannabis Business Project and, as appropriate, runs with the Site and is binding upon Developer.

Section 10.3. Notices. Any notice or communication required hereunder between City and Developer must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent; or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Turlock
156 S. Broadway
Turlock, CA 95380
Attention: City Manager

and Katie Lucchesi, City Attorney
156 S. Broadway
Turlock, CA 95380

If to Developer: Jose Rodrigues

4242 East Valley Road
Renton, WA 98057

Section 10.4. Governing Law and Binding Arbitration. The validity, interpretation, and performance of this Agreement shall be controlled by and construed pursuant to the laws of the state of California. Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration in Sacramento, California, before one arbitrator. The arbitration shall proceed pursuant to the Comprehensive Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services ("JAMS"). Judgment on the award may be entered in any court having jurisdiction thereof.

Section 10.5. Invalidity of Agreement/Severability. If this Agreement, in its entirety, is determined by an arbitrator or court of competent jurisdiction to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any term or provision of this Agreement shall be determined by an arbitrator or court of competent jurisdiction to be invalid and unenforceable, or if any term or provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, any provisions that are not invalid or unenforceable shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable, or illegal. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal.

Section 10.6. Cumulative Remedies. In addition to any other rights or remedies, City and Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement. The prevailing Party in any such action shall be entitled to reasonable attorneys' fees and costs.

Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Developer agrees that it may not seek, and shall forever waive any right to, monetary damages against City, but excluding, therefrom, the right to recover any fees or charges paid by Developer in excess of those permitted hereunder.

Section 10.7. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement or any associated entitlement, permit, or approval granted by City to Developer for the Cannabis Business Project (collectively, "Project Litigation"), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense of any lawsuit filed and related, in whole or in part, to Project Litigation with legal counsel selected by City. Developer will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees, and expenses of litigation awarded to the prevailing Party or Parties in such litigation. Developer shall pay all litigation fees to City within thirty (30) days of receiving a written request and accounting of such fees and expenses from City. Notwithstanding the aforementioned, City may request, and Developer will provide to City within seven (7) days of any such request, a deposit to cover City's reasonably anticipated Project Litigation fees and costs.

Section 10.8. Constructive Notice and Acceptance. Every person who, after the Effective Date and recording of this Agreement, owns or acquires any right, title or interest to any portion of the Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 10.9. Statute of Limitations and Laches. City and Developer agree that each Party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The Parties agree that Section 65009(c)(1)(D) of the California Government Code, which provides for a ninety (90) day statute of limitations to challenge the adoption of this Agreement, is applicable to this Agreement. In addition, any person who may challenge the validity of this Agreement is hereby put on notice that, should the legality or validity of this Agreement be challenged by any third party in litigation, which is filed and served more than ninety (90) days after the execution of this Agreement, City and Developer shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available defenses. This Section in no way limits the right of a Party, claiming that the other Party breached the terms of this Agreement, to bring a claim against the other Party within the four (4) year statute of limitations set forth in Section 337 of the California Civil Code.

Section 10.10. Joint and Several Liability. Developer shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Party shall also constitute a breach of this Agreement by the other

Party. Developer agrees that City may impose a lien and seek foreclosure on any parcel of the Site due to any default by Developer.

Section 10.11. Change in State Regulations. In no event shall Developer operate the Cannabis Business Project in violation of the Agreement, or State Cannabis Regulations, as may be amended from time to time.

Section 10.12. Standard Terms and Conditions.

(a) Venue. Venue for all legal proceedings shall be the JAMS Resolution Center in Sacramento, California.

(b) Waiver. A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c) Completeness of Instrument. This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d) Supersedes Prior Agreement. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Site or Cannabis Business Project.

(e) Captions. The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f) Number and Gender. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word “person” includes corporations, partnerships, firms, or associations, wherever the context requires.

(g) Mandatory and Permissive. “Shall” and “will” and “agrees” are mandatory. “May” or “can” are permissive.

(h) Term Includes Extensions. All references to the Term of this Agreement shall include any extensions of such Term.

(i) Counterparts. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(j) Other Documents. The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(k) Time is of the Essence. Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l) Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m) Document Preparation. This Agreement will not be construed against the Party preparing it but will be construed as if prepared by all Parties.

(n) Advice of Legal Counsel. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o) Attorneys' Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(p) Calculation of Time Periods. All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the Effective Date of the Agreement, as defined above.

"CITY"

CITY OF TURLOCK, a
California municipal corporation

By:_____
Christopher Fisher
Acting City Manager

Dated:_____

Attest:

By: _____
Nichole Fiez
City Clerk

Approved as to Form

By_____
Katie Lucchesi
City Attorney

"DEVELOPER"

THE EVERGREEN MARKET (TURLOCK), INC., a California corporation

By: _____
Jose Rodrigues
Its: Owner

Dated:_____

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of_____)

On_____, before me _____, a Notary Public, personally appeared_____who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____
(Signature)

(Seal)

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of_____)

On_____, before me _____, a Notary Public, personally appeared_____who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____
(Signature)

(Seal)

Exhibit A

Cannabis Site Legal Description

Exhibit A

Cannabis Site Legal Description

DESCRIPTION:

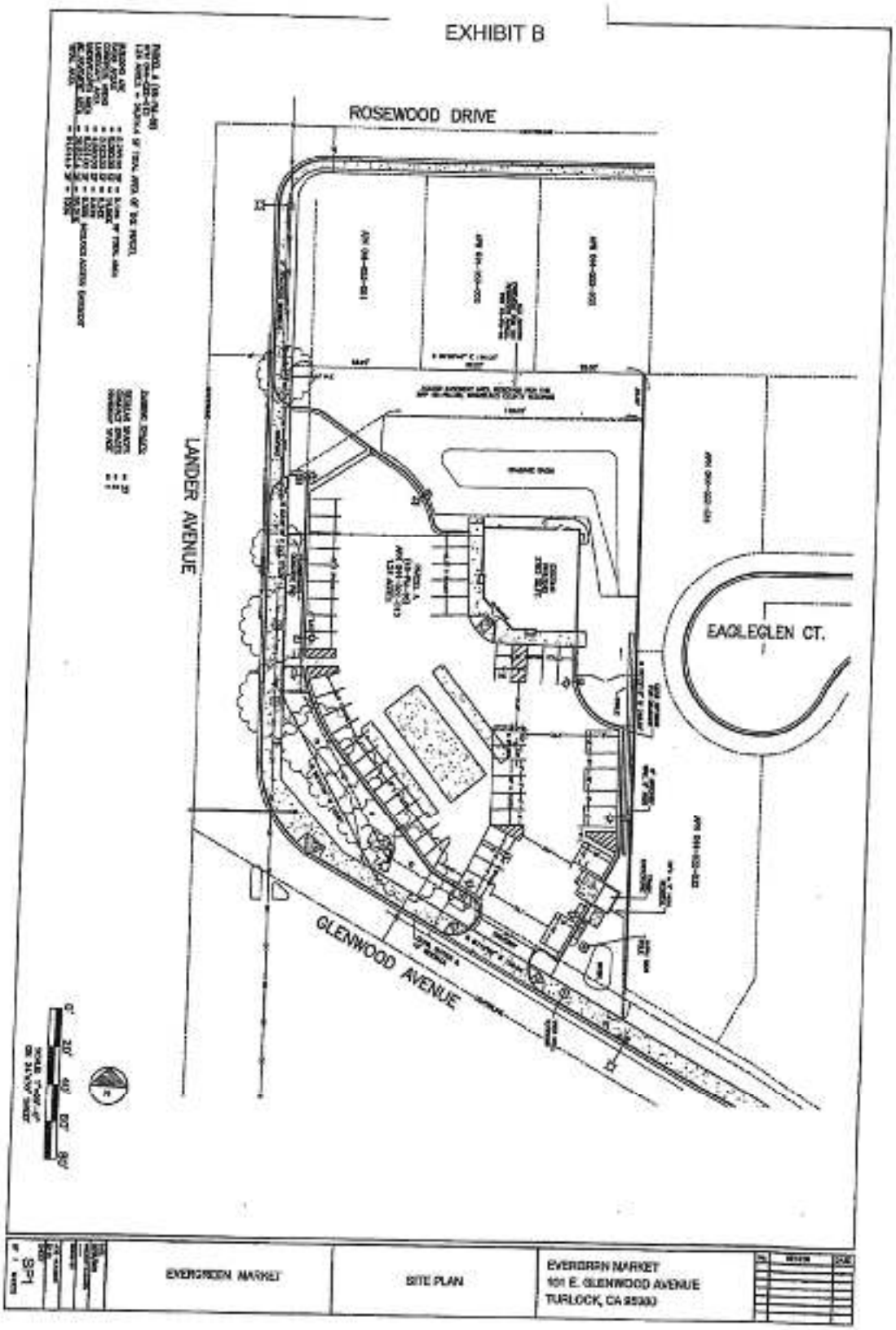
The land referred to herein is situated in the State of California, County of Stanislaus, City of Turlock, and is described as follows:

PARCEL A, AS SAID PARCEL IS SHOWN AND SO DESIGNATED ON THAT CERTAIN PARCEL MAP FILED FOR RECORD ON DECEMBER 17, 1997, IN BOOK 48 OF PARCEL MAPS AT PAGE 66, STANISLAUS COUNTY RECORDS.

APN: 044-022-013

Exhibit B

Cannabis Business Project Site Map



CANNABIS BUSINESS PROJECT SITE MAP
CITY OF TURLOCK AND THE EVERGREEN MARKET (TURLOCK), INC.
Exhibit B

Exhibit C

Site Lease

Exhibit C

Site Lease

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OFFICE LEASE

DATED: 10/28/2021 (the "**Effective Date**")

This Office Lease (this "**Lease**") is made and entered into by and between 5 Star Cars LLC, a California limited liability company ("**Landlord**") and Evergreen Market Property Holdings LLC, a Washington limited liability company, or its assignee ("**Tenant**").

1. BASIC TERMS.

This Section 1 sets forth certain basic terms of this Lease ("**Basic Terms**"). The Basic Terms are to be read in conjunction with the other provisions of this Lease; provided, however, to the extent of any inconsistency between the Basic Terms and the other provisions of this Lease, the Basic Terms shall control. The capitalized words or phrases used in the Basic Terms shall constitute defined terms for purposes of this Lease

1.1	**Landlord**	5 Star Cars LLC, a California limited liability company, or their agreed upon entity
1.2	**Tenant**	Evergreen Market Property Holdings LLC, a Washington limited liability company, or its assignee
1.3	**Tenant's Trade Name**	Evergreen Market
1.4	**Premises**	That certain real property commonly known as 101 E. Glenwood Avenue, Turlock, CA 95380 ("Premises"), a commercial building comprising of approximately 2,731 square feet situated on approximately 54,014 square feet of land. Tenant understands that a portion of the land upon which the real property lies is currently being leased to two food trucks, which will continue operate under their separate lease(s) subject to city approval.
1.5	**Rentable Area of Premises**	Approximately 2,731 SF of Rentable Area
1.6	**Address of Premises**	101 E. Glenwood Avenue, Turlock, CA 95380
1.7	**Permitted Use**	all lawful uses, including without limitation, recreational and medicinal cannabis retail sales and storefront with delivery services.
1.8	**Initial Term**	Five (5) Lease Years ("**Initial Term**"). The term "**Lease Year**" means each period of twelve full calendar months following the Term Commencement Date, plus in the case of the first Lease Year, any partial calendar month at the beginning of the Term. "**Lease Calendar Year**" refers to each calendar year during the Lease Term. **The commencement date of this lease shall be January 1, 2022.**

1.9	**Renewal Terms**	Tenant shall have the option to renew the term of this Lease for two (2) additional terms of five (5) years each (each, a "**Renewal Term**").
1.10	**Term**	The Initial Term and Renewal Term(s) are collectively referred to as the "**Term**".
1.11	**Effective Date**	The date of this Lease as set forth above. The parties are bound by all terms, covenants and obligations under this Lease as of the Effective Date.
1.12	**Target Delivery Date**	Upon signing this instrument, Landlord shall provide Tenant with access to the space for the purposes of completing tenant improvements prior to opening and operating the business. For the purposes of this lease, the term shall begin on the effective "Delivery Date" of Jan 1, 2022, notwithstanding prior occupancy.
1.13	**Delivery Date**	The "**Delivery Date**" shall be the date Tenant officially takes possession of the Premises.
1.14	**Term Commencement Date**	The "**Term Commencement Date**" shall be the Delivery Date. 1st March 1, 2022
1.15	**Rent Commencement Date**	The "**Rent Commencement Date**" shall be ~~the earlier of (i) 180 days following the Term Commencement Date, or (ii) 30 days after Tenant's receipt of a Certificate of Occupancy, or (iii) Tenant's commencement of business.~~ / NE
1.16	**Security Deposit**	[redacted]
1.17	**Base Rent**	prepay Base Rent for the entire first year of the Initial Term. For years two (2) through five (5) of the Initial Term the Base Rent shall be increased by an amount equal to 3% of the Base Rent for the immediately preceding month. * 1/yr April Rent shall not be reflective of store is open.
1.18	**Tenant's Share**	"**Tenant's Share**" shall generally be the ratio, expressed as a percentage, the numerator of which is the Rentable Area of the Premises and the denominator of which is the Rentable Area of the Building. NC
1.19	**Tenant's Work**	All improvements to be made to the Premises by Tenant ("**Tenant's Work**").
1.20	**Access to Premises**	Tenant and its employees will be allowed access to its Premises twenty-four (24) hours a day, seven (7) days a week.

1.21 Parking

Parking is available at the Premises, and shall be allocated in space sufficient to accommodate both employee as well as customer parking.

1.22 Addresses for Notices & Rent

Landlord:

Wilson Eshagh
1148 Golden State Blvd.
Turlock, CA 95380

Tenant (Prior to Commencement Date):
Evergreen Market Turlock Inc.
~~Evergreen Property Holdings LLC~~
4242 East Valley Road
Renton, Washington 98057

After Commencement Date:
Premises

Rent Payments:

1148 Golden State Blvd.
Turlock, CA 95380

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2. PREMISES/TENANT IMPROVEMENTS

2.1 Premises. Landlord hereby leases the Premises to Tenant, and Tenant leases the Premises from Landlord, on the terms of this Lease.

2.2 Tenant's Work. Tenant, at its sole cost, shall construct all Tenant's Work in accordance with the requirements set forth in Section 8.

3. LEASE TERM

3.1 Initial Term. The Initial Term of this Lease shall commence on the Term Commencement Date (January 1, 2022) and shall be for the number of full Lease Years set forth in the Basic Terms.

3.2 Renewal Term(s). Tenant shall have the right to exercise the Renewal Terms, provided Tenant satisfies each of the requirements set forth herein. Each Renewal Term(s) will commence at the day following the last day of the Lease Year for the current Term.

3.2.1 Tenant shall submit a written notice to exercise such Renewal Term to Landlord not less than one hundred and eighty (180) days prior to the expiration date of the then current Term ("**Renewal Notice**").

3.2.2 The Lease shall be in full force and effect as of the date of the Renewal Notice and shall continue thereafter until the commencement of the Renewal Term.

3.2.3 Tenant shall not have been in default of this Lease beyond the applicable cure period at any time prior to delivery of the Renewal Notice or prior to the commencement of the Renewal Term.

3.2.4 Tenant shall not have assigned or subleased all or any portion of its interest in this Lease, except an assignment or sublease approved by Landlord as provided in Section 10 below, which approval may not be unreasonably withheld by Landlord.

3.2.5 Each Renewal Term shall be subject to all of the terms and conditions contained in the Lease, except that Base Rent during the Renewal Term shall be at Market Rent provided the re-set Base Rent shall not be increase more than 10% over the Base Rent paid in the last year of the previous Term. "Market Rent" shall be determined as follows: If the parties are able to agree on an amount of Market Rent that is mutually satisfactory, then such agreements shall be placed in writing and shall be signed by the parties hereto and shall thereupon become a part of the Lease. If the parties are not able to agree on an amount of Market Rent prior to ninety (90) days prior to the expiration of the Initial Term, then Owner and Tenant shall appoint a mutually acceptable an appraiser with the associated costs of such appraisal split equally between the Owner and Tenant. In no event shall the Base Rent be less than the Base Rent of the immediately preceding Lease Year.

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4. RIGHT OF FIRST REFUSAL

4.1 Landlord shall not, at any time prior to the expiration of the Term of this Lease, sell the Premises, or any interest therein, without first giving written notice thereof to Tenant, which notice is hereinafter referred to as **"Notice of Sale"**. The Notice of Sale shall include the exact and complete terms of the proposed sale and shall have attached thereto a copy of the bona fide offer and counteroffer, if any, duly executed by both Landlord and the prospective purchaser.

4.2 For a period of 14 calendar days after receipt by Tenant of the Notice of Sale, Tenant shall have the right to give written notice to Landlord of Tenant's exercise of Tenant's right to purchase the Premises, the interest therein proposed to be sold, or the property of which the Premises are a part, on the same terms, price and conditions as set forth in the Notice of Sale. In the event that Landlord does not receive written notice of Tenant's exercise of the right herein granted within said 14 day period, there shall be a conclusive presumption that Tenant has elected NOT to exercise Tenant's right hereunder, and Landlord may complete the sale to the prospective purchaser, on the same terms set forth in the Notice of Sale.

4.3 In the event that Tenant declines to exercise its right of first refusal after receipt of the Notice of Sale, and, thereafter, Landlord and the prospective purchaser modify by more than 5%, (i) the sales price, or (ii) the amount of down payment, or if there is a material change in any seller financing offered, or in the event that the sale is not consummated within 180 days of the date of the Notice of Sale, then Tenant's right of first refusal shall reapply to said transaction.

4.4 In the event that Tenant declines to exercise its right of first refusal after receipt of the Notice of Sale, and, thereafter, the proposed transfer or sale is not consummated, the Tenant's right of first refusal shall apply to any subsequent transaction. If, however, said transfer or sale is, in fact, completed, then said right shall be extinguished and shall not apply to any subsequent transactions.

4.5 Notwithstanding the above, this right of first refusal is intended to apply only to voluntary transfers involving third party transferees. This right of first refusal shall not, therefore, apply: where the Premises are taken by eminent domain or sold under threat of condemnation, to intra-family or intra-ownership transfers, to transfers by Landlord to a trust created by Landlord, or, if Landlord is a trust, to transfers to a trust beneficiary.

4.6 This right of first refusal cannot be exercised: (i) during the period commencing with the giving of any notice of default and continuing until said default is cured, (ii) during the period of time any Rent is unpaid (without regard to whether notice thereof is given Tenant), (iii) during the time Tenant is in breach of this Lease, or (iv) in the event that Tenant has been given 3 or more notices of default, whether or not the defaults are cured, during the 12 month period immediately preceding the exercise of the right of first refusal.

5. BASE RENT

5.1 Base Rent. As of the Effective Date of this Lease, Tenant shall pre-pay to Landlord an amount equal to the Base Rent for the Premises for the entire first year ($168,000.00) of the Initial Lease (the **"Pre-Paid Rent"**). Thereafter, Tenant shall pay Landlord the Base Rent for the subsequent years as stated in the General Terms, by the first day of each month throughout the

Term, in advance, without offset, deduction or demand. The Base Rent shall be paid to the address specified by Landlord from time to time. Rent for any partial month shall be prorated.

5.2 Increases. Base Rent shall be increased on the first day of each Lease Year in the amounts stated in the Basic Terms.

5.3 Late Charges; Default Interest. If Landlord does not receive any monthly installment of Rent due and payable under this Lease within ten (10) days after its due date, Tenant shall pay to Landlord a late charge equal to 10% of each such overdue amount or $100, whichever is greater, as liquidated damages for Landlord's extra expense and handling of any further past due accounts ("**Late Charge**"). Further, and in addition to any Late Charge, any Rent past due for a period of thirty (30) or more days shall bear interest from the due date at the rate of ten percent (10%) per annum ("**Default Interest**") until cured in full. Acceptance of a Late Charge and/or Default Interest shall not constitute a waiver of Tenant's default with respect to such overdue amount nor prevent Landlord from exercising any other rights or remedies granted hereunder. No payment by Tenant of an amount less than that due shall be construed other than as a partial payment nor shall any endorsement or statement on the check or letter accompanying the payment be deemed to create accord and satisfaction.

5.4 Security Deposit. The Security Deposit shall be held by Landlord as security for the faithful performance by Tenant of the terms and conditions of this Lease. In the event that Tenant fails to pay Rent when due, Landlord may, but shall not be required to, use or retain all or any portion of the Security Deposit for the payment of any or all of the past due Rent. If any portion of the Security Deposit is so used or applied, Tenant shall within ten (10) days after written demand therefor deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Landlord shall not be required to maintain the Security Deposit separate from its general funds and Tenant shall not be entitled to interest thereon. If Tenant fully performs the obligations under this Lease, the Security Deposit (or balance thereof) shall be returned to Tenant within thirty (30) days after the later to occur of (i) the expiration or termination of this Lease; and (ii) the date Tenant vacates the Premises and surrenders possession to Landlord in the condition required in this Lease.

6. USE AND OPERATIONS

6.1 Permitted Uses. Subject to compliance with all governmental requirements, Tenant covenants and agrees to use and occupy the Premises only for the Permitted Use set forth in the Basic Terms, and for no other purpose whatsoever, without Landlord's prior written consent, which consent shall not be unreasonably withheld. Landlord acknowledges that Tenant's Permitted Use is, at the time of the execution of this Lease, a violation of United States Code and federal law, and Landlord agrees that such violation shall not, on that basis alone, cause Tenant to forfeit the Premises or otherwise be in default or breach of this Lease. Notwithstanding anything in this Lease to the contrary, all references in this Lease to activity or that is "unlawful" or "illegal" shall be expressly deemed to exclude federal law. Subject to Tenant's right to appeal or challenge, Tenant agrees that it shall comply with final non-appealable demands or notices from the federal government, as determined by a court of competent jurisdiction.

6.2 Actions that Injure the Project or the Premises. Subject to the provisions of Section 6.1, Tenant shall not cause or permit the Premises to be used in any way which (a) violates any law, ordinance, governmental regulation or order.

6.3 Exclusive Use. With respect to any real property owned or controlled by Landlord or any Landlord affiliate, of which the Premises is a part or any property adjacent to the Premises, Landlord shall not lease to nor permit any occupancy, of a business that will operate a cannabis storefront or similar use to Tenant's Permitted Use.

6.4 Change in Law. Notwithstanding anything to the contrary herein, in the event that (i) Tenant's Permitted Use of the Premises becomes unlawful due to a change in applicable requirements or local law, or (ii) Tenant is unable to secure Tenant's Licenses (as defined in Section 6.6 below) or the Tenant's Licenses are terminated or there is a change in status that prevents Tenant's operations in the Premises, then Tenant shall not be deemed to be in default hereunder, and Tenant may immediately terminate this Lease, in which case neither party shall have any further liability hereunder, and Landlord shall return to Tenant any remaining Prepaid Rent.

6.5 Hazardous Substance.

6.5.1 Definitions. For purposes of this Section 6.5, the term **"Hazardous Substances"** shall mean any hazardous or toxic chemical, waste, byproduct, pollutant, contaminant, compound, product or substance, including without limitation, asbestos, polychlorinated biphenyl, petroleum (including crude oil or any fraction or by-product thereof), underground storage tanks, and any material the exposure to or manufacture, possession, presence, use, generation, storage, transportation, treatment, release, remediation or handling of which is prohibited, controlled or regulated by any Environmental Law (except for normal quantities of standard cleaning or office supplies), and the term **"Environmental Laws"** shall mean any federal, state, regional, county or local governmental statute, law, regulation, ordinance, order or code or any consent decree, judgment, permit, license, code or other requirement presently in effect or hereafter created, issued or adopted, pertaining to protection of the environment, health or safety of persons, natural resources, conservation, wildlife, waste management and pollution (including without limitation regulation of releases and disposals to air, land, water and groundwater). Notwithstanding the above, "Hazardous Substances" shall expressly exclude cannabis, cannabis products or any related products used in the normal course of business for cannabis retailers with delivery services.

6.5.2 Tenant Covenants. Tenant covenants and agrees that Tenant (i) will not cause or permit any Hazardous Substances to be generated, produced, brought upon, used, stored, treated, released, discharged or disposed of in or about the Premises or the Common Area by Tenant or Tenant Parties; (ii) will comply with all Environmental Laws; (iii) will promptly notify Landlord, in writing, if Tenant has or acquires notice or knowledge that any Hazardous Substances has been or is threatened to be released, discharged, disposed of, transported, or stored on, in, under, or from the Premises; and (iv) if any Hazardous Substances are discharged, released or disposed of by Tenant or any Tenant Party, Tenant will immediately take such action as is necessary to detain the spread of, remove and dispose of such Hazardous Substances to the complete satisfaction of Landlord and in compliance with all Environmental Laws, at Tenant's

own cost and expense. Notwithstanding the foregoing, Tenant shall have the right to maintain upon the Premises such Hazardous Materials as are reasonably necessary for the conduct of Tenant's business and maintenance of the Premises as long as such Hazardous Substances are used and stored in compliance with Environmental Laws.

6.5.3 Tenant Indemnity. Tenant agrees to indemnify, defend and hold Landlord and Landlord Parties free and harmless from and against all losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (excluding consequential damages), disbursements or expenses of any kind (including reasonable attorneys' fees and costs incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against Landlord or any of them in connection with or arising from or out of any Hazardous Substances released, discharged or disposed of by Tenant on, in, under, or affecting all or any portion of the Premises, or any claim or action arising from a breach of Tenant's covenants set forth in Section 6.5.2 above. The provisions of this Section will be in addition to any and all obligations and liabilities Tenant may have to Landlord at common law, and will survive the expiration of the Lease Term or earlier termination of this Lease.

6.5.4 Landlord Indemnity. Landlord agrees to indemnify, defend and hold Tenant free and harmless from and against all losses, liability, obligations, penalties, claims, litigation, demands, defenses, costs, judgments, suits, proceedings, damages (excluding consequential damages), disbursements or expenses of any kind (including reasonable attorneys' fees and costs incurred in investigating, defending, or prosecuting any litigation, claim, or proceeding) that may at any time be imposed upon, incurred by, or asserted or awarded against Tenant in connection with or arising from or out of any preexisting Hazardous Substances released, discharged or disposed of on, in, under, or affecting all or any portion of the Premises. The provisions of this Section will be in addition to any and all obligations and liabilities Landlord may have to Tenant at common law, and will survive the expiration of the Term or earlier termination of this Lease.

6.6 Compliance/Permits. During the term of the Lease, Tenant covenants and agrees that it shall diligently apply for all final permits, authorizations and approvals necessary in connection with the Permitted Use, including, without limitation, the regulatory permits and/or licenses from(i) the City of Turlock (the "**City**"), (ii) the State of California (the "**State**"), or (iii) any other applicable governmental or regulatory authority, in connection with Tenant's Permitted Use, including, without limitation, the regulatory permit and State cannabis retailer license, as determined by Tenant in its sole and absolute discretion (any of the foregoing in (i) through (iii) collectively, referred to herein as the "**Licenses**," and each individually, a "**License**"). Landlord shall in good faith and in a manner that is commercially reasonable, cooperate with Tenant to timely process and execute any and all of Tenant's applications, authorizations, consents or other documents in connection with the Tenant's Licenses, to the extent the same require Landlord's consent, approval, execution, or acknowledgment.

7. MAINTENANCE AND REPAIRS

7.1 Landlord's Obligations. Landlord shall maintain, or cause to be maintained, and keep in good repair and replace the (s) structural and non-structural components of the Building, including but not limited to the roof, floor slab, exterior walls, structural floor, fire and life safety

systems, exterior plumbing, and electrical systems; (b) improvements in the Building, excluding those within the Premises.

7.2 Tenant's Obligations. Tenant shall, at its sole cost and expense, (i) keep the Premises in good condition, free from waste at all times and keep the sidewalks and service-ways adjacent to the Premises neat, clean and free from snow, ice, dirt, rubbish, insects and pests at all times (ii) make all needed repairs and replacements (except for repairs and replacements required to be made by Landlord to the Premises), including replacement of cracked or broken glass and repairs to Tenant's signs, (iii) furnish, maintain and replace all electric light bulbs, tubes and tube casings in the Premises, and (iv) maintain all display windows in a neat, attractive condition, and shall keep all display windows and exterior electric signs in front of the Premises lighted during such hours as Landlord shall require.

7.3 Interruption of Service. Landlord does not warrant that any utilities or services will be free from interruption including by reason of accident, repairs, alterations, computer programming weaknesses or other causes. No utility interruption, other than those resulting from Landlord's own negligent or willful act, shall be deemed an eviction or disturbance of Tenant, or render Landlord liable to Tenant for damages, or relieve Tenant from the full and complete performance of all of Tenant's obligations under this Lease.

7.4 Personal Property. Personal property, trade fixtures, fixtures and equipment used in the conduct of Tenant's business and placed by Tenant on or in the Premises (collectively, **"Personal Property"**), shall be in good working order and consist of first quality materials. No such Personal Property owned by Tenant shall become a part of the realty and may be removed by Tenant at any time. Any Personal Property belonging to Tenant shall be deemed abandoned and shall become the property of Landlord if not removed within five (5) business days after the expiration or sooner termination of the Term and may, if so elected by Landlord, become the property of Landlord; provided, however, Landlord shall have the right to require Tenant to remove all Personal Property from the Premises.

8. ALTERATIONS

8.1 Alterations Procedures. Tenant shall not make any structural or non-structural repairs, alterations or modifications to the Premises, without Landlord's prior written consent, which shall not be unreasonably withheld or delayed. Landlord may condition its consent on various matters, including Tenant agreeing to remove the alterations and repair any resulting damage on Lease termination at Tenant's cost, Tenant posting security for the estimated cost of such alterations, Tenant posting performance bonds for the alterations and/or lien waivers, and Landlord's written approval of the plans and specifications for such alterations. All alterations or modifications shall be performed in a good and workmanlike manner, in conformity with all applicable laws and regulations, and by a contractor approved by Landlord.

8.2 Condition Upon Surrender. Upon the expiration or termination of this Lease, Tenant shall surrender the Premises to Landlord, broom clean and in good condition as received, except for ordinary wear and tear, and damage by casualty, with all of Tenant's maintenance and repair obligations up to date. Landlord may require Tenant to remove any alterations made by Tenant and to restore the Premises to its prior condition, except for ordinary wear and tear, at Tenant's expense. All alterations which Landlord does not require Tenant to remove shall become

Landlord's property and shall be surrendered to Landlord on termination of the Lease, except that Tenant may remove any of Tenant's machinery or equipment that can be removed without damage to the Premises. Tenant shall repair, at Tenant's expense, any damage to the Premises caused by the removal of any such machinery or equipment. All articles of personal property and all business and trade fixtures, machinery and equipment, furniture and movable partitions owned by Tenant or installed by Tenant at its expense in the Premises shall be and remain the property of Tenant and may be removed by Tenant at any time during the Term of the Lease, provided that any damage to the Premises or Building associated with such removal shall be repaired by Tenant.

9. INSURANCE/INDEMNITY

9.1 Tenant's Insurance. Tenant, at its cost, shall maintain the following insurance on the Premises at all times from and after the Delivery Date:

9.1.1 Liability insurance coverage as follows:

(a) Commercial general liability insurance policy ("**Tenant's CGL**") (or equivalent ISO form in use from time to time in the state where the Project is located), providing coverage against any and all claims for bodily injury and property damage occurring in or on the Premises and/or arising out of or in any way related to the use, occupancy and maintenance of the Premises or other areas of the Building and Project that Tenant is entitled to use ("**Tenant Areas**") by Tenant and Tenant Parties, and including broad form blanket contractual coverage covering Tenant's obligations under this Lease. Tenant's CGL shall have a limit of not less than $1,000,000 per occurrence, with a general aggregate limit of not less than $2,000,000.

(b) Commercial/Business Automobile liability insurance of not less than $1,000,000 combined single limit for both owned and hired/non owned vehicles.

(c) Umbrella/excess liability insurance of not less than $1,000,000 each occurrence, including automobile liability.

(d) All such liability insurance required herein may be provided by a combination of primary insurance and excess coverage providing the same aggregate amounts. Landlord (and upon request, Landlord's property manager and/or Landlord's mortgagees) shall be named as an additional insured on the Tenant's CGL and all other liability coverage.

(e) Business interruption insurance, either for loss of revenues or for extra expense as it relates to the loss of revenues, in an amount deemed to be adequate in the reasonable business judgment of Tenant for the 12-month period of each insurance policy, and otherwise in the manner customary for businesses of similar size engaged in similar activities at similar locations.

9.1.2 Property insurance insuring against loss or damage resulting from perils covered by the causes of loss – special form ("**Tenant's Property Insurance**") (or the equivalent ISO form in use from time to time in the state where the Project is located). Tenant's Property Insurance shall be written for the full replacement value of all furniture, fixtures, equipment and improvements located on the Premises, together with such business interruption coverage as Tenant desires and does not wish to assume the risk for. Landlord (and upon request, Landlord's

property manager and/or Landlord's mortgagees) shall be named as a loss payee on Tenant's Property Insurance, as their interests may appear.

9.1.3 All insurance required to be maintained by Tenant shall (a) be on a claims-made basis, as to Tenant's CGL, and occurrence basis, as to Tenant's Property Insurance; (b) provide primary coverage and not contributory or excess with Landlord's insurance coverage; (c) require thirty (30) days prior written notice to the named insured, additional insured or loss payees of any cancellation or reduction in coverage; (d) be written by responsible insurance companies licensed to do business in the state where the Project is located; and (e) contain a waiver of subrogation with regard to Landlord and any additional insureds. Such insurance may be provided by a blanket policy covering additional locations. Tenant shall provide Landlord with evidence of the required insurance, naming Landlord as an additional insured or loss payee (as appropriate) on or before the Delivery Date.

9.2 Landlord's Insurance. Subject to Tenant's obligation to reimburse Landlord for Tenant's Share of the cost of Insurance, Landlord shall maintain or cause to be maintained such other insurance as Landlord deems necessary and prudent, or as may be required by any lienholder holding a mortgage or security interest in the Building (or any portion thereof).All Insurance required to be maintained by Landlord shall (a) be on an occurrence basis or claims basis (as noted above) and (b) as to the Premises or acts or omissions of Tenant Parties (defined below), be excess, secondary and non-contributory. Such insurance may be provided by a blanket policy covering additional locations.

9.3 Indemnity.

9.3.1 By Tenant. Subject to Landlord's release in Section 9.4, Tenant shall indemnify and defend (using legal counsel reasonably acceptable to Landlord) all Landlord Parties (defined below) from any claims, costs (including reasonable attorneys' fees and costs) or damages arising in connection with the occupancy or use of the Premises by Tenant Parties (defined below), including any work undertaken or contracted for by Tenant; any negligent or wrongful act or omission of Tenant Parties; any accident, injury, occurrence or damage in the Premises; and any claim against Landlord by any contractor, agent, employee or former employee of Tenant. Tenant agrees that the provisions of any employee injury insurance act, or any other employee benefit act shall not operate to release or immunize Tenant from its obligations under this Section. This indemnity is not contingent upon insurance coverage, is not limited to the amount of any insurance proceeds, and operates independently of the insurance provisions of this Lease.

9.3.2 By Landlord. Subject to Tenant's release in Section 9.4, Landlord shall indemnify and defend (using legal counsel reasonably acceptable to Tenant) all Tenant Parties (defined below) from any claims, costs (including reasonable attorneys' fees and costs) or damages arising in connection with the occupancy or use of the Building by Landlord Parties (defined below), including any work undertaken or contracted for by Landlord; any negligent or wrongful act or omission of Landlord Parties; and any claim against Tenant by any contractor, agent, employee or former employee of Landlord. Landlord agrees that the provisions of any employee injury insurance act, or any other employee benefit act shall not operate to release or immunize Landlord from its obligations under this Section. This indemnity is not contingent upon insurance coverage, is not limited to the amount of any insurance proceeds, and operates independently of the insurance provisions of this Lease.

9.3.3 Definitions. For purposes of this Section 9:

(1) **"Landlord Parties"** shall mean Landlord, and Landlord's (i) shareholders, members, partners or other owners, (ii) affiliates and subsidiaries, (iii) directors, officers, employees, former employees, agents, contractors, property manager and mortgagees; and (iv) successors and assigns, provided that for purposes of Section 9 no prior Landlord Party shall be obligated for the acts of its successors or assigns. Landlord Parties does not include other tenants or occupants of the Building or Project, or their licensees, invitees or customers.

(2) **"Tenant Parties"** means Tenant, and Tenant's (i) shareholders, members, partners or other owners, (ii) affiliates and subsidiaries, (iii) directors, officers, employees, former employees, subtenants, licensees, concessionaires, invitees, customers, agents, contractors and mortgagees, and (iv) successors and assigns.

9.4 Release.

9.4.1 Tenant Release. Tenant hereby releases, waives and discharges the Landlord Parties from any and all claims Tenant might otherwise now or hereafter possess associated with, any loss covered by insurance (or which would have been covered by the insurance Tenant is required to carry hereunder), including the deductible portion thereof, maintained and/or required to be maintained by Tenant pursuant to this Lease, regardless of cause.

9.4.2 Landlord Release. Landlord hereby releases, waives and discharges the Tenant Parties from any and all claims Landlord might otherwise now or hereafter possess associated with any loss covered by insurance (or which would have been covered by the insurance Landlord is required to carry hereunder), maintained and/or required to be maintained by Landlord pursuant to this Lease, regardless of cause.

9.5 Survival. The provisions of this Section 9 shall survive expiration or termination of this Lease.

10. ASSIGNMENT AND SUBLETTING

10.1 Assignment or Sublease. Except as expressly provided below, Tenant shall not assign this Lease or sublet the whole or any part of the Premises (each, a **"Transfer"** and any assignee or subtenant, a **"Transferee"**) without Landlord's prior written consent, which consent may not be unreasonably withheld or delayed by Landlord. Notwithstanding the foregoing, a Transfer shall not include a transfer to any successor-in-interest to Tenant as a result of any merger, acquisition or sale of all of the assets or voting control of Tenant's business. The prohibition against assignment or subletting includes an assignment or subletting to or by a receiver or trustee in any federal or state bankruptcy, insolvency or other proceedings. To assist Landlord in determining whether to consent to a Transfer, Tenant shall submit the following to Landlord as well as any other information reasonably requested by Landlord, (i) the name and legal entity of the Transferee; (ii) a description of the proposed use of the Premises by the Transferee, provided such description shall not imply that any change of use is allowed; (iii) the terms of the proposed Transfer; (iv) and (v) the proposed Transfer documents. In all events, the existing "Tenant" shall not be released from liability hereunder and shall remain primarily, jointly and severally liable with the Transferee for the performance of the obligations of Tenant hereunder unless otherwise waived by Landlord.

10.2 No Release. Should Tenant make a Transfer (with Landlord's consent), Tenant shall nevertheless remain primarily liable to Landlord for full payment of Rent and performance of Tenant's obligations under this Lease unless otherwise waived by Landlord.

10.3 Assignee Obligation. Tenant shall provide Landlord with a copy of the written assumption of this Lease, signed by Tenant and such Transferee. Thereafter, Transferee shall be jointly and severally liable with Tenant for the payment of Rent and performance of all of Tenant's obligations under this Lease. Any subtenant will be required to assume all obligations of Tenant to the extent they relate to the subleased premises. Tenant shall provide Landlord with written evidence of Transferee assuming the obligations under this Lease, and a copy of any sublease. If the Transferee defaults, Landlord may, without affecting any other rights of Landlord, proceed against Tenant or any Transferee or any other person liable for Tenant's obligations hereunder unless Tenant's obligations hereunder were otherwise previously waived by Landlord. Tenant shall provide the notice address for any subtenant or assignee to Landlord prior to the effective date of the Transfer and if it is not provided, the applicable notice address shall be deemed to be the Premises.

11. DAMAGE OR DESTRUCTION

11.1 Damage. Tenant shall notify Landlord in writing immediately upon the occurrence of any damage to the Premises. Subject to Section 11.2, if the insurance proceeds available to Landlord are sufficient to pay for the necessary repairs, this Lease shall remain in effect and Landlord shall repair the damage to the Premises as soon as is reasonably practicable, and Tenant shall repair/replace any damage to Tenant's inventory, equipment, trade fixtures, furnishings and other personal property.

11.2 Decision. If (i) the insurance proceeds received by Landlord are not sufficient to pay the entire cost to repair the Premises; (ii) the cause of the damage is not covered by Landlord's insurance; or (iii) Landlord considers the damage to the Premises to be significant, then Landlord, in its sole discretion, may elect either to (1) repair the damage to the Premises as soon as reasonably practicable, in which case this Lease shall remain in full force and effect, or (2) terminate this Lease. Landlord shall notify Tenant of Landlord's decision within ninety (90) days after notice of the occurrence of the damage. If Landlord terminates this Lease under this Section 11.2, Tenant's obligation to pay Rent shall terminate as of the date of termination.

11.3 Rent Abatement. In the event of damage, repair, reconstruction and restoration by or through Landlord as herein provided, the Base Rent and Tenant's Share all other amounts payable under this Lease shall be abated proportionately to the degree to which Tenant's use of the Premises is materially impaired during the period of such repair, reconstruction or restoration.

11.4 Termination Right. If the damage to the Premises occurs during the last twenty-four (24) months of the Lease Term, and the damage requires more than two hundred seventy (270) days to repair, either Landlord or Tenant may elect to terminate this Lease as of the date the damage occurred regardless of the sufficiency of any insurance proceeds. The party electing to terminate this Lease shall give written notification to the other party of such election within sixty (60) days after Tenant's notice to Landlord of the occurrence of the damage.

11.5 Termination of Lease. Upon any termination of this Lease under any of the provisions of this Section 11, Landlord and Tenant shall each be released without further obligation

to the other from the date possession of the Premises is surrendered to Landlord or such other date as is mutually agreed upon by Landlord and Tenant, except where otherwise provided hereunder.

12. CONDEMNATION

If the Premises are condemned or taken for any public or quasi-public purpose, including any purchase in lieu of condemnation, this Lease shall terminate as of the date of taking of possession for such use or purpose and the Rent and other sums payable hereunder shall be terminated as of termination date. If a portion of the Premises is condemned or taken, Landlord may, by notice to Tenant, terminate this Lease as of the date of the taking of possession for such purpose. If Landlord does not terminate this Lease due to partial taking, and if the partial taking results in a reduction in the square footage of the Premises, then the Base Rent and Tenant's Share shall be equitably reduced based on the loss of utility of the Premises for the Permitted Use, and Landlord shall perform any necessary repairs to restore, to the extent feasible and practicable, the Building to a complete unit. Landlord shall be entitled to the entire award in any condemnation proceeding, including any award for the value of any unexpired term of this Lease, and shall have the exclusive authority to settle the condemnation proceeding, and the exclusive discretion to grant "possession and use" to the condemning authority, and Tenant shall have no claim against Landlord or against the proceeds of the condemnation except that Tenant, if provided for under the then existing laws, shall have the right to bring a separate action against the condemning authority to recover compensation for Tenant's moving expenses and loss of any fixtures.

13. INSOLVENCY AND DEFAULT

13.1 Defaults. Tenant shall be in default under this Lease if (a) Tenant fails to pay any Rent when due, or (b) Tenant fails to perform any other obligation under this Lease, or (c) a Financial Distress Default (defined in Section 13.8) occurs. Except for Late Charges and Default Interest due under Section 5.3, Landlord agrees that it shall not invoke its remedies under this Section 13 if Tenant cures a Curable Default (defined below) within the applicable cure period (set forth in Section 13.2 below). If a Curable Default occurs and Tenant fails to cure the default within the applicable cure period or if any other default occurs, Landlord may, immediately or at any time thereafter, and without preventing Landlord from exercising any other right or remedy, (i) elect to terminate this Lease by notice, by lawful entry or otherwise, whereupon Landlord shall be entitled to recover possession of the Premises from Tenant and those claiming through or under Tenant and (ii) accelerate the payment of all Rent payable by Tenant for the balance of the Term and upon any such election such sums shall be immediately due and payable in full. Termination of this Lease and any repossession shall be without prejudice to any remedies Landlord has for Rent or for a prior breach of any of the provisions of this Lease.

In case of termination, Tenant shall be liable to Landlord for all costs and expenses including the amounts due under Sections 13.3 and 13.4. Each right and remedy provided Landlord in this Lease is cumulative and in addition to every other right or remedy provided in this Lease, or now or hereafter existing at law, in equity, by statute or otherwise. The exercise by Landlord of any one or more such rights or remedies will not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies.

13.2 Cure Periods.

13.2.1 Monetary Defaults. If Tenant fails to pay any Rent or amounts hereunder when due, it shall be a Curable Default and the cure period shall be ten (10) days after the date such Rent was due.

13.2.2 Financial Distress Default. An Involuntary Financial Distress Default (defined in Section 13.8) is a Curable Default and the cure periods are set forth in Section 13.8. A Voluntary Financial Distress Default is not a Curable Default.

13.2.3 Insurance Default. If Tenant fails to maintain the required insurance, it is a Curable Default and the cure period is ten (10) business days after the date Landlord provides written notice of such default.

13.2.4 Estoppel or Subordination Default. If Tenant fails to provide the requested estoppel certificate (Section 14.4) or subordination agreement (Section 14.1) within the time period provided, it shall be a Curable Default and the cure period shall be ten (10) business days from the date of Landlord's second request for such estoppels or subordination.

13.2.5 Abandonment. If Tenant demonstrates an intent to not occupy the Premises or vacates the Premises during the Term, it is not a Curable Default.

13.2.6 Hazardous Substances. If Tenant breaches the provisions of Section 6.5 it shall be a Curable Default and the cure period shall be ten (10) business days after notice from Landlord.

13.2.7 Other Defaults. Any non-monetary breaches of this Lease not listed above in this Section 13.2 shall be considered Curable Defaults and the cure period shall be thirty (30) days after written notice from Landlord; provided that if the default cannot reasonably be cured within that time period, Tenant shall have such additional time as is reasonably necessary to cure the default so long as Tenant commences the cure within the thirty (30) day period and diligently pursues the cure to completion.

13.3 Expense Recovery. Tenant shall pay all costs and expenses incurred by Landlord in connection with such default, including without limitation (i) all collection costs and costs of obtaining Tenant's compliance with this Lease, including attorneys' fees and enforcement costs; and (ii) all Landlord's other costs proximately caused by such default, excluding consequential or other indirect damages of Landlord (including, without limitation, lost profits or business interruption). Such amounts shall be due and payable immediately upon notice from Landlord without regard to whether the cost or expense was incurred before or after the termination of this Lease. If proceedings are brought under the Bankruptcy Code, including proceedings brought by Landlord, which relate in any way to this Lease (in any of such cases a "**Proceeding**"), then Tenant shall pay Landlord the costs incurred by Landlord in connection with the Proceeding.

13.4 Damages. Notwithstanding termination of this Lease and reentry by Landlord pursuant to Section 13.1, Landlord shall be entitled to recover from Tenant:

(a) Any unpaid Rent which had been earned by Landlord prior to the time of termination with Default Interest accrued thereon; plus

(b) The amount by which the unpaid Rent would have been earned after termination until the time of an award exceeds the amount of loss of Rent that Tenant proves could have been reasonably avoided, with Default Interest accrued thereon; plus

(c) The worth at the time of an award of the amount by which the unpaid Rent for the balance of the Term (as extended, if at all prior to termination) exceeds the amount of such loss of Rent that Tenant proves could have been reasonably avoided (including Default Interest accruing from the date of the award until paid), discounted at the discount rate of the Federal Reserve Bank of San Francisco, or successor Federal Reserve Bank, on the date of termination; plus

(d) Any other amount necessary to compensate Landlord for all the damage proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, including amounts due and payable pursuant to Section 13.3.

13.5 Non-Termination of Lease. No act of Landlord other than a written declaration of termination of Lease shall serve to terminate this Lease. Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may enforce all of Landlord's rights and remedies under this Lease, including the right to recover all Rent as it becomes due. Separate actions may be maintained by Landlord against Tenant from time to time to recover any damages which, at the commencement of any action, are then due and payable to Landlord under this Section 13 without waiting until the end of the Term.

13.6 Reletting. If Tenant's right of possession has been terminated (with or without termination of this Lease), Landlord may at any time, and from time to time, relet the Premises in whole or in part either in its own name or as agent of Tenant for any period equal to, or more or less than the remainder of the then current Term. All rentals received by Landlord from such reletting shall be applied first to the payment of any amounts other than Rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting and of alterations and repairs; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future Rent as it becomes due hereunder. Tenant shall pay Landlord for the loss of Rent by a payment at the end of each month during the remaining Term representing the difference between the Rent which would have been paid in accordance with this Lease and the Rent actually derived from the Premises by Landlord for such month. Upon a reletting of the Premises, Landlord shall not be required to pay Tenant any sums received by Landlord in excess of amounts payable in accordance with this Lease. For purposes of this Section 13, Tenant's right to possession shall not be considered to have been terminated by Landlord's efforts to relet the Premises, by Landlord's acts of maintenance or preservation with respect to the Premises, or by appointment of a receiver to protect Landlord's interests under this Lease. This list is merely illustrative of acts that may be performed by Landlord without terminating Tenant's right to possession.

13.7 Right of Landlord to Cure Defaults. If Tenant defaults in its obligations under this Lease, Landlord may cure the default, at Tenant's expense, and without notice, if Landlord believes such default creates a risk of damage to persons or interests of others, or in any other case only upon Tenant's failure to remedy such default within the applicable cure period, if any. Tenant shall reimburse Landlord for any costs incurred by Landlord to cure default, together with Default Interest accrued thereon.

13.8 Financial Distress.

13.8.1 Definition. Each of the following shall be a **"Financial Distress Default"** under this Lease unless cured within the cure periods set forth below: (a) the making by Tenant of any general assignment or general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy; or (b) the appointment of a trustee or a receiver to take possession of all or any part of Tenant's assets. A Financial Distress Default shall be considered **"Voluntary"** if the action initiating the default was made by Tenant or a person or entity controlling, controlled by, or under common control with Tenant and otherwise shall be considered **"Involuntary"**. For example, a bankruptcy filing initiated by Tenant is a Voluntary Financial Distress Default and a bankruptcy filing by creditors of Tenant shall be considered an Involuntary Financial Distress Default. Tenant shall immediately notify Landlord upon the occurrence of any Financial Distress Default. Tenant shall have sixty (60) days to cure an Involuntary Financial Distress Default under clause (a) above by having the petition dismissed. Tenant shall have thirty (30) days to cure an Involuntary Financial Distress default under clause (b) above by having the trustee or receiver dismissed or otherwise regaining possession of Tenant's assets. Tenant shall have thirty (30) days to have a judgment described in clause (c) above discharged or satisfied before Landlord will pursue any of its remedies under Section 13.

13.8.2 Filing of Petition. If a petition (**"Petition"**) is filed by or against Tenant (as either debtor or debtor-in-possession) under Title 11 of the United States Code (the **"Bankruptcy Code"**) and same is not dismissed within sixty (60) days thereafter:

(1) Adequate protection for Tenant's Lease obligations accruing after filing of the Petition shall be provided within fifteen (15) days after filing in the form of a deposit equal to two months Base Rent (in addition to the security deposit), to be held by the court or an escrow agent approved by Landlord and the court.

(2) All amounts payable by Tenant to Landlord under this Lease represent reasonable compensation for the occupancy of the Premises by Tenant.

(3) Tenant or Trustee shall give Landlord at least thirty (30) days written notice of any abandonment of the Premises or proceeding relating to administrative claims. If Tenant abandons without notice, Tenant or Trustee shall stipulate to entry of an order for relief from stay to permit Landlord to reenter and relet the Premises.

(4) If Tenant was in default under the Lease before the filing of the Petition, whether or not Landlord has given Tenant written notice of that default and whether or not any cure period expired before filing the Petition, Tenant shall be deemed to have been in default on the date the Petition was filed for all purposes under the Bankruptcy Code.

(5) For purposes of Section 365(b)(1) of the Bankruptcy Code, prompt cure of defaults shall mean cure within thirty (30) days after assumption and shall include cure of any defaults under any other agreements between Landlord and Tenant.

(6) If Tenant or Trustee intends to assume and/or assign the Lease, Tenant or Trustee shall provide Landlord with thirty (30) days written notice of the proposed action, separate from and in addition to any notice provided to all creditors. Notice of a proposed

assignment and assumption shall state the assurance of prompt cure, compensation for loss and assurance of future performance to be provided to Landlord. Notice of a proposed sale shall state: (i) the name, address, and federal tax ID numbers of the proposed assignee; (ii) the terms and conditions of the proposed assignment; and (iii) the proposed assurance of future performance.

13.9 Default by Landlord. Landlord shall not be in default under this Lease unless Landlord (or a mortgagee or beneficiary on behalf of Landlord) fails to cure such nonperformance within thirty (30) days after receipt of Tenant's notice (except that when the nature of Landlord's obligation is such that more than thirty (30) days are reasonably required for its performance, then Landlord shall not be deemed in default if Landlord commences performance within such 30-day period and thereafter diligently pursues the cure to completion). A copy of any notice of default shall be delivered to all parties entitled thereto under Section 14.3. If Landlord fails to cure the default within the time set forth herein, Tenant shall have all rights and remedies available at law and in equity.

13.10 Holding Over. If Tenant fails to surrender possession of the Premises upon termination or expiration of this Lease, and Landlord consent in writing to Tenant's continued occupancy, then Tenant's occupancy shall be deemed to be a month to month tenancy, with Base Rent at the rate of one hundred twenty-five percent (125%) of the Base Rent payable during the calendar month immediately preceding such termination or expiration, together with all Additional Rent due for such period (the **"Latest Rate"**) and Landlord may terminate such month to month tenancy upon thirty (30) day's notice to Tenant. If Tenant fails to surrender possession of the Premises upon termination or expiration of this Lease and if Tenant does not obtain Landlord's written consent to Tenant's continued occupancy, then Tenant shall be deemed a trespasser and shall be liable to Landlord for all damages sustained by Landlord as a result thereof.

14. PROTECTION OF LENDERS; ESTOPPEL

14.1 Subordination. This Lease shall be subordinate to any financing now existing or hereafter placed upon the Building, or any portion thereof, by Landlord, and to any and all advances to be made thereunder and to interest thereon and all modifications thereof (each, a "Mortgage"). This provision shall be self-operative. Tenant shall, within fifteen (15) days of written notice by Landlord, execute and deliver a subordination and non disturbance agreement required by the holder of a Mortgage, but only if any such subordination agreement provides that so long as Tenant is not in default under this Lease beyond any applicable cure period, Tenant shall have the continued enjoyment of the Premises free from any disturbance or interruption by any holder of a Mortgage or any purchaser at a foreclosure or private sale of the Building.

14.2 Attornment. If Landlord's interest in the Premises is acquired by any holder of a Mortgage, or purchaser at a foreclosure sale, or transferee thereof, Tenant shall attorn to the transferee of or successor to Landlord's interest in the Premises and recognize such transferee or successor as Landlord under this Lease; provided that new landlord has assumed in writing all of Landlord's obligations under this lease from and after the date of such transfer. Tenant waives the protection of any statute or rule of law which gives or purports to give Tenant any right to terminate this Lease or surrender possession of the Premises upon the transfer of Landlord's interest. Landlord agrees to obtain from any future lender such lender's standard form of Non-Disturbance and Attornment Agreement ("NDA") within thirty (30) days after Landlord obtains financing from such lender.

14.3 Notice. Tenant shall give written notice of any failure of Landlord to perform any of its obligations under this Lease to Landlord and to any mortgagee or beneficiary under any Mortgage whose name and address has been furnished to Tenant in accordance with the Notice provisions of Section 16.1. Tenant shall have the right, but no obligation, to cure the default on Landlord's behalf.

14.4 Estoppel Certificates. Tenant shall, within fifteen (15) days of prior written request by Landlord, execute and deliver to Landlord a written statement certifying to Landlord, and any prospective buyer or lender: (i) the date the Term commences and expires, and the number of remaining Renewal Terms; (ii) the amount of Rent and the date to which it has been paid; (iii) that this Lease is in full force and effect and has not been assigned or amended in any way (or specifying the date and terms of each agreement so affecting this Lease) and that no part of the Premises has been sublet (or to the extent such is not the case, a copy of any sublease); (iv) that Landlord is not in default under this Lease (or if such is not the case, the extent and specific nature of such default); (v) on the date of such certification, there are no existing defenses or claims which Tenant has against Landlord (or if such is not the case, the extent and specific nature of such defenses or claims); (vi) the amount of the Security Deposit, if any, held by Landlord; and (vii) any other information that Landlord or a mortgagee or purchaser may reasonably request. It is intended that any such statement shall be binding upon Tenant and may be relied upon by and run to the benefit of Landlord and any prospective purchaser or mortgagee.

15. MISCELLANEOUS PROVISIONS

15.1 Notices. All notices required or permitted under this Lease shall be in writing and shall be (a) provided by personal delivery; (b) sent by United States certified mail or registered, return receipt requested, postage prepaid; or (c) sent by overnight delivery using a nationally recognized overnight courier which shall provide evidence of delivery upon request. Such notice shall be deemed delivered upon the earlier of (i) actual receipt; (ii) the date of refusal by the intended recipient to accept delivery; (iii) if sent by United States mail, three (3) days after deposit in the mail; and (iv) if sent by overnight courier, one (1) business day after deposit with such carrier. The notice address for each party is set forth in the General Terms and may be changed by written notice to the other party.

15.2 Non-Waiver/Accord. Failure of Landlord or Tenant to insist, in any one or more instances, upon strict performance of any term of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or a relinquishment, but the same shall continue and remain in full force and effect. No party shall be deemed to have waived any provision of this Lease unless expressed in writing and signed. Tenant specifically acknowledges that, where Tenant has received a notice of default (whether monetary or non-monetary), no acceptance by Landlord of Rent shall be deemed a waiver of such default, and no acceptance by Landlord of partial Rent shall be deemed to waive or cure any Rent default. Landlord may, in its sole discretion, after receipt of partial payment of Rent, continue any pending action to collect the full amount of Rent due. The default shall not be cured until Tenant pays the full amount due (in good funds). Payment by Tenant or receipt by Landlord of a lesser amount than the Rent and other charges stipulated herein shall be deemed to be on account of the earliest stipulated Rent or other charges. No endorsement or statement on any check or any letter accompanying any payment shall be deemed an accord and satisfaction, and Landlord's acceptance of such check or payment

shall be without prejudice to Landlord's right to recover the balance of the amount due or pursue any other remedy to which it is entitled.

15.3 Brokers. Landlord and Tenant represent that neither has worked with or consulted any broker, agent or finder to act in its behalf in connection with this Lease ("**Broker**"). Each party agrees to indemnify, defend and hold harmless the other from and against any and all liability, claims, costs, damages, judgments, and proceedings of any kind arising from any claim for brokerage commissions, finder's commissions or other such compensation by any broker or other person (other than Broker) based upon a claimed obligation or liability (whether valid or not) of the indemnifying party.

15.4 Entire Agreement; Amendment; Severability. This Lease supersedes all prior and contemporaneous understandings and agreements; the provisions of this Lease are intended as the final expression of the parties' agreement; this Lease constitutes the complete and exclusive statement of its terms; and no representations, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect. No provisions of this Lease may be changed, waived, discharged or terminated orally, but only by instrument in writing executed by Landlord and Tenant, or their respective successors in interest, concurrently with or subsequent to the date of this Lease. Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

15.5 Force Majeure. Except as specifically provided otherwise herein, time periods for Landlord's or Tenant's performance under any provisions of this Lease (except for the payment of money) shall be extended for periods of time during which the non-performing party's performance is prevented due to circumstances beyond the party's control, including strikes, embargoes, governmental regulations, inclement weather and other acts of God, war or other strife and no such delay in performance shall constitute an actual or constructive eviction or entitle Tenant to any abatement of Rent.

15.6 Successors and Assigns. This Lease binds any party who legally acquires any rights or interest in this Lease from Landlord or Tenant. However, Landlord shall have no obligations to Tenant's successor unless such successor acquired its rights in accordance with the terms of this Lease, including obtaining Landlord's prior written consent to any restriction on assignment and subletting.

15.7 No Reservation/Counterparts. The submission of this Lease for examination, or for execution by Tenant, does not constitute a reservation or option to lease the Premises and this Lease becomes effective as a lease only upon execution and delivery thereof by Landlord and Tenant. This Lease may be executed in counterparts and when all counterparts are executed, the counterparts shall constitute a single binding instrument.

15.8 Authority. If Tenant is an entity rather than a person, each individual executing this Lease on behalf of such entity or its constituents represents and warrants that he/she is duly authorized to execute and deliver this Lease on behalf of such entity.

15.9 Arbitration; Choice of Law and Venue. This Lease shall be governed by the laws of the State of California. Further, the parties agree that because the Premises and the subject of this Lease relate to real property located in Stanislaus County, California, venue shall be proper

in Stanislaus County, California. Landlord and Tenant each unconditionally waive any right to a jury trial and agree that any dispute shall be resolved through arbitration as set forth on the attached Exhibit B.

15.10 Landlord's Access. Subject to Tenant's obligations pursuant to applicable law in connection with the Agreed Use, Landlord or its agents may enter the Premises to show the Premises to potential purchasers, lenders, tenants, insurers, or other parties; to make repairs, alterations or improvements, to inspect and conduct tests in order to monitor Tenant's compliance with this Lease and applicable law; or for any other purpose Landlord reasonably deems necessary. Landlord shall give Tenant at least 24 hours prior notice of such entry, except in the case of emergency, and shall take all reasonably efforts to minimize any disruptions to Tenant's business. Landlord may place customary "For Sale" or "For Lease" signs in and about the Premises and Building.

15.11 Mitigation. Landlord shall make reasonable efforts to mitigate the loss or damage occasioned by a default of the Tenant, provided that said obligation to mitigate shall not relieve the Tenant of the burden of proof as required in this Article or otherwise affect the rights and remedies available to Landlord in the event of a default by the Tenant as provided in this Article or otherwise allowed by law or equity.

15.12 Quiet Enjoyment. So long as Tenant is not in default hereunder then, subject to the other terms and conditions of this Lease, Tenant shall not incur any manner of unreasonable interference with its quiet enjoyment, possession and use of the Premises from Landlord.

15.13 Costs and Attorneys' Fees. In the event of litigation between the parties hereto, declaratory or otherwise to enforce, interpret or seek redress of a breach of this Lease, the non-prevailing party shall pay the costs thereof and attorneys' fees actually incurred by the prevailing party, in such suit, at trial and on appeal. The prevailing party shall be the party who is determined by the presiding authority to have substantially prevailed as to its central claim.

15.14 Interpretation. The captions of sections or subsections of this Lease are to assist the parties in reading this Lease and are not a part of the terms and provisions of this Lease. Whenever required by the context of this Lease, the singular shall include the plural and the plural shall include the singular. The masculine, feminine and neuter genders shall each include the other. In any provision relating to the conduct, acts or omissions of Tenant, the term "**Tenant**" shall include Tenant's agents, employees, contractors, invitees, successors or others using the Premises with Tenant's expressed or implied permission.

15.15 Survival. The obligations of each party applicable to time periods prior to the termination or expiration of this Lease shall survive termination or expiration of this Lease, including Landlord's right to indemnification and defense from claims arising from matters occurring prior to termination even though the claim is asserted against Landlord after termination, and payment of amounts not finally calculated by the expiration/termination date.

15.16 Electronic Signatures. Landlord and Tenant agree that this Lease may be conducted by electronic means pursuant to the provisions of the Uniform Electronic Transaction Act.

16. CONFIDENTIALITY AND NON-DISCLOSURE.

The parties hereto acknowledge and agree that the terms and provisions of this Agreement are, by their nature, confidential and each such party shall retain in confidence and not disclose, except as required by law, and require their respective professional representatives and agents to retain in confidence and not disclose, except as required by law, any of the terms and provisions of this Agreement.

Dated as of the Effective Date

LANDLORD:

5 Star Cars LLC, a California limited liability company

By: _____

Name: Wilson Eshagh

Title: _____

TENANT:

Evergreen Market Turlock Inc.

~~Evergreen Market Property Holdings LLC~~, a Washington limited liability company

By: _____

Name: Eric Gaston

Title: _____

Exhibit D

Notice of Non-Performance Penalty

DATE: _____, 20__

PARTIES: CITY OF TURLOCK
156 S Broadway
Turlock, CA 95380
Attention: City Manager

DEVELOPER
Evergreen Market (Turlock), Inc.
4242 East Valley Road
Renton, WA 98057
Attention: Jose Rodrigues

THIS NOTICE OF NON-PERFORMANCE PENALTY ("Penalty Notice") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 20__, City recorded a development agreement between City and Evergreen Market (Turlock), Inc., a California corporation ("Developer"), dated _____, 20__ (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Section 4.2 of the Development Agreement, Developer agrees to pay to City a Public Benefit on the first business day of each month during the Term of the Development Agreement.

C. On _____, 20__, the Public Benefit was due to City by Developer. City did not receive payment.

D. Pursuant to Section 4.5 of the Development Agreement, if Developer fails to make payment when it is due, City may impose a penalty of ten percent (10%) of the total of the past due amounts ("Penalty"). As of _____, 20__, the past due amount equals $_____. The Penalty owed by Developer equals $_____ ("Penalty Amount").

E. Pursuant to Section 4.5 of the Development Agreement, Developer shall make payment of the Penalty Amount in a single installment due within fifteen (15) days of delivery of this Penalty Notice ("Penalty Due Date").

F. Pursuant to Section 4.6 of the Development Agreement, if Developer fails to pay the Penalty Amount before the Penalty Due Date, then, in addition to the Penalty Amount specified in subdivision (D), Developer shall pay City interest on the Penalty Amount, at the rate of eighteen percent (18%) per annum ("Penalty Interest Payment"), computed from the Penalty Due Date specified in subdivision (E). The Penalty Interest Payment is due fifteen (15) days following delivery of the Penalty Due Date. As of _____, 20__, the Penalty Interest Payment amount equals $_____.

G. Nothing contained herein shall constitute a waiver of City's future claims for the Public Benefit, Penalty, or interest on the Penalty.

NOW, THEREFORE, City hereby provides Developer the Penalty Notice required by Section 4.5 of the Development Agreement. This Penalty Notice shall be effective upon notice pursuant to Section 10.3 of the Development Agreement.

CITY OF TURLOCK,
a California municipal corporation

By:_____
City Manager

Exhibit E

INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING

THIS INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING ("Agreement") is made and entered into on this ___ day of ____, 20__, ("Effective Date") by and between the City of Turlock, a California municipal corporation ("City") and Evergreen Market (Turlock), Inc., a California corporation ("Applicant"). City and Applicant may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. In 1996, the people of the state of California approved Proposition 215, the Compassionate Use Act of 1996 ("CUA"). The CUA enables seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program ("MMP"), which authorizes qualified patients and their primary caregivers to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code.

B. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.

C. On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). AUMA legalizes the cultivation, commercial sale, and possession of recreational cannabis for adults age 21 and older.

D. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction.

E. On December 7, 2017, California state cannabis licensing authorities issued emergency regulations that apply to AUMA and MAUCRA and further regulate businesses engaged in commercial cannabis activity.

F. Turlock Municipal Code ("T.M.C.") Chapter 5.21 authorizes cannabis businesses to operate within the City under specified restrictions pursuant to a Cannabis Pilot Program.

G. Applicant intends to improve, develop, and use real property to operate a cannabis business (the "Project") within the City in strict compliance with MAUCRSA and T.M.C. chapter 5.60.

H. Applicant has an agreement to lease that certain real property located at 101 East Glenwood Avenue in the City of Turlock, identified as Stanislaus County Assessor's Parcel Number 044-022-013 (the "Project") Applicant intends to improve approximately 2,677 (two thousand six hundred and seventy-seven) square feet of space and operate the Project on the Property.

I. As a condition of approval of the Land Use Entitlements, City has required Applicant to enter into this Agreement.

J. It is in the public interest for City and Applicant to enter into this Agreement, as Applicant will benefit from City's processing of the Project.

K. Applicant desires to enter into this Agreement to fulfill a condition of approval of the Project, which is a prerequisite for construction of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth below, the Parties agree as follows:

Section 1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Applicant's Indemnification Obligations.

2.1. Indemnification for Land Use Entitlements. To the fullest extent permitted by law, Applicant shall indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's

Agents, to attack, set aside, void, or annul, an approval concerning the Land Use Entitlements by reason of the action or inaction of City, or City's Agents. Applicant's duty to indemnify and hold harmless shall not extend to any claim, action or proceeding arising from the gross negligence or willful misconduct of City, or City's Agents.

Applicant's obligations under this Agreement to indemnify City shall apply to any claim, lawsuit or challenge against City brought against the Project, specifically including, but not limited to, any legal challenge based on the California Environmental Quality Act, codified in California Public Resources Code section 21000 et seq.; actions or proceedings brought to challenge the validity of environmental documents prepared in conjunction with the approval of the Project or Land Use Entitlements, or the requirements of any other federal, state, or local laws, including, but not limited to, general plan, specific plan, and zoning requirements.

2.2. Tender of Defense. Upon receiving notice of a claim and pursuant to Article 6 of the Land Use Entitlements, Applicant shall assume the defense of the claim, action, or proceeding through the prompt payment of all attorneys' fees and costs, incurred in good faith and in the exercise of reasonable discretion, of City's counsel in defending such an action. Regardless of whether Applicant chooses to defend City pursuant to Section 6.4 of the Land Use Entitlements, City shall have the absolute and sole authority to control the litigation and make litigation decisions, including, but not limited to, selecting counsel to defend City and settlement or other disposition of the matter.

2.3. Deposit for Costs. Applicant shall make a refundable deposit to City within thirty (30) days of written notification from City ("Cost Deposit"), to cover the estimated fees and costs associated with City's defense of any claim, action or proceeding. Applicant shall make any and all additional payments to City to replenish the Cost Deposit within thirty (30) days of written notice from City.

2.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of the Land Use Entitlements, which shall entitle City to all remedies available under law including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of the Land Use Entitlements. Applicant's failure to indemnify City shall be a waiver by Applicant of any right to proceed with the Project, or any portion thereof, and a waiver of Applicant's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of the Land Use Entitlements, or City's failure to defend any claim, action or proceeding based on Applicant's failure to indemnify City.

2.5. Satisfaction of Judgment. With respect to any claims, demands, acts, causes of action, damages, costs, expenses, settlements, losses or liabilities which Applicant has indemnified City against, Applicant shall pay and satisfy any judgment, award, settlement or decree that may be rendered or agreed against City and City's Agents arising out of any final, non-appealable judicial or administrative action.

2.6. Payment of Costs and Fees. Applicant's obligations under this Agreement to defend and indemnify City shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against City, or all settlement costs which arise out of City's processing or approval of the Project.

2.7. Continuing Obligation. Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate or otherwise transfer all or any of the rights or obligations of this Agreement, and notwithstanding a change in or transfer of ownership of the real property upon which the Project is located (or any interest therein). However, Applicant may be released from such obligations if Applicant obtains City's prior written consent to such transfer, which consent shall not be unreasonably withheld.

Section 3. City's Obligations. City shall notify Applicant of any claim, action or proceeding within ten (10) business days of receiving service of any claim, action or proceeding. If City fails to notify Applicant of any claim, action, or proceeding, Applicant shall not, thereafter, be responsible to defend, indemnify, or hold City harmless. City shall have and retain, in its sole discretion, the right to not participate in the defense of any claim, action, or proceeding. At its sole discretion, City may participate at its own expense in the defense, but such participation shall not relieve Applicant of any obligation imposed by this Agreement.

Section 4. Notice. Any notice or communication required hereunder between City and Applicant must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which

such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Turlock
156 S. Broadway
Turlock, CA 95380
Attention: City Manager

and Katie O. Lucchesi, City Attorney
156 S. Broadway
Turlock, CA 95380

If to Developer: Jose Rodrigues

4242 East Valley Road
Renton WA 98057

Section 5. **Modification of Agreement**. This Agreement may be supplemented, amended, or modified only by a writing signed by City and Applicant.

Section 6. **Entire Agreement**. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Section 7. **Agreement is Voluntary**. The Parties acknowledge that they have entered into this Agreement voluntarily, on the basis of their own judgment and without coercion, and not in reliance on any promises, representations, or statements made by the other Party other than those contained in this Agreement. This Agreement incorporates the entire understanding of the Parties and recites the sole consideration of the promises and agreements contained within it. The Parties have read this Agreement and are fully aware of its contents and legal effect.

Section 8. **Time of Essence**. Time is of the essence for this Agreement, and each section contained within this Agreement is made and declared to be a material, necessary, and essential part of this Agreement.

Section 9. **Severability of Agreement**. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

Section 10. **Authority**. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement, and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 11. **Noninterference**. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Agreement.

Section 12. **Ambiguities**. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

Section 13. **Headings**. The headings in this Agreement are included for convenience only, and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

Section 14. **Necessary Acts and Further Assurances**. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. The Parties will act in good faith to carry out the intent of this Agreement.

Section 15. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 16. **Venue**. Venue for all legal proceedings shall be in the Superior Court of the State of California in and for the County of Stanislaus.

Section 17. **Attorney's Fees and Costs**. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may

be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 18. **Waiver**. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 19. **Counterparts**. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties have executed this Agreement on the day, month and year first above written.

APPLICANT

The Evergreen Market (Turlock), Inc., a California corporation

By: _____
Jose Rodrigues
Its: _____
Owner

Date: _____

The Evergreen Market (Turlock), Inc., a California corporation

By: _____

Its: _____

Date: _____

CITY

City of Turlock, a California municipal corporation

By: _____
Gary Hampton, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Katie Lucchesi, City Attorney

Exhibit F

Notice of Termination

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: City of Turlock 156 S Broadway Turlock, CA 95380 Attention: City Clerk	

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code § 6103

NOTICE OF TERMINATION AND RELEASE OF DEVELOPMENT AGREEMENT

DATE: _____, 20___

PARTIES: CITY OF TURLOCK
156 S Broadway
Turlock, CA 95380

THE EVERGREEN MARKET (TURLOCK), INC.
4242 East Valley Road
Renton, WA 98057
Attn: Jose Rodrigues

THIS NOTICE OF TERMINATION AND RELEASE (the "Release") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 20__, City recorded a development agreement between City and _____, dated _____, 20__ (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Sections 1.7 and 9.1 of the Development Agreement, the term of the Development Agreement expires five (5) years from _____, 20__, on _____, 20____.

C. Pursuant to Section 9.1 of the Development Agreement, once terminated, the Development Agreement has no further force or effect, unless otherwise set forth in the Development Agreement.

NOW, THEREFORE, City hereby terminates, cancels, and otherwise releases Developer and Developer's heirs, executives, administrators, successors, and assigns from their obligations in the Development Agreement on this ____ of _____ , 20___, and relinquishes any right it may hereafter have to enforce any of the terms and provisions set forth in the Development Agreement, unless otherwise set forth in the Development Agreement. This termination, cancellation, and release shall be effective upon the recordation of this Release in the office of the County Recorder for the County of Stanislaus, State of California.

CITY OF TURLOCK,
a California municipal corporation

By:_____
City Manager

Exhibit G

Assignment and Assumption Agreement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: City of Turlock 156 S Broadway Turlock, CA 95380 Attention: City Clerk	

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code § 6103

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this _____ day of _____, 20___, by and between _____The Evergreen Market (Turlock), Inc. ("Assignors"), and _____ ("Assignee").

RECITALS

A. On _____, 20__, Assignor and the City of Turlock (the "City") entered into that certain agreement entitled "Development Agreement by and between the City of Turlock, a California municipal corporation and The Evergreen Market (Turlock), Inc. relating to the improvement, development, and use of real property to operate a cannabis business (the "Development Agreement"), originally recorded upon Stanislaus County Assessor's Parcel Number 044-022-013 (the "Property").

B. Section 10.1 of the Development Agreement prohibits the sale, assignment, or transfer by Assignor of any portion of Assignor's interests, rights, or titles described in that section of the Development Agreement ("Assignable Rights") to a third party without prior written approval by the City Manager of the City of Turlock (the "City Manager").

C. Assignor intends to assign, and Assignee intends to assume, the Assignable Rights under the Development Agreement.

D. In accordance with the terms of the Development Agreement, Assignor has provided to the City Manager a written request for consent to assignment. The City Manager has received the information he or she deems appropriate and consulted with the City Attorney for the purpose of determining that Assignee is a qualified applicant for purposes of the foregoing terms of the Development Agreement. This Agreement is intended to meet the requirements of Section 10.1 of the Development Agreement for an Assignment and Assumption Agreement and is executed with the consent of the City Manager as contemplated in the Development Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. The foregoing Recitals are true and incorporated herein by this reference as though set forth in full.

2. Assignor hereby assigns to Assignee all of the Assignable Rights of Assignor under the Development Agreement.

3. Assignee hereby assumes all of the burdens and obligations of Assignor under the Development Agreement and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement, and to be subject to all the terms and conditions thereof, with respect to the Property and Assignable Rights. It is the express intention of Assignor and Assignee that, upon the execution of this Agreement, Assignee shall become substituted for Assignor as the "Developer" under the Development Agreement.

4. This Agreement shall take effect and be binding only upon the City Manager's consent to and approval of the Agreement.

5. Assignee represents and warrants that it has reviewed and is familiar with the terms and conditions of the Development Agreement. Assignee acknowledges that the Assignable Rights are as set forth in Section 10.1 of the Development Agreement, and the duties of Assignor thereunder and the duties of Assignee hereunder, as between Assignee and City, shall be without reference to any underlying agreements or understandings that may exist between Assignee, Assignor, or any other party with respect to the subject matter hereof, and that City is not party to such other agreements.

6. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[Signatures on the Following Page]

ASSIGNOR

The Evergreen Market (Turlock), Inc., a California corporation

By: _____
Jose Rodrigues
Its: Owner

Date: _____

ASSIGNEE

_____
_____

By: _____
Its: _____

Date: _____

City of Turlock, a California municipal corporation

By:_____
Gary Hampton
City Manager

Date:_____

APPROVED AS TO FORM:

By:_____
Katie Lucchesi, City Attorney

Date:_____

City Council Staff Report

May 26, 2026

From:	Adrienne Werner, Development Services Director
Prepared by:	Katie Quintero, Planning Manager
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Finding that NHC Turlock LLC has complied in good faith with the terms and conditions of the Development Agreement between NHC Turlock LLC and the City of Turlock for the operation of a cannabis retail dispensary at 3401 West Monte Vista Avenue, Stanislaus Assessor's Parcel Number 087-003-039.

Ordinance: Introduction and First Reading of an Ordinance amending terms and extending the Development Agreement between the City of Turlock and NHC Turlock LLC.

2. NARRATIVE:

BACKGROUND

NHC is located at 3401 W. Monte Vista Avenue. The property is zoned PD 233 with an underlying General Plan Designation of Highway Commercial (HWC). The commercial zoning and general plan designations allow cannabis dispensaries with a Conditional Use Permit and Development Agreement.

On September 22, 2020, the City Council granted Conditional Use Permit 2020-01 and approved the Development Agreement to allow NHC to operate a cannabis dispensary.

NHC opened for business on May 19, 2023.

On September 11, 2025, the City of Turlock and NHC entered into a second amendment to the Development Agreement to extend the term of the Development Agreement through June 30, 2026.

Annual Review

The Turlock Municipal Code §9-5-912 requires the City Council to review annually whether the property owner has complied in good faith with the terms and conditions of the Development Agreement.

<u>Planning Department</u>

Signage

NHC was issued a sign permit for the signs on the building and is in compliance with all sign requirements.

NHC is in compliance with all other Planning conditions established in City Council Resolution 2020-145.

Building Department

There are no active building code violations and NHC is in compliance with the requirements of the Building and Safety Division.

Finance Department

Business License
NHC was issued a business license on January 27, 2023. Their business license is current and active. There are no outstanding issues.

Public Benefit Amount
The Development Agreement requires monthly payment of a public benefit amount. Section 4.2 of the Development Agreement details the public benefit amount that NHC must submit to the City on a monthly basis.

The audits and compliance checks have been completed. NHC is in compliance with the Finance Department requirements. The public benefit amount that NHC has paid is detailed in the table below:

Fiscal Year	Public Benefit Payment
2020-21	N/A
2021-22	N/A
2022-23	$50,000.00
2023-24	$310,000.00
2024-25	$375,000.00
2025-26*	$280,000.00
Total through 4/29/26	**$1,015,000.00**
*Payment made through March 2026	

Police Department

Calls for Service

There were 13 calls for service (CFS) in 2023, including four extra patrols and three trespassing calls prior to NHC opening for business. Two panic alarms were accidental. The responding officer found the building secure. The alarm company called back and canceled the 2 commercial alarms. A suspicious vehicle call found an unoccupied car with no one in the vicinity. A self-initiated trespass call was placed by the security guard when two males in an RV refused to leave the property. The officer responded and advised the subjects to leave the area. The subjects stated they were waiting for a friend to drive them to Modesto. The Fire Department responded to a fire in the microwave in the employee break room. One fraudulent phone call made to the business was closed by the responding officer.

There were a total of 9 CFS in 2024, including one commercial fire alarm and a medical emergency call, both cleared by the Fire Department. A suspicious vehicle call found a boat and trailer parked on the property with no one in the surrounding area. Three panic alarm calls were attributed to employees accidentally pressing the panic button, two commercial alarms found a roof hatch unsecured, and a main entry unsecured. Employees were educated on securing the respective entries. One CFS was for larceny with two suspects concealing a product and leaving the business without paying for the product. This call for service resulted in an arrest. All other calls did not result in a report filed by the responding officer or arrests.

Calls for Service from January 1, 2025, through October 22, 2025, totaled five. All five calls for service were false alarm calls closed by dispatch and the alarm company and/or the responding officer.

There were eight calls for service from October 2025 through April 2026. Five false alarm or accidental alarm calls included three closed by the responding officer, one closed by dispatch and one closed by the alarm company. One emergency medical call was closed by AMR. Two ordinance checks were closed by dispatch and the responding officer. The ordinance checks were for suspicious objects left in the bushes.

It is important to remember, when responding to calls, the location is indexed by where the incident occurred or where the officer should respond to, to contact the victim. If the officer responds to the parking lot for NHC, the address and business name will be indexed in the report. If no report was made, the officer did not find probable cause to show a crime occurred.

Annual Inspection

On April 23, 2026, the Police Department conducted their annual inspection. The following items were found at the inspection:

- The public lobby of the business did not have a monitor viewable to the public to show customers they were being recorded.

The business has been mailed a letter noting these deficiencies and a second inspection will be conducted to ensure these items have been corrected. These items are minor in nature and can be corrected easily and, therefore, NHC is in substantial compliance with the Police Department’s conditions.

PROPOSED AMENDMENTS

Various amendments are proposed to the Development Agreement. To capture all previous amendments to the Development Agreement into one document, the City has prepared a First Amended and Restated Development Agreement. This captures the two previous amendments and newly proposed amendments into this one complete Agreement.

In response to concerns from many of the dispensary operators, the City is proposing to amend the language for the public benefit amount to remove the monthly minimum payment and move to a percentage only. The percentage is set as a range up to 9% of gross receipts

but proposes to set the amount required to be paid at 5.25% through May 31, 2027, at which time Council may set a new Public Benefit amount within the range. This change will cause a reduction in the overall amount the City will receive in the public benefit amount, but it will provide more stability and will reduce the financial strain on the cannabis operators.

The term of the agreement is proposed to be extended for three years through June 30, 2029.

Other regulations proposed to be added to the agreement include requiring remote real-time live access to the video footage of cameras installed at the businesses and requiring background checks prior to any changes in ownership or on any individual or entity every two years or at any other time upon reasonable cause. A section has been added detailing if anyone with direct or indirect ownership or controlling interest in the project is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may terminate the Development Agreement. If given such notice, the Developer would have 180 days to complete a transfer of their interest to a transferee approved by the City.

Other proposed changes include various language cleanups and updates to current laws and regulations.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Adopton of the proposed amendments will lead to a reduction in cannabis revenue collected from the public benefit amount but it will create more stability for the cannabis operators.

4. ENVIRONMENTAL DETERMINATION:

The project consists of the annual review to determine if NHC has complied in good faith with the terms and conditions of the Development Agreement as well as a three-year time extension and miscellaneous amendments to the Development Agreement.

No changes or modifications to the site are anticipated as a result of this review; therefore, this action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the annual review, request for a time extension and various miscellaneous changes to the Development Agreement. This action will not result in direct or indirect physical changes in the environment.

5. ALTERNATIVES:

1. City Council could find NHC Turlock LLC has not complied in good faith with the terms of the Development Agreement for the annual review.
2. City Council could propose other changes to the terms of the Development Agreement.

6. ATTACHMENTS:

1. Draft Resolution
2. Draft Ordinance and DA for NHC

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF THE CITY COUNCIL FINDING THAT NHC HAS COMPLIED IN GOOD FAITH WITH THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT BETWEEN NHC TURLOCK LLC AND THE CITY OF TURLOCK FOR THE OPERATION OF A CANNABIS RETAIL DISPENSARY AT 3401 W. MONTE VISTA AVENUE, TURLOCK, CA, COUNTY OF STANISLAUS, ASSESSOR'S PARCEL NUMBER 087-003-039	**RESOLUTION NO. 2026-**

WHEREAS, on September 22, 2020 the City adopted Ordinance No. 1284-CS approving a Development Agreement by and between the City and NHC Turlock LLC ("NHC") to operate a storefront retail dispensary as defined in Turlock Municipal Code Section 5.21 in strict accordance with applicable state and local law, at 3401 W. Monte Vista Avenue, Turlock, California, County of Stanislaus Assessor's Parcel Number 087-003-039 (the "Project"), consistent with the General Plan, as amended; and

WHEREAS, on May 7, 2026, the Planning Commission of the City of Turlock met in accordance with Turlock Municipal Code Section 9-5-912(c); and

WHEREAS, pursuant to Section 9-5-912(c), the City Council, upon recommendation of the Planning Commission, shall determine whether the property owner has complied in good faith with the terms and conditions of the agreement during the period under review;

WHEREAS, the City Council determined the recommended action does not constitute a project and will not create a physical impact on the environment or authorize any action that has the potential to impact the physical environment and would not make any changes in current policy or regulations; therefore, the proposed action is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3)(General Rule, No Environmental Impact) of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby determine that NHC Turlock LLC has complied in good faith with the terms and conditions of the Development Agreement between NHC Turlock LLC and the City of Turlock for the operation of a cannabis retail dispensary at 3401 W. Monte Vista Avenue, Turlock, CA, County of Stanislaus, Assessor's Parcel Number 087-003-039.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

ATTEST:

_____

–

Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

INTRODUCTION AND FIRST READING OF AN ORDINANCE AMENDING TERMS AND EXTENDING BY AMENDMENT, THE DEVELOPMENT AGREEMENT BETWEEN NHC TURLOCK, LLC AND THE CITY OF TURLOCK FOR THE OPERATION OF AN INDOOR CANNABIS CULTIVATION, MANUFACTURING, AND DISTRIBUTION BUSINESS AT 3401 W. MONTE VISTA AVENUE, TURLOCK, CALIFORNIA, STANISLAUS COUNTY APN 087-003-039 THROUGH JUNE 30, 2029	**ORDINANCE NO. 13XX-CS**

WHEREAS, on June 11, 2019, the City Council of the City of Turlock (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations for cannabis businesses pursuant to AUMA and MAUCRSA, by amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program"); and

WHEREAS, on June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City; and

WHEREAS, the City and NHC entered into a Development Agreement dated September 22, 2020, which permitted NHC Turlock LLC ("NHC") to operate an indoor cannabis cultivation, manufacturing, and distribution business at 3401 W. Monte Vista Avenue, Turlock, California, County of Stanislaus Assessor's Parcel Number 087-003-039; and

WHEREAS, on September 22, 2020 the City adopted Ordinance No. 1284-CS approving a Development Agreement by and between the City and Evergreen Market dba FF Farms to operate an indoor cannabis cultivation, manufacturing, and distribution business as defined in Turlock Municipal Code Section 5.21 in strict accordance with applicable state and local law, at 101 E. Glenwood Avenue, Turlock, California, County of Stanislaus Assessor's Parcel Number 087-003-039 (the "Project"), consistent with the General Plan, as amended; and

WHEREAS, the City and NHC Turlock LLC entered into that certain First Amendment to Development Agreement dated December 19, 2022 authorizing a change in ownership; and

WHEREAS, on September 11, 2025, the City and NHC Turlock LLC entered into that certain Second Amendment to extend the term of the Development Agreement through June 30, 2026; and

WHEREAS, under Section 5-21-103 of the Turlock Municipal Code, any cannabis cultivation, manufacturing, and distribution business allowed in the City shall obtain a development agreement, a City business license, and conditional use permit; and

WHEREAS, pursuant to Section 1.9 of the Development Agreement a "Major Amendment" to the Development Agreement shall be approved by the City Council; and

WHEREAS, after the public hearing held on May 7, 2026, the Planning Commission recommended the City Council make the proposed amendments to the Development Agreement and extend the term of the Development Agreement through June 30, 2029; and

WHEREAS, the City Council, based on its independent review and analysis of the Planning Commission's recommendation, oral and written testimony, and the record as a whole, finds, after due study, deliberation, and holding a public hearing, and based on its independent judgement, find that the following circumstances exist:

1. The Project is consistent with the goals, policies, and standards of the City's General Plan and all other applicable standards and ordinances of the City.
2. In accordance with the Development Agreement Statute, the City Council finds that the amendment to the Development Agreement:
    a. Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole; and
    b. Will not adversely affect the orderly development of property or the preservation of property values; and
    c. Is consistent with the relevant provisions of Government Code Sections 65864 through 65869.5; and
    d. Contains a legal description of the property.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Turlock does hereby determine:

Section 1. The recitals stated above are true and correct, and hereby incorporated herein.

Section 2. This request is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the request for a time extension for the Development Agreement (DA) between the City of Turlock and Evergreen Market dba FF Farms This action will not result in direct or indirect physical changes in the environment.

Section 3. The City Council of the City of Turlock extends the terms of the Development Agreement between the City of Turlock and NHC through June 30, 2029.

Section 4. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or

invalid for any reason, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more sections(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

Section 5. Upon passage of this Ordinance, the City Manager is authorized to execute the amendment to the Amended and Restated Development Agreement as shown in Exhibit A on behalf of the City. Within ten (10) days of the execution, but no earlier than 30 days after passage of this Ordinance, the City Clerk shall cause the amendment to the Development Agreement to be recorded in the Office of the County Recorder as provided for by Government Code section 65868.5. The amendment to the Development Agreement shall not take effect for thirty (30) days following passage and adoption of this Ordinance.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 9th day of June, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

SIGNED:

_____
Amy Bublak, Mayor

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

APPROVED AS TO FORM:

_____
Katie Lucchesi, City Attorney

EXHIBIT A

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City of Turlock
156 S Broadway
Turlock, CA 95380
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §6103

FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TURLOCK AND NHC TURLOCK LLC

THIS FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this_____ day of __ __ __ __ __ 2026, by and between the **City of Turlock,** a California municipal corporation ("City"), and **NHC Turlock LLC,** a California limited liability company ("Developer"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

A. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing and distribution of medical marijuana to qualified patients and their primary caregivers.

B. On November 8, 2016, California voters enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act ("AUMA"), which establishes a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products, for use by adults 21 years and older and to tax the growth and retail sale of cannabis for nonmedical use.

C. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which creates a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in Commercial Cannabis Activity, as defined in Section 1.4 of this Agreement, may operate in a particular jurisdiction.

D. On June 11, 2019, the Turlock City Council (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations as defined under Turlock Municipal Code ("T.M.C.") Chapter 5.21 pursuant to AUMA and MAUCRSA.

E. On June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City.

F. Developer proposed to improve, develop and use real property to operate a Cannabis Business Project, as defined below, in strict accordance with California Cannabis Laws, as defined in Section 1.4 of this Agreement and the T.M.C., as each may be amended from time to time.

G. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 et seq. (the "Development Agreement Statute"), which authorizes City and an individual or business entity with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.

H. On June 11, 2019, following the adoption of the Pilot Program, the City issued and circulated a request for qualifications ("RFQ"). The purpose of the RFQ was to form the basis for a selection process of qualified cannabis operators for participation in the Pilot Program. Developer completed the RFQ requirements.

I. Developer submitted an application to the City Planning Department for consideration of a development agreement for a commercial cannabis business.

J. Developer purchased property located at 3401 West Monte Vista Avenue Turlock, California, County of Stanislaus Assessor's Parcel Number 087-003-039 of which Developer improved approximately 1.326 acres of space (the "Site") to operate the Cannabis Business Project, more particularly described in the legal description attached hereto as **Exhibit A** ("Legal Description") and the Cannabis Business Project Site Map attached hereto as **Exhibit B.**

K. Developer purchased the Site for the purpose of carrying out the Cannabis Business Project. A copy of the deed to the Site is attached hereto as **Exhibit C,** within satisfaction of the requirement of T.M.C. Chapter 5.21.

L. On August 6, 2020, the Turlock Planning Commission ("Planning Commission"), in a duly noticed and conducted public hearing, considered Developer's application

for this Agreement. At that public hearing, the Planning Commission adopted Planning Commission Resolution No. 2020-16 recommending the City Council adopt an Ordinance, which would allow Developer to operate the Cannabis Business Project at the Site.

M. On September 22, 2020, pursuant to Government Code section 65867.5, and following a duly noticed and conducted public hearing, the City Council reviewed, considered, adopted, and entered into this Agreement pursuant to Ordinance No. 1284-CS.

N. This Agreement is entered into pursuant to the Development Agreement Statute.

O. The City Council has determined that this Agreement is consistent with the City's General Plan and has conducted all necessary proceedings in accordance with the T.M.C. for the approval of this Agreement.

P. The City and NHC Turlock LLC entered into that certain First Amendment to Development Agreement dated December 19, 2022 ("First Amendment").

Q. The City and NHC Turlock LLC entered into that certain Second Amendment to Development Agreement dated September 11, 2025 ("Second Amendment").

R. Under Section 5-21-103 of the Turlock Municipal Code, any cannabis dispensary business allowed in the City shall obtain a development agreement, a City business license, and a conditional use permit.

S. The Parties wish to enter into this First Amended and Restated Development Agreement to replace previous agreements between the Parties and to fulfill the requirement that a cannabis business requires a development agreement pursuant to TMC Section 5-21-103.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT

ARTICLE 1
GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety and general welfare and is consistent with the City's General Plan, including all text and maps in the General Plan.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 10 of this Agreement, the provisions of Articles 1 through 10 shall prevail.

Section 1.3. Exhibits. The following "Exhibits" are attached hereto and incorporated into this Agreement:

Designation	Description
Exhibit A	Cannabis Site Legal Description
Exhibit B	Cannabis Business Project Site Map
Exhibit C	Site Deed
Exhibit D	Notice of Non-Performance Penalty
Exhibit E	Indemnification Agreement
Exhibit F	Notice of Termination
Exhibit G	Assignment and Assumption Agreement

Section 1.4. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meaning:

(a) "Additional Insureds" has the meaning set forth in Section 6.1.

(b) "Additional Licenses" has the meaning set forth in Section 2.4.

(c) "Adult-use cannabis" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended for use by adults 21 years of age and older in California pursuant to the California Cannabis Laws.

(d) "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.

(e) "Application" has the meaning set forth in Recital G.

(f) "Assignment and Assumption Agreement" has the meaning set forth in Section 10.1.

(g) "AUMA" means the Adult Use of Marijuana Act (Proposition 64) approved by California voters on November 8, 2016.

(h) "Authorized License" has the meaning set forth in Section 2.3.

(i) "Department" means the Department of Cannabis Control or any successor state agency.

(j) "California Building Standards Codes" means the California Building Code, as amended from time to time, in Part 2, Volumes 1 and 2, as part of Title 24 of the California Code of Regulations, as may be adopted by the T.M.C.

(k) "California Cannabis Laws" includes AUMA, MAUCRSA, CUA (as defined below), the Medical Marijuana Program Act of 2004 codified as Health and Safety Code sections 11362.7 through 11.62.83 and any other applicable laws that may be enacted or approved.

(l) "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis and the term "marijuana" may be used interchangeably.

(m) "Cannabis Business Pilot Program" means the cannabis business program established and authorized by T.M.C. Chapter 5.21.

(n) "Cannabis Business Project" means the cannabis retail business operated by Developer on the Site pursuant to the Authorized License.

(o) "Cannabis Manufacturing Business" means a business engaged in commercial cannabis activity pursuant to a state approved Type 6 or 7 license, Type A and M licenses designated as a Cannabis business.

(p) "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(q) "CEQA" means the California Environmental Quality Act, as set forth in Division 13 (Commencing with Section 21000) of the California Public Resources Code, and the CEQA Guidelines, as set forth in Title 14 (Commencing with Section 15000) of the California Code of Regulations.

(r) "City" means the City of Turlock, a California municipal corporation having general police powers.

(s) "City Council" means the City of Turlock City Council, as defined in T.M.C. Section 2.1.

(t) "City Manager" means the City Manager of the City of Turlock or his or her designee, as described in T.M.C. Section 2.4.

(u) "Charged Party" has the meaning set forth in Section 8.1.

(v) "Charging Party" has the meaning set forth in Section 8.1

(w) "Commercial Cannabis Activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis or a cannabis product that requires a state license pursuant to MAUCRSA.

(x) "Planning Commission" means the City of Turlock Planning Commission, as established by T.M.C. Section 9.5.

(y) "Conditional Use Permit" means a conditional use permit issued by City pursuant to T.M.C. Section 9.3.

(z) "CUA" means the Compassionate Use Act (Proposition 215) approved by California voters on November 5, 1996.

(aa) "Developer" means NHC Turlock, LLC Developer also has the meaning set forth in Section 6.1.

(bb) "Development Agreement Statute" has the meaning set forth in Recital

(cc) "Exhibits" has the meaning set forth in Section 1.3.

(dd) "Gross Receipts from Operations" means total revenue actually received or receivable from operation of the Cannabis Business Project, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares, or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;

2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";

3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

4. Such part of the sale price of property returned by purchasers upon rescission of a

contract of sale as is refunded either in cash or by credit; and

5. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded.

The intent of this definition is to ensure that in calculating the payment required under Section 4.2, all sales of cannabis products through the Cannabis Business Project are captured. This definition shall therefore be given the broadest possible interpretation consistent with this intent.

(ee) "Indemnification Agreement" has the meaning set forth in Section 6.3.

(ff) "Major Amendment" means an amendment that shall have a material effect on the terms of this Agreement. A Major Amendment also has the meaning set forth in Section 2.4. Major Amendments shall require approval by the City Council.

(gg) "Marijuana" has the same meaning as cannabis and those terms may be used interchangeably.

(hh) "MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code section 26000 et seq., as may be amended from time to time.

(ii) "MCRSA" has the meaning set forth in Recital A.

(jj) "Ministerial Fee" or "Ministerial Fees" has the meanings set forth in Section 4.1.

(kk) "Minor Amendment" means a clerical amendment to this Agreement that shall not materially affect the terms of this Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 1.7.

(ll) "Mortgage" has the meaning set forth in Article 7.

(mm) "Non-Performance Penalty" has the meaning set forth in Section 4.5.

(nn) "Notice of Non-Performance Penalty" has the meaning set forth in Section 4.5.

(oo) Termination" has the meaning set forth in Section 9.1.

(pp) "Processing Costs" has the meaning set forth in Section 1.11.

(qq) "Project Litigation" has the meaning set forth in Section 10.7.

(rr) "Public Benefit" has the meaning set forth in Section 4.2.

(ss) "Public Benefit Amount" has the meaning set forth in Section 4.2.

(tt) "State Licensing Authority" means the state agency responsible for the issuance, renewal or reinstatement of a state cannabis license or the state agency authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

(uu) "State Cannabis Regulations" means the regulations promulgated by the State Licensing Authority pursuant to the California Cannabis Laws (4 CCR 4 15000 *et seq*., or their respective successors)

(vv) "State Taxing Authority" has the meaning set forth in Section 4.2.

(ww) "Subsequent City Approvals" has the meaning set forth in Section 3.1.

(xx) "Term" has the meaning set forth in Section 1.7.

(yy) "T.M.C." means the Turlock Municipal Code.

(zz) "Type 1A license" or "Specialty Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting of between 501 and 5,000 square feet of total canopy size on one premises.

(aaa) "Type 2A license" or "Small Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

(bbb) "Type 3A license" or "Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

(ccc) "Type 4 license" or "Nursery" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for cultivation.

(ddd) "Type 6 license" or "Manufacturer 1" means a state license issued by the Department of Public Health pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using nonvolatile solvents.

(eee) "Type? license" or "Manufacturer 2" means a state license issued by the Department of Public Health pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using volatile solvents.

(fff) "Type 10 license" or "Retailer" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws authorizing the retail sale of cannabis and cannabis products. Retail sale

includes sales at a storefront and by delivery, pursuant to all state and local laws and regulations.

(ggg) "Type 11 license" or "Distributor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for the distribution of cannabis and cannabis products from manufacturer to dispensary.

(hhh) 'Type 12 license" or "Microbusiness" means a state license issued by a State Licensing Authority pursuant to the California Cannabis Laws relating to cannabis manufacturing, retail and distribution.

(iii) "Type 13 license" or "Distribution Transport-Only" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for distribution cannabis and cannabis products.

Conforming Interpretation of State Cannabis License References. Any reference in this Agreement to a State cannabis license, State Cannabis Regulations, licensing authority, or specific state cannabis license type or designation shall be deemed to include any successor license, permit, approval, agency, or regulation that replaces, renames, consolidates, or reclassifies such license or regulatory framework under California law, including those administered by the California Department of Cannabis Control or any successor agency.

No change in the name, number, classification, or structure of any State cannabis business license shall be construed to expand, limit, or otherwise modify the cannabis activities authorized under this Agreement, except as required by applicable state law or as expressly approved in writing by the City.

The scope of permitted commercial cannabis activities shall be determined solely by this Agreement and applicable City approvals, and not by the type, title, or designation of any state license held by Developer, unless expressly mandated by state law.

Section 1.5. Project is a Private Undertaking. The Parties agree that the Cannabis Business Project is a private development and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Developer or of the Cannabis Business Project.

Section 1.6. Effective Date of Agreement. This Agreement shall become effective upon the date that the ordinance approving this Agreement becomes effective (the "Effective Date").

Section 1.7. Term. The term of this Agreement (“Term”) shall be through June 30, 2029, unless earlier terminated in accordance with the provisions of this Agreement.

(a) Government Tolling or Termination. City may provide written notice to Developer to cease all Commercial Cannabis Activity, upon which Developer shall

immediately comply if City is required, directed or believes, in its sole and absolute discretion, it must temporarily halt or terminate Commercial Cannabis Activity within the City to comply with federal or state law. If City temporarily halts this Agreement to comply with federal or state law, this Agreement shall be tolled for no longer than one (1) calendar year (the "Tolling Period"). Developer shall not accrue or be liable to City for any Ministerial Fees or Public Benefit Amount during the Tolling Period. Developer shall resume paying any applicable fees after the Tolling Period ends. City and Developer shall discuss in good faith the termination of this Agreement if the Tolling Period exceeds one (1) calendar year to comply with federal or state law.

(b) Developer Tolling or Termination. Developer may not temporarily halt or terminate this Agreement for any purpose without causing a default of this Agreement, except as otherwise allowed by this Agreement or by mutual agreement of the Parties.

Section 1.8. Priority of Enactment. In the event of a conflict between the various land use documents referenced in this Agreement, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (a) General Plan, (b) Specific Plan, (c) Agreement, (d) Conditional Use Permit, (e) Indemnification Agreement, and (f) Subsequent City Approvals.

Section 1.9. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification of the City Council. A Major Amendment to this Agreement shall be approved by the City Council. The City Manager shall, on behalf of City, have sole discretion for City to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.10. Recordation of Development Agreement. The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Site within ten (10) business days of the Effective Date.

Section 1.11. Funding Agreement for Processing Costs. If Developer proposes an amendment to this agreement, Developer shall pay for all actual fees and expenses incurred by City that are related to the preparation and processing of amendments to this Agreement, including recording fees, publishing fees, staff time, and consultant and attorneys' fees and costs (collectively, "Processing Costs"). Developer shall deposit monies for such processing as estimated by the Development Services Department. The Processing Costs are refundable solely to the extent of non-expended Processing Costs.

(a) Accounting. Developer may request, and City shall issue within a reasonable time not to exceed thirty (30) days, an accounting and written acknowledgement of Processing Costs paid to City.

ARTICLE 2 DEVELOPMENT OF PROPERTY

Section 2.1. Vested Right of Developer. During the Term, in developing the Site consistent with the Cannabis Business Project described herein, Developer is assured that the development rights, obligation terms, and conditions specified in this Agreement, including, without limitation, the terms, conditions, and limitations set forth in the Exhibits, are fully vested in Developer and may not be modified or terminated by City except as set forth in this Agreement or with Developer's written consent.

Section 2.2. Vested Right to Develop. In accordance with Section 2.1, Developer shall have the vested right to develop and use the Cannabis Business Project consistent with this Agreement, the Conditional Use Permit, and Subsequent City Approvals.

Section 2.3. Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Site for Commercial Cannabis Activity consistent with the following license type (the "Authorized License"):

Type 10	Storefront Dispensary

Pursuant to this Agreement, Developer shall be permitted to use the Site consistent with the Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Developer shall begin operations of the Cannabis Business Project under the Authorized License within six (6) months of the issuance of a Conditional Use Permit or adoption of the operative ordinance approving this Agreement, whichever is later, unless Developer is prevented from doing so due to any event or circumstance set forth in Section 8.6 of this Agreement. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Authorized License to Developer, Developer shall immediately cease Commercial Cannabis Activity and any other operations on the respective site. Developer shall also, within thirty (30) days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of the Authorized License. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Conditional Use Permit to serve as the definitive and controlling documents for all subsequent actions, discretionary or ministerial, relating to development of the Site and the Cannabis Business Project.

Section 2.4. Major Amendment to Permitted Uses. Developer may request to add to the Authorized License additional license types once that license is applied for or obtained from the appropriate State Licensing Authority (the "Additional Licenses"). Such request shall be a Major Amendment to this Agreement.

Section 2.5. Conditional Use Permit. Developer shall obtain a Conditional Use Permit for the Commercial Cannabis Activity and Authorized License contemplated

herein for the Project and at the Site. No Commercial Cannabis Activity may occur at the Site until Developer has obtained a Conditional Use Permit to use and operate the Authorized License at the Site. This Conditional Use Permit must be maintained in good standing throughout the Term. This Agreement shall immediately terminate if the Conditional Use Permit for the Authorized License is revoked by City for any reason.

Section 2.6. Subsequent Entitlements, Approvals, and Permits. Successful implementation of the Cannabis Business Project shall require Developer to obtain additional approvals and permits from City and other local and state agencies. City shall comply with CEQA in the administration of all Subsequent City Approvals. In acting upon any Subsequent City Approvals, City's exercise of discretion and permit authority shall conform to this Agreement. Notwithstanding the foregoing, in the course of taking action on the Subsequent City Approvals, City will exercise discretion in adopting mitigation measures as part of the Conditional Use Permit. The exercise of this discretion is not prohibited or limited in any way by this Agreement. Nothing in this Agreement shall preclude the evaluation of impacts or consideration of mitigation measures or alternatives, as required by CEQA.

(a) Contemplated City Rules and Guidelines. City anticipates issuing additional rules, administrative guidelines, and amendments to the T.M.C. associated with operation of the Cannabis Business Program. City may establish requirements that are identical to or place a higher standard of care as existing provisions of the California Cannabis Laws, State Cannabis Regulations, or any amendments thereto. City reserves the right to adopt additional categories of rules or guidelines that are not listed in this Section as part of the Cannabis Business Program. Developer shall comply with any and all additional rules, administrative guidelines, and amendments to the T.M.C. adopted by City that govern or pertain to the Cannabis Business Project. Nothing in this Agreement shall be construed as limiting the City to amend the T.M.C or issue rules or guidelines following the Effective Date of this Agreement that Developer will be required to adhere to.

Section 2.7. Initiatives and Referenda. If any City ordinance, rule or regulation, or addition to the T.M.C. is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement, an associated Conditional Use Permit, Subsequent City Approvals, or reduce the development rights or assurances provided to Developer in this Agreement, such T.M.C. changes shall not be applied to the Site or the Cannabis Business Project; provided, however, the Parties acknowledge that City's approval of this Agreement is a legislative action subject to referendum. City shall cooperate with Developer and shall undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms to the fullest extent permitted by state or federal law.

Section 2.8. Regulation by Other Government Entities. Developer acknowledges that City does not have authority or jurisdiction over any other government entities' ability to grant governmental approvals or permits or to impose a moratorium or other limitations that may negatively affect the Cannabis Business Project or the ability of City to issue a permit to Developer or comply with the terms of

this Agreement. Any moratorium imposed by another government entity, including the State Licensing Authority, on City shall not cause City to be in breach of this Agreement.

Section 2.9. Developer's Right to Rebuild. Developer may renovate portions of the Site any time within the Term of this Agreement consistent with the T.M.C. Any such renovation or rebuild shall be subject to all design, building code, and other requirements imposed on the Cannabis Business Project by this Agreement.

Section 2.10. Changes in California Building Standards Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Cannabis Business Project shall be subject to changes occurring from time to time to the California Building Standards Codes.

Section 2.11. Changes Mandated by Federal or State Law. The Site and the Cannabis Business Project shall be subject to subsequently enacted state or federal laws or regulations that may preempt the T.M.C. or mandate the adoption or amendment of local regulations or are in conflict with this Agreement or local rules or guidelines associated with the Cannabis Business Program. As provided in Section 65869.5 of the Development Agreement Statute, in the event state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Upon discovery of a subsequently enacted federal or state law meeting the requirements of this Section, City or Developer shall provide the other Party with written notice of the state or federal law or regulation, and a written statement of the conflicts thereby raised with the provisions of the T.M.C. or this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation provided City shall not be obligated to agree to any modification materially increasing its obligations or materially adversely affecting its rights and benefits hereunder. In such discussions, City and Developer will attempt to preserve the terms of this Agreement and the rights of Developer derived from this Agreement to the maximum feasible extent while resolving the conflict. If City, in its judgment, determines it necessary to modify this Agreement to address such conflict, City shall have the right and responsibility to do so, and shall not have any liability to Developer for doing so or be considered in breach or default of this Agreement. City also agrees to process, in accordance with the provisions of this Agreement, Developer's proposed changes to the Cannabis Business Project that are necessary to comply with such federal or state law and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without further need for any amendment to this Agreement.

Section 2.12. Health and Safety Emergencies. In the event that any future public health and safety emergencies arise with respect to the Cannabis Business Project contemplated by this Agreement, City agrees that it shall attempt, if reasonably possible as determined by City in its discretion, to address such emergency in a way that does not have a material adverse impact on the Cannabis Business Project. If City determines, in its discretion, that it is not reasonably possible to so address such

health and safety emergency in a way that does not have a material adverse impact on the Cannabis Business Project, City may select an option which, in its discretion, minimizes, so far as reasonably possible, the impact on development and use of the Cannabis Business Project in accordance with this Agreement, while still addressing such health and safety emergency in a manner acceptable to City.

Section 2.13. Other Regulations. The following provisions establish operational requirements applicable to this Agreement in furtherance of public safety and to ensure compliance with applicable regulations governing the Project and Developer's obligations hereunder.

(a) In addition to other requirements, remote and real-time, live access to the video footage of cameras installed by the cannabis business shall be provided to the Chief of Police or his/her designee(s) using such software as designated by the Chief of Police. Developer shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police or his/her designee(s), and that it is compatible with the City's software and hardware. Such access shall be required within 120 days of approval.

(b) Prior to changes in ownership, ownership structure, and management, or any sale or other transfer of the cannabis business, shall be subject to additional background checks as required by the Turlock Police Department, and passage by the applicant of such background checks. The City may repeat background checks on any individual every two (2) years, and at any other time upon reasonable cause

ARTICLE 3
ENTITLEMENT AND PERMIT PROCESSING, INSPECTIONS

Section 3.1. Subsequent City Approvals. City shall permit the development, construction, and conditionally permitted use contemplated in this Agreement. City agrees to timely grant, pursuant to the terms of this Agreement, the T.M.C., and any Subsequent City Approvals reasonably necessary to complete the goals, objectives, policies,
standards, and plans described in this Agreement. The Subsequent City Approvals shall include any applications, permits, and approvals required to complete the improvements necessary to develop the Site, in general accordance with this Agreement ("Subsequent City Approvals"). Nothing herein shall require City to provide Developer with Subsequent City Approvals prior to, or without complying with, all of the requirements in this Agreement, the T.M.C., and any applicable state law.

Section 3.2. Timely Processing. City shall use its reasonable best efforts to process and approve, within a reasonable time, any Subsequent City Approvals or environmental review requested by Developer during the Term of this Agreement.

Section 3.3. Cooperation Between City and Developer. Consistent with the terms set forth herein, City agrees to cooperate with Developer, on a timely basis, in

securing all permits or licenses that may be required by City or any other government entity with permitting or licensing jurisdiction over the Cannabis Business Project.

Section 3.4. Further Consistent Discretionary Actions. The exercise of City's authority and independent judgment is recognized under this Agreement and nothing in this Agreement shall be interpreted as limiting City's discretion or obligation to hold legally required public hearings. Except as otherwise set forth herein, such discretion and action taken by City shall, however, be consistent with the terms of this Agreement and not prevent, hinder, or compromise development or use of the Site as contemplated by the Parties in this Agreement.

ARTICLE 4
PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 4.1. Processing Fees and Charges. Developer shall pay to City those processing, inspection, plan checking and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any post-Effective Date increases in such fees and charges) for processing applications and requests for building permits, inspections, other permits, approvals and actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions (each a "Ministerial Fee" and collectively, the "Ministerial Fees").

Section 4.2. Public Benefit.

(a) The Parties acknowledge and agree that this Agreement, and the Cannabis Business Project, confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Parties intend to provide consideration to City to offset these impacts that commensurate with the private benefits conferred on Developer (the "Public Benefit"). In consideration of the foregoing, Developer shall remit to City an amount determined and set by the City Council up to a maximum of nine percent (9%) of gross receipts from operations.(the "Cannabis Business Public Benefit" or "Public Benefit Amount"). Notwithstanding the foregoing, the City Council determines and sets the Public Benefit Amount at five and one-quarter percent (5.25%) of gross receipts from operations through May 31, 2027. The City Council may take any actions required to change the Public Benefit Amount that will be in effect from June 1, 2027 and thereafter. Such actions may include, without limitation, setting a new Public Benefit Amount by adopted resolution of the Council. Any such Public Benefit Amount shall be due on the 5th day of each month before 5:00 p.m..

(b) The above public benefit amounts include a one-quarter percent (.25%) dollar amount dedicated to supporting the City of Turlock juvenile drug and alcohol treatment and rehabilitation programs.

(c) Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of the

Cannabis Business Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City.

Section 4.3. Reporting. Developer shall provide City with copies of any reports provided to a State Licensing Authority within forty-five (45) days of that submission. Any failure or refusal of Developer to provide any statement or report to City, the State Taxing Authority, or any other State Licensing Authority, as required within the time required, or to pay such sums due hereunder when the same are due and payable in accordance with the provisions of this Agreement, may constitute full and sufficient grounds for the revocation or suspension of the Conditional Use Permit.

Section 4.4. Records. Developer shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code and the applicable State Cannabis Regulations. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Site or at an alternate facility as approved in writing by the City Manager, or his or her designee.

Section 4.5. Penalty. Developer acknowledges that to ensure proper compliance with the terms of this Agreement and any applicable laws, City must engage in costly compliance review, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Developer fails to make any payment when due, as required by this Agreement, including the Public Benefit Amount, City may impose a "Non-Performance Penalty." A Non-Performance Penalty of ten percent (10%) shall be applied to all past due payments. City shall deliver to Developer a "Notice of Non-Performance Penalty," attached hereto as **Exhibit D.** Payment of the Non-Performance Penalty shall be in a single installment due on or before a date fifteen (15) days following delivery of the Notice of Non-Performance Penalty.

Section 4.6. Interest on Unpaid Non-Performance Penalty. If Developer fails to pay the Non-Performance Penalty after City has delivered the Notice of Non-Performance Penalty, then, in addition to the principal amount of the Non-performance Penalty, Developer shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the principal amount of the Non-Performance Penalty, from a date fifteen
(15) days following delivery of the Notice of Non-performance Penalty.

Section 4.7. Protections from Duplicative Payments Notwithstanding Section 4.2, Developer shall be exempt from paying the Public Benefit Amount City imposes a tax specific to commercial cannabis businesses and instead shall pay such specific tax. Notwithstanding the foregoing, Developer and the Cannabis Business Project shall be subject to any and all taxes, assessments, or similar charges or fees of general applicability enacted by the federal government, state government, County of Stanislaus, including any tax applicable to an area greater than the City limits to which

City may be a party (i.e., county tax sharing agreement with City).

ARTICLE 5
PUBLIC FACILITIES, SERVICES, AND UTILITIES

City shall use the Public Benefit Amount in any way the City Council deems appropriate to offset the impact of the Project or to benefit the City.

ARTICLE 6 INSURANCE AND INDEMNITY

Section 6.1. Insurance. Developer shall require all persons doing construction or related work on the Cannabis Business Project and, including its contractors and subcontractors (collectively, "Developer" for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) General Liability Insurance. Developer shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars ($2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars ($2,000,000) each occurrence. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as "Additional Insureds" by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insured.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(b) Automotive Liability Insurance. Developer shall maintain business automobile liability insurance or equivalent form with a limit of not less than One Million Dollars ($1,000,000) for each accident. Such insurance shall include coverage for owned, hired and non-owned automobiles. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as Additional Insureds by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(c) Workers' Compensation Insurance. Developer shall take out and maintain during the Term of this Agreement, workers' compensation insurance for all of

Developer's employees employed at or on the Cannabis Business Project and, should any of the work be subcontracted, Developer shall require any general contractor or subcontractor similarly to provide workers' compensation insurance for such contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Developer. In case any class of employee engaged in work on the Cannabis Business Project and is not protected under any workers' compensation law, Developer shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer hereby indemnifies City for any damage resulting from failure of Developer, its agents, employees, contractors or subcontractors to take out or maintain such insurance. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars ($1,000,000) for each accident shall be maintained by Developer.

Section 6.2. Other Insurance Requirements. Developer shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire or materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) days of said request, certified copies of endorsements and policies and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies, and endorsements for any insurance required herein expiring prior to the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the Term or the mutual written termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 6.3. Indemnity. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless City, and its agents, elected and appointed officials, officers, employees, consultants, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City or City's Agents, to attack, set aside, void, or annul an approval concerning the Cannabis Business Project and this Agreement, any applicable Conditional Use Permit or Subsequent City Approvals. Developer shall execute the indemnification agreement ("Indemnification Agreement") attached hereto as **Exhibit E.**

Section 6.4. Failure to Indemnify; Waiver. Failure by Developer to indemnify City, when required by this Agreement and the Indemnification Agreement, shall constitute a material breach of this Agreement and of any applicable Conditional Use Permit and

Subsequent City Approvals, which shall entitle City to all remedies available under law, including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of any applicable Conditional Use Permit. Developer's failure to indemnify City shall be a waiver by Developer of any right to proceed with the Cannabis Business Project or any portion thereof, and a waiver of Developer's right to file a claim, action, or proceeding against City or City's Agents, based on City's rescission or revocation of any Conditional Use Permit, Subsequent City Approvals, or City's failure to defend any claim, action, or proceeding based on Developer's failure to indemnify City

Section 6.5. Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer and, therefore, Developer hereby waives all claims for damages against City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that, under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against City in the event that this Agreement or any Project approval is: (1) not approved by the City Council; or (2) is approved by the City Council but with new changes, amendments, conditions, or deletions to which Developer is opposed. Developer further acknowledges that, as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that, under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against City in this regard.

ARTICLE 7 MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Site or any portion thereof following recording of this Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and immediately terminate upon the foreclosure or transfer of any interest in the Site or Project, whether by operation of law or any other method of interest change or transfer, unless the City Manager has authorized such change or transfer in advance, in writing. City agrees to not unreasonably withhold its authorization.

ARTICLE 8 DEFAULT

Section 8.1. General Provisions.

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with the terms and provisions of this Agreement shall constitute a default. Any Party

alleging a default or breach of this Agreement ("Charging Party") shall give the other Party ("Charged Party") not less than ten (10) days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice or if the breach cannot reasonably be cured within ten (10) days, the Charging Party may, at its option, institute legal proceedings pursuant to this Agreement, and give notice of its intent to terminate this Agreement pursuant to Government Code section 65868. In the event City is the Charging Party, City may, in its sole discretion, give notice, as required by law, to the Charged Party of its intent to revoke or rescind any operable Conditional Use Permit related to or concerning the Cannabis Business Project.

(c) Prior to the Charging Party giving notice to the Charged Party of its intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review by City in the manner set forth in Government Code sections 65865, 65867 and 65868 within thirty (30) days from the expiration of the ten (10) day notice period.

(d) Following consideration of the evidence presented and said review before City, and after providing the Charged Party an additional five (5) calendar day period to cure, the Charging Party may institute legal proceedings against the Charged Party or may give written notice of termination of this Agreement to the Charged Party.

(e) Evidence of default may arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code section 65865.1, as set forth in Section 8.2. If any Party determines that another Party is in default following the completion of the normally scheduled periodic review, without reference to the procedures specified in Section 8.1(c), said Party may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) days or within such longer period specified in the notice or the defaulting Party is not diligently pursuing a cure, or if the breach cannot reasonably be cured within the period or the defaulting Party waives its right to cure such alleged default, this Agreement may be terminated by the non-defaulting Party by giving written notice. An extension of the ten
(10) day cure period may be given by mutual consent of the Parties.

(f) In the event Developer is in default under the terms and conditions of this Agreement, no permit application shall be accepted by City, nor will any permit be issued to Developer until the default is cured or the Agreement is terminated.

Section 8.2. Annual Review. City shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith, substantial compliance of Developer and City with the terms of this Agreement. Such periodic review by City

shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. City shall deposit in the mail or fax to Developer a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Cannabis Business Project's performance, at least seven (7) days prior to such periodic review. Developer shall be entitled to appeal a determination of City or the City Manager to the City Council. Any appeal must be filed within ten (10) days of the decision of City or the City Manager, respectively. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before City, the City Manager, or the City Council, as applicable. The reasonable cost for City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by City in connection with the review.

Section 8.3. Estoppel Certificate.

(a) City shall, with at least twenty (20) days prior written notice, execute, acknowledge, and deliver to Developer, Developer's lender, potential investors, or assignees, an Estoppel Certificate in writing which certifies that this Agreement is in full force and effect, that there are no breaches or defaults under the Agreement, and that the Agreement has not been modified or terminated and is enforceable in accordance with its terms and conditions.

(b) At Developer's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full force and effect, that there are no uncured breaches or defaults in Developer's performance of the Agreement or violation of any City ordinances, regulations, and policies regulating the use and development of the Site, the Cannabis Business Project, or the subject to this Agreement.

Section 8.4. Default by City. In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Developer shall not be obligated to proceed with or complete the Cannabis Business Project and shall constitute grounds for termination or cancellation of this Agreement by Developer.

Section 8.5. Cumulative Remedies of Parties. In addition to any other rights or remedies, City or Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, enforce any covenant, or enjoin any threatened or attempted violation of the provisions of this Agreement, so long as any such action conforms to Section 9.1(c) of this Agreement.

Section 8.6. Forced Delay, Extension of Times of Performance. Delays in performance, by either Party, shall not be deemed a default if such delays or defaults are due to war, terrorism, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or

federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

Section 8.7. Appeals. Developer may appeal any adverse decision or action of City pursuant to the T.M.C, as may be amended from time to time.

ARTICLE 9 TERMINATION

Section 9.1. Termination. This Agreement shall terminate upon the expiration of the Term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination in substantial conformance with the "Notice of Termination" attached hereto as **Exhibit F,** and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 9.2. Effect of Termination on Developer's Obligations. Termination of this Agreement shall eliminate any further obligation of Developer to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Developer to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.3. Effect of Termination on City's Obligations. Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.4. Survival After Termination. The rights and obligations of the Parties set forth in this Section 9.4, Section 2.8, Section 6.3, Section 10.3, Section 10.4, Section 10.5, Section 10.7, and Section 10.10, and any right or obligation of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

Section 9.5. Criminal Conviction; Termination; Transfer Rights. If Developer, or any owner, officer, director, manager, or person with a direct or indirect ownership or controlling interest in Developer, is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may, in its sole and absolute discretion, terminate this Agreement upon written notice. A “conviction” includes a guilty or nolo contendere plea and is deemed final upon entry of judgment, regardless of appeal.

Following such notice, Developer shall have a one hundred and eighty (180) day period to complete a transfer of its interest in this Agreement and the Project to a transferee approved in advance and in writing by the City. Approval is in the City’s sole and absolute discretion. Any proposed transferee shall undergo a background

investigation and meet all applicable eligibility requirements, including approval by the Chief of Police or designee.

If an approved transfer is not completed within the one hundred and eighty (180) day period, this Agreement shall automatically terminate. Any unapproved transfer is void.

ARTICLE 10
OTHER GENERAL PROVISIONS

Section 10.1. Assignment and Assumption. Developer shall not have the right to sell, assign or transfer all or any part of its rights, title, and interests in all or a portion of the Site or Project, subject to or a part of this Agreement, to any person, firm, corporation or entity during the Term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to the corporate and business entities of Developer that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an assignment or transfer of any interest detailed in this Section 10.1, City and Developer shall execute an "Assignment and Assumption Agreement" in the form attached hereto as **Exhibit G.**

Section 10.2. Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Site or Project, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Cannabis Business Project and, as appropriate, runs with the Site and is binding upon Developer.

Section 10.3. Notices. Any notice or communication required hereunder between City and Developer must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent; or
(ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by

Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City:
City of Turlock 156 S. Broadway
Turlock, CA 95380
Attention: City Manager

and
Katie O. Lucchesi,
City Attorney
156 S. Broadway
Turlock, CA 95380

If to Developer:
Kyle Kazan
3645 Long Beach Blvd
Long Beach, CA 90807

Section 10.4. Governing Law and Binding Arbitration. The validity, interpretation, and performance of this Agreement shall be controlled by and construed pursuant to the laws of the state of California. Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration in Sacramento, California, before one arbitrator. The arbitration shall proceed pursuant to the Comprehensive Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services ("JAMS"). Judgment on the award may be entered in any court having jurisdiction thereof.

Section 10.5. Invalidity of Agreement/Severability. If this Agreement, in its entirety, is determined by an arbitrator or court of competent jurisdiction to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any term or provision of this Agreement shall be determined by an arbitrator or court of competent jurisdiction to be invalid and unenforceable, or if any term or provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, any provisions that are not invalid or unenforceable shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable, or illegal. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent jurisdiction, that performance under this Agreement

is not required because the Agreement is invalid, unenforceable, or illegal.

Section 10.6. Cumulative Remedies. In addition to any other rights or remedies, City and Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement. The prevailing Party in any such action shall be entitled to reasonable attorneys' fees and costs. Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Developer agrees that it may not seek, and shall forever waive any right to, monetary damages against City, but excluding, therefrom, the right to recover any fees or charges paid by Developer in excess of those permitted hereunder.

Section 10.7. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement or any associated entitlement, permit, or approval granted by City to Developer for the Cannabis Business Project (collectively, "Project Litigation"), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense of any lawsuit filed and related, in whole or in part, to Project Litigation with legal counsel selected by City. Developer will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees, and expenses of litigation awarded to the prevailing Party or Parties in such litigation. Developer shall pay all litigation fees to City within thirty (30) days of receiving a written request and accounting of such fees and expenses from City. Notwithstanding the aforementioned, City may request, and Developer will provide to City within seven (7) days of any such request, a deposit to cover City's reasonably anticipated Project Litigation fees and costs.

Section 10.8. Constructive Notice and Acceptance. Every person who, after the Effective Date and recording of this Agreement, owns or acquires any right, title or interest to any portion of the Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 10.9. Statute of Limitations and Laches. City and Developer agree that each Party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The Parties agree that Section 65009(c)(1)(D) of the California Government Code, which provides for a ninety (90) day statute of limitations to challenge the adoption of this Agreement, is applicable to this Agreement. In addition, any person who may challenge the validity of this Agreement is hereby put on notice that, should the legality or validity of this Agreement be challenged by any third party in litigation, which is filed and served more than ninety (90) days after the execution of this Agreement, City and Developer shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available defenses. This Section in no way limits the right of a Party, claiming that the other Party breached the terms of this Agreement, to bring a claim against the other

Party within the four (4) year statute of limitations set forth in Section 337 of the California Civil Code.

Section 10.10. Joint and Several Liability. Developer shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Party shall also constitute a breach of this Agreement by the other Party. Developer agrees that City may impose a lien and seek foreclosure on any parcel of the Site due to any default by Developer.

Section 10.11. Change in State Regulations. In no event shall Developer operate the Cannabis Business Project in violation of the Agreement, or State Cannabis Regulations, as may be amended from time to time.

Section 10.12. Standard Terms and Conditions.

(a) Venue. Venue for all legal proceedings shall be the JAMS Resolution Center in Sacramento, California.

(b) Waiver. A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c) Completeness of Instrument. This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d) Supersedes Prior Agreement. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Site or Cannabis Business Project.

(e) Captions. The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f) Number and Gender. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word "person" includes corporations, partnerships, firms, or associations, wherever the context requires.

(g) Mandatory and Permissive. "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

(h) Term Includes Extensions. All references to the Term of this Agreement shall include any extensions of such Term.

(i) Counterparts. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(j) Other Documents. The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(k) Time is of the Essence. Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l) Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m) Document Preparation. This Agreement will not be construed against the Party preparing it but will be construed as if prepared by all Parties.

(n) Advice of Legal Counsel. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o) Attorneys' Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(p) Calculation of Time Periods. All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the Effective Date of the Agreement, as defined above.

"CITY"	**"DEVELOPER"**
CITY OF TURLOCK, a California municipal corporation	NHC Turlock LLC, a California limited liability company
By: _____	By: _____
Christopher Fisher Acting City Manager	Kyle Kazan Its: Owner
Dated: _____	Dated: _____

Attest:

By: _____
Nichole Fiez
City Clerk

Approved as to Form:

By: _____
Katie O. Lucchesi
City Attorney

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of_____)

On_____, before me _____, a Notary Public, personally appeared_____who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____
(Signature)

(Seal)

Order Number: P-409187

EXHIBIT "A" LEGAL DESCRIPTION

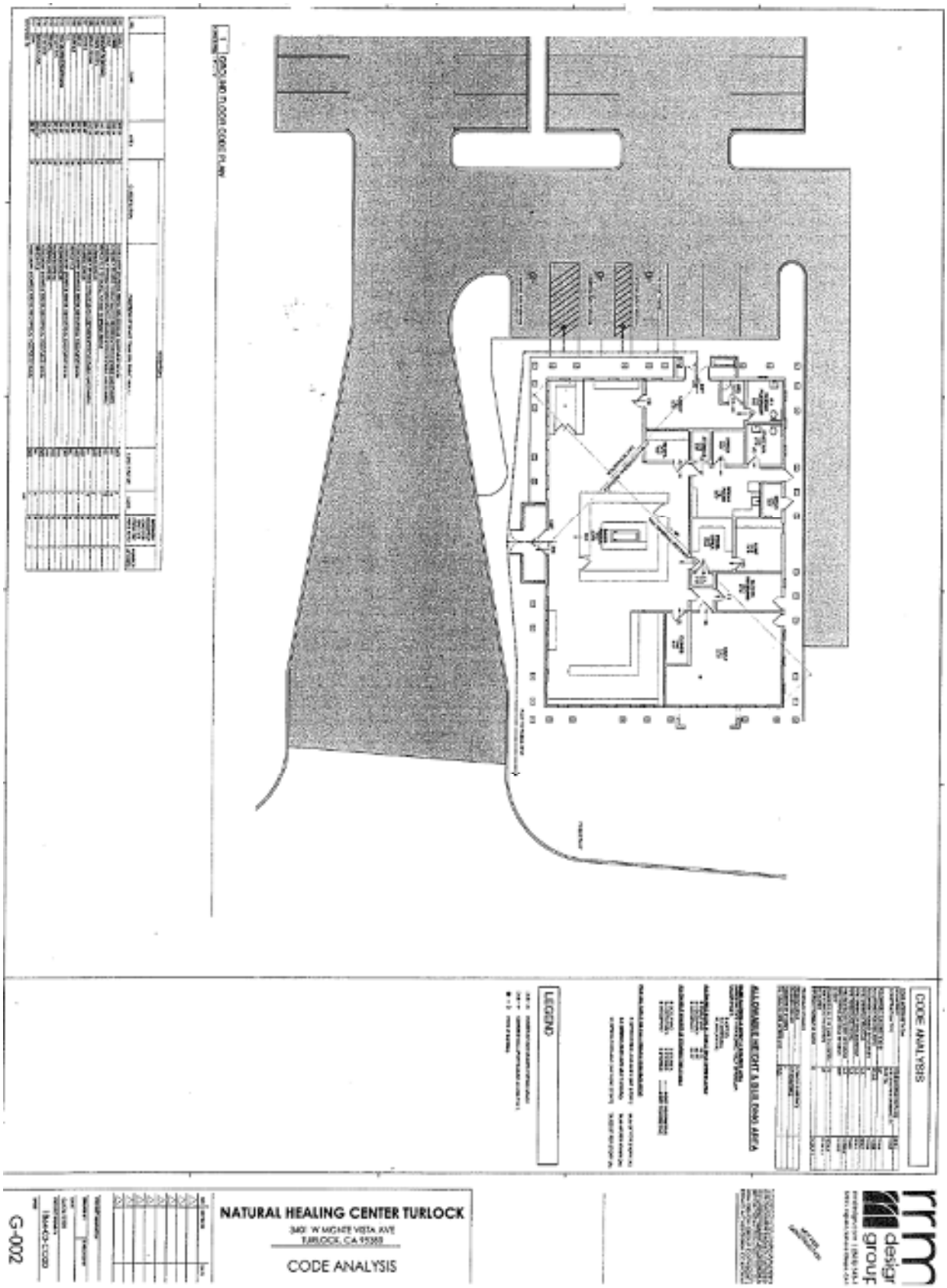
The land described herein is situated in the State of California, County of Stanislaus, unincorporated area, described as follows:

Parcel 4, as shown on a Parcel Map Filed April 14, 2004 in Book 52 Page 79 of Parcel Maps in the Office of the County Recorder of Stanislaus County, Being a portion of the Southeast 1/4 of Section 5 Township 5 South, Range 10 East, Mount Diablo Base and Meridian.

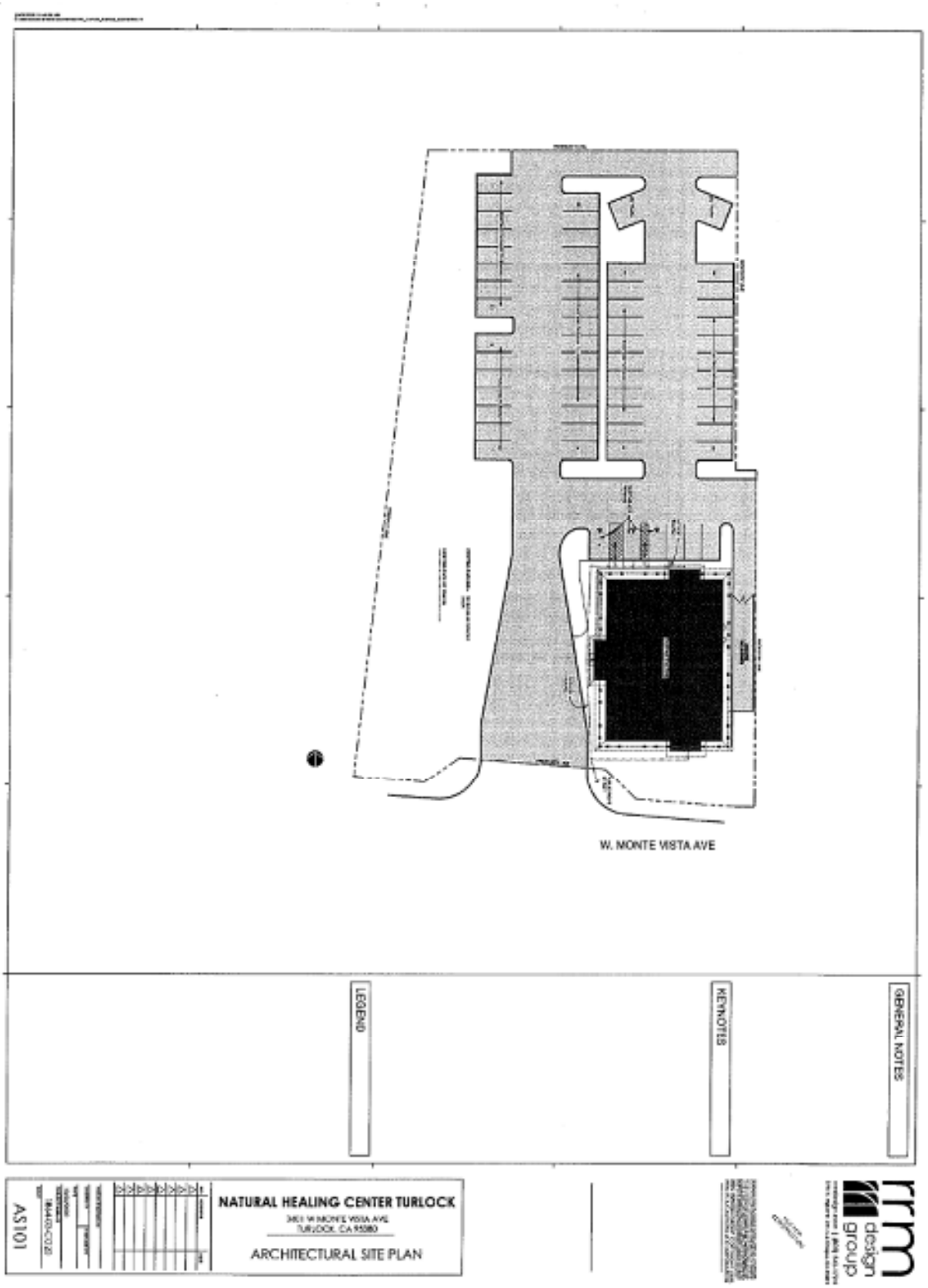
APN: 087-003-039-000

Exhibit B

Cannabis Business Project Site Map



CANNABIS BUSINESS PROJECT SITE MAP
CITY OF TURLOCK AND NHC TURLOCK, LLC
Exhibit B



CANNABIS BUSINESS PROJECT SITE MAP
CITY OF TURLOCK AND NHC TURLOCK, LLC
Exhibit B

Exhibit C Site Deed

RECORDING REQUESTED BY

Placer Title Company
Escrow Number: P-409187
Branch: 2801

AND WHEN RECORDED MAIL TO

3401 W Monte Vista LLC, A California Limited Liability Company
7510 Los Osos Valley Road
San Luis Obispo, CA 93405

11/12/2020 @ 9:38am
2020-0088687

A.P.N.: 087-003-039-000

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned grantor(s) declare(s):
Documentary transfer tax is $4,180.00 City Transfer Tax: $0.00
(X) Unincorporated Area ( ) City of _____
(X) computed on full value of property conveyed, or
( ) computed on full value less value of liens and encumbrances remaining at time of sale.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **J. Marcos Solis and Maria E. Martinez, as Trustees of the Solis Family 2006 Trust dated January 19, 2006**

Hereby GRANT(S) to **3401 W Monte Vista LLC, A California Limited Liability Company**

The land described herein is situated in the State of California, County of Stanislaus, unincorporated area, described as follows:

Parcel 4, as shown on a Parcel Map Filed April 14, 2004 in Book 52 Page 79 of Parcel Maps in the Office of the County Recorder of Stanislaus County, Being a portion of the Southeast 1/4 of Section 5 Township 5 South, Range 10 East, Mount Diablo Base and Meridian.

APN: 087-003-039-000

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE

SAME AS ABOVE

Name | Street Address | City & State

Grant Deed - Sale

Dated: October 22, 2020

J. Marcos Solis and Maria E. Martinez, as Trustees of
the Solis Family 2006 Trust dated January 19, 2006

J. Marcos Solis

J. Marcos Solis, Trustee

Maria E. Martinez

Maria E. Martinez, Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Stanislaus)

On OCTOBER 26, 2020 before me,
ROCIO TORRES,
Notary Public personally appeared J MARCOS SOLIS AND
MARIA E MARTINEZ who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct. WITNESS my hand and official seal.

SIGNATURE Rocio Torres

ROCIO TORRES
Notary Public – California
Merced County
Commission # 2211008
My Comm. Expires Sep 7, 2021

Exhibit D

Notice of Non-Performance Penalty

DATE: _____,2026

PARTIES: CITY OF TURLOCK
156 S Broadway
Turlock, CA 95380 Attention: City Manager

DEVELOPER
Kyle Kazan, Owner,
Natural Healing Center
3645 Long Beach Blvd.
Long Beach, CA 90807

THIS NOTICE OF NON-PERFORMANCE PENALTY ("Penalty Notice") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2020, City recorded a development agreement between City and NHC Turlock LLC, a California limited liability company ("Developer"), dated _____, 2020 (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Section 4.2 of the Development Agreement, Developer agrees to pay to City a Public Benefit on the first business day of each month during the Term of the Development Agreement.

C. On ___,20_, the Public Benefit was due to City by Developer. City did not receive payment.

D. Pursuant to Section 4.5 of the Development Agreement, if Developer fails to make payment when it is due, City may impose a penalty of ten percent (10%) of the total of the past due amounts ("Penalty"). As of _____, 20_, the past due amount equals $_____. The Penalty owed by Developer equals $_____ ("Penalty Amount").

E. Pursuant to Section 4.5 of the Development Agreement, Developer shall make payment of the Penalty Amount in a single installment due within fifteen (15) days of delivery of this Penalty Notice ("Penalty Due Date").

F. Pursuant to Section 4.6 of the Development Agreement, if Developer fails to pay the Penalty Amount before the Penalty Due Date, then, in addition to the Penalty Amount specified in subdivision (D), Developer shall pay City interest on the Penalty Amount, at the rate of eighteen percent (18%) per annum ("Penalty Interest Payment"), computed from the Penalty Due Date specified in subdivision (E). The Penalty Interest Payment is due fifteen (15) days following delivery of the Penalty Due Date. As of _____,20_, the Penalty Interest Payment amount equals $____ _

G. Nothing contained herein shall constitute a waiver of City's future claims for the Public Benefit, Penalty, or interest on the Penalty.

NOW, THEREFORE, City hereby provides Developer the Penalty Notice required by Section 4.5 of the Development Agreement. This Penalty Notice shall be effective upon notice pursuant to Section 10.3 of the Development Agreement.

CITY OF TURLOCK,
a California municipal corporation

By:_____
City Manager

Exhibit E

INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING

THIS INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING ("Agreement") is made and entered into on this_ day of ___ 2020, ("Effective Date") by and between the City of Turlock, a California municipal corporation ("City") and NHC Turlock LLC, a California limited liability company ("Applicant"). City and Applicant may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. In 1996, the people of the state of California approved Proposition 215, the Compassionate Use Act of 1996 ("CUA"). The CUA enables seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program ("MMP"), which authorizes qualified patients and their primary caregivers to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code.

B. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.

C. On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). AUMA legalizes the cultivation, commercial sale, and possession of recreational cannabis for adults age 21 and older.

D. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction.

E. On December 7, 2017, California state cannabis licensing authorities issued emergency regulations that apply to AUMA and MAUCRA and further regulate businesses engaged in commercial cannabis activity.

F. Turlock Municipal Code ("T.M.C.") Chapter 5.21 authorizes cannabis businesses to operate within the City under specified restrictions pursuant to a Cannabis Pilot Program.

G. Applicant intends to improve, develop, and use real property to operate a cannabis business (the "Project") within the City in strict compliance with MAUCRSA and T.M.C. chapter 5.60.

H. Applicant has an agreement to purchase that certain real property located at 3401 W Monte Vista Ave in the City of Turlock, identified as Stanislaus County Assessor's Parcel Number 087-003-039 (the "Project") Applicant intends to improve approximately 5,400 (fifty four hundred) of space and operate the Project on the Property.

I. As a condition of approval of the Land Use Entitlements, City has required Applicant to enter into this Agreement.

J. It is in the public interest for City and Applicant to enter into this Agreement, as Applicant will benefit from City's processing of the Project.

K. Applicant desires to enter into this Agreement to fulfill a condition of approval of the Project, which is a prerequisite for construction of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth below, the Parties agree as follows:

Section 1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Applicant's Indemnification Obligations.

2.1. Indemnification for Land Use Entitlements. To the fullest extent permitted by law, Applicant shall indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul, an approval

concerning the Land Use

Entitlements by reason of the action or inaction of City, or City's Agents. Applicant's duty to indemnify and hold harmless shall not extend to any claim, action or proceeding arising from the gross negligence or willful misconduct of City, or City's Agents.

Applicant's obligations under this Agreement to indemnify City shall apply to any claim, lawsuit or challenge against City brought against the Project, specifically including, but not limited to, any legal challenge based on the California Environmental Quality Act, codified in California Public Resources Code section 21000 et seq.; actions or proceedings brought to challenge the validity of environmental documents prepared in conjunction with the approval of the Project or Land Use Entitlements, or the requirements of any other federal, state, or local laws, including, but not limited to, general plan, specific plan, and zoning requirements.

2.2. Tender of Defense. Upon receiving notice of a claim and pursuant to Article 6 of the Land Use Entitlements, Applicant shall assume the defense of the claim, action, or proceeding through the prompt payment of all attorneys' fees and costs, incurred in good faith and in the exercise of reasonable discretion, of City's counsel in defending such an action. Regardless of whether Applicant chooses to defend City pursuant to Section 6.4 of the Land Use Entitlements, City shall have the absolute and sole authority to control the litigation and make litigation decisions, including, but not limited to, selecting counsel to defend City and settlement or other disposition of the matter.

2.3. Deposit for Costs. Applicant shall make a refundable deposit to City within thirty (30) days of written notification from City ("Cost Deposit"), to cover the estimated fees and costs associated with City's defense of any claim, action or proceeding. Applicant shall make any and all additional payments to City to replenish the Cost Deposit within thirty (30) days of written notice from City.

2.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of the Land Use Entitlements, which shall entitle City to all remedies available under law including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of the Land Use Entitlements. Applicant's failure to indemnify City shall be a waiver by Applicant of any right to proceed with the Project, or any portion thereof, and a waiver of Applicant's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of the Land Use Entitlements, or City's failure to defend any claim, action or proceeding based on Applicant's failure to indemnify City.

2.5. Satisfaction of Judgment. With respect to any claims, demands, acts, causes of action, damages, costs, expenses, settlements, losses or liabilities which Applicant has indemnified City against, Applicant shall pay and satisfy any judgment, award, settlement or decree that may be rendered or agreed against City and City's Agents arising out of any final, non-appealable judicial or administrative action.

2.6. Payment of Costs and Fees. Applicant's obligations under this Agreement to defend and indemnify City shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against City, or all settlement costs which arise out of City's processing or approval of the Project.

2.7. Continuing Obligation. Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate or otherwise transfer all or any of the rights or obligations of this Agreement, and notwithstanding a change in or transfer of ownership of the real property upon which the Project is located (or any interest therein). However, Applicant may be released from such obligations if Applicant obtains City's prior written consent to such transfer, which consent shall not be unreasonably withheld.

Section 3. **City's Obligations.** City shall notify Applicant of any claim, action or proceeding within ten (10) business days of receiving service of any claim, action or proceeding. If City fails to notify Applicant of any claim, action, or proceeding, Applicant shall not, thereafter, be responsible to defend, indemnify, or hold City harmless. City shall have and retain, in its sole discretion, the right to not participate in the defense of any claim, action, or proceeding. At its sole discretion, City may participate at its own expense in the defense, but such participation shall not relieve Applicant of any obligation imposed by this Agreement.

Section 4. **Notice.** Any notice or communication required hereunder between City and Applicant must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or

(b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Turlock 156 S. Broadway
Turlock, CA 95380 Attention: City Manager

and Katie O. Lucchesi, City Attorney
156 S. Broadway
Turlock, CA 95380

If to Developer: Kyle Kazan, Owner
NHC Turlock LLC
3645 Long Beach Blvd.
Long Beach, CA 90807
With copies to:

Section 5. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by City and Applicant.

Section 6. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Section 7. Agreement is Voluntary. The Parties acknowledge that they have entered into this Agreement voluntarily, on the basis of their own judgment and without coercion, and not in reliance on any promises, representations, or statements made by the other Party other than those contained in this Agreement. This Agreement incorporates the entire understanding of the Parties and recites the sole consideration of the promises and agreements contained within it. The Parties have read this Agreement and are fully aware of its contents and legal effect.

Section 8. Time of Essence. Time is of the essence for this Agreement, and each section contained within this Agreement is made and declared to be a material, necessary, and essential part of this Agreement.

Section 9. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

Section 10. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement, and the names, titles, and

capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 11. Noninterference. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Agreement.

Section 12. Ambiguities. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

Section 13. Headings. The headings in this Agreement are included for convenience only, and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

Section 14. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. The Parties will act in good faith to carry out the intent of this Agreement.

Section 15. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 16. Venue. Venue for all legal proceedings shall be in the Superior Court of the State of California in and for the County of Stanislaus.

Section 17. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 18. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 19. **Counterparts.** This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties have executed this Agreement on the day, month and year first above written.

APPLICANT

Natural Healing Center, LLC
a California limited liability company

By: _____
Kyle Kazan

Its: Owner

Date: .....

Natural Healing Center, LLC
A California limited liability company

By: _____

Its: _____
Owner

Date: _____

CITY

City of Turlock, a California municipal corporation

By: _____
Gary Hampton., City Manager

Date: .....

APPROVED AS TO FORM:

By: _____
Katie O. Lucchesi, City Attorney

Exhibit F Notice of Termination

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: City of Turlock 156 S Broadway Turlock, CA 95380 Attention: City Clerk	

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code§ 6103

NOTICE OF TERMINATION AND RELEASE OF DEVELOPMENT AGREEMENT

DATE: , 20__

PARTIES: CITY OF TURLOCK
156 S Broadway
Turlock, CA 95380 Attention: City Manager

NHC TURLOCK LLC
Kyle KazanOwner, NHC Turlock LLC
3645 Long Beach Blvd.
Long Beach, CA 90807
THIS NOTICE OF TERMINATION AND RELEASE (the "Release") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____., 2020, City recorded a development agreement between City and _____, dated _____, 2020 (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Sections 1.7 and 9.1 of the Development Agreement, the term of the Development Agreement expires five (5) years from ___ , 2020, on _____,20__ .

C. Pursuant to Section 9.1 of the Development Agreement, once terminated, the Development Agreement has no further force or effect, unless otherwise set forth in the Development Agreement.

NOW, THEREFORE, City hereby terminates, cancels, and otherwise releases Developer and Developer's heirs, executives, administrators, successors, and assigns from their obligations in the Development Agreement on this of , 20_, and relinquishes any right it may hereafter have to enforce any of the terms and provisions set forth in the Development Agreement, unless otherwise set forth in the Development Agreement. This termination, cancellation, and release shall be effective upon the recordation of this Release in the office of the County Recorder for the County of Stanislaus, State of California.

CITY OF TURLOCK,
a California municipal corporation

By: _____
City Manager

Exhibit G

Assignment and Assumption Agreement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: City of Turlock 156 S Broadway Turlock, CA 95380 Attention: City Clerk	

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Recording Fee Exempt per Government Code § 6103

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this _ day of _____,20_, by and between NHC Turlock LLC, a California limited liability company ("Assignors"), and _____ ("Assignee").

RECITALS

A. On _____, 2020, Assignor and the City of Turlock (the "City") entered into that certain agreement entitled "Development Agreement by and between the City of Turlock, a California municipal corporation and NHC Turlock LLC, a California limited liability company, relating to the improvement, development, and use of real property to operate a cannabis business (the "Development Agreement"), originally recorded upon Stanislaus County Assessor's Parcel Number 061-041-006 (the "Property").

B. Section 10.1 of the Development Agreement prohibits the sale, assignment, or transfer by Assignor of any portion of Assignor's interests, rights, or titles described in that section of the Development Agreement ("Assignable Rights") to a third party without prior written approval by the City Manager of the City of Turlock (the "City Manager").

C. Assignor intends to assign, and Assignee intends to assume, the Assignable Rights under the Development Agreement.

D. In accordance with the terms of the Development Agreement, Assignor has provided to the City Manager a written request for consent to assignment. The City Manager has received the information he or she deems appropriate and consulted with the City Attorney for the purpose of determining that Assignee is a qualified applicant for purposes of the foregoing terms of the Development Agreement. This Agreement is intended to meet the requirements of Section 10.1 of the Development

Agreement for an Assignment and Assumption Agreement and is executed with the consent of the City Manager as contemplated in the Development Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. The foregoing Recitals are true and incorporated herein by this reference as though set forth in full.

2. Assignor hereby assigns to Assignee all of the Assignable Rights of Assignor under the Development Agreement.

3. Assignee hereby assumes all of the burdens and obligations of Assignor under the Development Agreement and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement, and to be subject to all the terms and conditions thereof, with respect to the Property and Assignable Rights. It is the express intention of Assignor and Assignee that, upon the execution of this Agreement, Assignee shall become substituted for Assignor as the "Developer" under the Development Agreement.

4. This Agreement shall take effect and be binding only upon the City Manager's consent to and approval of the Agreement.

5. Assignee represents and warrants that it has reviewed and is familiar with the terms and conditions of the Development Agreement. Assignee acknowledges that the Assignable Rights are as set forth in Section 10.1 of the Development Agreement, and the duties of Assignor thereunder and the duties of Assignee hereunder, as between Assignee and City, shall be without reference to any underlying agreements or understandings that may exist between Assignee, Assignor, or any other party with respect to the subject matter hereof, and that City is not party to such other agreements.

6. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[Signatures on the Following Page]

ASSIGNOR

NHC Turlock LLC, a California limited liability company

By: _____
Kyle Kazan

Its: Owner

Date: _____

ASSIGNEE

_____
_____

By: _____
Its: .....

Date: _____

City of Turlock, a California municipal corporation

By: _____
City Manager

Date: _____

APPROVED AS TO FORM:

By: _____

Katie O. Lucchesi, City Attorney

Date: _____

City Council Staff Report

May 26, 2026

From:	Adrienne Werner, Development Services Director
Prepared by:	Katie Quintero, Planning Manager
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Finding that Perfect Union has complied in good faith with the terms and conditions of the Development Agreement between Perfect Union and the City of Turlock for the operation of a cannabis retail dispensary at 2500 N Golden State Boulevard, Stanislaus County Assessor's Parcel Number 088-007-025

Ordinance: Introduction and First Reading of an Ordinance amending terms and extending the Development Agreement between the City of Turlock and Perfect Union

2. NARRATIVE:

Perfect Union is located at 2500 N. Golden State Boulevard. The property is zoned Community Commercial which allows cannabis dispensaries with a Conditional Use Permit and Development Agreement.

The City Council adopted ordinance 1263-CS approving the Development Agreement on September 24, 2019, and the Planning Commission approved Conditional Use Permit 2019-07 on March 5, 2020, to allow Perfect Union to operate a cannabis retail dispensary. Perfect Union opened for business in September 2020.

The initial Development Agreement was set to expire in October 2024. As a result, under the City Manager's authority of the Development Agreement, the City and Perfect Union entered into an Amendment to the Development Agreement extending the Development Agreement through December 31, 2024.

On September 19, 2024, the Planning Commission recommended the City Council extend the Development Agreement to June 30, 2025. The City Council approved the extension of the Development Agreement at their October 8, 2024, meeting.

In May 2025, Council approved another extension to the Development Agreement through June 30, 2026. The intention of the shorter-term time extensions was to allow time for the cannabis operators and the City to discuss potential changes to the cannabis program.

ANNUAL REVIEW

TMC §9-5-912 requires the City Council to review annually whether the business has complied in good faith with the terms and conditions of the Development Agreement.

Planning Department

Signage

The signs at Perfect Union have been permitted and comply with all requirements.

A complaint was received that a special event was held in the parking lot with a food vendor on site. Outside vendors such as food vendors are not allowed per the Conditional Use Permit. Perfect Union has been made aware such events are not allowed, and all staff are being made aware of this and Perfect Union has confirmed this will not occur again.

Perfect Union is in substantial compliance with the Planning Department.

Building Department

Perfect Union opened for business on September 18, 2020. There are no active building code violations and Perfect Union is in compliance with the requirements of the Building and Safety Division.

Finance Department

Business License
Perfect Union was issued a business license on August 25, 2020. Their business license is current and active. There are no outstanding issues.

Public Benefit Amount
The Development Agreement requires a monthly public benefit payment to the City of Turlock. Section 4.2 of the Development Agreement details the public benefit amount that Perfect Union must submit to the City on a monthly basis.

The audits and compliance checks have been completed. Perfect Union is in compliance with the Finance Department requirements. The public benefit amount that Perfect Union has paid is detailed in the table below:

Fiscal Year	Public Benefit Payment
2020-21	$237,500.00
2021-22	$350,000.00
2022-23	$410,000.00
2023-24	$430,000.00
2024-25	$525,000.00
2025-26 *	$365,500.00
Total through 4/29/26	**$2,318,000.00**
*Payment made through March 2026	

Police Department

There were nine calls for service (CFS) in 2023. Three calls were for City Ordinance re-inspections, four commercial alarm checks, a security check and a suspicious incident call. All CFS were closed by the officer and did not result in a report being filed or an arrest.

In 2024, there were four calls for service (CFS). Two calls were closed by the responding officer. A fireworks violation where a nearby business was setting off fireworks, and damage to a nearby property. A medical emergency was attended by the Fire Department and an accidental panic alarm was closed by dispatch. None of the calls resulted in a report being filed by the officer and no arrests were made.

Calls for Service from January 1, 2025, through October 22, 2025, totaled 7. Four calls were emergency medical calls which were cleared by the Fire Department, one suspicious vehicle, two individuals fighting each other, and a public intoxication call. Only the public intoxication call resulted in an arrest. The other 6 calls were closed by the responding officer.

There was one call for service from October 2025 through April 2026. The call was a security check on an individual asking for help getting home. The call was closed by the responding officer.

It is important to remember, when responding to calls for service, the location is indexed by where the incident occurred or where the officer should respond to contact the victim. If the officer responds to the Perfect Union parking lot or in close proximity to Perfect Union the business name will be indexed in the report. It does not mean a crime occurred at Perfect Union. If no report was made, the responding officer did not find probable cause to show a crime occurred. In reviewing the calls for service these are typical for what is anticipated for this use and does not create a concern at this time.

Annual Inspection

On April 23, 2026, the Police Department conducted their annual inspection. There were no items found during the inspection.

Perfect Union is in compliance with the Police Department’s conditions.

PROPOSED AMENDMENTS

Various amendments are proposed to the Development Agreement. To capture all previous amendments to the Development Agreement into one document, the City has prepared a First Amended and Restated Development Agreement. This captures all previous amendments and newly proposed amendments into this one complete Agreement.

In response to concerns from many of the dispensary operators, the City is proposing to amend the language for the public benefit amount to remove the monthly minimum payment and move to a percentage only. The percentage is set as a range up to 9% of gross receipts but proposes to set the amount required to be paid at 5.25% through May 31, 2027, at which time Council may set a new Public Benefit amount within the range. This change will cause a reduction in the overall amount the City will receive in the public benefit amount, but it will provide more stability and will reduce the financial strain on the cannabis operators.

The term of the agreement is proposed to be extended for three years through June 30, 2029.

Other regulations proposed to be added to the agreement include requiring remote real-time live access to the video footage of cameras installed at the businesses and requiring background checks prior to any changes in ownership or on any individual or entity every two years or at any other time upon reasonable cause. A section has been added detailing if anyone with direct or indirect ownership or controlling interest in the project is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may terminate the Development Agreement. If given such notice, the Developer would have 180 days to complete a transfer of their interest to a transferee approved by the City.

Other proposed changes include various language cleanups and updates to current laws and regulations.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Approving the amendment to remove the monthly minimum payment will result in a reduction in the public benefit amount collected annually, but will provide more stability for the cannabis operators.

4. ENVIRONMENTAL DETERMINATION:

The project consists of the annual review to determine if Perfect Union has complied in good faith with the terms and conditions of the Conditional Use Permit and Development Agreement as well as a three-year time extension and miscellaneous amendments to the Development Agreement.

No changes or modifications in the site are anticipated as a result of this review; therefore, this action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the annual review, request for a time extension and various miscellaneous changes to the Development Agreement. This action will not result in direct or indirect physical changes in the environment.

5. ALTERNATIVES:

1. City Council could find Perfect Union has not complied in good faith with the terms of the Development Agreement for the annual review.
2. City Council could propose other changes to the terms of the Development Agreement.

6. ATTACHMENTS:

1. Resolution Perfect Union DA Annual Review 2026
2. Draft Ordinance and First Amended and Restated DA Perfect Union

ATTACHMENT 1

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF THE CITY COUNCIL FINDING THAT PERFECT UNION HAS COMPLIED IN GOOD FAITH WITH THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT BETWEEN PERFECT UNION AND THE CITY OF TURLOCK FOR THE OPERATION OF A CANNABIS RETAIL DISPENSARY AT 2500 N. GOLDEN STATE BOULEVARD, TURLOCK, CA, COUNTY OF STANISLAUS, ASSESSOR'S PARCEL NUMBER 088-007-025	**RESOLUTION NO. 2026-**

WHEREAS, on September 24, 2019 the City adopted Ordinance No. 1263-CS approving a Development Agreement by and between the City and Perfect Union to operate a storefront retail dispensary as defined in Turlock Municipal Code Section 5.21 in strict accordance with applicable state and local law, at 2500 N. Golden State Boulevard, Turlock, California, County of Stanislaus Assessor's Parcel Number 088-007-025 (the "Project"), consistent with the General Plan, as amended; and

WHEREAS, on May 7, 2026, the Planning Commission of the City of Turlock met in accordance with Turlock Municipal Code Section 9-5-912(c); and

WHEREAS, pursuant to Section 9-5-912(c), the City Council, upon recommendation of the Planning Commission, shall determine whether the property owner has complied in good faith with the terms and conditions of the agreement during the period under review;

WHEREAS, the City Council determined the recommended action does not constitute a project and will not create a physical impact on the environment or authorize any action that has the potential to impact the physical environment and would not make any changes in current policy or regulations; therefore, the proposed action is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3)(General Rule, No Environmental Impact) of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby determine that Perfect Union has complied in good faith with the terms and conditions of the Development Agreement between Perfect Union and the City of Turlock for the operation of a cannabis retail dispensary at 2500 N. Golden State Boulevard, Turlock, CA, County of Stanislaus, Assessor's Parcel Number 088-007-025.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )

ABSENT: ( )

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

INTRODUCTION AND FIRST READING OF AN ORDINANCE AMENDING TERMS AND EXTENDING BY AMENDMENT, THE DEVELOPMENT AGREEMENT BETWEEN PERFECT UNION AND THE CITY OF TURLOCK FOR THE OPERATION OF A CANNABIS RETAIL DISPENSARY AT 2500 N. GOLDEN STATE BOULEVARD, TURLOCK, CALIFORNIA, STANISLAUS COUNTY APN 088-007-025 THROUGH JUNE 30, 2029.	}	**ORDINANCE NO. 13XX-CS**

WHEREAS, on June 11, 2019, the City Council of the City of Turlock (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations for cannabis businesses pursuant to AUMA and MAUCRSA, by amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program"); and

WHEREAS, on June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City; and

WHEREAS, on September 24, 2019 the City adopted Ordinance No. 1263-CS approving a Development Agreement by and between the City and Perfect Union to operate a storefront retail dispensary as defined in Turlock Municipal Code Section 5.21 in strict accordance with applicable state and local law, at 2500 N. Golden State Boulevard, Turlock, California, County of Stanislaus Assessor's Parcel Number 088-007-025 (the "Project"), consistent with the General Plan, as amended; and

WHEREAS, the City and Perfect Union entered into a Development Agreement dated September 15, 2020, which permitted Perfect Union to operate a cannabis dispensary at 2500 N. Golden State Boulevard, Turlock, California, County of Stanislaus Assessor's Parcel Number 088-007-025; and

WHEREAS, on August 30, 2024 the City and Perfect Union entered into that certain First Amendment to extend the term of the Development Agreement dated September 15, 2020 through December 31, 2024; and

WHEREAS, on October 8, 2024 the City and Perfect Union entered into that certain Second Amendment to extend the term of the Development Agreement dated September 15, 2020 through June 30, 2025; and

WHEREAS, on May 27, 2025, the City and Perfect Union entered into that certain Third Amendment to extend the term of the Development Agreement through June 30, 2026; and

WHEREAS, pursuant to Section 1.9 of the Development Agreement a "Major Amendment" to the Development Agreement shall be approved by the City Council; and

WHEREAS, after the public hearing held on May 7, 2026, the Planning Commission recommended the City Council adopt the proposed amendments and extend the term of the Development Agreement through June 30, 2029; and

WHEREAS, the City Council, based on its independent review and analysis of the Planning Commission's recommendation, oral and written testimony, and the record as a whole, finds, after due study, deliberation, and holding a public hearing, and based on its independent judgement, find that the following circumstances exist:

1. The Project is consistent with the goals, policies, and standards of the City's General Plan and all other applicable standards and ordinances of the City.
2. In accordance with the Development Agreement Statute, the City Council finds that the amendment to the Development Agreement:
    a. Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole; and
    b. Will not adversely affect the orderly development of property or the preservation of property values; and
    c. Is consistent with the relevant provisions of Government Code Sections 65864 through 65869.5; and
    d. Contains a legal description of the property.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Turlock does hereby determine:

Section 1. The recitals stated above are true and correct, and hereby incorporated herein.

Section 2. This request is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the request for a time extension for the Development Agreement (DA) between the City of Turlock and Perfect Union. This action will not result in direct or indirect physical changes in the environment.

Section 3. The City Council of the City of Turlock extends the terms of the Development Agreement between the City of Turlock and Perfect Union through June 30, 2029.

