

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

REGULAR MEETING OF BOARD OF DIRECTORS

MAY 14, 2026

4:00 P.M.

11301 E. Conejo Avenue, Kingsburg, CA 93631

1. CALL TO ORDER AND ROLL CALL

DIRECTORS

Nathan Magsig
Laura North
Jim Avalos
Amarjeet Gill, Vice Chairwoman
Buddy Mendes, Chairman

STAFF and CONSULTANTS

Veronica Cazares, General Manager/ Secretary
Alicia Kirk, Executive Assistant to the G.M.
Tricia Miller, Administrative Services/HR Manager
Hilda Cantú Montoy, General Counsel
Craig Perry, Chief Plant Operator
David Bacon, Information Systems Analyst

2. APPROVAL OF AGENDA

Additions, deletions, substitutions, and adoption of agenda

3. PUBLIC FORUM

At this time, any member of the public may address the Board regarding any item not on the agenda, over which the Board has jurisdiction. No action or discussion will be taken on any item not on the agenda, except to briefly respond to statements or questions by the public. Members of the public shall limit their remarks to three minutes.

4. CONSENT CALENDAR

Items placed on the consent calendar are routine in nature. They may be approved by one motion, second, and majority vote. Any Board member or member of the public may request removal of any item from the consent calendar for independent consideration.

- A. Minutes of April 19, 2026 Board Meeting. *(p.1)*
- B. Draft Minutes of April 16, 2026 PAC meeting *(p.5)*
- C. Warrant List Reports of April 8, 2026 and April 22, 2026. *(p.8)*
- D. Cash Activity Report of April 30, 2026. *(p.11)*
- E. Subject: Valley Regional Occupational Program (VROP)– District’s Job Shadowing Training Program *(p.12)*.

Recommendation: That the Board approve the District's continued partnership with the VROP and the School Districts within our Member cities and authorize the General Manager to execute a Memorandum of Understanding (MOU) with Selma Unified School District.

F. Subject: Employee Recognition Program *(p.17)*

Recommendation: General Manager Cazares recommends that the Board accept FY 2026-27 Employee Recognition Program

G. Subject: Woods Family Farms Request to Assign Sublease of 20 acres (APN 393-211-04ST) to Luallen Farms, LLC *(p.19)*

Recommendation: That the Board approve the request and authorize the General Manager to execute assignment of sublease to Luallen Farms, LLC

5. PUBLIC HEARINGS

A. Subject: Public Hearing on Capital Improvement Program for FY 2026-27 *(p.42)*.

Recommendation: That the Board conduct the public hearing, receive staff report and public comments, and consider adoption of Resolution No. 2026-16 which accepts the Capital Improvement Program for Fiscal Year 2026-27.

B. Subject: Public Hearing on FY 2026-27 Budget *(p.44)*.

Recommendation: That the Board conduct the public hearing, receive staff report and public comments, and consider adoption of Resolution No. 2026-17 which establishes the Budget for Fiscal Year 2026-27.

6. NEW BUSINESS

A. Subject: Bid Results SKF Effluent Disposal Line RR Project and Award of Contract *(p.46)*.

Recommendation: That the Board approve a contract award to Panico Excavation Inc. in the amount of total base bid of \$1,425,000 and contingencies in the amount of \$150,000 for a total amount of \$1,575,000 and authorize the General Manager to execute agreement.

7. BOARD MEMBER COMMUNICATION/AGENDA ITEMS

8. GENERAL MANAGER REPORTS

A. VROP students will be starting our joint program on June 10, 2026.

- B. CARB Letter regarding Advanced Clean Fleets.
- C. Public Works Week Appreciation Lunch on May 20, 2026.
- D. SKF Participated in Touch-A-Truck at Happy Days Pre-school on April 25, 2026.
- E. SKF Staff participated in the College and Career Fair at Parlier High School on April 24, 2026
- F. SKF will be participating in the Kingsburg Swedish Festival Parade and will have a Public Outreach booth.

9. ADJOURNMENT

Motion to Adjourn

Next Regular Meeting: Thursday, June 11, 2026, at 4:00 p.m.

Next Ordinance: 2026-01

Next Resolution: 2026-18

NOTICE OF AVAILABILITY OF AGENDA MATERIALS: Any writings or documents provided to a majority of the Board of Directors regarding any item on this agenda will be made available for public inspection at the District Office located at 11301 E. Conejo Ave., Kingsburg, CA 93631 during normal business hours of 8:00 a.m. – 4:30 p.m., Mondays through Fridays. Such writings or documents will also be made available on the District website at www.skfcsd.org.

ADA COMPLIANCE AND REASONABLE ACCOMMODATIONS POLICY. In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact Alicia Kirk at (559) 897-6500 ext. 213. Notification of at least 48 hours prior to the meeting will enable staff to make reasonable arrangements to ensure accessibility to the meeting.

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

MINUTES OF THE BOARD MEETING OF DIRECTORS

APRIL 9, 2026

CALL TO ORDER AND ROLL CALL

The Board Meeting of the Selma-Kingsburg-Fowler County Sanitation District was called to order at 4:00 pm. by Chairman Mendes

DIRECTORS

Nathan Magsig (A)
Laura North (P)
Jim Avalos (A)
Amarjeet Gill, Vice Chairwoman (P)
Buddy Mendes, Chairman (P)

STAFF AND CONSULTANTS

Veronica Cazares, General Manager/Secretary
Alicia Kirk, Executive Assistant to the G.M.
Tricia Miller, Administrative Services/HR Manager
David Bacon, Information Systems Analyst

APPROVAL OF AGENDA

There being no comment from the public, a motion to approve the agenda of the Board meeting of April 9, 2026 was made by Director North, seconded by Director Gill and approved by the following vote:

AYE: Director North, Vice Chairwoman Gill, Chairman Mendes

NO:

ABSENT: Directors Magsig, Avalos

ABSTAIN:

CONSENT CALENDAR

Items placed on the consent calendar are routine in nature. They may be approved by one motion, second, and majority vote. Any Board member or member of the public may request removal of any item from the consent calendar for independent consideration.

*Note: Final Cash Activity Report was put on the dais for each board member

- A. Minutes of Regular Board Meeting, March 12, 2026. (p.1)
- B. Warrant List Reports of March 11, 2026 and March 25, 2026. (p.5)
- C. Cash Activity Report of March 31, 2026. (p.6)
- D. Chief Plant Operator Craig Perry's out-of-State training request for the Tri-State Seminar in Las Vegas, NV. (p.9)
- E. Assistant Collections Supervisor Richard Westerling's out-of-state training request for the Tri-State Seminar in Las Vegas, NV. (p.10)

There being no comment from the public, a motion to approve the consent calendar was made by Director Gill and seconded by Director North and approved by the following vote:

AYE: Director North, Vice Chairwoman Gill, Chairman Mendes

NO:

ABSENT: Directors Magsig, Avalos

ABSTAIN

PUBLIC HEARINGS

- A. Subject: Public Hearing on Status of District's Personnel Vacancies, Recruitment, and Retention Efforts as Required by AB 2561 pursuant to Government Code Section 3502.3. *(p.11)*

Recommendation: Conduct Public Hearing on Status of District's Personnel Vacancies, Recruitment, and Retention Efforts and Provide Direction to Staff.

Administrative Services/HR Tricia Miller presented the status of Personnel Vacancies, Recruitment, and Retention Efforts as Required by AB 2561 pursuant to Government Code Section 3502.3. This public hearing must be reported at least once per Fiscal Year to the Board of Directors. This is for the year 2025. Local 39 Representative had no comments.

There being no comment from the public, a motion to close the hearing was made by Director North, and seconded by Director Gill, and approved by the following vote:

AYE: Director North, Vice Chairwoman Gill, Chairman Mendes

NO:

ABSENT: Directors Magsig, Avalos

ABSTAIN

NEW BUSINESS

- A. Subject: SKFCSD Actuarial Study of Retiree Health Liabilities with a measurement date of June 30, 2025. *(p.14)*

Recommendation: That the Board receive the Actuarial Study and direct staff to continue to receive disbursements from California Employers' Retiree Benefit Trust (CERBT).

An OPEB Liability Actuarial Study was performed by Foster and Foster and reported to the Board. Currently, the District is 100 % funded in meeting its Total OPEB liability. It is recommended that the District continue OPEB expense reimbursements to be submitted to CalPERS for disbursement from the CERBT fund. This will ensure we get reimbursements while continuing to maintain fully funded status. We will continue to monitor and evaluate annually.

There being no comment from the public, a motion to accept the Actuarial Study and direct Staff to continue to receive disbursements from CERBT was made by Director Gill and seconded by Director North and approved by the following vote:

AYE: Director North, Vice Chairwoman Gill, Chairman Mendes
NO:
ABSENT: Directors Magsig, Avalos
ABSTAIN

B. Subject: First Presentation of The Draft Capital Improvement Program for FY 2026-27. *(p.15)*

Recommendation: That the Board review the First Presentation of The Draft Capital Improvement Program for FY 2026-27 and Provide Direction to Staff.

This is the first presentation of the Draft CIP. GM Cazares and Staff met with the Selma, Kingsburg and Fowler individually for their input based on the needs of their cities respectively. A Policy Advisory Committee (PAC) meeting has been set for April 16, 2026 for the members to receive and recommend acceptance to the Board of Directors. This item is informational to the Board and will be brought back for approval at the May 14, 2026 Board of Directors meeting.

C. Subject: First Presentation of the Draft FY 2026-27 Budget. *(p.16)*

Recommendation: That the Board review the Draft Budget for FY 2026-27 and Provide Direction to Staff.

This is the first presentation of the Draft Budget. It has been built based on projections which include the Proposition 218 sewer service rate increases adopted in 2024 and includes the increase in sewer rates. The proposed rates align and confirm the cost of service with the different customer classes of residential, commercial, and industrial. A Policy Advisory Committee (PAC) meeting has been set for April 16, 2026 for the members to receive and recommend acceptance to the Board of Directors. This item is informational to the Board and will be brought back for approval at the May 14, 2026 Board of Directors meeting.

D. Subject: Amendment No. 2 to the At-Will Employment Agreement with Veronica C. Cazares. *(p.17)*

Recommendation: Recommendation: That the Board consider and determine whether to approve Amendment No. 2 to the General Manager At-Will Employment Agreement with Veronica C. Cazares

The District and General Manager Cazares entered an At-Will Employment Agreement effective March 1, 2023. The Agreement was amended effective March 1, 2025. Chairman Mendes gave an oral report required by the Brown Act. The term is effective from March 1, 2026 to March 1, 2028.

There being no comment from the public, a motion to approve Amendment No. 2 to the General Manager At-Will Employment Agreement was made by Director Gill, and seconded by Director North and approved by the following vote:

AYE: Director North, Vice Chairwoman Gill, Chairman Mendes

NO:

ABSENT: Directors Magsig, Avalos

ABSTAIN

BOARD MEMBER COMMUNICATION/AGENDA ITEMS

GENERAL MANAGER REPORTS

Valley ROP MOU

PAC Meeting on 4-16-26

ADJOURNMENT

There being no further business to come before the Board, Chairman Mendes declared the meeting adjourned on a motion made by Director Gill and seconded by Director North at 4:32 p.m.