Section 4. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more sections(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

Section 5. Upon passage of this Ordinance, the City Manager is authorized to execute the amendment to the Amended and Restated Development Agreement as shown in Exhibit A on behalf of the City. Within ten (10) days of the execution, but no earlier than 30 days after passage of this Ordinance, the City Clerk shall cause the amendment to the Development Agreement to be recorded in the Office of the County Recorder as provided for by Government Code section 65868.5. The amendment to the Development Agreement shall not take effect for thirty (30) days following passage and adoption of this Ordinance.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 9th day of June, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

SIGNED:

_____
Amy Bublak, Mayor

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

APPROVED AS TO FORM:

_____
Katie Lucchesi, City Attorney

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:

City of Turlock
156 S Broadway
Turlock, CA 95380
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §6103

FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TURLOCK AND PERFECT UNION TURLOCK, LLC

THIS FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this _____ (____) day of _____, 2026, by and between the City of Turlock, a California municipal corporation ("City") and Perfect Union Turlock, LLC, a California limited liability company ("Developer"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

A. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing and distribution of medical marijuana to qualified patients and their primary caregivers.

B. On November 8, 2016, California voters enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act ("AUMA"), which establishes a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products, for use by adults 21 years and older and to tax the growth and retail sale of cannabis for nonmedical use.

C. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult Use Cannabis Regulation and Safety Act ("MAUCRSA"), which creates a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in Commercial Cannabis Activity, as defined in Section 1.4 of this Agreement, may operate in a particular jurisdiction.

D. On June 11, 2019, the Turlock City Council (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations as defined under Turlock Municipal Code ('ST.M.C.") section 5.21 pursuant to AUMA and MAUCRSA.

E. On June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City.

F. Developer proposed to improve, develop and use real property to operate a Cannabis Business Project, as defined below, in strict accordance with California Cannabis Laws, as defined in Section 1.4 of this Agreement and the T.M.C., as each may be amended from time to time.

G. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 et seq. (the "Development Agreement Statute"), which authorizes City and an individual or business entity with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.

H. On June 11, 2019, following the adoption of the Pilot Program, the City issued and circulated a request for qualifications ("RFQ"). The purpose of the RFQ was to form the basis for a selection process of qualified cannabis operators for participation in the Pilot Program. Developer completed the RFQ requirements.

I. Developer submitted an application to the City Planning Commission Department for consideration of a development agreement for a commercial cannabis business.

J. Developer purchased property located at 2500 N. Golden State Blvd., California, County of Stanislaus Assessor's Parcel Number 088-007-025 of which Developer improved approximately 4,200 (four thousand two hundred) square feet of space (the "Site") to operate the Cannabis Business Project, more particularly described in the legal description attached hereto as Exhibit A ("Legal Description") and the Cannabis Business Project Site Map attached hereto as Exhibit B.

K. Developer purchased the Site for the purpose of carrying out the Cannabis Business Project. A copy of the deed to the Site is attached hereto as Exhibit C, within satisfaction of the requirement of T.M.C. Chapter 5.21.

L. On August 22, 2019, the Turlock Planning Commission ("Planning Commission"), in a duly noticed and conducted public hearing, considered Developer's application for this Agreement. At that public hearing, the Planning Commission recommended the City Council adopt Ordinance No. 2019-18, which would allow Developer to operate the Cannabis Business Project at the Site.

M. On August 27, 2019, pursuant to Government Code section 65867.5, and following a duly noticed and conducted public hearing, the City Council reviewed, considered, adopted, and entered into this Agreement pursuant to Ordinance No. 1263-CS; thereafter, on September 15, 2020, the City and Perfect Union Turlock, LLC entered into that certain Development Agreement (the “Development Agreement”), which authorizes the operation of a cannabis dispensary in the City of Turlock.

N. This Agreement is entered into pursuant to the Development Agreement Statute.

O. The City Council has determined that this Agreement is consistent with the City's General Plan and has conducted all necessary proceedings in accordance with the T.M.C. for the approval of this Agreement.

P. The City and Perfect Union Turlock, LLC entered into that certain First Amendment to Development Agreement dated September 23, 2024 (“First Amendment”).

Q. The City and Perfect Union Turlock, LLC entered into that certain Second Amendment to Development Agreement dated October 8, 2024 (“Second Amendment”).

R. The City and Perfect Union Turlock, LLC entered into that certain Third Amendment to Development Agreement dated May 27, 2025 ("Third Amendment").

S. Under Section 5-21-103 of the Turlock Municipal Code, any cannabis dispensary business allowed in the City shall obtain a development agreement, a City business license, and a conditional use permit.

T. The Parties wish to enter into this First Amended and Restated Development Agreement to replace previous agreements between the Parties and to fulfill the requirement that a cannabis business requires a development agreement pursuant to TMC Section 5-21-103.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT

ARTICLE 1
GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety and general welfare and is consistent with the City's General Plan, including all text and maps in the General Plan.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 10 of this Agreement, the provisions of Articles 1 through 10 shall prevail.

Section 1.3. Exhibits. The following "Exhibits" are attached hereto and incorporated into this Agreement:

Designation	Description
Exhibit A	Cannabis Site Legal Description
Exhibit B	Cannabis Business Project Site Map

Exhibit C	Site Deed
Exhibit D	Notice of Non-Performance Penalty
Exhibit E	Indemnification Agreement
Exhibit F	Notice of Termination
Exhibit G	Assignment and Assumption Agreement

Section 1.4. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meaning:

(a) "Additional Insureds" has the meaning set forth in Section 6.1.

(b) 'Additional Licenses" has the meaning set forth in Section 2.4.

(c) "Adult-use cannabis" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended for use by adults 21 years of age and older in California pursuant to the California Cannabis Laws.

(d) "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.

(e) "Application" has the meaning set forth in Recital G.

(f) "Assignment and Assumption Agreement" has the meaning set forth in Section 10.1 .

(g) "AUMA" means the Adult Use of Marijuana Act (Proposition 64) approved by California voters on November 8, 2016.

(h) "Authorized License" has the meaning set forth in Section 2.3.

(i) "Department" means the Department of Cannabis Control or any successor state agency.

(j) "California Building Standards Codes" means the California Building Code, as amended from time to time, in Part 2, Volumes 1 and 2, as part of Title 24 of the California Code of Regulations, as may be adopted by the T.M.C.

(k) "California Cannabis Laws" includes AUMA, MAUCRSA, CUA (as defined below), the Medical Marijuana Program Act of 2004 codified as Health and Safety Code sections 11362.7 through 11.62.83 and any other applicable laws that may be enacted or approved.

(l) "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof;

the resin, whether crude or purified, extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis and the term "marijuana" may be used interchangeably.

(m) "Cannabis Business Pilot Program" means the cannabis business program established and authorized by T.M.C. Chapter 5.21.

(n) "Cannabis Business Project" means the cannabis retail business operated by Developer on the Site pursuant to the Authorized License.

(o) "Cannabis Manufacturing Business" means a business engaged in commercial cannabis activity pursuant to a state approved Type 6 or 7 license, Type A and M licenses designated as a Cannabis business.

(p) "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(q) "CEQA" means the California Environmental Quality Act, as set forth in Division 13 (Commencing with Section 21000) of the California Public Resources Code, and the CEQA Guidelines, as set forth in Title 14 (Commencing with Section 15000) of the California Code of Regulations.

(r) "City" means the City of Turlock, a California municipal corporation having general police powers.

(s) "City Council" means the City of Turlock City Council, as defined in T.M.C. Section 2.1.

(t) "City Manager" means the City Manager of the City of Turlock or his or her designee, as described in T.M.C. Section 2.4.

(u) "Charged Party" has the meaning set forth in Section 8.1.

(v) "Charging Party" has the meaning set forth in Section 8.1

(w) "Commercial Cannabis Activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis or a cannabis product that requires a state license pursuant to MAUCRSA.

(x) "Planning Commission" means the City of Turlock Planning Commission, as established by T.M.C. Section 9.5.

(y) "Conditional Use Permit" means a conditional use permit issued by City pursuant to T.M.C. Section 9.3.

(z) "CUA" means the Compassionate Use Act (Proposition 215) approved by California voters on November 5, 1996.

(aa) "Developer" means Perfect Union Turlock, LLC. Developer also has the meaning set forth in Section 6.1.

(bb) "Development Agreement Statute" has the meaning set forth in Recital H.

(cc) "Exhibits" has the meaning set forth in Section 1.3.

(dd) "Gross Receipts from Operations" means total revenue actually received or receivable from operation of the Cannabis Business Project, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares, or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;
2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";
3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;
4. Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit; and
5. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded.

The intent of this definition is to ensure that in calculating the payment required under Section 4.2, all sales of cannabis products through the Cannabis Business Project are captured. This definition shall therefore be given the broadest possible interpretation consistent with this intent

(ee) "Indemnification Agreement" has the meaning set forth in Section 6.3.

(ff) "Major Amendment" means an amendment that shall have a material effect on the terms of this Agreement. A Major Amendment also has the meaning set forth in Section 2.4. Major Amendments shall require approval by the City Council.

(gg) "Marijuana" has the same meaning as cannabis and those terms may be used interchangeably.

(hh) "MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code section 26000 et seq., as may be amended from time to time.

(ii) "MCRSA" has the meaning set forth in Recital A.

(jj) "Ministerial Fee" or "Ministerial Fees" has the meanings set forth in Section 4.1.

(kk) "Minor Amendment" means a clerical amendment to this Agreement that shall not materially affect the terms of this Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 1.7.

(ll) "Mortgage" has the meaning set forth in Article 7.

(mm) "Non-Performance Penalty" has the meaning set forth in Section 4.5.

(nn) "Notice of Non-Performance Penalty" has the meaning set forth in Section 4.5

(oo) "Notice of Termination" has the meaning set forth in Section 9.1.

(pp) "Processing Costs" has the meaning set forth in Section 1.11.

(qq) "Project Litigation" has the meaning set forth in Section 10.7.

(rr) "Public Benefit" has the meaning set forth in Section 4.2.

(ss) "Public Benefit Amount" has the meaning set forth in Section 4.2.

(tt) "State Licensing Authority" means the state agency responsible for the issuance, renewal or reinstatement of a state cannabis license or the state agency authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

(uu) "State Cannabis Regulations" means the regulations promulgated by the State Licensing Authority pursuant to the California Cannabis Laws 4 CCR 15000 et seq., or their respective successors).

(vv) "State Taxing Authority" has the meaning set forth in Section 4.2. (ww) "Subsequent City Approvals" has the meaning set forth in Section 3.1.

(ww) "Subsequent City Approvals" has the meaning set forth in Section 4.2.

(xx) "Term" has the meaning set forth in Section 1.7.

(yy) “T.M.C.” means the Turlock Municipal Code.

(zz) "Type IA license" or "Specialty Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting of between 501 and 5,000 square feet of total canopy size on one premises.

(aaa) "Type 2A license" or "Small Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

(bbb) "Type 3A license" or "Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

(ccc) "Type 4 license" or "Nursery" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for cultivation.

(ddd) "Type 6 license" or "Manufacturer 1" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using nonvolatile solvents.

(eee) "Type 7 license" or "Manufacturer 2" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using volatile solvents.

(fff) "Type 10 license" or "Retailer" means a state license issues by the Department of Cannabis Control pursuant to the California Cannabis Laws authorizing the retail sale of cannabis and cannabis products. Retail sale includes sales at a storefront and by delivery, pursuant to all state and local laws and regulations.

(ggg) "Type 1 1 license" or "Distributor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for the distribution of cannabis and cannabis products from manufacturer to dispensary.

(hhh) "Type 12 license" or "Microbusiness" means a state license issued by a State Licensing Authority pursuant to the California Cannabis Laws relating to cannabis manufacturing, retail and distribution.

(iii) "Type 13 license" or "Distribution Transport-Only" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for distribution cannabis and cannabis products.

Conforming Interpretation of State Cannabis License References. Any reference in this Agreement to a State cannabis license, State Cannabis Regulations, licensing authority, or specific state cannabis license type or designation shall be deemed to include any successor license, permit, approval, agency, or regulation that replaces, renames, consolidates, or reclassifies such license or regulatory framework under California law, including those administered by the California Department of Cannabis Control or any successor agency.

No change in the name, number, classification, or structure of any State cannabis business license shall be construed to expand, limit, or otherwise modify the cannabis activities authorized under this Agreement, except as required by applicable state law or as expressly approved in writing by the City.

The scope of permitted commercial cannabis activities shall be determined solely by this Agreement and applicable City approvals, and not by the type, title, or designation of any state license held by Developer, unless expressly mandated by state law.

Section 1.5. Project is a Private Undertaking. The Parties agree that the Cannabis Business Project is a private development and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Developer or of the Cannabis Business Project.

Section 1.6. Effective Date of Agreement. This Agreement shall become effective upon the date that the ordinance approving this Agreement becomes effective (the "Effective Date").

Section 1.7. Term. The term of this Agreement ("Term") shall be through June 30, 2029, unless earlier terminated in accordance with the provisions of this Agreement.

(a) Government Tolling or Termination. City may provide written notice to Developer to cease all Commercial Cannabis Activity, upon which Developer shall immediately comply if City is required, directed or believes, in its sole and absolute discretion, it must temporarily halt or terminate Commercial Cannabis Activity within the City to comply with federal or state law. If City temporarily halts this Agreement to comply with federal or state law, this Agreement shall be tolled for no longer than one (1) calendar year (the "Tolling Period"). Developer shall not accrue or be liable to City for any Ministerial Fees or Public Benefit Amount during the Tolling Period. Developer shall resume paying any applicable fees after the Tolling Period ends. City and Developer shall discuss in good faith the termination of this Agreement if the Tolling Period exceeds one (1) calendar year to comply with federal or state law.

(b) Developer Tolling or Termination. Developer may not temporarily halt or terminate this Agreement for any purpose without causing a default of this

Agreement, except as otherwise allowed by this Agreement or by mutual agreement of the Parties.

Section 1.8. Priority of Enactment. In the event of a conflict between the various land use documents referenced in this Agreement, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (a) General Plan, (b) Specific Plan, (c) Agreement, (d) Conditional Use Permit, (e) Indemnification Agreement, and (f) Subsequent City Approvals.

Section 1.9. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification of the City Council. A Major Amendment to this Agreement shall be approved by the City Council. The City Manager shall, on behalf of City, have sole discretion for City to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.10. Recordation of Development Agreement. The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Site within ten (10) business days of the Effective Date.

Section 1.11. Funding Agreement for Processing Costs. If Developer proposes an amendment to this agreement, Developer shall pay for all actual fees and expenses incurred by City that are related to the preparation and processing of amendments to this Agreement, including recording fees, publishing fees, staff time, and consultant and attorneys' fees and costs (collectively, "Processing Costs"). Developer shall deposit monies for such processing as estimated by the Development Services Department. The Processing Costs are refundable solely to the extent of non-expended Processing Costs.

(a) Accounting. Developer may request, and City shall issue within a reasonable time not to exceed thirty (30) days, an accounting and written acknowledgement of Processing Costs paid to City.

ARTICLE 2
DEVELOPMENT OF PROPERTY

Section 2.1. Vested Right of Developer. During the Term, in developing the Site consistent with the Cannabis Business Project described herein, Developer is assured that the development rights, obligation terms, and conditions specified in this Agreement, including, without limitation, the terms, conditions, and limitations set forth in the Exhibits, are fully vested in Developer and may not be modified or terminated by City except as set forth in this Agreement or with Developer's written consent.

Section 2.2. Vested Right to Develop. In accordance with Section 2.1, Developer shall have the vested right to develop and use the Cannabis Business Project consistent with this Agreement, the Conditional Use Permit, and Subsequent City Approvals.

Section 2.3. Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Site for Commercial Cannabis Activity consistent with the following license type (the "Authorized License"):

Type 10	Storefront Dispensary

Pursuant to this Agreement, Developer shall be permitted to use the Site consistent with the Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Developer shall begin operations of the Cannabis Business Project under the Authorized License within six (6) months of the issuance of a Conditional Use Permit or adoption of the operative ordinance approving this Agreement, whichever is later, unless Developer is prevented from doing so due to any event or circumstance set forth in Section 8.6 of this Agreement. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Authorized License to Developer, Developer shall immediately cease Commercial Cannabis Activity and any other operations on the respective site. Developer shall also, within thirty (30) days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of the Authorized License. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Conditional Use Permit to serve as the definitive and controlling documents for all subsequent actions, discretionary or ministerial, relating to development of the Site and the Cannabis Business Project.

Section 2.4. Major Amendment to Permitted Uses. Developer may request to add to the Authorized License additional license types once that license is applied for or obtained from the appropriate State Licensing Authority (the "Additional Licenses"). Such request shall be a Major Amendment to this Agreement.

Section 2.5. Conditional Use Permit. Developer shall obtain a Conditional Use Permit for the Commercial Cannabis Activity and Authorized License contemplated herein for the Project and at the Site. No Commercial Cannabis Activity may occur at the Site until Developer has obtained a Conditional Use Permit to use and operate the Authorized License at the Site. This Conditional Use Permit must be maintained in good standing throughout the Term. This Agreement shall immediately terminate if the Conditional Use Permit for the Authorized License is revoked by City for any reason.

Section 2.6. Subsequent Entitlements, Approvals, and Permits. Successful implementation of the Cannabis Business Project shall require Developer to obtain additional approvals and permits from City and other local and state agencies. City shall comply with CEQA in the administration of all Subsequent City Approvals. In acting upon any Subsequent City Approvals, City's exercise of discretion and permit

authority shall conform to this Agreement. Notwithstanding the foregoing, in the course of taking action on the Subsequent City Approvals, City will exercise discretion in adopting mitigation measures as part of the Conditional Use Permit. The exercise of this discretion is not prohibited or limited in any way by this Agreement. Nothing in this Agreement shall preclude the evaluation of impacts or consideration of mitigation measures or alternatives, as required by CEQA.

(a) Contemplated City Rules and Guidelines. City anticipates issuing additional rules administrative guidelines, and amendments to the T.M.C. associated with operation of the Cannabis Business Program. City may establish requirements that are identical to or place a higher standard of care as existing provisions of the California Cannabis Laws, State Cannabis Regulations, or any amendments thereto. City reserves the right to adopt additional categories of rules or guidelines that are not listed in this Section as part of the Cannabis Business Program. Developer shall comply with any and all additional rules, administrative guidelines, and amendments to the T.M.C. adopted by City that govern or pertain to the Cannabis Business Project. Nothing in this Agreement shall be construed as limiting the City to amend the T.M.C or issue rules or guidelines following the Effective Date of this Agreement that Developer will be required to adhere to.

Section 2.7. Initiatives and Referenda. If any City ordinance, rule or regulation, or addition to the T.M-C, is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement, an associated Conditional Use Permit, Subsequent City Approvals, or reduce the development rights or assurances provided to Developer in this Agreement, such T.M.C. changes shall not be applied to the Site or the Cannabis Business Project; provided, however, the Parties acknowledge that City's approval of this Agreement is a legislative action subject to referendum. City shall cooperate with Developer and shall undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms to the fullest extent permitted by state or federal law.

Section 2.8. Regulation by Other Government Entities. Developer acknowledges that City does not have authority or jurisdiction over any other government entities' ability to grant governmental approvals or permits or to impose a moratorium or other limitations that may negatively affect the Cannabis Business Project or the ability of City to issue a permit to Developer or comply with the terms of this Agreement. Any moratorium imposed by another government entity, including the State Licensing Authority, on City shall not cause City to be in breach of this Agreement.

Section 2.9. Developer's Right to Rebuild. Developer may renovate portions of the Site any time within the Term of this Agreement consistent with the T.M.C. Any such renovation or rebuild shall be subject to all design, building code, and other requirements imposed on the Cannabis Business Project by this Agreement.

Section 2.10. Changes in California Building Standards Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Cannabis

Business Project shall be subject to changes occurring from time to time to the California Building Standards Codes.

Section 2.11. Changes Mandated by Federal or State Law. The Site and the Cannabis Business Project shall be subject to subsequently enacted state or federal laws or regulations that may preempt the T.M.C. or mandate the adoption or amendment of local regulations or are in conflict with this Agreement or local rules or guidelines associated with the Cannabis Business Program. As provided in Section 65869.5 of the Development Agreement Statute, in the event state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Upon discovery of a subsequently enacted federal or state law meeting the requirements of this Section, City or Developer shall provide the other Party with written notice of the state or federal law or regulation, and a written statement of the conflicts thereby raised with the provisions of the T.M.C. or this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation provided City shall not be obligated to agree to any modification materially increasing its obligations or materially adversely affecting its rights and benefits hereunder. In such discussions, City and Developer will attempt to preserve the terms of this Agreement and the rights of Developer derived from this Agreement to the maximum feasible extent while resolving the conflict. If City, in its judgment, determines it necessary to modify this Agreement to address such conflict, City shall have the right and responsibility to do so, and shall not have any liability to Developer for doing so or be considered in breach or default of this Agreement. City also agrees to process, in accordance with the provisions of this Agreement, Developer's proposed changes to the Cannabis Business Project that are necessary to comply with such federal or state law and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without further need for any amendment to this Agreement.

Section 2.12. Health and Safety Emergencies. In the event that any future public health and safety emergencies arise with respect to the Cannabis Business Project contemplated by this Agreement, City agrees that it shall attempt, if reasonably possible as determined by City in its discretion, to address such emergency in a way that does not have a material adverse impact on the Cannabis Business Project. If City determines, in its discretion, that it is not reasonably possible to so address such health and safety emergency in a way that does not have a material adverse impact on the Cannabis Business Project, City may select an option which, in its discretion, minimizes, so far as reasonably possible, the impact on development and use of the Cannabis Business Project in accordance with this Agreement, while still addressing such health and safety emergency in a manner acceptable to City.

Section 2.13. Other Regulations. The following provisions establish operational requirements applicable to this Agreement in furtherance of public safety and to ensure compliance with applicable regulations governing the Project and Developer’s obligations hereunder.

(a) In addition to other requirements, remote and real-time, live access to the video footage of cameras installed by the cannabis business shall be provided to the Chief of Police or his/her designee(s) using such software as designated by the Chief of Police. Developer shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police or his/her designee(s), and that it is compatible with the City's software and hardware. Such access shall be required within 120 days of approval.

(b) Prior to changes in ownership, ownership structure, and management, or any sale or other transfer of the cannabis business, shall be subject to additional background checks as required by the Turlock Police Department, and passage by the applicant of such background checks. The City may repeat background checks on any individual every two (2) years, and at any other time upon reasonable cause

ARTICLE 3
ENTITLEMENT AND PERMIT PROCESSING, INSPECTIONS

Section 3.1. Subsequent City Approvals. City shall permit the development, construction, and conditionally permitted use contemplated in this Agreement. City agrees to timely grant, pursuant to the terms of this Agreement, the T.M.C., and any Subsequent City Approvals reasonably necessary to complete the goals, objectives, policies, standards, and plans described in this Agreement. The Subsequent City Approvals shall include any applications, permits, and approvals required to complete the improvements necessary to develop the Site, in general accordance with this Agreement ("Subsequent City Approvals"). Nothing herein shall require City to provide Developer with Subsequent City Approvals prior to, or without complying with, all of the requirements in this Agreement, the T.M.C., and any applicable state law.

Section 3.2. Timely Processing. City shall use its reasonable best efforts to process and approve, within a reasonable time, any Subsequent City Approvals or environmental review requested by Developer during the Term of this Agreement.

Section 3.3. Cooperation Between City and Developer. Consistent with the terms set forth herein, City agrees to cooperate with Developer, on a timely basis, in securing all permits or licenses that may be required by City or any other government entity with permitting or licensing jurisdiction over the Cannabis Business Project.

Section 3.4. Further Consistent Discretionary Actions. The exercise of City's authority and independent judgment is recognized under this Agreement and nothing in this Agreement shall be interpreted as limiting City's discretion or obligation to hold legally required public hearings. Except as otherwise set forth herein, such discretion and action taken by City shall, however, be consistent with the terms of this Agreement and not prevent, hinder, or compromise development or use of the Site as contemplated by the Parties in this Agreement.

ARTICLE 4
PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 4.1. Processing Fees and Charges. Developer shall pay to City those processing, inspection, plan checking and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any post-Effective Date increases in such fees and charges) for processing applications and requests for building permits, inspections, other permits, approvals and actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions (each a "Ministerial Fee" and collectively, the "Ministerial Fees").

Section 4.2. Public Benefit.

(a) The Parties acknowledge and agree that this Agreement, and the Cannabis Business Project, confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Parties intend to provide consideration to City to offset these impacts that commensurate with the private benefits conferred on Developer (the "Public Benefit"). In consideration of the foregoing, Developer shall remit to City an amount determined and set by the City Council up to a maximum of nine percent (9%) of Gross Receipts from Operations. (the "Cannabis Business Public Benefit" or "Public Benefit Amount") Notwithstanding the foregoing, the City Council determines and sets the Public Benefit Amount at five and one-quarter percent (5.25%) of gross receipts from operations through May 31, 2027. The City Council may take any actions required to change the Public Benefit Amount that will be in effect from June 1, 2027 and thereafter. Such actions may include, without limitation, setting a new Public Benefit Amount by adopted resolution of the Council. Any such Public Benefit Amount shall be due on the 5th day of each month before 5:00 p.m..

(b) The above public benefit amounts include a one-quarter percent (.25%) dollar amount dedicated to supporting the City of Turlock juvenile drug and alcohol treatment and rehabilitation programs.

(c) Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of the Cannabis Business Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City.

Section 4.3. Reporting. Developer shall provide City with copies of any reports provided to a State Licensing Authority within forty-five (45) days of that submission.

Any failure or refusal of Developer to provide any statement or report to City, the State Taxing Authority, or any other State Licensing Authority, as required within the time required, or to pay such sums due hereunder when the same are due and payable in

accordance with the provisions of this Agreement, may constitute full and sufficient grounds for the revocation or suspension of the Conditional Use Permit.

Section 4.4. Records. Developer shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code and the applicable State Cannabis Regulations. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Site or at an alternate facility as approved in writing by the City Manager, or his or her designee.

Section 4.5. Penalty. Developer acknowledges that to ensure proper compliance with the terms of this Agreement and any applicable laws, City must engage in costly compliance review, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Developer fails to make any payment when due, as required by this Agreement, including the Public Benefit Amount, City may impose a "Non-Performance Penalty." A Non-Performance Penalty of ten percent (10%) shall be applied to all past due payments. City shall deliver to Developer a "Notice of Non-Performance Penalty," attached hereto as Exhibit D. Payment of the Non-Performance Penalty shall be in a single installment due on or before a date fifteen (15) days following delivery of the Notice of Non-Performance Penalty.

Section 4.6. Interest on Unpaid Non-Performance Penalty. If Developer fails to pay the Non-Performance Penalty after City has delivered the Notice of Non-Performance Penalty, then, in addition to the principal amount of the Non-performance Penalty, Developer shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the principal amount of the Non-Performance Penalty, from a date fifteen (15) days following delivery of the Notice of Non-performance Penalty.

Section 4.7. Protections from Duplicative Payment. Notwithstanding Section 4.2, Developer shall be exempt from paying the Public Benefit Amount if the City imposes a tax specific to commercial cannabis businesses and instead shall pay such specific tax. Notwithstanding the foregoing, Developer and the Cannabis Business Project shall be subject to any and all taxes, assessments, or similar charges or fees of general applicability enacted by the federal government, state government, County of Stanislaus, including any tax applicable to an area greater than the City limits to which City may be a party (i.e., county tax sharing agreement with City).

ARTICLE 5
PUBLIC FACILITIES, SERVICES, AND UTILITIES

City shall use the Public Benefit Amount in any way the City Council deems appropriate to offset the impact of the Project or to benefit the City.

ARTICLE 6
INSURANCE AND INDEMNITY

Section 6.1. Insurance. Developer shall require all persons doing construction or related work on the Cannabis Business Project and, including its contractors and subcontractors (collectively, "Developer" for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) General Liability Insurance. Developer shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars ($2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars ($2,000,000) each occurrence. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as "Additional Insureds" by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insured.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(b) Automotive Liability Insurance. Developer shall maintain business automobile liability insurance or equivalent form with a limit of not less than One Million Dollars ($1,000,000) for each accident. Such insurance shall include coverage for owned, hired and non-owned automobiles. Such insurance shall also:

 Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as Additional Insureds by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(c) Workers' Compensation Insurance. Developer shall take out and maintain during the Term of this Agreement, workers' compensation insurance for all of Developer's employees employed at or on the Cannabis Business Project and, should any of the work be subcontracted, Developer shall require any general contractor or subcontractor similarly to provide workers' compensation insurance for such contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Developer. In case any class of employee engaged in work on the Cannabis Business Project and is not protected under any workers' compensation law, Developer shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer hereby indemnifies City for any damage resulting from failure of Developer, its agents, employees, contractors or subcontractors to take out or maintain such insurance. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars ($1,000,000) for each accident shall be maintained by Developer.

Section 6.2. Other Insurance Requirements. Developer shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire or materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) days of said request, certified copies of endorsements and policies and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies, and endorsements for any insurance required herein expiring prior to the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the Term or the mutual written termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 6.3. Indemnity. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless City, and its agents, elected and appointed officials, officers, employees, consultants, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul an approval concerning the Cannabis Business Project and this Agreement, any applicable Conditional Use Permit or

Subsequent City Approvals. Developer shall execute the indemnification agreement ("Indemnification Agreement") attached hereto as Exhibit E.

Section 6.4. Failure to Indemnify; Waiver. Failure by Developer to indemnify City, when required by this Agreement and the Indemnification Agreement, shall constitute a material breach of this Agreement and of any applicable Conditional Use Permit and Subsequent City Approvals, which shall entitle City to all remedies available under law, including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of any applicable Conditional Use Permit. Developer's failure to indemnify City shall be a waiver by Developer of any right to proceed with the Cannabis Business Project or any portion thereof, and a waiver of Developer's right to file a claim, action, or proceeding against City or City's Agents, based on City's rescission or revocation of any Conditional Use Permit, Subsequent City Approvals, or City's failure to defend any claim, action, or proceeding based on Developer's failure to indemnify City.

Section 6.5. Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer and, therefore, Developer hereby waives all claims for damages against City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that, under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against City in the event that this Agreement or any Project approval is: (1) not approved by the City Council; or (2) is approved by the City Council but with new changes, amendments, conditions, or deletions to which Developer is opposed. Developer further acknowledges that, as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that, under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against City in this regard.

ARTICLE 7
MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Site or any portion thereof following recording of this Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and immediately terminate upon the foreclosure or transfer of any interest in the Site or Project, whether by operation of law or any other method of interest change or transfer, unless the City Manager has authorized such change or transfer in advance, in writing. City agrees to not unreasonably withhold its authorization.

ARTICLE 8
DEFAULT

Section 8.1. General Provisions.

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with the terms and provisions of this Agreement shall constitute a default. Any Party alleging a default or breach of this Agreement ("Charging Party") shall give the other Party ("Charged Party") not less than ten (10) days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice or if the breach cannot reasonably be cured within ten (10) days, the Charging Party may, at its option, institute legal proceedings pursuant to this Agreement, and give notice of its intent to terminate this Agreement pursuant to Government Code section 65868. In the event City is the Charging Party, City may, in its sole discretion, give notice, as required by law, to the Charged Party of its intent to revoke or rescind any operable Conditional Use Permit related to or concerning the Cannabis Business Project.

(c) Prior to the Charging Party giving notice to the Charged Party of its intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review by City in the manner set forth in Government Code sections 65865, 65867 and 65868 within thirty (30) days from the expiration of the ten (10) day notice period.

(d) Following consideration of the evidence presented and said review before City, and after providing the Charged Party an additional five (5) calendar day period to cure, the Charging Party may institute legal proceedings against the Charged Party or may give written notice of termination of this Agreement to the Charged Party.

(e) Evidence of default may arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code section 65865.1, as set forth in Section 8.2. If any Party determines that another Party is in default following the completion of the normally scheduled periodic review, without reference to the procedures specified in Section 8.1 (c), said Party may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) days or within such longer period specified in the notice or the defaulting Party is not diligently pursuing a cure, or if the breach cannot reasonably be cured within the period or the defaulting Party waives its right to cure such alleged

default, this Agreement may be terminated by the non-defaulting Party by giving written notice. An extension of the ten (10) day cure period may be given by mutual consent of the Parties.

In the event Developer is in default under the terms and conditions of this Agreement, no permit application shall be accepted by City, nor will any permit be issued to Developer until the default is cured or the Agreement is terminated.

Section 8.2. Annual Review. City shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith, substantial compliance of Developer and City with the terms of this Agreement. Such periodic review by City shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. City shall deposit in the mail or fax to Developer a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Cannabis Business Project's performance, at least seven (7) days prior to such periodic review. Developer shall be entitled to appeal a determination of City or the City Manager to the City Council. Any appeal must be filed within ten (10) days of the decision of City or the City Manager, respectively. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before City, the City Manager, or the City Council, as applicable. The reasonable cost for City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by City in connection with the review.

Section 8.3. Estoppel Certificate.

(a) City shall, with at least twenty (20) days prior written notice, execute, acknowledge, and deliver to Developer, Developer's lender, potential investors, or assignees, an Estoppel Certificate in writing which certifies that this Agreement is in full force and effect, that there are no breaches or defaults under the Agreement, and that the Agreement has not been modified or terminated and is enforceable in accordance with its terms and conditions.

(b) At Developer's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full force and effect, that there are no uncured breaches or defaults in Developer's performance of the Agreement or violation of any City ordinances, regulations, and policies regulating the use and development of the Site, the Cannabis Business Project, or the subject to this Agreement.

Section 8.4. Default by City. In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Developer shall not be obligated to proceed with or complete the Cannabis Business Project and shall constitute grounds for termination or cancellation of this Agreement by Developer.

Section 8.5. Cumulative Remedies of Parties. In addition to any other rights or remedies, City or Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, enforce any covenant, or enjoin any threatened or attempted violation of the provisions of this Agreement, so long as any such action conforms to Section 9.1 (c) of this Agreement.

Section 8.6. Forced Delay, Extension of Times of Performance. Delays in performance, by either Party, shall not be deemed a default if such delays or defaults are due to war, terrorism, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

Section 8.7. Appeals. Developer may appeal any adverse decision or action of City pursuant to the T.M.C, as may be amended from time to time.

ARTICLE 9
TERMINATION

Section 9.1. Termination. This Agreement shall terminate upon the expiration of the Term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination in substantial conformance with the "Notice of Termination" attached hereto as Exhibit F, and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 9.2. Effect of Termination on Developer's Obligations. Termination of this Agreement shall eliminate any further obligation of Developer to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Developer to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.3. Effect of Termination on City's Obligations. Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.4. Survival After Termination. The rights and obligations of the Parties set forth in this Section 9.4, Section 2.8, Section 6.3, Section 10.3, Section 10.4, Section 10.5, Section 10.7, and Section 10.10, and any right or obligation of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

Section 9.5. Criminal Conviction; Termination; Transfer Rights. If Developer, or any owner, officer, director, manager, or person with a direct or indirect ownership or controlling interest in Developer, is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may, in its sole and absolute discretion, terminate this Agreement upon written notice. A “conviction” includes a guilty or nolo contendere plea and is deemed final upon entry of judgment, regardless of appeal.

Following such notice, Developer shall have a one hundred and eighty (180) day period to complete a transfer of its interest in this Agreement and the Project to a transferee approved in advance and in writing by the City. Approval is in the City’s sole and absolute discretion. Any proposed transferee shall undergo a background investigation and meet all applicable eligibility requirements, including approval by the Chief of Police or designee.

If an approved transfer is not completed within the one hundred and eighty (180) day period, this Agreement shall automatically terminate. Any unapproved transfer is void.

ARTICLE 10
OTHER GENERAL PROVISIONS

Section 10.1. Assignment and Assumption. Developer shall not have the right to sell, assign or transfer all or any part of its rights, title, and interests in all or a portion of the Site or Project, subject to or a part of this Agreement, to any person, firm, corporation or entity during the Term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to the corporate and business entities of Developer that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an assignment or transfer of any interest detailed in this Section 10.1, City and Developer shall execute an "Assignment and Assumption Agreement" in the form attached hereto as Exhibit G.

Section 10.2. Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Site or Project, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Cannabis Business Project and, as appropriate, runs with the Site and is binding upon Developer.

Section 10.3. Notices. Any notice or communication required hereunder between City and Developer must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been

given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent; or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Turlock
156 S. Broadway
Turlock, CA 95380
Attention: City Manager

and Katie Lucchesi, City Attorney
156 S. Broadway
Turlock, CA 95380

If to Developer: Thomas Sheridan
1025 Joellis Way, Suite 150
Sacramento, CA 95815

Section 10.4. Governing Law and Binding Arbitration. The validity, interpretation, and performance of this Agreement shall be controlled by and construed pursuant to the laws of the state of California. Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity

thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration in Sacramento, California, before one arbitrator. The arbitration shall proceed pursuant to the Comprehensive Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services ("JAMS"). Judgment on the award may be entered in any court having jurisdiction thereof.

Section 10.5. Invalidity of Agreement/Severability. If this Agreement, in its entirety, is determined by an arbitrator or court of competent jurisdiction to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any term or provision of this Agreement shall be determined by an arbitrator or court of competent jurisdiction to be invalid and unenforceable, or if any term or provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, any provisions that are not invalid or unenforceable shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable, or illegal. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal.

Section 10.6. Cumulative Remedies. In addition to any other rights or remedies, City and Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement. The prevailing Party in any such action shall be entitled to reasonable attorneys' fees and costs. Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Developer agrees that it may not seek, and shall forever waive any right to, monetary damages against City, but excluding, therefrom, the right to recover any fees or charges paid by Developer in excess of those permitted hereunder.

Section 10.7. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement or any associated entitlement, permit, or approval granted by City to Developer for the Cannabis Business Project (collectively, "Project Litigation"), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense of any lawsuit filed and related, in whole or in part, to Project Litigation with legal counsel selected by City. Developer will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees, and expenses of litigation awarded to the prevailing Party or Parties in such litigation. Developer shall pay all litigation fees to City within thirty (30) days of receiving a written request and accounting of such fees and expenses from City. Notwithstanding the aforementioned, City may request, and

Developer will provide to City within seven (7) days of any such request, a deposit to cover City's reasonably anticipated Project Litigation fees and costs.

Section 10.8. Constructive Notice and Acceptance. Every person who, after the Effective Date and recording of this Agreement, owns or acquires any right, title or interest to any portion of the Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 10.9. Statute of Limitations and Laches. City and Developer agree that each Party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The Parties agree that Section 65009(c)(1)(D) of the California Government Code, which provides for a ninety (90) day statute of limitations to challenge the adoption of this Agreement, is applicable to this Agreement. In addition, any person who may challenge the validity of this Agreement is hereby put on notice that, should the legality or validity of this Agreement be challenged by any third party in litigation, which is filed and served more than ninety (90) days after the execution of this Agreement, City and Developer shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available defenses. This Section in no way limits the right of a Party, claiming that the other Party breached the terms of this Agreement, to bring a claim against the other Party within the four (4) year statute of limitations set forth in Section 337 of the California Civil Code.

Section 10.10. Joint and Several Liability. Developer shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Party shall also constitute a breach of this Agreement by the other Party. Developer agrees that City may impose a lien and seek foreclosure on any parcel of the Site due to any default by Developer.

Section 10.11. Change in State Regulations. In no event shall Developer operate the Cannabis Business Project in violation of the Agreement, or State Cannabis Regulations, as may be amended from time to time.

Section 10.12. Standard Terms and Conditions.

(a)Venue. Venue for all legal proceedings shall be the JAMS Resolution Center in Sacramento, California.

(b)Waiver. A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c)Completeness of Instrument. This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d)Supersedes Prior Agreement. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Site or Cannabis Business Project.

(e)Captions. The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f)Number and Gender. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word "person" includes corporations, partnerships, firms, or associations, wherever the context requires.

(g)Mandatory and Permissive. "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

(h)Term Includes Extensions. All references to the Term of this Agreement shall include any extensions of such Term.

(i)Counterparts. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(j)Other Documents. The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(k)Time is of the Essence. Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l)Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m)Document Preparation. This Agreement will not be construed against the Party preparing it but will be construed as if prepared by all Parties.

(n)Advice of Legal Counsel. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o)Attorneys' Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(p)Calculation of Time Periods. All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the Effective Date of the Agreement, as defined above.

"CITY"

CITY OF TURLOCK, a
California municipal corporation

By:_____
Gary Hampton
City Manager

Dated:_____

Attest:

By: _____
Nichole Fiez
City Clerk

Approved to as Form

By_____
Katie O. Lucchesi
City Attorney

"DEVELOPER"

PERFECT UNION TURLOCK, LLC
a California limited liability company

By:
_____
Thomas Sheridan, CEO
Its:
_____

Dated:_____

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of_____)

On_____, before me _____, a Notary Public, personally appeared_____who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____
(Signature)

(Seal)

Order Number: P-350597

EXHIBIT "A"
LEGAL DESCRIPTION

The land described herein is situated in the State of California, County of Stanislaus, City of Turlock, described as follows:

Parcel 2 As Shown On That Certain Parcel Map Filed October 6, 1972, In Book 15 Of Parcel Maps Page 33, Stanislaus County Records, And As Revised By A Lot Line Adjustment In Resolution 81-134 Of City Of Turlock, Recorded August 27, 1901 In Book 3472 Page 643, As Document No, 10901, And Being A Portion Of Parcel 1 Shown On That Certain Parcel Map Filed October 6, 1972 In Book 15 Of Parcel Maps, Page 33 Described As Follows:

That Certain Parcel Of Land Bounded As Follows: On The West By The Northeasterly Line Of Golden State Boulevard, On The South By The Southerly Line Of Parcel 1, Book 15 of Parcel Maps Page 33, On The East By The Westerly Line Of Parcel 2, Book 15 of Parcel Maps Page 33, And On The North By The Extension Of The Northerly Line Of Said Parcel 2, Book 15 of Parcel Maps Page 33, Shown As North 47° 45' East, 60.39 Feet, South 47° 47" West, To Its Point Of Intersection With The Northeasterly Line Of Golden State Boulevard, All As Shown On Book 15 of Parcel Maps Page 33, Stanislaus County Records.

A.P.N.: 088-007-025

EXHIBIT B - SITE MAP

EXHIBIT C - SITE DEED

RECORDING REQUESTED BY

SAL SANDHU

AND WHEN RECORDED MAIL TO

MWG RE Holdings, LLC, a California limited liability company
735 Fountain Dr.
West Sacramento, CA 95605

Stanislaus, County Recorder
Donna Linder Co Recorder Office
DOC- 2019-0077233-00
Acct 482-Counter Customers
Friday, NOV 01, 2019 14:35:29
Ttl Pd $1,111.50 Rcpt # 0004347158
OJC/R2/1-6

A.P.N.: 088-007-025-000

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

The undersigned grantor(s) declare(s):
Documentary transfer tax is $1,072.50 City Transfer Tax: $0.00
( ) Unincorporated Area (X) City of Turlock
(X) computed on full value of property conveyed, or
( ) computed on full value less value of liens and encumbrances remaining at time of sale.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Karnail Sandhu and Ranbir Sandhu, Trustees of the Karnail Sandhu and Ranbir Sandhu 2012 Trust and Iqbal S. Barn, a married man as his sole and separate property**

Hereby GRANT(S) to **MWG RE Holdings, LLC, a California limited liability company**

The land described herein is situated in the State of California, County of Stanislaus, City of Turlock, described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Dated: October 21, 2019

See Signature page to Grant Deed:

MAIL TAX STATEMENTS TO PARTY SHOWN ON FOLLOWING LINE; IF NO PARTY SHOWN, MAIL AS DIRECTED ABOVE

SAME AS ABOVE

Name | Street Address | City & State

Grant Deed - Sale

Exhibit D

Notice of Non-Performance Penalty

DATE: _____, 20_____

PARTIES: CITY OF TURLOCK

156 S Broadway
Turlock, CA 95380
Attention: City Manager

DEVELOPER
Thomas Sheridan1025 Joellis Way, Suite 150
Sacramento, CA 95815

THIS NOTICE OF NON-PERFORMANCE PENALTY ("Penalty Notice") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No, which was recorded in the Official Records of Stanislaus County, California, on , 20 .

City recorded a development agreement between City and Perfect Union Turlock, LLC ('Developer"), dated20 , (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Section 4.2 of the Development Agreement, Developer agrees to pay to City a Public Benefit on the first business day of each month during the Term of the Development Agreement.

c. On , 20 the Public Benefit was due to City by Developer. City did not receive payment.

D. Pursuant to Section 4.5 of the Development Agreement, if Developer fails to make payment when it is due, City may impose a penalty of ten percent (10%) of the total of the past due amounts ("Penalty"). As of

20 the past due amount equals $The Penalty owed by Developer equals $("Penalty Amount").

CITY OF TURLOCK AND PERFECT UNION TURLOCK, LLC

E. Pursuant to Section 4.5 of the Development Agreement, Developer shall make payment of the Penalty Amount in a single installment due within fifteen (15) days of delivery of this Penalty Notice ("Penalty Due Date").

Pursuant to Section 4.6 of the Development Agreement, if Developer fails to pay the Penalty Amount before the Penalty Due Date, then, in addition to the Penalty Amount specified in subdivision (D), Developer shall pay City interest on the Penalty Amount, at the rate of eighteen percent (18%) per annum ("Penalty Interest Payment"), computed from the Penalty Due Date specified in subdivision (E). The Penalty Interest Payment is due fifteen (15) days following delivery of the Penalty Due Date. As of , 20 , the Penalty Interest Payment amount equals $

G. Nothing contained herein shall constitute a waiver of City's future claims for the Public Benefit, Penalty, or interest on the Penalty.

NOW, THEREFORE, City hereby provides Developer the Penalty Notice required by Section 4.5 of the Development Agreement. This Penalty Notice shall be effective upon notice pursuant to Section 10.3 of the Development Agreement.

CITY OF TURLOCK, a California municipal corporation

By: _____
City Manager

Exhibit E

INDEMNITY AGREEMENT FOR
LAND USE ENTITLEMENT PROCESSING

THIS INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING ("Agreement") is made and entered into on this day ____ of _____, 2020, ("Effective Date") by and between the City of Turlock, a California municipal corporation ("City") and Perfect Union Turlock, LLC, a California limited liability company ("Applicant"). City and Applicant may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. In 1996, the people of the state of California approved Proposition 215, the Compassionate Use Act of 1996 ("CUA"). The CUA enables seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program ("MMP"), which authorizes qualified patients and their primary caregivers to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code.

B. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.

c. On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). AUMA legalizes the cultivation, commercial sale, and possession of recreational cannabis for adults age 21 and older.

D. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction.

E. On December 7, 2017, California state cannabis licensing authorities issued emergency regulations that apply to AUMA and MAUCRA and further regulate businesses engaged in commercial cannabis activity.

F. Turlock Municipal Code ("T.M.C.") Chapter 5.21 authorizes cannabis businesses to operate within the City under specified restrictions pursuant to a Cannabis Pilot Program.

G. Applicant intends to improve, develop, and use real property to operate a cannabis business (the "Project") within the City in strict compliance with MAUCRSA and T.M.C. chapter 5.60.

H. Applicant has an agreement to purchase that certain real property located at 2500 N. Golden State Blvd. in the City of Turlock, identified as Stanislaus County Assessor's Parcel Number 088-007-025 (the "Project") Applicant intends to improve approximately 4,517 (four thousand five hundred seventeen) square feet of space and operate the Project on the Property.

I. As a condition of approval of the Land Use Entitlements, City has required Applicant to enter into this Agreement.

J. It is in the public interest for City and Applicant to enter into this Agreement, as Applicant will benefit from City's processing of the Project.

K. Applicant desires to enter into this Agreement to fulfill a condition of approval of the Project, which is a prerequisite for construction of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth below, the Parties agree as follows:

Section 1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Applicant's Indemnification Obligations.

2.1 . Indemnification for Land Use Entitlements. To the fullest extent permitted by law, Applicant shall indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City or City's Agents, to attack, set aside, void, or annul, an approval concerning the Land Use Entitlements by reason of the action or inaction of City or City's Agents. Applicant's duty to indemnify and hold harmless shall not extend to any claim, action or proceeding arising from the gross negligence or willful misconduct of City or City's Agents.

Applicant's obligations under this Agreement to indemnify City shall apply to any claim, lawsuit or challenge against City brought against the Project, specifically including, but not limited to, any legal challenge based on the California Environmental Quality Act, codified in California Public Resources Code section 21000 et seq.; actions or proceedings brought to challenge the validity of environmental documents prepared in conjunction with the approval of the Project or Land Use Entitlements, or the requirements of any other federal, state, or local laws, including, but not limited to, general plan, specific plan, and zoning requirements.

Tender of Defense. Upon receiving notice of a claim and pursuant to Article 6 of the Land Use Entitlements, Applicant shall assume the defense of the claim, action, or proceeding through the prompt payment of all attorneys' fees and costs, incurred in good faith and in the exercise of reasonable discretion, of City's counsel in defending such an action. Regardless of whether Applicant chooses to defend City pursuant to Section 6.4 of the Land Use Entitlements, City shall have the absolute and sole authority to control the litigation and make litigation decisions, including, but not limited to, selecting counsel to defend City and settlement or other disposition of the matter.

2.3. Deposit for Costs. Applicant shall make a refundable deposit to City within thirty (30) days of written notification from City ("Cost Deposit"), to cover the estimated fees and costs associated with City's defense of any claim, action or proceeding. Applicant shall make any and all additional payments to City to replenish the Cost Deposit within thirty (30) days of written notice from City.

2.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of the Land Use Entitlements, which shall entitle City to all remedies available under law including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of the Land Use Entitlements. Applicant's failure to indemnify City shall be a waiver by Applicant of any right to proceed with the Project, or any portion thereof, and a waiver of Applicant's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of the Land Use Entitlements, or City's failure to defend any claim, action or proceeding based on Applicant's failure to indemnify City.

2.5. Satisfaction of Judgment. With respect to any claims, demands, acts, causes of action, damages, costs, expenses, settlements, losses or liabilities which Applicant has indemnified City against, Applicant shall pay and satisfy any judgment, award, settlement or decree that may be rendered or agreed against City and City's Agents arising out of any final, non-appealable judicial or administrative action.

2.6. Payment of Costs and Fees. Applicant's obligations under this Agreement to defend and indemnify City shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against City, or all settlement costs which arise out of City's processing or approval of the Project.

2.7. Continuing Obligation. Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate or otherwise transfer all or any of the rights or obligations of this Agreement, and notwithstanding a change in or transfer of ownership of the real property upon which the Project is located (or any interest therein). However, Applicant may be released from such obligations if Applicant obtains City's prior written consent to such transfer, which consent shall not be unreasonably withheld.

Section 3. City's Obligations. City shall notify Applicant of any claim, action or proceeding within ten (10) business days of receiving service of any claim, action or proceeding. If City fails to notify Applicant of any claim, action, or proceeding, Applicant shall not, thereafter, be responsible to defend, indemnify, or hold City harmless. City shall have and retain, in its sole discretion, the right to not participate in the defense of any claim, action, or proceeding. At its sole discretion, City may participate at its own expense in the defense, but such participation shall not relieve Applicant of any obligation imposed by this Agreement.

Section 4. Notice. Any notice or communication required hereunder between City and Applicant must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Turlock
156 S. Broadway
Turlock, CA 95380
Attention: City Manager

and

Katie O. Lucchesi, City Attorney 156 S. Broadway Turlock, CA 95380

If to Developer: Thomas Sheridan 1025 Joellis Way, Suite 150 Sacramento, CA 95815

Section 5. Modification of agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by City and Applicant.

Section 6. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Section 7. Agreement is Voluntary. The Parties acknowledge that they have entered into this Agreement voluntarily, on the basis of their own judgment and without coercion, and not in reliance on any promises, representations, or statements made by the other Party other than those contained in this Agreement. This Agreement incorporates the entire understanding of the Parties and recites the sole consideration of the promises and agreements contained within it. The Parties have read this Agreement and are fully aware of its contents and legal effect.

Section 8. Time of Essence. Time is of the essence for this Agreement, and each section contained within this Agreement is made and declared to be a material, necessary, and essential part of this Agreement.

Section 9. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

Section 10. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement, and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 11. Noninterference. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the tens of this Agreement.

Section 12. Ambiguities. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

Section 13. Headings. The headings in this Agreement are included for convenience only, and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

Section 14. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. The Parties will act in good faith to carry out the intent of this Agreement.

Section 15. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 16. Venue. Venue for all legal proceedings shall be in the Superior Court of the State of California in and for the County of Stanislaus.

Section 17. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may

be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 18. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 19. Counterparts. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties have executed this Agreement on the day, month and year first above written.

APPLICANT

Perfect Union Turlock, LLC, a California limited liability company

By:

_____

Thomas Sheridan

Its: I

_____

Date:

_____

CITY

City of Turlock, a California municipal corporation

By:

_____

Gary Hampton, City Manager

Date:

_____

APPROVED AS TO FORM:

By:

_____

Katie O. Lucchesi, City Attorney

Exhibit F
Notice of Termination

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

City of Turlock
156 S Broadway
Turlock, CA 95380
Attention: City Clerk

SPACE ABOVE THIS LINE FOR
RECORDER'S USE
Recording Fee Exempt per Government Code S 6103

NOTICE OF TERMINATION AND RELEASE OF DEVELOPMENT AGREEMENT

DATE:20 _____,

PARTIES: City of Turlock
156 S Broadway
Turlock, CA
95380

Thomas Sheridan
1025 Joellis Way, Suite 150
Sacramento, CA 95815

THIS NOTICE OF TERMINATION AND RELEASE (the "Release") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No. _____ which was recorded in the Official Records of Stanislaus County, California, on _____ 20__, City recorded a development agreement between City and _____ dated _____20__ (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Sections 1.7 and 9.1 of the Development Agreement, the term of the Development Agreement expires ____ ( ) years from from _____, 20__, on _____ , 20.

c. Pursuant to Section 9.1 of the Development Agreement, once terminated, the Development Agreement has no further force or effect, unless otherwise set forth in the Development Agreement.

NOW, THEREFORE, City hereby terminates, cancels, and otherwise releases Developer and Developer's heirs, executives, administrators, successors, and assigns from their obligations in the Development Agreement on this _____of _____, 20__ , and relinquishes any right it may hereafter have to enforce any of the terms and provisions set forth in the Development Agreement, unless otherwise set forth in the Development Agreement. This termination, cancellation, and release shall be effective upon the recordation of this Release in the office of the County Recorder for the County of Stanislaus, State of California.

CITY OF TURLOCK,

a California municipal corporation

By:_____

City Manager

Exhibit G

Assignment and Assumption Agreement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: City of Turlock 156 S Broadway Turlock, CA 95380 Attention: City Clerk	

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Recording Fee Exempt per Government Code S 6103

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this _____day of 20__by and between Perfect Union Turlock, LLC, a California limited liability company ("Assignor") and _____ ("Assignee").

RECITALS

On _____, 20__ , Assignor and the City of Turlock (the "City") entered into that certain agreement entitled "Development Agreement by and between the City of Turlock, a California municipal corporation and Perfect Union Turlock, LLC relating to the improvement, development, and use of real property to operate a cannabis business (the "Development Agreement"), originally recorded upon Stanislaus County Assessor's Parcel Number 088-007-025 (the "Property").

B. Section 10.1 of the Development Agreement prohibits the sale, assignment, or transfer by Assignor of any portion of Assignor's interests, rights, or titles described in that section of the Development Agreement ("Assignable Rights") to a third party without prior written approval by the City Manager of the City of Turlock (the "City Manager").

c. Assignor intends to assign, and Assignee intends to assume, the Assignable Rights under the Development Agreement.

D. In accordance with the terms of the Development Agreement, Assignor has provided to the City Manager a written request for consent to assignment. The City Manager has received the information he or she deems appropriate and consulted with the City Attorney for the purpose of determining that Assignee is a qualified applicant for purposes of the foregoing terms of the Development Agreement, This Agreement is intended to meet the requirements of Section 10.1 of the Development Agreement for an Assignment and Assumption Agreement and is executed with the consent of the City Manager as contemplated in the Development Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. The foregoing Recitals are true and incorporated herein by this reference as though set forth in full.

2. Assignor hereby assigns to Assignee all of the Assignable Rights of Assignor under the Development Agreement.

3. Assignee hereby assumes all of the burdens and obligations of Assignor under the Development Agreement and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement, and to be subject to all the terms and conditions thereof, with respect to the Property and Assignable Rights. It is the express intention of Assignor and Assignee that, upon the execution of this Agreement, Assignee shall become substituted for Assignor as the "Developer" under the Development Agreement.

4. This Agreement shall take effect and be binding only upon the City Manager's consent to and approval of the Agreement.

5. Assignee represents and warrants that it has reviewed and is familiar with the terms and conditions of the Development Agreement. Assignee acknowledges that the Assignable Rights are as set forth in Section 10.1 of the Development Agreement, and the duties of Assignor thereunder and the duties of Assignee hereunder, as between Assignee and City, shall be without reference to any underlying agreements or understandings that may exist between Assignee, Assignor, or any other party with respect to the subject matter hereof, and that City is not party to such other agreements.

6. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[Signatures on the Following Page]

ASSIGNOR

Perfect Union Turlock, LLC, a California limited liability company

By:

Its: CEO

Date:

ASSIGNEE

By:

Its:

Date:

CITY

City of Turlock, a California municipal corporation

By:

Gary Hampton, City Manager

Date:

APPROVED AS TO FORM.

By:

Katie O. Lucchesi, City Attorney

City Council Staff Report

May 26, 2026

From:	Adrienne Werner, Development Services Director
Prepared by:	Katie Quintero, Planning Manager
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Finding that Fire House Turlock, Inc. has complied in good faith with the terms and conditions of the Development Agreement between Fire House Turlock, Inc. and the City of Turlock for the operation of a cannabis retail dispensary at 1601 West Main Street, Stanislaus Assessor's Parcel Number 089-015-006.

Ordinance: Introduction and First Reading of an Ordinance amending terms and extending the Development Agreement between the City of Turlock and Fire House Turlock, Inc.

2. NARRATIVE:

BACKGROUND

Fire House Turlock, Inc. (Fire House) is located at 1601 W. Main Street. The property is zoned Community Commercial which allows cannabis dispensaries with a Conditional Use Permit and Development Agreement.

At their September 10, 2019, meeting, the City Council adopted the ordinance approving the Development Agreement (DA) and granted a Conditional Use Permit (CUP) on March 10, 2020, for Fire House to operate a cannabis dispensary. Fire House opened for business in August 2020.

The initial Development Agreement was set to expire in October 2024. As a result, under the City Manager's authority of the Development Agreement, the City and Fire House entered into an Amendment to the Development Agreement extending the Development Agreement through December 31, 2024.

On September 19, 2024, the Planning Commission recommended the City Council extend the Development Agreement to June 30, 2025. The City Council approved the extension of the Development Agreement at their October 8, 2024 meeting. In May of 2025, Council approved another extension to the Development Agreement through June 30, 2026. The intention of the shorter-term time extensions was to allow time for the cannabis operators and the City to discuss potential changes to the cannabis program.

ANNUAL REVIEW

Turlock Municipal Code §9-5-912 requires the Council to conduct an annual review to verify the business has complied in good faith with the terms and conditions of the Development Agreement.

Planning Department

Signage

Fire House has not applied for any exterior wall signs and no signs are installed on the exterior of the building. Any proposed exterior wall signs would have to comply with TMC §9-2-518(6)(ac)(iv) for commercial cannabis uses.

The existing 50' tall pole sign is considered a legal nonconforming sign. Staff continues to work with the

City Attorney's office to address the sign.

Fire House is in compliance with the Planning Division.

Building Department

Fire House opened for business on August 7, 2020. There are no active building code violations and Fire House is in compliance with the requirements of the Building and Safety Division.

Finance Department

Business License

Fire House was issued a business license on August 5, 2020. Their business license is current and active.

Public Benefit Amount

The Development Agreement requires a monthly public benefit payment to the City of Turlock. Section 4.2 of the Development Agreement details the public benefit amount that Fire House must submit to the City on a monthly basis.

The annual audits and compliance checks have been completed and Fire House is in compliance with the Finance Department. The public benefit amount that Fire House has paid is detailed in the table below:

Fiscal Year	Public Benefit Deposit
2020-21	$943,815.11
2021-22	$891,144.88
2022-23	$750,862.13
2023-24	$602,846.38
2024-25	$534,486.69
2025-26*	$360,000.00
Total through 4/29/26	**$4,083,155.19**
*Payment made through March 2026	

Police Department

Calls for Service

There were 10 calls for service (CFS) in 2023. Two calls were for medical emergencies which AMR and the Fire Department responded to, two security checks initiated by onsite security requesting an officer to check on two persons sleeping/loitering on the property, two suspicious person calls, and four disturbance calls. All CFS were closed by the officer and did not result in a report being filed or an arrest.

In 2024, there were seven calls for service (CFS). Two medical emergency calls and a grass fire were attended by the Fire Department and closed. Two disturbance/suspicious person calls, one security check of a toddler not buckled in, and one commercial alarm call. None of the calls resulted in a report being filed by the officer and no arrests were made.

There have been five calls for service from January 2025 through October 2025. Two of the calls started as traffic stops, with one resulting in the arrest of the individual for an outstanding warrant. One vehicle accident and one medical emergency were both cleared by the Fire Department, and a security check that was a false alarm.

There were eleven calls for service from October 2025 through April 2026. These calls consisted of the following: one false alarm, one security check, one suspicious vehicle, a warrant arrest, assist other

agency (checking security guard credentials), larceny (ATM card left in machine), disturbance (individual approached security aggressively), and a missing person (man reported the last place he saw his girlfriend was at The Fire House). The girlfriend was later found at home safe.

An emergency medical call was responded to and cleared by the Fire Department. There was a suspicious phone call, no answer on call back. A traffic stop turned into a weapons violation and resulted in the arrest of the driver.

Of these eleven calls for service, nine were closed by the responding officer without a report being filed or an arrest being made. The medical emergency call was closed by the Fire Department. One call resulted in an arrest.

It is important to remember, when responding to calls for service, the location is indexed by where the incident occurred or where the officer should respond to contact the victim. If the officer responds to the Fire House's parking lot or in proximity to Fire House the business name will be indexed in the report. It does not mean a crime occurred at Fire House . If no report was made, the responding officer did not find probable cause to show a crime occurred. In reviewing the calls for service, these are typical of what is anticipated for this use and do not create a concern at this time.

Annual Inspection

On April 23, 2026, the Police Department conducted their annual inspection. The following items were found at the inspection:

- The public lobby of the business did not have a monitor viewable to the public to show customers they were being video recorded.
- The dumpster area associated with the business was not locked.

The business has been mailed a letter noting these deficiencies and a second inspection will be conducted to ensure these items have been corrected. These items are minor in nature and can be corrected easily and, therefore, Fire House is in substantial compliance with the Police Department’s conditions.

PROPOSED AMENDMENTS

Various amendments are proposed to the Development Agreement. To capture all previous amendments to the Development Agreement into one document, the City has prepared a First Amended and Restated Development Agreement. This captures all four previous amendments and newly proposed into this one complete Agreement.

In response to concerns from many of the dispensary operators, the City is proposing to amend the language for the public benefit amount to remove the monthly minimum payment and move to a percentage only. The percentage is set as a range up to 9% of gross receipts but proposes to set the amount required to be paid at 5.25% through May 31, 2027, at which time Council may set a new Public Benefit amount within the range. This change will cause a reduction in the overall amount the City will receive in the public benefit amount, but it will provide more stability and will reduce the financial strain on the cannabis operators.

The term of the agreement is proposed to be extended for three years through June 30, 2029.

Other regulations proposed to be added to the agreement include requiring remote real-time live access to the video footage of cameras installed at the businesses, and requiring background checks prior to any changes in ownership or on any individual or entity every two years or at any other time upon reasonable cause. A section has been added detailing if anyone with direct or indirect ownership or controlling interest in the project is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may terminate the Development Agreement. If given such notice, the

Developer would have 180 days to complete a transfer of their interest to a transferee approved by the City.

Other proposed changes include various language cleanups and updates to current laws and regulations.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Adoption of the amended Development Agreement will result in a reduction in the revenue collected from the public benefit amount.

4. ENVIRONMENTAL DETERMINATION:

The project consists of the annual review to determine if Fire House has complied in good faith with the terms and conditions of the Conditional Use Permit and Development Agreement as well as a three-year time extension and miscellaneous amendments to the Development Agreement.

No changes or modifications in the site are anticipated as a result of this review; therefore, this action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the annual review, request for a time extension and various miscellaneous changes to the Development Agreement. This action will not result in direct or indirect physical changes in the environment.

5. ALTERNATIVES:

1. City Council could find Fire House has not complied in good faith with the terms of the Development Agreement for the annual review.
2. City Council could propose other changes to the terms of the Development Agreement.

6. ATTACHMENTS:

1. Resolution Annual Review Firehouse DA 2026
2. Draft Ordinance and DA Firehouse

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF THE CITY COUNCIL FINDING THAT FIREHOUSE HAS COMPLIED IN GOOD FAITH WITH THE TERMS AND CONDITIONS OF THE DEVELOPMENT AGREEMENT BETWEEN FIRE HOUSE TURLOCK, INC. AND THE CITY OF TURLOCK FOR THE OPERATION OF A CANNABIS RETAIL DISPENSARY AT 1601 W. MAIN STREET, TURLOCK, CA, COUNTY OF STANISLAUS, ASSESSOR'S PARCEL NUMBER 089-015-006	}	**RESOLUTION NO. 2026-**

WHEREAS, on September 10, 2019 the City adopted Ordinance No. 1260-CS approving a Development Agreement by and between the City and Fire House Turlock, Inc. (Fire House) to operate a cannabis retail dispensary as defined in Turlock Municipal Code Section 5.21 in strict accordance with applicable state and local law, at 1601 W. Main Street, Turlock, California, County of Stanislaus Assessor's Parcel Number 089-015-006 (the "Project"), consistent with the General Plan, as amended; and

WHEREAS, on May 7, 2026, the Planning Commission of the City of Turlock met in accordance with Turlock Municipal Code Section 9-5-912(c); and

WHEREAS, pursuant to Section 9-5-912(c), the City Council, upon recommendation of the Planning Commission, shall determine whether the property owner has complied in good faith with the terms and conditions of the agreement during the period under review;

WHEREAS, the City Council determined the recommended action does not constitute a project and will not create a physical impact on the environment or authorize any action that has the potential to impact the physical environment and would not make any changes in current policy or regulations; therefore, the proposed action is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3)(General Rule, No Environmental Impact) of the CEQA Guidelines.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby determine that Fire House has complied in good faith with the terms and conditions of the Development Agreement between Fire House and the City of Turlock for the operation of a cannabis retail dispensary at 1601 W. Main Street, Turlock, CA, County of Stanislaus, Assessor's Parcel Number 089-015-006.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

INTRODUCTION AND FIRST READING OF AN ORDINANCE AMENDING TERMS AND EXTENDING THE DEVELOPMENT AGREEMENT BETWEEN FIRE HOUSE TURLOCK, INC. AND THE CITY OF TURLOCK THROUGH JUNE 30, 2029 FOR THE OPERATION OF A CANNABIS DISPENSARY AT 1601 W. MAIN STREET, TURLOCK, CALIFORNIA, STANISLAUS COUNTY APN 089-015-006	}	**ORDINANCE NO. 13XX-CS**

WHEREAS, on June 11, 2019, the City Council of the City of Turlock (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations for cannabis businesses pursuant to AUMA and MAUCRSA, by amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program"); and

WHEREAS, on June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City; and

WHEREAS, on September 10, 2019 the City adopted Ordinance No. 1260-CS approving a Development Agreement by and between the City and Fire House Cooperative, Inc. (Fire House) to operate a storefront retail dispensary as defined in Turlock Municipal Code Section 5.21 in strict accordance with applicable state and local law, at 1601 W. Main Street, Turlock, California, County of Stanislaus Assessor's Parcel Number 089-015-006 (the "Project"), consistent with the General Plan, as amended; and

WHEREAS, the City and Fire House Cooperative entered into a Development Agreement dated August 3, 2020, which permitted Fire House to operate a cannabis dispensary at 1601 W. Main Street, Turlock, California, County of Stanislaus Assessor's Parcel Number 089-015-006; and

WHEREAS, the City and Fire House Cooperative, Inc. dba Fire House entered into that certain First Amendment to Development Agreement dated July 25, 2022 which amended the name of Developer to Fire House Turlock, Inc; and

WHEREAS, on August 30, 2024 the City and Fire House entered into that certain Second Amendment to extend the term of the Development Agreement dated September 15, 2020 through December 31, 2024; and

WHEREAS, on October 8, 2024 the City and Fire House entered into that certain Third Amendment to extend the term of the Development Agreement dated September 15, 2020 through June 30, 2025; and

WHEREAS, on May 27, 2025, the City and Fire House entered into that certain Fourth Amendment to extend the term of the Development Agreement through June 30, 2026; and

WHEREAS, pursuant to Section 1.9 of the Development Agreement a "Major Amendment" to the Development Agreement shall be approved by the City Council; and

WHEREAS, after the public hearing held on May 7, 2026, the Planning Commission recommended the City Council make the proposed amendments to the Development Agreement and extend the term of the Development Agreement through June 30, 2029; and

WHEREAS, the City Council, based on its independent review and analysis of the Planning Commission's recommendation, oral and written testimony, and the record as a whole, finds, after due study, deliberation, and holding a public hearing, and based on its independent judgement, find that the following circumstances exist:

1. The Project is consistent with the goals, policies, and standards of the City's General Plan and all other applicable standards and ordinances of the City.
2. In accordance with the Development Agreement Statute, the City Council finds that the amendment to the Development Agreement:
    a. Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole; and
    b. Will not adversely affect the orderly development of property or the preservation of property values; and
    c. Is consistent with the relevant provisions of Government Code Sections 65864 through 65869.5; and
    d. Contains a legal description of the property.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Turlock does hereby determine:

Section 1. The recitals stated above are true and correct, and hereby incorporated herein.

Section 2. This request is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the request for a time extension for the Development Agreement (DA) between the City of Turlock and Fire House. This action will not result in direct or indirect physical changes in the environment.

Section 3. The City Council of the City of Turlock amends the Development Agreement and extends the terms of the Development Agreement between the City of Turlock and Fire House through June 30, 2029.

Section 4. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and

each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more sections(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

Section 5. Upon passage of this Ordinance, the City Manager is authorized to execute the amendment to the Amended and Restated Development Agreement as shown in Exhibit A on behalf of the City. Within ten (10) days of the execution, but no earlier than 30 days after passage of this Ordinance, the City Clerk shall cause the amendment to the Development Agreement to be recorded in the Office of the County Recorder as provided for by Government Code section 65868.5. The amendment to the Development Agreement shall not take effect for thirty (30) days following passage and adoption of this Ordinance.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

SIGNED:

_____
Amy Bublak, Mayor

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

APPROVED AS TO FORM:

_____
Katie Lucchesi, City Attorney

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City of Turlock
156 S Broadway
Turlock, CA 95380
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §6103

FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TURLOCK AND FIRE HOUSE TURLOCK, INC., A CALIFORNIA CORPORATION

THIS FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this _____ (____) day of _____, 2026 (the "Effective Date"), by and between the **CITY OF TURLOCK**, a California municipal corporation ("City"), and **Fire House Turlock, Inc., a California Corporation** ("Developer"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

A. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing and distribution of medical marijuana to qualified patients and their primary caregivers.

B. On November 8, 2016, California voters enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act ("AUMA"), which establishes a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products, for use by adults 21 years and older and to tax the growth and retail sale of cannabis for nonmedical use.

C. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which creates a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in Commercial Cannabis Activity, as defined in Section 1.4 of this Agreement, may operate in a particular jurisdiction.

D. On June 11, 2019, the Turlock City Council (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations as defined under Turlock Municipal Code section 5.21 pursuant to AUMA and MAUCRSA; and

E. On June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City.

F. Developer proposed to improve, develop and use real property to operate a Cannabis Business Project, as defined below, in strict accordance with California Cannabis Laws, as defined in Section 1.4 of this Agreement and the T.M.C., as each may be amended from time to time.

G. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 et seq. (the "Development Agreement Statute"), which authorizes City and an individual or business entity with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.

H. On June 11, 2019, following the adoption of the Pilot Program, the City issued and circulated a request for qualifications ("RFQ"). The purpose of the RFQ was to form the basis for a selection process of qualified cannabis operators for participation in the Pilot Program. Fire House Cooperative, Inc. completed the RFQ requirements; and

I. Developer submitted an application to the City Planning Commission Department for consideration of a development agreement for a commercial cannabis business.

J. Developer leased property located at 1601 West Main Street, Turlock, California, County of Stanislaus Assessor's Parcel Number 089-015-006 of which Developer improved approximately 4,517 (four thousand five hundred seventeen) square feet of space (the "Site") to operate the Cannabis Business Project, more particularly described in the legal description attached hereto as **Exhibit A** ("Legal Description") and the Cannabis Business Project Site Map attached hereto as **Exhibit B**.

K. Developer leased the Site for the purpose of carrying out the Cannabis Business Project. A copy of the deed to the Site is attached hereto as **Exhibit C**, within satisfaction of the requirement of T.M.C. Chapter 5.21.

L. On August 22, 2019, the Turlock Planning Commission ("Planning Commission"), in a duly noticed and conducted public hearing, considered Developer's application

for this Agreement. At that public hearing, the Planning Commission recommended the City Council adopt Ordinance No. 2019-18, which would allow Developer to operate the Cannabis Business Project at the Site.

M. On August 27, 2019, pursuant to Government Code section 65867.5 and following a duly noticed public hearing, the City Council adopted Ordinance No. 1260-CS approving a Development Agreement for the Property and Cannabis Business Project; thereafter, on August 3, 2020, the City and Fire House Cooperative, Inc., dba Firehouse, entered into that certain Development Agreement (the "Development Agreement"), which authorizes the operation of a cannabis dispensary in the City of Turlock. The City and Fire House Cooperative, Inc. dba Firehouse entered into that certain First Amendment to Development Agreement dated July 25, 2022 which amended the name of Developer to Fire House Turlock, Inc. ("First Amendment").

N. The City and Fire House Turlock, Inc. entered into that certain Second Amendment to Development Agreement dated August 30, 2024 ("Second Amendment").

O. The City and Fire House Turlock, Inc. entered into that certain Third Amendment to Development Agreement dated on or about October 8, 2024 ("Third Amendment")

P. The City and Fire House Turlock, Inc. entered into that certain Fourth Amendment to Development Agreement dated on or about May 27, 2025 ("Fourth Amendment").

Q. This Agreement is entered into pursuant to the Development Agreement Statute.

R. The City Council has determined that this Agreement is consistent with the City's General Plan and has conducted all necessary proceedings in accordance with the T.M.C. for the approval of this Agreement.

S. Under Section 5-21-103 of the Turlock Municipal Code, any cannabis dispensary business allowed in the City shall obtain a development agreement, a City business license, and a conditional use permit.

T. The Parties wish to enter into this First Amended and Restated Development Agreement to replace previous agreements between the Parties and to fulfill the requirement that a cannabis business requires a development agreement pursuant to TMC Section 5-21-103.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT

ARTICLE 1
GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety and general welfare and is consistent with the City's General Plan, including all text and maps in the General Plan.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 10 of this Agreement, the provisions of Articles 1 through 10 shall prevail.

Section 1.3. Exhibits. The following "Exhibits" are attached hereto and incorporated into this Agreement:

Designation	**Description**
Exhibit A	Cannabis Site Legal Description
Exhibit B	Cannabis Business Project Site Map
Exhibit C	Lease
Exhibit D	Notice of Non-Performance Penalty
Exhibit E	Indemnification Agreement
Exhibit F	Notice of Termination
Exhibit G	Assignment and Assumption Agreement

Section 1.4. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meaning:

(a) "Additional Insureds" has the meaning set forth in Section 6.1.

(b) "Additional Licenses" has the meaning set forth in Section 2.4.

(c) "Adult-use cannabis" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended for use by adults 21 years of age and older in California pursuant to the California Cannabis Laws.

(d) "Agreement" means this Development Agreement, inclusive of all Exhibits attached hereto.

(e) "Application" has the meaning set forth in Recital G.

(f) "Assignment and Assumption Agreement" has the meaning set forth in Section 10.1.

(g) "AUMA" means the Adult Use of Marijuana Act (Proposition 64) approved by California voters on November 8, 2016.

(h) "Authorized License" has the meaning set forth in Section 2.3.

(i) "Department" means the Department of Cannabis Control or any successor state agency.

(j) "California Building Standards Codes" means the California Building Code, as amended from time to time, in Part 2, Volumes 1 and 2, as part of Title 24 of the California Code of Regulations, as may be adopted by the T.M.C.

(k) "California Cannabis Laws" includes AUMA, MAUCRSA, CUA (as defined below), the Medical Marijuana Program Act of 2004 codified as Health and Safety Code sections 11362.7 through 11.62.83 and any other applicable laws that may be enacted or approved.

(l) "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis and the term "marijuana" may be used interchangeably.

(m) "Cannabis Business Pilot Program" means the cannabis business program established and authorized by T.M.C. Chapter 5.21.

(n) "Cannabis Business Project" means the cannabis retail business operated by Developer on the Site pursuant to the Authorized License.

(o) "Cannabis Manufacturing Business" means a business engaged in commercial cannabis activity pursuant to a state approved Type 6 or 7 license, Type A and M licenses designated as a Cannabis business.

(p) "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(q) "CEQA" means the California Environmental Quality Act, as set forth in Division 13 (Commencing with Section 21000) of the California Public Resources Code,

and the CEQA Guidelines, as set forth in Title 14 (Commencing with Section 15000) of the California Code of Regulations.

(r) "City" means the City of Turlock, a California municipal corporation having general police powers.

(s) "City Council" means the City of Turlock City Council, as defined in T.M.C. Section 2.1.

(t) "City Manager" means the City Manager of the City of Turlock or his or her designee, as described in T.M.C. Section 2.4.

(u) "Charged Party" has the meaning set forth in Section 8.1.

(v) "Charging Party" has the meaning set forth in Section 8.1

(w) "Commercial Cannabis Activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis or a cannabis product that requires a state license pursuant to MAUCRSA.

(x) "Planning Commission" means the City of Turlock Planning Commission, as established by T.M.C. Section 9.5.

(y) "Conditional Use Permit" means a conditional use permit issued by City pursuant to T.M.C. Section 9.3.

(z) "CUA" means the Compassionate Use Act (Proposition 215) approved by California voters on November 5, 1996.

(aa) "Developer" means Fire House Turlock, Inc. Developer also has the meaning set forth in Section 6.1.

(bb) "Development Agreement Statute" has the meaning set forth in Recital E.

(cc) "Exhibits" has the meaning set forth in Section 1.3.

(dd) "Gross Receipts from Operations" means total revenue actually received or receivable from operation of the Cannabis Business Project, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares, or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs,

interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;

2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";

3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

4. Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit; and

5. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded.

The intent of this definition is to ensure that in calculating the payment required under Section 4.2, all sales of cannabis products through the Cannabis Business Project are captured. This definition shall therefore be given the broadest possible interpretation consistent with this intent.

(ee) "Indemnification Agreement" has the meaning set forth in Section 6.3.

(ff) "Major Amendment" means an amendment that shall have a material effect on the terms of this Agreement. A Major Amendment also has the meaning set forth in Section 2.4. Major Amendments shall require approval by the City Council.

(gg) "Marijuana" has the same meaning as cannabis and those terms may be used interchangeably.

(hh) "MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code section 26000 et seq., as may be amended from time to time.

(ii) "MCRSA" has the meaning set forth in Recital A.

(jj) "Ministerial Fee" or "Ministerial Fees" has the meanings set forth in Section 4.1.

(kk) "Minor Amendment" means a clerical amendment to this Agreement that shall not materially affect the terms of this Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 1.7.

(ll) "Mortgage" has the meaning set forth in Article 7.

(mm) "Non-Performance Penalty" has the meaning set forth in Section 4.5.

(nn) "Notice of Non-Performance Penalty" has the meaning set forth in Section 4.5.

(oo) "Notice of Termination" has the meaning set forth in Section 9.1.

(pp) "Processing Costs" has the meaning set forth in Section 1.11.

(qq) "Project Litigation" has the meaning set forth in Section 10.7.

(rr) "Public Benefit" has the meaning set forth in Section 4.2.

(ss) "Public Benefit Amount" has the meaning set forth in Section 4.2.

(tt) "State Licensing Authority" means the state agency responsible for the issuance, renewal or reinstatement of a state cannabis license or the state agency authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

(uu) "State Cannabis Regulations" means the regulations promulgated by the State Licensing Authority pursuant to the California Cannabis Laws (4 CCR 15000 *et seq*., or their respective successors).

(vv) "State Taxing Authority" has the meaning set forth in Section 4.2.

(ww) "Subsequent City Approvals" has the meaning set forth in Section 3.1.

(xx) "Term" has the meaning set forth in Section 1.7.

(yy) "T.M.C." means the Turlock Municipal Code.

(zz) "Type 1A license" or "Specialty Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting of between 501 and 5,000 square feet of total canopy size on one premises.

(aaa) "Type 2A license" or "Small Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

(bbb) "Type 3A license" or "Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

(ccc) "Type 4 license" or "Nursery" means a state license issued by the

Department of Cannabis Control pursuant to the California Cannabis Laws for cultivation.

(ddd) "Type 6 license" or "Manufacturer 1" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using nonvolatile solvents.

(eee) "Type 7 license" or "Manufacturer 2" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using volatile solvents.

(fff) "Type 10 license" or "Retailer" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws authorizing the retail sale of cannabis and cannabis products. Retail sale includes sales at a storefront and by delivery, pursuant to all state and local laws and regulations.

(ggg) "Type 11 license" or "Distributor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for the distribution of cannabis and cannabis products from manufacturer to dispensary.

(hhh) "Type 12 license" or "Microbusiness" means a state license issued by a State Licensing Authority pursuant to the California Cannabis Laws relating to cannabis manufacturing, retail and distribution.

(iii) "Type 13 license" or "Distribution Transport-Only" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for distribution cannabis and cannabis products.

Conforming Interpretation of State Cannabis License References. Any reference in this Agreement to a State cannabis license, State Cannabis Regulations, licensing authority, or specific state cannabis license type or designation shall be deemed to include any successor license, permit, approval, agency, or regulation that replaces, renames, consolidates, or reclassifies such license or regulatory framework under California law, including those administered by the California Department of Cannabis Control or any successor agency.

No change in the name, number, classification, or structure of any State cannabis business license shall be construed to expand, limit, or otherwise modify the cannabis activities authorized under this Agreement, except as required by applicable state law or as expressly approved in writing by the City.

The scope of permitted commercial cannabis activities shall be determined solely by this Agreement and applicable City approvals, and not by the type, title, or designation of any state license held by Developer, unless expressly mandated by state law.

Section 1.5. Project is a Private Undertaking. The Parties agree that the Cannabis Business Project is a private development and that City has no interest therein, except as

authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Developer or of the Cannabis Business Project.

Section 1.6. Effective Date of Agreement. This Agreement shall become effective upon the date that the ordinance approving this Agreement becomes effective (the "Effective Date").

(a) **Section 1.7. Term**. The term of this Agreement ("Term") shall be through June 30, 2029, unless earlier terminated in accordance with the provisions of this Agreement. Government Tolling or Termination. City may provide written notice to Developer to cease all Commercial Cannabis Activity, upon which Developer shall immediately comply if City is required, directed or believes, in its sole and absolute discretion, it must temporarily halt or terminate Commercial Cannabis Activity within the City to comply with federal or state law. If City temporarily halts this Agreement to comply with federal or state law, this Agreement shall be tolled for no longer than one (1) calendar year (the "Tolling Period"). Developer shall not accrue or be liable to City for any Ministerial Fees or Public Benefit Amount during the Tolling Period. Developer shall resume paying any applicable fees after the Tolling Period ends. City and Developer shall discuss in good faith the termination of this Agreement if the Tolling period exceeds one (1) calendar year to comply with federal or state law.

(b) Developer Tolling or Termination. Developer may not temporarily halt or terminate this Agreement for any purpose without causing a default of this Agreement, except as otherwise allowed by this Agreement or by mutual agreement of the Parties.

Section 1.8. Priority of Enactment. In the event of a conflict between the various land use documents referenced in this Agreement, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (a) General Plan, (b) Specific Plan, (c) Agreement, (d) Conditional Use Permit, (e) Indemnification Agreement, and (f) Subsequent City Approvals.

Section 1.9. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification of the City Council. A Major Amendment to this Agreement shall be approved by the City Council. The City Manager shall, on behalf of City, have sole discretion for City to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.10. Recordation of Development Agreement. The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Site within ten (10) business days of the Effective Date.

Section 1.11. Funding Agreement for Processing Costs. If Developer proposes an amendment to this Agreement, Developer shall pay for all actual fees and expenses incurred by City that are related to the preparation and processing of amendments to this Agreement, including recording fees, publishing fees, staff time, and consultant and attorneys' fees and costs (collectively, "Processing Costs"). Developer shall deposit monies for such processing as estimated by the Development Services Department. The Processing Costs are refundable solely to the extent of non-expended Processing Costs.

(a) Accounting. Developer may request, and City shall issue within a reasonable time not to exceed thirty (30) days, an accounting and written acknowledgement of Processing Costs paid to City.

ARTICLE 2
DEVELOPMENT OF PROPERTY

Section 2.1. Vested Right of Developer. During the Term, in developing the Site consistent with the Cannabis Business Project described herein, Developer is assured that the development rights, obligation terms, and conditions specified in this Agreement, including, without limitation, the terms, conditions, and limitations set forth in the Exhibits, are fully vested in Developer and may not be modified or terminated by City except as set forth in this Agreement or with Developer's written consent.

Section 2.2. Vested Right to Develop. In accordance with Section 2.1, Developer shall have the vested right to develop and use the Cannabis Business Project consistent with this Agreement, the Conditional Use Permit, and Subsequent City Approvals.

Section 2.3. Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Site for Commercial Cannabis Activity consistent with the following license type (the "Authorized License"):

Type 10	Storefront Dispensary

Pursuant to this Agreement, Developer shall be permitted to use the Site consistent with the Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Developer shall begin operations of the Cannabis Business Project under the Authorized License within six (6) months of the issuance of a Conditional Use Permit or adoption of the operative ordinance approving this Agreement, whichever is later, unless Developer is prevented from doing so due to any event or circumstance set forth in Section 8.6 of this Agreement. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Authorized License to Developer, Developer shall immediately cease Commercial Cannabis Activity and any other operations on the respective site. Developer shall also, within thirty (30) days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of the Authorized License. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Conditional Use Permit to serve as the definitive and controlling

documents for all subsequent actions, discretionary or ministerial, relating to development of the Site and the Cannabis Business Project.

Section 2.4. Major Amendment to Permitted Uses. Developer may request to add to the Authorized License additional license types once that license is applied for or obtained from the appropriate State Licensing Authority (the "Additional Licenses"). Such request shall be a Major Amendment to this Agreement.

Section 2.5. Conditional Use Permit. Developer shall obtain a Conditional Use Permit for the Commercial Cannabis Activity and Authorized License contemplated herein for the Project and at the Site. No Commercial Cannabis Activity may occur at the Site until Developer has obtained a Conditional Use Permit to use and operate the Authorized License at the Site. This Conditional Use Permit must be maintained in good standing throughout the Term. This Agreement shall immediately terminate if the Conditional Use Permit for the Authorized License is revoked by City for any reason.

Section 2.6. Subsequent Entitlements, Approvals, and Permits. Successful implementation of the Cannabis Business Project shall require Developer to obtain additional approvals and permits from City and other local and state agencies. City shall comply with CEQA in the administration of all Subsequent City Approvals. In acting upon any Subsequent City Approvals, City's exercise of discretion and permit authority shall conform to this Agreement. Notwithstanding the foregoing, in the course of taking action on the Subsequent City Approvals, City will exercise discretion in adopting mitigation measures as part of the Conditional Use Permit. The exercise of this discretion is not prohibited or limited in any way by this Agreement. Nothing in this Agreement shall preclude the evaluation of impacts or consideration of mitigation measures or alternatives, as required by CEQA.

(a) Contemplated City Rules and Guidelines. City anticipates issuing additional rules, administrative guidelines, and amendments to the T.M.C. associated with operation of the Cannabis Business Program. City may establish requirements that are identical to or place a higher standard of care as existing provisions of the California Cannabis Laws, State Cannabis Regulations, or any amendments thereto. City reserves the right to adopt additional categories of rules or guidelines that are not listed in this Section as part of the Cannabis Business Program. Developer shall comply with any and all additional rules, administrative guidelines, and amendments to the T.M.C. adopted by City that govern or pertain to the Cannabis Business Project. Nothing in this Agreement shall be construed as limiting the City to amend the T.M.C or issue rules or guidelines following the Effective Date of this Agreement that Developer will be required to adhere to.

Section 2.7. Initiatives and Referenda. If any City ordinance, rule or regulation, or addition to the T.M.C. is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement, an associated Conditional Use Permit, Subsequent City Approvals, or reduce the development rights or assurances provided to Developer in this Agreement, such T.M.C. changes shall not be applied to the Site or the Cannabis Business Project; provided, however, the Parties

acknowledge that City's approval of this Agreement is a legislative action subject to referendum. City shall cooperate with Developer and shall undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms to the fullest extent permitted by state or federal law.

Section 2.8. Regulation by Other Government Entities. Developer acknowledges that City does not have authority or jurisdiction over any other government entities' ability to grant governmental approvals or permits or to impose a moratorium or other limitations that may negatively affect the Cannabis Business Project or the ability of City to issue a permit to Developer or comply with the terms of this Agreement. Any moratorium imposed by another government entity, including the State Licensing Authority, on City shall not cause City to be in breach of this Agreement.

Section 2.9. Developer's Right to Rebuild. Developer may renovate portions of the Site any time within the Term of this Agreement consistent with the T.M.C. Any such renovation or rebuild shall be subject to all design, building code, and other requirements imposed on the Cannabis Business Project by this Agreement.

Section 2.10. Changes in California Building Standards Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Cannabis Business Project shall be subject to changes occurring from time to time to the California Building Standards Codes.

Section 2.11. Changes Mandated by Federal or State Law. The Site and the Cannabis Business Project shall be subject to subsequently enacted state or federal laws or regulations that may preempt the T.M.C., or mandate the adoption or amendment of local regulations or are in conflict with this Agreement or local rules or guidelines associated with the Cannabis Business Program. As provided in Section 65869.5 of the Development Agreement Statute, in the event state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Upon discovery of a subsequently enacted federal or state law meeting the requirements of this Section, City or Developer shall provide the other Party with written notice of the state or federal law or regulation, and a written statement of the conflicts thereby raised with the provisions of the T.M.C. or this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation provided City shall not be obligated to agree to any modification materially increasing its obligations or materially adversely affecting its rights and benefits hereunder. In such discussions, City and Developer will attempt to preserve the terms of this Agreement and the rights of Developer derived from this Agreement to the maximum feasible extent while resolving the conflict. If City, in its judgment, determines it necessary to modify this Agreement to address such conflict, City shall have the right and responsibility to do so, and shall not have any liability to Developer for doing so or be considered in breach or default of this Agreement. City also agrees to process, in accordance with the provisions of this Agreement, Developer's proposed changes to

the Cannabis Business Project that are necessary to comply with such federal or state law and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without further need for any amendment to this Agreement.

Section 2.12. Health and Safety Emergencies. In the event that any future public health and safety emergencies arise with respect to the Cannabis Business Project contemplated by this Agreement, City agrees that it shall attempt, if reasonably possible as determined by City in its discretion, to address such emergency in a way that does not have a material adverse impact on the Cannabis Business Project. If City determines, in its discretion, that it is not reasonably possible to so address such health and safety emergency in a way that does not have a material adverse impact on the Cannabis Business Project, City may select an option which, in its discretion, minimizes, so far as reasonably possible, the impact on development and use of the Cannabis Business Project in accordance with this Agreement, while still addressing such health and safety emergency in a manner acceptable to City.

Section 2.13. Other Regulations. The following provisions establish operational requirements applicable to this Agreement in furtherance of public safety and to ensure compliance with applicable regulations governing the Project and Developer's obligations hereunder.

(a) In addition to other requirements, remote and real-time, live access to the video footage of cameras installed by the cannabis business shall be provided to the Chief of Police or his/her designee(s) using such software as designated by the Chief of Police. Developer shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police or his/her designee(s), and that it is compatible with the City's software and hardware. Such access shall be required within 120 days of approval.

(b) Prior to changes in ownership, ownership structure, and management, or any sale or other transfer of the cannabis business, the relevant persons or entities shall be subject to additional background checks as required by the Turlock Police Department, and passage by the applicant as of such background checks. The City may repeat background checks on any individual or entity every two (2) years, and at any other time upon reasonable cause.

ARTICLE 3
ENTITLEMENT AND PERMIT PROCESSING, INSPECTIONS

Section 3.1. Subsequent City Approvals. City shall permit the development, construction, and conditionally permitted use contemplated in this Agreement. City agrees to timely grant, pursuant to the terms of this Agreement, the T.M.C., and any Subsequent City Approvals reasonably necessary to complete the goals, objectives, policies, standards, and plans described in this Agreement. The Subsequent City Approvals shall include any applications, permits, and approvals required to complete the improvements necessary to develop the Site, in general accordance with this Agreement ("Subsequent City Approvals"). Nothing herein shall require City to provide Developer with Subsequent

City Approvals prior to, or without complying with, all of the requirements in this Agreement, the T.M.C., and any applicable state law.

Section 3.2. Timely Processing. City shall use its reasonable best efforts to process and approve, within a reasonable time, any Subsequent City Approvals or environmental review requested by Developer during the Term of this Agreement.

Section 3.3. Cooperation Between City and Developer. Consistent with the terms set forth herein, City agrees to cooperate with Developer, on a timely basis, in securing all permits or licenses that may be required by City or any other government entity with permitting or licensing jurisdiction over the Cannabis Business Project.

Section 3.4. Further Consistent Discretionary Actions. The exercise of City's authority and independent judgment is recognized under this Agreement and nothing in this Agreement shall be interpreted as limiting City's discretion or obligation to hold legally required public hearings. Except as otherwise set forth herein, such discretion and action taken by City shall, however, be consistent with the terms of this Agreement and not prevent, hinder, or compromise development or use of the Site as contemplated by the Parties in this Agreement.

ARTICLE 4
PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 4.1. Processing Fees and Charges. Developer shall pay to City those processing, inspection, plan checking and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any post-Effective Date increases in such fees and charges) for processing applications and requests for building permits, inspections, other permits, approvals and actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions (each a "Ministerial Fee" and collectively, the "Ministerial Fees").

Section 4.2. Public Benefit.

(a) The Parties acknowledge and agree that this Agreement, and the Cannabis Business Project, confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Parties intend to provide consideration to City to offset these impacts that commensurate with the private benefits conferred on Developer (the "Public Benefit"). In consideration of the foregoing, Developer shall remit to City an amount determined and set by the City Council up to a maximum of nine percent (9%) of gross receipts from operations. (the "Cannabis Business Public Benefit" or "Public Benefit Amount"). Notwithstanding the foregoing, the City Council determines and sets the Public Benefit Amount at five and one-quarter percent (5.25%) of gross receipts from operations through May 31, 2027. The City Council may take any actions required to change the Public Benefit Amount that will be in effect from June 1, 2027 and thereafter. Such actions may include, without limitation, setting a new Public Benefit Amount by adopted resolution of the Council. Any such Public Benefit Amount shall be due on the 5th day of each month before 5:00 p.m..

(b) The above public benefit amounts include a one-quarter percent (.25%) dollar amount dedicated to supporting the City of Turlock juvenile drug and alcohol treatment and rehabilitation programs.

(c) Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of the Cannabis Business Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City.

Section 4.3. Reporting. Developer shall provide City with copies of any reports provided to a State Licensing Authority within forty-five (45) days of that submission.

Any failure or refusal of Developer to provide any statement or report to City, the State Taxing Authority, or any other State Licensing Authority, as required within the time required, or to pay such sums due hereunder when the same are due and payable in accordance with the provisions of this Agreement, may constitute full and sufficient grounds for the revocation or suspension of the Conditional Use Permit.

Section 4.4. Records. Developer shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code and the applicable State Cannabis Regulations. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Site or at an alternate facility as approved in writing by the City Manager, or his or her designee.

Section 4.5. Penalty. Developer acknowledges that to ensure proper compliance with the terms of this Agreement and any applicable laws, City must engage in costly compliance review, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Developer fails to make any payment when due, as required by this Agreement, including the Public Benefit Amount, City may impose a "Non-Performance Penalty." A Non-Performance Penalty of ten percent (10%) shall be applied to all past due payments. City shall deliver to Developer a "Notice of Non-Performance Penalty," attached hereto as **Exhibit D**. Payment of the Non-Performance Penalty shall be in a single installment due on or before a date fifteen (15) days following delivery of the Notice of Non-Performance Penalty.

Section 4.6. Interest on Unpaid Non-Performance Penalty. If Developer fails to pay the Non-Performance Penalty after City has delivered the Notice of Non-Performance Penalty, then, in addition to the principal amount of the Non-performance Penalty, Developer shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the principal amount of the Non-Performance Penalty, from a date fifteen (15) days following delivery of the Notice of Non-performance Penalty.

Section 4.7. Protections from Duplicative Payments. Notwithstanding Section 4.2, Developer shall be exempt from paying the Public Benefit Amount if the City imposes a tax specific to commercial cannabis businesses and instead shall pay such specific tax. Notwithstanding the foregoing, Developer and the Cannabis Business Project shall be subject to any and all taxes, assessments, or similar charges or fees of general applicability enacted by the federal government, state government, County of Stanislaus, including any tax applicable to an area greater than the City limits to which City may be a party (i.e., county tax sharing agreement with City).

ARTICLE 5
PUBLIC FACILITIES, SERVICES, AND UTILITIES

City shall use the Public Benefit Amount in any way the City Council deems appropriate to offset the impact of the Project or to benefit the City.

ARTICLE 6
INSURANCE AND INDEMNITY

Section 6.1. Insurance. Developer shall require all persons doing construction or related work on the Cannabis Business Project and, including its contractors and subcontractors (collectively, "Developer" for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) General Liability Insurance. Developer shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars ($2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars ($2,000,000) each occurrence. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as "Additional Insureds" by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insured.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(b) Automotive Liability Insurance. Developer shall maintain business automobile liability insurance or equivalent form with a limit of not less than One Million Dollars ($1,000,000) for each accident. Such insurance shall include coverage for owned, hired and non-owned automobiles. Such insurance shall also:

(i) City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as Additional Insureds by endorsement

with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(c) Workers' Compensation Insurance. Developer shall take out and maintain during the Term of this Agreement, workers' compensation insurance for all of Developer's employees employed at or on the Cannabis Business Project and, should any of the work be subcontracted, Developer shall require any general contractor or subcontractor similarly to provide workers' compensation insurance for such contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Developer. In case any class of employee engaged in work on the Cannabis Business Project and is not protected under any workers' compensation law, Developer shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer hereby indemnifies City for any damage resulting from failure of Developer, its agents, employees, contractors or subcontractors to take out or maintain such insurance. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars ($1,000,000) for each accident shall be maintained by Developer.

Section 6.2. Other Insurance Requirements. Developer shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire or materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) days of said request, certified copies of endorsements and policies and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies, and endorsements for any insurance required herein expiring prior to the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the Term or the mutual written termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 6.3. Indemnity. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless City, and its agents, elected and appointed officials,

officers, employees, consultants, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul an approval concerning the Cannabis Business Project and this Agreement, any applicable Conditional Use Permit or Subsequent City Approvals. Developer shall execute the indemnification agreement ("Indemnification Agreement") attached hereto as **Exhibit E**.

Section 6.4. Failure to Indemnify; Waiver. Failure by Developer to indemnify City, when required by this Agreement and the Indemnification Agreement, shall constitute a material breach of this Agreement and of any applicable Conditional Use Permit and Subsequent City Approvals, which shall entitle City to all remedies available under law, including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of any applicable Conditional Use Permit. Developer's failure to indemnify City shall be a waiver by Developer of any right to proceed with the Cannabis Business Project or any portion thereof, and a waiver of Developer's right to file a claim, action, or proceeding against City, or City's Agents, based on City's rescission or revocation of any Conditional Use Permit, Subsequent City Approvals, or City's failure to defend any claim, action, or proceeding based on Developer's failure to indemnify City.

Section 6.5. Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer and, therefore, Developer hereby waives all claims for damages against City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that, under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against City in the event that this Agreement or any Project approval is: (1) not approved by the City Council; or (2) is approved by the City Council but with new changes, amendments, conditions, or deletions to which Developer is opposed. Developer further acknowledges that, as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that, under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against City in this regard.

ARTICLE 7
MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Site or any portion thereof following recording of this Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and immediately terminate upon the foreclosure or transfer of any interest in the Site or Project, whether by operation of law or any other method of interest change or

transfer, unless the City Manager has authorized such change or transfer in advance, in writing. City agrees to not unreasonably withhold its authorization.

ARTICLE 8
DEFAULT

Section 8.1. General Provisions.

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with the terms and provisions of this Agreement shall constitute a default. Any Party alleging a default or breach of this Agreement ("Charging Party") shall give the other Party ("Charged Party") not less than ten (10) days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice or if the breach cannot reasonably be cured within ten (10) days, the Charging Party may, at its option, institute legal proceedings pursuant to this Agreement, and give notice of its intent to terminate this Agreement pursuant to Government Code section 65868. In the event City is the Charging Party, City may, in its sole discretion, give notice, as required by law, to the Charged Party of its intent to revoke or rescind any operable Conditional Use Permit related to or concerning the Cannabis Business Project.

(c) Prior to the Charging Party giving notice to the Charged Party of its intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review by City in the manner set forth in Government Code sections 65865, 65867 and 65868 within thirty (30) days from the expiration of the ten (10) day notice period.

(d) Following consideration of the evidence presented and said review before City, and after providing the Charged Party an additional five (5) calendar day period to cure, the Charging Party may institute legal proceedings against the Charged Party or may give written notice of termination of this Agreement to the Charged Party.

(e) Evidence of default may arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code section 65865.1, as set forth in Section 8.2. If any Party determines that another Party is in default following the completion of the normally scheduled periodic review, without reference to the procedures specified in Section 8.1(c), said Party may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) days or within such longer period specified in the notice or the defaulting Party is not diligently pursuing a cure, or if the breach cannot reasonably be cured within the period or the

defaulting Party waives its right to cure such alleged default, this Agreement may be terminated by the non-defaulting Party by giving written notice. An extension of the ten (10) day cure period may be given by mutual consent of the Parties.

(f) In the event Developer is in default under the terms and conditions of this Agreement, no permit application shall be accepted by City, nor will any permit be issued to Developer until the default is cured or the Agreement is terminated.

Section 8.2. Annual Review. City shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith, substantial compliance of Developer and City with the terms of this Agreement. Such periodic review by City shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. City shall deposit in the mail or fax to Developer a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Cannabis Business Project's performance, at least seven (7) days prior to such periodic review. Developer shall be entitled to appeal a determination of City or the City Manager to the City Council. Any appeal must be filed within ten (10) days of the decision of City or the City Manager, respectively. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before City, the City Manager, or the City Council, as applicable. The reasonable cost for City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by City in connection with the review.

Section 8.3. Estoppel Certificates.

(a) City shall, with at least twenty (20) days prior written notice, execute, acknowledge, and deliver to Developer, Developer's lender, potential investors, or assignees, an Estoppel Certificate in writing which certifies that this Agreement is in full force and effect, that there are no breaches or defaults under the Agreement, and that the Agreement has not been modified or terminated and is enforceable in accordance with its terms and conditions.

(b) At Developer's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full force and effect, that there are no uncured breaches or defaults in Developer's performance of the Agreement or violation of any City ordinances, regulations, and policies regulating the use and development of the Site, the Cannabis Business Project, or the subject to this Agreement.

Section 8.4. Default by City. In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Developer shall not be obligated to proceed with or complete the Cannabis Business Project and shall constitute grounds for termination or cancellation of this Agreement by Developer.

Section 8.5. Cumulative Remedies of Parties. In addition to any other rights or remedies, City or Developer may institute legal or equitable proceedings to cure, correct,

or remedy any default, enforce any covenant, or enjoin any threatened or attempted violation of the provisions of this Agreement, so long as any such action conforms to Section 9.1(c) of this Agreement.

Section 8.6. Forced Delay, Extension of Times of Performance. Delays in performance, by either Party, shall not be deemed a default if such delays or defaults are due to war, terrorism, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

Section 8.7. Appeals. Developer may appeal any adverse decision or action of City pursuant to the T.M.C, as may be amended from time to time.

ARTICLE 9
TERMINATION

Section 9.1. Termination. This Agreement shall terminate upon the expiration of the Term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination in substantial conformance with the "Notice of Termination" attached hereto as **Exhibit F**, and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 9.2. Effect of Termination on Developer's Obligations. Termination of this Agreement shall eliminate any further obligation of Developer to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Developer to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.3. Effect of Termination on City's Obligations. Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.4. Survival After Termination. The rights and obligations of the Parties set forth in this Section 9.4, Section 2.8, Section 6.3, Section 10.3, Section 10.4, Section 10.5, Section 10.7, and Section 10.10, and any right or obligation of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

Section 9.5. Criminal Conviction; Termination; Transfer Rights. If Developer, or any owner, officer, director, manager, or person with a direct or indirect ownership or

controlling interest in Developer, is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may, in its sole and absolute discretion, terminate this Agreement upon written notice. A "conviction" includes a guilty or nolo contendere plea and is deemed final upon entry of judgment, regardless of appeal.

Following such notice, Developer shall have a one hundred and eighty (180) day period to complete a transfer of its interest in this Agreement and the Project to a transferee approved in advance and in writing by the City. Approval is in the City's sole and absolute discretion. Any proposed transferee shall undergo a background investigation and meet all applicable eligibility requirements, including approval by the Chief of Police or designee.

If an approved transfer is not completed within the one hundred and eighty (180) day period, this Agreement shall automatically terminate. Any unapproved transfer is void.

ARTICLE 10
OTHER GENERAL PROVISIONS

Section 10.1. Assignment and Assumption. Developer shall not have the right to sell, assign or transfer all or any part of its rights, title, and interests in all or a portion of the Site or Project, subject to or a part of this Agreement, to any person, firm, corporation or entity during the Term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to the corporate and business entities of Developer that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an assignment or transfer of any interest detailed in this Section 10.1, City and Developer shall execute an "Assignment and Assumption Agreement" in the form attached hereto as **Exhibit G**.

Section 10.2. Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Site or Project, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Cannabis Business Project and, as appropriate, runs with the Site and is binding upon Developer.

Section 10.3. Notices. Any notice or communication required hereunder between City and Developer must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight

delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent; or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Turlock
156 S. Broadway
Turlock, CA 95380
Attention: City Manager

and Katie O. Lucchesi, City Attorney
156 S. Broadway
Turlock, CA 95380

If to Developer: Fire House Turlock, Inc.
1234 McHenry Ave. Suite C
Modesto, CA 95350
Attention: Anglibert Sarkis, Owner

Section 10.4. Governing Law and Binding Arbitration. The validity, interpretation, and performance of this Agreement shall be controlled by and construed pursuant to the laws of the state of California. Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration in Sacramento, California, before one arbitrator. The arbitration shall proceed pursuant to the Comprehensive Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services ("JAMS"). Judgment on the award may be entered in any court having jurisdiction thereof.

Section 10.5. Invalidity of Agreement/Severability. If this Agreement, in its entirety, is determined by an arbitrator or court of competent jurisdiction to be invalid or

unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any term or provision of this Agreement shall be determined by an arbitrator or court of competent jurisdiction to be invalid and unenforceable, or if any term or provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, any provisions that are not invalid or unenforceable shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable, or illegal. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal.

Section 10.6. Cumulative Remedies. In addition to any other rights or remedies, City and Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement. The prevailing Party in any such action shall be entitled to reasonable attorneys' fees and costs. Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Developer agrees that it may not seek, and shall forever waive any right to, monetary damages against City, but excluding, therefrom, the right to recover any fees or charges paid by Developer in excess of those permitted hereunder.

Section 10.7. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement or any associated entitlement, permit, or approval granted by City to Developer for the Cannabis Business Project (collectively, "Project Litigation"), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense of any lawsuit filed and related, in whole or in part, to Project Litigation with legal counsel selected by City. Developer will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees, and expenses of litigation awarded to the prevailing Party or Parties in such litigation. Developer shall pay all litigation fees to City within thirty (30) days of receiving a written request and accounting of such fees and expenses from City. Notwithstanding the aforementioned, City may request, and Developer will provide to City within seven (7) days of any such request, a deposit to cover City's reasonably anticipated Project Litigation fees and costs.

Section 10.8. Constructive Notice and Acceptance. Every person who, after the Effective Date and recording of this Agreement, owns or acquires any right, title or interest to any portion of the Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 10.9. Statute of Limitations and Laches. City and Developer agree that each Party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The Parties agree that Section 65009(c)(1)(D) of the California Government Code, which provides for a ninety (90) day statute of limitations to challenge the adoption of this Agreement, is applicable to this Agreement. In addition, any person who may challenge the validity of this Agreement is hereby put on notice that, should the legality or validity of this Agreement be challenged by any third party in litigation, which is filed and served more than ninety (90) days after the execution of this Agreement, City and Developer shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available defenses. This Section in no way limits the right of a Party, claiming that the other Party breached the terms of this Agreement, to bring a claim against the other Party within the four (4) year statute of limitations set forth in Section 337 of the California Civil Code.

Section 10.10. Joint and Several Liability. Developer shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Party shall also constitute a breach of this Agreement by the other Party. Developer agrees that City may impose a lien and seek foreclosure on any parcel of the Site due to any default by Developer.

Section 10.11. Change in State Regulations. In no event shall Developer operate the Cannabis Business Project in violation of the Agreement, or State Cannabis Regulations, as may be amended from time to time.

Section 10.12. Standard Terms and Conditions.

(a) Venue. Venue for all legal proceedings shall be the JAMS Resolution Center in Sacramento, California.

(b) Waiver. A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c) Completeness of Instrument. This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d) Supersedes Prior Agreement. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Site or Cannabis Business Project.

(e) Captions. The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f) Number and Gender. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word "person" includes corporations, partnerships, firms, or associations, wherever the context requires.

(g) Mandatory and Permissive. "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

(h) Term Includes Extensions. All references to the Term of this Agreement shall include any extensions of such Term.

(i) Counterparts. This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(j) Other Documents. The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(k) Time is of the Essence. Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l) Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m) Document Preparation. This Agreement will not be construed against the Party preparing it but will be construed as if prepared by all Parties.

(n) Advice of Legal Counsel. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o) Attorneys' Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and costs, which may

be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(p) Calculation of Time Periods. All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the Effective Date of the Agreement, as defined above.

"CITY"

CITY OF TURLOCK, a
California municipal corporation

By:_____
Christopher Fisher
Acting City Manager

Dated:_____

Attest:

By: _____
Nichole Fiez
City Clerk

Approved to as Form

By_____
Katie O. Lucchesi
City Attorney

"DEVELOPER"

FIRE HOUSE TURLOCK, INC., a
California Corporation

By:
_____
Anglibert Sarkis
Its: _____
Owner

Dated:_____

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of_____)

On_____, before me _____, a Notary Public, personally appeared_____who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____
(Signature)

(Seal)

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of_____)

On_____, before me _____, a Notary Public, personally appeared_____who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____
(Signature)

(Seal)

Exhibit A

Cannabis Site Legal Description

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 089-015-006-000

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF TURLOCK, COUNTY OF STANISLAUS, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL A AS SHOWN ON A PARCEL MAP FILED FEBRUARY 14, 1974 IN BOOK 18, PAGE 53 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF STANISLAUS COUNTY.

Exhibit B

Cannabis Business Project Site Map

EXHIBIT B-PROJECT SITE MAP

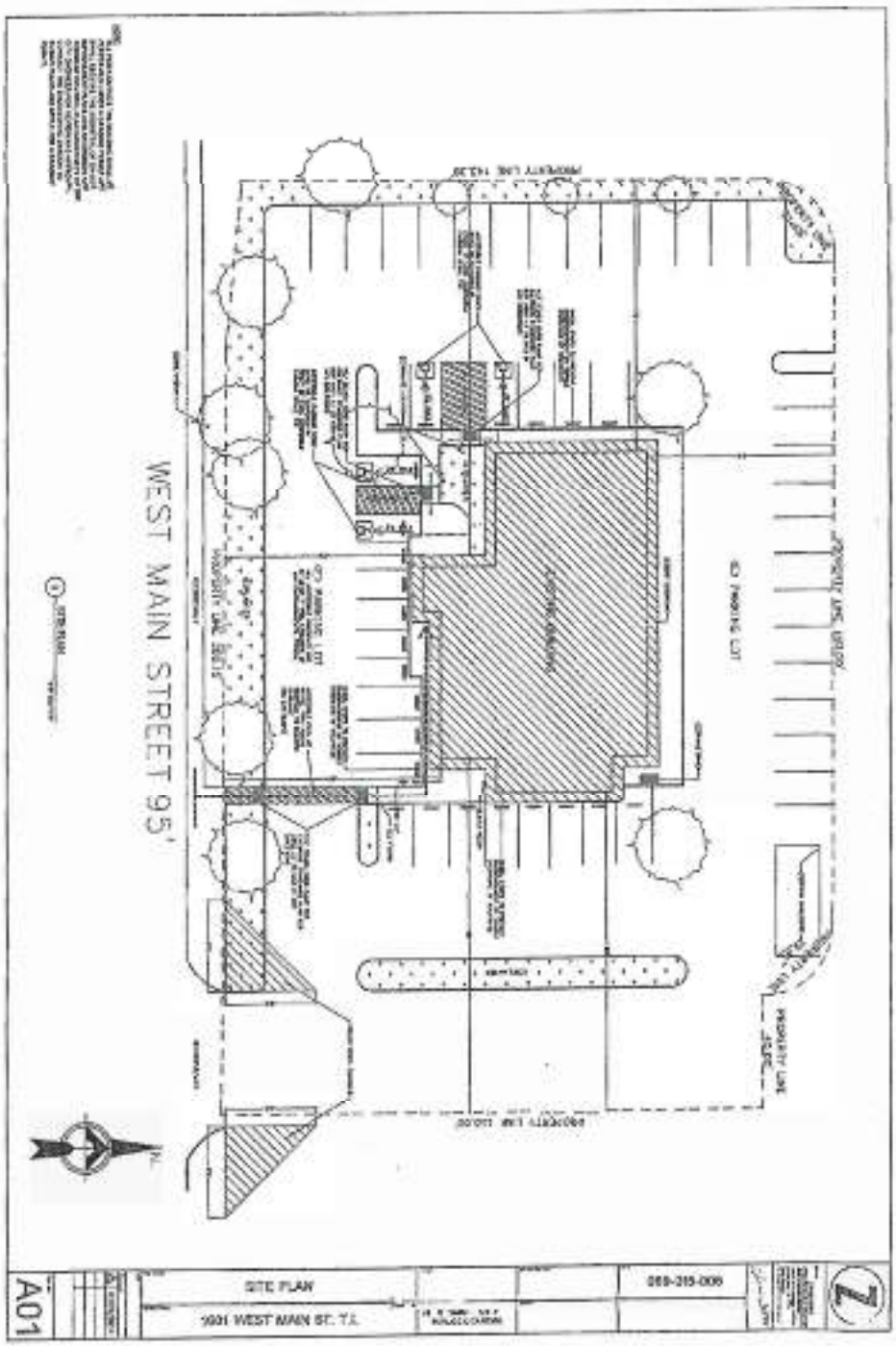


Exhibit C

Site Deed

25

RECORDING REQUESTED BY:
Chicago Title Company

Escrow Order No.: FSST-5111801341

When Recorded Mail Document and Tax Statement To:
Roni Roberts, President
Guaranty Holdings of California Inc., a Delaware Corporation
1607 Mitchell Rd.
Modesto, CA 95351

Stanislaus, County Recorder
Lee Lundrigan Co Recorder Office
DOC- 2018-0045106-00
Acct 483-Fast Documents
Friday, JUN|29, 2018 13:41:10
Ttl Pd $658.00 Rcpt # 0004145021
AKN/R3/1-4

APN/Parcel ID(s): 089-015-006-000

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Exempt from fee per GC 27388.1 (a) (2); ~~recorded in connection with~~ a transfer subject to the imposition of documentary transfer tax.

Grant Deed

I hereby declare under penalty of perjury that the information provided above is true and correct.

Executed this 15th of June 2018 at Modesto (City) California (State)

Guaranty Holdings of California Inc., a Delaware Corporation

By: _____
Roni Roberts, President

THIS PAGE ADDED TO PROVIDE ADEQUATE SPACE FOR RECORDING INFORMATION
(Additional recording fee applies)

Recording Document Cover Page
SCANNED078.doc/ Updated: 04.26.18

Page 1

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436

Exhibit D

Notice of Non-Performance Penalty

DATE: _____, 20__

PARTIES: CITY OF TURLOCK
156 S Broadway
Turlock, CA 95380
Attention: City Manager

DEVELOPER
Fire House Turlock, Inc.
1234 McHenry Ave Suite C
Modesto, CA 95350
Attention: Anglibert Sarkis, Owner

THIS NOTICE OF NON-PERFORMANCE PENALTY ("Penalty Notice") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2019, City recorded a development agreement between City and Fire House Turlock, Inc. ("Developer"), dated _____, 2019 (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Section 4.2 of the Development Agreement, Developer agrees to pay to City a Public Benefit on the first business day of each month during the Term of the Development Agreement.

C. On _____, 20__, the Public Benefit was due to City by Developer. City did not receive payment.

D. Pursuant to Section 4.5 of the Development Agreement, if Developer fails to make payment when it is due, City may impose a penalty of ten percent (10%) of the total of the past due amounts ("Penalty"). As of _____, 20__, the past due amount equals $_____. The Penalty owed by Developer equals $_____ ("Penalty Amount").

E. Pursuant to Section 4.5 of the Development Agreement, Developer shall make payment of the Penalty Amount in a single installment due within fifteen (15) days of delivery of this Penalty Notice ("Penalty Due Date").

F. Pursuant to Section 4.6 of the Development Agreement, if Developer fails to pay the Penalty Amount before the Penalty Due Date, then, in addition to the Penalty Amount specified in subdivision (D), Developer shall pay City interest on the Penalty Amount, at the rate of eighteen percent (18%) per annum ("Penalty Interest Payment"), computed from the Penalty Due Date specified in subdivision (E). The Penalty Interest Payment is due fifteen (15) days following delivery of the Penalty Due Date. As of _____, 20__, the Penalty Interest Payment amount equals $_____.

G. Nothing contained herein shall constitute a waiver of City's future claims for the Public Benefit, Penalty, or interest on the Penalty.

NOW, THEREFORE, City hereby provides Developer the Penalty Notice required by Section 4.5 of the Development Agreement. This Penalty Notice shall be effective upon notice pursuant to Section 10.3 of the Development Agreement.

CITY OF TURLOCK,
a California municipal corporation

By:_____
City Manager

Exhibit E

INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING

THIS INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING ("Agreement") is made and entered into on this ___ day of _____ 2019, ("Effective Date") by and between the City of Turlock, a California municipal corporation, and ("City"), Fire House Turlock, Inc., a California corporation ("Applicant"). City and Applicant may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. In 1996, the people of the state of California approved Proposition 215, the Compassionate Use Act of 1996 ("CUA"). The CUA enables seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program ("MMP"), which authorizes qualified patients and their primary caregivers to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code.

B. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.

C. On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). AUMA legalizes the cultivation, commercial sale, and possession of recreational cannabis for adults age 21 and older.

D. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction.

E. On December 7, 2017, California state cannabis licensing authorities issued emergency regulations that apply to AUMA and MAUCRA and further regulate businesses engaged in commercial cannabis activity.

F. Turlock Municipal Code ("T.M.C.") Chapter 5.21 authorizes cannabis businesses to operate within the City under specified restrictions pursuant to a CannabisProgram.

G. Applicant intends to improve, develop, and use real property to operate a cannabis business (the "Project") within the City in strict compliance with MAUCRSA and T.M.C. chapter 5.60.

H. Applicant has an agreement to lease that certain real property located at 1601 West Main Street in the City of Turlock, identified as Stanislaus County Assessor's Parcel Number 089-015-006 (the "Project") Applicant intends to improve approximately 4,517 (four thousand five hundred seventeen) square feet of space and operate the Project on the Property.

I. As a condition of approval of the Land Use Entitlements, City has required Applicant to enter into this Agreement.

J. It is in the public interest for City and Applicant to enter into this Agreement, as Applicant will benefit from City's processing of the Project.

K. Applicant desires to enter into this Agreement to fulfill a condition of approval of the Project, which is a prerequisite for construction of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth below, the Parties agree as follows:

Section 1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Applicant's Indemnification Obligations.

2.1. Indemnification for Land Use Entitlements. To the fullest extent permitted by law, Applicant shall indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, and volunteers (collectively, "City's Agents")

from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul, an approval concerning the Land Use Entitlements by reason of the action or inaction of City, or City's Agents. Applicant's duty to indemnify and hold harmless shall not extend to any claim, action or proceeding arising from the gross negligence or willful misconduct of City, or City's Agents.

Applicant's obligations under this Agreement to indemnify City shall apply to any claim, lawsuit or challenge against City brought against the Project, specifically including, but not limited to, any legal challenge based on the California Environmental Quality Act, codified in California Public Resources Code section 21000 et seq.; actions or proceedings brought to challenge the validity of environmental documents prepared in conjunction with the approval of the Project or Land Use Entitlements, or the requirements of any other federal, state, or local laws, including, but not limited to, general plan, specific plan, and zoning requirements.

2.2. Tender of Defense. Upon receiving notice of a claim and pursuant to Article 6 of the Land Use Entitlements, Applicant shall assume the defense of the claim, action, or proceeding through the prompt payment of all attorneys' fees and costs, incurred in good faith and in the exercise of reasonable discretion, of City's counsel in defending such an action. Regardless of whether Applicant chooses to defend City pursuant to Section 6.4 of the Land Use Entitlements, City shall have the absolute and sole authority to control the litigation and make litigation decisions, including, but not limited to, selecting counsel to defend City and settlement or other disposition of the matter.

2.3. Deposit for Costs. Applicant shall make a refundable deposit to City within thirty (30) days of written notification from City ("Cost Deposit"), to cover the estimated fees and costs associated with City's defense of any claim, action or proceeding. Applicant shall make any and all additional payments to City to replenish the Cost Deposit within thirty (30) days of written notice from City.

2.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of the Land Use Entitlements, which shall entitle City to all remedies available under law including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of the Land Use Entitlements. Applicant's failure to indemnify City shall be a waiver by Applicant of any right to proceed with the Project, or any portion thereof, and a waiver of Applicant's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of the Land Use Entitlements, or City's failure to defend any claim, action or proceeding based on Applicant's failure to indemnify City.

2.5. Satisfaction of Judgment. With respect to any claims, demands, acts, causes of action, damages, costs, expenses, settlements, losses or liabilities which Applicant has indemnified City against, Applicant shall pay and satisfy any judgment,

award, settlement or decree that may be rendered or agreed against City and City's Agents arising out of any final, non-appealable judicial or administrative action.

2.6. Payment of Costs and Fees. Applicant's obligations under this Agreement to defend and indemnify City shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against City, or all settlement costs which arise out of City's processing or approval of the Project.

2.7. Continuing Obligation. Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate or otherwise transfer all or any of the rights or obligations of this Agreement, and notwithstanding a change in or transfer of ownership of the real property upon which the Project is located (or any interest therein). However, Applicant may be released from such obligations if Applicant obtains City's prior written consent to such transfer, which consent shall not be unreasonably withheld.

Section 3. City's Obligations. City shall notify Applicant of any claim, action or proceeding within ten (10) business days of receiving service of any claim, action or proceeding. If City fails to notify Applicant of any claim, action, or proceeding, Applicant shall not, thereafter, be responsible to defend, indemnify, or hold City harmless. City shall have and retain, in its sole discretion, the right to not participate in the defense of any claim, action, or proceeding. At its sole discretion, City may participate at its own expense in the defense, but such participation shall not relieve Applicant of any obligation imposed by this Agreement.

Section 4. Notice. Any notice or communication required hereunder between City and Applicant must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the

other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Turlock
156 S. Broadway
Turlock, CA 95380
Attention: City Manager

and Katie O. Lucchesi
156 S. Broadway
Turlock, CA 95380 Attention: City Attorney

If to Developer: Fire House Turlock, Inc.
1234 McHenry Ave Suite C
Modesto, CA 95350

Section 5. **Modification of Agreement**. This Agreement may be supplemented, amended, or modified only by a writing signed by City and Applicant.

Section 6. **Entire Agreement**. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Section 7. **Agreement is Voluntary**. The Parties acknowledge that they have entered into this Agreement voluntarily, on the basis of their own judgment and without coercion, and not in reliance on any promises, representations, or statements made by the other Party other than those contained in this Agreement. This Agreement incorporates the entire understanding of the Parties and recites the sole consideration of the promises and agreements contained within it. The Parties have read this Agreement and are fully aware of its contents and legal effect.

Section 8. **Time of Essence**. Time is of the essence for this Agreement, and each section contained within this Agreement is made and declared to be a material, necessary, and essential part of this Agreement.

Section 9. **Severability of Agreement**. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for

any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

Section 10. **Authority**. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement, and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 11. **Noninterference**. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Agreement.

Section 12. **Ambiguities**. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

Section 13. **Headings**. The headings in this Agreement are included for convenience only, and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

Section 14. **Necessary Acts and Further Assurances**. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. The Parties will act in good faith to carry out the intent of this Agreement.

Section 15. **Governing Law**. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 16. **Venue**. Venue for all legal proceedings shall be in the Superior Court of the State of California in and for the County of Stanislaus.

Section 17. **Attorney's Fees and Costs**. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 18. **Waiver**. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 19. **Counterparts**. This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties have executed this Agreement on the day, month and year first above written.

APPLICANT

FIRE HOUSE TURLOCK, INC.

By: _____
Anglibert Sarkis

Its: _____
Owner

Date: _____

CITY

City of Turlock, a California municipal corporation

By: _____
Gary Hampton, City Manager

Date:_____

FIRE HOUSE TURLOCK, INC.

By: _____

Its: _____
Owner

Date: _____

APPROVED AS TO FORM:

By: _____
Katie O. Lucchesi, City Attorney

Exhibit F

Notice of Termination

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: City of Turlock 156 S Broadway Turlock, CA 95380 Attention: City Clerk	

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code § 6103

NOTICE OF TERMINATION AND RELEASE OF DEVELOPMENT AGREEMENT

DATE: _____, 20___

PARTIES: CITY OF TURLOCK
156 S Broadway
Turlock, CA 95380

Fire House Turlock, Inc.
1234 McHenry Ave Suite C
Modesto, CA 95350
Attention: Anglibert Sarkis, Owner

THIS NOTICE OF TERMINATION AND RELEASE (the "Release") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2019, City recorded a development agreement between City and _____, dated _____, 2019 (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Sections 1.7 and 9.1 of the Development Agreement, the term of the Development Agreement expires five (5) years from _____, 2019, on _____, 20____.

C. Pursuant to Section 9.1 of the Development Agreement, once terminated, the Development Agreement has no further force or effect, unless otherwise set forth in the Development Agreement.

NOW, THEREFORE, City hereby terminates, cancels, and otherwise releases Developer and Developer's heirs, executives, administrators, successors, and assigns from their obligations in the Development Agreement on this ____ of _____ , 20___, and relinquishes any right it may hereafter have to enforce any of the terms and provisions set forth in the Development Agreement, unless otherwise set forth in the Development Agreement. This termination, cancellation, and release shall be effective upon the recordation of this Release in the office of the County Recorder for the County of Stanislaus, State of California.

CITY OF TURLOCK,
a California municipal corporation

By:_____
City Manager

Exhibit G

Assignment and Assumption Agreement

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO: City of Turlock 156 S Broadway Turlock, CA 95380 Attention: City Clerk	

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code § 6103

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this _____ day of _____, 20___, by and between _____Fire House Turlock, Inc., ("Assignors"), and _____ ("Assignee").

RECITALS

A. On _____, 2019, Assignor and the City of Turlock (the "City") entered into that certain agreement entitled "Development Agreement by and between the City of Turlock, a California municipal corporation and _____ Fire House Turlock, Inc. relating to the improvement, development, and use of real property to operate a cannabis business (the "Development Agreement"), originally recorded upon Stanislaus County Assessor's Parcel Number 089-015-006 (the "Property").

B. Section 10.1 of the Development Agreement prohibits the sale, assignment, or transfer by Assignor of any portion of Assignor's interests, rights, or titles described in that section of the Development Agreement ("Assignable Rights") to a third party without prior written approval by the City Manager of the City of Turlock (the "City Manager").

C. Assignor intends to assign, and Assignee intends to assume, the Assignable Rights under the Development Agreement.

D. In accordance with the terms of the Development Agreement, Assignor has provided to the City Manager a written request for consent to assignment. The City Manager has received the information he or she deems appropriate and consulted with the City Attorney for the purpose of determining that Assignee is a qualified applicant for purposes of the foregoing terms of the Development Agreement. This Agreement is intended to meet the requirements of Section 10.1 of the Development Agreement for an

Assignment and Assumption Agreement and is executed with the consent of the City Manager as contemplated in the Development Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. The foregoing Recitals are true and incorporated herein by this reference as though set forth in full.

2. Assignor hereby assigns to Assignee all of the Assignable Rights of Assignor under the Development Agreement.

3. Assignee hereby assumes all of the burdens and obligations of Assignor under the Development Agreement and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement, and to be subject to all the terms and conditions thereof, with respect to the Property and Assignable Rights. It is the express intention of Assignor and Assignee that, upon the execution of this Agreement, Assignee shall become substituted for Assignor as the "Developer" under the Development Agreement.

4. This Agreement shall take effect and be binding only upon the City Manager's consent to and approval of the Agreement.

5. Assignee represents and warrants that it has reviewed and is familiar with the terms and conditions of the Development Agreement. Assignee acknowledges that the Assignable Rights are as set forth in Section 10.1 of the Development Agreement, and the duties of Assignor thereunder and the duties of Assignee hereunder, as between Assignee and City, shall be without reference to any underlying agreements or understandings that may exist between Assignee, Assignor, or any other party with respect to the subject matter hereof, and that City is not party to such other agreements.

6. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[Signatures on the Following Page]

APPLICANT

FIRE HOUSE TURLOCK, INC.

By: _____
Anglibert Sarkis

Its: _____
Owner

Date:_____

FIRE HOUSE TURLOCK, INC.

By: _____

Its: _____

Date:_____

CITY

City of Turlock, a California municipal corporation

By:_____
Gary Hampton, City Manager

Date:_____

APPROVED AS TO FORM:

By:_____
Katie O. Lucchesi, City Attorney

City Council Staff Report

May 26, 2026

From:	Adrienne Werner, Development Services Director
Prepared by:	Katie Quintero, Planning Manager
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Ordinance: Introduction and First Reading of an Ordinance amending terms and extending the Development Agreement between the City of Turlock and Plan4Dream Investments LLC.

2. NARRATIVE:

BACKGROUND

JDI Farms now Plan4Dream is located at 600 D Street. The property is zoned industrial, which allows cannabis cultivation, manufacturing and distribution with a Conditional Use Permit and Development Agreement.

At their October 8, 2019, meeting, the City Council adopted the ordinance approving the Development Agreement (DA). On March 4, 2021, the Planning Commission granted Conditional Use Permit 2020-02 to allow JDI Farms to operate a cannabis cultivation, manufacturing and distribution business.

On August 30, 2024, the City and JDI Farms, Inc. entered into a First Amendment to extend the term of the Development Agreement through December 31, 2024. Then on October 8, 2024, the City and JDI Farms, Inc. entered into a Second Amendment to extend the term of the Development Agreement through June 30, 2025.

On June 2, 2025, Qingyu Huang, with Plan4Dream Investments, LLC and the City of Turlock executed an Assignment and Assumption Agreement, as allowed under Section 10.1 of the Development Agreement. The Assignment and Assumption Agreement allowed the sale, assignment, or transfer of JDI Farms, Inc. at 600 D Street, to Plan4Dream Investments, LLC. All other conditions of the Conditional Use Permit and the Development Agreement remain unchanged.

JDI Farms submitted a building permit application for the necessary interior tenant improvements on March 30, 2021. The plan check process was completed, and the building permit was issued on September 24, 2024. Construction of the interior tenant improvements is underway and the applicant is working on final punch list items to move forward with occupancy of the building.

Once operational, the Development Agreement requires monthly payment of a public benefit amount. Section 4.2 of the Development Agreement details the public benefit amount that Plan4Dream must submit to the City on a monthly basis.

CULTIVATION

YEAR	PUBLIC BENEFIT AMOUNT PAID MONTHLY, AMORTIZED ANNUALLY
1ST	$10.00 sq/ft *
2ND	$10.00 sq/ft *
3RD	$10.00 sq/ft *
4TH	$10.00 sq/ft *
5TH	$10.00 sq/ft *

* Sq./ft. will be based on cultivation canopy. Cultivation canopy size will be the amount approved for use in the Conditional Use Permit.

MANUFACTURING

YEAR	PUBLIC BENEFIT AMOUNT PAID MONTHLY, AMORTIZED ANNUALLY
1ST	$10.00 sq/ft *
2ND	$10.00 sq/ft *
3RD	$10.00 sq/ft *
4TH	$10.00 sq/ft *
5TH	$10.00 sq/ft *

* Sq./ft. will be based on area of building set aside for manufacturing and ballistics use.

DISTRIBUTION

YEAR	PUBLIC BENEFIT AMOUNT, PAID MONTHLY AMORTIZED ANNUALLY If distribution is from cultivation or manufacturing uses not subject to a City of Turlock Public Benefit Amount	If distribution is from cultivation or manufacturing uses subject to a City of Turlock Public Benefit Amount
1ST	2.5% of gross receipts	No Public Benefit Amount owed
2ND	2.5% of gross receipts	No Public Benefit Amount owed
3RD	2.5% of gross receipts	No Public Benefit Amount owed
4TH	2.5% of gross receipts	No Public Benefit Amount owed
5TH	2.5% of gross receipts	No Public Benefit Amount owed

Police Department

On January 22, 2026, the Turlock Police Department was notified by the Sacramento County District Attorney's Office regarding an ongoing investigation of illegal drug trafficking and money laundering. The criminal investigators served several financial search warrants on

bank accounts and seized large sums of money under asset forfeiture. Some of these targeted bank accounts had made payments to Cold Storage Manufacturing, the contractor working on the tenant improvements at 600 D Street, for approximately $300,000. This money had been seized as part of the criminal investigation. Attorneys from Plan4Dream Investments contested the seizure of these funds in a letter sent to police investigators. They claimed the funds were personal loans secured by Mr. Huang from business partners for payment to Cold Storage Manufacturing for time and material related to the construction of the 600 D St. facility.

The letter further described that Mr. Huang was unable to obtain conventional financing for this project, and obtained these loans from his private lenders. The letter identified these lenders as other cannabis companies. As of the time of this staff report, Mr. Huang, Plan4 Dream Investments, and Cold Storage Manufacturing have not been identified as targets of the investigation. However, they are identified as affiliated organizations due to Plan4Dream securing loans from the targeted individuals, and payments from the targeted accounts sent to their contractor for 600 D St.

On February 27, 2026, the Turlock Police Department sent a letter to Mr. Huang notifying him that the background investigation for him had been reopened. The letter further advised him there would be delays in the final approval of the 600 D St. facility for operation until the matter is resolved. An additional letter was sent to Mr. Huang on March 19, 2026, notifying him that inspections of the facility would proceed while the background is being completed, but final approval for the certificate of occupancy would not occur until the investigation is resolved. Mr. Huang was requested to provide any information to assist in resolving the supplemental background investigation.

On April 3, 2026, Zach Drivon, the attorney representing Plan4Dream Investments and Mr. Huang submitted a contingency proposal to the City in the event Mr. Huang is later determined to be an ineligible person for the Development Agreement. This proposal described the transfer of title of the business to another person with a controlling stake in the company.

Because of this ongoing investigation, the recommendation for the time extension is through April 1, 2027, to allow for additional time for the investigation to continue but to be able to bring the Development Agreement back for review if further concerns arise. Language is also proposed in the amended Development Agreement that stipulates the Development Agreement will have to be transferred to an approved party or will be revoked if a conviction occurs.

PROPOSED AMENDMENTS

Various amendments are proposed to the Development Agreement. To capture all previous amendments to the Development Agreement into one document, the City has prepared a First Amended and Restated Development Agreement. This captures all previous amendments and newly proposed amendments into this one complete Agreement.

The term of the agreement is proposed to be extended through April 1, 2027.

The improvements to the building are proposed to be completed and occupied in phases. Language has been added into the agreement to clarify that only the portions of the building

that have been improved can be occupied. During construction there were modifications made to the building that had not been anticipated that affected the exterior of the building. Language has been added into the Development Agreement requiring the resurfacing of the building prior to phase two. There is adequate onsite parking for the phase one area to become operational. It has been included in the amended language that the parking lot will have to be resurfaced and brought up to City standards prior to phase two.

Other regulations proposed to be added to the agreement include requiring remote real-time live access to the video footage of cameras installed at the businesses and requiring background checks prior to any changes in ownership or on any individual or entity every two years or at any other time upon reasonable cause. A section has been added detailing if anyone with direct or indirect ownership or controlling interest in the project is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may terminate the Development Agreement. If given such notice, the Developer would have 180 days to complete a transfer of their interest to a transferee approved by the City.

Other proposed changes include various language cleanups and updates to current laws and regulations.

3. FISCAL IMPACT / BUDGET AMENDMENT:

None

4. ENVIRONMENTAL DETERMINATION:

The item consists of a time extension and various updates to the existing Development Agreement. No changes or modifications in the site are anticipated as a result of this review; therefore, this action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the annual review, request for a time extension and various miscellaneous changes to the Development Agreement. This action will not result in direct or indirect physical changes in the environment.

5. ALTERNATIVES:

1. The City Council can deny the proposed Development Agreement Amendment and Time Extension.
2. The City Council can propose other changes to the Agreement.

6. ATTACHMENTS:

1. Draft Ordinance and DA Plan4Dream

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

INTRODUCTION AND FIRST READING OF AN ORDINANCE AMENDING TERMS AND EXTENDING BY AMENDMENT, THE DEVELOPMENT AGREEMENT BETWEEN PLAN4DREAM AND THE CITY OF TURLOCK FOR THE OPERATION OF AN INDOOR CANNABIS CULTIVATION, MANUFACTURING, AND DISTRIBUTION BUSINESS AT 600 D STREET, TURLOCK, CALIFORNIA, STANISLAUS COUNTY APN 043-018-016 THROUGH APRIL 1, 2027.	}	**ORDINANCE NO. 13XX-CS**

WHEREAS, on June 11, 2019, the City Council of the City of Turlock (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations for cannabis businesses pursuant to AUMA and MAUCRSA, by amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program"); and

WHEREAS, on June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City; and

WHEREAS, the City and JDI Farms, Inc. entered into a Development Agreement dated October 8, 2019, which permitted JDI Farms, Inc. to operate an indoor cannabis cultivation, manufacturing, and distribution business at 600 D Street, Turlock, California, County of Stanislaus Assessor's Parcel Number 043-018-016; and

WHEREAS, on October 8, 2019 the City adopted Ordinance No. 1264-CS approving a Development Agreement by and between the City and JDI Farms, Inc. to operate an indoor cannabis cultivation, manufacturing, and distribution business as defined in Turlock Municipal Code Section 5.21 in strict accordance with applicable state and local law, at 600 D Street, Turlock, California, County of Stanislaus Assessor's Parcel Number 043-018-016 (the "Project"), consistent with the General Plan, as amended; and

WHEREAS, on August 30, 2024 the City and JDI Farms, Inc. entered into that certain First Amendment to extend the term of the Development Agreement dated August 8, 2019 through December 31, 2024; and

WHEREAS, on October 22, 2024 the City and JDI Farms, Inc. entered into that certain Second Amendment to extend the term of the Development Agreement dated August 8, 2019 through June 30, 2025; and

WHEREAS, on May 27, 2025, the City and JDI Farms entered into an Amendment to extend the term of the Development Agreement through June 30, 2026; and

WHEREAS, On June 2, 2025, Qingyu Huang, with Plan4Dream Investments, LLC and the City of Turlock executed an Assignment and Assumption Agreement, as allowed under Section 10.1 of the Development Agreement. The Assignment and Assumption Agreement allowed the sale, assignment, or transfer of JDI Farms, Inc. at 600 D Street, to Plan4Dream Investments, LLC.

WHEREAS, under Section 5-21-103 of the Turlock Municipal Code, any cannabis cultivation, manufacturing, and distribution business allowed in the City shall obtain a development agreement, a City business license, and conditional use permit; and

WHEREAS, pursuant to Section 1.9 of the Development Agreement a "Major Amendment" to the Development Agreement shall be approved by the City Council; and

WHEREAS, after the public hearing held on May 7, 2026, the Planning Commission recommended the City Council make the proposed amendments to the Development Agreement and extend the term of the Development Agreement through April 1, 2027; and

WHEREAS, the City Council, based on its independent review and analysis of the Planning Commission's recommendation, oral and written testimony, and the record as a whole, finds, after due study, deliberation, and holding a public hearing, and based on its independent judgement, find that the following circumstances exist:

1. The Project is consistent with the goals, policies, and standards of the City's General Plan and all other applicable standards and ordinances of the City.
2. In accordance with the Development Agreement Statute, the City Council finds that the amendment to the Development Agreement:
    a. Will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area nor detrimental to the general welfare of the residents of the City as a whole; and
    b. Will not adversely affect the orderly development of property or the preservation of property values; and
    c. Is consistent with the relevant provisions of Government Code Sections 65864 through 65869.5; and
    d. Contains a legal description of the property.

NOW THEREFORE, BE IT RESOLVED, that the City Council of the City of Turlock does hereby determine:

Section 1. The recitals stated above are true and correct, and hereby incorporated herein.

Section 2. This request is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) [Project] of the CEQA guidelines. This is an organizational or administrative activity involving the request for a time extension for

the Development Agreement (DA) between the City of Turlock and Plan4Dream Investments LLC. This action will not result in direct or indirect physical changes in the environment.

Section 3. The City Council of the City of Turlock approves the amendments and extends the terms of the Development Agreement between the City of Turlock and Plan4Dreams Investments LLC. through April 1, 2027.

Section 4. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the Ordinance. The City Council hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more sections(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

Section 5. Upon passage of this Ordinance, the City Manager is authorized to execute the amendment to the Amended and Restated Development Agreement as shown in Exhibit A on behalf of the City. Within ten (10) days of the execution, but no earlier than 30 days after passage of this Ordinance, the City Clerk shall cause the amendment to the Development Agreement to be recorded in the Office of the County Recorder as provided for by Government Code section 65868.5. The amendment to the Development Agreement shall not take effect for thirty (30) days following passage and adoption of this Ordinance.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 9th day of June, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

SIGNED:

_____
Amy Bublak, Mayor

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

APPROVED AS TO FORM:

_____
Katie Lucchesi, City Attorney

EXHIBIT A

RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:

City of Turlock
156 S Broadway
Turlock, CA 95380
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code §6103

FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TURLOCK AND PLAN4DREAM INVESTMENTS, LLC

THIS DEVELOPMENT AGREEMENT ("Agreement") is made and entered into this _____ 2026, by and between the **City of Turlock,** a California municipal corporation ("City") and Plan4Dream Investments, LLC, a California limited liability company("Developer"). City and Developer may be referred to herein individually as a "Party" or collectively as the "Parties." There are no other parties to this Agreement.

RECITALS

A. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing and distribution of medical marijuana to qualified patients and their primary caregivers.

B. On November 8, 2016, California voters enacted Proposition 64, the Control, Regulate and Tax Adult Use of Marijuana Act, also known as the Adult Use of Marijuana Act ("AUMA"), which establishes a comprehensive system to legalize, control, and regulate the cultivation, processing, manufacture, distribution, testing, and sale of nonmedical cannabis, including cannabis products, for use by adults 21 years and older and to tax the growth and retail sale of cannabis for nonmedical use.

C. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which creates a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in Commercial Cannabis Activity, as defined in Section 1.4 of this Agreement, may operate in a particular jurisdiction.

D. On June 11, 2019, the Turlock City Council (the "City Council") adopted Ordinance No. 1255-CS to enact cannabis regulations as defined under Turlock Municipal Code ("T.M.C.") Section 5.21 pursuant to AUMA and MAUCRSA.

E. On June 11, 2019, the City adopted Ordinance No. 1255-CS amending the City's cannabis business regulations and establishing a Cannabis Business Pilot Program (the "Pilot Program") to regulate the operation of commercial cannabis businesses within the City.

F. Developer proposed to improve, develop and use real property to operate a Cannabis Business Project, as defined below, in strict accordance with California Cannabis Laws, as defined in Section 1.4 of this Agreement and the T.M.C., as each may be amended from time to time.

G. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the California Legislature adopted Government Code section 65864 et seq. (the "Development Agreement Statute"), which authorizes City and an individual or business entity with an interest in real property to enter into a development agreement that establishes certain development rights in real property that is subject to a development agreement application.

H. On June 11, 2019, following the adoption of the Pilot Program, the City issued and circulated a request for qualifications ("RFQ"). The purpose of the RFQ was to form the basis for a selection process of qualified cannabis operators for participation in the Pilot Program.

I. The previous developer, JDI FARMS, INC. ("JDI Farms") submitted an application to the City Planning Commission Department for consideration of a development agreement for a commercial cannabis business.

J. JDI Farms purchased property located at 600 D Street, Turlock, California, County of Stanislaus Assessor's Parcel Number 043-018-016 of which Developer intends to improve approximately 98,770 square feet of space (the "Site") to operate the Cannabis Business Project, more particularly described in the legal description attached hereto as **Exhibit A** ("Legal Description") and the Cannabis Business Project Site Map attached hereto as **Exhibit B.**

K. JDI Farms purchased the Site for the purpose of carrying out the Cannabis Business Project. A copy of the deed to the Site is attached hereto as **Exhibit C,** within satisfaction of the requirement of T.M.C. Chapter 5.21.

L. On August 22, 2019, the Turlock Planning Commission ("Planning Commission"), in a duly noticed and conducted public hearing, considered JDI Farms application for this Agreement. At that public hearing, the Planning Commission recommended the City Council adopt Ordinance No. 2019-19 which would allow JDI Farms to operate the Cannabis Business Project at the Site.

M. On August 27, 2019, pursuant to Government Code section 65867.5, and following a duly noticed and conducted public hearing, the City Council reviewed, considered, adopted, and entered into this Agreement pursuant to Ordinance No.1264-CS.

N. The City and JDI Farms entered into that certain First Amendment to Development Agreement dated August 30, 2024 (“First Amendment”).

O. The City and JDI Farms entered into that certain Second Amendment to Development Agreement dated October 22, 2024 (“Second Amendment”).

P. The City and JDI Farms entered into that certain Third Amendment to Development Agreement dated May 27, 2025 (“Third Amendment”).

Q. On June 2, 2025, JDI Farms and Plan4Dream Investments, LLC (Developer) entered into an assignment and assumption agreement wherein Developer agreed to assume the Assumable Rights under the Development Agreement. The agreement was executed with the consent of the Interim City Manager, as contemplated in the Development Agreement.

0. This Agreement is entered into pursuant to the Development Agreement Statute.

P. City and Developer desire to enter into this Agreement to (i) facilitate the orderly development of the Site; (ii) create a physical environment that is consistent with and complements the City's goals and visions; (iii) protect natural resources from adverse impacts; (iv) improve, upgrade and create additional community facilities and infrastructure, enhance services and assist in implementing the goals of the General Plan; and (vi) reduce the economic risk of development of the Site to both City and Developer.

Q. The Parties intend, through this Agreement, to allow Developer to develop and operate the Cannabis Business Project in accordance with the terms of this Agreement.

R. The City Council has determined that this Agreement is consistent with the City's General Plan and has conducted all necessary proceedings in accordance with the T.M.C. for the approval of this Agreement.

S. The Parties wish to enter into this First Amended and Restated Development Agreement to

replace previous agreements between the Parties and to fulfill the requirement that a cannabis business requires a development agreement pursuant to TMC Section 5-21-103.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

AGREEMENT ARTICLE

1
GENERAL PROVISIONS

Section 1.1. Findings. City hereby finds and determines that entering into this Agreement furthers the public health, safety and general welfare and is consistent with the City's General Plan, including all text and maps in the General Plan.

Section 1.2. Recitals. The Recitals above are true and correct and are hereby incorporated into and made a part of this Agreement. In the event of any inconsistency between the Recitals and the provisions of Articles 1 through 10 of this Agreement, the provisions of Articles 1 through 10 shall prevail.

Section 1.3. Exhibits. The following "Exhibits" are attached hereto and incorporated into this Agreement:

Designation	Description
Exhibit A	Cannabis Site Legal Description
Exhibit B	Cannabis Business Project Site Map
Exhibit C	Site Deed
Exhibit D	Notice of Non-Performance Penalty
Exhibit E	Indemnification Agreement
Exhibit F	Notice of Termination
Exhibit G	Assignment and Assumption Agreement

Section 1.4. Definitions. In this Agreement, unless the context otherwise requires, the terms below have the following meaning:

(a) "Additional Insureds" has the meaning set forth in Section 6.1.

(b) "Additional Licenses" has the meaning set forth in Section 2.4.

(c) "Adult-use cannabis" means a product containing cannabis, including, but not limited to, concentrates and extractions, intended for use by adults 21 years of age and older in California pursuant to the California Cannabis Laws.

(d) "Agreement" means this Development Agreement, inclusive of all Exhibits

attached hereto.

(e) "Application" has the meaning set forth in Recital G.

(f) "Assignment and Assumption Agreement" has the meaning set forth in Section 10.1.

(g) "AUMA" means the Adult Use of Marijuana Act (Proposition 64) approved by California voters on November 8, 2016.

(h) "Authorized License" has the meaning set forth in Section 2.3.

(i) "Department" means the Department of Cannabis Control or any successor state agency.

(j) "California Building Standards Codes" means the California Building Code, as amended from time to time, in Part 2, Volumes 1 and 2, as part of Title 24 of the California Code of Regulations, as may be adopted by the T.M.C.

(k) "California Cannabis Laws" includes AUMA, MAUCRSA, CUA (as defined below), the Medical Marijuana Program Act of 2004 codified as Health and Safety Code sections 11362.7 through 11.62.83 and any other applicable laws that may be enacted or approved.

(l) "Cannabis" means all parts of the plant Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant, and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from cannabis. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this division, "cannabis" does not mean "industrial hemp" as defined by Section 11018.5 of the Health and Safety Code. Cannabis and the term "marijuana" may be used interchangeably.

(m) "Cannabis Business Pilot Program" means the cannabis business program established and authorized by T.M.C. Chapter 5.21.

(n) "Cannabis Business Project" means the cannabis retail business operated by Developer on the Site pursuant to the Authorized License.

(o) "Cannabis Manufacturing Business" means a business engaged in commercial cannabis activity pursuant to a state approved Type 6 or 7 license, Type A and M licenses designated as a Cannabis business.

(p) "Cannabis product" means cannabis that has undergone a process whereby the plant material has been transformed into a concentrate, including, but not limited to, concentrated cannabis, or an edible or topical product containing cannabis or concentrated cannabis and other ingredients.

(q) "CEQA" means the California Environmental Quality Act, as set forth in Division 13 (Commencing with Section 21000) of the California Public Resources Code, and the CEQA Guidelines, as set forth in Title 14 (Commencing with Section 15000) of the California Code of Regulations.

(r) "City" means the City of Turlock, a California municipal corporation having general police powers.

(s) "City Council" means the City of Turlock City Council, as defined in T.M.C. Section 2.1.

(t) "City Manager" means the City Manager of the City of Turlock or his or her designee, as described in T.M.C. Section 2.4.

(u) "Charged Party" has the meaning set forth in Section 8.1.

(v) "Charging Party" has the meaning set forth in Section 8.1

(w) "Commercial Cannabis Activity" includes cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, distribution, delivery, or sale of cannabis or a cannabis product that requires a state license pursuant to MAUCRSA.

(x) "Planning Commission" means the City of Turlock Planning Commission, as established by T.M.C. Section 9.5.

(y) "Conditional Use Permit" means a conditional use permit issued by City pursuant to T.M.C. Section 9.3.

(z) "CUA" means the Compassionate Use Act (Proposition 215) approved by California voters on November 5, 1996.

(aa) " Developer" means Plan4Dream Investments, LLC Developer also has the meaning set forth in Section 6.1.

(bb) " Development Agreement Statute" has the meaning set forth in Recital H.

(cc) " Exhibits" has the meaning set forth in Section 1.3.

(dd) "Gross Receipts from Operations" means total revenue actually received or receivable from operation of the Cannabis Business Project, including: all sales; the total amount of compensation actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed whether or not such act or service is done as part of or in connection with the sale of materials, goods, wares, or merchandise; and gains realized from trading in stocks or bonds, interest discounts, rents, royalties, fees, commissions, dividends, or other remunerations, however designated. Included in "gross receipts" shall be all receipts, cash, credits, and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever, except that the following shall be excluded therefrom:

1. Cash discounts allowed and taken on sales;

2. Credit allowed on property accepted as part of the purchase price and which property may later be sold, at which time the sales price shall be included as "gross receipts";

3. Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

4. Such part of the sale price of property returned by purchasers upon rescission of a contract of sale as is refunded either in cash or by credit; and

5. Receipts of refundable deposits, except that such deposits when forfeited and taken into income of the business shall not be excluded.

The intent of this definition is to ensure that in calculating the payment required under Section 4.2. all sales of cannabis products through the Cannabis Business Project are captured. This definition shall therefore be given the broadest possible interpretation consistent with this intent.

(ee) "Indemnification Agreement" has the meaning set forth in Section 6.3.

(ff) " Major Amendment" means an amendment that shall have a material effect on the terms of this Agreement. A Major Amendment also has the meaning set forth in Section 2.4. Major Amendments shall require approval by the City Council.

(gg) " Marijuana" has the same meaning as cannabis and those terms may be used interchangeably.

(he) " MAUCRSA" means the Medicinal and Adult-Use Cannabis Regulation and Safety Act, codified as Business and Professions Code section 26000 et seq., as may be amended from time to time.

(ii) "MCRSA" has the meaning set forth in Recital A.

(jj) "Ministerial Fee" or "Ministerial Fees" has the meanings set forth in Section 4.1.

(kk) "Minor Amendment" means a clerical amendment to this Agreement that shall not materially affect the terms of this Agreement and any amendment described as minor herein. A Minor Amendment also has the meaning set forth in Section 1.7.

(ll) "Mortgage" has the meaning set forth in Article 7.

(mm) "Non-Performance Penalty" has the meaning set forth in Section 4.5.

(nn) "Notice of Non-Performance Penalty" has the meaning set forth in Section 4.5.

(oo) "Notice of Termination" has the meaning set forth in Section 9.1.

(pp) "Processing Costs" has the meaning set forth in Section 1.11.

(qq) "Project Litigation" has the meaning set forth in Section 10.7.

(rr) "Public Benefit" has the meaning set forth in Section 4.2.

(ss) "Public Benefit Amount" has the meaning set forth in Section 4.2.

(tt) "State Licensing Authority" means the state agency responsible for the issuance, renewal or reinstatement of a state cannabis license or the state agency authorized to take disciplinary action against a business licensed under the California Cannabis Laws.

(uu) "State Cannabis Regulations" means the regulations promulgated by the State Licensing Authority pursuant to the California Cannabis Laws (4 CCR 15000 et seq., or their respective successors).

(vv) "State Taxing Authority" has the meaning set forth in Section 4.2.

(ww) "Subsequent City Approvals" has the meaning set forth in Section 3.1.

(xx) "Term" has the meaning set forth in Section 1.7.

(yy) "T.M.C." means the Turlock Municipal Code.

(zz) "Type 1A license" or "Specialty Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting of between 501 and 5,000 square feet of total canopy size on one premises.

(aaa) "Type 2A license" or "Small Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 5,001 and 10,000 square feet, inclusive, of total canopy size on one premises.

(bbb) "Type 3A license" or "Indoor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for indoor cultivation using exclusively artificial lighting between 10,001 and 22,000 square feet, inclusive, of total canopy size on one premises.

(ccc) "Type 4 license" or "Nursery" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for cultivation.

(ddd) "Type 6 license" or "Manufacturer 1" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using nonvolatile solvents.

(eee) "Type 7 license" or "Manufacturer 2" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for manufacturing sites that produce cannabis products using volatile solvents.

(fff) "Type 10 license" or "Retailer" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws authorizing the retail sales of cannabis and cannabis products. Retail sale includes sales at a storefront and by delivery,

pursuant to all state and local laws and regulations.

(ggg) "Type 11 license" or "Distributor" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for the distribution of cannabis and cannabis products from manufacturer to dispensary.

(hhh) "Type 12 license" or "Microbusiness" means a state license issued by a State Licensing Authority pursuant to the California Cannabis Laws relating to cannabis manufacturing, retail and distribution.

(iii) "Type 13 license" or "Distribution Transport-Only" means a state license issued by the Department of Cannabis Control pursuant to the California Cannabis Laws for distribution cannabis and cannabis products.

Conforming Interpretation of State Cannabis License References. Any reference in this Agreement to a State cannabis license, State Cannabis Regulations, licensing authority, or specific state cannabis license type or designation shall be deemed to include any successor license, permit, approval, agency, or regulation that replaces, renames, consolidates, or reclassifies such license or regulatory framework under California law, including those administered by the California Department of Cannabis Control or any successor agency.

No change in the name, number, classification, or structure of any State cannabis business license shall be construed to expand, limit, or otherwise modify the cannabis activities authorized under this Agreement, except as required by applicable state law or as expressly approved in writing by the City.

The scope of permitted commercial cannabis activities shall be determined solely by this Agreement and applicable City approvals, and not by the type, title, or designation of any state license held by Developer, unless expressly mandated by state law.

Section 1.5. Project is a Private Undertaking. The Parties agree that the Cannabis Business Project is a private development and that City has no interest therein, except as authorized in the exercise of its governmental functions. City shall not for any purpose be considered an agent of Developer or of the Cannabis Business Project.

Section 1.6. Effective Date of Agreement. This Agreement shall become effective upon the date that the ordinance approving this Agreement becomes effective (the "Effective Date").

Section 1.7. Term. The term of this Agreement ("Term") shall be through April 1, 2027, unless earlier terminated in accordance with the provisions of this Agreement.

(a) Government Tolling or Termination. City may provide written notice to Developer to cease all Commercial Cannabis Activity, upon which Developer shall immediately comply if City is required, directed or believes, in its sole and absolute discretion, it must temporarily halt or terminate Commercial Cannabis Activity within the City to comply with federal or state law. If City temporarily halts this Agreement to comply with federal or state law, this Agreement shall be tolled for no longer than one (1) calendar year (the "Tolling Period"). Developer shall not accrue or be liable to City for any Ministerial Fees or Public Benefit Amount during the Tolling Period. Developer shall resume paying any applicable fees after the Tolling Period ends. City and Developer shall discuss in good faith the termination of this Agreement if the Tolling Period exceeds one (1) calendar year to comply with federal or state law.

(b) Developer Tolling or Termination. Developer may not temporarily halt or terminate this Agreement for any purpose without causing a default of this Agreement, except as otherwise allowed by this Agreement or by mutual agreement of the Parties.

Section 1.8. Priority of Enactment. In the event of a conflict between the various land use documents referenced in this Agreement, the Parties agree that the following sequence of approvals establishes the relative priority of the approvals, each approval superior to the approvals listed thereafter: (a) General Plan, (b) Agreement, (c) Specific Plan, (d) Conditional Use Permit, (e) Indemnification Agreement, and (f) Subsequent City Approvals.

Section 1.9. Amendment of Agreement. This Agreement shall be amended only by mutual consent of the Parties. All amendments shall be in writing. The City Council hereby expressly authorizes the City Manager to approve a Minor Amendment to this Agreement, upon notification of the City Council. A Major Amendment to this Agreement shall be approved by the City Council. The City Manager shall, on behalf of City, have sole discretion for City to determine if an amendment is a Minor Amendment or a Major Amendment. Nothing in this Agreement shall be construed as requiring a noticed public hearing, unless required by law.

Section 1.10. Recordation of Development Agreement. The City Clerk shall cause a copy of this Agreement to be recorded against the title of the Site within ten (10) business days of the Effective Date.

(a) **Section 1.11. Funding Agreement for Processing Costs.** If Developer proposes an amendment to this agreement, Developer shall pay for all actual fees and expenses incurred by City that are related to the preparation and processing of amendments to this Agreement, including recording fees, publishing fees, staff time, and consultant and attorneys' fees and costs (collectively, "Processing Costs"). Developer shall deposit monies for such processing as estimated by the Development Services Department. The Processing Costs are refundable solely to the extent of non-expended Processing Costs. Accounting. Developer may request, and City shall issue within a reasonable time not to exceed thirty (30) days, an accounting and written acknowledgement of Processing Costs paid to City.

ARTICLE 2

DEVELOPMENT OF PROPERTY

Section 2.1. Vested Right of Developer. During the Term, in developing the Site consistent with the Cannabis Business Project described herein, Developer is assured that the development rights, obligation terms, and conditions specified in this Agreement, including, without limitation, the terms, conditions, and limitations set forth in the Exhibits, are fully vested in Developer and may not be modified or terminated by City except as set forth in this Agreement or with Developer's written consent.

Section 2.2. Vested Right to Develop. In accordance with Section 2.1, Developer shall have the vested right to develop and use the Cannabis Business Project consistent with this Agreement, the Conditional Use Permit, and Subsequent City Approvals.

Section 2.3. Permitted Uses and Development Standards. Developer shall be authorized to develop, construct, and use the Site for Commercial Cannabis Activity consistent with the following license type (the "Authorized License"):

Type 1A, 2A, 3A	Cultivation
Type 6, 7	Manufacturer
Type 11	Distribution

Pursuant to this Agreement, Developer shall be permitted to use the Site consistent with the Authorized License for the Term of this Agreement and during the time Developer is applying for the Authorized License with the applicable State Licensing Authority. Developer shall begin operations of the Cannabis Business Project under the Authorized License within six (6) months of the issuance of a Conditional Use Permit or adoption of the operative ordinance approving this Agreement, whichever is later, unless Developer is prevented from doing so due to any event or circumstance set forth in Section 8.6 of this Agreement. Notwithstanding the foregoing, Developer is required to apply for and obtain the Authorized License from the State of California. If the State Licensing Authority does not grant the Authorized License to Developer, Developer shall immediately cease Commercial Cannabis Activity and any other operations on the respective site. Developer shall also, within thirty (30) days of receiving notice from the State Licensing Authority, notify City of the State Licensing Authority's denial or rejection of the Authorized License. In this situation, this Agreement shall terminate immediately. The Parties intend for this Agreement and the Conditional Use Permit to serve as the definitive and controlling documents for all subsequent actions, discretionary or ministerial, relating to development of the Site and the Cannabis Business Project.

Occupancy and use of the building shall be limited to the Phase One area (indicated in approved construction drawings) only. All other portions of the building shall be secured, blocked off, and shall not be occupied or used for any purpose. No other portion of the building may be occupied or used unless and until all required permits have been issued and all required improvements have been completed and approved by the City, including, without limitation:

(a) Installation of fire sprinkler systems in such portions of the Building as required by applicable codes;

(b) Resurfacing of the exterior of the Building; and

(c) Regrading, where necessary, and resurfacing of the parking lot to meet current City standards.

Section 2.4. Major Amendment to Permitted Uses. Developer may request to add to the Authorized License additional license types once that license is applied for or obtained from the appropriate State Licensing Authority (the "Additional Licenses"). Such request shall be a Major Amendment to this Agreement.

Section 2.5. Conditional Use Permit. Developer shall obtain a Conditional Use Permit for the Commercial Cannabis Activity and Authorized License contemplated herein for the Project and at the Site. No Commercial Cannabis Activity may occur at the Site until Developer has obtained a Conditional Use Permit to use and operate the Authorized License at the Site. This Conditional Use Permit must be maintained in good standing throughout the Term. This Agreement shall immediately terminate if the Conditional Use Permit for the Authorized License is revoked by City for any reason.

Section 2.6. Subsequent Entitlements, Approvals, and Permits. Successful implementation of the Cannabis Business Project shall require Developer to obtain additional approvals and permits from City and other local and state agencies. City shall comply with CEQA in the administration of all Subsequent City Approvals. In acting upon any Subsequent City Approvals, City's exercise of discretion and permit authority shall conform to this Agreement. Notwithstanding the foregoing, in the course of taking action on the Subsequent City Approvals, City will exercise discretion in adopting mitigation measures as part of the Conditional Use Permit. The exercise of this discretion is not prohibited or limited in any way by this Agreement. Nothing in this Agreement shall preclude the evaluation of impacts or consideration of mitigation measures or alternatives, as required by CEQA.

(a) Contemplated City Rules and Guidelines. City anticipates issuing additional rules, administrative guidelines, and amendments to the T.M.C. associated with operation of the Cannabis Business Program. City may establish requirements that are identical to or place a higher standard of care as existing provisions of the California Cannabis Laws, State Cannabis Regulations, or any amendments thereto. City reserves the right to adopt additional categories of rules or guidelines that are not listed in this Section as part of the Cannabis Business Program. Developer shall comply with any and all additional rules, administrative guidelines, and amendments to the T.M.C. adopted by City that govern or pertain to the Cannabis Business Project.

Section 2.7. Initiatives and Referenda. If any City ordinance, rule or regulation, or addition to the T.M.C. is enacted or imposed by a citizen-sponsored initiative or referendum after the Effective Date that would conflict with this Agreement, an

associated Conditional Use Permit, Subsequent City Approvals, or reduce the development rights or assurances provided to Developer in this Agreement, such T.M.C. changes shall not be applied to the Site or the Cannabis Business Project; provided, however, the Parties acknowledge that City's approval of this Agreement is a legislative action subject to referendum. City shall cooperate with Developer and shall undertake such reasonable actions as may be appropriate to ensure this Agreement remains in full force and effect and is implemented in accordance with its terms to the fullest extent permitted by state or federal law.

Section 2.8. Regulation by Other Government Entities. Developer acknowledges that City does not have authority or jurisdiction over any other government entities' ability to grant governmental approvals or permits or to impose a moratorium or other limitations that may negatively affect the Cannabis Business Project or the ability of City to issue a permit to Developer or comply with the terms of this Agreement. Any moratorium imposed by another government entity, including the State Licensing Authority, on City shall not cause City to be in breach of this Agreement.

Section 2.9. Developer's Right to Rebuild. Developer may renovate portions of the Site any time within the Term of this Agreement consistent with the T.M.C. Any such renovation or rebuild shall be subject to all design, building code, and other requirements imposed on the Cannabis Business Project by this Agreement.