Respectfully submitted,

Approved,

Veronica Cazares, General Manager

Buddy Mendes, Chaiman of
the Board

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

**MINUTES OF THE MEETING OF
POLICY ADVISORY COMMITTEE**

April 16, 2026

10:00 a.m.

CALL TO ORDER AND ROLL CALL

The Policy Advisory Committee (PAC) meeting of the Selma-Kingsburg-Fowler County Sanitation District was called to order at 10:00am.

MEMBERS

Alex Henderson, Kingsburg City Manager (P)
Michael Reid, Fowler City Manager (P)
Jason Rogers, Selma City Manager (P)
Paul Nerland, Fresno County AO (A)
Veronica Cazares, General Manager/Secretary (P)

STAFF AND CONSULTANTS

Alicia Kirk, Executive Assistant to the GM
Craig Perry, Chief Plant Operator
Tricia Miller, Admin Services/HR Manager

APPROVAL OF AGENDA

There being no comment from the public, a motion to approve the agenda of the PAC meeting of February 25, 2026, was made by Member Henderson, and seconded by Vice Chairman Rogers, and approved by the following vote:

AYE: Members Henderson, Cazares, Vice Chairman Rogers, Chairman Reid

NO:

ABSENT: Member Nerland

ABSTAIN:

PUBLIC FORUM

None

CONSENT CALENDAR

Items placed on the consent calendar are considered routine in nature. They may be approved by one motion, second and majority vote. Any PAC member or member of the public may request removal of any item from the consent calendar for independent consideration.

A. Subject: Minutes of February 25, 2026 Policy Advisory Committee meeting, *(p.1)*

Recommendation: PAC approve minutes as presented.

There being no comment from the public, a motion to approve the PAC minutes of February 25, 2026, was made by Member Henderson and seconded by Vice Chairman Rogers and approved by the following vote:

AYE: Members Henderson, Cazares, Vice Chairman Rogers, Chairman Reid

NO:

ABSENT: Member Nerland

ABSTAIN:

NEW BUSINESS

- A. Subject: The Committee will receive the FY 2026-27 Capital Improvement Program (CIP) (p.4)

Recommendation: That the Committee accept the FY 2026-27 Draft Capital Improvement Program and consider recommending its approval by the S-K-F CSD Board of Directors

Capital improvements are major construction projects requiring an expenditure of public funds over and above routine annual operating expenses. The CIP is a plan that identifies capital improvement needs and allocates available dollars over a ten-year period. General Manager Cazares presented the Draft CIP to the PAC.

There being no comment from the public, a motion to accept the FY 2026-27 Draft Capital Improvement Program and consider recommending its approval by the S-K-F CSD Board of Directors was made by Vice Chairman Rogers, and seconded by Member Henderson and approved by the following vote:

AYE: Members Henderson, Cazares, Vice Chairman Rogers, Chairman Reid

NO:

ABSENT: Member Nerland

ABSTAIN:

- B. Subject: The Committee will receive the FY 2026-27 Draft Budget (p.5)

Recommendation: That the Committee accept the FY 2026-27 Draft Budget and consider recommending its approval to the S-K-F CSD Board of Directors.

The FY 2026-27 Draft Budget has been posted to the District's website as of April 3, 2026. The District met with the member cities individually prior to this meeting. District staff met with each Member City and with PAC on April 16, 2026.

There being no comment from the public, a motion to accept the FY 2026-27 Draft Budget and consider recommending its approval by the S-K-F CSD Board of Directors was made by

Member Henderson, and seconded by Vice Chairman Rogers and approved by the following vote:

AYE: Members Henderson, Cazares, Vice Chairman Rogers, Chairman Reid

NO:

ABSENT: Member Nerland

ABSTAIN:

COMMITTEE MEMBER COMMUNICATIONS/AGENDA ITEMS

None

GENERAL MANAGER REPORTS

GM Cazares would like to have a meeting with the member cities to discuss the Additional Dwelling Unit (ADU) Policies they have in place.

ADJOURNMENT

There being no further business to come before the Committee, Chairman Reid declared the meeting adjourned on a motion made by Vice Chairman Rogers and seconded by Member Henderson at 10:14 am

Veronica Cazares, General Manager/
Secretary

Michael Reid,
Chairman of the Committee

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

April 08, 2026

WARRANT LIST

ACCOUNTING SYSTEMS INC	PROF.SERVICES - ACCOUNTING	375.00
AMAZON CAPITAL SERVICES	INFORMATION SYSTEMS, OFFICE SUPPLIES	75.04
AMERICAN EXPRESS	TRAVEL & TRAINING,	7,034.31
ANDERSON & BALLOU INC.	EQUIPMENT REPAIRS & MAINTENANCE	29,500.00
ARNOLD, STEPHEN	RETIREE HEALTH REIMBURSEMENT	319.29
ARTHUR T. POPEJOY	LABORATORY SUPPLIES	365.00
BSK ASSOCIATES	EXTERNAL LAB SERVICES	1,704.68
CALIFORNIA CAD SOLUTIONS INC	PROF.SERVICES - ENGR & TECH	3,675.00
CALIFORNIA WATER SERVICE	WATER UTILITIES	21.28
CALPERS	RETIREMENT	55,321.42
CASA	TRAVEL & TRAINING	875.00
CDW GOVERNMENT, INC.	INFORMATION SYSTEMS	505.03
CENTRAL VALLEY CULLIGAN, INC.	DRINKING WATER	184.40
DAVID MICHEL	RETIREE HEALTH REIMBURSEMENT	319.29
DAWSON-MAULDIN LLC	FOWLER SEWER MAINTENANCE	48,968.00
DKF SOLUTIONS GROUP, LLC	PROF.SERVICES - MED & SAFETY	470.00
DOPUDJA & WELLS CONSULTING INC.	PROF.SERVICES - ENGR & TECH	2,050.00
ELECTRIC MOTOR SHOP, INC.	EQUIPMENT REPAIRS & MAINTENANCE	2,160.10
FRESNO OXYGEN/BARNES WELDING	EQUIPMENT REPAIRS & MAINTENANCE	32.40
GARY HELM	RETIREE HEALTH REIMBURSEMENT	319.29
GOLDEN STATE MECHANICAL	MAINTENANCE - BUILDING & GROUNDS	2,954.12
HD SUPPLY INC	EQUIPMENT REPAIRS & MAINTENANCE	8,230.19
HERNANDEZ, FRANK	WELLNESS PROGRAM REIMBURSEMENT	40.00
HERWIT ENGINEERING	EFFLUENT DISPOSAL LINE R&R	6,312.50
HOME DEPOT CREDIT SERVICES	SAFETY SUPPLIES	79.22
JAIME RUIZ	RETIREE HEALTH REIMBURSEMENT	319.29
JAMES HORNE	RETIREE HEALTH REIMBURSEMENT	319.29
JENSEN & PILEGARD	MAINTENANCE - BUILDING & GROUNDS	135.27
JIM OLINGER	RETIREE HEALTH REIMBURSEMENT	319.29
JORGENSON & CO	EQUIPMENT REPAIRS & MAINTENANCE	5,721.19
LIEBERT CASSIDY WHITMORE	PROF.SERVICES - HUMAN RELATIONS	1,950.50
LUCERO, JULIAN	RETIREE HEALTH REIMBURSEMENT	319.29
MID VALLEY DISPOSAL	WASTE UTILITIES	983.37
MONTOY LAW CORPORATION	PROF.SERVICES - LEGAL	6,050.00
NAPA AUTO PARTS	AUTO/EQUIPMENT MAINTENANCE	503.67
NATIONS ROOF WEST LLC	ROOF MAINTENANCE	5,665.00
NELSON'S ACE HARDWARE	EQUIPMENT REPAIRS & MAINTENANCE,	118.83
PG&E	ELECTRIC UTILITIES	29,578.55
POLYDYNE, INC	CHEMICALS	29,918.84
REXEL USA INC.	EQUIPMENT REPAIRS & MAINTENANCE	253.18
ROBERT CURRIE	RETIREE HEALTH REIMBURSEMENT	319.29
SALLY RODRIGUEZ	RETIREE HEALTH REIMBURSEMENT	319.29
SARA J. STAUNTON	RETIREE HEALTH REIMBURSEMENT	319.29
SILVAS OIL CO. INC.	FUEL	3,138.88
SOTO, ROBERT	CERTIFICATION REIMBURSEMENT	119.00
STAPLES BUSINESS CREDIT	OFFICE SUPPLIES	285.33
STEVE JENSEN	RETIREE HEALTH REIMBURSEMENT	194.83
TELETRAC NAVMAN US LTD.	COMMUNICATIONS	1,426.43
T-MOBILE USA INC.	COMMUNICATIONS	1,177.07
TRANSWESTERN INS ADMIN	DENTAL / VISION INSURANCE	608.72
UNWIRED BROADBAND, INC.	COMMUNICATIONS	814.98
VESTIS	UNIFORMS,MATS,MOPS,TOWELS	1,151.20
WILSON FIRE SPIRNKLER CO INC.	EQUIPMENT REPAIRS & MAINTENANCE	270.00

MAS 200 Total Checks

\$264,190.43

**SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT**

April 22, 2026

WARRANT LIST

AMARJEET GILL	DIRECTOR'S FEE	127.63
AMAZON CAPITAL SERVICES	OUTREACH SUPPLIES	180.87
AT&T MOBILITY	COMMUNICATIONS	101.98
BSK ASSOCIATES	EXTERNAL LAB SERVICES	622.12
CAL BENNETTS	OFFICE EQUIPMENT	6,166.49
CALIFORNIA WATER SERVICE	WATER UTILITIES	53.20
CALPERS	CALPERS REPLACEMENT BENEFIT PLAN	157.41
CALPERS HEALTH	HEALTH INSURANCE	46,135.15
CASH	PETTY CASH REIMBURSEMENT-	202.07
CINTAS CORPORATION NO.2	RENT & LEASE EQUIPMENT	284.42
DANIEL MURRIETA	EMPLOYEE RECOGNITION PROGRAM	589.85
DATCO	PROF.SERVICES - MED & SAFETY	149.00
ELECTRIC MOTOR SHOP, INC.	EQUIPMENT MAINTENANCE	92.33
ERNEST C MENDES	DIRECTOR'S FEE	127.63
GAR BENNETT LLC	EQUIPMENT MAINTENANCE	211.00
GARTON TRACTOR INC.	EQUIPMENT MAINTENANCE	734.09
GOLDEN STATE MECHANICAL	EQUIPMENT MAINTENANCE	6,315.68
GRAINGER	BUILDING & GROUNDS MAINTENANCE	105.55
HERITAGE-CRYSTAL CLEAN INC.	EQUIPMENT MAINTENANCE	1,802.63
HOME DEPOT CREDIT SERVICES	BUILDING & GROUNDS MAINTENANCE	183.10
INTER. UNION OF OPER. ENG. #39	UNION DUES	586.59
JEFFREY GLENN RANSOM	CERTIFICATION FEE REIMBURSEMENT	119.00
JENSEN & PILEGARD	EQUIPMENT MAINTENANCE	954.11
JIMMY GARCIA	RETIREE HEALTH REIMBURSEMENT	405.87
KINGSBURG, CITY OF	OUTREACH, WATER UTILITIES	425.57
LAURA NORTH	DIRECTOR'S FEE	127.63
LOPEZ, PAUL	HEALTH INSURANCE REFUND	302.80
MARTIN ALEXANDER DIAZ	TRAVEL & TRAINING REIMBURSEMENT	172.28
MID VALLEY DISPOSAL	WASTE UTILITIES	380.08
MORGAN BROTHERS INC	PEST CONTROL	280.00
MOTION INDUSTRIES INC	EQUIPMENT MAINTENANCE	350.49
NAPA AUTO PARTS	AUTO/EQUIPMENT MAINTENANCE	298.30
NELSON'S ACE HARDWARE	BUILDING & GROUNDS MAINTENANCE,	60.72
NORTH AMERICAN BENEFITS CO	LIFE INSURANCE	383.82
ORTIZ, GABINO	SAFETY SUPPLIES REIMBURSEMENT	186.29
PG&E	ELECTRIC UTILITIES	41,534.34
POWER BUSINESS TECHNOLOGY LLC	COPIER PRINTING OVERAGES	24.90
PROFESSIONAL COMMUNICATIONS NETWORK	COMMUNICATIONS	60.00
QUINN RENTAL SERVICES	RENT & LEASE EQUIPMENT	6,048.36
RANDY CABALLERO	SAFETY SUPPLY REIMBURSEMENT,	1,048.29
RGW EQUIPMENT SALES, LLC	EQUIPMENT MAINTENANCE	1,818.19
RODRIGUEZ, ERNESTO	CERTIFICATION FEE REIMBURSEMENT	124.00
SELMA DIST.CHAMBER OF COMMERCE	MEMBERSHIPS	350.00
SIGNATURE PROMOTIONS LLC	OUTREACH SUPPLIES	476.30
SILVAS OIL CO. INC.	FUEL	3,315.54
TELSTAR INSTRUMENTS, INC.	EQUIPMENT MAINTENANCE	1,322.00
THE GAS CO	GAS UTILITIES	238.63
TOSHIBA FINANCIAL SERVICES	COPIER LEASES	715.44
VESTIS	UNIFORMS,MATS,MOPS,TOWELS,	1,350.01