Section 2.10. Changes in California Building Standards Codes. Notwithstanding any provision of this Agreement to the contrary, development of the Cannabis Business Project shall be subject to changes occurring from time to time to the California Building Standards Codes.

Section 2.11. Changes Mandated by Federal or State Law. The Site and the Cannabis Business Project shall be subject to subsequently enacted state or federal laws or regulations that may preempt the T.M.C. or mandate the adoption or amendment of local regulations or are in conflict with this Agreement or local rules or guidelines associated with the program. As provided in Section 65869.5 of the Development Agreement Statute, in the event state or federal laws or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement, such provisions shall be modified or suspended as may be necessary to comply with such state or federal laws or regulations. Upon discovery of a subsequently enacted federal or state law meeting the requirements of this Section, City or Developer shall provide the other Party with written notice of the state or federal law or regulation, and a written statement of the conflicts thereby raised with the provisions of the T.M.C. or this Agreement. Promptly thereafter, City and Developer shall meet and confer in good faith in a reasonable attempt to modify this Agreement, as necessary, to comply with such federal or state law or regulation provided City shall not be obligated to agree to any modification materially increasing its obligations or materially adversely affecting its rights and benefits hereunder. In such discussions, City and Developer will attempt to preserve the terms of this Agreement and the rights of Developer derived from this Agreement to the maximum feasible extent while resolving the conflict. If City, in its judgment, determines it necessary to modify this Agreement to address such conflict, City shall have the right and responsibility to do so, and shall not have any liability to Developer for doing so or be considered in breach or default of this Agreement. City also agrees to process, in accordance

with the provisions of this Agreement, Developer's proposed changes to the Cannabis Business Project that are necessary to comply with such federal or state law and that such proposed changes shall be conclusively deemed to be consistent with this Agreement without further need for any amendment to this Agreement.

Section 2.12. Health and Safety Emergencies. In the event that any future public health and safety emergencies arise with respect to the Cannabis Business Project contemplated by this Agreement, City agrees that it shall attempt, if reasonably possible as determined by City in its discretion, to address such emergency in a way that does not have a material adverse impact on the Cannabis Business Project. If City determines, in its discretion, that it is not reasonably possible to so address such health and safety emergency in a way that does not have a material adverse impact on the Cannabis Business Project, City may select an option which, in its discretion, minimizes, so far as reasonably possible, the impact on development and use of the Cannabis Business Project in accordance with this Agreement, while still addressing such health and safety emergency in a manner acceptable to City.

Section 2.13. Other Regulations. The following provisions establish definitions and operational requirements applicable to this Agreement in furtherance of public safety and to ensure compliance with applicable regulations governing the Project and Developer's obligations hereunder.

(a) In addition to other requirements, remote and real-time, live access to the video footage of cameras installed by the cannabis business shall be provided to the Chief of Police or his/her designee(s) using such software as designated by the Chief of Police. Developer shall be responsible for ensuring that the security surveillance camera's footage is remotely accessible by the Chief of Police or his/her designee(s), and that it is compatible with the City's software and hardware. Such access shall be granted within 120 days of approval.

(b) Prior to changes in ownership, ownership structure, and management, or any sale or other transfer of the cannabis business, the relevant persons or entities shall be subject to additional background checks as required by the Turlock Police Department, and passage by the applicant as of such background checks. The City may repeat background checks on any individual or entity every two (2) years, and at any other time upon reasonable cause.

ARTICLE 3
ENTITLEMENT AND PERMIT PROCESSING, INSPECTIONS

Section 3.1. Subsequent City Approvals. City shall permit the development, construction, and conditionally permitted use contemplated in this Agreement. City agrees to timely grant, pursuant to the terms of this Agreement, the T.M.C., and any Subsequent City Approvals reasonably necessary to complete the goals, objectives, policies, standards, and plans described in this Agreement. The Subsequent City Approvals shall include any applications, permits, and approvals required to complete the improvements necessary to develop the Site, in general accordance with this Agreement ("Subsequent City Approvals"). Nothing herein shall require City to provide Developer with Subsequent

City Approvals prior to, or without complying with, all of the requirements in this Agreement, the T.M.C., and any applicable state law.

Section 3.2. Timely Processing. City shall use its reasonable best efforts to process and approve, within a reasonable time, any Subsequent City Approvals or environmental review requested by Developer during the Term of this Agreement.

Section 3.3. Cooperation Between City and Developer. Consistent with the terms set forth herein, City agrees to cooperate with Developer, on a timely basis, in securing all permits or licenses that may be required by City or any other government entity with permitting or licensing jurisdiction over the Cannabis Business Project.

Section 3.4. Further Consistent Discretionary Actions. The exercise of City's authority and independent judgment is recognized under this Agreement and nothing in this Agreement shall be interpreted as limiting City's discretion or obligation to hold legally required public hearings. Except as otherwise set forth herein, such discretion and action taken by City shall, however, be consistent with the terms of this Agreement and not prevent, hinder, or compromise development or use of the Site as contemplated by the Parties in this Agreement.

ARTICLE 4
PUBLIC BENEFIT, PROCESSING, AND OVERSIGHT

Section 4.1. Processing Fees and Charges. Developer shall pay to City those processing, inspection, plan checking and monitoring fees and charges required by City which are in force and effect at the time those fees and charges are incurred (including any post-Effective Date increases in such fees and charges) for processing applications and requests for building permits, inspections, other permits, approvals and actions, and monitoring compliance with any permits issued or approvals granted or the performance of any conditions (each a "Ministerial Fee" and collectively, the "Ministerial Fees").

Section 4.2. Public Benefit.

The Parties acknowledge and agree that this Agreement, and the Cannabis Business Project, confers substantial private benefits upon Developer that will place burdens upon City infrastructure, services, and neighborhoods. Accordingly, the Parties intend to provide consideration to City to offset these impacts that commensurate with the private benefits conferred on Developer (the "Public Benefit"). In consideration of the foregoing, Developer shall remit to City as follows (the "Cannabis Business Public Benefit"):

CULTIVATION

YEAR	PUBLIC BENEFIT AMOUNT PAID MONTHLY, AMORTIZED ANNUALLY
1ST	$10.00 sq/ft *
2ND	$10.00 sq/ft *
3RD	$10.00 sq/ft *
4TH	$10.00 sq/ft *
5TH	$10.00 sq/ft *

* Sq./ft. will be based on cultivation canopy. Cultivation canopy size will be the amount approved for use in the Conditional Use Permit.

MANUFACTURING

YEAR	PUBLIC BENEFIT AMOUNT PAID MONTHLY, AMORTIZED ANNUALLY
1ST	$10.00 sq/ft *
2ND	$10.00 sq/ft *
3RD	$10.00 sq/ft *
4TH	$10.00 sq/ft *
5TH	$10.00 sq/ft *

* Sq./ft. will be based on area of building set aside for manufacturing and ballistics use.

DISTRIBUTION

YEAR	PUBLIC BENEFIT AMOUNT, PAID MONTHLY AMORTIZED ANNUALLY If distribution is from cultivation or manufacturing uses not subject to a City of Turlock Public Benefit Amount	If distribution is from cultivation or manufacturing uses subject to a City of Turlock Public Benefit Amount
1ST	2.5% of gross receipts	No Public Benefit Amount owed
2ND	2.5% of gross receipts	No Public Benefit Amount owed
3RD	2.5% of gross receipts	No Public Benefit Amount owed
4TH	2.5% of gross receipts	No Public Benefit Amount owed
5TH	2.5% of gross receipts	No Public Benefit Amount owed

(a) Collectively, these amounts shall be known as the "Public Benefit Amount." The Public Benefit Amounts for each of the aforementioned uses shall be due monthly, beginning on the first business day following the first month in which Developer commences Commercial Cannabis Activity. Payment of the Public Benefit Amount shall continue for a period of five (5) years thereafter.

(b) Developer shall file an applicable statement that complies with the California State Board of Equalization, California Department of Tax and Fee Administration, or either's successor agency (the "State Taxing Authority") for sales tax purposes showing the true and correct amount of Gross Receipts from Operations of

the Cannabis Business Project during the applicable time period. Developer shall provide a copy of such statement to City upon request by City.

Section 4.3. Reporting. Developer shall provide City with copies of any reports provided to a State Licensing Authority within forty-five (45) days of that submission.

Any failure or refusal of Developer to provide any statement or report to City, the State Taxing Authority, or any other State Licensing Authority, as required within the time required, or to pay such sums due hereunder when the same are due and payable in accordance with the provisions of this Agreement, may constitute full and sufficient grounds for the revocation or suspension of the Conditional Use Permit.

Section 4.4. Records. Developer shall keep records of all Commercial Cannabis Activity in accordance with Chapter 16 (commencing with Section 26160) of Division 10 of the Business and Professions Code and the applicable State Cannabis Regulations. All records required by this Section shall be maintained and made available for City's examination and duplication (physical or electronic) at the Site or at an alternate facility as approved in writing by the City Manager, or his or her designee.

Section 4.5. Penalty. Developer acknowledges that to ensure proper compliance with the terms of this Agreement and any applicable laws, City must engage in costly compliance review, inspections, and, if necessary, enforcement actions to protect the health, safety, and welfare of its residents. Penalty and interest provisions are necessary to assist City in compliance review and enforcement actions. If Developer fails to make any payment when due, as required by this Agreement, including the Public Benefit Amount, City may impose a "Non-Performance Penalty." A Non-Performance Penalty of ten percent (10%) shall be applied to all past due payments. City shall deliver to Developer a "Notice of Non-Performance Penalty," attached hereto as **Exhibit D.** Payment of the Non-Performance Penalty shall be in a single installment due on or before a date fifteen (15) days following delivery of the Notice of Non-Performance Penalty.

Section 4.6. Interest on Unpaid Non-Performance Penalty. If Developer fails to pay the Non-Performance Penalty after City has delivered the Notice of Non-Performance Penalty, then, in addition to the principal amount of the Non-performance Penalty, Developer shall pay City interest at the rate of eighteen percent (18%) per annum, computed on the principal amount of the Non-Performance Penalty, from a date fifteen (15) days following delivery of the Notice of Non-performance Penalty.

Section 4.7. Protections from Duplicative Payments. Notwithstanding Section 4.2, Developer shall be exempt from paying the Public Benefit Amount if the City imposes a tax specific to commercial cannabis businesses and instead shall pay such specific tax. Notwithstanding the foregoing, Developer and the Cannabis Business Project shall be subject to any and all taxes, assessments, or similar charges or fees of general applicability enacted by the federal government, state government, County of Stanislaus, including any tax applicable to an area greater than the City limits to which City may be a party (i.e., county tax sharing agreement with City).

ARTICLE 5
PUBLIC FACILITIES, SERVICES, AND UTILITIES

City shall use the Public Benefit Amount in any way the City Council deems appropriate to offset the impacts of the project or to benefit the City.

ARTICLE 6
INSURANCE AND INDEMNITY

Section 6.1. Insurance. Developer shall require all persons doing construction or related work on the Cannabis Business Project and, including its contractors and subcontractors (collectively, "Developer" for purposes of this Article 6 only), to obtain and maintain insurance of the types and in the amounts described in this Article with carriers reasonably satisfactory to City.

(a) General Liability Insurance. Developer shall maintain commercial general liability insurance or equivalent form with a limit of not less than Two Million Dollars ($2,000,000) (or as otherwise approved, in writing, by City) per claim and Two Million Dollars ($2,000,000) each occurrence. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as "Additional Insureds" by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed additional insured.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(b) Automotive Liability Insurance. Developer shall maintain business automobile liability insurance or equivalent form with a limit of not less than One Million Dollars ($1,000,000) for each accident. Such insurance shall include coverage for owned, hired and non-owned automobiles. Such insurance shall also:

(i) Name City, its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives as Additional Insureds by endorsement with respect to performance of this Agreement. The coverage shall contain no special limitations on the scope of its protection afforded to the above-listed Additional Insureds.

(ii) Be primary with respect to any insurance or self-insurance programs covering City, its officials, employees, agents, and representatives.

(iii) Contain standard separation of insured provisions.

(c) Workers' Compensation Insurance. Developer shall take out and maintain during the Term of this Agreement, workers' compensation insurance for all of

Developer's employees employed at or on the Cannabis Business Project and, should any of the work be subcontracted, Developer shall require any general contractor or subcontractor similarly to provide workers' compensation insurance for such contractor's or subcontractor's employees, unless such employees are covered by the protection afforded by Developer. In case any class of employee engaged in work on the Cannabis Business Project and is not protected under any workers' compensation law, Developer shall provide and shall cause each contractor and subcontractor to provide adequate insurance for the protection of employees not otherwise protected. Developer hereby indemnifies City for any damage resulting from failure of Developer, its agents, employees, contractors or subcontractors to take out or maintain such insurance. Workers' compensation insurance with statutory limits and employer's liability insurance with limits of not less than One Million Dollars ($1,000,000) for each accident shall be maintained by Developer.

Section 6.2. Other Insurance Requirements. Developer shall do all of the following:

(a) Prior to taking any actions under this Agreement, furnish City with properly executed certificates of insurance that clearly evidence all insurance required in this Article, including evidence that such insurance will not be canceled, allowed to expire or materially reduced in coverage without thirty (30) days prior written notice to City.

(b) Provide to City, upon request, and within seven (7) days of said request, certified copies of endorsements and policies and properly executed certificates of insurance evidencing the insurance required herein.

(c) Replace or require the replacement of certificates, policies, and endorsements for any insurance required herein expiring prior to the termination of this Agreement.

(d) Maintain all insurance required herein from the Effective Date of this Agreement to the earlier of the expiration of the Term or the mutual written termination of this Agreement.

(e) Place all insurance required herein with insurers licensed to do business in California with a current Best's Key Rating Guide reasonably acceptable to City.

Section 6.3. Indemnity. To the fullest extent permitted by law, Developer shall defend, indemnify, and hold harmless City, and its agents, elected and appointed officials, officers, employees, consultants, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul an approval concerning the Cannabis Business Project and this Agreement, any applicable Conditional Use Permit or Subsequent City Approvals. Developer shall execute the indemnification agreement ("Indemnification Agreement") attached hereto as **Exhibit E.**

Section 6.4. Failure to Indemnify; Waiver. Failure by Developer to indemnify City, when required by this Agreement and the Indemnification Agreement, shall constitute a

material breach of this Agreement and of any applicable Conditional Use Permit and Subsequent City Approvals, which shall entitle City to all remedies available under law, including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of any applicable Conditional Use Permit. Developer's failure to indemnify City shall be a waiver by Developer of any right to proceed with the Cannabis Business Project, or any portion thereof, and a waiver of Developer's right to file a claim, action, or proceeding against City, or City's Agents, based on City's rescission or revocation of any Conditional Use Permit, Subsequent City Approvals, or City's failure to defend any claim, action, or proceeding based on Developer's failure to indemnify City.

Section 6.5. Waiver of Damages. Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge that City would not have entered into this Agreement had it been exposed to liability for damages from Developer and, therefore, Developer hereby waives all claims for damages against City for breach of this Agreement. Developer further acknowledges that under the Development Agreement Statute, land use approvals (including development agreements) must be approved by the City Council and that, under law, the City Council's discretion to vote in any particular way may not be constrained by contract. Developer therefore waives all claims for damages against City in the event that this Agreement or any Project approval is: (1) not approved by the City Council; or (2) is approved by the City Council but with new changes, amendments, conditions, or deletions to which Developer is opposed. Developer further acknowledges that, as an instrument which must be approved by ordinance, a development agreement is subject to referendum; and that, under law, the City Council's discretion to avoid a referendum by rescinding its approval of the underlying ordinance may not be constrained by contract, and Developer waives all claims for damages against City in this regard.

ARTICLE 7
MORTGAGEE PROTECTION

This Agreement, once executed and recorded, shall be superior and senior to any lien placed upon the Site or any portion thereof following recording of this Agreement, including the lien of any deed of trust or mortgage ("Mortgage"). Notwithstanding the foregoing, no breach hereof shall defeat, render invalid, diminish, or impair the lien of any Mortgage made in good faith and for value. This Agreement shall immediately be deemed in default and immediately terminate upon the foreclosure or transfer of any interest in the Site or Project, whether by operation of law or any other method of interest change or transfer, unless the City Manager has authorized such change or transfer in advance, in writing. City agrees to not unreasonably withhold its authorization.

ARTICLE 8
DEFAULT

Section 8.1. General Provisions.

(a) Subject only to any extensions of time by mutual consent in writing, or as otherwise provided herein, the failure or delay by any Party to perform in accordance with

the terms and provisions of this Agreement shall constitute a default. Any Party alleging a default or breach of this Agreement ("Charging Party") shall give the other Party ("Charged Party") not less than ten (10) days written notice, which shall specify the nature of the alleged default and the manner in which the default may be cured. During any such ten (10) calendar day period, the Charged Party shall not be considered in default for purposes of termination of this Agreement or institution of legal proceedings for the breach of this Agreement.

(b) After expiration of the ten (10) calendar day period, if such default has not been cured or is not in the process of being diligently cured in the manner set forth in the notice or if the breach cannot reasonably be cured within ten (10) days, the Charging Party may, at its option, institute legal proceedings pursuant to this Agreement, and give notice of its intent to terminate this Agreement pursuant to Government Code section 65868. In the event City is the Charging Party, City may, in its sole discretion, give notice, as required by law, to the Charged Party of its intent to revoke or rescind any operable Conditional Use Permit related to or concerning the Cannabis Business Project.

(c) Prior to the Charging Party giving notice to the Charged Party of its intent to terminate, or prior to instituting legal proceedings, the matter shall be scheduled for consideration and review by City in the manner set forth in Government Code sections 65865, 65867 and 65868 within thirty (30) days from the expiration of the ten (10) day notice period.

(d) Following consideration of the evidence presented and said review before City, and after providing the Charged Party an additional five (5) calendar day period to cure, the Charging Party may institute legal proceedings against the Charged Party or may give written notice of termination of this Agreement to the Charged Party.

(e) Evidence of default may arise in the course of a regularly scheduled periodic review of this Agreement pursuant to Government Code section 65865.1, as set forth in Section 8.2. If any Party determines that another Party is in default following the completion of the normally scheduled periodic review, without reference to the procedures specified in Section 8.1(c), said Party may give written notice of termination of this Agreement, specifying in the notice the alleged nature of the default and potential actions to cure said default where appropriate. If the alleged default is not cured in ten (10) days or within such longer period specified in the notice or the defaulting Party is not diligently pursuing a cure, or if the breach cannot reasonably be cured within the period or the defaulting Party waives its right to cure such alleged default, this Agreement may be terminated by the non-defaulting Party by giving written notice. An extension of the ten (10) day cure period may be given by mutual consent of the Parties.

(f) In the event Developer is in default under the terms and conditions of this Agreement, no permit application shall be accepted by City, nor will any permit be issued to Developer until the default is cured or the Agreement is terminated.

Section 8.2. Annual Review. City shall, at least every twelve (12) months during the Term of this Agreement, review the extent of good faith, substantial compliance of

Developer and City with the terms of this Agreement. Such periodic review by City shall be limited in scope to compliance with the terms of this Agreement pursuant to California Government Code section 65865.1. City shall deposit in the mail or fax to Developer a copy of all staff reports and, to the extent practical, related exhibits concerning this Agreement or the Cannabis Business Project's performance, at least seven (7) days prior to such periodic review. Developer shall be entitled to appeal a determination of City or the City Manager to the City Council. Any appeal must be filed within ten (10) days of the decision of City or the City Manager, respectively. Developer shall be permitted an opportunity to be heard orally or in writing regarding its performance under this Agreement before City, the City Manager, or the City Council, as applicable. The reasonable cost for City's annual review of this Agreement shall be paid by Developer, not to exceed the actual costs incurred by City in connection with the review.

Section 8.3. Estoppel Certificate.

(a) City shall, with at least twenty (20) days prior written notice, execute, acknowledge, and deliver to Developer, Developer's lender, potential investors, or assignees, an Estoppel Certificate in writing which certifies that this Agreement is in full force and effect, that there are no breaches or defaults under the Agreement, and that the Agreement has not been modified or terminated and is enforceable in accordance with its terms and conditions.

(b) At Developer's option, City's failure to deliver such Estoppel Certificate within the stated time period shall be conclusive evidence that the Agreement is in full force and effect, that there are no uncured breaches or defaults in Developer's performance of the Agreement or violation of any City ordinances, regulations, and policies regulating the use and development of the Site, the Cannabis Business Project, or the subject to this Agreement.

Section 8.4. Default by City. In the event City does not accept, review, approve, or issue any permits or approvals in a timely fashion, as defined by this Agreement, or if City otherwise defaults under the terms of this Agreement, City agrees that Developer shall not be obligated to proceed with or complete the Cannabis Business Project and shall constitute grounds for termination or cancellation of this Agreement by Developer.

Section 8.5. Cumulative Remedies of Parties. In addition to any other rights or remedies, City or Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, enforce any covenant, or enjoin any threatened or attempted violation of the provisions of this Agreement, so long as any such action conforms to Section 9.1(c) of this Agreement.

Section 8.6. Forced Delay, Extension of Times of Performance. Delays in performance, by either Party, shall not be deemed a default if such delays or defaults are due to war, terrorism, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed where mandated by governmental entities other than City, enactment of conflicting state or federal laws or regulations, new or supplementary environmental regulations enacted by the state or

federal government, litigation, or other force majeure events. An extension of time for such cause shall be in effect for the period of forced delay or longer, as may be mutually agreed upon.

Section 8.7. Appeals. Developer may appeal any adverse decision or action of City pursuant to the T.M.C, as may be amended from time to time.

ARTICLE 9
TERMINATION

Section 9.1. Termination. This Agreement shall terminate upon the expiration of the Term, unless it is terminated earlier pursuant to the terms of this Agreement. Upon termination of this Agreement, City shall record a notice of such termination in substantial conformance with the "Notice of Termination" attached hereto as **Exhibit F,** and this Agreement shall be of no further force or effect except as otherwise set forth in this Agreement.

Section 9.2. Effect of Termination on Developer's Obligations. Termination of this Agreement shall eliminate any further obligation of Developer to comply with this Agreement, or some portion thereof, if such termination relates to only part of the Site or Project. Termination of this Agreement, in whole or in part, shall not, however, eliminate the rights of Developer to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.3. Effect of Termination on City's Obligations. Termination of this Agreement shall eliminate any further obligation of City to comply with this Agreement, or some portion thereof. Termination of this Agreement shall not, however, eliminate the rights of City to seek any applicable and available remedies or damages based upon acts or omissions occurring before termination.

Section 9.4. Survival After Termination. The rights and obligations of the Parties set forth in this Section 9.4, Section 2.8, Section 6.3, Section 10.3, Section 10.4, Section 10.5, Section 10.7, and Section 10.10, and any right or obligation of the Parties in this Agreement which, by its express terms or nature and context is intended to survive termination of this Agreement, will survive any such termination.

Section 9.5. Criminal Conviction; Termination; Transfer Rights. If Developer, or any owner, officer, director, manager, or person with a direct or indirect ownership or controlling interest in Developer, is convicted of a felony or any crime substantially related to the ownership or operation of a cannabis business, the City may, in its sole and absolute discretion, terminate this Agreement upon written notice. A “conviction” includes a guilty or nolo contendere plea and is deemed final upon entry of judgment, regardless of appeal.

Following such notice, Developer shall have a one hundred and eighty (180) day period to complete a transfer of its interest in this Agreement and the Project to a transferee approved in advance and in writing by the City. Approval is in the City’s sole and absolute discretion. Any proposed transferee shall undergo a background investigation and meet

all applicable eligibility requirements, including approval by the Chief of Police or designee.

If an approved transfer is not completed within the one hundred and eighty (180) day period, this Agreement shall automatically terminate. Any unapproved transfer is void.

ARTICLE 10
OTHER GENERAL PROVISIONS

Section 10.1. Assignment and Assumption. Developer shall not have the right to sell, assign or transfer all or any part of its rights, title, and interests in all or a portion of the Site or Project, subject to or a part of this Agreement, to any person, firm, corporation or entity during the Term of this Agreement without the advance written consent of the City Manager. This assignment prohibition applies to the corporate and business entities of Developer that are a Party to this Agreement. Any assignment or transfer prohibited by this Agreement will be considered an immediate breach of this Agreement and City may elect to immediately terminate this Agreement. If the City Manager approves an

assignment or transfer of any interest detailed in this Section 10.1, City and Developer shall execute an "Assignment and Assumption Agreement" in the form attached hereto as **Exhibit G.**

Section 10.2. Covenants Running with the Land. All of the provisions contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assigns, representatives, lessees, and all other persons acquiring all or a portion of interest in the Site or Project, whether by operation of law or in any manner whatsoever. All of the provisions contained in this Agreement shall be enforceable as equitable servitudes and shall constitute covenants running with the land pursuant to California law, including California Civil Code section 1468. Each covenant herein to act or refrain from acting is for the benefit of or a burden upon the Cannabis Business Project and, as appropriate, runs with the Site and is binding upon Developer.

Section 10.3. Notices. Any notice or communication required hereunder between City and Developer must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday, or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent; or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to City: City of Turlock
156 S. Broadway
Turlock, CA 95380
Attention: City Manager

and Katie O. Lucchesi, City Attorney
156 S. Broadway
Turlock, CA 95380 '

If to Developer:
Plan4Dream Investments, LLC
Qingyu Huang

Section 10.4. Governing Law and Binding Arbitration. The validity, interpretation, and performance of this Agreement shall be controlled by and construed pursuant to the laws of the state of California. Any dispute, claim, or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation, or validity thereof, including the determination of the scope or applicability of this Agreement to arbitrate, shall be determined by binding arbitration in Sacramento, California, before one arbitrator. The arbitration shall proceed pursuant to the Comprehensive Arbitration Rules and Procedures of the Judicial Arbitration and Mediation Services ("JAMS"). Judgment on the award may be entered in any court having jurisdiction thereof.

Section 10.5. Invalidity of Agreement/Severability. If this Agreement, in its entirety, is determined by an arbitrator or court of competent jurisdiction to be invalid or unenforceable, this Agreement shall automatically terminate as of the date of final entry of judgment. If any term or provision of this Agreement shall be determined by an arbitrator or court of competent jurisdiction to be invalid and unenforceable, or if any term or provision of this Agreement is rendered invalid or unenforceable according to the terms of any federal or state statute, any provisions that are not invalid or unenforceable shall continue in full force and effect and shall be construed to give effect to the intent of this Agreement. The Parties expressly agree that each Party is strictly prohibited from failing to perform any and all obligations under this Agreement on the basis that this Agreement is invalid, unenforceable, or illegal. By entering into this Agreement, each Party disclaims any right to tender an affirmative defense in any arbitration or court of competent jurisdiction, that performance under this Agreement is not required because the Agreement is invalid, unenforceable, or illegal.

Section 10.6. Cumulative Remedies. In addition to any other rights or remedies, City and Developer may institute legal or equitable proceedings to cure, correct, or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation of the provisions of this Agreement. The prevailing Party in any such action shall be entitled to r!3asonable attorneys' fees and costs. Notwithstanding the foregoing or any other provision of this Agreement, in the event of City default under this Agreement, Developer agrees that it may not seek, and shall forever waive any right to, monetary damages against City, but excluding, therefrom, the right to recover any fees or charges paid by Developer in excess of those permitted hereunder.

Section 10.7. Third Party Legal Challenge. In the event any legal action or special proceeding is commenced by any person or entity challenging this Agreement or any associated entitlement, permit, or approval granted by City to Developer for the Cannabis Business Project (collectively, "Project Litigation"), the Parties agree to cooperate with each other as set forth herein. City may elect to tender the defense of any lawsuit filed and related, in whole or in part, to Project Litigation with legal counsel selected by City.

Developer will indemnify, hold City harmless from, and defend City from all costs and expenses incurred in the defense of such lawsuit, including, but not limited to, damages, attorneys' fees, and expenses of litigation awarded to the prevailing Party or Parties in such litigation. Developer shall pay all litigation fees to City within thirty (30) days of receiving a written request and accounting of such fees and expenses from City. Notwithstanding the aforementioned, City may request, and Developer will provide to City within seven (7) days of any such request, a deposit to cover City's reasonably anticipated Project Litigation fees and costs.

Section 10.8. Constructive Notice and Acceptance. Every person who, after the Effective Date and recording of this Agreement, owns or acquires any right, title or interest to any portion of the Site is and shall be conclusively deemed to have consented and agreed to every provision contained herein, whether or not any reference to this Agreement is contained in the instrument by which such person acquired an interest in the Site and all rights and interests of such person in the Site shall be subject to the terms, requirements, and provisions of this Agreement.

Section 10.9. Statute of Limitations and Laches. City and Developer agree that each Party will undergo a change in position in detrimental reliance upon this Agreement from the time of its execution and subsequently. The Parties agree that Section 65009(c)(1)(D) of the California Government Code, which provides for a ninety (90) day statute of limitations to challenge the adoption of this Agreement, is applicable to this Agreement. In addition, any person who may challenge the validity of this Agreement is hereby put on notice that, should the legality or validity of this Agreement be challenged by any third party in litigation, which is filed and served more than ninety (90) days after the execution of this Agreement, City and Developer shall each assert the affirmative defense of laches with respect to such challenge, in addition to all other available defenses. This Section in no way limits the right of a Party, claiming that the other Party breached the terms of this Agreement, to bring a claim against the other Party within the four (4) year statute of limitations set forth in Section 337 of the California Civil Code.

Section 10.10. Joint and Several Liability. Developer shall be jointly and severally liable for any amount due under this Agreement, and any breach of this Agreement or failure to pay by one Party shall also constitute a breach of this Agreement by the other Party. Developer agrees that City may impose a lien and seek foreclosure on any parcel of the Site due to any default by Developer.

Section 10.11. Change in State Regulations. In no event shall Developer operate the Cannabis Business Project in violation of the Agreement, or State Cannabis Regulations, as may be amended from time to time.

Section 10.12. Standard Terms and Conditions.

(a) Venue. Venue for all legal proceedings shall be the JAMS Resolution Center in Sacramento, California.

(b) Waiver. A waiver by any Party of any breach of any term, covenant, or condition herein contained or a waiver of any right or remedy of such Party available hereunder, at law or in equity, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained or of any continued or subsequent right to the same right or remedy. No Party shall be deemed to have made any such waiver unless it is in writing and signed by the Party so waiving.

(c) Completeness of Instrument. This Agreement, together with its specific references, attachments, and Exhibits, constitutes all of the agreements, understandings, representations, conditions, warranties, and covenants made by and between the Parties hereto. Unless set forth herein, no Party to this Agreement shall be liable for any representations made, express or implied.

(d) Supersedes Prior Agreement. It is the intention of the Parties hereto that this Agreement shall supersede any prior agreements, discussions, commitments, or representations, written, electronic, or oral, between the Parties hereto with respect to the Site or Cannabis Business Project.

(e) Captions. The captions of this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

(f) Number and Gender. In this Agreement, the neuter gender includes the feminine and masculine, and the singular includes the plural, and the word "person" includes corporations, partnerships, firms, or associations, wherever the context requires.

(g) Mandatory and Permissive. "Shall" and "will" and "agrees" are mandatory. "May" or "can" are permissive.

(h) Term Includes Extensions. All references to the Term of this Agreement shall include any extensions of such Term.

(i) Counterparts. This Agreement may be executed simultaneously, and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

G) Other Documents. The Parties agree that they shall cooperate in good faith to accomplish the objectives of this Agreement and, to that end, agree to execute and deliver such other instruments or documents as may be necessary and convenient to fulfill the purposes and intentions of this Agreement.

(k) Time is of the Essence. Time is of the essence in this Agreement in each covenant, term, and condition herein.

(l) Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

(m) Document Preparation. This Agreement will not be construed against the Party preparing it but will be construed as if prepared by all Parties.

(n) Advice of Legal Counsel. Each Party acknowledges that it has reviewed this Agreement with its own legal counsel and, based upon the advice of that counsel, freely entered into this Agreement.

(o) Attorneys' Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(p) Calculation of Time Periods. All time referenced in this Agreement shall be calendar days, unless the last day falls on a legal holiday, Saturday, or Sunday, in which case the last day shall be the next business day.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, this Agreement has been entered into by and between Developer and City as of the Effective Date of the Agreement, as defined above.

"CITY"

CITY OF TURLOCK, a
California municipal corporation

By:_____
Christopher Fisher
Acting City Manager

Dated:_____

Attest:

By: _____
Nichole Fiez
City Clerk

Approved to as Form

By_____
Katie O. Lucchesi
City Attorney

"DEVELOPER"

Plan4Dream Investments, LLC, a California limited liability company

By: _____
Qingyu Huang
Its: _____
Managing Member

Dated:_____

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of_____)

On_____, before me _____, a Notary Public, personally appeared_____who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____
(Signature)

(Seal)

California All-Purpose Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
)
County of_____)

On_____, before me _____, a Notary Public, personally appeared_____who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal.

_____
(Signature)

(Seal)

Exhibit A
LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Stanislaus, City of Turlock and described as follows:

Parcel A as shown on the Parcel Map filed for record February 27, 2019 in Book 57 of Parcel Maps, at Page 91 Stanislaus County Records, more particularly described as follows:

Beginning at the southerly corner of D Street and Fifth Street at the North corner of said Parcel A; thence South 41°58'00" East a distance of 350.00 feet along the Southwesterly right-of-way line of Fifth Street; thence South 48°01'46" West a distance of 300.00 feet; thence North 41°58'00" West a distance of 70.00 feet; thence South 48°01'46" West a distance of 63.25 feet; thence North 41°58'00" West a distance of 280.00 feet to the Southeasterly right-of-way line of D Street; thence North 48°01'46 East a distance of 363.25 feet along said D Street right-of-way line to the Point of Beginning of this description.

Containing 2.82 Acres, more or less. Subject to all easements and rights-of-way of record.

APN: 043-018-016

Exhibit B

Cannabis Business Project Site Map

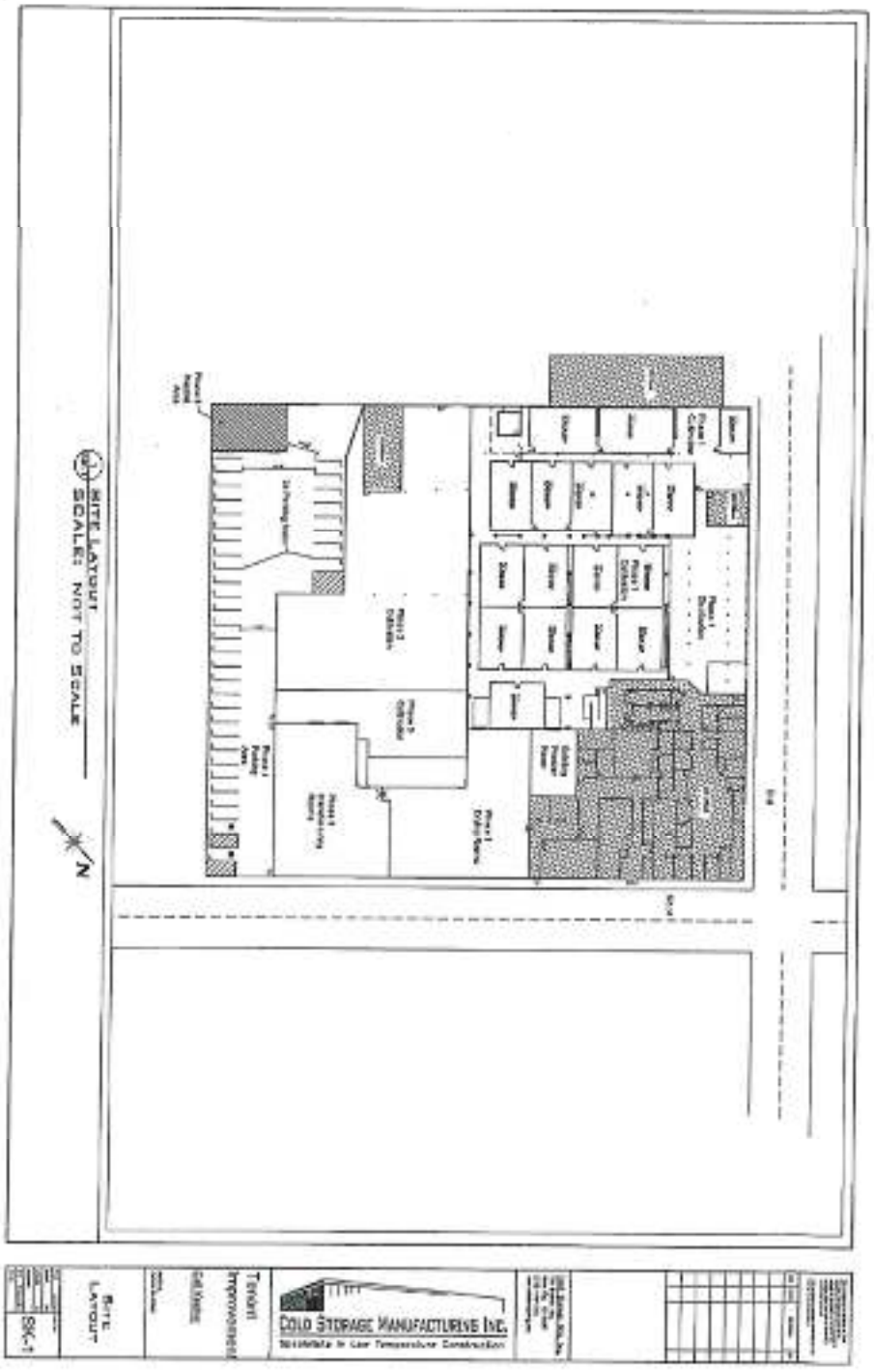

SITE LAYOUT
SCALE: NOT TO SCALE
N
COLD STORAGE MANUFACTURING INC.

Exhibit C

Site Deed

RECORDING REQUESTED BY:
Stewart Title of California, Inc.

WHEN RECORDED MAIL TO:
AND MAIL TAX STATEMENT TO:

Darron Silva
1631 Fig Ave
Patterson, CA 95363

ORDER NO. 616534
APN: 043-018-016(New)

Stanislaus, County Recorder
Donna Linder Co Recorder Office
DOC- 2020-0004949-00
Acct 402-Mail Documents
Friday, JAN 24, 2020 13:26:28
Ttl Pd $1,952.00 Rcpt # 0004381702
SCT/R3/1-2

SPACE ABOVE THIS LINE FOR RECORDERS USE

GRANT DEED

THE UNDERSIGNED GRANTOR(s) DECLARE(s)
DOCUMENTARY TRANSFER TAX is $1,925.00 CITY TAX $0.00
☒ Monument Preservation Fee is: $10.00
☒ computed on full value of property conveyed, or
☐ computed on full value less value of liens or encumbrances remaining at time of sale.

Unincorporated area X City of Turlock

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

680D Street, LLC, a California limited liability company

hereby GRANT(S) to Darron Silva, a single man

the following described real property in the City of Turlock, County of Stanislaus, State of California:

Parcel A as shown on Parcel Map filed for record February 27, 2019 in Book 57 of Parcel Maps, at Page 91 Stanislaus County Records.

Date: January 14, 2020

680D Street, LLC, a California limited liability company

By: _____
Michael S. Hutchings, Member

MAIL TAX STATEMENT AS DIRECTED ABOVE

Exhibit D

Notice of Non-Performance Penalty

DATE: _____, 2026

PARTIES: CITY OF TURLOCK
156 S Broadway
Turlock, CA 95380
Attention: City Manager

DEVELOPER
Plan4Dream Investments, LLC
_____
_____
Attention: Qingyu Huang, Managing Member

THIS NOTICE OF NON-PERFORMANCE PENALTY ("Penalty Notice") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2019, City recorded a development agreement between City andPlan4Dream Investments, LLC. ("Developer"), dated _____, 2019 (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Section 4.2 of the Development Agreement, Developer agrees to pay to City a Public Benefit on the first business day of each month during the Term of the Development Agreement.

C. On _____, 20__, the Public Benefit was due to City by Developer. City did not receive payment.

D. Pursuant to Section 4.5 of the Development Agreement, if Developer fails to make payment when it is due, City may impose a penalty of ten percent (10%) of the total of the past due amounts ("Penalty"). As of _____, 20__, the past due amount equals $_____. The Penalty owed by Developer equals $_____ ("Penalty Amount").

E. Pursuant to Section 4.5 of the Development Agreement, Developer shall make payment of the Penalty Amount in a single installment due within fifteen (15) days of delivery of this Penalty Notice ("Penalty Due Date").

F. Pursuant to Section 4.6 of the Development Agreement, if Developer fails to pay the Penalty Amount before the Penalty Due Date, then, in addition to the Penalty Amount specified in subdivision (D), Developer shall pay City interest on the Penalty Amount, at the rate of eighteen percent (18%) per annum ("Penalty Interest Payment"), computed from the Penalty Due Date specified in subdivision (E). The Penalty Interest Payment is due fifteen (15) days following delivery of the Penalty Due Date. As of _____, 20__, the Penalty Interest Payment amount equals $_____.

G. Nothing contained herein shall constitute a waiver of City's future claims for the Public Benefit, Penalty, or interest on the Penalty.

NOW, THEREFORE, City hereby provides Developer the Penalty Notice required by Section 4.5 of the Development Agreement. This Penalty Notice shall be effective upon notice pursuant to Section 10.3 of the Development Agreement.

CITY OF TURLOCK,
a California municipal corporation

By:_____
City Manager

{CW082303 .3)

Exhibit E

INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING

THIS INDEMNITY AGREEMENT FOR LAND USE ENTITLEMENT PROCESSING ("Agreement") is made and entered into on this ____day of _____, 2026, ("Effective Date") by and between the City of Turlock, a California municipal corporation ("City") and Plan4Dream Investments, LLC, a California limited liability company ("Applicant"). City and Applicant may be referred to herein individually as a "Party" or collectively as the "Parties". There are no other parties to this Agreement.

RECITALS

A. In 1996, the people of the state of California approved Proposition 215, the Compassionate Use Act of 1996 ("CUA"). The CUA enables seriously ill Californians to legally possess, use, and cultivate marijuana for medical use under state law. In 2003, the California Legislature adopted Senate Bill 420, entitled the Medical Marijuana Program ("MMP"), which authorizes qualified patients and their primary caregivers to cultivate marijuana for medical purposes without being subject to criminal prosecution under the California Penal Code.

B. On October 9, 2015, Governor Jerry Brown signed three bills into law (Assembly Bill 266, Assembly Bill 243, and Senate Bill 643) which are collectively referred to as the Medical Cannabis Regulation and Safety Act ("MCRSA"). MCRSA establishes a statewide regulatory system for the cultivation, processing, transportation, testing, manufacturing, and distribution of medical marijuana to qualified patients and their primary caregivers.

C. On November 8, 2016, California voters passed Proposition 64, the Adult Use of Marijuana Act ("AUMA"). AUMA legalizes the cultivation, commercial sale, and possession of recreational cannabis for adults age 21 and older.

D. On June 27, 2017, Governor Jerry Brown signed into law the Medicinal and Adult-Use Cannabis Regulation and Safety Act ("MAUCRSA"), which created a single regulatory scheme for both medicinal and adult-use cannabis businesses. MAUCRSA retains the provisions in the MCRSA and AUMA that granted local jurisdictions control over whether businesses engaged in commercial cannabis activity may operate in a particular jurisdiction.

E. On December 7, 2017, California state cannabis licensing authorities issued emergency regulations that apply to AUMA and MAUCRA and further regulate businesses engaged in commercial cannabis activity.

F. Turlock Municipal Code ("T.M.C.") Chapter 5.21 authorizes cannabis businesses to operate within the City under specified restrictions pursuant to a Cannabis Program.

G. Applicant intends to improve, develop, and use real property to operate a cannabis business (the "Project") within the City in strict compliance with MAUCRSA and T.M.C. chapter 5.60.

H. Applicant has an agreement to purchase that certain real property located at 600 D Street in the City of Turlock, identified as Stanislaus County Assessor's Parcel Number 043-018-016 (the "Project"). Applicant intends to improve approximately 98,770 square feet of space and operate the Project on the Property.

I. As a condition of approval of the Land Use Entitlements, City has required Applicant to enter into this Agreement.

J. It is in the public interest for City and Applicant to enter into this Agreement, as Applicant will benefit from City's processing of the Project.

K. Applicant desires to enter into this Agreement to fulfill a condition of approval of the Project, which is a prerequisite for construction of the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements set forth below, the Parties agree as follows:

Section 1. Recitals. The recitals set forth above ("Recitals") are true and correct and are hereby incorporated into and made part of this Agreement by this reference. In the event of any inconsistency between the Recitals and Sections 1 through 19 of this Agreement, Sections 1 through 19 shall prevail.

Section 2. Applicant's Indemnification Obligations.

2.1. Indemnification for Land Use Entitlements. To the fullest extent permitted by law, Applicant shall indemnify, and hold harmless City and its agents, elected and appointed officials, officers, employees, and volunteers (collectively, "City's Agents") from any and all liability arising out of a claim, action, or proceeding against City, or City's Agents, to attack, set aside, void, or annul, an approval concerning the Land Use

Entitlements by reason of the action or inaction of City, or City's Agents. Applicant's duty to indemnify and hold harmless shall not extend to any claim, action or proceeding arising from the gross negligence or willful misconduct of City, or City's Agents.

Applicant's obligations under this Agreement to indemnify City shall apply to any claim, lawsuit or challenge against City brought against the Project, specifically including, but not limited to, any legal challenge based on the California Environmental Quality Act, codified in California Public Resources Code section 21000 et seq.; actions or proceedings brought to challenge the validity of environmental documents prepared in conjunction with the approval of the Project or Land Use Entitlements, or the requirements of any other federal, state, or local laws, including, but not limited to, general plan, specific plan, and zoning requirements.

2.2. Tender of Defense. Upon receiving notice of a claim and pursuant to Article 6 of the Land Use Entitlements, Applicant shall assume the defense of the claim, action, or proceeding through the prompt payment of all attorneys' fees and costs, incurred in good faith and in the exercise of reasonable discretion, of City's counsel in defending such an action. Regardless of whether Applicant chooses to defend City pursuant to Section 6.4 of the Land Use Entitlements, City shall have the absolute and sole authority to control the litigation and make litigation decisions, including, but not limited to, selecting counsel to defend City and settlement or other disposition of the matter.

2.3. Deposit for Costs. Applicant shall make a refundable deposit to City within thirty (30) days of written notification from City ("Cost Deposit"), to cover the estimated fees and costs associated with City's defense of any claim, action or proceeding. Applicant shall make any and all additional payments to City to replenish the Cost Deposit within thirty (30) days of written notice from City.

2.4. Failure to Indemnify; Waiver. Failure to indemnify City, when required by this Agreement, shall constitute a material breach of this Agreement and of the Land Use Entitlements, which shall entitle City to all remedies available under law including, but not limited to, specific performance and damages. Failure to indemnify shall constitute grounds upon which City may rescind its approval of the Land Use Entitlements. Applicant's failure to indemnify City shall be a waiver by Applicant of any right to proceed with the Project, or any portion thereof, and a waiver of Applicant's right to file a claim, action or proceeding against City or City's Agents based on City's rescission or revocation of the Land Use Entitlements, or City's failure to defend any claim, action or proceeding based on Applicant's failure to indemnify City.

2.5. Satisfaction of Judgment. With respect to any claims, demands, acts, causes of action, damages, costs, expenses, settlements, losses or liabilities which Applicant has indemnified City against, Applicant shall pay and satisfy any judgment, award, settlement or decree that may be rendered or agreed against City and City's Agents arising out of any final, non-appealable judicial or administrative action.

" .

2.6. Payment of Costs and Fees. Applicant's obligations under this Agreement to defend and indemnify City shall include, but not be limited to, payment of all court costs and attorneys' fees, all litigation-related costs, all costs of any judgments or awards against City, or all settlement costs which arise out of City's processing or approval of the Project.

2.7. Continuing Obligation. Applicant shall be and remain personally obligated to all of the terms of this Agreement, notwithstanding any attempt to assign, delegate or otherwise transfer all or any of the rights or obligations of this Agreement, and notwithstanding a change in or transfer of ownership of the real property upon which the Project is located (or any interest therein). However, Applicant may be released from such obligations if Applicant obtains City's prior written consent to such transfer, which consent shall not be unreasonably withheld.

Section 3. City's Obligations. City shall notify Applicant of any claim, action or proceeding within ten (10) business days of receiving service of any claim, action or proceeding. If City fails to notify Applicant of any claim, action, or proceeding, Applicant shall not, thereafter, be responsible to defend, indemnify, or hold City harmless. City shall have and retain, in its sole discretion, the right to not participate in the defense of any claim, action, or proceeding. At its sole discretion, City may participate at its own expense in the defense, but such participation shall not relieve Applicant of any obligation imposed by this Agreement.

Section 4. Notice. Any notice or communication required hereunder between City and Applicant must be in writing and may be given either personally, by facsimile (with original forwarded by regular U.S. Mail), by registered or certified mail (return receipt requested), or by Federal Express, UPS or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving Party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day, or on a Saturday, Sunday or holiday, shall be deemed to have been given and received on the next normal business day. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or

(b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties

at their addresses set forth below:

If to City:	City of Turlock 156 S. Broadway Turlock, CA 95380 Attention: City Manager
and	156 S. Broadway Turlock, CA 95380 Attention: City Attorney
If to Developer:	Plan4Dream Investments, LLC Attention: Qingyu Huang

Section 5. Modification of Agreement. This Agreement may be supplemented, amended, or modified only by a writing signed by City and Applicant.

Section 6. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the Parties pertaining to the action and supersedes all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement.

Section 7. Agreement is Voluntary. The Parties acknowledge that they have entered into this Agreement voluntarily, on the basis of their own judgment and without coercion, and not in reliance on any promises, representations, or statements made by the other Party other than those contained in this Agreement. This Agreement incorporates the entire understanding of the Parties and recites the sole consideration of the promises and agreements contained within it. The Parties have read this Agreement and are fully aware of its contents and legal effect.

Section 8. Time of Essence. Time is of the essence for this Agreement, and each section contained within this Agreement is made and declared to be a material, necessary, and essential part of this Agreement.

Section 9. Severability of Agreement. If a court or an arbitrator of competent jurisdiction holds any section of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining sections of this Agreement shall not be affected.

Section 10. Authority. All Parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement, and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Agreement had been fully complied with. Further, by entering into this Agreement, neither Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 11. Noninterference. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Agreement.

Section 12. Ambiguities. Each Party has participated fully in the review and revision of this Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Agreement.

Section 13. Headings. The headings in this Agreement are included for convenience only, and neither affect the construction or interpretation of any section in this Agreement nor affect any of the rights or obligations of the Parties to this Agreement.

Section 14. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Agreement. The Parties will act in good faith to carry out the intent of this Agreement.

Section 15. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 16. Venue. Venue for all legal proceedings shall be in the Superior Court of the State of California in and for the County of Stanislaus.

Section 17. Attorney's Fees and Costs. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret sections of this Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

Section 18. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is

claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 19. **Counterparts.** This Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties have executed this Agreement on the day, month and year first above written.

APPLICANT

Plan4Dream Investments, LLC

By: _____
Qingyu Huang

Its: _____
Managing Member

Date: _____

Plan4Dream Investments, LLC

By: _____

Its: _____
Managing Member

Date: _____

CITY

City of Turlock, a California municipal corporation

By: _____
Gary Hampton, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Katie O. Lucchesi, City Attorney

Exhibit F Notice of

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

City of Turlock
156 S Broadway
Turlock, CA 95380
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code§ 6103

NOTICE OF TERMINATION AND RELEASE OF DEVELOPMENT AGREEMENT

DATE: _____, 20___

PARTIES: CITY OF TURLOCK
156 S Broadway
Turlock, CA 95380

Plan4Dream Investments, LLC
_____
_____
Attention: Qingyu Huang, Managing Member

THIS NOTICE OF TERMINATION AND RELEASE (the "Release") is being executed by the City of Turlock, a California municipal corporation ("City"), with reference to the following.

A. By Instrument No. _____, which was recorded in the Official Records of Stanislaus County, California, on _____, 2019, City recorded a development agreement between City and _____, dated _____, 2019 (the "Development Agreement"), relating to the development and operation of a cannabis business.

B. Pursuant to Sections 1.7 and 9.1 of the Development Agreement, the term of the Development Agreement expires five (5) years from _____, 2019, on _____, 20____.

C. Pursuant to Section 9.1 of the Development Agreement, once terminated, the Development Agreement has no further force or effect, unless otherwise set forth in the Development Agreement.

NOW, THEREFORE, City hereby terminates, cancels, and otherwise releases Developer and

Developer's heirs, executives, administrators, successors, and assigns from their obligations in the Development Agreement on this ____ of _____ , 20___, and relinquishes any right it may hereafter have to enforce any of the terms and provisions set forth in the Development Agreement, unless otherwise set forth in the Development Agreement. This termination, cancellation, and release shall be effective upon the recordation of this Release in the office of the County Recorder for the County of Stanislaus, State of California.

CITY OF TURLOCK,
a California municipal corporation

By:_____
City Manager

Exhibit G

Assignment and Assumption Agreement

RECORDING REQUESTED BY AND WHEN
RECORDED RETURN TO:

City of Turlock
156 S Broadway
Turlock, CA 95380
Attention: Ci!Y_Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE
Recording Fee Exempt per Government Code§ 6103

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is entered into this __ day of _____, 20_, by and between Plan4Dream Investments, LLC, a California limited liability company ("Assignor") and _____, a _____ ("Assignee").

RECITALS

A. On _____, 20_, Assignor and the City of Turlock (the "City") entered into that certain agreement entitled "Development Agreement by and between the City of Turlock, a California municipal corporation and Plan4Dream Investments, LLC, a California limited liability company, relating to the improvement, development, and use of real property to operate a cannabis business (the "Development Agreement"), originally recorded upon Stanislaus County Assessor's Parcel Number 043-018-016 (the "Property").

B. Section 10.1 of the Development Agreement prohibits the sale, assignment, or transfer by Assignor of any portion of Assignor's interests, rights, or titles described in that section of the Development Agreement ("Assignable Rights") to a third party without prior written approval by the City Manager of the City of Turlock (the "City Manager").

C. Assignor intends to assign, and Assignee intends to assume, the Assignable Rights under the Development Agreement.

D. In accordance with the terms of the Development Agreement, Assignor has provided to the City Manager a written request for consent to assignment. The City Manager has received the information he or she deems appropriate and consulted with the City Attorney for the purpose of determining that Assignee is a qualified applicant for purposes of the foregoing terms of the Development Agreement. This Agreement is intended to meet the requirements of Section 10.1 of the Development Agreement for an Assignment and Assumption Agreement and is executed with the consent of the City Manager as contemplated in the Development Agreement.

NOW, THEREFORE, Assignor and Assignee hereby agree as follows:

1. The foregoing Recitals are true and incorporated herein by this reference as though set forth in full.

2. Assignor hereby assigns to Assignee all of the Assignable Rights of Assignor under the Development Agreement.

3. Assignee hereby assumes all of the burdens and obligations of Assignor under the Development Agreement and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement, and to be subject to all the terms and conditions thereof, with respect to the Property and Assignable Rights. It is the express intention of Assignor and Assignee that, upon the execution of this Agreement, Assignee shall become substituted for Assignor as the "Developer" under the Development Agreement.

4. This Agreement shall take effect and be binding only upon the City Manager's consent to and approval of the Agreement.

5. Assignee represents and warrants that it has reviewed and is familiar with the terms and conditions of the Development Agreement. Assignee acknowledges that the Assignable Rights are as set forth in Section 10.1 of the Development Agreement, and the duties of Assignor thereunder and the duties of Assignee hereunder, as between Assignee and City, shall be without reference to any underlying agreements or understandings that may exist between Assignee, Assignor, or any other party with respect to the subject matter hereof, and that City is not party to such other agreements.

6. All of the covenants, terms, and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors, and assigns.

IN WITNESS HEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

[Signatures on the Following Page]

ASSIGNOR

Plan4Dream Investments, LLC, a California limited liability company

By: _____
Qingyu Huang
Its: Managing Member

Date: .....

ASSIGNEE

City of Turlock, a California municipal corporation

By: _____
Gary Hampton, City Manager

Date: .....

APPROVED AS TO FORM:

By: _____
Katie O. Lucchesi,
City Attorney

City Council Staff Report

May 26, 2026

From:	Adrienne Werner, Development Services Director
Prepared by:	Tania Hernandez, Assistant Planner
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Confirmation: City Clerk confirms: a) Proof of Publication of Notice of Public Hearing; b) Signed Waiver and Consent; c) Completed and signed ballot; and d) Signed Certificate of Clerk Regarding Receipt of Property Owner Waiver and Consent Form and Ballot Declaring Election Results

Resolution: Calling a Special Mailed-Ballot Election respecting proposed Annexation 41 to existing Community Facilities District Number 2 (Services Mitigation)

Resolution: Declaring the results of the Mailed-Ballot Election respecting proposed Annexation 41 to existing Community Facilities District Number 2 (Services Mitigation)

2. NARRATIVE:

In October 2004, the City completed a Fiscal Impact Analysis of new residential development on General Fund–supported services including police, fire, park maintenance, and planning. The analysis determined that General Fund revenues were insufficient to maintain both existing service levels and those envisioned in the General Plan. In response, the City Council adopted Resolution No. 2004-189, requiring that all new residential development not otherwise entitled under existing zoning be annexed into a Community Facilities District (CFD), commonly referred to as a Mello-Roos District, as a condition of project approval.

On October 26, 2004, the City Council established Turlock Community Facilities District No. 2 (CFD #2) to generate additional General Fund revenue through a special tax levied on residential properties. CFD #2 was phased in over a ten-year period. In 2013, the City Council authorized the retention of Economic Planning Systems, Inc. to evaluate the adequacy of the CFD #2 tax under then-current economic and fiscal conditions. The study concluded that the existing tax rates were sufficient to mitigate the public service impacts associated with new residential development. Concurrently, the City Council adopted an ordinance establishing policies and procedures governing annexation into CFD #2. Under this ordinance, any residential project within the City limits that could result in the development of one or more dwelling units—and that requires approval of a parcel map, subdivision map, General Plan amendment, rezone, planned development, area-wide plan, annexation, or discretionary permit pursuant to applicable provisions of the Turlock Municipal Code—must mitigate increased demand on public services (including police, fire, and park maintenance) by annexing into CFD #2.

<u>Annexation No. 41</u>

Annexation No. 41 proposes to annex one residential parcel into CFD #2. Vesting Tentative Parcel Map 2026-02 authorized the subdivision of a one-acre parcel located at 1143 9th Street (Stanislaus County Assessor's Parcel No. 043-011-016) into three individual residential parcels. Annexation to CFD #2 is a required condition of approval for the parcel map.

The annexation process is conducted over two City Council meetings. The first meeting was on April 14, 2026, where City Council adopted Resolution No. 2026-032, a resolution of intention. This meeting, which is the second and final meeting, includes the public hearing and property owner election. Because fewer than 12 registered voters reside within the proposed annexation area, the election may be held immediately following the public hearing. A certificate confirming that 12 or fewer registered voters reside within the annexation area has been filed with the City Clerk, as required by law.

The services funded by CFD #2—police, fire, and park maintenance—remain consistent with those identified at the time of the district's formation.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Annexation into CFD #2 will generate additional revenue to support General Fund-supported services. The special taxes on dwellings annexed into CFD #2 are not levied until the issuance of a Certificate of Occupancy for the dwelling. Accordingly, revenue generation is directly tied to the timing of development and occupancy.

For Fiscal Year 2025–2026, the annual special tax is $595 per multifamily unit and $760 per single-family unit. The special tax is subject to an annual 2% escalation, as established in the Rate and Method of Apportionment.

4. ENVIRONMENTAL DETERMINATION:

This action has been reviewed per the authority and criteria contained in the California Environmental Quality Act (CEQA), the State and local CEQA Guidelines, and the City's environmental regulations. The City, acting as the Lead Agency, determined that the recommended action is not subject to CEQA pursuant to Sections 15060(c)(2), 15060(c)(3), and 15061(b)(3) of the State CEQA Guidelines, because it will not result in a direct or reasonably foreseeable indirect physical change to the environment as there is no possibility that the action would result in a significant environmental impact, and because it does not constitute a "project" as defined in Section 15378 of the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3.

5. ALTERNATIVES:

1. Decline to adopt the Resolution Calling for the Special Mailed-Ballot Election to annex the subject property into CFD #2. City staff does not recommend this option, as CFD #2 provides funding for public safety and park maintenance services that would otherwise need to be supported by the General Fund.

2. Defer the annexation proceedings to a later date. City staff does not recommend this option because annexation into CFD #2 is a condition of the parcel map approval. Delaying

the process increases the risk that the property will not be annexed, as the parcel map must be recorded within a specified timeframe once all requirements are satisfied. After recordation, annexation may become more difficult particularly if multiple property owners are involved.

6. ATTACHMENTS:

1. Resolution Calling for Election for CFD 2 Annexation 41
2. Resolution Declaring Election Results for CFD 2 Annexation 41
3. CFD 2 Annexation 41 Boundary Map
4. Special Ballot for Annexation 41
5. Waiver and Consent for Annexation 41

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF CALLING A SPECIAL, MAILED-BALLOT ELECTION AND DECLARING THE RESULTS OF THE MAILED BALLOT ELECTION RESPECTING PROPOSED ANNEXATION NUMBER 41 FOR THE PROPERTY LOCATED AT 1143 9TH STREET, STANISLAUS COUNTY APN 043-011-016 TO EXISTING COMMUNITY FACILITIES DISTRICT NUMBER 2 (SERVICES MITIGATION)	}	**RESOLUTION NO. 2026-**

WHEREAS, reference is made to the Resolution Declaring Intention to Order Annexation Number 41 (henceforth referred to as "the Resolution of Intention"), adopted by the City of Turlock City Council (Council) on April 14, 2026, to annex the SUBJECT PROPERTY, located at 1143 9th Street, Stanislaus County Assessor's Parcel 043-011-016, as shown on the attached maps (Attachment 1) to the Existing Community Facilities District No. 2 (Services Mitigation) for the description of the petition received from the owner of the SUBJECT PROPERTY which the Owner is requesting be annexed to the existing Community Facilities District No. 2 (Services Mitigation) ("CFD No. 2"); and

WHEREAS, the City of Turlock City Council scheduled this same date as the date for the public hearing with respect to the proposed annexation of the SUBJECT PROPERTY located at 1143 9th Street, Stanislaus County Assessor's Parcel 043-011-016, (the "Proposed Annexation"); and

WHEREAS, on this same date, at the time set for the public hearing by the Resolution of Intention, the City of Turlock City Council conducted the public hearing, and at the close of the public hearing the City of Turlock City Council determined that a majority protest under Section 53824 of the Government Code was not made at the hearing; and

WHEREAS, in order to proceed with the Proposed Annexation, as provided by the Resolution of Intention, the matter must be submitted to an election of the qualified electors in the territory of the SUBJECT PROPERTY, as provided in the form of special election ballot attached hereto as Exhibit A and by this reference incorporated herein; and

WHEREAS, a Certificate Regarding Registered Voters and Landowners (the "Certificate") has been filed with the City Clerk (the "Clerk"), certifying that at no time during the ninety days preceding the close of the protest hearing on this date, were there ever any persons registered to vote within the territory of the SUBJECT PROPERTY, with the result that, pursuant to Section 53826 of the Government Code, the qualified electors for the proposed special election shall be the Owners.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Turlock as follows:

1. The City of Turlock City Council finds and determines that the foregoing recitals are true and correct.

2. The City of Turlock City Council accepts the Certificate heretofore filed in these proceedings and finds, in accordance therewith, that there presently are, and at all times during the ninety days just past there have been not been any registered voters residing within the boundaries of SUBJECT PROPERTY 1143 9th Street, Stanislaus County APN 043-011-016. Accordingly, under Section 53826 of the Government Code, the qualified electors for the proposed special election shall be the Owners.

3. The City of Turlock City Council further finds and determines that the Owners are the sole landowner of record of the SUBJECT PROPERTY and that the Certificate correctly sets forth the amount of PROPERTY owned by the Owner, the number of votes to which the Owner is entitled pursuant to said Section 53826 being said number of acres rounded up to the nearest whole integer.

4. The City of Turlock City Council further finds and determines that an authorized representative of the Owner has filed with the Clerk (a) the special election ballot pertaining to the SUBJECT PROPERTY and (b) waiver and consents, by which the time limits and related requirements respecting preparation and distribution of election materials are waived.

5. Pursuant to Sections 53826 and 53851 of the Government Code, the City of Turlock City Council hereby calls an election, to be held and conducted forthwith upon adoption of this resolution, and sets this same date as the election date. Pursuant to Section 53826 of the Government Code, the election shall be conducted by mailed ballot; provided that personal service of the ballot is permitted under the terms of the waiver and consent on file with the Clerk and shall therefore be permitted and ratified. The action of the Clerk in having made personal service of the ballot, in the form of Exhibit A, to the Owner is hereby ratified.

6. The measure to be submitted to the qualified electors of the SUBJECT PROPERTY shall be as set forth in Exhibit A.

7. The Clerk, having received the only eligible ballot prior to adoption of this resolution, shall immediately close the election and declare the results of the City Council.

8. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED at a meeting of the City Council of the City of Turlock this 26th day of May 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____

Nicole Fiez, City Clerk
City of Turlock, County of Stanislaus
State of California

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF DECLARING THE RESULTS OF MAILED-BALLOT ELECTION RESPECTING PROPOSED ANNEXATION NUMBER 41 FOR THE PROPERTY LOCATED AT 1143 9TH STREET, STANISLAUS COUNTY APN 043-011-016 TO EXISTING COMMUNITY FACILITIES DISTRICT NUMBER 2 (SERVICES MITIGATION)	} } } } } }] }	**RESOLUTION NO. 2026-**

WHEREAS, on this date, at the time set for the public hearing in the matter of annexing the SUBJECT PROPERTY located 1143 9th Street, Stanislaus County Assessor's Parcel 043-011-016, as shown on the attached map (Attachment 1) to Community Facilities District No. 2 (Services Mitigation) ("CFD No. 2") by its Resolution Declaring Intention to Order Annexation No. 41 to Existing Community Facilities District No. 2, the City of Turlock City Council conducted the public hearing, and at the close of the public hearing, the City of Turlock City Council determined that a majority protest under Section 53339.6 of the Government Code was not made at the hearing; and

WHEREAS, at the conclusion of the public hearing, the City of Turlock City Council adopted its Resolution Calling Special Mailed-Ballot Election Respecting Proposed Annexation No. 41 to Existing Community Facilities District No. 2 (Services Mitigation) pursuant to Section 53339.7 of the Government Code; and

WHEREAS, by said resolution calling the election, the two questions of annexing the SUBJECT PROPERTY and levying a special tax as previously authorized for PROPERTY within CFD No. 2 were combined into a single ballot measure pursuant to Section 53353.5 of the Government Code, as provided in the form of special election ballot attached thereto as Exhibit A; and

WHEREAS, a Certificate of Clerk regarding Receipt of PROPERTY Owner Waiver and Consent Form and Ballot and Declaring Election Results, dated this same date (the "Clerk's Certificate"), executed by the City Clerk (the "Clerk"), has been filed with the City of Turlock City Council, certifying that a completed ballot has been returned to the Clerk for the sole landowner-voter eligible to cast a ballot in said special election, with all votes cast as "Yes" votes in favor of the ballot measure, and further certifying on said basis that the special mailed-ballot election was closed; and

WHEREAS, the City of Turlock City Council has received, reviewed and hereby accepts the Clerk's Certificate and wishes by this resolution to declare the results of the special mailed-ballot election.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Turlock as follows:

1. The City of Turlock City Council finds and determines that the foregoing recitals are true and correct.

2. The City of Turlock City Council hereby finds and determines and declares that the ballot measure submitted to the qualified elector of CFD No. 2 has been passed and approved by that qualified elector in accordance with Sections 53339.8 and 53355 of the Government Code, and the SUBJECT PROPERTY is hereby declared annexed to CFD No. 2 and made subject to the special tax of CFD No. 2 in accordance with the rate and method of apportionment of special tax previously approved for CFD No. 2.

3. The City of Turlock City Council hereby authorizes and directs the Clerk to cause the following:

    a. The recordation with the Stanislaus County Recorder (the "County Recorder") of the map titled "Proposed Boundaries of Annexation No. 41, City of Turlock Community Facilities District No. 2 (Services Mitigation)," which map is on file with the Clerk; and

    b. The preparation and recordation with the County Recorder of a notice of special tax lien in accordance with the provisions of Section 3114.5 of the Streets and Highways Code and Section 53328.3 of the Government Code. Said notice shall be recorded in said County Recorder's office within 15 days of today's date.

4. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED at a meeting of the City Council of the City of Turlock this 26th day of May 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____

Nicole Fiez, City Clerk
City of Turlock, County of Stanislaus
State of California

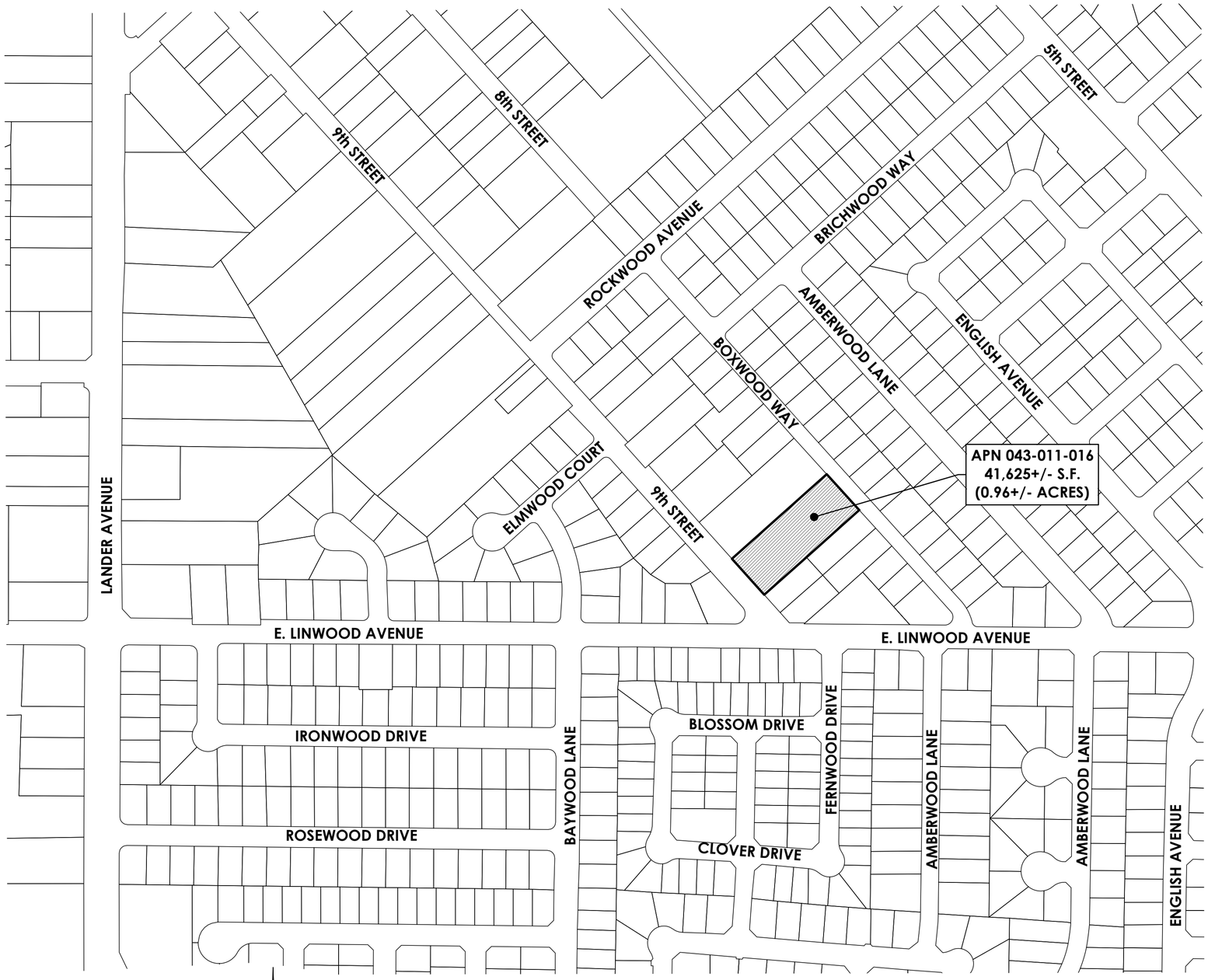
GDR ENGINEERING, Inc.
ENGINEERING/SURVEYING/PLANNING
3525 MITCHELL ROAD, SUITE G CERES, CA 95307
TELEPHONE: (209) 538-3360 FAX: (209) 538-7370
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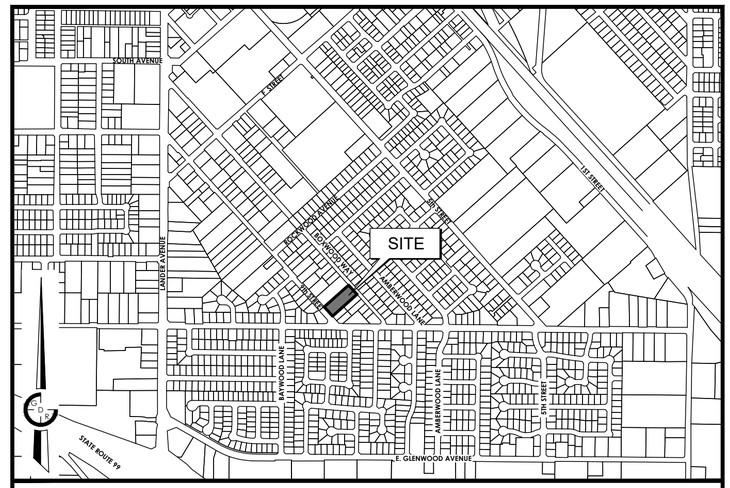
PROPOSED BOUNDARIES OF ANNEXATION NO. 41
CITY OF TURLOCK

COMMUNITY FACILITIES DISTRICT NO. 2

BEING A PORTION OF LOT 44 OF WRIGHT SUBDIVISION, FILED IN VOLUME 1 OF MAPS, PAGE 50, S.C.R., LYING IN THE SOUTHWEST QUARTER OF SECTION 23, T. 5 S., R. 10 E., M.D.M., CITY OF TURLOCK, COUNTY OF STANISLAUS, STATE OF CALIFORNIA

JOB NO. 26011 SCALE: 1" = 300' MARCH, 2026





VICINITY MAP
CITY OF TURLOCK, STANISLAUS COUNTY, STATE OF CALIFORNIA

200 100 0 200 400
SCALE: 1" = 200'

CITY CLERK'S CERTIFICATE

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF TURLOCK THIS_____ DAY OF _____, 2026.

_____
NICHOLE FIEZ, CITY CLERK
CITY OF TURLOCK

I HEREBY CERTIFY THAT THE WITHIN MAP ALLOWING PROPOSED BOUNDARIES OF THE CITY OF TURLOCK, COMMUNITY FACILITIES DISTRICT NO. 2, CITY OF TURLOCK, COUNTY OF STANISLAUS, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF TURLOCK, AT THE MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2026, BY ITS RESOLUTION NO._____

_____
NICHOLE FIEZ, CITY CLERK
CITY OF TURLOCK

COUNTY RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 20____ , AT_____O'CLOCK, ____.M.
IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES, AT PAGE_____,
IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF STANISLAUS, STATE OF CALIFORNIA

DONNA LINDER, COUNTY RECORDER
COUNTY OF STANISLAUS

BY: _____ , DEPUTY

_____
PRINT

PRELIMINARY

EXHIBIT A

(Form of Special Election Ballot)

CITY OF TURLOCK
COMMUNITY FACILITIES DISTRICT NO. 2
(SERVICES MITIGATION)

ANNEXATION NO. 41

SPECIAL ELECTION BALLOT

(Mailed-Ballot Election)

This ballot is for the use of the authorized representative of the following owner of land within the City of Turlock Community Facilities District No. 2 ("CFD No. 2"):

Name of Landowner	Number of Acres Owned	Stanislaus County APN	Property Address	Total Votes (1 vote/acre or portion)
Belmonte Investments LLC	.96	043-011-016-000	1143 9th Street, Turlock, CA 95380	1

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and resolutions of the City Council (the "Council") of the City of Turlock (the "City"), the above-named landowner is entitled to cast the number of votes shown above under the heading "Total Votes," representing the total votes for the property owned by said landowner.

In order to be counted, this ballot must be executed and certified below and be returned to the City Clerk, either by mail or in person, prior to 10:00 A. M. on **May 26, 2026**, or as soon thereafter as the matter of the special election for Annexation No. 41 to CFD No. 2 shall be considered by the Council at its meeting on said date, to:

City Clerk
City of Turlock
156 South Broadway Suite 230
Turlock, CA 95380

Mailing by **May 26, 2026,** will not be sufficient. The ballot must be physically received by the Clerk prior to the deadline in order to be counted.

CITY OF TURLOCK
COMMUNITY FACILITIES DISTRICT NO. 2
(SERVICES MITIGATION)

ANNEXATION NO. 41

SPECIAL ELECTION BALLOT

Page 2

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT.

BALLOT MEASURE

	MARK "YES" OR "NO" WITH AN "X":
Shall the City Council of the City of Turlock be authorized to order the annexation of the property shown on the map titled "Proposed Boundaries, Annexation No. 41 to its existing Community Facilities District No. 2 ("CFD No. 2") and levy the special tax previously authorized for CFD No. 2 on said property to finance authorized services, all as specified in its resolutions pertaining thereto?	☑ YES ☐ NO

Certification for Special Election Ballot

The undersigned is an authorized representative of the above-named landowner and is legally authorized and entitled to cast this ballot on behalf of the above-named landowner.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on February 23rd, 2026.

[Name of Owner]

By ulises belmonte
(Signature)

Ulises Belmonte
(Print Name and Title)

In the event this Special Election Ballot is executed in reliance upon an "Appointment of Representative to Execute Waiver and Consent and to Cast Ballot," a photocopy of the dated and signed appointment form must be attached hereto prior to submission of this Special Election Ballot and the related Waiver and Consent to the Clerk.

CITY OF TURLOCK
COMMUNITY FACILITIES DISTRICT NO. 2
(SERVICES MITIGATION)

ANNEXATION NO. 41

WAIVER AND CONSENT
RESPECTING CONDUCT OF MAILED-BALLOT, LANDOWNER ELECTION

The undersigned is an authorized representative of the landowner indicated in the signature block below (the "Owner"), the sole owner of land (the "Subject Property") shown on the map titled, "Proposed Boundaries, Annexation No. 41," and hereby consents to the annexation of the Subject Property by the City of Turlock (the "City") to its Community Facilities District No. 2 (Services Mitigation) ("CFD No. 2").

The undersigned is a person legally entitled and authorized to cast the ballots for the Owner in the mailed-ballot election to be conducted on April 14, 2026, to determine whether the Subject Property shall be annexed to CFD No. 2 and thereby made subject to the special tax of CFD No. 2 pursuant to the Mello-Roos Community Facilities Act of 1982 (Sections 53311 and following, California Government Code) (the "Act").

The undersigned, on behalf of the Owner, hereby waives (and, with respect to Item 4, agrees to) each of the following:

1. any and all minimum time periods relative to the landowner-voter election to be held pursuant to Government Code Section 53339.7 of the Act;

2. the preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b) of the Act;

3. the requirement to publish notice of the election under Government Code Section 53352 of the Act;

4. the requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101, and agrees to accept either mailed service or personal service of the ballot;

5. the requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5 of the Act; and

6. any and all defects in notice or procedure in the proceedings for the annexation of the Subject Property to CFD No. 2, including but not limited to the conduct of the election, whether known or unknown (other than the right to have ballots accurately counted).

CITY OF TURLOCK
COMMUNITY FACILITIES DISTRICT NO. 2
(SERVICES MITIGATION)

ANNEXATION NO. 41

WAIVER AND CONSENT
RESPECTING CONDUCT OF MAILED-BALLOT, LANDOWNER ELECTION

The undersigned expressly acknowledges, represents and states that the election is being expedited by the City, pursuant to this waiver and consent, at the particular instance and request of the Owner.

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct and that this declaration is executed on February 23rd, 2026.

By: ulises belmonte
(Signature)

Ulises Belmonte
(Print Name and Title)

In the event this Waiver and Consent is executed in reliance upon an "Appointment of Representative to Execute Waiver and Consent and to Cast Ballot," a photocopy of the dated and signed appointment form must be attached hereto prior to submission of this Waiver and Consent and the related Special Election Ballot to the Clerk.

City Council Staff Report

May 26, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	Will Richards, Assistant Municipal Services Director
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Adopting the Water Shortage Contingency Plan and the 2025 Joint Urban Water Management Plan

2. NARRATIVE:

Background

The Urban Water Management Planning Act, codified in California Water Code sections 10610 through 10656, requires urban water suppliers that provide more than 3,000 acre-feet of water annually or serve more than 3,000 service connections to prepare and adopt an Urban Water Management Plan every five years. The California Department of Water Resources also identifies California Water Code sections 10610 through 10656 and 10608 as the primary statutory requirements for Urban Water Management Plans.

California Water Code section 10632 requires every urban water supplier to prepare and adopt a Water Shortage Contingency Plan as part of its Urban Water Management Plan. The WSCP establishes the supplier's process for responding to water shortages, including water supply reliability, annual assessment procedures, and shortage response actions.

Joint UWMP

For the 2025 UWMP cycle, the California Department of Water Resources approved the City of Turlock's request to prepare a joint UWMP with the Stanislaus Regional Water Authority. Preparation of a joint UWMP improves regional coordination, promotes consistency in water supply planning, and provides cost efficiencies for both agencies.

On November 18, 2025, the City Council authorized a Memorandum of Understanding between the City and SRWA for preparation of the 2025 Joint UWMP.

The proposed WSCP and 2025 Joint UWMP have been prepared in accordance with applicable State requirements and made available for public review. Staff recommends that the City Council conduct the required public hearing, receive public comments, and consider adoption of the City of Turlock Water Shortage Contingency Plan and the City of Turlock and Stanislaus Regional Water Authority 2025 Joint Urban Water Management Plan through the attached resolutions.

3. FISCAL IMPACT / BUDGET AMENDMENT:

There is no additional fiscal impact associated with adoption of the WSCP and 2025 Joint UWMP.

Failure to comply with the Urban Water Management Planning Act may result in the City becoming ineligible for certain State grant and loan funding opportunities.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ALTERNATIVES:

1. Do not adopt the 2025 Joint Urban Water Management Plan and Water Shortage Contingency Plan. This may result in noncompliance with State regulatory requirements and potential loss of eligibility for certain State grant and loan funding opportunities.
2. Direct staff to revise the proposed plans and return to the City Council at a later date. This may delay compliance with statutory deadlines.

Adopting the Urban Water Management Plan without adopting the Water Shortage Contingency Plan is not recommended because California Water Code section 10632 requires the WSCP to be prepared and adopted as part of the UWMP

6. ATTACHMENTS:

1. WSCP RESOLUTION NO. 2026-XXX
2. UWMP RESOLUTION NO. 2026-XXX
3. SRWA and Turlock Joint 2025 Urban Water Management Plan - Public Review Draft
4. City of Turlock 2025 Water Shortage Contingency Plan - Public Review Draft

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF ADOPTING THE 2025 WATER SHORTAGE CONTINGENCY PLAN AND AUTHORIZING AND DIRECTING THE MUNICIPAL SERVICES DIRECTOR OR HIS/HER DESIGNEE TO IMPLEMENT THE WATER SHORTAGE CONTINGENCY PLAN IN ACCORDANCE WITH ITS TERMS AND SCHEDULE	**RESOLUTION NO. 2026-XXX**

WHEREAS, California Water Code Section 10632 requires every urban water supplier to prepare and adopt a Water Shortage Contingency Plan (WSCP) as part of its Urban Water Management Plan; and

WHEREAS, the City of Turlock (City) is an urban water supplier and is required to adopt and submit a Water Shortage Contingency Plan in accordance with State law; and

WHEREAS, the City has prepared the 2025 WSCP in accordance with the requirements of the California Water Code; and

WHEREAS, the WSCP establishes procedures, response actions, and communication measures intended to reduce water use during water shortage conditions and water supply emergencies; and

WHEREAS, the City has provided notice of preparation, made the draft WSCP available for public review, and conducted a duly noticed public hearing in accordance with applicable law; and

WHEREAS, this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA Guidelines, as it consists of organizational or administrative activities that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby:

1. Adopts the 2025 Water Shortage Contingency Plan; and

2. Authorizes and directs the Municipal Services Director or his/her designee to implement the WSCP in accordance with its terms and schedule and to take such actions as necessary to carry out the requirements of the WSCP and applicable law.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF ADOPTING THE 2025 URBAN WATER MANAGEMENT PLAN PREPARED JOINTLY BETWEEN THE CITY OF TURLOCK AND STANISLAUS REGIONAL WATER AUTHORITY AND AUTHORIZING AND DIRECTING THE MUNICIPAL SERVICES DIRECTOR OR HIS/HER DESIGNEE TO IMPLEMENT THE URBAN WATER MANAGEMENT PLAN IN	**RESOLUTION NO. 2026-XXX**

WHEREAS, the Urban Water Management Planning Act (Act) (California Water Code Sections 10610 through 10656) requires urban water suppliers that provide more than 3,000 acre-feet of water annually or serve more than 3,000 connections to prepare and adopt an Urban Water Management Plan (UWMP) every five years; and

WHEREAS, the City of Turlock (City) is an urban water supplier and is required to adopt and submit a UWMP in accordance with the requirements of the Act; and

WHEREAS, for the 2025 UWMP cycle, the City and the Stanislaus Regional Water Authority (Authority) received approval to prepare a joint UWMP to improve coordination, ensure consistency in planning efforts, and achieve cost efficiencies; and

WHEREAS, the City and the Authority have prepared the 2025 Urban Water Management Plan in accordance with the requirements of the Act; and

WHEREAS, the City has provided notice of preparation, made the draft UWMP available for public review, and conducted a duly noticed public hearing in accordance with the requirements of the Act; and

WHEREAS, this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Section 15378(b)(5) of the CEQA Guidelines, as it consists of organizational or administrative activities that will not result in direct or indirect physical changes in the environment.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby:

1. Adopts the 2025 UWMP, prepared jointly with the Authority, which supersedes and replaces the previously adopted UWMP to the extent of any inconsistency; and

2. Authorizes and directs the Municipal Services Director or his/her designee to implement the UWMP in accordance with its terms and schedule and to submit the UWMP to the California Department of Water Resources as required by law.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:	( )
NOES:	( )
NOT PARTICIPATING:	( )
ABSENT:	( )

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

Joint 2025 Urban Water Management Plan

PREPARED FOR

Stanislaus Regional Water Authority
City of Turlock

PREPARED BY

DRAFT

Joint 2025 Urban Water Management Plan

Prepared for

Stanislaus Regional Water Authority
City of Turlock

Project No. 693-20-16-01

DRAFT

Prepared by: Monique Day, PE, RCE #69793 Date

QA/QC Review: Rhodora Biagtan, PE, RCE #59371 Date

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LIST OF ACRONYMS AND ABBREVIATIONS

°F	Fahrenheit
µg/L	Micrograms Per Liter
1,2,3 TCP	1,2,3-Trichloropropane
AB	Assembly Bill
ACS	American Community Survey
Act	Urban Water Management Planning Act
AFY	Acre-Feet of Water Per Year
Agreement	Water Sales Agreement
AMI	Advanced Metering Infrastructure
AMR	Automated Meter Reading
AWIA	America's Water Infrastructure Act
AWMP	Agricultural Water Management Plan
AWWA	American Water Works Association
BMP	Best Management Practices
CalWEP	California Water Efficiency Partnership
CD	Compact Disk
CHAS	Comprehensive Housing Affordability Strategy
CII	Commercial, Industrial, and Institutional
CIMIS	California Irrigation Management Information System
Cities	Cities of Turlock and Ceres
CMMS	Computerized Maintenance Management System
CV-SALTS	Central Valley Salinity Alternatives for Long-Term Sustainability
CWC	California Water Code
DDW	Division of Drinking Water
DIM	Dedicated Irrigation Meter
DMM	Demand Management Measures
DOF	Department of Finance
DRA	Drought Risk Assessment
DWR	Department of Water Resources
DWR Guidebook	2025 Urban Water Management Plan Guidebook for Urban Water Suppliers
DWR Methodologies	DWR Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use (2016)
eAR	Electronic Annual Report
ET	Evapotranspiration
ETSGSA	East Turlock Subbasin Groundwater Sustainability Agency
GP	General Plan
GPCD	Gallons Per Capita Per Day
gpf	Gallons Per Flush
GPM/SF	Gallons Per Minute Per Square Foot
GSA	Groundwater Sustainability Agency
GSP	Groundwater Sustainability Plan
Hughson	City of Hughson
LHMP	Local Hazard Mitigation Plan
MCL	Maximum Contaminant Levels

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MG	Million Gallon
mg/L	Milligrams Per Liter
MGD	Million Gallons Per Day
MGY	Million Gallons Per Year
MID	Modesto Irrigation District
Modesto	City of Modesto
MOU	Memorandum of Understanding
msl	Mean Sea Level
Regional Board	Regional Water Quality Control Board
RRA	Risk and Resilience Assessment
RSWSP	Regional Surface Water Supply Project
RUWMP	Regional Urban Water Management Plan
RWQCF	Regional Water Quality Control Facility
SB X7-7	Water Conservation Act of 2009
SGMA	Sustainable Groundwater Management Act
SOI	Sphere of Influence
SP	Specific Plan
SRWA	Stanislaus Regional Water Authority
State Water Board	State Water Resources Control Board
TDS	Total Dissolved Solids
TID	Turlock Irrigation District
Turlock	City of Turlock
UDB	Urban Development Boundary
USBR	United States Bureau of Reclamation
UWMP	Urban Water Management Plan
UWUO	Urban Water Use Objectives
WMP	Water Master Plan
WSCP	Water Shortage Contingency Plan
WTP	Water Treatment Plant
WTSGSA	West Turlock Subbasin Groundwater Sustainability Agency
WUE	Water Use Efficiency
WY	Water Year

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INTRODUCTION

An Urban Water Management Plan (UWMP) helps water suppliers assess the availability and reliability of their water supplies and current and projected water use to help ensure reliable water service under different conditions. This water supply planning is especially critical for California currently, as climate change is resulting in changes in rainfall and snowfall which impact water supply availability and development is occurring throughout the State resulting in increased needs for reliable water supplies. The Urban Water Management Planning Act (Act) requires larger water suppliers that provide water to urban users (whether directly or indirectly) to develop UWMPs every five years. UWMPs evaluate conditions for the next 20 years, so these regular updates ensure continued long-term planning. The Stanislaus Regional Water Authority (SRWA) and City of Turlock (Turlock) provide water service to more than 3,000 connections in their water service areas and are therefore required to prepare a UWMP.

SRWA delivers treated water to two wholesale customers, the California Cities of Turlock and Ceres. This Joint UWMP has been prepared by SRWA and Turlock. While the City of Ceres 2025 UWMP has been prepared separately, this Joint UWMP has been coordinated with the City of Ceres to ensure consistency and accuracy between the two plans.

This Executive Summary serves as a Lay Description of the SRWA and Turlock Joint UWMP, as required by California Water Code (CWC) §10630.5.

CALIFORNIA WATER CODE REQUIREMENTS

The CWC documents specific requirements for California water suppliers. The Act is included in the CWC and specifies the required elements of a UWMP, including discussing an agency's water system and facilities, calculating how much water its customers use (i.e., water demand) and how much it can supply, and detailing how it would respond during a drought or other water supply shortage. Also, a UWMP must describe what specific coordination steps were taken to prepare, review, and adopt the plan.

The Act has been revised over the years. The Water Conservation Act of 2009 (also known as SB X7-7) required retail water agencies to establish water use targets for 2020 that would result in statewide water savings of 20 percent by 2020. In their 2025 UWMPs, retail water agencies (i.e., those distributing water to end users like residences and businesses) are required to report on their compliance with SB X7-7 2020 water use targets.

The 2012-2016 drought led to further revisions to the Act to improve water supply planning for long-term reliability and resilience to drought and climate change. These revisions were formalized in the 2018 Water Conservation Legislation and include:

- **Five Consecutive Dry-Year Water Reliability Assessment:** Analyze water supply reliability for five consecutive dry years over the planning period of this plan (see Chapter 7).
- **Drought Risk Assessment:** Assess water supply reliability from 2021 to 2025 assuming they are dry years (see Chapter 7).
- **Seismic Risk:** Identify the seismic risk to the agency's water facilities and have a plan to address identified risks (see Chapter 8).

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- **Water Shortage Contingency Plan (WSCP):** Update the agency's plan to include an annual process for assessing potential gaps between planned water supply and demands; conform with the State's standard water shortage levels (including a shortage level greater than 50 percent) for consistent messaging and reporting; and provide water shortage responses that are locally appropriate (see Chapter 8).
- **Lay Description:** Provide a lay description of the findings of the UWMP; this Executive Summary serves as the lay description for this plan.

Major components and findings of SRWA and Turlock's Joint 2025 UWMP are summarized below.

CITY OF TURLOCK AND SRWA WATER SYSTEM

The City of Turlock is located in Stanislaus County in California's San Joaquin Valley. The City serves drinking water within its city limits and provides water to residential, commercial, industrial, institutional/governmental, and landscape customers.

Turlock's potable water system consists of groundwater wells, storage tanks, pump stations, and an extensive distribution system. Turlock currently operates 15 active potable groundwater wells with a total capacity of approximately 31.9 million gallons per day (MGD), along with storage and pumping facilities that deliver water throughout the city.

In addition to groundwater supplies, Turlock receives treated surface water from SRWA, which operates regional facilities that divert and treat water from the Tuolumne River and began delivering water in 2023. SRWA also delivers treated surface water to the neighboring City of Ceres.

WATER USE BY CITY OF TURLOCK AND SRWA CUSTOMERS

As the Cities of Turlock and Ceres (Cities) continue to grow, the demand for water is projected to increase. Thorough and accurate accounting of current and future water demands is critical for the Cities' planning efforts. To continue delivering safe and reliable drinking water, Turlock and SRWA must know how much water its customers currently use and how much they expect to use in the future.

In 2025, Turlock's total potable water demand was approximately 6,146 million gallons (MG). Water use varies by use type, with single-family residential and industrial uses representing the largest components of total demand. Based on projected population growth and land use development, Turlock's water demand is expected to increase over time. By 2050, total potable water demand is projected to reach approximately 9,892 MG, representing an increase of about 61 percent compared to 2025.

In 2025, SRWA delivered approximately 2,104 MG of treated surface water to Turlock and 1,413 MG to the Ceres, for a total of 3,517 MG. Based on projected growth in Turlock and Ceres, as well as the Cities' goal of reducing reliance on groundwater through increased use of surface water, SRWA's total water sales are anticipated to increase to approximately 6,691 MG by 2050.

CITY OF TURLOCK AND SRWA WATER SUPPLIES

Turlock's current potable water supplies include groundwater pumped from city-owned wells and treated surface water purchased from SRWA. Turlock also uses recycled water from its Regional Water Quality Control Facility (RWQCF) and untreated groundwater for non-potable uses such as landscape irrigation.

Historically, the Cities of Turlock and Ceres relied exclusively on groundwater. With the implementation of the Regional Surface Water Supply Project and formation of SRWA, the Cities have diversified their water supply portfolio with treated surface water to improve long-term reliability and reduce dependence on groundwater.

Since beginning operations in November 2023, SRWA has diverted and treated Tuolumne River surface water, purchased from the Turlock Irrigation District (TID). SRWA's current water treatment plant (WTP) capacity is 15 MGD but is expected to increase up to 19.9 MGD in 2028 upon completion of an on-going filter capacity study. SRWA also has plans for a Phase 2 WTP Expansion to 30 MGD, which is planned for 2041. The exact timing of SRWA's WTP expansion may vary based on the timing of growth within the Cities' water service areas.

Looking forward, Turlock plans to continue using a conjunctive use strategy that combines groundwater and surface water supplies. Planned improvements include additional groundwater wells, wellhead treatment systems, and the future SRWA WTP expansion to meet increasing demands.

CONSERVATION TARGET COMPLIANCE

In its 2015 UWMP, Turlock confirmed its baseline per capita water use and established and adopted its water use target of 284 gallons per capita per day (GPCD) for 2020. In its 2020 UWMP, Turlock verified that it achieved its 2020 water use target in accordance with SB X7-7. Turlock's per capita water use in 2020 was 250 GPCD, below the confirmed 2020 water use target of 284 GPCD. This achievement was the result of continued water conservation by Turlock's customers.

CITY OF TURLOCK AND SRWA WATER SERVICE RELIABILITY

The CWC requires agencies to evaluate their water service reliability by examining the impact of drought on their water supplies and comparing those reduced supplies to water demands. Specifically, agencies are required to estimate their water supplies during a normal year, single dry year, and five consecutive dry years using historical records. Turlock and SRWA used 2015 drought conditions to represent a single dry year and 2012-2016 conditions to represent a five-consecutive-year drought.

Under normal year conditions, Turlock's projected water supplies exceed demands through 2050. During dry years, surface water supplies from SRWA may be reduced by TID; however, Turlock's local groundwater supplies are expected to remain available and can be used to meet demand. Therefore, Turlock is well-positioned to withstand the effects of a single dry year and a five-consecutive dry year drought for any period between 2025 and 2050.

Turlock's drought risk was specifically assessed between 2026 and 2030, assuming that the next five years are dry years. The analysis indicates that water supplies are sufficient to meet projected demands during this period, even under extended drought conditions, due to the City's diversified water supply portfolio and conjunctive use strategy.

WATER SHORTAGE CONTINGENCY PLANS

A WSCP describes an agency's plan for preparing for and responding to water shortages. Turlock's WSCP was adopted in 2021 to be consistent with the 2018 Water Conservation Legislation requirements. Turlock has made some updates to its WSCP with the preparation of this Joint 2025 UWMP to reflect the City's

new surface water source from SRWA and its updated municipal code. As SRWA recently developed its WSCP in 2024 during preparation of its 2020 UWMP, the SRWA's WSCP did not require revisions.

Turlock's updated WSCP was adopted as a separate document concurrently with this plan, by separate resolution, to allow for updates to be made outside of the UWMP preparation process. SRWA's WSCP was adopted concurrently with its 2020 UWMP, by separate resolution.

UWMP PREPARATION, REVIEW, AND ADOPTION

Turlock and SRWA prepared this Joint 2025 UWMP in coordination with the public. While preparing this plan, Turlock and SRWA also notified other stakeholders of its preparation, its availability for review, and the public hearing prior to adoption.

Turlock and SRWA encouraged community participation in the development of the Joint 2025 UWMP and Turlock's WSCP using mailings and the City and SRWA's website. These public notices included the times and places of the public hearings, as well as where the plans would be available for public inspection. The public hearings provided opportunities for Turlock and SRWA's water users and the general public to become familiar with the Joint 2025 UWMP, including the WSCPs, and ask questions about their plans for continuing to provide reliable, safe, high-quality water and mitigating potential water shortages.

Following the public hearings, the Joint 2025 UWMP and Turlock's WSCP Update were adopted by the SRWA Board of Directors on MM DD, 2026, and adopted by the Turlock City Council on MM DD, 2026. A copy of the adopted Joint 2025 UWMP, including the WSCPs, was submitted to the California Department of Water Resources and to the California State Library. An electronic copy of the adopted Joint 2025 UWMP and Turlock's WSCP Update will also be available on the SRWA and Turlock websites.

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CHAPTER 1
Introduction

This chapter provides an introduction and overview of the Stanislaus Regional Water Authority (SRWA) and City of Turlock (Turlock) Joint 2025 Urban Water Management Plan (UWMP), including the importance and extent of SRWA and Turlock's water management planning efforts, changes since the preparation of SRWA and Turlock's 2020 UWMPs, and the organization of the Joint 2025 UWMP. This 2025 UWMP has been prepared jointly by SRWA, City of Turlock, and West Yost.

1.1 INTRODUCTION

The Urban Water Management Planning Act (Act) was originally established by Assembly Bill (AB) 797 on September 21, 1983. Passage of the Act was recognition by State legislators that water is a limited resource and a declaration that efficient water use and conservation would be actively pursued throughout the State. The primary objective of the Act is to direct "urban water suppliers" to develop a UWMP which provides a framework for long-term water supply planning, and documents how urban water suppliers are carrying out their long-term resource planning responsibilities to ensure adequate water supplies are available to meet existing and future water demands. A copy of the current version of the Act, as incorporated in Sections 10608 and Sections 10610 through 10656 of the California Water Code (CWC), is provided in Appendix A of this plan.

1.2 IMPORTANCE AND EXTENT OF WATER MANAGEMENT PLANNING EFFORTS

The purpose of the UWMP is to provide a planning tool for SRWA and Turlock for developing, managing, and delivering municipal water supplies to the Cities of Ceres' and Turlock's water service areas. This Joint UWMP provides SRWA and Turlock with a water management action plan for guidance as water demand and/or water supply conditions change.

Water Shortage Contingency Plans (WSCPs) for both SRWA and Turlock are included in this UWMP and provide plans for response to various water supply shortage conditions. SRWA's WSCP was adopted in October 2024 and the updated WSCP for Turlock was adopted MM DD, 2026 in parallel with this UWMP.

1.3 CHANGES FROM 2020 UWMP

The Urban Water Management Planning Act has been modified over the years in response to the State's water shortages, droughts and other factors. A significant amendment was made in 2009, after the 2007 to 2009 drought, and as a result of the Governor's call for a statewide 20 percent reduction in urban water use by the year 2020. This mandated water use reduction was included in the Water Conservation Act of 2009, also known as Senate Bill Seven of the Senate's Seventh Extraordinary Session of 2009 (SB X7-7). This Act required agencies to establish water use targets for 2020 that would result in statewide water savings of 20 percent by 2020. Turlock is required to report compliance with its 2020 water use target in its 2025 UWMP. This compliance reporting is not applicable to SRWA since it is not a retail water agency.

The 2012 to 2016 drought led to further amendments to the CWC to improve on water supply planning for long-term reliability and resilience to drought and climate change. The 2018 Water Conservation Regulation for Making Conservation a California Way of Life (AB 1668 [Friedman] and SB 606 [Hertzberg]) required major additions and changes to the CWC. These changes are associated with managing drought preparedness and water shortage contingency planning for urban water suppliers.

No substantive changes to the requirements have been adopted since the completion of SRWA and Turlock's 2020 UWMPs. This Joint 2025 UWMP builds on the planning and reporting provided in SRWA and Turlock's 2020 UWMPs. Key updates include:

1. Water Supply Reliability Assessment – a water supply and demand assessment which compares the total water supply sources available to SRWA and Turlock with the long-term total projected water use over the next 25 years (to 2050), in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years (CWC §10635(a))
2. Drought Risk Assessment – an assessment of SRWA's and Turlock's water supply reliability assuming that the Years 2026 to 2030 will be the five dry consecutive years (CWC §10635(b))
3. Water Use Target Compliance – compliance with Turlock's previously adopted 2020 per capita water use targets in accordance with SB X7-7 (Water Conservation Act of 2009, SB X7-7; CWC §10608.20)
4. Water Loss Quantification – a summary report quantifying Turlock's retail system water loss for Years 2021 to 2025, and indicating compliance with Turlock's distribution loss standard as established by the State Water Resources Control Board (State Water Board) (CWC §10631(d)(3)(c))
5. Groundwater Management Compliance – status update on Sustainable Groundwater Management Act (SGMA) compliance activities (i.e., status of Groundwater Sustainability Agency (GSA) activities and Groundwater Sustainability Plan (GSP) implementation) (CWC §10631(b)(4))

Because SRWA's 2020 UWMP and WSCP were completed in October 2024 (as SRWA began delivering water to its customers in November 2023), SRWA's WSCP will not be updated in parallel with the Joint 2025 UWMP.

Turlock's WSCP was previously adopted in May 2021 concurrent with its 2020 UWMP. This Joint 2025 UWMP includes updates and refinements to Turlock's WSCP to incorporate the new SRWA water supply source and provisions in its updated municipal code.

1.4 PLAN ORGANIZATION

This Joint 2025 UWMP contains the appropriate sections and tables required per CWC Division 6, Part 2.6 (Urban Water Management Planning Act), included in Appendix A of this 2025 UWMP, and has been prepared based on guidance provided by the California Department of Water Resources (DWR) in its *2025 Urban Water Management Plan Guidebook for Urban Water Suppliers* (DWR Guidebook).

As described in this plan, SRWA is a wholesale water supplier that delivers treated surface water to the Cities of Turlock and Ceres (Cities). Therefore, where applicable, separate descriptions have been included for the SRWA and City of Turlock water systems. These sections reference each other extensively. Because SRWA does not have any direct urban customers, the Cities oversee demand management measures and other public outreach activities.

This Joint 2025 UWMP is organized into the following chapters:

- Chapter 1: Introduction
- Chapter 2: Plan Preparation
- Chapter 3: Service Area Description
- Chapter 4: Water Use Characterization
- Chapter 5: SB X7-7 Baselines, 2020 Targets, and 2025 Reporting
- Chapter 6: Normal-Year Water Supply Characterization
- Chapter 7: Water Service Reliability and Drought Risk Assessment
- Chapter 8: Water Shortage Contingency Plan
- Chapter 9: Demand Management Measures
- Chapter 10: Plan Adoption, Submittal and Implementation

This Joint 2025 UWMP also contains the following appendices of supplemental information and data related to the plan:

- Appendix A: Urban Water Management Planning Act Legislative Requirements
- Appendix B: DWR 2025 Urban Water Management Plan Tables
- Appendix C: DWR 2025 Urban Water Management Plan Checklist
- Appendix D: Agency and Public Notices
- Appendix E: Water Sales Agreement
- Appendix F: Distribution System Water Loss Audits
- Appendix G: City of Turlock Water Shortage Contingency Plan
- Appendix H: SRWA Water Shortage Contingency Plan
- Appendix I: UWMP and WSCP Adoption Resolutions

Furthermore, this Joint 2025 UWMP contains all the tables recommended in the DWR Guidebook, both embedded into the UWMP chapters where appropriate and included in Appendix B.

DWR's UWMP Checklist, as provided in the DWR Guidebook, has been completed by West Yost to demonstrate the plan's compliance with applicable requirements. A copy of the completed checklist is included in Appendix C.

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CHAPTER 2
Plan Preparation

This chapter describes the preparation of SRWA and Turlock's Joint 2025 UWMP and each agency's WSCP, including the basis for the preparation of the plan, individual or regional planning, fiscal or calendar year reporting, units of measure, and plan coordination and outreach.

2.1 BASIS FOR PREPARING A PLAN

The Act requires every "urban water supplier" to prepare and adopt a UWMP, to periodically review its UWMP at least once every five years and make any amendments or changes which are indicated by the review. The Act also requires every "urban water supplier" to prepare and periodically update its WSCP. While the WSCP is part of the UWMP, it may be adopted and amended separately from the UWMP. An "urban water supplier" is defined as a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually (AFY).

SRWA delivers treated water to its wholesale customers, the California Cities of Turlock and Ceres. Turlock and Ceres have approximately 19,769 and 11,881 active water service connections, respectively. Therefore, SRWA and the Cities of Turlock and Ceres are required to prepare an UWMP and periodically update its WSCPs. This Joint 2025 UWMP has been prepared by SRWA and the City of Turlock. While the City of Ceres 2025 UWMP has been prepared separately, this Joint 2025 UWMP has been coordinated with the City of Ceres to ensure consistency and accuracy between the two plans.

SRWA's last UWMP, the 2020 UWMP, was adopted by the SRWA Board in October 2024. SRWA's WSCP was adopted concurrently with the 2020 UWMP in October 2024 by separate resolution. Turlock's last UWMP and WSCP, the 2020 UWMP and WSCP, was prepared separately from SRWA and adopted by the Turlock City Council May 25, 2021.

As shown in Table 2-1 (DWR Table 2-1 Retail), the Cities of Turlock and Ceres provided water to a total of approximately 31,650 active customer connections and supplied a total volume of 8,338 million gallons (MG) of potable water in 2025.

Table 2-1. Public Water Systems (DWR Table 2-1 Retail)

Public Water System Number	Public Water System Name	Number of Municipal Connections 2025	Volume of Water Supplied 2025 (MG)
CA5010019	City of Turlock	19,769	6,146
CA5010028	City of Ceres	11,881	2,192
	Total	31,650	8,338
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.			
NOTES: Number of municipal connections includes active connections only. Volume of water supplied includes both retail water and wholesale water purchases.			

2.2 REGIONAL PLANNING

As described in Section 2.3, SRWA and Turlock have prepared this Joint 2025 UWMP on an individual reporting basis, not part of a regional planning process. However, SRWA and Turlock coordinate routinely with each other, and with the City of Ceres and neighboring water agencies, to ensure that a safe and reliable water supply is delivered to existing customers and that plans for serving future customers are implemented as efficiently as possible.

2.3 INDIVIDUAL OR REGIONAL PLANNING AND COMPLIANCE

This Joint 2025 UWMP has been prepared on an individual reporting basis covering only SRWA and Turlock's service area, as shown in Table 2-2 (DWR Table 2-2). SRWA and Turlock did not participate in a regional alliance for the preparation of this Joint 2025 UWMP and, therefore has not prepared a Regional Urban Water Management Plan (RUWMP). As described in Section 2.5, SRWA and Turlock have notified and coordinated planning and compliance with appropriate regional agencies and constituents.

Table 2-2. Plan Identification (DWR Table 2-2)

Select One or Both	Type of Plan		Name of Regional Alliance or RUWMP (Drop Down List)
☑	**Individual UWMP**		
	☐	Water Supplier is also a member of a SB X7-7 Regional Alliance	
☐	**Regional Urban Water Management Plan (RUWMP)**		

2.4 FISCAL OR CALENDAR YEAR AND UNITS OF MEASURE

SRWA is a water wholesaler that sells water to other agencies who then sell it to individual water users (e.g., residents and businesses). As described in detail in Chapter 3, SRWA is a recently formed Joint Powers Authority. SRWA's customers consist of the Cities of Turlock and Ceres, jointly referred to as the Cities. SRWA commenced water deliveries to the Cities in November 2023. Turlock is a water retailer.

This Joint 2025 UWMP has been prepared on a calendar year basis, with the calendar year starting on January 1 and ending on December 31 of each year. Water use and planning data for the entire calendar year of 2025 has been included.

The water volumes in this Joint 2025 UWMP are reported in units of MG.

SRWA and Turlock's reporting methods for this Joint 2025 UWMP are summarized in Table 2-3 (DWR Table 2-3).

Table 2-3. Supplier Identification (DWR Table 2-3)

Type of Supplier (select one or both)	
☑	Supplier is a wholesale supplier
☑	Supplier is a retail supplier
Fiscal or Calendar Year (select one)	
☑	UWMP Tables are in calendar years
☐	UWMP Tables are in fiscal years
Units of measure used in UWMP (Select from the drop down list).	
Unit	MG
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3.	

2.5 COORDINATION AND OUTREACH

This section includes a discussion of SRWA and Turlock's inter-agency coordination and coordination with the general public. The UWMP Act requires SRWA and Turlock to coordinate the preparation of the Joint 2025 UWMP and each of their WSCPs with other appropriate agencies and all departments within Turlock, including other water suppliers that share a common source, water management agencies, and relevant public agencies. These agencies, as well as the public, participated in the coordination and preparation of this Joint 2025 UWMP and are summarized in the sections that follow.

2.5.1 Wholesale and Retail Coordination

SRWA is a water wholesaler that delivers treated water to its two retail customers, the Cities of Turlock and Ceres. Turlock is a water retailer and receives wholesale water from SRWA. In accordance with CWC § 10631, Turlock informed SRWA of its projected water use for that wholesale source in five-year increments through 2050, as shown in Table 2-4 (DWR Table 2-4 Retail). As shown in Table 2-5 (DWR Table 2-4 Wholesale), SRWA provided information to the Cities of Turlock and Ceres, identifying and quantifying wholesale water supplies available for the same period, under normal water year, single dry year, and five dry years hydrological conditions.

Table 2-4. Retail: Water Supplier Information Exchange (DWR Table 2-4 Retail)

The retail Supplier has informed the following wholesale supplier(s) of projected water use in accordance with Water Code Section 10631 (h).
Wholesale Water Supplier Name
Stanislaus Regional Water Authority (SRWA)

Table 2-5. Wholesale: Water Supplier Information Exchange (DWR Table 2-4 Wholesale)

☐	Supplier has informed more than 10 other water suppliers of water supplies available in accordance with Water Code Section 10631(h). Completion of the table below is optional. If not completed, include a list of the water suppliers that were informed.
	Provide page number for location of the list.
☑	Supplier has informed 10 or fewer other water suppliers of water supplies available in accordance with Water Code Section 10631(h). **Complete the table below.**
Water Supplier Name	
City of Turlock	
City of Ceres	

2.5.2 Coordination with Other Agencies and the Community

SRWA and Turlock actively encourage community participation in water management activities and specific water-related projects. SRWA and Turlock's public participation programs use both active and passive means of obtaining input from the community, including mailings, public meetings, and web-based communication. Turlock's website provides information on on-going projects and posts announcements about planned rate increases to fund these projects.

As part of the Joint 2025 UWMP, SRWA and Turlock facilitated a public review period. Public notices, pursuant to Section 6066 of the Government Code, were issued to nearby water agencies and the community prior to commencement of this public comment period. Public hearing notices are included in Appendix D of this plan. During the public comment period, the Draft Joint 2025 UWMP was made available on SRWA and Turlock's websites. During this same period, Turlock's updated WSCP was made available on Turlock's website.

SRWA and Turlock also coordinated the preparation of the Joint 2025 UWMP and Turlock's updated WSCP with several agencies, including relevant public agencies that utilize the same water supplies. These agencies included the following:

- City of Ceres,
- City of Hughson (Hughson),
- City of Modesto (Modesto),
- Stanislaus County,
- Merced County,
- Denair Community Services District,
- Hilmar County Water District,
- Del Puerto Water District,
- Eastside Water District,

- Keyes Community Services District,
- Turlock Irrigation District,
- Merced Irrigation District,
- Modesto Irrigation District,
- California State University, Stanislaus,
- East Stanislaus Integrated Regional Water Management,
- East Turlock Subbasin GSA,
- West Turlock Subbasin GSA, and
- North Valley Regional Recycled Water Program.

The public hearing provided an opportunity for all water users and the general public to become familiar with the Joint 2025 UWMP, ask questions about SRWA and Turlock's water supply, and learn about on-going plans to ensure a reliable, safe, high-quality water supply.

2.5.3 Notice to Cities and Counties

CWC § 10621 (b) requires agencies to notify the cities and counties to which they serve water at least 60 days in advance of the public hearing that the plan is being updated and reviewed. In December 2025, a notice of preparation was sent to the cities and counties and other stakeholders, to inform them of the UWMP update process and schedule, and to solicit input for the Joint 2025 UWMP and Turlock's WSCP Update. A copy of this notice of preparation is included in Appendix D. The notifications to cities and counties, the public hearing notifications, and the public hearing and adoption are discussed in Chapter 10 of this report.

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CHAPTER 3
Service Area Description

This chapter provides a description of SRWA and the City of Turlock's water service area and water system, including the water system facilities, climate, population, and demographics within the water service area.

3.1 GENERAL DESCRIPTION

In 2011, the Cities of Ceres and Turlock established the SRWA, a Joint Powers Authority, to implement and oversee the Regional Surface Water Supply Project (RSWSP). The RSWSP is a collaborative effort to provide treated drinking water from the Tuolumne River to supplement the Cities' existing groundwater supplies and promote recharge to the local groundwater basin. SRWA was formed with the goal of providing an improved and more reliable water supply to meet the potable water demands for the Cities as well as meeting current and future anticipated drinking water standards. The need to supplement and diversify the Cities' existing water supply was the driver for the creation of SRWA.

In 2015, SRWA and Turlock Irrigation District (TID) entered into a 50-year agreement, which provides SRWA the contractual right to purchase up to 30,000 acre-ft per year of Tuolumne River surface water from TID (see Appendix E). Construction of the RSWSP treatment and delivery facilities began in July 2020, and SRWA began delivering treated surface water to its customers, the Cities, in November 2023.

SRWA and Turlock's service area is located within Stanislaus County in the San Joaquin Valley, approximately 85 miles southeast of the City of Sacramento. The San Joaquin Valley is bounded by the Sacramento-San Joaquin River Delta to the north, the Tehachapi Mountains to the south, the Sierra Nevada to the east, the Coast Ranges to the west.

3.2 SERVICE AREA BOUNDARY

As SRWA serves the Cities of Turlock and Ceres (Cities), its service area is contiguous with the water service areas of both Cities. The following section describes the geographical service area boundaries for the Cities.

Figure 3-1 shows the Cities' water service areas, city limits, and spheres of influence (SOI). Figure 3-2 is provided to show additional detail on Turlock's service area, city limits, SOI, and Urban Development Boundary (UDB). The SOI is a boundary that encompasses lands that are expected to ultimately be annexed by the city for urban development based on the Cities' respective General Plans (GPs). The Cities' SOI boundary is determined by the Stanislaus County Local Agency Formation Commission. The UDB, also known as the Study Area in Turlock's GP, represents the greatest extent to which urban development may take place within the 2012 GP planning horizon.

3.2.1 City of Turlock

Turlock's city limits encompass approximately 14 square miles (8,730 acres). Except for three small residential areas served with groundwater from Modesto, Turlock serves the entire area encompassed by its city limits, including residential, commercial, industrial, and institutional uses, as shown on Figure 3-1. Turlock's SOI extends farther south-east and encompasses approximately 20 square miles (12,910 acres). Turlock's UDB extends farther west of Highway 99 than the SOI and encompasses a total of 27 square miles (17,460 acres).

Additional information on the City's service area characteristics can be found in the Turlock GP, adopted in September 2012.

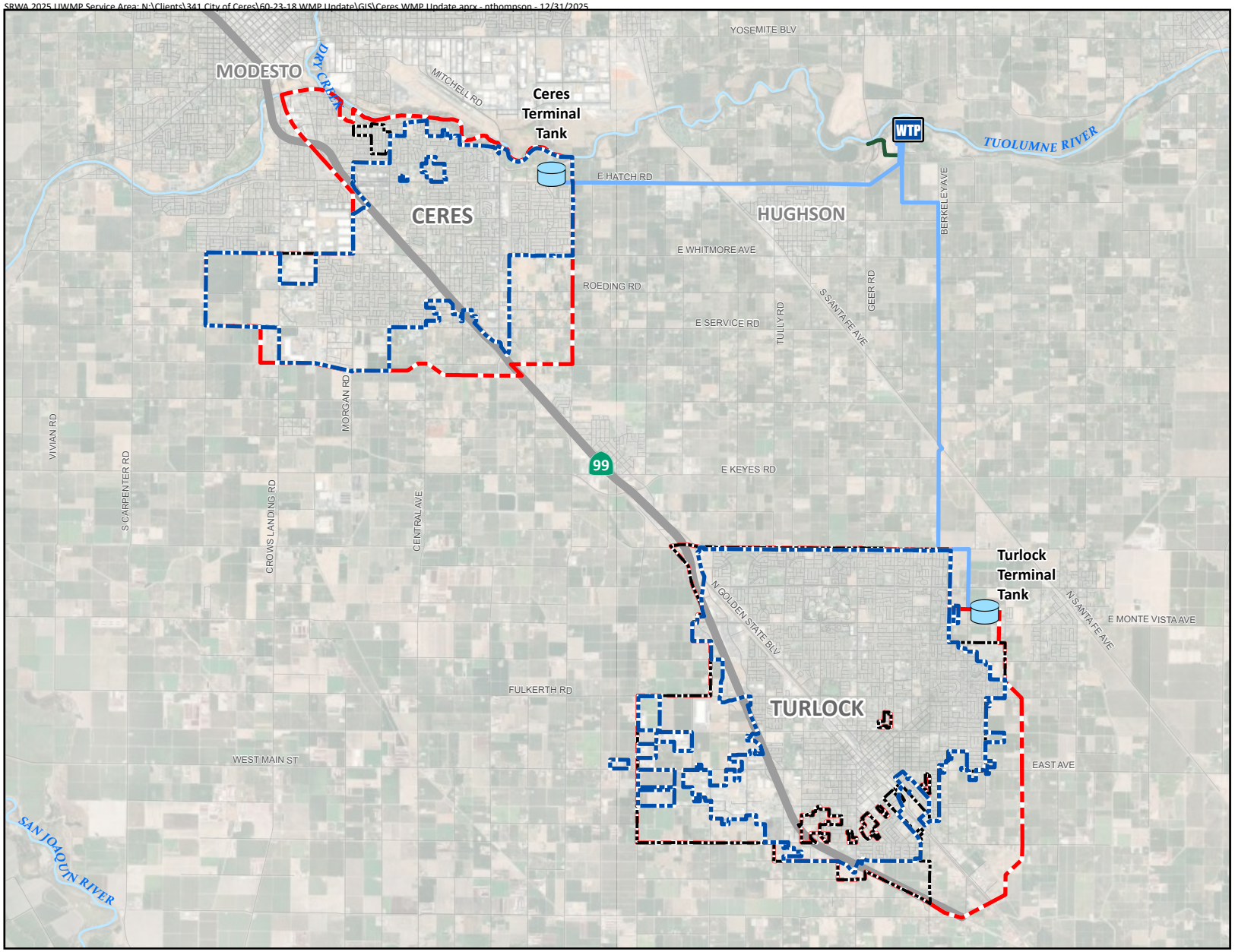
3.2.2 City of Ceres

Ceres' city limits and existing water service area encompass an area of approximately 9.4 square miles (6,000 acres). Ceres' water service area is generally contiguous with its city limits, as shown on Figure 31. However, there are some small pockets located in the northwest portion of Ceres (North Ceres) and the southwest portion of Ceres (Crows Landing/East Whitmore Area) that are currently served by the City of Modesto. The City of Ceres also provides water service to a small number of customers that are located outside of its city limits. Ceres' SOI extends from the city limits into North Ceres, as well as farther south-east and south-west, and encompasses a total area of approximately 13 square miles (8,440 acres).

Additional information on the City of Ceres' service area characteristics can be found in the Ceres 2035 GP, adopted in May 2018.

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SRWA 2025 UWMP Service Area: N:\Clients\341 City of Ceres\60-23-18 WMP Update\GIS\Ceres WMP Update aprx - nthompson - 12/31/2025



- WTP: RSWSP Water Treatment Plant
- Terminal Storage Tank
- Existing Water Service Area
- City Limits
- Sphere of Influence

Pipelines

- Finished Water Transmission Main
- Raw Water Transmission Main

Notes:

1. The Sphere of Influence (SOI) is a boundary that encompasses lands that are expected to be ultimately annexed by the City per the City's most recent General Plan.
2. Turlock's indicated existing water service area includes three small areas that are served by the City of Modesto.
3. RSWSP: Regional Surface Water Supply Project.

Prepared by:

WEST YOST

0 1 2 Miles

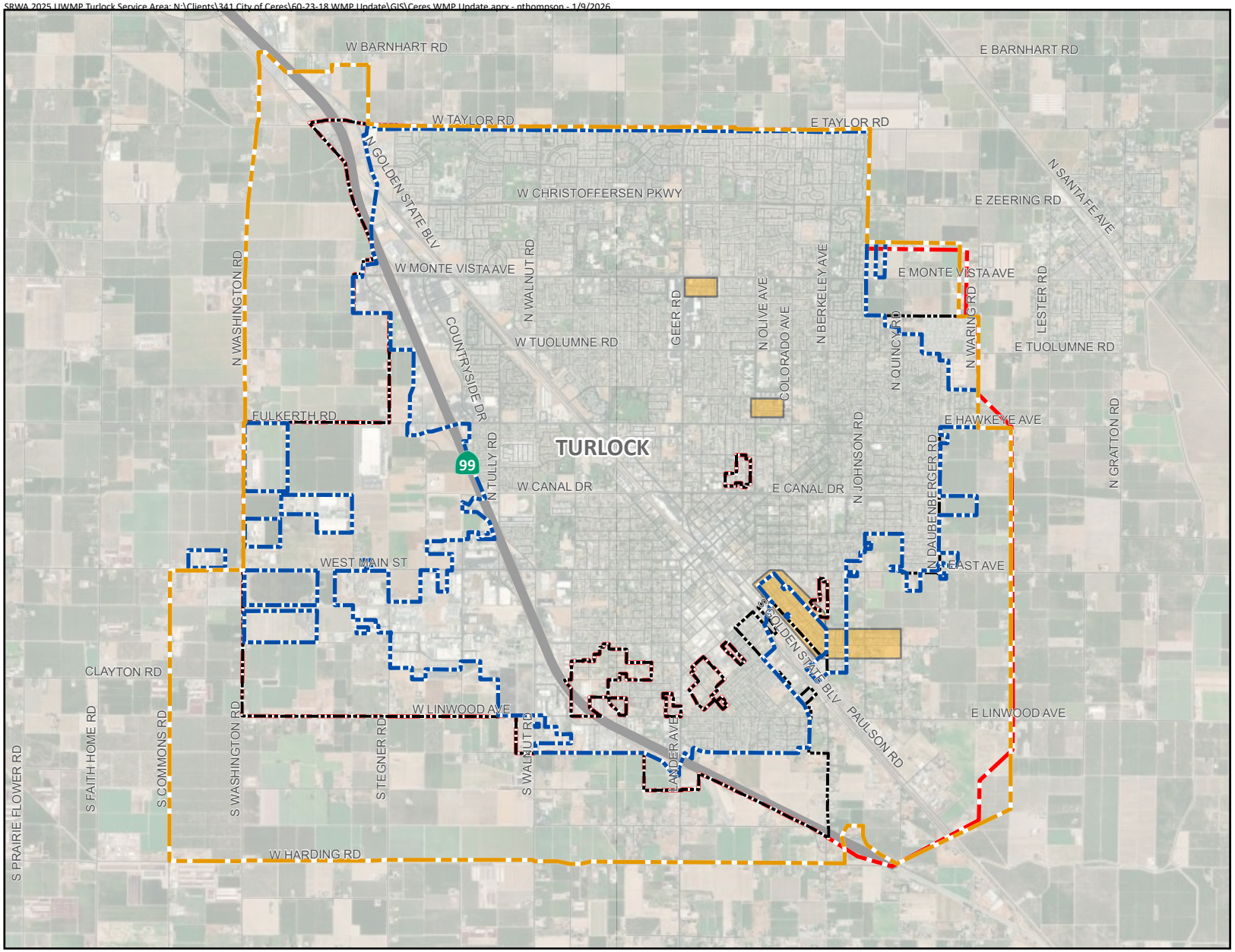
Prepared for:

Stanislaus Regional Water Authority
City of Turlock
Joint 2025 Urban Water Management Plan

SRWA Water Service Area

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SRWA 2025 UWMP Turlock Service Area: N:\Clients\341 City of Ceres\60-23-18 WMP Update\GIS\Ceres WMP Update.aprx - nthompson - 1/9/2026



- Turlock Water Service Area
- City Limits
- Sphere of Influence
- Urban Development Boundary
- Area Served by City of Modesto

Notes:

1. The Sphere of Influence (SOI) is a boundary that encompasses lands that are expected to be ultimately annexed by the City per Turlock's General Plan, adopted in 2012.
2. The Urban Development Boundary (UDB), also known as the Study Area in Turlock's General Plan, represents the greatest extent to which urban development may take place within the 2012 General Plan's planning horizon.
3. Turlock's indicated existing water service area includes three small areas that are served by the City of Modesto, which are displayed in orange.

Prepared by: WEST YOST

0 0.5 1 Miles

Prepared for:
Stanislaus Regional Water Authority
City of Turlock
Joint 2025 Urban Water Management Plan

City of Turlock Water Service Area

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3.3 SERVICE AREA CLIMATE

SRWA and Turlock's service area climate is considered an inland Mediterranean climate, with warm to hot and dry summers, and cool and rainy winters. The climate ranges from summer temperatures occasionally exceeding 90 degrees Fahrenheit (°F), and winter temperatures dropping into the mid-30°F range. Precipitation in the area averages about 12.2 inches per year.

Water use within the service area is dependent on various climate factors such as temperature, precipitation, and evapotranspiration (ET). Climate data, including temperature and precipitation estimates, were obtained for the service area from the Western Regional Climate Center and the California Irrigation Management Information System (CIMIS).

ET describes the combined water lost through evaporation from the soil and surface water bodies and plant transpiration. In general, the ET is given for turf grass and then corrected for a specific crop type. Local ET data was obtained from the CIMIS monitoring station in West Modesto (Station #71). The historical climate characteristics affecting water management in the service area are shown in Table 3-1.

Table 3-1. Monthly Average Climate Data Summary[a]

Month	Standard Monthly Average ET, inches[a]	Average Total Rainfall, inches[b]	Average Temperature, degrees Fahrenheit[a]	
			Minimum	Maximum
January	1.17	2.44	36.4	55.8
February	1.98	2.07	37.9	61.3
March	3.61	1.93	40.2	66.4
April	5.26	1.03	43.3	71.7
May	6.98	0.46	47.9	78.9
June	7.96	0.13	52.3	85.8
July	8.03	0.02	55.9	90.7
August	6.96	0.04	55.2	89.2
September	5.20	0.17	52.3	85.7
October	3.54	0.63	46.1	76.9
November	1.79	1.24	38.9	64.7
December	1.09	2.05	35.4	55.5
Total	**53.6**	**12.2**	-	-

(a) California Irrigation Management Information System (https://cimis.water.ca.gov/) for Station #71. Period of record is years 1990 through 2025. Data accessed 12/31/2025.

(b) Western Regional Climate Center (https://wrcc.dri.edu/) data for Modesto City Station (045738). Period of record is years 1906 through 2016. Data accessed 12/31/2025.

The region is subject to wide variations in annual precipitation. The 2020 rainfall season (defined as the period from July 1, 2019 through June 30, 2020) was relatively dry, with a total rainfall of 6.5 inches. The 2021 and 2022 seasons were similarly dry, with total rainfall of 9.4 inches and 10.0 inches, respectively.

In contrast, the 2023 and 2024 seasons were relatively wet with 18.9 and 15.3 inches of rain respectively. The 2025 season returned to dry conditions, with only 7.7 inches of total rainfall.[1]

As described in Chapter 4, the Cities' retail water use in the summer months is significantly higher than that in the winter, reflecting increased water use for irrigation purposes during the hot, dry summers.

3.4 SERVICE AREA POPULATION AND DEMOGRAPHICS

3.4.1 Service Area Population

SRWA provides water to the Cities. Both cities are projected to experience significant population growth by 2050, which is expected to lead to increased water demand within the service areas.

As both Cities' water service areas generally align with their respective City limits, current (2025) service area population was estimated for both Cities based on data published by the US Census Bureau and/or California Department of Finance (DOF).

Table 3-2 (DWR Table 3-1 Retail) shows the City of Turlock's current and projected water service area population. The City of Turlock's current service area population is estimated to be 72,682, consistent with the City's population estimate in its 2024 Electronic Annual Report (eAR) submission to the State Water Resources Control Board. This population estimate was based on the City of Turlock's most recent (2020) US Census Bureau estimate. Future population in Turlock is estimated to increase from its current population at an annual growth rate of 1.9 percent, consistent with the annual growth rate projected in the City's 2012 GP. This growth rate yields a population of 116,354 persons by 2050. Growth and development within Turlock's service area are subject to City and County growth management policies.

Table 3-2. City of Turlock Population – Current and Projected (DWR Table 3-1 Retail)

Population Served	2025	2030	2035	2040	2045	2050(opt)
	72,682	79,854	87,734	96,392	105,904	116,354

Table 3-3 shows the current and projected population for both the Cities of Turlock and Ceres. Turlock's population estimates are consistent with Table 3-2 (DWR Table 3-1 Retail). The City of Ceres' current service area population is estimated to be 54,513 based on Ceres' Domestic Water Supply Permit Amendment updated in November 2025. Consistent with the Ceres 2025 UWMP, the City of Ceres' future population growth was extrapolated from the 2025 actual population estimate, assuming Ceres will reach its buildout population of 79,000 persons as defined in the Ceres 2035 GP. Based on discussions with the City of Ceres staff, GP buildout is assumed to occur by 2045, which is later than the GP's original estimate of 2035. This calculated growth rate for Ceres is equivalent to a 1.87 percent annual growth rate, which is similar to the City of Turlock's projected growth rate of 1.9 percent.

[1] Modesto Irrigation District. *Historical Rainfall.* Accessed at https://www.mid.org/weather/historical-rainfall/ on December 31, 2025.

Table 3-3. Cities of Turlock and Ceres – Current and Projected Population						
	2025	2030	2035	2040	2045	2050
Turlock[a,b]	72,682	79,854	87,734	96,392	105,904	116,354
Ceres[c,d]	54,513	59,811	65,624	72,002	79,000	79,000

(a) Turlock's 2025 service area population estimate aligns with its 2024 Electronic Annual Report submission to the State Water Resources Control Board and is based on the City of Turlock's 2020 US Census Bureau data.

(b) Turlock's future population growth was extrapolated from the 2025 actual population using a 1.9 percent annual growth rate, consistent with the annual growth rate projected in Turlock's 2012 General Plan.

(c) Ceres' 2025 service area population estimate is based on the City of Ceres' Domestic Water Supply Permit Amendment updated in November 2025.

(d) Ceres' future population growth was interpolated from the 2025 actual population, assuming Ceres will reach its buildout population of 79,000 residents as defined in the Ceres 2035 General Plan. Buildout is assumed to occur by 2045, which is later than the General Plan's original estimate of 2035.

SRWA itself does not directly serve any urban water customers and, therefore, does not have population of its own. The combined populations of SRWA's retail water suppliers are shown in Table 3-4 (DWR Table 3-1 Wholesale), consistent with Table 3-3 above.

Table 3-4. Total Wholesale Population of Cities of Turlock and Ceres – Current and Projected (DWR Table 3-1 Wholesale)

Population Served	2025	2030	2035	2040	2045	2050(opt)
	127,195	139,665	153,358	168,394	184,904	195,354
NOTES: Population estimates include both Cities of Turlock and Ceres, consistent with Table 3-3.						

3.4.2 Other Social, Economic, and Demographic Factors

The State requires the inclusion of service area socioeconomic information as part of the service area description in UWMPs. However, differences in household water use across sociodemographic groups in the Cities of Turlock and Ceres have not been studied. Therefore, the following social, economic, and demographic information is being provided to comply with the CWC but does not include conclusions about socioeconomic factor effects, or potential effects, on water use. The information was derived from the US Census Bureau's most recent 5-Year profile of the Cities of Turlock and Ceres for 2019 through 2023.[2]

All of the Cities' water utility customers are metered.

[2] United States Census Bureau. *American Community Survey, 2023: ACS 5-Year Estimates Data Profiles for Turlock City, California and Ceres City, California*. Accessed at https://data.census.gov/table/ACSDP5Y2023.DP03?g=160XX00US0680812&d=ACS+5-Year+Estimates+Data+Profiles on January 6, 2026.

3.4.2.1 City of Turlock

The 2023 American Community Survey (ACS) 5-Year Estimates specify the following regarding Turlock's social, economic, and demographic factors for the Years 2019 to 2023:

- The average number of people per household was 2.82.
- The median household income in 2023 was $79,807, while 10.8 percent of all individuals and 11.7 percent of youth under the age of 18 lived in poverty.
- The average unemployment rate was 7.8 percent.
- The owner-occupied housing unit rate was 56.8 percent.
- The median gross rent was $1,498 per month.
- The median age was 34.6 years.
- Of persons 25 years or older, 81.7 percent had earned at least a high school diploma or equivalent and 26.6 percent had earned a bachelor's degree or higher.
- Of persons between 18 and 64 years of age, 10.3 percent had a disability and 5.1 percent did not have health insurance.
- 94.9 percent of households had one or more type of computer, and 91.1 percent had a broadband internet subscription.
- By race/ethnicity, 54.5 percent of people were White, 2.1 percent were Black, 0.4 percent were American Indian or Alaska Native, 5.9 percent were Asian, 0.1 percent were Hawaiian Native or Pacific Islander, 14.9 percent were two or more races, and 22.1 percent were some other race(s).
- Of the total City population, 43.6 percent were Hispanic or Latino and 56.4 were not Hispanic or Latino.
- Approximately 21.4 percent of residents were foreign born, and 42.8 percent of people ages five years and older spoke a language other than English at home.

3.4.2.2 City of Ceres

The 2023 ACS 5-year Estimates specify the following regarding the City of Ceres' social, economic, and demographic factors for the Years 2019 to 2023:

- The average number of people per household was 3.51.
- The median household income in 2023 was $76,862, while 14.4 percent of all individuals and 21.7 percent of youth under the age of 18 lived in poverty.
- The average unemployment rate was 10.4 percent.
- The owner-occupied housing unit rate was 63.7 percent.
- The median gross rent was $1,584 per month.
- The median age was 32.7 years.
- Of persons 25 years or older, 74.3 percent had earned at least a high school diploma or equivalent and 13.0 percent had earned a bachelor's degree or higher.
- Of persons between 18 and 64 years of age, 10.3 percent had a disability and 7.6 percent did not have health insurance.

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- 94.1 percent of households had one or more type of computer, and 91.4 percent had a broadband internet subscription.
- By race/ethnicity, 36.9 percent of people were White, 1.1 percent were Black, 1.0 percent were American Indian or Alaska Native, 9.7 percent were Asian, 0.2 percent were Hawaiian Native or Pacific Islander, 34.0 percent were two or more races, and 17.1 percent were some other race(s).
- Of the total City population, 65.6 percent were Hispanic or Latino and 34.4 were not Hispanic or Latino.
- Approximately 27.7 percent of residents were foreign born, and 60.0 percent of people ages five years and older spoke a language other than English at home.

3.5 LAND USES WITHIN SERVICE AREA

This section describes the current and projected land uses for the Cities. Information for this section is based on the Turlock GP, adopted in September 2012, and the Ceres General Plan 2035, adopted in May 2018.

3.5.1 City of Turlock

The Turlock GP describes land use updates for the entirety of its city limits, areas within the City's SOI, and areas outside of city limits and the SOI, defined as the "Planning Area." The City will expand water service within the City's SOI and within the Planning Area as land is annexed into the City.

Per the Turlock GP, the City's current land use within city limits is primarily residential neighborhoods at 41 percent of total area. The majority of Turlock's residential development is low-density single-family homes, ranging from three to seven dwelling units per acre. Approximately 16 percent of city limits is agriculture, 11 percent industrial, 9 percent commercial, 8 percent public facilities, 2 percent parks, and 1 percent office. The remaining 12 percent is vacant land, which offer development opportunities.

According to the Turlock GP, there are four Master Plan Areas: Southeast 1 (SE1), Southeast 2 (SE2), Southeast 3 (SE3), and Montana-West. These Master Plan Areas represent development areas that shall be planned, pre-zoned, and annexed into the City. These four Master Plan Areas are briefly described below:

- SE1 is 170 acres and will be developed as a primarily residential neighborhood with small office and commercial areas.
- SE2, with 320 acres, will also be a majority residential neighborhood with a small office center.
- SE3 is the largest Master Plan Area at 700 acres, which will have a mix of land uses. SE3 includes land for residential neighborhoods, industrial area, public use, park, and a neighborhood center.
- Montana-West is 50 acres and includes seven unincorporated County Islands; this area will be majority low-density residential and vacant lots.

3.5.2 City of Ceres

The Ceres GP 2035 describes land use updates for the entirety of its city limits, areas within the City of Ceres' SOI, and areas outside of city limits and the SOI, defined as the "General Plan Planning Area." The

City of Ceres will expand water service within the City's SOI and within the GP Planning Area as land is annexed into Ceres.

The City of Ceres' current land use within city limits is primarily single family residential at 39 percent of total area. Approximately 9 percent of the land within the city limits is industrial, 8 percent public and community facilities, 6 percent agriculture, 5 percent commercial, 4 percent parks and open space, and 7 percent vacant. The remaining area includes other land uses such as public streets and transportation rights-of-way.

The Ceres GP 2035 specifies the following regarding projected future land uses:

- A guiding principle for future development is to encourage infill development and investment within existing neighborhoods and commercial corridors to revitalize areas within the City limits.
- The City anticipates development in four Specific Plan (SP) areas including the West Landing SP, Downtown SP, Mitchell Road Corridor SP, and Whitmore Ranch SP.
  - Much of the growth is planned to be residential development.
  - Some growth may occur outside of City limits and into the greater SOI, such as the Whitmore Ranch SP, which would expand the City's water service area boundary.
- Additional sites with potential for development include vacant/underutilized properties and rural or agricultural plots within the City limits and the SOI.
  - The GP identifies 541 acres of vacant land, 121 acres of underutilized land, 1,076 acres of rural land, and 187 acres of additional sites identified in the Housing Element within the Ceres SOI.

The Ceres GP 2035 also includes future land use designations from the Copper Trails Specific Plan, although the Specific Plan was not finalized and adopted by Ceres at the time of GP adoption.

3.6 WATER SYSTEM FACILITIES

This section summarizes SRWA and the City's water system facilities. SRWA's facilities include the RSWSP raw water facilities and the Water Treatment Plant (WTP). The RSWSP pumps surface water from the Tuolumne River, treats the water at a WTP, and distributes treated water to Ceres and Turlock.

3.6.1 SRWA Raw Water Facilities

The RSWSP's raw water facilities include the infiltration gallery, raw water pump station, and raw water transmission main. The infiltration gallery and raw water pump station are located on the Tuolumne River, just west of Geer Road and less than 0.5 mile west of the WTP. Surface water from the Tuolumne River is drawn through the infiltration gallery, which is comprised of a set of perforated pipelines installed in gravel about 8 feet below the bottom of the riverbed, into the wet well of the raw water pump station. The raw water pump station then conveys water to the flow split structure; at the flow split structure, the raw water is directed to the WTP for treatment, or to the Ceres Main Canal outfall structure for use as irrigation water by TID. The raw water facilities are owned by TID and leased to SRWA.

The raw water pump station's current capacity is 15 million gallons per day (MGD) provided by one pump and one additional standby pump. Full buildout will include five pumps and one additional standby pump

for a total capacity of 65 MGD. The flow can be split between the WTP and the Ceres Main Canal as required. The WTP is intended to treat up to 45 MGD of raw water at buildout.

3.6.2 SRWA Water Treatment Plant

SRWA's WTP currently has a capacity of 15 MGD and meets disinfection requirements through a combination of conventional treatment, ozone disinfection, and chlorine disinfection when necessary.

Raw water from the raw water pipeline enters the WTP at the rapid mixing facility. After coagulants and other chemicals are added during rapid mixing, water flows into the flocculation and sedimentation basins for removal of suspended solids. The flow then enters the ozone facility for ozone disinfection. Following disinfection, water is filtered via gravity through granular media filters and enters the WTP clearwell. From the clearwell, treated water is pumped via the finished water pump station into the Ceres or Turlock finished water transmission mains.

The WTP has an existing capacity of 15 MGD at a maximum filtration rate of 6 gallons per minute per square foot (GPM/SF) from four rapid sand filters with granular activated carbon and sand dual media. Higher filter loading rates may be feasible, and a filter re-rating study to increase the filter loading rate to 8 GPM/SF is planned. If the filters can be re-rated to 8 GPM/SF, the WTP capacity will increase to 19.9 MGD. The filter re-rating testing is planned to be completed in 2027; the added WTP capacity is expected to be available beginning in 2028.

SRWA's WTP was designed to allow for future expansion of treatment capacity by adding additional parallel treatment trains within the existing site. Information on planned future expansions to meet projected water demands is provided in Chapter 6 and Chapter 7.

3.6.3 SRWA Finished Water Transmission Pipelines

Potable water is pumped to SRWA's wholesale customers via the Ceres and Turlock finished water transmission mains. Each transmission main terminates at the Cities' respective terminal storage tank for distribution to the Cities' water systems.

3.6.4 City of Turlock Water System Facilities

The City of Turlock's major water system facilities include:

- 15 active groundwater wells with a total capacity of approximately 31.9 MGD,
- 3 at-grade storage tanks and 1 terminal storage tank with a total storage capacity of 5.3 MG,
- 4 pump stations (one at each storage tank) with a total firm pumping capacity of 35.4 MGD, and
- approximately 286 miles of water main, ranging in size from 1-inch to 42-inches in diameter.[3]

Turlock's water system consists of one main pressure zone. Additional information on the City of Turlock's water system facilities can be found in Turlock's Water Master Plan, updated in March 2025.

[3] City of Turlock, Carollo. March 2025. *City of Turlock Water Master Plan.*

CHAPTER 4
Water Use Characterization

This chapter describes and quantifies the historical, current, and projected water uses for Turlock and SRWA. It discusses both Turlock's retail water demands and SRWA's wholesale water demands. As SRWA supplies treated surface water to the Cities, SRWA's demand projections are based on the projected growth within each city's water service area and the projected allocation between surface water and local groundwater use. Accurately tracking and reporting water demands allows Turlock and SRWA to properly analyze the use of their resources and conduct good water resource planning.

Additional information on the City of Ceres' historical, current, and projected retail water use is provided separately in the Ceres 2025 UWMP.

4.1 NON-POTABLE VERSUS POTABLE WATER USE

Potable water is water that is safe to drink and has had various levels of treatment and/or disinfection. Non-potable water is not safe to drink and includes both raw water and recycled water.

Turlock supplies treated groundwater to customers within its service area from city-owned and operated wells, as well as treated surface water purchased from SRWA. SRWA provides wholesale potable water to the Cities by treating surface water diverted from the Tuolumne River.

Raw water is untreated, non-potable water that is used in its natural state or with minimal treatment. Turlock uses raw water from shallow, on-site wells at several local parks for landscape irrigation. These wells are not part of Turlock's potable water system. SRWA does not currently deliver raw water to its wholesale customers, nor does it have plans to do so.

Recycled water is municipal wastewater that has been treated to a specified quality to enable it to be used for beneficial purposes. Turlock treats its wastewater to Title 22 disinfected tertiary recycled water standards, suitable for unrestricted non-potable use. Within its service area, Turlock provides recycled water to TID's Walnut Energy Center Co-Generation Facility for cooling, to the Pedretti Sports Field for landscape irrigation, and to a recycled water fill station for local non-potable uses. However, most of Turlock's recycled water is exported outside its service area for agricultural irrigation as part of the North Valley Regional Recycled Water Program, discussed further in Chapter 6. SRWA does not currently deliver recycled water to its wholesale customers, nor does it have plans to do so.

Maintaining multiple water sources allows Turlock to best meet its customers' range of needs, as some industrial and irrigation uses do not require the same level of treatment as is required for drinking water. Potable and non-potable water demands are discussed in the following sections.

4.2 WATER USE BY SECTOR

This section describes Turlock and SRWA's past, current, and projected water use by water use sector, as listed in CWC §10631(d) and defined in the DWR Guidebook. These classifications were used to analyze current consumption patterns among the various types of Turlock's water customers. Each of Turlock's retail water use sectors are listed and defined below.

- **Single Family Residential:** A single-family dwelling unit. A lot with a free-standing building containing one dwelling unit that may include a detached secondary dwelling.
- **Multi-Family Residential:** Multiple dwelling units contained within one building or several buildings within one complex.

- **Commercial:** A water user that provides or distributes a product or service (CWC§10608.12(d)).
- **Industrial:** A water user that is primarily a manufacturer or processor of materials as defined by the North American Industry Classification System Code Sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development (CWC §10608.12(h)).
- **Institutional/Governmental:** A water user dedicated to public service. This type of user includes, among other users, higher education institutions, schools, courts, churches, hospitals, government facilities, and nonprofit research institutions (CWC §10608.12(i)).
- **Landscape:** Water connections supplying water solely for landscape irrigation. Such landscapes may be associated with multi-family, commercial, industrial, or institutional/governmental sites, but are considered a separate water use sector if the connection is solely for landscape irrigation.
- **Sales to Other Agencies:** Water delivered to another water agency.
- **Other:** Any other water demand that is not adequately described by the water sectors defined above, including fire flows and construction water. System water losses are not to be reported in the "Other" category.

Because SRWA does not directly serve retail customers, the only DWR defined sector relevant to SRWA is "sales to other agencies", which are water sales made to the Cities. Projected sales are based on projected water demand provided by the receiving agency. There is inherent uncertainty in future demand projections and, therefore, any projected sales reported in the UWMP are for planning purposes only and are not considered a commitment on the part of the wholesaler or retailer.

Turlock and SRWA do not have any current plans to use water for groundwater recharge, saline water intrusion barriers, agricultural irrigation, wetlands, or wildlife habitat.

4.2.1 Historical Water Use

Past water use in recent years for Turlock and SRWA are discussed in the following sections.

4.2.1.1 City of Turlock

Turlock's potable water demand by water use sector from 2020 through 2024 is shown in Table 4-1. Water use in 2020 is based on values provided in Turlock's 2020 UWMP, while 2021 through 2024 water use for each water use sector is from Turlock's metered consumption data submitted to the State Water Board for annual water use reporting. Turlock completed its metering program in 2011, allowing the City to track actual water use by customer and sector. As shown in Table 4-1, single family residential customers and industrial customers have been the two largest water users over the past five years.

Table 4-1. Historical Potable Water Demand by Water Use Sector (Retail), MG[a]

Water Use Sector	2020	2021	2022	2023	2024
Single Family	2,964	2,859	2,590	2,293	2,420
Multi-Family	715	676	642	699	622
Commercial[b]	512	445	748	503	470
Industrial	1,504	1,452	1,400	1,279	1,386
Landscape	334	304	360	392	391
Other - City meters (non-billed)	216	229	161	99	110
Sales/Transfers/Exchanges - Exported to City of Modesto	6	6	7	5	5
Distribution System Water Loss[c]	451	378	291	734	1,051
Other - Unmetered water[d]	42	106	0	9	55
Total[e]	**6,743**	**6,456**	**6,199**	**6,012**	**6,510**

(a) Annual demand by water use sector is from consumption data in Turlock's Electronic Annual Reports submitted to the State Water Board and from Turlock's Per-water-system data downloaded from the State Open Data Portal.

(b) "Commercial" use includes institutional/governmental water use consistent with Turlock's annual water use reporting.

(c) Losses are based on Turlock's annual AWWA Water Loss Audits. Losses in 2022 were re-calculated due to inconsistent authorized consumption values identified upon review of 2022 consumption data.

(d) "Other – Unmetered water" was calculated based on the difference between total annual production (see footnote e), and total metered water consumption plus the water losses defined in Turlock's AWWA Water Loss Audits.

(e) Totals represent annual potable water production from groundwater and surface water sources and are based on Turlock's annual AWWA Water Loss Audits for all years but 2023. For 2023, the total production is based on data from the State Open Data Portal. The AWWA Water Loss Audit data for 2023 reported a lower total production (5,895 MG) compared to the State Open Data Portal (6,012 MG). Total billed metered consumption also appeared lower in the 2023 audit (5,041.5 MG) compared to the State Open Data Portal (5,165 MG). Using the lower audit-based production would result in negative unmetered water values when combined with the higher consumption values from the State Open Data Portal, which is not physically plausible. Therefore, total production for 2023 is based on the State Open Data Portal and represents the sum of all listed use sectors, unmetered water, and distribution system water losses.

Totals shown are based on Turlock's total annual water production (i.e., the sum of groundwater and surface water deliveries), per the City's annual American Water Works Association (AWWA) Water Loss Audits. Distribution system water losses are also based on Turlock's AWWA Water Loss Audits.

The volume exported to the City of Modesto shown in Table 4-1 represents water sold to the City of Modesto's Central Turlock water system. As described in Chapter 3, Turlock serves the entire area encompassed by its city limits except for three small residential water systems served by the City of Modesto. However, Turlock has been providing potable water to the Central Turlock water system via an interconnection, as the City of Modesto's groundwater well previously supplying this system is no longer active.

Turlock has also historically used raw water and recycled water for non-potable uses within its service area. As shown in Turlock's 2020 UWMP, Turlock used approximately 445 MG of raw water in 2020 to irrigate city parks using non-potable irrigation wells. Additionally, in 2020, Turlock supplied approximately 297 MG of disinfected tertiary recycled water to TID's Walnut Energy Center Co-Generation Facility, and approximately 1 MG for landscape irrigation of Turlock's Pedretti Sports Field. Turlock's current non-potable uses in 2025 are described in Section 4.2.2.1.

4.2.1.2 SRWA

As previously discussed, SRWA commenced delivery of treated surface water to its wholesale customers in November 2023. In 2023, SRWA delivered 33 MG of treated surface water to Turlock and 95 MG to Ceres, for a total volume of 128 MG.[1] The total annual water supplied by SRWA to the Cities in 2024 was 2,274 MG and 1,431 MG, respectively, for a total volume of 3,705 MG.[2]

SRWA has not delivered potable, raw, or recycled water directly to urban retail customers in the past and does not plan to do so in the future.

4.2.2 Current Water Use

Current water use in 2025 for Turlock and SRWA is discussed in the following sections.

4.2.2.1 City of Turlock

Turlock's water demand by sector in 2025 is reported in Table 4-2 (DWR Table 4-1 Retail). Turlock's total potable water use in 2025 was 6,146 MG, including system losses. Turlock's total non-potable water use in 2025 was 480 MG, which includes raw water for landscape irrigation at city parks and disinfected tertiary recycled water supplied to TID's Walnut Energy Center and Turlock's recycled water fill station.

DRAFT

[1] Source: City of Turlock and City of Ceres 2023 AWWA Water Loss Audits.

[2] Source: SRWA Annual Operations Report, June 2025.

Table 4-2. Total Uses for Potable and Non-Potable Water – 2025 (DWR Table 4-1 Retail)

Use Type	Additional Description (as needed)	2025 Actual Water Use	
Drop down list May select each use multiple times These are the only use types that will be recognized by the WUEdata online submittal tool		**Potable or Non-Potable** (OPTIONAL) Drop down list	Volume (MG)
Single Family		Potable	2,338
Multi-Family		Potable	557
Commercial		Potable	453
Industrial		Potable	1,254
Landscape		Potable	265
Other (optional)	City meters (non-billed)	Potable	114
Sales/Transfers/Exchanges to other Suppliers	Exported to City of Modesto	Potable	5
Distribution System Water Loss	Losses and unmetered water (e.g.,	Potable	1,160
Other (optional)	Disinfected tertiary recycled water. See note (a).	Non-Potable	376
Landscape	Non-potable raw water irrigation wells at City parks	Non-Potable	104
		Subtotal Potable	6,146
		Subtotal Non-Potable	480
		Total	6,625
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.			
NOTES: (a) Recycled water use shown includes only recycled water delivered within Turlock's service area. This volume includes recycled water delivered to TID's Walnut Energy Center for cooling, and a small amount of fill station use (<1 MG). Refer to Chapter 6 for additional detail on recycled water use.			

Distribution system water losses were estimated based on the difference in total potable water production (6,146 MG) and total metered potable water consumption.

4.2.2.2 SRWA

SRWA's wholesale water demand in 2025 is reported in Table 4-3 (DWR Table 4-1 Wholesale). The total treated surface water delivered to the Cities in 2025 was 3,517 MG. As shown, all water deliveries were treated to potable water standards.

Table 4-3. Total Uses for Potable and Non-Potable Water – 2025 (DWR Table 4-1 Wholesale)

Use Type		2025 Actual Water Use	
Drop down list May select each use multiple times These are the only use types that will be recognized by the WUEdata online submittal tool	Additional Description (as needed)	Level of Treatment When Delivered (OPTIONAL) Drop down list	Volume (MG)
Sales to other agencies	City of Turlock	Potable	2,104
Sales to other agencies	City of Ceres	Potable	1,413
		Subtotal Potable	3,517
		Subtotal Non-Potable	0
		Total	3,517
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.			

4.2.3 Projected Water Use

Projected water use through 2050 for Turlock and SRWA are discussed in the following sections.

4.2.3.1 City of Turlock

Turlock's projected potable and non-potable water demands for 2030 through 2050 (representing a 25-year planning horizon from 2025) are reported in Table 4-4 (DWR Table 4-2 Retail). Projected potable water demands are based on Turlock's Water Master Plan (WMP), which was updated in March 2025.

The 2025 WMP projected potable water demands assuming buildout of both city limits and the broader Urban Development Boundary (UDB) by 2050. The WMP also assumed that the County enclaves (also referred to as "County islands") which are not currently served by the City will be annexed and incorporated into the Turlock water service area at some future point. To develop these projections, the 2025 WMP used the future land use designations defined in the Turlock GP, which was adopted in 2012. Area-based water use factors were applied to these land use categories to estimate future water demands. In addition, the WMP incorporated water demand projections for several large, planned developments, using water use factors provided directly by developers.

Turlock's total 2050 projected potable water demand is 9,892 MG, which represents an increase of 61 percent compared to its 2025 potable water demand (6,146 MG). For the purposes of this UWMP, water demands for 2030 through 2050 were linearly interpolated using 2025 demands and the 2050 water demand projection.

To remain consistent with Turlock's annual reporting to the State Water Board, public and institutional uses are included with commercial demand projections.

Projected recycled water and raw water demands within Turlock's service area are expected to remain generally constant through 2050. Refer to Chapter 6 for further discussion of Turlock's recycled water demands outside of its service area.

Table 4-4. Total Uses for Potable and Non-Potable Water – Projected (DWR Table 4-2 Retail)

Submittal Table 4-2 Retail: Total Uses for Potable, and Non-Potable Water — Projected Water Code Section 10631(d)(1)							
Use Type		**Projected Water Use** (Report To the Extent that Records are Available)					
Drop down list May select each use multiple times These are the only Use Types that will be recognized by the WUEdata online submittal tool	Additional Description (as needed)	**Potable or Non-Potable** (OPTIONAL) Drop down list	**2030 (MG)**	**2035 (MG)**	**2040 (MG)**	**2045 (MG)**	**2050 opt (MG)**
Single Family	See note (a).	Potable	2,803	3,107	3,412	3,716	4,021
Multi-Family		Potable	709	786	863	940	1,017
Commercial		Potable	569	631	693	754	816
Industrial		Potable	1,498	1,661	1,824	1,986	2,149
Landscape		Potable	371	412	452	492	533
Other (optional)	City meters (non-billed)	Potable	167	185	203	221	240
Distribution System Water Loss	Losses and unmetered water (e.g., flushing)	Potable	778	863	947	1,032	1,116
Other (optional)	Disinfected tertiary recycled water. See note (b).	Non-Potable	376	376	376	376	376
Landscape	Non-potable raw water irrigation wells at City parks	Non-Potable	104	104	104	104	104
		Subtotal Potable	6,895	7,644	8,393	9,142	9,892
		Subtotal Non-Potable	480	480	480	480	480
		Total	7,375	8,124	8,873	9,622	10,372
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.							
NOTES: (a) Volume of water exported to City of Modesto is combined with the Single Family water use type in this table, as it is assumed, per Turlock's 2025 WMP, that Turlock will eventually acquire and serve the County enclaves that are currently served by City of Modesto. Actual timing is unknown. (b) Recycled water use shown includes only recycled water delivered within Turlock's service area. This volume includes recycled water delivered to TID's Walnut Energy Center for cooling, and a small amount of fill station use (<1 MG). Refer to Chapter 6 for additional detail on recycled water use.							

4.2.3.2 SRWA

Projected wholesale water demands from SRWA to the Cities are provided in Table 4-5 (DWR Table 4-2 Wholesale). The projected water use in Table 4-5 (DWR Table 4-2 Wholesale) includes only SRWA's projected surface water sales to the Cities (i.e., the Cities' projected groundwater use is not included). SRWA also uses some potable water for on-site use at the WTP; however, the quantity of water is negligible.

As shown, SRWA's water sales to the Cities of Turlock and Ceres are anticipated to increase through 2050 to approximately 4,752 MG and 1,939 MG, respectively, for a total of 6,691 MG. The projected wholesale water demands for SRWA are based on projections provided by the Cities. Actual water use from SRWA will depend on water year conditions, as SRWA's supplies are anticipated to be reduced during drought years, in which case, the Cities will increase groundwater production to make up the difference.

Turlock has developed surface water use projections for the next ten years, through Water Year 2036–37 (i.e. April 1, 2036 through March 31, 2037), which were incorporated into Table 4-5 (DWR Table 4-2 Wholesale). Surface water demands beyond 2036 were estimated using an assumed annual increase in surface water use of 2.6 percent. Wholesale demand projections will continue to be refined in future UWMP updates based on changes in retail demand and other conditions.

Consistent with the Ceres 2025 UWMP, Ceres' projected surface water use is estimated assuming that two-thirds of Ceres' total projected demand is met by SRWA surface water. Buildout for the City of Ceres is projected to occur by 2045.

Table 4-5. Total Uses for Potable and Non-Potable Water – Projected (DWR Table 4-2 Wholesale)

Use Type		Projected Water Use (Report To the Extent that Records are Available)					
Drop down list May select each use multiple times These are the only Use Types that will be recognized by the WUEdata online submittal tool.	Additional Description (as needed)	**Potable or Non-Potable** (OPTIONAL) Drop down list	**2030 (MG)**	**2035 (MG)**	**2040 (MG)**	**2045 (MG)**	**2050 opt (MG)**
Sales to other agencies	City of Turlock. See note (a).	Potable	2,837	3,316	3,772	4,288	4,752
Sales to other agencies	City of Ceres. See note (b).	Potable	1,485	1,623	1,773	1,939	1,939
		Subtotal Potable	4,322	4,939	5,545	6,227	6,691
		Subtotal Non-Potable	0	0	0	0	0
		Total	4,322	4,939	5,545	6,227	6,691
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.							
NOTES: (a) Turlock has projected its surface water use for the next ten years, through Water Year 2036-2037. For the purposes of this UWMP, projections beyond 2037 were estimated using an assumed annual increase in surface water use of 2.6 percent. (b) Ceres' projected surface water use is consistent with the Ceres 2025 UWMP and assumes that two-thirds of Ceres' total projected demand is met by SRWA surface water. Ceres buildout is projected to occur by 2045.							

SRWA does not serve non-potable water; therefore, no non-potable demands are shown.

4.2.4 Characteristic Five-Year Water Use

Water Code §10635(b) requires urban suppliers to include a five-year drought risk assessment (DRA) in their UWMPs. A key component of the DRA is estimating water demands for the next five years (2026-2030) without drought conditions (i.e., unconstrained demand). Chapter 7 details the DRA, but the five-year demand projections for Turlock and SRWA are summarized in the following sections.

4.2.4.1 City of Turlock

Table 4-6 shows Turlock's five-year demand projections (2026-2030) for its DRA. Turlock's projected water demands for 2026 through 2029 were estimated as a linear interpolation between the actual 2025 consumption by use type, reported in Table 4-2 (DWR Table 4-1 Retail), and the 2030 projected water use, reported in Table 4-4 (DWR Table 4-2 Retail).

Table 4-6. Turlock's Projected Five-Year Potable Water Use for Retail Customers, MG					
Water Use Sector	2026	2027	2028	2029	2030
Single Family	2,430	2,521	2,613	2,705	2,797
Multi-Family	587	618	648	678	709
Commercial[a]	477	500	523	546	569
Industrial	1,303	1,352	1,401	1,449	1,498
Landscape	286	307	329	350	371
Other - City meters (non-billed)	124	135	146	156	167
Sales/Transfers/Exchanges – Exported to City of Modesto	5	5	6	6	6
Distribution System Water Loss	1,083	1,007	931	854	778
Total	**6,295**	**6,445**	**6,595**	**6,745**	**6,895**

(a) Commercial water use includes public and institutional land uses, consistent with Turlock's annual reporting.

4.2.4.2 SRWA

Table 4-7 shows SRWA's five-year wholesale demand projections (2026-2030) for its DRA, which are based on projected surface water use provided by the Cities. Actual water sales may vary due to hydrologic conditions and are dependent on the Cities' finalized surface water orders for each water year. SRWA's surface water orders are typically reported by water year (April through March); however, for consistency with reporting in this Joint UWMP, the values presented below have been approximated to a calendar year format.

Table 4-7. Projected Five-Year Potable Water Use for SRWA's Wholesale Customers, MG						
Customer	Use Type	2026	2027	2028	2029	2030
City of Turlock[a]	Sales to Other Agencies	2,207	2,366	2,517	2,672	2,837
City of Ceres[b]	Sales to Other Agencies	1,452	1,442	1,433	1,459	1,485
	Total	**3,659**	**3,808**	**3,950**	**4,131**	**4,322**

(a) Based on Turlock's most recent surface water use projections, provided March 27, 2026.
(b) Ceres' projected surface water use through 2030 is consistent with the Ceres 2025 UWMP and assumes that two-thirds of Ceres' total projected demand is met by SRWA surface water.

4.2.5 Estimating Future Water Savings

Turlock's water use projections presented in Table 4-4 (DWR Table 4-2 Retail) are based on projected future land use and area-based water use factors from its 2025 WMP. In accordance with the 2012 Turlock GP, water conservation is encouraged within the City. Urban water suppliers may consider the passive savings from codes, standards, ordinances, or transportation and land use plans. Such water savings decrease the water use projections for new and future customers compared to historical customers. As indicated in Table 4-8 (DWR Table 4-3 Retail), to be conservative, these potential passive savings have not been included in Turlock's water demand projections.

While retail suppliers are required to estimate future water savings for this plan, this requirement does not apply to wholesale suppliers like SRWA, as they do not directly control or influence the water demands of its customers (i.e. the Cities).

Table 4-8. Inclusion in Water Use Projections (DWR Table 4-3 Retail)

Are Future Water Savings Included in Projections? (Refer to Appendix K of UWMP Guidebook) **Drop down list (y/n)**	No
If "Yes" to above: State the section or page number, in the cell to the right, where citations of the codes, ordinances, or otherwise are utilized in demand projections are found. **OPTIONAL** Suppliers may complete Optional Submittal Table 4-4 R to quantify the expected savings.	
Are Lower Income Residential Demands Included In Projections? (Refer to Appendix K of UWMP Guidebook) **Drop down list (y/n)**	Yes
OPTIONAL If the method for accounting Lower Income Residential Demands has been included, provide page number where this accounting can be found. (An example is included in Appendix K.)	

4.2.6 Water Use for Lower Income Households

This UWMP considers current adopted codes, plans, and other policies or laws to estimate water savings projections. As indicated in Table 4-8 (DWR Table 4-3 Retail), projected water use for lower income households in Turlock's water service area are included in Turlock's citywide water use projections.

A lower income household is considered to be a household with an income below 80 percent of an area median income (AMI), adjusted for family size. Projected water demands for lower income, single family, and multi-family residential water uses are included in the total water demands described in Section 4.2.3.