MAS 200 Total Checks

\$127,801.75

SELMA-KINGSBURG-FOWLER COUNTY SANITATION DISTRICT
WARRANT LIST & SALARY AND FRINGE BENEFIT EXPENDITURE SUMMARY
FOR THE MONTH ENDED APRIL 30, 2026

SERVICE AND SUPPLIES EXPENDITURES:

WARRANT LIST ENDING	4/8/2026	\$	264,190.43
WARRANT LIST ENDING	4/22/2026	\$	127,801.75
			\$ 391,992.18
TOTAL SERVICE AND SUPPLIES EXPENDITURES			\$ 391,992.18

SALARIES, PERS, TAXES, & HEALTH INSURANCE EXPENDITURES

TOTAL SALARIES PERIOD ENDING:			
SALARIES	4/5/2026	\$	103,026.57
EMPLOYER CONTRIBUTIONS (PERS)	4/5/2026	\$	10,260.13
EMPLOYER TAXES	4/5/2026	\$	1,341.38
HEALTH INSURANCE	4/5/2026	\$	16,750.17
			\$ 131,378.25

TOTAL SALARIES PERIOD ENDING:			
SALARIES	4/19/2026	\$	101,550.89
EMPLOYER CONTRIBUTIONS (PERS)	4/19/2026	\$	10,208.47
EMPLOYER TAXES	4/19/2026	\$	1,320.40
HEALTH INSURANCE	4/19/2026	\$	16,750.17
			\$ 129,829.93

TOTAL SALARIES, PERS, TAXES, & HEALTH INSURANCE EXPENDITURES		\$	261,208.18
			\$ 261,208.18

	GRAND TOTAL	\$	653,200.36
			\$ 653,200.36

SKF COUNTY SANITATION DISTRICT
 CASH ACTIVITY REPORT
 Month: APRIL
 Fiscal Year: 2025-26

Cash Account Description	End of Month Cash Balance June 30, 2025	End of Month Cash Balance April 30, 2026
Cash in Treasury: Operations & Maintenance	\$ 6,545,183.41	\$ 10,049,572.10
Cash in Bank: Operations & Maintenance	\$ 26,443.55	\$ 100,007.65
Cash in Bank: Payroll	\$ 120,095.25	\$ 123,405.70
Petty Cash	\$ 700.00	\$ 700.00
Total Operations & Maintenance	\$ 6,692,422.21	\$ 10,273,685.45
Cash in County Treasury:Expansion	\$ 7,043,800.09	\$ 7,632,832.01
Cash in County Treasury: R&R	\$ 9,990,670.15	\$ 9,865,606.96
Cash in County Treasury:Selma	\$ 1,621,733.37	\$ 1,538,032.69
Cash in County Treasury: Selma SWRCB Reserve	\$ 279,019.26	\$ 285,369.54
Total Selma	\$ 1,900,752.63	\$ 1,823,402.23
Cash in County Treasury:Kingsburg	\$ 3,568,662.77	\$ 3,281,547.32
Cash in County Treasury:Fowler	\$ 2,106,767.76	\$ 1,791,728.50
Total Cash Balance	\$ 31,303,075.61	\$ 34,668,802.47

MEMORANDUM

(May 14, 2026 Board Meeting)

To: S-K-F CSD Board of Directors
From: Veronica Cazares, General Manager
Date Memo Prepared: May 1, 2026

Agenda Item: 4-E
Action: Motion

SUBJECT:

Valley Regional Occupational Program (VROP)– District’s Job Shadowing Training Program

RECOMMENDATION

That the Board approve the District’s continued partnership with the VROP and the School Districts within our Member cities and authorize General Manager to execute a Memorandum of Understanding (MOU) with Selma Unified School District.

EXECUTIVE SUMMARY

The District is entering the 8th year of educational opportunities with Valley Regional Occupational Program (VROP) and Selma Unified School District (SUSD) to train students from middle school, high school, and adult school in manufacturing jobs. As a wastewater facility, the District can offer students learning opportunities in the form of tours, lectures, coaching, job shadowing, training and apprenticeship in various tasks and equipment in the areas of operations, maintenance, and engineering. The District firmly believes in training young people in the wastewater industry to help our communities grow and develop.

With the Board’s approval of the MOU with SUSD, the VROP and District’s Job Shadowing Training Program will begin in June 2026.

Attachments: Memorandum of Understanding with Selma Unified School District



**Memorandum of Understanding
Between Selma Unified School District and Industry Partner for School Partner Program.**

This Memorandum of Understanding (“MOU”) provides for a cooperative agreement between **Selma Unified School District (“SUSD”)** and **Selma Kingsburg Fowler County Sanitation District (SKF) (“Industry Partner”)** to collaborate on the School Partner Program.

Whereas SUSD and this Industry Partner wish to collaborate to provide youth with a meaningful work-based learning experience for program participants, SUSD and this Industry Partner enter into the following MOU for the period of June 10, 2026 to July 1, 2026

SUSD agrees to:

- Provide work-readiness training to support skill building and professionalism.
- Inform high school students of all rules, regulations, of SUSD and training sites.
- Correlate the job-related classroom instruction with the learning experiences of the training site.
- Assist in the resolution of the student’s school or site-related problems that are affecting the site-related performance of the student.
- Provide the site with a training plan.
- Verify training plan, class relationship, and community site activities.
- Accept the responsibility and status as the legal employer of all students placed in job sites on a non-paid status.
- Provide and maintain worker’s compensation coverage for the high school and/or adult students’ instructional program. Under no circumstances shall the Industry Partner be considered the employer of high school and/or adult students participating in the School Partner Program.

Industry Partner agrees to:

- Provide a meaningful work-based learning experience for youth, including the acquisition of work readiness and job skills as appropriate.
- Provide specific training before allowing students to embark on any task. Continually supervise students.
- Have a shift mentor or supervisor complete a skills assessment during and at the end of each student's job shadow or internship or the equivalent.
- Adhere to all applicable federal, state and local laws concerning interns as well as state and federal child labor laws.
- Treat youth at all times as interns as opposed to employees and not allow students to take the place of an employee.

SUSD agrees that all students will:

- Be 16 years of age or older and enrolled in a career technical education class.
- Conform to the program rules and regulations established by the school and training site.
- Maintain regular attendance and punctuality in school and on-the-site training.

- Regularly attend the site-related classroom instruction.
- Report to the site properly groomed and dressed appropriately for the site.
- Report any conflicts, problems or anticipated schedule changes to the SUSD instructor.
- Be informed that there is no guarantee of a job at the completion of this training.
- Report immediately any unsafe conditions or injuries to the SUSD instructor and Industry Partner.

Class: Construction Technology and Manufacturing Engineering

Students participating in the SKF Summer Internship may engage in the following activities:

- Participate in the following departments: Operations, Collections, Engineering, Lab, and Administration
- Learn about the laws and regulations within each department
- Learn about equipment used
- Shadow leads in each department

RELEASE, HOLD HARMLESS AND INDEMNIFICATION


(A) SUSD shall defend, indemnify, and hold harmless Industry Partner, its elected and appointed officers, officials, agents, contractors, consultants, employees and volunteers from and against any and all claims, damages, demands, liability, costs, losses and expenses, including without limitation court costs and reasonable attorneys’ fees, arising out of or in connection with the School Partner Program or its negligent failure to comply with any of its obligations contained in this MOU (collectively “Claims”), except such loss or damage which was caused by the sole negligence, or willful misconduct of the Industry Partner. Acceptance by the Industry Partner of insurance certificates and endorsements required under this Agreement does not relieve SUSD from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any Claims whether or not such insurance policies shall have been determined to apply.

(B) SUSD releases the Industry Partner, its officers, officials, agents, and employees of any and all claims, damages, demands, liability, costs, losses and expenses, including without limitation court costs and reasonable attorney’s fees, arising out of or in connection with the School Partner Program.

SUSD acknowledges and expressly waives the benefit of California Civil Code Section 1542, which is set forth below, and specifically agrees that the release contained in this MOU shall extend to all claims arising out of transactions which the parties do not know or expect to exist in their favor at this time, and which rise out of or are connected the School Partner Program. California Civil Code Section 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Industry Partner’s Initials



SUSD’s Initials

SUSD acknowledges that the facts and law in relation to this matter and the claims released by the terms of this MOU may turn out to be different from or in addition to the facts or law as now known to each party or its counsel. SUSD therefore expressly agrees that the release so given shall be and remain in effect as a full and complete release of the persons and entities released thereby notwithstanding any possibility of new or different facts or law.

(C) By execution of this MOU, SUSD acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

Insurance

During the term of this MOU, SUSD shall, at its sole costs and expense, carry, maintain, and keep in full force and effect insurance of the types and in the amounts as set forth below:

General Liability

SUSD 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 one million dollars (\$1,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. SUSD's general liability policies shall be primary and shall not seek contribution from the Industry Partner's coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that Industry Partner and its officers, officials, employees, and agents shall be additional insureds under such policies.

Waiver

All School Partner Program participants shall execute the waiver attached hereto as Exhibit A, and incorporated herein by reference, prior to participating in the Program. Said waiver shall be provided to the Industry Partner, with a copy to SUSD.

Termination

This MOU may be terminated at any time in writing by any party for any reason with three days' notice. This MOU also may be terminated immediately by any party if there is a failure to comply with the terms and conditions outlined in this MOU.