Turlock's Revised Draft 2023-2031 Housing Element Update from November 2025 includes the number of existing lower income households, which includes Low Income (51 to 80 percent of AMI), Very Low Income (31 to 50 percent of AMI), and Extremely Low Income households (0 to 30 percent of AMI). The Housing Element indicates that approximately 16 percent of Turlock's existing households are Low Income, 13 percent are Very-Low Income, and 13 percent are Extremely-Low Income, for a total of 42 percent of households being lower income.[3]

Turlock assumes that lower income households will continue to represent approximately 42 percent of the City's total residential customers through 2050 while recognizing that the percentage of lower income households is subject to change as demographic changes may occur. With this assumption, the projected

[3] City of Turlock. November 2025. *Revised Draft Housing Element Appendix B Housing Needs Assessment*. *Table B-7: Turlock and Surrounding Areas Households by Household Income Level*. Data is from U.S. Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy ACS tabulation, 2016-2020 release.

water demand from lower income households will be approximately 2,122 MGY of residential water use by 2050.

4.3 DISTRIBUTION SYSTEM WATER LOSSES

System losses are the difference between the actual volume of water treated and delivered into the distribution system and the actual metered consumption. Such apparent losses are always present in a water system due to pipe leaks, unauthorized connections or use, faulty meters, unmetered services such as fire protection and training, and system and street flushing.

Turlock uses the AWWA Water Loss Audits and Loss Control Programs method to annually evaluate its distribution system losses. The water audit is an accounting exercise that tracks all sources and uses of water within a water system over a calendar year.

Table 4-9 (DWR Table 4-5 Retail) summarizes Turlock's status in submitting its AWWA Water Loss Audits for the last five years starting in January 2020. Copies of Turlock's water audit worksheets for the last five years are provided in Appendix F.

Table 4-9. Last Five Years of Water Loss Audit Reporting (DWR Table 4-5 Retail)

Public Water System ID # Reported in Table 2-1 R	Reporting Period	Submitted to DWR Water Loss Audit Program (yes/no)
Report submittal status for all five years for each Public Water System as available. Add rows as needed		
CA5010019	**2020**	Yes
	2021	Yes
	2022	Yes
	2023	Yes
	2024	Yes
DWR NOTES: Suppliers will provide a link to the WUEdata submittals of their Water Loss Audit Reports.		
https://wuedata.water.ca.gov/awwa_plans		

In November 2022, DWR and the State Water Board adopted water loss standards for urban retail water suppliers. The new regulation provides suppliers with volumetric standards that establish cost-effective levels of achievable water loss based on each supplier's water system characteristics and budgets. Beginning in January 2028, suppliers must meet their individual volumetric real loss standards based on a three-year compliance period of the Years 2025, 2026, and 2027. Individual apparent water loss standards must also be met at the same 2028 compliance date. Table 4-10 (DWR Table 4-6 Retail) summarizes the real and apparent water losses for 2025 compared to Turlock's 2028 water loss standard.

Based on the most recent audit for Calendar Year 2024, Turlock's real water loss and apparent water loss currently exceed the 2028 standard. However, Turlock will continue to implement water loss control measures to meet the standard by the 2028 compliance deadline. Turlock's programs to assess and manage water loss are discussed further in Chapter 9.

As SRWA is a water wholesaler and not an urban retail water supplier, SRWA is not required to submit AWWA Water Loss Audits or meet water loss standards.

Table 4-10. Progress Towards 2028 Water Loss Standard (DWR Table 4-6 Retail)

Public Water System ID # Reported in Submittal Table 2-1 R	Did the Water Board Calculate a Water Loss Standard for this Public Water System? (y/n) If no, Supplier will not complete this row.	Real Water Loss					Apparent Water Loss				
		State Water Board Standard		Most Recent AWWA Water Loss Audit			State Water Board Standard		Most Recent AWWA Water Loss Audit		
		2028 Real Water Loss Standard per Unit per day	Units for Real Water Loss Drop down list	Number of Units (Connections or Miles corresponding with units selected)	Volume of Total Real Loss (from AWWA Water Loss Audit) (MG)	Real Water Loss Per Unit per Day	2028 Apparent Water Loss Standard per Unit per Day	Units for Apparent Water Loss	Number of Connections	Volume of Total Apparent Loss (from AWWA Water Loss Audit) (MG)	Apparent Water Loss Per Unit per Day
CA5010019	Yes	14.5	Gallons per Service Connection per Day (GPSCD)	20,053	913	124.8	18.6	Gallons per Service Connection per Day (GPSCD)	20,053	138	18.8

DWR NOTES: Units of measure (AF, CCF, MG) for Water Loss **MUST** remain consistent with units reported in Submittal Table 2-3. The units reported in Submittal Table 2-3 are used in this table's calculations.

NOTES: Number of service connections, total real loss, and total apparent loss are from the City of Turlock's 2024 AWWA Water Loss Audit, which is its most recent Water Loss Audit.

4.4 CLIMATE CHANGE CONSIDERATIONS

Climate change has the potential to alter local climatic patterns and meteorology. This potential alteration may impact Turlock and SRWA's future water demand and use patterns. In general, climate change is expected to increase water demand for irrigation and increase the year-to-year variability of demands. This increase in demands is the result of increased temperatures (which increases evapotranspiration) and more variability in precipitation (which impacts supply availability and reliability). Also, natural disasters such as wildfires, droughts, and floods are expected to increase in both frequency and intensity. The water demand projections developed in this Joint 2025 UWMP account for these anticipated increases.

Current and ongoing demand management measures and water conservation by Turlock and SRWA's water customers, discussed in Chapter 9, could mitigate the effects of climate change on water demands.

Turlock and SRWA will continue to monitor the impacts of climate change on its water demands and on regional groundwater and surface water conditions. Updated climate and hydrologic information will be incorporated into future UWMP updates. The potential impacts of climate change on Turlock and SRWA's water supplies are described in Chapter 6.

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CHAPTER 5
SB X7-7 Baselines, 2020 Targets, and 2025 Reporting

In November 2009, SB X7-7, the Water Conservation Act of 2009, was signed into law as part of a comprehensive water legislation package. The Water Conservation Act addressed both urban and agricultural water conservation. The legislation set a goal of achieving a 20 percent statewide reduction in urban per capita water use by December 31, 2020 (i.e., "20 by 2020"). In order to meet the urban water use target requirement, each retail supplier was required to determine its baseline water use, as well as its target water use for the year 2020. Water use is measured in gallons per capita per day (GPCD).

This chapter provides a review of the calculation of Turlock's 2020 Urban Water Use Target and demonstrates that Turlock has achieved its 2020 target reduction.

Since SRWA is a water wholesaler and does not serve urban water users directly, it is not required to establish and meet any water conservation targets associated with the Water Conservation Act of 2009. However, SRWA fully supports its water retailers in achieving their water conservation targets. A discussion of SRWA's programs and policies for water conservation is provided in *Chapter 9 Demand Management Measures* (DMMs).

Turlock, as a water retailer, is required to report its compliance with the 2020 urban water use target as of 2020. The 2020 urban water use target has since been superseded by the establishment of Urban Water Use Objectives (UWUO) as part of the Making Conservation a California Way of Life regulation adopted on July 3, 2024. Starting in 2024, Turlock's UWUO is calculated and reported annually through a separate process, and therefore, Turlock does not compare its 2025 water use with its 2020 target. Additional information on Turlock's water conservation practices and objectives is included in Chapter 9.

5.1 OVERVIEW AND BACKGROUND

The City of Turlock's compliance with SB X7-7 was first addressed in its 2010 UWMP. Turlock's baseline per capita water use was determined, and urban water use targets for 2015 and 2020 were established and adopted. Actual water use data and population estimates were used to calculate GPCD water use.

SB X7-7 required each urban water retailer to determine its baseline daily per capita water use over a 10-year or 15-year baseline period. In its 2010 UWMP, the 10-year baseline period that Turlock selected was verified to be 1997 through 2006. Turlock calculated its baselines and water use targets on an individual reporting basis in accordance with SB X7-7 legislation requirements and *DWR Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use* (2016) (DWR Methodologies). Details of the specific methodology used to calculate Turlock's 2020 water use target are documented in its 2020 UWMP.

5.2 2020 DAILY PER CAPITA WATER USE COMPLIANCE

In its 2020 UWMP, Turlock calculated its actual 2020 water use for the 2020 Calendar Year in accordance with the DWR Methodologies document. As shown in Table 5-1 (DWR Table 5-1 Retail), urban per capita water use in 2020 was 250 GPCD, which is below the confirmed 2020 water use target of 284 GPCD. Therefore, Turlock met its 2020 final water use target. Water use in 2020 in Turlock's service area was reduced as compared to baseline years as a result of increased water conservation efforts by Turlock and its customers.

Table 5-1. SB X7-7 2020 Target Progress (DWR Table 5-1 Retail)

☐	**Check the box if the Supplier was not an Urban Water Supplier during or before the 2020 UWMP reporting cycle. Proceed to the next table.**					
Was Supplier part of a merger or consolidation since 2020?	Regional Alliance Target or Individual Target? Drop down list	2020 Target	Actual 2020 GPCD	Did Supplier Achieve Targeted Reduction for 2020?	**Only for suppliers that did not meet the Target in 2020 See DWR NOTES below.** Actual 2025 GPCD (From SB X7-7 Compliance Form)	Did Supplier meet the 2020 Target in 2025?
No	Individual Target	284	250	Yes		NA

DWR NOTES:
Suppliers calculating a 2025 GPCD will need to complete and submit SB X 7-7 Compliance Tables to verify the use of SB X7-7 Methodologies.
Suppliers that were part of a merger or consolidation since 2020 see Chapter 5 and Appendix P for guidance.

5.3 REGIONAL ALLIANCE

Turlock has chosen to comply with the requirements of SB X7-7 on an individual basis. Turlock has elected not to participate in a regional alliance.

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CHAPTER 6
Normal-Year Water Supply Characterization

This chapter characterizes Turlock and SRWA's water supply portfolio. Currently available water supplies, as well as future anticipated water supplies, are described and quantified. The management of each water supply is discussed, along with the measures that Turlock and SRWA have taken to develop additional water supplies.

Turlock and SRWA's existing water supply facilities are described in Chapter 3 of this Joint UWMP. Turlock's water supplies consist of the following:

- Groundwater pumped from Turlock-owned and operated wells
- Treated surface water purchased from SRWA conveyed from the Tuolumne River through SRWA's WTP
- Recycled water from Turlock's Regional Water Quality Control Facility (RWQCF)

Anticipated availability of Turlock and SRWA's water supplies under a normal water year is provided in this chapter. A normal water year is defined in this UWMP as years when no regional or statewide drought declaration are in effect. The availability of Turlock and SRWA's water supplies under a single dry year and a drought lasting five years are described in detail in Chapter 7 of this UWMP, along with the basis of those estimates.

Information for this chapter is from multiple sources including Turlock's 2020 UWMP and 2025 WMP, SRWA's 2020 UWMP (finalized in October 2024), the City of Ceres 2025 UWMP and WMP, and the 2024 Turlock Subbasin GSP)

6.1 OVERVIEW OF WATER SUPPLIES

The Cities formed the SRWA as a Joint Powers Authority in 2011 to provide a diversified and sustainable water supply portfolio. Historically, both Cities relied solely on groundwater from the Turlock Subbasin, which had become less reliable due to both the decline in water quality and the increasing number of regulated contaminants. SRWA evaluated various water supply options and identified the Tuolumne River as a viable surface water source that could be used in conjunction with the Cities' existing groundwater supplies to provide a long-term, reliable drinking water supply for both Cities.

SRWA, in partnership with TID, developed the RSWSP (or Project) to divert, treat, and deliver drinking water to the Cities. The Project began delivering surface water to both Cities in November 2023. SRWA currently provides water supply to two wholesale customers: Turlock and the City of Ceres. Both Cities use a combination of surface water from SRWA and local groundwater from their respective city-owned groundwater wells to meet potable water demands. SRWA does not supply groundwater or any other water source.

SRWA uses surface water supplies entirely from the Tuolumne River via a long-term transfer agreement with TID using TID's pre-1914 appropriative rights. This Agreement between SRWA and TID, included in Appendix E, defines the terms and conditions for the transfer and delivery of Tuolumne River water to SRWA. Under dry year conditions, TID may reduce surface water allocations to SRWA and its other customers. In these cases, SRWA will provide the maximum available surface water to the Cities based on TID's allocation, and the Cities will pump groundwater to supplement the surface water supply to meet their total water demands.

Under severe drought conditions, with reduced surface water allocations, SRWA may consider purchases or short-term transfers with other Tuolumne River water right holders, if necessary, to meet its customers' potable water demands. However, the Cities anticipate maintaining adequate groundwater well capacity to meet water demands that are not met with surface water from SRWA.

SRWA does not anticipate using any other water supply sources such as groundwater, stormwater, recycled water, or desalinated water currently or in the future. Turlock, however, will continue to use groundwater and recycled water to meet potable and non-potable water demands.

6.2 GROUNDWATER

As described in Chapter 3, Turlock has 15 active potable groundwater wells throughout its service area. Turlock also has four non-potable wells used for irrigation which are not connected to Turlock's potable water system. Turlock's total supply capacity for its active potable wells is 31.9 MGD.[1] Prior to 2023, groundwater was Turlock's sole water supply source. Turlock now uses its groundwater supplies conjunctively with purchased surface water from SRWA.

SRWA does not currently utilize, nor has plans to utilize, groundwater as a water supply. While SRWA does not utilize groundwater as a water supply, the Cities may deliver groundwater to TID on behalf of SRWA as offset water during dry years as part of SRWA's Agreement with TID. At the time of development of this Joint UWMP, the Cities have not delivered any groundwater to TID on behalf of SRWA.

The local groundwater source is the Turlock Subbasin, which is a subunit of the San Joaquin Valley Groundwater Basin. Turlock has partnered with other groundwater users throughout the Turlock Subbasin to responsibly manage the Subbasin. The Turlock Subbasin is discussed in detail in the July 2024 Turlock Subbasin GSP. Further information on Turlock's groundwater characteristics relevant to this Joint 2025 UWMP is described in the following sections.

6.2.1 Subbasin Description

The Turlock Subbasin (DWR Subbasin 5-22.03) lies on the north-eastern side of California's San Joaquin Valley and encompasses portions of both Stanislaus and Merced counties. The Subbasin is bounded by the Tuolumne River on the north, the Merced River on the south, and the San Joaquin River on the west, covering about 348,160 acres (about 544 square miles).

The Subbasin extends from the Sierra Nevada foothills to the San Joaquin Valley floor, with ground surface elevations sloping to the southwest and ranging from approximately 450 feet above mean sea level (msl) in the eastern foothills to less than 50 feet msl along the San Joaquin River. The western Subbasin is relatively flat with a uniform slope, and transitions to hummocky, irregular hills and intervening depressions in the eastern Subbasin.

Three principal aquifers have been defined in the Turlock Subbasin. The Corcoran Clay, underlying the western Subbasin, is the primary aquitard in the Subbasin separating the three principal aquifers, which include: the Western Upper Principal Aquifer (unconfined above the Corcoran Clay), the Western Lower Principal Aquifer (confined below the Corcoran Clay), and the Eastern Principal Aquifer (unconfined to

[1] City of Turlock, Carollo. March 2025. *Water Master Plan.* Values have been updated since the Water Master Plan to exclude Well 36, which is now inactive.

semi-confined east of the Corcoran Clay). The extent of the Corcoran Clay in the western Subbasin ranges from depths of 90 to 240 feet below the ground surface and varies in thickness from 10 feet to 110 feet.

All three principal aquifers are used for water supply, with most water systems concentrated in the Western Upper Principal Aquifer and Western Lower Principal Aquifer, including the Cities, Hilmar, Delhi, and Keyes. Hughson, Hickman, parts of Denair, and other small water systems generally rely on the Eastern Principal Aquifer for water supply.

The Western Lower Principal Aquifer (confined below the Corcoran Clay) provides extensive municipal and agricultural supplies to water users in the Turlock Subbasin. Many of the cities and urban communities (e.g., Turlock, Ceres, Delhi, Hilmar, and Keyes) rely primarily on groundwater wells within the confined aquifer. Wells greater than 200 feet deep in the western Subbasin generally draw from the confined aquifer but also may receive flow from the unconfined aquifer.

In general, groundwater flows toward the west and southwest across the Subbasin, but flows are altered locally by pumping from wells. Vertical groundwater flow within the extent of the Corcoran Clay is downward, from the Western Upper Principal Aquifer to the Western Lower Principal Aquifer. Groundwater elevations in the Western Upper Principal Aquifer have been relatively stable during the GSP study period (Water Year 1991 through 2015), with declines during the recent drought of less than 15 feet, followed by water level recovery. Water level declines during the 2015 drought were greater in the Eastern Principal Aquifer, especially in agricultural areas in the central and eastern Subbasin where groundwater is the primary water supply.

6.2.2 Groundwater Subbasin Management

In 2014, the California legislature enacted the SGMA in response to continued overdraft of California's groundwater resources. With a goal to achieve sustainable management of groundwater basins, the legislation required the formation of GSAs and the development and implementation of GSPs for groundwater basins that are designated by DWR as medium or high priority. The Turlock Subbasin is not adjudicated[2] and is not critically overdrafted. However, the Subbasin is identified as high priority by DWR.

As a high priority and non-adjudicated basin, the Subbasin was required to prepare and implement a GSP. Two GSAs were formed in the Subbasin. The West Turlock Subbasin Groundwater Sustainability Agency (WTSGSA) is located in the western Subbasin and covers about 60 percent of the area. The East Turlock Subbasin Groundwater Sustainability Agency (ETSGSA) covers the remaining 40 percent of the Subbasin in the east. The two GSAs cooperatively developed the Turlock Subbasin GSP to cover the entire Turlock Subbasin.

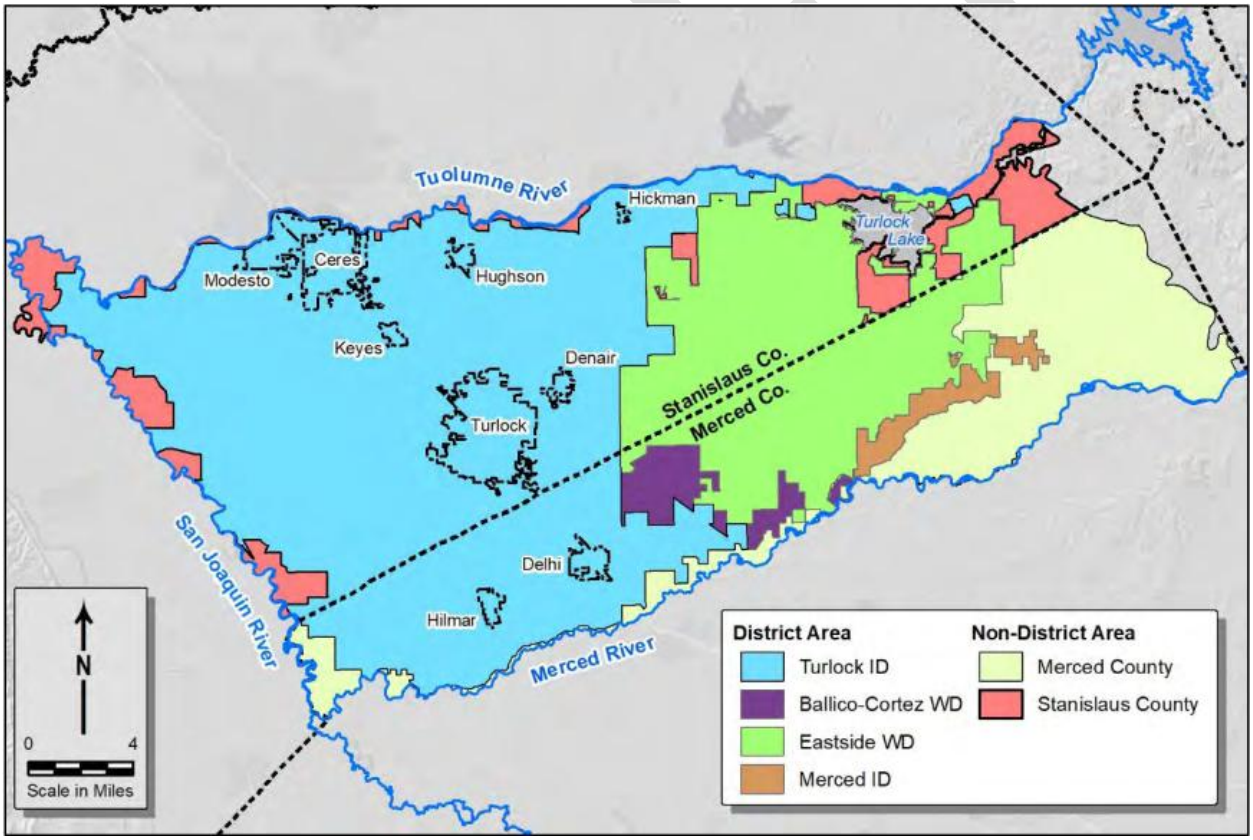
The GSAs are responsible for achieving long-term sustainable management of the Turlock Subbasin and must achieve sustainable groundwater management by 2042. As required by SGMA, the Turlock Subbasin GSP addresses measures necessary to attain sustainable conditions in the Subbasin. Sustainability is generally defined as long-term reliability of the groundwater supply and the absence of undesirable results, frequently caused by over-pumping.

[2] Meaning that there is no court-appointed "watermaster" to resolve groundwater pumping issues, and there are no current specific required limits on the amount of groundwater that individuals and agencies may extract from the basin.

The WTSGSA is composed of ten member agencies: Turlock, City of Ceres, Hughson, Modesto, Merced County, Stanislaus County, Denair Community Services District, Delhi County Water District, Hilmar County Water District, and TID. The WTSGSA also has two associate member agencies: Keyes Community Services District, and the City of Waterford, which is located in the Modesto Subbasin to the north but operates the water system for the community of Hickman in the Turlock Subbasin. The ETSGSA includes five member agencies: Eastside Water District, Merced Irrigation District, Ballico-Cortez Water District, Merced County and Stanislaus County.

Figure 6-1 shows approximate service areas within the Turlock Subbasin for the GSA member (and associate member) agencies. The Subbasin is organized into District and Non-District areas. The two counties within the Subbasin, Stanislaus County and Merced County, are shown as the member agencies in Non-District areas.

The Turlock Subbasin GSP was submitted to DWR on January 28, 2022. The Final Revised GSP was submitted to DWR on July 12, 2024. On February 27, 2025, DWR approved the Turlock Subbasin's GSP. The Turlock Subbasin GSP is available at this website: https://turlockgroundwater.org/gsp, and is incorporated herein by reference.



Source: WTSGSA/ETSGSA, Todd Groundwater. July 2024. Turlock Subbasin GSP. Figure ES-2.

Figure 6-1. Jurisdictional Boundaries in Turlock Subbasin

6.2.3 Subbasin Sustainable Yield

The Turlock Subbasin GSP developed an estimate of the Subbasin's sustainable yield. Sustainable yield is defined for SGMA purposes as "the maximum quantity of water, calculated over a base period representative of long-term conditions in the basin and including any temporary surplus, that can be withdrawn annually from a groundwater supply without causing an undesirable result." Sustainable yield for the Subbasin was estimated through development of a C2VSimTM scenario in which the long-term (50-year) SGMA sustainability indicators are met either directly or by groundwater levels as a proxy.

Table 6-1 provides a detailed listing of the water flow components of the Subbasin's groundwater system across the historical, projected future, and sustainable yield conditions. Table 6-1 also shows the historical annual groundwater pumping, projected future groundwater pumping, and groundwater pumping under projected sustainable yield conditions. Future projections for urban groundwater production are based on 2015 UWMP projections for future buildout of the urban communities within the Subbasin.

As shown in Table 6-1, the Subbasin's sustainable yield (i.e. groundwater production) was calculated to be 310,700 AFY. With additional data and information from the GSP's on-going groundwater monitoring programs, the sustainable yield estimate is anticipated to continue to be refined and may be updated in the five-year GSP update in 2027. For comparison, the historical average annual groundwater pumping between Water Year (WY) 1991 through 2015 was estimated to be approximately 404,400 AFY (per Table 6-1). Therefore, historical annual groundwater use has exceeded the Subbasin's sustainable yield estimate by approximately 94,000 AFY.

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Table 6-1. Sustainable Yield Average Annual Water Budget – Turlock Subbasin, AFY

Component Hydrologic Period	Historical Conditions from WY 1991-2015	Projected Conditions Hydrology from WY 1969-2018	Sustainable Conditions Hydrology from WY 1969-2018
Stream Seepage	61,500	109,400	82,700
Seepage from the Merced River	35,400	64,600	48,100
Seepage from the Tuolumne River	20,200	34,500	28,400
Seepage from the San Joaquin River	5,900	7,300	6,200
Canal & Reservoir Recharge	78,500	85,400	85,300
Deep Percolation	280,50	252,700	243,900
Subsurface Inflow	112,900	110,300	82,800
Flow from the Sierra Nevada Foothills	2,200	2,100	2,100
Merced Subbasin Inflows	58,700	59,500	32,700
Modesto Subbasin Inflows	35,600	34,300	29,500
Delta Mendota Subbasin Inflows	16,400	14,400	18,500
Total Inflow	**533,400**	**557,800**	**494,700**
Discharge Stream	118,100	71,000	91,600
Discharge to the Merced River	18,100	4,300	7,000
Discharge to the Tuolumne River	55,600	31,300	44,600
Discharge to the San Joaquin River	44,400	35,400	40,000
Subsurface Outflow	74,800	80,300	79,000
Merced Subbasin Outflows	13,700	20,300	20,400
Modesto Subbasin Outflows	33,200	32,800	36,600
Delta Mendota Subbasin Outflows	27,900	27,200	22,000
Groundwater Production	404,400	414,100	310,700
Agency Ag. Groundwater Production	49,200	51,300	51,300
Private Ag. Groundwater Production	269,700	287,000	191,200
Urban Groundwater Production	55,500	75,800	68,200
Total Outflow	**597,300**	**565,400**	**481,300**
Change in Groundwater Storage	**-63,900**	**-7,600**	**13,400**

Source: WTSGSA/ETSGSA, Todd Groundwater. July 2024. Turlock Subbasin GSP. Table ES-2.

6.2.4 Management Actions

The GSP outlines projects and management actions to achieve the sustainability goals for the Turlock Subbasin by 2042. Projects include direct groundwater recharge, in-lieu groundwater recharge, as well as projects to encourage water conservation and reduce groundwater demand.

As shown in Table 6-1, reduced agricultural groundwater use is needed to attain sustainable yield within the Subbasin. Meanwhile, urban groundwater production is anticipated to increase over time as urban communities within the Subbasin continue to grow. Nevertheless, Turlock continues to develop projects

to reduce groundwater dependency and aid the Subbasin in meeting its sustainability goals. The Cities of Turlock and Ceres' RSWSP with SRWA is a major in-lieu groundwater recharge project in the GSP which benefits the Subbasin by increasing the use of treated surface water and reducing municipal groundwater pumping.

6.2.5 Groundwater Quality

Turlock actively monitors water quality in all its wells to ensure that observed concentrations remain below the maximum contaminant levels (MCLs). Several active wells have treatment systems in place to remove various contaminants. Some prior wells have been sealed and destroyed due to casing or pump failures, high sand production, or water quality issues. Turlock currently has 25 inactive wells, 15 of which have been destroyed or abandoned.[3]

Observed groundwater contaminants include arsenic, nitrate, and 1,2,3-Trichloropropane (1,2,3-TCP). Wells with observed concentrations above 80 percent of the MCL are out of service but may operate on standby to meet peak demands. Turlock plans to install additional wellhead treatment systems onto some existing wells that have elevated contaminant levels to maintain adequate supply capacity. Turlock's 2025 WMP provides additional details on planned wellhead treatment systems.

In addition to installing wellhead treatment systems to reduce contamination in these wells, Turlock's diversification of supplies away from groundwater (i.e., surface water purchased from SRWA) will help mitigate future groundwater quality degradation. Turlock's groundwater supplies will continue to be an important asset to be used in conjunction with SRWA's treated surface water, especially for dry years in which surface water allocations may be curtailed.

6.2.6 Groundwater Use – Past Five Years

The volume of groundwater pumped by Turlock for potable use over the past five years is summarized in Table 6-2 (DWR Table 6-1 Retail). Historically, the local groundwater basin provided all of Turlock's potable water supply. However, since 2023 with the construction of SRWA's WTP and associated Tuolumne River surface water deliveries, Turlock's reliance on groundwater has been significantly reduced.

In 2025, Turlock pumped 4,042 MG from the groundwater basin for potable use, about 66 percent of Turlock's total potable water production. In comparison, prior to purchasing surface water from SRWA, Turlock's potable groundwater use in 2021 was 6,456 MG. Turlock also pumped some groundwater to irrigate City parks with separate non-potable irrigation wells.

There were no limitations or challenges for obtaining groundwater during the past five years, as the GSP has not imposed any groundwater pumping restrictions on Turlock or other urban groundwater users within the Subbasin.

As shown in Table 6-3 (DWR Table 6-1 Wholesale), SRWA does not pump groundwater.

[3] State Water Resources Control Board. *Safe Drinking Water Information System CA Drinking Water Watch Water System Details. City of Turlock*. Accessed at https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=5565&tinwsys_st_code=CA on March 30, 2026.

Table 6-2. Groundwater Pumped in Last Five Years (DWR Table 6-1 Retail)

☐	Check the box if the Supplier does not pump groundwater. Proceed to the next table.						
☐	Check the box if all or part of the groundwater described below is desalinated. (OPTIONAL)						
Groundwater Type **Drop Down List** May use each category multiple times	Potable or Non-Potable (OPTIONAL) **Drop down list**	Location or Basin Name	2021 (MG)	2022 (MG)	2023 (MG)	2024 (MG)	2025 (MG)
Alluvial Basin	Potable	Turlock Subbasin within the San Joaquin Valley Groundwater Basin	6,456	6,199	5,979	4,232	4,042
Alluvial Basin	Non-Potable	Turlock Subbasin within the San Joaquin Valley Groundwater Basin	104	104	104	104	104
		Total	6,456	6,199	5,979	4,232	4,042
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.							
NOTES: Annual groundwater volume pumped is from the City of Turlock's Annual AWWA Water Loss Audits for all years but 2023. For 2023, the total groundwater production is based on data from the State Open Data Portal which was assumed to be more accurate, as described in Table 4-1. Non-potable irrigation well usage in 2021 through 2024 is estimated based on actual metered 2025 usage.							

Table 6-3. Groundwater Pumped in Last Five Years (DWR Table 6-1 Wholesale)

☑	Check the box if the Supplier does not pump groundwater. Proceed to the next table.						
☐	Check the box if all or part of the groundwater described below is desalinated. (OPTIONAL)						
Groundwater Type **Drop Down List** May use each category multiple times	Potable or Non-Potable (OPTIONAL) Drop down list	Location or Basin Name	2021 (MG)	2022 (MG)	2023 (MG)	2024 (MG)	2025 (MG)
		Total	0	0	0	0	0

6.2.7 Groundwater Use – Projected

Turlock plans to continue using groundwater as part of its conjunctive use strategy to meet peak potable demands and to offset anticipated reductions in surface water deliveries during dry years. Groundwater will remain a critical component of Turlock's water supply portfolio, particularly during periods of surface water shortage.

Projected potable groundwater use for normal years through 2050 is presented in Table 6-4. These projections represent the volume of groundwater required to meet total potable demand after accounting for projected surface water use, and are well within the Turlock GP policy for sustainable groundwater pumping rate.

Future potable groundwater use was estimated as the difference between Turlock's projected potable demands (from Table 4-4 [DWR Table 4-2 Retail]) and Turlock's projected surface water use (from Table 45

[DWR Table 4-2 Wholesale]). As population growth and water demand increase over time, both groundwater and surface water use are anticipated to increase. Turlock will continue to finetune its conjunctive use operations to optimize system efficiency, maintain cost effectiveness, and support sustainable management of the underlying groundwater basin.

Refer to Table 6-16 (DWR Table 6-9 Retail) for Turlock's projected non-potable groundwater use through 2050.

Total projected water supplies available to meet Turlock's future water demands are discussed further in Section 6.10. The availability of groundwater under single dry years and five-year droughts is discussed in Chapter 7.

Table 6-4 Projected Potable Groundwater Use for City of Turlock

Groundwater Type	Location or Basin Name	Projected Potable Groundwater Use, MG[(a)]				
		2030	2035	2040	2045	2050
Alluvial Basin	Turlock Subbasin within the San Joaquin Valley Groundwater Basin	4,058	4,328	4,621	4,854	5,140

(a) Turlock's projected potable groundwater use is estimated as the difference between Turlock's potable demand projections defined in Section 4.2.3.1 and Turlock's projected surface water use defined in Section 4.2.3.2.

6.3 WATER EXCHANGES AND TRANSFERS

SRWA and TID entered into their Agreement on July 28, 2015. The Agreement provides the terms and conditions under which SRWA may purchase up to 30,000 AFY (equivalent to 9,776 MGY) of Tuolumne River surface water from TID. The Agreement does not transfer water rights from TID to SRWA. Instead, it allows transfers of water from TID to SRWA. TID maintains the water rights to all transfer water. The Agreement was amended in April 2020 to reflect some changed circumstances (e.g., approval of environmental documentation, updates on water right petition).

In 2018, TID filed a petition with the State Water Board for a long-term change to TID's post-1914 appropriative water right (Water Right License 11058 (A014127)). With the petition, TID sought authorization to transfer post-1914 appropriative water to SRWA to implement the Agreement. Due to potential impacts to Don Pedro Reservoir operations, TID decided instead to solely transfer water from its pre-1914 appropriative rights to SRWA. Under CWC § 1706, TID, as a pre-1914 water right holder, may change the point of diversion, purpose of use, or place of use, if others are not injured by such change. Therefore, SRWA receives only pre-1914 transfer water from TID.

To provide transfer water to SRWA, TID releases surface water previously stored in Don Pedro Reservoir at TID's downstream La Grange diversion dam into the Tuolumne River. The surface water is then withdrawn approximately 26 miles downstream by an infiltration gallery in the Tuolumne River owned by TID and operated by SRWA. The point of delivery of transfer water to SRWA is at the delivery meter located at SRWA's WTP.

6.3.1 Surface Water Allocations

While SRWA can receive up to 30,000 AFY (9,776 MGY) of surface water from TID, actual water allocations to SRWA may be reduced by TID during dry years. Per the Agreement, TID treats SRWA and TID's agricultural customers on a parity basis. If TID determines the need to reduce deliveries at any time before or during a year, it will cut back its deliveries to its agricultural customers and to SRWA in equal proportions based upon the amount of water allocated during that year. If TID decides it can increase deliveries, it will increase its deliveries to its agricultural customers and to SRWA in equal portions based upon the amount of water allocated during that year.

The TID Board of Directors determines in February or March of each year, just prior to the start the irrigation season, whether water allocations to its customers will be reduced during that year based on various factors such as:

- projected runoff, which includes consideration of potential occurrence of consecutive dry years,
- carryover storage projections in Don Pedro Reservoir, and
- instream flow requirements for the Tuolumne River.[4]

TID provides SRWA, on or before March 1 preceding each new water year, with a water delivery schedule for the upcoming water year beginning April 1. This schedule specifies the monthly volumes of water to be delivered to SRWA during that water year. TID's water year is defined as the period from April 1 through March 31 of the following year.

The Agreement states that TID's commitments to SRWA and its agricultural customers shall be met before any subsequent transfers for delivery of water outside of TID's boundaries, with the exception of transfers of water released pursuant to any agreement with the City and County of San Francisco and/or Modesto Irrigation District (MID) relating to minimum instream flow requirements.

For TID's agricultural customers, the base water allocation, or full allocation, is 48 inches per acre. For SRWA, the base allocation is the amount of water requested by SRWA in the current year of the most recently-approved two-year delivery schedule. In dry years, SRWA's base allocation will be reduced proportionately to TID's agricultural customers as determined by the TID Board. Per TID's 2020 AWMP, TID customers have received full water allocations in 16 of the last 29 years (through 2020). TID's average agricultural allocation for the past 22 years (through 2020) is 11 percent below the full allocation (2020 AWMP).

In reviewing TID's recent 15 years of allocations (2010 through 2024), the average allocation has been 98 percent of full allocation during normal years (i.e., years without emergency drought orders). The reductions to be expected in a single dry year, and multiple dry years is discussed in Chapter 7.

6.3.2 Offset Water

In any year that TID's allocation to agricultural users is less than 48 inches, SRWA is required to provide offset water to TID. This requirement is expected to occur during dry years when surface water supplies

[4] TID. March 2021. *2020 Agricultural Water Management Plan.*

are limited. The Cities are responsible for providing the offset water to TID on behalf of SRWA during these dry years. The offset water is either non-potable groundwater from the Cities' wells and/or tertiary treated recycled water from Turlock's RWQCF.

The Agreement allows for improved operational flexibility for both the Cities and TID by reducing groundwater pumping during normal to wet years and relying on groundwater during dry years when surface water is limited. All offset water will be produced by city-owned facilities and delivered to TID via TID-owned conveyance infrastructure. Therefore, no SRWA facilities are currently used for the production or delivery of offset water.

6.4 SURFACE WATER

SRWA's sole water supply source is surface water diverted from the Tuolumne River as described in Section 6.3. SRWA receives surface water from the Tuolumne River based on the long-term Agreement with TID using TID's existing pre-1914 appropriative water right. TID maintains the water rights to all transfer water provided to SRWA; SRWA does not directly hold any surface water rights on the Tuolumne River.

SRWA treats this surface water at its WTP and then distributes the treated surface water to the Cities. As per the Executed Regional Surface Water Supply Phase 3 Project Design and Construction Funding Agreement between SRWA and the Cities, an allocation based on a proportion of the WTP capacity is dedicated to each city, with two thirds dedicated to Turlock and one third dedicated to Ceres. The WTP's current capacity is 15 MGD, of which 10 MGD is dedicated to Turlock and 5 MGD is dedicated to Ceres. When WTP expansions increase the WTP capacity, the allocations to the Cities will increase proportionally.

6.5 PURCHASED OR IMPORTED WATER

As discussed in Section 6.4, Turlock purchases treated surface water from SRWA in accordance with the Executed Regional Surface Water Supply Phase 3 Project Design and Construction Funding Agreement.

As discussed in Section 6.3, SRWA has an Agreement with TID for a long-term transfer to receive surface water from the Tuolumne River. SRWA does not currently purchase, nor have plans to purchase, any other water supplies. During severe drought conditions that significantly reduce SRWA's surface water allocations from TID, SRWA may consider a purchase of water from other TID customers or a short-term transfer of surface water from other water right holders with pre-1914 appropriative water rights on the Tuolumne River. As discussed further in SRWA's WSCP, this purchase would likely only be necessary if the Cities determine that they do not have sufficient well capacity to meet demands with groundwater during dry years with significantly reduced water allocations from TID.

6.6 STORMWATER

Turlock and SRWA do not currently utilize, nor have plans to utilize, stormwater as a water supply. However, Turlock does use stormwater detention basins to recharge the local groundwater basin.

Turlock's stormwater system includes about 130 miles of storm drain collection/conveyance piping, 49 pump stations, 45 detention basins, and use of the TID open channel irrigation system.

The majority of Turlock's stormwater drains to local detention basins. Although the primary purpose of these detention facilities is for urban runoff and flood control, they passively contribute to groundwater recharge through percolation of stored supplies. These detention facilities are managed in a way to

maximize stored volume to maximize groundwater recharge as long as flood control concerns are low. As soon as wet weather events are in the forecast, the detention facilities are drained to create more space for stormwater detention.

A portion of Turlock's stormwater drains to TID laterals. Although this drainage does not directly increase supply for Turlock, stormwater delivered to TID helps to offset TID water demands. Turlock works closely with TID to ensure adequate capacity is available in the laterals for stormwater discharges. Turlock implements best management practices to improve water quality for the stormwater discharges. The remainder of Turlock's stormwater that is not captured in detention basins or flows to TID laterals eventually drains through a combined sewer system to the Turlock RWQCF.

Turlock completed the Dianne Storm Basin Project in 2023, which provides direct groundwater recharge to the Subbasin through the existing Dianne Storm Drain Basin. The project enhances infiltration and impoundment of stormwater in the storm basin during the wet season using dry wells and conveys Tuolumne River water from TID into the storm basin for recharge during the irrigation season in wet years.

The basin is located on the western edge of Turlock and north of the Turlock RWQCF, with a surface area of 26 acres and a capacity for approximately 105 AF. The basin receives stormwater from Fulkerth Road which accounts for roughly one third of the stormwater captured within Turlock.

Turlock plans to recharge stormwater into the basin during all years when water is available from storm events. In above normal and wet hydrologic years during the irrigation season, water from the Tuolumne River will be conveyed using existing infrastructure into the storm basin for direct recharge. Per the Turlock Subbasin GSP, approximately 22.5 AFY could be captured and recharged during the wet season and 400 AFY could be diverted and recharged from the Tuolumne River during the irrigation season in above normal and wet hydrologic years.

6.7 WASTEWATER AND RECYCLED WATER

Since 2006, Turlock has operated a disinfected tertiary wastewater treatment system, the Turlock RWQCF. This section provides information on Turlock's wastewater and its current and potential reuse as a recycled water resource.

SRWA does not collect or treat wastewater, nor does it distribute or use recycled water.

6.7.1 Recycled Water Coordination

The Cities of Turlock and Modesto worked together with the Del Puerto Water District (DPWD) to develop a cooperative project to regionalize recycled water use in Stanislaus County, the North Valley Regional Recycled Water Program (North Valley Program). Starting in December 2017, the North Valley Program began producing and delivering up to 30,600 AFY (9,970 MGY) of disinfected tertiary treated recycled water to western Stanislaus County. By 2045, the North Valley Program could deliver up to 59,900 AFY (19,500 MGY) of recycled water. The source of recycled water includes treated wastewater from the Cities of Turlock and Modesto. As part of the project, Turlock installed 7.3 miles of conveyance pipeline to convey recycled water directly from its RWQCF's tertiary treatment plant to the Modesto pumping facility, which then pumps the recycled water to the Delta-Mendota Canal (DMC). The DMC is used to convey the blended canal-recycled water to DPWD in the west side of the County.

In addition to the regional North Valley Program, Turlock operates its own recycled water program for customers within Turlock's service area. Turlock coordinates both internally and externally with its recycled water customers. Turlock also coordinates with businesses and residences in the surrounding geographic areas adjacent to and within Turlock.

6.7.2 Wastewater Collection, Treatment, and Disposal

Turlock's RWQCF has a design daily average flow capacity of 20 MGD, although the current effective or permitted capacity is lower in order to ensure compliance with permit requirements. The RWQCF is currently treating an average influent flow of 10.7 MGD. The raw wastewater received at the RWQCF is a combination of domestic and industrial wastewater flows. Influent consists of wastewater from Turlock, Keyes Community Services District (CSD), Denair CSD, and up to 2 MGD of primary treated wastewater from the City of Ceres. The RWQCF produces disinfected tertiary treated water that meets Title 22 standards for unrestricted non-potable use pursuant to Title 22 section 60301.230(a)(1).

The RWQCF treatment system consists of influent screening, grit removal, primary flotation, secondary treatment (which consists of activated bio-filtration for biological oxygen demand (BOD)/total suspended solids (TSS) reduction and nitrification), secondary clarification, tertiary treatment (which consists of high rate clarification with chemical addition followed by cloth disk filters), disinfection via chlorination, and dechlorination by sodium bisulfite. Solids handling at the RWQCF consists of gravity belt thickening, two-stage anaerobic digestion via acid phase and methane phase digesters, and sludge drying beds. Biosolids are beneficially reused for land application to farmland and co-compost.

Wastewater facilities also include a 37.2 MG earthen storage basin, allowing the emergency diversion and storage of flow when necessary. Constructed with a 6-inch bentonite liner on the bottom and sides, the basin can be used to store either excess wet weather influent, or effluent that does not meet permit requirements.

Since the North Valley Program was implemented in late 2017, Turlock only discharges a small amount of effluent to the San Joaquin River. Nearly all the RWQCF effluent is used as recycled water either by the North Valley Program or within Turlock's service area (refer to Table 6-6 [DWR Table 6-3 Retail]). Prior to the implementation of the North Valley Program, effluent from the RWQCF that was not recycled within Turlock's service area was discharged to the San Joaquin River. Turlock's 36-inch diameter outfall facilities remain as a backup discharge location to the San Joaquin River.

6.7.2.1 Wastewater Collected Within Service Area

Table 6-5 (DWR Table 6-2 Retail) summarizes information on wastewater collection within Turlock's wastewater service area. The volume of wastewater collected from Turlock, Keyes CSD, Denair CSD, and the City of Ceres is included in the volume presented in Table 6-5 (DWR Table 6-2 Retail) because flows are not metered separately.

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Table 6-5. Wastewater Collected Within Service Area in 2025 (DWR Table 6-2 Retail)

☐	Check the box if there is no wastewater collection system. Proceed to the next table.
	Percentage of 2025 service area served by wastewater collection system (OPTIONAL)
	Percentage of 2025 service area population served by wastewater collection system (OPTIONAL)

Wastewater Collection			Recipient of Collected Wastewater	
Name of Wastewater Collection Agency	Wastewater Volume Metered or Estimated? OPTIONAL **Drop Down List**	Volume of Wastewater Collected from UWMP Service Area 2025 (MG)	Name of Wastewater Treatment Plant (WWTP) and Place ID Number **Drop down list**	Is WWTP Located Within UWMP Area? **Drop Down List**
City of Turlock	Metered	3,902	Turlock City, Turlock Regional Water Quality Control Facility, Place ID 266737	Yes
Total Wastewater Received from UWMP Service Area in 2025:		3,902		

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.

NOTES: Volume shown includes wastewater collected outside Turlock's water service area including the Keyes Community Service District (CSD), Denair CSD, and up to 2 MGD of primary treated wastewater from the City of Ceres, all of which is treated at Turlock's Regional Water Quality Control Facility. Metered wastewater volumes are based on WWTP influent flows, and data covering only Turlock's water service area is not available.

6.7.2.2 Wastewater Treatment and Discharge Within Service Area

Table 6-6 (DWR Table 6-3 Retail) identifies the volume of treated wastewater recycled within or outside Turlock's water service area. Most of the recycled water use occurs outside of Turlock's water service area for agricultural irrigation as part of the North Valley Program. The volume shown in Table 6-6 (DWR Table 6-3 Retail) includes wastewater collected from both Turlock and from Keyes CSD, Denair CSD, and the City of Ceres.

As shown in Table 6-7 (DWR Table 6-3 Wholesale), SRWA does not treat or distribute wastewater.

Table 6-6. Wastewater Treatment and Outcomes Within Service Area in 2025 (DWR Table 6-3 Retail)

☐	**Check the box if no wastewater is treated or disposed of within the UWMP service area.** Proceed to the next table.													
Wastewater Treatment Plant Name and Place ID Number **Drop down list**	Does This Plant Treat Wastewater Generated Outside the UWMP Service Area? (OPTIONAL) **Drop down list**	2025 Volume of Wastewater Received from UWMP Service Area (As Reported in Submittal Table 6-2 R) (MG)	Total 2025 Volume of Water Treated (MG)	**2025 Outcomes of Treated Wastewater**										
				Water Recycled Within UWMP Service Area (enter data as applicable)		**Water Recycled Outside of UWMP Service Area** (enter data as applicable)		**Effluent Discharge that is not a Permitted Recycled Water Use** (enter data as applicable)		**Required Discharge for Instream Flow** (enter data as applicable)		**Delivered to Another Entity for Additional Treatment** (enter data as applicable)		
				Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Name of other entity
Turlock City, Turlock Regional Water Quality Control Facility, Place ID 266737	Yes	3,902	3,902	Tertiary	376	Tertiary	3,492	Tertiary	35		0		0	
Total		3,902	3,902		376		3,492		35		0		0	

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
IPR: Indirect Potable Reuse would have the treatment level of its end use requirement in the Level of Treatment drop-down.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.

NOTES: Volume shown includes wastewater collected outside Turlock's water service area including the Keyes Community Service District (CSD), Denair CSD, and up to 2 MGD of primary treated wastewater from the City of Ceres, all of which is treated at Turlock's Regional Water Quality Control Facility. Metered wastewater volumes are based on WWTP influent flows, and data covering only Turlock's water service area is not available.

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Table 6-7. Wastewater Treatment and Outcomes Within Service Area in 2025 (DWR Table 6-3 Wholesale)

☑	Check the box if the Wholesale Supplier neither distributes nor provides supplemental treatment to recycled water. Proceed to the next table.													
Wastewater Treatment Plant Name and Place ID Number **Drop down list**	Does This Plant Treat Wastewater Generated Outside the UWMP Service Area? (OPTIONAL) **Drop down list**	2025 Volume of Wastewater Received from UWMP Service Area (MG)	Total 2025 Volume of Water Treated (MG)	**2025 Outcomes of Treated Wastewater**										
				Water Recycled Within UWMP Service Area (enter data as applicable)		**Water Recycled Outside of UWMP Service Area** (enter data as applicable)		**Effluent Discharge that is not a Permitted Recycled Water Use** (enter data as applicable)		**Required Discharge for Instream Flow** (enter data as applicable)		**Delivered to Another Entity for Additional Treatment** (enter data as applicable)		
				Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Name of other entity
Total		0	0		0		0		0		0		0	

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6.7.3 Recycled Water System Description

Although Turlock has operated an established recycled water program since 1990, it does not operate a large pipeline distribution system, and has instead opted to evaluate, design, and build facilities on a per connection basis.

Currently, Turlock provides up to 2.0 MGD of recycled water to TID's Walnut Energy Center Co-Generation Facility for cooling, and a small amount of recycled water at a City-owned and operated fill station. The remaining recycled water is utilized by the North Valley Program for agricultural irrigation.

6.7.4 Potential, Current, and Projected Recycled Water Uses

Uses of disinfected tertiary recycled water may include, but are not limited to: agricultural irrigation, water for industrial purposes (including process cooling water), residential landscape irrigation, construction water, and other uses as approved by Turlock identified within Title 22 California Code of Regulations.

Table 6-8 (DWR Table 6-4 Retail) shows Turlock's current and projected recycled water uses through 2050. Most recycled water is used for agricultural irrigation as part of the North Valley Program, with the second largest user currently being TID's Walnut Energy Center Co-Generation Facility. These recycled water demands are expected to remain relatively constant through 2050.

Turlock's landscape irrigation and recycled water fill station use represents a small amount of total recycled water use, generally totaling less than 1 MGY. Although in past years Pedretti Sports Fields received recycled water for irrigation, Turlock did not supply recycled water to the Pedretti Sports Fields in 2025, as Turlock's non-potable wells can also provide irrigation water to these fields. Now that the North Valley Program is online, Turlock reserves the recycled water for that program while only using the recycled water to supplement the non-potable well water for irrigation of the Pedretti Sports Fields when needed.

As part of SRWA's Agreement with TID, SRWA will provide 2,000 AFY (652 MGY) of recycled water from Turlock to TID for agricultural irrigation purposes. Due to on-going discussions on recycled water conveyance between Turlock's RWQCF and TID's conveyance facilities, Turlock has not yet provided recycled water to TID and has instead been providing an in-lieu fee to TID. For the purposes of this plan, recycled water deliveries from Turlock to TID are assumed to begin by approximately 2028.

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Table 6-8. Current and Projected Recycled Water Uses Within Service Area (DWR Table 6-4 Retail)

☐	Check box if recycled water is not used and is not planned for use within the service area of the supplier. The supplier will only complete the column on "Potential Recycled Water Use" and submit an accompanying narrative on the feasibility of that potential recycled water use.

Name(s) of Facility/ies Producing (Treating) the Recycled Water (OPTIONAL) :	Turlock Regional Water Quality Control Facility, Place ID 266737
Name of Supplier Operating the Recycled Water Distribution System	City of Turlock
Volume of Supplemental Water Added in 2025 (OPTIONAL) :	
Source of 2025 Supplemental Water (OPTIONAL) :	

Use Type **Drop down list**	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop down list	Additional Information (as needed)	2025 (MG)	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)	**Potential Recycled Water Use**	
									Volume	Narrative page number (OPTIONAL)
Agricultural irrigation	Non-Potable	Transported by North Valley Regional Recycled Water Pipeline for agricultural irrigation. See note (a).	3,492	3,492	3,492	3,492	3,492	3,492	N/A	
Agricultural irrigation	Non-Potable	Recycled water delivered to Turlock Irrigation District for agricultural irrigation. See note (b).	0	652	652	652	652	652	652	
Landscape irrigation (exc golf courses)	Non-Potable	Irrigation at Pedretti Sports Fields	0	1	1	1	1	1	1	
Geothermal and other energy production	Non-Potable	Turlock Irrigation District's Walnut Energy Center Co-Generation Facility cooling towers	376	376	376	376	376	376	N/A	
Landscape irrigation (exc golf courses)	Non-Potable	Recycled Water Filling Station. See note (c).	<1 MG	Varies, <1 MG	Varies, <1 MG	Varies, <1 MG	Varies, <1 MG	Varies, <1 MG	<1 MG	
		Subtotal Potable	0	0	0	0	0	0	0	
		Subtotal Non-Potable	3,867	4,520	4,520	4,520	4,520	4,520	N/A	
		Total	3,867	4,520	4,520	4,520	4,520	4,520	N/A	0

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.
Potential recycled water use: a description of the feasibility of these uses must be included in the narrative.
Multiple Producers: If you have multiple recycled water producers, submit a separate table for each.

NOTES: (a) Volume of recycled water available for delivery to the North Valley Regional Recycled Water Program (North Valley Program) may vary, as wastewater and recycled water flow projections through 2050 are not available. Volume delivered to the North Valley Program may increase or decrease based on available recycled water supply in future years.
(b) Turlock anticipates beginning to deliver recycled water to TID for agricultural irrigation as part of the SRWA-TID Water Sales Agreement water in approximately 2028.
(c) The City began its recycled water filling station in 2018. Turlock has not set a limit on the amount of recycled water that can be trucked off-site other than 300 gallons per vehicle per trip. Total fill station use in 2025 was approximately 8,500 gallons, and fill station use is expected to continue to represent only a minor amount of Turlock's overall recycled water use.
(d) Due to rounding, the volumes by individual use shown in the table may not sum exactly to the subtotals or totals.

Table 6-9 (DWR Table 6-5 Retail) shows a comparison between the recycled water use that was projected in Turlock's 2020 UWMP for 2025 and the actual recycled water use for 2025.

Actual recycled water use at the Walnut Energy Center cooling tower was slightly higher than projected, while uses for agricultural irrigation through the North Valley Program and landscape irrigation at the Pedretti Sports Fields were lower than projected in the 2020 UWMP. Recycled water use for agricultural irrigation is influenced by the available recycled water supply and wastewater flows, and any additional supply would be delivered to the North Valley Program. Recycled water use at the Pedretti Sports Fields was less than previously projected since Turlock's non-potable wells can also provide irrigation water to these fields.

Overall, total recycled water use in 2025 was approximately five percent less than projected in Turlock's 2020 UWMP.

Table 6-9. 2020 Recycled Water Use Projection Compared to 2025 Actual (DWR Table 6-5 Retail)

☐	Check the box if recycled water was not used in 2025 nor previously projected for use in 2020. Proceed to the next table.	
Use Type Drop Down list	2020 Projection for 2025 (MG)	2025 Actual Use (MG)
Agricultural irrigation	3,755	3,492
Landscape irrigation (exc golf courses)	1	0
Geothermal and other energy production	301	376
Other (Description Required)	Varies	<1 MG
Total	4,057	3,867
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure reported in Submittal Table 2-3 **Additional Guidance:** See Appendix M, Section M.21 for detailed guidance on this table.		
NOTES: (a) The "Other" use type is Turlock's recycled water filling station.		

As shown in Table 6-10 (DWR Table 6-4 Wholesale) and Table 6-11 (DWR Table 6-5 Wholesale), SRWA does not use or distribute recycled water, nor does SRWA plan to do so.

Table 6-10. Current and Projected Recycled Water Uses (DWR Table 6-4 Wholesale)

☑	Check box if recycled water is not used and is not planned for use within the service area of the supplier. The supplier will only complete the column on "Potential Recycled Water Use" and submit an accompanying narrative on the feasibility of that potential recycled water use.									
Name of Receiving Supplier or Direct Use by Wholesale Supplier	Potable or Non-Potable (after treatment if treated) (OPTIONAL) Drop down list	Additional Information (as needed)	2025 (MG)	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)	Potential Recycled Water Use	
									Volume	Narrative page number (OPTIONAL)
Subtotal Potable			0	0	0	0	0	0	0	
Subtotal Non-Potable			0	0	0	0	0	0	0	
Total			0	0	0	0	0	0	0	0

Table 6-11. 2020 Recycled Water Use Projection Compared to 2025 Actual (DWR Table 6-5 Wholesale)

☑	Check the box if recycled water was not used or distributed by the supplier in 2025, nor projected for use or distribution in 2020. Proceed to the next table.

Name of Receiving Supplier or Direct Use by Wholesale Supplier	2020 Projection for 2025 (MG)	2025 Actual Use (MG)
Total	0	0

6.7.5 Actions to Encourage and Optimize Future Recycled Water Use

Turlock has plans for encouraging and expanding future recycled water use in its service area. These plans are discussed in the following sections and summarized in Table 6-12 (DWR Table 6-6 Retail).

6.7.5.1 Expansion of Recycled Water to TID for Agricultural Irrigation

As part of SRWA's Agreement with TID, SRWA will provide 2,000 AFY (652 MGY) of recycled water from Turlock to TID for agricultural irrigation purposes. Due to on-going discussions on recycled water conveyance between Turlock and TID, Turlock has not yet provided recycled water to TID for agricultural irrigation and has instead been providing an in-lieu fee to TID. For the purposes of this plan, recycled water deliveries from Turlock to TID is assumed to begin in 2028.

6.7.5.2 Outreach for Recycled Water for Residential and Commercial Filling Stations

Since 2018, recycled water has been available to commercial and residential users through an on-site filling station at Turlock's RWQCF. Users can fill properly identified recycled water tanks in their vehicle for appropriate uses off-site. Residential users may fill up to a maximum volume of 300 gallons per visit.[5] To prevent cross-contamination, all portable recycled water containers are prohibited from being connected to any potable water supply system. Additionally, commercial users are required to maintain a logbook detailing the date of delivery, name and address of delivery/recipient, type of use, volume delivered/used and intended use of water delivered. The quantity of recycled water provided by this filling station was approximately 8,500 gallons, thus representing a minor amount of the City's total recycled water use.

Turlock plans to continue conducting outreach regarding the availability of recycled water and encouraging the use of it to reduce the use of potable water for end uses that could be satisfied with non-potable water. Turlock will also continue to offer recycled water to contractors for construction use via the fill station. As these on-going efforts do not have any specific implementation completion date, they are not included in Table 6-12 (DWR Table 6-6 Retail).

[5] City of Turlock. *Recycled Water.* Accessed at https://new.turlock.ca.us/watersewergarbageservice/waterconservation/recycledwater.asp on March 3, 2026.

Table 6-12. Methods to Expand Future Recycled Water Use (DWR Table 6-6 Retail)

☐	Check the box if the Supplier does not plan to expand recycled water use in the future. Supplier will not complete the table below but will provide narrative explanation.		
	Provide page location of narrative in the UWMP		
Name of Action	Description	Planned Implementation Year	Expected Increase in Recycled Water Use (MG)
Recycled water delivered to Turlock Irrigation District	For agricultural irrigation use	2028. See note (a).	652
		Total (MG)	652
		Unit Conversion to AF	2,000
DWR NOTES: **Units of measure** (AF, CCF, MG) MUST remain consistent with units reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3. **The unit conversion to Acre Feet** addresses the Water Code's requirement that this value be provided in acre-feet.			
NOTES: (a) As part of SRWA's Water Sales Agreement with TID, Turlock planned to begin providing 2,000 acre-feet per year (652 MGY) of recycled water to TID for agricultural irrigation in 2022. However, recycled water deliveries to TID have not yet commenced. For the purposes of this plan, it is assumed that recycled water deliveries from Turlock to TID will begin by approximately 2028.			

6.8 DESALINATED WATER

Desalination is the process of removing dissolved minerals from brackish water or saltwater to produce freshwater that can be used for municipal needs such as drinking water and industrial uses. It is one of several elements that may be included in a community's water supply portfolio.

Turlock and SRWA's service area is not located in a coastal area, so seawater desalination is not applicable and is not considered a technically or economically feasible opportunity to explore. Per CV2Sim groundwater modeling performed as part of the Turlock Subbasin GSP, the base of fresh water below the Cities of Turlock and Ceres is approximated to be 750 to 900 feet below msl.[6] Due to the depth of saline water, along with other issues such as brine disposal, desalination of saline groundwater by Turlock is not feasible.

Therefore, Turlock and SRWA did not include or consider desalinated water in planning for its future supply sources.

6.9 FUTURE WATER PROJECTS

6.9.1 City of Turlock

As shown in Table 6-13 (DWR Table 6-7 Retail), Turlock has multiple groundwater projects planned to serve future growth. As part of Turlock's 2025 WMP, Turlock developed a Capital Improvement Plan (CIP) that defines projects needed to serve existing and future water customers. While no water supply capacity projects were needed to serve existing customers, the CIP includes water supply projects needed to meet projected demands from future customers.

[6] Source: WTSGSA/ETSGSA, Todd Groundwater. July 2024. Turlock Subbasin GSP. Figure 4-9.

The water supply projects defined in the CIP include constructing two new groundwater wells with treatment by 2028, and four additional groundwater wells with treatment by 2038. Actual implementation timing may vary depending on the timing of development within Turlock. The expected increase in available supply shown in Table 6-13 (DWR Table 6-7 Retail) assumes that each well has a capacity of 1,500 gpm, consistent with the WMP.

Turlock's CIP also includes the installation of arsenic treatment on two existing wells to maintain operability of these wells and improve supply reliability. As the purpose of this treatment project is to maintain current supply capacity, compared to adding new capacity, this project is not included in Table 6-13 (DWR Table 6-7 Retail). Additional details about Turlock's future water supply projects are described in the Turlock 2025 WMP.

Table 6-13. Expected Future Water Supply Projects or Programs (DWR Table 6-7 Retail)

☐	Check the box if there are no expected future water supply projects or programs that provide a quantifiable increase to the agency's water supply. Proceed to the next table.
☑	Check the box if some or all of the supplier's future water supply projects or programs are not compatible with this table and are described in a narrative format.
	Provide page location of narrative in the UWMP

Name of Future Projects or Programs	Joint Project with other suppliers?		Additional Description (as needed)	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Planned Implementation Year	Planned for Use in Year Type **Drop Down List**	Expected Increase in Water Supply to Supplier (This may be a range) (MG)
	Drop Down List (yes/no)	If Yes, Supplier Name					
Construct Two New Wells (5 and 16) with Treatment (PWW-2 and PWW-3)	No			Potable	2028	All Year Types	1,570
Construct Four New Wells with Treatment (PWW-4 to PWW-7)	No			Potable	2038	All Year Types	3,139

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure reported in Submittal Table 2-3.

NOTES: Future water supply projects are defined in Turlock's 2025 Water Master Plan.

6.9.2 SRWA

SRWA's future water supply projects through 2050 are shown in Table 6-14 (DWR Table 6-7 Wholesale) and include a filter capacity study that is currently underway and a potential future expansion of the SRWA WTP.

SRWA's filter capacity study is evaluating whether higher filter loading rates are feasible for the four existing granular media filters at the SRWA WTP. The filter capacity testing is planned to be completed in 2027, with the increase in WTP capacity expected to be available starting in 2028. Based on preliminary estimates, the study could potentially lead to a re-rating of the filter loading rate from 6 GPM/SF to 8 GPM/SF. This loading rate increase could increase the overall WTP capacity by up to 4.9 MGD, or from 15 MGD to 19.9 MGD. The actual increase in WTP capacity is dependent on the findings of the study and whether the filters operated at these higher filtration rates comply with the regulatory performance requirements from the State Water Board's Division of Drinking Water (DDW).

SRWA is also considering a future expansion of the WTP, referred to as the "Phase 2 expansion", to meet future water demands from existing SRWA customers (i.e., Cities of Turlock and Ceres) and future customers. The current capacity of the WTP is 15 MGD but may be expanded to increase capacity to 30 MGD with the Phase 2 expansion. Based on the water demand projections for the Cities of Turlock and Ceres from their respective 2025 WMPs, both Cities anticipate the need for the Phase 2 expansion to 30 MGD within the planning horizon of this Joint UWMP to meet future water demands.

Based on the findings of the Cities' 2025 WMPs, the Phase 2 expansion to 30 MGD is tentatively planned between 2041 to 2045 but is subject to change depending on the timing of development in Ceres and Turlock, as well as the possibility of other future water customers. Future buildout of the WTP would be 45 MGD but is not expected during the planning horizon of this Joint UWMP. This anticipated schedule differs from SRWA's 2020 UWMP, which had projected buildout of the WTP to 45 MGD by 2035. The timing and phasing of the WTP expansion has been updated in this Joint UWMP to reflect the slower growth patterns identified in the Cities' WMPs compared to growth projections in past planning efforts.

SRWA has incorporated provisions into the initial WTP site layout for future expansion of the WTP. Areas of the WTP site have been reserved for future treatment trains.

Table 6-14. Expected Future Water Supply Projects or Programs (DWR Table 6-7 Wholesale)

☐	Check the box if there are no expected future water supply projects or programs that provide a quantifiable increase to the agency's water supply. Proceed to the next table.						
☐	Check the box if some or all of the supplier's future water supply projects or programs are not compatible with this table and are described in a narrative format.						
	Provide page location of narrative in the UWMP						
Name of Future Projects or Programs	Joint Project with other suppliers?		Additional Description (as needed)	Potable or Non-Potable (after treatment if treated) (OPTIONAL) Drop down list	Planned Implementation Year	Planned for Use in Year Type **Drop Down list**	Expected Increase in Water Supply to Supplier (This may be a range) (MG)
	Drop Down List (yes/no)	If Yes, Supplier Name					
SRWA WTP Filter Capacity Study	Yes	Cities of Turlock and Ceres	Filtration capacity study for existing filters to expand WTP capacity from 15 MGD to 19.9 MGD. See note (a).	Potable	2028	All Year Types	1,789
SRWA WTP Phase 2 Expansion	Yes	Cities of Turlock and Ceres	Expanding WTP capacity from 19.9 MGD to 30 MGD. See note (b).	Potable	2041 to 2045	All Year Types	2,513
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure reported in Submittal Table 2-3.							
NOTES: (a) Filter capacity study is anticipated to increase SRWA's WTP capacity by up to 4.9 mgd, to a total capacity of up to 19.9 MGD. (b) SRWA's WTP Phase 2 expansion is anticipated to increase capacity to 30 MGD. The planned implementation timing for the SRWA WTP expansion is approximate and will be determined closer to when additional supply capacity is needed. The expected increase in available supply is constrained by the maximum annual surface water agreement with TID (9,776 MG).							

6.10 SUMMARY OF EXISTING AND PLANNED SOURCES OF WATER

6.10.1 City of Turlock

Turlock's existing and planned sources of water can be summarized as follows:

- Turlock maintains 15 active, potable groundwater wells, in addition to 4 non-potable groundwater wells for landscape irrigation.
  - To maintain adequate groundwater supply capacity to meet future demands, Turlock plans to develop six new potable groundwater wells and add treatment to two existing wells within the UWMP planning horizon.
- Turlock is currently contracted to purchase up to 10 MGD (up to 3,650 MGY) of treated surface water from SRWA, with plans for future expansion of surface water use as WTP capacity expansions increase the available surface water supply.
  - Turlock anticipates being able to purchase up to 13.3 MGD (up to 4,840 MGY) of treated surface water from SRWA starting in 2028 pending the results of SRWA's on-going filter capacity study.
  - Turlock anticipates being able to purchase up to 20 MGD (up to 7,300 MGY) of treated surface water from SRWA from SRWA's planned Phase 2 expansion, which is projected to occur between 2041 and 2045.
- Turlock maintains a series of stormwater detention basins that contribute to groundwater recharge.
- Turlock currently provides recycled water for industrial use (TID Walnut Energy Center), landscape irrigation, and agricultural irrigation, and plans to continue these uses in the future.
- Turlock does not currently exchange or transfer water nor plans to exchange or transfer water with other water systems.
- Turlock neither currently uses nor plans to use desalinated water.

Turlock's actual potable and non-potable water supplies used in 2025 are summarized in Table 6-15 (DWR Table 6-8 Retail). The volume shown is based on the actual 2025 production from each potable and non-potable source.

As shown in Table 6-15 (DWR Table 6-8 Retail), Turlock's entitlement for purchased surface water is based on its current 10 MGD WTP allocation, equivalent to a maximum volume of 3,650 MGY. Turlock does not have a specified groundwater pumping limit for its potable and non-potable groundwater uses.

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Table 6-15. Water Supplies – Actual (DWR Table 6-8 Retail)

Water Supply	Additional Description (as needed)	2025		
Drop down list May use each category multiple times. These are the only water supply categories that will be recognized by the WUEdata online submittal tool		**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Actual Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (MG)
Groundwater (not desalinated)	Turlock's production wells	Potable	4,042	N/A
Purchased or Imported Water	Treated surface water purchased from SRWA	Potable	2,104	3,650
Recycled Water	Disinfected tertiary recycled water	Non-Potable	3,902	N/A
Groundwater (not desalinated)	Non-potable raw water irrigation wells at City parks	Non-Potable	104	N/A
		Subtotal Potable	6,146	N/A
		Subtotal Non-Potable	4,006	N/A
		Total	10,151	N/A
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3. **Total Entitlement:** e.g. Water Right, Groundwater Allocation, Contracted Amount.				
NOTES: Total entitlement for the purchased water is based on Turlock's current 10 MGD allocation of the SRWA WTP.				

Turlock's projected future potable and non-potable water supplies are summarized in Table 6-16 (DWR Table 6-9 Retail). Projected annual potable water supplies are anticipated to increase to 17,682 MG in 2050, which exceeds the projected potable water demands for 2050 shown in Chapter 4.

Projected groundwater supplies were estimated based on the maximum annual groundwater pumping in the past five years as shown in Table 6-2 (DWR Table 6-1 Retail), plus the additional groundwater capacity from Turlock's future water supply projects shown in Table 6-13 (DWR Table 6-7 Retail). The projected increase in surface water supplies available to Turlock incorporates SRWA's on-going filter capacity study which is anticipated to result in additional capacity in 2028 and the Phase 2 WTP expansion planned between 2041 to 2045. Refer to Table 6-14 (DWR Table 6-7 Wholesale) for additional details on SRWA's future water projects.

Table 6-16. Water Supplies – Projected (DWR Table 6-9 Retail)

Water Supply			Projected Water Supply (Report to the Extent Practicable)									
			2030		2035		2040		2045		2050 (opt)	
Drop down list May use each category multiple times. These are the only water supply categories that will be recognized by the WUEdata online submittal tool	Additional Detail on Water Supply	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below
Groundwater (not desalinated)	Turlock's production wells. See note (a).	Potable	8,026	N/A	8,026	N/A	11,165	N/A	11,165	N/A	11,165	N/A
Purchased or Imported Water	Treated surface water purchased from SRWA. See note (b).	Potable	4,842	4,842	4,842	4,842	4,842	4,842	6,517	6,517	6,517	6,517
Recycled Water	Disinfected tertiary recycled water. See note (c).	Non-Potable	4,520	N/A	4,520	N/A	4,520	N/A	4,520	N/A	4,520	N/A
Groundwater (not desalinated)	Non-potable raw water irrigation wells at City parks	Non-Potable	104	N/A	104	N/A	104	N/A	104	N/A	104	N/A
		Subtotal Potable	12,868	N/A	12,868	N/A	16,007	N/A	17,682	N/A	17,682	N/A
		Subtotal Non-Potable	4,624	N/A	4,624	N/A	4,624	N/A	4,624	N/A	4,624	N/A
		Total	17,492	N/A	17,492	N/A	20,631	N/A	22,306	N/A	22,306	N/A

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.
Total Entitlement: e.g. Water Right, Groundwater Allocation, Contracted Amount.

NOTES: (a) Turlock's projected volume of groundwater available is estimated to be the maximum annual groundwater volume pumped in the past five years plus additional capacity from Turlock's future groundwater supply projects identified in DWR Table 6-7R. These future projects include constructing six new wells with treatment by 2040.
(b) Turlock's projected volume of purchased water available from SRWA in 2030, 2035, and 2040 assumes a 13.3 MGD allocation for Turlock, based on the WTP's re-rated capacity of 19.9 MGD. Phase 2 expansion of the SRWA WTP from 19.9 MGD to 30 MGD total capacity is assumed to occur in 2041. The Phase 2 expansion yields an allocation of 20 MGD to Turlock in 2045 and 2050; total volume available is limited by Turlock's two-thirds allocation of the maximum annual water supply available per the Water Sales Agreement (9,776 MG). Buildout expansion of the WTP to 45 MGD is not planned within this UWMP planning horizon.
(c) Wastewater and recycled water flow projections through 2050 are not available. Volumes presented are based on projected recycled water demands. Actual recycled water supply availability may vary.

6.10.2 SRWA

SRWA's existing water supply and entitlement is summarized in Table 6-17 (DWR Table 6-8 Wholesale). In 2025, SRWA produced 3,517 MG of treated surface water, which is less than its maximum annual water supply available based on its Agreement with TID (9,776 MG or 30,000 AFY).

Table 6-17. Water Supplies – Actual (DWR Table 6-8 Wholesale)

Water Supply	Additional Description (as needed)	2025		
Drop down list May use each category multiple times.These are the only water supply categories that will be recognized by the WUEdata online submittal tool		**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Actual Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (MG)
Surface water (not desalinated)	Surface water diverted from Tuolumne River per long-term transfer with TID	Potable	3,517	9,776
		Subtotal Potable	3,517	9,776
		Subtotal Non-Potable	0	0
		Total	3,517	9,776
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3. **Total Entitlement**: e.g. Water Right, Groundwater Allocation, Contracted Amount.				
NOTES: Total Entitlement is based on SRWA and TID's Water Sales Agreement, which allows SRWA to purchase up to 30,000 AFY (equivalent to 9,776 MG) of untreated Tuolumne River surface water. Actual use may be limited by SRWA's current WTP capacity of 15 MGD.				

SRWA' planned water supplies through 2050 is summarized in Table 6-18 (DWR Table 6-9 Wholesale). The projected surface water availability through 2050 incorporates SRWA's on-going filter capacity study, which is anticipated to result in additional capacity in 2028, and the Phase 2 WTP expansion planned between 2041 to 2045. Refer to Table 6-14 (DWR Table 6-7 Wholesale) for additional details on SRWA's future water projects. The total entitlement shown through 2050 is 9,776 MG (30,000 AFY) based on SRWA's Agreement with TID.

The reasonably available volume shown in Table 6-18 (DWR Table 6-9 Wholesale) is based on SRWA's WTP capacity. The reasonably available volume for each five-year increment is based on the limiting factor of either:

1. WTP capacity during that five-year increment, or
2. Maximum annual water supply available based on the Agreement, equivalent to 9,776 MG (30,000 AFY).

Additionally, SRWA's maximum annual water supply available was reduced by two percent (from 9,776 MG to 9,580 MG) to account for the average normal year water allocation by TID based on TID's most recent 15 years of water allocations to its customers. Chapter 7 provides additional information on TID's allocation history and classification of normal year water supplies.

Table 6-18. Water Supplies – Projected (DWR Table 6-9 Wholesale)

Water Supply			Projected Water Supply (Report to the Extent Practicable)									
			2030		2035		2040		2045		2050 (opt)	
Drop down list May use each category multiple times.These are the only water supply categories that will be recognized by the WUEdata online submittal tool	Additional Detail on Water Supply	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below
Surface water (not desalinated)	Surface water diverted from Tuolumne River per long-term transfer with TID	Potable	7,264	9,776	7,264	9,776	7,264	9,776	9,580	9,776	9,580	9,776
		Subtotal Potable	7,264	9,776	7,264	9,776	7,264	9,776	9,580	9,776	9,580	9,776
		Subtotal Non-Potable	0	0	0	0	0	0	0	0	0	0
		Total	7,264	9,776	7,264	9,776	7,264	9,776	9,580	9,776	9,580	9,776

DWR NOTES:

Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in a Submittal Table 2-3.

Total Entitlement: e.g. Water Right, Groundwater Allocation, Contracted Amount.

NOTES: Reasonably available volume is based on the limiting factor of either 1) WTP capacity or 2) normal-year water allocation between SRWA and TID. Projected volume of surface water available in 2030 through 2040 is based on the WTP's capacity of 19.9 MGD, assuming that the filter re-rating study is completed in 2027. The Phase 2 WTP exansion from 19.9 MGD to 30 MGD total capacity is projected to occur between 2041 and 2045. In 2045 and 2050, reasonably available volume is limited by the normal-year water allocation between SRWA and TID, which is expected to be 98 percent of total volume requested. Refer to Chapter 7 for more information.

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6.11 SPECIAL CONDITIONS

This section provides a discussion of climate change impacts and regulatory conditions that may affect the availability and reliability of Turlock and SRWA's water supply sources.

6.11.1 Climate Change Impacts

Anticipated climate change impacts to Turlock and SRWA's water supplies are discussed below. Additional details can be found from the referenced studies, which include:

- *Turlock Irrigation District 2020 Agricultural Water Management Plan (AWMP)*. March 2021.
- *East Stanislaus Region Integrated Regional Water Management Plan Update.* February 2018.
- *San Joaquin Valley Summary Report. California's Fourth Climate Change Assessment.* September 2018.
- *Sensitivity of Upper Tuolumne River Flow to Climate Change Scenarios*. January 2012. Hydrocomp, Inc., San Francisco Public Utilities Commission (SFPUC), and TID.

SRWA's water supply is dependent on Tuolumne River flow conditions and TID's ability to supply sufficient quantities of Tuolumne River water to its customers. Based on a review of the above studies, the anticipated climate change impacts on SRWA's water supply are summarized below:

- Change in timing of runoff in the Tuolumne River, with less runoff occurring during peak water demand periods (spring-summer);
- Reduction in total runoff in the Tuolumne River;
- Reduced precipitation as snowfall and reduced snowpack in the Sierra Nevada Mountains;
- More frequent and more severe droughts in the future leading to the possibility of more frequent curtailments of Tuolumne River water diversions and reduced surface water allocations by TID;
- Increased evaporation on Don Pedro Reservoir reducing TID's available supply;
- Increased average temperatures and evapotranspiration, which may increase SRWA's wholesale and Turlock's retail customer water demands (e.g., landscape irrigation); and
- Increased demand and competition for Tuolumne River surface water by TID's customers due to increased crop evapotranspiration and subsequent increase in irrigation water requirements.

Based on available historical data and projected future streamflow in the Tuolumne River[7], the amount of annual runoff in the Tuolumne River below La Grange Dam occurring during the spring-summer period (April through July) has decreased over the past century and will likely continue to decrease in the next century (TID 2020 AWMP). Conversely, increasingly more runoff has occurred during the fall-winter period, outside of the irrigation season (TID 2020 AWMP). California's Fourth Climate Change

[7]Historical full natural flows along the Tuolumne River are reported by DWR's California Cooperative Snow Surveys, available through the California Data Exchange Center. Projected changes to Tuolumne River flows are derived from a number of studies prepared by the United States Bureau of Reclamation (USBR), DWR, and TID.

Assessment for San Joaquin Valley and a 2012 SFPUC/TID joint study, *Sensitivity of Upper Tuolumne River Flow to Climate Change Scenarios*, suggest future trends of decreased Tuolumne River runoff flows over the next 100 years.

The shift in timing of Tuolumne River flows and projected reduction in total flows have the potential to impact TID's future surface water allocations to SRWA. With reduction in Tuolumne River flows during the spring-summer period, TID will face challenges in its ability to meet peak customer water demands during dry years while ensuring that adequate instream flow requirements are met per State and Federal requirements.

TID's 2020 AWMP provides more information on climate change impacts and TID's actions to address these impacts.

6.11.2 Regulatory Conditions

Regulatory conditions for Turlock and SRWA's planned projects and emerging regulatory conditions that may impact water supplies are discussed below.

1. **Filter Capacity Study.** SRWA's on-going filter capacity study is anticipated to increase the SRWA WTP capacity. This study will require coordination with DDW. Title 22 of the California Code of Regulations (CCR) specifies in Section 64660 that WTPs like SRWA's WTP, with conventional filtration using dual media, must be operated at filtration rates not to exceed 6.0 GPM/SF. However, this section of the CCR contains a provision where higher filtration rates (above 6 GPM/SF) may be approved if the water supplier demonstrates to DDW that the filters operated at these higher filtration rates comply with the regulatory performance requirements.
2. **WTP Phase 2 Expansion.** The planned WTP Phase 2 Expansion to 30 MGD would occur on the existing WTP site, as the initial site layout was designed to accommodate future expansion. The planned WTP expansion is anticipated to require various permits including, but not limited to:
   - State Water Board, DDW - *Permit to Operate and compliance with CCR Title 22 regulations for public drinking water*
   - Central Valley Regional Water Quality Control Board - *National Pollutant Discharge Elimination System General Construction Storm Water Permit*
   - San Joaquin Valley Air Pollution Control District - *Authority to Construct and compliance with air quality regulations*
3. **Bay-Delta Water Quality Control Plan.** The State Water Board's Bay-Delta Water Quality Control Plan (Bay-Delta Plan) presents emerging regulatory conditions that may impact SRWA's available water supply from the Tuolumne River. State law requires that the State Water Board and the Regional Water Quality Control Boards adopt Water Quality Control Plans that include measures to protect water quality in the state's streams, rivers, and lakes. The Bay-Delta Plan identifies beneficial water uses to be protected in the Bay-Delta, including: municipal and industrial, agricultural and fish and wildlife, water quality and flow objectives to reasonably protect the beneficial uses. The Bay-Delta Plan includes an implementation program to meet its objectives. Under the program, the State Water Board may take actions, including imposing minimum flow requirements, or habitat restoration requirements for diverters.

As the Tuolumne River is a tributary to the San Joaquin River, the Bay-Delta Plan sets instream flow requirements and water quality objectives for the Tuolumne River. On December 12, 2018, the State Water Board adopted amendments to the Bay-Delta Plan which established Lower San Joaquin River (LSJR) flow objectives and revised southern Delta salinity objectives. These amendments to the Bay-Delta Plan applied to three tributaries to the San Joaquin River: the Tuolumne, Merced, and Stanislaus Rivers. The flow objectives for the Tuolumne would require TID and MID to release 40 percent of unimpaired flows into the Tuolumne River from February 1 to June 30 for salmon and salinity control in the Delta. Per TID's 2020 AWMP, TID, MID, and SFPUC currently release approximately 17 percent of the unimpaired flows to the Tuolumne River, while the remainder is diverted for beneficial use. The State Water Board released revised draft updates to the Bay-Delta Plan, including LSJR flow and southern Delta salinity provisions, in December 2025 along with an updated environmental analysis. Public review and hearings are being conducted in early 2026.[8]

The Tuolumne River Partners – MID, TID, and SFPUC – have proposed a comprehensive alternative to the unimpaired flow requirements in the Bay-Delta Plan. The alternative is presented in the proposed Tuolumne River Voluntary Agreement, referred to as the Agreements to Support Healthy Rivers & Landscapes. This agreement provides a foundation for comprehensively managing the Tuolumne River and for continued management of Chinook salmon and rainbow trout within the lower Tuolumne River. While the proposed Voluntary Agreement will still require TID to release more water to the Tuolumne River for ecosystem benefits, the agreement will offer TID more opportunity to mitigate water supply impacts on its customers while still comprehensively managing the Tuolumne River to the State Water Board's standards. The proposed Tuolumne River Voluntary Agreement is currently being evaluated by the State Water Board.

4. **Federal Energy Regulatory Commission (FERC) relicensing for** TID and MID's Don Pedro Reservoir. Concurrent with the development of the Tuolumne River Voluntary Agreement, FERC is relicensing Don Pedro Reservoir for TID and MID. FERC may amend flow requirements that could affect water supply to SRWA. FERC has the authority to license dams with power plants on navigable rivers. The Don Pedro Reservoir falls under the jurisdiction of FERC because of TID and MID's 203-megawatt (MW) powerhouse. The original 50-year FERC license for Don Pedro Reservoir expired in April 2016. TID and MID are in the process of securing a new license with FERC to continue operating the Don Pedro Reservoir. Both TID and MID have been operating on a year-to-year renewal basis since 2016 until a long-term license is granted by FERC.

   FERC has the authority to license and relicense non-federal hydropower projects for terms between 30 to 50 years. FERC license requirements for Don Pedro Reservoir include minimum instream flow release requirements that vary with the water year type. FERC is mandated to give equal consideration to beneficial public uses (including energy conservation, irrigation, flood control, water supply, recreational opportunities, and other aspects of environmental quality) and adequate protection, mitigation and enhancement of fish and wildlife.

[8] State Water Resources Control Board. *Sacramento/Delta Update to Bay-Delta Plan.* Accessed at https://www.waterboards.ca.gov/waterrights/water_issues/programs/bay_delta/comp_review.html on March 3, 2026.

6.12 ENERGY INTENSITY

In accordance with California Water Code §10631.2(a), the energy intensity to provide water service to Turlock and SRWA's water customers over a one-year period is presented in this section to the extent that the information is available. The amount of energy to pump, treat, and distribute Turlock and SRWA's water supply within the systems they own and operate is included.

Water energy intensity is the total amount of energy in kilowatt hours (kWh), calculated on a whole-system basis, expended on a per million gallon basis, to deliver water from Turlock and SRWA's sources to its respective water customers. Understanding the whole-system energy intensity allows Turlock and SRWA to make informed strategies in managing its water supplies and operating its system as follows:

- Identifying energy saving opportunities because energy consumption is often a large portion of the cost of delivering water
- Calculating energy savings and greenhouse gas emissions reductions associated with water conservation programs
- Identifying potential opportunities for receiving energy efficiency funding for water conservation programs
- Informing climate change mitigation strategies
- Benchmarking energy use at each water acquisition and delivery step and the ability to compare energy use among similar agencies

6.12.1 Water System Energy Intensity

In Table 6-19 (DWR Table O-1B), the energy intensity of Turlock's water service is calculated as an annual utility total for 2025. Annual energy use quantities were obtained from Turlock's monthly TID billing data for the following assets:

- All groundwater well sites with energy usage in 2025 (approximately 25 wells total including both active and inactive/offline wells), and including both pumping and treatment for well sites with wellhead treatment systems,
- Three booster pump stations at the Fulkerth, Kilroy, and D Street storage tanks (each with firm pumping capacity of 7.8 MGD),
- One booster pump station at the Terminal Reservoir, which receives SRWA surface water (with a firm pumping capacity of 12 MGD), and
- Other ancillary water system facilities with energy usage (e.g., remote telemetry units).

The total energy use for these facilities in 2025 was approximately 7,718,708 kWh. Based on Turlock's total groundwater production in 2025 of 4,042 MG (which excludes purchased surface water from SRWA), the total energy intensity for Turlock's water service area is approximately 1,910 kWh/MG. Turlock does not currently utilize any non-consequential hydropower.

Information on SRWA's energy use associated with treating and delivering surface water to the Cities is provided in Table 6-20 (DWR Table O-1A).

Table 6-19. Energy Intensity for Turlock's Retail Potable Deliveries – Water Supply Process Approach (DWR Table O-1B)

Water Delivery Product drop down list (If delivering more than one type of product recommend using Table O-1C)	Retail Potable Deliveries	**Only for Water Delivery Products Under the Urban Water Supplier's Operational Control**		
Start Date of Reporting Period	1/1/2025	**Sum of All Water Management Processes**	**Non-Consequential Hydropower**	
End Date of Reporting Period	12/31/2025			
Is upstream embedded energy in the values reported?	No			
Units of Measure for Water	MG	**Total Utility** See DWR NOTES	**Hydropower**	**Net Utility**
Volume of Water Entering Process		4,042	-	4,042
Energy Consumed (kWh)		7,718,708	-	7,718,708
Energy Intensity (kWh/vol. converted to MG)		1,910		1,910

DWR NOTES:

Total Utility: The volume of water entered in the "Total Utility" column should equal the volume of water entering the distribution system (excluding recycled water); in most cases, this is the total volume calculated in UWMP Table 4-1: 2025 Actual Total Uses for Potable and Non-Potable Water. Note if recycled water is included in your Submittal Table 4-1, you must exclude it from your volume in this table.

Quantity of Self-Generated Renewable Energy

0 kWh

Data Quality (Estimate, Metered Data, Combination of Estimates and Metered Data)

Metered Data

Data Quality Narrative:

Energy consumption is based on Turlock's monthly metered electric bills through Turlock Irrigation District (TID) during calendar year 2025. Energy usage includes energy consumed at all of Turlock's active groundwater well sites, which may also include some energy used by the wellhead treatment systems in place at some well sites and other remote telemetry units (RTUs). Energy usage also includes energy consumed at Turlock's four booster pump stations that pump out of Turlock's storage reservoirs, including the Terminal Reservoir. Volume of water entering process is based on Turlock's total potable groundwater volume pumped in 2025, consistent with DWR Table 6-1 Retail. Energy use shown does not include energy consumed at the SRWA WTP or for conveying surface water from the SRWA WTP to Turlock's Terminal Reservoir.

Narrative:

Energy consumed includes energy used by City of Turlock for water storage, conveyance, treatment, and distribution of groundwater. Energy consumed and volume of water entering process is based only on groundwater and does not include purchased surface water from SRWA.

In Table 6-20 (DWR Table O-1A), the energy intensity of SRWA's wholesale water service is calculated as an annual utility total for 2025. Annual energy use quantities were obtained from SRWA's monthly TID billing data for the following assets:

- Raw water pump station, listed under the "Extract and Divert" column
- SRWA WTP treatment processes, listed under the "Treatment" column
- Finished water pump stations, listed under the "Conveyance" column

The total energy use for these facilities in 2025 was approximately 4,373,063 kWh. Based on SRWA's total surface water production in 2025 of 3,517 MG, the total energy intensity for SRWA's water service is approximately 1,243 kWh/MG. SRWA does not currently utilize any non-consequential hydropower.

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Table 6-20. Energy Intensity for SRWA's Wholesale Potable Deliveries – Water Supply Process Approach (DWR Table O-1A)

Water Delivery Product drop down list (If delivering more than one type of product recommend using Table O-1C)	Wholesale Potable Deliveries	**Only for Water Delivery Products Under the Urban Water Supplier's Operational Control**							
Start Date of Reporting Period	1/1/2025	**Water Management Process**						**Non-Consequential Hydropower (if applicable)**	
End Date of Reporting Period	12/31/2025								
Is upstream embedded energy included in the values reported?	No								
	Units for Water Volume	Extract and Divert	Place into Storage	Conveyance	Treatment	Distribution	**Total Utility** See DWR NOTES	Hydropower	Net Utility
Volume of Water Entering Process	MG	3,517	-	3,517	3,517	-	3,517	-	3,517
Energy Consumed (kWh)	N/A	1,613,600	-	2,037,863	721,600	-	4,373,063	-	N/A
Energy Intensity (kWh/vol. converted to MG)	N/A	459	0	579	205	0	1,243	0	0

DWR NOTES: Total Utility: The volume of water entered in the "Total Utility" column should equal the volume of water entering the distribution system (excluding recycled water); in most cases, this is the total volume calculated in UWMP Table 4-1: 2025 Actual Total Uses for Potable and Non-Potable Water. Note if recycled water is included in your Submittal Table 4-1, you must exclude it from your volume in this table.

Quantity of Self-Generated Renewable Energy

0 kWh

Data Quality (Estimate, Metered Data, Combination of Estimates and Metered Data)

Metered Data

Data Quality Narrative:

Energy consumption is based on monthly metered electric bills through Turlock Irrigation District (TID) during calendar year 2025. Values are based on energy consumed at SRWA's WTP, including the raw water pump station (shown in the "Extract and Divert" column), treatment system (shown in the "Treatment" column), and finished water pump station (shown in the "Conveyance" column). Volume of water entering process is based on SRWA's total water sales to the Cities of Turlock and Ceres, consistent with DWR Table 4-1 Wholesale.

Narrative:

SRWA's WTP includes a raw water pump station that extracts raw water from the Tuolumne River via an infiltration gallery. Raw water is then treated, and then pumped via finished water pump stations to the Cities of Turlock and Ceres' terminal reservoirs.

6.12.2 Wastewater System Energy Intensity

As discussed in Section 6.7, Turlock provides wastewater collection, treatment, and disposal services to customers within its city limits as well as Keyes CSD, Denair CSD, and up to 2 MGD of primary treated wastewater from the City of Ceres. Turlock owns and operates the wastewater collection, treatment, and disposal system.

The energy intensity associated with Turlock's wastewater services for 2025 is provided in Table 6-21 (DWR Table O-2). Wastewater collection and conveyance has an energy intensity of 118 kWh/MG, the treatment process has an energy intensity of 4,158 kWh/MG, and discharge and distribution of treated effluent have an energy intensity of 125 kWh/MG.

Table 6-21. Energy Intensity – Wastewater & Recycled Water (DWR Table O-2)

Start Date of Reporting Period	1/1/2025	**Only for Water Delivery Products Under the Urban Water Supplier's Operational Control**			
End Date of Reporting Period	12/31/2025				
Is upstream embedded energy in the values reported?	No	**Water Management Process**			
Units of Measure for Water	MG	**Collection / Conveyance**	**Treatment**	**Discharge / Distribution**	**Total**
Volume of Wastewater Entering Process (volume units selected above)		3,902	3,902	3,902	11,706
Wastewater Energy Consumed (kWh)		461,525	16,224,257	486,823	17,172,605
Wastewater Energy Intensity (kWh/volume converted to MG)		118	4,158	125	1,467
Volume of Recycled Water Entering Process (volume units selected above)		-	-	-	-
Recycled Water Energy Consumed (kWh)		-	-	-	-
Recycled Water Energy Intensity (kWh/volume converted to MG)		-	-	-	-

Quantity of Self-Generated Renewable Energy related to recycled water and wastewater operations

0 kWh

Data Quality (drop down)

Metered Data

Data Quality Narrative:

Energy consumption is based on metered Turlock Irrigation District (TID) billing records for wastewater collection (i.e., sanitary sewer lift stations), treatment facilities, and discharge facilities for Calendar Year 2025. Wastewater volumes are based on metered effluent flow records.

Narrative:

Turlock's wastewater collection/conveyance involves the use of sanitary sewer lift stations, which convey wastewater to Turlock's Regional Water Quality Control Facility (RWQCF). After treatment at the RWQCF, treated effluent is discharged, with most effluent pumped to the Delta-Mendota Canal as part of the North Valley Program, and a smaller amount of effluent used as recycled water within Turlock's water service area.

CHAPTER 7
Water Service Reliability and Drought Risk Assessment

This chapter describes Turlock and SRWA's water service reliability under various hydrologic conditions through 2050. In assessing Turlock and SRWA's water service reliability, a comparison of projected water supplies and demand under normal year, single dry year, and five-consecutive-year drought conditions is provided. This chapter includes Turlock and SRWA's DRA which evaluates the risk of a severe drought occurring for the next five consecutive years. Findings show that Turlock's water supplies are sufficient to meet the existing and projected water demands during normal and drought conditions, and that SRWA's wholesale customers (Cities of Turlock and Ceres) shall maintain adequate groundwater supply capacity to meet demands during drought conditions when SRWA's supplies are reduced.

Turlock and SRWA's current and proposed water management tools to address the reliability of water supplies are also discussed in this chapter. Responses to water shortage conditions are addressed in Chapter 8 and Appendix G.

Where applicable, this chapter includes subsections to separately address the constraints and reliability of the groundwater, surface water, and recycled water supplies. The water service reliability assessment and DRA are also presented separately for Turlock's retail customers and for SRWA's wholesale customers.

7.1 CONSTRAINTS ON WATER SOURCES

This section presents the constraints on Turlock and SRWA's water supplies for use in the following water service reliability assessment and DRA. This section includes discussion on Turlock's groundwater and recycled water supply constraints, and SRWA's surface water supply constraints. Information on groundwater supply constraints is primarily from Turlock's 2020 UWMP, the 2024 Turlock Subbasin GSP, and Turlock's 2024 Water Quality Report. Information on SRWA's surface water supply constraints is primarily from SRWA's 2020 UWMP, adopted in 2024.

7.1.1 Groundwater

As described in Chapter 6, Turlock pumps groundwater from the underlying Turlock Subbasin for both potable and non-potable uses. Although Turlock is now less reliant on groundwater due to its new surface water supply, groundwater still represents a significant portion of the City's water supply portfolio.

The Turlock Subbasin is not adjudicated and does not have pumping restrictions or allocations for Turlock or other urban groundwater users within the Subbasin. While Turlock does not face groundwater quantity limitations, its use of groundwater can be affected by water quality concerns and the high costs associated with treatment. As a result, Turlock closely monitors groundwater quality trends and emerging water quality regulations that could influence future groundwater use.

Turlock's 2016 Hydrogeologic and Water Quality Assessment Report identified several groundwater constituents of concern within the Subbasin. Contaminants present in the area include salinity, arsenic, hexavalent chromium, nitrates, fuel, solvents, and synthetic organic compounds. Of these, the constituents with the greatest potential for future impacts (i.e. salinity, arsenic, nitrates, 1,2,3-trichloropropane, and hexavalent chromium) are discussed in more detail below.

Turlock continuously monitors water quality in its water distribution system to ensure that it provides the necessary treatment to meet the State's drinking water standards and delivers high-quality drinking water supply to its customers.

7.1.1.1 Salinity

Salinity has been identified as a constituent of concern in the Turlock Subbasin in several studies including the Turlock Subbasin GSP. Salts can enter groundwater naturally or from human activities. Division of Drinking Water's (DDW's) secondary MCL for salinity includes a recommended limit of 500 milligrams per liter (mg/L), upper limit of 1,000 mg/L, and short-term limit of 1,500 mg/L, measured in total dissolved solids (TDS). In Turlock's 2024 Annual Water Quality Report, the City indicated an average groundwater TDS concentration of 249 mg/L, with a maximum value of 334 mg/L, which is below the recommended MCL of 500 mg/L. Similarly, the Turlock Subbasin GSP finds that TDS concentrations are typically below 500 mg/L in the Western Upper and Wester Lower Principal Aquifer, which Turlock's wells draw upon.[1]

Several other water suppliers in the area are members of the Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS) program, with the stated objective to organize, facilitate and fund efforts needed for the efficient management of salinity in the Central Valley. Although Turlock is not currently a member of CV-SALTS, the City does participate through its membership with the Central Valley Clean Water Association. Turlock will continue to monitor salinity levels in its groundwater supplies and act accordingly.

7.1.1.2 Arsenic

Arsenic has been identified as a constituent of concern in the Turlock Subbasin in several studies including the Turlock Subbasin GSP. Arsenic is naturally occurring in the Turlock Subbasin aquifer materials and leaches into the Subbasin's groundwater. Turlock has taken several wells out of service due to arsenic concentrations approaching or exceeding the MCL of 10 micrograms per liter (µg/L). Wells with slightly elevated arsenic concentrations are taken out of service but can operate under maximum day demand conditions or emergency conditions.[2] In Turlock's 2024 Annual Water Quality Report, the City reported an average arsenic concentration of 8.3 µg/L in its groundwater supply.

As shown in Turlock's 2025 WMP, the City plans to install arsenic treatment for two wells (Wells 34 and 36) within the next few years. Turlock continues to regularly monitor arsenic contamination in its groundwater supplies and will continue to install treatment or make operational adjustments as needed.

7.1.1.3 Nitrates

Nitrates have been identified as a constituent of concern in the Turlock Subbasin in several studies including the Turlock Subbasin GSP. While nitrate in irrigation water is not a major concern for most crops, high concentrations of nitrate is a human health concern for potable water supplies.

The MCL for nitrate (as Nitrogen, N) in drinking water is 10 mg/L. In Turlock's 2024 Annual Water Quality Report, the City reported an average nitrate concentration of 6.0 mg/L, with a maximum concentration of 9.9 mg/L in the City's active wells. While these values are below the MCL and indicate that technically nitrate concentrations are within a safe range, some nitrate concentrations in the City's wells are very close to the MCL. In fact, Turlock has closed several wells over the past decade due to nitrate levels exceeding the MCL. Turlock continues to regularly monitor nitrate contamination in its groundwater supplies to ensure that nitrate levels remain below the MCL. Wells that have concentrations exceeding

[1] West Turlock Subbasin GSA and East Turlock Subbasin GSA. July 2024. *Turlock Subbasin GSP. Section 4.3.5.3.2.*

[2] City of Turlock. March 2025. *Water Master Plan.*

the MCL will be taken offline or be used only for blending with other groundwater supplies to maintain compliance with the MCL for nitrate.

7.1.1.4 1,2,3-Trichloropropane

1,2,3-TCP has been identified as a constituent of concern in the Turlock Subbasin in several studies including the Turlock Subbasin GSP. The State Water Board established an MCL and monitoring frequencies for 1,2,3-TCP which went into effect in January 2018. The MCL for 1,2,3-TCP is 0.005 µg/L and is based on a running annual average. In Turlock's 2024 Annual Water Quality Report, the City reported a running annual average 1,2,3-TCP concentration of 0.003 µg/L in the City's active wells, below the MCL of 0.005 µg/L.

Turlock will continue to monitor its wells for 1,2,3-TCP levels. Concurrent with regular monitoring, Turlock is in the process of addressing the elevated 1,2,3-TCP concentrations identified in certain impacted wells. Turlock completed a comprehensive report evaluating 1,2,3-TCP for the City's 16 active groundwater wells in November 2024 and has plans to install 1,2,3-TCP treatment for Well 36.[3]

7.1.1.5 Hexavalent Chromium

Hexavalent chromium, while not described in the Turlock Subbasin GSP as a major constituent of concern, was evaluated in Turlock's 2016 Hydrogeologic and Water Quality Assessment Report and is monitored by the City. This constituent is addressed here due to California's recent establishment of a drinking water MCL for hexavalent chromium.

Hexavalent chromium is a heavy metal that has been used in industrial applications and is also found naturally occurring throughout the environment. The State Water Board recently established the hexavalent chromium MCL value of 10 µg/L, which was made effective on October 1, 2024. In Turlock's 2024 Annual Water Quality Report, the City reported an average hexavalent chromium value of 4.9 µg/L, with a maximum level of 6.8 µg/L, which is below the MCL of 10 µg/L.

7.1.2 Surface Water

As described in Chapter 6, SRWA receives Tuolumne River surface water via an Agreement with TID. The quality of water from the Tuolumne River is generally not of concern as SRWA treats the surface water at its WTP to a level consistently exceeding drinking water standards. Therefore, SRWA's water service reliability is mostly dependent on water quantity rather than water quality. The following is a general discussion regarding the constraints on SRWA's water supplies.

The biggest factor in the availability of SRWA's water supplies is climatic variability and associated constraints imposed on TID's water availability on the Tuolumne River. Below average snowpack and/or prolonged periods of dry weather contribute to reduced water allocations from TID to SRWA. In addition, the provisions of the Agreement limit SRWA's request such that the total amount of water requested for any year may not vary by more than 10 percent from the immediately prior year and the next succeeding year, unless approved by TID.

In accordance with the Agreement, SRWA submits a two-year water delivery schedule annually. The TID Board of Directors determines annual allocations to its customers based on various factors such as

[3] March 2025. City of Turlock, Carollo. *Water Master Plan. Table 5.1*

projected runoff, including the possibility of the occurrence of consecutive dry years, carryover storage projections in Don Pedro Reservoir, and instream flow requirements for the Tuolumne River. TID's determination of available water is typically announced in February or March for each year. Potential constraints to SRWA's water supply allocation are discussed in the following subsections.

7.1.2.1 Federal Energy Regulatory Commission Fish Flow Requirement

As described in Chapter 6, TID's Don Pedro Reservoir FERC license requires minimum instream flow requirements to maintain healthy conditions for aquatic and riparian species in the Tuolumne River. SRWA's delivery schedule may not reduce flows in the Tuolumne River to less than the required minimum instream flows. TID is currently undergoing relicensing of the Don Pedro Reservoir with FERC – the results of which could alter minimum instream flow requirements.

7.1.2.2 Tuolumne River Emergency Curtailment Orders

In dry years, the State Water Board may curtail Tuolumne River water diversions. In the recent 2022 dry year, the State Water Board issued emergency curtailment orders affecting Tuolumne River diversions, including certain post-1914 appropriative water rights held by TID, a senior water right holder on the river. These curtailment orders temporarily restricted TID from diverting Tuolumne River flows under its post-1914 appropriative rights for direct use or for storage into Don Pedro Reservoir.

During these conditions, TID was still able to use surface water previously stored in Don Pedro Reservoir. In response to the drought, TID's water allocations during that year and the following year were reduced to manage stored carry over water supply in Don Pedro Reservoir for potential future dry years. Based on TID's allocations to its customers during these previous curtailment orders, SRWA assumes that at least some surface water from TID will remain available during future curtailment periods.

7.1.2.3 Bay-Delta Plan

As described in Chapter 6, the State Water Board's Bay-Delta Plan may further impact available water for Tuolumne River water right holders. The Bay-Delta Plan's 2018 amendments proposed unimpeded flow requirements and salinity requirements for the LSJR and its three salmon-bearing tributaties, including the Tuolumne River. The State Water Board released revised draft updates to the Bay-Delta Plan, including LSJR flow and southern Delta salinity provisions, in December 2025 along with an updated environmental analysis. Public review and hearings for the proposed Bay-Delta Plan amendments are being conducted in early 2026.

As documented in TID's 2020 Agricultural Water Management Plan (AWMP), the Bay-Delta Plan's proposed unimpeded flow requirements would significantly impact TID's available surface water supplies. Table 7-1 shows TID's estimates of the Bay-Delta Plan's impacts on TID's available water for 2013-2015, at the peak of the 2012-2016 drought, if the Bay-Delta Plan had been in effect at that time (TID 2020 AWMP). Based on TID's analysis, the available water allocation would have been significantly reduced in 2013 and reduced to zero for 2014 and 2015. The proposed Tuolumne River Voluntary Agreement, as discussed in Chapter 6, may reduce diversion restrictions to Tuolumne River water right holders while still meeting the State Water Board's goals for the Bay-Delta. The proposed Tuolumne River Voluntary Agreement is currently being evaluated by the State Water Board.

Table 7-1 Estimate of Available TID Water Allocation in 2013-2015 Under the Bay-Delta Plan		
Year	Actual Available Water, inches/acre	Theoretical Available Water Under the Bay-Delta Plan, inches/acre
2013	34	16
2014	20	0
2015	18	0

Source: Turlock Irrigation District. March 2021. Turlock Irrigation District 2020 Agricultural Water Management Plan (AWMP). Table 5.5. Available Water in 2013-2015, Actual versus Theoretical Under the Bay-Delta Plan.

7.1.3 Recycled Water

As described in Chapter 6, Turlock uses a small amount of recycled water within its service area for landscape irrigation and industrial uses and exports the majority of its recycled water outside of its service area for agricultural irrigation. No legal, environmental, or water quality constraints are anticipated to impact recycled water use.

7.2 WATER SERVICE RELIABILITY ASSESSMENT

This section evaluates Turlock and SRWA's water service reliability for a normal year, single dry year, and five-consecutive-year drought. Turlock and SRWA's water service reliability are presented in five-year increments through 2050 based on the previous analysis of water use and supply (discussed in Chapter 4 and Chapter 6, respectively). For the purposes of this water service reliability assessment, available water supply during normal year, single dry year, and five-consecutive-year drought are compared with unconstrained normal year customer demands.

During water shortage events identified here, Turlock and SRWA may implement their respective WSCPs. Turlock and SRWA's WSCPs are discussed in Chapter 8 and provided in Appendix G of this plan.

7.2.1 Year Type Characterization

This section describes the historical basis for projecting available supplies under various hydrologic conditions for use in the water service reliability assessment. Water supplies can vary year to year depending on hydrologic conditions. Historical data was used to develop a projected yield under three conditions: (1) normal year, (2) single dry year, and (3) five-consecutive-year drought. In accordance with the DWR Guidebook, each condition is defined as follows:

- **Normal Year**: The year or averaged range of years in the historical sequence most closely representing average water supply in years when no regional or state-wide drought declaration are in effect.
- **Single Dry Year**: The year with the lowest water supply in the historical sequence.
- **Five-Consecutive-Year Drought**: The driest five-year historical sequence.

The following sections describe how Turlock's groundwater supplies and SRWA's surface water supplies vary under different water year types.

7.2.1.1 Groundwater

Historically, Turlock has maintained reliable access to groundwater from the Turlock Subbasin during all water year types. As the Turlock Subbasin is not adjudicated and there are not any pumping restrictions or allocations imposed on Turlock or other urban groundwater users within the Subbasin, Turlock's groundwater supply is not expected to be reduced during single dry years or five-consecutive-year droughts.

As shown in Table 7-2 (DWR Table 7-1 Retail), quantification of retail supplies is not compatible with this table, as Turlock's retail water supplies consist of both local groundwater (which does not have restrictions during drought years) and purchased surface water from SRWA. The basis of water year data for SRWA's surface water is provided in Table 7-5 (DWR Table 7-1 Wholesale).

Table 7-2. Basis of Water Year Data (Reliability Assessment) (DWR Table 7-1 Retail)

Year Type	Base Year If not using a calendar year, type in the last year of the fiscal, water year, or range of years, for example, water year 2024-2025, use 2025	Available Supplies if Year Type Repeats	
		☑	Check the box if quantification of available supplies is not compatible with this table and is provided elsewhere in the UWMP. **Location:** Section 7.2.1.2, Table 7-5 (DWR Table 7-1 Wholesale)
		Quantification of available supplies is provided in this table as either volume only, percent only, or both.	
		Volume Available (MG)	**% of Average Supply**

7.2.1.2 Surface Water

In assessing normal year, single dry year, and five-consecutive-year drought conditions, SRWA's available surface water supply may be constrained by:

1. SRWA's WTP maximum capacity (currently 15 MGD),
2. TID's available water allocations, and
3. The Agreement's provision limiting variance of annual water supply request by no more than 10 percent from the prior year.

Historical allocations to TID's customers from 2010 through 2025 were used to project SRWA's surface water supply under the three hydrologic conditions. Reviewing TID customer allocations is appropriate since the Agreement specifies that SRWA's water allocation will be reduced in an equivalent manner as all other TID customers.

Table 7-3 shows TID's historical allocations to its customers in inches per acre, and the percentage of full allocation. A full allocation for TID's agricultural customers is defined as 48 inches per acre. The years *italicized* in Table 7-3 represent years in which the State of California declared emergency drought orders, which include 2012 through 2016, and 2021 through 2022.

Table 7-3. Historical TID Water Allocations

Year	Water Available to TID Customers, inches/acre	Percent of Full Allocation
2010	48	100
2011	48	100
2012[(a)]	*30*	*63*
2013[(a)]	*34*	*71*
2014[(a)]	*20*	*42*
2015[(a)]	*18*	*38*
2016[(a)]	*36*	*75*
2017	48	100
2018	48	100
2019	48	100
2020	42	88
2021[(a)]	*34*	*71*
2022[(a)]	*27*	*56*
2023	48	100
2024	48	100
2025	48	100
Normal Year-Average[(b)]	**47**	**98%**

Sources:
Turlock Irrigation District. March 2021. *2020 Agricultural Water Management Plan.* (For 2015-2019)
Turlock Irrigation District. November 2015. *2015 Agricultural Water Management Plan.* (For 2010-2014)
Turlock Irrigation District Board Meeting Minutes (2020-2025).

(a) Drought years, when State of California declared emergency drought orders. Includes years 2012-2016 and 2021-2022.
(b) The normal year average is based on historical water allocations during recent non-drought years. Normal year average is rounded down to the nearest inches/acre.

Figure 7-1 shows TID's historical allocations from 2010 through 2025 as a percentage of full allocation, as well as a year type characterization of hydrologic conditions. For the purposes of the water service reliability assessment, the normal year is assumed to be the average of historical water allocations during recent non-drought years (i.e., excluding 2012-2016 and 2021-2022). Therefore, during a normal year, SRWA expects to receive approximately 98 percent of their full allocation. The single dry year was assumed to be represented by the Year 2015, which had the lowest allocation. The five-consecutive-year drought is represented by the Years 2012 through 2016.

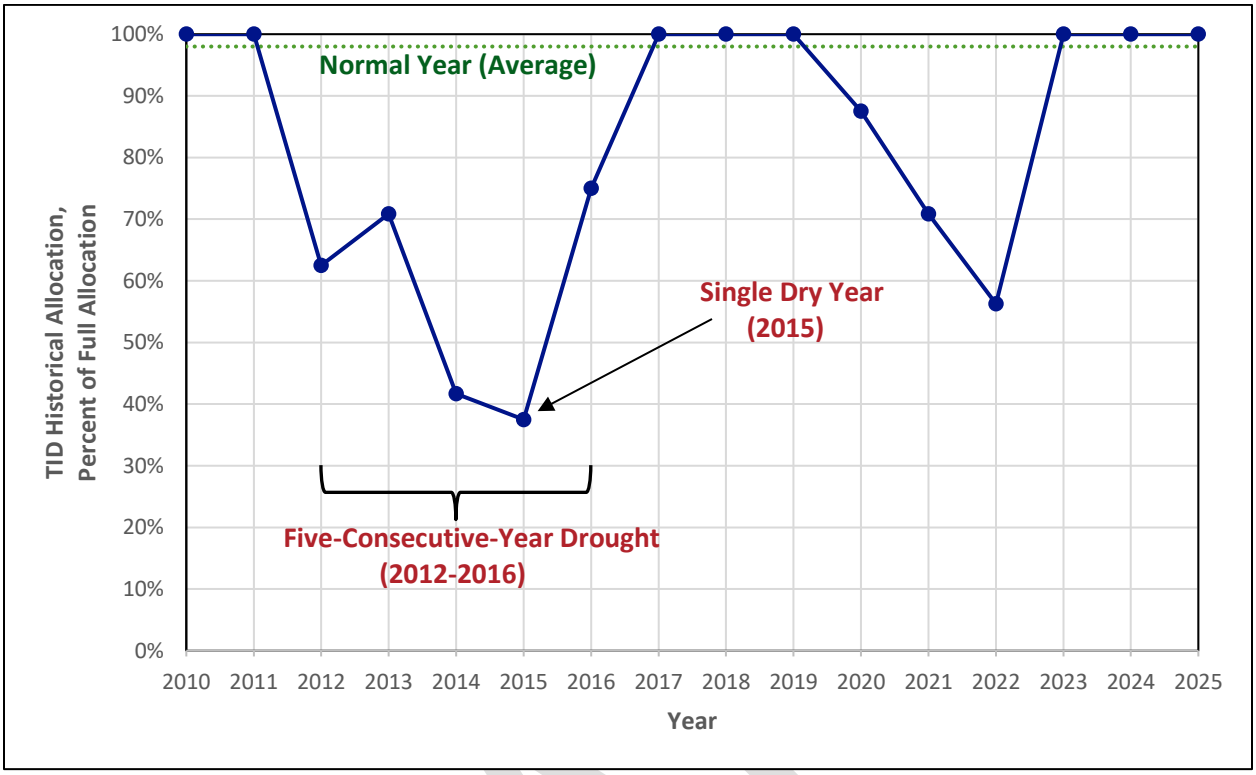


Figure 7-1 Year Type Characterization Based on Historical TID Water Allocations

Table 7-4 presents SRWA's estimated maximum surface water supply under the three hydrologic conditions, based on the representative years defined above. The table shows the maximum volume of surface water available if the hydrology from that type of year were to be repeated, along with the corresponding percentage of full allocation. Full allocation is defined in this table as 9,776 MG per year (30,000 AFY), which represents the maximum volume that SRWA can request from TID per the Agreement.

Table 7-4 Percent of Full Allocation for Hydrologic Conditions – SRWA Wholesale Surface Water

Year Type	Base Year	Maximum Volume Available[(a)], MG	Percent of Full Allocation[(a)]
Normal Year (Average)	Average of Non-Drought Years (2010-2025)	9,580	98
Single Dry Year	2015	3,666	38
Consecutive Dry Years - 1st Year	2012	6,110	63
Consecutive Dry Years - 2nd Year	2013	6,924	71
Consecutive Dry Years - 3rd Year	2014	4,073	42
Consecutive Dry Years - 4th Year	2015	3,666	38
Consecutive Dry Years - 5th Year	2016	7,332	75

(a) Maximum volume available is based on SRWA's full allocation of 9,776 MG/year, or 30,000 AFY, based on the Agreement between SRWA and TID.

MG = million gallons

Table 7-5 (DWR Table 7-1 Wholesale) estimates SRWA's maximum available supply during the three hydrologic conditions and years described above. The table specifies the volume available and percentage of average supply available if the hydrology from that type of year were to repeat. Available volume shown is consistent with Table 7-3.

SRWA may consider purchasing supplemental surface water from other TID customers or from senior Tuolumne River water right holders, if available, during significant droughts. However, to be conservative in this analysis, supplemental surface water purchases are assumed not to be available and are not included in Table 7-4 and Table 7-5 (DWR Table 7-1 Wholesale).

Table 7-5. Basis of Water Year Data (Reliability Assessment) (DWR Table 7-1 Wholesale)

Year Type	Base Year If not using a calendar year, type in the last year of the fiscal, water year, or range of years, for example, water year 2024-2025, use 2025	Available Supplies if Year Type Repeats	
		☐ Check the box if quantification of available supplies is not compatible with this table and is provided elsewhere in the UWMP. **Location:** [insert location from UWMP]	
		Quantification of available supplies is provided in this table as either volume only, percent only, or both.	
		Volume Available (MG)	**% of Average Supply**
Average Year	2010-2025	9,580	100%
Single-Dry Year	2015	3,666	38%
Consecutive Dry Years 1st Year	2012	6,110	64%
Consecutive Dry Years 2nd Year	2013	6,924	72%
Consecutive Dry Years 3rd Year	2014	4,073	43%
Consecutive Dry Years 4th Year	2015	3,666	38%
Consecutive Dry Years 5th Year	2016	7,332	77%

DWR NOTES: Supplier may use multiple versions of Submittal Table 7-1 W if different water sources have different base years and the supplier chooses to report the base years for each water source separately. If a Supplier uses multiple versions of Submittal Table 7-1 W, in the "Note" section of each submittal table, state that multiple versions of Submittal Table 7-1 W are being used and identify the particular water source that is being reported in each submittal table.
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table reports the unit of measure selected in Submittal Table 2-3.

NOTES: Actual surface water volume currently available is lower based on SRWA's current water treatment plant capacity (i.e. 5,475 MG). By 2028, the treatment plant capacity is expected to increase to 7,264 MG following the filter re-rating study and the capacity is expected to increase to 9,580 MG by 2045 following the Phase 2 expansion as discussed in Chapter 6 and shown in Table 6-18 (DWR Table 6-9 Wholesale).

7.2.2 Water Service Reliability – Normal Year

7.2.2.1 City of Turlock

Table 7-6 (DWR Table 7-2 Retail [Potable]) compares Turlock's available potable supply and demand during a normal year from 2030 to 2050. Turlock's total potable supply available during a normal year is projected to be approximately 12,868 MG in 2030 and up to 17,682 MG in 2050. The increase in supply is due to Turlock's planned groundwater well and treatment projects planned for 2028 and 2038, as well as the planned SRWA WTP filter capacity study in 2028 and WTP Phase 2 Expansion planned before 2045.

As shown in Table 7-6 (DWR Table 7-2 Retail [Potable]), Turlock anticipates having surplus potable supply during normal year conditions through 2050.

Table 7-6. Normal Year Supply and Demand Comparison – Potable (DWR Table 7-2 Retail)

	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals (autofill from Submittal Table 6-9 R)	12,868	12,868	16,007	17,682	17,682
Use totals (autofill from Submittal Table 4-2 R)	6,895	7,644	8,393	9,142	9,892
Surplus/(shortfall)	5,973	5,224	7,614	8,540	7,791
NOTES: Projected supply includes both treated groundwater and surface water supplies, as defined in DWR Table 6-9 Retail. Increasing supply totals reflect Turlock and SRWA's future water supply projects, as defined in Chapter 6, that are needed to maintain adequate supply capacity to meet peak demands.					

Table 7-7 (DWR Table 7-2 Retail [Non-Potable]) compares Turlock's available non-potable supply and demand during a normal year from 2030 to 2050. Turlock's non-potable supply includes raw water from irrigation wells and recycled water from the Turlock RWQCF. Non-potable supply and demand is assumed to be relatively constant through 2050. The non-potable demand shown includes untreated groundwater used for landscape irrigation at various City parks, as well as recycled water used within Turlock's service area at TID's Walnut Energy Center and at the Pedretti Sports Field (refer to Table 6-8 [DWR Table 6-4 Retail]). The projected surplus of non-potable supply represents recycled water that will be exported outside of Turlock's service area for agricultural irrigation.

Table 7-7. Normal Year Supply and Demand Comparison – Non-Potable (DWR Table 7-2 Retail)

	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals (autofill from Submittal Table 6-9 R)	4,624	4,624	4,624	4,624	4,624
Use totals (autofill from Submittal Table 4-2 R)	480	480	480	480	480
Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
NOTES: Non-potable supply includes both Turlock's raw (untreated) groundwater and recycled water. Non-potable use shown includes only uses within Turlock's water service area. Remaining non-potable supply (recycled water) is exported outside of the service area for agricultural irrigation.					

7.2.2.2 SRWA

Table 7-8 (DWR Table 7-2 Wholesale) compares SRWA's available surface water supply and wholesale demand during a normal year from 2030 to 2050. Consistent with Table 6-18 (DWR Table 6-9 Wholesale), SRWA's available supply during a normal year is projected to be approximately 7,264 MG in 2030 and up to 9,580 MG by 2045. Available supply of 7,264 MG assumes completion of the SRWA WTP filter capacity study in 2028, which would increase the WTP capacity from 15 MGD up to 19.9 MGD. Available supply of 9,580 MG assumes completion of the SRWA WTP Phase 2 Expansion to 30 MGD prior to 2045. After completion of the WTP Phase 2 Expansion, available supply is limited by maximum annual supply defined in SRWA and TID's Agreement.

As shown in Table 7-8 (DWR Table 7-2 Wholesale), SRWA anticipates having surplus surface water during normal year conditions to meet wholesale demands through 2050.

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Table 7-8. Normal Year Supply and Demand Comparison – Potable (DWR Table 7-2 Wholesale)

	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals (autofill from Submittal Table 6-9 W)	7,264	7,264	7,264	9,580	9,580
Use totals (see OPTIONAL Submittal Table 4-2 W)	4,322	4,939	5,545	6,227	6,691
Surplus/(shortfall)	2,942	2,324	1,719	3,353	2,890
NOTES: Projected wholesale supply available during normal year conditions is based on Table 6-18 (DWR Table 6-9 Wholesale). Projected wholesale use is based on the Cities of Turlock and Ceres' projected surface water use defined in Table 4-5 (DWR Table 4-2 Wholesale). Actual surface water supply availability and purchases may vary based on hydrologic condition, timing of future SRWA projects, and retail demands.					

7.2.3 Water Service Reliability – Single Dry Year

During dry years, Turlock's groundwater supply is not anticipated to be reduced. However, SRWA's surface water supply is conservatively projected to be reduced to approximately 38 percent of the full water allocation. This projection is based on TID's lowest water allocation to its customers in recent years (2015), in which TID determined a water allocation of 18 inches per acre, or 38 percent of a full allocation, for all its customers.

Projected water demands during a single dry year are assumed to be consistent with demands during a normal year.

7.2.3.1 City of Turlock

Table 7-9 (DWR Table 7-3 Retail [Potable]) compares Turlock's available potable supply and demand during a single dry year from 2030 to 2050. Turlock's total potable supply during a single dry year is projected to be approximately 9,866 MG in 2030 and up to 13,641 MG in 2050. The increase in supply is due to Turlock's planned groundwater well and treatment projects planned for 2028 and 2038, as well as the planned SRWA WTP filter capacity study in 2027, increasing total WTP capacity by 2028, and WTP Phase 2 Expansion planned before 2045.

Despite the significant reduction in surface water from SRWA, Turlock anticipates having surplus supply during single dry year conditions through 2050.

Table 7-9. Single Dry Year Supply and Demand Comparison - Potable (DWR Table 7-3 Retail)

	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals	9,866	9,866	13,005	13,641	13,641
Use totals	6,895	7,644	8,393	9,142	9,892
Surplus/(shortfall)	2,971	2,222	4,612	4,499	3,750

NOTES: Supply totals includes both Turlock's groundwater and surface water allocation expected during a single dry year. Under a single dry year, it is conservatively assumed that Turlock may receive only 38 percent of its requested surface water allocation from TID (refer to Table 7-3). Potable use totals are defined in DWR Table 7-2 Retail (Potable). Groundwater supply is not restricted during dry years. Increasing supply totals through 2050 reflect Turlock and SRWA's future water supply projects, as defined in Chapter 6, that are needed to maintain adequate supply capacity to meet peak demands.

Table 7-10 (DWR Table 7-3 Retail [Non-Potable]) compares Turlock's available non-potable supply and demand during a single dry year from 2030 to 2050. During a single dry year, non-potable groundwater and recycled water supply and demand are not anticipated to change from normal year conditions. Therefore, the available supply and demand shown is consistent with Table 7-7 (DWR Table 7-2 Retail [Non-Potable]).

Table 7-10. Single Dry Year Supply and Demand Comparison – Non-Potable (DWR Table 7-3 Retail)

	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals	4,624	4,624	4,624	4,624	4,624
Use totals	480	480	480	480	480
Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144

NOTES: Non-potable supply includes both Turlock's raw (untreated) groundwater and recycled water. Non-potable supplies are not anticipated to be reduced during dry years. Non-potable use shown includes only uses within Turlock's water service area. Remaining non-potable supply (recycled water) is exported outside of the service area for agricultural irrigation.

7.2.3.2 SRWA

Table 7-11 (DWR Table 7-3 Wholesale) compares SRWA's available surface water supply and wholesale demand during a single dry year from 2030 to 2050. SRWA's available supply during a single dry year is projected to be approximately 2,760 MG in 2030 and up to 3,715 MG in 2050.

Table 7-11 (DWR Table 7-3 Wholesale) shows that in dry years with significantly reduced surface water allocations like the 2015 drought year, SRWA's supply will be insufficient to meet the Cities' projected normal year surface water demands. In these years, the Cities will meet this shortfall by relying on their groundwater wells to meet the remaining water demand. The Cities may also implement demand

management measures from their WSCPs as needed. Further discussion on the Cities' groundwater supplies and their adequacy to meet water demands is addressed in Section 7.4.

Table 7-11. Single Dry Year Supply and Demand Comparison (DWR Table 7-3 Wholesale)

	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals	2,760	2,760	2,760	3,715	3,715
Use totals	4,322	4,939	5,545	6,227	6,691
Surplus/(shortfall)	(1,562)	(2,179)	(2,785)	(2,512)	(2,976)
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.					
NOTES: Under a single dry year, it is conservatively assumed that SRWA may receive only 38 percent of its requested surface water allocation from TID (refer to Table 7-5 [DWR Table 7-1 Wholesale]). The shortfall in surface water supply will be met by the Cities of Turlock and Ceres' groundwater wells.					

7.2.4 Water Service Reliability – Five-Consecutive-Year Drought

During a five-consecutive-year drought, Turlock's groundwater supply is not anticipated to be reduced. However, based on the historical five-consecutive-year drought between 2012 and 2016, SRWA's surface water allocations from TID are projected to be reduced to approximately 63 percent of full allocation in the first year, followed by a reduction to 71 percent of full allocation in the second year, 42 percent full allocation in the third year, 38 percent of full allocation in the fourth year, and 75 percent of full allocation in the fifth year.

Projected water demands during a five-consecutive-year drought are assumed to be consistent with those shown during a normal year.

7.2.4.1 City of Turlock

Table 7-12 (DWR Table 7-4 Retail [Potable]) compares Turlock's available potable supply and demand during a five-consecutive-year drought between the period of 2030 to 2050.

Despite the significant reduction in surface water from SRWA, Turlock anticipates having surplus supply during a five-consecutive-year drought through 2050.

Table 7-12. Multiple Dry Years Supply and Demand Comparison – Potable (DWR Table 7-4 Retail)

		2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
First year	Supply totals	11,077	11,077	14,216	15,271	15,271
	Use totals	6,895	7,644	8,393	9,142	9,892
	Surplus/(shortfall)	4,182	3,433	5,822	6,129	5,379
Second year	Supply totals	11,464	11,464	15,792	15,792	15,792
	Use totals	7,045	7,794	8,543	9,292	9,892
	Surplus/(shortfall)	4,419	3,670	7,249	6,500	5,901
Third year	Supply totals	10,060	10,060	13,902	13,902	13,902
	Use totals	7,194	7,944	8,693	9,442	9,892
	Surplus/(shortfall)	2,865	2,116	5,209	4,460	4,011
Fourth year	Supply totals	9,866	13,005	13,641	13,641	13,641
	Use totals	7,344	8,093	8,843	9,592	9,892
	Surplus/(shortfall)	2,522	4,912	4,799	4,050	3,750
Fifth year	Supply totals	11,658	14,797	16,053	16,053	16,053
	Use totals	7,494	8,243	8,992	9,742	9,892
	Surplus/(shortfall)	4,164	6,553	7,060	6,311	6,161

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.

NOTES: Increasing supply totals reflect Turlock and SRWA's future water supply projects, as defined in Chapter 6, that are needed to maintain adequate supply capacity to meet peak demands. The SRWA WTP Phase 2 Expansion is anticipated in 2041 for the purposes of this table, which will increase the WTP capacity from 19.9 MGD to 30 MGD.

Table 7-13 (DWR Table 7-4 Retail [Non-Potable]) compares Turlock's available non-potable supply and demand during a five-consecutive-year drought between the period of 2030 to 2050. During a five-consecutive-year drought, non-potable groundwater and recycled water supply and demand are not anticipated to change from normal year conditions. Therefore, the available supply and demand shown is consistent with Table 7-7 (DWR Table 7-2 Retail [Non-Potable]).

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Table 7-13. Multiple Dry Years Supply and Demand Comparison – Non-Potable (DWR Table 7-4 Retail)

		2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
First year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
Second year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
Third year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
Fourth year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
Fifth year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.

7.2.4.2 SRWA

Table 7-14 (DWR Table 7-4 Wholesale) compares SRWA's available surface water supply and wholesale demand during a five-consecutive-year drought between the period of 2030 to 2050.

Table 7-14 (DWR Table 7-4 Wholesale) shows that in some dry years with significantly reduced surface water allocations, SRWA's supply will be insufficient to meet the Cities' projected normal year surface water demands. In these years, the Cities will meet this shortfall by relying on their groundwater wells to meet the remaining water demand. The Cities may also implement demand management measures from their WSCPs as needed. Further discussion on the Cities' groundwater supplies and their adequacy to meet demands is addressed in Section 7.4.

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Table 7-14. Multiple Dry Years Supply and Demand Comparison (DWR Table 7-4 Wholesale)

		2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
First year	Supply totals	4,576	4,576	4,576	6,159	6,159
	Use totals	4,322	4,939	5,545	6,227	6,691
	Surplus/(shortfall)	254	(363)	(969)	(68)	(532)
Second year	Supply totals	5,157	5,157	6,941	6,941	6,941
	Use totals	4,445	5,060	5,681	6,320	6,691
	Surplus/(shortfall)	712	97	1,260	621	250
Third year	Supply totals	3,051	3,051	4,106	4,106	4,106
	Use totals	4,569	5,181	5,818	6,413	6,691
	Surplus/(shortfall)	(1,518)	(2,131)	(1,712)	(2,307)	(2,585)
Fourth year	Supply totals	2,760	2,760	3,715	3,715	3,715
	Use totals	4,692	5,303	5,954	6,505	6,691
	Surplus/(shortfall)	(1,932)	(2,542)	(2,239)	(2,791)	(2,976)
Fifth year	Supply totals	5,448	5,448	7,332	7,332	7,332
	Use totals	4,816	5,424	6,091	6,598	6,691
	Surplus/(shortfall)	632	24	1,241	734	641
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.						
NOTES: Per DWR Table 6-7 Wholesale, the SRWA WTP Phase 2 Expansion to 30 MGD capacity is anticipated between 2041 to 2045. For the purposes of this table, it is assumed to be completed in 2041.						

7.3 DROUGHT RISK ASSESSMENT

CWC §10635(b) requires that Turlock and SRWA prepare a DRA based on the supply condition associated with the five driest consecutive years on record. This supply condition is to be assumed to occur over the next five years, from 2026 through 2030.

For the purposes of this DRA, Turlock's raw water and recycled water supplies are assumed to be sufficient to meet non-potable demands and therefore are excluded from the DRA and its associated table (DWR Table 7-5 Retail [Non-Potable]). The DRA will only be performed for Turlock and SRWA's potable water supplies. This section reviews the data and methods used to define the DRA water shortage condition and evaluates each potable water source's reliability under the assumed drought condition. Total potable water supplies during the five-year drought are compared to projected potable water demands.

This DRA prepares Turlock and SRWA for a potential potable water shortage and for implementation of its WSCP, if necessary.

7.3.1 Data, Methods, and Basis for Water Shortage Condition

Turlock and SRWA's DRA was performed for 2026 through 2030 using the same five-consecutive-year drought conditions (2012 through 2016) presented in Section 7.2.4. A summary of the data and basis for the water shortage condition is provided in this section.

7.3.1.1 City of Turlock

Turlock's projected potable water demands for 2026 to 2029 were linearly interpolated between actual 2025 potable water demand of 6,146 MG and projected 2030 potable water demand of 6,895 MG (Table 4-6).

Table 7-15 summarizes Turlock's anticipated potable supplies for each year of the DRA. As previously discussed, Turlock's groundwater supply is not anticipated to be reduced during drought years. Available groundwater supply is projected to be 6,456 MG in 2026 and 2027 and increasing to 8,026 MG in 2028 due to Turlock's planned groundwater well projects defined in Chapter 6.

The SRWA WTP capacity is 15 MGD in 2026 (10 MGD allocated to Turlock) and anticipated to be expanded to 19.9 MGD by 2028 (13.3 MGD allocated to Turlock) due to the filter capacity study. Consistent with the five-consecutive-year drought in Section 7.2.4, Turlock's surface water supply from SRWA for the DRA is based on TID's water allocations for the most recent five-consecutive-year drought (2012-2016). Therefore, SRWA's allocations from TID are projected to be reduced to approximately 63 percent of full allocation in 2026, followed by a reduction to 71 percent of full allocation in 2027, 42 percent full allocation in 2028, 38 percent of full allocation in 2029, and 75 percent of full allocation in 2030.

Table 7-15. Turlock's Projected Potable Water Supplies for Drought Risk Assessment – Retail (MG)

Supply Source	2026 (Year 1)	2027 (Year 2)	2028 (Year 3)	2029 (Year 4)	2030 (Year 5)
Groundwater[(a)]	6,456	6,456	8,026	8,026	8,026
Purchased surface water from SRWA[(b)]	2,300	3,438	2,034	1,840	3,632
Total	**8,756**	**9,894**	**10,060**	**9,866**	**11,658**

(a) Turlock's groundwater supply is not anticipated to be reduced during drought years.
(b) Surface water supply allocations assumed to be reduced in equal proportion to TID's allocations during the 2012 to 2016 drought as shown in Table 7-4.

7.3.1.2 SRWA

SRWA's projected wholesale surface water demands for 2026 through 2030 are based on projections provided by SRWA's wholesale customers (i.e. the Cities).

Table 7-16 summarizes SRWA's anticipated available surface water supplies for each year of the DRA. Consistent with Turlock's DRA, the SRWA WTP capacity is 15 MGD in 2026 and anticipated to be expanded to 19.9 MGD by 2028 due to the filter capacity study expected to be completed in 2027. Surface water allocations are anticipated to be reduced by TID consistent with the five-consecutive-year drought described in Section 7.2.4.

Table 7-16. SRWA's Projected Potable Water Supplies for Drought Risk Assessment – Wholesale (MG)

Supply Source	2026 (Year 1)	2027 (Year 2)	2028 (Year 3)	2029 (Year 4)	2030 (Year 5)
Tuolumne River surface water[(a)]	3,449	5,157	3,051	2,760	5,448

(a) Surface water supply allocations assumed to be reduced in equal proportion to TID's allocations during the 2012 to 2016 drought as shown in Table 7-4. SRWA's WTP filter capacity study anticipated to be completed in 2027 with additional capacity available beginning in 2028.

7.3.2 DRA Water Source Reliability

The City of Turlock's potable water supplies include local groundwater, which is not anticipated to be impacted during drought periods, and surface water purchased from SRWA. Surface water from SRWA is anticipated to be reduced during drought periods as discussed in Section 7.3.1. During these periods, Turlock will use additional groundwater supplies to meet the remaining demand.

SRWA's sole water source for its wholesale customers is TID surface water. SRWA and its customers recognize that in drought years, water deliveries from TID could be reduced significantly. For this reason, they maintain adequate supply capacity from their groundwater wells to supplement water supply from SRWA during drought periods.

7.3.3 Total Water Supply and Use Comparison

7.3.3.1 City of Turlock

As shown in Table 7-17 (DWR Table 7-5 Retail), during a five-year drought beginning in 2026, Turlock's potable water supply is projected to be adequate to meet projected potable water demands through 2030, even without water conservation. However, Turlock may implement water conservation and demand management measures as mandated by the State during a state-wide drought emergency declaration.

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Table 7-17. Five Year Drought Risk Assessment Tables to Address Water Code Section 10635(b) (DWR Table 7-5 Retail)

2026	Total
Total Water Use (MG)	6,295
Total Supplies (MG)	8,756
Surplus/Shortfall w/o WSCP Action	2,461
2027	**Total**
Total Water Use (MG)	6,445
Total Supplies (MG)	9,894
Surplus/Shortfall w/o WSCP Action	3,450
2028	**Total**
Total Water Use (MG)	6,595
Total Supplies (MG)	10,060
Surplus/Shortfall w/o WSCP Action	3,465
2029	**Total**
Total Water Use (MG)	6,745
Total Supplies (MG)	9,866
Surplus/Shortfall w/o WSCP Action	3,121
2030	**Total**
Total Water Use (MG)	6,895
Total Supplies (MG)	11,658
Surplus/Shortfall w/o WSCP Action	4,763
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.	

7.3.3.2 SRWA

As shown in Table 7-18 (DWR Table 7-5 Wholesale), during a five-year drought beginning in 2026, SRWA's supplies do not meet projected demands for the first, third, and fourth year of the representative five-year drought. For years with significantly reduced surface water allocations, the Cities will meet this shortfall by relying on their existing groundwater supplies to meet the remaining water demand. Some combination of retail demand reduction efforts and SRWA's possible purchase or transfer of alternative Tuolumne River water supplies may also be used to meet this shortfall.

Table 7-18. Five Year Drought Risk Assessment Tables to Address Water Code Section 10635(b) (DWR Table 7-5 Wholesale)

2026	Total
Total Water Use (MG)	3,659
Total Supplies (MG)	3,449
Surplus/Shortfall w/o WSCP Action	(210)
2027	**Total**
Total Water Use (MG)	3,808
Total Supplies (MG)	5,157
Surplus/Shortfall w/o WSCP Action	1,349
2028	**Total**
Total Water Use (MG)	3,950
Total Supplies (MG)	3,051
Surplus/Shortfall w/o WSCP Action	(899)
2029	**Total**
Total Water Use (MG)	4,131
Total Supplies (MG)	2,760
Surplus/Shortfall w/o WSCP Action	(1,370)
2030	**Total**
Total Water Use (MG)	4,322
Total Supplies (MG)	5,448
Surplus/Shortfall w/o WSCP Action	1,126
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.	

7.4 WATER MANAGEMENT TOOLS AND OPTIONS

SRWA and the Cities of Turlock and Ceres utilize a conjunctive use strategy that aims to maximize surface water use while relying on their groundwater wells to meet peak demands and demands during water shortage events. As of 2025, Turlock's total groundwater well capacity is approximately 34.8 MGD, and Ceres' capacity is approximately 11.0 MGD.[4] The Cities' existing groundwater supplies and planned improvements are detailed in their respective 2025 WMPs. For water system operational purposes, both Cities maintain minimum production rates for their wells. Groundwater supplies will continue to be an important asset to be used in conjunction with SRWA's surface water, especially during dry years when surface water allocations are reduced.

The Cities plan to maintain adequate groundwater well capacity to meet demands even with significant reductions in surface water allocations. The Cities' 2025 WMPs evaluated the need for additional wells to meet future demands during years with significant surface water reductions, and these projects are now incorporated into the Cities' long-term capital improvement plans.

[4] Groundwater well capacities are based on the City of Turlock 2025 Water Master Plan, and City of Ceres 2025 Water Master Plan.

To maintain reliable groundwater supplies, the Cities will continue to maintain existing wells and replace or rehabilitate aging wells. Additionally, the Cities plan to construct new groundwater wells as new development increases system demand. As described in Chapter 6, the City of Turlock plans to install arsenic treatment on two existing wells in the next few years, and to construct six new wells with treatment by approximately 2040. These improvements will allow Turlock to meet increasing water demands through 2050, even during years with significantly reduced surface water supply. Similarly, the City of Ceres has been actively rehabilitating existing wells with wellhead treatment to maintain compliance with increasingly stringent water quality regulations. Ceres also has plans to rehabilitate aging wells and construct new wells for their planned Copper Trails Specific Plan and West Landing Specific Plan developments.[5]

SRWA's planned projects, including the WTP filter capacity study and Phase 2 expansion, will provide additional surface water supply capacity to help meet the Cities' future demands. During dry years with significantly reduced surface water allocations from TID, SRWA may explore possibilities for purchases or transfers of temporary supplemental water supplies from TID customers or other senior water right holders.

When shortfalls exist between SRWA surface water supplies and the Cities' demands, the Cities are primarily responsible for addressing shortfalls through some combination of demand management measures and increased reliance on groundwater supplies. During these dry periods, the Cities may also implement additional demand management measures as defined in their respective WSCPs.

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[5] City of Ceres. March 2025. *Water Master Plan Update.*

CHAPTER 8
Water Shortage Contingency Plan

This chapter discusses Turlock and SRWA's individual WSCPs, seismic risk to Turlock and SRWA's water system facilities, and WSCP adoption procedures. To allow for WSCP updates to be made outside of the UWMP preparation process, Turlock and SRWA's WSCPs are included in this plan separately as Appendix G and Appendix H, respectively.

8.1 BACKGROUND

Water shortages occur whenever the available water supply cannot meet the normally expected customer water use. These shortages can be due to several reasons, including climate change, drought, and catastrophic events. Drought, regulatory action constraints, and natural and manmade disasters may occur at any time. A WSCP presents how an urban water supplier plans to respond to a water shortage condition and helps prevent catastrophic service disruptions.

In 2018, the California State Legislature enacted two policy bills, SB 606 (Hertzberg) and AB 1668 (Friedman) (2018 Water Conservation Legislation), to establish a new foundation for long-term improvements in water conservation and drought planning to adapt to climate change and the resulting longer and more intense droughts in California. The 2018 Water Conservation Legislation set new requirements for water shortage contingency planning; Turlock and SRWA's WSCPs have been prepared to be consistent with these requirements.

8.2 WATER SHORTAGE CONTINGENCY PLAN

Turlock and SRWA's WSCPs were developed to provide a strategic plan for preparing and responding to water shortages. The WSCPs include water shortage stages and associated shortage response actions, as well as Turlock and SRWA's respective legal authorities, communication protocols, compliance and enforcement, and monitoring and reporting.

Turlock has made some updates to its 2020 WSCP with the preparation of this Joint 2025 UWMP to reflect Turlock's new surface water source from SRWA.

As SRWA recently developed its WSCP in 2024 during preparation of its 2020 UWMP, no changes to SRWA's WSCP have been made. SRWA's WSCP was adopted on October 17, 2024 as detailed in Section 8.4. The WSCP has been reviewed in light of the SRWA's current water supply reliability analysis and determined that it sufficiently enables SRWA to prepare for and respond to the State's standard water shortage levels.

Turlock and SRWA intend for its WSCPs to be adaptive management plans so that they may assess response action effectiveness and adapt to foreseeable and unforeseeable events. Therefore, Turlock and SRWA's WSCPs are included in this plan separately as Appendix G and Appendix H, respectively, to allow for updates to be made outside of the UWMP update preparation process. When an update to either of the WSCPs is proposed, the revised WSCP will undergo the process described in Section 8.3.

8.3 WATER SUPPLY RELIABILITY ANALYSIS

This section provides the water supply planning analysis and reliability findings from this Joint UWMP. The discussion below includes a summary of Turlock and SRWA's existing and projected water use (from Chapter 4 of the Joint UWMP), existing and planned water supplies by source (from Chapter 6), and the water supply reliability assessment and the Drought Risk Assessment (from Chapter 7).

This Joint UWMP indicates that Turlock can reliably meet their projected demands through 2050 in both normal and dry years. For a five-year drought (i.e., the Drought Risk Assessment and multiple dry years), no water supply shortfalls are anticipated for Turlock. In response to any supply shortfalls that may occur, Turlock may declare a water shortage condition (as described in Turlock's WSCP, Appendix G).

For SRWA, the water service reliability assessment and drought risk assessment show that in dry years with significantly reduced surface water allocations like the 2015 drought year, SRWA's supply will be insufficient to meet the Cities' projected normal year surface water demands. In these years, the Cities will meet this shortfall by relying on their groundwater wells to meet the remaining water demand.

Climate conditions, regional and statewide water supply conditions, and actions by surrounding agencies may impact Turlock and SRWA's available water supply. A water shortage condition occurs when the supply of potable water available cannot meet ordinary water demands for human health and safety. Turlock and SRWA may be able to foresee its water shortage condition in some cases, but an unforeseen sudden or emergency event (e.g., power outage or earthquake) may also cause a water shortage. In general, Turlock and SRWA's water supply conditions may be affected by the following:

- Groundwater quality
- Local surface water availability (TID allocations on the Tuolumne River)
- Changing environmental and regulatory requirements (Bay-Delta Plan, FERC licensing, groundwater contaminant limits, etc.)
- Climate change

Turlock plans for potential drought events annually. Turlock conducts an annual water supply and demand assessment in accordance with its WSCP to determine its water supply conditions for the current year and a potential subsequent dry year. The analysis conducted is in the context of Turlock and SRWA's water supply sources and reliability.

Seismic events present potential water supply interruptions due to infrastructure failure. Because earthquakes are common, well-tracked, and recognized as high-probability occurrences in California, UWMPs are required to include a seismic risk assessment and mitigation plan. Turlock and SRWA's plans are described in the section below.

8.3.1 Seismic Risk Assessment and Mitigation Plan

CWC §10632.5(a) requires that UWMPs also include a seismic risk assessment and mitigation plan to assess and mitigate a water system's seismic vulnerabilities. A Local Hazard Mitigation Plan (LHMP) or Risk and Resilience Assessment (RRA) may be incorporated in this UWMP to meet this requirement if it addresses seismic risk.

Turlock and SRWA's service area is located within Stanislaus County. As such, the Stanislaus County Multi-Jurisdictional HMP (Stanislaus County HMP, updated in November 2022), provides relevant information regarding local seismic risk and is incorporated herein by reference. The 2022 Stanislaus County HMP is available on the Stanislaus County website, and incorporated in this plan by reference: https://oes.stancounty.gov/divisions/emergency-management/multi-jurisdictional-hazard-mitigation-plan). The Stanislaus County HMP was adopted in November 2022 and submitted to the Federal Emergency Management Agency, which found it in conformance with Title 44 Code of Federal Regulations Part 201.6 Local Mitigation Plans. The HMP is required to be updated every five years.

Seismic activity within Stanislaus County has been historically rare, and there are no records of major seismic activity originating in the County. As described in the Stanislaus County HMP, there are no known active faults within the County. However, ground shaking from earthquakes with epicenters elsewhere have been felt; most recently in 2021 by the 6.0 magnitude on the Richter Scale earthquake centered in the Little Antelope Valley, in Mono County.

Nearby faults that are the principal sources of seismic activity affecting Stanislaus County are the San Andreas to the west; the Hayward and Calaveras faults to the northwest; the White Wolf, Garlock, and Sierra Nevada faults to the south; and the Bear Mountain Fault Zone east of Merced County. Most of the historic earthquakes that have impacted Stanislaus County had epicenters that occurred along the San Andreas and Hayward faults to the west of the County.

Turlock's water storage, treatment, and pumping facilities have been constructed to meet earthquake safety standards and are inspected regularly. Additionally, since SRWA's facilities were designed and constructed within the last decade, the facilities were constructed to meet and exceed the most recent seismic requirements in the building code.

Turlock and SRWA have implemented efforts in addressing their facilities' seismic vulnerabilities. In accordance with America's Water Infrastructure Act (AWIA), Turlock and SRWA prepared a risk and resilience assessment (RRA) of its water systems and self-certified their individual RRAs with the United States Environmental Protection Agency in 2025. The RRA systematically evaluated Turlock and SRWA's assets, threats, and risks, as well as countermeasures that might be implemented to minimize overall risk to the system. Vulnerability to natural hazards, including earthquakes, was assessed based on Turlock and SRWA's level of preparation/resilience, active response capability, and ability to recover. To ensure the security of Turlock and SRWA's water facilities, the RRAs will be retained as confidential documents.

8.4 PLAN ADOPTION, SUBMITTAL, AND AVAILABILITY

SRWA's WSCP was adopted concurrently with its 2020 UWMP on October 17, 2024 by separate resolution. Turlock's WSCP (Appendix G) is adopted concurrently with this Joint 2025 UWMP, by separate resolution. Prior to adoption, a duly noticed public hearing was conducted. An electronic copy of SRWA's WSCP was submitted to DWR in 2024. An electronic copy of the Turlock WSCP will be submitted to DWR within 30 days of adoption.

No later than 30 days after adoption, an electronic copy of Turlock's WSCP will be available for public review and download on Turlock's website, https://blog.cityofturlock.org/watersewergarbageservice/ and will be provided to Stanislaus County. SRWA's WSCP is available on its website, https://www.stanrwa.com/ and was provided to Stanislaus County.

Turlock and SRWA's WSCPs are adaptive management plans and are subject to refinements as needed to ensure that the shortage response actions and mitigation strategies are effective and produce the desired results. When a revised WSCP is proposed, the revised WSCP will undergo the process described above for adoption by Turlock City Council and/or SRWA's Board, and distribution to Stanislaus County, DWR, Turlock and SRWA's water customers, and the general public.

CHAPTER 9
Demand Management Measures

SRWA and Turlock implement DMMs to sustainably manage their water resources. If water demands are not managed, water service reliability may be reduced due to increases in water demand, and/or changes in water supplies associated with climate change and other factors. The implementation of DMMs can help improve water service reliability and help meet Turlock's and State water conservation goals. This chapter describes SRWA's DMMs as a wholesale supplier, as well as Turlock's implementation of DMMs in the past five years and continued plans for implementing and monitoring its water conservation program.

9.1 DEMAND MANAGEMENT MEASURES FOR WHOLESALE SUPPLIERS

As discussed in Chapter 6, SRWA provides treated surface water supply to its retailers on a wholesale basis. Since beginning water deliveries in November 2023, SRWA has continued to implement DMMs within its service area. The wholesale agency DMMs discussed in this Joint UWMP include the following:

- Metering
- Public education and outreach
- Water conservation program coordination and staffing support
- Other DMMs

In addition, a narrative of asset management and wholesale supplier assistance programs is provided. For each DMM, the current program is described, followed by a description of how the DMM has and will be implemented.

9.1.1 Metering

SRWA fully meters all water before and after treatment at the WTP, as well as immediately before introduction into its wholesale customers' distribution systems. SRWA also compares these numbers to those measured by its wholesale customers to ensure parity. In the event that SRWA's meter readings do not match those of its wholesale customers, SRWA will inspect all meters to ensure that they are within tolerance limits. Since beginning water deliveries in November 2023, SRWA's water meter readings have matched that of their wholesale customers. To ensure continued meter reading accuracy, SRWA contracts with a third-party to verify meter accuracy annually.

9.1.2 Public Education and Outreach

In addition to its wholesale customers' public education and outreach programs (refer to Section 9.2.4 for Turlock's public education and outreach programs), SRWA facilitates outreach through providing information on its website (stanrwa.com) and on social media outlets as well as periodically at public Board meetings. SRWA's commitment to public education and outreach is furthered by the distribution of an annual water quality report completed in conjunction with its wholesale customers.

9.1.3 Water Conservation Program Coordination and Staffing Support

SRWA's staff is closely integrated with the staff of its wholesale customers, the Cities of Turlock and Ceres, to facilitate communication and conservation objectives amongst stakeholders. All voting members of SRWA's Board of Directors consist of two Turlock City Council members and two City of Ceres City Council members. In addition, SRWA staff hold monthly Technical Advisory Committee meetings with staff from

the Cities to ensure regular communication on various projects and programs, including water conservation and public outreach coordination.

More information regarding Turlock's water conservation programs and staff support of the conservation programs can be found in Section 9.2.6. Additional information regarding the City of Ceres' water conservation programs can be found in the Ceres 2025 UWMP.

9.1.4 Other Demand Management Measures

SRWA does not have any other DMMs to report.

9.1.5 Asset Management

With the commissioning and start-up of SRWA's WTP, SRWA has implemented a new Computerized Maintenance Management System (CMMS). The CMMS is in service and is being configured for optimum benefit to SRWA and its operation of the WTP. The configuration will develop asset standards including asset hierarchy; asset classification; and risk factors such as criticality, condition, and risk ratings. The configuration will also develop maintenance standards including work type and work priority. These standards will help SRWA manage assets and prioritize work based on risk and support fiscal planning for long-term rehabilitation and replacement.

Through this effort, SRWA endeavors to maximize production efficiency and minimize system water losses.

9.1.6 Wholesale Supplier Assistance Programs

Although SRWA is not directly involved with urban water demand reduction as a wholesaler, SRWA supports its wholesale customers through on-going and continuous coordination, and promotion of water conservation and public outreach activities as described in Sections 9.1.2 and 9.1.3. SRWA does not have a dedicated DMM assistance program for its wholesale customers.

9.2 DEMAND MANAGEMENT MEASURES FOR RETAIL SUPPLIERS

Since the 2020 UWMP reporting cycle, Turlock continued to implement DMMs within its service area as part of its standard practice. This section summarizes the nature and extent of each of Turlock's DMMs implemented over the past five years. The following DMMs are discussed in this section:

- Water waste prevention ordinances
- Metering
- Conservation pricing
- Public education and outreach
- Programs to assess and manage distribution system real loss
- Water conservation program coordination and staffing support

Other DMMs implemented by Turlock that have had significant impacts on water use are also described.

The adoption of the Making Conservation a California Way of Life Regulation, described in Section 9.4, makes continued implementation of these DMMs a priority for Turlock. This regulation requires increasingly stringent water conservation requirements over time.

9.2.1 Water Waste Prevention Ordinances

Title 6, Chapter 7 of the Turlock Municipal Code includes provisions that prohibit the wasteful use of water. Article 3 of the Chapter provides regulations for:

- irrigation of outdoor landscaping;
- use of water for wash down of recreational vehicles, sidewalks, gutters, outside structures, or other exterior surfaces;
- limitations on constant flow of water for "slip-n-slides" and other recreational activities; and,
- use of a quick-acting automatic positive shut-off valve in proper operating condition for vehicle washing.

Further, the Chapter includes provisions that authorize actions associated with emergency water shortage conditions as described in Appendix G of this UWMP.

9.2.1.1 Implementation Over Recent Years

Table 9-1 lists the number of documented water waste violations recorded by Turlock over the past three years. As shown, there was a substantial increase in the number of recorded violations from 2023 to 2025 due to increased enforcement.

Table 9-1. Documented Water Waste Violations[(a)]

	2023	2024	2025
Number of Violations	156	274	633

(a) Written warnings and notices to customers, excludes informal interactions.

9.2.1.2 Implementation to Achieve Water Use Objectives

Implementation of this water waste prevention ordinance DMM is ongoing and will continue to help Turlock achieve its water use objectives by minimizing the non-essential uses of water to increase availability for human consumption, sanitation, and fire protection.

9.2.2 Metering

Turlock commenced meter-based billing for all its water accounts on January 1, 2011. In conjunction with a thorough public education campaign, the move to meter-based billing has resulted in a significant decrease in water consumption.

The installation of meters appears to have significantly modified customer behavior and is largely responsible for the 20 percent reduction in total City-wide water use from 2007 to 2011. The per capita water use, likewise, declined by 22 percent City-wide, 23 percent for single family residential and

8 percent for multi-family residential, between 2011 and 2015 as customers began receiving and responding to their usage-based monthly water bills.

Turlock plans to upgrade the majority of its existing AMR meters with AMI meters, as many of the existing water meters are reaching the end of their useful life. Meter replacement is important, as older meters may measure water use inaccurately and tend to under-register actual flows, leading to inaccurate billing and consumption data. This project will upgrade all residential meters to AMI in a phased approach.

Phase 1 is expected to begin in 2026 with the overall project anticipated to be completed within approximately 36 months. AMI provides two-way communication and near real-time water use data which can effectively influence customer's water use behavior. Once fully deployed, AMI will support water use efficiency by improving leak detection, system monitoring, and the timeliness and accuracy of water use information for both the customers and Turlock staff. Once AMI is implemented, City-wide customer water demand is expected to decrease noticeably from current levels of demand.

9.2.2.1 Implementation Over the Past Five Years

Implementation of metering appears to have led to significant reductions in per capita water use. Before meters were installed in 2011, the 2010 per capita water use was 284 GPCD. From 2021 through 2025, the per capita water use ranged from 227 GPCD to 248 GPCD. This recent water use data represents a reduction in per capita water use between 10 to 18 percent compared to the 2010 value of 284 GPCD before meters were installed. With this per capita water use reduction, Turlock was able to meet its SB X7-7 2020 water use target.

9.2.2.2 Implementation to Achieve Water Use Objectives

Implementation of this metering DMM is ongoing and will continue to help Turlock achieve its water use objectives by providing accurate water use information for the individual customer and Turlock as a whole. The implementation of AMI for residential meters is expected to further improve water use tracking and transparency for customers and Turlock.

9.2.3 Conservation Pricing

In 2017, Turlock, in conjunction with its consultant, Municipal Financial Services, prepared a water rate study to determine the adequacy of rates to meet projected expenditures of its water enterprise fund. Based on the findings of the study, Turlock subsequently adopted a five-year water rate increase schedule that went into effect March 1st of 2018. The final water rate increase of that schedule took effect January 1, 2022. Turlock's current water rates are available on Turlock's website at https://www.cityofturlock.org/watersewergarbageservice/billspayments/utilityservicerates/.

The current pricing structure is comprised of three components. The first is the commodity charge (i.e., usage charge), which is the cost of the water supply. Customers are charged per 1,000 gallons of water based on the account type. This component of the pricing structure provides financial incentivizes customers to conserve. The second component of the pricing structure is the capacity charge. This charge accounts for the cost of the meter, operation and maintenance, as well as other facility costs. This charge is based on the meter size. The third component of the pricing structure is the customer charge, which accounts for the cost of mailing and processing bills along with other administrative costs. The customer charge is the same amount regardless of meter size or account type.

Turlock is currently developing an updated water rate study to evaluate improved conservation pricing during water shortage reductions and to ensure that water rates are adequate to meet projected expenditures. Turlock currently plans to implement these updated rates in 2027.

9.2.3.1 Implementation Over the Past Five Years

As discussed in Section 9.2.2.1, the installation of water meters and the transition to meter-based billing have significantly reduced per capita water use compared to 2010 levels, prior to metering and meter-based billing.

9.2.3.2 Implementation to Achieve Water Use Objectives

Implementation of this conservation pricing DMM will continue to help Turlock achieve its water use objectives by ensuring water customers pay the true cost of water. Implementation of this DMM will also continue to help adequately fund water system operations and maintenance, including rehabilitation and replacement programs, and water conservation programs.

9.2.4 Public Education and Outreach

Turlock has an active public information and outreach program to promote water conservation. This program consists of distributing information to the public through a variety of methods, such as utility billing publication inserts, press releases via radio and newspaper, school curriculum, educational flyers, commercials on television, social media outreach, and water conservation tips and videos on Turlock's Water Conservation webpage (https://ci.turlock.ca.us/watersewergarbageservice/waterconservation/).

9.2.4.1 Implementation Over the Past Five Years

Since 2007, Turlock has implemented a prominent environmental stewardship program called "Go Green Week." This broad program focuses on conservation education, with program components including water use efficiency and conservation, stormwater pollution prevention, recycling, composting, and waste reduction habits.[1]

"Go Green Week" is Turlock's primary public education campaign for school-age children, which engages students in activities that teach the importance of environmentally responsible behavior. Now in its nineteenth year, "Go Green Week" is coordinated annually in March with participating schools in Turlock. Through a partnership of City staff, teachers, administrators, community organizations, and volunteers, students learn about conservation and pollution prevention strategies such as recycling, composting, water conservation and waste reduction. City staff also conduct periodic classroom presentations on water conservation and other environmental issues, as well as provide student tours of Turlock's wastewater treatment facility and SRWA's recently constructed WTP.

Turlock promotes "Go Green Week" and general water conservation public education and outreach via:

- Turlock's website and social media pages (Facebook and Instagram)
- Utility bill inserts
- Press releases

[1] City of Turlock. *Go Green Week.* Accessed at https://www.cityofturlock.org/specialevents/gogreenweek/.

- Print media campaigns/columns in local newspapers
- Booths at fairs/exhibitions
- Presentation to local service organizations and similar groups

9.2.4.2 Implementation to Achieve Water Use Objectives

Implementation of this public education and outreach DMM is ongoing and will continue to help Turlock achieve its water use objectives by educating water users about the importance of improving water use efficiency and avoiding water waste.

9.2.5 Programs to Assess and Manage Distribution System Real Loss

Turlock has an active water loss prevention program that tracks both real and apparent losses which are monitored by staff in the Municipal Services Department. Turlock also tracks typical water system activities associated with water losses including water main breaks; valve, hydrant, or service leaks; and relative accuracy of supply and demand meters.

As discussed previously in Section 4.3, beginning in 2016, water suppliers are required to report distribution system water losses based on the AWWA Water Audit Software. A water audit is a method of accounting water use throughout a water system to quantify unaccounted for water. Unaccounted for water is the difference between metered production and metered usage on a system-wide basis. With the implementation of meter-based billing for all water accounts, Turlock is better able to track water losses and unaccounted for water use.

9.2.5.1 Implementation Over the Past Five Years

Turlock uses AWWA's software to complete an annual Water Audits and Balance Analysis. Turlock's water audits from 2020 through 2024 are included in Appendix F.

Implementation of this DMM is ongoing and expected to help Turlock achieve its water use objectives by quickly identifying sources of water loss so repairs can be completed in a timely manner and water losses are minimized. In compliance with the DWR requirement, Turlock will continue to evaluate distribution system losses annually via the AWWA Water Audit Software and report to DWR. Turlock will continue to take actions to reduce water losses by improving metering accuracy and enhancing the overall data quality throughout the system, including a goal of full implementation of AMI before 2030.

In addition to the AWWA water audits, Turlock's water loss prevention program involves leak detection and repair, focusing primarily on areas with a high probability for leakage. Due to the flat nature of the San Joaquin Valley and the shallow depth of Turlock's water mains, water leaks are detected fairly easily. Utility staff monitor for water leaks as part of their daily operations and respond to calls from customers concerned about potential leaks. Although Turlock does not perform formal pipeline inspections at regular intervals, these "spot check" inspections help contribute to approximately 100 leak repairs per year.

9.2.5.2 Implementation to Achieve Water Use Objectives

Implementation of this DMM, to assess and manage distribution system real losses, is ongoing and will continue to help Turlock achieve its water use objectives by identifying sources of water loss quickly so repairs can be made and losses minimized.

9.2.6 Water Conservation Program Coordination and Staffing Support

Turlock has designated staff to actively develop, promote, enforce, and maintain water conservation programs. Certain tasks may include responding to water complaints, monitoring water waste, and checking for excess landscape water use.

Turlock has a Water Conservation Specialist/Field Services Technician and a Staff Services Assistant that each allocates approximately 20 hours per week, for a total of 40 hours per week, to implement and monitor Turlock's water conservation activities. Turlock also has additional staff that support Turlock's water conservation program including a Staff Services Analyst, Regulatory Affairs Manager, and Utilities Manager. Together, these five employees are responsible for implementing and monitoring Turlock's water conservation activities.

9.2.6.1 Implementation Over the Past Five Years

Over the past five years, Turlock's water conservation staff have continued to implement and monitor the DMMs discussed in this chapter. In recent years, outreach efforts have been strengthened through more consistent and timely use of social media; previously, outreach relied primarily on the City's website. Messaging delivered through bill inserts has been improved, and field enforcement efforts have been increased. The City continues to provide water conservation education and conservation tools to customers at City Hall and through participation in community events.

The effectiveness of this water conservation program support DMM is evaluated in conjunction with the success of Turlock's water conservation efforts as a whole. Meeting Turlock's water use objectives is a priority. As Turlock grows and water resources become more limited and expensive, and State water conservation regulations become increasingly stringent, the water conservation programs have increased in priority. As the water conservation program grows, the duties of City staff will increase, and additional staffing may be necessary.

9.2.6.2 Implementation to Achieve Water Use Objectives

Implementation of this DMM is ongoing and will continue to help Turlock achieve its water use objectives by implementing Turlock's water conservation program and ensuring its effectiveness.

9.2.7 Other Demand Management Measures

In addition to the six DMMs described above, Turlock also implements the following programs:

- Residential Water Survey Program
- Residential High-Efficiency Toilet Rebate Program
- High-Efficiency Washing Machine Rebate Program
- Large Landscape Conservation Program
- Conservation for Commercial and Industrial Accounts

These programs are described below.

9.2.7.1 Residential Water Survey Program

Turlock began implementation of its residential water survey program in 2010. The program was developed by City staff and consists of offering residential home water survey kits to Turlock's customers.[2]

The Home Water Survey Kit allows customers to perform a home water audit, gauging how efficient they are with their water use. By performing the audit, the customer can identify areas of potential improvement, as well as identify potential leaks.

The Home Water Survey Kit shows users how to read their water meter and use it to:

- Detect for leaks
- Evaluate if landscape is being irrigated appropriately
- Assess the efficiency of water fixtures and appliances
- Identify water saving opportunities

Free water conservation devices (e.g. low-flow shower heads and faucet aerators) are provided to customers who complete and submit a survey response form to Turlock's Municipal Services Department. Customers can request these survey kits online. Turlock also provides these kits directly to customers who are identified to have high water usage.