Miscellaneous

This MOU constitutes the entire MOU and understanding between the parties, and supersedes all offers, negotiations and other MOUs concerning the subject matter contained herein. There are no representations or understandings of any kind not set forth herein. Any amendments to this MOU must be in writing and executed by all parties.

PARTY SIGNATURES TO MOU

I have read all of the provisions outlined in this MOU, and agree to comply with every provision listed herein. I certify that I am authorized to sign agreements on behalf of my business/agency/organization.

Any changes to this contract must be made in writing, and be signed by representatives of both SUSD and Business/Organization.



Superintendent of Selma USD

Mr. Ed Gomes

Superintendent

NAME: _____

TITLE: _____

BUSINESS/ORGANIZATION:

Selma Kingsburg Fowler County Sanitation

District (SKF)

DATE: 4/28/20

DATE: _____

MEMORANDUM

(May 14, 2026, Board Meeting)

To: S-K-F CSD Board of Directors
From: Veronica Cazares, General Manager
Date Memo Prepared: May 1, 2026
Staff Report Prepared By: Tricia Miller, Administration Services/HR Manager

Agenda Item: 4-F
Action: Motion

SUBJECT:

Employee Recognition Program

RECOMMENDATION

General Manager Cazares recommends that the Board accept FY 2026-27 Employee Recognition Program

EXECUTIVE SUMMARY

Over the years, management has established an Employee Recognition Program that promotes harmonious and productive working relationships among employees as well as between Board Members and Employees. This program is at the discretion of management, under general authorization of the budget. The projected FY 2026-27 annual costs are approximately \$12,400 out-of-pocket plus approximately \$8,900 in time off with pay.

Service Awards - Lapel pins and jackets are given for every 5 years of service. A lapel pin, jacket or board, plaque, a day off with pay, \$150 after taxes and a resolution from the Board are presented at 20 years of service, and every five years thereafter. Board member recognition may include jackets, boards, pins, plaques and refreshments. The cost, including time off, is approximately \$1,000 per year.

Picnic - The District contributes \$50 per employee attending the annual picnic. The cost is approximately \$800 per year.

Winter Dinner - The District contributes \$85 per employee attending the winter dinner. The cost is approximately \$1,700 per year.

Employee of the Year - In addition to a reserved parking space and a jacket or board, a day off with pay and \$150 after taxes is presented. His or her name and photo are placed on the rotating trophy plaque. The cost, including time off, is approximately \$350 per year.

Mr. (or Ms.) Steady Award - For employees who have no sick usage in excess of 8 hours for the year ending November 30th, a Mr. or Ms. Steady certificate and District jacket or board are presented. The cost is approximately \$300 per year.

Employees' Activities Committee (EAC) - District support of the EAC includes time on duty to meet, plan, prepare and clean up from activities such as Chili Cook-Off and potluck lunches. The vending equipment, which the EAC stocks and from which the EAC profits, is purchased and maintained at District expense. The cost is approximately \$400 per year.

Efficiency Suggestions - When an employee has a suggestion that saves time or money in their own department, the General Manager may grant them time off with pay from one hour to one day. The time-off cost is approximately \$200 per year.

Safety - Employees who have no lost time due to on-the-job accidents for the year ending November 30th receive a hard-hat sticker and a gift with an average value of \$200 during an annual safety awards presentation breakfast. Also, at monthly safety training meetings, the District supplies donuts, or pastries. The cost is approximately \$7,100.

Pre-Holiday ½ Days Off – Depending on the workload, those who work on Christmas Eve and New Year’s Eve are allowed to leave at noon with the rest of the day off with pay to avoid traffic and to be with their families to prepare for the holidays. Employees on sick leave, vacation leave or other leave are not credited with a ½ day; they must use 8 hours of accrued leave. The time-off cost is approximately \$7,200 per year.

Chairperson’s BBQ – As the Chairperson of the Board may request, the District purchases hamburgers, buns, condiments and soda for occasional lunchtime barbecues hosted (cooked) by the Chairperson. All employees and Board members are invited. Attendees may bring a salad, dessert or side dish. The cost is approximately \$1,000 per year.

Condolence Flowers – For employees who are hospitalized unexpectedly and for the funeral of an employee’s spouse, mother, father, son or daughter, the District contributes \$80 toward a general collection to send a card and appropriate flowers or floral arrangement. The cost is approximately \$640 per year.

Retirement Luncheons – For retiring employees who so desire, a luncheon is held in their honor, and they are presented with a plaque memorializing their years of service. Individual employees may present personal gifts. The employee’s family is invited to the luncheon along with Board members. The employee is given the remainder of the day off with pay. The cost is approximately \$600 per year.

Wellness Program – To promote employee health and reduce occupational injury, the District will reimburse employees for health and safety activities, equipment, and services. Employees can receive a yearly incentive for getting an annual physical, dental, and vision checkup by submitting a reimbursement form and proof of checkup. The reward will be for medical or for dental or gym membership, fitness equipment, and fitness-related event registration, i.e., walking, biking, and running events, to an amount not to exceed \$40.00 per employee per fiscal year. The program may be adjusted according to CSRMA rules. The cost to be reimbursed by the District’s insurer California Sanitation Risk Management Authority (CSRMA), is approximately \$1,200 per year.

MEMORANDUM

(May 14, 2026, Board Meeting)

To: S-K-F CSD Board of Directors
From: Veronica Cazares, General Manager
Date Memo Prepared: April 30, 2026

Agenda Item: 4-G
Action: Motion

SUBJECT:

Woods Family Farms Request to Assign Sublease of 20 acres (APN 393-211-04ST) to Luallen Farms, LLC

RECOMMENDATION

That the Board approve the request and authorize the General Manager to execute assignment of sublease from Luallen Farms to Luallen Farms, LLC

EXECUTIVE SUMMARY

The District approved a lease agreement with Woods Family Farms and thereafter a sublease with Luallen Farms. Luallen Farms is changing their entity name and requests that the District consent to the assignment of the sublease to Luallen Farms, LLC. Both the Master Lease and Sublease require consent by the District for any assignment.

Attachment: 1) Sub-lease Agreement between Luallen Farms and Woods Family Farms, 2) Operating Agreement of Luallen Farms, LLC (A California Limited Liability Company) 3) Assignment of Lease

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT ("Sublease") is entered into as of the 1 day of July, 2023 ("Sublease Date") by and between WOODS FAMILY FARMS, I.L.C. a California limited liability company ("Sublandlord"), and LUALLEN FARMS, a SOLE PROPRIETOR ("Subtenant").

RECITALS:

- A. Selma-Kingsburg-Fowler County Sanitation District, a California sanitation district ("Master Landlord") owns that certain unimproved real property 15532 S. Del Rey Avenue (APN 393-211-04ST) in the County of Fresno located east of South Del Rey Avenue and some distance north of East Clarkson Avenue and which is crossed by Selma Colony Ditch and legally described as:

THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 16 SOUTH, RANGE 22 EAST, MOUNT DIABLO BASE AND MERIDIAN, IN THE COUNTY OF FRESNO, STATE OF CALIFORNIA, ACCORDING TO THE OFFICIAL PLAT THEREOF.

("Sublease Premises").

- B. Master Landlord and Sublandlord entered into that certain Ground Lease Agreement dated September 14, 2022 pursuant to which Master Landlord leased to Sublandlord certain unimproved real property including the Sublease Premises ("Master Lease") attached as Exhibit A.
- C. Pursuant to the terms of this Sublease, Subtenant desires to sublease from Sublandlord and Sublandlord desires to lease to Subtenant, the Sublease Premises.

NOW, THEREFORE, in consideration of the above recitals and the mutual agreements contained in this Sublease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublandlord and Subtenant hereby agree as follows:

1. **Recitals.** The Recitals set forth above are true and accurate and by this reference are incorporated herein.
2. **Defined Terms.** All capitalized terms used in this Sublease that are not defined herein shall have the meanings set forth in the Master Lease.
3. **Sublease Premises: Representations.**
 - a. **Sublease Premises.** As of the Commencement Date, Sublandlord agrees to sublease and Subtenant agrees to sublease from Sublandlord, the Sublease Premises in AS-IS condition and subject to all existing matters of record. Subtenant shall not interfere with or block the Selma Colony Ditch.
 - b. **Representations.** Sublandlord represents to Subtenant that, prior to the Sublease Date: (i) Sublandlord delivered a true, complete, and correct copy of the Master Lease to Subtenant, and there are no other agreements which modify its terms; and (ii) the Master Lease is in full force and effect.
4. **Sublease Commencement Date.** This Sublease shall commence on July 1, 2023 ("Commencement Date").

5. **Sublease Term.** The term of this Sublease shall commence on the Commencement Date and expire on December 31, 2041 ("**Sublease Term**").

6. **Rent.**

a. **Base Rent.** For the period July 1, 2023, through December 31, 2023, Subtenant shall pay \$ 0. Commencing on January 1, 2024 ("**Rent Commencement Date**"), Tenant shall pay the sum of Seven Thousand Five Hundred Dollars (\$7,500) ("**Base Rent**") and the same amount of Base Rent on each January 1st of each year thereafter during the Sublease Term. Any other sums due under this Sublease is hereinafter referred to as "**Rent**" or "**Additional Rent**."

No Base Rent shall be due for the period from the Commencement Date to the Rent Commencement Date. However, during that period, Subtenant shall remove the trees at its sole cost and expense.

b. **Payment.** Subtenant shall pay Base Rent on the first (1st) day of each year in advance without demand or right of offset. All sums shall be paid in lawful money at the address specified in Section 18 or as otherwise specified by Sublandlord from time to time in writing to Subtenant.

c. **Reduction Option.** Sublandlord may not exercise the right to reduce acreage under Master Lease Section 2(c) with respect to the Sublease Premises without the prior written consent of Subtenant which consent shall be in Subtenant's absolute and sole discretion.

7. **Security for Restoration of Sublease Premises.** Prior to the Commencement Date, Subtenant shall provide a bond or cash to be held in a District account in the amount of Seven Thousand Five Hundred Dollars (\$7,500) as security for the restoration of the Sublease Premises in favor of Sublandlord and consistent with the requirements in Section 8 of the Master Lease.