9.2.7.2 Residential WaterSense Toilet Rebate Program

Turlock's Municipal Services Department provides incentives for residential customers to replace existing toilets with high efficiency models that meet the EPA's WaterSense specifications. Turlock offers a rebate of $75 per toilet for the replacement of a 3.6 or greater gallons per flush (gpf) model with one that uses 1.28 gpf or less.[3] Replacing a high-water use toilet with a new high efficiency model of 1.28 gpf can save about 38 gallons of water each day.

9.2.7.3 High-Efficiency Washing Machine Rebate Program

Turlock's Municipal Services Department offers a high-efficiency washing machine rebate program which provides financial incentives to qualifying customers who install high-efficiency washing machines in their homes. A high-efficiency washing machine uses approximately 15 gallons of water per load of laundry, while a standard top-loading washing machine uses about 40 gallons of water per load.

Rebates for the purchase of high-efficiency clothes washers are available for up to $100 per washer.[3] In addition to Turlock's rebate, Turlock's main electrical utility (TID) currently offers a $50 rebate for customers who purchase a high-efficiency clothes washer (Energy Star compliant).[4] These rebates can be combined for additional savings.

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[2] City of Turlock. *Home Water Survey Kit.* Accessed at https://www.cityofturlock.org/watersewergarbageservice/waterconservation/homewatersurveykit.asp

[3] City of Turlock. *Rebates*. Accessed at https://ci.turlock.ca.us/watersewergarbageservice/waterconservation/rebates.asp.

[4] Turlock Irrigation District. *Residential Rebates.* Accessed at https://www.tid.org/customer-service/rebates-and-savings/residential-rebates/.

9.2.7.4 Large Landscape Conservation Program

Beginning in 2006, Turlock began monitoring water use of landscape and irrigation customers. This program was further enhanced by the installation of a fixed-based AMR system that allowed Turlock to monitor water consumption on a daily basis. Turlock has worked with large landscape customers such as the Turlock Unified School District and a number of religious institutions to increase efficiency and reduce overall water use. Turlock has also installed meters and AMR devices at all City parks and City-owned landscaped areas to ensure efficient landscape irrigation.

More recently, Turlock has developed a native, drought-tolerant plant initiative for implementation in 2026 at three different locations throughout the City. Turlock continues to provide useful resources for landscaping and reducing landscape irrigation water demand on its website (https://www.cityofturlock.org/buildinginturlock/landscaping/).

9.2.7.5 Conservation for Commercial and Industrial Accounts

Turlock's commercial, institutional, and industrial (CII) customers' sewer rates include both a monthly fixed service charge and a volumetric charge. In comparison, residential customers' sewer rates include only a monthly fixed service charge. This structure provides a significant financial incentive for CII customers to conserve water, since reductions in water use lower both their water and sewer service costs.

Following the Regional Water Quality Control Board's (Regional Board's) requirement that Turlock upgrade its RWQCF to disinfected tertiary treatment, Turlock's sewer rates increased and are now greater than its potable water rates. As a result, high volumetric sewer charges further encourage CII customers to adopt water-efficient practices. Every reduction in metered water use directly reduces their sewer costs.

Turlock's Environmental Compliance Inspector reviews CII water meter readings on a monthly basis, and conducts annual inspections of all significant industrial users. By analyzing meter data and production processes, Turlock's Environmental Compliance Inspector has been able to reduce water consumption for a variety of CII accounts.

9.3 MEMBER OF THE CALIFORNIA WATER EFFICIENCY PARTNERSHIP

Turlock is an active member of the California Water Efficiency Partnership (CalWEP) establishing a firm commitment to the implementation of DMMs to conserve its water supplies. Turlock plans to continue implementation of its DMMs into the future. Turlock also plans to comply with the Making Conservation a California Way of Life Regulation to meet its Urban Water Use Objectives (UWUOs), and with SB 555 water loss performance standards as part of its Water Loss Control Program.

Other DMMs may be implemented by Turlock (subject to City Council approval) as deemed necessary based on customer participation, water savings, cost effectiveness, and other relevant factors.

9.4 MEETING URBAN WATER USE OBJECTIVES

The Making Conservation a California Way of Life Legislation established a new framework for improvements in long-term urban water use efficiency. This Legislation builds on the statewide 2020 water conservation targets set under SB X7-7 (CWC §10609.2(d)). Under the Legislation, the State Water Board, in coordination with DWR, was required to adopt urban water use efficiency standards, variances, and performance measures by June 30, 2022.

On July 3, 2024, the State Water Board adopted specific Making Conservation a California Way of Life regulations. As part of this regulation, Urban Water Suppliers will be held to annual UWUOs. Turlock is required to calculate its UWUO annually, which is a sum of water efficiency budgets for the following uses:

- Residential indoor water use
- Residential outdoor water use
- Real water loss
- CII landscapes with dedicated irrigation meters (DIMs)

Turlock's UWUOs are calculated using statewide efficiency standards, and consider Turlock's water service area population, climate, and landscape area. Efficiency standards for the different components will become progressively more stringent from 2025 to 2040. Variances and adjustments may be allowed for special cases such as seasonal population fluctuation, special landscape areas (sports fields and recreational areas), potable recycled water use, and agricultural uses. Figure 9-1 summarizes the components that make up the UWUO.

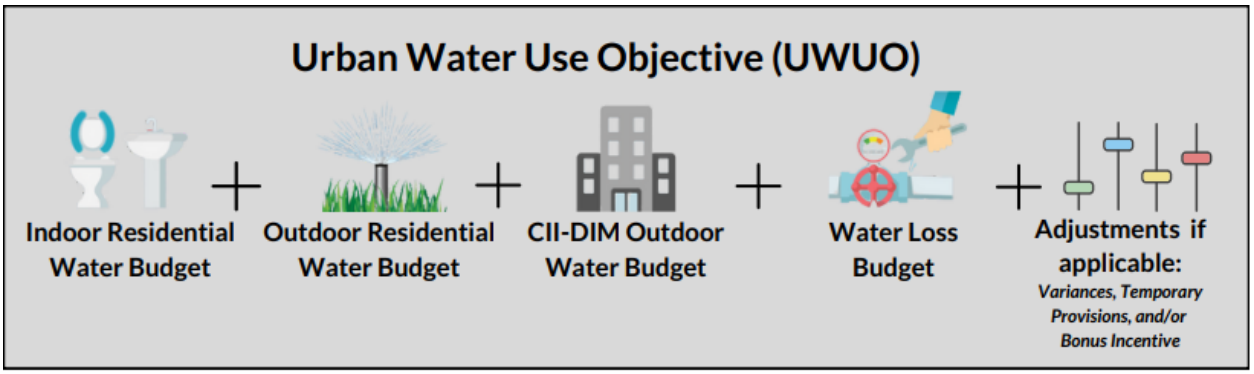


Figure 9-1. Urban Water Use Objective Components[5]

In addition to calculating and complying with the UWUO, beginning in 2027, Turlock will need to classify its CII properties, and begin deploying BMPs for indoor and outdoor CII water use. These CII performance measures are intended to enable water usage benchmarking per CII classification category, as well as establish BMPs for indoor and outdoor CII water use.

9.4.1 Annual Water Use Reporting

Starting in 2024, Turlock was required to calculate its UWUO, compare its actual water use to its UWUO, and provide an Annual Water Use Report to the State Water Board by January 1 of each year. Reporting is based on fiscal year data. Each year Turlock will need to recalculate its UWUO and meet the applicable UWUO for the year. If it does not meet its UWUO, Turlock will need to develop a plan and intensify existing DMMs or implement new DMMs to improve water use efficiency.

[5] California Water Efficiency Partnership. May 2024. *Making Conservation a California Way of Life Standards Framework Cut Sheet.*

Turlock submitted its Fiscal Year 2024/2025 Annual Water Use Report to the State Water Board on December 16, 2025, and will continue to prepare this report annually to assess its progress towards achieving its UWUO.

Reporting and compliance with the UWUO regulations falls under the authority of the State Water Board and is tracked separately from the UWMP. Thus, UWUO compliance projections are not included in this UWMP.

CHAPTER 10
Plan Adoption, Submittal, and Implementation

This chapter provides information regarding the notification, public hearing, adoption, and submittal of the SRWA and Turlock's Joint 2025 UWMP, and Turlock's WSCP. It also includes discussion on plan implementation and the process of amending the UWMP and the WSCP.

10.1 INCLUSION OF ALL 2025 DATA

As indicated in Section 2.4 of this plan, SRWA and Turlock use a calendar year for water supply and demand accounting, and therefore this plan includes data through December 2025.

10.2 NOTICE OF PUBLIC HEARING

In accordance with the UWMP Act, SRWA and Turlock must provide an opportunity for the public to provide input on this Joint 2025 UWMP, including Turlock's WSCP Update. SRWA and Turlock must consider all public input prior to its adoption. Audiences to be notified for the public hearing include cities, counties, neighboring water districts, and the public.

10.2.1 Notices to Cities and Counties

As discussed in Section 2.5, SRWA and Turlock provided greater than a 60-day notice regarding the preparation of its Joint 2025 UWMP and Turlock's WSCP Update to Stanislaus County as well as neighboring cities, communities, water agencies, and other interested parties as listed below:

- City of Ceres,
- City of Hughson,
- City of Modesto,
- Merced County,
- Denair Community Services District,
- Hilmar County Water District,
- Del Puerto Water District,
- Eastside Water District,
- Keyes Community Services District,
- Turlock Irrigation District,
- Merced Irrigation District,
- Modesto Irrigation District,
- California State University, Stanislaus,
- East Stanislaus Integrated Regional Water Management,
- East Turlock Subbasin GSA,
- West Turlock Subbasin GSA, and
- North Valley Regional Recycled Water Program.

The notices of preparation are included in Appendix D.

Upon substantial completion of this Joint 2025 UWMP and Turlock's WSCP Update, SRWA and Turlock coordinated internally and provided a notice of public hearing (Appendix D) to the County and Cities of

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Turlock and Ceres, as noted in Table 10-1 (DWR Table 10-1 Retail) and Table 10-2 (DWR Table 10-1 Wholesale).

Table 10-1. Retail: Notification to Cities and Counties (DWR Table 10-1 Retail)

City Name	60 Day Notice **Drop Down (yes/no)**	Notice of Public Hearing **Drop Down (yes/no)**
City of Turlock	Yes	Yes
City of Ceres	Yes	Yes
County Name Drop Down List	**60 Day Notice Drop Down (yes/no)**	**Notice of Public Hearing Drop Down (yes/no)**
Stanislaus County	Yes	Yes

Table 10-2. Wholesale: Notification to Cities and Counties (DWR Table 10-1 Wholesale)

☐	Check the box if the Supplier has notified more than 10 cities or counties in accordance with Water Code Sections 10621 (b) and 10642. **Completion of the table below is not required. Provide a separate list of the cities and counties that were notified.**	
	Provide the page or location of this list in the UWMP.	
☑	Check the box if the Supplier has notified 10 or fewer cities or counties. **Complete the table below.**	
City Name	60 Day Notice **Drop Down (yes/no)**	Notice of Public Hearing **Drop Down (yes/no)**
City of Turlock	Yes	Yes
City of Ceres	Yes	Yes
County Name **Drop Down List**	60 Day Notice **Drop Down (yes/no)**	Notice of Public Hearing **Drop Down (yes/no)**
Stanislaus County	Yes	Yes

10.2.2 Notice to the Public

As noted in Table 10-1 (DWR Table 10-1 Retail) and Table 10-2 (DWR Table 10-1 Wholesale), SRWA and Turlock issued a notice of public hearing to the public. SRWA and Turlock also provided a public review period following the notice and prior to adoption of the Joint 2025 UWMP and Turlock's WSCP Update to allow ample time for public comments to be prepared and received.

A notice of availability and public hearing was issued in accordance with Government Code § 6066 and was published three times in two local newspapers, the Turlock Journal and the Ceres Courier, to notify all customers and local governments of the public hearings. In addition, the notice was posted on the SRWA and Turlock websites. A copy of the published Notice of Public Hearing is included in Appendix D.

10.3 PUBLIC HEARING AND ADOPTION

SRWA and Turlock encouraged community participation in the development of this Joint 2025 UWMP and Turlock's WSCP Update using public notices and web-based communication. The notice included the times and places of the public hearings, as well as the locations where the plan is available for public inspection.

10.3.1 Public Hearing

Public hearings for the Joint 2025 UWMP and Turlock's WSCP Update were held by the SRWA Board and Turlock City Council on MM DD, 2026, and MM DD, 2026, respectively. The public hearings provided an opportunity for all SRWA and Turlock water users and the general public to become familiar with the Joint 2025 UWMP and Turlock's WSCP Update and ask questions about continuing plans for providing a reliable, safe, high-quality water supply, and mitigating potential water shortage conditions.

Copies of the draft Joint UWMP and Turlock's WSCP Update were made available for public inspection on the SRWA and Turlock websites.

10.3.2 Adoption

Following the public hearings, this Joint 2025 UWMP and Turlock's WSCP Update were adopted by SRWA Board of Directors on MM DD, 2026, and adopted by the Turlock City Council on MM DD, 2026. Turlock's WSCP was adopted by City Council concurrently with the Joint 2025 UWMP by separate resolution. Copies of the adopted resolutions are included in Appendix I.

10.4 PLAN SUBMITTAL

This Joint 2025 UWMP will be submitted to DWR within 30 days of adoption and by July 1, 2026. The adopted Joint 2025 UWMP will be submitted electronically to DWR using the Water Use Efficiency (WUE) data submittal tool. A compact disk (CD) of the adopted Joint 2025 UWMP will also be submitted to the California State Library.

No later than 30 days after adoption, a copy of the adopted Joint 2025 UWMP, including Turlock's WSCP Update, will be provided to the cities and counties to which SRWA and Turlock provides water.

10.5 PUBLIC AVAILABILITY

No later than 30 days after submittal to DWR, copies of this plan, including Turlock's adopted WSCP Update, will be available to the public during normal business hours at the following locations:

- City of Turlock, Municipal Services, 156 S Broadway Suite 270, Turlock, CA 95380; and
- Stanislaus Regional Water Authority Water Treatment Plant, 1235 Aldrich Road, Hughson CA 95326.

An electronic copy of the adopted Joint 2025 UWMP will also be available on the SRWA and the City of Turlock's website:

- SRWA: https://www.stanrwa.com/public-notices
- City of Turlock: https://www.cityofturlock.org/watersewergarbageservice/waterconservation/urbanwatermanagementplan.asp

Turlock's WSCP Update will also be available on the City of Turlock's website.

10.6 PLAN IMPLEMENTATION

This Joint 2025 UWMP will be the source document for any SB 610 Water Supply Assessments or SB 221 Water Supply Verifications required for any proposed projects between 2026 and 2030 that are subject to the California Environmental Quality Act and would demand an amount of water equivalent or greater than the amount of water required by a 500-dwelling-unit project. Also, this Joint 2025 UWMP will provide guidance and direction on development of new local supplies and implementation of water conservation programs.

10.7 AMENDING AN ADOPTED UWMP OR WSCP

SRWA and Turlock may amend its Joint 2025 UWMP and their respective WSCPs jointly or separately. If SRWA and/or Turlock amend one or both documents, SRWA and Turlock will follow the notification, public hearing, adoption, and submittal process described in Sections 10.2 through 10.4. In addition to submitting amendments to DWR through the WUE data portal, copies of amendments or changes to the plans will be submitted to the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

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Appendix A

Urban Water Management Planning Act Legislative Requirements

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WATER CODE - WAT

DIVISION 6. CONSERVATION, DEVELOPMENT, AND UTILIZATION OF STATE WATER RESOURCES [10000 - 12999]
(Heading of Division 6 amended by Stats. 1957, Ch. 1932.)

PART 2.55. SUSTAINABLE WATER USE AND DEMAND REDUCTION [10608 - 10609.42] *(Part 2.55 added by Stats.2009, 7th Ex. Sess., Ch. 4, Sec. 1.)*

CHAPTER 1. General Declarations and Policy [10608 - 10608.8] *(Chapter 1 added by Stats. 2009, 7th Ex. Sess., Ch. 4, Sec. 1.)*

10608.

The Legislature finds and declares all of the following:

(a) Water is a public resource that the California Constitution protects against waste and unreasonable use.

(b) Growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.

(c) Diverse regional water supply portfolios will increase water supply reliability and reduce dependence on the Delta.

(d) Reduced water use through conservation provides significant energy and environmental benefits, and can help protect water quality, improve stream flows, and reduce greenhouse gas emissions.

(e) The success of state and local water conservation programs to increase efficiency of water use is best determined on the basis of measurable outcomes related to water use or efficiency.

(f) Improvements in technology and management practices offer the potential for increasing water efficiency in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.

(g) The Governor has called for a 20 percent per capita reduction in urban water use statewide by 2020.

(h) The factors used to formulate water use efficiency targets can vary significantly from location to location based on factors including weather, patterns of urban and suburban development, and past efforts to enhance water use efficiency.

(i) Per capita water use is a valid measure of a water provider's efforts to reduce urban water use within its service area. However, per capita water use is less useful for measuring relative water use efficiency between different water providers. Differences in weather, historical patterns of urban and suburban development, and density of housing in a particular location need to be considered when assessing per capita water use as a measure of efficiency.

(*Added* by Stats. 2009, 7th Ex. Sess., Ch. 4, Sec. 1. (SB 7 7x) Effective February 3, 2010.)

10608.4

It is the intent of the Legislature, by the enactment of this part, to do all of the following:

(a) Require all water suppliers to increase the efficiency of use of this essential resource.

(b) Establish a framework to meet the state targets for urban water conservation identified in this part and called for by the Governor.

(c) Measure increased efficiency of urban water use on a per capita basis.

(d) Establish a method or methods for urban retail water suppliers to determine targets for achieving increased water use efficiency by the year 2020, in accordance with the Governor's goal of a 20-percent reduction.

(e) Establish consistent water use efficiency planning and implementation standards for urban water suppliers and agricultural water suppliers.

(f) Promote urban water conservation standards that are consistent with the California Urban Water Conservation Council's adopted best management practices and the requirements for demand management in Section 10631.

(g) Establish standards that recognize and provide credit to water suppliers that made substantial capital investments in urban water conservation since the drought of the early 1990s.

(h) Recognize and account for the investment of urban retail water suppliers in providing recycled water for beneficial uses.

(i) Require implementation of specified efficient water management practices for agricultural water suppliers.

(j) Support the economic productivity of California's agricultural, commercial, and industrial sectors.

(k) Advance regional water resources management.

(Added by Stats. 2009, 7th Ex. Sess., Ch. 4, Sec. 1. (SB 7 7x) Effective February 3, 2010.)

10608.8

(a) (1) Water use efficiency measures adopted and implemented pursuant to this part or Part 2.8 (commencing with Section 10800) are water conservation measures subject to the protections provided under Section 1011.

(2) Because an urban agency is not required to meet its urban water use target until 2020 pursuant to subdivision (a) of Section 10608.24, an urban retail water supplier's failure to meet those targets shall not establish a violation of law for purposes of any state administrative or judicial proceeding prior to January 1, 2021. Nothing in this paragraph limits the use of data reported to the department or the board in litigation or an administrative proceeding. This paragraph shall become inoperative on January 1, 2021.

(3) To the extent feasible, the department and the board shall provide for the use of water conservation reports required under this part to meet the requirements of Section 1011 for water conservation reporting.

(b) This part does not limit or otherwise affect the application of Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), Chapter 4.5 (commencing with Section 11400), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) This part does not require a reduction in the total water used in the agricultural or urban sectors, because other factors, including, but not limited to, changes in agricultural economics or population growth may have greater effects on water use. This part does not limit the economic productivity of California's agricultural, commercial, or industrial sectors.

(d) The requirements of this part do not apply to an agricultural water supplier that is a party to the Quantification Settlement Agreement, as defined in subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002, during the period within which the Quantification Settlement Agreement remains in effect. After the expiration of the Quantification Settlement Agreement, to the extent conservation water projects implemented as part of the Quantification Settlement Agreement remain in effect, the conserved water created as part of those projects shall be credited against the obligations of the agricultural water supplier pursuant to this part.

(Added by Stats. 2009, 7th Ex. Sess., Ch. 4, Sec. 1. (SB 7 7x) Effective February 3, 2010.)

WATER CODE - WAT

DIVISION 6. CONSERVATION, DEVELOPMENT, AND UTILIZATION OF STATE WATER RESOURCES [10000 - 12999] *(Heading of Division 6 amended by Stats. 1957, Ch. 1932.)*

PART 2.55. SUSTAINABLE WATER USE AND DEMAND REDUCTION [10608 - 10609.42] *(Part 2.55 added by Stats. 2009, 7th Ex. Sess., Ch. 4, Sec. 1.)*

CHAPTER 9. Urban Water Use Objectives and Water Use Reporting [10609 - 10609.38] *(Chapter 9 added by Stats. 2018, Ch. 15, Sec. 7.)*

10609. (a) The Legislature finds and declares that this chapter establishes a method to estimate the aggregate amount of water that would have been delivered the previous year by an urban retail water supplier if all that water had been used efficiently. This estimated aggregate water use is the urban retail water supplier's urban water use objective. The method is based on water use efficiency standards and local service area characteristics for that year. By comparing the amount of water actually used in the previous year with the urban water use objective, local urban water suppliers will be in a better position to help eliminate unnecessary use of water; that is, water used in excess of that needed to accomplish the intended beneficial use.

(b) The Legislature further finds and declares all of the following:

(1) This chapter establishes standards and practices for the following water uses:

(A) Indoor residential use.

(B) Outdoor residential use.

(C) CII water use.

(D) Water losses.

(E) Other unique local uses and situations that can have a material effect on an urban water supplier's total water use.

(2) This chapter further does all of the following:

(A) Establishes a method to calculate each urban water use objective.

(B) Considers recycled water quality in establishing efficient irrigation standards.

(C) Requires the department to provide or otherwise identify data regarding the unique local conditions to support the calculation of an urban water use objective.

(D) Provides for the use of alternative sources of data if alternative sources are shown to be as accurate as, or more accurate than, the data provided by the department.

(E) Requires annual reporting of the previous year's water use with the urban water use objective.

(F) Provides a bonus incentive for the amount of potable recycled water used the previous year when comparing the previous year's water use with the urban water use objective, of up to 10 percent of the urban water use objective.

(3) This chapter requires the department and the board to solicit broad public participation from stakeholders and other interested persons in the development of the standards and the adoption of regulations pursuant to this chapter.

(4) This chapter preserves the Legislature's authority over long-term water use efficiency target setting and ensures appropriate legislative oversight of the implementation of this chapter by doing all of the following:

(A) Requiring the Legislative Analyst to conduct a review of the implementation of this chapter, including compliance with the adopted standards and regulations, accuracy of the data, use of alternate data, and other

issues the Legislative Analyst deems appropriate.

(B) Stating legislative intent that the director of the department and the chairperson of the board appear before the appropriate Senate and Assembly policy committees to report on progress in implementing this chapter.

(C) Providing one-time-only authority to the department and board to adopt water use efficiency standards, except as explicitly provided in this chapter. Authorization to update the standards shall require separate legislation.

(c) It is the intent of the Legislature that the following principles apply to the development and implementation of long-term standards and urban water use objectives:

(1) Local urban retail water suppliers should have primary responsibility for meeting standards-based water use targets, and they shall retain the flexibility to develop their water supply portfolios, design and implement water conservation strategies, educate their customers, and enforce their rules.

(2) Long-term standards and urban water use objectives should advance the state's goals to mitigate and adapt to climate change.

(3) Long-term standards and urban water use objectives should acknowledge the shade, air quality, and heat-island reduction benefits provided to communities by trees through the support of water-efficient irrigation practices that keep trees healthy.

(4) The state should identify opportunities for streamlined reporting, eliminate redundant data submissions, and incentivize open access to data collected by urban and agricultural water suppliers.

(Amended by Stats. 2019, Ch. 497, Sec. 287. (AB 991) Effective January 1, 2020.)

10609.2. (a) The board, in coordination with the department, shall adopt long-term standards for the efficient use of water pursuant to this chapter on or before June 30, 2022.

(b) Standards shall be adopted for all of the following:

(1) Outdoor residential water use.

(2) Outdoor irrigation of landscape areas with dedicated irrigation meters in connection with CII water use.

(3) A volume for water loss.

(c) When adopting the standards under this section, the board shall consider the policies of this chapter and the proposed efficiency standards' effects on local wastewater management, developed and natural parklands, and urban tree health. The standards and potential effects shall be identified by May 30, 2022. The board shall allow for public comment on potential effects identified by the board under this subdivision.

(d) The long-term standards shall be set at a level designed so that the water use objectives, together with other demands excluded from the long-term standards such as CII indoor water use and CII outdoor water use not connected to a dedicated landscape meter, would exceed the statewide conservation targets required pursuant to Chapter 3 (commencing with Section 10608.16).

(e) The board, in coordination with the department, shall adopt by regulation variances recommended by the department pursuant to Section 10609.14 and guidelines and methodologies pertaining to the calculation of an urban retail water supplier's urban water use objective recommended by the department pursuant to Section 10609.16.

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.4. (a) (1) Until January 1, 2025, the standard for indoor residential water use shall be 55 gallons per capita daily.

(2) Beginning January 1, 2025, and until January 1, 2030, the standard for indoor residential water use shall be the greater of 52.5 gallons per capita daily or a standard recommended pursuant to subdivision (b).

(3) Beginning January 1, 2030, the standard for indoor residential water use shall be the greater of 50 gallons per capita daily or a standard recommended pursuant to subdivision (b).

(b) (1) The department, in coordination with the board, shall conduct necessary studies and investigations and may jointly recommend to the Legislature a standard for indoor residential water use that more appropriately reflects best practices for indoor residential water use than the standard described in subdivision (a). A report on the results of the studies and investigations shall be made to the chairpersons of the relevant policy committees of each house of the Legislature by January 1, 2021, and shall include information necessary to support the recommended standard, if there is one. The studies and investigations shall also include an analysis of the benefits and impacts of how the changing standard for indoor residential water use will impact water and wastewater

management, including potable water usage, wastewater, recycling and reuse systems, infrastructure, operations, and supplies.

(2) The studies, investigations, and report described in paragraph (1) shall include collaboration with, and input from, a broad group of stakeholders, including, but not limited to, environmental groups, experts in indoor plumbing, and water, wastewater, and recycled water agencies.

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.6. (a) (1) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, standards for outdoor residential use for adoption by the board in accordance with this chapter.

(2) (A) The standards shall incorporate the principles of the model water efficient landscape ordinance adopted by the department pursuant to the Water Conservation in Landscaping Act (Article 10.8 (commencing with Section 65591) of Chapter 3 of Division 1 of Title 7 of the Government Code).

(B) The standards shall apply to irrigable lands.

(C) The standards shall include provisions for swimming pools, spas, and other water features. Ornamental water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, shall be analyzed separately from swimming pools and spas.

(b) The department shall, by January 1, 2021, provide each urban retail water supplier with data regarding the area of residential irrigable lands in a manner that can reasonably be applied to the standards adopted pursuant to this section.

(c) The department shall not recommend standards pursuant to this section until it has conducted pilot projects or studies, or some combination of the two, to ensure that the data provided to local agencies are reasonably accurate for the data's intended uses, taking into consideration California's diverse landscapes and community characteristics.

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.8. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, standards for outdoor irrigation of landscape areas with dedicated irrigation meters or other means of calculating outdoor irrigation use in connection with CII water use for adoption by the board in accordance with this chapter.

(b) The standards shall incorporate the principles of the model water efficient landscape ordinance adopted by the department pursuant to the Water Conservation in Landscaping Act (Article 10.8 (commencing with Section 65591) of Chapter 3 of Division 1 of Title 7 of the Government Code).

(c) The standards shall include an exclusion for water for commercial agricultural use meeting the definition of subdivision (b) of Section 51201 of the Government Code.

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.9. For purposes of Sections 10609.6 and 10609.8, "principles of the model water efficient landscape ordinance" means those provisions of the model water efficient landscape ordinance applicable to the establishment or determination of the amount of water necessary to efficiently irrigate both new and existing landscapes. These provisions include, but are not limited to, all of the following:

(a) Evapotranspiration adjustment factors, as applicable.

(b) Landscape area.

(c) Maximum applied water allowance.

(d) Reference evapotranspiration.

(e) Special landscape areas, including provisions governing evapotranspiration adjustment factors for different types of water used for irrigating the landscape.

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.10. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, performance measures for CII water use for adoption by the board in accordance with this chapter.

(b) Prior to recommending performance measures for CII water use, the department shall solicit broad public participation from stakeholders and other interested persons relating to all of the following:

(1) Recommendations for a CII water use classification system for California that address significant uses of water.

(2) Recommendations for setting minimum size thresholds for converting mixed CII meters to dedicated irrigation meters, and evaluation of, and recommendations for, technologies that could be used in lieu of requiring dedicated irrigation meters.

(3) Recommendations for CII water use best management practices, which may include, but are not limited to, water audits and water management plans for those CII customers that exceed a recommended size, volume of water use, or other threshold.

(c) Recommendations of appropriate performance measures for CII water use shall be consistent with the October 21, 2013, report to the Legislature by the Commercial, Industrial, and Institutional Task Force entitled "Water Use Best Management Practices," including the technical and financial feasibility recommendations provided in that report, and shall support the economic productivity of California's commercial, industrial, and institutional sectors.

(d) (1) The board, in coordination with the department, shall adopt performance measures for CII water use on or before June 30, 2022.

(2) Each urban retail water supplier shall implement the performance measures adopted by the board pursuant to paragraph (1).

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.12. The standards for water loss for urban retail water suppliers shall be the standards adopted by the board pursuant to subdivision (i) of Section 10608.34.

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.14. (a) The department, in coordination with the board, shall conduct necessary studies and investigations and, no later than October 1, 2021, recommend for adoption by the board in accordance with this chapter appropriate variances for unique uses that can have a material effect on an urban retail water supplier's urban water use objective.

(b) Appropriate variances may include, but are not limited to, allowances for the following:

(1) Significant use of evaporative coolers.

(2) Significant populations of horses and other livestock.

(3) Significant fluctuations in seasonal populations.

(4) Significant landscaped areas irrigated with recycled water having high levels of total dissolved solids.

(5) Significant use of water for soil compaction and dust control.

(6) Significant use of water to supplement ponds and lakes to sustain wildlife.

(7) Significant use of water to irrigate vegetation for fire protection.

(8) Significant use of water for commercial or noncommercial agricultural use.

(c) The department, in recommending variances for adoption by the board, shall also recommend a threshold of significance for each recommended variance.

(d) Before including any specific variance in calculating an urban retail water supplier's water use objective, the urban retail water supplier shall request and receive approval by the board for the inclusion of that variance.

(e) The board shall post on its Internet Web site all of the following:

(1) A list of all urban retail water suppliers with approved variances.

(2) The specific variance or variances approved for each urban retail water supplier.

(3) The data supporting approval of each variance.

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.15. To help streamline water data reporting, the department and the board shall do all of the following:

(a) Identify urban water reporting requirements shared by both agencies, and post on each agency's Internet Web site how the data is used for planning, regulatory, or other purposes.

(b) Analyze opportunities for more efficient publication of urban water reporting requirements within each agency, and analyze how each agency can integrate various data sets in a publicly accessible location, identify priority actions, and implement priority actions identified in the analysis.

(c) Make appropriate data pertaining to the urban water reporting requirements that are collected by either agency available to the public according to the principles and requirements of the Open and Transparent Water Data Act (Part 4.9 (commencing with Section 12400)).

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.16. The department, in coordination with the board, shall conduct necessary studies and investigations and recommend, no later than October 1, 2021, guidelines and methodologies for the board to adopt that identify how an urban retail water supplier calculates its urban water use objective. The guidelines and methodologies shall address, as necessary, all of the following:

(a) Determining the irrigable lands within the urban retail water supplier's service area.

(b) Updating and revising methodologies described pursuant to subparagraph (A) of paragraph (1) of subdivision (h) of Section 10608.20, as appropriate, including methodologies for calculating the population in an urban retail water supplier's service area.

(c) Using landscape area data provided by the department or alternative data.

(d) Incorporating precipitation data and climate data into estimates of a urban retail water supplier's outdoor irrigation budget for its urban water use objective.

(e) Estimating changes in outdoor landscape area and population, and calculating the urban water use objective, for years when updated landscape imagery is not available from the department.

(f) Determining acceptable levels of accuracy for the supporting data, the urban water use objective, and compliance with the urban water use objective.

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.18. The department and the board shall solicit broad public participation from stakeholders and other interested persons in the development of the standards and the adoption of regulations pursuant to this chapter. The board shall hold at least one public meeting before taking any action on any standard or variance recommended by the department.

(Added by Stats. 2018, Ch. 15, Sec. 7. (AB 1668) Effective January 1, 2019.)

10609.20. (a) Each urban retail water supplier shall calculate its urban water use objective no later than January 1, 2024, and by January 1 every year thereafter.

(b) The calculation shall be based on the urban retail water supplier's water use conditions for the previous calendar or fiscal year.

(c) Each urban water supplier's urban water use objective shall be composed of the sum of the following:

(1) Aggregate estimated efficient indoor residential water use.

(2) Aggregate estimated efficient outdoor residential water use.

(3) Aggregate estimated efficient outdoor irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with CII water use.

(4) Aggregate estimated efficient water losses.

(5) Aggregate estimated water use in accordance with variances, as appropriate.

(d) (1) An urban retail water supplier that delivers water from a groundwater basin, reservoir, or other source that is augmented by potable reuse water may adjust its urban water use objective by a bonus incentive calculated pursuant to this subdivision.

(2) The water use objective bonus incentive shall be the volume of its potable reuse delivered to residential water users and to landscape areas with dedicated irrigation meters in connection with CII water use, on an acre-foot basis.

(3) The bonus incentive pursuant to paragraph (1) shall be limited in accordance with one of the following:

(A) The bonus incentive shall not exceed 15 percent of the urban water supplier's water use objective for any potable reuse water produced at an existing facility.

(B) The bonus incentive shall not exceed 10 percent of the urban water supplier's water use objective for any potable reuse water produced at any facility that is not an existing facility.

(4) For purposes of this subdivision, "existing facility" means a facility that meets all of the following:

(A) The facility has a certified environmental impact report, mitigated negative declaration, or negative declaration on or before January 1, 2019.

(B) The facility begins producing and delivering potable reuse water on or before January 1, 2022.

(C) The facility uses microfiltration and reverse osmosis technologies to produce the potable reuse water.

(e) (1) The calculation of the urban water use objective shall be made using landscape area and other data provided by the department and pursuant to the standards, guidelines, and methodologies adopted by the board. The department shall provide data to the urban water supplier at a level of detail sufficient to allow the urban water supplier to verify its accuracy at the parcel level.

(2) Notwithstanding paragraph (1), an urban retail water supplier may use alternative data in calculating the urban water use objective if the supplier demonstrates to the department that the alternative data are equivalent, or superior, in quality and accuracy to the data provided by the department. The department may provide technical assistance to an urban retail water supplier in evaluating whether the alternative data are appropriate for use in calculating the supplier's urban water use objective.

(Amended by Stats. 2019, Ch. 239, Sec. 2. (AB 1414) Effective January 1, 2020.)

10609.21. (a) For purposes of Section 10609.20, and notwithstanding paragraph (4) of subdivision (d) of Section 10609.20, "existing facility" also includes the North City Project, phase one of the Pure Water San Diego Program, for which an environmental impact report was certified on April 10, 2018.

(b) This section shall become operative on January 1, 2019.

(Added by Stats. 2018, Ch. 453, Sec. 4. (SB 875) Effective September 17, 2018. Section operative January 1, 2019, by its own provisions.)

10609.22. (a) An urban retail water supplier shall calculate its actual urban water use no later than January 1, 2024, and by January 1 every year thereafter.

(b) The calculation shall be based on the urban retail water supplier's water use for the previous calendar or fiscal year.

(c) Each urban water supplier's urban water use shall be composed of the sum of the following:

(1) Aggregate residential water use.

(2) Aggregate outdoor irrigation of landscape areas with dedicated irrigation meters in connection with CII water use.

(3) Aggregate water losses.

(Amended by Stats. 2019, Ch. 239, Sec. 3. (AB 1414) Effective January 1, 2020.)

10609.24. (a) An urban retail water supplier shall submit a report to the department no later than January 1, 2024, and by January 1 every year thereafter. The report shall include all of the following:

(1) The urban water use objective calculated pursuant to Section 10609.20 along with relevant supporting data.

(2) The actual urban water use calculated pursuant to Section 10609.22 along with relevant supporting data.

(3) Documentation of the implementation of the performance measures for CII water use.

(4) A description of the progress made towards meeting the urban water use objective.

(5) The validated water loss audit report conducted pursuant to Section 10608.34.

(b) The department shall post the reports and information on its internet website.

(c) The board may issue an information order or conservation order to, or impose civil liability on, an entity or individual for failure to submit a report required by this section.

(Amended by Stats. 2019, Ch. 239, Sec. 4. (AB 1414) Effective January 1, 2020.)

10609.25. As part of the first report submitted to the department by an urban retail water supplier no later than January 1, 2024, pursuant to subdivision (a) of Section 10609.24, each urban retail water supplier shall provide a

narrative that describes the water demand management measures that the supplier plans to implement to achieve its urban water use objective by January 1, 2027.

(Added by Stats. 2019, Ch. 239, Sec. 5. (AB 1414) Effective January 1, 2020.)

10609.26. (a) (1) On and after January 1, 2024, the board may issue informational orders pertaining to water production, water use, and water conservation to an urban retail water supplier that does not meet its urban water use objective required by this chapter. Informational orders are intended to obtain information on supplier activities, water production, and conservation efforts in order to identify technical assistance needs and assist urban water suppliers in meeting their urban water use objectives.

(2) In determining whether to issue an informational order, the board shall consider the degree to which the urban retail water supplier is not meeting its urban water use objective, information provided in the report required by Section 10609.24, and actions the urban retail water supplier has implemented or will implement in order to help meet the urban water use objective.

(3) The board shall share information received pursuant to this subdivision with the department.

(4) An urban water supplier may request technical assistance from the department. The technical assistance may, to the extent available, include guidance documents, tools, and data.

(b) On and after January 1, 2025, the board may issue a written notice to an urban retail water supplier that does not meet its urban water use objective required by this chapter. The written notice may warn the urban retail water supplier that it is not meeting its urban water use objective described in Section 10609.20 and is not making adequate progress in meeting the urban water use objective, and may request that the urban retail water supplier address areas of concern in its next annual report required by Section 10609.24. In deciding whether to issue a written notice, the board may consider whether the urban retail water supplier has received an informational order, the degree to which the urban retail water supplier is not meeting its urban water use objective, information provided in the report required by Section 10609.24, and actions the urban retail water supplier has implemented or will implement in order to help meet its urban water use objective.

(c) (1) On and after January 1, 2026, the board may issue a conservation order to an urban retail water supplier that does not meet its urban water use objective. A conservation order may consist of, but is not limited to, referral to the department for technical assistance, requirements for education and outreach, requirements for local enforcement, and other efforts to assist urban retail water suppliers in meeting their urban water use objective.

(2) In issuing a conservation order, the board shall identify specific deficiencies in an urban retail water supplier's progress towards meeting its urban water use objective, and identify specific actions to address the deficiencies.

(3) The board may request that the department provide an urban retail water supplier with technical assistance to support the urban retail water supplier's actions to remedy the deficiencies.

(d) A conservation order issued in accordance with this chapter may include requiring actions intended to increase water-use efficiency, but shall not curtail or otherwise limit the exercise of a water right, nor shall it require the imposition of civil liability pursuant to Section 377.

(Amended by Stats. 2019, Ch. 239, Sec. 6. (AB 1414) Effective January 1, 2020.)

10609.27. Notwithstanding Section 10609.26, the board shall not issue an information order, written notice, or conservation order pursuant to Section 10609.26 if both of the following conditions are met:

(a) The board determines that the urban retail water supplier is not meeting its urban water use objective solely because the volume of water loss exceeds the urban retail water supplier's standard for water loss.

(b) Pursuant to Section 10608.34, the board is taking enforcement action against the urban retail water supplier for not meeting the performance standards for the volume of water losses.

(Added by Stats. 2019, Ch. 203, Sec. 1. (SB 134) Effective January 1, 2020.)

10609.28. The board may issue a regulation or informational order requiring a wholesale water supplier, an urban retail water supplier, or a distributor of a public water supply, as that term is used in Section 350, to provide a monthly report relating to water production, water use, or water conservation.

(Added by Stats. 2018, Ch. 14, Sec. 12. (SB 606) Effective January 1, 2019.)

10609.30. On or before January 10, 2024, the Legislative Analyst shall provide to the appropriate policy committees of both houses of the Legislature and the public a report evaluating the implementation of the water use efficiency

standards and water use reporting pursuant to this chapter. The board and the department shall provide the Legislative Analyst with the available data to complete this report.

(a) The report shall describe all of the following:

(1) The rate at which urban retail water users are complying with the standards, and factors that might facilitate or impede their compliance.

(2) The accuracy of the data and estimates being used to calculate urban water use objectives.

(3) Indications of the economic impacts, if any, of the implementation of this chapter on urban water suppliers and urban water users, including CII water users.

(4) The frequency of use of the bonus incentive, the volume of water associated with the bonus incentive, value to urban water suppliers of the bonus incentive, and any implications of the use of the bonus incentive on water use efficiency.

(5) The early indications of how implementing this chapter might impact the efficiency of statewide urban water use.

(6) Recommendations, if any, for improving statewide urban water use efficiency and the standards and practices described in this chapter.

(7) Any other issues the Legislative Analyst deems appropriate.

(Added by Stats. 2018, Ch. 14, Sec. 13. (SB 606) Effective January 1, 2019.)

10609.32. It is the intent of the Legislature that the chairperson of the board and the director of the department appear before the appropriate policy committees of both houses of the Legislature on or around January 1, 2026, and report on the implementation of the water use efficiency standards and water use reporting pursuant to this chapter. It is the intent of the Legislature that the topics to be covered include all of the following:

(a) The rate at which urban retail water suppliers are complying with the standards, and factors that might facilitate or impede their compliance.

(b) What enforcement actions have been taken, if any.

(c) The accuracy of the data and estimates being used to calculate urban water use objectives.

(d) Indications of the economic impacts, if any, of the implementation of this chapter on urban water suppliers and urban water users, including CII water users.

(e) The frequency of use of the bonus incentive, the volume of water associated with the bonus incentive, value to urban water suppliers of the bonus incentive, and any implications of the use of the bonus incentive on water use efficiency.

(f) An assessment of how implementing this chapter is affecting the efficiency of statewide urban water use.

(Added by Stats. 2018, Ch. 14, Sec. 14. (SB 606) Effective January 1, 2019.)

10609.34. Notwithstanding Section 15300.2 of Title 14 of the California Code of Regulations, an action of the board taken under this chapter shall be deemed to be a Class 8 action, within the meaning of Section 15308 of Title 14 of the California Code of Regulations, provided that the action does not involve relaxation of existing water conservation or water use standards.

(Added by Stats. 2018, Ch. 14, Sec. 15. (SB 606) Effective January 1, 2019.)

10609.36. (a) Nothing in this chapter shall be construed to determine or alter water rights. Sections 1010 and 1011 apply to water conserved through implementation of this chapter.

(b) Nothing in this chapter shall be construed to authorize the board to update or revise water use efficiency standards authorized by this chapter except as explicitly provided in this chapter. Authorization to update the standards beyond that explicitly provided in this chapter shall require separate legislation.

(c) Nothing in this chapter shall be construed to limit or otherwise affect the use of recycled water as seawater barriers for groundwater salinity management.

(Added by Stats. 2018, Ch. 14, Sec. 16. (SB 606) Effective January 1, 2019.)

10609.38. The board may waive the requirements of this chapter for a period of up to five years for any urban retail water supplier whose water deliveries are significantly affected by changes in water use as a result of damage from a disaster such as an earthquake or fire. In establishing the period of a waiver, the board shall take into

consideration the breadth of the damage and the time necessary for the damaged areas to recover from the disaster.

(Added by Stats. 2018, Ch. 14, Sec. 17. (SB 606) Effective January 1, 2019.)

DIVISION 6. CONSERVATION, DEVELOPMENT, AND UTILIZATION OF STATE WATER RESOURCES [10000 - 12999]
(Heading of Division 6 amended by Stats. 1957, Ch. 1932.)

PART 2.6. URBAN WATER MANAGEMENT PLANNING [10610 - 10657] *(Part 2.6 added by Stats. 1983, Ch. 1009, Sec..)*

CHAPTER 1. General Declaration and Policy [10610 - 10610.4] ***(Chapter 1 added by Stats. 1983, Ch. 1009, Alec. 1.)***

10610 This part shall be known and may be cited as the "Urban Water Management Planning Act."
(Added by Stats. 1983, Ch. 1009, Sec. 1.)

10610.2. (a) The Legislature finds and declares all of the following:

(1) The waters of the state are a limited and renewable resource subject to ever-increasing demands.

(2) The conservation and efficient use of urban water supplies are of statewide concern; however, the planning for that use and the implementation of those plans can best be accomplished at the local level.

(3) A long-term, reliable supply of water is essential to protect the productivity of California's businesses and economic climate, and increasing long-term water conservation among Californians, improving water use efficiency within the state's communities and agricultural production, and strengthening local and regional drought planning are critical to California's resilience to drought and climate change.

(4) As part of its long-range planning activities, every urban water supplier should make every effort to ensure the appropriate level of reliability in its water service sufficient to meet the needs of its various categories of customers during normal, dry, and multiple dry water years now and into the foreseeable future, and every urban water supplier should collaborate closely with local land-use authorities to ensure water demand forecasts are consistent with current land-use planning.

(5) Public health issues have been raised over a number of contaminants that have been identified in certain local and imported water supplies.

(6) Implementing effective water management strategies, including groundwater storage projects and recycled water projects, may require specific water quality and salinity targets for meeting groundwater basins water quality objectives and promoting beneficial use of recycled water.

(7) Water quality regulations are becoming an increasingly important factor in water agencies' selection of raw water sources, treatment alternatives, and modifications to existing treatment facilities.

(8) Changes in drinking water quality standards may also impact the usefulness of water supplies and may ultimately impact supply reliability.

(9) The quality of source supplies can have a significant impact on water management strategies and supply reliability.

(b) This part is intended to provide assistance to water agencies in carrying out their long-term resource planning responsibilities to ensure adequate water supplies to meet existing and future demands for water.
(Amended by Stats. 201B, Ch. 14, Sec. 18. (SB 606) Effective January 1, 201 9.)

10610.4 The Legislature finds and declares that it is the policy of the state as follows:

(a) The management of urban water demands and efficient use of water shall be actively pursued to protect both the people of the state and their water resources.

CHAPTER 2. Definitions [10611 - 1 0618] ***(Chapter 2 added by Stats. 1983, Ch. 1009, iec. 1.)***

10611. Unless the context otherwise requires, the definitions of this chapter govern the construction of this part.

(Added by Stats. 1983, Ch. 1009, Sec. 1.)

10611.3 "Customer" means a purchaser of water from a water supplier who uses the water for municipal purposes, including residential, commercial, governmental, and industrial uses.

Added by renumbering Section 10612 by Stats. 2018, Ch. 14, Sec. 20. (SB 606) Effective January 1, 2019.)

10611.5 "Demand management" means those water conservation measures, programs, and incentives that prevent the waste of water and promote the reasonable and efficient use and reuse of available supplies.

(Amended by Stats. 1995, Ch. 854, Sec. 3. Effective January 1, 1996.)

10612 "Drought risk assessment" means a method that examines water shortage risks based on the driest five- year historic sequence for the agency's water supply, as described in subdivision (b) of Section 10635.

(Added by Stats. 2018, Ch. 14, Sec. 21. (SB 606) Effective January 1, 201 9.)

10613. "Efficient use" means those management measures that result in the most effective use of water so as to prevent its waste or unreasonable use or unreasonable method of use.

(Added by :3tats. 1983, Ch. 1009, Exec. 1.)

10614. "Person" means any individual, firm, association, organization, partnership, business, trust, corporation, company, public agency, or any agency of such an entity.

(Added by Stats. 1983, Ch. 1009, Sec. 1.)

10615. "Plan" means an urban water management plan prepared pursuant to this part. A plan shall describe and evaluate sources of supply, reasonable and practical efficient uses, reclamation and demand management activities. The components of the plan may vary according to an individual community or area's characteristics and its capabilities to efficiently use and conserve water. The plan shall address measures for residential, commercial, governmental, and industrial water demand management as set forth in Article 2 (commencing with Section 10630) of Chapter 3. In addition, a strategy and time schedule for implementation shall be included in the plan.

(Amended by Stats. 1995, *Ch. 854, Sec. 4. Effective January 1, 1996.)*

10616. "Public agency" means any board, commission, county, city and county, city, regional agency, district, or other public entity.

(Added by Stats. 1983, Ch. 1009, Sec. 1.)

10616.5 "Recycled water" means the reclamation and reuse of wastewater for beneficial use.

(Added by Stats. 1995, Ch. 854, Sec. 5. Effective January 1, 1996)

10617. "Urban water supplier" means a supplier, either publicly or privately owned, providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually. An urban water supplier includes a supplier or contractor for water, regardless of the basis of right, which distributes or sells for ultimate resale to customers. This part applies only to water

supplied from public water systems subject to Chapter 4 (commencing with Section 116275) of Part 12 of Division 104 of the Health and Safety Code.

(Amended by Stats. 1996, *Ch. 1023, Sec. 428. Effective January 29, 1996.)*

10617.5. "Water shortage contingency plan" means a document that incorporates the provisions detailed in subdivision (a) of Section 10632 and is subsequently adopted by an urban water supplier pursuant to this article.

(Added by Stats. 2018, Ch. 14, Sec. 22. (SB 606) Effective January 1, 2019)

10618 "Water supply and demand assessment" means a method that looks at current year and one or more dry year supplies and demands for determining water shortage risks, as described in Section 10632.1.

(Added by Stats. 2018, Ch. 14, Sec. 23 (SB 606). Effective January 1, 2019)

CHAPTER 3. Urban Water Management Plans [10620 - 10645] *(Chapter 3 added by* Stabs. *1983, Ch. 1009, Sec. 1.)*

ARTICLE 1. General Provisions [10620 - 1 0621] *(Article 1 added by Stats. 1 983, Ch. 1009, Sec. 1.)*

10620. (a) Every urban water supplier shall prepare and adopt an urban water management plan in the manner set forth in Article 3 (commencing with Section 10640).

(b) Every person that becomes an urban water supplier shall adopt an urban water management plan within one year after it has become an urban water supplier.

(c) An urban water supplier indirectly providing water shall not include planning elements in its water management plan as provided in Article 2 (commencing with Section 10630) that would be applicable to urban water suppliers or public agencies directly providing water, or to their customers, without the consent of those suppliers or public agencies.

(d) (I) An urban water supplier may satisfy the requirements of this part by participation in areawide, regional, watershed, or basinwide urban water management planning where those plans will reduce preparation costs and contribute to the achievement of conservation, efficient water use, and improved local drought resilience.

(2) Notwithstanding paragraph (1), each urban water supplier shall develop its own water shortage contingency plan, but an urban water supplier may incorporate, collaborate, and otherwise share information with other urban water suppliers or other governing entities participating in an areawide, regional, watershed, or basinwide urban water management plan, an agricultural management plan, or groundwater sustainability plan development.

(3) Each urban water supplier shall coordinate the preparation of its plan with other appropriate agencies in the area, including other water suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.

(e) The urban water supplier may prepare the plan with its own staff, by contract, or in cooperation with other governmental agencies.

(f) An urban water supplier shall describe in the plan water management tools and options used by that entity that will maximize resources and minimize the need to import water from other regions.

(Amended by Stats. 2018, Ch. 14, Sec. 24. (SB 606) Effective January 1, 2019.)

10621 (a) Each urban water supplier shall update its plan at least once every five years on or before July 1, in years ending in six and one, incorporating updated and new information from the five years preceding each update.

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) An urban water supplier regulated by the Public Utilities Commission shall include its most recent plan and water shortage contingency plan as part of the supplier's general rate case filings.

(d) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640)

(e) Each urban water supplier shall update and submit its 2015 plan to the department by July1, 2016

(f) Each urban water supplier shall update and submit its 2020 plan to the department by July 1,2021

(Amended by Stats. 2019, Ch. 239, Sec. 7. (AB 1414) Effective January 1, 2020.)

CHAPTER 3. Urban Water Management Plans [10620 - 10645] ***(Chapter 3 added by Stats. 1983, Ch. 1009, Sec. 1.)***

ARTICLE 2. Contents of Plans [10630 - 1 0634] ***(Article 2 added by Stats. 1 983, Ch. 1009, Sec. 1.)***

10630 It is the intention of the Legislature, in enacting this part, to permit levels of water management planning commensurate with the numbers of customers served and the volume of water supplied, while accounting for impacts from climate change.

(Amended by Stats. 2018, Ch. 14, Sec. 26. (SB 606) Effective January 1, 201 9.)

10630.5 Each plan shall include a simple lay description of how much water the agency has on a reliable basis, how much it needs for the foreseeable future, what the agency's strategy is for meeting its water needs, the challenges facing the agency, and any other information necessary to provide a general understanding of the agency's plan.

(Added by Stats. 2018, Ch. 14, Sec. 27. (SB 606) Effective January 1, 2019.)

10631 A plan shall be adopted in accordance with this chapter that shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other social, economic, and demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available. The description shall include the current and projected land uses within the existing or anticipated service area affecting the supplier's water management planning. Urban water suppliers shall coordinate with local or regional land use authorities to determine the most appropriate land use information, including, where appropriate, land use information obtained from local or regional land use authorities, as developed pursuant to Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 of the Government Code.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a), providing supporting and related information, including all of the following:

(1) A detailed discussion of anticipated supply availability under a normal water year, single dry year, and droughts lasting at least five years, as well as more frequent and severe periods of drought, as described in the drought risk assessment. For each source of water supply, consider any information pertinent to the reliability analysis conducted pursuant to Section 10635, including changes in supply due to climate change.

(2) When multiple sources of water supply are identified, a description of the management of each supply in correlation with the other identified supplies.

(3) For any planned sources of water supply, a description of the measures that are being undertaken to acquire and develop those water supplies.

(4) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information:

The current version of any groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720), any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management for basins underlying the urban water supplier's service area.

(A) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For a basin that has not been adjudicated, information as to whether the department has identified the basin as a high- or medium-priority basin in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to coordinate with groundwater sustainability agencies or groundwater management agencies listed in subdivision (c) of Section 10723 to maintain or achieve sustainable groundwater conditions in accordance with a groundwater sustainability plan or alternative adopted pursuant to Part 2.74 (commencing with Section 10720).

(B) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(C) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(c) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(d) (I) For an urban retail water supplier, quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, based upon information developed pursuant to subdivision (a), identifying the uses among water use sectors, including, but not necessarily limited to, all of the following:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(J) Distribution system water loss.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(3) (A) The distribution system water loss shall be quantified for each of the five years preceding the plan update, in accordance with rules adopted pursuant to Section 10608.34.

(B) The distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(C) In the plan due July 1, 2021, and in each update thereafter, data shall be included to show whether the urban retail water supplier met the distribution loss standards enacted by the board pursuant to Section 10608.34.

(4) (A) Water use projections, where available, shall display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use

plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following:

(i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

(e) Provide a description of the supplier's water demand management measures. This description shall include all of the following:

(1) (A) For an urban retail water supplier, as defined in Section 10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.

(B) For the supplement required of urban retail water suppliers by paragraph (2) of subdivision (f) of Section 10621, a narrative that describes the water demand management measures that the supplier plans to implement to achieve its urban water use objective by January 1, 2027, pursuant to Chapter 9 (commencing with Section 10609) of Part 2.55.

(C) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

(i) Water waste prevention ordinances.

(ii) Metering.

(iii) Conservation pricing.

(iv) Public education and outreach.

(v) Programs to assess and manage distribution system real loss.

(vi) Water conservation program coordination and staffing support.

(vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.

(2) For an urban wholesale water supplier, as defined in Section 10608.12, a narrative description of the items in clauses (ii), (iv), (vi), and (vii) of subparagraph (C) of paragraph (1), and a narrative description of its distribution system asset management and wholesale supplier assistance programs.

(f) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in normal and single-dry water years and for a period of drought lasting five consecutive water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

(g) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

(h) An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (f). An urban water supplier may rely upon water supply information provided by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (f).

(Amended by Stats. 2018, Ch. 14, Sec. 28. (SB 606) Effective January 1, 2019.)

10631 1 (a) The water use projections required by Section 10631 shall include projected water use for single- family and multifamily residential housing needed for lower income households, as defined in Section 50079.5 of the Health and Safety Code, as identified in the housing element of any city, county, or city and county in the service area of the supplier.

(b) It is the intent of the Legislature that the identification of projected water use for single-family and multifamily residential housing for lower income households will assist a supplier in complying with the requirement under Section 65589.7 of the Government Code to grant a priority for the provision of service to housing units affordable to lower income households.

(Added by Stats. 2005, Ch. 727, Sec. 2. Effective January 1, 2006.)

10631.2. (a) In addition to the requirements of Section 10631, an urban water management plan shall include any of the following information that the urban water supplier can readily obtain:

(1) An estimate of the amount of energy used to extract or divert water supplies.

(2) An estimate of the amount of energy used to convey water supplies to the water treatment plants or distribution systems.

(3) An estimate of the amount of energy used to treat water supplies.

(4) An estimate of the amount of energy used to distribute water supplies through its distribution systems.

(5) An estimate of the amount of energy used for treated water supplies in comparison to the amount used for nontreated water supplies.

(6) An estimate of the amount of energy used to place water into or withdraw from storage.

(7) Any other energy-related information the urban water supplier deems appropriate.

(b) The department shall include in its guidance for the preparation of urban water management plans a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems. The department may consider studies and calculations conducted by the Public Utilities Commission in developing the methodology.

(c) The Legislature finds and declares that energy use is only one factor in water supply planning and shall not be considered independently of other factors.

(Amended by Stats. 2018, Ch. 14, Sec. 29. *(SB* 606a *Effective January 1, 2019.)*

10632 (a) Every urban water supplier shall prepare and adopt a water shortage contingency plan as part of its urban water management plan that consists of each of the following elements:

(1) The analysis of water supply reliability conducted pursuant to Section 10635.

(2) The procedures used in conducting an annual water supply and demand assessment

that include, at a minimum, both of the following:

(A) The written decision making process that an urban water supplier will use each year to determine its water supply reliability.

(B) The key data inputs and assessment methodology used to evaluate the urban water supplier's water supply reliability for the current year and one dry year, including all of the following:

(i) Current year unconstrained demand, considering weather, growth, and other influencing factors, such as policies to manage current supplies to meet demand objectives in future years, as applicable.

(ii) Current year available supply, considering hydrological and regulatory conditions in the current year and one dry year. The annual supply and demand assessment may consider more than one dry year solely at the discretion of the urban water supplier.

(iii) Existing infrastructure capabilities and plausible constraints.

(iv) A defined set of locally applicable evaluation criteria that are consistently relied upon for each annual water supply and demand assessment.

(v) A description and quantification of each source of water supply.

(3) (A) Six standard water shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, and 50 percent shortages and greater than 50 percent shortage. Urban water suppliers shall define these shortage levels based on the suppliers' water supply conditions, including percentage reductions in water supply, changes in groundwater levels, changes in surface elevation or level of subsidence, or other changes in hydrological or other local conditions indicative of the water supply available for use. Shortage levels shall also apply to catastrophic interruption of water supplies, including, but not limited to, a regional power outage, an earthquake, and other potential emergency events.

(B) An urban water supplier with an existing water shortage contingency plan that uses different water shortage levels may comply with the requirement in subparagraph (A) by developing and including a cross-reference relating its existing categories to the six standard water shortage levels.

(4) Shortage response actions that align with the defined shortage levels and include, at a minimum, all of the following:

(A) Locally appropriate supply augmentation actions. Locally appropriate demand reduction actions to adequately respond to shortages.

(B) Locally appropriate operational changes.

(C) Additional, mandatory prohibitions against specific water use practices that are in addition to state-mandated prohibitions and appropriate to the local conditions.

(D) For each action, an estimate of the extent to which the gap between supplies and demand will be reduced by implementation of the action.

(5) Communication protocols and procedures to inform customers, the public, interested parties, and local, regional, and state governments, regarding, at a minimum, all of the following:

(A) Any current or predicted shortages as determined by the annual water supply and demand assessment described pursuant to Section 10632.1.

(B) Any shortage response actions triggered or anticipated to be triggered by the annual water supply and demand assessment described pursuant to Section 10632.1.

(C) Any other relevant communications.

(6) For an urban retail water supplier, customer compliance, enforcement, appeal, and exemption

procedures for triggered shortage response actions as determined pursuant to Section 10632.2.

(7) (A) A description of the legal authorities that empower the urban water supplier to implement and enforce its shortage response actions specified in paragraph (4) that may include, but are not limited to, statutory authorities, ordinances, resolutions, and contract provisions.

(B) A statement that an urban water supplier shall declare a water shortage emergency in accordance with Chapter 3 (commencing with Section 350) of Division 1.

(C) A statement that an urban water supplier shall coordinate with any city or county within which it provides water supply services for the possible proclamation of a local emergency, as defined in Section 8558 of the Government Code.

(8) A description of the financial consequences of, and responses for, drought conditions, including, but not limited to, all of the following:

(A) A description of potential revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(B) A description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions described in paragraph (4).

(C) A description of the cost of compliance with Chapter 3.3 (commencing with Section 365) of Division 1.

(9) For an urban retail water supplier, monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed for purposes of monitoring customer compliance and to meet state reporting requirements.

(10) Reevaluation and improvement procedures for systematically monitoring and evaluating the functionality of the water shortage contingency plan in order to ensure shortage risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented as needed.

(b) For purposes of developing the water shortage contingency plan pursuant to subdivision (a), an urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.

(c) The urban water supplier shall make available the water shortage contingency plan prepared pursuant to this article to its customers and any city or county within which it provides water supplies no later than 30 days after adoption of the water shortage contingency plan.

(Repealed and added by Stats. 2018, Ch. 14, Sec. 32. (SB 606) Effective January 1, 2019.)

10632.1 An urban water supplier shall conduct an annual water supply and demand assessment pursuant to subdivision (a) of Section 10632 and, on or before June 1 of each year, submit an annual water shortage assessment report to the department with information for anticipated shortage, triggered shortage response actions, compliance and enforcement actions, and communication actions consistent with the supplier's water shortage contingency plan. An urban water supplier that relies on imported water from the State Water Project or the Bureau of Reclamation shall submit its annual water supply and demand assessment within 14 days of receiving its final allocations, or by June 1 of each year, whichever is later.

(Added by Stats. 2018, Ch. 14, Sec. 33. (SB 606) Effective January 1, 2019.)

10632.2. An urban water supplier shall follow, where feasible and appropriate, the prescribed procedures and implement determined shortage response actions in its water shortage contingency plan, as identified in subdivision

(a) of Section 10632, or reasonable alternative actions, provided that descriptions of the alternative actions are submitted with the annual water shortage assessment report pursuant to Section

10632.1. Nothing in this section prohibits an urban water supplier from taking actions not specified in its water shortage contingency plan, if needed, without having to formally amend its urban water management plan or water shortage contingency plan.

(Added by Stats. 2018, Ch. 14, Sec. 34. (SB 606) Effective January 1, 2019.)

10632.3 It is the intent of the Legislature that, upon proclamation by the Governor of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions, the board defer to implementation of locally adopted water shortage contingency plans to the extent practicable.

(Added by Stats. 2018, Ch. 14, Sec. 35. (SB 606) Effective January 1, 2019.)

10632.5 (a) In addition to the requirements of paragraph (3) of subdivision (a) of Section 10632, beginning January 1, 2020, the plan shall include a seismic risk assessment and mitigation plan to assess the vulnerability of each of the various facilities of a water system and mitigate those vulnerabilities.

(b) An urban water supplier shall update the seismic risk assessment and mitigation plan when updating its urban water management plan as required by Section 10621.

(c) An urban water supplier may comply with this section by submitting, pursuant to Section 10644, a copy of the most recent adopted local hazard mitigation plan or multihazard mitigation plan under the federal Disaster Mitigation Act of 2000 (Public Law 106-390) if the local hazard mitigation plan or multihazard mitigation plan addresses seismic risk.

(Added by Stats. 2015, Ch. 681, Sec. 1. (SB 664a *Effective January 1, 2OJ* 6.g

10633 The plan shall provide, to the extent available, information on recycled water and its potential for use as a water source in the service area of the urban water supplier. The preparation of the plan shall be coordinated with local water, wastewater, groundwater, and planning agencies that operate within the supplier's service area, and shall include all of the following:

(a) A description of the wastewater collection and treatment systems in the supplier's service area, including a quantification of the amount of wastewater collected and treated and the methods of wastewater disposal.

(b) A description of the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.

(c) A description of the recycled water currently being used in the supplier's service area, including, but not limited to, the type, place, and quantity of use.

(d) A description and quantification of the potential uses of recycled water, including, but not limited to, agricultural irrigation, landscape irrigation, wildlife habitat enhancement, wetlands, industrial reuse, groundwater recharge, indirect potable reuse, and other appropriate uses, and a determination with regard to the technical and economic feasibility of serving those uses.

(e) The projected use of recycled water within the supplier's service area at the end of 5, 10, 15, and 20 years, and a description of the actual use of recycled water in comparison to uses previously projected pursuant to this subdivision.

(f) A description of actions, including financial incentives, which may be taken to encourage the use of recycled water, and the projected results of these actions in terms of acre-feet of recycled water used per year.

(g) A plan for optimizing the use of recycled water in the supplier's service area, including actions to facilitate the installation of dual distribution systems, to promote recirculating uses, to facilitate the increased use of treated wastewater that meets recycled water standards, and to overcome any obstacles to achieving that increased use.

(Amended by Stats. 2009, Ch. 534, Sec. 2. (AB 1465) Effective January 1, 2010.)

10634 The plan shall include information, to the extent practicable, relating to the quality of existing sources of water available to the supplier over the same five-year increments as described in subdivision (a) of Section 10631, and the manner in which water quality affects water management strategies and supply reliability.

(Added by Stats. 2001, Ch. 644, Sec. 3. Effective January 1, 2002.)

CHAPTER 3. Urban Water Management Plans [10620 - 10645] ***(Chapter 3 added by* Stabs. *1983, Ch. 1009, Sec. 1.)***

ARTICLE 2.5. Water Service Reliability [10635- 10635.] ***(Article 2.5 added by Stats. 1995, Ch. 854, Sec. 11.)***

10635. (a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) Every urban water supplier shall include, as part of its urban water management plan, a drought risk assessment for its water service to its customers as part of information considered in developing the demand management measures and water supply projects and programs to be included in the urban water management plan. The urban water supplier may conduct an interim update or updates to this drought risk assessment within the five-year cycle of its urban water management plan update. The drought risk assessment shall include each of the following:

(1) A description of the data, methodology, and basis for one or more supply shortage conditions that are necessary to conduct a drought risk assessment for a drought period that lasts five consecutive water years, starting from the year following when the assessment is conducted.

(2) A determination of the reliability of each source of supply under a variety of water shortage conditions. This may include a determination that a particular source of water supply is fully reliable under most, if not all, conditions.

(3) A comparison of the total water supply sources available to the water supplier with the total projected water use for the drought period.

(4) Considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.

(c) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

(d) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

(e) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers

(Amended by Stats. 2018, Ch. 14, Sec. 36. (SB 606) Effective January 1, 2019.)

CHAPTER 3. Urban Water Management Plans [10620 - 10645] ***(Chapter 3 added by* Stabs. *1983, Ch. 1009, Sec. 1.)***

ARTICLE 3. Adoption and Implementation of Plans [1 0640 - 10645] ***Article 3 added by Stats. 1983, Ch. 1009, Sec. 1.)***

10640. (a) Every urban water supplier required to prepare a plan pursuant to this part shall prepare its plan pursuant to Article 2 (commencing with Section 10630). The supplier shall likewise periodically review the plan as required by Section 10621, and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

(b) Every urban water supplier required to prepare a water shortage contingency plan shall prepare a water shortage contingency plan pursuant to Section 10632. The supplier shall likewise periodically review the water shortage contingency plan as required by paragraph (10) of subdivision (a) of Section 10632 and any amendments or changes required as a result of that review shall be adopted pursuant to this article.

(Amended by Stats. 2018, Ch. 14, Sec. 37. (SB 606a *Effective January 1, 2OJ* 9.g

10641 An urban water supplier required to prepare a plan or a water shortage contingency plan may consult with, and obtain comments from, any public agency or state agency or any person who has special expertise with respect to water demand management methods and techniques.

(Amended by Stats. 2018, Ch. 14, Sec. 38. (SB 606a *Effective January 1, 20J* 9.g

10642. Each urban water supplier shall encourage the active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of both the plan and the water shortage contingency plan. Prior to adopting either, the urban water supplier shall make both the plan and the water shortage contingency plan available for public inspection and shall hold a public hearing or hearings thereon. Prior to any of these hearings, notice of the time and place of the hearing shall be published within the jurisdiction of the publicly owned water supplier pursuant to Section 6066 of the Government Code. The urban water supplier shall provide notice of the time and place of a hearing to any city or county within which the supplier provides water supplies. Notices by a local public agency pursuant to this section shall be provided pursuant to Chapter 17.5 (commencing with Section 7290) of Division 7 of Title 1 of the Government Code. A privately owned water supplier shall provide an equivalent notice within its service area. After the hearing or hearings, the plan or water shortage contingency plan shall be adopted as prepared or as modified after the hearing or hearings.

(Amended by Stats. 2018, Ch. 14, Sec. 39. (SB 606$ *Effective January 1, 70J* 9.g

10643 An urban water supplier shall implement its plan adopted pursuant to this chapter in accordance with the schedule set forth in its plan.

(Added by Stats. 1983, Ch. 1009, Sec. 1.)

10644 (a) (1) An urban water supplier shall submit to the department, the California State Library, and any city or county within which the supplier provides water supplies a copy of its plan no later than 30 days after adoption.Copies of amendments or changes to the plans shall be submitted to the department, the California State Library, and any city or county within which the supplier provides water supplies within 30 days after adoption.

(2) The plan, or amendments to the plan, submitted to the department pursuant to paragraph (1)

shall be submitted electronically and shall include any standardized forms, tables, or displays specified by the department.

(b) If an urban water supplier revises its water shortage contingency plan, the supplier shall submit to the department a copy of its water shortage contingency plan prepared pursuant to subdivision (a) of Section 10632 no later than 30 days after adoption, in accordance with protocols for submission and using electronic reporting tools developed by the department.

(c) (1) (A) Notwithstanding Section 10231.5 of the Government Code, the department shall prepare and submit to the Legislature, on or before July 1, in the years ending in seven and two, a report summarizing the status of the plans and water shortage contingency plans adopted pursuant to this part. The report prepared by the department shall identify the exemplary elements of the individual plans and water shortage contingency plans. The department shall provide a copy of the report to each urban water supplier that has submitted its plan and water shortage contingency plan to the department. The department shall also prepare reports and provide data for any legislative hearings designed to consider the effectiveness of plans and water shortage contingency plans submitted pursuant to this part.

(B) The department shall prepare and submit to the board, on or before September 30 of each year, a report summarizing the submitted water supply and demand assessment results along with appropriate reported water shortage conditions and the regional and statewide analysis of water supply conditions developed by the department. As part of the report, the department shall provide a summary and, as appropriate, urban water supplier specific information regarding various shortage response actions implemented as a result of annual supplier-specific water supply and demand assessments performed pursuant to Section 10632.1.

(C) The department shall submit the report to the Legislature for the 2015 plans by July 1, 2017, and the report to the Legislature for the 2020 plans and water shortage contingency plans by July 1, 2022.

(2) A report to be submitted pursuant to subparagraph (A) of paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.

(d) The department shall make available to the public the standard the department will use to identify exemplary water demand management measures.

(Amended by Stats. 2018, Ch. 14, Sec. 40. (SB 606) Effective January 1, 2019.)

10645. (a) Not later than 30 days after filing a copy of its plan with the department, the urban water supplier and the department shall make the plan available for public review during normal business hours.

(b) Not later than 30 days after filing a copy of its water shortage contingency plan with the department, the urban

water supplier and the department shall make the plan available for public review during normal business hours.

(Amended by Stats. 2018, Ch. 14, Sec. 41. (SB 606) Effective January 1, 201 9.)

CHAPTER 4. Miscellaneous Provisions [1 0650 - 10657] ***(Chapter 4 added by :itats. 1 983, Ch. 1009, iec. 1.)***

10650 Any actions or proceedings, other than actions by the board, to attack, review, set aside, void, or annul the acts or decisions of an urban water supplier on the grounds of noncompliance with this part shall be commenced as follows:

(a) An action or proceeding alleging failure to adopt a plan or a water shortage contingency plan shall be commenced within 18 months after that adoption is required by this part.

(b) Any action or proceeding alleging that a plan or water shortage contingency plan, or action taken pursuant to either, does not comply with this part shall be commenced within 90 days after filing of the plan or water shortage contingency plan or an amendment to either pursuant to Section 10644 or the taking of that action.

(Amended by Stats. 2018, Ch. 14, Sec. 42. (SB 606) Effective January 1, 2019.)

10651 In any action or proceeding to attack, review, set aside, void, or annul a plan or a water shortage contingency plan, or an action taken pursuant to either by an urban water supplier on the grounds of noncompliance with this part, the inquiry shall extend only to whether there was a prejudicial abuse of discretion. Abuse of discretion is established if the supplier has not proceeded in a manner required by law or if the action by the water supplier is not supported by substantial evidence.

(Amended by Stats. 2018, Ch. 14, Sec. 43. (SB 606) *Effective January 1, 2019*

10652 The California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) does not apply to the preparation and adoption of plans pursuant to this part or to the implementation of actions taken pursuant to Section 10632. Nothing in this part shall be interpreted as exempting from the California Environmental Quality Act any project that would significantly affect water supplies for fish and wildlife, or any project for implementation of the plan, other than projects implementing Section 10632, or any project for expanded or additional water supplies.

(Amended by Stats. 1995, Ch. 854, Sec. 6. *Effective January 1, 1996.)*

10653 The adoption of a plan shall satisfy any requirements of state law, regulation, or order, including those of the board and the Public Utilities Commission, for the preparation of water management plans, water shortage contingency plans, or conservation plans; provided, that if the board or the Public Utilities Commission requires additional information concerning water conservation, drought response measures, or financial conditions to implement its existing authority, nothing in this part shall be deemed to limit the board or the commission in obtaining that information. The requirements of this part shall be satisfied by any urban water demand management plan that complies with analogous federal laws or regulations after the effective date of this part, and which substantially meets the requirements of this part, or by any existing urban water management plan which includes the contents of a plan required under this part.

(Amended by Stats. 2018, Ch. 14, Sec. 45. (SB 606) *Effective January 1, 2019)*

10654 An urban water supplier may recover in its rates the costs incurred in preparing its urban water management plan, its drought risk assessment, its water supply and demand assessment, and its water shortage contingency plan and implementing the reasonable water conservation measures included in either of the plans.

(Amended by Stats. 2018, Ch. 14, Sec. 44. (SB 606) *Effective January 1, 2019)*

10655 If any provision of this part or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of this part which can be given effect without the invalid provision or application thereof, and to this end the provisions of this part are severable.

(Amended by Stats. 1983, Ch. 1009, Sec. 1)

10656 An urban water supplier is not eligible for a water grant or loan awarded or administered by the state unless the urban water supplier complies with this part.

(Amended by Stats. 2018, Ch. 14, Sec. 46. (SB 606) *Effective January 1, 2019)*

10657 The department may adopt regulations regarding the definitions of water, water use, and reporting periods, and may adopt any other regulations deemed necessary or desirable to implement this part. In developing regulations pursuant to this section, the department shall solicit broad public participation from stakeholders and other interested persons.

(Amended by Stats. 2018, Ch. 14, Sec. 47. (SB 606) *Effective January 1, 2019)*

Appendix B

DWR 2025 Urban Water Management Plan Tables

DRAFT

Submittal Table 2-1 Retail: Public Water Systems			
Public Water System Number	Public Water System Name	Number of Municipal Connections 2025	Volume of Water Supplied 2025 (MG)
CA5010019	City of Turlock	19,769	6,146
CA5010028	City of Ceres	11,918	2,192
	Total	31,687	8,338
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.			
NOTES: Number of municipal connections includes active connections only. Volume of water supplied includes both retail water and wholesale water purchases.			

Submittal Table 2-2: Plan Identification		
Select One	**Type of Plan**	**Name of Regional Alliance or RUWMP** (Drop Down List)
☑	**Individual UWMP**	
	If Water Supplier is also a member of a SB X7-7 Regional Alliance, select name from the drop-down.	
☐	**Regional Urban Water Management Plan (RUWMP)**	
	If Supplier selected RUWMP, select name from the drop-down.	
NOTES:		

Submittal Table 2-3: Supplier Identification	
Type of Supplier (select one or both)	
☑	Supplier is a wholesale supplier
☑	Supplier is a retail supplier
Fiscal or Calendar Year (select one)	
☑	UWMP Tables are in calendar years
☐	UWMP Tables are in fiscal years
If using fiscal years provide month and date that the fiscal year begins (mm/dd)	
Units of measure used in UWMP (Select from the drop down list).	
Unit	MG
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3.	
NOTES:	

Submittal Table 2-4 Retail: Water Supplier Information Exchange Water Code Section 10631(h)
The retail Supplier has informed the following wholesale supplier(s) of projected water use.
Wholesale Water Supplier Name
Stanislaus Regional Water Authority (SRWA)
NOTES:

Submittal Table 2-4 Wholesale: Water Supplier Information Exchange Water Code Section 10631(h)	
☐	Check the box if the Supplier has informed more than 10 other water suppliers of water supplies available. **Completion of the table below is optional. If not completed, include a list of the water suppliers that were informed.**
	Provide page number for location of the list.
☑	Check the box if the Supplier has informed 10 or fewer other water suppliers of water supplies available. **Complete the table below.**
Water Supplier Name	
Add additional rows as needed	
City of Turlock	
City of Ceres	
NOTES:	

Submittal Table 3-1 Retail: Population - Current and Projected Water Code Section 10631(a)						
Population Served	2025	2030	2035	2040	2045	2050(opt)
	72,682	79,854	87,734	96,392	105,904	116,354
NOTES:						

Submittal Table 3-1 Wholesale: Population - Current and Projected Water Code Section 10631(a)						
Population Served	2025	2030	2035	2040	2045	2050(opt)
	127,195	139,665	153,358	168,394	184,904	195,354
NOTES: Population estimates include both Cities of Turlock and Ceres, consistent with Table 3-3.						

Submittal Table 4-1 Retail: Total Uses for Potable and Non-Potable Water — Actual
Water Code Section 10631(d)(1)

Use Type **Drop down list** May select each use multiple times These are the only use types that will be recognized by the WUEdata online submittal tool	Additional Description (as needed)	2025 Actual Water Use **Potable or Non-Potable** (OPTIONAL) Drop down list	Volume (MG)
Single Family		Potable	2,338
Multi-Family		Potable	557
Commercial		Potable	453
Industrial		Potable	1,254
Landscape		Potable	265
Other (optional)	City meters (non-billed)	Potable	114
Sales/Transfers/Exchanges to other Suppliers	Exported to City of Modesto	Potable	5
Distribution System Water Loss	Losses and unmetered water (e.g., flushing)	Potable	1,160
Other (optional)	Disinfected tertiary recycled water. See note (a).	Non-Potable	376
Landscape	Non-potable raw water irrigation wells at City parks	Non-Potable	104
		Subtotal Potable	6,146
		Subtotal Non-Potable	480
		Total	6,625

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.

NOTES:

(a) Recycled water use shown includes only recycled water delivered within Turlock's service area. This volume includes recycled water delivered to TID's Walnut Energy Center for cooling, and a small amount of fill station use (<1 MG). Refer to Chapter 6 for additional detail on recycled water use.

Optional **Submittal Table 4-1 Wholesale: Total Uses for Potable and Non-Potable Water — Actual**
Water Code Section 10631(d)(1)

Use Type **Drop down list** May select each use multiple times These are the only use types that will be recognized by the WUEdata online submittal tool	Additional Description (as needed)	2025 Actual Water Use **Potable or Non-Potable** (OPTIONAL) Drop down list	Volume (MG)
Sales to other agencies	City of Turlock	Potable	2,104
Sales to other agencies	City of Ceres	Potable	1,413
		Subtotal Potable	3,517
		Subtotal Non-Potable	0
		Total	3,517

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.

NOTES:

Submittal Table 4-2 Retail: Total Uses for Potable, and Non-Potable Water — Projected
Water Code Section 10631(d)(1)

Use Type	Additional Description (as needed)	Projected Water Use (Report To the Extent that Records are Available)					
Drop down list May select each use multiple times These are the only Use Types that will be recognized by the WUEdata online submittal tool		**Potable or Non-Potable** (OPTIONAL) Drop down list	**2030 (MG)**	**2035 (MG)**	**2040 (MG)**	**2045 (MG)**	**2050 opt (MG)**
Single Family	See note (a).	Potable	2,803	3,107	3,412	3,716	4,021
Multi-Family		Potable	709	786	863	940	1,017
Commercial		Potable	569	631	693	754	816
Industrial		Potable	1,498	1,661	1,824	1,986	2,149
Landscape		Potable	371	412	452	492	533
Other (optional)	City meters (non-billed)	Potable	167	185	203	221	240
Distribution System Water Loss	Losses and unmetered water (e.g., flushing)	Potable	778	863	947	1,032	1,116
Other (optional)	Disinfected tertiary recycled water. See note (b).	Non-Potable	376	376	376	376	376
Landscape	Non-potable raw water irrigation wells at City parks	Non-Potable	104	104	104	104	104
		Subtotal Potable	6,895	7,644	8,393	9,142	9,892
		Subtotal Non-Potable	480	480	480	480	480
		Total	7,375	8,124	8,873	9,622	10,372

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.

NOTES:

(a) Volume of water exported to City of Modesto is combined with the Single Family water use type in this table, as it is assumed, per Turlock's 2025 WMP, that Turlock will eventually acquire and serve the County enclaves that are currently served by City of Modesto. Actual timing is unknown. (b) Recycled water use shown includes only recycled water delivered within Turlock's service area. This volume includes recycled water delivered to TID's Walnut Energy Center for cooling, and a small amount of fill station use (<1 MG). Refer to Chapter 6 for additional detail on recycled water use.

Optional **Submittal Table 4-2 Wholesale: Total Uses for Potable and Non-Potable Water — Projected**
Water Code Section 10631(d)(1)

Use Type	Additional Description (as needed)	Projected Water Use (Report To the Extent that Records are Available)					
Drop down list May select each use multiple times These are the only Use Types that will be recognized by the WUEdata online submittal tool.		**Potable or Non-Potable** (OPTIONAL) Drop down list	**2030 (MG)**	**2035 (MG)**	**2040 (MG)**	**2045 (MG)**	**2050 opt (MG)**
Sales to other agencies	City of Turlock. See note (a).	Potable	2,837	3,316	3,772	4,288	4,752
Sales to other agencies	City of Ceres. See note (b).	Potable	1,485	1,623	1,773	1,939	1,939
		Subtotal Potable	4,322	4,939	5,545	6,227	6,691
		Subtotal Non-Potable	0	0	0	0	0
		Total	4,322	4,939	5,545	6,227	6,691

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.

NOTES:

(a) Turlock has projected its surface water use for the next ten years, through Water Year 2036-2037. For the purposes of this UWMP, projections beyond 2037 were estimated using an assumed annual increase in surface water use of 2.6 percent.

(b) Ceres' projected surface water use is consistent with the Ceres 2025 UWMP and assumes that two-thirds of Ceres' total projected demand is met by SRWA surface water. Ceres buildout is projected to occur by 2045.

Submittal Table 4-3 Retail: Inclusion in Water Use Projections Water Code Section 10631 (a), 10631 (d)(4)(A), and 10631 (d)(4)(B)	
Are Future Water Savings Included in Projections? **Drop down list (y/n)**	No
If "Yes" to above, **state the section or page number**, in the cell to the right, where citations of the codes, ordinances, or otherwise are utilized in demand projections are found. ***Optional*** Suppliers may complete Optional Submittal Table 4-4 R to quantify the expected savings.	
Are Lower Income Residential Demands Included In Projections? **Drop down list (y/n)**	Yes
Optional If the method for accounting Lower Income Residential Demands has been included, provide page number where this accounting can be found.	
DWR NOTES: Additional guidance is provided in Appendix K.	
NOTES:	

Submittal Table 4-5 Retail: Water Loss Audit Reporting Water Code Section 10631(d)(3)(A)		
Public Water System ID # Reported in Table 2-1 R	Reporting Period	Submitted to DWR Water Loss Audit Program (yes/no)
Report submittal status for all five years for each Public Water System as available. Add rows as needed		
CA5010019	**2020**	Yes
	2021	Yes
	2022	Yes
	2023	Yes
	2024	Yes
DWR NOTES: Suppliers will provide a link to the WUEdata submittals of their Water Loss Audit Reports.		
https://wuedata.water.ca.gov/awwa_plans		

Submittal Table 4-6 Retail: Progress Towards 2028 Water Loss Standard
Water Code Section 10631(d)(3)(C)

Public Water System ID # Reported in Submittal Table 2-1 R	Did the Water Board Calculate a Water Loss Standard for this Public Water System? (y/n) If no, Supplier will not complete this row.	Real Water Loss					Apparent Water Loss				
		State Water Board Standard		Most Recent AWWA Water Loss Audit			State Water Board Standard		Most Recent AWWA Water Loss Audit		
		2028 Real Water Loss Standard per Unit per day	Units for Real Water Loss Drop down list	Number of Units (Connections or Miles corresponding with units selected)	Volume of Total Real Loss (from AWWA Water Loss Audit) (MG)	Real Water Loss Per Unit per Day	2028 Apparent Water Loss Standard per Unit per Day	Units for Apparent Water Loss	Number of Connections	Volume of Total Apparent Loss (from AWWA Water Loss Audit) (MG)	Apparent Water Loss Per Unit per Day
CA5010019	Yes	14.5	Gallons per Service Connection per Day (GPSCD)	20,053	913	124.8	18.6	Gallons per Service Connection per Day (GPSCD)	20,053	138	18.8

Water Board's Calculated Water Loss Standards

DWR NOTES: Units of measure (AF, CCF, MG) for Water Loss **MUST** remain consistent with units reported in Submittal Table 2-3. The units reported in Submittal Table 2-3 are used in this table's calculations.

NOTES:

Submittal Table 5-1 Retail: SB X7-7 2020 Target Progress
Water Code Section 10608.40

☐	**Check the box if the Supplier was not an Urban Water Supplier during or before the 2020 UWMP reporting cycle. Proceed to the next table.**

Was Supplier part of a merger or consolidation since 2020?	Regional Alliance Target or Individual Target? Drop down list	2020 Target	Actual 2020 GPCD	Did Supplier Achieve Targeted Reduction for 2020?	**Only for suppliers that did not meet the Target in 2020** **See DWR NOTES below.**	
					Actual 2025 GPCD (From SB X7-7 Compliance Form)	Did Supplier meet the 2020 Target in 2025?
No	Individual Target	284	250	Yes		NA

DWR NOTES:
Suppliers calculating a 2025 GPCD will need to complete and submit SB X 7-7 Compliance Tables to verify the use of SB X7-7 Methodologies.
Suppliers that were part of a merger or consolidation since 2020 see Chapter 5 and Appendix P for guidance.
NA=Not Applicable

NOTES:

Submittal Table 6-1 Retail: Groundwater Volume Pumped
Water Code Section 10631(4) and 10631(4)(c)

☐	Check the box if the Supplier does not pump groundwater. Proceed to the next table.
☐	Check the box if all or part of the groundwater described below is desalinated. (OPTIONAL)

Groundwater Type **Drop Down List** May use each category multiple times	Potable or Non-Potable (OPTIONAL) **Drop down list**	Location or Basin Name	2021 (MG)	2022 (MG)	2023 (MG)	2024 (MG)	2025 (MG)
Alluvial Basin	Potable	Turlock Subbasin within the San Joaquin Valley Groundwater Basin	6,456	6,199	5,979	4,232	4,042
Alluvial Basin	Non-Potable	Turlock Subbasin within the San Joaquin Valley Groundwater Basin	104	104	104	104	104
		Total	6,456	6,199	5,979	4,232	4,042

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.

NOTES: Annual groundwater volume pumped is from the City of Turlock's Annual AWWA Water Loss Audits for all years but 2023. For 2023, the total groundwater production is based on data from the State Open Data Portal which was assumed to be more accurate, as described in Table 4-1. Non-potable irrigation well usage in 2021 through 2024 is estimated based on actual metered 2025 usage.

Submittal Table 6-1 Wholesale: Groundwater Volume Pumped
Water Code Section 10631(4) and 10631(4)(C)

☑	Check the box if the Supplier does not pump groundwater. Proceed to the next table.
☐	Check the box if all or part of the groundwater described below is desalinated. (OPTIONAL)

Groundwater Type **Drop Down List** May use each category multiple times	Potable or Non-Potable (OPTIONAL) Drop down list	Location or Basin Name	2021 (MG)	2022 (MG)	2023 (MG)	2024 (MG)	2025 (MG)
		Total	0	0	0	0	0

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.

NOTES:

Submittal Table 6-2 Retail: Wastewater Collected Within Service Area
Water Code Section 10633(a)

☐	Check the box if there is no wastewater collection system. Proceed to the next table.
	Percentage of 2025 service area served by wastewater collection system (OPTIONAL)
	Percentage of 2025 service area population served by wastewater collection system (OPTIONAL)

Wastewater Collection			**Recipient of Collected Wastewater**	
Name of Wastewater Collection Agency	Wastewater Volume Metered or Estimated? OPTIONAL **Drop Down List**	Volume of Wastewater Collected from UWMP Service Area 2025 (MG)	Name of Wastewater Treatment Plant (WWTP) and Place ID Number **Drop down list**	Is WWTP Located Within UWMP Area? **Drop Down List**
City of Turlock	Metered	3,902	Turlock City, Turlock Regional Water Quality Control Facility, Place ID 266737	Yes
Total Wastewater Received from UWMP Service Area in 2025:		3,902		

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.

NOTES: Volume shown includes wastewater collected outside Turlock's water service area including the Keyes Community Service District (CSD), Denair CSD, and up to 2 MGD of primary treated wastewater from the City of Ceres, all of which is treated at Turlock's Regional Water Quality Control Facility. Metered wastewater volumes are based on WWTP influent flows, and data covering only Turlock's water service area is not available.

Submittal Table 6-3 Retail: Wastewater Treatment and Outcomes Within UWMP Service Area
Water Code Section 10633(b)

☐	**Check the box if no wastewater is treated or disposed of within the UWMP service area.** Proceed to the next table.

Wastewater Treatment Plant Name and Place ID Number **Drop down list**	Does This Plant Treat Wastewater Generated Outside the UWMP Service Area? (OPTIONAL) **Drop down list**	2025 Volume of Wastewater Received from UWMP Service Area (As Reported in Submittal Table 6-2 R) (MG)	Total 2025 Volume of Water Treated (MG)	**2025 Outcomes of Treated Wastewater**										
				Water Recycled Within UWMP Service Area (enter data as applicable)		**Water Recycled Outside of UWMP Service Area** (enter data as applicable)		**Effluent Discharge that is not a Permitted Recycled Water Use** (enter data as applicable)		**Required Discharge for Instream Flow** (enter data as applicable)		**Delivered to Another Entity for Additional Treatment** (enter data as applicable)		
				Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Name of other entity
Turlock City, Turlock Regional Water Quality Control Facility, Place ID 266737	Yes	3,902	3,902	Tertiary	376	Tertiary	3,492	Tertiary	35		0		0	
Total		3,902	3,902		376		3,492		35		0		0	

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
IPR: Indirect Potable Reuse would have the treatment level of its end use requirement in the Level of Treatment drop-down.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.

NOTES: Volume shown includes wastewater collected outside Turlock's water service area including the Keyes Community Service District (CSD), Denair CSD, and up to 2 MGD of primary treated wastewater from the City of Ceres, all of which is treated at Turlock's Regional Water Quality Control Facility. Metered wastewater volumes are based on WWTP influent flows, and data covering only Turlock's water service area is not available.

Submittal Table 6-3 Wholesale: Wastewater Treatment and Discharge Within Service Area
Water Code Section 10633(b)

☑	Check the box if the Wholesale Supplier neither distributes nor provides supplemental treatment to recycled water. Proceed to the next table.

Wastewater Treatment Plant Name and Place ID Number **Drop down list**	Does This Plant Treat Wastewater Generated Outside the UWMP Service Area? (OPTIONAL) **Drop down list**	2025 Volume of Wastewater Received from UWMP Service Area (MG)	Total 2025 Volume of Water Treated (MG)	**2025 Outcomes of Treated Wastewater**										
				Water Recycled Within UWMP Service Area (enter data as applicable)		**Water Recycled Outside of UWMP Service Area** (enter data as applicable)		**Effluent Discharge that is not a Permitted Recycled Water Use** (enter data as applicable)		**Required Discharge for Instream Flow** (enter data as applicable)		**Delivered to Another Entity for Additional Treatment** (enter data as applicable)		
				Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Treatment Level **Drop down list**	Volume (MG)	Name of other entity
Total		0	0		0		0		0		0		0	

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
IPR: Indirect Potable Reuse would have the treatment level of its end use requirement in the Level of Treatment drop-down.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.

NOTES:

Submittal Table 6-4 Retail: Recycled Water Direct Beneficial Uses Within Service Area
Water Code Section 10633 (c),(d),(e)

☐ Check box if recycled water is not used and is not planned for use within the service area of the supplier. The supplier will only complete the column on "Potential Recycled Water Use" and submit an accompanying narrative on the feasibility of that potential recycled water use.

Name(s) of Facility/ies Producing (Treating) the Recycled Water (OPTIONAL) :	Turlock Regional Water Quality Control Facility, Place ID 266737
Name of Supplier Operating the Recycled Water Distribution System (OPTIONAL) :	City of Turlock
Volume of Supplemental Water Added in 2025 (OPTIONAL) :	
Source of 2025 Supplemental Water (OPTIONAL) :	

Use Type **Drop down list**	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop down list	Additional Information (as needed)	2025 (MG)	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)	**Potential Recycled Water Use**	
									Volume	Narrative page number (OPTIONAL)
Agricultural irrigation	Non-Potable	Transported by North Valley Regional Recycled Water Pipeline for agricultural irrigation. See note (a).	3,492	3,492	3,492	3,492	3,492	3,492	N/A	
Agricultural irrigation	Non-Potable	Recycled water delivered to Turlock Irrigation District for agricultural irrigation. See note (b).	0	652	652	652	652	652	652	
Landscape irrigation (exc golf courses)	Non-Potable	Irrigation at Pedretti Sports Fields	0	1	1	1	1	1	1	
Geothermal and other energy production	Non-Potable	Turlock Irrigation District's Walnut Energy Center Co-Generation Facility cooling towers	376	376	376	376	376	376	N/A	
Landscape irrigation (exc golf courses)	Non-Potable	Recycled Water Filling Station. See note (c).	<1 MG	Varies, <1 MG	Varies, <1 MG	Varies, <1 MG	Varies, <1 MG	Varies, <1 MG	<1 MG	
		Subtotal Potable	0	0	0	0	0	0	0	
		Subtotal Non-Potable	3,867	4,520	4,520	4,520	4,520	4,520	N/A	
		Total	3,867	4,520	4,520	4,520	4,520	4,520	N/A	0

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.
Potential recycled water use: a description of the feasibility of these uses must be included in the narrative.
Multiple Producers: If you have multiple recycled water producers, submit a separate table for each.

NOTES:
(a) Volume of recycled water available for delivery to the North Valley Regional Recycled Water Program (North Valley Program) may vary, as wastewater and recycled water flow projections through 2050 are not available. Volume delivered to the North Valley Program may increase or decrease based on available recycled water supply in future years.
(b) Turlock anticipates beginning to deliver recycled water to TID for agricultural irrigation as part of the SRWA-TID Water Sales Agreement water in approximately 2028.
(c) The City began its recycled water filling station in 2018. Turlock has not set a limit on the amount of recycled water that can be trucked off-site other than 300 gallons per vehicle per trip. Total fill station use in 2025 was approximately 8,500 gallons, and fill station use is expected to continue to represent only a minor amount of Turlock's overall recycled water use.
(d) Due to rounding, the volumes by individual use shown in the table may not sum exactly to the subtotals or totals.

Submittal Table 6-4 Wholesale: Current and Projected Recycled Water Uses
Water Code Section 10633(c),(d),(e)

☑ Check box if recycled water is not used and is not planned for use within the service area of the supplier. The supplier will only complete the column on "Potential Recycled Water Use" and submit an accompanying narrative on the feasibility of that potential recycled water use.

Name of Receiving Supplier or Direct Use by Wholesale Supplier	Potable or Non-Potable (after treatment if treated) (OPTIONAL) Drop down list	Additional Information (as needed)	2025 (MG)	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)	Potential Recycled Water Use	
									Volume	Narrative page number (OPTIONAL)
Add additional rows as needed										
Subtotal Potable			0	0	0	0	0	0	0	
Subtotal Non-Potable			0	0	0	0	0	0	0	
Total			0	0	0	0	0	0	0	0

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table reports the unit of measure selected in Submittal Table 2-3.
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.
Potential recycled water use: a description of the feasibility of these uses must be included in the narrative.

NOTES:

Submittal Table 6-5 Retail: 2020 UWMP Recycled Water Use Projection Compared to 2025 Actual
Water Code Section 10633(e)

☐ Check the box if recycled water was not used in 2025 nor previously projected for use in 2020.
Proceed to the next table.

Use Type Drop Down list	2020 Projection for 2025 (MG)	2025 Actual Use (MG)
Agricultural irrigation	3,755	3,492
Landscape irrigation (exc golf courses)	1	0
Geothermal and other energy production	301	376
Other (Description Required)	Varies	<1 MG
Total	4,057	3,867

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure reported in Submittal Table 2-3
Additional Guidance: See Appendix M, Section M.21 for detailed guidance on this table.

NOTES: (a) The "Other" use type is Turlock's recycled water filling station.

Submittal Table 6-5 Wholesale: 2020 UWMP Recycled Water Use Projection Compared to 2025 Actual Water Code Section 10633(e)		
☑	Check the box if recycled water was not used or distributed by the supplier in 2025, nor projected for use or distribution in 2020. Proceed to the next table.	
Name of Receiving Supplier or Direct Use by Wholesale Supplier	2020 Projection for 2025 (MG)	2025 Actual Use (MG)
Total	0	0
DWR NOTES: **Units of measure (AF, CCF, MG)** must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.		
NOTES:		

Submittal Table 6-6 Retail: Methods to Encourage Future Recycled Water Use Water Code Section 10633 (f)			
☐	Check the box if the Supplier does not plan to expand recycled water use in the future. Supplier will not complete the table below but will provide narrative explanation.		
	Provide page location of narrative in the UWMP		
Name of Action	Description	Planned Implementation Year	Expected Increase in Recycled Water Use (MG)
Add additional rows as needed			
Recycled water delivered to Turlock Irrigation District	For agricultural irrigation use	2028. See note (a).	652
		Total (MG)	652
		Unit Conversion to AF	2,000
DWR NOTES: **Units of measure** (AF, CCF, MG) MUST remain consistent with units reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3. **The unit conversion to Acre Feet** addresses the Water Code's requirement that this value be provided in acre-feet.			
NOTES: (a) As part of SRWA's Water Sales Agreement with TID, Turlock planned to begin providing 2,000 acre-feet per year (652 MGY) of recycled water to TID for agricultural irrigation in 2022. However, recycled water deliveries to TID have not yet commenced. For the purposes of this plan, it is assumed that recycled water deliveries from Turlock to TID will begin by approximately 2028.			

Submittal Table 6-7 Retail: Expected Future Water Supply Projects or Programs
Water Code Section 10631(f)

☐	Check the box if there are no expected future water supply projects or programs that provide a quantifiable increase to the agency's water supply. Proceed to the next table.
☑	Check the box if some or all of the supplier's future water supply projects or programs are not compatible with this table and are described in a narrative format.
	Provide page location of narrative in the UWMP

Name of Future Projects or Programs	Joint Project with other suppliers?		Additional Description (as needed)	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Planned Implementation Year	Planned for Use in Year Type **Drop Down List**	Expected Increase in Water Supply to Supplier (This may be a range) (MG)
	Drop Down List (yes/no)	If Yes, Supplier Name					
Add additional rows as needed							
Construct Two New Wells (5 and 16) with Treatment (PWW-2 and PWW-3)	No			Potable	2028	All Year Types	1,570
Construct Four New Wells with Treatment (PWW-4 to PWW-7)	No			Potable	2038	All Year Types	3,139

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure reported in Submittal Table 2-3.

NOTES: Future water supply projects are defined in Turlock's 2025 Water Master Plan.

Submittal Table 6-7 Wholesale: Expected Future Water Supply Projects or Programs
Water Code Section 10631(f)

☐	Check the box if there are no expected future water supply projects or programs that provide a quantifiable increase to the agency's water supply. Proceed to the next table.
☐	Check the box if some or all of the supplier's future water supply projects or programs are not compatible with this table and are described in a narrative format.
	Provide page location of narrative in the UWMP

Name of Future Projects or Programs	Joint Project with other suppliers?		Additional Description (as needed)	Potable or Non-Potable (after treatment if treated) (OPTIONAL) Drop down list	Planned Implementation Year	Planned for Use in Year Type **Drop Down list**	Expected Increase in Water Supply to Supplier (This may be a range) (MG)
	Drop Down List (yes/no)	If Yes, Supplier Name					
SRWA WTP Filter Capacity Study	Yes	Cities of Turlock and Ceres	Filtration capacity study for existing filters to expand WTP capacity from 15 MGD to 19.9 MGD. See note (a).	Potable	2028	All Year Types	1,789
SRWA WTP Phase 2 Expansion	Yes	Cities of Turlock and Ceres	Expanding WTP capacity from 19.9 MGD to 30 MGD. See note (b).	Potable	2041 to 2045	All Year Types	2,513

DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure reported in Submittal Table 2-3.

NOTES:
(a) Filter capacity study is anticipated to increase SRWA's WTP capacity by up to 4.9 mgd, to a total capacity of up to 19.9 MGD.
(b) SRWA's WTP Phase 2 expansion is anticipated to increase capacity to 30 MGD. The planned implementation timing for the SRWA WTP expansion is approximate and will be determined closer to when additional supply capacity is needed. The expected increase in available supply is constrained by the maximum annual surface water agreement with TID (9,776 MG).

Submittal Table 6-8 Retail: Water Supplies — Actual
Water Code Section 10631 (b)

Water Supply	Additional Description (as needed)	2025		
Drop down list May use each category multiple times. These are the only water supply categories that will be recognized by the WUEdata online submittal tool		**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Actual Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (MG)
Groundwater (not desalinated)	Turlock's production wells	Potable	4,042	N/A
Purchased or Imported Water	Treated surface water purchased from SRWA	Potable	2,104	3,650
Recycled Water	Disinfected tertiary recycled water	Non-Potable	3,902	N/A
Groundwater (not desalinated)	Non-potable raw water irrigation wells at City parks	Non-Potable	104	N/A
		Subtotal Potable	6,146	N/A
		Subtotal Non-Potable	4,006	N/A
		Total	10,151	N/A

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
Total Entitlement: e.g. Water Right, Groundwater Allocation, Contracted Amount.

NOTES: Total entitlement for the purchased water is based on Turlock's current 10 MGD allocation of the SRWA WTP.

Submittal Table 6-8 Wholesale: Water Supplies — Actual
Water Code Section 10631(b)

Water Supply	Additional Description (as needed)	2025		
Drop down list May use each category multiple times.These are the only water supply categories that will be recognized by the WUEdata online submittal tool		**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Actual Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below (MG)
Surface water (not desalinated)	Surface water diverted from Tuolumne River per long-term transfer with TID	Potable	3,517	9,776
		Subtotal Potable	3,517	9,776
		Subtotal Non-Potable	0	0
		Total	3,517	9,776

DWR NOTES:
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in Submittal Table 2-3.
Total Entitlement: e.g. Water Right, Groundwater Allocation, Contracted Amount.

NOTES: Total Entitlement is based on SRWA and TID's Water Sales Agreement, which allows SRWA to purchase up to 30,000 AFY (equivalent to 9,776 MG) of untreated Tuolumne River surface water. Actual use may be limited by SRWA's current WTP capacity of 15 MGD.

Submittal Table 6-9 Retail: Water Supplies — Projected
Water Code Section 10631 (b)

Water Supply	Additional Detail on Water Supply	Potable or Non-Potable (after treatment if treated) (OPTIONAL) Drop Down list	Projected Water Supply (Report to the Extent Practicable)									
			2030		2035		2040		2045		2050 (opt)	
Drop down list May use each category multiple times. These are the only water supply categories that will be recognized by the WUEdata online submittal tool			Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below
Groundwater (not desalinated)	Turlock's production wells. See note (a).	Potable	8,026	N/A	8,026	N/A	11,165	N/A	11,165	N/A	11,165	N/A
Purchased or Imported Water	Treated surface water purchased from SRWA. See note (b).	Potable	4,842	4,842	4,842	4,842	4,842	4,842	6,517	6,517	6,517	6,517
Recycled Water	Disinfected tertiary recycled water. See note (c).	Non-Potable	4,520	N/A	4,520	N/A	4,520	N/A	4,520	N/A	4,520	N/A
Groundwater (not desalinated)	Non-potable raw water irrigation wells at City parks	Non-Potable	104	N/A	104	N/A	104	N/A	104	N/A	104	N/A
		Subtotal Potable	12,868	N/A	12,868	N/A	16,007	N/A	17,682	N/A	17,682	N/A
		Subtotal Non-Potable	4,624	N/A	4,624	N/A	4,624	N/A	4,624	N/A	4,624	N/A
		Total	17,492	N/A	17,492	N/A	20,631	N/A	22,306	N/A	22,306	N/A

DWR NOTES:

Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.

Total Entitlement: e.g. Water Right, Groundwater Allocation, Contracted Amount.

NOTES:

(a) Turlock's projected volume of groundwater available is estimated to be the maximum annual groundwater volume pumped in the past five years plus additional capacity from Turlock's future groundwater supply projects identified in DWR Table 6-7R. These future projects include constructing six new wells with treatment by 2040.

(b) Turlock's projected volume of purchased water available from SRWA in 2030, 2035, and 2040 assumes a 13.3 MGD allocation for Turlock, based on the WTP's re-rated capacity of 19.9 MGD. Phase 2 expansion of the SRWA WTP from 19.9 MGD to 30 MGD total capacity is assumed to occur in 2041. The Phase 2 expansion yields an allocation of 20 MGD to Turlock in 2045 and 2050; total volume available is limited by Turlock's two-thirds allocation of the maximum annual water supply available per the Water Sales Agreement (9,776 MG). Buildout expansion of the WTP to 45 MGD is not planned within this UWMP planning horizon.

(c) Wastewater and recycled water flow projections through 2050 are not available. Volumes presented are based on projected recycled water demands. Actual recycled water supply availability may vary.

Submittal Table 6-9 Wholesale: Water Supplies — Projected
Water Code Section 10631 (b)

Water Supply			Projected Water Supply (Report to the Extent Practicable)									
			2030		2035		2040		2045		2050 (opt)	
Drop down list May use each category multiple times.These are the only water supply categories that will be recognized by the WUEdata online submittal tool	Additional Detail on Water Supply	**Potable or Non-Potable** (after treatment if treated) (OPTIONAL) Drop Down list	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below	Reasonably Available Volume (MG)	Total Entitlement (OPTIONAL) See 'DWR Notes' below
Surface water (not desalinated)	Surface water diverted from Tuolumne River per long-term transfer with TID	Potable	7,264	9,776	7,264	9,776	7,264	9,776	9,580	9,776	9,580	9,776
		Subtotal Potable	7,264	9,776	7,264	9,776	7,264	9,776	9,580	9,776	9,580	9,776
		Subtotal Non-Potable	0	0	0	0	0	0	0	0	0	0
		Total	7,264	9,776	7,264	9,776	7,264	9,776	9,580	9,776	9,580	9,776

DWR NOTES:

Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table identifies the unit of measure selected in a Submittal Table 2-3.

Total Entitlement: e.g. Water Right, Groundwater Allocation, Contracted Amount.

NOTES: Reasonably available volume is based on the limiting factor of either 1) WTP capacity or 2) normal-year water allocation between SRWA and TID. Projected volume of surface water available in 2030 through 2040 is based on the WTP's capacity of 19.9 MGD, assuming that the filter re-rating study is completed in 2027. The Phase 2 WTP exansion from 19.9 MGD to 30 MGD total capacity is projected to occur between 2041 and 2045. In 2045 and 2050, reasonably available volume is limited by the normal-year water allocation between SRWA and TID, which is expected to be 98 percent of total volume requested. Refer to Chapter 7 for more information.

Optional Submittal Table O-1A: Recommended Energy Reporting - SINGLE DELIVERY PRODUCT - WATER SUPPLY PROCESS APPROACH

Water Delivery Product drop down list (If delivering more than one type of product recommend using Table O-1C)	Wholesale Potable Deliveries	**Only for Water Delivery Products Under the Urban Water Supplier's Operational Control**							
Start Date of Reporting Period	1/1/2025	**Water Management Process**						**Non-Consequential Hydropower (if applicable)**	
End Date of Reporting Period	12/31/2025								
Is upstream embedded energy included in the values reported?	No								
		Units for Water Volume	Extract and Divert	Place into Storage	Conveyance	Treatment	Distribution	**Total Utility** See DWR NOTES	Hydropower	Net Utility
Volume of Water Entering Process		MG	3,517	-	3,517	3,517	-	3,517	-	3,517
Energy Consumed (kWh)		N/A	1,613,600	-	2,037,863	721,600	-	4,373,063	-	N/A
Energy Intensity (kWh/vol. converted to MG)		N/A	459	0	579	205	0	1,243	0	0

DWR NOTES: Total Utility: The volume of water entered in the "Total Utility" column should equal the volume of water entering the distribution system (excluding recycled water); in most cases, this is the total volume calculated in UWMP Table 4-1: 2025 Actual Total Uses for Potable and Non-Potable Water. Note if recycled water is included in your Submittal Table 4-1, you must exclude it from your volume in this table.

Quantity of Self-Generated Renewable Energy

0 kWh

Data Quality (Estimate, Metered Data, Combination of Estimates and Metered Data)

Metered Data

Data Quality Narrative:

Energy consumption is based on monthly metered electric bills through Turlock Irrigation District (TID) during calendar year 2025. Values are based on energy consumed at SRWA's WTP, including the raw water pump station (shown in the "Extract and Divert" column), treatment system (shown in the "Treatment" column), and finished water pump station (shown in the "Conveyance" column). Volume of water entering process is based on SRWA's total water sales to the Cities of Turlock and Ceres, consistent with DWR Table 4-1 Wholesale.

Narrative:

SRWA's WTP includes a raw water pump station that extracts raw water from the Tuolumne River via an infiltration gallery. Raw water is then treated, and then pumped via finished water pump stations to the Cities of Turlock and Ceres' terminal reservoirs.

NOTES:

Optional Submittal Table O-1B: Recommended Energy Reporting - SINGLE DELIVERY PRODUCT - TOTAL UTILITY APPROACH

Water Delivery Product drop down list (If delivering more than one type of product recommend using Table O-1C)	Retail Potable Deliveries	**Only for Water Delivery Products Under the Urban Water Supplier's Operational Control**		
Start Date of Reporting Period	1/1/2025	**Sum of All Water Management Processes**	**Non-Consequential Hydropower**	
End Date of Reporting Period	12/31/2025			
Is upstream embedded energy in the values reported?	No			
Units of Measure for Water	MG	**Total Utility** See DWR NOTES	**Hydropower**	**Net Utility**
Volume of Water Entering Process		4,042	-	4,042
Energy Consumed (kWh)		7,718,708	-	7,718,708
Energy Intensity (kWh/vol. converted to MG)		1,910		1,910

DWR NOTES:

Total Utility: The volume of water entered in the "Total Utility" column should equal the volume of water entering the distribution system (excluding recycled water); in most cases, this is the total volume calculated in UWMP Table 4-1: 2025 Actual Total Uses for Potable and Non-Potable Water. Note if recycled water is included in your Submittal Table 4-1, you must exclude it from your volume in this table.

Quantity of Self-Generated Renewable Energy

0 kWh

Data Quality (Estimate, Metered Data, Combination of Estimates and Metered Data)

Metered Data

Data Quality Narrative:

Energy consumption is based on Turlock's monthly metered electric bills through Turlock Irrigation District (TID) during calendar year 2025. Energy usage includes energy consumed at all of Turlock's active groundwater well sites, which may also include some energy used by the wellhead treatment systems in place at some well sites and other remote telemetry units (RTUs). Energy usage also includes energy consumed at Turlock's four booster pump stations that pump out of Turlock's storage reservoirs, including the Terminal Reservoir. Volume of water entering process is based on Turlock's total potable groundwater volume pumped in 2025, consistent with DWR Table 6-1 Retail. Energy use shown does not include energy consumed at the SRWA WTP or for conveying surface water from the SRWA WTP to Turlock's Terminal Reservoir.

Narrative:

Energy consumed includes energy used by City of Turlock for water storage, conveyance, treatment, and distribution of groundwater. Energy consumed and volume of water entering process is based only on groundwater and does not include purchased surface water from SRWA.

NOTES:

Optional Submittal Table O-2: Recommended Energy Reporting - WASTEWATER AND RECYCLED WATER					
Start Date of Reporting Period	1/1/2025	Only for Water Delivery Products Under the Urban Water Supplier's Operational Control			
End Date of Reporting Period	12/31/2025				
Is upstream embedded energy in the values reported?	No	Water Management Process			
Units of Measure for Water	MG	Collection / Conveyance	Treatment	Discharge / Distribution	Total
Volume of Wastewater Entering Process (volume units selected above)		3,902	3,902	3,902	11,706
Wastewater Energy Consumed (kWh)		461,525	16,224,257	486,823	17,172,605
Wastewater Energy Intensity (kWh/volume converted to MG)		118	4,158	125	1,467
Volume of Recycled Water Entering Process (volume units selected above)		-	-	-	-
Recycled Water Energy Consumed (kWh)		-	-	-	-
Recycled Water Energy Intensity (kWh/volume converted to MG)		-	-	-	-

Quantity of Self-Generated Renewable Energy related to recycled water and wastewater operations

0 kWh

Data Quality (drop down)

Metered Data

Data Quality Narrative:

Energy consumption is based on metered Turlock Irrigation District (TID) billing records for wastewater collection (i.e., sanitary sewer lift stations), treatment facilities, and discharge facilities for Calendar Year 2025. Wastewater volumes are based on metered effluent flow records.

Narrative:

Turlock's wastewater collection/conveyance involves the use of sanitary sewer lift stations, which convey wastewater to Turlock's Regional Water Quality Control Facility (RWQCF). After treatment at the RWQCF, treated effluent is discharged, with most effluent pumped to the Delta-Mendota Canal as part of the North Valley Program, and a smaller amount of effluent used as recycled water within Turlock's water service area.

NOTES:

Optional Submittal Table 7-1 Retail: Basis of Water Year Data (Reliability Assessment)

Year Type	Base Year If not using a calendar year, type in the last year of the fiscal, water year, or range of years, for example, water year 2024-2025, use 2025	Available Supplies if Year Type Repeats	
		☑	Check the box if quantification of available supplies is not compatible with this table and is provided elsewhere in the UWMP. **Location:** Section 7.2.1.2, Table 7-5 (DWR Table 7-1 Wholesale)
		Quantification of available supplies is provided in this table as either volume only, percent only, or both.	
		Volume Available (MG)	**% of Average Supply**
Average Year	N/A	N/A	N/A
Single-Dry Year	N/A	N/A	N/A
Consecutive Dry	N/A	N/A	N/A
Consecutive Dry	N/A	N/A	N/A
Consecutive Dry	N/A	N/A	N/A
Consecutive Dry	N/A	N/A	N/A
Consecutive Dry	N/A	N/A	N/A

DWR NOTES: Supplier may use multiple versions of Submittal Table 7-1 R if different water sources have different base years and the supplier chooses to report the base years for each water source separately. If a Supplier uses multiple versions of Submittal Table 7-1 R, in the "Note" section of each submittal table, state that multiple versions of Submittal Table 7-1 R are being used and identify the particular water source that is being reported in each submittal table.

Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table reports the units of measure reported in Submittal Table 2-3.

NOTES:

OPTIONAL Submittal Table 7-1 Wholesale: Basis of Water Year Data (Reliability Assessment)

Year Type	Base Year If not using a calendar year, type in the last year of the fiscal, water year, or range of years, for example, water year 2024-2025, use 2025	Available Supplies if Year Type Repeats	
		☐ Check the box if quantification of available supplies is not compatible with this table and is provided elsewhere in the UWMP. **Location:** [insert location from UWMP]	
		Quantification of available supplies is provided in this table as either volume only, percent only, or both.	
		Volume Available (MG)	**% of Average Supply**
Average Year	2010-2025	9,580	100%
Single-Dry Year	2015	3,666	38%
Consecutive Dry Years 1st Year	2012	6,110	64%
Consecutive Dry Years 2nd Year	2013	6,924	72%
Consecutive Dry Years 3rd Year	2014	4,073	43%
Consecutive Dry Years 4th Year	2015	3,666	38%
Consecutive Dry Years 5th Year	2016	7,332	77%

DWR NOTES: Supplier may use multiple versions of Submittal Table 7-1 W if different water sources have different base years and the supplier chooses to report the base years for each water source separately. If a Supplier uses multiple versions of Submittal Table 7-1 W, in the "Note" section of each submittal table, state that multiple versions of Submittal Table 7-1 W are being used and identify the particular water source that is being reported in each submittal table.
Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3. This table reports the unit of measure selected in Submittal Table 2-3.

NOTES: Actual surface water volume currently available is lower based on SRWA's current water treatment plant capacity (i.e. 5,475 MG). By 2028, the treatment plant capacity is expected to increase to 7,264 MG following the filter re-rating study and the capacity is expected to increase to 9,580 MG by 2045 following the Phase 2 expansion as discussed in Chapter 6 and shown in Table 6-18 (DWR Table 6-9 Wholesale).

Submittal Table 7-2 Retail: Normal Year Supply and Use Comparison Water Code Section 10635 (a)					
	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals (autofill from Submittal Table 6-9 R)	17,492	17,492	20,631	22,306	22,306
Use totals (autofill from Submittal Table 4-2 R)	7,375	8,124	8,873	9,622	10,372
Surplus/(shortfall)	10,117	9,368	11,758	12,684	11,934
OPTIONAL Planned WSCP Actions					
NOTES:					

Submittal Table 7-2 Wholesale: Normal Year Supply and Use Comparison Water Code Section 10635 (a)					
	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals (autofill from Submittal Table 6-9 W)	7,264	7,264	7,264	9,580	9,580
Use totals (see OPTIONAL Submittal Table 4-2 W)	4,322	4,939	5,545	6,227	6,691
Surplus/(shortfall)	2,942	2,324	1,719	3,353	2,890
NOTES: Projected wholesale supply available during normal year conditions is based on Table 6-18 (DWR Table 6-9 Wholesale). Projected wholesale use is based on the Cities of Turlock and Ceres' projected surface water use defined in Table 4-5 (DWR Table 4-2 Wholesale). Actual surface water supply availability and purchases may vary based on hydrologic condition, timing of future SRWA projects, and retail demands.					

OPTIONAL Submittal Table 7-3 Retail: Single Dry Year Supply and Use Comparison - POTABLE					
	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals	9,866	9,866	13,005	13,641	13,641
Use totals	6,895	7,644	8,393	9,142	9,892
Surplus/(shortfall)	2,971	2,222	4,612	4,499	3,750
NOTES: Supply totals includes both Turlock's groundwater and surface water allocation expected during a single dry year. Under a single dry year, it is conservatively assumed that Turlock may receive only 38 percent of its requested surface water allocation from TID (refer to Table 7-3). Potable use totals are defined in DWR Table 7-2 Retail (Potable). Groundwater supply is not restricted during dry years. Increasing supply totals through 2050 reflect Turlock and SRWA's future water supply projects, as defined in Chapter 6, that are needed to maintain adequate supply capacity to meet peak demands.					

OPTIONAL Submittal Table 7-3 Retail: Single Dry Year Supply and Use Comparison - NON-POTABLE					
	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals	4,624	4,624	4,624	4,624	4,624
Use totals	480	480	480	480	480
Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
NOTES: Non-potable supply includes both Turlock's raw (untreated) groundwater and recycled water. Non-potable supplies are not anticipated to be reduced during dry years. Non-potable use shown includes only uses within Turlock's water service area. Remaining non-potable supply (recycled water) is exported outside of the service area for agricultural irrigation.					

Submittal Table 7-3 Wholesale: Single Dry Year Supply and Use Comparison Water Code Section 10635(a)					
	2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
Supply totals	2,760	2,760	2,760	3,715	3,715
Use totals	4,322	4,939	5,545	6,227	6,691
Surplus/(shortfall)	(1,562)	(2,179)	(2,785)	(2,512)	(2,976)
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.					
NOTES: Under a single dry year, it is conservatively assumed that SRWA may receive only 38 percent of its requested surface water allocation from TID (refer to Table 7-5 [DWR Table 7-1 Wholesale]). The shortfall in surface water supply will be met by the Cities of Turlock and Ceres' groundwater wells.					

OPTIONAL Submittal Table 7-4 Retail: Multiple Dry Years Supply and Use Comparison - POTABLE						
		2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
First year	Supply totals	11,077	11,077	14,216	15,271	15,271
	Use totals	6,895	7,644	8,393	9,142	9,892
	Surplus/(shortfall)	4,182	3,433	5,822	6,129	5,379
Second year	Supply totals	11,464	11,464	15,792	15,792	15,792
	Use totals	7,045	7,794	8,543	9,292	9,892
	Surplus/(shortfall)	4,419	3,670	7,249	6,500	5,901
Third year	Supply totals	10,060	10,060	13,902	13,902	13,902
	Use totals	7,194	7,944	8,693	9,442	9,892
	Surplus/(shortfall)	2,865	2,116	5,209	4,460	4,011
Fourth year	Supply totals	9,866	13,005	13,641	13,641	13,641
	Use totals	7,344	8,093	8,843	9,592	9,892
	Surplus/(shortfall)	2,522	4,912	4,799	4,050	3,750
Fifth year	Supply totals	11,658	14,797	16,053	16,053	16,053
	Use totals	7,494	8,243	8,992	9,742	9,892
	Surplus/(shortfall)	4,164	6,553	7,060	6,311	6,161
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.						
NOTES: Increasing supply totals reflect Turlock and SRWA's future water supply projects, as defined in Chapter 6, that are needed to maintain adequate supply capacity to meet peak demands. The SRWA WTP Phase 2 Expansion is anticipated in 2041 for the purposes of this table, which will increase the WTP capacity from 19.9 MGD to 30 MGD.						

OPTIONAL Submittal Table 7-4 Retail: Multiple Dry Years Supply and Use Comparison - NON-POTABLE						
		2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
First year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
Second year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
Third year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
Fourth year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
Fifth year	Supply totals	4,624	4,624	4,624	4,624	4,624
	Use totals	480	480	480	480	480
	Surplus/(shortfall)	4,144	4,144	4,144	4,144	4,144
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.						

Submittal Table 7-4 Wholesale: Multiple Dry Years Supply and Use Comparison Water Code Section 10635(a)						
		2030 (MG)	2035 (MG)	2040 (MG)	2045 (MG)	2050 (MG)
First year	Supply totals	4,576	4,576	4,576	6,159	6,159
	Use totals	4,322	4,939	5,545	6,227	6,691
	Surplus/(shortfall)	254	(363)	(969)	(68)	(532)
Second year	Supply totals	5,157	5,157	6,941	6,941	6,941
	Use totals	4,445	5,060	5,681	6,320	6,691
	Surplus/(shortfall)	712	97	1,260	621	250
Third year	Supply totals	3,051	3,051	4,106	4,106	4,106
	Use totals	4,569	5,181	5,818	6,413	6,691
	Surplus/(shortfall)	(1,518)	(2,131)	(1,712)	(2,307)	(2,585)
Fourth year	Supply totals	2,760	2,760	3,715	3,715	3,715
	Use totals	4,692	5,303	5,954	6,505	6,691
	Surplus/(shortfall)	(1,932)	(2,542)	(2,239)	(2,791)	(2,976)
Fifth year	Supply totals	5,448	5,448	7,332	7,332	7,332
	Use totals	4,816	5,424	6,091	6,598	6,691
	Surplus/(shortfall)	632	24	1,241	734	641
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.						
NOTES: Per DWR Table 6-7 Wholesale, the SRWA WTP Phase 2 Expansion to 30 MGD capacity is anticipated between 2041 to 2045. For the purposes of this table, it is assumed to be completed in 2041.						

OPTIONAL Submittal Table 7-5 Retail: Five-Year Drought Risk Assessment - POTABLE	
2026	**Total**
Total Water Use (MG)	6,295
Total Supplies (MG)	8,756
Surplus/Shortfall w/o WSCP Action	2,461
2027	**Total**
Total Water Use (MG)	6,445
Total Supplies (MG)	9,894
Surplus/Shortfall w/o WSCP Action	3,450
2028	**Total**
Total Water Use (MG)	6,595
Total Supplies (MG)	10,060
Surplus/Shortfall w/o WSCP Action	3,465
2029	**Total**
Total Water Use (MG)	6,745
Total Supplies (MG)	9,866
Surplus/Shortfall w/o WSCP Action	3,121
2030	**Total**
Total Water Use (MG)	6,895
Total Supplies (MG)	11,658
Surplus/Shortfall w/o WSCP Action	4,763
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.	
NOTES:	

OPTIONAL Submittal Table 7-5 Retail: Five-Year Drought Risk Assessment - NON-POTABLE	
2026	**Total**
Total Water Use (MG)	480
Total Supplies (MG)	4,624
Surplus/Shortfall w/o WSCP Action	4,144
2027	**Total**
Total Water Use (MG)	480
Total Supplies (MG)	4,624
Surplus/Shortfall w/o WSCP Action	4,144
2028	**Total**
Total Water Use (MG)	480
Total Supplies (MG)	4,624
Surplus/Shortfall w/o WSCP Action	4,144
2029	**Total**
Total Water Use (MG)	480
Total Supplies (MG)	4,624
Surplus/Shortfall w/o WSCP Action	4,144
2030	**Total**
Total Water Use (MG)	480
Total Supplies (MG)	4,624
Surplus/Shortfall w/o WSCP Action	4,144
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.	
NOTES:	

OPTIONAL Submittal Table 7-5 Wholesale: Five-Year Drought Risk Assessment - POTABLE	
2026	**Total**
Total Water Use (MG)	3,659
Total Supplies (MG)	3,449
Surplus/Shortfall w/o WSCP Action	(210)
2027	**Total**
Total Water Use (MG)	3,808
Total Supplies (MG)	5,157
Surplus/Shortfall w/o WSCP Action	1,349
2028	**Total**
Total Water Use (MG)	3,950
Total Supplies (MG)	3,051
Surplus/Shortfall w/o WSCP Action	(899)
2029	**Total**
Total Water Use (MG)	4,131
Total Supplies (MG)	2,760
Surplus/Shortfall w/o WSCP Action	(1,370)
2030	**Total**
Total Water Use (MG)	4,322
Total Supplies (MG)	5,448
Surplus/Shortfall w/o WSCP Action	1,126
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.	
NOTES:	

Submittal Table 8-1: Cross-reference for Standard vs Supplier Shortage Levels Water Code Section 10632(a)(3)(B)			
☑	Check the box if the Supplier uses the Standard six levels of water shortage. Proceed to the next table.		
Standard Shortage Levels	**Percent Shortage Range**	**Suppliers Shortage Levels**	**Percent Shortage Range**
1	Up to 10%		
2	Up to 20%		
3	Up to 30%		
4	Up to 40%		
5	Up to 50%		
6	>50%		
NOTES:			

Submittal Table 8-2 Retail: Supply Augmentation and Other Actions Water Code Section 10632(a)(4)(A),(C) and (E)				
Yes	Is the Supplier completing this table using the standard six levels? (yes/no)			
Shortage Level	Supply Augmentation Methods and Other Actions by Water Supplier **Drop down list** These are the only categories that will be accepted by the WUEdata online submittal tool	How much is this going to reduce the shortage gap?		Additional Explanation or Reference (OPTIONAL)
		Volume or Percentage Drop down	Shortage Gap Reduction Value (May be a range) (MG)	
3-6	Other Actions (describe)	Volume	390-1,560	Rehabilitate existing wells, increase pumping of existing production wells, or install new production wells.
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.				
NOTES: Volume of supplemental groundwater assumes construction or rehabilitation of one to four potable groundwater wells, each with a capacity of 1,000 gallons per minute, and assuming a run time of 75 percent throughout the year.				

Submittal Table 10-1 Retail: Notification to Cities and Counties Water Code Section 10621(b) and 10642		
City Name	60 Day Notice **Drop Down (yes/no)**	Notice of Public Hearing **Drop Down (yes/no)**
City of Turlock	Yes	Yes
City of Ceres	Yes	Yes
County Name **Drop Down List**	60 Day Notice **Drop Down (yes/no)**	Notice of Public Hearing **Drop Down (yes/no)**
Stanislaus County	Yes	Yes
NOTES:		

Submittal Table 10-1 Wholesale: Notification to Cities and Counties Water Code Section 10621(b) and 10642		
☐	Check the box if the Supplier has notified more than 10 cities or counties. **Completion of the table below is not required. Provide a separate list of the cities and counties that were notified.**	
	Provide the page or location of this list in the UWMP.	
☑	Check the box if the Supplier has notified 10 or fewer cities or counties. **Complete the table below.**	
City Name	60 Day Notice **Drop Down (yes/no)**	Notice of Public Hearing **Drop Down (yes/no)**
City of Turlock	Yes	Yes
City of Ceres	Yes	Yes
County Name **Drop Down List**	60 Day Notice **Drop Down (yes/no)**	Notice of Public Hearing **Drop Down (yes/no)**
Stanislaus County	Yes	Yes
NOTES:		

Appendix C

DWR 2025 Urban Water Management Plan Checklist

DRAFT

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Chapter 1	10615	A plan shall describe and evaluate sources of supply, reasonable and practical efficient uses, reclamation and demand management activities.	Introduction and Overview	n/a	Executive Summary
x	x	Chapter 1	10630.5	Each plan shall include a simple description of the Supplier's plan including water availability, future requirements, a strategy for meeting needs, and other pertinent information. Additionally, a Supplier may also choose to include a simple description at the beginning of each chapter.	Plan Preparation	n/a	Executive Summary
x	x	Section 2.1	10620(b)	Every person that becomes a Supplier shall adopt UWMP within one year after it has become a Supplier.	Plan Preparation	n/a	Section 2.1
x	n/a	Section 2.5	10644	Supplier shall report the Public Water Systems number, volume of delivered water, and number of connections that are included in this UWMP.	Plan Preparation	2-1R	Section 2.1
x	x	Section 2.5	10644	Supplier shall report if this UWMP is an individual UWMP and whether the Supplier belongs to a regional UWMP or regional alliance.	Plan Preparation	2-2	Section 2.3
x	x	Section 2.5	10644	Supplier shall report whether the data is in fiscal or calendar years and the units of measure used for reporting water volumes.	Plan Preparation	2-3	Section 2.4
x	x	Section 2.4	10642	Provide supporting documentation that the Supplier has encouraged active involvement of diverse social, cultural, and economic elements of the population within the service area prior to and during the preparation of the plan and contingency plan.	Plan Preparation	n/a	Section 2.5.2 and Appendix D

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Section 2.4.2	10620(d)(3)	Coordinate the preparation of its plan with other appropriate agencies in the area, including other Suppliers that share a common source, water management agencies, and relevant public agencies, to the extent practicable.	Plan Preparation	n/a	Section 2.5
x	n/a	Section 2.4.1	10631(h)	Retail Suppliers will include documentation that they have provided their Wholesale Supplier(s)—if any—with water use projections from that source.	Plan Preparation	2-4 R	Section 2.5.1
n/a	x	Section 2.4.1	10631(h)	Wholesale Suppliers will provide their Suppliers with identification and quantification of the existing and planned sources of water available from the Wholesale Supplier to the Supplier during various water year types.	Plan Preparation	2-4 W	Section 2.5.1
x	x	Chapter 3.0	10631(a)	Describe the Supplier service area.	System Description	n/a	Section 3.1
x	x	Section 3.3	10631(a)	Describe the climate of the Supplier's service area.	System Description	n/a	Section 3.3
x	x	Section 3.4.1	10631(a)	Provide the current and projected service area populations for 2030, 2035, 2040, 2045 and optionally 2050.	System Description	3-1R, 3-1W	Section 3.4.1
x	x	Section 3.4.2	10631(a)	Describe other social, economic, and demographic factors affecting the Supplier's water management planning.	System Description	n/a	Section 3.4.2
x	x	Section 3.5	10631(a)	Describe the land uses within the service area… include the current and projected land uses within the existing or anticipated service area affecting the Supplier's water management planning. Describe the land uses within the service area.	System Description and Baselines	n/a	Section 3.5

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	Optional	Sections 4.2.3 and 4.2.4	10631(d)(1)	Quantify past, current, and projected water use, identifying the uses among water use sectors.	System Water Use	4-1R, 4-1W, 4-2R, 4-2W	Sections 4.2
x	Optional	Section 4.3.1	10631(d)(3)(A)	Report the distribution system water loss for each of the five years preceding the plan update.	System Water Use	4-5R	Section 4.3 and Appendix F
x	n/a	Section 4.3.2	10631(d)(3)(C)	Retail Suppliers shall provide data to show the distribution loss standards were met.	System Water Use	4-6R	Section 4.3
x	n/a	Section 4.2.5.4	10631.1(a)	Include projected water use needed for lower income housing projected in the service area of the Supplier.	System Water Use	n/a	Section 4.2.6
x	n/a	Section 4.2.5.3	10631(d)(4)(A)	In projected water use, include estimates of water savings from adopted codes, plans, and other policies or laws.	System Water Use	n/a	Section 4.2.3
x	n/a	Section 4.2.5.3	10631(d)(4)(B)	Provide citations of codes, standards, ordinances, or plans used to make water use projections.	System Water Use	n/a	Section 4.2.3
x	n/a	Section 4.2.5.3	10631(d)(4)(B)(ii)	To the extent that a Supplier reports the information described in subparagraph (A), an urban water Supplier shall… Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.	System Water Use	4-3R	Section 4.2.5
x	x	Section 4.2.5.6	10635(b)	Demands under climate change considerations must be included as part of the drought risk assessment.	System Water Use	n/a	Section 4.2.4 and 4.4
n/a	x	Section 5.1	10608.36	Wholesale Suppliers shall include an assessment of present and proposed future measures, programs, and policies to help their Retail	Baselines and Targets	n/a	Section 9.1

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
				Suppliers achieve targeted water use reductions.			
x	n/a	Section 5.2	10608.4	Retail Suppliers shall report on their compliance in meeting their water use targets. Reporting requirements will vary depending on whether the Supplier: • Was considered an urban retail water supplier in 2020, • Met its 2020 target in 2020, or • Was part of a merger or consolidation since 2020. Chapter 5 Subsections 5.2.1, 5.2.2, and 5.2.3 address each of these situations.	Baselines and Targets	5-1	Section 5-2
x	x	Section 6.1	10631(b)(2)	When multiple sources of water supply are identified, describe the management of each supply in relationship to other identified supplies.	System Supplies	n/a	Section 6-1
x	x	Sections 6.1 and 6.2	10631(b)(1)	Provide a discussion of anticipated supply availability under a normal, single dry year, and a drought lasting five years, as well as more frequent and severe periods of drought, including changes in supply due to climate change.	System Supplies	n/a	Sections 6.1, 6.2, , 6.3, 6.4, 6.5, 6.6, 6.7, 6.11 and 7.2
x	x	Section 6.2.2	10631(b)(4)(C)	Indicate whether groundwater is an existing or planned source of water available to the Supplier. If groundwater is identified as an existing or planned source of water… (include) a detailed description and analysis of the location, amount and sufficiency of groundwater pumped by the Supplier for the past five years.	Water Supplies and Recycled Water	6-1R and 6-1W	Section 6.1 and 6.2

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Section 6.2.2	10631(b)(4)(A)	Indicate whether a groundwater sustainability plan or groundwater management plan has been adopted by the Supplier or if there is any other specific authorization for groundwater management. Include a copy of the plan or authorization.	System Supplies	n/a	Section 6.2.2
x	x	Section 6.2.2	10631(b)(4)(B)	Describe the groundwater basin.	System Supplies	n/a	Section 6.2.1
x	x	Section 6.2.2	10631(b)(4)(B)	Indicate if the basin has been adjudicated and include a copy of the court order or decree and a description of the amount of water the Supplier has the legal right to pump.	System Supplies	n/a	Section 6.2.2
x	x	Section 6.2.2	10631(b)(4)(B)	For unadjudicated basins… (include) information as to whether DWR has identified the basin as a high- or medium-priority basin in the most current official departmental bulletin…	Water Supplies and Recycled Water	n/a	Section 6.2.2
x	x	Section 6.2.2	10631(b)(4)(B)	For unadjudicated basins… describe efforts by the Supplier to coordinate with sustainability or groundwater agencies to achieve sustainable groundwater conditions.	Water Supplies and Recycled Water	n/a	Section 6.2.2
x	x	Section 6.2.2.	10631(b)(4)(C)	If groundwater is identified as an existing or planned source of water… (include) a detailed description and analysis of the location, amount and sufficiency of groundwater pumped by the Supplier for the past five years.	System Supplies	6-1R and 6-1W	Section 6.2.6
x	x	Section 6.2.2	10631(b)(4)(D)	Provide a detailed description and analysis of the amount and location of groundwater that is projected to be pumped.	System Supplies	n/a	Section 6.2.7 and UWMP Table 6-4

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Section 6.1	10631(b)	Identify and quantify the existing and planned sources of water available for 2025, 2030, 2035, 2040, 2045 and optionally 2050.	System Supplies	6-8R and 6-9R; 6-8W and 6-9W	Section 6.10
x	x	Section 6.2.7	10631(c)	Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.	System Supplies	n/a	Section 6.3
x	n/a	Section 6.2.5	10633(a)	Describe the wastewater collection and treatment systems in the Supplier's service area with quantified amount of collection and treatment and the disposal methods.	System Supplies (Recycled Water)	6-2R, 6-3R, and 6-3W	Section 6.7.2
x	x	Section 6.2.5	10633(b)	Describe the quantity of treated wastewater that meets recycled water standards, is being discharged, and is otherwise available for use in a recycled water project.	System Supplies (Recycled Water)	n/a	Section 6.7.2.2
x	x	Section 6.2.5	10633(c)	Describe the recycled water currently being used in the Supplier's service area.	System Supplies (Recycled Water)	6-5R	Section 6.7.3 and 6.7.4
x	x	Section 6.2.5	10633(d)	Describe and quantify the potential uses of recycled water and provide a determination of the technical and economic feasibility of those uses.	System Supplies (Recycled Water)	6-4R	Section 6.7.4
x	x	Section 6.2.5	10633(e)	Describe the projected use of recycled water within the Supplier's service area at the end of 5, 10, 15, and 20 years, and describe the actual use of recycled water in comparison to uses previously projected.	System Supplies (Recycled Water)	6-4R, 6-4W, 6-5R, and 6-5W	Section 6.7.4
x	x	Section 6.2.5	10633(f)	Describe the actions that may be taken to encourage the use of recycled water and the projected results of these actions in terms of acre-feet of recycled water used per year.	System Supplies (Recycled Water)	6-6R	Section 6.7.5

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Section 6.2.5	10633(g)	Provide a plan for optimizing the use of recycled water in the Supplier's service area.	System Supplies (Recycled Water)	n/a	Section 6.7.5
x	x	Section 6.2.6	10631(g)	Describe desalinated water project opportunities for long-term supply.	System Supplies	n/a	Section 6.8
x	x	Section 6.2.10	10631(f)	Describe the expected future water supply projects and programs that may be undertaken by the water Supplier to address water supply reliability in average, single-dry, and for a period of drought lasting five consecutive water years.	System Supplies	6-7R and 6-7W	Section 6.9 and 7.4
x	x	Section 6.3 and Appendix O	10631.2(a)	The UWMP must include energy information, as stated in the code, that a Supplier can readily obtain.	System Suppliers, Energy Intensity	O-1AR, O-1AW, and O-2	Section 6.12
x		Section 7.1	10634	Provide information on the quality of existing sources of water available to the Supplier and the manner in which water quality affects water management strategies and supply reliability.	Water Supply Reliability Assessment	n/a	Section 7.1.1, 7.1.2
x	x	Section 7.2	10635(a)	Service Reliability Assessment: Assess the water supply reliability during normal, dry, and a drought lasting five consecutive water years by comparing the total water supply sources available to the Supplier with the total projected water use over the next 20 years.	Water Supply Reliability Assessment	7-1R, 7-1W 7-2R, 7-2W, 7-3R, 7-3W, 7-4R, 7-4W	Section 7.2
x	x	Section 7.2.3	10620(f)	Describe water management tools and options to maximize resources and minimize the need to import water from other regions.	Water Supply Reliability Assessment	n/a	Section 7.4
x	x	Section 7.3	10635(b)	Provide a drought risk assessment as part of information considered in developing the demand management measures and water supply projects.	Water Supply Reliability Assessment	n/a	Section 7.3

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Section 7.3	10635(b)(1)	Include a description of the data, methodology, and basis for one or more supply shortage conditions that are necessary to conduct a drought risk assessment for a drought period that lasts five consecutive years.	Water Supply Reliability Assessment	n/a	Section 7.3.1
x	x	Section 7.3	10635(b)(2)	Include a determination of the reliability of each source of supply under a variety of water shortage conditions.	Water Supply Reliability Assessment	n/a	Section 7.3.2
x	x	Section 7.3	10635(b)(3)	Include a comparison of the total water supply sources available to the Supplier with the total projected water use for the drought period.	Water Supply Reliability Assessment	7-5R and 7-5W	Section 7.3.3
x	x	Section 7.3	10635(b)(4)	Include considerations of the historical drought hydrology, plausible changes on projected supplies and demands under climate change conditions, anticipated regulatory changes, and other locally applicable criteria.	Water Supply Reliability Assessment	n/a	Section 7.1 and 7.2
x	x	Chapter 8	10632(a)	Provide a water shortage contingency plan (WSCP) with specified elements below.	Water Shortage Contingency Planning	n/a	Section 8.2; Appendix G Turlock WSCP; Appendix H - SRWA WSCP
x	x	Chapter 8	10632(a)(1)	Provide an analysis of water supply reliability (from Guidebook Chapter 7) in the WSCP.	Water Shortage Contingency Planning	n/a	Section 8.3; Appendix G: Turlock WSCP - Section 2.0; Appendix H: SRWA WSCP - Section 1.0

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Section 8.2	10632(a)(2)(A)	Provide the written decision-making process and other methods that the Supplier will use each year to determine its water reliability.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 3.1; Appendix H: SRWA WSCP - Section 2.1
x	x	Section 8.2	10632(a)(2)(B)	Provide data and methodology to evaluate the Supplier's water reliability for the current year and one dry year pursuant to factors in the code.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 3.2; Appendix H: SRWA WSCP - Section 2.2
x	x	Section 8.3	10632(a)(3)(A)	Define six standard water shortage levels of 10%, 20%, 30%, 40%, 50% shortage, and greater than 50% shortage. These levels shall be based on supply conditions, including percent reductions in supply, changes in groundwater levels, changes in surface elevation, or other conditions. The shortage levels shall also apply to a catastrophic interruption of supply.	Water Shortage Contingency Planning	Turlock WSCP: 8-1; SRWA WSCP: 8-1	Appendix G: Turlock WSCP - Section 4.0; Appendix H: SRWA WSCP - Section 3.0
x	x	Section 8.3	10632(a)(3)(B)	Suppliers with an existing WSCP that uses different water shortage levels must cross reference their categories with the six standard categories.	Water Shortage Contingency Planning	n/a	n/a; SRWA and Turlock use the six standard water shortage level categories

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Section 8.4	10632(a)(4)(A)	Suppliers with WSCPs that align with the defined shortage levels must specify locally appropriate supply augmentation actions.	Water Shortage Contingency Planning	Turlock WSCP: 8-2[1]	Appendix G: Turlock WSCP - Section 5.3; Appendix H: SRWA WSCP - Section 4.3
x	x	Section 8.4	10632(a)(4)(B)	Specify locally appropriate demand reduction actions to adequately respond to shortages.	Water Shortage Contingency Planning	Turlock WSCP: 8-3; SRWA WSCP: 8-3[2]	Appendix G: Turlock WSCP - Sections 5.1; Appendix H: SRWA WSCP - Sections 4.1
x	x	Section 8.4	10632(a)(4)(C)	Specify locally appropriate operational changes.	Water Shortage Contingency Planning	Turlock WSCP: 8-2[3]	Appendix G: Turlock WSCP - Section 5.4; Appendix H: SRWA WSCP - Section 4.4
x	x	Section 8.4	10632(a)(4)(D)	Specify additional mandatory prohibitions against specific water use practices that are in addition to State-mandated prohibitions are appropriate to local conditions.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 5.2;

[1] The SRWA WSCP was prepared under the 2020 Urban Water Management Plan Guidebook and was determined complete by DWR during review. It has not been revised. Locally appropriate supply augmentation actions are described in the narrative.
[2] The SRWA WSCP was prepared under the 2020 Urban Water Management Plan Guidebook and was not revised. The listed Relevant Submittal Table 8-3 herein is the 2025 DWR Reporting Submittal Table, which is equivalent to Submital Table 8-2 from the 2020 DWR Reporting workbook.
[3] The SRWA WSCP was prepared under the 2020 Urban Water Management Plan Guidebook and was determined complete by DWR during review. It has not been revised. Locally appropriate operational changes are described in the narrative.

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
							Appendix H: SRWA WSCP - Section 4.2
x	x	Section 8.4	10632(a)(4)(E)	Estimate the extent to which the gap between supplies and demand will be reduced by implementation of the action.	Water Shortage Contingency Planning	Turlock WSCP: 8-2 and 8.3; SRWA WSCP: 8-3	Appendix G: Turlock WSCP - Section 5.0; Appendix H: SRWA WSCP - Section 4.0
x	x	Section 8.4.6	10632.5	The UWMP shall include a seismic risk assessment and mitigation plan.	Water Shortage Contingency Plan	n/a	Section 8.3.1
x	x	Section 8.5	10632(a)(5)(A)	Suppliers must describe that they will inform customers, the public and others regarding any current or predicted water shortages.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 6.0; Appendix H: SRWA WSCP - Section 5.0
x	x	Section 8.5	10632(a)(5)(B), 10632(a)(5)(C)	Suppliers must describe that they will inform customers, the public and others regarding any shortage response actions triggered or anticipated to be triggered and other relevant communications.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 6.0; Appendix H: SRWA WSCP - Section 5.0
x	n/a	Section 8.6	10632(a)(6)	Retail Supplier must describe how it will ensure compliance with and enforce provisions of the WSCP.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 7.0
x	x	Section 8.7	10632(a)(7)(A)	Describe the legal authority that empowers the Supplier to enforce shortage response actions.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 8.0;

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
							Appendix H: SRWA WSCP - Section 7.0
x	x	Section 8.7	10632(a)(7)(B)	Provide a statement that the Supplier will declare a water shortage emergency per Water Code Chapter 3. Water Shortage Emergencies.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 8.0; Appendix H: SRWA WSCP - Section 7.0
x	x	Section 8.7	10632(a)(7)(C)	Provide a statement that the Supplier will coordinate with any city or county within which it provides water for the possible proclamation of a local emergency.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 8.0; Appendix H: SRWA WSCP - Section 7.0
x	x	Section 8.8	10632(a)(8)(A)	Describe the potential revenue reductions and expense increases associated with activated shortage response actions.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 9.0; Appendix H: SRWA WSCP - Section 8.0
x	x	Section 8.8	10632(a)(8)(B)	Provide a description of mitigation actions needed to address revenue reductions and expense increases associated with activated shortage response actions.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 9.0; Appendix H: SRWA WSCP - Section 8.0

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	n/a	Section 8.8	10632(a)(8)(C)	Retail Suppliers must describe the cost of compliance with Water Code Chapter 3.3, Excessive Residential Water Use During Drought.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 9.0; Appendix H: SRWA WSCP - Section 8.0
x	n/a	Section 8.9	10632(a)(9)	Retail Suppliers must describe the monitoring and reporting requirements and procedures that ensure appropriate data are collected, tracked, and analyzed for purposes of monitoring customer compliance.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 10.0; Appendix H: SRWA WSCP - Section 9.0
x	x	Section 8.10	10632(a)(10)	Describe reevaluation and improvement procedures for monitoring and evaluation the WSCP to ensure risk tolerance is adequate and appropriate water shortage mitigation strategies are implemented.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 11.0; Appendix H: SRWA WSCP - Section 10.0
x	n/a	Section 8.11	10632(b)	Analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 5.2.1; Appendix H: SRWA WSCP - Section 11.0
x	x	Section 8.12	10632(c)	Make available the WSCP to customers and any city or county where it provides water within 30 days after adoption of the plan.	Water Shortage Contingency Planning	n/a	Appendix G: Turlock WSCP - Section 12.0; Appendix H: SRWA WSCP - Section 12.0

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	n/a	Sections 9.1	10631(e)(1)	Retail Suppliers shall provide a description of the nature and extent of each demand management measure implemented over the past five years. The description will address specific measures listed in code.	Demand Management Measures	n/a	Section 9.2
n/a	x	Sections 9.2	10631(e)(2)	Wholesale Suppliers shall describe specific demand management measures listed in code, their distribution system asset management program, and Supplier assistance program.	Demand Management Measures	n/a	Section 9.1
x	n/a	Chapter 10	10608.26(a)	Retail Suppliers shall conduct a public hearing to discuss adoption, implementation, and economic impact of water use targets (recommended to discuss compliance).	Plan Adoption, Submittal, and Implementation	n/a	Section 10.3
x	x	Section 10.2.1	10621(b)	Notify, at least 60 days prior to the public hearing, any city or county within which the Supplier provides water that the Supplier will be reviewing the UWMP and considering amendments or changes to the plan.	Plan Adoption, Submittal, and Implementation	10-1, 10-2	Section 10.2.1
x	x	Section 10.4	10621(f)	Each urban water Supplier shall update and submit its 2025 plan to DWR by July 1, 2026.	Plan Adoption, Submittal, and Implementation	n/a	Section 10.4
x	x	Sections 10.2.2, 10.3, and 10.5	10642	Provide supporting documentation that the Supplier made the UWMP and WSCP available for public inspection, published notice of the public hearing, and held a public hearing about the UWMP and WSCP.	Plan Adoption, Submittal, and Implementation	n/a	Section 10.5; Appendix D
x	x	Section 10.2.2	10642	The Supplier is to provide the time and place of the hearing to any city or county within which the Supplier provides water.	Plan Adoption, Submittal, and Implementation	10-1, 10-2	Section 10.3 and Appendix D

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Section 10.3.2	10642	Provide supporting documentation that the UWMP and WSCP has been adopted as prepared or modified.	Plan Adoption, Submittal, and Implementation	n/a	Section 10.3 and Appendix I
x	x	Section 10.4	10644(a)	Provide supporting documentation that the Supplier has submitted their UWMP to the California State Library.	Plan Adoption, Submittal, and Implementation	n/a	Section 10.4
x	x	Section 10.4	10644(a)(1)	Provide supporting documentation that the Supplier has submitted their UWMP to any city or county within which the Supplier provides water no later than 30 days after adoption.	Plan Adoption, Submittal, and Implementation	n/a	Section 10.5
x	x	Sections 10.4.1 and 10.4.2	10644(a)(2)	The UWMP, or amendments to the UWMP, submitted to DWR shall be submitted electronically.	Plan Adoption, Submittal, and Implementation	n/a	Section 10.5
x	x	Section 10.7.2	10644(b)	If revised, submit a copy of the WSCP to DWR within 30 days of adoption.	Plan Adoption, Submittal, and Implementation	n/a	Section 10.7 and Appendix G, Section 12.0
x	x	Section 10.5	10645(a)	Provide supporting documentation that, not later than 30 days after filing a copy of its UWMP with DWR, the Supplier has or will make the plan available for public review during normal business hours.	Plan Adoption, Submittal, and Implementation	n/a	Section 10.5

Retail x = required	Wholesale x = required	2025 Guidebook Location	Water Code Section	Summary as Applies to UWMP	Subject	Relevant Submittal Table	2025 UWMP Location
x	x	Section 10.5	10645(b)	Provide supporting documentation that, not later than 30 days after filing a copy of its WSCP with DWR, the Supplier has or will make the plan available for public review during normal business hours.	Plan Adoption, Submittal, and Implementation	n/a	Section 10.5 and Appendix G, Section 12.0
x	x	Section 10.6	10621(c)	If Supplier is regulated by the Public Utilities Commission, include its plan and contingency plan as part of its general rate case filings.	Plan Adoption, Submittal, and Implementation	n/a	n/a

Appendix D

Agency and Public Notices

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SRWA and City of Turlock Joint 2025 Urban Water Management Plan:

Agencies Contacted for 60-Day Notice of Preparation

Agency	Name and Position, if applicable
East Stanislaus Integrated Regional Water Management	Jim Alves, Senior Civil Engineer at City of Modesto
Del Puerto Water District	Anthea G. Hansen, General Manager
Merced County	Yorel Ackerman, Deputy Director of Public Works
Turlock Irrigation District	Brad Koehn, General Manager
City of Modesto	Joseph Lopez, City Manager
City of Hughson	Dominique Romo, City Manager
Eastside Water District	Tim Johnson, Chairman
Denair CSD	TJ McDonald, Chairman
Keyes CSD	Ernie Garza, General Manager
Stanislaus County Public Works Department	David Leamon, Director of Public Works
California State University Stanislaus	N/A (General Agency Contact)
Merced Irrigation District	Hicham ElTal, Deputy General Manager, Water Supply/Rights
Modesto Irrigation District	Jimi Netniss, General Manager
East Turlock GSA and West Turlock GSA	N/A (General Agency Contact)
Hilmar County Water District	Curtis Jorritsma, District Manager

Stanislaus Regional Water Authority and City of Turlock
156 S. Broadway, Ste. 270
Turlock, CA 95380
P: 209-668-4142 F:209-668-5695

December 22, 2025

SUBJECT: Preparation of Joint 2025 Urban Water Management Plan and City of Turlock Water Shortage Contingency Plan

To Whom it May Concern:

This letter is to notify you that the Stanislaus Regional Water Authority (SRWA) and City of Turlock are currently in the process of preparing their Joint 2025 Urban Water Management Plan (UWMP) and the City of Turlock is in the process of updating its Water Shortage Contingency Plan (WSCP).

The Urban Water Management Planning Act, Water Code Section 10610 et seq., requires every urban water supplier providing water for municipal purposes either directly or indirectly to more than 3,000 customers or supplying more than 3,000 acre-feet of water annually to prepare and adopt an UWMP and periodically update that plan at least every five years. SRWA's and the City of Turlock's Joint UWMP is required to be submitted to the California Department of Water Resources (DWR) by July 1, 2026. The inclusion of a WSCP for each water supplier is a required element of the UWMP per DWR's UWMP Guidebook 2025.

The UWMP is a planning document and a source document which reports, describes, and evaluates water deliveries and uses, water supply sources, and conservation efforts. The WSCP provides a plan for response to various water supply shortage conditions. As urban water suppliers, SRWA and the City of Turlock are coordinating with water management agencies, relevant public agencies, and other water suppliers on the preparation of the UWMP.

If you wish to contact SRWA and/or the City of Turlock about their review process, you may email CFisher@turlock.ca.us. Thank you.

Sincerely,

Christopher Fisher

Christopher Fisher
General Manager, Stanislaus Regional Water Authority
Municipal Services Director, City of Turlock

Appendix E

Water Sales Agreement

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WATER SALES AGREEMENT

The Turlock Irrigation District (the "District"), and the Stanislaus Regional Water Authority, a California Joint Powers Authority ("SRWA") enter into this Water Sales Agreement ("Agreement") dated July 28, 2015, and agree as follows:

1. Definitions.

(a) Board – The Board of Directors of the Turlock Irrigation District.

(b) Closing Date - The date on which all approvals and permits under Sections 2(c), 2(d), and 4(m) have been obtain in accordance with those sections.

(c) District Delivery Facilities – The raw water infiltration gallery, the raw water pump station, and the pipeline from the pump station to and including the delivery meter at the SRWA treatment plant. The District Delivery Facilities are solely owned by District.

(d) District Delivery Facilities Capital Cost Allocation – Except as otherwise provided in this Agreement, the capital costs for existing and future District Delivery Facilities shall be allocated between the Parties as follows: District, Twenty Percent (20%); SRWA, Eighty Percent (80%).

(e) Fish flow requirements – All requirements in the FERC hydroelectric license or in any other regulatory requirements and any other applicable agreements, licenses, permits, or governmental approvals, now or existing in the future relating to fish resources below Don Pedro Dam, including but not limited to the following: minimum fish flows requirements (e.g., existing FERC License Article 37), flow fluctuation limitations (e.g., existing FERC License Article 38), river water temperatures, ramping rates limitations, and fish studies. The SRWA acknowledges and understands that the ongoing FERC licensing process for the Don Pedro Project and the La Grange Project and regulatory proceedings at the State Water Resources Control Board could result in significant changes to the existing fish flow requirements.

(f) Offset Water - Water provided by the SRWA to the District under Section 4(i) to offset the increased demand placed by the Project on TID water supplies.

(g) Party - The SRWA or the District, or collectively, "Parties".

(h) Point of Delivery - Defined in Section 4(a).

(i) Project - The Project consists of all property and work desirable or necessary to design, build, operate, own and maintain a domestic water treatment plant and associated treated water transmission facilities, excluding the District Delivery Facilities.

(j) Recycled water - Tertiary treated wastewater, which complies with all applicable laws and regulations for unrestricted agricultural use including, without limitation, use for row and feed crops and orchards.

(k) Transfer Water - The amount of raw water required to be sold by District to SRWA in accordance with the terms and conditions of this Agreement, as set forth in Section 3(a) below.

(l) Year - The twelve month period beginning April 1 through March 31 of the following year unless otherwise specified.

2. Overview.

(a) Purpose. The purpose of this Agreement is to provide the terms and conditions under which the District will sell and deliver Transfer Water to the SRWA. The Parties have not committed to approve all or any part of this Project and retain discretion to approve the Project, approve an alternative to the Project, adopt mitigation measures, or disapprove the Project.

(b) C.E.Q.A. District has performed the necessary CEQA investigation, analysis and documentation of CEQA requirements with respect to the District Delivery Facilities and the treatment plant, which documentation has been reviewed and approved by SRWA. In the event that additional work is required to update the District's previous CEQA work, the Parties agree that the District will be the CEQA lead agency and to split such costs based upon the District Delivery Facilities Capital Cost Allocation. SRWA will be the CEQA lead agency and will perform all other necessary CEQA investigation, analysis and documentation of CEQA requirements with respect to the Project and at SRWA's expense.

(c) Water Rights. District will use commercially reasonable efforts to petition the State Water Resources Control Board (SWRCB), and SRWA will reasonably cooperate in District's request, for a Long-Term Transfer under Water Code section 1735, et seq., to the SRWA for up to 30,000 acre feet of water per year and to add municipal and industrial purposes of use under District's post-1914 water rights License 11058 and to add the District Delivery Facilities as a point of rediversion.

(d) SWRCB's Failure to Approve Section 2(c) Petition. In that event that District cannot obtain the required SWRCB approvals described in section 2(c) on terms and conditions acceptable to the District in the District's sole discretion, the Parties will fulfill their already existing obligations to one another in this Agreement and the Agreement will then terminate.

(e) District Shall Maintain Rights. District shall diligently maintain the water rights to all Transfer Water throughout the life of this Agreement under all applicable laws and regulations. District agrees to diligently pursue renewal of the long-term water transfer prior to its expiration subject to the SRWA being in full compliance with this Agreement.

3. **District to Sell Water.**

(a) Sale of Water. Subject to the delivery limitations, the Offset Water requirements, and other terms and conditions of this Agreement, District shall make continuously available to SRWA 30,000 acre feet of Transfer Water per year in accordance with section 4. District will make such Transfer Water available to SRWA within the scope of District's valid post-1914 appropriative water rights.

(b) No Transfer of Water Rights. The Parties to this Agreement confirm that this constitutes a contractual right to purchase raw water and that no water right is being transferred by the District to the SRWA.

4. **Delivery of Water.**

(a) Point of Delivery. The Point of Delivery of Transfer Water from District to SRWA shall be at the delivery meter located at the SRWA's domestic water treatment plant. The delivery meter is part of the District Delivery Facilities. SRWA will provide easements on any property owned or leased by SRWA or any member agency to the District required by the District to install, access, and maintain the District Delivery Facilities and any additional District facilities connecting the District Delivery Facilities to the District's Ceres Main. SRWA is responsible for ensuring that Transfer Water does not flow back into District Delivery Facilities.

(b) Delivery Schedules. The amounts, times and rates of delivery of Transfer Water to SRWA during any Year will be in accordance with a water delivery schedule for that Year to be determined as follows:

(1) On or before January 1 preceding each new Year, the SRWA will submit to District a preliminary water delivery schedule indicating the amounts of water desired by the SRWA during each month of the next succeeding two Years. Beginning with the second full Year, the total amount of water requested for any given Year shall not vary by more than ten percent (10%) from the immediately prior Year and the next succeeding Year unless a greater variation is approved by the District. The delivery rate for each month of the schedule shall be at a fixed cubic feet per second.

(2) Upon receipt of a preliminary schedule, the District will review it and after consultation with SRWA will make such modifications as the District deems necessary. On or before March 1 preceding each new Year, District will determine and furnish to the SRWA the water delivery schedule for the coming new Year, commencing April 1, which will show the amounts of water to be delivered to the SRWA during each month of that Year. Because of fish flow requirements, SRWA agrees that during any river flow fluctuation limitation period, the SRWA delivery schedule may not reduce flows in the river by more than the amount or percentage of flow required by any fish flow requirement during the entire limitation period.

(3) A water delivery schedule may be amended by the District at its discretion upon the SRWA's written request. Proposed amendments will be submitted by the SRWA within a reasonable time before the desired change is to become effective, and shall be subject to review and modification by the District in like manner as the schedule itself. District will

not modify the delivery schedule if it will cause an increase in District's fish flow requirements under its FERC license.

(4) If the District determines during a Year that the availability of water to its agricultural and municipal customers has changed significantly, the District reserves the right to amend the delivery schedule in April or May of that Year for deliveries of Transfer Water during the remaining months of that Year.

(c) Measurement of Water Delivered. The District will measure all water delivered to the SRWA and all water diverted through the District Delivery Facilities but which are delivered to the Ceres Main Canal and not to the SRWA. The District will keep and maintain accurate and complete measurement records. The District will install, operate, and maintain water metering equipment that are reasonably acceptable to both Parties at all delivery points for water from the District Delivery Facilities to the SRWA and to the District's Ceres Main Canal. The meters shall be examined, tested and serviced regularly by the District to maintain their accuracy in accordance with the meter manufacturer's written recommendations. The SRWA may inspect the metering equipment and the measurement records during regular business hours upon reasonable notice. The District will provide the SRWA with instrumentation output signals for water flow rate and water pressure information at each meter. SRWA retains the right to install reciprocal measuring devices that comply with the same standards and procedures set forth above. Disparities between District and SRWA measurements will be resolved pursuant to Section 12, Resolution of Differences, of this Agreement.

(d) SRWA Responsible for Delivery Schedule Water Impacts.

(1) If deliveries under the Delivery Schedule result in any increase in the amount of any fish flow requirements, whether required by the FERC or any other regulatory agency, which flows cannot be diverted at the Infiltration Gallery for use by the SRWA, then SRWA agrees to pay for the cost of that additional water at the same per-acre-foot price as for water delivered to the SRWA. O&M costs described in Section 7(e) shall not apply to flows which cannot be diverted at the Infiltration Gallery for use by the SRWA.

(2) If the District releases water at La Grange Dam in accordance with the applicable Delivery Schedule but the SRWA fails to divert all or any portion of the water made available by the District for diversion at the Infiltration Gallery in accordance with the applicable Delivery Schedule, then the SRWA agrees to pay for the cost of the water at the same per-acre-foot price as for water delivered to the SRWA even if the District is actually able to divert all or any portion of the water into the Ceres Main Canal.

(e) SRWA and Agriculture Water Delivery Treated on Parity Basis. District agrees to treat District's agricultural customers and SRWA on a parity basis. If at any time before or during a Year the District decides it is necessary to reduce deliveries, it will cut back its deliveries to its agricultural customers and to SRWA in equal proportions based upon the base allocation of water allocated during that Year. If at any time before or during a Year

the District decides it can increase deliveries, it will increase its deliveries to its agricultural customers and to SRWA in equal portions based upon the base allocation of water allocated during that Year. For agriculture customers, the base allocation will be 48 inches per acre. For the SRWA, the base allocation will be the amount of water requested by the SRWA in the current Year of the most current approved two year delivery schedule. District agrees that its commitments to its agricultural customers and to SRWA shall be met before any subsequent transfers for delivery of water outside District's boundaries, with the exception of transfers of water released pursuant any agreement with the City and County of San Francisco and/or the Modesto Irrigation District relating to fish flow requirements.

(f) Formula for Reduction in Water Allocation. The allocation of Transfer Water to SRWA will be reduced in any Year that Y is less than 48 inches per acre.

$$(Y/48) \times Z = X$$

"Y" will be the actual final number of inches of water allocated by the Board to agricultural water users for the irrigation season commencing on or about April 1 of that Year. In the event a portion of the agricultural water allocation is optional and the fixed and optional amounts equal or exceed 48 inches, the Y will be 48 inches for the purposes of this calculation.

"Z" will be the total amount of water requested by the SRWA in the current Year of the two year delivery schedule.

"X" will be the actual amount of Transfer Water allocated to the SRWA for Years in which there is a reduction in the allocation. It is anticipated that from time to time District may modify its current agricultural water allocation. When District makes changes in its agricultural water allocation, the Parties will meet and confer and agree upon changes to ensure that reductions or increases in available water are in equal proportions as between District's agricultural customers and SRWA.

In no event will District be required to make available to SRWA more than the amount of Transfer Water than is stated in the delivery schedule. If there is a reduction or increase in the allocation in accordance with this section, the payment obligations of SRWA shall be adjusted in accordance with this Agreement.