8. **Incorporation of Master Lease; Relationship of Parties; Assumption of Obligations.**

a. **Incorporation of Master Lease.** Subtenant acknowledges that it has received and reviewed the Master Lease, and the terms of the Master Lease are incorporated herein by this reference except as specifically otherwise provided in this Sublease including payment of rent. All of the provisions of the Master Lease (except those expressly excluded pursuant to the provisions of this Sublease including, but not limited to, the any options to extend, to terminate early or to reduce acreage), as the same may be modified or supplemented by this Sublease, shall apply to this Sublease and the subtenancy hereby created, except that:

(i) except as this Sublease otherwise provides or the context otherwise dictates, in each instance, where the term "Tenant" is used in such provisions, the term "Subtenant" shall be substituted;

(ii) except as this Sublease otherwise provides or the context otherwise dictates, in each instance, where the term "Landlord" is used the term "Sublandlord" shall be substituted; provided, however, Sublandlord shall have no duty or obligation to Subtenant to perform any of the obligations of Master Landlord or Tenant under the Master Lease, except (A) as otherwise expressly provided in this Sublease, or (B) to maintain the Master Lease free from default by Sublandlord (in its capacity as tenant under the Master Lease). Subtenant acknowledges and agrees that: (i) Sublandlord shall not be liable to Subtenant

whatsoever to Sublandlord except that if such termination is due to the default of Sublandlord under the terms of the Master Lease, then Sublandlord shall be liable to Subtenant as provided in this Sublease; and

(iii) in each instance, where the term "Premises" is used in such provisions, the term "Sublease Premises" shall be substituted.

b. Assumption of Obligations by Subtenant. As an additional provision of this Sublease, Subtenant agrees that this Sublease is and at all times shall be subject and subordinate to the Master Lease and the rights of the Master Landlord thereunder. Subtenant expressly assumes and agrees (except to the extent specifically excluded under this Lease including but not limited to rent): (i) to comply with all of the provisions of the Master Lease relating to the Sublease Premises; (ii) to perform all of the obligations on the part of the "Tenant" to be performed under the terms of the Master Lease with respect to the Sublease Premises; and (iii) to indemnify, protect, defend and hold Sublandlord and its partners, employees, agents, and contractors free and harmless of and from all liability, judgments, costs, damages, claims, demands, and arising out of a default by Subtenant, excluding, however, any liability arising Sublandlord's willful misconduct or gross negligence.

c. Sublandlord's Indemnification. Sublandlord shall indemnify, protect, defend and hold Subtenant, its officers, employees, agents, and contractors free and harmless of and from all liability, judgments, costs, damages, claims, demands, and arising out of Sublandlord's Default under the Master Lease except to the extent of Subtenant has assumed the obligations hereunder with respect to the Master Lease.

d. Survival. The indemnifications set forth in subsections (b) and (c) above shall survive the expiration or earlier termination of this Sublease.

9. Maintenance of Sublease Premises. The Sublease Premises shall be maintained by Sublandlord to the same extent Sublandlord is required to maintain the Master Premises.

10. Insurance. Subtenant, at Subtenant's sole cost and expense, shall maintain the same insurance as required under Master Lease Section 14 in favor of Sublandlord with Sublandlord named as an additional insured. During the Sublease Term, Subtenant shall provide Sublandlord with such documentation and certification as Sublandlord may reasonably require from time to time to confirm that Subtenant's insurance coverage remains in effect. During the Term and upon written notice to Subtenant, Sublandlord shall have the right to require modify insurance requirements as reasonably determined by Sublandlord including, but not limited to, an increase in coverage.

11. Use. Subtenant shall only use the Sublease Premises for farming and agricultural purposes in compliance with the Master Lease. Tenant shall not use the Sublease Premises for any other purpose, or engage in or permit any activity within or from the Sublease Premises. Specifically, Tenant shall also not transport or permit to be transported to or from the Sublease Premises any Controlled Substance (as defined in 21 U.S.C. §802), cannabis (in any form) or any hazardous materials. In addition, Tenant shall not (i) possess, or permit any person or entity to possess, at the Sublease Premises any cannabis, marijuana or cannabinoid product or compound (collectively "Cannabis"), or any substance regulated under any state or federal Law ("Regulated Substances"), or (ii) use or permit the growing, cultivation, manufacturing, administration, distribution (including without limitation, any retail sales), of any Cannabis or any Regulated Substance on the Sublease Premises.

12. Payment of Taxes.

a. Real Property Taxes.

(i) **Mandatory Disclosure.** Notice is hereby given to Subtenant pursuant to California Revenue and Taxation Code Section 107.6 that the interest of Subtenant created in the Sublease Premises pursuant to this Lease may be subject to real property taxation and accordingly Subtenant may be subject to the payment of property taxes levied on said possessory interest.

(ii) **Payment of Taxes.** To the extent that any *ad valorem* tax is imposed, or sought to be imposed, on the Subleased Premises (either in the form of a possessory interest tax or otherwise), Subtenant shall pay, at the election of Sublandlord, either directly to the taxing authority or to Sublandlord, annual real estate taxes and assessments levied upon the Sublease Premises (including any possessory interest taxes), as well as taxes of every kind and nature levied and assessed in lieu of, in substitution for, or in addition to, existing real property taxes. Such amount shall be paid on the date that is twenty (20) days prior to the delinquent date or, if Sublandlord receives the tax bill, ten (10) days after receipt of a copy of the tax bill from Sublandlord, whichever is later. Upon termination of this Sublease, Tenant shall immediately pay to Sublandlord any final amount of Subtenant's share of such taxes and assessments as determined by Sublandlord.

b. Personal Property Taxes. During the Term, to the extent that any personal property tax is assessed against and levied upon Subtenant operations as well as any equipment and other personal property of Subtenant in the Sublease Premises, Subtenant shall pay prior to delinquency all such taxes, and when possible Subtenant shall cause such personal property to be assessed and billed separately from the Sublease Premises.

13. Right of Entry. Master Landlord's right of entry as set forth in the Master Lease shall inure to the benefit of both Master Landlord and Sublandlord and shall not unreasonably disrupt or interrupt the normal business operation of Subtenant.

14. Default of Subtenant. Subtenant shall not be deemed to be in default under this Sublease by virtue of any default of Sublandlord under the Master Lease, unless such default of Sublandlord was caused solely by the default of Subtenant under this Sublease.

a. Subtenant's Default. The occurrence of any one or more of the following shall constitute a default hereunder by Subtenant:

- (i) Failure to pay Base Rent or any Additional Rent when due;
- (ii) Failure to perform any other provision of this Sublease; or
- (iii) Subtenant makes a general assignment of Subtenant's assets for the benefit of creditors.

b. Sublandlord's Remedies. In the event of any default of Subtenant under this Sublease, Sublandlord may exercise all of the rights and remedies of Master Landlord under the Master Lease, as well as enforcing Subtenant's indemnification obligations under this Sublease. In addition to Sublandlord's rights of self-help set forth elsewhere in this Sublease, if any, if Subtenant at any time fails to perform any of its non-monetary obligations under this Sublease within the applicable cure period following written notice from Sublandlord to Subtenant, then Sublandlord shall have the right, but not the obligation, upon giving Subtenant at least five (5) additional business days' prior written notice of its election to do so (in the event of any emergency no prior notice shall be

20. Assignment or Subleasing. Subtenant may not assign this Sublease or sublease (In whole or in part) the Sublease Premises.

21. Miscellaneous.

- a. **Complete Understanding.** This Sublease represent the full, complete and final understanding between the parties regarding the subject matter hereof, and supersedes all prior negotiations, representations, warranties, statements or agreements, either written or oral, between the parties hereto as to the same.
- b. **Amendment to Sublease and Master Lease.** This Sublease may be amended by and only by an instrument in writing executed by each party hereto. In addition, Sublandlord agrees that it will not enter into any amendment or modification of the Master Lease which materially affects the Sublease Premises or the Subtenant's rights and obligations under this Sublease without the prior written consent of Subtenant.
- c. **Holdover Rent.** Sublandlord agrees that Base Rent during any period after the expiration of the Sublease Term that Subtenant remains in possession of the Sublease Premises with Sublandlord's express written consent shall be at the rate of One Hundred Fifty Percent (150%) of the Base Rent and estimated Additional Rent in effect immediately preceding such holdover period.
- d. **Good Faith.** Each party agrees to cooperate with and provide reasonable assistance to the other to the extent necessary to carry out the intent of this Sublease. Upon the request of either party at any time, the other party shall promptly take any actions as may be reasonably necessary to implement this Sublease in good faith and consistent with the intent of this Sublease.
- e. **General Provisions.** The general provisions in Sections 26 through 35, inclusive, of the Master Lease are incorporated herein by reference with respect to this Sublease.
- f. **Exhibits.** Exhibit A attached hereto is incorporated herein by reference.

(SIGNATURES ON NEXT PAGE)

required), to perform such obligations on behalf of and for the account of Subtenant and to take all such reasonable action to perform such obligations. In such event, Sublandlord's reasonable and documented costs and expenses incurred therein shall be paid for by Subtenant within thirty (30) days of receipt of written invoice and documentation from Sublandlord, with interest thereon at ten percent (10%) per annum (but not in excess of the amount allowed by law) from the date of Subtenant's receipt of the invoice until the date of payment. The performance by Sublandlord or any obligation shall not constitute a release or waiver of Subtenant therefrom. Subtenant hereby waives any claim and releases Sublandlord and Sublandlord's agents, contractors, and employees from all liability for damage occasioned by any action taken pursuant to this Section, except to the extent resulting from the negligence or willful misconduct of Sublandlord, its agents, employees, or contractors.

c. **Sublandlord Default under Sublease and Master Lease.** Sublandlord shall not be deemed to be in default under this Sublease by virtue of any default of Sublandlord under the Master Lease, which default of Sublandlord was caused solely by the default of Subtenant under this Sublease. In the event of any default of Sublandlord under this Sublease or under the Master Lease, Subtenant may exercise all of the rights and remedies available to it at law or in equity, as well as enforcing Sublandlord's indemnification obligations under this Sublease.

15. **Quiet Enjoyment.** Sublandlord covenants that Subtenant, on paying Rent under this Lease and performing the covenants set forth in this Sublease and the Master Lease with respect to the Sublease Premises, shall peaceably and quietly hold and enjoy throughout the Sublease Term.

16. **Notices from Master Landlord.** Promptly upon its receipt of same, Sublandlord shall deliver to Subtenant copies of all notices and/or communications regarding the Master Lease, Subtenant, this Sublease, or Subtenant's occupancy of the Sublease Premises, which Sublandlord receives from Master Landlord.

17. **Authority.** Subtenant and Sublandlord each represent and warrant to the other that it has the full right, power, and authority to enter into this Sublease upon the terms and conditions set forth herein, and that the person or persons or representatives executing this Sublease on its behalf is or are authorized to do so.

18. **Notices.** Notices shall be given to the parties in accordance with the Master Lease or the provisions hereof, to the parties at the following addresses:

Sublandlord: Woods Family Farms, LLC
12489 E Swanson
Kingsburg, CA 93632
Attn: Matthew Woods, Managing Member

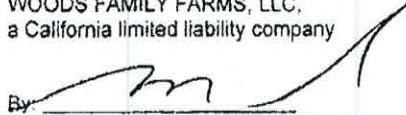
Subtenant: Luallen Farms
1360 S Rivista
Sanger, CA 93657
Attn: Paul Luallen

19. **Brokers.** Each party represents that it has not had dealings with any real estate broker, finder or other person with respect to this Lease in any manner. Each party shall indemnify, protect, and hold harmless the other party from all damages resulting from any claims that may be asserted against the other party by any broker, finder, or other person with whom the party has or purportedly has dealt any brokers.

IN WITNESS WHEREOF. Sublandlord and Subtenant have executed this Sublease as of the Sublease Date.

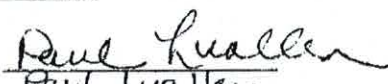
SUBLANDLORD:

WOODS FAMILY FARMS, LLC,
a California limited liability company

By: 
Matthew Woods, Managing Member

SUBTENANT:

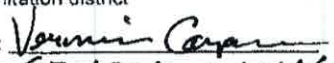
LUALLEN FARMS, a California

By: 
Its: Paul Luallen

MASTER LANDLORD HEREBY CONSENTS TO THIS SUBLEASE

SELMA-KINGSBURG-FOWLER COUNTY
SANITATION DISTRICT, a California
sanitation district

JULY 12, 2023

By: 
Its: GENERAL MANAGER

OPERATING AGREEMENT
of
LUALLEN FARMS, LLC
A CALIFORNIA LIMITED LIABILITY COMPANY

This Operating Agreement of LUALLEN FARMS, LLC (the “Agreement”) is made and effective by and between Paul Luallen and Hope Luallen, husband and wife, and Dillon Luallen, (referred to as the “Members”), as of January 1, 2026 (the “Effective Date”), with reference to the following facts:

A. The Articles of Organization (the “Articles”) for LUALLEN FARMS, LLC (the “Company”), a limited liability company, have previously been filed under the California Revised Uniform Limited Liability Company Act (“Act”), with the California Secretary of State on March 7, 2025.

B. The Members desire to operate the activities of the Company in accordance with the terms and subject to the conditions set forth in the Act and in this Agreement.

NOW, THEREFORE, the Members hereby set forth the Agreement for the Company as follows:

ARTICLE I
ORGANIZATIONAL MATTERS

1.1 **Name.** The name of the Company shall be “LUALLEN FARMS, LLC.” The Company may conduct business under that name or any other name approved by the Members.

1.2 **Term.** The term of the Company shall commence as of the Effective Date, and shall terminate provided under Section 8.1.

1.3 **Office and Agent.** The Company shall continuously maintain an office and registered agent in the State of California as required by the Act. The principal office of the Company shall be at such location as the Members may determine. The registered agent shall be as stated in the Articles or as otherwise determined by the Members.

ARTICLE II
CAPITAL CONTRIBUTIONS; LOANS

2.1 **Capital Contributions.** Each Member shall make, or have made, a capital contribution to the capital of the Company as shown on the books and accounting records of the Company.

2.2 **Capital Accounts.** The Company shall establish an individual capital account (“Capital Account”) for each Member. The Company shall determine and maintain each Capital Account in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv). Upon a valid

transfer of a Member's interest in the Company ("Membership Interest"), such Member's Capital Account shall carry over to the new owner.

2.3 **No Interest.** The Company shall not pay any interest on capital contributions.

2.4 **Loans.** In the event the Company requires additional funding and the Members do not unanimously approve additional capital contributions, then any Member may loan such funds to the Company when such funds are reasonably necessary for its operations, and such loan shall be documented by the Company in the form of a promissory note which shall bear interest at market rates from the date of the advance until paid, with interest payable annually, and the loan all due and payable at market rates.

ARTICLE III MEMBERS

3.1 **Additional Members; Membership Interest.** Upon receiving approval to be an additional Member, additional Members will participate in the "Net Profits," "Net Losses" (as such terms are defined in Section 5.1), and distributions of the Company pro rata in accordance with each Member's Membership Interest as shown on Exhibit "A" attached hereto. Exhibit "A" shall be amended upon the admission of an additional Member to set forth such additional Member's name and capital contribution. Notwithstanding any other provisions of this Agreement, in the event a Member is a Trust, and the Trust distributes some or all of its Members' interests herein to a beneficiary, such beneficiary shall automatically become a Member (i.e. no approval of other Members is required) and such beneficiary's interest as a Member shall equal the amount assigned, and the Trust's interest shall be reduced by a like amount.

3.2 **Withdrawals or Resignations.** Any Member may withdraw or resign as a Member at any time upon one hundred twenty (120) days' prior written notice to the Company, without prejudice to the rights, if any, of the Company or the other Members under any contract to which the withdrawing Member is a party. In the event of such withdrawal, such Member's Membership Interest shall be terminated, and such Member shall thereafter only have the rights of a transferee as described in Section 7.3.

ARTICLE IV MANAGEMENT AND CONTROL OF THE COMPANY

4.1 **Management.** The Company shall be managed by all the members ("Managers"). The Managers shall have all the necessary powers to manage and carry out the purposes, business, and affairs of the Company including, without limitations, the power to hire third parties to carry out the day-to-day operations of the Company and to exercise, in behalf and in the name of the Company, all of the powers described in Corporations Code Section 17703.01.

4.2 **Transaction between the Company and the Members.** Notwithstanding that it may constitute a conflict of interest, the Members (and any affiliates of a Member) may engage in any transaction with the Company so long as such transaction is not expressly prohibited by

this Agreement and so long as the terms and conditions of such transaction, on an overall basis, are fair and reasonable to the Company.

ARTICLE V ALLOCATIONS OF NET PROFITS AND NET LOSSES AND DISTRIBUTIONS

5.1 **Definitions.** When used in this Agreement, the following terms shall have the meanings set forth below:

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time, the provisions of succeeding law, and to the extent applicable, the Treasury Regulations.

“Net Profits” and “Net Losses” shall mean the income, gain, loss, deductions, and credits of the Company in the aggregate or separately stated, as appropriate, determined in accordance with the method of accounting at the close of each fiscal year employed on the Company’s information tax return filed for federal income tax purposes.

“Treasury Regulations” shall mean the final or temporary regulations that have been issued by the U.S. Department of Treasury pursuant to its authority under the Code, and any successor regulations.

5.2 **Allocations of Net Profits and Net Loss.**

5.2.1 **Net Loss.** Net Loss shall be allocated to the Members in proportion to their Membership Interest.

5.2.2 **Net Profit.** Net Profit shall be allocated to the Members in proportion to their Membership Interest.

5.3 **Special Allocations.** Notwithstanding Section 5.2:

5.3.1 **Minimum Gain Chargeback.** If there is a net decrease in Company Minimum Gain during any fiscal year, each Member shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, in subsequent fiscal years) in an amount equal to the portion of such Member’s share of the net decrease in Company Minimum Gain that is allocable to the disposition of Company property subject to a Nonrecourse Liability, which share of such net decrease shall be determined in accordance with Treasury Regulations Section 1.704-2(g)(2). Allocations pursuant to this Section 5.3.1 shall be made in proportion to the amounts required to be allocated to each Member under this Section 5.3.1. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(f). This Section 5.3.1 is intended to comply with the minimum gain chargeback requirement contained in Treasury Regulations Section 1.704-2(f) and shall be interpreted consistently therewith.

5.3.2 Chargeback of Minimum Gain Attributable to Member Nonrecourse Debt. If there is a net decrease in Company Minimum Gain attributable to a Member Nonrecourse Debt, during any fiscal year, each Member who has a share of the Company Minimum Gain attributable to such Member Nonrecourse Debt (which share shall be determined in accordance with Treasury Regulations Section 1.7042(i)(5)) shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, in subsequent fiscal years) in an amount equal to that portion of such Member's share of the net decrease in Company Minimum Gain attributable to such Member Nonrecourse Debt that is allocable to the disposition of Company property subject to such Member Nonrecourse Debt (which share of such net decrease shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(5)). Allocations pursuant to this Section 5.3.2 shall be made in proportion to the amounts required to be allocated to each Member under this Section 5.3.2. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(4). This Section 5.3.2 is intended to comply with the minimum gain chargeback requirement contained in Treasury Regulations Section 1.704-2(i)(4) and shall be interpreted consistently therewith.

5.3.3 Nonrecourse Deductions. Any nonrecourse deductions (as defined in Treasury Regulations Section 1.704-2(b)(1)) for any fiscal year or other period shall be specially allocated to the Members in proportion to their Membership Interest.

5.3.4 Member Nonrecourse Deductions. Those items of Company loss, deduction, or Code Section 705(a)(2)(B) expenditures which are attributable to Member Nonrecourse Debt for any fiscal year or other period shall be specially allocated to the member who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such items are attributable in accordance with Treasury Regulations Section 1.704-2(i).

5.3.5 Qualified Income Offset. If a Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6), or any other event creates a deficit balance in such Member's Capital Account in excess of such Member's share of Company Minimum Gain, items of Company income and gain shall be specially allocated to such Member in an amount and manner sufficient to eliminate such excess deficit balance as quickly as possible. Any special allocations of items of income and gain pursuant to this Section 5.3.5 shall be taken into account in computing subsequent allocations of income and gain pursuant to this Article 5 so that the net amount of any item so allocated and the income, gain, and losses allocated to each Member pursuant to this Section 5.3.5 to the extent possible, shall be equal to the net amount that would have been allocated to each such Member pursuant to the provisions of this Article 5 if such unexpected adjustments, allocations, or distributions had not occurred.

5.4 Code Section 704(c) Allocations. Notwithstanding any other provision in this Article 5, in accordance with Code Section 704(c) and the Treasury Regulations promulgated thereunder, income, gain, loss, and deduction with respect to any property contributed to the

capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its fair market value on the date of contribution. Allocations pursuant to this Section 5.4 are solely for purposes of federal, state and local taxes. As such, they shall not affect or in any way be taken into account in computing a Member's Capital Account or share of profits, losses, or other items of distributions pursuant to any provision of this Agreement.

5.5 **Distribution of Net Profits by the Company.** Subject to applicable law and any limitations contained elsewhere in this Agreement, the Company shall make distributions to the Members in proportion to their Membership Interest in amounts and at such time as determined by the Members.

ARTICLE VI ACCOUNTING, RECORDS, REPORTING BY THE MEMBERS

6.1 **Books and Records.** The books and records of the Company shall be kept in accordance with the accounting methods followed for federal income tax purposes. The Company shall maintain, at its principal office, all of the following:

6.1.1 The full name, business address, and telephone number of each Member, together with the capital contributions, and Capital Accounts of the Members;

6.1.2 A copy of the Articles and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Articles or any amendments thereto have been executed;

6.1.3 Copies of the Company's federal, state, and local income tax or information returns and reports if any, for the six (6) most recent taxable years;

6.1.4 A copy of this Agreement and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed;

6.1.5 Copies of the financial statements of the Company; if any, for the six (6) most recent fiscal years; and

6.1.6 The Company's books and records as they relate to the internal affairs of the Company for at least the current and past four (4) fiscal years.

6.2 **Reports.** The Company shall cause to be filed, in accordance with the Act, all reports and documents required to be filed with any governmental agency. The Company shall cause to be prepared, at least annually, information concerning the Company's operations necessary for the completion of each Member's federal and state income tax returns. The Company shall send or cause to be sent to the Members within ninety (90) days after the end of each taxable year (i) such information as is necessary to complete the Member's federal and state

income tax or information returns and (ii) a copy of the Company's federal, state, and local income tax or information returns for the year.

6.3 **Bank Accounts.** The Members shall maintain the funds of the Company in one or more separate bank accounts in the name of the Company and shall not permit the funds of the Company to be commingled in any fashion with the funds of any other person. Any Member, acting alone, are authorized to endorse checks, drafts, and other evidences of indebtedness made payable to the order of the Company. All checks, drafts, and other instruments obligating the Company to pay money may be signed by the Members or by a designated representative of the Company.

6.4 **Tax Matters for the Company.**

6.4.1 **Periods Governed by the BBA Partnership Audit Rules**

6.4.1.1 As of the Effective Date hereof, the Members shall designate the "partnership representative" as defined in Section 6223 of the Code, as amended by the Bi-Partisan Budget Act of 2015 (the "Partnership Representative"). The Partnership Representative is authorized and required to represent the Company (at the Company's expense) in all disputes, controversies or proceedings with the Internal Revenue Service, and, in its sole discretion, is authorized to make any available election with respect to the BBA Partnership Audit Rules and take any action it deems necessary or appropriate to comply with the requirements of the Code and to conduct the Company's affairs with respect to the BBA Partnership Audit Rules. Each Member and former Member will cooperate fully with the Partnership Representative with respect to any such disputes, controversies or proceedings with the Internal Revenue Service, including providing the Partnership Representative with any information reasonably requested to comply with and make elections under the BBA Partnership Audit Rules.