(g) Force Majeure. In the event of Force Majeure, District shall first supply SRWA and its agricultural users in parity, except in the event this becomes physically impossible. The District is not required to deliver, and is not liable for failure to deliver, water under this Agreement when the cause of the failure is beyond the control of any Party, and which by the exercise of due diligence such Party is unable to prevent or overcome, including but not limited to, failure or refusal of any other person or entity to comply with then-existing contracts, an act of God, fire, flood, explosion, earthquake, strike, sabotage, pestilence, an act of the public enemy (including terrorism), civil or military authority including court orders, injunctions and orders of a governmental entity, or failure to issue a requested

order, license, or permit. Should either Party become aware of any impending Force Majeure, it shall notify the other Party as soon as is reasonably possible.

(h) Curtailment of Delivery for Maintenance Purposes. The District may temporarily discontinue or reduce the delivery of Transfer Water for the SRWA for purposes of necessary investigation, inspection, maintenance, repair, or replacement of any of the District Delivery Facilities necessary for the delivery of Transfer Water to the SRWA. The District will notify the SRWA as far in advance as possible of any such projected discontinuance or reduction, except in cases of emergency, in which case prior notice need not be given. Maintenance reductions of Transfer Water shall be made up within one calendar year of the maintenance reduction on a delivery schedule mutually agreed by the Parties and subject to the capacity of the District Delivery Facilities and limitations of any fish flow requirements.

(i) Offset Water To Be Provided by SRWA to the District. In any Year when there is a reduction in the water allocation under section 4(f), SRWA must provide Offset Water to the District starting on April 1 in accordance with the following formula:

Amount of Offset Water Required = 2 x % of Reduction x Actual Amount of Transfer Water Allocated

" % of Reduction" will be the factor by which the water allocated by the Board to agricultural water users for the irrigation season commencing immediately prior to the Year is reduced from 48 inches. For example, if the agricultural water allocation is 36 inches, it has been reduced by 12 inches which is a 25 % reduction from 48 inches (12 ÷ 48 = 0.25). The % of Reduction is 0.25.

"Actual Amount of Transfer Water Allocated" will be the amount determined to be "X" in section 4(f), Formula for Reduction in Water Allocation.

SRWA will not, however, be required to provide more Offset Water in a given Year than the Actual Amount of Transfer Water Allocated. Thus, if after the formula is applied, the Amount of Offset Water Required is greater than the Actual Amount of Transfer Water Allocated, the Offset Water required will be equal to the Actual Amount of Transfer Water.

The following table illustrates examples of potential reductions and Offset Water requirements:

SRWA Request: 30,000 AF

	0% Reduction	25% Reduction	50% Reduction	75% Reduction	100% Reduction
Actual Amount of Transfer Water Allocated	30,000	22,500	15,000	7,500	0
Total Offset Water by SRWA	0	11,250	15,000	7,500	0
Shortage from SRWA's request of 30,000 AF	0	7,500	15,000	22,500	30,000

(j) Upon approval by the State Water Resources Control Board, the City of Turlock, on behalf of the SRWA, will provide District with 2,000 AF of baseline recycled water every year, regardless of water year type. District would take delivery of the 2,000 AF of baseline recycled water only during the irrigation season, not to exceed 9.5 AF per day. The irrigation season would be determined yearly depending on water year. For planning purposes, it is assumed to be mid-March through mid-October or seven (7) full months. The treated wastewater that the City of Turlock provides to the District for the Walnut Energy Center is not included in the 2,000 AFY of baseline recycled water. During dry years when the SRWA is required to provide more Offset Water beyond the 2,000 AF of baseline recycled water, the SRWA may make up the difference with any other water source. The term "any other water source" shall mean water, which complies with all applicable laws and regulations for unrestricted agricultural use including, without limitation, use for row and feed crops and orchards; for example, well water.

Example: Assuming it is a dry year and there is a 25% reduction in water allocation. District would provide the SRWA with 22,500 AF of Transfer Water. The Offset Water required from SRWA would be 50% of the Transfer Water. In this case, the Offset Water required would be 11,250 AF. The City of Turlock, on behalf of the SRWA, would provide District with 2,000 AF of recycled water and the SRWA would provide the remaining amount of 9,250 AF from any other water source.

(k) The District will pay all reasonable costs associated with obtaining any and all approvals to use recycled water for irrigation purposes, whether or not such approvals are issued or obtained, including attorney and filing fees. District shall obtain all permits necessary from the State Water Resources Control Board, Regional Water Quality Control Board, or any other entity to use recycled water for irrigation purposes. SRWA agrees to provide assistance and all relevant and available information to the District for its use in obtaining these permits. If the District cannot obtain all of the required approvals and permits on terms and conditions acceptable to the District in the District's sole discretion, the Parties will fulfill their already existing obligation to one another in this Agreement and the Agreement will then automatically terminate.

(l) The District shall use all Offset Water within the Turlock Groundwater Subbasin. Offset Water provided by SRWA shall not be transferred outside the Turlock Groundwater Subbasin without prior SRWA approval, including but not limited to a revenue sharing agreement.

(m) The Parties agree that in providing Offset Water to the District, no water right is being transferred by the SRWA to the District.

(n) SRWA shall pay the design, construction, operation, maintenance, and replacement costs for the capital facilities needed to interconnect the Offset Water source or sources with the District's existing irrigation water delivery system. The Parties agree that the recycled water source shall interconnect with the District's Lateral 4 via the recycled water pipeline to Pedretti Park. The location and design of the interconnection facilities shall be subject to the prior review and approval of the District.

5. **Responsibility for Distribution of Water.**

(a) Water Quality. The District assumes no responsibility for the quality of the water delivered to SRWA under this Agreement and the District does not warrant the quality of any such water for any particular use. The SRWA shall be responsible for the treatment of all such water to the minimum water quality standards for water for domestic use as may be established from time to time by the State of California and/or by federal government, and notwithstanding subsection 5(c) below, the SRWA shall defend, indemnify, and hold harmless the District from and against any and all claims, damages, costs, expenses, judgments, attorney fees or other liability to any person or entity asserting that said water does not meet or has not met domestic use water quality standards.

(b) Non-Liability of District. Neither the District nor any of its officers, agents, or employees will be liable for the control, carriage, handling, use, disposal, or distribution of water delivered to the SRWA after such water has passed the Point of Delivery, nor for claims of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, treatment, carriage, handling, use, disposal, or distribution of the water beyond the Point of Delivery and attorneys' fees and related costs of defense. The SRWA shall defend, indemnify and hold harmless the District and its officers, agents, and employees from any damages or claims that arise under sections 5(a) and/or 5(b).

(c) Non-Liability of SRWA. Neither the SRWA nor any of its officers, agents, or employees will be liable for control, carriage, handling, use, disposal, or distribution of water delivered to the SRWA until such water has passed the Point of Delivery, nor for claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, treatment, carriage, handling, use, disposal, or distribution of the water before it has reached the Point of Delivery and attorneys' fees and related costs of defense. The District shall defend, indemnify and hold harmless the SRWA and its officers, agents, and employees from any such damages or claims that arise under this Section 5(c).

6. **Water Use.**

(a) Sale or Other Disposition of Project Allotment by SRWA. Transfer Water provided under this Agreement is for beneficial use exclusively within the irrigation boundary of the District. SRWA agrees that the amount of water purchased under this Agreement will not exceed the amount of water used by SRWA's customers within the District's irrigation boundary during the Year. No sale or other disposition of all or any portion of the SRWA's allotment shall relieve SRWA of any of its obligations under this Agreement.

(b) Ownership of Wastewater. Notwithstanding Paragraph 6(a), the SRWA will have sole ownership and responsibility for all wastewater and recycled water produced by SRWA's use of Transfer Water purchased under this Agreement. Once raw water furnished to

SRWA by District has passed the Point of Delivery, District shall not own or control it under any circumstances except by purchase, or except to the extent provided to the District by the SRWA as Offset Water.

7. **SRWA Payment Obligations.**

(a) Payments. The SRWA shall make payments, at the times and in the manner set forth below.

(b) Water Price. Subject to Section 4(d), District agrees to release and SRWA agrees to pay for all Transfer Water released at La Grange Dam in accordance with the delivery schedule and measured at the Point of Delivery minus the amount of any Offset Water that may be provided by the SRWA under Section 4(i). The price for the water delivered shall be the then current published per-acre-foot charge for the District's Tier 4 irrigation water subject to adjustment as approved by the District's Board of Directors. The District will issue monthly billing statements for the Transfer Water which will be due and payable on the first business day of each month, and will be considered delinquent if not paid within thirty (30) days of the due date.

(c) SWRCB Proceedings. The SRWA will pay all costs associated with filing the petition for and obtaining the long term water transfer from the SWRCB, whether or not the petition is successful. This includes attorney and filing fees, and any costs associated with implementing the water transfer. District will issue monthly billing statements for these costs as they accrue. Payment will be due and payable within thirty (30) days of issuance by the District.

(d) Capital Costs of the District Delivery Facilities.

(1) The District has paid a total of $924,302 to permit, design, and construct the existing Infiltration Gallery. The Parties agree that those capital costs shall be allocated between the Parties in accordance with the District Delivery Facilities Capital Cost Allocation. The SRWA agrees to pay the District the sum of $739,442 on the Closing Date.

(2) The District will incur additional capital costs to permit, design, and construct the pump station and the pipeline from the pump station to the treatment plant. The Parties agree that the pump station, pumps, and pipeline will be sized to a capacity of 100 cfs. The Parties recognize that the pump station will have multiple pumps and that the pumps may be installed in phases as the SRWA's Transfer Water demands or the District's use of the pumps increases over time. Unless the shared priority of use of the District Delivery Facilities under Section 7(f) changes, these additional capital costs will be allocated in accordance with the District Delivery Facilities Capital Cost Allocation.

(3) The Parties agree that the additional capital costs for the District Delivery Facilities under Section 7(d)(2) shall be paid by the Parties on a pay-as-you-go basis. Each Party shall be solely responsible for securing funds necessary to make all such payments.

(e) Annual Operation and Maintenance Costs of the District Delivery Facilities. The Parties agree that the annual operation and maintenance costs of the District Delivery Facilities shall include, but not be limited to, the following: costs to operate and maintain the Infiltration Gallery, the pump station (including all pumps and associated equipment), the pipeline from the pump station to the treatment plant, and the delivery meter, the electricity to operate the pump station, and the repair and replacement of any component.

(f) The Parties recognize and agree that the uses of the District Delivery Facilities will be for the following purposes: (1) delivery of the Transfer Water to the SRWA, (2) to divert water released at La Grange Dam to comply with fish flow requirements or to otherwise mitigate or enhance the fish habitat between La Grange Dam and the Infiltration Gallery and which is not delivered to the SRWA, and (3) if the District needs to provide irrigation water into the Ceres Main Canal. Uses (2) and (3) shall be called "District Water Use". Unless otherwise agreed pursuant to Section 7(d)(2), the scheduling of the use of the District Delivery Facilities for those purposes shall be on a prorate basis in accordance with the District Delivery Facilities Capital Cost Allocation.

The SRWA's annual share and payment of these costs shall be calculated as follows: The total number of acre feet of water delivered to the SRWA at the Point of Delivery in Section 4(a) ["SRWA Water Use"] divided by the sum of SRWA Water Use and District Water Use in acre feet pumped through the pump station during the Year with the resulting quotient expressed as a percentage. The total annual operation and maintenance costs shall be multiplied by the resulting quotient expressed as a percentage. The product shall be the amount of annual operation and maintenance costs payable by the SRWA to the District in 12 equal monthly installments.

(g) Payments to District of Capital and Operation and Maintenance Costs.

(1) Budget Process. In preparing and reviewing budgets for the District Delivery Facilities, the Parties will be guided by the principle that the District Delivery Facilities will be operated in as economic a manner as practical in accordance with generally accepted waterworks practices as evidenced by well-designed and operated similarly sized facilities in Northern California.

(2) Budget Preparation. The District will prepare a preliminary annual budget for the first year of District Delivery Facilities operation at least six months prior to the date the SRWA projects it will conduct operational testing of the Project. Thereafter, for each Year during the operation of the Project, District will prepare a preliminary budget for the District Delivery Facilities prior to January 1 for the next two ensuing Years for review and comment by the SRWA. Each budget will include (i) any credits to be applied, (ii) operating and maintenance costs, (iii) capital replacement costs, and (iv) capital costs for new capital additions to the District Delivery Facilities and will also include the estimated monthly payment to be paid for the ensuing year. District staff will use its best efforts to resolve any questions or concerns during such review. The Board of Directors of the District will adopt a final annual budget for each Year on or before March 15 of

each year after a public hearing for which ten days' notice has been given, and will supply a copy of the adopted budget to the SRWA.

(3) The District will issue monthly billing statements for the monthly payment estimated in the applicable budget which will be due and payable on the first business day of each month, and will be considered delinquent if not paid within thirty (30) days of the due date.

(4) As soon as practicable after each Year, District will determine the actual amount of Transfer Water delivered and the cost thereof, as well as the actual costs of operation and maintenance, and capital costs for the preceding Year. District will notify SRWA of any over or under payment by the SRWA and any necessary adjustments will be amortized and applied, without interest, to the regular monthly billing statements remaining in the then current Year following completion of the calculations.

8. Default.

(a) Written Demand Upon Failure to Perform. Upon failure of either Party to perform any obligation under this Agreement, the aggrieved Party shall send a written notice of default, specifying the nature of the default, and a demand for performance to the nonperforming Party.

(b) 30 Days to Cure. If the Nonperforming Party does not remedy its failure within 30 days of receipt of notice, or the Parties have not agreed on a plan to cure the default within that time, either Party may invoke the procedures specified in Section 12.

(c) Parties Liable for Cost of Default. Upon any default by the District or SRWA, the liable Party shall pay to the other Party all costs incurred because of the default, including attorney's fees, investigation costs, and other reasonable costs of implementing the default provisions. Neither party will be liable for breach-of-contract damages that the breaching party could not reasonably have foreseen on entry into this agreement.

9. Covenants of SRWA.

(a) Rate Sufficiency Covenant. The SRWA covenants and agrees to establish and collect rates and charges for the water provided to the Project sufficient to provide revenues adequate to meet its obligations under this Agreement.

(b) SRWA Annual Audited Financial Statements. The SRWA shall deliver to the District or make available to the District on the SRWA's website within 270 days following the end of each SRWA fiscal year, a copy of the SRWA's annual audited financial statements for such SRWA fiscal year. The annual statements will be prepared in accordance with the general accounting standards applicable to California joint powers agencies. In all cases the statements shall be for the most recent accounting period. If any such statements are not available on a timely basis due to a delay in preparation or certification, such delay shall not constitute a default under this Agreement so long as the SRWA diligently pursues the preparation, certification and delivery of the annual statements.

(c) Transfer of Ownership of SRWA Water System. The SRWA shall not transfer ownership of all or any substantial portion of its water system that is receiving Transfer Water from the Project to another entity without the written consent of District.

10. Indemnification.

(a) Indemnification by SRWA. The SRWA releases and agrees to defend and indemnify the District, its officers, employees and agents (collectively, the "Indemnified Parties") from and against any and all losses, claims, damages, liabilities or expenses arising out of, resulting from the SRWA's negligence, willful misconduct, or breach of this Agreement.

An Indemnified Party will promptly notify the SRWA in writing after receiving notice of any action against it for which indemnification may be sought against the SRWA. However, the omission to notify the SRWA of any such action shall not relieve the SRWA from any liability which it may have to the Indemnified Party under this indemnity agreement except to the extent that the SRWA is prejudiced thereby. If any action is brought against an Indemnified Party, the SRWA may, or if requested by the Indemnified Party must, participate in or assume the defense of the action with counsel satisfactory to the Indemnified Party at the SRWA's option. After notice to the Indemnified Party that the SRWA has elected to assume the defense of the action, the SRWA will not be liable to the Indemnified Party under this section for any legal or other expenses subsequently incurred by the Indemnified Party in connection with defending against the action other than the cost of reasonable investigation.

The SRWA will not be liable for settlement of any action effected without its consent by any Indemnified Party. If the SRWA consents to settlement of the action, the SRWA agrees to indemnify and hold harmless the Indemnified Party to the extent provided in this agreement.

(b) Indemnification by District. The District releases and agrees to indemnify the SRWA, its officers, employees and agents (collectively, the "Indemnified Parties") from and against any and all losses, claims, damages, liabilities or expenses arising out of, resulting from the District's negligence, willful misconduct, or breach of the Agreement.

An Indemnified Party will promptly notify the District in writing after receiving notice of any action against it for which indemnification may be sought against the District. However, the omission to notify the District of any such action shall not relieve the District from any liability which it may have to the Indemnified Party under this indemnity agreement except to the extent that the District is prejudiced thereby. If any action is brought against an Indemnified Party, the District may, or if requested by the Indemnified Party must, participate in or assume the defense of the action with counsel satisfactory to the Indemnified Party. After notice to the Indemnified Party that the District has elected to assume the defense of the action, the District will not be liable to the Indemnified Party under this section for any legal or other expenses subsequently incurred by the Indemnified Party in connection with defending against the action other than the costs of reasonable investigation.

The District will not be liable for settlement of any action effected without its consent by any Indemnified Party. If the District consents to settlement of the action, the District agrees to indemnify and hold harmless the Indemnified Party to the extent provided in the Agreement.

(c) Term of Indemnity. The provision of this section will survive the termination of this Agreement.

11. Term and Ownership of Facilities.

(a) Term. The term of this Agreement shall commence upon its execution by the authorized representatives of the Parties and shall continue in effect for 50 years, unless sooner terminated in accordance with this Agreement or unless extended by the mutual agreement of the Parties.

(b) Reopening Negotiations. District may reopen this Agreement at any time for the purpose of negotiating changes to the amount of Transfer Water provided by District and Offset Water provided by SRWA if conditions or restrictions on the District's use of its water are imposed by the Federal Energy Regulatory Commission, the State Water Resources Control Board or any other entity.

(c) Ownership of Facilities. At all times during the term of this Agreement, the District will have sole ownership of the District Delivery Facilities and the District facilities connecting the District Delivery Facilities to the Ceres Main Canal, and SRWA will have sole ownership of all physical facilities from the Point of Delivery meter. Nothing in this Agreement may be construed to create a partnership or joint venture of any kind.

(d) Ownership of Real Property. Upon approval of the long-term water transfer by the SWRCB, the District agrees to sell the treatment plant site, subject to a reservation of such easements for the District's pipelines to the treatment plant from the pump station and from the treatment plant to the Ceres Main Canal, to the SRWA at a sales price of $1,436,674.00 payable to the District on the Closing Date. The Parties agree that should the treatment plant not be built, SRWA will reconvey the treatment plant site to the District at the sales price of $1,436,674.00. A legal description and parcel map of the treatment plant site is attached hereto as Exhibit "A" and incorporated herein by reference. SRWA will acquire such additional lands and/or easements to complete, operate and maintain the treatment plant and treated water delivery pipelines and facilities.

12. Resolution of Differences.

(a) Dispute Resolution. This Section 12 shall apply to all disputes arising out of or relating to this Agreement. The Parties shall attempt in good faith to resolve any dispute promptly by negotiation between the District General Manager and the SRWA General Manager.

(b) Binding Arbitration. If the District and the SRWA are unable to reach an agreement after discussions under subsection (a) above, within 90 calendar days after the date of the initial

Managers' meeting on the dispute, either Party may serve the other with a request for binding arbitration under the Arbitration Rules of the American Arbitration Association ("AAA") ("Rules") by a single arbitrator. The demand must set forth the nature of the dispute and the claim or relief sought. If the District and the SRWA cannot agree on a person to serve as the arbitrator, the dispute shall be submitted to one neutral arbitrator selected from the panels of arbitrators of the AAA. To this end, the Parties agree to select the arbitrator from a panel of five arbitrators offered by AAA by alternate strikes. The Party who served the request for binding arbitration shall strike first. The District and the SRWA agree that they will faithfully observe the Rules and will abide by and perform any award rendered by the arbitrator, and that a judgment of the court having jurisdiction may be entered on the award. Notwithstanding the Rules, discovery will be permitted and the provisions of the California Code of Civil Procedure Section 1283.05 are incorporated herein unless the parties agree otherwise. The District and the SRWA hereby consent to the jurisdiction of the courts of Stanislaus County, California, for the confirmation, correction or vacation of any arbitration award. The arbitrator may grant any remedy or relief deemed by the arbitrator just and equitable under the circumstances, whether or not such relief could be awarded in a court of law. The arbitrator will have no power to award punitive damages or other damages not measured by the Party's actual damages against any Party. This limitation of the arbitrator's powers under this Agreement shall not operate as an exclusion of the issue of punitive damages from this Agreement to arbitrate sufficient to vest jurisdiction in a court with respect to that issue. The arbitrator's award will be deemed final, conclusive and binding to the fullest extent allowed by California law, and may be entered as a final judgment in court.

13. Miscellaneous

(a) Assignment. SRWA may not sell, transfer or assign all or any portion of this Agreement without the prior written consent of District. District agrees not to sell, transfer, or assign any of its right or interest in the Project including this Agreement, in whole or in part, without prior written consent of SRWA.

(b) Amendment/Termination. This Agreement or any provision hereof may be changed, waived, or terminated only by a statement in writing signed by the Party against which such change, waiver or termination is sought to be enforced.

(c) No Waiver. No delay in enforcing or failing to enforce any right under this Agreement will constitute a waiver of such right. No waiver of any default under this Agreement will operate as a waiver of any other default or of the same default on a future occasion.

(d) Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Agreement are to any extent declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, the Parties agree to amend the terms in a reasonable manner to achieve the intention of the Parties without invalidity. If the terms cannot be amended thusly, the invalidity of one or several terms will not affect the validity of the Agreement as a whole, unless the invalid terms are of such essential importance to this Agreement that it

can be reasonably assumed that the Parties would not have contracted this Agreement without the invalid terms. In such case, the Party affected may terminate this Agreement by written notice to the other Party without prejudice to the affected Party's rights in law or equity.

(e) Entire Agreement. This Agreement is intended by the Parties as a final expression of their agreement and is intended as a complete and exclusive statement of the terms and conditions thereof. Acceptance of or acquiescence in a course of performance rendered under this Agreement shall not be relevant to determine the meaning of this Agreement even though the accepting or acquiescing Party had knowledge of the nature of the performance and opportunity for objection.

(f) Choice of Law. This Agreement will be construed in accordance with the laws of the State of California.

(g) Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary to complete performance of its obligations hereunder and otherwise to effectuate the purposes and intent of this Agreement.

(h) Headings. The headings of the sections hereof are inserted for convenience only and shall not be deemed a part of this Agreement.

(i) Notices. Any notice, demand, offer, or other written instrument required or permitted to be given pursuant to this Agreement shall be acknowledged by the Party giving such notice, and shall to the extent reasonably practicable be sent by hand delivery, and if not reasonably practicable to send by hand delivery, then by telecopy, overnight courier, electronic mail, or registered mail, in each case to the other Party at the address for such Party set forth below:

If delivered to SRWA:

STANISLAUS REGIONAL WATER AUTHORITY
General Manager
C/O City of Modesto Utilities Department
P.O. Box 642
Modesto, CA 95353

If delivered to the District:

TURLOCK IRRIGATION DISTRICT
General Manager
333 East Canal Drive
Turlock, CA 95380

A Party may change its place of notice by a notice sent to the other Party in compliance with this section.

(j) No Third Party Beneficiaries. Except for the Parties and their respective successors and assigners, nothing in this Agreement, whether express or implied, is intended to confer any rights on any person or entity whatsoever.

(k) No Breach of Other Agreements. Neither Party's execution and performance of this Agreement will result in the breach of any other agreement to which that party is a Party, or to which that Party is otherwise subject or bound.

(l) No Party Drafter. Neither Party to this agreement shall be considered its drafter. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against either Party.

IN WITNESS WHEREOF, the SRWA has executed the Agreement with the approval of its Board, and the District has executed this Agreement in accordance with the authorization of its Board of Directors, as of the date first written above.

TURLOCK IRRIGATION DISTRICT

By: _____

CASEY HASHIMOTO, General Manager

STANISLAUS REGIONAL WATER AUTHORITY

By: _____

STEVAN STROUD, Interim General Manager

ATTEST:

By: _____

JUDY ROSA, Secretary to the Board

APPROVED AS TO FORM:

By: _____

ROLAND STEVENS, General Counsel

EXHIBIT "A"

EXHIBIT A
LEGAL DESCRIPTION

WATER TREATMENT PLANT PARCEL

All that certain real property situate, lying, and being a portion of that certain parcel of land described in the Grant Deed to Rodney Beard and Virginia Beard, recorded August 19, 1994 as Instrument No. 94082327, Stanislaus County Records, commonly known as Assessor's Parcel No. 018-006-002, lying in the west half of Section 2, Township 4 South, Range 10 East, Mount Diablo Base and Meridian, being more particularly described as follows:

COMMENCING at the south ¼ corner of said Section 2, thence northerly, along the north-south ¼ section line, North 0°04'38" East 1533.54 feet, to the southeasterly corner of the aforementioned Beard Parcel, also being on the northerly line of the of the Turlock Irrigation District Ceres Main Canal, said point being the **POINT OF BEGINNING** of this description; thence, along the southerly line of said Beard Parcel and the northerly line of said Ceres Main Canal, South 78°11'02" West 81.76 feet; thence, parallel with, and 80.00 feet west (measured at a right angle) of the east line of said Beard Parcel, North 00°04'38" East 414.65 feet; thence North 77°06'05" West 237.38 feet; thence North 75°48'12" West 50.95 feet, to the beginning of a curve, concave to the south, having a radius of 295.00 feet, and a central angle of 49°52'42"; thence, along the arc of said curve, 256.81 feet; thence South 54°19'06" West 246.25 feet; thence South 51°35'56" West 292.30 feet; thence South 49°54'08" West 106.47 feet; thence South 82°06'37" West 9.20 feet; thence North 07°52'53" West 688.63 feet; thence South 88°25'07" West 30.18 feet, to an angle point on the westerly boundary of said Beard Parcel; thence, along the westerly and northerly boundary of said Beard Parcel, the following five (5) courses:

1) North 07°52'53" West 803.65 feet; thence
2) North 33°25'28" East 439.15 feet; thence
3) North 49°50'18" East 217.57 feet; thence
4) North 88°24'35" East 527.96 feet; thence
5) South 67°15'25" East 461.54 feet,

to a point on the aforementioned north-south ¼ section line; thence, along said north-south ¼ section line, also being along the easterly boundary of said Beard Parcel, South 00°04'38" West 1842.38 feet, to the point of beginning.

Containing a total of 47.90 acres, more or less.

SUBJECT TO:

And easement for ingress/egress over the following described portion of the parcel described above:

COMMENCING at the south ¼ corner of said Section 2, thence northerly, along the north-south ¼ section line, North 0°04'38" East 1533.54 feet, to the southeasterly corner of the aforementioned Beard Parcel, also being on the northerly line of the of the Turlock Irrigation District Ceres Main Canal, said point being the **POINT OF BEGINNING** of this description; thence, along the southerly line of said Beard Parcel and the northerly line of said Ceres Main Canal, South 78°11'02" West 81.76 feet; thence, parallel with, and 80.00 feet west (measured at a right angle) of the east line of said Beard Parcel, North 00°04'38" East 414.65 feet; thence South 89°55'22" East 80.00 feet, to a point on the easterly boundary of said Beard Parcel; thence, along said easterly boundary, South 00°04'38" West 397.80 feet, to the point of beginning.

Containing a total of 0.75 acres, more or less.

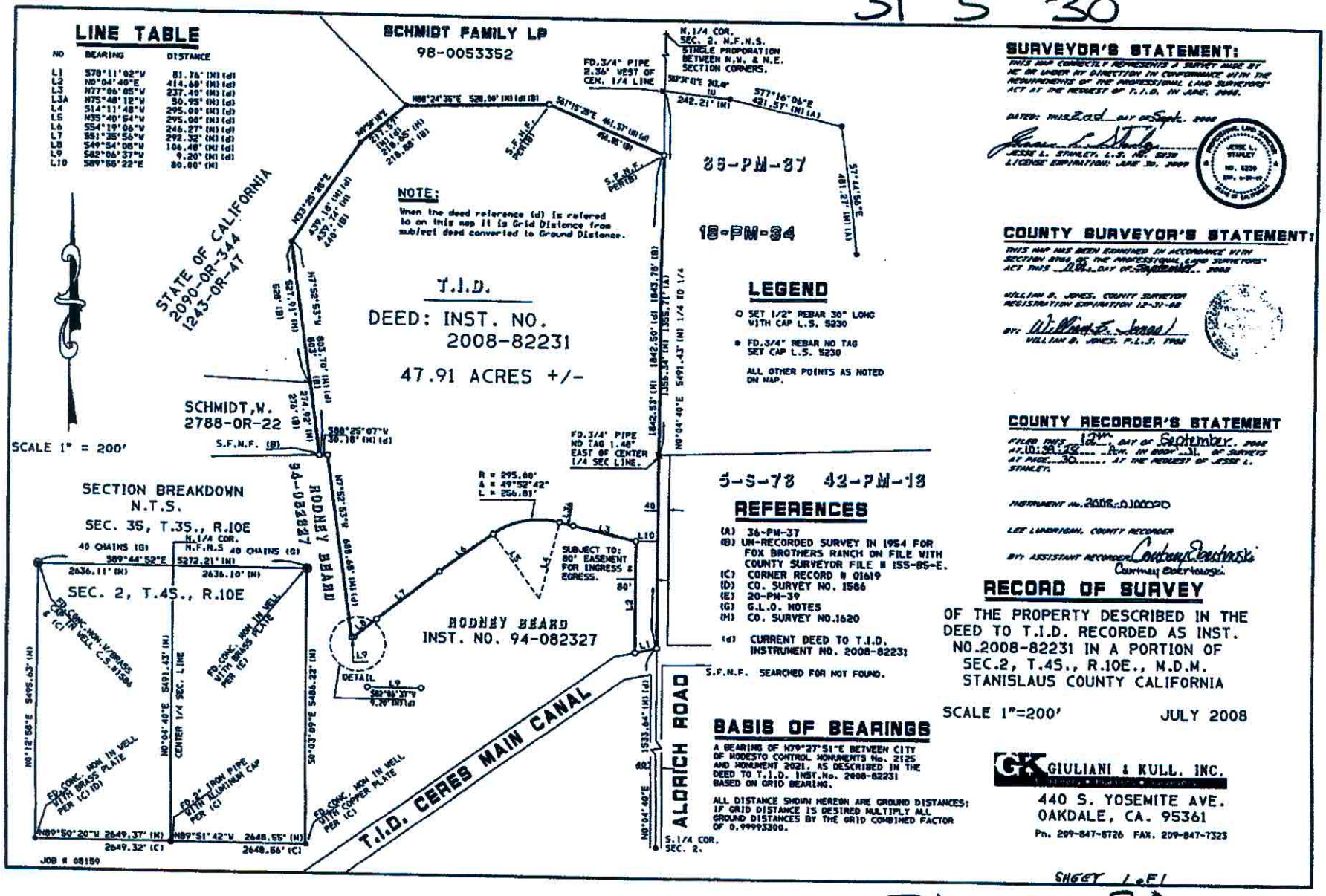
Subject to covenants, conditions, restrictions, reservations, rights, rights-of-way, and easements of record.

Bearings and distances are based on the California Coordinate System-83, Zone 3 (1991.35). A line between City of Modesto monuments 2021 and 2125 bears North 79°27'51" East as calculated from City of Modesto GPS Control Network Survey, filed for record in Book 22 of Surveys, at Page 51, Stanislaus County Records. All distances are grid, based on a combination factor of 0.99993300. To convert distances shown hereon to ground, multiply by the reciprocal of said combination factor, 1.00006700.

LICENSED LAND SURVEYOR
MICHAEL HALTERMAN
Exp. 6-30-09
No.8040
STATE OF CALIFORNIA

9 Jun 08

31 S 30



SHEET 1 of 1

31 S 30

AMENDMENT NO. 1
TO TID/SRWA WATER SALES AGREEMENT

THIS AMENDMENT TO AGREEMENT is made this April 16, 2020, between Turlock Irrigation District, a local government agency (**District**), and Stanislaus Regional Water Authority, a joint powers authority (**SRWA**), who agree as follows:

1. Recitals. The parties approve this Amendment with reference to the following background recitals:

1.1. On July 28, 2015, the parties entered into the Water Sales Agreement (the **Agreement**), which is on file in the District and SRWA offices.

1.2. The parties now desire to amend the Agreement to reflect changed circumstances and make other changes and clarifications. Capitalized terms in this Amendment shall have the same meanings as set forth in the Agreement.

2. Amendments to Agreement. The parties amend the Agreement as follows:

2.1. Section 1, subsection (b) is amended to read as follows:

(b) Closing Date - The date on which the Parties close escrow on the purchase and transfer of the treatment plant site pursuant to section 11(d).

2.2. Section 2, subsection (b) (CEQA) is amended by adding the following:

In 2018, after the 2015 approval of the Agreement, SRWA certified the Surface Water Supply Project Final Environmental Impact Report (**EIR**) for the Regional Surface Water Supply Project and approved the Project pursuant to the California Environmental Quality Act and CEQA Guidelines. The approval of this Amendment is consistent with and achieves the purposes as evaluated and approved in the 2018 EIR.

2.3. Section 2, subsections (c) and (d) are amended to read as follows:

(c) Water Rights. District submitted a water right petition to the State Water Resources Control Board (**SWRCB**) for a long-term transfer of a maximum of 17,375 acre feet of water per year of District's post-1914 water rights (SWRCB License 11058) and Water Code section 1735 et seq. to SRWA, to add the District Delivery Facilities as a point of rediversion, and to add municipal and industrial as an authorized purpose of use. District will use commercially reasonable efforts to pursue and process the petition and SRWA will reasonably cooperate in District's request. District retains the sole discretion to (1) determine whether any terms and conditions that the SWRCB may impose pursuant to the change petition are acceptable, (2) and to determine whether Transfer Water will be delivered under the District's pre-1914 water rights, the District's post-1914 water rights, or some combination of both.

(d) SWRCB's Failure to Approve Section 2(c) Petition. In the event that District cannot obtain the SWRCB approval of the License 11058 water right change petition described in section 2(c) on terms and conditions acceptable to District in District's sole discretion, then District will deliver Transfer Water to SRWA under the District's pre-1914 water rights, the District's post-1914 water rights, or some combination of both..

2.4. Section 3, subsection (a) is amended to read as follows:

(a) Sale of Water. Subject to the delivery limitations, the Offset Water requirements, and other terms and conditions of this Agreement, District shall make continuously available to SRWA up to 30,000 acre feet of Transfer Water per year in accordance with section 4. District will make such Transfer Water available to SRWA within the scope of District's water rights as described in section 2(c).

2.5. Section 4, subsection (c) is amended to read as follows:

(c) Measurement of Water Delivered. SRWA will measure all water delivered to SRWA and all water diverted through the District Delivery Facilities but which are delivered to the Ceres Main Canal and not to the SRWA. SRWA will keep and maintain accurate and complete measurement records. SRWA will install, operate, and maintain water metering equipment that are reasonably acceptable to both Parties at all delivery points for water from the District Delivery Facilities to the SRWA and to the District's Ceres Main Canal. The meters shall be examined, tested and serviced regularly by the SRWA to maintain their accuracy in accordance with the meter manufacturer's written recommendations. The District may inspect the metering equipment and the measurement records during regular business hours upon reasonable notice. The SRWA will provide the District with instrumentation output signals for water flow rate and water pressure information at each meter. District retains the right to install reciprocal measuring devices that comply with the same standards and procedures set forth above. Disparities between District and SRWA measurements will be resolved pursuant to Section 12, Resolution of Differences, of this Agreement.

2.6. Section 4, subsection (h) (Curtailment of Delivery for Maintenance Purposes) is deleted.

2.7. Section 4, subsection (k) is amended to read as follows:

(k) The District will pay all reasonable costs associated with obtaining any and all approvals to use Recycled Water for irrigation purposes, whether or not such approvals are issued or obtained, including any attorney and filing fees. District shall obtain all permits necessary from the SWRCB Regional Water Quality Control Board, or any other federal, state, or local government agency with jurisdiction to use Recycled Water for irrigation purposes. SRWA agrees to provide assistance and all relevant and available information to the District for its uses in obtaining these permits. If the District cannot obtain all of the required approvals and permits on

terms and conditions acceptable to the District in the District's sole discretion by the time Transfer Water deliveries commence, SRWA will purchase the undelivered Recycled Water from the District in the same amount per acre foot that the City of Turlock receives for recycled water under the North Valley Regional Recycled Water Program until such approvals and permits are obtained.

2.8. Section 7, subsection (c) is amended to read as follows:

(c) Administration and Fees. District may elect to deliver water under this Agreement pursuant to one or both of the following:

(1) For the License 11058 water right supply option, SRWA will pay all costs associated with filing the water right change petition for and obtaining the long term water transfer from the SWRCB, whether or not the petition is successful. This includes attorney and filing fees, and any costs associated with implementing the water transfer. District will issue monthly billing statements for these costs as they accrue. Payment will be due and payable within thirty (30) days of issuance by the District.

(2) If pre-1914 water is transferred, SRWA will reimburse District for all liabilities and costs, including attorneys' fees, associated with delivering the pre-1914 rights under this Agreement, and defending any claims or challenges to the use of those water rights for purposes of this Agreement, including, but not limited to, any challenge under Water Code sections 1702, 1706, 1725 or stream adjudication. District will issue monthly billing statements for these costs as they accrue. Payment will be due and payable within thirty (30) days of issuance by the District.

2.9. Section 7, subsection (f) is amended to read as follows:

(f) Use of District Delivery Facilities; Cost Sharing. The Parties recognize and agree that the District Delivery Facilities will be used for the following purposes: (1) to divert and deliver the Transfer Water to the SRWA, (2) to divert and deliver water for District agricultural uses, or (3) to divert and deliver water for District agricultural uses if water was ordered by the SRWA pursuant to the Delivery Schedule but cannot be used by the SRWA after the water is released at La Grange Dam because of an emergency or operational problem at the water treatment plant or in the Project's treated water transmission system. Uses (1) and (3) shall cumulatively be called "**SRWA Water Use**." Use (2) shall be called "**District Water Use**." Upon SRWA's completion of construction of the District Delivery Facilities, the water diverted and delivered through the District Delivery Facilities will be used initially in the SRWA member agency public water systems and other community water systems within District boundaries that may become SRWA wholesale treated water customers.

Because SRWA initially will have sole use of the District Delivery Facilities, the SRWA shall operate, maintain, and, as necessary, repair and replace the District Delivery Facilities, and pay for 100% of the costs described in subsection (e) (the "**Operating and Maintenance Costs**") until such time that District commences regular District Water Use and there is dual use of the District Delivery Facilities by

both Parties. Once dual use of the District Delivery Facilities has begun, the SRWA's annual share and payment of the Operation and Maintenance Costs shall be calculated as follows: In acre feet, SRWA Water Use divided by the sum of SRWA Water Use and District Water Use pumped through the pump station during the Year with the resulting quotient expressed as a percentage. The total annual Operation and Maintenance Costs shall be multiplied by the resulting quotient expressed as a percentage. The product shall be the percentage share of annual Operation and Maintenance Costs payable by the SRWA. SRWA shall invoice District for the remaining percentage share of Operation and Maintenance Costs for District Water Use and District will pay any such invoice to SRWA pursuant to the budget and billing provisions set forth below. SRWA shall begin implementing the budget, billing, and collection procedures in subsection (g) when and after District commences regular District Water Use and there is dual use of the District Delivery Facilities by both Parties and shared Operation and Maintenance Costs.

2.10. Section 9, subsection (a) is amended to read as follows:

(a) Rate Sufficiency Covenant. SRWA covenants and agrees to bill and collect payments from the SRWA member agencies for the water provided to the Project sufficient to provide revenues adequate to meet its obligations under this Agreement.

2.11. Section 11, subsection (d) is amended to read as follows:

(d) Ownership of Real Property. District agrees to sell the treatment plant site, subject to a reservation of such easements for the District's pipelines to the treatment plant from the pump station and from the treatment plant to the Ceres Main Canal, to the SRWA at a sales price of $1,436,674.00 payable to the District. Upon execution of Amendment No. 1 to the TID/SRWA Water Sales Agreement by both Parties, the Parties shall proceed expeditiously to open escrow with a mutually acceptable title company and to process and close escrow on the purchase and transfer of the site. The Parties agree that should the treatment plant not be completed by 2028, the District will have the option to require SRWA to reconvey the treatment plant site to the District at the sales price of $1,436,674.00. A legal description and parcel map of the treatment plant site is attached hereto as Exhibit "A" and incorporated herein by reference. SRWA will acquire such additional lands and/or easements to complete, operate and maintain the treatment plant and treated water delivery pipelines and facilities.

3. No Effect on Other Provisions. Except for the amendments in Section 2, the remaining provisions of the Agreement are unaffected and remain in full force and effect.

TURLOCK IRRIGATION DISTRICT

By: _____
General Manager

Attest:

_____
Secretary

Approved as to form:

_____
General Counsel

STANISLAUS REGIONAL WATER AUTHORITY

By: _____
General Manager

Attest:

_____
Secretary

Approved as to form:

_____
General Counsel

Appendix F

Distribution System Water Loss Audits

DRAFT

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0

American Water Works Association.
Copyright © 2014, All Rights Reserved.

? Click to access definition
+ Click to add a comment

Water Audit Report for: City of Turlock (CA 5010019)
Reporting Year: 2020 1/2020 - 12/2020

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

Master Meter and Supply Error Adjustments

WATER SUPPLIED

<---------- Enter grading in column 'E' and 'J' ---------->

				Pcnt:	Value:	
Volume from own sources:	3	6,742.900	MG/Yr			MG/Yr
Water imported:	n/a	0.000	MG/Yr			MG/Yr
Water exported:	3	5.705	MG/Yr			MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 6,737.195 MG/Yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

			Pcnt:	Value:	
Billed metered:	5	6,028.500	MG/Yr			
Billed unmetered:	n/a	0.000	MG/Yr			
Unbilled metered:	5	241.300	MG/Yr			
Unbilled unmetered:	5	16.843	MG/Yr		16.843	MG/Yr

Use buttons to select percentage of water supplied OR value

AUTHORIZED CONSUMPTION: 6,286.643 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) 450.552 MG/Yr

Apparent Losses

			Pcnt:	Value:	
Unauthorized consumption:		16.843	MG/Yr	0.25%		MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	3	127.955	MG/Yr	2.00%	MG/Yr
Systematic data handling errors:	5	15.071	MG/Yr	0.25%	MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: 159.869 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: 290.682 MG/Yr

WATER LOSSES: 450.552 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 708.695 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	9	305.0	miles
Number of active AND inactive service connections:	9	19,468	
Service connection density:		64	conn./mile main

Are customer meters typically located at the curbstop or property line? Yes

Average length of customer service line: (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: 5 55.0 psi

COST DATA

Total annual cost of operating water system:	10	$7,715,146	$/Year
Customer retail unit cost (applied to Apparent Losses):	9	$1.07	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	5	$200.12	$/Million gallons

☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 50 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources
2: Customer metering inaccuracies
3: Billed metered

AWWA Free Water Audit Software:
Reporting Worksheet

WAS v5.0

American Water Works Association.
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? Click to access definition
+ Click to add a comment

Water Audit Report for: City of Turlock (CA 5010019)
Reporting Year: 2021 1/2021 - 12/2021

Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the input data by grading each component (n/a or 1-10) using the drop-down list to the left of the input cell. Hover the mouse over the cell to obtain a description of the grades

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds all criteria for that grade and all grades below it.

Master Meter and Supply Error Adjustments

WATER SUPPLIED

<---------- Enter grading in column 'E' and 'J' ---------->

				Pcnt:	Value:	
Volume from own sources:	3	6,456.400	MG/Yr	3		MG/Yr
Water imported:	n/a	0.000	MG/Yr			MG/Yr
Water exported:	3	6.218	MG/Yr	5		MG/Yr

Enter negative % or value for under-registration
Enter positive % or value for over-registration

WATER SUPPLIED: 6,450.182 MG/Yr

AUTHORIZED CONSUMPTION

Click here: ? for help using option buttons below

				Pcnt:	Value:	
Billed metered:	5	6,048.800	MG/Yr			
Billed unmetered:	n/a	0.000	MG/Yr			
Unbilled metered:	5	6.824	MG/Yr			
Unbilled unmetered:	5	16.125	MG/Yr		16.125	MG/Yr

Use buttons to select percentage of water supplied **OR** value

AUTHORIZED CONSUMPTION: ? 6,071.750 MG/Yr

WATER LOSSES (Water Supplied - Authorized Consumption) 378.432 MG/Yr

Apparent Losses

				Pcnt:	Value:	
Unauthorized consumption:		16.125	MG/Yr	0.25%		MG/Yr

Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed

Customer metering inaccuracies:	3	123.584	MG/Yr	2.00%		MG/Yr
Systematic data handling errors:	5	15.122	MG/Yr	0.25%		MG/Yr

Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed

Apparent Losses: ? 154.832 MG/Yr

Real Losses (Current Annual Real Losses or CARL)

Real Losses = Water Losses - Apparent Losses: ? 223.600 MG/Yr

WATER LOSSES: 378.432 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: ? 401.382 MG/Yr

= Water Losses + Unbilled Metered + Unbilled Unmetered

SYSTEM DATA

Length of mains:	9	305.0	miles
Number of active AND inactive service connections:	9	19,635	
Service connection density:		64	conn./mile main

Are customer meters typically located at the curbstop or property line? Yes

Average length of customer service line: (length of service line, beyond the property boundary, that is the responsibility of the utility)

Average length of customer service line has been set to zero and a data grading score of 10 has been applied

Average operating pressure: 5 55.0 psi

COST DATA

Total annual cost of operating water system:	10	$9,898,154	$/Year
Customer retail unit cost (applied to Apparent Losses):	9	$1.24	$/1000 gallons (US)
Variable production cost (applied to Real Losses):	5	$190.00	$/Million gallons

☐ Use Customer Retail Unit Cost to value real losses

WATER AUDIT DATA VALIDITY SCORE:

***** YOUR SCORE IS: 50 out of 100 *****

A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION:

Based on the information provided, audit accuracy can be improved by addressing the following components:

1: Volume from own sources
2: Customer metering inaccuracies
3: Billed metered

AWWA Free Water Audit Software: Worksheet

FWAS v6.0

American Water Works Association.

Water Audit Report for: City of Turlock

Audit Year: 2022 | Jan 01 2022 - Dec 31 2022 | Calendar

Click 'n' to add notes

Click 'g' to determine data validity grade

To edit water system info: go to start page

To access definitions, click the input name

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

Water Supplied Error Adjustments

WATER SUPPLIED

choose entry option:

		n	g				n	g				
VOS	Volume from Own Sources:	n	g	3	6,199.300	MG/Yr	n	g	8	0.00%	percent	VOSEA
WI	Water Imported:	n	g	1	0.000	MG/Yr						WIEA
WE	Water Exported:	n	g	6	6.639	MG/Yr	n	g	4	2.00%	percent	under-registration WEEA

WATER SUPPLIED: 6,192.526 MG/Yr

AUTHORIZED CONSUMPTION

choose entry option:

BMAC	Billed Metered:	n	g	5	5,483.100	MG/Yr		
BUAC	Billed Unmetered:	n	g	n/a	0.000	MG/Yr		
UMAC	Unbilled Metered:	n	g	4	119.261	MG/Yr		
UUAC	Unbilled Unmetered:	n	g	3	13.708	MG/Yr	0.25%	default

Default option selected for Unbilled Unmetered, with automatic data grading of 3

AUTHORIZED CONSUMPTION: 5,616.069 MG/Yr

WATER LOSSES

576.457 MG/Yr

Apparent Losses

Default option selected for Systematic Data Handling Errors, with automatic data grading of 3

choose entry option:

SDHE	Systematic Data Handling Errors:	n	g	3	13.708	MG/Yr	0.25%	default
CMI	Customer Metering Inaccuracies:	n	g	3	114.334	MG/Yr	2.00%	percent under-registration
UC	Unauthorized Consumption:	n	g	3	13.708	MG/Yr	0.25%	default

Default option selected for Unauthorized Consumption, with automatic data grading of 3

Apparent Losses: 141.749 MG/Yr

Real Losses

Real Losses: 434.708 MG/Yr

WATER LOSSES: 576.457 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 709.426 MG/Yr

SYSTEM DATA

Lm	Length of mains:	n	g	6	305.0	miles	(including fire hydrant lead lengths)
Nc	Number of service connections:	n	g	8	19,604		(active *and* inactive)
	Service connection density:				64	conn./mile main	

Are customer meters typically located at the curbstop/property line? Yes

Lp n g 10

Average length of customer service line has been set to zero and a data grading of 10 has been applied

AOP Average Operating Pressure: n g 7 45.0 psi

COST DATA

CRUC	Customer Retail Unit Charge:	n	g	7	$1.52	$/1000 gallons (US)	Total Annual Operating Cost	
VPC	Variable Production Cost:	n	g	8	$195.31	$/Million gallons	$9,708,723	$/yr (optional input)

WATER AUDIT DATA VALIDITY TIER:

***** The Water Audit Data Validity Score is in Tier II (26-50). See Dashboard tab for additional outputs. *****

go to dashboard

A weighted scale for the components of supply, consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION TO IMPROVE DATA VALIDITY:

Based on the information provided, audit reliability can be most improved by addressing the following components:

1: Volume from Own Sources (VOS)

2: Billed Metered (BMAC)

3: Customer Metering Inaccuracies (CMI)

KEY PERFORMANCE INDICATOR TARGETS:

OPTIONAL: If targets exist for the operational performance indicators, they can be input below:

Unit Total Losses:		gal/conn/day
Unit Apparent Losses:		gal/conn/day
Unit Real Losses[^]:		gal/conn/day
Unit Real Losses[^]:		gal/mile/day

If entered above by user, targets will display on KPI gauges (see Dashboard)

AWWA Free Water Audit Software: Worksheet

FWAS v6.0

American Water Works Association.

Water Audit Report for: City of Turlock

Audit Year: 2023 | Jan 01 2023 - Dec 31 2023 | Calendar

Click 'n' to add notes

Click 'g' to determine data validity grade

To edit water system info: go to start page

To access definitions, click the input name

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

Water Supplied Error Adjustments

WATER SUPPLIED

		n	g				n	g		choose entry option:		
VOS	Volume from Own Sources:	n	g	3	5,862.682	MG/Yr	n	g	4		percent	VOSEA
WI	Water Imported:	n	g	1	32.570	MG/Yr	n	g	3		percent	WIEA
WE	Water Exported:	n	g	3	4.779	MG/Yr	n	g	4		percent	WEEA

WATER SUPPLIED: 5,890.473 MG/Yr

AUTHORIZED CONSUMPTION

		n	g				choose entry option:	
BMAC	Billed Metered:	n	g	5	5,041.500	MG/Yr		
BUAC	Billed Unmetered:	n	g	n/a	0.000	MG/Yr		
UMAC	Unbilled Metered:	n	g	4	102.000	MG/Yr		
UUAC	Unbilled Unmetered:	n	g	3	12.604	MG/Yr	0.25%	default

Default option selected for Unbilled Unmetered, with automatic data grading of 3

AUTHORIZED CONSUMPTION: 5,156.104 MG/Yr

WATER LOSSES

734.369 MG/Yr

Apparent Losses

Default option selected for Systematic Data Handling Errors, with automatic data grading of 3

		n	g				choose entry option:		
SDHE	Systematic Data Handling Errors:	n	g	3	12.604	MG/Yr	0.25%	default	
CMI	Customer Metering Inaccuracies:	n	g	3	104.969	MG/Yr	2.00%	percent	under-registration
UC	Unauthorized Consumption:	n	g	3	12.604	MG/Yr	0.25%	default	

Default option selected for Unauthorized Consumption, with automatic data grading of 3

Apparent Losses: 130.177 MG/Yr

Real Losses

Real Losses: 604.192 MG/Yr

WATER LOSSES: 734.369 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 848.973 MG/Yr

SYSTEM DATA

		n	g				
Lm	Length of mains:	n	g	6	308.0	miles	(including fire hydrant lead lengths)
Nc	Number of service connections:	n	g	8	19,908		(active *and* inactive)
	Service connection density:				65	conn./mile main	

Are customer meters typically located at the curbstop/property line? Yes

Lp: n g 10

Average length of customer service line has been set to zero and a data grading of 10 has been applied

AOP: Average Operating Pressure: n g 8 53.0 psi

COST DATA

		n	g					
CRUC	Customer Retail Unit Charge:	n	g	7	$1.52	$/1000 gallons (US)	Total Annual Operating Cost	
VPC	Variable Production Cost:	n	g	9	$269.13	$/Million gallons	$9,914,579	$/yr (optional input)

WATER AUDIT DATA VALIDITY TIER:

***** The Water Audit Data Validity Score is in Tier II (26-50). See Dashboard tab for additional outputs. *****

go to dashboard

A weighted scale for the components of supply, consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION TO IMPROVE DATA VALIDITY:

Based on the information provided, audit reliability can be most improved by addressing the following components:

1: Volume from Own Sources (VOS)

2: Billed Metered (BMAC)

3: Customer Metering Inaccuracies (CMI)

KEY PERFORMANCE INDICATOR TARGETS:

OPTIONAL: If targets exist for the operational performance indicators, they can be input below:

Unit Total Losses:		gal/conn/day
Unit Apparent Losses:		gal/conn/day
Unit Real Losses[^]:		gal/conn/day
Unit Real Losses[^]:		gal/mile/day

If entered above by user, targets will display on KPI gauges (see Dashboard)

AWWA Free Water Audit Software: Worksheet

FWAS v6.1

American Water Works Association.

Water Audit Report for: City of Turlock

Audit Year: 2024 | Jan 01 2024 - Dec 31 2024 | Calendar

Click 'n' to add notes

Click 'g' to determine data validity grade

To edit water system info: go to start page

To access definitions, click the input name

All volumes to be entered as: MILLION GALLONS (US) PER YEAR

Water Supplied Error Adjustments

WATER SUPPLIED

choose entry option:

		n	g				n	g						
VOS	Volume from Own Sources:	n	g	3	4,231.799	MG/Yr	n	g	8		volume	1.093	MG/Yr	under-registration VOSEA
WI	Water Imported:	n	g	4	2,278.180	MG/Yr	n	g	4		percent			WIEA
WE	Water Exported:	n	g	3	5.100	MG/Yr	n	g	4		percent			WEEA

WATER SUPPLIED: 6,505.972 MG/Yr

AUTHORIZED CONSUMPTION

choose entry option:

		n	g					
BMAC	Billed Metered:	n	g	5	5,330.570	MG/Yr		
BUAC	Billed Unmetered:	n	g	n/a	0.000	MG/Yr		
UMAC	Unbilled Metered:	n	g	4	111.103	MG/Yr		
UUAC	Unbilled Unmetered:	n	g	3	13.326	MG/Yr	0.25%	default

Default option selected for Unbilled Unmetered, with automatic data grading of 3

AUTHORIZED CONSUMPTION: 5,455.000 MG/Yr

WATER LOSSES

1,050.972 MG/Yr

Apparent Losses

Default option selected for Systematic Data Handling Errors, with automatic data grading of 3

choose entry option:

		n	g						
SDHE	Systematic Data Handling Errors:	n	g	3	13.326	MG/Yr	0.25%	default	
CMI	Customer Metering Inaccuracies:	n	g	2	111.055	MG/Yr	2.00%	percent	under-registration
UC	Unauthorized Consumption:	n	g	3	13.326	MG/Yr	0.25%	default	

Default option selected for Unauthorized Consumption, with automatic data grading of 3

Apparent Losses: 137.707 MG/Yr

Real Losses

Real Losses: 913.265 MG/Yr

WATER LOSSES: 1,050.972 MG/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 1,175.402 MG/Yr

SYSTEM DATA

		n	g				
Lm	Length of mains:	n	g	6	310.0	miles	(including fire hydrant lead lengths)
Nc	Number of service connections:	n	g	8	20,053		(active *and* inactive)
	Service connection density:				65	conn./mile main	

Are customer meters typically located at the curbstop/property line? Yes

		n	g	
Lp		n	g	10

Average length of customer service line has been set to zero and a data grading of 10 has been applied

		n	g			
AOP	Average Operating Pressure:	n	g	10	52.0	psi

COST DATA

		n	g					
CRUC	Customer Retail Unit Charge:	n	g	7	$1.52	$/1000 gallons (US)	Total Annual Operating Cost	
VPC	Variable Production Cost:	n	g	9	$158.33	$/Million gallons	$9,997,083	$/yr (optional input)

Click here to calculate carbon emissions ---> carbon

WATER AUDIT DATA VALIDITY TIER:

***** The Water Audit Data Validity Score is in Tier II (26-50). See Dashboard tab for additional outputs. *****

go to dashboard

A weighted scale for the components of supply, consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION TO IMPROVE DATA VALIDITY:

Based on the information provided, audit reliability can be most improved by addressing the following components:

1: Volume from Own Sources (VOS)
2: Billed Metered (BMAC)
3: Water Imported (WI)

KEY PERFORMANCE INDICATOR TARGETS:

OPTIONAL: If targets exist for the operational performance indicators, they can be input below:

Unit Total Losses:		gal/conn/day
Unit Apparent Losses:		gal/conn/day
Unit Real Losses[^]:		gal/conn/day
Unit Real Losses[b]:		gal/mile/day

If entered above by user, targets will display on KPI gauges (see Dashboard)

Appendix G

City of Turlock Water Shortage Contingency Plan

DRAFT

City of Turlock
Water Shortage Contingency Plan

DRAFT

JOINTLY PREPARED BY

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LIST OF ATTACHMENTS

Attachment A. Turlock Municipal Code Title 6 Chapter 7

LIST OF ACRONYMS AND ABBREVIATIONS

AB	Assembly Bill
AWSDA	Annual Water Supply and Demand Assessment
City	City of Turlock
CWC	California Water Code
DWR	Department of Water Resources
ENP	Emergency Notification Plan
ERP	Emergency Response Plan
Legislature	California State Legislature
RWQCF	Regional Water Quality Control Facility
SB	Senate Bill
SRWA	Stanislaus Regional Water Authority
TID	Turlock Irrigation District
TMC	Turlock Municipal Code
UWMP	Urban Water Management Plan
WSCP	Water Shortage Contingency Plan
WTP	Water Treatment Plant

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1.0 INTRODUCTION

This plan presents the City of Turlock's (City's) Water Shortage Contingency Plan (WSCP). The WSCP describes the City's strategic plan in preparation for and responses to water shortages with a goal to proactively prevent catastrophic service disruptions. It includes water shortage stages and associated actions that will be implemented in the event of a water supply shortage. As part of the WSCP, the City's legal authorities, communication protocols, compliance and enforcement, and monitoring and reporting are included. The Turlock Municipal Code (TMC) Chapter 6-7 (Water Conservation and Education) provides complementary text that supports the City's WSCP. This text has been updated over time and is included as Attachment A.

A water shortage may occur due to a number of reasons, such as population growth, climate change, drought, and catastrophic events. Drought, regulatory action constraints, and natural and manmade disasters may occur at any time. A water shortage means that the water supply available is insufficient to meet the normally expected customer water use at a given point in time.

In 2018, the California State Legislature (Legislature) enacted two policy bills, (Senate Bill (SB) 606 (Hertzberg) and Assembly Bill (AB) 1668 (Friedman)) (2018 Water Conservation Legislation), to establish a new foundation for drought planning to adapt to climate change and the resulting longer and more intense droughts in California. The 2018 Water Conservation Legislation set new requirements for water shortage contingency planning.

The City's WSCP has been updated so that it is consistent with the 2018 Water Conservation Legislation requirements. The City has modified portions of TMC Chapter 6-7 to support these updates. The City intends for this WSCP to be dynamic, so that it may assess response action effectiveness and adapt to emergencies and catastrophic events. Refinement procedures and adoption requirements are provided in this plan to allow the City to modify this WSCP outside of the Urban Water Management Plan (UWMP) process.

2.0 WATER SUPPLY RELIABILITY ANALYSIS

The City's water supply reliability analysis and drought risk assessment are included in Chapter 7 of the City's most recently adopted UWMP. The City's existing and projected water demands, and existing and planned water supplies are described in Chapter 4 and Chapter 6 of the UWMP, respectively.

The City's water supplies consist of the following:

- Groundwater pumped from city-owned and operated wells
- Treated surface water purchased from Stanislaus Regional Water Authority (SRWA) conveyed from the Tuolumne River through SRWA's Water Treatment Plant (WTP)
- Recycled water from Turlock's Regional Water Quality Control Facility (RWQCF)

During dry periods, SRWA's surface water allocations from the Turlock Irrigation District (TID) may be reduced. As a result, the City would receive less surface water from SRWA during dry periods and would increase pumping from local groundwater wells to meet remaining demand. While potable supplies will remain reliable and continue to meet water quality standards, the consistency of aesthetic water quality may be affected as water from the City's groundwater wells is generally less palatable than surface water.

Findings from the water supply reliability analysis show that the City can reliably meet their projected demands through 2050 in both normal and dry years. For a five-year drought (i.e., the drought risk assessment), no water supply shortfalls are anticipated for the City.

Statewide water supply conditions, changes in groundwater levels, subsidence, and actions by SRWA and TID, may impact the City's available water supply. For the City, a water shortage condition occurs when the supply of potable water available cannot meet ordinary water demands for human consumption, sanitation, fire protection, and other beneficial uses. The City may be able to foresee its water shortage condition in some cases; however, in other cases, the water shortage may be caused by an unforeseen sudden or emergency event. In general, the City's water supply conditions may be affected by the following issues:

- Reduction in SRWA surface water allocations from TID during dry years
- SRWA WTP operational issues
- City well production and/or groundwater quality issues

The City may experience unforeseen water shortages when catastrophic interruption of water supplies occurs due to regional power outage, an earthquake, or other potential emergency events.

The City conducts an annual water supply and demand assessment in accordance with Section 3. The analysis associated with this assessment was developed in the context of the City's water supply sources and reliability.

3.0 ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT PROCEDURES

Beginning July 1, 2022, California Water Code (CWC) §10632.1 requires water suppliers to submit an Annual Water Supply and Demand Assessment (AWSDA). Water suppliers were also required to submit an Annual Water Shortage Assessment Report beginning July 1, 2022. This WSCP provides the procedures for the City to conduct its AWSDA. The findings from that assessment will provide information for the City's Annual Water Shortage Assessment Report.

The procedures provided in this section are intended to assist the City in planning for potential, foreseeable shortage in water supplies. These procedures provide the steps the City needs to take that may lead to declaring a water shortage emergency and associated water shortage level (see Section 4) and implementation of water shortage response actions (see Section 5).

3.1 Decision-Making Process

The decision-making process described below will be used by the City to determine its water supply reliability in a consistent manner annually. The City may adjust this process for improved decision-making during implementation.

The Municipal Services Director, or their designee, is responsible for the preparation of the City's AWSDA and Annual Water Shortage Assessment Report, and submittal of the reports to Department of Water Resources (DWR) by July 1 of each year. The Municipal Services Director, or their designee, will gather key data inputs described in Section 3.2 and conduct the assessment in accordance with Section 3.3. In June, the Municipal Services Director, or their designee, will finalize the assessment based on the SRWA allocated water amount from TID.

The City will follow the timeline of activities as shown in Table 1 for conducting the assessment, and Table 2 for its decision making. Due to variations in climate and hydrologic conditions, schedule shown in the table are approximate and may be adjusted as needed. The intent of the schedule is to allow shortage response actions to effectively address anticipated water shortage conditions in a timely manner, and to comply with the State's reporting requirements.

Table 1. Schedule of Assessment Activities

Schedule	Activities	Responsible Party
Early November of Prior Year	Convene Team.	Municipal Services Department
Mid- to Late November of Prior Year	Plan for water supply sources for current year and one subsequent dry year. Describe sources and quantities considering factors affecting supply as described in Section 3.2.	Municipal Services Department
Mid- to Late November of Prior Year	Plan for water demands for current year and one subsequent dry year. Describe demand types and quantities considering factors affecting supply as described in Section 3.2.	Municipal Services Department
Early December of Prior Year	Using the methodology described in Section 3.3, calculate the City's water supply reliability for the current year and one subsequent dry year.	Municipal Services Department
Early March	Finalize assessment based on expected purchased water from SRWA.	Municipal Services Department
Mid to Late March	Draft Annual Water Shortage Assessment Report for DWR submittal.	Municipal Services Department
Early April	Review Annual Assessment and Annual Water Shortage Assessment Report and provide comments as needed.	Municipal Services Director or Designee
April - June	Finalize and approve Annual Assessment and Annual Water Shortage Assessment Report.	Municipal Services Department
Before July 1	Submit Annual Assessment and finalized Annual Water Shortage Assessment Report to DWR.	Municipal Services Department

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Table 2. Schedule of Decision-Making Activities		
Schedule	Activities	Responsible Party
April	Based on finalized determinations of AWSDA regarding water shortage condition and recommended actions, prepare recommendations on water shortage condition determination and actions.	Municipal Services Department
April - June	Prepare ordinances or resolutions approving determinations and actions.	Municipal Services Department
April - June	If a water shortage emergency condition exists, activate WSCP protocols and follow Section 8.	Municipal Services Department
April - June	Coordinate interdepartmentally, with SRWA, and with County for the possible proclamation of a local emergency.	Municipal Services Department
April - June	Present finalized determinations and recommendations, along with ordinances or resolutions approving determinations and actions.	Municipal Services Department
April - June	Receive presentation of finalized determinations and recommendations. Make determination of degree of emergency and act on resolutions that declare a water shortage emergency condition. Authorize water shortage response actions for implementation. Act on ordinances or resolutions.	City Council
April - June	If a water shortage emergency condition is declared, implement the WSCP and the water shortage response actions as approved by City Council.	Municipal Services Department
April - June	Finalize Annual Water Shortage Assessment Report.	Municipal Services Department
Before July 1	Submit finalized AWSDA assessment and Annual Water Shortage Assessment Report to DWR.	Municipal Services Department

3.1.1 AWSDA Finding: Sufficient Water Supply to Meet Expected Demands

If the Annual Assessment finds that available water supply will be sufficient to meet expected demands for the current year and one subsequent dry year, no further action will be required. The City's Annual Water Shortage Assessment Report will be finalized using the AWSDA. The final approved documents will be submitted to DWR by July 1 each year.

3.1.2 AWSDA Finding: Available Water Supply Will Not Meet Demands

In the event that the AWSDA finds that available supply will not meet expected demands, the Municipal Services Director, or designee, will present the finalized assessment to the City Council, along with recommendations on water shortage condition determination and actions. Recommended actions may include declaration of a water shortage emergency, declaration of a water shortage level, and water shortage actions. The Municipal Services Director, or designee, will coordinate interdepartmentally and with SRWA and Stanislaus County, for the possible proclamation of a local emergency. The Municipal Services Director, or designee, will prepare the City's Annual Water Shortage Assessment Report using the finalized AWSDA and incorporate City Council determinations and approved actions.

Based on the findings of the assessment, the City Council will determine if a water shortage condition exists and, if needed, declare a water shortage emergency and water shortage level and authorize water shortage actions.

The Municipal Services Director, or designee, will then prepare the City's Annual Water Shortage Assessment Report, incorporating the City Council determinations and approved actions, and submit the report to DWR by July 1.

3.2 Key Data Inputs

The AWSDA requires the evaluation of supply and demands for the current year and one dry year that is assumed to follow the current year. The following key data inputs will be used to evaluate the City's water supply reliability, as necessary and applicable.

Planned water supplies will be used as inputs to the AWSDA for the current year and a subsequent single dry year. The subsequent dry year may be similar to a single dry year as defined in Chapter 7 of the City's most recently adopted UWMP. In planning for water supplies, the following factors are considered:

1. Hydrologic conditions (e.g., SRWA's surface water allocations from TID)
2. Regulatory conditions
3. Contractual constraints
4. Surface water and groundwater quality conditions
5. Well production limitations
6. Infrastructure capacity constraints or changes
7. Capital improvement projects implementation

Planned water supply sources and quantities will be described and be reasonably consistent with the supply projections in the City's most recently updated UWMP Chapter 6 (Normal-Year Water Supply Characterization) and Chapter 7 (Water Service Reliability and Drought Risk Assessment). Should the supply sources and projections deviate significantly from projections, an explanation for the difference will be provided.

Planned unconstrained water demands will be used as input to the AWSDA for the current year and a subsequent single dry year. Unconstrained water demands are customer demands where no water conservation measures are in effect. In planning for water demands, the following factors are considered:

1. Weather conditions
2. Water year type
3. Population changes (for example, due to development projects)
4. Anticipated new demands (for example, changes to land use)
5. Pending policy changes that may impact demands
6. Infrastructure operations

Planned water demand types and quantities will be described and be reasonably consistent with the demand projections in the City's most recently updated UWMP Chapter 4 (Water Use Characterization).

Should the demand projections deviate significantly from projections, an explanation for the difference will be provided.

3.3 Assessment Methodology

In preparing the AWSDA, the City will follow the following assessment methodology and evaluation criteria will be used to evaluate the agency's water supply reliability for the current year and a subsequent single dry year.

The City uses a spreadsheet to plan for current year and future year demands. Planned supply and demand inputs described in Section 3.2 will be entered in the spreadsheet in monthly increments.

Supply and demand will be compared to determine the reliability of the City's water supply in the current year and a subsequent single dry year. The City's water supply for the current year and the following dry year will be determined to be reliable if water supply is sufficient to meet the planned water demands.

If water supply is insufficient to meet planned water demands in the current year and/or the following dry year, the extent of the water shortage condition will be determined, and the City will prepare response actions in accordance with this WSCP. As described in Section 3.1.1 and Section 3.1.2, if water supply is insufficient to meet planned water demands, the AWSDA findings will be presented to the City Council, along with recommendations for action for City Council consideration. If water supply is sufficient, the final approved documents will be submitted to DWR, and no further action will be required.

4.0 STANDARD WATER SHORTAGE LEVELS

To provide a consistent regional and statewide approach to conveying the relative severity of water supply shortage conditions, the 2018 Water Conservation Legislation mandates that water suppliers plan for six standard water shortage levels (or stages) that correspond to progressive ranges of up to 10, 20, 30, 40, 50 percent, and greater than 50 percent shortages from the normal reliability condition. Each shortage condition should correspond to additional actions water suppliers would implement to meet the severity of the impending shortages.

The City's six water shortage levels align with the State's standard levels as shown in Table 3 (DWR Table 8-1). The City's water shortage levels apply to both foreseeable and unforeseeable water supply shortage conditions. Water shortage is the gap between available supply and projected demands.

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Table 3. Cross-reference for Standard vs Supplier Shortage Levels (DWR Table 8-1)

☑	Check the box if the Supplier uses the Standard six levels of water shortage. Proceed to the next table.		
Standard Shortage Levels	**Percent Shortage Range**	**Suppliers Shortage Levels**	**Percent Shortage Range**
1	Up to 10%		
2	Up to 20%		
3	Up to 30%		
4	Up to 40%		
5	Up to 50%		
6	>50%		

As described in Section 3, the City will conduct an AWSDA to determine its water supply condition for the current year and a subsequent single dry year. The preparation of AWSDA helps the City ascertain the need to declare a water shortage emergency and water shortage level. In other cases, the City may need to declare a water shortage emergency due to unforeseen water supply interruptions. When the City anticipates or identifies that water supplies may not be adequate to meet the normal water demand of its customers, the City Council may determine that a water shortage exists and consider a resolution to declare a water shortage emergency and associated level. The shortage level provides direction on which shortage response actions should be implemented.

5.0 SHORTAGE RESPONSE ACTIONS

CWC §10632 (a)(4) requires shortage response actions that align with the defined shortage levels. The City's shortage response actions include a combination of:

- Demand reduction actions
- Supply augmentation strategies
- Operational changes

The response actions implemented are dependent on the event that precipitates a water shortage level, the time of the year the event occurs, the water supply sources available at that time, and the condition of the City's water system infrastructure.

The City plans to use a balanced approach that combines demand reduction, supply augmentation, and operational changes to respond to water shortage events. Based on the City's water supply and demand monitoring described in Section 10, the City will adapt its response actions as necessary to close the gap between water supplies and water demand and to achieve the water use reduction goals associated with the declared water shortage level.

The shortage response actions described below serve as tools that allow the City to respond effectively to water shortage conditions. Because the City is often implementing multiple shortage response actions simultaneously and is continuously adjusting actions as needed to meet water demand reduction goals, it

is difficult to quantify how each action may reduce the supply-demand gap. Therefore, the effectiveness of each shortage response action is provided as an estimate. Certain response actions, such as public outreach and enforcement, support the effectiveness of other response actions but do not directly produce quantifiable water savings on their own.

5.1 Demand Reduction Actions

During water shortage conditions, the City plans to reduce demand by implementing the actions shown in Table 4 and Table 5 (DWR Table 8-3). Table 4 presents the City's demand reduction actions organized by the triggering water shortage level. These actions are based on the City's Water Conservation and Education regulations contained in TMC Chapter 6-7 (Attachment A).

In general, demand reduction actions are initiated at a specified shortage level and continue to be implemented at higher shortage levels, unless they are replaced by more stringent measures. The City may request that its customers reduce their water use in response to any water shortage level through TMC Chapter 6-7.

Table 5 (DWR Table 8-3) is consistent with Table 4, but also includes additional non-enforcement demand reduction actions, such as public information campaigns and water loss reduction strategies. In addition, Table 5 (DWR Table 8-3) includes estimates of the potential reduction in the water shortage gap associated with each demand reduction action. For each action, Table 5 (DWR Table 8-3) also indicates whether the City uses compliance actions such as penalties, charges, or other enforcement.

During the 2012-2016 drought, the City was able to exceed its water conservation goals using a combination of public outreach and compliance actions. The City found that customers were very responsive to public outreach efforts. A mandatory watering schedule remained in place, although it was not significantly modified in recent years. Conservation efforts focused on continued public education, including promoting the removal of turf grass in landscaped medians, encouraging the use of non-potable water for irrigation where feasible, and maintaining strong messaging through outreach campaigns. The City also distributed home water survey kits and continued rebate programs for high-efficiency appliances. Compared to earlier drought responses, the key difference was a shift away from blanket restrictions toward policy-driven conservation triggers tied to local supply conditions, which allowed the City to target actions more effectively.

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Table 4. Water Restrictions and Regulations by Water Shortage Level[(a)]

Category of Demand Reduction Method	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Commercial						Industry and commercial businesses shall be required to curtail consumption to maintain adequate supplies of water for health and safety.
Construction			Construction water from City fire hydrants shall be banned but recycled water from the City of Turlock's Regional Water Quality Control Facility may be made available for construction water purposes.			
Landscape Irrigation	Outdoor landscape watering shall be limited to **three times per week** on an odd-even basis.	Outdoor landscape watering. Outdoor landscape watering shall be limited to **two times per week**.	Outdoor landscape watering shall be limited to **one day per week**.	Outdoor landscape watering shall be limited to **one day per week**, for **trees only**.		Outdoor landscape watering shall be **prohibited**.
	Outdoor landscape watering is prohibited between the hours of 9:00 a.m. and 9:00 p.m.					
	Large commercial landscapes and City parks may have individual watering schedules approved by the Municipal Services Department	Large commercial landscapes and City parks shall also be limited to **two days per week**, as scheduled by the Municipal Services Department	Large commercial landscaping and City parks shall be limited to **one day per week**, as scheduled by the Municipal Services Department		Large commercial landscaping and City parks shall be limited to **one day per month**, as scheduled by the Municipal Services Department	
Vehicle Washing	Residential vehicle washing requires a quick-acting automatic positive shut-off valve and is limited to one washing per week during designated watering times.		Washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment not occurring upon the immediate premises of commercial car washes and commercial service stations and not in immediate interest of the public health, safety, and welfare shall be prohibited.			
Water Features			Further use of decorative fountains or reflection ponds shall be discontinued until further notice.			
						Filling newly constructed or drained swimming pools with City water shall be prohibited.

(a) City of Turlock. Water Conservation Ordinance, TMC Chapter 6-7-405. Accessed at https://www.turlock.ca.us/government/municipalcode/ on April 9, 2026.

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Table 5. Water Shortage Contingency Plan Demand Reduction Actions (DWR Table 8-3)

Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions **Drop down list** These are the only categories that will be accepted by the WUEdata online submittal tool. Select those that apply.	How much is this going to reduce the shortage gap? Volume or Percentage Drop down	How much is this going to reduce the shortage gap? Shortage Gap Reduction Value (May be a range) (MG)	Additional Explanation or Reference (OPTIONAL)	Penalty, Charge, or Other Enforcement? **For Retail Suppliers Only** Drop Down List
1-6	Expand Public Information Campaign	Percentage	5-20%	Up to 5-20% water demand reduction anticipated depending on shortage level and extent of public information campaign.	No
1-6	Reduce System Water Loss	Percentage	5-10%	The City is actively working to reduce water loss (real and apparent losses) as described in Chapter 9 of the City's Joint UWMP.	No
1-6	Increase Water Waste Patrols	Percentage	0-10%	Up to 10% water demand reduction anticipated depending on shortage leve and amount of enforcement.	Yes
1	Landscape - Limit landscape irrigation to specific days	Percentage	0-5%	Turlock Municipal Code: 6-7-405(a)(1); Outdoor landscape watering shall be limited to three (3) times per week on an odd-even basis. If the address ends in an even number, the water days shall be Tuesdays, Thursdays, and Saturdays. If the address ends in an odd number, the watering days shall be Wednesdays, Fridays, and Sundays. No outdoor landscape watering on Mondays. Drip irrigation systems shall be exempt.	Yes
1-5	Landscape - Limit landscape irrigation to specific times	Percentage	0-5%	Turlock Municipal Code: 6-7-405(a)(2); Outdoor landscape watering is prohibited between the hours of 9:00 a.m. and 9:00 p.m.	Yes
1-5	CII - Other CII restriction or prohibition	Percentage	0-10%	Turlock Municipal Code: 6-7-405(a)(3); Large commercial landscapes and City parks may have individual watering schedules approved by the Municipal Services Department.	Yes
1-2	Other - Require automatic shut of hoses	Percentage	0-5%	Turlock Municipal Code: 6-7-302(d); Residential vehicle washing requires a quick-acting automatic positive shut-off valve and is limited to one washing per week during designated watering times.	Yes
2	Landscape - Limit landscape irrigation to specific days	Percentage	5-10%	Turlock Municipal Code: 6-7-405(b)(1); Outdoor landscape watering shall be limited to two (2) times per week on an odd-even basis. If the address ends in an even number, the watering days shall be Tuesdays and Saturdays. If the address ends in an odd number, the watering days shall be Wednesdays and Sundays. No outdoor landscape watering on Monday, Thursday, and Friday. Drip irrigation systems shall be exempt.	Yes
2	CII - Other CII restriction or prohibition	Percentage	0-10%	Turlock Municipal Code: 6-7-405(b)(2); Large commercial landscapes and City parks limited to irrigation two days per week.	Yes
3	Landscape - Limit landscape irrigation to specific days	Percentage	5-15%	Turlock Municipal Code: 6-7-405(c)(1); Outdoor landscape watering shall be limited to one (1) day per week on an odd-even basis. If the address ends in an even number, the watering day shall be Saturdays. If the address ends in an odd number, the watering day shall be Sundays. No outdoor landscape watering Monday through Friday. Drip irrigation systems shall be exempt.	Yes
3-4	CII - Other CII restriction or prohibition	Percentage	5-10%	Turlock Municipal Code: 6-7-405(c)(2); Large commercial landscapes and City parks limited to irrigation one day per week.	Yes
3-6	Other - Prohibit use of potable water for construction and dust control	Percentage	0-5%	Turlock Municipal Code: 6-7-405(c)(3); Construction water from City fire hydrants shall be banned but recycled water from the City's Regional Water Quality Control Facility may be made available for construction water purposes.	Yes
3-6	Water Features - Restrict water use for decorative water features, such as fountains	Percentage	0-5%	Turlock Municipal Code: 6-7-405(c)(5); Further use of decorative fountains or reflection ponds shall be discontinued until further notice.	Yes
3-6	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Percentage	0-5%	Turlock Municipal Code: 6-7-405(c)(4); Washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment not occurring upon the immediate premises of commercial car washes and commercial service stations and not in immediate interest of the public health, safety, and welfare shall be prohibited.	Yes
4-5	Landscape - Prohibit certain types of landscape irrigation	Percentage	5-15%	Turlock Municipal Code: 6-7-405(d)(1); Outdoor landscape watering shall be limited to one (1) day per week, for trees only, only if a quick-acting automatic positive shut-off valve is used and in proper operating condition.	Yes
5	CII - Other CII restriction or prohibition	Percentage	5-10%	Turlock Municipal Code: 6-7-405(e)(1); Large commercial landscapes and City parks limited to irrigation one day per month.	Yes
6	Landscape - Prohibit all landscape irrigation	Percentage	10-25%	Turlock Municipal Code: 6-7-405(f)(2); Outdoor landscape watering shall be prohibited.	Yes
6	CII - Other CII restriction or prohibition	Percentage	15-20%	Turlock Municipal Code: 6-7-405(f)(1); Industry and commercial businesses shall be required to curtail consumption in order to maintain adequate supplies of water for health and safety.	Yes
6	Other water feature or swimming pool restriction	Percentage	0-5%	Turlock Municipal Code: 6-7-405(f)(3); Filling newly constructed or drained swimming pools with City water shall be prohibited.	Yes
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.					

5.2 Additional Mandatory Restrictions

In addition to demand reduction actions provided in Table 4 and Table 5 (DWR Table 8-3), the City may impose additional water use restrictions on its customers and enforce the regulations and restrictions provided in TMC Chapter 6-7-405 to achieve the percent demand reduction required by the water shortage level.

These additional mandatory restrictions would be implemented alongside any State-mandated prohibitions. The City will enforce both State-mandated prohibitions and its own restrictions.

5.2.1 Water Features and Swimming Pools

Water shortage response would focus on providing sufficient supply to meet health and safety needs for residential customers. Tempering the uses for water features and swimming pools will be based on the severity of the water shortage condition. The relative total water use from these sources would be a consideration for how water features would be restricted during specific water shortage conditions. Water features are a relatively small discretionary use and may be impacted at any time during a triggered water shortage condition.

The City distinguishes special water features, such as decorative fountains and ponds, differently from pools and spas. Special water features are regulated separately. Regulations under TMC 6-7-405 prohibit the use of water in fountains and reflective ponds in Level 3 and more restrictive stages.

5.3 Supply Augmentation and Other Actions

This section discusses the City's supply augmentation strategies to increase available supply during water shortage conditions. As described in Section 2, the City's water supply portfolio includes treated surface water provided from SRWA, local groundwater, and recycled water. The City currently operates 15 active potable groundwater wells and 4 non-potable irrigation wells.

When surface water supplies are reduced, the City relies on its existing potable groundwater wells to meet remaining demands. Based on historical records, the local groundwater basin has proven to be reliable, and drought-related impacts on the City's groundwater supply are not anticipated. As described in the UWMP, the City actively manages its groundwater resources to ensure that water demands can be met even during periods of significantly reduced surface water allocations. In addition, the City has multiple planned groundwater supply projects intended to maintain existing well capacity.

Table 6 (DWR Table 8-2) summarizes the City's potential supply augmentation actions. During water shortage events that result in reduced surface water deliveries, the City may increase pumping from existing production wells and, if necessary, expedite the rehabilitation of existing wells and/or the construction of new production wells to meet demand. Given the City's planned groundwater capital improvement efforts, the City does not expect to need to augment supplies beyond currently planned projects except under more severe water shortage conditions and/or unforeseen emergency conditions.

Supply augmentation actions related to surface water supply from SRWA are not provided in Table 6 (DWR Table 8-2), as these actions would generally be performed by SRWA and are listed in SRWA's WSCP. As described in SRWA's WSCP, SRWA would notify the City in a timely manner during dry periods when surface water allocations are reduced regarding the timing and magnitude of any surface water supply

reductions. In the event of more severe allocation reductions, SRWA may evaluate opportunities to secure supplemental surface water supplies through alternative water transfer agreements.[1]

The City does not currently plan to purchase or use water supplies other than local groundwater and surface water provided by SRWA to augment its water supply portfolio.

Table 6. Supply Augmentation and Other Actions (DWR Table 8-2)

Yes	Is the Supplier completing this table using the standard six levels? (yes/no)			
Shortage Level	Supply Augmentation Methods and Other Actions by Water Supplier **Drop down list** These are the only categories that will be accepted by the WUEdata online submittal tool	How much is this going to reduce the shortage gap?		Additional Explanation or Reference (OPTIONAL)
		Volume or Percentage Drop down	Shortage Gap Reduction Value (May be a range) (MG)	
3-6	Other Actions (describe)	Volume	390-1,560	Rehabilitate existing wells, increase pumping of existing production wells, or install new production wells.
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.				
NOTES: Volume of supplemental groundwater assumes construction or rehabilitation of one to four potable groundwater wells, each with a capacity of 1,000 gallons per minute, and assuming a run time of 75 percent throughout the year.				

5.4 Operational Changes

The City may modify its operations on a short-term or long-term basis in response to any water shortage conditions. The City may take any one or a combination of the following actions.

1. The City may expedite repairs of leaks in its water distribution system. All meter leaks and emergency breaks would be repaired immediately after being reported. Non-emergency service line and main breaks would be repaired within three business days after detection.
2. During the duration of the water shortage condition, the City may limit its regular maintenance water system flushing operations such that flushing is conducted only in areas with known water quality issues.

5.5 Emergency Response Plan

As stated in Section 4, the City's water shortage levels outlined in TMC Section 6-7-405 apply to both foreseeable and unforeseeable water supply shortage conditions, including catastrophic water shortage conditions.

The City's 2023 *Water Distribution System Operations Plan* includes an Emergency Response Plan (ERP) that addresses extreme weather emergencies such as droughts when catastrophic water shortage conditions may occur. Water shortage emergency response is coordinated with the County's Office of Emergency Services. The ERP outlines response procedures associated with unforeseeable incidents such as water supply contamination, earthquake, infrastructure failure, and other events. The ERP includes

[1] SRWA. October 2024. *Water Shortage Contingency Plan.*

actions to be taken in preparation for, during, and recovery from such events. To maintain the security of the City's water system, the ERP is retained as a confidential document.

The City's response planning for continued water service includes the use of standby generators, water purification supplies and equipment, emergency drinking water storage, and water trucks. Water storage, treatment, and pumping facilities have been constructed to meet earthquake safety standards and are inspected regularly.

The City has access to surface water from the Tuolumne River through the SRWA WTP. This facility may supply emergency water to maintain normal distribution if the City's groundwater supply is impacted by a catastrophic supply interruption. Alternatively, if the catastrophic interruption is related to the surface water supply, the City will use the existing groundwater wells to provide sufficient water for health, sanitation, and fire protection for the duration of the emergency. If there is a catastrophic supply interruption that impacts both the City's groundwater supply and the surface water supply from SRWA, then outside emergency water supply assistance would be needed.

6.0 COMMUNICATION PROTOCOLS

In the event of a water shortage, the City must inform its customers, the general public and interested parties, and local, regional, and state entities. Communication protocols for foreseeable and unforeseeable events are provided in this section. In any event, timely and effective communication must occur for appropriate response to the event. City staff are provided with cell phones and City email accounts to communicate internally and externally.

6.1 Communication for Foreseeable Events

Water shortages may be foreseeable when the City conducts its AWSDA as described in Section 3. When the City determines the potential for a water shortage event, the City Council may find, determine and declare a water shortage emergency, and the associated water shortage level, in accordance with TMC Chapter 6-7-403.

The following communications protocol and procedures will be followed. The City may trigger any of these communication protocols at any water shortage level.

1. If a water shortage emergency is anticipated, the City will coordinate interdepartmentally and with Stanislaus County for the possible proclamation of a local emergency.
2. The City may hold a duly noticed City Council meeting in which the AWSDA findings and recommendations for a water shortage emergency and shortage response actions are presented.
3. The Municipal Services Director, or his or her designee, shall monitor the projected supply and demand for water by its customers, with heightened emphasis during the months of March through October.
4. The Municipal Services Director, or his or her designee, shall recommend to the City Manager and City Council the extent of the conservation compliance stage required in order for the City to prudently plan for and supply water to its customers.
5. The City Council may order that the appropriate stage of water conservation be implemented or terminated in accordance with the applicable provisions of this chapter.

When implementing mandatory water conservation compliance Stages 2, 3, 4, 5 and 6, said order shall be made by public announcement and shall be published a minimum of one (1) time in a daily newspaper of general circulation and shall become effective immediately upon such publication. Other forms of communication to inform customers, the public, and government entities shall include social media postings, email to customers and businesses in Turlock and radio broadcast. Public entities and officials are informed of water shortage information via email.

6.2 Communication for Unforeseeable Events

Water shortages may occur during unforeseeable events such as earthquakes, fires, infrastructure failures, civil unrest, and other catastrophic events. The City's 2023 *Water Distribution System Operations Plan* includes an Emergency Notification Plan (ENP) and ERP that provide specific communication protocols and procedures to convey water shortage contingency planning actions during these events. The City may trigger any of these communication protocols at any water shortage level, depending on the event.

The ENP provides a list of relevant contacts to notify in the event of an emergency at the local, regional, and state level. The ERP lists the City's emergency plans and procedures, resilience strategies, and mitigation actions. To maintain the security of the City water system, the *Water Distribution System Operations Plan* is maintained as a confidential document and may not be incorporated in this UWMP.

In general, communications and notifications should proceed along the chain of command. Notification decisions will be made under the direction of the Municipal Services Director or their designee. External communications will be managed by the Municipal Services Director or their designee. All City staff are provided their communication responsibilities. The Regulatory Compliance Officer and the Municipal Services Director will work with the Municipal Services Department staff to notify regulatory agencies.

7.0 COMPLIANCE AND ENFORCEMENT

TMC Chapter 6-7 supports the implementation of the City's WSCP actions. This text includes provisions for compliance and enforcement of its water use regulations, restrictions, and prohibitions and is available on the City's website. The City's water conservation website (https://www.cityofturlock.org/watersewergarbageservice/waterconservation/) provides the most current regulations and water restrictions.

When a water shortage is anticipated, the City Council determines the degree of the water shortage emergency and makes a declaration of the water shortage stage. The City Council may also hold a duly noticed public meeting to discuss the water shortage emergency.

Since the City's water service area is fully metered, customer water use can be quantified and compared to determine their extent of compliance to water reduction requirements. The City may also become aware of non-compliance through its water waste reporting outreach or through staff inspections. Non-compliance is deemed as a violation and is classified as an infraction. Each day of continued violation is considered as a separate offense.

The Municipal Services Director or their designee and duly designated representatives are authorized to enforce provisions of TMC Chapter 6-7 and make determinations with regard to the customer water

allocations provided in TMC Chapter 6-7. For these purposes, they have the power and discretion of a law enforcement office.

7.1 Shortage Level Enforcement and Penalties

Enforcement and penalties for non-compliance with restrictions associated with a water shortage level or stage are provided in TMC 6-7-410. When the City becomes aware of a customer violating, causing, or permitting a violation of the restrictions or prohibitions associated with the adopted water shortage level, the City will issue a notice that describes the nature of the violation and includes an order that the violation be corrected within a stated period. Upon occurrence of a second violation or failure to correct the initial violation, the City will issue a second notice ordering immediate correction and imposing a surcharge as provided in the TMC. Upon occurrence of a third violation or failure to correct the initial violation, the City will issue a third notice ordering immediate correction and imposing a surcharge as provided in the TMC. Upon occurrence of a fourth violation, and each subsequent violation, or failure to correct the initial violation, the City will issue an additional notice ordering immediate correction and imposing a surcharge as provided in the TMC. The Municipal Services Director, or designee, may issue an order to cease and desist until appropriate remedial actions are taken. For continued violation, the Municipal Services Director or designee may order discontinuance of service.

The thirty days after the effective date of the Council's declaration of a water shortage emergency or the effective date stated in the resolution is considered as an adjustment period. During that period, no penalties will be imposed on violations to water use prohibitions and restrictions associated with the water shortage emergency.

After the initial thirty days after the effective date, customers are subject to enforcement and penalties associated with water use prohibitions and restrictions. For continued violation, the City may impose progressively stringent action, from issuance of a warning to increasing penalties and fines.

7.2 Appeal and Exemption Process

Per TMC Chapter 6-7-411 and 6-7-412, utility customers may appeal a Notice of Acts Constituting Water Wasting by submitting a written appeal to the Municipal Services Director within fifteen calendar days from the date of service of the Notice of Acts Constituting Water Wasting, or any water wasting penalty assessed to his or her account. The written appeal should include supporting facts and reasons. The hearing officer may hold an appeal hearing, where the appellant and the Municipal Services Director are heard. At the conclusion of hearing the appeal, the hearing officer may affirm, reverse or modify the Notice of Acts Constituting Water Wasting. The hearing officer's action on the appeal is final.

8.0 LEGAL AUTHORITIES

Title 6, Chapter 7, Article 4 of the TMC includes provisions for the emergency water shortage plan. When a water shortage is determined, the City will coordinate interdepartmentally, with SRWA, and with Stanislaus County for the possible proclamation of a local emergency in accordance with California Government Code, California Emergency Services Act (Article 2, § 8558).

In accordance with TMC Chapter 6-7 and California Water Code Chapter 3, Division 1, § 350 et seq, the City Council is required, unless an immediate emergency exists, to conduct a duly noticed public meeting for the purpose of determining whether a water shortage emergency condition exists and, if so, the

degree of the emergency and what regulations and restrictions should be enforced in response to the shortage. The City shall declare a water shortage emergency in accordance with CWC Chapter 3 Division 1.

> *Water Code Section Division 1, Section 350*
> *…The governing body of a distributor of a public water supply…shall declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.*

The water shortage emergency declaration triggers communication protocols described in Section 6 of this WSCP and compliance and enforcement actions described in Section 7 of this WSCP.

9.0 FINANCIAL CONSEQUENCES OF WSCP

The City maintains an adequate operational reserve to protect against a temporary water shortage. The City anticipates reduced revenue due to decreased water use by its customers and additional costs associated with implementing water use restrictions and associated compliance actions. Reduced revenue and costs associated with compliance actions are considered in the City's water rate study.

10.0 MONITORING AND REPORTING

The City's water system is fully metered, from production facilities to individual customer connections, allowing for comprehensive monitoring of system supplies and demands. Water production data may be read on a daily basis. These meters may be used as monitoring tools for compliance and reporting purposes. The City regularly records its water meter readings, along with enforcement actions, to comply with State reporting requirements.

Meters can be read as frequently as needed to track the effectiveness of implemented response actions. Water production and water use can be compared to historical periods, analyzed by customer sector or at the individual customer level. This continuous monitoring allows the City to assess water system demands and compare it with its water demand reduction goals.

Based on these assessments, the City may adjust its shortage response actions to better align with its water demand reduction goals. For example, the City may intensify its public outreach or more rigorously enforce compliance with water use prohibitions if water demand reduction goals are not met for a specific shortage level.

11.0 WSCP REFINEMENT PROCEDURES

This WSCP is an adaptive management plan. It is subject to refinements as needed to ensure that the City's shortage response actions and mitigation strategies are effective and produce the desired results. Based on monitoring described in Section 10 and the need for compliance and enforcement actions described in Section 7 of this WSCP/ TMC 6-7-410, the City may adjust its response actions and may modify its WSCP. When a revised WSCP is proposed, the revised WSCP will undergo the process described in Section 12 for adoption by the City Council and distribution to the City, its customers, and the general public.

Feedback from City staff and the public is important in refining or incorporating new actions. The City seeks input from staff who interface with customers to gauge the effectiveness of its response actions

and for response action ideas. The City seeks input from its customers and the general public through its website, through public hearings, and through regularly scheduled City Council meetings.

Customer water meter data may be evaluated for each customer sector or each individual customer. The City tracks water use violations and may evaluate their frequency to determine restrictions that customers may not be able to meet. This evaluation may also show water demand reduction actions that customers may effectively implement.

12.0 PLAN ADOPTION, SUBMITTAL, AND AVAILABILITY

This WSCP is adopted concurrently with the City's Joint 2025 UWMP, by separate resolution. Prior to adoption, a duly noticed public hearing was conducted. An electronic copy of this WSCP will be submitted to the DWR within 30 days of adoption.

No later than 30 days after submittal to DWR, this WSCP will be available at the City's offices. A copy will also be provided to Stanislaus County. An electronic copy of this WSCP as well as the Joint 2025 UWMP will also be available for public review and download on the City's website.

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Attachment A

Turlock Municipal Code Title 6 Chapter 7

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Title 6. Sanitation and Health

Chapter 6-7. WATER CONSERVATION AND EDUCATION

Article 4. Emergency Water Shortage Plan

§ 6-7-401. Title.

There is hereby established the "City of Turlock Emergency Water Shortage Plan."
(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-402. Declaration of policy: Purpose.

(a) Declaration of policy. The City Council hereby declares that the general welfare requires that the water resources available to the City be put to the maximum beneficial use to the extent to which the City is capable, and that the waste of, unreasonable use of, or unreasonable method of use of water be prevented. The conservation of such water is to ensure the reasonable and beneficial use thereof in the interests of the people of the City of Turlock and for the public welfare.

(b) Purpose. The City Council finds and declares that consolidating the provisions of Ordinance Number 778-CS and Ordinance Number 782-CS into one (1) readily accessible document shall provide a more professional and usable work product as well as promote a better public understanding of the various procedures and provisions of the Turlock Emergency Water Shortage Plan. Additionally, adding provisions prohibiting water wasting and defining the acts which so constitute water wasting advances the purpose and policy of the Turlock Emergency Water Shortage Plan.

(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-403. City Manager: Authorized action.

The City Manager, or his or her designee, is hereby authorized and directed to implement the provisions of this chapter upon a declaration by the City Council that a water shortage emergency condition prevails as specified in TMC 6-7-405.
(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015; 1286-CS, Amended, 06/22/2021)

§ 6-7-404. Application.

The provisions of this chapter shall apply to all persons, customers, and property served by the City of Turlock.
(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-405. Water conservation stages.

(a) Stage 1. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 1 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, the following mandatory conservation compliance measures shall apply:

(1) Outdoor landscape watering. Outdoor landscape watering shall be limited to three (3) times per week on an odd-even basis. If the address ends in an even number, the water days shall be Tuesdays, Thursdays, and Saturdays. If the address ends in an odd number, the watering days shall be Wednesdays, Fridays, and Sundays. No outdoor landscape watering on Mondays. Drip irrigation systems shall be exempt.

(2) Outdoor landscape watering is prohibited between the hours of 9:00 a.m. and 9:00 p.m.

(3) Large commercial landscapes and City parks may have individual watering schedules approved by the Municipal Services Department.

(4) Residential vehicle washing. Residents shall be allowed to wash their vehicles as established by TMC 6-7-302(d).

(b) Stage 2. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 2 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting and Stage 1 measures, the following Stage 2 mandatory conservation compliance measures shall apply:

(1) Outdoor landscape watering. Outdoor landscape watering shall be limited to two (2) times per week on an odd-even basis. If the address ends in an even number, the watering days shall be Tuesdays and Saturdays. If the address ends in an odd number, the watering days shall be Wednesdays and Sundays. No outdoor landscape watering on Monday, Thursday, and Friday. Drip irrigation systems shall be exempt.

(2) Large commercial landscapes and City parks shall also be limited to two (2) days per week, as scheduled by the Municipal Services Department.

(c) Stage 3. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 3 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, Stage 1 and Stage 2 measures and the following Stage 3 mandatory conservation compliance measures shall apply:

(1) Outdoor landscape watering shall be limited to one (1) day per week on an odd-even basis. If the address ends in an even number, the watering day shall be Saturdays. If the address ends in an odd number, the watering day shall be Sundays. No outdoor landscape watering Monday through Friday. Drip irrigation systems shall be exempt.

(2) Large commercial landscaping and City parks shall be limited to one (1) day per week, as scheduled by the Municipal Services Department.

(3) Construction water from City fire hydrants shall be banned but recycled water from the City of Turlock's Regional Water Quality Control Facility may be made available for construction water purposes.

(4) Washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment not occurring upon the immediate premises of commercial car washes and commercial service stations and not in immediate interest of the public health, safety, and welfare shall be prohibited.

(5) Further use of decorative fountains or reflection ponds shall be discontinued until further notice.

(d) Stage 4. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 4 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, Stage 1, Stage 2, and Stage 3 measures and the following Stage 4 mandatory conservation compliance measures shall apply:

(1) Outdoor landscape watering shall be limited to one (1) day per week, for trees only, only if a quick-acting automatic positive shut-off valve is used and in proper operating condition.

(e) Stage 5. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 5 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, Stage 1, Stage 2, Stage 3, and Stage 4 measures and the following Stage 5 mandatory conservation compliance measures shall apply:

(1) Large commercial landscaping and City parks shall be limited to one (1) day per month, as scheduled by the Municipal Services Department.

(f) Stage 6. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 6 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, Stage 1, Stage 2, Stage 3, Stage 4, and Stage 5 measures and the following Stage 6 mandatory conservation compliance measures shall apply:

(1) Industry and commercial businesses shall be required to curtail consumption to maintain adequate supplies of water for health and safety.

(2) Outdoor landscape watering shall be prohibited.

(3) Filling newly constructed or drained swimming pools with City water shall be prohibited.

(778-CS, Enacted, 04/28/1992; 782-CS, Amended, 06/09/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015; 1222-CS, Amended, 05/12/2016; 1286-CS, Amended, 06/22/2021)

§ 6-7-406. Mandatory conservation compliance phase implementation.

(a) The Municipal Services Director, or his or her designee, shall monitor the projected supply and demand for water by its customers, with heightened emphasis during the months of March through October.

(b) The Municipal Services Director, or his or her designee, shall recommend to the City Manager the extent of the conservation compliance stage required in order for the City to prudently plan for and supply water to its customers.

(c) The City Manager may order that the appropriate stage of water conservation be implemented or terminated in accordance with the applicable provisions of this chapter. When implementing mandatory water conservation compliance Stages 2, 3, and 4 said order shall be made by public announcement and shall be published a minimum of one (1) time in a daily newspaper of general circulation and shall become effective immediately upon such publication.

(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-407. Water wasting prohibited.

Water wasting, as defined by TMC 6-7-408, is prohibited.
(785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-408. Acts constituting water wasting.

For the purposes of this title, acts constituting water wasting shall mean and include, but shall not be limited to, any of the following acts:

(a) Failure to comply with the City of Turlock Emergency Water Shortage Plan, any conservation stage declared thereunder, and/or any guidelines or outdoor landscape watering schedules in effect pursuant thereto.

(b) Watering outdoor landscape areas or gardens such that excess water leaves the property or area being watered.

(c) Watering outdoor landscaping while raining and within forty-eight (48) hours following any measurable rainfall.

(d) Washing vehicles, boats, or equipment during restricted days or hours; and/or using an open hose not equipped with a quick-action automatic shut-off valve while so doing.

(e) Hosing down driveways, streets, sidewalks, parking lots, and building exteriors without the prior written consent of the Director of Municipal Services or his designee. If consent is given, any restrictions on the frequency, timing, or method would remain in effect unless a health or safety condition existed.

(f) Having leaky faucets, irrigation valves, sprinkler heads, or plumbing fixtures on the premises.

(g) Operating evaporated coolers which are not equipped with a recirculating pump.
(785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-409. Notice of Acts Constituting Water Wasting.

(a) Any person committing any act which constitutes the wasting of water, as provided in TMC 6-7-408, shall be served Notice of Acts Constituting Water Wasting.

(b) This Notice of Acts Constituting Water Wasting shall serve as a first warning and first Notice of Acts Constituting Water Wasting and shall:

  (1) Identify the date, time, and circumstances of the violation;

  (2) State the amount of the potential penalty for water wasting;

  (3) Advise the customer of his or her appeal rights as provided herein;

(c) The Notice of Acts Constituting Water Wasting shall be served on any person committing any act which constitutes the wasting of water, as provided in TMC 6-7-408, shall be served Notice of Act Constituting Water Wasting.
(785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-410. Penalty fee assessment for water wasting.

(a) A penalty in the sum of Fifty and no/100ths ($50.00) Dollars shall be assessed to the utility customer's account for a second violation within said one (1) year after being served with a first warning and a first Notice of Acts Constituting Water Wasting, pursuant to TMC 6-7-409. This penalty shall be waived if the owner of the premises where the violation occurred, or the occupant (if different than the owner, and the occupant committed the violation), attends a water conservation education workshop offered by the City within sixty (60) days after date of the penalty notice; provided, that only one (1) such penalty waiver shall be allowed for the premises within any twenty-four (24) month period.

(b) A penalty in the sum of One Hundred and no/100ths ($100.00) Dollars shall be assessed to the utility customer's account for a third violation within said one (1) year after being served with a Notice of Acts Constituting Water Wasting, pursuant to TMC 6-7-409.

(c) A penalty in the sum of Two Hundred-Fifty and no/100ths ($250.00) Dollars shall be assessed to the utility customer's account for a fourth and each subsequent violation within said one (1) year after being served with a Notice of Acts Constituting Water Wasting, pursuant to TMC 6-7-409.

(Formerly 6-7-411; 785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-411. Appeal.

(a) Any person issued a Notice of Acts Constituting Water Wasting shall have the right to appeal to the Municipal Services Director, or his or her designee, the Notice of Acts Constituting Water Wasting, or any water wasting penalty assessed to his or her account.

(b) The appeal hearing shall be held before the Municipal Services Director, or his or her designee. After hearing all of the evidence presented, he or she shall make the final administrative determination regarding the matter.

(c) The customer shall be allowed to present such witnesses and evidence as he or she may desire.

(d) Such appeal hearing is an administrative hearing and the rules of evidence shall not apply.

(Formerly 6-7-412; 785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-412. Appeal hearing request.

(a) The utility customer must request an appeal hearing in writing within fifteen (15) calendar days from the date of service of the Notice of Acts Constituting Water Wasting, or any water wasting penalty assessed to his or her account, unless the fifteenth day falls on a weekend or City observed holiday.

(b) The request for hearing shall be addressed to the Municipal Services Director and shall be deemed served only when received by the City. Failure to properly serve the request for hearing within the fifteen (15) calendar day period shall be deemed a waiver of the right to appeal the matter and the penalty will be assessed against the customer's account unless the fifteenth day falls on a weekend or City observed holiday.

(c) The hearing officer shall give written notice by mail to the utility customer of the date, time, and location of the appeal hearing, which hearing shall be held no sooner than ten (10) days from receipt of the request for hearing and no longer than thirty (30) days from receipt of such request.

(d) The decision of the hearing officer shall be final. If the Notice of Acts Constituting Water Wasting, or any water wasting penalty assessed to an account is upheld, the penalty shall be assessed to the customer's account.

(Formerly 6-7-413; 785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-413. Failure to pay penalty fee.

Failure of any utility customer to pay the penalty imposed pursuant to this article as required shall be grounds to discontinue utility service until compliance is obtained.
(Formerly 6-7-415; 785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-414. Hand watering exemption.

(a) Notwithstanding any provision of this chapter, the Municipal Services Director, or his or her designee, in his or her sole discretion, may authorize outdoor landscape hand watering before 9:00 a.m. and after 7:00 p.m. if:

(1) Hand watering is the only form of watering available; and

(2) It is the correct watering day for the address; and

(3) Plants and groundcover are drought tolerant; and

(4) Hand watering is not left unattended (hose left on the ground, running unattended); and

(5) No more than fifty (50) gallons of water is used for hand watering on any given watering day.

(b) Any person seeking authorization for hand watering of outdoor landscape pursuant to this section shall submit a written application to the Municipal Services Director, or his or her designee. The application shall describe how the person meets the requirements of subsection **(a)** of this section, and provide any other information required by the Municipal Service Director, or his or her designee.
(1286-CS, Added, 06/22/2021)

Appendix H

SRWA Water Shortage Contingency Plan

DRAFT

FINAL REPORT | OCTOBER 2024

Water Shortage Contingency Plan

PREPARED FOR

Stanislaus Regional Water Authority

SRWA
STANISLAUS REGIONAL WATER AUTHORITY

PREPARED BY

WEST YOST
Water. Engineered.

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LIST OF ACRONYMS AND ABBREVIATIONS

AWIA	America's Water Infrastructure Act of 2018
AWSDA	Annual Water Supply and Demand Assessment
Ceres	City of Ceres
Cities	Cities of Ceres and Turlock
CWC	California Water Code
DWR	Department of Water Resources
ERP	Emergency Response Plan
MGD	Million Gallons Per Day
SRWA	Stanislaus Regional Water Authority
TID	Turlock Irrigation District
Turlock	City of Turlock
UWMP	Urban Water Management Plan
WSCP	Water Shortage Contingency Plan
WTP	Water Treatment Plant

Water Shortage Contingency Plan

A water shortage may occur due to a number of reasons, such as population growth, climate change, drought, and catastrophic events. Drought, regulatory action constraints, and natural and manmade disasters may occur at any time. A water shortage means that the water supply available is insufficient to meet the normally expected customer water use at a given point in time.

This plan presents the Stanislaus Regional Water Authority (SRWA)'s Water Shortage Contingency Plan (WSCP). The WSCP describes SRWA's strategic plan in preparation for and responses to water shortages with a goal to proactively prevent catastrophic service disruptions. It includes water shortage levels and associated actions that will be implemented in the event of a water supply shortage. As part of the WSCP, SRWA's legal authorities, communication protocols, compliance and enforcement, and monitoring and reporting are included.

In 2018, the California State Legislature enacted two policy bills, (Senate Bill 606 (Hertzberg) and Assembly Bill 1668 (Friedman)) (2018 Water Conservation Legislation), which set new requirements for water shortage contingency planning.

SRWA's WSCP has been prepared consistent with the 2018 Water Conservation Legislation requirements. Refinement procedures and adoption requirements are provided in this plan to allow SRWA to modify this WSCP outside of the Urban Water Management Plan (UWMP) process.

1.0 WATER SUPPLY RELIABILITY ANALYSIS

Chapters 6 and 7 of SRWA's 2020 UWMP present SRWA's water supply sources and reliability, respectively. Findings show that SRWA's five consecutive dry year supplies, single-dry year supplies, and even normal year supplies, whether occurring now or 20 years in the future, may be insufficient to meet projected demands – meaning that SRWA's wholesale customers, the City of Ceres (Ceres) and City of Turlock (Turlock) (Cities), cannot rely entirely on SRWA's surface water supplies to meet their demands.

Statewide water supply conditions, hydrologic conditions, changes in groundwater levels, subsidence, and actions by other agencies, may impact SRWA's available water supply. For SRWA, a water shortage condition occurs when the supply of potable water available cannot meet its customers' normal water demands for human consumption, sanitation, fire protection, and other beneficial uses.

The analysis associated with this WSCP was developed in the context of SRWA's water supply sources and system reliability. In some cases, SRWA may be able to foresee its water shortage condition, but the water shortage may also be caused by an unforeseen emergency event. In general, SRWA's water supply conditions may be affected by the following:

- Turlock Irrigation District (TID) supply allocations and storage levels, and resulting allocation reductions to TID customers, and
- Timing and frequency of TID's curtailment periods, and changes in Tuolumne River water quality that could not be addressed by the Regional Water Treatment Plant (WTP).

SRWA may also experience unforeseen water shortages when catastrophic interruption of water supplies occurs due to regional power outages, earthquakes, or other potential emergency events. In response to supply shortfalls, SRWA may declare a water shortage level (as described in Section 4.0).

In future years, SRWA will conduct an annual water supply and demand assessment in accordance with Section 2. The analysis associated with this WSCP was developed in the context of SRWA's water supply sources and reliability.

2.0 ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT PROCEDURES

Beginning July 1, 2022, California Water Code (CWC) §10632.1 requires water suppliers to submit an Annual Water Supply and Demand Assessment (AWSDA). Water suppliers are also required to submit an Annual Water Shortage Assessment Report beginning July 1, 2022. This WSCP provides the procedures for SRWA to conduct its AWSDA. The findings from that assessment will provide information for SRWA's Annual Water Shortage Assessment Report.

Since SRWA did not begin operations until November 2023, and will not complete its first UWMP until November 2024, SRWA's first AWSDA will be submitted to the California Department of Water Resources (DWR) by July 1, 2025.

The procedures provided in this section are intended to assist SRWA in planning for potential, foreseeable shortage in water supplies. These procedures provide the steps SRWA needs to take that may lead to declaring a water shortage emergency and associated water shortage level (see Section 3) and implementation of water shortage response actions (see Section 4).

2.1 Decision-Making Process

The decision-making process described below will be used by SRWA to determine its water supply reliability in a consistent manner annually. SRWA may adjust this process for improved decision-making during implementation.

SRWA staff will prepare the Annual Water Shortage Assessment Report and submit it to DWR by July 1 of each year. Key data inputs described in Section 2.2 will be gathered and the assessment will be conducted in accordance with Section 2.3.

Staff will follow the sequence of activities shown in Table 1. Due to variations in climate and hydrologic conditions, SRWA's assessment schedule may vary. SRWA intends to implement shortage response actions to effectively address anticipated water shortage conditions in a timely manner while complying with the State's reporting requirements. SRWA recognizes that its wholesale customers' AWSDA reporting and timely response to water shortage events is directly affected by its AWSDA. SRWA must complete its assessment in order to allow the Cities to complete their AWSDA reporting.

Typically, by the end of March of each year, SRWA will complete the assessment. Staff will present the AWSDA and Annual Water Shortage Assessment Report to the General Manager, or designee, for review and approval. If the AWSDA finds that available water supply will be sufficient to meet expected demands for the current year and one subsequent dry year, no further action will be required. The final approved documents will be submitted to DWR by July 1st of each year.

Table 1. Schedule of Assessment Activities

Schedule	Activities
Mid-March to Early-April	Using the most current information, prepare the summaries of water supply sources for current year and a subsequent dry year. Consider factors affecting supply as described in Section 2.2.
Mid-March to Early-April	Document water demands for the current year and a subsequent dry year. Demands will generally be based on the Cities' delivery requests to SRWA by December of the prior year. Consider factors affecting demand as described in Section 2.2.

Table 1. Schedule of Assessment Activities	
Schedule	Activities
Mid-March to Early-April	Using the methodology described in Section 2.3, calculate SRWA's water supply reliability over the current year and a subsequent dry year. Determine if a water shortage condition is expected and recommend associated actions.
Mid-April	Prepare the AWSDA and Annual Water Shortage Assessment Report and submit to General Manager, or designee(s), for review. General Manager, or designee(s), to review and provide comments as needed.
Late April-June	Finalize and approve AWSDA and Annual Water Shortage Assessment Report.
Before July 1	Submit the AWSDA and Annual Water Shortage Assessment Report to DWR.

Should the annual assessment find that available supply will not meet expected demands, SRWA will coordinate with its customers to inform them of the AWSDA results. SRWA will inform the Cities that they will need to implement their WSCP and utilize alternative sources (i.e., City groundwater resources) to close the anticipated water supply gaps. The General Manager will present the finalized assessment to the Board, along with recommendations on water shortage condition determination and actions. Recommended actions may include declaration of a water shortage emergency, declaration of a water shortage level, and water shortage actions.

Based on the findings of the Annual Assessment, the Board will determine if a water shortage condition exists and, if needed, adopt a resolution declaring a water shortage emergency and an associated water shortage level, and authorizing water shortage actions. Staff will finalize the SRWA's Annual Water Shortage Assessment Report, incorporating Board determinations and approved actions.

The schedule of decision-making activities is provided in Table 2. The schedule and the activities shown in this table are approximate and may be adjusted as needed to respond to the water shortage condition in a timely manner.

Table 2. Schedule of Decision-Making Activities		
Start Date	Activities	Responsible Party
Mid-March to mid-April	Based on finalized determinations of AWSDA regarding water shortage condition and recommended actions, prepare recommendations on water shortage condition determination and actions.	SRWA Staff and/or Consultant
Mid-March to mid-April	Prepare ordinances or resolutions approving determinations and actions.	SRWA Staff and/or Consultant
April SRWA Board Meeting (currently third Thursday)	Receive presentation of AWSDA and Annual Water Shortage Assessment Report, including determinations and recommendations. Adopt resolution(s) approving determinations and actions, as appropriate.	SRWA Board
January-April	Finalize water transfer requests and any new agreements, if needed. New agreements will require SRWA Board approval.	SRWA Board

2.2 Key Data Inputs

The AWSDA requires the evaluation of supply and demands for the current year and one dry year that is assumed to follow the current year. The following key data inputs will be used to evaluate SRWA's water supply reliability.

Planned water supplies will be used as input to the AWSDA for the current year and the following one dry year. In planning for water supplies, the following factors are considered:

1. Delivery requests from the Cities, typically received by December 1 the year prior
2. Schedule of delivery, typically received from TID by mid-March
3. Hydrologic conditions
4. Regulatory conditions
5. Contractual constraints
6. Surface water and groundwater quality conditions
7. Well production limitations
8. Infrastructure capacity constraints or changes
9. Capital improvement projects implementation

Planned water supply sources and quantities will be described and be reasonably consistent with the supply projections in SRWA's last updated UWMP Chapter 6 (Water Supply Characterization). Should the supply sources and projections deviate significantly from projections, an explanation for the difference will be provided in the AWSDA report.

Planned unconstrained water demands will be used as input to the AWSDA for the current year and the following assumed dry year. Unconstrained water demands are customer demands where no water conservation measures are in effect. In planning for water demands, the following factors are considered:

1. Weather conditions
2. Water year type
3. Population changes (for example, due to development projects)
4. Anticipated new demands (for example, changes to land use)
5. Pending policy changes that may impact demands
6. Infrastructure operations

Planned water demands types and quantities will be described and be reasonably consistent with the demand projections in SRWA's last updated UWMP Chapter 4 (Water Demand Characterization). Should the demand projections deviate significantly from projections, an explanation for the difference will be provided in the AWSDA report.

2.3 Assessment Methodology

In preparing the AWSDA, SRWA will follow the following assessment methodology and evaluation criteria to evaluate SRWA's water supply reliability for the current year and an assumed subsequent dry year. SRWA will assess the data listed in Section 2.2 to develop its supply and demand forecasts, which are then compared to determine SRWA's water supply reliability. SRWA's water supply will be deemed reliable if it can meet planned, unconstrained water demands. If water supply cannot meet planned, unconstrained water demands in the current year or the following assumed dry year, the extent of the water shortage

condition will be determined. SRWA will prepare recommended response actions in accordance with this WSCP. Findings from the AWSDA will be presented to the SRWA Board, along with the recommendations for action.

3.0 SIX STANDARD WATER SHORTAGE LEVELS

To provide a consistent regional and statewide approach to conveying the relative severity of water supply shortage conditions, the 2018 Water Conservation Legislation mandated that water suppliers plan for six standard water shortage levels that correspond to progressive ranges of up to 10, 20, 30, 40, 50 percent, and greater than 50 percent shortages from the normal reliability condition. Each shortage condition should correspond to additional actions water suppliers would implement to meet the severity of the impending shortages.

For each of the State's standard shortage levels, Table 3 (DWR Table 8-1), summarizes the water shortage range (i.e., percent shortage from normal supplies), a brief narrative description of the corresponding water shortage condition, and the corresponding shortage response actions. These water shortage levels apply to both foreseeable and unforeseeable water supply shortage conditions.

As described in Section 2, beginning in 2025, SRWA will conduct an AWSDA to determine its water supply condition for the current year and a subsequent assumed dry year. The preparation of AWSDA will help SRWA ascertain the need to declare a water shortage emergency and water shortage level. In other cases, SRWA may need to declare a water shortage emergency due to unforeseen water supply interruptions. When SRWA anticipates or identifies that water supplies may not be adequate to meet the normal water supply needs of its customers, the SRWA Board will inform its customers that they will need to implement their WSCP and rely on alternative sources (i.e., City groundwater resources) to close the anticipated gap between supply and demand. The SRWA Board may also determine that a water shortage exists and consider a resolution to declare a water shortage emergency and associated level. The shortage level provides direction on shortage response actions.

Table 3. Water Shortage Contingency Plan Levels (DWR Table 8-1)

Submittal Table 8-1 Water Shortage Contingency Plan Levels			
Shortage Level	**Percent Shortage Range**	**Water Shortage Condition** (*Narrative description*)	**Shortage Response Actions** (*Narrative description*)
1	Up to 10%	Assessment shows water supply is not able to meet demands by 10%; or definable event has reduced water supply by 10%.	Inform Cities in timely manner about the timing of any water shortages or water allocation reductions from TID. Work with Cities to adjust surface water delivery schedules as-needed. Refer to DWR Table 8-3 for more details.
2	Up to 20%	Assessment shows water supply is not able to meet demands by 20%; or definable event has reduced water supply by 20%.	Inform Cities in timely manner about the timing of any water shortages or water allocation reductions from TID. Work with Cities to adjust surface water delivery schedules as-needed. Refer to DWR Table 8-3 for more details.
3	Up to 30%	Assessment shows water supply is not able to meet demands by 30%; or definable event has reduced water supply by 30%.	Inform Cities in timely manner about the timing of any water shortages or water allocation reductions from TID. Work with Cities to adjust surface water delivery schedules as-needed. Refer to DWR Table 8-3 for more details.
4	Up to 40%	Assessment shows water supply is not able to meet demands by 40%; or definable event has reduced water supply by 40%.	Inform Cities in timely manner about the timing of any water shortages or water allocation reductions from TID. Work with Cities to adjust surface water delivery schedules as-needed. Refer to DWR Table 8-3 for more details.
5	Up to 50%	Assessment shows water supply is not able to meet demands by 50%; or definable event has reduced water supply by 50%.	Inform Cities in timely manner about the timing of any water shortages or water allocation reductions from TID. Work with Cities to adjust surface water delivery schedules as-needed. Refer to DWR Table 8-3 for more details.
6	>50%	Assessment shows water supply is not able to meet demands by over 50%; or definable event has reduced water supply by more than 50%.	-Inform Cities in timely manner about the timing of any water shortages or water allocation reductions from TID. -Work with Cities to adjust surface water delivery schedules as-needed and mediate a negotiation between the Cities for an alternative delivery schedule in instances where one City may forego some of their surface water allocation for a period of time to aid the other City. -Consider working with the Cities to arrange for supplemental surface water supplies through water transfer agreements -Alert Cities that deliveries will be discontinued if necessary -Work with Cities to coordinate water supply changes to maintain acceptable water quality throughout Cities' distribution systems. details. -Work with Cities to coordinate implementation of their respective WSCPs. Refer to DWR Table 8-3 for more
NOTES: The indicated stages are not intended to denote thresholds at which specific actions need to occur that are different from the actions at any other stage, except for Stage 6, at which point SRWA will either have to enter into a water transfer agreement for supplemental surface water supplies, or will no longer be able to deliver surface water to its customers.			

4.0 SHORTAGE RESPONSE ACTIONS AND EFFECTIVENESS

CWC Section 10632 (a)(4) requires shortage response actions that align with the defined shortage levels. SRWA's shortage response actions consist of a combination of demand reduction, supply augmentation, and operational changes. SRWA's suite of response actions are dependent on the event that precipitates a water shortage level, the time of year the event occurs, the water supply sources available, and the condition of its water system infrastructure.

SRWA plans to use a balanced approach, combining supply augmentation, and operational changes to respond to the event and the resulting water shortage level. SRWA will adapt its implementation of response actions to close the gap between water supplies and water demand and meet the water use goals associated with the declared water shortage level.

SRWA's water system is fully metered, from production to Cities' turnouts. Records of water deliveries to each wholesale customer is prepared daily and can be used to track the effectiveness of SRWA's response actions. Water production and water use can be compared to the previous year, previous month, or previous week. Water use can also be compared by wholesale customer. This continuous monitoring allows SRWA to evaluate its demand reduction efforts in real-time and adjust its shortage response actions accordingly.

As noted above, SRWA's overall shortage response will be dynamic to close the gap between water supply and demands to meet the goal of the declared shortage level. For example, SRWA may intensify its public outreach or work with the Cities to enforce water use prohibitions more vigorously if water demand reduction goals are not met.

The shortage response actions discussed below may be considered as tools that allow SRWA to respond to water shortage conditions. Because SRWA may continuously monitor and adjust its response actions to reasonably equate demands with available supply, the extent to which implementation of each action reduces the gap between water supplies and water demand is difficult to quantify and thus only estimated. Certain response actions, such as working with the Cities to adjust surface water delivery schedules, support the effectiveness of other response actions and do not have a quantifiable effect on their own.

4.1 Demand Reduction

Since SRWA operates as a wholesale water agency, it cannot set or enforce consumption limits at the customer (e.g., household) level. As a result, this WSCP does not include per capita allotment, penalties, or customer incentives for conservation for any customer sector. SRWA may request that their wholesale customers reduce demands when supplies are insufficient. SRWA's wholesale customers will implement their respective WSCP, including any demand reduction response.

For all the shortage levels identified in Table 3 (DWR Table 8-1), SRWA is responsible for informing the Cities in a timely manner of the timing and extent of water supply reductions. SRWA will work with the Cities to schedule deliveries of limited surface water supplies.

Table 4 (DWR Table 8-2) summarizes SRWA's demand reduction actions, or perhaps more appropriately supply management actions, at different levels of supply reductions. SRWA will share water production metered data with the Cities so that they may ascertain the effectiveness of their demand reduction actions.

Table 4. Demand Reduction Actions (DWR Table 8-2)

Submittal Table 8-2: Demand Reduction Actions				
Shortage Level	Demand Reduction Actions ***Drop down list*** *These are the only categories that will be accepted by the WUEdata online submittal tool. Select those that apply.*	How much is this going to reduce the shortage gap? *Include units used (volume type or percentage)*	Additional Explanation or Reference *(optional)*	Penalty, Charge, or Other Enforcement? ***For Retail Suppliers Only*** *Drop Down List*
Add additional rows as needed				
All Stages	Other	Up to the full shortage gap	SRWA will defer to the Cities' Demand Reduction Actions. SRWA will not impose separate Demand Reduction Actions.	No

4.2 Additional Mandatory Restrictions

As a wholesaler, SRWA does not have direct authority to institute water use prohibitions. SRWA will support mandatory restrictions imposed by the Cities on their customers and coordinate with the Cities to provide consistent public outreach messaging. SRWA will share water production metered data with the Cities so that they may ascertain the effectiveness of their mandatory restrictions.

4.3 Supply Augmentation and Other Actions

Chapter 6 of SRWA's 2020 UWMP describes SRWA's normal water supply portfolio, as well as dry-year and emergency supplies. SRWA uses entirely surface water supplies from the Tuolumne River. In the event of a dry year or other water supply interruption, when SRWA's water allocations from TID are insufficient to meet all SRWA's wholesale customer demands, SRWA will consider the option of purchasing additional water supplies from other TID customers or other upstream water right holders for diversion from the Tuolumne River via SRWA's intake.

4.4 Operational Changes

SRWA may modify its operations on a short-term or long-term basis in response to any water shortage condition. SRWA may take any one or a combination of the following actions:

1. Reduce pumping according to the reduction in water allocation from TID that may come with the various levels of water shortage.
2. Investigate supplemental surface water purchase options.
3. Coordinate with the Cities to adjust the WTP capacity allocation for a limited period of time to augment one city's supply, while reducing the other city's supply. The capacity of the Cities' Treated Water Transmission Pipelines is designed for buildout of each city. The Cities have flexibility for the season or months that the City receives a reduced allocation, as the Cities can use groundwater from their wells to meet their customer water demands throughout the year.

While SRWA will employ whatever operational changes may be necessary to respond to water shortage conditions, it will also prioritize maintaining a minimum diversion of 5 million gallons per day (MGD) each day to keep the WTP operational. When maintaining the minimum 5 MGD flow appears unlikely, SRWA will more seriously consider a supplemental surface water purchase to avoid the need to shut down the WTP.

4.5 Emergency Response Plan

As stated in Section 3, SRWA's water shortage levels apply to both foreseeable and unforeseeable water supply shortage conditions.

SRWA is currently preparing its Emergency Response Plan (ERP) to support final operational permitting. The ERP is anticipated to be completed in October 2024. In addition, the ERP is being prepared to meet the requirements of the America's Water Infrastructure Act of 2018 (AWIA). AWIA requires community water systems serving greater than 3,300 people to prepare or revise an ERP on a 5-year cycle. Since SRWA began operation in November 2023, the AWIA ERP compliance date of September 30, 2025 will be its first. Prior to this compliance date, SRWA will self-certify with the United States Environmental Protection Agency that the ERP has been updated.

The ERP outlines all-hazards response procedures for incidents such as water supply disruption, water supply contamination, earthquake, infrastructure failure, and other events. The ERP includes actions to be taken in preparation for, during response operations, and in recovery from such events. It also includes guidance and procedures for engaging with response partners such as Stanislaus County for water shortage emergencies.

SRWA's current capabilities to prevent and respond to potential water service disruptions includes use of standby generators, storage of several weeks' worth of treatment chemicals, and capable operations staff. Water storage, treatment, and pumping facilities have been constructed to meet earthquake safety standards.

5.0 COMMUNICATION PROTOCOLS

In the event of a water shortage, SRWA must inform their customers, the general public and interested parties, and local, regional, and state entities. Communication protocols for foreseeable and unforeseeable events are provided in this section. In any event, timely and effective communication must occur for appropriate response to the event.

5.1 Communication for Foreseeable Events

Water shortage may be foreseeable when SRWA conducts its AWSDA as described in Section 2. For foreseeable water shortages, SRWA will follow the communication protocols and procedures detailed below. SRWA may trigger any of these protocols at any water shortage level.

1. If a water shortage emergency is anticipated, SRWA will coordinate with Stanislaus County and SRWA's wholesale customers for the possible proclamation of a local emergency.
2. SRWA will schedule a duly noticed Board meeting in which the AWSDA findings and recommendations for a water shortage emergency and shortage response actions are presented.
3. SRWA will communicate conditions to the general public using some or all of the following options, as needed at the various shortage levels: press releases, radio/television coverage, social media posts, and postings on SRWA's website. Public entities and officials are informed of water shortage information via email.

5.2 Communication for Unforeseeable Events

Water shortage may occur during unforeseeable events such as earthquakes, fires, infrastructure failures, civil unrest, and other catastrophic events. SRWA's ERP will provide specific communication protocols and procedures to convey water shortage contingency planning actions during these events. SRWA may trigger any of these communication protocols at any water shortage level, depending on the event.

In general, communications and notifications should proceed along the chain of command. Notification decisions will be made under the direction of the General Manager. External communications will be managed by SRWA's wholesale customers. The General Manager will work with the Project Manager/Plant Supervisor to notify regulatory agencies. The ERP provides a list of relevant contacts to notify at the local, regional, and state level.

To maintain the security of SRWA's water system, the ERP will be maintained as a confidential document and may not be incorporated in this WSCP.

6.0 COMPLIANCE AND ENFORCEMENT

When supplies are insufficient, SRWA can ask the Cities to reduce demands, but the specific compliance and enforcement mechanisms are at the discretion of the Cities. SRWA is committed to working with and supporting the Cities in implementing water shortage response actions.

7.0 LEGAL AUTHORITIES

SRWA has the legal authority to create, manage, and activate emergency plans and carry out the responsibilities of those plans under the California Emergency Services Act, which authorizes all political subdivisions of the state (i.e., special districts, cities, and counties) to conduct emergency operations.

When a water shortage is determined, SRWA will coordinate with SRWA's wholesale customers and with Stanislaus County for the possible proclamation of a local emergency in accordance with California Government Code, California Emergency Services Act (Article 2, Section 8558).

In a duly noticed meeting, the SRWA Board will determine whether a water shortage emergency condition exists and, if so, the degree of the emergency and what regulations and restrictions should be enforced in response to the shortage. SRWA shall declare a water shortage emergency in accordance with CWC Chapter 3 Division 1.

> *Water Code Section Division 1, Section 350*
> *…The governing body of a distributor of a public water supply…shall declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.*

The water shortage emergency declaration triggers communication protocols described in Section 5 of this WSCP.

8.0 FINANCIAL CONSEQUENCES OF WSCP

The Cities anticipate revenue losses, and SRWA could experience increased expenses, during the potential water shortages described in this WSCP. Revenue losses could result from decreased water sales due to conservation. Increased expenses can include supplemental water supply purchases. SRWA maintains an operational reserve fund to protect against a temporary water shortage.

Water conservation directly affects the Cities' revenue stability, as the Cities of Ceres and Turlock collect revenue for water system operating costs through volumetric or consumption-based rates. However, the majority of SRWA's operation costs are fixed. The Cities prepare for these events through prudent financial planning, including water rate studies and the establishment of reserves to offset revenue losses. A water shortage surcharge could be enacted by the Cities' Councils to address revenue impacts from conservation.

9.0 MONITORING AND REPORTING

In their UWMPs, SRWA's wholesale customers, the Cities of Ceres and Turlock, will detail their monitoring and reporting requirements and procedures that ensure appropriate data is collected, tracked, and analyzed to evaluate customer compliance with conservation goals. As mentioned above, SRWA's water system is fully metered, including production at its water treatment facilities. SRWA can also track deliveries to the Cities through their respective turnouts.

SRWA will work collaboratively with the Cities to monitor water use and support their reporting.

10.0 WSCP REFINEMENT PROCEDURES

This WSCP is an adaptive management plan. It is subject to refinements as needed to ensure that SRWA's shortage response actions and mitigation strategies are effective and produce the desired results. Based on monitoring described in Section 9 and the need for compliance and enforcement actions described in Section 6 of this WSCP, SRWA may adjust its response actions and may modify its WSCP. When a revised WSCP is proposed, the revised WSCP will undergo the process described in Section 12 for adoption by the SRWA Board and distribution to Stanislaus County, the Cities, and the general public.

11.0 SPECIAL WATER FEATURE DISTINCTION

SRWA is a water wholesaler and does not directly supply treated water to customers with water features. As described in their respective WSCP, the Cities distinguish water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas.

12.0 PLAN ADOPTION, SUBMITTAL, AND AVAILABILITY

This WSCP was adopted concurrently with SRWA's 2020 UWMP, by separate resolution, on October 17, 2024. Prior to adoption, a 60-day notice of preparation was issued and a draft WSCP was made available for public review at least 14 days prior to adoption. A duly noticed public hearing was conducted. An electronic copy of this WSCP will be submitted to DWR within 30 days of adoption.

No later than 30 days after submittal to DWR, a hard copy of this WSCP will be available at SRWA's office. A copy will also be provided to Stanislaus County and SRWA's retailers. An electronic copy of this WSCP as well as the 2020 UWMP will also be available for public review and download on SRWA's website.

Appendix I

UWMP and WSCP Adoption Resolutions

Not included with this submittal.

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City of Turlock
Water Shortage Contingency Plan

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LIST OF ATTACHMENTS

Attachment A. Turlock Municipal Code Title 6 Chapter 7

LIST OF ACRONYMS AND ABBREVIATIONS

AB	Assembly Bill
AWSDA	Annual Water Supply and Demand Assessment
City	City of Turlock
CWC	California Water Code
DWR	Department of Water Resources
ENP	Emergency Notification Plan
ERP	Emergency Response Plan
Legislature	California State Legislature
RWQCF	Regional Water Quality Control Facility
SB	Senate Bill
SRWA	Stanislaus Regional Water Authority
TID	Turlock Irrigation District
TMC	Turlock Municipal Code
UWMP	Urban Water Management Plan
WSCP	Water Shortage Contingency Plan
WTP	Water Treatment Plant

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1.0 INTRODUCTION

This plan presents the City of Turlock's (City's) Water Shortage Contingency Plan (WSCP). The WSCP describes the City's strategic plan in preparation for and responses to water shortages with a goal to proactively prevent catastrophic service disruptions. It includes water shortage stages and associated actions that will be implemented in the event of a water supply shortage. As part of the WSCP, the City's legal authorities, communication protocols, compliance and enforcement, and monitoring and reporting are included. The Turlock Municipal Code (TMC) Chapter 6-7 (Water Conservation and Education) provides complementary text that supports the City's WSCP. This text has been updated over time and is included as Attachment A.

A water shortage may occur due to a number of reasons, such as population growth, climate change, drought, and catastrophic events. Drought, regulatory action constraints, and natural and manmade disasters may occur at any time. A water shortage means that the water supply available is insufficient to meet the normally expected customer water use at a given point in time.

In 2018, the California State Legislature (Legislature) enacted two policy bills, (Senate Bill (SB) 606 (Hertzberg) and Assembly Bill (AB) 1668 (Friedman)) (2018 Water Conservation Legislation), to establish a new foundation for drought planning to adapt to climate change and the resulting longer and more intense droughts in California. The 2018 Water Conservation Legislation set new requirements for water shortage contingency planning.

The City's WSCP has been updated so that it is consistent with the 2018 Water Conservation Legislation requirements. The City has modified portions of TMC Chapter 6-7 to support these updates. The City intends for this WSCP to be dynamic, so that it may assess response action effectiveness and adapt to emergencies and catastrophic events. Refinement procedures and adoption requirements are provided in this plan to allow the City to modify this WSCP outside of the Urban Water Management Plan (UWMP) process.

2.0 WATER SUPPLY RELIABILITY ANALYSIS

The City's water supply reliability analysis and drought risk assessment are included in Chapter 7 of the City's most recently adopted UWMP. The City's existing and projected water demands, and existing and planned water supplies are described in Chapter 4 and Chapter 6 of the UWMP, respectively.

The City's water supplies consist of the following:

- Groundwater pumped from city-owned and operated wells
- Treated surface water purchased from Stanislaus Regional Water Authority (SRWA) conveyed from the Tuolumne River through SRWA's Water Treatment Plant (WTP)
- Recycled water from Turlock's Regional Water Quality Control Facility (RWQCF)

During dry periods, SRWA's surface water allocations from the Turlock Irrigation District (TID) may be reduced. As a result, the City would receive less surface water from SRWA during dry periods and would increase pumping from local groundwater wells to meet remaining demand. While potable supplies will remain reliable and continue to meet water quality standards, the consistency of aesthetic water quality may be affected as water from the City's groundwater wells is generally less palatable than surface water.

Findings from the water supply reliability analysis show that the City can reliably meet their projected demands through 2050 in both normal and dry years. For a five-year drought (i.e., the drought risk assessment), no water supply shortfalls are anticipated for the City.

Statewide water supply conditions, changes in groundwater levels, subsidence, and actions by SRWA and TID, may impact the City's available water supply. For the City, a water shortage condition occurs when the supply of potable water available cannot meet ordinary water demands for human consumption, sanitation, fire protection, and other beneficial uses. The City may be able to foresee its water shortage condition in some cases; however, in other cases, the water shortage may be caused by an unforeseen sudden or emergency event. In general, the City's water supply conditions may be affected by the following issues:

- Reduction in SRWA surface water allocations from TID during dry years
- SRWA WTP operational issues
- City well production and/or groundwater quality issues

The City may experience unforeseen water shortages when catastrophic interruption of water supplies occurs due to regional power outage, an earthquake, or other potential emergency events.

The City conducts an annual water supply and demand assessment in accordance with Section 3. The analysis associated with this assessment was developed in the context of the City's water supply sources and reliability.

3.0 ANNUAL WATER SUPPLY AND DEMAND ASSESSMENT PROCEDURES

Beginning July 1, 2022, California Water Code (CWC) §10632.1 requires water suppliers to submit an Annual Water Supply and Demand Assessment (AWSDA). Water suppliers were also required to submit an Annual Water Shortage Assessment Report beginning July 1, 2022. This WSCP provides the procedures for the City to conduct its AWSDA. The findings from that assessment will provide information for the City's Annual Water Shortage Assessment Report.

The procedures provided in this section are intended to assist the City in planning for potential, foreseeable shortage in water supplies. These procedures provide the steps the City needs to take that may lead to declaring a water shortage emergency and associated water shortage level (see Section 4) and implementation of water shortage response actions (see Section 5).

3.1 Decision-Making Process

The decision-making process described below will be used by the City to determine its water supply reliability in a consistent manner annually. The City may adjust this process for improved decision-making during implementation.

The Municipal Services Director, or their designee, is responsible for the preparation of the City's AWSDA and Annual Water Shortage Assessment Report, and submittal of the reports to Department of Water Resources (DWR) by July 1 of each year. The Municipal Services Director, or their designee, will gather key data inputs described in Section 3.2 and conduct the assessment in accordance with Section 3.3. In June, the Municipal Services Director, or their designee, will finalize the assessment based on the SRWA allocated water amount from TID.

The City will follow the timeline of activities as shown in Table 1 for conducting the assessment, and Table 2 for its decision making. Due to variations in climate and hydrologic conditions, schedule shown in the table are approximate and may be adjusted as needed. The intent of the schedule is to allow shortage response actions to effectively address anticipated water shortage conditions in a timely manner, and to comply with the State's reporting requirements.

Table 1. Schedule of Assessment Activities

Schedule	Activities	Responsible Party
Early November of Prior Year	Convene Team.	Municipal Services Department
Mid- to Late November of Prior Year	Plan for water supply sources for current year and one subsequent dry year. Describe sources and quantities considering factors affecting supply as described in Section 3.2.	Municipal Services Department
Mid- to Late November of Prior Year	Plan for water demands for current year and one subsequent dry year. Describe demand types and quantities considering factors affecting supply as described in Section 3.2.	Municipal Services Department
Early December of Prior Year	Using the methodology described in Section 3.3, calculate the City's water supply reliability for the current year and one subsequent dry year.	Municipal Services Department
Early March	Finalize assessment based on expected purchased water from SRWA.	Municipal Services Department
Mid to Late March	Draft Annual Water Shortage Assessment Report for DWR submittal.	Municipal Services Department
Early April	Review Annual Assessment and Annual Water Shortage Assessment Report and provide comments as needed.	Municipal Services Director or Designee
April - June	Finalize and approve Annual Assessment and Annual Water Shortage Assessment Report.	Municipal Services Department
Before July 1	Submit Annual Assessment and finalized Annual Water Shortage Assessment Report to DWR.	Municipal Services Department

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Table 2. Schedule of Decision-Making Activities		
Schedule	Activities	Responsible Party
April	Based on finalized determinations of AWSDA regarding water shortage condition and recommended actions, prepare recommendations on water shortage condition determination and actions.	Municipal Services Department
April - June	Prepare ordinances or resolutions approving determinations and actions.	Municipal Services Department
April - June	If a water shortage emergency condition exists, activate WSCP protocols and follow Section 8.	Municipal Services Department
April - June	Coordinate interdepartmentally, with SRWA, and with County for the possible proclamation of a local emergency.	Municipal Services Department
April - June	Present finalized determinations and recommendations, along with ordinances or resolutions approving determinations and actions.	Municipal Services Department
April - June	Receive presentation of finalized determinations and recommendations. Make determination of degree of emergency and act on resolutions that declare a water shortage emergency condition. Authorize water shortage response actions for implementation. Act on ordinances or resolutions.	City Council
April - June	If a water shortage emergency condition is declared, implement the WSCP and the water shortage response actions as approved by City Council.	Municipal Services Department
April - June	Finalize Annual Water Shortage Assessment Report.	Municipal Services Department
Before July 1	Submit finalized AWSDA assessment and Annual Water Shortage Assessment Report to DWR.	Municipal Services Department

3.1.1 AWSDA Finding: Sufficient Water Supply to Meet Expected Demands

If the Annual Assessment finds that available water supply will be sufficient to meet expected demands for the current year and one subsequent dry year, no further action will be required. The City's Annual Water Shortage Assessment Report will be finalized using the AWSDA. The final approved documents will be submitted to DWR by July 1 each year.

3.1.2 AWSDA Finding: Available Water Supply Will Not Meet Demands

In the event that the AWSDA finds that available supply will not meet expected demands, the Municipal Services Director, or designee, will present the finalized assessment to the City Council, along with recommendations on water shortage condition determination and actions. Recommended actions may include declaration of a water shortage emergency, declaration of a water shortage level, and water shortage actions. The Municipal Services Director, or designee, will coordinate interdepartmentally and with SRWA and Stanislaus County, for the possible proclamation of a local emergency. The Municipal Services Director, or designee, will prepare the City's Annual Water Shortage Assessment Report using the finalized AWSDA and incorporate City Council determinations and approved actions.

Based on the findings of the assessment, the City Council will determine if a water shortage condition exists and, if needed, declare a water shortage emergency and water shortage level and authorize water shortage actions.

The Municipal Services Director, or designee, will then prepare the City's Annual Water Shortage Assessment Report, incorporating the City Council determinations and approved actions, and submit the report to DWR by July 1.

3.2 Key Data Inputs

The AWSDA requires the evaluation of supply and demands for the current year and one dry year that is assumed to follow the current year. The following key data inputs will be used to evaluate the City's water supply reliability, as necessary and applicable.

Planned water supplies will be used as inputs to the AWSDA for the current year and a subsequent single dry year. The subsequent dry year may be similar to a single dry year as defined in Chapter 7 of the City's most recently adopted UWMP. In planning for water supplies, the following factors are considered:

1. Hydrologic conditions (e.g., SRWA's surface water allocations from TID)
2. Regulatory conditions
3. Contractual constraints
4. Surface water and groundwater quality conditions
5. Well production limitations
6. Infrastructure capacity constraints or changes
7. Capital improvement projects implementation

Planned water supply sources and quantities will be described and be reasonably consistent with the supply projections in the City's most recently updated UWMP Chapter 6 (Normal-Year Water Supply Characterization) and Chapter 7 (Water Service Reliability and Drought Risk Assessment). Should the supply sources and projections deviate significantly from projections, an explanation for the difference will be provided.

Planned unconstrained water demands will be used as input to the AWSDA for the current year and a subsequent single dry year. Unconstrained water demands are customer demands where no water conservation measures are in effect. In planning for water demands, the following factors are considered:

1. Weather conditions
2. Water year type
3. Population changes (for example, due to development projects)
4. Anticipated new demands (for example, changes to land use)
5. Pending policy changes that may impact demands
6. Infrastructure operations

Planned water demand types and quantities will be described and be reasonably consistent with the demand projections in the City's most recently updated UWMP Chapter 4 (Water Use Characterization).

Should the demand projections deviate significantly from projections, an explanation for the difference will be provided.

3.3 Assessment Methodology

In preparing the AWSDA, the City will follow the following assessment methodology and evaluation criteria will be used to evaluate the agency's water supply reliability for the current year and a subsequent single dry year.

The City uses a spreadsheet to plan for current year and future year demands. Planned supply and demand inputs described in Section 3.2 will be entered in the spreadsheet in monthly increments.

Supply and demand will be compared to determine the reliability of the City's water supply in the current year and a subsequent single dry year. The City's water supply for the current year and the following dry year will be determined to be reliable if water supply is sufficient to meet the planned water demands.

If water supply is insufficient to meet planned water demands in the current year and/or the following dry year, the extent of the water shortage condition will be determined, and the City will prepare response actions in accordance with this WSCP. As described in Section 3.1.1 and Section 3.1.2, if water supply is insufficient to meet planned water demands, the AWSDA findings will be presented to the City Council, along with recommendations for action for City Council consideration. If water supply is sufficient, the final approved documents will be submitted to DWR, and no further action will be required.

4.0 STANDARD WATER SHORTAGE LEVELS

To provide a consistent regional and statewide approach to conveying the relative severity of water supply shortage conditions, the 2018 Water Conservation Legislation mandates that water suppliers plan for six standard water shortage levels (or stages) that correspond to progressive ranges of up to 10, 20, 30, 40, 50 percent, and greater than 50 percent shortages from the normal reliability condition. Each shortage condition should correspond to additional actions water suppliers would implement to meet the severity of the impending shortages.

The City's six water shortage levels align with the State's standard levels as shown in Table 3 (DWR Table 8-1). The City's water shortage levels apply to both foreseeable and unforeseeable water supply shortage conditions. Water shortage is the gap between available supply and projected demands.

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Table 3. Cross-reference for Standard vs Supplier Shortage Levels (DWR Table 8-1)

☑	Check the box if the Supplier uses the Standard six levels of water shortage. Proceed to the next table.		
Standard Shortage Levels	**Percent Shortage Range**	**Suppliers Shortage Levels**	**Percent Shortage Range**
1	Up to 10%		
2	Up to 20%		
3	Up to 30%		
4	Up to 40%		
5	Up to 50%		
6	>50%		

As described in Section 3, the City will conduct an AWSDA to determine its water supply condition for the current year and a subsequent single dry year. The preparation of AWSDA helps the City ascertain the need to declare a water shortage emergency and water shortage level. In other cases, the City may need to declare a water shortage emergency due to unforeseen water supply interruptions. When the City anticipates or identifies that water supplies may not be adequate to meet the normal water demand of its customers, the City Council may determine that a water shortage exists and consider a resolution to declare a water shortage emergency and associated level. The shortage level provides direction on which shortage response actions should be implemented.

5.0 SHORTAGE RESPONSE ACTIONS

CWC §10632 (a)(4) requires shortage response actions that align with the defined shortage levels. The City's shortage response actions include a combination of:

- Demand reduction actions
- Supply augmentation strategies
- Operational changes

The response actions implemented are dependent on the event that precipitates a water shortage level, the time of the year the event occurs, the water supply sources available at that time, and the condition of the City's water system infrastructure.

The City plans to use a balanced approach that combines demand reduction, supply augmentation, and operational changes to respond to water shortage events. Based on the City's water supply and demand monitoring described in Section 10, the City will adapt its response actions as necessary to close the gap between water supplies and water demand and to achieve the water use reduction goals associated with the declared water shortage level.

The shortage response actions described below serve as tools that allow the City to respond effectively to water shortage conditions. Because the City is often implementing multiple shortage response actions simultaneously and is continuously adjusting actions as needed to meet water demand reduction goals, it

is difficult to quantify how each action may reduce the supply-demand gap. Therefore, the effectiveness of each shortage response action is provided as an estimate. Certain response actions, such as public outreach and enforcement, support the effectiveness of other response actions but do not directly produce quantifiable water savings on their own.

5.1 Demand Reduction Actions

During water shortage conditions, the City plans to reduce demand by implementing the actions shown in Table 4 and Table 5 (DWR Table 8-3). Table 4 presents the City's demand reduction actions organized by the triggering water shortage level. These actions are based on the City's Water Conservation and Education regulations contained in TMC Chapter 6-7 (Attachment A).

In general, demand reduction actions are initiated at a specified shortage level and continue to be implemented at higher shortage levels, unless they are replaced by more stringent measures. The City may request that its customers reduce their water use in response to any water shortage level through TMC Chapter 6-7.

Table 5 (DWR Table 8-3) is consistent with Table 4, but also includes additional non-enforcement demand reduction actions, such as public information campaigns and water loss reduction strategies. In addition, Table 5 (DWR Table 8-3) includes estimates of the potential reduction in the water shortage gap associated with each demand reduction action. For each action, Table 5 (DWR Table 8-3) also indicates whether the City uses compliance actions such as penalties, charges, or other enforcement.

During the 2012-2016 drought, the City was able to exceed its water conservation goals using a combination of public outreach and compliance actions. The City found that customers were very responsive to public outreach efforts. A mandatory watering schedule remained in place, although it was not significantly modified in recent years. Conservation efforts focused on continued public education, including promoting the removal of turf grass in landscaped medians, encouraging the use of non-potable water for irrigation where feasible, and maintaining strong messaging through outreach campaigns. The City also distributed home water survey kits and continued rebate programs for high-efficiency appliances. Compared to earlier drought responses, the key difference was a shift away from blanket restrictions toward policy-driven conservation triggers tied to local supply conditions, which allowed the City to target actions more effectively.

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Table 4. Water Restrictions and Regulations by Water Shortage Level[(a)]

Category of Demand Reduction Method	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Commercial						Industry and commercial businesses shall be required to curtail consumption to maintain adequate supplies of water for health and safety.
Construction			Construction water from City fire hydrants shall be banned but recycled water from the City of Turlock's Regional Water Quality Control Facility may be made available for construction water purposes.			
Landscape Irrigation	Outdoor landscape watering shall be limited to **three times per week** on an odd-even basis.	Outdoor landscape watering. Outdoor landscape watering shall be limited to **two times per week**.	Outdoor landscape watering shall be limited to **one day per week**.	Outdoor landscape watering shall be limited to **one day per week**, for **trees only**.		Outdoor landscape watering shall be **prohibited**.
	Outdoor landscape watering is prohibited between the hours of 9:00 a.m. and 9:00 p.m.					
	Large commercial landscapes and City parks may have individual watering schedules approved by the Municipal Services Department	Large commercial landscapes and City parks shall also be limited to **two days per week**, as scheduled by the Municipal Services Department	Large commercial landscaping and City parks shall be limited to **one day per week**, as scheduled by the Municipal Services Department		Large commercial landscaping and City parks shall be limited to **one day per month**, as scheduled by the Municipal Services Department	
Vehicle Washing	Residential vehicle washing requires a quick-acting automatic positive shut-off valve and is limited to one washing per week during designated watering times.		Washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment not occurring upon the immediate premises of commercial car washes and commercial service stations and not in immediate interest of the public health, safety, and welfare shall be prohibited.			
Water Features			Further use of decorative fountains or reflection ponds shall be discontinued until further notice.			
						Filling newly constructed or drained swimming pools with City water shall be prohibited.

(a) City of Turlock. Water Conservation Ordinance, TMC Chapter 6-7-405. Accessed at https://www.turlock.ca.us/government/municipalcode/ on April 9, 2026.

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Table 5. Water Shortage Contingency Plan Demand Reduction Actions (DWR Table 8-3)

Yes	Is the Supplier completing this table using the standard six levels? (yes/no)				
Shortage Level	Demand Reduction Actions **Drop down list** These are the only categories that will be accepted by the WUEdata online submittal tool. Select those that apply.	How much is this going to reduce the shortage gap? Volume or Percentage Drop down	How much is this going to reduce the shortage gap? Shortage Gap Reduction Value (May be a range) (MG)	Additional Explanation or Reference (OPTIONAL)	Penalty, Charge, or Other Enforcement? **For Retail Suppliers Only** Drop Down List
1-6	Expand Public Information Campaign	Percentage	5-20%	Up to 5-20% water demand reduction anticipated depending on shortage level and extent of public information campaign.	No
1-6	Reduce System Water Loss	Percentage	5-10%	The City is actively working to reduce water loss (real and apparent losses) as described in Chapter 9 of the City's Joint UWMP.	No
1-6	Increase Water Waste Patrols	Percentage	0-10%	Up to 10% water demand reduction anticipated depending on shortage leve and amount of enforcement.	Yes
1	Landscape - Limit landscape irrigation to specific days	Percentage	0-5%	Turlock Municipal Code: 6-7-405(a)(1); Outdoor landscape watering shall be limited to three (3) times per week on an odd-even basis. If the address ends in an even number, the water days shall be Tuesdays, Thursdays, and Saturdays. If the address ends in an odd number, the watering days shall be Wednesdays, Fridays, and Sundays. No outdoor landscape watering on Mondays. Drip irrigation systems shall be exempt.	Yes
1-5	Landscape - Limit landscape irrigation to specific times	Percentage	0-5%	Turlock Municipal Code: 6-7-405(a)(2); Outdoor landscape watering is prohibited between the hours of 9:00 a.m. and 9:00 p.m.	Yes
1-5	CII - Other CII restriction or prohibition	Percentage	0-10%	Turlock Municipal Code: 6-7-405(a)(3); Large commercial landscapes and City parks may have individual watering schedules approved by the Municipal Services Department.	Yes
1-2	Other - Require automatic shut of hoses	Percentage	0-5%	Turlock Municipal Code: 6-7-302(d); Residential vehicle washing requires a quick-acting automatic positive shut-off valve and is limited to one washing per week during designated watering times.	Yes
2	Landscape - Limit landscape irrigation to specific days	Percentage	5-10%	Turlock Municipal Code: 6-7-405(b)(1); Outdoor landscape watering shall be limited to two (2) times per week on an odd-even basis. If the address ends in an even number, the watering days shall be Tuesdays and Saturdays. If the address ends in an odd number, the watering days shall be Wednesdays and Sundays. No outdoor landscape watering on Monday, Thursday, and Friday. Drip irrigation systems shall be exempt.	Yes
2	CII - Other CII restriction or prohibition	Percentage	0-10%	Turlock Municipal Code: 6-7-405(b)(2); Large commercial landscapes and City parks limited to irrigation two days per week.	Yes
3	Landscape - Limit landscape irrigation to specific days	Percentage	5-15%	Turlock Municipal Code: 6-7-405(c)(1); Outdoor landscape watering shall be limited to one (1) day per week on an odd-even basis. If the address ends in an even number, the watering day shall be Saturdays. If the address ends in an odd number, the watering day shall be Sundays. No outdoor landscape watering Monday through Friday. Drip irrigation systems shall be exempt.	Yes
3-4	CII - Other CII restriction or prohibition	Percentage	5-10%	Turlock Municipal Code: 6-7-405(c)(2); Large commercial landscapes and City parks limited to irrigation one day per week.	Yes
3-6	Other - Prohibit use of potable water for construction and dust control	Percentage	0-5%	Turlock Municipal Code: 6-7-405(c)(3); Construction water from City fire hydrants shall be banned but recycled water from the City's Regional Water Quality Control Facility may be made available for construction water purposes.	Yes
3-6	Water Features - Restrict water use for decorative water features, such as fountains	Percentage	0-5%	Turlock Municipal Code: 6-7-405(c)(5); Further use of decorative fountains or reflection ponds shall be discontinued until further notice.	Yes
3-6	Other - Prohibit vehicle washing except at facilities using recycled or recirculating water	Percentage	0-5%	Turlock Municipal Code: 6-7-405(c)(4); Washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment not occurring upon the immediate premises of commercial car washes and commercial service stations and not in immediate interest of the public health, safety, and welfare shall be prohibited.	Yes
4-5	Landscape - Prohibit certain types of landscape irrigation	Percentage	5-15%	Turlock Municipal Code: 6-7-405(d)(1); Outdoor landscape watering shall be limited to one (1) day per week, for trees only, only if a quick-acting automatic positive shut-off valve is used and in proper operating condition.	Yes
5	CII - Other CII restriction or prohibition	Percentage	5-10%	Turlock Municipal Code: 6-7-405(e)(1); Large commercial landscapes and City parks limited to irrigation one day per month.	Yes
6	Landscape - Prohibit all landscape irrigation	Percentage	10-25%	Turlock Municipal Code: 6-7-405(f)(2); Outdoor landscape watering shall be prohibited.	Yes
6	CII - Other CII restriction or prohibition	Percentage	15-20%	Turlock Municipal Code: 6-7-405(f)(1); Industry and commercial businesses shall be required to curtail consumption in order to maintain adequate supplies of water for health and safety.	Yes
6	Other water feature or swimming pool restriction	Percentage	0-5%	Turlock Municipal Code: 6-7-405(f)(3); Filling newly constructed or drained swimming pools with City water shall be prohibited.	Yes
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.					

5.2 Additional Mandatory Restrictions

In addition to demand reduction actions provided in Table 4 and Table 5 (DWR Table 8-3), the City may impose additional water use restrictions on its customers and enforce the regulations and restrictions provided in TMC Chapter 6-7-405 to achieve the percent demand reduction required by the water shortage level.

These additional mandatory restrictions would be implemented alongside any State-mandated prohibitions. The City will enforce both State-mandated prohibitions and its own restrictions.

5.2.1 Water Features and Swimming Pools

Water shortage response would focus on providing sufficient supply to meet health and safety needs for residential customers. Tempering the uses for water features and swimming pools will be based on the severity of the water shortage condition. The relative total water use from these sources would be a consideration for how water features would be restricted during specific water shortage conditions. Water features are a relatively small discretionary use and may be impacted at any time during a triggered water shortage condition.

The City distinguishes special water features, such as decorative fountains and ponds, differently from pools and spas. Special water features are regulated separately. Regulations under TMC 6-7-405 prohibit the use of water in fountains and reflective ponds in Level 3 and more restrictive stages.

5.3 Supply Augmentation and Other Actions

This section discusses the City's supply augmentation strategies to increase available supply during water shortage conditions. As described in Section 2, the City's water supply portfolio includes treated surface water provided from SRWA, local groundwater, and recycled water. The City currently operates 15 active potable groundwater wells and 4 non-potable irrigation wells.

When surface water supplies are reduced, the City relies on its existing potable groundwater wells to meet remaining demands. Based on historical records, the local groundwater basin has proven to be reliable, and drought-related impacts on the City's groundwater supply are not anticipated. As described in the UWMP, the City actively manages its groundwater resources to ensure that water demands can be met even during periods of significantly reduced surface water allocations. In addition, the City has multiple planned groundwater supply projects intended to maintain existing well capacity.

Table 6 (DWR Table 8-2) summarizes the City's potential supply augmentation actions. During water shortage events that result in reduced surface water deliveries, the City may increase pumping from existing production wells and, if necessary, expedite the rehabilitation of existing wells and/or the construction of new production wells to meet demand. Given the City's planned groundwater capital improvement efforts, the City does not expect to need to augment supplies beyond currently planned projects except under more severe water shortage conditions and/or unforeseen emergency conditions.

Supply augmentation actions related to surface water supply from SRWA are not provided in Table 6 (DWR Table 8-2), as these actions would generally be performed by SRWA and are listed in SRWA's WSCP. As described in SRWA's WSCP, SRWA would notify the City in a timely manner during dry periods when surface water allocations are reduced regarding the timing and magnitude of any surface water supply

reductions. In the event of more severe allocation reductions, SRWA may evaluate opportunities to secure supplemental surface water supplies through alternative water transfer agreements.[1]

The City does not currently plan to purchase or use water supplies other than local groundwater and surface water provided by SRWA to augment its water supply portfolio.

Table 6. Supply Augmentation and Other Actions (DWR Table 8-2)

Yes	Is the Supplier completing this table using the standard six levels? (yes/no)			
Shortage Level	Supply Augmentation Methods and Other Actions by Water Supplier **Drop down list** These are the only categories that will be accepted by the WUEdata online submittal tool	How much is this going to reduce the shortage gap?		Additional Explanation or Reference (OPTIONAL)
		Volume or Percentage Drop down	Shortage Gap Reduction Value (May be a range) (MG)	
3-6	Other Actions (describe)	Volume	390-1,560	Rehabilitate existing wells, increase pumping of existing production wells, or install new production wells.
DWR NOTES: Units of measure (AF, CCF, MG) must remain consistent throughout the UWMP as reported in Submittal Table 2-3.				
NOTES: Volume of supplemental groundwater assumes construction or rehabilitation of one to four potable groundwater wells, each with a capacity of 1,000 gallons per minute, and assuming a run time of 75 percent throughout the year.				

5.4 Operational Changes

The City may modify its operations on a short-term or long-term basis in response to any water shortage conditions. The City may take any one or a combination of the following actions.

1. The City may expedite repairs of leaks in its water distribution system. All meter leaks and emergency breaks would be repaired immediately after being reported. Non-emergency service line and main breaks would be repaired within three business days after detection.
2. During the duration of the water shortage condition, the City may limit its regular maintenance water system flushing operations such that flushing is conducted only in areas with known water quality issues.

5.5 Emergency Response Plan

As stated in Section 4, the City's water shortage levels outlined in TMC Section 6-7-405 apply to both foreseeable and unforeseeable water supply shortage conditions, including catastrophic water shortage conditions.

The City's 2023 *Water Distribution System Operations Plan* includes an Emergency Response Plan (ERP) that addresses extreme weather emergencies such as droughts when catastrophic water shortage conditions may occur. Water shortage emergency response is coordinated with the County's Office of Emergency Services. The ERP outlines response procedures associated with unforeseeable incidents such as water supply contamination, earthquake, infrastructure failure, and other events. The ERP includes

[1] SRWA. October 2024. *Water Shortage Contingency Plan.*

actions to be taken in preparation for, during, and recovery from such events. To maintain the security of the City's water system, the ERP is retained as a confidential document.

The City's response planning for continued water service includes the use of standby generators, water purification supplies and equipment, emergency drinking water storage, and water trucks. Water storage, treatment, and pumping facilities have been constructed to meet earthquake safety standards and are inspected regularly.

The City has access to surface water from the Tuolumne River through the SRWA WTP. This facility may supply emergency water to maintain normal distribution if the City's groundwater supply is impacted by a catastrophic supply interruption. Alternatively, if the catastrophic interruption is related to the surface water supply, the City will use the existing groundwater wells to provide sufficient water for health, sanitation, and fire protection for the duration of the emergency. If there is a catastrophic supply interruption that impacts both the City's groundwater supply and the surface water supply from SRWA, then outside emergency water supply assistance would be needed.

6.0 COMMUNICATION PROTOCOLS

In the event of a water shortage, the City must inform its customers, the general public and interested parties, and local, regional, and state entities. Communication protocols for foreseeable and unforeseeable events are provided in this section. In any event, timely and effective communication must occur for appropriate response to the event. City staff are provided with cell phones and City email accounts to communicate internally and externally.

6.1 Communication for Foreseeable Events

Water shortages may be foreseeable when the City conducts its AWSDA as described in Section 3. When the City determines the potential for a water shortage event, the City Council may find, determine and declare a water shortage emergency, and the associated water shortage level, in accordance with TMC Chapter 6-7-403.

The following communications protocol and procedures will be followed. The City may trigger any of these communication protocols at any water shortage level.

1. If a water shortage emergency is anticipated, the City will coordinate interdepartmentally and with Stanislaus County for the possible proclamation of a local emergency.
2. The City may hold a duly noticed City Council meeting in which the AWSDA findings and recommendations for a water shortage emergency and shortage response actions are presented.
3. The Municipal Services Director, or his or her designee, shall monitor the projected supply and demand for water by its customers, with heightened emphasis during the months of March through October.
4. The Municipal Services Director, or his or her designee, shall recommend to the City Manager and City Council the extent of the conservation compliance stage required in order for the City to prudently plan for and supply water to its customers.
5. The City Council may order that the appropriate stage of water conservation be implemented or terminated in accordance with the applicable provisions of this chapter.

When implementing mandatory water conservation compliance Stages 2, 3, 4, 5 and 6, said order shall be made by public announcement and shall be published a minimum of one (1) time in a daily newspaper of general circulation and shall become effective immediately upon such publication. Other forms of communication to inform customers, the public, and government entities shall include social media postings, email to customers and businesses in Turlock and radio broadcast. Public entities and officials are informed of water shortage information via email.

6.2 Communication for Unforeseeable Events

Water shortages may occur during unforeseeable events such as earthquakes, fires, infrastructure failures, civil unrest, and other catastrophic events. The City's 2023 *Water Distribution System Operations Plan* includes an Emergency Notification Plan (ENP) and ERP that provide specific communication protocols and procedures to convey water shortage contingency planning actions during these events. The City may trigger any of these communication protocols at any water shortage level, depending on the event.

The ENP provides a list of relevant contacts to notify in the event of an emergency at the local, regional, and state level. The ERP lists the City's emergency plans and procedures, resilience strategies, and mitigation actions. To maintain the security of the City water system, the *Water Distribution System Operations Plan* is maintained as a confidential document and may not be incorporated in this UWMP.

In general, communications and notifications should proceed along the chain of command. Notification decisions will be made under the direction of the Municipal Services Director or their designee. External communications will be managed by the Municipal Services Director or their designee. All City staff are provided their communication responsibilities. The Regulatory Compliance Officer and the Municipal Services Director will work with the Municipal Services Department staff to notify regulatory agencies.

7.0 COMPLIANCE AND ENFORCEMENT

TMC Chapter 6-7 supports the implementation of the City's WSCP actions. This text includes provisions for compliance and enforcement of its water use regulations, restrictions, and prohibitions and is available on the City's website. The City's water conservation website (https://www.cityofturlock.org/watersewergarbageservice/waterconservation/) provides the most current regulations and water restrictions.

When a water shortage is anticipated, the City Council determines the degree of the water shortage emergency and makes a declaration of the water shortage stage. The City Council may also hold a duly noticed public meeting to discuss the water shortage emergency.

Since the City's water service area is fully metered, customer water use can be quantified and compared to determine their extent of compliance to water reduction requirements. The City may also become aware of non-compliance through its water waste reporting outreach or through staff inspections. Non-compliance is deemed as a violation and is classified as an infraction. Each day of continued violation is considered as a separate offense.

The Municipal Services Director or their designee and duly designated representatives are authorized to enforce provisions of TMC Chapter 6-7 and make determinations with regard to the customer water

allocations provided in TMC Chapter 6-7. For these purposes, they have the power and discretion of a law enforcement office.

7.1 Shortage Level Enforcement and Penalties

Enforcement and penalties for non-compliance with restrictions associated with a water shortage level or stage are provided in TMC 6-7-410. When the City becomes aware of a customer violating, causing, or permitting a violation of the restrictions or prohibitions associated with the adopted water shortage level, the City will issue a notice that describes the nature of the violation and includes an order that the violation be corrected within a stated period. Upon occurrence of a second violation or failure to correct the initial violation, the City will issue a second notice ordering immediate correction and imposing a surcharge as provided in the TMC. Upon occurrence of a third violation or failure to correct the initial violation, the City will issue a third notice ordering immediate correction and imposing a surcharge as provided in the TMC. Upon occurrence of a fourth violation, and each subsequent violation, or failure to correct the initial violation, the City will issue an additional notice ordering immediate correction and imposing a surcharge as provided in the TMC. The Municipal Services Director, or designee, may issue an order to cease and desist until appropriate remedial actions are taken. For continued violation, the Municipal Services Director or designee may order discontinuance of service.

The thirty days after the effective date of the Council's declaration of a water shortage emergency or the effective date stated in the resolution is considered as an adjustment period. During that period, no penalties will be imposed on violations to water use prohibitions and restrictions associated with the water shortage emergency.

After the initial thirty days after the effective date, customers are subject to enforcement and penalties associated with water use prohibitions and restrictions. For continued violation, the City may impose progressively stringent action, from issuance of a warning to increasing penalties and fines.

7.2 Appeal and Exemption Process

Per TMC Chapter 6-7-411 and 6-7-412, utility customers may appeal a Notice of Acts Constituting Water Wasting by submitting a written appeal to the Municipal Services Director within fifteen calendar days from the date of service of the Notice of Acts Constituting Water Wasting, or any water wasting penalty assessed to his or her account. The written appeal should include supporting facts and reasons. The hearing officer may hold an appeal hearing, where the appellant and the Municipal Services Director are heard. At the conclusion of hearing the appeal, the hearing officer may affirm, reverse or modify the Notice of Acts Constituting Water Wasting. The hearing officer's action on the appeal is final.

8.0 LEGAL AUTHORITIES

Title 6, Chapter 7, Article 4 of the TMC includes provisions for the emergency water shortage plan. When a water shortage is determined, the City will coordinate interdepartmentally, with SRWA, and with Stanislaus County for the possible proclamation of a local emergency in accordance with California Government Code, California Emergency Services Act (Article 2, § 8558).

In accordance with TMC Chapter 6-7 and California Water Code Chapter 3, Division 1, § 350 et seq, the City Council is required, unless an immediate emergency exists, to conduct a duly noticed public meeting for the purpose of determining whether a water shortage emergency condition exists and, if so, the

degree of the emergency and what regulations and restrictions should be enforced in response to the shortage. The City shall declare a water shortage emergency in accordance with CWC Chapter 3 Division 1.

> *Water Code Section Division 1, Section 350*
> *…The governing body of a distributor of a public water supply…shall declare a water shortage emergency condition to prevail within the area served by such distributor whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply of the distributor to the extent that there would be insufficient water for human consumption, sanitation, and fire protection.*

The water shortage emergency declaration triggers communication protocols described in Section 6 of this WSCP and compliance and enforcement actions described in Section 7 of this WSCP.

9.0 FINANCIAL CONSEQUENCES OF WSCP

The City maintains an adequate operational reserve to protect against a temporary water shortage. The City anticipates reduced revenue due to decreased water use by its customers and additional costs associated with implementing water use restrictions and associated compliance actions. Reduced revenue and costs associated with compliance actions are considered in the City's water rate study.

10.0 MONITORING AND REPORTING

The City's water system is fully metered, from production facilities to individual customer connections, allowing for comprehensive monitoring of system supplies and demands. Water production data may be read on a daily basis. These meters may be used as monitoring tools for compliance and reporting purposes. The City regularly records its water meter readings, along with enforcement actions, to comply with State reporting requirements.

Meters can be read as frequently as needed to track the effectiveness of implemented response actions. Water production and water use can be compared to historical periods, analyzed by customer sector or at the individual customer level. This continuous monitoring allows the City to assess water system demands and compare it with its water demand reduction goals.

Based on these assessments, the City may adjust its shortage response actions to better align with its water demand reduction goals. For example, the City may intensify its public outreach or more rigorously enforce compliance with water use prohibitions if water demand reduction goals are not met for a specific shortage level.

11.0 WSCP REFINEMENT PROCEDURES

This WSCP is an adaptive management plan. It is subject to refinements as needed to ensure that the City's shortage response actions and mitigation strategies are effective and produce the desired results. Based on monitoring described in Section 10 and the need for compliance and enforcement actions described in Section 7 of this WSCP/ TMC 6-7-410, the City may adjust its response actions and may modify its WSCP. When a revised WSCP is proposed, the revised WSCP will undergo the process described in Section 12 for adoption by the City Council and distribution to the City, its customers, and the general public.

Feedback from City staff and the public is important in refining or incorporating new actions. The City seeks input from staff who interface with customers to gauge the effectiveness of its response actions

and for response action ideas. The City seeks input from its customers and the general public through its website, through public hearings, and through regularly scheduled City Council meetings.

Customer water meter data may be evaluated for each customer sector or each individual customer. The City tracks water use violations and may evaluate their frequency to determine restrictions that customers may not be able to meet. This evaluation may also show water demand reduction actions that customers may effectively implement.

12.0 PLAN ADOPTION, SUBMITTAL, AND AVAILABILITY

This WSCP is adopted concurrently with the City's Joint 2025 UWMP, by separate resolution. Prior to adoption, a duly noticed public hearing was conducted. An electronic copy of this WSCP will be submitted to the DWR within 30 days of adoption.

No later than 30 days after submittal to DWR, this WSCP will be available at the City's offices. A copy will also be provided to Stanislaus County. An electronic copy of this WSCP as well as the Joint 2025 UWMP will also be available for public review and download on the City's website.

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Attachment A

Turlock Municipal Code Title 6 Chapter 7

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Title 6. Sanitation and Health

Chapter 6-7. WATER CONSERVATION AND EDUCATION

Article 4. Emergency Water Shortage Plan

§ 6-7-401. Title.

There is hereby established the "City of Turlock Emergency Water Shortage Plan."
(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-402. Declaration of policy: Purpose.

(a) Declaration of policy. The City Council hereby declares that the general welfare requires that the water resources available to the City be put to the maximum beneficial use to the extent to which the City is capable, and that the waste of, unreasonable use of, or unreasonable method of use of water be prevented. The conservation of such water is to ensure the reasonable and beneficial use thereof in the interests of the people of the City of Turlock and for the public welfare.

(b) Purpose. The City Council finds and declares that consolidating the provisions of Ordinance Number 778-CS and Ordinance Number 782-CS into one (1) readily accessible document shall provide a more professional and usable work product as well as promote a better public understanding of the various procedures and provisions of the Turlock Emergency Water Shortage Plan. Additionally, adding provisions prohibiting water wasting and defining the acts which so constitute water wasting advances the purpose and policy of the Turlock Emergency Water Shortage Plan.

(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-403. City Manager: Authorized action.

The City Manager, or his or her designee, is hereby authorized and directed to implement the provisions of this chapter upon a declaration by the City Council that a water shortage emergency condition prevails as specified in TMC 6-7-405.
(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015; 1286-CS, Amended, 06/22/2021)

§ 6-7-404. Application.

The provisions of this chapter shall apply to all persons, customers, and property served by the City of Turlock.
(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-405. Water conservation stages.

(a) Stage 1. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 1 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, the following mandatory conservation compliance measures shall apply:

(1) Outdoor landscape watering. Outdoor landscape watering shall be limited to three (3) times per week on an odd-even basis. If the address ends in an even number, the water days shall be Tuesdays, Thursdays, and Saturdays. If the address ends in an odd number, the watering days shall be Wednesdays, Fridays, and Sundays. No outdoor landscape watering on Mondays. Drip irrigation systems shall be exempt.

(2) Outdoor landscape watering is prohibited between the hours of 9:00 a.m. and 9:00 p.m.

(3) Large commercial landscapes and City parks may have individual watering schedules approved by the Municipal Services Department.

(4) Residential vehicle washing. Residents shall be allowed to wash their vehicles as established by TMC 6-7-302(d).

(b) Stage 2. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 2 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting and Stage 1 measures, the following Stage 2 mandatory conservation compliance measures shall apply:

(1) Outdoor landscape watering. Outdoor landscape watering shall be limited to two (2) times per week on an odd-even basis. If the address ends in an even number, the watering days shall be Tuesdays and Saturdays. If the address ends in an odd number, the watering days shall be Wednesdays and Sundays. No outdoor landscape watering on Monday, Thursday, and Friday. Drip irrigation systems shall be exempt.

(2) Large commercial landscapes and City parks shall also be limited to two (2) days per week, as scheduled by the Municipal Services Department.

(c) Stage 3. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 3 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, Stage 1 and Stage 2 measures and the following Stage 3 mandatory conservation compliance measures shall apply:

(1) Outdoor landscape watering shall be limited to one (1) day per week on an odd-even basis. If the address ends in an even number, the watering day shall be Saturdays. If the address ends in an odd number, the watering day shall be Sundays. No outdoor landscape watering Monday through Friday. Drip irrigation systems shall be exempt.

(2) Large commercial landscaping and City parks shall be limited to one (1) day per week, as scheduled by the Municipal Services Department.

(3) Construction water from City fire hydrants shall be banned but recycled water from the City of Turlock's Regional Water Quality Control Facility may be made available for construction water purposes.

(4) Washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment not occurring upon the immediate premises of commercial car washes and commercial service stations and not in immediate interest of the public health, safety, and welfare shall be prohibited.

(5) Further use of decorative fountains or reflection ponds shall be discontinued until further notice.

(d) Stage 4. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 4 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, Stage 1, Stage 2, and Stage 3 measures and the following Stage 4 mandatory conservation compliance measures shall apply:

(1) Outdoor landscape watering shall be limited to one (1) day per week, for trees only, only if a quick-acting automatic positive shut-off valve is used and in proper operating condition.

(e) Stage 5. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 5 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, Stage 1, Stage 2, Stage 3, and Stage 4 measures and the following Stage 5 mandatory conservation compliance measures shall apply:

(1) Large commercial landscaping and City parks shall be limited to one (1) day per month, as scheduled by the Municipal Services Department.

(f) Stage 6. Mandatory water conservation compliance: Warning. Upon implementation of this chapter by the City Council pursuant to Water Code Section **350**, and publication of notice that Stage 6 mandatory water conservation compliance measures are in effect, in addition to the outdoor landscape watering, water use prohibitions, and acts constituting water wasting, Stage 1, Stage 2, Stage 3, Stage 4, and Stage 5 measures and the following Stage 6 mandatory conservation compliance measures shall apply:

(1) Industry and commercial businesses shall be required to curtail consumption to maintain adequate supplies of water for health and safety.

(2) Outdoor landscape watering shall be prohibited.

(3) Filling newly constructed or drained swimming pools with City water shall be prohibited.

(778-CS, Enacted, 04/28/1992; 782-CS, Amended, 06/09/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015; 1222-CS, Amended, 05/12/2016; 1286-CS, Amended, 06/22/2021)

§ 6-7-406. Mandatory conservation compliance phase implementation.

(a) The Municipal Services Director, or his or her designee, shall monitor the projected supply and demand for water by its customers, with heightened emphasis during the months of March through October.

(b) The Municipal Services Director, or his or her designee, shall recommend to the City Manager the extent of the conservation compliance stage required in order for the City to prudently plan for and supply water to its customers.

(c) The City Manager may order that the appropriate stage of water conservation be implemented or terminated in accordance with the applicable provisions of this chapter. When implementing mandatory water conservation compliance Stages 2, 3, and 4 said order shall be made by public announcement and shall be published a minimum of one (1) time in a daily newspaper of general circulation and shall become effective immediately upon such publication.

(778-CS, Enacted, 04/28/1992; 785-CS, Amended, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-407. Water wasting prohibited.

Water wasting, as defined by TMC 6-7-408, is prohibited.
(785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-408. Acts constituting water wasting.

For the purposes of this title, acts constituting water wasting shall mean and include, but shall not be limited to, any of the following acts:

(a) Failure to comply with the City of Turlock Emergency Water Shortage Plan, any conservation stage declared thereunder, and/or any guidelines or outdoor landscape watering schedules in effect pursuant thereto.

(b) Watering outdoor landscape areas or gardens such that excess water leaves the property or area being watered.

(c) Watering outdoor landscaping while raining and within forty-eight (48) hours following any measurable rainfall.

(d) Washing vehicles, boats, or equipment during restricted days or hours; and/or using an open hose not equipped with a quick-action automatic shut-off valve while so doing.

(e) Hosing down driveways, streets, sidewalks, parking lots, and building exteriors without the prior written consent of the Director of Municipal Services or his designee. If consent is given, any restrictions on the frequency, timing, or method would remain in effect unless a health or safety condition existed.

(f) Having leaky faucets, irrigation valves, sprinkler heads, or plumbing fixtures on the premises.

(g) Operating evaporated coolers which are not equipped with a recirculating pump.
(785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-409. Notice of Acts Constituting Water Wasting.

(a) Any person committing any act which constitutes the wasting of water, as provided in TMC 6-7-408, shall be served Notice of Acts Constituting Water Wasting.

(b) This Notice of Acts Constituting Water Wasting shall serve as a first warning and first Notice of Acts Constituting Water Wasting and shall:

(1) Identify the date, time, and circumstances of the violation;

(2) State the amount of the potential penalty for water wasting;

(3) Advise the customer of his or her appeal rights as provided herein;

(c) The Notice of Acts Constituting Water Wasting shall be served on any person committing any act which constitutes the wasting of water, as provided in TMC 6-7-408, shall be served Notice of Act Constituting Water Wasting.
(785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-410. Penalty fee assessment for water wasting.

(a) A penalty in the sum of Fifty and no/100ths ($50.00) Dollars shall be assessed to the utility customer's account for a second violation within said one (1) year after being served with a first warning and a first Notice of Acts Constituting Water Wasting, pursuant to TMC 6-7-409. This penalty shall be waived if the owner of the premises where the violation occurred, or the occupant (if different than the owner, and the occupant committed the violation), attends a water conservation education workshop offered by the City within sixty (60) days after date of the penalty notice; provided, that only one (1) such penalty waiver shall be allowed for the premises within any twenty-four (24) month period.

(b) A penalty in the sum of One Hundred and no/100ths ($100.00) Dollars shall be assessed to the utility customer's account for a third violation within said one (1) year after being served with a Notice of Acts Constituting Water Wasting, pursuant to TMC 6-7-409.

(c) A penalty in the sum of Two Hundred-Fifty and no/100ths ($250.00) Dollars shall be assessed to the utility customer's account for a fourth and each subsequent violation within said one (1) year after being served with a Notice of Acts Constituting Water Wasting, pursuant to TMC 6-7-409.

(Formerly 6-7-411; 785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-411. Appeal.

(a) Any person issued a Notice of Acts Constituting Water Wasting shall have the right to appeal to the Municipal Services Director, or his or her designee, the Notice of Acts Constituting Water Wasting, or any water wasting penalty assessed to his or her account.

(b) The appeal hearing shall be held before the Municipal Services Director, or his or her designee. After hearing all of the evidence presented, he or she shall make the final administrative determination regarding the matter.

(c) The customer shall be allowed to present such witnesses and evidence as he or she may desire.

(d) Such appeal hearing is an administrative hearing and the rules of evidence shall not apply.

(Formerly 6-7-412; 785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-412. Appeal hearing request.

(a) The utility customer must request an appeal hearing in writing within fifteen (15) calendar days from the date of service of the Notice of Acts Constituting Water Wasting, or any water wasting penalty assessed to his or her account, unless the fifteenth day falls on a weekend or City observed holiday.

(b) The request for hearing shall be addressed to the Municipal Services Director and shall be deemed served only when received by the City. Failure to properly serve the request for hearing within the fifteen (15) calendar day period shall be deemed a waiver of the right to appeal the matter and the penalty will be assessed against the customer's account unless the fifteenth day falls on a weekend or City observed holiday.

(c) The hearing officer shall give written notice by mail to the utility customer of the date, time, and location of the appeal hearing, which hearing shall be held no sooner than ten (10) days from receipt of the request for hearing and no longer than thirty (30) days from receipt of such request.

(d) The decision of the hearing officer shall be final. If the Notice of Acts Constituting Water Wasting, or any water wasting penalty assessed to an account is upheld, the penalty shall be assessed to the customer's account.

(Formerly 6-7-413; 785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-413. Failure to pay penalty fee.

Failure of any utility customer to pay the penalty imposed pursuant to this article as required shall be grounds to discontinue utility service until compliance is obtained.
(Formerly 6-7-415; 785-CS, Enacted, 06/23/1992; 1209-CS, Amended, 06/25/2015)

§ 6-7-414. Hand watering exemption.

(a) Notwithstanding any provision of this chapter, the Municipal Services Director, or his or her designee, in his or her sole discretion, may authorize outdoor landscape hand watering before 9:00 a.m. and after 7:00 p.m. if:

(1) Hand watering is the only form of watering available; and

(2) It is the correct watering day for the address; and

(3) Plants and groundcover are drought tolerant; and

(4) Hand watering is not left unattended (hose left on the ground, running unattended); and

(5) No more than fifty (50) gallons of water is used for hand watering on any given watering day.

(b) Any person seeking authorization for hand watering of outdoor landscape pursuant to this section shall submit a written application to the Municipal Services Director, or his or her designee. The application shall describe how the person meets the requirements of subsection **(a)** of this section, and provide any other information required by the Municipal Service Director, or his or her designee.
(1286-CS, Added, 06/22/2021)

City Council Staff Report

May 26, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	Julian Avila , Associate Civil Engineer
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Motion: Authorizing staff to proceed with advertising the City Project No. 25-057 “System Wide AMI and Water Meter Installation - Phase 1”

2. NARRATIVE:

On January 27, 2026, the City Council approved an agreement with Badger Meter, Inc. for the purchasing of water meters. These meters will be supplied as owner-provided material on future construction contracts to eventually replace all meters throughout the city. The first phase of water meter installation is planned to be completed as part of City Project No. 25-057 "System Wide AMI and Water Meter Installation - Phase 1”. Plans and specifications have been prepared by an on-call consultant providing engineering services (QK, Inc.) and includes installation of approximately 4,293 water meters for residential customers. The existing water meters have indicated incorrect water consumption readings from the existing automated water meter reading (AMR) system which requires significant operational resources to maintain and is approaching obsolescence. Additionally, the existing water meters are nearing the end of their 20-year service life.

This project is necessary in order to prioritize replacement of failing meters in the City and to implement an Advanced Metering Infrastructure (AMI) system that will improve billing, enable faster leak detection, reduce water loss, and give residents more timely insight into their water use.

The project scope includes:

- Installation of approximately 4,293 water meters ranging in size from 3/4” to 1-1/2”
- Installation of meter boxes, lids, and valves, where replacement or installation is necessary
- Installation of new adapters and new ORION Cellular Water Endpoints
- Programming and integration of water meters into the AMI system with New World by Tyler Technologies

As the estimated project construction costs exceed one million dollars, Staff requests City Council authorization to advertise the project for construction bids pursuant to Resolution No. 2009-247.

3. FISCAL IMPACT / BUDGET AMENDMENT:

No General Fund money will be used for this project.

The total estimated project costs are displayed below:

Preliminary Engineering - *City Staff*	$30,000
Professional Design Services - *QK, Inc.*	$23,700
Construction Contract - *Contractor*	$3,456,775
Construction Contract Contingency	$345,677
Engineering Services During Construction - *QK, Inc.*	$6,200
Construction Engineering - *City Staff*	$50,000
Construction Management - *TBD*	$350,000
Estimated Total Project Costs	**$4,262,352**

The costs listed above are estimates only and will be revised to reflect actual amounts at the time of the award of bid of the construction contract. All project costs are anticipated to be expensed in Fiscal Years 2025-2026 and 2026-2027.

The Municipal Services Department has identified funding from Fund 420 for project costs estimated to be incurred in Fiscal Year 2025-26. The Municipal Services Department has requested adequate funding as part of the normal Fiscal Year 2026-27 budget process. If additional funds are needed beyond what is approved in the Fiscal Year 2026-27 budget, an appropriation will be requested at the time of the award of the construction contract.

4. ENVIRONMENTAL DETERMINATION:

In accordance with Section 15302(c) (Replacement or Reconstruction) of the California Environmental Quality Act (CEQA), this project is categorically exempt from the provisions of CEQA due to the fact that this project consists of the replacement of existing water meters and related appurtenant utility components at existing service locations, involving negligible or no expansion of capacity.

5. ALTERNATIVES:

A. Council could choose to not authorize City staff to advertise the project. Staff does not recommend this alternative because the project is needed and project documents are complete and ready to be advertised.

6. ATTACHMENTS:

None

City Council Staff Report

May 26, 2026

From:	Isaac Moreno, Finance Director
Prepared by:	Michael Lenhardt, Principal Accountant
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Accepting the City of Turlock's audited Financial Statements and related reports for the Fiscal Year ended June 30, 2025

2. NARRATIVE:

This overview and analysis are provided by the Finance Department of the City of Turlock ("City") for the Fiscal Year 2024-2025 Financial Statements (with comparative information for 2023-2024).

FISCAL YEAR 2024-2025 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The City's net position (assets and deferred outflows in excess of liabilities and deferred inflows) at June 30, 2025, totaled $765.8 million. Governmental activities accounted for $421.3 million of the net position, while $344.5 million are in the business-type activities.
- Total City revenues, including program and general revenues, were $182.3 million, while total expenses were $141.5 million.
- Governmental program revenues were $32.3 million compared to governmental program expenses of $94.2 million.
- Program revenues from business-type activities were $65.9 million, while expenses for business-type activities were $47.3 million.

Fund Highlights

- Net General Fund revenues exceeded expenditures and other financing sources (uses) by $27.6 million as compared to the prior year when revenues exceeded expenditures and other financing sources (uses) by $4.6 million. For financial reporting purposes, the "General Fund" includes not only the City's General Fund, but also the Parks, Arts and Recreation Commission, Special Public Safety, Tourism (2 funds), Cannabis, and Measure A funds.
- The fund balance of the General Fund is $84.0 million at June 30, 2025, compared to a projected $42.9 million when the 2024-2025 budget was originally adopted. This is due to the long-term debt proceeds from the Roads Bond debt issuance in the fiscal year.

Additional discussion regarding the financial results for fiscal year 2024-2025 can be found in the “Financial Activities” section of the MD&A of the financial statements.
The City’s independent external auditors, Brown Armstrong Accountancy Corporation, have completed the City’s annual audit and issued the following financial reports for the Fiscal Year ended June 30, 2025:

- Basic Financial Statements for the City of Turlock
- Appropriations Limit Increment for the City of Turlock
- Component Unit Financial Statements for the Turlock Public Financing Authority
- Component Unit Financial Statements for the Transportation Development Act Funds
- Component Unit Financial Statements for the Abandoned Vehicle Abatement Program

The above financial statements are prepared by the City’s Finance Department in accordance with Generally Accepted Accounting Principles (GAAP). Our external auditors have the responsibility to audit these statements in accordance with Generally Accepted Auditing Standards with the goal of determining whether the financial statements are free of material misstatement. If this goal can be supported by the results of their audit, the external auditors will issue an unqualified or “clean” opinion. All the above listed financial statements contain an unqualified opinion.

In addition to the financial statements, the auditors also issue reports on Required Communications and a Memorandum of Internal Control (MOIC). These MOIC reports detail items of significant concern to the financial well-being of the City. The MOIC identifies deficiencies in the City’s system of internal control and identifies the weaknesses as either “material weaknesses” or “significant deficiencies”. A Material Weakness is a deficiency that creates a reasonable possibility a material misstatement will occur in the financial statements and a Significant Deficiency is a deficiency that is less severe than a Material Weakness.

The City’s report for June 30, 2025, includes zero Material Weakness and zero Significant Deficiencies findings and Other Matters for fiscal 2025. The report also includes a section on the Status of Prior Year Material Weaknesses, Significant Deficiencies and an update of the same as shown in the attached complete report. The Auditors' report on Required Communications, in addition to addressing new accounting pronouncements, addresses the financial concern of the General Fund.

3. FISCAL IMPACT / BUDGET AMENDMENT:

Funds are budgeted for the independent audit services required. There is no additional fiscal impact.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists

of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ALTERNATIVES:

No alternatives are proposed, as staff is only asking for acceptance of these reports.

6. ATTACHMENTS:

1. Audit Acceptance Resolution
2. FY 2024-2025 City of Turlock Financial Statements
3. FY 2024-2025 City of Turlock Single Audit Report
4. FY 2024-2025 City of Turlock Memorandum On Internal Controls
5. FY 2024-2025 City of Turlock Required Communications Letter (AU-C 260))
6. FY 24-25 City of Turlock Proposition 111 Appropriations (GANN) Limit Report
7. FY 24-25 Public Financing Authority (PFA) Financial Statements
8. FY 24-25 Public Financing Authority (PFA) Required Communications Letter (AU-C 260)
9. FY 24-25 Transportation Development Act (TDA) Funds Financial Statements
10. FY 24-25 Transportation Development Act (TDA) Funds Required Communications Letter (AU-C 260)
11. FY 24-25 Abandoned Vehicle Abatement (AVA) Funds Financial Statements
12. FY 24-25 Abandoned Vehicle Abatement (AVA) Funds Required Communications Letter (AU-C 260)

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF ACCEPTING THE FINANCIAL STATEMENTS AND SINGLE AUDIT FROM BROWN ARMSTRONG ACCOUNTANTCY CORPORATION FOR FISCAL YEAR 2024-2025	}	**RESOLUTION NO. 2026-XXX**

WHEREAS, audited Financial Statements are necessary for all governmental entities; and

WHEREAS, on April 8, 2026, Brown Armstrong Accountancy Corporation issued their opinion on the City of Turlock's Financial Statements, Single Audit; and

WHEREAS, on April 8, 2026, Brown Armstrong Accountancy Corporation issued the City of Turlock's Memorandum on Internal Control, Required Communications; and

WHEREAS, on May 5, 2026, Brown Armstrong Accountancy Corporation issued their opinion on the Proposition 111 Appropriations Limit Increment; and

WHEREAS, on May 5, 2026, Brown Armstrong Accountancy Corporation issued their opinion on the Turlock Public Financing Authority Financial Statements, Required Communications; and

WHEREAS, on May 5, 2026, Brown Armstrong Accountancy Corporation issued their opinion on the Transportation Development Act Funds Financial Statements, Required Communications; and

WHEREAS, on May 15, 2026, Brown Armstrong Accountancy Corporation issued their opinion on the Abandoned Vehicle Abatement Funds Financial Statements, Required Communications; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock does hereby accept the above stated Financial Statements and Reports listed above.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Nicole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California



CITY OF TURLOCK

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2025

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CITY OF TURLOCK

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2025

PREPARED BY

THE FINANCE DEPARTMENT

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CITY OF TURLOCK
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2025

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Turlock, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Turlock, California (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Former LMI Housing Fund, and Gas Tax/Street Improvement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

BAKERSFIELD
4200 Truxtun Avenue, Suite 300
Bakersfield, CA 93309
661-324-4971

FRESNO
10 River Park Place East, Suite 208
Fresno, CA 93720
559-476-3592

STOCKTON
2423 West March Lane, Suite 202
Stockton, CA 95207
209-451-4833

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from

and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
April 8, 2026

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This narrative overview and analysis are provided by the management of the City of Turlock (City) for the fiscal year 2024-2025 financial statements (with comparative information for 2023-2024). We encourage our readers to consider this information in conjunction with the information provided in the accompanying basic financial statements and notes thereto.

FISCAL YEAR 2024-2025 FINANCIAL HIGHLIGHTS

Government-Wide Highlights

- The City's net position (assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources) at June 30, 2025, totaled $765.8 million. Governmental activities accounted for $421.3 million of the net position, while $344.5 million are in the business-type activities.
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- Program revenues from business-type activities were $65.9 million, while expenses for business-type activities were $47.3 million.

Fund Highlights

- Net General Fund revenues exceeded expenditures and other financing sources (uses) by $27.6 million as compared to the prior year when revenues exceeded expenditures and other financing sources (uses) by $4.6 million. For financial reporting purposes, the "General Fund" includes not only the City's General Fund, but also the Parks, Arts and Recreation Commission, Special Public Safety, Tourism (2 funds), Cannabis, and Measure A Funds.
- The fund balance of the General Fund is $84.0 million at June 30, 2025, compared to a projected $42.9 million when the 2024-2025 budget was originally adopted.

Additional discussion regarding the financial results for fiscal year 2024-2025 can be found in the "Financial Activities" section of this Management's Discussion and Analysis.

OVERVIEW OF THESE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are broken into the following four parts:

1) Management's Discussion and Analysis (this part),
2) The Basic Financial Statements, which include the Government-Wide and the Fund Financial Statements, along with the Notes to these financial statements,
3) Required Supplementary Information, and
4) Supplemental Information.

THE BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

The Government-Wide Financial Statements provide a longer-term, broader view of the City's activities as a whole. These statements are more similar to private-sector financial statements than the fund financial statements. The Government-Wide Financial Statements are comprised of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis of accounting, similar to that used by the private sector. The difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources is reported as "net position." Over time, this statement may serve as an indicator of the City's general health and whether its overall financial position is improving or deteriorating.

The Statement of Activities provides information about all the City's revenues and all its expenses. This statement is also prepared using the full accrual basis of accounting, with an emphasis on measuring net revenues or expenses for each of the City's programs.

All of the City's activities are grouped into either governmental or business-type activities as explained below. All the amounts in the *Statement of Net Position* and the *Statement of Activities* are separated into governmental or business-type activities in order to provide a summary of these two activities of the City as a whole.

- ***Governmental Activities*** **–** All of the City's basic services are considered to be governmental activities. These services include public safety (police and fire), parks and recreation, public ways and facilities/transportation, community development, and general administration. General City revenues such as taxes and program-specific revenues such as user and developer impact fees support and finance these services.

- ***Business-Type Activities*** **–** All the City's enterprise activities are reported here including water, sewer, and transit operations. Unlike governmental services, these services are supported by charges paid by the users of these services.

As noted above, the Government-Wide Financial Statements are prepared on the full accrual basis of accounting, which means they measure the flow of all economic resources of the City as a whole.

Fund Financial Statements

The Fund Financial Statements report the City's operations in more detail than the government-wide statements and focus primarily on the short-term activities of the City's General Fund and other major funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt, and other long-term amounts.

The Fund Financial Statements provide detailed information about each of the City's most significant funds, called "major funds." Major funds account for the most significant financial activities of the City and are presented individually, while the activities of nonmajor funds are presented in summary with subordinate schedules presenting the detail for each of these other funds. Since the City's most significant fiscal activities may change from year to year, the funds designated as "major funds" may also change from year to year.

Fund Financial Statements include governmental, enterprise, internal service, and fiduciary funds as follows:

Governmental Funds Financial Statements are prepared on the modified accrual basis of accounting, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

The City has thirty-four (34) governmental funds, of which three (3) are considered major funds for presentation purposes – the General Fund, Former Low and Moderate Income (LMI) Housing Fund, and the Gas Tax/Street Improvement Fund. Each major fund is presented separately in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The financial information for the remaining nonmajor governmental funds is combined into a single, aggregated presentation. The basic Governmental Funds Financial Statements can be found starting on page 28 in this report.

Enterprise and Internal Service Funds Financial Statements are prepared on the full accrual basis of accounting and include all their assets, liabilities, and deferred outflows/inflows of resources, current and long-term. The City's Enterprise Funds account for the financial activity of the City's water, sewer, and transportation (fixed route and dial-a-ride) services. The Internal Service Funds account for the financial activity of the City's equipment pool, self-insurance, and information technology activities. Because these activities primarily benefit the governmental rather than business-type activities, the resulting financial activities of the Internal Service Funds have been included within the governmental activities in the Government-Wide Financial Statements. The Enterprise and Internal Service Funds Financial Statements can be found starting on page 36.

Fiduciary Funds Financial Statements are used to account for resources held for the benefit of parties outside the government. They are not included in the Government-Wide Financial Statements because their resources are not available to support City programs. With the dissolution of the Redevelopment Agency, the activities of the Successor Agency to the former Turlock Redevelopment Agency are reported as a Private-Purpose Trust Fund in the Fiduciary Funds Section. Additional information about the dissolution of the Redevelopment Agency can be found in Note 14 on page 89 of the financial statements.

Notes to the Financial Statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes can be found starting on page 43.

FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE

Statement of Net Position

Over time, the City's net position may serve as an indicator of its financial position. The City's *Statement of Net Position* and *Statement of Activities* presented below and on a following page focus on the City's net position and changes to net position for governmental and business-type activities.

STATEMENT OF NET POSITION
AS OF JUNE 30
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Cash and investments	$ 215,446	$ 180,263	$ 88,618	$ 74,984	$ 304,064	$ 255,247
Other assets	54,737	55,471	57,334	53,164	112,071	108,635
Capital assets, net	295,141	269,302	315,109	316,308	610,250	585,610
Total assets	565,324	505,036	461,061	444,456	1,026,385	949,492
Deferred outflows of resources	25,931	33,695	4,805	5,884	30,736	39,579
Long-term liabilities	134,818	101,625	96,299	103,174	231,117	204,799
Other liabilities	19,835	19,803	22,816	20,051	42,651	39,854
Total liabilities	154,653	121,428	119,115	123,225	273,768	244,653
Deferred inflows of resources	15,327	16,625	2,219	2,882	17,546	19,507
Net position:						
Net investment in capital assets	257,972	266,097	237,469	231,960	495,441	498,057
Restricted	140,669	131,801	-	-	140,669	131,801
Unrestricted	22,634	2,780	107,063	92,273	129,697	95,053
Total net position	$ 421,275	$ 400,678	$ 344,532	$ 324,233	$ 765,807	$ 724,911

As noted above, the City's primary investment is in its *Net Investment in Capital Assets.* Capital assets, which account for approximately 64.7% of the City's total net position, include all infrastructure such as the street/roadway system; sewer, water, and storm drain collection systems, as well as retention basins; the wastewater treatment plant, water wells, and pump stations; streetlights and traffic signals; and parks. Capital assets also include all vehicles, equipment, and buildings used by City employees in the course of their daily activities. By their very nature and use, capital assets are not available for future spending and are, therefore, not assets available to fund future activities.

Approximately $140.7 million or 18.4% of the City's non-capital net position is subject to external restrictions as to their use. The remaining $129.7 million is unrestricted and available to meet the City's ongoing obligations to its citizens and creditors. Of this amount, $22.6 million is related to governmental activities and $107.1 million to business-type activities.

The City's overall net position increased by $40.9 million during the 2024-2025 fiscal year. Governmental activities experienced a $20.6 million increase in net position while the City's business-type activities – those intended to be self-sufficient – experienced a $20.3 million increase in net position. More information regarding the results of operations for all the City's funds can be found later in this report.

Summary of Changes in Net Position

As the below table shows, $98.1 million of the City's $182.3 million in total revenues comes from program revenue sources. Program revenues are those derived directly from the program itself (user fees) or from parties outside the reporting government's taxpayers or citizenry. Program revenues reduce the need for the cost of the function to be financed by general government revenues. The largest portion of the City's program revenues is "Charges for Services," which include user fees from the City's water and sewer operations, building permit-related fees, developer impact fees, and special assessments.

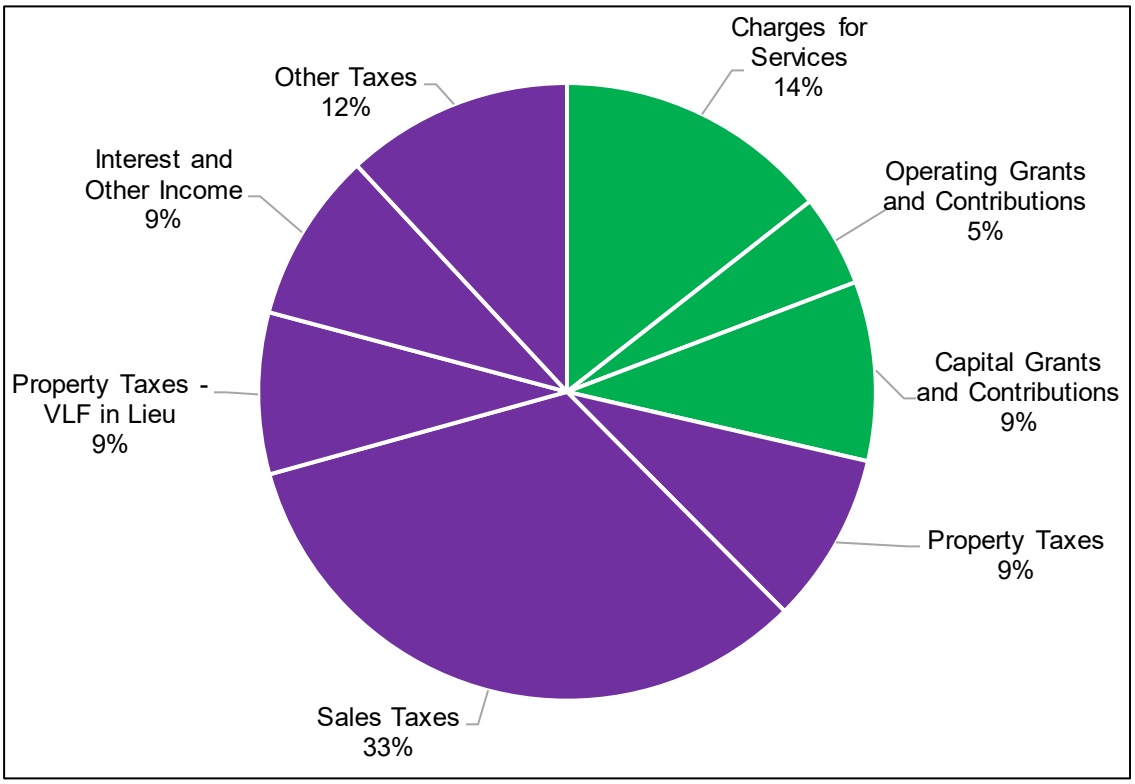
Expenses are presented on a functional basis and represent only current year expenses. As such, they do not include capital outlay expenditures as capital outlay expenditures are included in "Capital Assets" on the City's *Statement of Net Position*.

Citywide expenses, which totaled $141.5 million, consisted of $94.2 million for governmental activities and $47.3 million for business-type activities. Of the $94.2 million in governmental activities expenses, $54.4 million or 57.8% relate to the provision of public safety (police and fire) services. The next largest component was $13.0 million or 13.8% for general government. This component accounts for activities involved in the administration and financial activities of City.

SUMMARY OF CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30
(in thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues						
Charges for services	$ 16,258	$ 14,033	$ 54,368	$ 50,196	$ 70,626	$ 64,229
Operating grants and contributions	5,413	9,094	7,043	4,880	12,456	13,974
Capital grants and contributions	10,592	10,934	4,461	5,767	15,053	16,701
Total Program Revenues	32,263	34,061	65,872	60,843	98,135	94,904
General Revenues						
Property taxes	10,096	9,303	-	-	10,096	9,303
Sales taxes	37,356	37,664	-	-	37,356	37,664
Property taxes - VLF in lieu	9,544	8,869	-	-	9,544	8,869
Other taxes	13,424	14,385	-	-	13,424	14,385
Interest and investment earnings	9,443	7,398	4,061	3,009	13,504	10,407
Other income	637	367	-	-	637	367
Gain (loss) on disposal of capital assets	3	11	(389)	9	(386)	20
Total General Revenues	80,503	77,997	3,672	3,018	84,175	81,015
Total Overall Revenues	112,766	112,058	69,544	63,861	182,310	175,919
Expenses						
General government	13,005	10,328	-	-	13,005	10,328
Public safety	54,443	48,733	-	-	54,443	48,733
Public ways/facilities/transportation	10,572	13,787	-	-	10,572	13,787
Parks and recreation	7,460	6,477	-	-	7,460	6,477
Community development	7,672	7,004	-	-	7,672	7,004
Interest on long-term debt	1,034	126	-	-	1,034	126
Water	-	-	10,593	10,774	10,593	10,774
Sewer	-	-	24,142	20,616	24,142	20,616
Transportation	-	-	8,583	5,900	8,583	5,900
SRWA operations	-	-	3,989	5,074	3,989	5,074
Total Expenses	94,186	86,455	47,307	42,364	141,493	128,819
Increase in Net Position Before Transfers and Contributions	18,580	25,603	22,237	21,497	40,817	47,100
Transfers	1,938	1,583	(1,938)	(1,583)	-	-
Contributions for capital assets	-	1,159	-	-	-	1,159
Contribution from Private-Purpose Trust	79	93	-	-	79	93
Change in Net Position	20,597	28,438	20,299	19,914	40,896	48,352
Net Position, Beginning of Year	400,678	372,240	324,233	304,319	724,911	676,559
Net Position, End of Year	$ 421,275	$ 400,678	$ 344,532	$ 324,233	$ 765,807	$ 724,911

Governmental Activities Revenue Composition



Governmental activities revenues totaling $112.8 million are comprised of various non-dedicated tax revenues (General Revenues) as well as revenues received for specific purposes (Program Revenues). Revenues are categorized as follows:

- Charges for Services – Revenues for specialized City services, which are typically not demanded by the general population, totaled $16.3 million. Included in this revenue category are the special assessment revenues charged by the City's Lighting and Landscape Maintenance Districts as well as charges for specialized services provided by departments throughout the City and fees for participation in City-offered recreation programs.

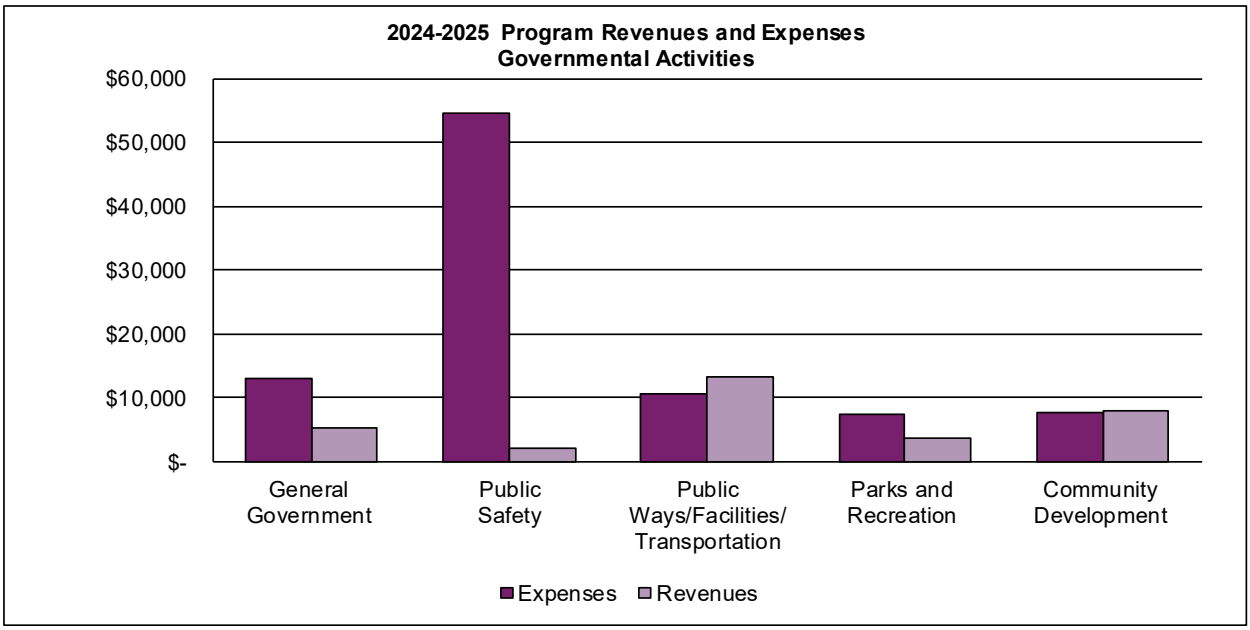
- Operating Grants and Contributions – Revenues received from other governmental agencies, which are primarily used for operational needs, totaled $5.4 million. Operating grants include revenues received from the (1) U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development supporting the City's affordable housing activities; (2) U.S. Department of Justice and California Office of Traffic Safety supporting various police activities; (3) Gas Tax and Local Transportation Funds used for street/road maintenance; and (4) revenues received by the City's recreation division to support after school enrichment programs. Since these types of revenues are generally received on a reimbursement basis, annual amounts will vary from year-to-year depending on the activities in which the City is engaged.

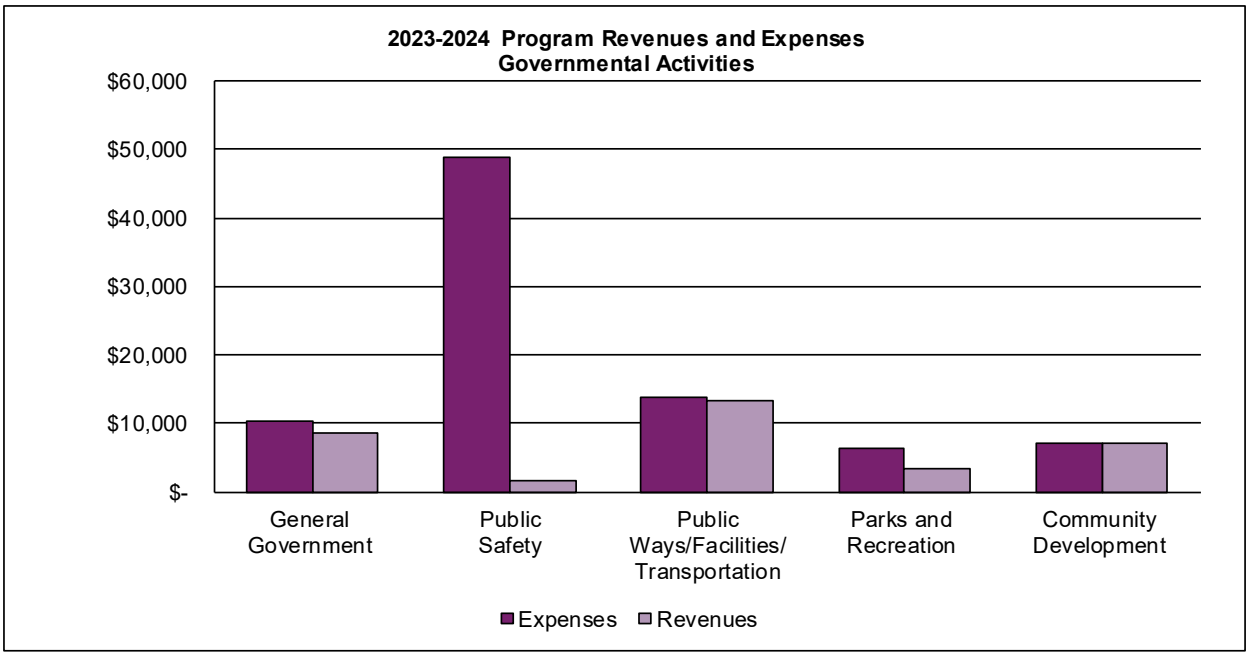
- Capital Grants and Contributions – These are typically development impact related revenues which are collected to finance the cost of new infrastructure as well as federal Department of Transportation revenues. Total revenues for 2024-2025 were $10.6 million. The Department of Transportation revenues are used for street/road reconstruction and other maintenance that is more extensive than pothole patching and slurry seals. Funds from Measure L, a locally approved sales tax measure to be used for transportation needs within Stanislaus County, are used for street/road maintenance and rehabilitation.

- General revenues are all other revenues not classified as program revenues and are generally received for unrestricted uses. General revenues include property taxes, sales tax, property tax – VLF in lieu, franchise fees, business license fees, transient occupancy taxes, and investment earnings. The City's governmental activities general revenues totaled $80.5 million for fiscal 2024-2025. Property tax assessed values increased 7.44% or $662.4 million between 2023-2024 and 2024-2025 to a total of $9.6 billion in assessed value for parcels within the City. This resulted in a $0.8 million increase in assessed value related revenues. Sales taxes decreased $0.3 million from 2023-2024. The decrease in sales tax can be primarily attributed to the leveling off of sales in the region.

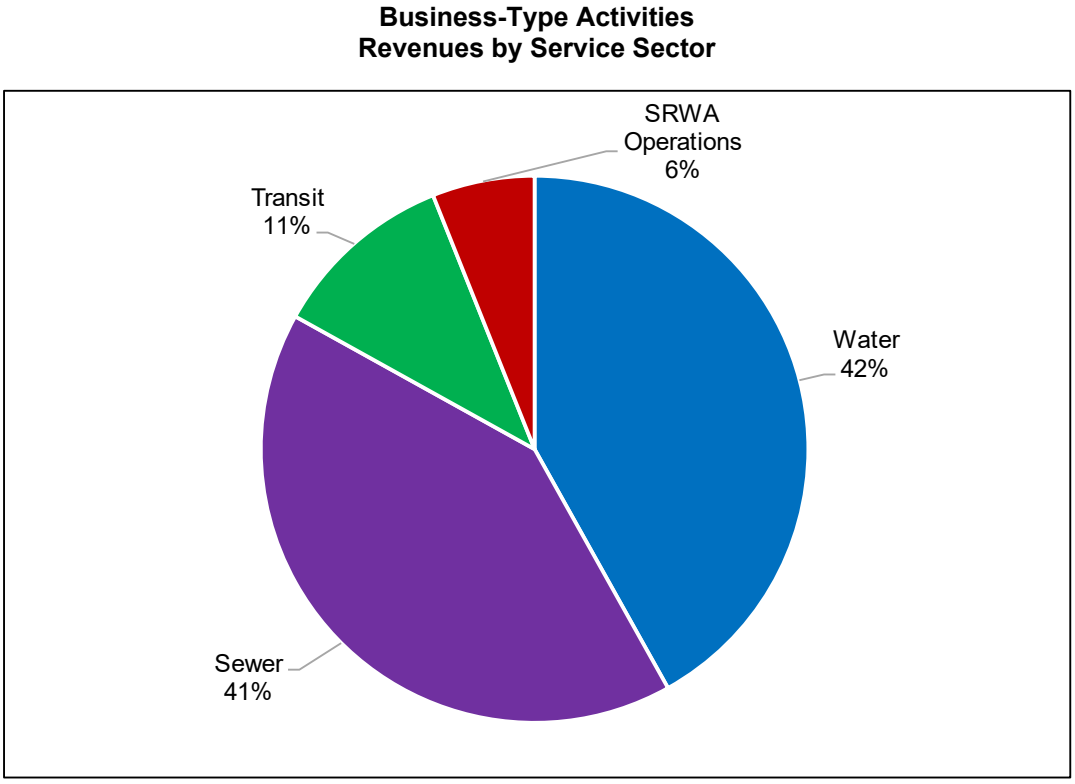
Governmental Activities Revenues and Expenses

Governmental activities revenues are primarily used to finance governmental activities such as public safety, park maintenance, culture and recreation programs, and general government administration. The tables below graphically depict the typical relationship between program revenues and expenses for governmental activities for the past two years. In total, 2024-2025 expenses for governmental activities exceeded program revenues by $61.9 million whereas in 2023-2024 expenses exceeded revenues by $52.4 million.



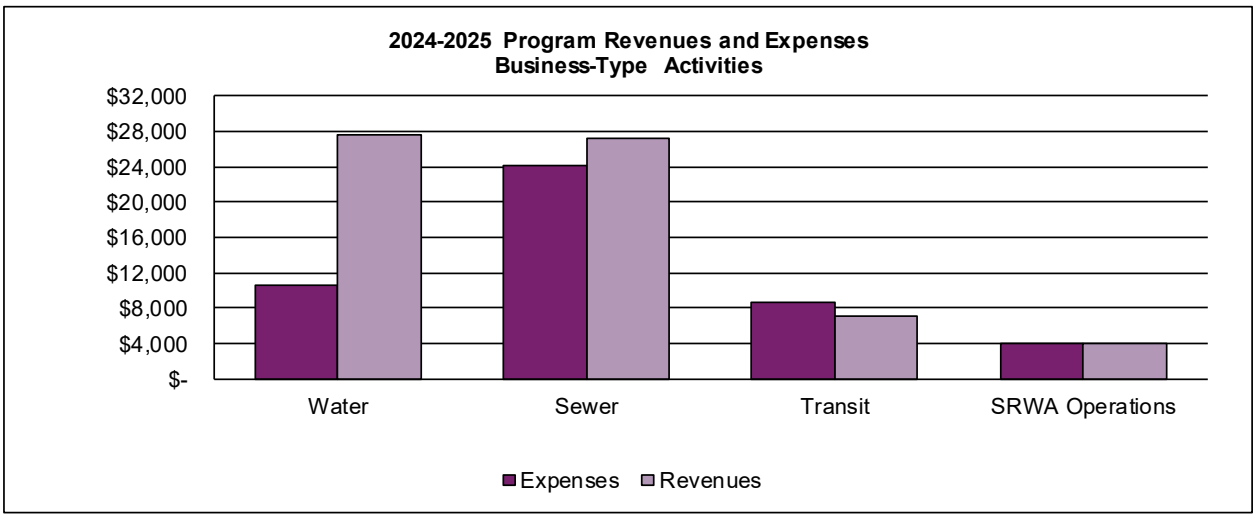


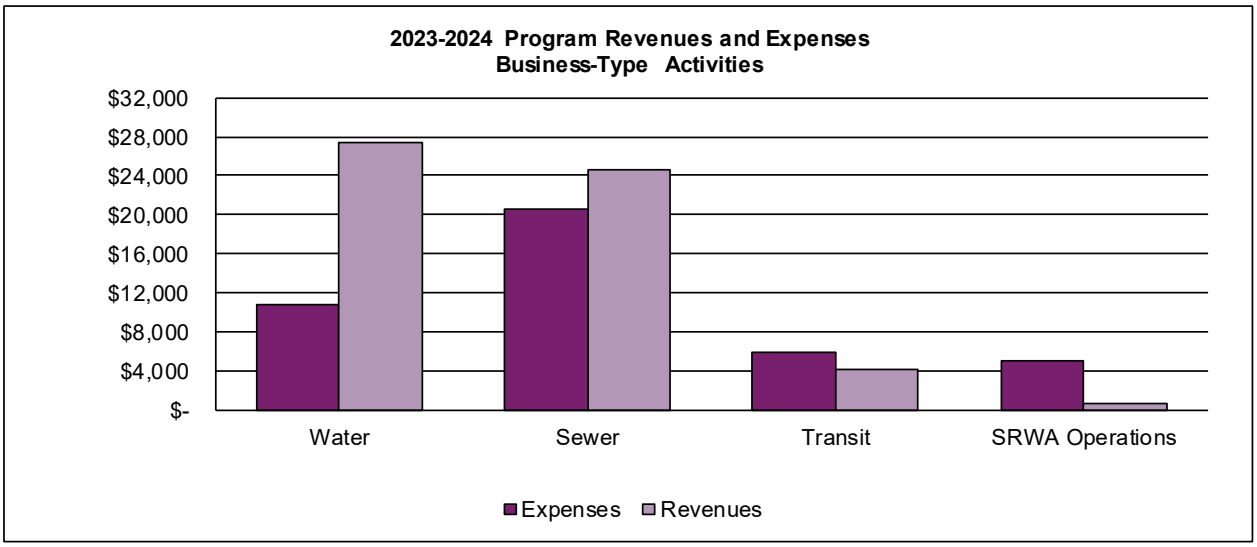
Business-Type Activities



Revenues for business-type activities totaled $69.4 million and related expenses totaled $47.3 million, of which $24.1 million or 51.0% are related to the maintenance and operations of the City's wastewater treatment plant and the City's storm drain collection system. Potable water maintenance and operations accounted for $10.6 million or 22.4% of business-type activities expenses. Other business-type activities include the operation of both fixed route and dial-a-ride transit systems which provide service in the City as well as connecting those in need with County-wide transportation services. The City's Building Division assists all residents and developers in their pursuits of property development and improvements within the City limits.

The pie chart above and the graphs below present the composition of revenue for the City's business-type activities by functional area as well as a comparison for both fiscal years 2024-2025 and 2023-2024 of the program revenues vs. expenses for each of the four functional areas.





THE CITY'S FUND FINANCIAL STATEMENTS

Governmental Funds

As noted earlier, the focus of the City's governmental funds (General, Special Revenue, and Capital Projects) is to provide information related to resources (mainly cash), near-term inflows and outflows, and spendable balances. This focus does not include capital assets or long-term debt.

At June 30, 2025, the City's governmental funds reported combined fund balances of $196.9 million, a $37.3 million increase over the prior year. The General Fund's fund balance is $84.0 million at June 30, 2025. Governmental fund revenues (including transfers in) were $117.7 million this year, of which General Fund revenues totaled $84.5 million or 71.7%. Governmental fund expenditures (including transfers out) totaled $114.3 million with the General Fund representing 79.3% of the total or $90.6 million. The following provides additional information for select governmental funds.

General Fund – As previously mentioned, for financial reporting purposes, the "General Fund" includes not only the City's General Fund, but also the Parks, Arts and Recreation Commission, Special Public Safety, Tourism (2 funds), Cannabis, and Measure A Funds. At June 30, 2025, the General Fund had a fund balance of $84.0 million with $41.5 million in the unassigned category. As noted in footnote 8, fund balances in governmental funds can fall into one of five categories – nonspendable, restricted, committed, assigned, or unassigned. Balances falling in the nonspendable through assigned categories are there by virtue of (1) legal restrictions, (2) City Council action to commit resources for specific activities, and/or (3) action taken by management which signals the City's intended use of resources. All other balances are categorized as unassigned.

General Fund expenditures exceeded revenues by $5.6 million for 2024-2025. Ongoing General Fund revenues increased from $78.7 million in 2023-2024 to $80.1 million in 2024-2025.

The City continues to work balancing the economic vs. service demand challenges associated with the activities funded by the General Fund. The primary reason the General Fund was able to generate increases to the fund balance in 2024-2025 was primarily due to increases in taxes and assessments revenue of $0.3 million, intergovernmental revenue of $0.7 million, charges for current services of $0.4 million, and issuance of debt of $33.6 million.

Former LMI Housing Fund – This fund serves as the successor to the former Housing Set-Aside Fund and was formed after the dissolution of the City's Redevelopment Agency. The purpose of this fund is to account for housing related activities and assets the City elected to retain from the former Redevelopment Agency. For fiscal year 2024-2025, the fund's expenditures included $24,837 in support of a Mobile Home Rental Subsidy program for income eligible senior citizens. This program is an enforceable obligation of the Successor Agency to the Turlock Redevelopment Agency.

Gas Tax/Street Improvement Fund – This fund comprises the revenues and related expenditures the City receives from the Gas Tax, the Local Transportation Fund (LTF), Stanislaus County Measure L, State of California Senate Bill (SB) 1, and Federal Department of Transportation (DOT) sources. Revenues (including transfers in) for 2024-2025 totaled $11.8 million while expenditures (including transfers out) totaled $8.4 million. Federally-funded projects typically take 3-4 years from beginning to end. The funding is received on a reimbursement basis, meaning that the City spends the money first in accordance with the grant documents and is then reimbursed. The City uses Gas Tax Section 2103 dollars for the local match portion for many federally-funded projects. Major projects for which there were expenditures in 2024-2025 include: active transportation program improvements for the Southwest Quadrant Rd rehabilitation; rehabilitation of Pedras Rd between Geer Rd and Golden State Blvd; intersection improvements at Countryside Dr; construction and design for construction in progress (CIP) Roads; and signal coordination on Lander and Christoffersen Parkway.

The Gas Tax and LTF dollars are used for general street maintenance (pothole repairs, crack sealing, slurry seals, and striping) as well as the operational costs of the City's street lights which are not in an assessment district, traffic signals, leaf pick-up, and street tree trimming. LTF dollars are also used for bicycle and pedestrian related-improvements contiguous to the City's street/road system. The Gas Tax and LTF revenues are based on taxes paid when gasoline is purchased, which is a revenue source that is not growing due to more fuel-efficient vehicles on the road. Expenditures funded by these revenue sources were at a level consistent with the prior year.

Enterprise Funds

The City's enterprise funds provide the same information found in the Government-Wide Financial Statements for Business-Type Activities only in a little more detail. The net position for the City's enterprise funds increased $20.3 million during fiscal year 2024-2025, which compares to a $19.9 million increase for fiscal year 2023-2024. Overall operating revenues were approximately $4.2 million higher than the prior year while operating expenses increased by $5.1 million. An increase of $4.1 million from charges for services in operating revenues was offset by an increase in contractual of $2.2 million and in supplies and maintenance of $2.5 million. The City is a member of the Stanislaus Regional Water

Authority (SRWA) which is a joint powers authority developing a surface water supply project to supply additional drinking water to the customers within SRWA members' service area. More information related to this project can be found at www.stanrwa.org/ and in Note 13 to the financial statements. Net operating income at the City's wastewater facility was $1.2 million compared to $2.3 million in 2023-2024.

It should be noted that for both the water and wastewater systems, new development pays – via development impact fees – for the construction of infrastructure in the newly developing areas of town. The monthly user fees pay for the ongoing delivery of water and sewer services as well as for the cost of replacing infrastructure either due to age or increasing regulatory requirements.

CAPITAL ASSETS

At June 30, 2025, the City had $610.3 million, net of depreciation/amortization, invested in a broad range of capital assets used in governmental and business-type activities. This investment includes land and improvements, buildings, machinery, equipment, vehicles, infrastructure, and construction in progress. Infrastructure assets include items which are not moveable and are normally of use only to the City such as streets/roads, bridges, sidewalks, street lighting and traffic signals, parks, drainage systems, sewer collection and treatment systems, and water distribution systems. Net additions to the City's capital asset investment (including construction in progress but excluding current year depreciation/amortization) during fiscal year 2024-2025 was approximately $40.6 million. Capital expenditures include construction for the roads program as well as road rehabilitation, water and sewer mains extension at Golden State Blvd, Americans with Disabilities Act (ADA) pedestrian improvements, City-wide drinking water chlorination project, transit shelter upgrades, water main/waterline replacements, as well as the purchase of vehicles and equipment by various departments which are used in their daily operations. Additional information regarding the City's capital assets can be found in Note 6 to the financial statements starting on page 62.

DEBT ADMINISTRATION

At June 30, 2025, the City had $114.8 million in debt outstanding as compared to $90.2 million for the prior year.

The City's principal debt service obligations for 2024-2025, totaling approximately $7.0 million, are made up of the following:

	Debt Service
2017 Water Revenue Bonds	$ 880,000
2022 Sewer Loan	3,063,000
SRF - WQC Upgrade	1,214,036
SRF - Harding Drain By-Pass	754,198
SRF - North Valley Water Program	551,288
PNC Lease/Fire Trucks	97,916
Motorola Equipment Lease/IBM	287,859
Leases	144,890
SBITA	33,554
	$ 7,026,741

Additional information regarding each of the City's debt issues as well as debt service requirements is discussed in greater detail in Note 7 to the financial statements starting on page 64.

NEXT YEAR'S BUDGET AND THE ECONOMY

In June 2025, the City Council adopted the budget for fiscal year 2025-2026. The 2025-2026 General Fund (Fund 110) budget projected a budget with revenues exceeding expenses by just under $175,000 for a total of $64.37 million in revenue and $64.2 million in expenses. The 2025-2026 budget included

personnel cost increases budgeted based on existing Memoranda of Understanding (MOUs) and/or Schedules of Benefits and projected increases for retirement expenses as well as increases for property tax revenues and some franchise fee revenues, with a slight projected decrease for sales tax revenue.

More information regarding the City's budget can be obtained by going to the Finance Division section under Administrative Services on the City website at www.ci.turlock.ca.us.

REQUESTS FOR INFORMATION

This Basic Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the City's Finance Department, at 156 South Broadway, Suite 110, Turlock, CA 95380.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all of the City's governmental activities in a single column, and the financial position of all of the City's business-type activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's governmental activities include the activities of its General Fund, along with all its Special Revenue and Capital Projects Funds. Since the City's Internal Service Funds service these funds, their activities are consolidated with governmental activities, after eliminating interfund transactions and balances. The City's business-type activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis of accounting, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis of accounting used in the governmental fund financial statements, which reflect only current assets, current liabilities, available revenues, and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program, followed by the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the governmental activities or business-type activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both of these statements include the financial activities of the City and the Turlock Public Financing Authority, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of this entity.

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CITY OF TURLOCK
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments (Note 3)	$ 183,560,761	$ 85,251,843	$ 268,812,604
Restricted cash and investments and cash and investments with fiscal agent (Note 3)	31,885,283	3,365,688	35,250,971
Accounts receivable, net (Note 5C)	14,580,645	18,594,500	33,175,145
Interest receivable	1,312,416	448,462	1,760,878
Prepaids	442,832	35,415	478,247
Due from developers (Note 5A)	287,284	157,663	444,947
Long-term loans receivable (Note 5B)	37,120,585	-	37,120,585
Investment in affordable housing property (Note 1K)	327,184	-	327,184
Investment in joint venture (Note 13D)	-	38,098,181	38,098,181
Leases receivable (Note 15)	666,852	-	666,852
Capital assets:			
Capital assets, not being depreciated (Note 6)	72,109,914	60,570,946	132,680,860
Capital assets, being depreciated (net) (Note 6)	219,591,262	254,338,210	473,929,472
Right-to-use lease assets (net) (Note 6)	1,423,061	93,564	1,516,625
Right-to-use subscription assets (net) (Note 6)	2,016,296	106,549	2,122,845
Total Assets	565,324,375	461,061,021	1,026,385,396
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions (Note 9)	24,662,388	4,516,201	29,178,589
Related to OPEB (Note 10)	1,268,141	288,789	1,556,930
Total Deferred Outflows of Resources	25,930,529	4,804,990	30,735,519
LIABILITIES			
Accounts payable	8,431,285	3,714,291	12,145,576
Payroll payable	1,791,586	320,483	2,112,069
Interest payable	639,190	521,539	1,160,729
Unearned revenue	4,539,547	11,287,881	15,827,428
Deposits payable	942,046	555,920	1,497,966
Compensated absences (Note 1I):			
Due within one year	829,535	191,985	1,021,520
Due in more than one year	3,318,140	767,942	4,086,082
Estimated claims liability (Note 12):			
Due within one year	808,862	-	808,862
Due in more than one year	4,246,536	-	4,246,536
Long-term debt (Note 7):			
Due within one year	1,055,974	6,106,746	7,162,720
Due in more than one year	32,898,658	74,729,163	107,627,821
Lease lability (Note 15):			
Due within one year	318,515	52,032	370,547
Due in more than one year	1,027,118	44,263	1,071,381
IT subscription liability (Note 16):			
Due within one year	478,583	38,195	516,778
Due in more than one year	1,390,203	36,081	1,426,284
Net pension liability (Note 9):			
Due in more than one year	85,194,584	19,213,204	104,407,788
Total OPEB liability (Note 10):			
Due in more than one year	6,742,992	1,535,555	8,278,547
Total Liabilities	154,653,354	119,115,280	273,768,634
DEFERRED INFLOWS OF RESOURCES			
Related to pensions (Note 9)	4,959,870	-	4,959,870
Related to OPEB (Note 10)	9,744,757	2,219,132	11,963,889
Related to leases (Note 15)	622,782	-	622,782
Total Deferred Inflows of Resources	15,327,409	2,219,132	17,546,541
NET POSITION (Note 8)			
Net investment in capital assets	257,971,482	237,468,477	495,439,959
Restricted for:			
Capital projects	31,822,593	-	31,822,593
Special projects and programs	108,845,825	-	108,845,825
Unrestricted	22,634,241	107,063,122	129,697,363
Total Net Position	$ 421,274,141	$ 344,531,599	$ 765,805,740

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total
Governmental Activities:					
General government	$ 13,004,567	$ 3,322,213	$ 1,834,905	$ 30,000	$ 5,187,118
Public safety	54,443,116	831,341	1,211,125	-	2,042,466
Public ways and facilities/transportation	10,572,090	2,704,712	18,073	10,562,276	13,285,061
Parks and recreation	7,459,789	3,104,347	603,866	-	3,708,213
Community development	7,672,425	6,295,256	1,744,340	-	8,039,596
Interest and fiscal charges	1,034,347	-	-	-	-
Total Governmental Activities	94,186,334	16,257,869	5,412,309	10,592,276	32,262,454
Business-Type Activities:					
Water	10,592,898	26,377,279	131,264	1,087,381	27,595,924
Sewer	24,141,719	23,748,335	-	3,373,724	27,122,059
Transportation	8,583,305	256,789	6,912,099	-	7,168,888
SRWA Operations	3,989,044	3,985,014	-	-	3,985,014
Total Business-Type Activities	47,306,966	54,367,417	7,043,363	4,461,105	65,871,885
Total	$ 141,493,300	$ 70,625,286	$ 12,455,672	$ 15,053,381	$ 98,134,339
General Revenues:					
Taxes:					
Property taxes					
Sales taxes					
Property tax - VLF in lieu					
Other tax					
Total taxes					
Other revenue					
Interest income					
Contributions for capital assets					
Contributions from private-purpose trust					
Gain (loss) from sale of capital assets					
Transfers (Note 4)					
Total General Revenues and Transfers					
Change in Net Position					
Net Position - Beginning					
Net Position - Ending					

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	$ (7,817,449)	$ -	$ (7,817,449)
Public safety	(52,400,650)	-	(52,400,650)
Public ways and facilities/transportation	2,712,971	-	2,712,971
Parks and recreation	(3,751,576)	-	(3,751,576)
Community development	367,171	-	367,171
Interest and fiscal charges	(1,034,347)	-	(1,034,347)
Total Governmental Activities	(61,923,880)	-	(61,923,880)
Business-Type Activities:			
Water	-	17,003,026	17,003,026
Sewer	-	2,980,340	2,980,340
Transportation	-	(1,414,417)	(1,414,417)
SRWA Operations	-	(4,030)	(4,030)
Total Business-Type Activities	-	18,564,919	18,564,919
Total	(61,923,880)	18,564,919	(43,358,961)
General Revenues:			
Taxes:			
Property taxes	10,095,669	-	10,095,669
Sales taxes	37,356,265	-	37,356,265
Property tax - VLF in lieu	9,543,781	-	9,543,781
Other tax	13,424,108	-	13,424,108
Total taxes	70,419,823	-	70,419,823
Other revenue	637,059	-	637,059
Interest income	9,442,894	4,061,106	13,504,000
Contributions for capital assets	-	-	-
Contributions from private-purpose trust	78,851	-	78,851
Gain (loss) from sale of capital assets	3,135	(389,863)	(386,728)
Transfers (Note 4)	1,937,804	(1,937,804)	-
Total General Revenues and Transfers	82,519,566	1,733,439	84,253,005
Change in Net Position	20,595,686	20,298,358	40,894,044
Net Position - Beginning	400,678,455	324,233,241	724,911,696
Net Position - Ending	$ 421,274,141	$ 344,531,599	$ 765,805,740

See accompanying notes to basic financial statements.

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BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2025. Individual nonmajor funds may be found in the Supplemental Section.

GENERAL FUND

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds. Expenditure activities within the General Fund include public safety (police and fire), park maintenance, general City administration (includes City Clerk, payroll/personnel, accounts receivable, accounts payable, accounting), planning, and the City attorney. For financial reporting purposes, the General Fund for the City also includes Parks, Arts and Recreation Commission, Special Public Safety, Cannabis, Measure A, and Tourism (2 funds).

FORMER LOW AND MODERATE INCOME (LMI) HOUSING FUND

This fund accounts for the activity of the Housing Set-Aside funds post Turlock Redevelopment Agency dissolution.

GAS TAX/STREET IMPROVEMENT FUND

The Gas Tax/Street Improvement Fund accounts for the City's Gas Tax (Highway User's Tax), Local Transportation Fund, and Measure L (Stanislaus County Sales Tax Transportation Measure) revenues as well as federal/state/local grants received for street improvement purposes. These revenue sources are used in the maintenance of the City's street/road system including street sweeping, pothole repairs, streetlight/traffic signal lighting and maintenance, and various street reconstruction projects which are the result of wear and tear. Expenditures in this fund do not include street construction projects which are due to development.

CITY OF TURLOCK
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Former LMI Housing	Gas Tax/ Street Improvement	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments (Note 3)	$ 47,444,002	$ 2,090,320	$ 28,643,467	$ 85,510,478	$ 163,688,267
Restricted cash and investments and cash and investments with fiscal agent (Note 3)	31,885,283	-	-	-	31,885,283
Accounts receivable (Note 5C)	10,543,089	462	2,480,907	1,329,327	14,353,785
Interest receivable	692,341	11,502	149,376	389,024	1,242,243
Due from developers (Note 5A)	20,041	-	-	267,243	287,284
Due from other funds (Note 4B)	568,203	-	-	-	568,203
Loans receivable (Note 5B)	7,819	18,473,509	-	18,639,257	37,120,585
Prepaids	41,767	-	-	239,680	281,447
Investment in affordable housing property (Note 1K)	-	327,184	-	-	327,184
Leases receivable (Note 15)	474,393	-	-	192,459	666,852
Total Assets	$ 91,676,938	$ 20,902,977	$ 31,273,750	$ 106,567,468	$ 250,421,133
LIABILITIES					
Accounts payable	$ 4,256,953	$ -	$ 2,665,370	$ 857,978	$ 7,780,301
Payroll payable	1,640,501	-	27,711	66,541	1,734,753
Due to other funds (Note 4B)	-	-	-	568,203	568,203
Unearned revenue	185,331	-	-	4,354,216	4,539,547
Deposits payable	935,732	-	64	6,250	942,046
Total Liabilities	7,018,517	-	2,693,145	5,853,188	15,564,850
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue (Notes 1F and 5B)	193,863	18,473,509	-	18,639,257	37,306,629
Related to leases (Note 15)	446,094	-	-	176,688	622,782
Total Deferred Inflows of Resources	639,957	18,473,509	-	18,815,945	37,929,411
FUND BALANCES (Note 8)					
Nonspendable	1,112,223	-	-	506,923	1,619,146
Restricted	-	2,429,468	28,580,605	53,956,118	84,966,191
Committed	40,651,057	-	-	27,437,161	68,088,218
Assigned	770,391	-	-	-	770,391
Unassigned	41,484,793	-	-	(1,867)	41,482,926
Total Fund Balances	84,018,464	2,429,468	28,580,605	81,898,335	196,926,872
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 91,676,938	$ 20,902,977	$ 31,273,750	$ 106,567,468	$ 250,421,133

See accompanying notes to basic financial statements.

CITY OF TURLOCK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION –
GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

Total fund balances reported on the Governmental Funds Balance Sheet	$ 196,926,872
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:	
CAPITAL ASSETS	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	288,331,161
ALLOCATION OF INTERNAL SERVICE FUND NET POSITION	
Internal service funds are not Governmental Funds. However, they are used by management to charge the costs of certain activities, such as insurance, central services, and maintenance, to individual Governmental Funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.	
Cash and investments	19,872,494
Accounts receivable	420,723
Interest receivable	70,173
Prepaids	161,385
Capital assets (net of accumulated depreciation)	6,574,386
Right-to-use subscription assets (net of accumulated amortization)	234,986
Accounts payable	(650,984)
Payroll payable	(56,833)
Compensated absences	(140,124)
Estimated claims liability	(5,055,398)
IT subscription liability	(166,667)
Net pension liability and related deferred outflows and inflows of resources	(2,445,291)
Total OPEB liability and related deferred outflows and inflows of resources	(670,709)
ACCRUAL OF NONCURRENT REVENUES AND EXPENSES	
Revenues that are unavailable on the Governmental Funds Balance Sheet because they are not available currently are taken into revenue in the Statement of Activities.	37,306,629
LONG-TERM ASSETS AND LIABILITIES	
The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Governmental Funds:	
Accounts receivable	(193,863)
Long-term debt	(33,954,632)
Lease liability	(3,047,752)
Interest payable	(639,190)
Compensated absences	(4,007,551)
Net pension liability and related deferred outflows and inflows of resources	(63,046,775)
Total OPEB liability and related deferred outflows and inflows of resources	(14,548,899)
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 421,274,141

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General	Former LMI Housing	Gas Tax/ Street Improvement	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and assessments	$ 34,913,724	$ -	$ -	$ 4,989,078	$ 39,902,802
Measure A sales tax	14,914,510	-	-	-	14,914,510
Licenses and permits	5,593,670	-	-	16,830	5,610,500
Fines, forfeitures, and penalties	448,230	-	-	-	448,230
Use of money and property	3,514,859	102,537	1,361,517	3,706,762	8,685,675
Intergovernmental	10,033,849	-	10,365,012	5,149,505	25,548,366
Charges for current services	10,387,149	-	98,933	4,397,729	14,883,811
Other revenue	306,876	16,403	13,031	429,974	766,284
Total Revenues	80,112,867	118,940	11,838,493	18,689,878	110,760,178
EXPENDITURES					
Current:					
General government	13,185,571	-	-	1,957,605	15,143,176
Public safety	46,635,050	-	-	657,995	47,293,045
Public ways and facilities/transportation	729,331	-	2,906,415	2,378,766	6,014,512
Parks and recreation	3,619,308	-	-	1,647,830	5,267,138
Community development	5,550,737	25,837	-	2,000,192	7,576,766
Capital outlay	15,055,817	-	4,749,277	4,872,489	24,677,583
Debt service:					
Principal	532,791	-	-	79,575	612,366
Interest and fiscal charges	415,205	-	-	3,530	418,735
Total Expenditures	85,723,810	25,837	7,655,692	13,597,982	107,003,321
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,610,943)	93,103	4,182,801	5,091,896	3,756,857
OTHER FINANCING SOURCES (USES)					
Issuance of debt	33,632,553	-	-	117,549	33,750,102
Contributions of capital assets	-	-	-	-	-
Contributions from private-purpose trust	65,051	13,800	-	-	78,851
Proceeds from sale of property	3,135	-	-	-	3,135
Transfers in (Note 4A)	4,339,130	-	-	2,639,002	6,978,132
Transfers (out) (Note 4A)	(4,871,405)	-	(754,830)	(1,685,470)	(7,311,705)
Total Other Financing Sources (Uses)	33,168,464	13,800	(754,830)	1,071,081	33,498,515
NET CHANGE IN FUND BALANCES	27,557,521	106,903	3,427,971	6,162,977	37,255,372
BEGINNING FUND BALANCES	56,460,943	2,322,565	25,152,634	75,735,358	159,671,500
ENDING FUND BALANCES	$ 84,018,464	$ 2,429,468	$ 28,580,605	$ 81,898,335	$ 196,926,872

See accompanying notes to basic financial statements.

CITY OF TURLOCK
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

The schedule below reconciles the Net Change in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measures only changes in current assets and current liabilities on the modified accrual basis of accounting, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis of accounting.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 37,255,372
Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:	
CAPITAL ASSETS TRANSACTIONS	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
The capital outlay and other capitalized expenditures are therefore added back to fund balance.	31,563,890
Depreciation expense is deducted from the fund balance. (Depreciation expense is net of internal service fund depreciation of $914,355, which has already been allocated to serviced funds.)	(8,623,447)
LONG-TERM DEBT PROCEEDS AND PAYMENTS	
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the Governmental Funds, but in the Statement of Net Position the repayment reduces long-term liabilities.	
Issuance of debt is deducted from fund balance.	(33,750,102)
Repayment of debt principal is added back to fund balance.	612,366
Other debt reconciling items	(659,774)
ACCRUAL OF NONCURRENT ITEMS	
The amounts below included in the Statement of Activities do not provide (or require) the use of current financial resources and therefore are not reported as revenue or expenditures in the Governmental Funds (net change):	
Unavailable revenue	1,244,833
Interest payable	(615,612)
Compensated absences	(244,404)
Net pension liability and related deferred outflows and inflows of resources	(5,426,939)
Total OPEB liability and related deferred outflows and inflows of resources	208,008
ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY	
Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance, to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with Governmental Funds is reported with Governmental Activities because they service those activities.	
Change in Net Position - All Internal Service Funds	(968,505)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 20,595,686

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Taxes and assessments	$ 35,318,042	$ 35,318,042	$ 34,913,724	$ (404,318)
Measure A sales tax	14,620,842	14,620,842	14,914,510	293,668
Licenses and permits	5,302,830	5,302,830	5,593,670	290,840
Fines, forfeitures, and penalties	104,300	104,300	448,230	343,930
Use of money and property	2,847,500	2,847,500	3,514,859	667,359
Intergovernmental	10,913,500	11,601,000	10,033,849	(1,567,151)
Charges for current services	7,907,350	7,907,350	10,387,149	2,479,799
Other revenue	131,627	131,627	306,876	175,249
Total Revenues	77,145,991	77,833,491	80,112,867	2,279,376
EXPENDITURES				
Current:				
General government	13,310,387	14,844,379	13,185,571	1,658,808
Public safety	44,721,274	47,299,258	46,635,050	664,208
Public ways and facilities/transportation	687,308	717,759	729,331	(11,572)
Parks and recreation	3,310,856	3,901,186	3,619,308	281,878
Community development	7,309,741	7,549,505	5,550,737	1,998,768
Capital outlay	15,626,000	15,626,000	15,055,817	570,183
Debt service:				
Principal	385,776	385,776	532,791	(147,015)
Interest and fiscal charges	103,952	103,952	415,205	(311,253)
Total Expenditures	85,455,294	90,427,815	85,723,810	4,704,005
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,309,303)	(12,594,324)	(5,610,943)	6,983,381
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	33,632,553	33,632,553
Contributions of capital assets	-	-	-	-
Contributions from private-purpose trust	66,363	66,363	65,051	(1,312)
Proceeds from sale of property	-	-	3,135	3,135
Transfers in	6,070,155	4,608,071	4,339,130	(268,941)
Transfers (out)	(5,876,628)	(5,602,094)	(4,871,405)	730,689
Total Other Financing Sources (Uses)	259,890	(927,660)	33,168,464	34,096,124
NET CHANGE IN FUND BALANCE	$ (8,049,413)	$ (13,521,984)	27,557,521	$ 41,079,505
BEGINNING FUND BALANCE			56,460,943	
ENDING FUND BALANCE			$ 84,018,464	

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FORMER LMI HOUSING FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Use of money and property	$ 56,300	$ 56,300	$ 102,537	$ 46,237
Other revenue	35,000	35,000	16,403	(18,597)
Total Revenues	91,300	91,300	118,940	27,640
EXPENDITURES				
Current:				
Community development	311,500	311,500	25,837	285,663
Total Expenditures	311,500	311,500	25,837	285,663
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(220,200)	(220,200)	93,103	313,303
OTHER FINANCING SOURCES (USES)				
Contributions from private-purpose trust	41,500	41,500	13,800	(27,700)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	41,500	41,500	13,800	(27,700)
NET CHANGE IN FUND BALANCE	$ (178,700)	$ (178,700)	106,903	$ 285,603
BEGINNING FUND BALANCE			2,322,565	
ENDING FUND BALANCE			$ 2,429,468	

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GAS TAX/STREET IMPROVEMENT FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES				
Use of money and property	$ 532,200	$ 532,200	$ 1,361,517	$ 829,317
Intergovernmental	15,238,487	15,238,487	10,365,012	(4,873,475)
Charges for current services	50,200	50,200	98,933	48,733
Other revenue	2,500	2,500	13,031	10,531
Total Revenues	15,823,387	15,823,387	11,838,493	(3,984,894)
EXPENDITURES				
Current:				
Public ways and facilities/transportation	3,445,209	3,481,444	2,906,415	575,029
Capital outlay	12,653,210	12,878,210	4,749,277	8,128,933
Total Expenditures	16,098,419	16,359,654	7,655,692	8,703,962
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(275,032)	(536,267)	4,182,801	4,719,068
OTHER FINANCING SOURCES (USES)				
Transfers in	1,343,657	1,568,657	-	(1,568,657)
Transfers (out)	(1,526,110)	(1,751,110)	(754,830)	996,280
Total Other Financing Sources (Uses)	(182,453)	(182,453)	(754,830)	(572,377)
NET CHANGE IN FUND BALANCE	$ (457,485)	$ (718,720)	3,427,971	$ 4,146,691
BEGINNING FUND BALANCE			25,152,634	
ENDING FUND BALANCE			$ 28,580,605	

See accompanying notes to basic financial statements.

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges. The City has identified the funds below as major proprietary funds in fiscal year 2025, and the remaining enterprise funds are considered nonmajor funds.

WATER

The Water Fund accounts for the revenues collected and expenses incurred in providing potable water to residents throughout the City. All activities necessary to provide this service, including administration, operations/maintenance, capital improvements, billing/collections, and any financing costs, are accounted for in this fund.

SEWER

The Sewer Fund accounts for the revenues collected and expenses incurred in conjunction with the operation and maintenance of the City's sewer and storm drainage systems throughout the City. All activities necessary to provide this service, including administration, operations/maintenance, capital improvements, billing/collections, and any financing costs, are accounted for in this fund.

TRANSPORTATION

The Transportation Fund accounts for the activities of the City's fixed-route and Dial-a-Ride bus systems, which are in part funded with Local Transportation and Federal Transportation funds.

NONMAJOR ENTERPRISE FUNDS

SRWA Operations

The Stanislaus Regional Water Authority (SRWA) operations fund accounts for the activities associated with operation and maintenance of the SRWA Surface Water Treatment Plant (WTP), which provides potable drinking water for the City of Turlock and the City of Ceres. The WTP uses a conventional treatment process using ozone as a primary disinfectant with sodium hypochlorite as the secondary disinfectant. The WTP treatment processes are designed and monitored with stringent health standards to ensure compliance with the water quality standards established by the California State Water Resources Control Board.

CITY OF TURLOCK
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
				Nonmajor Fund		
	Water	Sewer	Transportation	SRWA Operations	Total	
ASSETS						
Current assets:						
Cash and investments (Note 3)	$ 46,325,129	$ 37,169,129	$ 1,581,957	$ 175,628	$ 85,251,843	$ 19,872,494
Restricted cash and investments and cash and investments with fiscal agent (Note 3)	9,090	3,356,598	-	-	3,365,688	-
Accounts receivable (Note 5C)	3,353,753	3,414,172	11,826,553	22	18,594,500	420,723
Interest receivable	226,036	210,732	10,708	986	448,462	70,173
Due from developers (Note 5A)	-	157,663	-	-	157,663	-
Due from other funds (Note 4B)	-	-	-	-	-	-
Prepaids	-	-	35,415	-	35,415	161,385
Total current assets	49,914,008	44,308,294	13,454,633	176,636	107,853,571	20,524,775
Noncurrent assets:						
Investment in Joint Venture (Note 12D)	38,098,181	-	-	-	38,098,181	-
Capital assets not being depreciated (Note 6)	48,423,195	8,459,909	3,687,842	-	60,570,946	-
Capital assets being depreciated (net) (Note 6)	51,289,213	189,300,271	13,384,259	364,467	254,338,210	6,574,386
Right-to-use lease assets (net) (Note 6)	-	-	-	93,564	93,564	-
Right-to-use subscription assets (net) (Note 6)	-	-	106,549	-	106,549	234,986
Total noncurrent assets	137,810,589	197,760,180	17,178,650	458,031	353,207,450	6,809,372
Total Assets	187,724,597	242,068,474	30,633,283	634,667	461,061,021	27,334,147
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions (Note 9)	1,421,108	2,075,569	364,808	654,716	4,516,201	751,406
Related to OPEB (Note 10)	87,657	128,088	26,342	46,702	288,789	55,883
Total Deferred Outflows of Resources	1,508,765	2,203,657	391,150	701,418	4,804,990	807,289
LIABILITIES						
Current liabilities:						
Accounts payable	1,226,198	1,147,251	1,259,695	81,147	3,714,291	650,984
Payroll payable	95,394	146,280	29,441	49,368	320,483	56,833
Interest payable	235,239	286,300	-	-	521,539	-
Claims liability (Note 12)	-	-	-	-	-	808,862
Compensated absences (Note 1I)	53,161	96,413	19,517	22,894	191,985	28,025
Bonds and loans payable (Note 7)	920,000	5,186,746	-	-	6,106,746	-
Unearned revenue	-	-	11,287,881	-	11,287,881	-
Deposits payable	555,920	-	-	-	555,920	-
Lease liability (Note 15)	-	-	-	52,032	52,032	-
IT subscription liability (Note 16)	-	-	38,195	-	38,195	51,980
Total current liabilities	3,085,912	6,862,990	12,634,729	205,441	22,789,072	1,596,684
Long-term liabilities:						
Claims liability (Note 12)	-	-	-	-	-	4,246,536
Compensated absences (Note 1I)	212,643	385,654	78,067	91,578	767,942	112,099
Total OPEB liability (Note 10)	466,096	681,070	140,064	248,325	1,535,555	297,152
Net pension liability (Note 9)	6,045,799	8,830,062	1,551,995	2,785,348	19,213,204	3,196,697
Bonds and loans payable (Note 7)	17,185,488	57,543,675	-	-	74,729,163	-
Lease liability (Note 15)	-	-	-	44,263	44,263	-
IT subscription liability (Note 16)	-	-	36,081	-	36,081	114,687
Total long-term liabilities	23,910,026	67,440,461	1,806,207	3,169,514	96,326,208	7,967,171
Total Liabilities	26,995,938	74,303,451	14,440,936	3,374,955	119,115,280	9,563,855
DEFERRED INFLOWS OF RESOURCES						
Related to pensions (Note 9)	-	-	-	-	-	-
Related to OPEB (Note 10)	673,586	984,259	202,416	358,871	2,219,132	429,440
Total Deferred Inflows of Resources	673,586	984,259	202,416	358,871	2,219,132	429,440
NET POSITION (Note 8)						
Net investment in capital assets	81,616,010	138,386,357	17,104,374	361,736	237,468,477	6,642,705
Unrestricted	79,947,828	30,598,064	(723,293)	(2,759,477)	107,063,122	11,505,436
Total Net Position	$ 161,563,838	$ 168,984,421	$ 16,381,081	$ (2,397,741)	$ 344,531,599	$ 18,148,141

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Transportation	Nonmajor Fund SRWA Operations	Total	
OPERATING REVENUES						
Charges for services	$ 26,273,100	$ 23,723,056	$ 174,669	$ 3,985,014	$ 54,155,839	$ 12,948,170
Other income	104,179	25,279	82,120	-	211,578	965,053
Total Operating Revenues	26,377,279	23,748,335	256,789	3,985,014	54,367,417	13,913,223
OPERATING EXPENSES						
Salaries, benefits, and insurance	3,839,467	6,092,687	1,279,341	2,392,813	13,604,308	16,134,543
Contractual	1,541,595	2,786,020	5,147,162	368,400	9,843,177	838,269
Supplies and maintenance	1,061,092	4,131,531	121,698	1,086,025	6,400,346	141,981
Utilities	1,046,320	2,096,963	28,833	13,733	3,185,849	57,528
Fleet expense	300,406	526,365	300,730	22,750	1,150,251	55,154
Depreciation and amortization	1,565,717	5,667,829	1,154,945	73,880	8,462,371	1,047,420
Other expenses	493,331	1,267,408	543,339	21,963	2,326,041	99,735
Total Operating Expenses	9,847,928	22,568,803	8,576,048	3,979,564	44,972,343	18,374,630
Operating Income (Loss)	16,529,351	1,179,532	(8,319,259)	5,450	9,395,074	(4,461,407)
NONOPERATING REVENUES (EXPENSES)						
Operating grants	131,264	-	6,912,099	-	7,043,363	-
Interest income	2,080,817	1,879,266	92,576	8,447	4,061,106	757,219
Interest (expense)	(744,970)	(1,572,916)	(7,257)	(9,480)	(2,334,623)	(9,093)
Gain (loss) on disposal of capital assets	(209,565)	(160,161)	(20,137)	-	(389,863)	473,399
Total Nonoperating Revenues (Expenses)	1,257,546	146,189	6,977,281	(1,033)	8,379,983	1,221,525
Income (Loss) Before Contributions and Transfers	17,786,897	1,325,721	(1,341,978)	4,417	17,775,057	(3,239,882)
Capital contributions - connection/impact fees	1,087,381	3,373,724	-	-	4,461,105	-
Transfers in (Note 4A)	-	-	585,106	-	585,106	2,273,232
Transfers (out) (Note 4A)	(1,095,436)	(1,281,540)	(145,934)	-	(2,522,910)	(1,855)
Total Contributions and Transfers	(8,055)	2,092,184	439,172	-	2,523,301	2,271,377
Change in Net Position	17,778,842	3,417,905	(902,806)	4,417	20,298,358	(968,505)
NET POSITION - BEGINNING	143,784,996	165,566,516	17,283,887	(2,402,158)	324,233,241	19,116,646
NET POSITION - ENDING	$ 161,563,838	$ 168,984,421	$ 16,381,081	$ (2,397,741)	$ 344,531,599	$ 18,148,141

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water	Sewer	Transportation	Nonmajor Fund SRWA Operations	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 26,162,171	$ 23,191,192	$ (5,049,100)	$ 3,984,996	$ 48,289,259	$ 13,269,157
Payments to suppliers	(4,699,601)	(10,907,807)	(5,223,990)	(1,500,440)	(22,331,838)	(47,186)
Payments to employees and benefits	(3,982,576)	(6,252,498)	(1,188,875)	(2,187,128)	(13,611,077)	(15,886,354)
Other	104,179	25,279	82,120	-	211,578	965,053
Net Cash Flows from Operating Activities	17,584,173	6,056,166	(11,379,845)	297,428	12,557,922	(1,699,330)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental receipts - operations	131,264	-	9,547,565	-	9,678,829	-
Interfund receipts (payments)	-	-	-	-	-	-
Transfers in	-	-	585,106	-	585,106	2,273,232
Transfers (out)	(1,095,436)	(1,281,540)	(145,934)	-	(2,522,910)	(1,855)
Net Cash Flows from Noncapital Financing Activities	(964,172)	(1,281,540)	9,986,737	-	7,741,025	2,271,377
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets, net	(5,942,300)	(1,082,537)	(265,159)	(130,524)	(7,420,520)	(3,658,247)
Proceeds from sale of capital assets	(209,565)	(160,161)	(20,137)	-	(389,863)	473,399
Charges for joint project contributions	1,491,247	-	-	-	1,491,247	-
Long-term debt payment - principal	(1,036,901)	(5,582,523)	-	-	(6,619,424)	-
Long-term debt payment - interest	(759,437)	(1,597,926)	-	-	(2,357,363)	-
Right-to-use lease assets - principal	-	-	-	(48,169)	(48,169)	-
Right-to-use lease assets - interest	-	-	-	(9,480)	(9,480)	-
IT subscription assets - principal	-	-	(33,554)	-	(33,554)	(121,071)
IT subscription assets - interest	-	-	(7,257)	-	(7,257)	(9,093)
Connection/impact fees	1,087,381	3,373,724	-	-	4,461,105	-
Net Cash Flows from Capital and Related Financing Activities	(5,369,575)	(5,049,423)	(326,107)	(188,173)	(10,933,278)	(3,315,012)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest	2,145,051	2,010,016	104,540	8,489	4,268,096	788,602
Net Cash Flows from Investing Activities	2,145,051	2,010,016	104,540	8,489	4,268,096	788,602
Total Net Cash Flows	13,395,477	1,735,219	(1,614,675)	117,744	13,633,765	(1,954,363)
Cash and Investments at Beginning of Period	32,938,742	38,790,508	3,196,632	57,884	74,983,766	21,826,857
Cash and Investments at End of Period	$ 46,334,219	$ 40,525,727	$ 1,581,957	$ 175,628	$ 88,617,531	$ 19,872,494
Displayed in the Statement of Net Position as:						
Cash and investments	$ 46,325,129	$ 37,169,129	$ 1,581,957	$ 175,628	$ 85,251,843	$ 19,872,494
Restricted cash and investments and cash and investments with fiscal agent	9,090	3,356,598	-	-	3,365,688	-
Total	$ 46,334,219	$ 40,525,727	$ 1,581,957	$ 175,628	$ 88,617,531	$ 19,872,494
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:						
Operating income (loss)	$ 16,529,351	$ 1,179,532	$ (8,319,259)	$ 5,450	$ 9,395,074	$ (4,461,407)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:						
Depreciation and amortization	1,722,619	5,667,829	1,154,945	73,880	8,619,273	1,047,420
Change in assets and liabilities:						
Accounts receivable	(110,929)	(531,864)	(5,223,769)	(18)	(5,866,580)	320,987
Prepaids	-	-	(1,687)	-	(1,687)	(161,385)
Accounts payable	(501,354)	(99,520)	919,459	12,431	331,016	(667,160)
Payroll payable	16,176	24,950	1,955	11,459	54,540	5,543
Compensated absences	4,014	43,402	11,119	22,555	81,090	2,156
Claims liability	-	-	-	-	-	1,974,026
Deferred outflows/inflows and total OPEB liability	(161,598)	(197,730)	(16,085)	31,407	(344,006)	6,608
Deferred outflows/inflows and net pension liability	(1,701)	(30,433)	93,477	140,264	201,607	233,882
Deposits payable	87,595	-	-	-	87,595	-
Net Cash Flows from Operating Activities	$ 17,584,173	$ 6,056,166	$(11,379,845)	$ 297,428	$ 12,557,922	$ (1,699,330)
NONCASH INVESTING, CAPITAL, AND FINANCIAL ACTIVITIES:						
Amortization of bond premium	$ 156,901	$ -	$ -	$ -	$ 156,901	$ -
Acquisition of right-to-use lease assets	-	-	-	-	-	-
Acquisition of right-to-use subscription assets	-	-	-	-	-	287,738
Retirement of capital assets	102,159	78,562	-	-	180,721	-
Total noncash investing, capital, and financing activities	$ 259,060	$ 78,562	$ -	$ -	$ 337,622	$ 287,738

See accompanying notes to basic financial statements.

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

SUCCESSOR AGENCY PRIVATE-PURPOSE TRUST FUND

The Successor Agency to the Turlock Redevelopment Agency (SA) was established as a result of the passage of Assembly Bill 1x 26, which dissolved all redevelopment agencies in the State of California effective February 1, 2012. By Resolution No. 2012-009 adopted on January 10, 2012, pursuant to Health and Safety Code Section 34173, the Turlock City Council declared that the City of Turlock would act in a special limited capacity as Successor Agency for the dissolved Turlock Redevelopment Agency, effective February 1, 2012. The SA is responsible for day-to-day administration of the former Turlock Redevelopment Agency, including identification and payment of enforceable and recognized obligations of the former Turlock Redevelopment Agency, and disbursement of available assets. An Oversight Board, consisting of seven members appointed by various taxing entities within Stanislaus County as delineated in the dissolution law, supervises the SA's activities in the winding down of the former Turlock Redevelopment Agency's projects and programs.

CUSTODIAL FUNDS

Custodial Funds are used to report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

CITY OF TURLOCK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	Successor Agency Private-Purpose Trust Fund	Custodial Funds: Other Custodial Funds	Custodial Funds: External Investment Pool Fund
ASSETS			
Cash and investments (Note 3)	$ 1,992,794	$ 336,955	$ 24,988,697
Cash and investments with fiscal agent (Note 3)	710,679	-	-
Accounts receivable	-	4,340	-
Interest receivable	7,397	502	-
Total Assets	2,710,870	341,797	24,988,697
LIABILITIES			
Accounts payable	3,720	65,275	-
Interest payable	355,851	-	-
Long-term debt (Note 14B):			
Due within one year	1,400,000	-	-
Due in more than one year	27,837,082	-	-
Total Liabilities	29,596,653	65,275	-
NET POSITION (DEFICIT)			
Restricted for:			
Other organizations	-	276,522	-
Pool participants	-	-	24,988,697
Net deficit held in trust for other governments	(26,885,783)	-	-
Total Net Position (Deficit)	$ (26,885,783)	$ 276,522	$ 24,988,697

See accompanying notes to basic financial statements.

CITY OF TURLOCK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Successor Agency Private-Purpose Trust Fund	Custodial Funds: Other Custodial Funds	Custodial Funds: External Investment Pool Fund
ADDITIONS			
Property taxes	$ 2,511,188	$ -	$ -
Assessments	-	238,086	-
Net investment income	95,569	10,172	1,435,619
Other receipts	-	-	22,460,984
Total Additions	2,606,757	248,258	23,896,603
DEDUCTIONS			
Community development	7,962	-	-
Contributions to the City of Turlock	78,852	-	-
Administration expense	-	26,763	8,976
Recipient payments	-	213,274	35,969,912
Interest and fiscal charges	948,575	259,513	-
Total Deductions	1,035,389	499,550	35,978,888
NET CHANGE IN NET POSITION	1,571,368	(251,292)	(12,082,285)
NET POSITION (DEFICIT)			
Beginning of year	(28,457,151)	527,814	37,070,982
End of year	$ (26,885,783)	$ 276,522	$ 24,988,697

See accompanying notes to basic financial statements.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Turlock (the City) was incorporated in 1908. The City operates under a Council-Manager form of government and provides the following services: police and fire, streets and highways, sanitation, water, sewer, parks and recreation, public improvements, planning and zoning, and general administrative services.

The financial statements and accounting policies of the City conform with accounting principles generally accepted in the United States of America applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. Reporting Entity

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of the Turlock Public Financing Authority (the Authority) which is controlled by and dependent on the City. Although the City and the Authority are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements.

Turlock Public Financing Authority

The Authority is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital improvements within the City. The Authority has the power to purchase bonds issued by any local agency at a public or negotiated sale and may sell such bonds to public or private purchasers at a public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The Authority was established December 15, 1998, pursuant to Article 1, Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California. The City authorized the formation of a joint powers authority with the former Turlock Redevelopment Agency.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. GASB is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government, the City, and its blended component unit. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes and franchise fees that are based on gross receipts, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental, proprietary,* and *fiduciary* - are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues and expenses, such as charges for services and the related costs, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues and expenses, such as subsidies, investment earnings, and any related costs, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reports the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds. Expenditure activities within the General Fund include public safety (police and fire), park maintenance, general City administration (includes City Clerk, payroll/personnel, accounts receivable, accounts payable, accounting), planning, and the City attorney. For financial reporting purposes, the General Fund for the City of Turlock also includes Parks, Arts and Recreation Commission, Special Public Safety, Cannabis, Measure A, and Tourism (2 funds).

Former Low and Moderate Income (LMI) Housing Fund – This fund accounts for the activity of the Housing Set-Aside funds post redevelopment agency dissolution.

Gas Tax/Street Improvement Fund – The Gas Tax/Street Improvement Fund accounts for the City's Gas Tax (Highway User's Tax), Local Transportation Fund, and Measure L (Stanislaus County Sales Tax Transportation Measure) revenues as well as federal/state/local grants received for street improvement purposes. These revenue sources are used in the maintenance of the City's street/road system including street sweeping, pothole repairs, streetlight/traffic signal lighting and maintenance, and various street reconstruction projects that are the result of wear and tear. Expenditures in this fund do not include street construction projects that are due to development.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

The City reports the following enterprise funds as major funds in the accompanying financial statements:

Water Fund – Accounts for the revenues collected and expenses incurred in providing potable water to residents throughout the City. All activities necessary to provide this service, including administration, operations/maintenance, capital improvements, billing/collections, and any financing costs are accounted for in this fund.

Sewer Fund – Accounts for the revenues collected and expenses incurred in conjunction with the operation and maintenance of the City's sewer and storm drainage systems throughout the City. All activities necessary to provide this service including administration, operations/maintenance, capital improvements, billing/collections, and any financing costs are accounted for in this fund.

Transportation Fund – The Transportation Fund accounts for the activities of the City's fixed-route and Dial-a-Ride bus systems which are in part funded with Local Transportation and Federal Transportation funds.

The City also reports the following fund types:

Internal Service Funds – The funds account for equipment pool, self-insurance, and information technology activities, all of which provide services to other departments on a cost-reimbursement basis.

Trust Fund – Trust funds account for assets held by the City as an agent for various functions. The Successor Agency to the Turlock Redevelopment Agency (the Successor Agency) Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. This fund accounts for winding down the affairs of the former Turlock Redevelopment Agency, makes payments on the Recognized Obligation Payment Schedule, and disposes of assets and property of the former Turlock Redevelopment Agency for the benefit of taxing agencies. The financial activities of this fund are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

Custodial Funds are used to account for assets held by the City for the Northwest Triangle Mello Roos Assessment District, Turlock Property and Business Improvement District (PBID) #2, and monies held for an external investment pool for the Stanislaus Regional Water Authority (SRWA), none of which are held in trust. The financial activities of these funds are excluded from the City-wide financial statements because they are not directly or indirectly governed by the City Council.

D. Basis of Accounting

The government-wide, proprietary, and fiduciary (trust and custodial funds) fund financial statements are reported using the *economic resources* measurement focus and the *full accrual* basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, including lease liabilities, claims and judgments, and accumulated unpaid vacation, sick pay, and other employee benefit amounts, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and financing through leases are reported as *other financing sources*.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting (Continued)

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis of accounting, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Other revenues susceptible to accrual are sales taxes and interest revenue. Forfeitures, licenses, other permits, and miscellaneous revenue are not susceptible to accrual because they are not measurable until received in cash. Grant funding received in advance of the related expenditure is accounted for as unearned revenue.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by unrestricted resources if necessary.

E. Prepaids, Materials, Supplies, and Deposits

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure/expense when consumed, rather than when purchased.

Materials and supplies are valued at cost on a first-in first-out basis. Supplies in the enterprise and internal funds consist principally of materials and supplies for utility and internal operations. Materials and supplies of the governmental funds consist of expendable supplies and materials held for consumption. The cost is recorded as an expense or expenditure in the funds at the time individual inventory items are consumed, rather than when purchased.

Prepaids, materials, supplies, and deposits in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

F. Deferred Inflows of Resources and Deferred Outflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet reports a separate section for deferred outflows of resources. The City has deferred outflows of resources related to pensions and other post-employment benefits (OPEB) as discussed in Notes 9 and 10. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position or Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from loans receivable and accounts receivable. The City also has deferred inflows of resources related to pensions and OPEB as discussed in Notes 9 and 10 and leases receivable as discussed in Note 15. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property Tax Revenue

All property taxes are collected and allocated by the County of Stanislaus (the County) to the various taxing entities. Secured property taxes are determined annually as of January 1, and attach as an enforceable lien on real property as of July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively.

In November 1993, the City adopted the "Teeter Plan" method of property tax distribution. Under the Teeter Plan, the County remits property taxes to the City based on assessments, not on collections, according to the following schedule: 55% in December, 40% in April, and 5% at the end of the fiscal year. Under this plan, a need for an allowance for uncollectible taxes is eliminated.

Property tax is recognized when it is available and measurable. The City considers property tax as available if it is received within 60 days after the fiscal year end. Unsecured property taxes are due on July 1, and become delinquent if not paid by August 31.

H. Revenue Recognition for Water and Sewer

All receivables are shown net of an allowance for doubtful accounts. Service charge revenues (water, sewer, and refuse collection) are recorded as billed to customers on a cyclical basis. All utility customers are billed monthly, in arrears. The amounts billed in July for June services are accrued as accounts receivable as of June 30.

I. Compensated Absences

The City reports compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. For governmental and business-type activities, compensated absences are recorded as earned (vested) and the related expenses and liabilities are reported in the government-wide financial statements.

In governmental funds, compensated absences are recorded as expenditures in the year paid as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial funds. In proprietary funds, compensated absences are expensed to the various funds as earned (vested) and each proprietary fund's share of the unpaid liability is recorded as a liability of the fund.

The City accrues vacation and sick time payable based on negotiated Memoranda of Understanding (MOU) and Schedules of Benefits with the City's various bargaining units. The agreements indicate the methodology for accruing time and the maximum accrual limits.

The changes of the compensated absences during the fiscal year ended June 30, 2025, were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	$ 3,901,115	$ 878,836	$ 4,779,951
Net Change	246,560	81,091	327,651
Ending Balance	$ 4,147,675	$ 959,927	$ 5,107,602
Current Portion	$ 829,535	$ 191,985	$ 1,021,520

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

K. Investment in Affordable Housing Property

The former Turlock Redevelopment Agency purchased parcels that are to be used for affordable housing purposes. The Successor Agency transferred affordable housing property with a total carrying value of $327,184 to the City as Housing Successor during fiscal year 2017. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

The balance of the investment in affordable housing property in the Former LMI Housing Special Revenue Fund at June 30, 2025, was $327,184.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Control and Accounting

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. The City Manager submits to the City Council a proposed budget for the fiscal year beginning July 1. The budget includes proposed expenditures and the means of financing them.
2. The City Council reviews the proposed budget at meetings which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested citizens.
3. Prior to July 1, the budget is legally adopted through a passage of a resolution.
4. The City Manager is authorized to transfer funds within departmental budgets between major object classifications and between capital projects in the same fund. The City Council must authorize transfers between funds, between departments, and from the fund balances reserved for specific purposes.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

A. Budgetary Control and Accounting (Continued)

5. Formal budgetary accounting is employed as a management tool for all funds, except the Custodial Funds. Annual budgets are legally adopted and amended as required for the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, and Internal Service Funds. All budgets are prepared on a basis consistent with accounting principles generally accepted in the United States.
6. Budgeted amounts are reflected after all applicable amendments and revisions.
7. For each legally adopted operating budget, expenditures may not exceed budgeted appropriations at the department level. Departments can reallocate spending within an object (e.g., supplies or utilities) with the exception of personnel or capital outlay. The total expenditures for that object cannot be increased without the approval of the City Manager or City Council. Any reallocations between objects must be approved by the City Manager. Only the City Council can approve increases in the total appropriation for a department within the General Fund or a fund, other than the General Fund. A "department" for legal appropriation purposes may be a single organization (e.g., City Attorney) or an entire department having multiple divisions (e.g., Parks and Recreation).

NOTE 3 – CASH AND INVESTMENTS

The City pools cash resources from all funds, except cash and investments with fiscal agents, in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

A. Policies

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Cash and Investments" in the accompanying Basic Financial Statements.

California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City's investments are carried at fair value, as required by accounting principles generally accepted in the United States of America. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or other agreements.

City cash and investments:	
Cash and investments available for operations	$ 268,812,604
Restricted cash and investments and cash and investments with fiscal agent	35,250,971
Total City Cash and Investments	304,063,575
Cash and investments in Fiduciary Funds (Separate Statement):	
Successor Agency to the Redevelopment Agency	
Private-Purpose Trust Fund:	
Cash available for operations	1,992,794
Cash and investments with fiscal agent	710,679
Custodial Funds:	
Cash and investments available for operations	336,955
Cash and investments with fiscal agent	-
Custodial Fund - External investment pool	24,988,697
Total Cash and Investments	$ 332,092,700

Cash and investments as of June 30, 2025, consist of the following:

Cash on hand	$ 7,880
Deposits with financial institutions	15,525,603
Investments	316,559,217
Total Cash and Investments	$ 332,092,700

For purposes of the Statement of Cash Flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of funds with fiscal agents) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Notes, Bonds, and/or Bills	5 years	A	Unlimited	N/A
U.S. Government Agency Securities	5 years	A	Unlimited	0.25
Negotiable Certificates of Deposit	5 years	N/A	0.3	N/A
Certificates of Deposit	5 years	A	Unlimited	N/A
Bankers' Acceptances	180 days	A	0.4	0.3
Commercial Paper	270 days	A-1 or Higher	0.25	0.1
State of California Local Agency Investment Fund (LAIF)	N/A	N/A	Equal to maximum limit set by LAIF	N/A
Repurchase Agreements	1 year	N/A	Unlimited	N/A
Money Market and Mutual Funds	N/A	A	0.2	N/A
Corporate Notes	5 years	AA	0.3	N/A

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures, or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio
U.S. Treasury Notes, Bonds, and/or Bills	5 years	N/A	No maximum
U.S. Government Sponsored Securities	5 years	N/A	No maximum
State Obligations	N/A	A	No maximum
Pre-Refunded Municipal Obligations	N/A	AAA	No maximum
Certificates of Deposit	30 days	A-1	No maximum
Bankers' Acceptances	30 days	A-1	No maximum
Commercial Paper	270 days	A-1+	No maximum
State of California Local Agency Investment Fund (LAIF)	N/A	N/A	LAIF limits
Repurchase Agreements	270 days	A	No maximum
Guaranteed Investment Contracts	N/A	AA	No maximum
Money Market Funds	N/A	Aam or Aam-G	No maximum
Corporate Notes	N/A	Two highest rating categories	No maximum
Negotiable Certificates of Deposit	N/A	N/A	No maximum

NOTE 3 – CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	12 Months or Less	13 to 24 Months	25 to 60 Months	Total
Held by City:				
U.S. Treasury Notes	$ 17,794,609	$ 16,693,242	$ 87,638,161	$ 122,126,012
U.S. Government Agency Securities	15,933,840	19,265,767	26,595,340	61,794,947
California Asset Management Program	57,600,397	-	-	57,600,397
Certificates of Deposit	6,302,856	246,866	502,346	7,052,068
Money Market Mutual Funds	10,654,958	-	-	10,654,958
State of California Local Agency Investment Fund	10,041,054	-	-	10,041,054
Held by Trustee:				
Money Market Mutual Funds	32,352,653	-	-	32,352,653
Corporate Notes/Bonds	-	1,980,114	12,957,014	14,937,128
Total Investments	$ 150,680,367	$ 38,185,989	$ 127,692,861	$ 316,559,217

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2025, these investments matured in an average of 248 days.

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2025, for each investment type as provided by Standard and Poor's (S&P) investment rating system:

Investment Type	AAA/AAAm	AA+	AA	AA-	Total
Held by City:					
U.S. Government Agency Securities	$ -	$ 61,794,947	$ -	$ -	$ 61,794,947
Held by Trustee:					
Money Market Mutual Funds	719,769	-	-	31,632,884	32,352,653
Corporate Notes/Bonds	6,284,011	4,923,877	1,897,140	1,832,100	14,937,128
Total Rated Investments	$ 7,003,780	$ 66,718,824	$ 1,897,140	$ 33,464,984	109,084,728
Not Rated:					
California Asset Management Program					57,600,397
Certificates of Deposit					7,052,068
Money Market Mutual Funds					10,654,958
State of California Local Agency Investment Fund					10,041,054
Exempt from Credit Rating Disclosure:					
U.S. Treasury Notes					122,126,012
Total Investments					$ 316,559,217

G. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

NOTE 3 – CASH AND INVESTMENTS (Continued)

G. Fair Value Hierarchy (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2025:

	Level 1	Level 2	Total
Investments by Fair Value Level:			
Held by City:			
U.S. Treasury Notes	$ -	$ 122,126,012	$ 122,126,012
U.S. Government Agency Securities	-	61,794,947	61,794,947
Certificates of Deposit	-	1,740,409	1,740,409
Subtotal	$ -	$ 185,661,368	185,661,368
Investments Measured at Amortized Cost:			
Held by Trustee:			
Money Market Mutual Funds			32,352,653
Corporate Notes/Bonds			14,937,128
Investment Exempt from Fair Value Hierarchy:			
California Asset Management Program			57,600,397
Certificates of Deposit			5,311,659
Money Market Mutual Funds			10,654,958
State of California Local Agency Investment Fund			10,041,054
Total Investments			$ 316,559,217

U.S. Treasury Notes and U.S. Government Agency Securities classified in Level 2 of the fair value hierarchy are valued using matrix pricing or Interactive Date Pricing and Reference Data (IDC). Certificates of Deposit classified in the Level 2 of the fair value hierarchy are valued using Bloomberg or IDC pricing. These prices are obtained from various pricing sources by the City's custodian bank.

Fair value is defined as the quoted market value on the last trading day of the period.

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers Between Funds

With City Council approval, resources may be transferred from one City fund to another. The City uses interfund transfers for two main purposes. First, to apportion costs initially accounted for in one fund to other funds that benefit from the goods and/or services acquired. Secondly, to account for shared funding of capital improvement projects. The City accounts for capital improvement projects in one fund and the funds that are providing funding assistance transfer monies representing their contribution to the project fund.

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

A. Transfers Between Funds (Continued)

Transfers between funds during the fiscal year ended June 30, 2025, were as follows:

Fund Making Transfer	Fund Receiving Transfer	Amount Transferred	
General Fund	Nonmajor Governmental Funds	$ 3,066,405	(A), (B), (C)
	Internal Service Funds	1,805,000	(A)
Gas Tax/Street Improvement Fund	Nonmajor Governmental Funds	39,724	(A), (B)
	Transportation Enterprise Fund	585,106	(D)
	Internal Service Funds	130,000	(A)
Nonmajor Governmental Funds	General Fund	1,616,670	(B)
	Nonmajor Governmental Funds	800	(A), (B)
	Water Enterprise Fund	-	(B)
	Sewer Enterprise Fund	-	(B)
	Internal Service Funds	68,000	(A)
Water Enterprise Fund	General Fund	958,919	(B), (E)
	Nonmajor Governmental Funds	1,517	(B)
	Internal Service Funds	135,000	(A)
Sewer Enterprise Fund	General Fund	1,181,573	(B), (E)
	Nonmajor Governmental Funds	19,232	(A), (B)
	Internal Service Funds	80,735	(A)
Transportation Enterprise Fund	General Fund	91,437	(E)
	Internal Service Funds	54,497	(A)
Internal Service Funds	Nonmajor Governmental Funds	1,855	(B)
		$ 9,836,470	

(A) To fund capital improvements or equipment.
(B) To fund operations, including computer replacement.
(C) To fund the Internal Service Equipment Pool for future vehicle purchases.
(D) To fund transportation operations from Measure L.
(E) To fund administrative expenses.

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Current Interfund Balances

Current interfund balances arise mainly due to the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances are expected to be repaid shortly after the end of the fiscal year. Current amounts due to the General Fund from the funds listed below at June 30, 2025, were as follows:

	Amount Due to General Fund
Nonmajor Special Revenue Funds:	
Grant Funds	$ 368,373
Sports Facilities	58,954
Home ARP	128,105
Housing Stimulus	12,771
Total	$ 568,203

C. Internal Balances

Internal balances are presented in the entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE

At June 30, 2025, the City had the following amounts due from developers and loans receivable. These amounts are further described below the table.

	Governmental Activities	Business-Type Activities	Total
Due from developers	$ 287,284	$ 157,663	$ 444,947
Loans receivable	37,120,585	-	37,120,585
Total	$ 37,407,869	$ 157,663	$ 37,565,532

A. Due from Developers

These amounts represent funds expended by the City in the preparation of the master plan and related planning documents required for the development of the City's Northwest Specific Triangle Plan Area, its Northeast Master Plan Area, and its Morgan Ranch Master Plan Area. The amounts expended by the City are being recovered as these plan areas develop via a specific development impact fee. The Northwest Specific Triangle Plan receivable of $157,663 is recorded in the Sewer Enterprise Fund, the Northeast Master Plan receivable of $20,041 is recorded in the General Fund, and the Morgan Ranch Master Plan receivable of $267,243 is recorded in the Facility Fees Capital Projects Fund.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE (Continued)

B. Loans Receivable

Loans receivable at June 30, 2025, consist of the following:

Type of Loan/Borrower	Amount
EAH, Inc. (Avena Bella)	$ 14,286,771
Central Valley Coalition for Affordable Housing	11,263,497
First Time Homebuyer Loans	7,195,954
Owner-Occupied Rehabilitation Loans	2,201,284
1205 Lambert Way Loan	718,409
Housing Authority of the County of Stanislaus Loan	346,400
Turlock Gospel Mission Loans	318,375
Greater Modesto Interfaith Hospitality Network Loan	288,000
We Care Program Loan	242,000
Haven Women's Center Loan	168,000
Rehabilitation Forgivable Loans for Energy Improvements	78,576
Rental Rehabilitation Loans	5,500
Subtotal	37,112,766
Employee Computer Loans	7,819
Total Long-Term Notes Receivable	$ 37,120,585

Central Valley Coalition for Affordable Housing

The Central Valley Coalition for Affordable Housing (CVCAH) is a Community Housing Development Organization (CHDO) participating in various projects in the City. A CHDO is a private, nonprofit, community-based service organization that has the capacity to develop affordable housing for the community it serves. The City, under the HOME Investment Partnership Program (HOME), is required to reserve HOME funds for investment in housing to be developed, sponsored, or owned by CHDOs. The City must identify and certify qualifying nonprofit organizations as CHDOs through U.S. Department of Housing and Urban Development (HUD) regulations.

CVCAH is currently participating in three types of projects within the City. The first is Crane Terrace, a 44-unit, three-story, low-income senior living apartment complex. Using 20% Set-Aside monies, the former Turlock Redevelopment Agency loaned $4 million to this $10.5 million project under a Disposition and Development Agreement (DDA) dated April 26, 2005. The DDA calls for repayment of the 55-year note to begin in year 31 from residual rental receipts. The note carries 3% simple interest. The total outstanding principal and interest at June 30, 2025, was $6,665,482.

The second type of project is the acquisition and rehabilitation of single-family residential units which will be rented out to HUD qualifying low/moderate income families. CVCAH currently has three of these properties for which the City holds promissory notes totaling $1,017,529. The notes each carry a 5% annual interest rate and are due and payable, along with all accrued, unpaid interest at maturity, unless the underlying property is sold, at which time the note and all accrued, unpaid interest is due and payable. Total outstanding principal and interest at June 30, 2025, on these three properties was $1,962,586.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE (Continued)

B. Loans Receivable (Continued)

Central Valley Coalition for Affordable Housing (Continued)

The third type of project is the acquisition of multi-family properties which will be rented to HUD qualifying, low-income families. CVCAH currently owns three multi-family properties for which the City holds promissory notes totaling $1,394,604. The notes each carry annual interest rates from 3% - 5% and are due and payable, along with all accrued, unpaid interest at maturity, unless the underlying property is sold, at which time the note and all accrued, unpaid interest is due and payable. Total outstanding principal and interest at June 30, 2025, on these three properties was $2,635,429.

First Time Homebuyer Loans

The First Time Homebuyer Loan program, funded using Federal and/or State of California HOME funds, Federal Community Development Block Grant (CDBG) funds, and the former Turlock Redevelopment Agency low/moderate income housing funds, provides eligible prospective homebuyers within the City with up to $80,000 in funding assistance through a silent second deed of trust on their home. The loans are interest free for the first five years and accrue interest at 3% - 5% simple interest annually thereafter. The loans are due and payable should the homeowner refinance or sell the property. Proceeds from repaid loans are used to extend new loans. As of June 30, 2025, the City had 137 loans outstanding, totaling to $7,195,954.

EAH, Inc. (Avena Bella)

EAH, Inc., (EAH) is a nonprofit corporation which develops and manages affordable housing projects in the western United States. The former Turlock Redevelopment Agency entered into two Disposition and Development Agreements (DDA) with EAH to assist in the development and help secure financing for the Avena Bella multi-family housing project on 6.7 acres of property in the area of Linwood Avenue and Hwy 99. The site was initially owned by the City and will be conveyed to the developer (EAH) pursuant to the terms of the DDA. The proposed project is a two-phased, 140 unit, three-story, apartment complex for low and very low income families with amenities that would complement the project and surrounding neighborhood.

The DDA for Phase I and construction of the first 80 units on 4.3 acres contains funding of up to $5 million of former Turlock Redevelopment Agency low and moderate income funds divided into two separate funding horizons. The first is a pre-development loan of up to $1 million to reimburse the developer for certain pre-construction, design, and engineering costs. The second is a development cost loan of up to $4 million to be used for construction and development of the project, excluding development fees, management fees, or other similar fees.

The DDA for Phase II, which is projected to construct an additional 60 units on the remaining 2.4 acres, provides for up to $500,000 in advanced pre-development costs in the form of a loan. The balance of the $3,744,107 loan is for construction and final development of the project, excluding development fees, management fees, or other similar fees. The California Department of Finance has concluded that the DDA for Phase II is an enforceable obligation and has issued a Letter of Final and Conclusive Determination related to this DDA.

Both DDAs contain conditions which must be achieved in order for the developer to be eligible to receive funding as well as conditions related to the development of the project, additional funding sources which must be obtained, and conditions for the transfer of ownership of the property.

Each loan is memorialized with a Promissory Note and a recorded deed of trust against the property. The combined loans carry a 3% annual simple interest rate and will be repaid using residual receipts over a 55 year period. As of June 30, 2021, EAH had drawn down all the funds associated with the DDAs for Phase I and Phase II of the project.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE (Continued)

B. Loans Receivable (Continued)

EAH, Inc. (Avena Bella) (Continued)

In connection with Phase II of the apartment complex, the City issued two additional loans during fiscal year 2020. The first loan in the amount of $2,467,373 was funded with HOME funds to assist with the development and construction of the additional 60 multi-family residential housing units. The loan accrues simple interest of 3%, will be repaid with residual receipts. The second loan, in the amount of $885,000, was issued for the acquisition of the property from the City. The loan accrues simple interest of 1% and no payments are due until the maturity date. Principal and accrued interest on both the HOME loan and the acquisition loan are due October 1, 2074. Both loans were fully drawn down as of June 30, 2020.

Outstanding principal and accrued interest for all four loans for this project totaled $14,286,771, as of June 30, 2025.

Owner-Occupied Rehabilitation Loans

The Owner-Occupied Rehabilitation Loan program, funded with either Federal CDBG or State of California HOME funds, provides eligible homeowners with funding for health, safety, and/or building code related improvements to their home. Eligibility is established based on the age and income requirements for HUD funded programs. The loans are for a maximum of 20 years and can be either fully amortizing or deferred, depending on the age and income level of the applicant. The fully amortizing loans carry a 5% simple interest rate for the entire term, while the deferred loans accrue simple interest at 5% for the first 10 years and then no interest for the remaining 10 years. All loans are secured by a recorded silent second deed of trust on the property. The loans are due and payable should the homeowner refinance or sell the property. As of June 30, 2025, the City had 27 loans outstanding, totaling to $2,201,284.

Rehabilitation Forgivable Loans for Energy Improvements

Using CDBG Rural (CDBG-R) funding, the City has been able to provide forgivable loans for energy improvements made as part of the rehabilitation process for qualified low/moderate income homeowners. The forgivable loans can be used for structural (e.g., windows, weather stripping, insulation) and/or appliance (e.g., HVAC, refrigerator) improvements to the property which reduce the energy usage of the home. The forgivable loans are for up to $20,000, carry no interest, and are forgiven equally over a five-year period provided the home continues to be the primary residence of the qualified homeowner. At June 30, 2025, the City had six loans outstanding with principal and accrued interest of $78,576.

Rental Rehabilitation Loans

The Rental Rehabilitation Loan program, funded with CDBG funds, is similar to the owner-occupied program except it is for rental properties. To be eligible, the property must be occupied by a qualified low/moderate income tenant based on HUD requirements. These fully amortizing loans are for a maximum of 20 years and carry a 6.5% simple interest rate. The loans are due and payable should the homeowner refinance or sell the property or have a non-qualifying tenant. As of June 30, 2025, the City had one loan outstanding totaling to $5,500.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE (Continued)

B. Loans Receivable (Continued)

Turlock Gospel Mission Loans

In March 2016, the City, using CDBG funds, executed a loan agreement and promissory note secured by a deed of trust with the Turlock Gospel Mission (a California nonprofit public benefit corporation) (TGM) to assist TGM with the purchase of property to be used as the home for TGM's Homeless Assistance Ministry Center (HAM Center). Since 2012, the HAM Center serves as a homeless day center as well as provides case management services to obtain identification, connection to mental health services and benefits, substance abuse programs, and other social service assistance. Its mission is to provide hope and assistance to those currently homeless in an effort to help them obtain jobs and essential services, and secure permanent housing opportunities. The loan agreement provides for the note to be forgiven equally over a 10 year period provided TGM continues to use the property for its intended purpose. No interest accrues on the note as long as the borrower is not in default per terms of the loan agreement. As of June 30, 2025, the amount outstanding was $120,375.

In May 2021, the City, using Homeless Emergency Aid Program (HEAP) funds, executed a second loan agreement and promissory note secured by a deed of trust with TGM to assist with the renovation of a commercial building to provide shelter and intensive case management for homeless intervention. The building is located at 432 South Broadway. The loan agreement in the amount of $330,000 provides for the promissory note to be forgiven at a rate of 10% per year for a total of ten years provided that the property continues to be used as a homeless shelter. As of June 30, 2025, the amount outstanding was $198,000.

We Care Program Loan

In September 2015, the City, using both CDBG and HOME funds, executed a loan agreement and two promissory notes, each secured by a deed of trust with the We Care Program Turlock (a California nonprofit public benefit corporation) (We Care) to assist We Care with the purchase a fourplex to be used as transitional housing for persons at or below sixty percent (60%) of the median income in the County as defined by HUD. The CDBG portion of the loan is for $240,000 and the HOME portion is $110,000. No interest accrues and no periodic payments are due on either note as long as the borrower is not in default and the property continues to be used for its intended purpose.

The HOME loan is equally forgivable over a 20 year period provided We Care continues to use the property for its intended purpose and is not otherwise in default as defined by the loan agreement. The CDBG loan is not forgivable and is repayable at the time the borrower ceases to use the property for its intended purpose. The CDBG loan also contains an equity sharing provision, which means that, if the borrower sells the property for more than the repayment amount required under the CDBG and HOME loan notes, 50% of the excess proceeds will be paid to the City. As of June 30, 2025, the amounts outstanding on the CDBG and HOME notes were $132,000 and $110,000, respectively.

Haven Women's Center Loan

In August 2016, using both CDBG and HOME funds, the City executed a loan agreement and two promissory notes, each secured by a deed of trust with Haven Women's Center of Stanislaus (a California nonprofit public benefit corporation) (Haven Women's Center) to assist the Haven Women's Center with the purchase of a single family residence to be rented to families or persons at or below sixty percent (60%) of the median income in the County, as defined by HUD. The CDBG portion of the loan is for $105,000 and the HOME portion is $105,000. No interest accrues and no periodic payments are due on either loan as long as the borrower is not in default and the property continues to be used for its intended purpose.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE (Continued)

B. Loans Receivable (Continued)

Haven Women's Center Loan (Continued)

The CDBG loan is equally forgivable over a 20 year period provided Haven Women's Center is not otherwise in default as defined by the loan agreement. The HOME loan is not forgivable and is repayable at the time the borrower ceases to use the property for its intended purpose. The HOME loan also contains an equity sharing provision, which means that, if the borrower sells the property for more than the repayment amount required under the CDBG and HOME loan notes, 50% of the excess proceeds will be paid to the City. As of June 30, 2025, the amounts outstanding on the CDBG and HOME loans were $63,000 and $105,000, respectively.

Housing Authority of the County of Stanislaus Loan

In November 2020, the City, using HOME funds, executed a loan agreement and promissory note secured by a deed of trust with the Housing Authority of the County of Stanislaus (the Housing Authority) to assist the Housing Authority with the purchase a single family home and a triplex to be used as transitional housing for persons at or below sixty percent (60%) of the median income in the County as defined by HUD. The HOME loan is for $433,000. No interest accrues and no periodic payments are due on the note as long as the borrower is not in default and the property continues to be used for its intended purpose. The HOME loan is forgivable at a rate of 5% per year over twenty years. As of June 30, 2025, the amount outstanding on the HOME note was $346,400.

Greater Modesto Interfaith Hospitality Network Loan

In September 2020, the City, using CDBG funds, executed a loan agreement and promissory note secured by a deed of trust with the Greater Modesto Interfaith Hospitality Network (a California nonprofit public benefit corporation) (the Network) to assist the Network with the purchase a single family home to be used as transitional housing for persons at or below eighty percent (80%) of the median income in the City as defined by HUD. The CDBG loan is for $288,000. No interest accrues and no periodic payments are due on the note as long as the borrower is not in default and the property continues to be used for its intended purpose. The CDBG loan is not forgivable and is repayable at the time the borrower ceases to use the property for its intended purpose. The CDBG loan also contains an equity sharing provision, which means that, if the borrower sells the property for more than the repayment amount required under the CDBG loan notes, 50% of the excess proceeds will be paid to the City. As of June 30, 2025, the amount outstanding on the CDBG note was $288,000.

1205 Lambert Way Loan

In September 2024, the City, using HOME and PLHA funds, executed a loan agreement and promissory note secured by a deed of trust with the WE CARE PROGRAM-TURLOCK, a California nonprofit public benefit corporation, which purchased a single family home. The Home loan is for $362,500 and the PLHA loan is for $362,500. No interest accrues and no periodic payments are due on the notes as long as the borrower is not in default and the property continues to be used for its intended purpose. The HOME loan is forgivable at a rate of 1/55th of the principal over a 55 year period. The PLHA loan is a City Appreciation Share of 50% of the sales price. As of June 30, 2025, the amount outstanding on the HOME note was $355,909 and the amount outstanding on the PLHA note was $362,500.

Employee Computer Loans

All full-time City employees who have completed their probationary period are eligible to obtain an interest free loan of up to $2,500 to purchase a computer. All requests for loans are subject to review by the Service Area Director and must be approved by either the City Manager or Assistant City Manager. Repayment of these loans is handled through payroll deductions which are spread out equally over a two year period. Employees must repay the outstanding balance of their loans upon ending their employment with the City. As of June 30, 2025, seven employees had loans due to the City totaling $7,819.

NOTE 5 – DUE FROM DEVELOPERS, LOANS RECEIVABLE, AND ACCOUNTS RECEIVABLE (Continued)

C. Accounts Receivable

The following table provides a detailed listing of the City's accounts receivable by type as of June 30, 2025:

	Due from Other Governments	Accounts Receivable	Total
General Fund	$ 6,861,653	$ 3,681,436	$ 10,543,089
Former LMI Housing Special Revenue Fund	-	462	462
Gas Tax/Street Improvement Special Revenue Fund	2,466,992	13,915	2,480,907
Nonmajor Governmental Funds	1,170,923	158,404	1,329,327
Water Enterprise Fund	268,113	3,085,640	3,353,753
Sewer Enterprise Fund	586,161	2,828,011	3,414,172
Transportation Enterprise Fund	11,803,194	23,359	11,826,553
Nonmajor Enterprise Funds	22	-	22
Internal Service Fund	-	420,723	420,723
Total	23,157,058	10,211,950	33,369,008
Less Allowance for Collectability	(193,863)	-	(193,863)
Total, Net	$ 22,963,195	$ 10,211,950	$ 33,175,145

NOTE 6 – CAPITAL ASSETS

Capital assets, which include land, buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. City policy has set the capitalization thresholds for reporting capital assets at the following:

General Capital Assets	$ 10,000
Infrastructure Capital Assets	$ 50,000

Depreciation/amortization has been provided on a straight-line basis over the following useful lives:

	Years
Land Improvements and Infrastructure	25-60
Buildings	30-50
Furniture and Equipment	5-10
Vehicles	5-10
Right-to-Use Lease Assets	4-5
Right-to-Use Subscription Assets	2-5

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, parklands, and buildings. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

NOTE 6 – CAPITAL ASSETS (Continued)

Interest accrued during the construction of capital assets, if any, is capitalized for the business-type activities in the proprietary funds as part of the asset cost.

A. Capital Assets Additions and Retirements

At June 30, 2025, the City's capital assets for governmental activities consisted of the following:

	Balance June 30, 2024	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2025
Capital assets not being depreciated/amortized:					
Land	$ 17,574,358	$ -	$ -	$ 1,401,284	$ 18,975,642
Construction in progress	52,488,626	26,423,094	(73,767)	(25,703,681)	53,134,272
Total capital assets not being depreciated/amortized	70,062,984	26,423,094	(73,767)	(24,302,397)	72,109,914
Capital assets being depreciated/amortized:					
Land improvements	38,179,737	-	-	-	38,179,737
Buildings	55,978,519	20,044	-	-	55,998,563
Furniture and equipment	18,218,973	911,308	(1,099,858)	362,133	18,392,556
Vehicles	14,457,830	4,849,541	(1,155,521)	14,364	18,166,214
Infrastructure	226,050,200	-	-	23,925,900	249,976,100
Right-to-use lease assets	590,508	1,049,072	-	-	1,639,580
Right-to-use subscription assets	-	2,388,513	-	-	2,388,513
Total capital assets being depreciated/amortized	353,475,767	9,218,478	(2,255,379)	24,302,397	384,741,263
Less accumulated depreciation/amortization for:					
Land improvements	(20,584,067)	(731,490)	-	-	(21,315,557)
Buildings	(20,293,722)	(1,383,154)	-	-	(21,676,876)
Furniture and equipment	(12,886,680)	(595,666)	1,095,742	-	(12,386,604)
Vehicles	(10,384,896)	(1,118,052)	1,101,707	-	(10,401,241)
Infrastructure	(89,989,443)	(5,352,186)	-	-	(95,341,629)
Right-to-use lease assets	(98,418)	(118,102)	-	-	(216,520)
Right-to-use subscription assets	-	(372,217)	-	-	(372,217)
Total accumulated depreciation/amortization	(154,237,226)	(9,670,867)	2,197,449	-	(161,710,644)
Net capital assets being depreciated/amortized	199,238,541	(452,389)	(57,930)	24,302,397	223,030,619
Governmental activities capital assets, net	$ 269,301,525	$ 25,970,705	$ (131,697)	$ -	$ 295,140,533

Governmental activities depreciation/amortization expense for capital assets for the year ended June 30, 2025, was as follows:

Governmental Activities	
General government	$ 623,348
Public safety	1,793,678
Public ways and facilities/transportation	5,779,428
Culture and recreation	290,137
Community development	136,856
Internal service funds	1,047,420
Total Governmental Activities	$ 9,670,867

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Assets Additions and Retirements (Continued)

At June 30, 2025, the City's capital assets for business-type activities consisted of the following:

	Balance June 30, 2024	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2025
Capital assets not being depreciated/amortized:					
Land	$ 5,144,541	$ -	$ -	$ -	$ 5,144,541
Construction in progress	63,210,462	7,479,440	(444,445)	(14,819,052)	55,426,405
Total capital assets not being depreciated/amortized	68,355,003	7,479,440	(444,445)	(14,819,052)	60,570,946
Capital assets being depreciated/amortized:					
Land improvements	10,283,313	-	-	34,982	10,318,295
Buildings and improvements	13,020,830	-	-	594,329	13,615,159
Furniture and equipment	48,004,329	385,524	(85,133)	-	48,304,720
Vehicles	10,467,347	-	(95,588)	15,765	10,387,524
Infrastructure	378,371,250	-	-	14,173,976	392,545,226
Right-to-use lease assets	189,060	-	-	-	189,060
Right-to-use subscription assets	166,773	-	-	-	166,773
Total capital assets being depreciated/amortized	460,502,902	385,524	(180,721)	14,819,052	475,526,757
Less accumulated depreciation/amortization for:					
Land improvements	(4,092,342)	(279,645)	-	-	(4,371,987)
Buildings and improvements	(5,058,666)	(428,520)	-	-	(5,487,186)
Furniture and equipment	(22,785,222)	(904,343)	85,133	-	(23,604,432)
Vehicles	(4,544,414)	(706,940)	95,588	-	(5,155,766)
Infrastructure	(176,018,934)	(6,194,409)	-	-	(182,213,343)
Right-to-use lease assets	(45,672)	(49,824)	-	-	(95,496)
Right-to-use subscription assets	(4,633)	(55,591)	-	-	(60,224)
Total accumulated depreciation/amortization	(212,549,883)	(8,619,272)	180,721	-	(220,988,434)
Net capital assets being depreciated/amortized	247,953,019	(8,233,748)	-	14,819,052	254,538,323
Business-type activities capital assets, net	$ 316,308,022	$ (754,308)	$ (444,445)	$ -	$ 315,109,269

Business-type activities depreciation/amortization expense for capital assets for the year ended June 30, 2025, was as follows:

Business-Type Activities	
Water	$ 1,722,619
Sewer	5,667,829
Stanislaus Regional Water Authority (SRWA) Operations	73,880
Transportation	1,154,944
Total Business-Type Activities	$ 8,619,272

NOTE 7 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

NOTE 7 – LONG-TERM DEBT (Continued)

Fund Financial Statements

The Governmental Fund Financial Statements do not include long-term debt, as this liability is not payable in the current period. The face amount of debt issued and any premiums received are reported as other financing sources, while discounts are reported as other financing uses.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

A. Current Year Governmental Activities Transactions and Balances

The City's governmental debt issues and transactions are summarized below and discussed in detail thereafter.

	Original Issue Amount	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year	Due in More than One Year
Governmental Activities:							
Direct Borrowing:							
Lease Financings:							
Motorola Equipment Lease	$ 2,727,690	$ 1,224,571	$ -	$ 287,860	$ 936,711	$ 299,719	$ 636,992
PNC Lease - Fire Trucks	1,755,110	1,568,859	-	97,916	1,470,943	101,255	1,369,688
Revenue Bonds:							
2025 Lease Revenue Bonds	29,500,000	-	29,500,000	-	29,500,000	655,000	28,845,000
Add: Unamortized Bond Premium	-	-	2,149,327	102,349	2,046,978	-	2,046,978
Total Governmental Activities Debt	$ 33,982,800	$ 2,793,430	$ 31,649,327	$ 488,125	$ 33,954,632	$ 1,055,974	$ 32,898,658

Lease Financing

Motorola Equipment Lease Purchase Agreement

On March 22, 2018, the City Council approved the lease financing/purchase and installation of the Turlock Radio System with a $1 million down payment and the purchase of a Public Safety Computer Aided Dispatch/Records Management System (CAD/RMS) and associated components, systems, and programs in a total amount not to exceed $5,727,690 for the project plus interest from the lease of the radio system. The lease, totaling $2,727,690, carries an annual interest rate of 4.12% and requires monthly principal and interest payments due on the first of each month until April 2028 when the lease terminates. The City has pledged the radio system as collateral for the lease. Events of default under the lease agreement include failure to make any lease payment within ten days of the due date or failure of other lease covenants or conditions included in the lease agreement not cured within twenty days, which would accelerate repayment of the lease. The City can terminate the lease at any time by paying the prescribed prepayment price as set forth in the lease payment schedule.

Fire Engine Lease Purchase Agreement

On April 15, 2022, the City entered into a lease financing/purchase agreement for the purchase of two new Pierce Velocity Pumpers. The lease, totaling $1,755,110, carries an annual interest rate of 3.41% and requires annual principal and interest payments due on the 15th of each month until April 2037 when the lease terminates. The City has pledged the velocity pumpers as collateral for the lease. Events of default under the lease agreement include failure to make any lease payment within ten days of the due date or failure to comply with other lease covenants or conditions included in the lease agreement that are not cured within thirty days, which would accelerate repayment of the lease. The City can terminate the lease at any time after April 15, 2024, by paying the prescribed prepayment price as set forth in the lease payment schedule.

NOTE 7 – LONG-TERM DEBT (Continued)

A. Current Year Governmental Activities Transactions and Balances (Continued)

Revenue Bonds

2025 Lease Revenue Bonds

In January 2025, the Authority issued $29,500,000 in Lease Revenue Bonds Series 2025 to finance public capital improvements of the City anticipated to consist of, but not limited to, certain City streets and related improvements, and to pay costs of issuance for the Bonds. The bonds, which carry a coupon interest rate of 5.0%, have semi-annual principal and interest payments on the first of March and October through 2045. Events of default on the 2025 Bonds include failure to make any debt service payment by the due date or failure to perform the other agreements or covenants required in the Master Installment Purchase Agreement (MIPA) between the Authority and the City not cured within thirty days of notice to the City, with limited recourse. The City can prepay the bonds at any time by paying the prescribed prepayment premium as set forth in the bond documents.

Pursuant to MIPA, the City covenants to all actions required to include the Lease Payments in each of its budgets during the Term of this Lease and to make the necessary appropriations for all Lease Payments and Additional Rental Payments.

Debt Service Requirements

Annual debt service requirements for governmental activities debt are shown below:

For the Year Ending June 30,	Governmental Activities - Lease Financing/Bonds Payable	
	Principal	Interest
2026	$ 1,055,974	$ 1,821,877
2027	1,361,775	1,515,200
2028	1,423,203	1,451,523
2029	1,151,970	1,384,944
2030	1,210,788	1,329,125
2031-2035	6,985,931	5,706,139
2036-2040	8,383,013	3,852,064
2041-2045	10,335,000	1,600,750
Total	31,907,654	$ 18,661,622
Add: Unamortized Bond Premium	2,046,978	
Net Long-Term Debt	$ 33,954,632	

NOTE 7 – LONG-TERM DEBT (Continued)

B. Current Year Business-Type Activities Transactions and Balances

The City's business-type debt issues and transactions are summarized below and discussed in detail thereafter:

	Original Issue Amount	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year	Due in More than One Year
Business-Type Activities:							
General Obligation Revenue Bonds:							
2017 Water Revenue Refunding	$ 22,405,000	$ 16,985,000	$ -	$ 880,000	$ 16,105,000	$ 920,000	$ 15,185,000
Add: Unamortized Bond Premium	-	2,157,389	-	156,901	2,000,488	-	2,000,488
Direct Borrowing - Loans Payable:							
State Revolving Fund Loan - Harding Drain By-Pass	15,090,416	8,334,168	-	754,198	7,579,970	770,790	6,809,180
State Revolving Fund Loan - TRWQCF Upgrade	24,752,169	14,924,737	-	1,214,037	13,710,700	1,240,745	12,469,955
State Revolving Fund Loan - NVRRWP	28,907,112	18,075,039	-	551,288	17,523,751	561,211	16,962,540
2022 Sewer Loan (Webster Bank)	32,924,000	26,979,000	-	3,063,000	23,916,000	2,614,000	21,302,000
Total Business-Type Activities Debt	$ 124,078,697	$ 87,455,333	$ -	$ 6,619,424	$ 80,835,909	$ 6,106,746	$ 74,729,163

Revenue Bonds

2017 Water Revenue Refunding Bonds

In June 2017, the Authority issued $22,405,000 in Water Revenue Bonds Series 2017 (2017 Bonds) to advance refund the series 2008 Water Revenue Bonds and to pay costs of issuance of the 2017 Bonds. The bonds, which carry coupon interest rates ranging from 4.00% - 5.250%, have semi-annual principal and interest payments on the first of March through 2038. Events of default on the 2017 Bonds include failure to make any debt service payment by the due date or failure to perform the other agreements or covenants required in the Master Installment Purchase Agreement (MIPA) between the Authority and the City not cured within sixty days of notice to the City, which would accelerate repayment of the bonds. The City can prepay the bonds at any time by paying the prescribed prepayment premium as set forth in the bond documents.

Pursuant to the MIPA, the City has pledged the net water system revenues (as defined in the MIPA) from the Water Enterprise Fund operations for repayment of the 2017 Bonds. Based on fiscal year 2024-2025 net system revenues of $18,095,068, annual principal and interest payments (totaling $1,639,438 in fiscal year 2024-2025) were 9.1% of net water system revenues.

Loans Payable

2022 Sewer Loan

On June 22, 2022, the City entered into a direct placement loan agreement in the amount of $32,924,000. The proceeds of the loan, secured by revenue from the City's Wastewater Treatment operations as defined in the loan agreement, were used to refund and defease the outstanding 2012 Sewer Revenue Bonds (2012 Bonds). The 2012 Bonds were repaid in their entirety on September 15, 2022. No new project monies were included in this loan agreement. The refunding resulted in an overall debt service savings of $1,440,968. The net present value of the debt service savings is called an economic gain and amounted to $1,231,964. The loan bears interest of 2.99% and matures in September 2033. Payments of principal are due annually on September 15th and interest is due semi-annually on the September 15th and March 15th. Events of default on the loan include failure to make any loan repayment by the due date or failure to perform the other agreements or covenants required in the loan agreement not cured within sixty days of notice to the City, would make all principal and interest outstanding on the loan immediately due and payable. The City can prepay the loan after September 15, 2024, by paying the prescribed prepayment premium as set forth in the loan agreement.

NOTE 7 – LONG-TERM DEBT (Continued)

B. Current Year Business-Type Activities Transactions and Balances (Continued)

Loans Payable (Continued)

2022 Sewer Loan (Continued)

The City has pledged the net sewer system revenues (defined as total system revenues excluding certain revenues related to deposits, and proceeds from borrowings less maintenance and operating costs) from the Sewer Enterprise Fund operations for repayment of the 2022 Sewer Loan and the State Revolving Fund Loans. Based on fiscal year 2024-2025 net system revenues of $6,847,361, annual principal and interest payments (totaling Debt Service $3,823,880 in fiscal year 2024-2025) were 55.8% of net system revenues.

State Revolving Fund Loans

The City entered into three agreements with the California State Water Resources Control Board for State Revolving Fund (SRF) project financing. These loans are on parity with the defeased 2012 Sewer Revenue Bonds. This means that the loans have equal rights to pledged revenues as the sewer bonds.

The first agreement was executed in December 2011 in the amount of $20 million to fund the Harding Drain By-Pass project. The agreement was amended in October 2012 to reduce the project funding to $15,811,425. The notice of completion for the project was issued on April 22, 2014. The City drew down all the funds on this loan, including capitalized interest, totaling $15,090,416. The loan bears annual interest of 2.2%, and annual principal and interest payments are due January 1, 2015, through January 1, 2034.

The second agreement was executed in April 2012 in the amount of $24 million to fund the Turlock Regional Water Quality Control Facility (TRWQCF) upgrade and expansion project. The agreement was amended in January 2013 to increase the project funding to $26,187,900. The notice of completion for the project was issued May 26, 2015. The City drew down all the funds on this loan, including capitalized interest, totaling $24,752,169. The loan bears annual interest of 2.2%, and annual principal and interest payments are due December 1, 2015, through December 1, 2034.

For the third agreement, the City entered into a construction installment sale agreement with the California State Water Resources Control Board (CSWRCB) for SRF project financing. This loan is on parity with the defeased 2012 Sewer Revenue Bonds and SRF Loans. This means that the loan has equal rights to pledged revenues as the sewer bonds and loans.

The loan and grant agreement was executed in August 2018 in the amount of $39,461,000 to fund the North Valley Regional Recycled Water Program (NVRRWP) project. In December 2019, the loan and grant agreement was amended to adjust the loan amount to $33,907,112. $2.5 million of the project funding was forgiven during the fiscal year ended June 30, 2020; $2.5 million was given as a grant during fiscal year 2020; and the balance ($28,907,112) was expected to be in the form of two loans payable to the CSWRCB in the amounts of $14,453,556 each, funded from SRF and Proposition 1. The loans bear annual interest of 1.8% beginning with each disbursement and repayment of principal and interest will begin one year after the completion of construction on the project. The loans will be amortized with equal annual payments over a period from that date to May 18, 2050.

After the loan documents were executed in August 2018, it took until December 2019 for the State to finally approve the Final Budget Document, which is a document required before the City could submit a reimbursement request on the loan funds. In December 2019, the City submitted the first reimbursement request in the amount of $1,417,418 for pre-construction costs. The City submitted the second reimbursement request in the amount of $9,740,230 in November 2020 and the final reimbursement request in the amount of $13,816,579 in August 2021. The full amount of the original

NOTE 7 – LONG-TERM DEBT (Continued)

B. Current Year Business-Type Activities Transactions and Balances (Continued)

Loans Payable (Continued)

State Revolving Fund Loans (Continued)

loan was not needed due to a combination of lower than expected design and construction costs and the loan forgiveness provisions that were added to the agreement after the original loan was approved. Principal and interest payments on the loan began in fiscal year 2022 and the outstanding balance of the loan is $17,523,751 as of June 30, 2025. The funding for this project comes from two primary sources (in addition to City Sewer Fund resources for costs which are not reimbursable under either the SRF Loan or the Department of the Interior grant). The SRF reimbursement requests are coordinated with the funding received from the Department of the Interior grant.

Events of default on the loans include a revenue shortfall, unscheduled draws on reserve funds, adverse water quality findings by the Regional Water Quality Control Board, litigation related to the system revenues or the project, or failure to make any debt service payment by the due date, which would accelerate repayment of the loans. The City can prepay the loans at any time by paying the principal and outstanding accrued interest through the date of prepayment.

Debt Service Requirements

Annual debt service requirements for business-type activities debt are shown below:

For the Year Ending June 30,	Revenue Bonds		Direct Borrowing - Loans Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 920,000	$ 715,438	$ 5,186,746	$ 1,459,831	$ 6,106,746	$ 2,175,269
2027	970,000	669,438	5,329,101	1,326,002	6,299,101	1,995,440
2028	1,015,000	620,938	5,472,612	1,188,385	6,487,612	1,809,323
2029	1,070,000	570,188	5,613,303	1,047,017	6,683,303	1,617,205
2030	1,125,000	514,013	5,760,200	901,858	6,885,200	1,415,871
2031-2035	6,465,000	1,720,150	23,933,918	2,333,271	30,398,918	4,053,421
2036-2040	4,540,000	368,000	3,477,023	906,169	8,017,023	1,274,169
2041-2045	-	-	3,801,425	581,766	3,801,425	581,766
2046-2050	-	-	4,156,093	227,098	4,156,093	227,098
Total	16,105,000	$ 5,178,165	62,730,421	$ 9,971,397	78,835,421	$ 15,149,562
Add: Unamortized Bond Premium	2,000,488		-		2,000,488	
Net Long-Term Debt	$ 18,105,488		$ 62,730,421		$ 80,835,909	

NOTE 8 – NET POSITION AND FUND BALANCES

Net position is measured on the full accrual basis of accounting while fund balance is measured on the modified accrual basis of accounting, as explained in Note 1D.

A. Net Position

Net position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net position is divided into three captions. These captions apply only to net position, which is determined only for proprietary funds and at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of net position that is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash, receivables, and deferred outflows of resources, less its liabilities and deferred inflows of resources. Portions of a fund's balance may be restricted, committed, or assigned for future expenditure.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Assets not expected to be converted to cash, such as prepaids, notes receivable, and property held for resale, are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed, or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation that requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council that may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee, the City Manager. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose; and residual fund balances, if any, of Special Revenue and Capital Projects Funds that have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

NOTE 8 – **NET POSITION AND FUND BALANCES** (Continued)

B. Fund Balances (Continued)

Fund Balance Classifications	General Fund	Special Revenue Funds: LMI Housing Fund	Special Revenue Funds: Gas Tax/ Street Improvement Fund	Special Revenue Funds: Other Governmental Funds	Total
Nonspendable:					
Items not in spendable form:					
Prepaids	$ 41,767	$ -	$ -	$ 239,680	$ 281,447
Loans receivable	7,819	-	-	-	7,819
Interfund loans	568,203	-	-	-	568,203
Due from developers	20,041	-	-	267,243	287,284
Leases receivable	474,393	-	-	-	474,393
Total Nonspendable Fund Balances	1,112,223	-	-	506,923	1,619,146
Restricted for:					
Low and moderate income housing	-	2,429,468	-	6,138,985	8,568,453
Capital expenditures	-	-	28,580,605	20,398,241	48,978,846
Assessment districts	-	-	-	25,120,384	25,120,384
Resource conservation	-	-	-	1,238,524	1,238,524
Public safety	-	-	-	202,271	202,271
Grant funds	-	-	-	857,713	857,713
Total Restricted Fund Balances	-	2,429,468	28,580,605	53,956,118	84,966,191
Committed to:					
Roads projects	34,996,938	-	-	-	34,996,938
Public safety	2,039,994	-	-	147,707	2,187,701
Tourism	1,414,125	-	-	-	1,414,125
Development impact fees	-	-	-	7,077,681	7,077,681
Equipment replacement	-	-	-	9,057,032	9,057,032
Capital expenditures	2,200,000	-	-	11,154,741	13,354,741
Total Committed Fund Balances	40,651,057	-	-	27,437,161	68,088,218
Assigned to:					
Compensated absences	770,391	-	-	-	770,391
Total Assigned Fund Balances	770,391	-	-	-	770,391
Unassigned:					
General Fund	41,484,793	-	-	-	41,484,793
Other governmental fund deficits	-	-	-	(1,867)	(1,867)
Total Unassigned Fund Balances	41,484,793	-	-	(1,867)	41,482,926
Total Fund Balances	$ 84,018,464	$ 2,429,468	$ 28,580,605	$ 81,898,335	$ 196,926,872

C. Emergency/Contingency Reserve

The City established a General Fund Emergency/Contingency Reserve with Resolution 2011-123. The required balance of the Emergency/Contingency Reserve is $6,500,000, which is reported within the unassigned fund balance of the General Fund.

NOTE 8 – **NET POSITION AND FUND BALANCES** (Continued)

D. Fund Balance/Net Position Deficits

The following funds had deficit fund balances or net position as of June 30, 2025:

	Amount
Nonmajor Governmental Fund:	
Home ARP	$ 1,867
Nonmajor Enterprise Fund:	
SRWA Operations	2,379,168
Internal Service Fund:	
Information Technology	832,952

The deficit in the Home ARP Special Revenue Fund will be eliminated by future revenues.

The deficit in SRWA Operations Enterprise Fund was primarily due to the recognition of the net pension liability, total OPEB liability, and related deferred outflows/inflows of resources. The City will fund the liabilities over time through annual contributions to cure the deficits.

The deficit in the Information Technology Internal Service Fund was primarily due to the recognition of the net pension liability, total OPEB liability, and related deferred outflows/inflows of resources. The City will fund the liability over time through annual contributions to cure the deficit.

NOTE 9 – **PENSION PLANS**

A. Plan Descriptions and Summary of Balances by Plan

The City has two defined benefit pension plans, one Miscellaneous Plan and one Safety Plan (Fire and Police) (the Plans). The Miscellaneous Plan is an Agent Multiple-Employer Plan and the Safety Plan is a Cost-Sharing Multiple-Employer Plan. Benefit provisions under the Plans are established by State statute and City Ordinance. All qualified permanent and probationary employees are eligible to participate in the Plan for which they are an eligible member based on their employment position with the City.

Both Plans are administered by the California Public Employees' Retirement System (CalPERS) which acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 9 – **PENSION PLANS** (Continued)

A. Plan Descriptions and Summary of Balances by Plan (Continued)

Below is a summary of the deferred outflows of resources, net pension liability, and deferred inflows of resources by Plan:

	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension Liability	Deferred Inflows of Resources
Miscellaneous	$ 12,480,555	$ 53,095,857	$ -
Safety (Fire and Police)	16,698,034	51,311,931	4,959,870
Total	$ 29,178,589	$ 104,407,788	$ 4,959,870

Each Plan is discussed in detail below.

B. Miscellaneous Plan

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Public Employees Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	
	Tier 1	PEPRA
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	2.7%@55	2.0%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-67	52-67
Monthly Benefits, as a Percentage of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	7.620%	7.250%
Required Employer Contribution Rates	10.430%	10.430%
Required UAL Contribution	$5,124,518	

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded accrued liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City's required contribution for the UAL in the Miscellaneous Plan was $5,124,518 for the year-ended June 30, 2025, which was made under the lump sum payment option.

NOTE 9 – **PENSION PLANS** (Continued)

B. Miscellaneous Plan (Continued)

Employees Covered – As of the June 30, 2023 actuarial valuation date and the June 30, 2024 measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous June 30, 2024
Inactive employees or beneficiaries currently receiving benefits	299
Inactive employees entitled to but not yet receiving benefits	361
Active employees	254
Total	914

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as Plan member contribution requirements are classified as Plan member contributions.

Net Pension Liability – The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown in Note 9D below.

NOTE 9 – **PENSION PLANS** (Continued)

B. Miscellaneous Plan (Continued)

Changes in the Net Pension Liability – The changes in the net pension liability for the Miscellaneous Plan were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2024	$ 181,105,483	$ 127,449,726	$ 53,655,757
Changes in the year:			
Service cost	3,348,287	-	3,348,287
Interest on the total pension liability	12,566,103	-	12,566,103
Differences between actual and expected experience	3,946,228	-	3,946,228
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Plan to Plan resource movement	-	-	-
Contribution - employer	-	6,642,408	(6,642,408)
Contribution - employee	-	1,519,869	(1,519,869)
Net investment income (loss)	-	12,361,947	(12,361,947)
Administrative expenses	-	(103,706)	103,706
Benefit payments, including refunds of employee contributions	(9,216,848)	(9,216,848)	-
Other miscellaneous income/expense	-	-	-
Net changes	10,643,770	11,203,670	(559,900)
Balance at June 30, 2025	$ 191,749,253	$ 138,653,396	$ 53,095,857

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	5.90%
Net Pension Liability	$ 79,547,279
Current Discount Rate	6.90%
Net Pension Liability	$ 53,095,857
1% Increase	7.90%
Net Pension Liability	$ 31,411,939

NOTE 9 – **PENSION PLANS** (Continued)

B. Miscellaneous Plan (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions – For the year ended June 30, 2025, the City recognized pension expense of $962,196. At June 30, 2025, the City reported deferred outflows/inflows of resources related to pensions for the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,468,999	$ -
Differences between actual and expected experience	3,258,249	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on Plan investments	1,753,307	-
Total	$ 12,480,555	$ -

$7,468,999 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2026	$ 1,504,837
2027	4,445,450
2028	(215,675)
2029	(723,056)
Total	$ 5,011,556

Actuarial assumptions and information regarding the discount rate are discussed in Note 9D below.

C. Safety Plan

The City's Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by CalPERS. PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors four rate plans (two fire and two police) within the safety risk pool.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Safety Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. PEPRA, Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

NOTE 9 – **PENSION PLANS** (Continued)

C. Safety Plan (Continued)

The Safety Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Safety - Fire	
	Tier 1	PEPRA
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	3.0%@50	2.7%@57
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-55	50-57
Monthly Benefits, as a Percentage of Eligible Compensation	3.0%	2.0% to 2.7%
Required Employee Contribution Rates	8.990%	13.750%
Required Employer Contribution Rates	27.320%	13.760%
Required UAL Contribution	$ 1,568,533	$ 8,780

	Safety - Police	
	Tier 1	PEPRA
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit Formula	3.0%@50	2.7%@57
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-55	50-57
Monthly Benefits, as a Percentage of Eligible Compensation	3.0%	2.0% to 2.7%
Required Employee Contribution Rates	8.990%	13.750%
Required Employer Contribution Rates	27.320%	13.760%
Required UAL Contribution	$ 2,361,038	$ 16,528

Beginning in fiscal year 2016, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the UAL. The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The City elected to make the lump sum contributions, and the required contribution for the UAL was $3,954,879 in fiscal year 2025, as shown in the table above.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Safety Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2025, the employer contributions to the Safety Plan were $7,208,703.

NOTE 9 – **PENSION PLANS** (Continued)

C. Safety Plan (Continued)

Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Safety Plan and additions to/deductions from the Safety Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2025, the City reported a net pension liability for its proportionate share of the net pension liability of the Safety Plan of $51,311,931.

The City's net pension liability for the Safety Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Safety Plan is measured as of June 30, 2024, and the total pension liability for the Safety Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Safety Plan as of June 30, 2023 and 2024, was as follows:

	Safety (Fire and Police)
Proportion - June 30, 2023	0.62%
Proportion - June 30, 2024	0.63%
Change - Increase (Decrease)	0.01%

For the year ended June 30, 2025, the City recognized pension expense of $4,900,232 for the Safety Plan. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Safety Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,208,703	$ -
Differences between actual and expected experience	4,187,510	(136,154)
Differences in actual and proportional contribution	855,570	(568,356)
Changes in assumptions	1,264,220	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	701,846	(4,255,360)
Net differences between projected and actual earnings on plan investments	2,480,185	-
Total	$ 16,698,034	$ (4,959,870)

NOTE 9 – **PENSION PLANS** (Continued)

C. Safety Plan (Continued)

$7,208,703 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2026	$ 1,499,300
2027	4,358,329
2028	(479,561)
2029	(848,607)
Total	$ 4,529,461

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City's proportionate share of the net pension liability for the Safety Plan as of the measurement date, calculated using the discount rate for the Safety Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Safety
1% Decrease	5.90%
Net Pension Liability	$ 78,208,721
Current Discount Rate	6.90%
Net Pension Liability	$ 51,311,931
1% Increase	7.90%
Net Pension Liability	$ 29,314,137

Actuarial assumptions and information regarding the discount rate are discussed in Note 9D below.

NOTE 9 – **PENSION PLANS** (Continued)

D. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – For the measurement period ended June 30, 2024, the total pension liabilities were determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2023 total pension liabilities were based on the following actuarial methods and assumptions:

	Miscellaneous and Safety (Fire and Police)
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.900%
Inflation Rate	2.300%
Payroll Growth	2.800%
Projected Salary Increase	(1)
Investment Rate of Return	6.80% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	The lesser of contract cost of living adjustment or 2.30% until Purchasing Power Protection Allowance floor on Purchasing Power applies, 2.30% thereafter

(1) Depending on age, service, and type of employment.
(2) Net of pension plan investment expenses, including inflation.
(3) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporated full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of the 2021 CalPERS experience study and review of actuarial assumptions. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liabilities for the Plans was 6.90%. The projection of cash flows used to determine the discount rate for the Plans assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 9 – **PENSION PLANS** (Continued)

D. Information Common to the Miscellaneous and Safety Plans (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rates of return by asset class.

Asset Class (a)	Assumed Asset Allocation	Real Return (a,b)
Global Equity - Cap-Weighted	30.00%	4.54%
Global Equity - Non-Cap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021 Asset Liability Management study.