6.4.1.2 The financial burden of any Imputed Underpayment and associated interest, adjustments to tax and penalties arising from a partnership adjustment that are imposed on the Company, and the cost of contesting any such partnership adjustment, shall be borne by the Members and former Members pro rata based on their respective distribution entitlements during the reviewed fiscal year. To the extent feasible, the preceding sentence shall be implemented through adjustments to distributions in accordance with Section 6.4.1, set forth below, provided that Members and former Members shall be obligated to indemnify and hold harmless the Company to the extent that the preceding sentence cannot be so implemented. The provisions contained in this Section 6.4.1.2 shall survive the termination of the Company and the withdrawal or termination of any Member.

6.4.1.3 The Partnership Representative shall use its reasonable best efforts to minimize the financial burden of any partnership adjustment to each Member and former Member holding units during the reviewed fiscal year, through the application of the procedures established pursuant to Section 6225(c) of the Code,

or through an election and the furnishing of statements pursuant to Section 6226 of the Code.

6.4.1.4 The provisions of Section 6.4 shall survive the termination of the Company or the termination of any Member's Membership Interest in the Company and shall remain binding on the Members for as long a period of time as is necessary to resolve with any taxing authority any and all matters regarding the U.S. federal, state or local income taxation of the Company or the Members.

6.5 **Imputed Underpayments.** If a Member is required to bear the financial burden specified in Section 6.4.1.2, any amounts distributable under this Amendment (i.e., distributions from available cash) shall be adjusted by the Members to cause the Member to bear such burden; provided, however that if the amount of any "imputed underpayment" (as determined under Section 6225 of the Code, as amended by the Bipartisan Budget Act of 2015) (an "Imputed Underpayment") is modified in accordance with Section 6225(c) of the Code, as amended by the Bipartisan Budget Act of 2015, amounts otherwise distributable shall be adjusted by the Members so that each Member who or which files an amended return and pays the resulting tax and interest due, or whose status as tax-exempt, foreign or being subject to a lower tax rate, results in a modification of the Imputed Underpayment otherwise payable by the Company, realizes the benefit of such modification.

ARTICLE VII TRANSFER AND ASSIGNMENT OF INTERESTS

7.1 **Transfer and Assignment of Interests.** No Member shall be entitled to transfer, assign, convey, sell, encumber or in any way alienate all or any part of his Membership Interest (collectively, "transfer") except with the prior approval of all Members, which approval may be given or withheld in the sole discretion of the Members or except after the right of first refusal provisions of Section 7.4 have been satisfied.

7.2 **Substitution of Members.** A transferee of a Membership Interest shall have the right to become a substitute Member only if (i) consent of the Members is given in accordance with Section 7.1; (ii) such person executes an instrument satisfactory to the Members accepting and adopting the terms and provisions of this Agreement; and (iii) such person pays any reasonable expenses in connection with his admission as a new Member. The admission of a substitute Member shall not release the Member who assigned the Membership Interest from any liability that such Member may have to the Company.

7.3 **Transfers in Violation of this Agreement and Transfers of Partial Membership Interests.** Upon a transfer in violation of this Article 7, the transferee shall have no right to vote or participate in the management of the Company or to exercise any rights of a Member. Such transferee shall only be entitled to receive the share of the Company's Net Profits, Net Losses and distributions of the Company's assets to which the transferor would otherwise be entitled. Notwithstanding the immediately preceding sentences, if, in the discretion of the remaining Members, a transfer in violation of this Article 7 would cause the termination of

the Company under the Code, in the sole discretion of the remaining Members, the transfer shall be null and void.

7.4 **Right of First Refusal.** Each time a member proposes to transfer, assign, convey, sell, encumber or in any way alienate all or any part of his or her Membership Interest (or as required by operation of law or other involuntary transfer to do so), such Member shall first offer such Membership Interest to the Company and the non-transferring Members in accordance with the following provisions:

7.4.1 Such Member shall deliver a written notice to the Company and the other Members stating (i) such Member's bona fide intention to transfer such Membership Interest; (ii) the name and address of the proposed transferee; (iii) the Membership Interest to be transferred; and (iv) the purchase price and terms of payment for which the Member proposes to transfer such Membership Interest.

7.4.2 Within thirty (30) days after receipt of the notice described in Section 7.4.1, each non-transferring Member shall notify the Company in writing of his or her desire to purchase a portion of the Membership Interest being so transferred at the purchase price and terms of payment set forth in such notice. The failure of any Member to submit a notice within the applicable period shall constitute an election on the part of that Member not to purchase any of the Membership Interest which may be so transferred. Each Member so electing to purchase shall be entitled to purchase a portion of such Membership Interest in the same proportion that the Percentage Interest of such Member bears to the aggregate of the Percentage Interests of all of the Members electing to so purchase the Membership Interest being transferred. In the event any Member elects to purchase none or less than all of his or her pro rata share of such Membership Interest, then the other Members can elect to purchase more than their pro rata share. If such Members fail to purchase the entire Membership Interest being transferred, the Company may purchase any remaining share of such Membership Interest.

7.4.3 Within ninety (90) days after receipt of the notice described in Section 7.4.1, the Company and the Members electing to purchase such Membership Interest shall have the first right to purchase or obtain such Membership Interest upon the price and terms of payment designated in such notice. If such notice provides for the payment of noncash consideration, the Company and such purchasing Members each may elect to pay the consideration in cash equal to the good faith estimate of the present fair market value of the noncash consideration offered as determined by the Company.

7.4.4 If the Company or the other Members elect not to purchase or obtain all of the Membership Interest designated in such notice, then the transferring Member may transfer the Membership Interest described in the notice to the proposed transferee, providing such transfer (i) is completed within sixty (60) days after the expiration of the Company's and the other Members' right to purchase such Membership Interest, and (ii) is made on terms no less favorable to the transferring Member than as designated in the notice. If such Membership Interest is not so transferred, the transferring Member must

give notice in accordance with this Section prior to any other or subsequent transfer of such Membership Interest.

ARTICLE VIII DISSOLUTION AND WINDING UP

8.1 **Conditions of Dissolution.** The Company shall dissolve upon the occurrence of any of the following events:

8.1.1 Upon the happening of any event of dissolution specified in the Articles;

8.1.2 Upon the entry of a decree of judicial dissolution pursuant to California Law; or

8.1.3 Upon the election to dissolve by the Members.

8.2 **Winding Up.** Upon the dissolution of the Company, the Company's assets shall be disposed of and its affairs wound up. The Company shall give written notice of the commencement of the dissolution to all its known creditors.

8.3 **Order of Payment of Liabilities Upon Dissolution.** After determining that all the known debts and liabilities of the Company have been paid or adequately provided for, the remaining assets shall be distributed to the Members in accordance with its positive Capital Account balance, after taking into account income and loss allocations for the Company's taxable year during which liquidation occurs.

8.4 **Limitations on Payments Made in Dissolution.** Except as otherwise specifically provided in this Agreement, the Members shall be entitled to look only to the assets of the Company for the return of its positive Capital Account balance and shall have no recourse for its Capital Contribution and/or share of Net Profits.

8.5 **Certificates.** The Company shall file a Certificate of Dissolution upon the dissolution of the Company.

ARTICLE IX INDEMNIFICATION

9.1 **Indemnification of Agents.** The Company shall indemnify the Members and may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was an officer, employee or other agent of the Company or that, being, or having been such an officer, employee or agent, he or she is or was serving at the request of the Company as a manager, director, officer, employee or other agent of another limited liability company, corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to hereinafter as an "agent"), to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may hereafter from time to time permit.

ARTICLE X MISCELLANEOUS

10.1 **Binding Effect.** Subject to the provisions of this Agreement relating to transferability, this Agreement will be binding upon and inure to the benefit of the Members, and its successors and assigns.

10.2 **Interpretation.** All pronouns shall be deemed to refer to the masculine, feminine, or neuter, singular or plural, as the context in which they are used may require. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the interpretation of any provision of this Agreement. Numbered or lettered articles, sections and subsections herein contained refer to articles, sections and subsections of this Agreement unless otherwise expressly stated.

10.3 **Severability.** If any provision of this Agreement or the application of such provision to any person or circumstance shall be held invalid, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

10.4 **Remedies Cumulative.** The remedies under this Agreement are cumulative and shall not exclude any other remedies to which any person may be lawfully entitled.

10.5 **Notices.** Any notice to be given or to be served upon the Company or any party hereto in connection with this Agreement must be in writing (which may include facsimile) and will be deemed to have been given and received when delivered to the address specified by the party to receive the notice. Such notices will be given to a Member at the address specified in Exhibit "A" hereto. Any party may, at any time by giving five (5) days' prior written notice to the other Members, designate any other address in substitution of the foregoing address to which such notice will be given.

10.6 **Amendments.** All amendments to this Agreement will be in writing and signed by all of the Members.

10.7 **Multiple Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

(Signature page to follow)

IN WITNESS WHEREOF, the Members have executed this Agreement, effective as of the date written above.

"Members"



PAUL LUAllen



HOPE LUAllen



DILLON LUAllen

EXHIBIT "A"

MEMBERSHIP INTEREST AND ADDRESSES OF MEMBERS
EFFECTIVE AS OF JANUARY 1, 2026

<u>Member's Name</u>	<u>Member's Address</u>	<u>Member's Membership Interest & Voting Percentage</u>
PAUL LUALLEN HOPE LUALLEN	PO Box 494 Sanger, CA 93657	73.5%
DILLON LUALLEN	PO Box 494 Sanger, CA 93657	26.5%
		<hr/> 100%

ASSIGNMENT OF LEASE

This Assignment of Lease (the "Assignment") is made and effective as of 4/1/26 (the "Effective Date") by and between **PAUL LUALLEN and HOPE LUALLEN, dba Luallen Farms** (the "Assignor") and **LUALLEN FARMS, LLC** (the "Assignee"). The Assignor and the Assignee may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

The Assignor, as lessee, is party to that certain sub-lease agreement with **WOODS FAMILY FARMS, LLC. A California limited liability company**, as lessor (the "Sub-Lessor"), dated as of **July 1, 2023**, copy of which hereof is attached and has already been received, reviewed, and accepts is made a part hereof by reference (the "Lease"). The Lease covers the certain property located at **APN 393-211-04ST, 15532 S. Del Rey Avenue, Kingsburg, CA** (the "Premises"). The Assignor wishes to assign all of its rights and obligations under the Sub-Lease and its extension and to the Premises to the Assignee, and the Assignee wishes to accept this assignment of interest in the Lease and the Premises and to assume these obligations on the terms and conditions set forth in this Assignment.

NOW THEREFORE, in consideration of the above recitals, the mutual promises and benefits contained herein, and other good and valuable consideration, the receipt of which is acknowledged, the Parties hereby agree as follows:

1. ASSIGNMENT.

The Assignor hereby assigns, transfers, sets over, and delivers to the Assignee of all its right, title, and interest in and to the Lease and all of the Premises governed thereby, subject to all of the terms and the conditions in the Lease and in this Assignment. This assignment shall be effective as of the Effective Date and shall continue until the present term of the Lease ends.

2. ASSUMPTION OF RIGHTS AND DUTIES.

From and after the Effective Date, all rights and duties under the Lease, including the obligation to pay all rent under the Lease as and when the same shall become due, will be assumed by the Assignee and the Assignor continues to be responsible for payment of rent under the lease in the event of a default by assignee. In the event of default by The Assignee, The Guarantor will be responsible for obligations under the current lease term unless the Assignor, the Landlord, and the Assignee otherwise expressly provide through a separate agreement.

3. INDEMNIFICATION.

- (a) The Assignor hereby agrees to indemnify and hold harmless the Assignee from any and all costs, liabilities, losses, damages, expenses, liens, or claims (including, without limitation, reasonable attorneys' fees) arising out of the Assignor's failure to perform its duties or obligations under the lease before the Effective Date of this Assignment.
- (b) The Assignee hereby agrees to indemnify and hold harmless the Assignor from any and all costs, liabilities, losses, damages, expenses, liens, or claims (including, without limitation, reasonable attorneys' fees) arising out of or relating in any way to the Lease, except if such costs arise from the Assignor's failure to perform its duties or obligations under the Lease before the Effective Date.

(c) The Assignee hereby agrees to protect, indemnify, and hold harmless the Assignor and its officers, employees, representatives, agents, fiduciaries, attorneys, directors, shareholders, insurers, predecessors, parents, affiliates, benefit plans, successors, heirs, and assigns from and against any and all costs, liabilities, losses, damages, expenses, liens, or claims (including, without limitation, reasonable attorneys' fees) arising out of or attributable to, directly or indirectly, the acts or omissions of the Assignee or its agents, contractors, or employees with respect to the Premises or any activities thereon. This indemnification shall survive the termination of the Lease and this Assignment.

4. CONTINUING EFFECTIVENESS OF LEASE.

This Assignment is made on the understanding that all other terms and conditions of the Lease shall remain in full force and effect, including the prohibition against further assignments and subleases without the Landlord's express written consent.

IN WITNESS WHEREOF, the Parties have executed this Assignment as of the date first above written.

ASSIGNOR:

By: Paul Luallen
Paul Luallen

4/1/26
Date

By: Hope Luallen
Hope Luallen

4/1/26
Date

ASSIGNEE:

By: Paul Luallen
Luallen Farms LLC

4/1/26
Date

SUB-LESSOR'S CONSENT TO ASSIGNMENT

LANDLORD'S CONSENT TO ASSIGNMENT. The undersigned, as Sub-Lessor under the Lease, hereby consents to this assignment of the Lease, and to the Assignee's assumption of the Assignor's obligations thereunder, including the obligation to pay rent pursuant to the Lease as and when the same shall become due; with Assignor to continue to be obligated as provided in Paragraph 2 above.

SUB-LESSOR:

By: _____

Date

LANDLORD'S CONSENT TO ASSIGNMENT

LANDLORD'S CONSENT TO ASSIGNMENT. The undersigned, as Landlord under the Lease, hereby consents to this assignment of the Lease, and to the Assignee's assumption of the Assignor's obligations thereunder, including the obligation to pay rent pursuant to the Lease as and when the same shall become due; with Assignor to continue to be obligated as provided in Paragraph 2 above.

LANDLORD:

By: _____

_____ Date

MEMORANDUM
(May 14, 2026 Board Meeting)

To: S-K-F CSD Board of Directors
From: Veronica Cazares, General Manager
Date Memo Prepared: April 22, 2026

Agenda Item: 5-A
Action: Motion

SUBJECT:

Public Hearing on Capital Improvement Program for FY 2026-27

RECOMMENDATION

That the Board conduct the public hearing, receive staff report and public comments, and consider adoption of Resolution 2026-16 which accepts the Capital Improvement Program for Fiscal Year 2026-27.

EXECUTIVE SUMMARY

Board members may bring their copies with them or refer to the digital copy sent separately from the agenda packet. **Hard copies will be available at the Board Meeting.**

The first presentation of the Capital Improvement Plan was made to the Policy Advisory Committee on April 16, 2026. The PAC recommended approval of the FY 2026-27 Draft Capital Improvement Plan to the Board of Directors.

The District Board received the first presentation of the Capital Improvement Plan at the April 9, 2026, regular meeting.

Capital improvements are major construction projects requiring an expenditure of public funds over and above routine annual operating expenses. Expenditures occur for the purchase, construction, or replacement of the District's infrastructure with a useful life of at least five years. CIP infrastructure includes such items as the collection system, wastewater treatment plant, disposal facilities and lift stations. The District's funding sources include sewer service charges, capacity charges, and plan check and inspection fees. These revenues are projected annually, taking into account current and potential development activity and rate adjustments.

The CIP is a plan that identifies capital improvement needs and allocates available dollars over a ten-year period. Development of the ten-year CIP includes opportunities for input from the CIP Committee, District department heads, cities, and the Board of Directors to help ensure that the projects meet the District's needs.

Attachments: 1) Resolution No. 2026-16

RESOLUTION NO. 2026-16

A RESOLUTION ACCEPTING THE CAPITAL IMPROVEMENT PROGRAM
FOR THE FISCAL YEAR 2026-27

SELMA-KINGSBURG-FOWLER COUNTY SANITATION DISTRICT

RESOLVED, by the Board of Directors of the Selma-Kingsburg-Fowler County Sanitation District, Fresno County, California, that the Capital Improvement Program for the fiscal year 2026-27 as presented to said Board and filed in the office of the District Secretary, is hereby approved, and adopted.

CERTIFICATION

The foregoing Resolution No. 2026-16 was adopted on May 14, 2026, on a motion duly made, seconded, and approved as follows:

DIRECTOR MAGSIG

DIRECTOR NORTH

DIRECTOR AVALOS

VICE CHAIR GILL

CHAIRMAN MENDES

WHEREUPON, the Chairman declared the foregoing resolution adopted, and SO ORDERED.

Veronica Cazares, General Manager/
Secretary of the Board of Directors
SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT

MEMORANDUM

(May 14, 2026 Board Meeting)

To: S-K-F CSD Board of Directors
From: Veronica Cazares, General Manager
Date Memo Prepared: April 22, 2026
Prepared by: Veronica Cazares, General Manager

Agenda Item: 5-B
Action: Motion

SUBJECT:

Public Hearing on FY 2026-27 Budget

RECOMMENDATION

That the Board conduct the public hearing, receive staff report and public comments, and consider adoption of Resolution 2026-17 which establishes the Budget for Fiscal Year 2026-27.

EXECUTIVE SUMMARY

Enclosed is the draft budget for fiscal year (FY) 2026-27, version March 2026.

The proposed budget includes rate increases consistent with the last rate study and Proposition 218 process. On May 29, 2024, the Board of Directors held a public hearing in accordance with Proposition 218 to consider increases to sewer service rates. After closing the public hearing, the Board considered and adopted Resolution No. 2024-08 ratifying the Proposition 218 process relating to increased sewer service rates and authorizing the adoption of an ordinance adopting increased sewer service rates. At that same meeting the Board introduced Ordinance No. 2024-01 adopting increased sewer rates. The ordinance was adopted by the Board on June 13, 2024. In accordance with Ordinance No. 2024-01, this will be the 2nd year rate increase under Proposition 218 process.

The rates will be increased from \$583.14 to \$637.72 per year for Selma, from \$543.14 to \$595.72 per year for Kingsburg and from \$557.14 to \$608.72 per year for Fowler for each equivalent single-family residence (ESFR). The industrial rates will also increase for flow, BOD, SS parameters. The sewer rate increases are necessary due to increased costs of repair, refurbishment & replacement of facilities & equipment; services & supplies; salaries & benefits; labor costs; and a reduction in usage of the plant by industrial dischargers.

The first presentation of the FY 2026-27 Budget was made to the Policy Advisory Committee on April 16, 2026. The PAC recommended approval of the FY 2026-27 Draft Budget to the Board of Directors

The District Board received the first presentation of the FY 2026-27 Budget at the April 9, 2026 regular meeting. District staff included a notation on the staff memo that explained that the proposed Budget has been built based on projections which include the proposed Proposition 218 sewer service rate increases. In the event the proposed increases are not adopted, the Budget will need to be amended.

Attachments: 1) Resolution No. 2026-17

RESOLUTION NO. 2026-17

RESOLUTION OF THE SELMA-KINGSBURG-FOWLER COUNTY SANITATION DISTRICT
APPROVING AND ADOPTING THE BUDGET
FOR THE FISCAL YEAR 2026-27

WHEREAS, the Board of Directors held a public hearing to consider the Fiscal Year 2026-27 Budget on May 14, 2026.

RESOLVED, by the Board of Directors of the Selma-Kingsburg-Fowler County Sanitation District, Fresno County, California, that the Budget for the fiscal year 2026-27, as presented to said Board and filed in the office of the District Secretary, is hereby approved, and adopted.

CERTIFICATION

The foregoing Resolution No. 2026-17 was adopted on May 14, 2026, on a motion duly made, seconded, and approved as follows:

DIRECTOR MAGSIG

DIRECTOR NORTH

DIRECTOR AVALOS

VICE CHAIR GILL

CHAIRMAN MENDES

WHEREUPON, the Chairman declared the foregoing resolution adopted, and SO ORDERED.

Veronica Cazares, General Manager/
Secretary of the Board of Directors
SELMA-KINGSBURG-FOWLER
COUNTY SANITATION DISTRICT

MEMORANDUM
(May 14, 2026, Board Meeting)

To: S-K-F CSD Board of Directors
From: Veronica Cazares, General Manager
Date Memo Prepared: May 1, 2026

Agenda Item: 6-A
Action: Motion

SUBJECT:

Bid Results SKF Effluent Disposal Line RR Project and Award of Contract.

RECOMMENDATION

That the Board approve a contract award to Panico Excavation Inc. in the amount of total base bid of \$1,425,000 and contingencies in the amount of \$150,000 for a total amount of \$1,575,000 and authorize the General Manager to execute agreement.

EXECUTIVE SUMMARY

The project is a multiple year project and design started in FY26. A notice inviting bids was issued on April 8, 2026, and April 15, 2026. Sealed bids were received at the District office on April 28, 2026, at 2:00 PM. Four bids were received, and the base bids ranged from \$1,425,000 to \$2,983,100. The General Manager also requests authorization for a project contract contingency of \$150,000.

The project is funded by District Refurbishment and Replacement GL # 81782030 for a total budget amount of \$1,800,000. The engineer's estimate was \$2,000,000.

The project consists of cured in place pipelining of the 36" effluent line and installation of new canal gates. Video inspection of the effluent pipeline, local defect repair, removal of existing canal gates, coating of concrete structures, construction of temporary effluent bypass piping system, and associated miscellaneous improvements.

The references were checked and were satisfactory. The contractor's license is active and current.

See Attachment for the list of bid results.

Attachments: Bid Results

BID RESULTS

Insituform Technologies, Inc. (Chesterfield, MO)	Express Sewer & Drain, Inc (Rancho Cordova, CA)	Dawson-Mauldin(Selma, CA)	Panico Excavation, Inc. (Aqua Dulce, CA)	Engineer's Estimate
\$2,983,100	\$2,150,000	\$1,636,490	1,425,000	\$2,000,000