Pension Plan Fiduciary Net Position – Detailed information about the pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 10 – **POST-EMPLOYMENT HEALTH CARE BENEFITS**

A. Defined Benefit Other Post-Employment Benefit (OPEB) Plan

Plan Description – The City administers a single employer defined benefit (implicit subsidy) post-employment health care plan pursuant to negotiated Memoranda of Understanding (MOU) and Schedules of Benefit (Schedule) with its employee bargaining units. No assets have been accumulated in a trust for the payment of benefits that meets the criteria in paragraph 4 of GASB Statement No. 75.

NOTE 10 – **POST-EMPLOYMENT HEALTH CARE BENEFITS** (Continued)

A. Defined Benefit Other Post-Employment Benefit (OPEB) Plan (Continued)

The City offers medical, dental, and vision benefits to its employees, retirees, and their dependents. However, the City does not pay for the cost of retiree health premiums. The MOUs and Schedule are as follows:

Management/Confidential	Employees covered by the Management and/or Confidential Employees Schedule of Benefits and Employees covered by Turlock Management Association - Public Safety MOU
Miscellaneous	Employees covered by Turlock City Employees Association MOU
Police	Employees covered by Turlock Associated Police Officers MOU
Fire	Employees covered by Turlock Firefighters Local #2434 MOU

In general, employees are required to retire from the City and be members of their respective covered group for 10-15 years to be eligible to receive a benefit from their respective plan. The retiree has the option to continue on the City's self-insured health plan (and pay 100% of the premium for continued participation), to become a member of a non-City group plan, or to purchase an individual health insurance policy. For retirees who choose to remain on the City's health plan, this eligibility terminates when the retiree becomes eligible for Medicare benefits, reaches age 65, is deceased, or chooses to voluntarily leave the plan, whichever comes first. Spousal eligibility requirements vary with each employment plan. The City currently has 16 retirees who have chosen to remain on the City's health plan post-employment.

Funding Policy – The City pays the expenses for the plan on a pay-as-you-go basis and the retirees that participate in the plan pay the premiums on a monthly basis.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the valuation date of July 1, 2023:

	Valuation Date July 1, 2023
Active employees	378
Inactive employees or beneficiaries currently receiving benefit payments	15
Inactive employees entitled to but not yet receiving benefit payments	-
Total	393

NOTE 10 – **POST-EMPLOYMENT HEALTH CARE BENEFITS** (Continued)

A. Defined Benefit Other Post-Employment Benefit (OPEB) Plan (Continued)

Total OPEB Liability Actuarial Methods and Assumptions – The City's total OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated July 1, 2023, that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2025, based on the following actuarial methods and assumptions:

Valuation Date	July 1, 2023
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry Age
Actuarial Assumptions:	
Discount Rate	4.81%
Inflation	3.31%
Payroll Growth	3.00%
Mortality Rate	RP 2014 Mortality Table projected to 2025 with Scale BB
Healthcare Trend Rate	8.0% in 2020 and will decline to 4.5% in 2026 and later years

The underlying mortality assumptions were based on the RP 2014 Mortality Table Projected to 2024 with Scale BB and all other actuarial assumptions used in the July 1, 2023 valuation were based on the results of a July 1, 2023 actuarial valuation.

Discount Rate – The discount rate used to measure the total OPEB liability was 4.81%, the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present value of projected benefit payments calculated using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (S&P Municipal 20 Year High Grade Rate Index).

Changes in Assumptions – The discount rate was modified from 4.21% to 4.81% and the inflation rate was modified from 2.71% to 3.31%.

Changes in Total OPEB Liability – The changes in the total OPEB liability follows:

	Total OPEB Liability
Balance at July 1, 2024	$ 8,547,681
Changes Recognized for the Measurement Period:	
Service cost	473,820
Interest on the total OPEB liability	379,805
Changes in benefit terms	-
Differences between expected and actual experience	(218,792)
Changes of assumptions	(844,169)
Contributions from the employer	-
Net investment income	-
Administrative expenses	-
Benefit payments	(59,798)
Net changes	(269,134)
Balance at June 30, 2025	$ 8,278,547

NOTE 10 – **POST-EMPLOYMENT HEALTH CARE BENEFITS** (Continued)

A. Defined Benefit Other Post-Employment Benefit (OPEB) Plan (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates – The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Total OPEB Liability/(Asset)		
Discount Rate -1% 3.81%	Discount Rate 4.81%	Discount Rate +1% 5.81%
$ 9,641,196	$ 8,278,547	$ 7,163,427

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.50%) or 1-percentage-point higher (9.0% decreasing to 5.50%) than the current healthcare cost trend rates:

Total OPEB Liability/(Asset)		
1% Decrease 7.00% Decreasing to 3.50%	Healthcare Cost Trend Rates 8.00% Decreasing to 4.50%	1% Increase 9.00% Decreasing to 5.50%
$ 7,098,026	$ 8,278,547	$ 9,641,196

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2025, the City recognized OPEB expense of $545,405. At June 30, 2025, the City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	$ 112,505	$ (5,487,186)
Changes in assumptions	1,444,425	(6,476,703)
Total	$ 1,556,930	$ (11,963,889)

Deferred outflows/inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2026	$ (1,339,232)
2027	(1,339,232)
2028	(1,339,232)
2029	(1,339,232)
2030	(1,339,232)
Thereafter	(3,710,799)
Total	$ (10,406,959)

NOTE 10 – **POST-EMPLOYMENT HEALTH CARE BENEFITS** (Continued)

B. Defined Contribution OPEB Plans

Plan Description – The City has post-employment healthcare defined contribution plans in place pursuant to negotiated Memoranda of Understanding (MOU) and Schedules of Benefits (Schedule) with its employee bargaining units. The City's funding obligation for each plan is defined within the respective MOU or Schedule and is a specified percentage of payroll. The plans and the City's funding obligation for each plan are as follows:

Management/Confidential	Employees covered by the Management and/or Confidential Employees Schedule of Benefits	2.5% of base salary
Management/Confidential	Employees covered by Turlock Management Association - Public Safety MOU	3% of base salary
Miscellaneous	Employees covered by Turlock City Employees Association MOU	2.0% of base salary
Police	Employees covered by Turlock Associated Police Officers MOU	3% of salary plus 3% of benefits (1)
Fire	Employees covered by Turlock Firefighters Local #2434 MOU	4% of salary plus 4% of benefits

(1) Effective 7/1/2021, benefits are calculated based on 56% of base salary.

The administration of benefits for each plan rests with the individual plan administrators. The administrator for the Management/Confidential, Police Management, and Miscellaneous plans is ICMA. The respective bargaining unit representatives administer the benefits for the Police and Fire plans.

For the Police and Fire plans, the City remits the contributions as required by the respective MOU to each plan following each pay period. These plans have established irrevocable trusts for their respective plan assets. As noted above, the plans' trustees are responsible for the development of benefit levels that can be sustained from the contributions received as well as the general plan administration. The City does not have any responsibility for nor involvement in these activities. Under the terms of the Police and Fire MOUs, the City is obligated to make current year contributions to the respective trusts based on the 3% and 4% of salary and benefit costs for Police and Fire, respectively. Management believes the City has no obligation to make any additional contributions to the trusts beyond the above amounts, and therefore there is no unfunded actuarial accrued liability the City is obligated to fund.

There are no vesting requirements to be eligible to use these funds post-employment. The benefit can only be used to purchase post-employment health insurance. The retiree has the option to continue on the City's self-insured health plan (and pay the 100% of the premium for continued participation), to become a member of a non-City group plan, or to purchase an individual health insurance policy. The benefit can then be used to provide assistance with paying the monthly premium, as discussed in Note 10A above.

Contributions to each plan during fiscal year 2024-2025 were as follows:

Plan	Contributions
Management/Confidential	$ 154,800
Miscellaneous	321,043
Police	432,678
Fire	258,740
Police Management	43,323

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS

A. Deferred Compensation Plans

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Sections 401 and 457. Under the plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, or death, or in an emergency as defined by the plans.

The plans are part of the public agency agent multiple-employer defined contribution plans that are administered by Mission Square Retirement (formerly ICMA RC). Benefit provisions under the plans are established by City resolution. The City has no liability for any losses incurred by the plans and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with Mission Square Retirement to manage and invest the assets of the plans. The administrator pools the assets of the plans with those of other participants and does not make separate investments for the City. The assets in the plans are the sole property of the participants or their beneficiaries. Since the assets held under the plans are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The plans require investments to be stated at fair market value and it requires all gains and losses on plan investments to accrue directly to participant accounts. A summary of eligibility and employer contribution requirements for the City's plans are shown below by bargaining unit:

TCEA

Employees with Less than 15 Years of Service – Match of up to 0.5% of the employee's base salary each pay period in which the employee contributes to the 401a Plan.

Employees with More than 15 Years of Service – Match of up to 1.0% of the employee's base salary each pay period in which the employee contributes to the 401a Plan. The increase in the City's match is effective the 1st day of the month following the employee's 15th anniversary.

Employees that waive the City's medical insurance receive $475 per month to the RHS 457 Plan.

TAPO

Employees that waive the City's medical insurance receive $475 per month to the RHS 457 Plan.

Fire

Employees that waive the City's medical insurance receive $475 per month to the RHS 457 Plan.

TMAPS

2.5% of base salary for each pay period, provided the employee contributes 6.0% of base salary to the 401a Plan. Employees that waive the City's medical insurance receive $475 per month to the RHS 457 Plan.

Confidential (Unrepresented)

0.5% of base salary for each pay period, provided the employee contributes 0.5% of base salary to the 401a Plan. Employees that waive the City's medical insurance receive $475 per month to the RHS 457 Plan.

NOTE 11 – **OTHER POST-EMPLOYMENT BENEFITS** (Continued)

A. Deferred Compensation Plans (Continued)

Management (Unrepresented)

Directors – 3.5% of base salary for each pay period, provided the employee contributes 3.5% of base salary to the 401a Plan.

Managers – 2.5% of base salary for each pay period, provided the employee contributes 2.5% to the 401a Plan.

Employees that waive the City's medical insurance receive $475 per month.

The City's required contributions for the year ended June 30, 2025, totaled $573,643.

NOTE 12 – **RISK MANAGEMENT**

The City maintains the Self-Insurance Internal Service Fund to account for and finance its risks of loss. Under this program, the City is self-insured for workers' compensation and employee health care.

The City uses a reinsurance agreement to reduce its exposure to large losses under the workers' compensation program. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of the City as direct insurer of the risks reinsured. The City does not report reinsured risks as liabilities unless it is probable that those risks will not be covered by reinsurers. Premiums paid to reinsurers during the year ended June 30, 2025, were $258,807, and the City's deductible under the policy is $1.25 million, with coverage up to the statutory limit.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 54 cities. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense. The City participates in the following pooled coverages through CSJVRMA:

Type of Coverage (Deductible)	Coverage Limits
Liability ($100,000)	$ 29,500,000
Automobile - for vehicles with values less than $25,000 ($500)	25,000

Effective July 1, 2021, the liability coverage declined from $39,000,000 to $29,500,000.

The City contributes its pro rata share of anticipated losses to a pool administered by CSJVRMA. Should actual losses among participants be greater than the anticipated losses, the City will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro rata share of the excess. The City paid CSJVRMA premiums of $2,265,144 for coverage during the year ended June 30, 2025, and in the amount of $194,997, which the City elected to remain with CSJVRMA to offset future premiums. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

NOTE 12 – **RISK MANAGEMENT** (Continued)

In addition to the coverage through CSJVRMA, the City has purchased the commercial policy coverage for property, vehicles, and contractors equipment with various sublimits up to $100,000,000:

Type of Coverage (Deductible)
Property, excluding flood ($25,000)
Property, flood ($100,000)
Vehicles ($5,000)
Fire Engines ($10,000)
Equipment ($2,500)

All unpaid claims that were probable liabilities that occurred prior to the year end and that were estimated based on actuarial studies or historical data were recorded in accordance with accounting principles generally accepted in the United States of America.

For the Year Ended June 30	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2023	$ 2,530,659	$ 6,295,030	$ (6,309,637)	$ 2,516,052
2024	2,516,052	7,879,421	(7,314,101)	3,081,372
2025	3,081,372	10,338,427	(8,364,401)	5,055,398

NOTE 13 – COMMITMENTS AND CONTINGENCIES

A. Litigation

As of June 30, 2025, the City is a party to various lawsuits. There are certain personal injury lawsuits that have been denied by the City Council. The outcome and eventual liability to the City, if any, in these cases is not known at this time. After reviewing these lawsuits with legal counsel, management estimates that the potential claims against the City, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the City.

B. Federal and State Grant Programs

The City participates in several Federal and State grant programs. These programs are subject to audit by the City's independent accountants in accordance with the provisions of the federal Single Audit Act, as amended and applicable State requirements. No cost disallowances have been proposed as a result of audits completed to date; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

C. Stanislaus Regional Water Authority

The City of Turlock and City of Ceres formed a joint powers authority, the Stanislaus Regional Water Authority (SRWA), in order to develop and finance the Regional Surface Water Supply Project (RSWSP). The project consists of the construction of a water treatment plant (WTP) and associated facilities with the capacity to treat up to 30 million gallons per day (MGD) of surface water from the Tuolumne River, of which 20 MGD would be available to the City of Turlock. The water will be provided by Turlock Irrigation District (TID). The RSWSP is also expected to include a system of pipelines to transport the water to the project participants. The environmental review process for the RSWSP and related terminal facilities for each Project Participant is complete.

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

C. Stanislaus Regional Water Authority (Continued)

On June 29, 2020, the SRWA awarded a design-build contract for the project to CH2M Hill Engineers, Inc., for an amount not to exceed $195,400,357, which includes all project components except the individual Project Participants' terminal facilities. The RSWSP will be constructed in phases with the first phase anticipated to begin in the Fall of 2020. Construction was completed and the WTP went operational in early 2024.

In furtherance of the RSWSP, on February 2, 2020, the SRWA, the Project Participants, and TID entered into a Regional Surface Water Supply Phase 3 Project Design and Construction Funding Agreement. Pursuant to the agreement, the City of Turlock will be entitled to 66.7% of the capacity of the RSWSP and the City of Ceres will be entitled to the remaining 33.3%.

The RSWSP project is expected to cost a total of $266,949,332. The City's share of the total project is expected to be $180,448,813. The City expects $23,278,615 in grant funds and $157,170,198 of State Revolving Loan Funds or other outside financing for its share of the project. The City's investment in the project at June 30, 2025, was $38,098,181.

Additional information regarding this project can be found at www.stanrwa.com. Financial statements for the SRWA can be obtained from the City at 156 South Broadway, Suite 270, Turlock, CA 95380.

D. Construction and Other Commitments

The City had the following outstanding significant commitments at June 30, 2025:

Projects	Amount
Roads - Measure A	$ 3,727,642
Stanislaus Regional Water Authority	2,496,021
Water Improvements	1,664,844
Sewer Improvements	475,854
Other Contracts	456,610
Sewer and Water Improvements 50/50	374,410
Improvements - Road Rehabilitation	250,478
Columbia Pool	217,014
Well Rehabilitation Services	211,050
Various Bus, Vehicle, and Equipment Purchases	163,022
Drinking Water Chlorination Project	70,891
Traffic Signals	62,426
Parks and Recreation	61,072
Housing	50,849
Transit Center	23,786

NOTE 14 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

A. Redevelopment Dissolution

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

NOTE 14 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

A. Redevelopment Dissolution (Continued)

The Bill provides that upon dissolution of a redevelopment agency, either the entity creating the redevelopment agency or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and/or local government. By Resolution No. 2012-009 adopted on January 10, 2012, pursuant to Health and Safety Code Section 34173, the City Council declared that the City would act in a special limited capacity as Successor Agency for the dissolved Turlock Redevelopment Agency, effective February 1, 2012.

On July 1, 2018, the duties of the Turlock Oversight Board transferred to a new Stanislaus Countywide Consolidated Oversight Board, which will now be responsible for overseeing the winddown affairs of all successor agencies in the County, including the Successor Agency to the Turlock Redevelopment Agency (the Successor Agency).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in California could not enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

The Bill directs the California State Controller Office (SCO) to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the SCO is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in California were dissolved and ceased to operate as legal entities on February 1, 2012. Prior to that date, the final seven months of activity of the Turlock Redevelopment Agency continued to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved Turlock Redevelopment Agency are reported in a fiduciary fund (private-purpose trust fund) in the City's financial statements. Included in prior year Turlock Redevelopment Agency financial statements was the Downtown Improvement Project Fund. This fund was originally established to account for the construction of infrastructure improvements in the City's downtown core. This project was funded with the proceeds of the 1999 Revenue Bonds along with sewer, water, and street funds. The residual monies in this fund after the completion of the project represented excess funds contributed by the sewer, water, and street funds. Management decided to leave these residual funds in this fund to provide a source of funds for future repairs. This fund is presented as a nonmajor fund in the governmental fund combining statements.

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Turlock Redevelopment Agency.

Assembly Bill (AB) 1484 required the Successor Agency to complete two due diligence reviews – one for the low and moderate income housing assets of the Successor Agency (Housing DDR), and a second for all other balances of the Successor Agency (Non-Housing DDR). The due diligence reviews are to calculate the balance of unencumbered balances as of June 30, 2012, available to be remitted to the County for disbursement to taxing entities. The Successor Agency submitted both due diligence reviews to the State Department of Finance for review and approval. The Department of Finance did not initially approve the Housing DDR, which indicated that the Successor Agency had no funds available for distribution, and the State made adjustments to the Housing DDR and instead made a demand for the return of funds totaling $1,001,062, which were held by the City's Former LMI Housing Fund. The City remitted that amount to the County in December 2012. The Department of

NOTE 14 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)

A. Redevelopment Dissolution (Continued)

Finance did not initially approve the Non-Housing DDR, which indicated that the Successor Agency had no funds available for distribution, and although the State made adjustments to the Non-Housing DDR, the adjusted balance still indicated that there were no funds available for distribution. The Successor Agency received its Finding of Completion in April 2013, which means it can now utilize bond proceeds for projects consistent with the original bond covenants.

Cash and investments of the Successor Agency as of June 30, 2025, are discussed in Note 3. Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2025.

B. Long-Term Obligations

Current Year Transactions and Balances

The following bonds are obligations of the Authority payable from and secured by loan payments made by the former Turlock Redevelopment Agency. The bonds are secured by the tax increment revenues of the former Turlock Redevelopment Agency and have been transferred to the Successor Agency. With the dissolution of the Turlock Redevelopment Agency discussed above, tax increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the bonds, with no distinction between housing and non-housing revenues. In addition, under the provisions of the laws dissolving the Turlock Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved enforceable obligations.

The outstanding balances as of June 30, 2025, are as follows:

	Original Issue Amount	Balance June 30, 2024	Retirements	Balance June 30, 2025	Due Within One Year	Due in More Than One Year
General Obligation Revenue Bonds:						
2016 Tax Allocation Refunding Bonds	$ 35,740,000	$ 28,600,000	$ 1,335,000	$ 27,265,000	$ 1,400,000	$ 25,865,000
Add: Unamortized Bond Premium	-	2,109,669	137,587	1,972,082	-	1,972,082
Total Successor Agency Debt	$ 35,740,000	$ 30,709,669	$ 1,472,587	$ 29,237,082	$ 1,400,000	$ 27,837,082

2016 Successor Agency Tax Allocation Refunding Bonds

In November 2016, the Successor Agency issued Tax Allocation Refunding Bonds, Series 2016 (2016 Bonds), in the amount of $35,740,000. The proceeds from the bonds were to be used to refund the outstanding balance of the 1999 Revenue Bonds, 2006 Tax Allocation Revenue Bonds, and 2011 Tax Allocation Revenue Bonds. The bonds bear interest rates of 2.0 – 5.0%. Interest on the bonds is payable semi-annually March 1 and September 1 and principal is due annually on each September 1 through 2039.

Events of default on the 2016 Bonds include failure to make any debt service payment by the due date or failure to perform the other agreements or covenants required in the Indenture of Trust not cured within 30 days' notice to the Successor Agency. Under such event of default, as defined by the bond documents, the Trustee may, upon the written request of the bondholders, of not less than a majority in aggregate principal amount of the outstanding 2016 Bonds at the time, shall, by notice in writing to the Successor Agency, declare the principal of all of the 2016 Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. This provision is subject to the condition that if, at any time after the principal of the 2016 Bonds have been declared due and payable, and before any judgment or decree has been entered or obtained, the Successor Agency can remedy the default by paying all amounts due and payable. At that time, the bondholders of at

B. Long-Term Obligations (Continued)

2016 Successor Agency Tax Allocation Refunding Bonds (Continued)

least a majority in aggregate principal amount of the 2016 Bonds, then outstanding, can by written notice to the Successor Agency and to the Trustee, rescind and annul such declaration and its consequences. The Successor Agency can prepay the 2016 Bonds at any time by paying the prescribed prepayment premium as for in the 2016 Bond documents.

Bond Issuance Costs, Original Issue Discounts, and Premiums and Deferred Charge on Refunding

For private-purpose trust fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any differences between proprietary refunded debt and the debt issued to refund it, called a gain or loss on refunding, is amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter. The gain or loss is reported as a deferred inflow or outflow of resources, as applicable. Bond issuance costs, other than prepaid insurance, are expensed in the year incurred.

Debt Service Requirements

Debt service requirements are shown below for all long-term debt:

	2016 Tax Allocation Refunding Bonds	
For the Year Ending June 30,	Principal	Interest
2026	$ 1,400,000	$ 1,047,256
2027	1,470,000	975,506
2028	1,545,000	900,131
2029	1,620,000	821,006
2030	1,705,000	737,881
2031-2035	9,755,000	2,470,891
2036-2040	9,770,000	725,325
Total	27,265,000	$ 7,677,996
Add: Unamortized Bond Premium	1,972,082	
Net Long-Term Debt	$ 29,237,082	

C. Commitments and Contingencies

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) annually that contains all proposed expenditures for the subsequent twelve-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

NOTE 15 – LEASES

A. Policies

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivables or liabilities with an initial, individual value of $100,000 or more.

Lessee – The City has noncancellable leases of nonfinancial assets as of June 30, 2025. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor – The City is a lessor for noncancellable leases of communication sites. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

NOTE 15 – LEASES (Continued)

A. Policies (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

B. Leases Receivable

The balances related to leases receivable and deferred inflows of resources as of June 30, 2025, were:

Leases Receivable (Lessor)	Leases Receivable	Deferred Inflows of Resources
General Fund		
Communication Site Lease	$ 474,393	$ 446,094
Nonmajor Governmental Funds		
Communication Site Lease	192,459	176,688
Total	$ 666,852	$ 622,782

Communication Site Leases – The City leases various locations to third parties for the provisions of mobile/wireless communications services. During the year ended June 30, 2025, the City had two leases with original lease terms ranging from 10 to 30 years, including the optional extension periods, and as of June 30, 2025, the leases had 10-30 years remaining. The City recognized $32,428 in lease revenue and $10,267 in interest revenue during the current fiscal year related to these leases. Also, the City has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease term.

C. Leases Payable

The City has entered into various three-year lease agreements as lessee for the acquisition of vehicles and vehicle license plate reader camera system. As of June 30, 2025, the total value of the lease liability was $1,441,928. The City is required to make monthly principal and interest payments ranging from $350 to $8,865. The leases have interest rates that range from 0.2% to 5%. The equipment has a three-year estimated useful life while the license plate reader system has a five-year useful life. The value of the right-to-use lease assets as of the end of the current fiscal year was $1,828,640 and had accumulated amortization of $312,016.

The future principal and interest lease payments as of June 30, 2025, were as follows:

For the Year Ending June 30,	Principal	Interest
2026	$ 370,547	$ 42,088
2027	343,999	29,115
2028	308,792	18,188
2029	219,532	9,933
2030	199,058	3,158
Total	$ 1,441,928	$ 102,482

NOTE 16 – SUBSCRIPTIONS

The City has adopted GASB Statement No. 96 which introduced changes in the recognition, measurement and reporting of Subscription-Based Information Technology Arrangements (SBITA). The City identified one SBITA for a Transit Data Tracking application with a term of two to five years. The value of the SBITA asset as of the end of the current fiscal year was $2,555,286 and had accumulated amortization of $432,441. As of June 30, 2025, the value the SBITA liability was $1,943,062.

The future principal and interest payments for SBITA as of June 30, 2025, were as follows:

For the Year Ending June 30,	Principal	Interest
2026	$ 516,778	$ 57,782
2027	496,841	39,613
2028	440,875	23,569
2029	454,390	9,467
2030	34,178	90
Total	$ 1,943,062	$ 130,521

NOTE 17 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2025, expenditures exceeded appropriations as follows:

Expenditures	Amount
General Fund	
Public ways and facilities/transportation	$ 11,572
Debt Service:	
Principal	147,015
Interest and fiscal charges	311,253

NOTE 18 – SUBSEQUENT EVENTS

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the basic financial statements. Events were considered through April 8, 2026, which is the date of issuance of the City's independent auditor's report.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TURLOCK
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MISCELLANEOUS PLAN – AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2025

Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Total Pension Liability					
Service cost	$ 2,145,944	$ 2,113,775	$ 2,535,894	$ 2,556,275	$ 2,302,531
Interest	8,394,010	8,879,576	9,300,013	9,710,969	10,263,211
Differences between expected and actual experience	(2,796,579)	704,751	188,828	254,403	2,064,432
Changes in assumptions	(2,114,962)	-	7,890,713	(567,581)	-
Changes in benefits	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(4,620,913)	(5,141,794)	(5,431,662)	(6,138,941)	(6,823,311)
Net change in total pension liability	1,007,500	6,556,308	14,483,786	5,815,125	7,806,863
Total pension liability - beginning	115,874,657	116,882,157	123,438,465	137,922,251	143,737,376
Total pension liability - ending (a)	$ 116,882,157	$ 123,438,465	$ 137,922,251	$ 143,737,376	$ 151,544,239
Plan Fiduciary Net Position					
Contributions - employer	$ 2,832,416	$ 3,259,415	$ 3,684,085	$ 3,783,927	$ 4,359,068
Contributions - employee	1,042,224	1,027,004	1,109,929	1,133,810	1,157,716
Net investment income (loss)	1,937,886	438,577	9,502,918	7,974,175	6,592,102
Benefit payments, including refunds of employee contributions	(4,620,913)	(5,141,794)	(5,431,662)	(6,138,941)	(6,823,311)
Plan to Plan resource movement	78,472	622	(25)	(230)	-
Administrative expense	(94,994)	(51,446)	(123,941)	(144,433)	(70,664)
Other miscellaneous income (expense)	-	-	-	(274,281)	230
Net change in plan fiduciary net position	1,175,091	(467,622)	8,741,304	6,334,027	5,215,141
Plan fiduciary net position - beginning	83,239,017	84,414,108	83,946,486	92,687,790	99,021,817
Plan fiduciary net position - ending (b)	$ 84,414,108	$ 83,946,486	$ 92,687,790	$ 99,021,817	$ 104,236,958
Net pension liability (a)-(b)	$ 32,468,049	$ 39,491,979	$ 45,234,461	$ 44,715,559	$ 47,307,281
Plan fiduciary net position as a percentage of the total pension liability	72.22%	68.01%	67.20%	68.89%	68.78%
Covered payroll	$ 12,730,821	$ 13,052,557	$ 13,771,230	$ 13,489,574	$ 14,631,733
Net pension liability as a percentage of covered payroll	255.03%	302.56%	328.47%	331.48%	323.32%

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

In 2022, Senate Bill (SB) 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021; 7.65% for measurement dates June 30, 2015, through June 30, 2016; and 7.50% for measurement date June 30, 2014.

CITY OF TURLOCK
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (Continued)
MISCELLANEOUS PLAN – AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2025

Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Total Pension Liability					
Service cost	$ 2,484,703	$ 2,350,368	$ 2,467,656	$ 2,611,766	$ 3,348,287
Interest	10,837,530	11,195,286	11,365,458	11,886,226	12,566,103
Differences between expected and actual experience	2,271,043	(889,500)	(3,623,085)	1,636,398	3,946,228
Changes in assumptions	-	-	5,861,672	181,892	-
Changes in benefits	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(6,967,583)	(7,756,380)	(7,650,663)	(8,701,543)	(9,216,848)
Net change in total pension liability	8,625,693	4,899,774	8,421,038	7,614,739	10,643,770
Total pension liability - beginning	151,544,239	160,169,932	165,069,706	173,490,744	181,105,483
Total pension liability - ending (a)	$ 160,169,932	$ 165,069,706	$ 173,490,744	$ 181,105,483	$ 191,749,253
Plan Fiduciary Net Position					
Contributions - employer	$ 4,919,630	$ 5,268,466	$ 5,886,502	$ 6,540,769	$ 6,642,408
Contributions - employee	1,038,613	1,037,625	1,052,686	1,282,553	1,519,869
Net investment income (loss)	5,279,682	24,922,527	(10,068,430)	7,554,441	12,361,947
Benefit payments, including refunds of employee contributions	(6,967,583)	(7,756,380)	(7,650,663)	(8,701,543)	(9,216,848)
Plan to Plan resource movement	-	-	-	-	-
Administrative expense	(146,949)	(108,245)	(82,056)	(88,877)	(103,706)
Other miscellaneous income (expense)	-	-	-	-	-
Net change in plan fiduciary net position	4,123,393	23,363,993	(10,861,961)	6,587,343	11,203,670
Plan fiduciary net position - beginning	104,236,958	108,360,351	131,724,344	120,862,383	127,449,726
Plan fiduciary net position - ending (b)	$ 108,360,351	$ 131,724,344	$ 120,862,383	$ 127,449,726	$ 138,653,396
Net pension liability (a)-(b)	$ 51,809,581	$ 33,345,362	$ 52,628,361	$ 53,655,757	$ 53,095,857
Plan fiduciary net position as a percentage of the total pension liability	67.65%	79.80%	69.67%	70.37%	72.31%
Covered payroll	$ 14,259,962	$ 14,305,346	$ 13,785,790	$ 14,822,736	$ 19,298,484
Net pension liability as a percentage of covered payroll	363.32%	233.10%	381.76%	361.98%	275.13%

CITY OF TURLOCK
SCHEDULE OF CONTRIBUTIONS
MISCELLANEOUS PLAN – AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2025

Fiscal year ended June 30	2016	2017	2018	2019	2020
Actuarially determined contribution	$ 3,256,514	$ 3,684,324	$ 3,786,340	$ 4,359,068	$ 4,919,630
Contributions in relation to the actuarially determined contribution	3,256,514	3,684,324	3,786,340	4,359,068	4,919,630
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 13,052,557	$ 13,771,230	$ 13,489,574	$ 14,631,733	$ 14,259,962
Contributions as a percentage of covered payroll	24.95%	26.75%	28.07%	29.79%	34.50%
Valuation date	6/30/2013	6/30/2014	6/30/2015	6/30/2016	6/30/2017

Fiscal year ended June 30	2021	2022	2023	2024	2025
Actuarially determined contribution	$ 5,268,460	$ 5,885,609	$ 6,540,769	$ 6,642,408	$ 7,468,999
Contributions in relation to the actuarially determined contribution	5,268,460	5,885,609	6,540,769	6,642,408	7,468,999
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 13,930,302	$ 14,656,798	$ 17,714,628	$ 20,279,270	$ 22,525,875
Contributions as a percentage of covered payroll	37.82%	40.16%	36.92%	32.75%	33.16%
Valuation date	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Average remaining amortization period	15 years as of valuation date
Asset valuation method	Market value of assets
Inflation	2.75% for 2015 to 2019; 2.625% for 2020; 2.50% for 2021 to 2023; and 2.75% for 2024
Salary increases	Varies by entry age and service
Investment rate of return	7.50% for 2015 to 2018; 7.375% for 2019; 7.25% for 2020; and 7.00% for 2021 to 2024, net of pension plan investment and administrative expenses, includes inflation.
Retirement age	The probabilities of retirement are based on the CalPERS Experience Study.
Mortality rate table	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019 to 2023, pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

CITY OF TURLOCK
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SAFETY PLAN – COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2025

Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Proportion of the net pension liability	0.53%	0.55%	0.55%	0.57%	0.58%
Proportionate share of the net pension liability	$ 21,992,658	$ 28,313,359	$ 32,763,059	$ 33,256,276	$ 36,264,853
Covered payroll	$ 9,440,848	$ 9,870,904	$ 9,994,012	$ 10,781,820	$ 11,959,999
Proportionate share of the net pension liability as a percentage of covered payroll	232.95%	286.84%	327.83%	308.45%	303.22%
Plan fiduciary net position as a percentage of the total pension liability	78.40%	74.06%	73.31%	75.26%	75.26%

Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Proportion of the net pension liability	0.60%	0.67%	0.61%	0.62%	0.63%
Proportionate share of the net pension liability	$ 40,115,075	$ 23,663,292	$ 47,369,022	$ 52,090,299	$ 51,311,931
Covered payroll	$ 11,776,264	$ 11,203,500	$ 12,110,790	$ 12,942,203	$ 14,059,809
Proportionate share of the net pension liability as a percentage of covered payroll	340.64%	211.21%	391.13%	402.48%	364.95%
Plan fiduciary net position as a percentage of the total pension liability	75.10%	88.29%	72.45%	71.88%	73.94%

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CITY OF TURLOCK
SCHEDULE OF CONTRIBUTIONS
SAFETY PLAN – COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
LAST 10 YEARS
FOR THE YEAR ENDED JUNE 30, 2025

Fiscal year ended June 30	2016	2017	2018	2019	2020
Actuarially determined contribution	$ 2,633,557	$ 2,919,564	$ 3,335,223	$ 3,975,052	$ 4,477,269
Contributions in relation to the actuarially determined contribution	2,633,557	2,919,564	3,335,223	3,975,052	4,477,269
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 9,870,904	$ 9,994,012	$ 10,781,820	$ 11,959,999	$ 11,776,264
Contributions as a percentage of covered payroll	26.68%	29.21%	30.93%	33.24%	38.02%

Fiscal year ended June 30	2021	2022	2023	2024	2025
Actuarially determined contribution	$ 4,811,929	$ 5,308,585	$ 5,799,503	$ 6,283,678	$ 7,208,703
Contributions in relation to the actuarially determined contribution	4,811,929	5,308,585	5,799,503	6,283,678	7,208,703
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 11,203,500	$ 12,110,790	$ 12,942,203	$ 14,059,809	$ 15,709,720
Contributions as a percentage of covered payroll	42.95%	43.83%	44.81%	44.69%	45.89%

CITY OF TURLOCK
SCHEDULE OF CHANGES IN THE TOTAL OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS
LAST 10 YEARS*
FOR THE MEASUREMENT PERIOD ENDED JUNE 30

Measurement Date	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Total OPEB Liability				
Service Cost	$ 1,155,061	$ 1,135,358	$ 638,020	$ 797,780
Interest	637,175	713,835	716,143	292,875
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	(222,909)	(55,000)	(4,650,595)	(105,340)
Changes of Assumptions	(600,396)	854,724	(3,897,028)	205,992
Benefit Payments	(107,347)	(231,516)	(115,029)	(91,631)
Net Change in Total OPEB Liability	861,584	2,417,401	(7,308,489)	1,099,676
Total OPEB Liability - Beginning	16,544,233	17,405,817	19,823,218	12,514,729
Total OPEB Liability - Ending	$ 17,405,817	$ 19,823,218	$ 12,514,729	$ 13,614,405
Covered-Employee Payroll	$ 24,603,348	$ 28,959,337	$ 28,058,863	$ 25,133,575
Total OPEB Liability as a Percentage of Covered-Employee Payroll	70.75%	68.45%	44.60%	54.17%

Notes to Schedule:

Benefit changes: None.

Changes in assumptions: The discount rate was modified from 3.85% to 3.50% in 2020, from 3.50% to 2.20% in 2021, from 2.20% to 2.10% in 2022, from 2.10% to 4.09 in 2023, from 4.09% to 4.13% in 2024, and 4.13% to 4.81% in 2025. The inflation rate was also modified from 1.85% to 1.50% in 2020, from 1.50% to 0.70% in 2021, from 0.70% to 0.6% in 2022, from 0.6% to 2.59% in 2023, from 2.59% to 2.63% in 2024, and 2.63% to 3.31% in 2025.

* Fiscal year 2018 was the first year of implementation.

CITY OF TURLOCK
SCHEDULE OF CHANGES IN THE TOTAL OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS (Continued)
LAST 10 YEARS*
FOR THE MEASUREMENT PERIOD ENDED JUNE 30

Measurement Date	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Total OPEB Liability				
Service Cost	$ 581,088	$ 794,568	$ 454,041	$ 473,820
Interest	298,105	363,300	390,209	379,805
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	(2,661,954)	(17,761)	(927,345)	(218,792)
Changes of Assumptions	(3,559,711)	(53,252)	(105,398)	(844,169)
Benefit Payments	(183,856)	(180,804)	(257,954)	(59,798)
Net Change in Total OPEB Liability	(5,526,328)	906,051	(446,447)	(269,134)
Total OPEB Liability - Beginning	13,614,405	8,088,077	8,994,128	8,547,681
Total OPEB Liability - Ending	$ 8,088,077	$ 8,994,128	$ 8,547,681	$ 8,278,547
Covered-Employee Payroll	$ 24,299,988	$ 25,028,988	$ 32,654,513	$ 33,634,148
Total OPEB Liability as a Percentage of Covered-Employee Payroll	33.28%	35.93%	26.18%	24.61%

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SUPPLEMENTAL INFORMATION

CITY OF TURLOCK
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2025

	General Purpose	Measure A	Total General Fund
ASSETS			
Cash and investments	$ 39,379,126	$ 8,064,876	$ 47,444,002
Restricted cash and investments and cash and investments with fiscal agent (Note 3)	252,399	31,632,884	31,885,283
Accounts receivable	8,070,116	2,472,973	10,543,089
Interest receivable	692,341	-	692,341
Due from developers	20,041	-	20,041
Due from other funds	568,203	-	568,203
Loans receivable	7,819	-	7,819
Prepaids	41,767	-	41,767
Leases receivable	474,393	-	474,393
Total Assets	$ 49,506,205	$ 42,170,733	$ 91,676,938
LIABILITIES			
Accounts payable	$ 2,841,700	$ 1,415,253	$ 4,256,953
Payroll payable	1,502,876	137,625	1,640,501
Unearned revenue	185,331	-	185,331
Deposits payable	935,732	-	935,732
Total Liabilities	5,465,639	1,552,878	7,018,517
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	193,863	-	193,863
Related to leases	446,094	-	446,094
Total Deferred Inflows of Resources	639,957	-	639,957
FUND BALANCES			
Nonspendable	1,112,223	-	1,112,223
Committed	40,651,057	-	40,651,057
Assigned	770,391	-	770,391
Unassigned	866,938	40,617,855	41,484,793
Total Fund Balances	43,400,609	40,617,855	84,018,464
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 49,506,205	$ 42,170,733	$ 91,676,938

CITY OF TURLOCK
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	General Purpose	Measure A	Total General Fund
REVENUES			
Taxes and assessments	$ 34,913,724	$ -	$ 34,913,724
Measure A sales tax	-	14,914,510	14,914,510
Licenses and permits	5,593,670	-	5,593,670
Fines, forfeitures, and penalties	448,230	-	448,230
Use of money and property	3,109,361	405,498	3,514,859
Intergovernmental	10,033,849	-	10,033,849
Charges for current services	10,387,149	-	10,387,149
Other revenue	306,876	-	306,876
Total Revenues	64,792,859	15,320,008	80,112,867
EXPENDITURES			
Current:			
General government	8,193,733	4,991,838	13,185,571
Public safety	39,615,318	7,019,732	46,635,050
Public ways and facilities/transportation	705,004	24,327	729,331
Parks and recreation	3,540,718	78,590	3,619,308
Community development	5,546,453	4,284	5,550,737
Capital outlay	1,994,476	13,061,341	15,055,817
Debt service:			
Principal	434,875	97,916	532,791
Interest and fiscal charges	361,707	53,498	415,205
Total Expenditures	60,392,284	25,331,526	85,723,810
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,400,575	(10,011,518)	(5,610,943)
OTHER FINANCING SOURCES (USES)			
Issuance of debt	1,983,226	31,649,327	33,632,553
Contributions from other funds	-	-	-
Contributions from private-purpose trust	65,051	-	65,051
Proceeds from sale of property	3,135	-	3,135
Transfers in	4,339,130	-	4,339,130
Transfers (out)	(4,250,343)	(621,062)	(4,871,405)
Total Other Financing Sources (Uses)	2,140,199	31,028,265	33,168,464
NET CHANGE IN FUND BALANCES	6,540,774	21,016,747	27,557,521
BEGINNING FUND BALANCES	36,859,835	19,601,108	56,460,943
ENDING FUND BALANCES	$ 43,400,609	$ 40,617,855	$ 84,018,464

NONMAJOR GOVERNMENTAL FUNDS

The following provides a brief narrative for some the City's more substantial nonmajor governmental funds.

Integrated Waste Management (AB939)
This fund is used to account for revenues received from recycling-related efforts. These revenues are used to fund recycling education programs as well as the City's "Take-Pride-In-Turlock" community cleanup.

Development Impact Fees
Various development impact fee programs are accounted for in this fund. These revenues are collected for and expended on infrastructure improvements designed to mitigate the effects of development throughout the City. These fees are separate and, in most cases, in addition to the impact fees described in the Facility Fee Fund. Not included in this fund are impact fees collected for sewer and/or water infrastructure improvements.

Equipment Replacement
The fund accounts for monies set aside to fund the replacement of existing equipment (including computer related equipment) used by various City departments.

Lighting and Landscaping Assessment Districts
This fund accounts for the expenditure of revenues collected under either the Landscaping and Lighting Act of 1972 or the Benefit Assessment Act of 1982. These acts provide a funding mechanism for the maintenance costs associated with various lighting, landscaping, and street improvements within the assessment districts formed under the respective act.

CDBG, State HOME Program, and Housing Stimulus Funds
This group of funds, when combined with the Stanislaus County Housing Consortium, accounts for the federal funding the City receives from various sources on an annual basis to assist in the preservation and production of affordable housing within the City.

Stanislaus County Housing Consortium
When combined with the CDBG, State HOME Program, and Housing Stimulus Funds, this fund accounts for the federal funding the City receives from various sources on an annual basis to assist in the preservation and production of affordable housing within the City. The consortium specifically is a collaboration of six cities in Stanislaus County and the County who together use federal HOME monies to provide assistance for affordable housing within the County and the participating city jurisdictions.

ARPA
The fund accounts for American Rescue Plan Act (ARPA) funding.

Facility Fees Fund
The fund accounts for the revenue and related expenditures as outlined in the City's Capital Facilities Fee Improvement Program. These fees, which are charged to new developments, are designed to finance the roadway, police, fire, and general government infrastructure, facilities, and equipment needs throughout town which are the result of development within town.

North Turlock Master Plan
The fund accounts for the collection and expenditure of development impact fees collected specifically within the master plan boundaries. Fees are collected to fund the cost of infrastructure – transportation, sewer, and storm drainage – improvements necessary due to development within the master plan area.

Airport
This fund accounts for grant revenues received from the state and federal governments which are being expended to fund capital improvements at the Turlock Municipal Airport. The day-to-day operations of the airport and the capital improvement projects are under the control of the Turlock Regional Aviation Association under a Facilities Management Agreement with the City of Turlock.

CITY OF TURLOCK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	Asset Forfeitures	Integrated Waste Management (AB939)	Bicycle Safety	Sports Facilities
ASSETS				
Cash and investments	$ 96,497	$ 1,233,232	$ 50,607	$ -
Accounts receivable	-	-	323	62,664
Interest receivable	695	7,283	298	-
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepaids	-	-	-	-
Leases receivable	-	-	-	192,459
Total Assets	$ 97,192	$ 1,240,515	$ 51,228	$ 255,123
LIABILITIES				
Accounts payable	$ 185	$ -	$ -	$ 2,377
Payroll payable	-	1,991	528	17,104
Due to other funds	-	-	-	58,954
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	185	1,991	528	78,435
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	176,688
Total Deferred Inflows of Resources	-	-	-	176,688
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	1,238,524	-	-
Committed	97,007	-	50,700	-
Unassigned	-	-	-	-
Total Fund Balances	97,007	1,238,524	50,700	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 97,192	$ 1,240,515	$ 51,228	$ 255,123

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	Animal Fees Forfeiture	Development Impact Fees	Equipment Replacement	NW Triangle Plan Fee
ASSETS				
Cash and investments	$ 36,144	$ 5,965,767	$ 9,382,281	$ 358,908
Accounts receivable	1,531	-	28,158	-
Interest receivable	200	32,021	-	1,971
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepaids	-	-	239,680	-
Leases receivable	-	-	-	-
Total Assets	$ 37,875	$ 5,997,788	$ 9,650,119	$ 360,879
LIABILITIES				
Accounts payable	$ 541	$ 12,709	$ 351,561	$ -
Payroll payable	-	-	1,846	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	541	12,709	353,407	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	239,680	-
Restricted	37,334	-	-	-
Committed	-	5,985,079	9,057,032	360,879
Unassigned	-	-	-	-
Total Fund Balances	37,334	5,985,079	9,296,712	360,879
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 37,875	$ 5,997,788	$ 9,650,119	$ 360,879

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	Development Benefit	Lighting and Landscaping Assessment Districts	Downtown Assessment District	CFD #2 Services
ASSETS				
Cash and investments	$ 727,691	$ 24,847,139	$ 11,118	$ 78,901
Accounts receivable	-	86,588	-	8,860
Interest receivable	4,032	128,589	88	2,972
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepaids	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	$ 731,723	$ 25,062,316	$ 11,206	$ 90,733
LIABILITIES				
Accounts payable	$ -	$ 18,261	$ -	$ -
Payroll payable	-	27,978	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	-	46,239	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	25,016,077	11,206	90,733
Committed	731,723	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	731,723	25,016,077	11,206	90,733
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 731,723	$ 25,062,316	$ 11,206	$ 90,733

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	CDBG	State HOME Program	Housing Stimulus	Stanislaus County Housing Consortium
ASSETS				
Cash and investments	$ 125,739	$ 4,831,940	$ -	$ 125,728
Accounts receivable	121,607	-	57,756	491,025
Interest receivable	-	26,350	10	1,011
Due from developers	-	-	-	-
Loans receivable	4,814,803	3,475,504	5,500	9,980,950
Prepaids	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	$ 5,062,149	$ 8,333,794	$ 63,266	$ 10,598,714
LIABILITIES				
Accounts payable	$ 64,812	$ -	$ -	$ 38,190
Payroll payable	9,115	-	-	2,764
Due to other funds	-	-	12,771	-
Unearned revenue	-	-	-	-
Deposits payable	3,600	-	-	2,650
Total Liabilities	77,527	-	12,771	43,604
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	4,814,803	3,475,504	5,500	9,980,950
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	4,814,803	3,475,504	5,500	9,980,950
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	169,819	4,858,290	44,995	574,160
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	169,819	4,858,290	44,995	574,160
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 5,062,149	$ 8,333,794	$ 63,266	$ 10,598,714

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	Grant Funds	Traffic Safety	HOME ARP	ARPA
ASSETS				
Cash and investments	$ 918,093	$ 164,594	$ -	$ 4,415,737
Accounts receivable	297,829	-	128,979	-
Interest receivable	5,559	872	-	-
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepaids	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	$ 1,221,481	$ 165,466	$ 128,979	$ 4,415,737
LIABILITIES				
Accounts payable	$ 50,406	$ 529	$ 426	$ 3,610
Payroll payable	2,900	-	2,315	-
Due to other funds	368,373	-	128,105	-
Unearned revenue	-	-	-	4,354,216
Deposits payable	-	-	-	-
Total Liabilities	421,679	529	130,846	4,357,826
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	799,802	164,937	-	57,911
Committed	-	-	-	-
Unassigned	-	-	(1,867)	-
Total Fund Balances	799,802	164,937	(1,867)	57,911
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,221,481	$ 165,466	$ 128,979	$ 4,415,737

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS
	PLHA	Facility Fees	CFD #3 Maintenance	Capital Improvement
ASSETS				
Cash and investments	$ 490,807	$ 20,298,513	$ 2,355	$ 1,887,705
Accounts receivable	-	-	-	2,340
Interest receivable	914	105,968	13	19,525
Due from developers	-	267,243	-	-
Loans receivable	362,500	-	-	-
Prepaids	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	$ 854,221	$ 20,671,724	$ 2,368	$ 1,909,570
LIABILITIES				
Accounts payable	$ -	$ 6,240	$ -	$ 308,131
Payroll payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	-	6,240	-	308,131
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	362,500	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	362,500	-	-	-
FUND BALANCES				
Nonspendable	-	267,243	-	-
Restricted	491,721	20,398,241	2,368	-
Committed	-	-	-	1,601,439
Unassigned	-	-	-	-
Total Fund Balances	491,721	20,665,484	2,368	1,601,439
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 854,221	$ 20,671,724	$ 2,368	$ 1,909,570

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	CAPITAL PROJECTS FUNDS			
	Street Light Installation	Downtown Improvement Project	North Turlock Master Plan	North East Turlock Master Plan
ASSETS				
Cash and investments	$ 170,850	$ 238,242	$ 2,081,193	$ 4,125,396
Accounts receivable	-	-	-	-
Interest receivable	916	-	11,680	22,841
Due from developers	-	-	-	-
Loans receivable	-	-	-	-
Prepaids	-	-	-	-
Leases receivable	-	-	-	-
Total Assets	$ 171,766	$ 238,242	$ 2,092,873	$ 4,148,237
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ -
Payroll payable	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	-
Related to leases	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	171,766	238,242	2,092,873	4,148,237
Unassigned	-	-	-	-
Total Fund Balances	171,766	238,242	2,092,873	4,148,237
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 171,766	$ 238,242	$ 2,092,873	$ 4,148,237

CITY OF TURLOCK
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	CAPITAL PROJECTS FUNDS			
	Turlock Regional Industrial Park	East Tuolumne Master Plan	Airport	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	$ 2,682,481	$ 154,335	$ 8,485	$ 85,510,478
Accounts receivable	31,667	-	10,000	1,329,327
Interest receivable	14,739	364	113	389,024
Due from developers	-	-	-	267,243
Loans receivable	-	-	-	18,639,257
Prepaids	-	-	-	239,680
Leases receivable	-	-	-	192,459
Total Assets	$ 2,728,887	$ 154,699	$ 18,598	$ 106,567,468
LIABILITIES				
Accounts payable	$ -	$ -	$ -	$ 857,978
Payroll payable	-	-	-	66,541
Due to other funds	-	-	-	568,203
Unearned revenue	-	-	-	4,354,216
Deposits payable	-	-	-	6,250
Total Liabilities	-	-	-	5,853,188
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	-	-	-	18,639,257
Related to leases	-	-	-	176,688
Total Deferred Inflows of Resources	-	-	-	18,815,945
FUND BALANCES				
Nonspendable	-	-	-	506,923
Restricted	-	-	-	53,956,118
Committed	2,728,887	154,699	18,598	27,437,161
Unassigned	-	-	-	(1,867)
Total Fund Balances	2,728,887	154,699	18,598	81,898,335
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,728,887	$ 154,699	$ 18,598	$ 106,567,468

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	Asset Forfeitures	Integrated Waste Management (AB939)	Bicycle Safety	Sports Facilities
REVENUES				
Taxes and assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	-	1,146	-
Use of money and property	6,402	64,178	2,818	3,432
Intergovernmental	21,299	18,073	-	-
Charges for current services	-	-	-	298,441
Other revenue	-	-	-	-
Total Revenues	27,701	82,251	3,964	301,873
EXPENDITURES				
Current:				
General government	-	206,739	-	-
Public safety	41,917	-	8,230	-
Public ways and facilities/transportation	-	-	-	-
Parks and recreation	-	-	-	765,471
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	41,917	206,739	8,230	765,471
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(14,216)	(124,488)	(4,266)	(463,598)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Contributions of capital assets	-	-	-	-
Contributions from private-purpose trust	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	489,598
Transfers (out)	-	-	-	(26,000)
Total Other Financing Sources (Uses)	-	-	-	463,598
NET CHANGE IN FUND BALANCES	(14,216)	(124,488)	(4,266)	-
BEGINNING FUND BALANCES	111,223	1,363,012	54,966	-
ENDING FUND BALANCES	$ 97,007	$ 1,238,524	$ 50,700	$ -

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	Animal Fees Forfeiture	Development Impact Fees	Equipment Replacement	NW Triangle Plan Fee
REVENUES				
Taxes and assessments	$ -	$ -	$ 63,590	$ -
Licenses and permits	-	-	-	-
Use of money and property	1,943	287,698	133,173	17,561
Intergovernmental	-	-	66,014	-
Charges for current services	11,950	489,988	458,555	5,632
Other revenue	-	-	33,361	-
Total Revenues	13,893	777,686	754,693	23,193
EXPENDITURES				
Current:				
General government	-	-	116,470	-
Public safety	10,336	-	348,370	-
Public ways and facilities/transportation	-	77,185	24,204	1,251
Parks and recreation	-	-	-	-
Community development	-	-	213,302	-
Capital outlay	-	-	135,364	-
Debt service:				
Principal	-	-	79,575	-
Interest and fiscal charges	-	-	3,530	-
Total Expenditures	10,336	77,185	920,815	1,251
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,557	700,501	(166,122)	21,942
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	117,549	-
Contributions of capital assets	-	-	-	-
Contributions from private-purpose trust	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	1,990,718	-
Transfers (out)	-	-	(57,345)	-
Total Other Financing Sources (Uses)	-	-	2,050,922	-
NET CHANGE IN FUND BALANCES	3,557	700,501	1,884,800	21,942
BEGINNING FUND BALANCES	33,777	5,284,578	7,411,912	338,937
ENDING FUND BALANCES	$ 37,334	$ 5,985,079	$ 9,296,712	$ 360,879

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	Development Benefit	Lighting and Landscaping Assessment Districts	Downtown Assessment District	CFD #2 Services
REVENUES				
Taxes and assessments	$ -	$ 3,676,126	$ -	$ 1,247,112
Licenses and permits	-	-	-	-
Use of money and property	35,852	1,155,647	808	48,266
Intergovernmental	-	-	-	-
Charges for current services	-	-	-	-
Other revenue	-	-	-	-
Total Revenues	35,852	4,831,773	808	1,295,378
EXPENDITURES				
Current:				
General government	-	-	-	38,587
Public safety	-	-	-	-
Public ways and facilities/transportation	-	1,838,148	-	-
Parks and recreation	-	4,999	5,986	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	1,843,147	5,986	38,587
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	35,852	2,988,626	(5,178)	1,256,791
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Contributions of capital assets	-	-	-	-
Contributions from private-purpose trust	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(42,000)	-	(1,237,077)
Total Other Financing Sources (Uses)	-	(42,000)	-	(1,237,077)
NET CHANGE IN FUND BALANCES	35,852	2,946,626	(5,178)	19,714
BEGINNING FUND BALANCES	695,871	22,069,451	16,384	71,019
ENDING FUND BALANCES	$ 731,723	$ 25,016,077	$ 11,206	$ 90,733

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	CDBG	State HOME Program	Housing Stimulus	Stanislaus County Housing Consortium
REVENUES				
Taxes and assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Use of money and property	950	232,862	224	11,047
Intergovernmental	551,783	-	50,013	660,934
Charges for current services	49,357	-	63,246	5,959
Other revenue	166,183	143,153	-	64,577
Total Revenues	768,273	376,015	113,483	742,517
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities/transportation	-	-	-	-
Parks and recreation	-	-	-	-
Community development	651,589	152,789	113,258	653,441
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	651,589	152,789	113,258	653,441
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	116,684	223,226	225	89,076
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Contributions of capital assets	-	-	-	-
Contributions from private-purpose trust	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(800)	-	-	-
Total Other Financing Sources (Uses)	(800)	-	-	-
NET CHANGE IN FUND BALANCES	115,884	223,226	225	89,076
BEGINNING FUND BALANCES	53,935	4,635,064	44,770	485,084
ENDING FUND BALANCES	$ 169,819	$ 4,858,290	$ 44,995	$ 574,160

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS			
	Grant Funds	Traffic Safety	HOME ARP	ARPA
REVENUES				
Taxes and assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Use of money and property	50,904	8,454	-	72,685
Intergovernmental	1,257,609	-	-	1,804,906
Charges for current services	-	75,700	128,979	-
Other revenue	22,700	-	-	-
Total Revenues	1,331,213	84,154	128,979	1,877,591
EXPENDITURES				
Current:				
General government	-	-	-	1,573,149
Public safety	153,412	37,311	-	58,244
Public ways and facilities/transportation	-	-	-	32,938
Parks and recreation	762,055	-	-	109,319
Community development	180,825	-	19,700	-
Capital outlay	80,062	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	1,176,354	37,311	19,700	1,773,650
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	154,859	46,843	109,279	103,941
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Contributions of capital assets	-	-	-	-
Contributions from private-purpose trust	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	30,000	-	-	-
Transfers (out)	(289,399)	-	-	(22,849)
Total Other Financing Sources (Uses)	(259,399)	-	-	(22,849)
NET CHANGE IN FUND BALANCES	(104,540)	46,843	109,279	81,092
BEGINNING FUND BALANCES	904,342	118,094	(111,146)	(23,181)
ENDING FUND BALANCES	$ 799,802	$ 164,937	$ (1,867)	$ 57,911

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS			CAPITAL PROJECTS FUNDS
	PLHA	Facility Fees	CFD #3 Maintenance	Capital Improvement
REVENUES				
Taxes and assessments	$ -	$ -	$ 2,250	$ -
Licenses and permits	-	-	-	15,684
Use of money and property	12,094	957,479	118	147,017
Intergovernmental	481,610	-	-	197,264
Charges for current services	-	2,567,354	-	-
Other revenue	-	-	-	-
Total Revenues	493,704	3,524,833	2,368	359,965
EXPENDITURES				
Current:				
General government	-	22,660	-	-
Public safety	-	175	-	-
Public ways and facilities/transportation	-	729	-	80,749
Parks and recreation	-	-	-	-
Community development	15,288	-	-	-
Capital outlay	294,361	51,483	-	4,194,661
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	309,649	75,047	-	4,275,410
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	184,055	3,449,786	2,368	(3,915,445)
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Contributions of capital assets	-	-	-	-
Contributions from private-purpose trust	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	128,686
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	128,686
NET CHANGE IN FUND BALANCES	184,055	3,449,786	2,368	(3,786,759)
BEGINNING FUND BALANCES	307,666	17,215,698	-	5,388,198
ENDING FUND BALANCES	$ 491,721	$ 20,665,484	$ 2,368	$ 1,601,439

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	CAPITAL PROJECTS FUNDS			
	Street Light Installation	Downtown Improvement Project	North Turlock Master Plan	North East Turlock Master Plan
REVENUES				
Taxes and assessments	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Use of money and property	8,208	3,555	103,222	203,211
Intergovernmental	-	-	-	-
Charges for current services	8,185	-	-	33,000
Other revenue	-	-	-	-
Total Revenues	16,393	3,555	103,222	236,211
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public ways and facilities/transportation	-	50	318,207	1,659
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	50	318,207	1,659
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,393	3,505	(214,985)	234,552
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	-
Contributions of capital assets	-	-	-	-
Contributions from private-purpose trust	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	16,393	3,505	(214,985)	234,552
BEGINNING FUND BALANCES	155,373	234,737	2,307,858	3,913,685
ENDING FUND BALANCES	$ 171,766	$ 238,242	$ 2,092,873	$ 4,148,237

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (Continued)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	CAPITAL PROJECTS FUNDS			
	Turlock Regional Industrial Park	East Tuolumne Master Plan	Airport	Total Nonmajor Governmental Funds
REVENUES				
Taxes and assessments	$ -	$ -	$ -	$ 4,989,078
Licenses and permits	-	-	-	16,830
Use of money and property	131,364	4,337	1,253	3,706,762
Intergovernmental	-	-	40,000	5,149,505
Charges for current services	58,683	142,700	-	4,397,729
Other revenue	-	-	-	429,974
Total Revenues	190,047	147,037	41,253	18,689,878
EXPENDITURES				
Current:				
General government	-	-	-	1,957,605
Public safety	-	-	-	657,995
Public ways and facilities/transportation	1,222	1,222	1,202	2,378,766
Parks and recreation	-	-	-	1,647,830
Community development	-	-	-	2,000,192
Capital outlay	-	-	116,558	4,872,489
Debt service:				
Principal	-	-	-	79,575
Interest and fiscal charges	-	-	-	3,530
Total Expenditures	1,222	1,222	117,760	13,597,982
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	188,825	145,815	(76,507)	5,091,896
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	-	-	117,549
Contributions of capital assets	-	-	-	-
Contributions from private-purpose trust	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers in	-	-	-	2,639,002
Transfers (out)	-	-	(10,000)	(1,685,470)
Total Other Financing Sources (Uses)	-	-	(10,000)	1,071,081
NET CHANGE IN FUND BALANCES	188,825	145,815	(86,507)	6,162,977
BEGINNING FUND BALANCES	2,540,062	8,884	105,105	75,735,358
ENDING FUND BALANCES	$ 2,728,887	$ 154,699	$ 18,598	$ 81,898,335

INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for services or activities performed by one City department for the benefit of other City departments on a cost reimbursement basis.

The concept of major funds in accounting principles generally accepted in the United States of America does not apply to Internal Service Funds because, in general, they do not do business with outside parties. Accounting principles generally accepted in the United States of America require that, for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the City department(s) which benefit(s) from the services the internal service fund provides. The Balance Sheet items are consolidated with the Governmental Funds in the Statement of Net Position.

The activities of Internal Service Funds continue to be presented separately in the Fund Financial Statements.

Equipment Pool
This fund accounts for repair and maintenance activities for all City vehicles and large equipment as well as monies set aside for the replacement of vehicles used by City departments.

Self-Insurance
The Self-Insurance Fund accounts for the activities of the City's risk management and workers' compensation, property/liability, and health (medical, dental, and vision) insurance programs.

Information Technology
This fund accounts for the costs incurred to maintain and enhance the City's information technology systems.

CITY OF TURLOCK
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025

	Equipment Pool	Self-Insurance	Information Technology	Total
ASSETS				
Current assets:				
Cash and investments	$ 10,297,350	$ 8,793,063	$ 782,081	$ 19,872,494
Accounts receivable	55,526	365,197	-	420,723
Interest receivable	3,399	60,519	6,255	70,173
Due from other funds	-	-	-	-
Prepaids	-	161,385	-	161,385
Total current assets	10,356,275	9,380,164	788,336	20,524,775
Noncurrent assets:				
Capital assets not being depreciated	-	-	-	-
Capital assets being depreciated (net)	6,201,646	-	372,740	6,574,386
Right-to-use subscription assets (net)	234,986	-	-	234,986
Total noncurrent assets	6,436,632	-	372,740	6,809,372
Total Assets	16,792,907	9,380,164	1,161,076	27,334,147
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	316,781	-	434,625	751,406
Related to OPEB	23,012	-	32,871	55,883
Total Deferred Outflows of Resources	339,793	-	467,496	807,289
LIABILITIES				
Current liabilities:				
Accounts payable	13,412	565,910	71,662	650,984
Payroll payable	19,409	-	37,424	56,833
Claims liability	-	808,862	-	808,862
Compensated absences	12,818	-	15,207	28,025
IT subscription liability	51,980	-	-	51,980
Total current liabilities	97,619	1,374,772	124,293	1,596,684
Long-term liabilities:				
Claims liability	-	4,246,536	-	4,246,536
Compensated absences	51,271	-	60,828	112,099
Total OPEB liability	122,367	-	174,785	297,152
Net pension liability	1,347,678	-	1,849,019	3,196,697
IT subscription liability	114,687	-	-	114,687
Total long-term liabilities	1,636,003	4,246,536	2,084,632	7,967,171
Total Liabilities	1,733,622	5,621,308	2,208,925	9,563,855
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	-	-	-	-
Related to OPEB	176,841	-	252,599	429,440
Total Deferred Inflows of Resources	176,841	-	252,599	429,440
NET POSITION				
Net investment in capital assets	6,269,965	-	372,740	6,642,705
Unrestricted	8,952,272	3,758,856	(1,205,692)	11,505,436
Total Net Position	$ 15,222,237	$ 3,758,856	$ (832,952)	$ 18,148,141

CITY OF TURLOCK
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Equipment Pool	Self-Insurance	Information Technology	Total
OPERATING REVENUES				
Charges for services	$ 1,488,193	$ 9,740,922	$ 1,719,055	$ 12,948,170
Other income	643,679	321,374	-	965,053
Total Operating Revenues	2,131,872	10,062,296	1,719,055	13,913,223
OPERATING EXPENSES				
Salaries, benefits, and insurance	1,045,573	13,632,034	1,456,936	16,134,543
Contractual	253,943	76,284	508,042	838,269
Supplies and maintenance	131,663	-	10,318	141,981
Utilities	34,259	-	23,269	57,528
Fleet expense	50,994	-	4,160	55,154
Depreciation and amortization	1,043,314	-	4,106	1,047,420
Other expenses	51,384	3,398	44,953	99,735
Total Operating Expenses	2,611,130	13,711,716	2,051,784	18,374,630
Operating Loss	(479,258)	(3,649,420)	(332,729)	(4,461,407)
NONOPERATING REVENUES (EXPENSES)				
Interest income	172,817	528,829	55,573	757,219
Interest (expense)	(9,093)	-	-	(9,093)
Gain on disposal of capital assets	111,267	-	362,132	473,399
Total Nonoperating Revenues (Expenses)	274,991	528,829	417,705	1,221,525
Income (Loss) Before Contributions and Transfers	(204,267)	(3,120,591)	84,976	(3,239,882)
Capital contributions - connection/impact fees	-	-	-	-
Transfers in	2,273,232	-	-	2,273,232
Transfers (out)	-	-	(1,855)	(1,855)
Total Contributions and Transfers	2,273,232	-	(1,855)	2,271,377
Change in Net Position	2,068,965	(3,120,591)	83,121	(968,505)
NET POSITION - BEGINNING	13,153,272	6,879,447	(916,073)	19,116,646
NET POSITION - ENDING	$ 15,222,237	$ 3,758,856	$ (832,952)	$ 18,148,141

CITY OF TURLOCK
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Equipment Pool	Self-Insurance	Information Technology	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 1,517,039	$ 10,033,063	$ 1,719,055	$ 13,269,157
Payments to suppliers	(536,368)	1,080,163	(590,981)	(47,186)
Payments to employees and benefits	(746,619)	(13,632,034)	(1,507,701)	(15,886,354)
Other	643,679	321,374	-	965,053
Net Cash Flows from Operating Activities	877,731	(2,197,434)	(379,627)	(1,699,330)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund receipts (payments)	-	-	-	-
Transfers in	2,273,232	-	-	2,273,232
Transfers out	-	-	(1,855)	(1,855)
Net Cash Flows from Noncapital Financing Activities	2,273,232	-	(1,855)	2,271,377
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets, net	(3,296,115)	-	(362,132)	(3,658,247)
Proceeds from sale of capital assets	111,267	-	362,132	473,399
IT subscription assets - principal	(121,071)	-	-	(121,071)
IT subscription assets - interest	(9,093)	-	-	(9,093)
Net Cash Flows from Capital and Related Financing Activities	(3,315,012)	-	-	(3,315,012)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	177,673	561,611	49,318	788,602
Net Cash Flows from Investing Activities	177,673	561,611	49,318	788,602
Net Cash Flows	13,624	(1,635,823)	(332,164)	(1,954,363)
Cash and Investments at Beginning of Period	10,283,726	10,428,886	1,114,245	21,826,857
Cash and Investments at End of Period	$ 10,297,350	$ 8,793,063	$ 782,081	$ 19,872,494
Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Operating income (loss)	$ (479,258)	$ (3,649,420)	$ (332,729)	$ (4,461,407)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation and amortization	1,043,314	-	4,106	1,047,420
Change in assets and liabilities:				
Accounts receivable	28,846	292,141	-	320,987
Prepaids	-	(161,385)	-	(161,385)
Accounts payable	(14,125)	(652,796)	(239)	(667,160)
Payroll payable	2,396	-	3,147	5,543
Compensated absences	20,226	-	(18,070)	2,156
Claims liability	-	1,974,026	-	1,974,026
Deferred outflows/inflows and total OPEB liability	36,667	-	(30,059)	6,608
Deferred outflows/inflows and net pension liability	239,665	-	(5,783)	233,882
Net Cash Flows from Operating Activities	$ 877,731	$ (2,197,434)	$ (379,627)	$ (1,699,330)

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-Wide Financial Statements, but are presented in a separate Fiduciary Fund Financial Statement. For the City of Turlock, the following agent activities are accounted for within the Custodial Funds:

Northwest Triangle Mello Roos Assessment District
This district was established as a funding mechanism to partially pay for the infrastructure improvements installed in the Monte Vista Crossings shopping area. These improvements were in part funded with the proceeds of a bond issuance which is being retired through annual assessments to the owners of the parcels within the district's boundaries.

Turlock Property and Business Improvement District (PBID) #2
This is a successor district to one originally established to fund maintenance efforts in downtown Turlock. The current district was established in June 2003 via a vote of the affected property owners. The district has a ten year life and extended annually, through annual assessments, funds prescribed maintenance efforts within the district's boundaries as well as promotional activities for the downtown area.

CITY OF TURLOCK
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	Northwest Triangle Mello Roos Assessment District	Turlock Property and Business Improvement District #2	Total
ASSETS			
Cash and investments	$ 178,185	$ 158,770	$ 336,955
Cash and investments with fiscal agent	-	-	-
Accounts receivable	-	4,340	4,340
Interest receivable	-	502	502
Total Assets	178,185	163,612	341,797
LIABILITIES			
Accounts payable	-	65,275	65,275
Total Liabilities	-	65,275	65,275
NET POSITION			
Restricted for:			
Other organizations	178,185	98,337	276,522
Total Net Position	$ 178,185	$ 98,337	$ 276,522

CITY OF TURLOCK
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Northwest Triangle Mello Roos Assessment District	Turlock Property and Business Improvement District #2	Total
ADDITIONS			
Assessments	$ -	$ 238,086	$ 238,086
Net investment income	4,584	5,588	10,172
Total Additions	4,584	243,674	248,258
DEDUCTIONS			
Administration expense	26,763	-	26,763
Recipient payments	-	213,274	213,274
Payments to bondholders	259,513	-	259,513
Total Deductions	286,276	213,274	499,550
NET CHANGE IN NET POSITION	(281,692)	30,400	(251,292)
NET POSITION			
Beginning of year	459,877	67,937	527,814
End of year	$ 178,185	$ 98,337	$ 276,522

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CITY OF TURLOCK, CALIFORNIA

SINGLE AUDIT REPORTS

FOR THE YEAR ENDED
JUNE 30, 2025

CITY OF TURLOCK, CALIFORNIA
SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Members of the City Council
City of Turlock, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Turlock, California (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 8, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an

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objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in our separately issued Memorandum on Internal Control dated April 8, 2026, which is an integral part of our audit and should be read in conjunction with this report. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
April 8, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Members of the City Council
City of Turlock, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Turlock's (the City) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated April 8, 2026, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
April 8, 2026

CITY OF TURLOCK, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grant Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Direct Programs:				
Community Development Block Grants/State's Program				
Program Expenditures	14.228		$ 53,777	$ 356,610
Program Expenditures (Program Income)	14.228		-	215,540
Program Subtotal			53,777	572,150
Community Development Block Grants/Entitlment Communities Program				
Program Expenditures	14.218		-	107,770
Program Subtotal			-	107,770
HOME Investment Partnerships Program				
Program Expenditures	14.239		-	660,934
Program Subtotal			-	660,934
Total U.S. Department of Housing and Urban Development			53,777	1,340,854
U.S. Department of Justice:				
Direct Programs:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-01259-JAGX	-	32,388
Total U.S. Department of Justice			-	32,388
U.S. Department of Transportation:				
Direct Programs:				
Federal Transit Cluster (Note 4)				
Federal Transit - Formula Grants (Urbanized Area Formula Program)	20.507		-	4,304,881
Cluster Subtotal			-	4,304,881
Passed through California Department of Transportation:				
Highway Planning and Construction (Federal-Aid Highway Program)				
Congestion Mitigation and Air Quality Improvement Program (CMAQ)	20.205	CML-5165	-	49,570
Surface Transportation Program (STP)	20.205	RSTP-5165	-	337,987
Program Subtotal			-	387,557
Federal Aviation Administration				
Airport Improvement Program, Infrastructure Investment and Jobs Act Programs, and COVID-19 Airports Programs	20.106	30,602,650,132,021	-	30,000
Passed through State of California Office of Traffic Safety:				
Highway Safety Cluster				
State and Community Highway Safety				
Selective Traffic Enforcement Program (STEP)	20.600	PT25083	-	11,746
Selective Traffic Enforcement Program (STEP)	20.600	PT24207	-	9,182
Cluster Subtotal			-	20,928

The accompanying notes are an integral part of this schedule.

CITY OF TURLOCK, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-Through Grant Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Transportation: (Continued)				
Passed through State of California Office of Traffic Safety: (Continued)				
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT25083	-	11,490
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	PT24207	-	12,994
Program Subtotal			-	24,484
Total U.S. Department of Transportation			-	4,767,850
U.S. Department of Treasury				
Direct Program:				
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027		-	1,796,499
Total U.S. Department of Treasury			-	1,796,499
Total Expenditures of Federal Awards			$ 53,777	$ 7,937,591

The accompanying notes are an integral part of this schedule.

CITY OF TURLOCK, CALIFORNIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – REPORTING ENTITY

The Schedule of Expenditure of Federal Awards (the Schedule) includes expenditures of federal awards for the City of Turlock, California, (the City) and its component units as disclosed in the notes to the Basic Financial Statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting refers to *when* revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. All proprietary funds and fiduciary funds are accounted for using the accrual basis of accounting. Expenditures of federal awards reported on the Schedule are recognized when incurred.

NOTE 3 – INDIRECT COST ELECTION

The City has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF TURLOCK, CALIFORNIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2025

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of auditor's report issued	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	___ Yes	X No
• Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X No
Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards:

Internal control over major programs:		
• Material weakness(es) identified?	___ Yes	X No
• Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X No
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, under 2 CFR §200.516?	___ Yes	X No

Identification of major programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
20.507	Federal Transit – Formula Grants

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	___ Yes	X No

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

SECTION IV – STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None.

CITY OF TURLOCK

MEMORANDUM ON INTERNAL CONTROL

FOR THE YEAR ENDED JUNE 30, 2025

CITY OF TURLOCK
MEMORANDUM ON INTERNAL CONTROL
FOR THE YEAR ENDED JUNE 30, 2025

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MEMORANDUM ON INTERNAL CONTROL

To the City Council of the
City of Turlock, California

In planning and performing our audit of the basic financial statements of the City of Turlock (the City) as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Material Weaknesses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

This communication is intended solely for the information and use of management, the City Council, others within the City, and agencies and pass-through entities requiring compliance with *Government Auditing Standards* and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
April 8, 2026

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CITY OF TURLOCK
MEMORANDUM ON INTERNAL CONTROL
SCHEDULE OF MATERIAL WEAKNESSES

None.

NEW GASB PRONOUNCEMENTS OR PRONOUNCEMENTS NOT YET EFFECTIVE

The following comment represents new pronouncements taking affect in the next two years. We cite them here to keep you informed of developments:

EFFECTIVE FISCAL YEAR 2024/25:

GASB Statement No. 101 – *Compensated Absences*

The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

GASB Statement No. 102 – *Certain Risk Disclosures*

State and local governments face a variety of risks that could negatively affect the level of service they provide or their ability to meet obligations as they come due. Although governments are required to disclose information about their exposure to some of those risks, essential information about other risks that are prevalent among state and local governments is not routinely disclosed because it is not explicitly required. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

EFFECTIVE FISCAL YEAR 2025/26:

GASB Statement No. 103 – *Financial Reporting Model Improvements*

The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues.

GASB Statement No. 104 – *Disclosure of Certain Capital Assets*

State and local governments are required to provide detailed information about capital assets in the notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets.

This statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

EFFECTIVE FISCAL YEAR 2026/27:

GASB Statement No. 105 – *Subsequent Events*

The objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.

This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed.

This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

CITY OF TURLOCK
MEMORANDUM ON INTERNAL CONTROL
STATUS OF PRIOR YEAR MATERIAL WEAKNESSES

2022-001 Timely and Accurate Year-End Close

As noted in prior year comment 2021-001, the year-end financial closing and preparation of the general ledger data should be completed timely and accurately. In addition, organizations should have a contingency plan in the event of staff turnover. Part of this plan is ensuring there are staff resources available on short notice to fill in key functions. In the Finance Department, these resources need to be in place throughout the fiscal year to ensure accounting functions continue and allow time for analysis of account balances and activities.

During fiscal year 2021-22, the City experienced significant staff shortages due to staff departures and long-term leaves of absence that continued from fiscal year 2020-21. This put a strain on the City's ability to maintain good internal controls, and to produce accurate and timely financial data. As a result, the year-end audit was adversely affected. The trial balance we received from the City for the audit was submitted to us in September 2023, which had been delayed due to the length of time it took to complete the fiscal year 2020-21 audit. In addition, during the audit, we discovered and/or City staff proposed eighteen additional post-closing journal entries, including a number of material post-closing adjustment entries for audit for areas including fiscal agent cash and investments, long-term debt refunding and issuance transactions, unearned revenue, as well as a restatement that affected utility revenue.

The above condition delayed the completion of the year-end closing process, which increased the risk that material errors or misstatements may go undetected by staff and corrections may not be made in a timely manner. Audit effort was substantially increased in response to these increased risks.

The City should analyze staff resources to determine what plans can or should be made to ensure that the financial data is processed properly and timely during staffing transitions. In addition, the City must develop procedures to ensure that accounts are analyzed throughout the fiscal year and after the year-end close to ensure that additional closing entries are not required prior to providing the general ledger for audit.

Current Year Status:

The City of Turlock has continued to make significant progress in improving the timeliness and accuracy of its year-end financial closing process. The fiscal year 2024–2025 reports were completed near the required deadline of March 31, 2026 and were submitted only a few days later than scheduled, reflecting continued improvement over prior years.

Additionally, the City is on track to achieve full compliance with reporting deadlines for fiscal year 2025–2026. Management remains committed to strengthening internal processes and sustaining this positive trajectory going forward.

To the Honorable Members of the City Council
City of Turlock, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Turlock (the City) as of and for the year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards,* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 30, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. During the year ended June 30, 2025, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences,* and GASB Statement No. 102, *Certain Risk Disclosures.* We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

> Management's estimates used in establishing the fair value for investments, the useful lives of capital assets, the accrued compensated absences, the self-insurance liability, the net pension liability and related deferred outflows and inflows of resources, the total other post-employment benefit liabilities and related deferred outflows and inflows of resources, and discount rate for the purpose of calculating the right-to-use lease and subscription-based information technology arrangement (SBITA) assets and the related liabilities. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 9 – Pension Plans
- Note 10 – Post-Employment Healthcare Benefits
- Note 13 – Commitments and Contingencies

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We detected no such misstatements during our audit.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated April 8, 2026.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's and Discussion Analysis, Schedule of Changes in the Net Pension Liability and Related Ratios – Miscellaneous Plan – Agent Multiple-Employer Defined Benefit Pension Plan, Schedule of the City's Proportionate Share of the Net Pension Liability – Safety Plan – Cost-Sharing Multiple-Employer Defined Benefit Pension Plan, Schedules of the City's Pension Contributions, and Schedule of Changes in the City's Total Other Post-Employment Benefits (OPEB) Liability and Related Ratios, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual nonmajor fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
April 8, 2026

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Honorable Mayor and Members of the City Council
City of Turlock, California

We have performed the procedures enumerated below on the Appropriations Limit Worksheet (Worksheet) of the City of Turlock, California, (the City) in determining the City's compliance with the requirements of Section 1.5 of Article XIII-B of the California Constitution for the fiscal year ended June 30, 2025. The City's management is responsible for the Worksheet.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of these procedures, which were suggested by the league of California Cities and presented in their Article XIII-B Appropriations Limitation Uniform Guidelines, performed solely to assist you in meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated results are as follows:

A. We obtained the Worksheet (Exhibit A to the Resolution) and determined that the 2024-2025 Appropriations Limit of $77,948,457 and annual adjustment factors were adopted by the Resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.

B. We recomputed the 2024-2025 Appropriations Limit by multiplying the 2023-2024 Prior Year Appropriations Limit by the Total Growth Factor. We recomputed the Total Growth Factor by multiplying the population option by the inflation option.

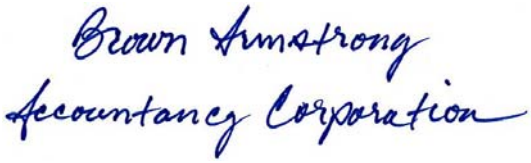
C. For the Worksheet, we agreed the Per Capita Income Factor and County Population Factor to California State Department of Finance Worksheets. The Worksheet did not include the City Population Factor.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Appropriations Limit Worksheet. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and the City Council and is not intended to be, and should not be, used by anyone other than those specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
May 5, 2026

TURLOCK PUBLIC FINANCING AUTHORITY

BASIC FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

TURLOCK PUBLIC FINANCING AUTHORITY
JUNE 30, 2025

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the Board of Directors
Turlock Public Financing Authority
Turlock, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the major fund of the Turlock Public Financing Authority (the Authority), a component unit of the City of Turlock, California (the City), as of and for the fiscal year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the major fund of the Authority, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the Authority. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of a Matter

As discussed in Note 1, the component unit financial statements present only the Authority and are not intended to present fairly the financial position and the results of operations of the City of Turlock in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2026, on our consideration of the City's internal control over financial reporting relating to the Authority and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance relating to the Authority. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance relating to the Authority.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 5, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TURLOCK PUBLIC FINANCING AUTHORITY
STATEMENT OF NET POSITION
AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the Authority's entire financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the Authority's assets, all its deferred inflows/outflows of resources, and all its liabilities, as well as all its revenues and expenses.

The Statement of Net Position reports the difference between the Authority's total assets and deferred outflows of resources and the Authority's total liabilities and deferred inflows of resources, including all the Authority's long-term debt. The Statement of Net Position summarizes the financial position of all the Authority's activities in a single column.

The Statement of Activities reports increases and decreases in the Authority's net position. It is also prepared on the full accrual basis of accounting, which means it includes all the Authority's revenues and all its expenses, regardless of when cash changes hands.

TURLOCK PUBLIC FINANCING AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2025

	Business-Type Activities
ASSETS	
Investments with fiscal agent (Note 2)	$ 9,090
Interest receivable	235,239
Leases receivable (Note 3)	18,096,398
Total Assets	18,340,727
LIABILITIES	
Interest payable	235,239
Long-term debt (Note 4):	
Due within one year	920,000
Due in more than one year	17,185,488
Total Liabilities	18,340,727
NET POSITION (Note 5)	
Restricted	-
Total Net Position	$ -

See accompanying notes to the basic financial statements.

TURLOCK PUBLIC FINANCING AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expense) Revenue and Changes in Position
Business-Type Activities:			
Water	$ 744,970	$ 744,940	$ (30)
Total	$ 744,970	$ 744,940	(30)
General Revenues:			
Interest income			30
Total general revenues			30
Change in net position			-
Net Position:			
Beginning of year			-
End of year			$ -

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year. All of the Authority's funds are major funds.

TURLOCK PUBLIC FINANCING AUTHORITY
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	2017 Water Bonds	Total
ASSETS		
Investments with fiscal agent (Note 2)	$ 9,090	$ 9,090
Interest receivable	235,239	235,239
Leases receivable (Note 3)	18,096,398	18,096,398
Total Assets	18,340,727	18,340,727
LIABILITIES		
Current liabilities:		
Interest payable	235,239	235,239
Bonds payable (Note 4)	920,000	920,000
Total Current Liabilities	1,155,239	1,155,239
Long-term liabilities:		
Bonds payable (Note 4)	17,185,488	17,185,488
Total Liabilities	18,340,727	18,340,727
NET POSITION (Note 5)		
Restricted	-	-
Total Net Position	$ -	$ -

See accompanying notes to the basic financial statements.

TURLOCK PUBLIC FINANCING AUTHORITY
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	2017 Water Bonds	Total
OPERATING REVENUES		
Lease revenue	$ 744,940	$ 744,940
Total Operating Revenues	744,940	744,940
OPERATING EXPENSES		
Interest expense	744,970	744,970
Total Operating Expenses	744,970	744,970
Operating Loss	(30)	(30)
NONOPERATING REVENUES (EXPENSES)		
Interest income	30	30
Total Nonoperating Revenues (Expenses)	30	30
Change in Net Position	-	-
BEGINNING NET POSITION	-	-
ENDING NET POSITION	$ -	$ -

See accompanying notes to the basic financial statements.

TURLOCK PUBLIC FINANCING AUTHORITY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	2017 Water Bonds	Total
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from City of Turlock	$ 1,802,363	$ 1,802,363
Long-term debt payment - interest	(916,338)	(916,338)
Cash Flows from Operating Activities	886,025	886,025
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Long-term debt payment - principal	(880,000)	(880,000)
Cash Flows from Noncapital and Related Financing Activities	(880,000)	(880,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest	30	30
Cash Flows from Investing Activities	30	30
Net Cash Flows	6,055	6,055
Cash and Investments at Beginning of Year	3,035	3,035
Cash and Investments at End of Year	$ 9,090	$ 9,090
Reconciliation of Operating Loss to Cash Flows from Operating Activities:		
Operating loss	$ (30)	$ (30)
Amortization of bond premium	(156,901)	(156,901)
Change in assets and liabilities:		
Interest receivable	14,467	14,467
Interest payable	(14,467)	(14,467)
Leases receivable	1,042,956	1,042,956
Cash Flows from Operating Activities	$ 886,025	$ 886,025
NONCASH TRANSACTIONS:		
Amortization of bond premium	$ (156,901)	$ (156,901)

See accompanying notes to the basic financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Purpose

The Turlock Public Financing Authority (the Authority) is a separate government entity whose purpose is to assist with the financing or refinancing of certain public capital improvements within the City of Turlock, California (the City). The Authority has the power to purchase bonds issued by any local agency at public or negotiated sale and may sell such bonds to public or private purchasers at public or negotiated sale. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The Authority was created on December 15, 1998, pursuant to Article 1, Chapter 5, of Division 7 of Title 1 of the Government Code of the State of California as a Joint Powers Authority between the City and the former Turlock Redevelopment Agency.

The Authority is an integral part of the City, and the accompanying financial statements are included as a component of the basic financial statements prepared by the City. A component unit is a separate governmental unit, agency, or nonprofit corporation which, when combined with all other component units, constitutes the reporting entity as defined in the City's basic financial statements.

The component unit financial statements present only the Authority and are not intended to present fairly the financial position and the results of operations of the City of Turlock in accordance with accounting principles generally accepted in the United States of America.

B. Basis of Presentation

The Authority's Basic Component Unit Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These standards require that the financial statements described below be presented.

Authority-Wide Statements

The Statement of Net Position and the Statement of Activities include the financial activities of the overall Authority government. Eliminations have been made to minimize the double counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs; (b) grants and contributions that are restricted to meeting the operational needs of a particular program; and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including interest income, are presented as general revenues.

The Authority-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the Authority's funds. Separate statements for each proprietary fund are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. The Authority considers all its funds to be major funds.

Proprietary Fund Financial Statements – Proprietary fund financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Fund Net Position; and a Statement of Cash Flows. Proprietary funds are accounted for using the *economic resources* measurement focus and the full accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

C. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

D. Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – INVESTMENTS HELD BY FISCAL AGENT

The Authority invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

NOTE 2 – INVESTMENTS HELD BY FISCAL AGENT (Continued)

The Authority's investments are carried at fair value, as required by accounting principles generally accepted in the United States of America. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

In accordance with accounting principles generally accepted in the United States of America, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

A. Investments Authorized by Debt Agreements

In accordance with the Lease Revenue Bond Indentures of Trust, a trustee holds the portion of bond proceeds established as reserves for debt service on these bonds. The California Government Code requires these funds to be invested in accordance with bond indentures or State statutes. The table below identifies the investment types and their minimum credit ratings that are authorized for investments held by the trustee and certain provisions of these debt agreements. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio
U.S. Treasury Notes, Bonds, and/or Bills	5 years	N/A	No maximum
U.S. Government Sponsored Securities	5 years	N/A	No maximum
State Obligations	N/A	A	No maximum
Pre-refunded Municipal Obligations	N/A	AAA	No maximum
Certificates of Deposit	30 days	A-1	No maximum
Bankers' Acceptances	30 days	A-1	No maximum
Commercial Paper	270 days	A-1+	No maximum
State Local Agency Investment Fund	N/A	N/A	LAIF limits
Repurchase Agreements	270 days	A	No maximum
Guaranteed Investment Contracts	N/A	AAA	No maximum
Money Market Funds	N/A	Aam or Aam-G	No maximum
Corporate Notes	N/A	Two highest rating categories	No maximum
Negotiable Certificates of Deposit	N/A	N/A	No maximum

B. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment Type	12 Months or Less
Held by Fiscal Agent:	
Money Market Mutual Funds (U.S. Securities)	$ 9,090
	$ 9,090

NOTE 2 – INVESTMENTS HELD BY FISCAL AGENT (Continued)

C. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual rating as of June 30, 2025, for the Money Market Mutual Funds was AAAm as provided by Standard & Poor's investment rating system. Money market mutual funds are available for withdrawal on demand.

D. Fair Value Hierarchy

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Authority's investment in money market funds is measured at amortized cost as of June 30, 2025.

NOTE 3 – LEASES RECEIVABLE FROM THE CITY OF TURLOCK

The Authority has recorded leases receivable pursuant to the lease agreements between the Authority and the City in relation to the bonded indebtedness. The leases receivable along with investments held by fiscal agents secure the repayment of the different debt issues. The lease revenue is equal to the Authority's debt service requirements and is used for that purpose. At June 30, 2025, the lease receivable was $18,096,398.

NOTE 4 – LONG-TERM DEBT

A. Current Year Activity

Following is a summary of the Authority's long-term debt transactions during the fiscal year ended June 30, 2025:

	Original Issue Amount	Balance June 30, 2024	Retirements	Balance June 30, 2025	Current Portion	More Than One Year
Business-Type Activities Debt:						
Revenue Refunding Bonds:						
2017 Water	$22,405,000	$ 16,985,000	$ (880,000)	$ 16,105,000	$ 920,000	$15,185,000
Add: Unamortized bond premium	-	2,157,389	(156,901)	2,000,488	-	2,000,488
Total Business Type Activities	$22,405,000	$ 19,142,389	$ (1,036,901)	$ 18,105,488	$ 920,000	$17,185,488

B. 2017 Water Revenue Refunding Bonds

In June 2017, the Authority issued $22,405,000 in Water Revenue Refunding Bonds Series 2017 to finance improvements to the Water System, to advance refund the series 2008 Water Revenue Bonds, and to pay costs of issuance of the 2017 Water Revenue Refunding Bonds. The defeased 2008 Water Revenue Bonds were called on April 30, 2018. The 2017 Water Revenue Refunding Bonds, which carry coupon interest rates ranging from 4.00% - 5.25%, have semi-annual principal and interest payments on the first of March through March 2038. Events of default on the 2017 Water Revenue Refunding Bonds include failure to make any debt service payment by the due date or failure to perform the other agreements or covenants required in the Master Installment Purchase Agreement (MIPA) between the Authority and the City not cured within sixty days of notice to the City, which would accelerate repayment of the bonds. The Authority can prepay the bonds at any time by paying the prescribed prepayment premium as set forth in the bond documents.

NOTE 4 – LONG-TERM DEBT (Continued)

B. 2017 Water Revenue Refunding Bonds (Continued)

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 920,000	$ 715,437	$ 1,635,437
2027	970,000	669,437	1,639,437
2028	1,015,000	620,937	1,635,937
2029	1,070,000	570,187	1,640,187
2030	1,125,000	514,012	1,639,012
2031-2035	6,465,000	1,720,150	8,185,150
2036-2038	4,540,000	368,000	4,908,000
Total	$ 16,105,000	$ 5,178,160	$ 21,283,160

On April 12, 2023, S&P Global Ratings withdrew its ratings on the bonds due to the City's delay in issuing the audited financial statements.

C. Bond Issuance Costs, Original Issue Discounts and Premiums, and Deferred Charge on Refunding

For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Any differences between proprietary refunded debt and the debt issued to refund it, called a gain or loss on refunding, is amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter. The gain or loss on refunding is reported as a deferred inflow or outflow of resources, as applicable. Bond issuance costs, other than prepaid insurance, are expensed in the year incurred.

D. Pledged Revenues

The 2017 Water Revenue Refunding Bonds are secured by a pledge of lease revenues from the City of Turlock. The approximate amount of pledged revenues is the remaining debt service on the bonds, totaling $21,283,160 as of June 30, 2025. The pledge extends for the life of the bonds, until final maturity in 2038. For the year ended June 30, 2025, pledged lease revenues recognized were $744,940, and principal and interest payments were $1,639,438.

NOTE 5 – NET POSITION

Net position is measured on the full accrual basis of accounting and is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net position is divided into two captions. These captions apply only to net position, which is determined only for proprietary funds and at the Authority-wide level, and are described below:

Restricted for Debt Service – This amount represents funds required by bond covenants to be held by the Authority's third-party trustee for future debt service payments.

Restricted for Capital Projects – This amount represents the unexpended portion of debt which was issued to finance capital improvement projects.

NOTE 6 – SUBSEQUENT EVENTS

The Authority's management has evaluated all events and transactions that occurred after June 30, 2025, and through May 5, 2026, the date the basic financial statements and accompanying notes to the basic financial statements were available to be issued. During this period, no events or transactions occurred that would require adjustment of the basic financial statements or disclosure in the accompanying notes.

OTHER REPORT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Members of the Board of Directors
Turlock Public Financing Authority
Turlock, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the major fund of the Turlock Public Financing Authority (the Authority), a component unit of the City of Turlock, California (the City), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 5, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the basic financial statements, we considered the City's internal control over financial reporting (internal control) relating to the Authority as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the Authority. Accordingly, we do not express an opinion on the effectiveness of the City's internal control relating to the Authority.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's basic financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance relating to the Authority. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance relating to the Authority. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 5, 2026

Honorable Members of the Board of Directors
Turlock Public Financing Authority
Turlock, California

We have audited the basic financial statements of the business-type activities and the major fund of the Turlock Public Financing Authority (the Authority) as of and for the fiscal year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 30, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. We noted no transactions entered into by the Authority during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We identified no such misstatements during our audit.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated May 5, 2026.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each fiscal year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and Management of the Turlock Public Financing Authority, as well as the City Council and management of the City of Turlock, and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 5, 2026

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS

FINANCIAL STATEMENTS

FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
of the City of Turlock
Turlock, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act Funds (TDA Funds) which are included in the Streets Special Revenue Fund and the Transportation Enterprise Fund of the City of Turlock (City), California, as of and for the fiscal years ended June 30, 2025 and 2024, and the related notes to the basic financial statements, which collectively comprise the TDA Funds' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Funds as of June 30, 2025 and 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison for the Streets Special Revenue Fund, for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

As discussed in Note 1, these financial statements present only the TDA Funds and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2025 and 2024, the changes in its financial position, or, where applicable, its cash flows for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the TDA Funds. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the TDA Funds' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis, the Schedule of the City Transportation Enterprise Fund's Proportionate Share of the City's Net Pension Liability, the Schedule of Pension Contributions, and the Schedule of Changes in Total Other Post-Employment Benefit (OPEB) Liability and Related Ratios that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2026, on our consideration of the City's internal control over financial reporting relating to the TDA Funds and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance relating to the TDA Funds and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance relating to the TDA Funds. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance relating to the TDA Funds.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 5, 2026

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STREETS SPECIAL REVENUE FUND
BALANCE SHEETS
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and investments (Note 2)	$ 979,562	$ 1,052,905
Accounts receivable	500	-
Interest receivable	5,205	9,466
TOTAL ASSETS	$ 985,267	$ 1,062,371
LIABILITIES		
Accounts and salaries payable	$ 56,238	$ 140,943
Deposits payable	-	-
TOTAL LIABILITIES	56,238	140,943
FUND BALANCE (Note 5)		
Restricted	929,029	921,428
TOTAL FUND BALANCE	929,029	921,428
TOTAL LIABILITIES AND FUND BALANCE	$ 985,267	$ 1,062,371

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STREETS SPECIAL REVENUE FUND
STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
REVENUES		
Charges for services	$ 90,233	$ 23,767
Interest income and other	46,583	45,765
TOTAL REVENUES	136,816	69,532
EXPENDITURES		
Public ways and facilities/transportation	982,215	854,818
Capital outlay	12,000	49,932
TOTAL EXPENDITURES	994,215	904,750
Deficiency of revenues under expenditures	(857,399)	(835,218)
OTHER FINANCING SOURCES		
Transfers in from other City funds	865,000	825,000
Total other financing sources	865,000	825,000
Net change in fund balance	7,601	(10,218)
Fund balance, beginning of year	921,428	931,646
Fund balance, end of year	$ 929,029	$ 921,428

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 43,200	$ 43,200	$ 90,233	$ 47,033
Intergovernmental	-	-	-	-
Interest income and other	25,500	25,500	46,583	21,083
TOTAL REVENUES	68,700	68,700	136,816	68,116
EXPENDITURES				
Public ways and facilities/transportation	1,160,200	1,160,200	982,215	177,985
Capital outlay	356,210	356,210	12,000	344,210
TOTAL EXPENDITURES	1,516,410	1,516,410	994,215	522,195
Deficiency of revenue under expenditures	(1,447,710)	(1,447,710)	(857,399)	590,311
OTHER FINANCING SOURCES				
Transfers in from other City funds	865,000	865,000	865,000	-
Total other financing sources	865,000	865,000	865,000	-
Net change in fund balance	$ (582,710)	$ (582,710)	7,601	$ 590,311
Fund balance, beginning of year			921,428	
Fund balance, end of year			$ 929,029	

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STREETS SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 41,700	$ 41,700	$ 23,767	$ (17,933)
Intergovernmental	55,000	55,000	-	(55,000)
Interest income and other	8,500	8,500	45,765	37,265
TOTAL REVENUES	105,200	105,200	69,532	(35,668)
EXPENDITURES				
Public ways and facilities/transportation	830,662	855,662	854,818	844
Capital outlay	205,000	205,000	49,932	155,068
TOTAL EXPENDITURES	1,035,662	1,060,662	904,750	155,912
Deficiency of revenue under expenditures	(930,462)	(955,462)	(835,218)	120,244
OTHER FINANCING SOURCES				
Transfers in from other City funds	825,000	825,000	825,000	-
Total other financing sources	825,000	825,000	825,000	-
Net change in fund balance	$ (105,462)	$ (130,462)	(10,218)	$ 120,244
Fund balance, beginning of year			931,646	
Fund balance, end of year			$ 921,428	

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
TRANSPORTATION ENTERPRISE FUND
STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash and investments (Note 2)	$ 1,581,957	$ 3,196,632
Accounts receivable, grants	11,803,703	6,602,784
Accounts receivable, other	22,850	-
Interest receivable	10,708	22,672
Prepaids	35,415	33,728
Total Current Assets	13,454,633	9,855,816
Noncurrent assets		
Capital assets (Note 3)		
Capital assets not being depreciated	3,687,842	4,073,098
Capital assets being depreciated (net)	13,384,259	13,833,198
Right-to-use subscription assets (net)	106,549	162,140
Total Noncurrent Assets	17,178,650	18,068,436
Total Assets	30,633,283	27,924,252
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions (Note 8)	364,808	417,233
Deferred outflows related to OPEB (Note 9)	26,342	30,868
Total Deferred Outflows of Resources	391,150	448,101
LIABILITIES		
Current liabilities		
Accounts payable and accruals	1,259,695	340,236
Salaries payable	29,441	27,486
Unearned revenue (Note 4)	11,287,881	8,652,415
Compensated absences - due in one year	78,067	17,293
IT subscription liability (Note 12)	36,081	33,554
Total Current Liabilities	12,691,165	9,070,984
Long-term liabilities		
Compensated absences	19,517	69,172
Net pension liability (Note 8)	1,551,995	1,479,930
Total OPEB liability (Note 9)	140,064	147,665
IT subscription liability (Note 12)	38,195	74,276
Total Long-Term Liabilities	1,749,771	1,771,043
Total Liabilities	14,440,936	10,842,027
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions (Note 8)	-	31,013
Deferred inflows related to OPEB (Note 9)	202,416	215,426
Total Deferred Inflows of Resources	202,416	246,439
NET POSITION (Note 5)		
Net investment in capital assets	17,104,374	17,960,606
Unrestricted	(723,293)	(676,719)
Total Net Position	$ 16,381,081	$ 17,283,887

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
TRANSPORTATION ENTERPRISE FUND
STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Charges for services	$ 174,669	$ 163,781
Other income	82,120	11,175
Total Operating Revenues	256,789	174,956
OPERATING EXPENSES		
Salaries, benefits, and insurance	1,279,341	1,176,659
Contractual	5,147,162	2,764,996
Supplies and maintenance	121,698	442,880
Utilities	28,833	33,840
Fleet expense	300,730	327,048
Depreciation and amortization (Note 3)	1,154,945	1,062,038
Other expenses	543,339	90,902
Total Operating Expenses	8,576,048	5,898,363
Operating Loss	(8,319,259)	(5,723,407)
NONOPERATING REVENUES (EXPENSES)		
Operating grants	6,912,099	4,367,252
Income (loss) from retirement of capital assets	(20,137)	391
Investment income	92,576	31,174
Interest expense	(7,257)	(1,458)
Total Nonoperating Revenues (Expenses)	6,977,281	4,397,359
LOSS BEFORE CAPITAL GRANTS AND TRANSFERS	(1,341,978)	(1,326,048)
Capital grants	-	80,053
Transfers in from other City funds	585,106	411,925
Transfers out to other City funds	(145,934)	(78,005)
Net Capital Grants and Transfers	439,172	413,973
Change in Net Position	(902,806)	(912,075)
Net Position - Beginning	17,283,887	18,195,962
Net Position - Ending	$ 16,381,081	$ 17,283,887

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
TRANSPORTATION ENTERPRISE FUND
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ (5,049,100)	$ 177,901
Payments to suppliers	(5,223,990)	(3,624,475)
Payments to employees	(1,188,875)	(1,179,531)
Other	82,120	-
Net Cash Flows from Operating Activities	(11,379,845)	(4,626,105)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	585,106	411,925
Transfers out	(145,934)	(78,005)
Intergovernmental receipts - operations	9,547,565	8,290,811
Net Cash Flows from Noncapital Financing Activities	9,986,737	8,624,731
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Intergovernmental receipts - capital program	-	(1,596,578)
Purchases of capital assets	(265,159)	(74,263)
Proceeds from sale of capital assets	(20,137)	391
IT subscription assets - principal	(33,554)	(58,943)
IT subscription assets - interest	(7,257)	(1,458)
Net Cash Flows from Capital and Related Financing Activities	(326,107)	(1,730,851)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	104,540	13,124
Net Cash Flows from Investing Activities	104,540	13,124
Net Cash Flows	(1,614,675)	2,280,899
CASH AND INVESTMENTS		
Beginning of Year	3,196,632	915,733
End of Year	$ 1,581,957	$ 3,196,632

See accompanying notes to the financial statements.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
TRANSPORTATION ENTERPRISE FUND
STATEMENTS OF CASH FLOWS (Continued)
FOR THE FISCAL YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
RECONCILIATION OF OPERATING LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	$ (8,319,259)	$ (5,723,407)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	1,154,945	1,062,038
Changes in assets and liabilities:		
Accounts receivable	(5,223,769)	2,945
Prepaids	(1,687)	(33,728)
Accounts payable	919,459	68,919
Salaries payable	1,955	10,456
Compensated absences	11,119	4,123
Deferred outflows/inflows related to total OPEB liability	93,477	(21,394)
Deferred outflows/inflows related to net pension liability	(16,085)	3,943
Net Cash Flows from Operating Activities	$ (11,379,845)	$ (4,626,105)
NONCASH TRANSACTIONS		
Retirement of capital assets	$ -	$ -
Acquisition of right-to-use subscription assets	-	166,773
Total Noncash Capital and Related Financing Activities	$ -	$ 166,773

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The financial statements of the Transportation Development Act (TDA) Funds are intended to present the financial position, changes in financial position, and cash flows for only those transactions attributable to the Streets Special Revenue Fund and the Transportation Enterprise Fund (TDA Funds) administered and disbursed by the City of Turlock, California (City).

The accounting policies of the TDA Funds of the City are in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting principles. The following is a summary of the more significant accounting policies.

B. Fund Accounting

The operations of the TDA Funds are accounted for in separate sets of self-balancing accounts that comprise their assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues, and expenditures or expenses. Governmental resources are allocated to and for individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The TDA Funds are presented in the accompanying financial statements as follows

Governmental Fund Type

Streets Special Revenue Fund – The Streets Special Revenue Fund is used to account for the City's share of the TDA allocations that are legally restricted for street maintenance and capital improvements.

Proprietary Fund Type

Transportation Enterprise Fund – The Transportation Enterprise Fund is used to account for the operation and management of the City's transit operations. TDA and Federal Transit Administration (FTA) allocations for transit operations are accounted for in this fund

C. Basis of Accounting and Measurement Focus

Streets Special Revenue Fund

The Streets Special Revenue Fund's financial statements include a Balance Sheet and a Statement of Revenue, Expenditures, and Changes in Fund Balance. The Special Revenue Fund is accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources, are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Available means

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

Streets Special Revenue Fund (Continued)

collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City's accrual period is generally 90 days after the fiscal year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Streets Special Revenue Fund is used to account for the City's share of the TDA allocations that are legally restricted for street maintenance and projects supporting bicycle and pedestrian activity adjacent to and on City streets/roads (non-motorized). In addition, this fund accounts for user fees collected related to permitted trenching activity and transportation permits within the City streets/roads and related right-of-way.

Transportation Enterprise Fund

The Transportation Enterprise Fund financial statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Fund Net Position; and a Statement of Cash Flows.

The Transportation Enterprise Fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Change in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

The Transportation Enterprise Fund is used to account for the operation and management of the City's transit operations. TDA and FTA allocations for transit operations and capital projects are accounted for in this fund.

Operating revenues in the Transportation Enterprise Fund include fare, Measure L Transit, and other revenues generated from the primary operations of the fund, excluding grants. All other revenues, including operating grants, are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses

D. Deferred Inflows and Deferred Outflows of Resources

In addition to assets, the Statement of Net Position or Balance Sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position or Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

E. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Fair Value Measurements (Continued)

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

F. Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of funds with fiscal agents) as cash and cash equivalents, because investments meet the criteria for cash equivalents defined above.

G. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The TDA Funds participate in the City's cash and investment pool. The City pools surplus cash from all sources and all funds, except cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity. Investment income is allocated among funds on the basis of the average month-end cash and investment balances in these funds. As of June 30, 2025 and 2024, the TDA Funds had cash and investment balances of $2,561,519 and $4,249,537, respectively.

Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code permit the following investments, provided the credit ratings of the issuers are acceptable and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the Investment Policy if more restrictive, that address interest rate risk, credit risk, and concentration of credit risk.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy (Continued)

The City's investment policy authorizes the following investments.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Notes, Bonds, and/or Bills	5 years	A	Unlimited	N/A
U.S. Government Agency Securities	5 years	A	Unlimited	25%
Negotiable Certificates of Deposit	5 years	N/A	30%	N/A
Certificates of Deposit	5 years	A	Unlimited	N/A
Bankers' Acceptances	180 days	A	40%	30%
Commercial Paper	270 days	A-1 or Higher	25%	10%
State of California Local Agency Investment Fund (LAIF)	N/A	N/A	Equal to maximum limit set by LAIF	N/A
Repurchase Agreement	1 year	N/A	Unlimited	N/A
Money Market and Mutual Funds	N/A	A	20%	N/A
Corporate Notes	5 years	AA	30%	N/A

Fair Value Hierarchy

The TDA Funds categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The TDA Funds' investment in the City's investment pool is not subject to the fair value hierarchy.

NOTE 3 – CAPITAL ASSETS

Capital assets acquired by the Streets Special Revenue Fund are recorded as expenditures in the special revenue fund and capitalized at cost and recorded as part of the City's Statement of Net Position in the government-wide financial statements. The costs of infrastructure (roads, curbs, gutters, streets, bridges, sidewalks, drainage systems, right-of-ways, and land related to such assets) are recorded as expenditures in the special revenue fund and are also capitalized and recorded in the City's Statement of Net Position in the government-wide financial statements. These infrastructure assets become the property of the City and are maintained by the City.

Capital assets acquired by the Transportation Enterprise Fund are recorded at cost in the Transportation Enterprise Fund and are depreciated/amortized using the straight-line method over estimated useful lives. Operating expenses include depreciation/amortization on all depreciable/amortizable capital assets. Repairs and maintenance are charged to expense when the services are rendered.

City policy has set the capitalization thresholds for reporting capital assets at the following:

General Capital Assets	$10,000
Infrastructure Capital Assets	50,000

NOTE 3 – CAPITAL ASSETS (Continued)

Depreciation/amortization has been provided on a straight-line basis over the following useful lives:

	Years
Land Improvements and Infrastructure	25-60
Buildings	30-50
Furniture and Equipment	5-10
Vehicles	5-10

Transportation Enterprise Fund

The following is a summary of capital assets for the Transportation Enterprise Fund at June 30, 2025 and 2024:

	June 30, 2024	Additions	Retirements/ Adjustments	Transfers	June 30, 2025
Capital assets not being depreciated/amortized:					
Land	$ 3,382,459	$ -	$ -	$ -	$ 3,382,459
Construction in progress	690,639	244,975	(630,231)	-	305,383
Total capital assets not being depreciated/amortized:	4,073,098	244,975	(630,231)	-	3,687,842
Capital assets being depreciated/amortized:					
Land improvements	2,559,491	-	-	-	2,559,491
Buildings	9,207,507	594,329	-	-	9,801,836
Furniture and equipment	1,571,600	40,320	-	-	1,611,920
Vehicles	8,235,346	15,765	-	-	8,251,111
Infrastructure	231,051	-	-	-	231,051
Right-to-use subscription assets	166,773	-	-	-	166,773
Total capital assets being depreciated/amortized:	21,971,768	650,414	-	-	22,622,182
Less accumulated depreciation/amortization for:					
Land improvements	(848,247)	(86,539)	-	-	(934,786)
Buildings	(2,068,368)	(341,013)	-	-	(2,409,381)
Furniture and equipment	(990,367)	(85,668)	-	-	(1,076,035)
Vehicles	(4,030,478)	(582,282)	-	-	(4,612,760)
Infrastructure	(34,337)	(3,851)	-	-	(38,188)
Right-to-use subscription assets	(4,633)	(55,591)	-	-	(60,224)
Total accumulated depreciation/amortization	(7,976,430)	(1,154,944)	-	-	(9,131,374)
Net capital assets being depreciated/amortized	13,995,338	(504,530)	-	-	13,490,808
Capital assets, net	$ 18,068,436	$ (259,555)	$ (630,231)	$ -	$ 17,178,650

NOTE 3 – CAPITAL ASSETS (Continued)

Transportation Enterprise Fund (Continued)

	June 30, 2023	Additions	Retirements/ Adjustments	Transfers	June 30, 2024
Capital assets not being depreciated/amortized:					
Land	$ 3,382,459	$ -	$ -	$ -	$ 3,382,459
Construction in progress	669,830	20,809	-	-	690,639
Total capital assets not being depreciated/amortized:	4,052,289	20,809	-	-	4,073,098
Capital assets being depreciated/amortized:					
Land improvements	2,559,491	-	-	-	2,559,491
Buildings	9,207,507	-	-	-	9,207,507
Furniture and equipment	1,533,789	37,811	-	-	1,571,600
Vehicles	8,219,703	15,643	-	-	8,235,346
Infrastructure	231,051	-	-	-	231,051
Right-to-use subscription assets	-	166,773	-	-	166,773
Total capital assets being depreciated/amortized:	21,751,541	220,227	-	-	21,971,768
Less accumulated depreciation/amortization for:					
Land improvements	(761,708)	(86,539)	-	-	(848,247)
Buildings	(1,763,675)	(304,693)	-	-	(2,068,368)
Furniture and equipment	(908,543)	(81,824)	-	-	(990,367)
Vehicles	(3,449,980)	(580,498)	-	-	(4,030,478)
Infrastructure	(30,486)	(3,851)	-	-	(34,337)
Right-to-use subscription assets	-	(4,633)	-	-	(4,633)
Total accumulated depreciation/amortization	(6,914,392)	(1,062,038)	-	-	(7,976,430)
Net capital assets being depreciated/amortized	14,837,149	(841,811)	-	-	13,995,338
Capital assets, net	$ 18,889,438	$ (821,002)	$ -	$ -	$ 18,068,436

NOTE 4 – UNEARNED REVENUE – CAPITAL PROGRAMS

The TDA Funds received grants from the Local Transportation Fund and State Transit Assistance Fund in advance of costs being incurred. As of June 30, 2025 and 2024, unearned revenue related to those programs is as follows:

	2025	2024
Transportation Enterprise Fund:		
State Transit Assistance Fund and Local Transportation Fund	$ 11,287,881	$ 8,652,415

Included in the Transportation Enterprise Fund's unearned revenue balance is State of Good Repair (SGR) funding in the amount of $374,469 and $411,941 for the fiscal years ended June 30, 2025 and 2024, respectively.

NOTE 5 – NET POSITION AND FUND BALANCES

A. Net Position

Net position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net position for the TDA Funds is divided into three categories. These captions apply only to net position, which is determined only for proprietary funds and at the government-wide level, and are described below:

Net Investment in Capital Assets describes the portion of net position that is represented by the current netbook value of the capital assets, less depreciation/amortization and the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of net position that does not meet the definition of "net investment in capital assets" or "restricted net position."

B. Fund Balances

Governmental fund balance represents the net current assets of each fund. Net current assets generally represent a fund's cash, receivables, and deferred outflows of resources, less its liabilities and deferred inflows of resources.

The Streets Special Revenue Fund's fund balance is classified based on spending constraints imposed on the use of resources. The use of the funds accounted for in these statements is restricted by law; therefore, these funds will never have committed or assigned balances. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Assets not expected to be converted to cash, such as prepaids, notes receivable, and property held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed, or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee, the City Manager. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose; and residual fund balances, if any, of Special Revenue and Capital Projects which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

NOTE 6 – TRANSPORTATION DEVELOPMENT ACT

The State of California established the TDA to provide funds for public transportation. The funds are administered by the Stanislaus Council of Governments (StanCOG). The TDA created a Local Transportation Fund in each county for the transportation purposes specified in the Transportation Development Act Statutes and Administrative Code. Revenues of the Local Transportation Fund are derived from a 1/4 of one percent sales tax rate levied in each county.

NOTE 7 – RISK MANAGEMENT

The TDA Funds are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disaster. The TDA Funds participate in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), as a part of the City. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense. The funds, through cost allocation from the City, contribute their pro rata share of anticipated losses to pools administered by CSJVRMA. More information regarding the City's risk management program can be found in the basic financial statements of the City of Turlock.

NOTE 8 – PENSION PLAN

Personnel costs accounted for under TDA and FTA funding include costs associated with the City's pension benefit plan. The costs attributed to TDA and FTA funding are part of the City's Miscellaneous Plan, an Agent-Multiple Employer Plan administered by the California Public Employees' Retirement System (CalPERS), and are allocated to the TDA Funds in the same manner as they are allocated to other City funds which have personnel expenditures. More information regarding the plan can be found in the basic financial statements for the City of Turlock.

NOTE 9 – OTHER EMPLOYEE BENEFITS

Personnel costs accounted for under TDA and FTA funding include costs associated with the City's compensated absences and retiree healthcare benefit plans. The costs attributed to TDA and FTA funding are part of the City-wide plans and are allocated to the TDA Funds in the same manner as they are allocated to other City funds which have personnel expenditures. More information regarding these plans can be found in the basic financial statements for the City of Turlock.

NOTE 10 – MAJOR CONTRACTOR

On March 26, 2024, the City entered into a new contract agreement with Storer Transit Systems to operate and maintain the DART and BLAST programs. The term is from July 1, 2024, to June 30, 2029, with an option to extend for an additional two, one-year terms, on the same terms and conditions. Storer Transit Systems is paid monthly based on a fixed fee plus a fee calculated at a fixed rate per vehicle multiplied by the number of service hours. Expenses incurred under this contract amounted to $4,389,149 and $2,280,610 for the fiscal years ended June 30, 2025 and 2024, respectively.

NOTE 11 – CONTINGENT LIABILITIES

The City receives FTA monies for the purchase of buses, construction of related maintenance facilities, and for partial funding of its transit operations. State and federal grants received by the City for specific purposes are subject to review and audit by the grantor agencies. Such audits could lead to request for reimbursement for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

NOTE 12 – SUBSCRIPTIONS

The City has adopted GASB Statement No. 96 which introduced changes in the recognition, measurement, and reporting of Subscription-Based Information Technology Arrangements (SBITA). The City identified one SBITA for a Transit Data Tracking application with a term of three years. The value of the SBITA asset as of June 30, 2025 and 2024, was $166,773 and $166,773, respectively, and had accumulated amortization of $60,224 and $4,633, respectively. As of June 30, 2025 and 2024, the value of SBITA liability was $74,276 and $107,830, respectively.

The future principal and interest payments for SBITA as of June 30, 2025, were as follows:

For the Fiscal Year Ending June 30,	Principal	Interest
2026	$ 38,389	$ 4,463
2027	35,887	1,299
Total	$ 74,276	$ 5,762

NOTE 13 – SUBSEQUENT EVENTS

The TDA Funds' management has evaluated all events and transactions that occurred after June 30, 2025, and through May 5, 2026, the date the basic financial statements and accompanying notes to the basic financial statements were available to be issued. During this period, no events or transactions occurred that would require adjustment of the basic financial statements or disclosure in the accompanying notes.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE WITH THE TRANSPORTATION DEVELOPMENT ACT AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Members of the City Council
of the City of Turlock
Turlock, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Funds (TDA Funds) which are included in the Streets Special Revenue Fund and the Transportation Enterprise Fund of the City of Turlock (City), California, as of and for the fiscal year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the TDA Funds' basic financial statements, and have issued our report thereon dated May 5, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) relating to the TDA Funds as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control relating to the TDA Funds. Accordingly, we do not express an opinion on the effectiveness of the City's internal control relating to the TDA Funds.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the TDA Funds' financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Our audit was further made to determine that TDA funds allocated to and received by the City were expended in conformance with applicable statutes, rules, and regulations of the Transportation Development Act and the allocation instructions and resolutions of the Stanislaus Council of Governments (StanCOG) as required by Sections 6666 and 6667 of Title 21 of the California Code of Regulations. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item TDA2025-01.

City's Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance relating to the TDA Funds. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance relating to the TDA Funds. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of StanCOG, management, the City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 5, 2026

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR TDA PROGRAM FUNDS AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH SECTIONS 6666 AND 6667 OF THE RULES AND REGULATIONS OF THE CALIFORNIA ADMINISTRATIVE CODE IN THE TRANSPORTATION DEVELOPMENT ACT STATUTES AND ADMINISTRATIVE CODE OF 1987 AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF THE STANISLAUS COUNCIL OF GOVERNMENTS

To the Honorable Members of the City Council
of the City of Turlock
Turlock, California

Report on Compliance for Transportation Development Act (TDA) Funds

Opinion on Compliance for TDA Funds

We have audited the City of Turlock, California's (City) compliance relating to the Streets Special Revenue Fund and the Transportation Enterprise Fund (TDA Funds) with the types of compliance requirements described in Sections 6666 and 6667 of the Rules and Regulations of the California Administrative Code in the Transportation Development Act Statutes and Administrative Code of 1987 (the Act) and the allocation instructions and resolutions of the Stanislaus Council of Governments (StanCOG) that could have a direct and material effect on the TDA Funds for the fiscal year ended June 30, 2025.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the TDA Funds for the fiscal year ended June 30, 2025.

Basis for Opinion on Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States (*Government Auditing Standards*); the Act; and the allocation instructions and resolutions of StanCOG. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the City relating to the TDA Funds. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above relating to the TDA Funds.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the TDA Funds.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance relating to the TDA Funds based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* requirements of the Act, and the allocation instructions and resolutions of StanCOG will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the TDA Funds as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* the Act, and the allocation instructions and resolutions of StanCOG, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above relating to the TDA Funds and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the requirements referred to above, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance relating to the TDA Funds. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the compliance requirements referred to above and which are described in the accompanying Schedule of Findings and Responses as item TDA2025-01. Our opinion on the City's compliance relating to the TDA Funds is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance findings identified in our compliance audit and described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the TDA Funds on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the TDA Funds will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the TDA Funds that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Act and the allocation instructions and resolutions of StanCOG. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of StanCOG, management, the City Council, others within the City, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties; however, this restriction is not intended to limit the distribution of this report, which is a matter of public record.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 5, 2026

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TDA2025-01 – Late Filing of Required Financial Reports

Criteria: The Transportation Development Act (TDA) Funds are subject to annual reporting requirements as follows:

- California Code of Regulations (CCR) § 6663, Entities Responsible for Fiscal and Performance Audits of Claimants, requires that a copy of the annual audit report be sent to the State Controller.

- CCR § 6664, Fiscal and Compliance Audits of All Claimants, requires that in accordance with Public Utilities Code Section 99245, the annual audit report be submitted within 180 days after the end of the fiscal year, except that the Stanislaus Council of Governments (StanCOG) may grant an extension of up to 90 days as it deems necessary.

- CCR § 6665, State Controller Reports, requires that the annual Streets Report be filed with the State Controller on or before October 1 or within 90 days after the close of the fiscal year.

Condition: Although the City of Turlock (the City) received an extension from StanCOG moving the reporting deadline to March 31, 2026, the annual audit report was not filed with StanCOG until May 2026.

Cause: We understand that staff turnover led to delays in the general ledger closing process, which impacted the timely filing of the reports.

Effect: The City is not in compliance with the annual reporting requirements of the California Code of Regulations for the TDA Funds.

Recommendation: The City should develop procedures to ensure the annual audit report and annual Streets Report are filed with StanCOG and the State Controller's Office prior to the annual reporting deadlines.

Management's Response: Management acknowledges the auditor's finding and, in order to address the issue, management has developed an estimated timeline to get the City of Turlock's Financial Reporting completed and up to date for remaining outstanding reporting cycles of the TDA:

- The Fiscal Year 2025-2026 report is estimated to be completed by the end of December 2026, pending the auditor's availability.

The City is expected to submit its Fiscal Year 2025-2026 report prior to the required submission deadline.

CITY OF TURLOCK
TRANSPORTATION DEVELOPMENT ACT FUNDS
STATUS OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

TDA2024-01 – Late Filing of Required Financial Reports

Criteria: The Transportation Development Act (TDA) Funds are subject to annual reporting requirements as follows:

- California Code of Regulations (CCR) § 6663, Entities Responsible for Fiscal and Performance Audits of Claimants, requires that a copy of the annual audit report be sent to the State Controller.

- CCR § 6664, Fiscal and Compliance Audits of All Claimants, requires that in accordance with Public Utilities Code Section 99245, the annual audit report be submitted within 180 days after the end of the fiscal year, except that the Stanislaus Council of Governments (StanCOG) may grant an extension of up to 90 days as it deems necessary.

- CCR § 6665, State Controller Reports, requires that the annual Streets Report be filed with the State Controller on or before October 1 or within 90 days after the close of the fiscal year.

Condition: Although the City of Turlock (the City) received an extension from StanCOG moving the reporting deadline to March 31, 2025, the annual audit report was not filed with StanCOG until November 2025. City staff cannot find documentation of when the report was filed with the State Controller's Office. In addition, the 2024 annual Streets Report was not filed with the State Controller's Office before its due date.

Cause: We understand that staff turnover led to delays in the general ledger closing process, which impacted the timely filing of the reports.

Effect: The City is not in compliance with the annual reporting requirements of the California Code of Regulations for the TDA Funds.

Recommendation: The City should develop procedures to ensure the annual audit report and annual Streets Report are filed with StanCOG and the State Controller's Office prior to the annual reporting deadlines.

Management's Response: Management acknowledges the auditor's finding and, in order to address the issue, management has developed an estimated timeline to get the City of Turlock's Financial Reporting completed and up to date for remaining outstanding reporting cycles of the TDA:

- The Fiscal Year 2023-2024 report is estimated to be completed by the end of November 2025, pending the auditor's availability.

The City is expected to submit its Fiscal Year 2024-2025 report prior to the required submission deadline.

Current Year Status: The Fiscal Year 2025-2026 report is estimated to be completed by the end of December 2026, pending the auditor's availability.

To the Honorable Members of the City Council
of the City of Turlock
Turlock, California

We have audited the basic financial statements of the Transportation Development Act (TDA) Funds which are included in the Street Special Revenue Fund and the Transportation Enterprise Fund of the City of Turlock, California (the City), for the fiscal year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 5, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. During the year ended June 30, 2025, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 99, *Omnibus 2022*, and GASB Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. We noted no transactions entered into by the City during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the TDA Funds' basic financial statements were:

> Management's estimates used in establishing the fair value for investments, the useful lives of capital assets, the accrued compensated absences, the self-insurance liability, the net pension liability and related deferred outflows and inflows of resources, the net other post-employment benefit liabilities and related deferred outflows and inflows of resources, and discount rate for the purpose of calculating the right-to-use lease and subscription based information technology arrangement (SBITA) assets and the related liabilities. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated May 5, 2026.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the TDA Funds' basic financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 5, 2026

CITY OF TURLOCK

ABANDONED VEHICLE ABATEMENT PROGRAM

INDEPENDENT AUDITOR'S REPORTS AND FINANCIAL SCHEDULES

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

CITY OF TURLOCK
ABANDONED VEHICLE ABATEMENT PROGRAM
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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INDEPENDENT AUDITOR'S REPORT

To the City Council of the
City of Turlock
Turlock, California

Report on the Audit of the Financial Schedules

Opinions

We have audited the accompanying Schedules of Revenues, Expenditures, and Changes in Fund Balance (Schedules) of the City of Turlock, California, Abandoned Vehicle Abatement Program (Program) for the years ended June 30, 2025 and 2024, and the related note to the financial schedules, which collectively comprise the Program's financial schedules as listed in the table of contents.

In our opinion, the financial schedules referred to above present fairly, in all material respects, the revenues, expenditures, and changes in fund balance of the Program for the years ended June 30, 2025 and 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and certain provision of the Abandoned Vehicle Abatement (AVA) Program Handbook issued by the California Highway Patrol (CHP). Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Schedules section of our report. We are required to be independent of the City of Turlock and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Schedules

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

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

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Auditor's Responsibility for the Audit of the Financial Schedules

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Turlock's internal control relating to the Program. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Program's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial schedules. Such missing information, although not a part of the basic financial schedules, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial schedules in an appropriate operational, economic, or historical context. Our opinion on the basic financial schedules is not affected by this missing information.

Other Matters

As described in Note 1, the Schedules are intended to present only the results of operations of the Program. They do not purport to, and do not, present fairly the financial position of the City of Turlock as of June 30, 2025 and 2024, or changes in the City of Turlock's fund balances for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated May 15, 2026, on our consideration of the City of Turlock's internal control over financial reporting relating to the Program and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our

testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Turlock's internal control over financial reporting or on compliance relating to the Program. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Turlock's internal control over financial reporting and compliance relating to the Program.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 15, 2026

CITY OF TURLOCK
ABANDONED VEHICLE ABATEMENT PROGRAM
SCHEDULES OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Revenues:		
Registration Fees	$ 47,760	$ 60,593
Total Revenues	47,760	60,593
Expenditures:		
Personnel	104,775	106,158
Services and Supplies	1,413	2,617
Total Expenditures	106,188	108,775
Net Change in Fund Balance	(58,428)	(48,182)
Fund Deficit at Beginning of Year	(451,642)	(403,460)
Fund Deficit at End of Year	$ (510,070)	$ (451,642)

See accompanying note to the financial schedules.

CITY OF TURLOCK
ABANDONED VEHICLE ABATEMENT PROGRAM
NOTE TO THE FINANCIAL SCHEDULES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Abandoned Vehicle Abatement

The Abandoned Vehicle Abatement Program (Program) is a statewide program administered by the California Highway Patrol (CHP). The City of Turlock (City) administers and operates the local vehicle abatement program pursuant to Section 22710 of the Vehicle Code, Turlock Municipal City Code Section 4-8.108 et seq., and the Stanislaus Council of Governments (StanCOG) Abandoned Vehicle Program and Plan. Section 9250.7 of the Vehicle Code establishes the funding source for the abatement of abandoned vehicles by a county-based Service Authority (Authority), pursuant to the provisions of Section 22710 of the Vehicle Code. The Vehicle Code imposes a service fee of one dollar ($1) on vehicles registered to an owner with an address in the county that establishes the Authority. This fee is paid to the Department of Motor Vehicles (DMV) at the time of registration or renewal of registration. The DMV, after deducting its administrative costs, at least quarterly transmits the net amount collected to the State Controller's Office (SCO) for deposit in the Abandoned Vehicle Trust Fund. All money in the fund is continuously appropriated to the State Controller's Office (SCO) for allocation to an Authority that has an approved Program, and for payment of the administrative costs of the SCO. StanCOG, the Authority, distributes Program funds to participating entities based on the allocation determined in the Vehicle Abatement Services Agreement.

The Schedules of Revenues, Expenditures, and Changes in Fund Balance (Schedules) of the City of Turlock Abandoned Vehicle Abatement Program (Program) have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Program's accounting policies are described below.

B. The Reporting Entity

The Schedules are intended to present the results of operations, and only those revenues and expenditures of the Program that are accounted for in the General Fund of the City of Turlock (City). They are not intended to present the financial position or results of operations of the City as a whole.

C. Basis of Presentation, Basis of Accounting, and Measure Focus

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial schedules.

Governmental funds are accounted for using the modified accrual basis of accounting and "current financial resources" measurement focus. Operating schedules of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Revenues are recognized in the accounting period in which they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Program's accrual period is generally 90 days after fiscal year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

CITY OF TURLOCK
ABANDONED VEHICLE ABATEMENT PROGRAM
NOTE TO THE FINANCIAL SCHEDULES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Use of Estimates

The preparation of financial schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial schedules and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL SCHEDULES PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* AND THE AVA PROGRAM HANDBOOK

To the City Council of the
City of Turlock
Turlock, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and certain provisions of the Abandoned Vehicle Abatement (AVA) Program Handbook, issued by the California Highway Patrol, the accompanying Schedules of Revenues, Expenditures, and Changes in Fund Balance (Schedules) of the City of Turlock, California, Abandoned Vehicle Abatement Program (Program) for the years ended June 30, 2025 and 2024, and the related note to the financial schedules, which collectively comprise the Program's financial schedules, and have issued our report thereon dated May 15, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial schedules, we considered the City of Turlock's internal control over financial reporting (internal control) relating to the Program as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial schedules, but not for the purpose of expressing an opinion on the effectiveness of the City of Turlock's internal control relating to the Program. Accordingly, we do not express an opinion on the effectiveness of the City of Turlock's internal control relating to the Program.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Program's financial schedules will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's financial schedules are free of material misstatement, we performed tests of the City of Turlock's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial schedules. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the AVA Program Handbook.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the City of Turlock's internal control or on compliance relating to the Program. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Turlock's internal control and compliance relating to the Program. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 15, 2026

To the City Council of the
City of Turlock
Turlock, California

We have audited the financial schedules of the City of Turlock (the City) Abandoned Vehicle Abatement Program (Program) as of and for the years ended June 30, 2025 and 2024. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards,* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 15, 2026. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices
Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial schedules. We noted no transactions entered into by the City during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial schedules in the proper period.

The financial schedule disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We detected no such misstatements during our audit.

Disagreements with Management
For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial schedules or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated May 15, 2026.

Management Consultations with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City's financial schedules or a determination of the type of auditor's opinion that may be expressed on those schedules, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
May 15, 2026

City Council Staff Report

May 26, 2026

From:	Christopher Fisher, Municipal Services Director
Prepared by:	James Governale, Management Analyst
Agendized by:	Christopher Fisher, Acting City Manager

1. ACTION RECOMMENDED:

Resolution: Approving an amended and restated agreement, in a form approved by the City Attorney, with the City of Modesto for Fire Administration Services

2. NARRATIVE:

City staff recommend approving an agreement with the City of Modesto, moving forward with the Emergency Medical Service (EMS) optional service at the outset, and hiring a City of Turlock Fire Marshal. The proposed agreement is consistent with Council's direction from March 24th, and is expected to provide the most practical balance of administrative continuity, local control, and service reliability for Turlock residents and visitors.

Background

On March 24, 2026, the City Council directed staff to negotiate a Fire Administration Services Agreement with the City of Modesto and return to the City Council with a proposed agreement that includes a citizen advisory board with representation from Local Fire 2434.

Several versions of a potential agreement were provided to the Council, including:

1. Fire Chief services only
2. Fire Chief and Fire Marshal services
3. Fire Chief and EMS services
4. Fire Chief, Fire Marshal, and EMS services

Staff worked with the Human Relations Department to notify any potentially impacted labor groups pursuant to California Government Code Section 3504.1, which requires the City to provide 45 days' written notice before requesting a quote for services that are within the scope of work of a job classification represented by a recognized employee organization.

Selecting one of the options above requires an assessment of Turlock's needs and organizational structure. While it is understood that Fire Chief services would be provided at minimum, the appropriate combination of additional services required further evaluation.

Optional Services

In addition to providing a Fire Chief, Modesto has agreed to provide a framework for optional Fire Marshal services and EMS. These are not core or assumed in the agreement but can be activated following authorization of the Turlock City Manager to be paid in accordance with the fee schedule outlined in Exhibit A to the agreement.

Fire Marshal Services

Modesto is prepared to assign a Deputy Fire Marshal to provide assistance in fire prevention activities, including inspections, fire code enforcement, plan review, and staff oversight as appropriate.

EMS Services
Modesto is also prepared to provide assistance related to EMS, including quality assurance and improvement coordination with the County EMS Agency, support for training and documentation, and administrative guidance on clinical operations and EMS policy development. Opting in to the EMS component does not by itself establish Turlock as an Advanced Life Support (ALS) provider. Rather, it provides access to administrative and clinical oversight support to help the City strengthen EMS operations, maintain compliance, and implement a future ALS program. This provides a practical pathway for the City to strengthen emergency medical response capabilities.

Committees
There are three committees referenced in the agreement. To address the other component of Council's direction, which referenced a citizen board with representation from Local 2434, staff negotiated two committee-related provisions (#s 1 and 2 below) with Modesto. These provisions are intended to support the success of the administrative agreement structure.

1. Community Advisory Committee
The agreement requires the Deputy Fire Chief assigned to the City of Turlock to establish and maintain a Turlock Fire Department Community Advisory Committee ("TFAC") to support transparency, community engagement, and informed dialogue regarding Fire Department services and priorities. The TFAC shall serve in an advisory capacity and provide input related to fire and emergency medical services, community risk reduction, strategic planning, public outreach, and emerging community needs.

2. Turlock Fire Administrative Governance Committee
Many stakeholders have a vested interest in the success of the Turlock Fire Department and the effective delivery of services under the administrative agreement. To support structured oversight, communication, and collaboration, the agreement establishes a Fire Administrative Governance Committee consisting of the City Managers of Turlock and Modesto (or their designees), one representative of the Turlock City Council, the Modesto Fire Chief, the Deputy Chief assigned to Turlock, and representatives from both Turlock Firefighters Local 2434 and the Turlock Management Association – Public Safety (TMAPS). The Governance Committee shall meet at least twice annually to review performance indicators, discuss strategic priorities, identify emerging issues, and promote transparent communication related to the delivery of fire administrative services under the agreement.

3. Modesto Fire Department Contracted Agency Strategic Advisory Committee
This committee includes representatives from agencies operating under full-service or administrative service agreements with the City of Modesto. Representatives from each participating agency convene to provide regional perspective and advisory input regarding service delivery, system integration, and shared operational interests associated with the regional fire services model.

Final Recommendation
The proposed agreement is structured as an administrative services agreement, not a full-

service operational transfer. Turlock will continue to operate its Fire Department, employ its line personnel, and retain local responsibility for budget, policy direction, and service priorities. Modesto will provide contracted administrative support through Fire Chief services and, if activated, EMS and/or Fire Marshal services.

There are benefits and considerations associated with the optional services the City of Modesto could provide. During a portion of the current agreement with the City of Modesto, Turlock maintained its own Fire Marshal. However, after the most recent Turlock Fire Marshal vacated that position, the City began relying on Modesto for the duties associated with that role. Based on this experience, and with particular consideration to unique building and land development and inspection needs in Turlock, staff recommend maintaining the Fire Marshal as a City of Turlock employee during the new agreement with Modesto. The agreement would still include provisions allowing for temporary or interim Fire Marshal services from Modesto if determined necessary.

However, staff recommend activating the EMS oversight component of the agreement because the Turlock Fire Department is not currently accredited by the County EMS agency as an Advanced Life Support (ALS) provider, although achieving that status remains a stated strategic goal of the department. While the Department has personnel with paramedic credentials, those employees are limited in that capacity under the existing structure. By utilizing the City of Modesto’s existing EMS division, Turlock would gain access to support in this very important area.

Staff recommend approving the agreement, activating the EMS service at the outset, and starting the hiring process for a City of Turlock Fire Marshal. This is believed to meet the intent of Council's action on March 24, and is expected to provide the most practical balance of administrative continuity, local control, and service reliability for Turlock residents and visitors. Until a Turlock-employed Fire Marshal is hired, staff anticipate activating the Fire Marshal service for an interim period.

This approach gives Turlock the administrative support needed to maintain continuity while preserving local control over key fire prevention functions and creating a practical path toward enhanced EMS capability.

3. FISCAL IMPACT / BUDGET AMENDMENT:

The total cost of the contract with the City of Modesto depends upon whether and when Turlock activates the Fire Marshal service and the EMS service . During the recruitment process for a Fire Marshal, staff recommend utilizing both services. Once a City of Turlock Fire Marshal is fully onboarded, as a long-term arrangement, staff recommend deactivating the Fire Marshal service and subscribing only to the EMS service.

The costs for the first year of the contract are outlined below.

Year 1: July 1, 2026 - June 30, 2027	**Monthly Cost**
Fire Chief Services	$33,975.50

Optional Services:	
Fire Marshal Services	$16,163.37
Emergency Medical Services	$9,461.96

The Administrative Services Contract is expensed to Fund 110 (General), G/L account number 110-30-300.43060_000 "Contract Services General". Appropriate funds will be requested during the Fiscal Year 2026-2027 budget process.

4. ENVIRONMENTAL DETERMINATION:

This action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines. This action consists of “organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment” and therefore is not considered a project.

5. ALTERNATIVES:

1. The Council could also direct staff to utilize the Fire Marshal option included in the Modesto agreement on a long term basis, which is expected to result in some cost savings. However, this option is not recommended because staff recommends that the Fire Marshal remain a City of Turlock employee, particularly due to the position’s impacts on local development and building-related processes.
2. The Council could also provide staff with alternative direction.

6. ATTACHMENTS:

1. Draft Resolution
2. Agreement with the City of Modesto

BEFORE THE CITY COUNCIL OF THE CITY OF TURLOCK

IN THE MATTER OF APPROVING AN AMENDED AND RESTATED AGREEMENT, IN A FORM APPROVED BY THE CITY ATTORNEY, WITH THE CITY OF MODESTO FOR FIRE ADMINISTRATION SERVICES	} } } }	**RESOLUTION NO. 2026-**

WHEREAS, the City of Turlock operates the Turlock Fire Department and is responsible for providing fire protection, emergency response, fire prevention, emergency medical response coordination, and related public safety services to residents, businesses, and visitors; and

WHEREAS, on March 24, 2026, the City Council approved an amended motion directing staff to negotiate a new Fire Administrative Services Agreement with the City of Modesto, return to the City Council with a proposed agreement for consideration, and include a Citizen Advisory Board with an ex officio member from Local Fire Union 2434; and

WHEREAS, staff negotiated a proposed Fire Administration Services Agreement with the City of Modesto consistent with the City Council's direction; and

WHEREAS, the proposed agreement is structured as an administrative services agreement and does not transfer operational control of the Turlock Fire Department to the City of Modesto; and

WHEREAS, under the proposed agreement, the City of Turlock will continue to operate its Fire Department, employ its line personnel, and retain responsibility for budget, policy direction, service priorities, and local operational accountability; and

WHEREAS, the City of Modesto will provide contracted administrative support through Fire Chief services, and the agreement includes optional services for Emergency Medical Services oversight and Fire Marshal services that may be activated as provided in the agreement; and

WHEREAS, the proposed agreement includes committee-related provisions intended to support communication, transparency, stakeholder input, and administrative oversight, including a Community Advisory Committee and a Turlock Fire Administrative Governance Committee; and

WHEREAS, the Community Advisory Committee and Turlock Fire Administrative Governance Committee provisions are intended to satisfy the intent of the City Council's March 24, 2026 direction regarding a citizen advisory board with representation from Local Fire Union 2434; and

WHEREAS, the City provided notice to potentially impacted labor groups pursuant to California Government Code section 3504.1; and

WHEREAS, the City Council finds that approval of the proposed agreement provides a practical balance of administrative continuity, local control, service reliability, stakeholder communication, and support for future emergency medical service improvements; and

WHEREAS, this action is not subject to the provisions of the California Environmental Quality Act (CEQA) in accordance with Section 15378(b)(5) of the CEQA guidelines because this action consists of "organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment" and therefore is not considered a project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Turlock finds the recitals stated above are true and accurate, and hereby approves an amended and restated agreement, in a form approved by the City Attorney, with the City of Modesto for Fire Administration Services.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Turlock this 26th day of May, 2026, by the following vote:

AYES:
NOES:
NOT PARTICIPATING:
ABSENT:

ATTEST:

_____
Nichole Fiez, City Clerk,
City of Turlock, County of Stanislaus,
State of California

AMENDED AND RESTATED
AGREEMENT TO PROVIDE FIRE ADMINISTRATIVE SERVICES BETWEEN THE CITY OF MODESTO AND THE CITY OF TURLOCK

This Amended and Restated Agreement for fire administrative services ("Agreement") is made and entered into this 1st day of July 2026 (the "Effective Date"), by and between the City of Modesto ("City of Modesto"), a California municipal corporation and the City of Turlock ("City of Turlock"), a California municipal corporation, collectively referred to as the "Parties" in this Agreement.

RECITALS

WHEREAS, both the City of Modesto and the City of Turlock provide fire protection, prevention, suppression services, and related services such as emergency medical services, emergency preparedness, mitigation of hazardous materials incidents, and special operations including, but not limited to, confined space rescue, technical rescue, and water rescue ("Fire Services"), in addition to administrative services, including, but not limited to, payroll, human resources, budgeting, data analysis and overall department oversight within the territorial limits of the cities of Modesto and Turlock; and

WHEREAS, the City of Modesto and the City of Turlock entered into that certain agreement for the provision of fire administrative services dated February 8, 2022 ("Original Agreement"); and

WHEREAS, City of Turlock desires to continue to contract with City of Modesto for the provision of fire administrative services for the Turlock Fire Department ("Turlock Fire"), within the City and Turlock jurisdictional boundaries ("Fire Administrative Services"), with some amendments; and

WHEREAS, City of Modesto is willing, able, and possesses the capacity to continue to perform the Fire Administrative Services; and

WHEREAS, the Parties desire to enter into a fruitful and long-term partnership for the provision of the Fire Administrative Services; and

WHEREAS, the Parties agree that this Agreement will ensure the provision of continued Fire Administrative Services; and

WHEREAS, it is the desire of the Parties to address, by this Agreement, all matters which are related to the Fire Administrative Services to be provided to Turlock Fire by City of Modesto; and

WHEREAS, this Agreement shall replace and supersede the Original Agreement in its entirety; and

WHEREAS, this Agreement is entered into pursuant to Government Code sections 54981 and 6502; and

WHEREAS, the Parties acknowledge they have complied with the provisions of the Meyers Milias-Brown Act (Gov. Code §§ 3500 *et seq.*) and applicable laws, rules, and ordinances with respect to its employees affected by this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants in this Agreement, it is agreed by and between the Parties hereto as follows:

ARTICLE I
DEFINITIONS

1.1 Fire Administrative Services. "Fire Administrative Services" means those services described in Article III of this Agreement.

1.2 Fiscal Year. "Fiscal Year" means the annual period commencing on July 1 and ending June 30 of any calendar year.

ARTICLE II TERM OF AGREEMENT

2.1. Initial Term. The initial term of this Agreement shall be for four years, four and one-half months, from February 15, 2022, to June 30, 2026.

2.2. Extension of Term. This Agreement may, by approval of the Parties and their governing bodies, be extended for one (1) additional five (5) year term. The term of the extension shall be for five years, from July 1, 2026 to June 30, 2031.

2.3. Termination. Notwithstanding Sections 2.1 and 2.2 and any other provision of this Agreement, either Party may terminate this Agreement by providing twelve (12) months' written notification to the other Party, and the term of this Agreement or any extension thereof shall be shortened accordingly. Written notification of termination shall be in the form of a Resolution by the applicable Party's governing body. The twelve (12) months' written notification requirement shall not be triggered until such Resolution is tendered, delivered, or mailed to the other Party. Notwithstanding the foregoing, the City of Modesto may terminate this Agreement pursuant to Section 5.2 of this Agreement.

ARTICLE III
DUTIES UNDER THIS AGREEMENT

3.1 Scope of Services. City of Modesto shall provide Fire Administrative Services for Turlock Fire, as more specifically described in this Article, within the jurisdictional area of City of Turlock. In providing such services, City of Modesto shall oversee the provisions of Turlock Municipal Code Title 4 Chapter 4-3 entitled "Fire Codes and Administration" ("Turlock Fire Code"). Throughout the term of the Agreement and as reasonably needed or as

requested by City of Turlock, City of Modesto shall consult with City of Turlock regarding City of Modesto's implementation of the provisions of this Agreement.

3.2 Annual Administrative Services Report. The City of Modesto shall provide an Annual Administrative Services Report to the Turlock City Manager and Turlock City Council summarizing performance and service delivery for the preceding fiscal year. At a minimum, the report shall include:

(a) Budget status and fiscal summary, including confirmation of timely submission of the annual budget;
(b) Major initiatives completed and status of strategic priorities;
(c) Fire prevention performance, including state-mandated inspection completion rates;
(d) Emergency Medical Services oversight, including Quality Assurance/Quality Improvement (QA/QI) compliance;
(e) Recruitment, vacancies, and attrition; and
(f) Response time performance measured against adopted Standards of Coverage.

The information provided is intended to promote transparency and support informed governance and shall not be construed as creating service guarantees, penalty provisions, or contractual performance obligations.

3.3 Turlock Fire Administrative Governance Committee. A Fire Administrative Governance Committee ("Governance Committee") shall be established to provide structured oversight, communication, and advisory input regarding delivery of Fire Administrative Services under this Agreement.

The Governance Committee shall consist of:

- City of Turlock City Manager (or designee)
- City of Modesto City Manager (or designee)
- One representative of the Turlock City Council
- Modesto Fire Chief
- Modesto Fire Deputy Chief/Assistant Chief assigned to Turlock
- Representative from Turlock Firefighters Local 2434
- Fire representative from Turlock Management Association – Public Safety (TMAPS)

The Administrative Governance Committee shall meet at least bi-annually, at a mutually agreed time and location.

The purpose of the Governance Committee shall include:

(a) Review of annual performance indicators
(b) Review of strategic priorities
(c) Identification of emerging organizational or service issues
(d) Promotion of transparent communication between the Parties

3.4 Modesto Fire Department Contracted Agency Strategic Advisory Committee. A Modesto Fire Department Contracted Agency Strategic Advisory Committee ("Contracted Agency Advisory Committee") shall be established to provide regional perspective and advisory input regarding the delivery of Fire Administrative Services to agencies operating under full-service or administrative service agreements with the City of Modesto.

The Contracted Agency Advisory Committee shall consist of one council or board representative from each participating agency. The City of Turlock shall appoint one member of the Turlock City Council to serve on the Committee. The Turlock City Manager may attend at their discretion.

The Contracted Agency Advisory Committee shall meet at least bi-annually at a mutually agreed time and location.

The purpose of the Contracted Agency Advisory Committee is to discuss regional coordination, administrative service delivery, system integration, and shared operational interests among all participating agencies. The committee shall serve in an advisory capacity only and shall not possess independent policy or operational authority.

3.5 Community Advisory Committee. A Turlock Fire Department Community Advisory Committee ("TFAC") shall be established to provide structured community input, enhance transparency, and support engagement related to City of Turlock Fire Services and Contracted Fire Administrative Services provided under this Agreement.

The TFAC shall consist of no fewer than nine (9) and no more than eleven (11) members representing a diverse cross-section of the Turlock community. Members shall be appointed by the Fire Chief or designee through an application, interview, and background review process intended to promote broad community representation.

The TFAC shall meet at least quarterly, or more frequently as determined by the Fire Chief or designee. Members shall generally serve staggered two-year terms and may serve up to two consecutive terms, not to exceed four years total.

3.6 Deputy Chief Selection and Assignment. The City of Modesto shall have the authority to select and assign a Deputy Chief to serve the City of Turlock. In doing so, Modesto shall consult with the City of Turlock regarding desired qualifications, operational needs, and organizational priorities to support alignment with the Turlock Fire Department.

The City of Turlock shall have the opportunity to participate in the selection process, and to provide input for consideration by the City of Modesto prior to final selection.

The Parties acknowledge that the Deputy Chief assignment is critical to continuity, leadership, and organizational stability. The assigned Deputy Chief shall remain in the Turlock assignment unless either Party requests reassignment. Upon such request, the Parties shall confer in good faith, and the City of Modesto shall determine whether reassignment is appropriate based on operational needs, performance considerations, or other good cause. Modesto shall provide

notice to the City of Turlock and, when practicable, coordinate to support continuity of service and minimize disruption.

3.7 Core Fire Administrative Services and Leadership Responsibilities. The City of Modesto shall provide the fire administrative services listed in this Section 3.7 for Turlock Fire to maintain Fire Services for the City of Turlock. The City of Modesto shall:

i. Serve as the "Fire Chief" as defined in the Turlock Municipal Code for Turlock Fire.

ii. Oversee and administer Turlock Fire operations including budget, training, personnel, facilities, and all other operations as directed by the Turlock City Council.

iii. Establish strategic direction for the Turlock Fire Department, consistent with professional standards and best practices, which are aligned with the goals and service expectations of the City of Turlock.

iv. Represent Turlock Fire in public meetings with local, state, and federal officials as needed to enhance and improve the protection of life in City of Turlock.

v. Undertake Fire Services program planning and administration consistent with the terms and conditions of this Agreement.

vi. Assist in the development and administration of annual Turlock Fire budgets.

vii. Assist with emergency and disaster management within the Stanislaus County Emergency Operations Center as timely requested by the Turlock City Council.

viii. Coordinate procurement of all routine operational supplies, services, and equipment as necessary to provide the Fire Services outlined in this Agreement.

ix. Maintain sufficient, segregated records relating to provision of Fire Administrative Services to Turlock Fire, including, but not limited to response time data for all incident responses. At a minimum, such records shall be sufficient to meet any and all federal and state reporting obligations as they relate to the provision of Fire Services, including but not limited to annual audits, mutual aid, and reimbursement for disaster response, hazardous material response, or other incident responses. Such records, reports and response data shall be provided to Turlock Fire, City of Turlock or the Turlock City Council at their request.

x. Coordinate the planning, development, and delivery of fire prevention and safety education programs for schools, businesses, community associations, child-care providers, and other members of the community. Fire prevention and life safety

programs will be tailored to educate Turlock residents and business community to help preserve life and property.

3.8 Optional Services. Optional services described in this Section shall be provided only upon written authorization by the City of Turlock under mutually agreed upon timelines and specifications. The scope, level of service, and associated costs for such services shall be established through the adopted budget and be consistent with the rates reflected in Exhibit A (Fee Schedule). Charges for optional services shall be incorporated into the monthly billing as applicable. The Parties may add or discontinue optional services through mutual written consent without requiring a formal amendment to this Agreement, provided such changes are consistent with the adopted fee structure.

i. Fire Marshal Oversight and Deputy Fire Marshal Support. At the City of Turlock's discretion, the City of Modesto may provide Fire Marshal oversight, supported by a Deputy Fire Marshal assigned to the City of Turlock, to coordinate and provide reasonable assistance in support of fire prevention activities, including completion of state-mandated inspections, fire code enforcement, plan review, and staff oversight as appropriate; if utilized, the assigned Deputy Fire Marshal shall serve as the primary liaison for fire prevention matters and work collaboratively with Turlock staff to promote consistent and effective service delivery in alignment with Turlock's municipal code and development review processes.

ii. Emergency Medical Services Oversight. At the City of Turlock's discretion, the City of Modesto may provide oversight to coordinate and provide reasonable assistance for Emergency Medical Services (EMS). Services may include EMS quality assurance and improvement (QA/QI), coordination with the County EMS Agency, support for EMS training and documentation systems, and administrative guidance on clinical operations and EMS policy development. Modesto shall assign personnel as needed to support effective integration and compliance with applicable local, state, and regional Basic Life Support (BLS) and Advanced Life Support (ALS) standards and protocols.

iii. Any optional services requested for period of less than a month by the City will be billed on a proration of the monthly rate defined in Exhibit A (Fee Schedule).

3.9 Miscellaneous

i. False Fire Alarms. City of Modesto will enforce the provisions of the Turlock Municipal Code providing for recovery of costs associated with responses to false fire alarms.

ii. Hazardous Materials Releases. City of Modesto will enforce the provisions of the Turlock Municipal Code or Modesto Municipal Code providing for recovery of costs associated with responses to releases of hazardous materials.

ARTICLE IV
DUTIES OF CITY OF TURLOCK

4.1 Payment for Fire Administrative Services. City of Turlock shall compensate City of Modesto for the provision of Fire Administrative Services as further described in Article V of this Agreement.

4.2 Fire Prevention Staff. City of Turlock shall maintain Fire Prevention staff sufficient for continual operation. This staff shall include administrative support for scheduling, correspondence and billing, a Fire inspector(s) and plan review responsibilities.

4.3 Staff Vehicles and Apparatus. The City of Turlock shall provide vehicles for use by the Deputy Chief/Assistant Chief and, if assigned, the Deputy Fire Marshal. The Deputy Chief/Assistant Chief vehicle shall be equipped with radios and emergency response (Code 3) capabilities. The Deputy Fire Marshal shall be provided a vehicle consistent with those assigned to Fire Inspectors.

City of Modesto employees are authorized to operate City of Turlock fire apparatus, and City of Turlock personnel are authorized to operate City of Modesto fire apparatus, as necessary in the performance of their duties. The City of Turlock shall be solely responsible for all costs associated with City of Turlock vehicles and apparatus, including maintenance, repair, and normal wear and tear.

4.4 Maintenance of Supplies. The City of Turlock will continue to provide consumable supplies relevant to Fire Prevention and public outreach or education. Workstations will also be provided for the Deputy Chief, Deputy Fire Marshal.

ARTICLE V
ANNUAL FIXED FEE FOR FIRE ADMINISTRATIVE SERVICES

5.1 Annual Fixed Fee for Services. City of Turlock agrees to pay City of Modesto for all services provided pursuant to the terms and conditions of this Agreement in the amounts and times as set forth in Exhibit A and this Article.

A. The Fee Payment Schedule as set forth in Exhibit A is based upon the five (5) year budget projection describing the total reasonably anticipated costs of providing Fire Administrative Services for each Fiscal Year or portion thereof. Should the City of Modesto realize fiscal benefits through economies of scale if it contracts with additional agencies for fire administrative services, the fee for service paid by City of Turlock under this Agreement may be revised.

B. On the last day of each month throughout the duration of this Agreement, City of Turlock agrees to remit to City of Modesto payments amounting to 1/12th of the annual fiscal obligation hereunder, pursuant to the fee schedule set forth in Exhibit A. City of Turlock is responsible to pay the full monthly amounts as each are required pursuant

to Exhibit A.

C. The Fee Payment Schedule and amounts due under this Agreement shall be pro-rated based upon Agreement execution date.

5.2 Delinquent Payments. In the event that City of Turlock fails to pay the entire amount described in Section 5.1.B. above within fifteen (15) calendar days of the due date ("Delinquent Payment"), the amount due shall be subject to the City of Modesto's policy regarding delinquent payments in effect at the time of the Delinquent Payment.

A. In the event that City of Turlock does not pay the required monthly payment as identified in Section 5.1.B. within thirty (30) calendar days of the due date, the City of Modesto shall provide notice that all Fire Administrative Services may be terminated in thirty (30) calendar days.

B. In the event that City of Turlock does not pay the required monthly payment plus any penalty amounts assessed pursuant to City of Modesto policy at the end of the thirty (30) calendar day notification period give pursuant to Section 5.2.A, the City of Modesto shall have the option to terminate Fire Administrative Services immediately and without further notice.

5.3 Service Level Reductions. If budgetary constraints require service level reductions by any Party, all Parties agree to meet and confer.

ARTICLE VI
PERSONNEL

6.1 Hiring of Employees. At the time of execution of this Agreement, all current full-time Turlock Fire administrative staff will remain employed in their current positions with Turlock Fire Department.

ARTICLE VII
INDEMNIFICATION AND INSURANCE

7.1 Mutual Indemnification.

A. City of Modesto shall indemnify, defend and hold harmless City of Turlock (including their elected or appointed officials, employees, agents, volunteers, and attorneys as the same may be constituted now and from time to time hereafter) to the extent allowed by law and in proportion to City of Modesto's fault, against any and all third-party liability for claims, demands, costs, or judgments (direct, indirect, incidental, or consequential) of any kind including those involving bodily injury, personal injury, death, property damage, or other costs and expenses (including reasonable attorneys' fees, costs and expenses) arising or resulting from the negligent acts or omissions of its own elected or appointed officers, agents, employees, volunteers, or representatives carried out pursuant to the obligations of this

Agreement.

B. City of Turlock shall indemnify, defend and hold harmless the City of Modesto (including its elected or appointed officials, employees, agents, volunteers, and attorneys as the same may be constituted now and from time to time hereafter) to the extent allowed by law and in proportion to City of Turlock's fault, against any and all third-party liability for claims, demands, costs, or judgments (direct, indirect, incidental, or consequential) of any kind including those involving bodily injury, personal injury, death, property damage, or other costs and expenses (including reasonable attorneys' fees, costs and expenses) arising or resulting from their negligent acts or omissions of their own elected or appointed officers, agents, employees, volunteers, or representatives carried out pursuant to the obligations of this Agreement.

7.2 Mutual Indemnification Obligations Survive Termination. As to activities occurring or being carried out in the performance of this Agreement and during the term of this Agreement, the obligations created by Agreement Section 7.1 shall survive termination of this Agreement.

7.3 Public Liability and Property Insurance.

A. Each Party shall maintain in effect, at its own cost and expense, the following insurance coverage provided either through a bona fide program of self-insurance, commercial insurance policies, or any combination thereof:

(i) Commercial general liability or public liability with minimum limits of $2,000,000 per occurrence and $4,000,000 in the aggregate.

(ii) Auto liability insurance including owned, leased, non-owned, and hired automobiles, with a combined single limit of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate.

(iii) Workers' Compensation in accordance with California Labor Code Section 3700 with a minimum of $1,000,000 per occurrence for employer's liability, for the duration of time that such workers are employed.

B. All insurance required by this Agreement shall:

(i) Be placed: (1) with companies admitted to transact insurance business in the State of California and with a current A.M. Best rating of no less than A:VI or with carriers with a current A.M. Best rating of no less than A: VII; or (2) disclosed self-insurance with limits acceptable to the other Party.

(ii) Provide that each Party's insurance is primary and non-contributing insurance to any insurance or self-insurance maintained by the other Party and that the insurance of the other Party shall not be called upon to contribute to a loss covered by a Party's insurance.

C. Each Party shall file certificates of insurance with the other Party evidencing that the required insurance is in effect.

7.4 Workers' Compensation.

A. City of Turlock shall provide the City of Modesto with an endorsement that its Workers' Compensation insurer waives the right of subrogation against the City of Modesto, its officers, officials, employees, and volunteers for all claims on or after the Effective Date of this Agreement during the tenure of said Agreement.

ARTICLE VIII
MISCELLANEOUS

8.1 Amendments to Agreement. No part of this Agreement shall be altered or amended without the written agreement of the Parties.

8.2 Assignment. The rights and obligations of the Parties under this Agreement are not assignable and shall not be delegated without the prior written approval of the Parties.

8.3 Dispute Resolution. The Parties recognize that this Agreement cannot represent a complete expression of all issues which may arise during the performance of the Agreement. Accordingly, City of Modesto and City of Turlock agree to meet and confer in good faith over any issue not expressly described herein to the end that City of Turlock will obtain the best Fire Administrative Services possible under the most favorable economic terms and that City of Modesto will be fairly and adequately compensated for the services it provides hereunder.

It is the Parties' intention to avoid the cost of litigation and to resolve any issues that may arise amicably if possible. To that end, the Parties agree to meet within ten (10) business days of a request made by the other Party in writing to discuss the issues and attempt to resolve the dispute. If the dispute is not resolved after that meeting, the Parties agree to mediate the dispute within thirty (30) calendar days of the meeting or as soon thereafter as possible. The mediator will be chosen by mutual agreement of the Parties. The costs of mediation will be borne by the Parties equally. No Party may initiate litigation prior to the conclusion of mediation. In any action brought under this Agreement, the prevailing Party shall be entitled to recover its actual costs and attorney fees pursuant to California Civil Code Section 1717.

8.4 No Waiver. The waiver of any Party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either Party of any monies that become due

hereunder shall not be deemed to be a waiver for any preexisting or concurrent breach or violation by the other Party of any provision of this Agreement.

8.5 Parties in Interest. Nothing in this Agreement, whether express or implied, is intended to confer any rights on any persons other than the Parties to it and their representatives, successors, and permitted assignees.

8.6 Interpretation. This Agreement shall be interpreted and construed reasonably and neither for nor against any Party, regardless of the degree to which any Party participated in its drafting. Each of the Parties has received the advice of legal counsel prior to signing this Agreement. Each Party acknowledges no other party or agent or attorney has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce another party to execute this Agreement. The Parties agree no provision or provisions may be subject to any rules of construction based upon any Party being considered the Party "drafting" this Agreement.

When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. Whenever a reference is made herein to a particular provision of this Agreement, it means and includes all paragraphs, subparagraphs and subparts thereof, and, whenever a reference is made herein to a particular paragraph or subparagraph, it shall include all subparagraphs and subparts thereof.

8.7 Captions. The captions in this Agreement are for convenience and reference only and are not intended to be used in the construction of this Agreement nor to alter or affect any of its provisions.

8.8 References to Laws. All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or re-codified, unless otherwise specifically provided.

8.9 References to Days. All references to days herein are to calendar days, including Saturdays, Sundays, and holidays, except as otherwise specifically provided. Unless otherwise required by a specific provision of this Agreement, time hereunder is to be computed excluding the first day and including the last day.

8.10 Time of Essence. Time is of the essence of this Agreement and of every part of this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

8.11 Severability. If any non-material provision of this Agreement is for any reason deemed to be invalid and unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement, and such remaining provision shall be enforced as if such invalid or unenforceable provision had not been contained herein.

8.12 Choice of Law and Venue. This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in that state and the venue shall be in Stanislaus County, California.

8.13 Entire Agreement. This Agreement represents the full and entire Agreement between the Parties regarding the matters covered herein.

8.14 Counterparts. This Agreement may be executed in counterparts each of which shall be considered an original.

8.15 Exhibits. The following Exhibits are attached hereto and incorporated as if fully set forth herein:

Exhibit A: Fee Payment Schedule (FY 2026-2027 – FY 2030-2031)

8.16 Notices. All notices required or permitted hereunder shall be deemed sufficiently given if delivered by hand, electronic mail, or by United States mail, postage prepaid, addressed to the Parties at the addresses set forth below or to such other address as may, from time to time, be designated in writing.

To City of Turlock:

Gary Hampton
Turlock City Manager
156 S. Broadway, Ste. 230
Turlock, CA 95380

To City of Modesto:

Joseph Lopez
Modesto City Manager
1010 10th Street
Modesto, CA 95354

8.17 Joint Defense/Common Interest. In the event of a third-party challenge of any type to this Agreement, the Parties agree to jointly defend the validity and implementation of the Agreement.

CITY OF MODESTO,
a municipal corporation

BY: _____

ATTEST:
(Seal)

BY: _____
DIANE NAYARES-PEREZ, City Clerk

APPROVED AS TO FORM:

BY: _____
JOSE M. SANCHEZ, City Attorney

APPROVED AS TO FORM:

BY: _____

CHRISTINA D. ALGER

Director of Human Resources (Risk)

CITY OF TURLOCK,
a municipal corporation

BY: _____
Christopher Fisher,
Acting City Manager

ATTEST:

BY: _____
NICOLE FIEZ, City Clerk

APPROVED AS TO FORM:

BY: _____
KATIE O. LUCCHESI
City Attorney

Federal ID # _____

Pursuant to Turlock Municipal Code sections 2-3-201 and 2-4-407(c), I hereby appoint Shannon Evans as the Fire Chief of the Turlock Fire Department.

BY: _____
Christopher Fisher,

Acting City Manager

IN WITNESS WHEREOF, the City of Modesto, a municipal corporation, has authorized the execution of this Amended and Restated Agreement in duplicate by its City Manager and attestation by its City Clerk under authority of Resolution No. _____, adopted by the Council of the City of Modesto on the ____ day of _____, and the City of Turlock has caused this Amended and Restated Agreement to be duly executed in duplicate as of the Effective Date.

EXHIBIT A
FEE SCHEDULE

Term: July 1, 2026 to June 30, 2031.

	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
July	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
August	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
September	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
October	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
November	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
December	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
January	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
February	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
March	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
April	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
May	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
June	$33,975.50	$36,876.92	$38,691.45	$40,609.47	$42,636.92
Total	**$407,706.00**	**$442,523.04**	**$464,297.40**	**$487,313.64**	**$511.643.04**

OPTIONAL SERVICES

Fire Marshal Oversight and Deputy Fire Marshal Support

	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
July	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
August	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
September	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
October	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
November	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
December	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
January	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
February	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
March	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
April	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
May	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17
June	$16,163.37	$17,076.03	$18,036.97	$19,053.61	$20,129.17

Emergency Medical Services Oversight

	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31
July	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
August	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
September	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
October	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
November	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
December	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
January	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
February	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
March	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
April	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
May	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52
June	$9,461.96	$9,988.81	$10,558.59	$11,148.13	$11,771.52