

**WATER SUPPLY AGREEMENT
CITY OF COALINGA AND PLEASANT VALLEY WATER CONVEYANCE
PARTNERS, LLC**

2026 Agreement: Water Supply

This Agreement is entered into by and between the City of Coalinga (“City”) and Pleasant Valley Water Conveyance Partners, LLC (“Farmers”), with respect to the following Recitals, which are a substantive part of this Agreement.

RECITALS

WHEREAS, from time to time, City may have the ability to sell excess USBR water to Farmers in the Pleasant Valley Water District that are located within the City’s defined USBR Contractor Service Area; and

WHEREAS, City can make available excess contract water to Farmers to the benefit of City’s water ratepayers, and

WHEREAS, USBR water provided though City is good quality allowing Farmers to recharge and preserve ground water supplies; and

WHEREAS, City may also make available conveyance of Farmer-owned water using City’s conveyance agreement with Westlands Water District; and

WHEREAS, City desires to provide excess USBR water to Farmers and Farmers desire to acquire excess water from City, on the terms and conditions set forth in this Agreement, all for the mutual benefit of City and Farmers, and in conformity with applicable State and Federal regulations.

NOW THEREFORE, City and Farmers agree to the following:

1. Term of Agreement. This Agreement shall be effective March 1, 2026, for water transactions mutually agreed by the parties, provided the Agreement is fully executed by City and each farmer listed hereto, for service to each farmer as each executes, and shall be effective through February 28, 2027.
2. USBR Water Supply. This Agreement is for both contracted long-term USBR Water Supply (Contracted Water) available to City. Contracted Water may be made available to Farmers to the extent it is made available to City by USBR, and after a full supply has been provided to City’s treated water customers.
3. Price and Volumes for Purchase Water. The price for contract water hereunder shall be six hundred eighty-five dollars (\$685.00) per AF inclusive of all costs incurred by the City up to the Delivery Point (Initial Price). The Initial Price of \$685 is fixed and not subject to revision or adjustment, except if the Central Valley Project South of Delta (CVP SOD) Allocation for the 2026/27 water year is increased to 26 to 50 percent. If so, pursuant to Exhibit E of the Exchange Contractors 2026-2038 Transfers Agreement Price Schedule, the Initial Price shall be reduced by \$225 per AF, consistent with the reduction in the Transfers Agreement Price Schedule. The City’s pricing shall be inclusive of all costs incurred by City up to the Delivery Point including amounts

due from the City to USBR, San Luis and Delta Mendota Water Authority, and Westland's Water District.

4. Monthly Sales Volumes. Water volumes shall be determined by Farmers and City prior to each calendar month. Farmers shall use their best effort to monitor water deliveries not to exceed determined monthly volumes. Water volumes sold and conveyed under this agreement are contingent on Regulatory Compliance, as defined herein. City may immediately suspend deliveries in the event the City Manager deems additional water is needed for the City's treated water use.
5. Notices, Billing and Payment. City shall issue billing statements to Farmers following each month of water deliveries. Payment shall be rendered by Farmers to City within fifteen (15) days of the date of the statement. Notices, including billing statements may be communicated via email, provided the receiving party acknowledges receipt.

Billing Statements shall be sent to:

Pleasant Valley Water Conveyance Partners, LLC
c/o NK Development
13762 1st Avenue
Hanford, CA 93230

James Nichols
james@nicholsfarms.com
559-772-1582

Payments shall be made to:
City of Coalinga
155 W Durian Avenue
Coalinga, CA 93210

Ms. Mai Vang
Financial Services Director
mvang@coalinga.com
559-935-1533 Ext. 129

6. Delivery Point. The Delivery Point for water sold hereunder shall be canal side meaning the Farmers' turn-out located near the end of the Coalinga Canal.
7. Resale Prohibited. Water sold to Farmers under this Agreement is explicitly for use by Farmers on land that is within City's USBR Contractor Service Area. Farmers' land for irrigation under this agreement is shown on the map on Attachment 1. Farmers shall not resale water purchased under this agreement.
8. Regulatory Compliance. The obligations of City and Farmers to perform under this Agreement are conditioned upon ongoing compliance, approvals, and consents, including without limitation consent from the USBR, Westlands Water District, the State Water Resources Control Board, and any other authority with jurisdiction impacting this Agreement.
9. Conflicts of Interest. Neither City, nor its City Manager, nor any City Council member, department head, manager, employee, consultant, or agent of City, shall give to or receive from any director, employee or agent of Farmers or any affiliate thereof any gift or entertainment of significant value, or any commission, fee, or rebate in connection with this Agreement.

10. Farmers. This Agreement is being entered into with Pleasant Valley Water Conveyance Partners, LLC. The Farmers that are parties to the LLC are listed as Attachment 2 (contact list).

The Farmers listed above agree to allocate water receipts cooperatively amongst their designated properties, track volumetric deliveries, and be responsible for full payment to City for water taken hereunder. Specifically, any one Farmer agrees to be responsible for full payment of all water taken in the event of nonpayment by one or more other Farmers.

11. Operating Communication. The City shall designate a representative for ongoing operating coordination with Farmers, and similarly Farmers shall designate a representative authorized to represent Farmers for operating coordination.
12. Counterpart Signatures. The parties hereto agree that this Agreement may be signed in counterparts such that each signature alone or combined with others agrees to this single binding Agreement.

IN WITNESS WHEREOF, City and Farmers agree to the terms and conditions herein.

CITY OF COALINGA

By: _____
Sean Brewer
City Manager

Date: _____

ATTEST:

City Clerk

NK DEVELOPMENT

By: _____
Signature

Name Printed

SUTTER AVENUE COALINGA CA, LP

By: _____
Signature

Name Printed

**WEST LOST HILLS ROAD COALINGA
CA, LP**

By: _____
Signature

Name Printed

NVBIInv AF4, LLC

By: _____
Signature

Name Printed

FIRESTONE AVENUE COALINGA, CA LP

By: _____
Signature

Name Printed

KREYENHAGEN FAMILY, LLC

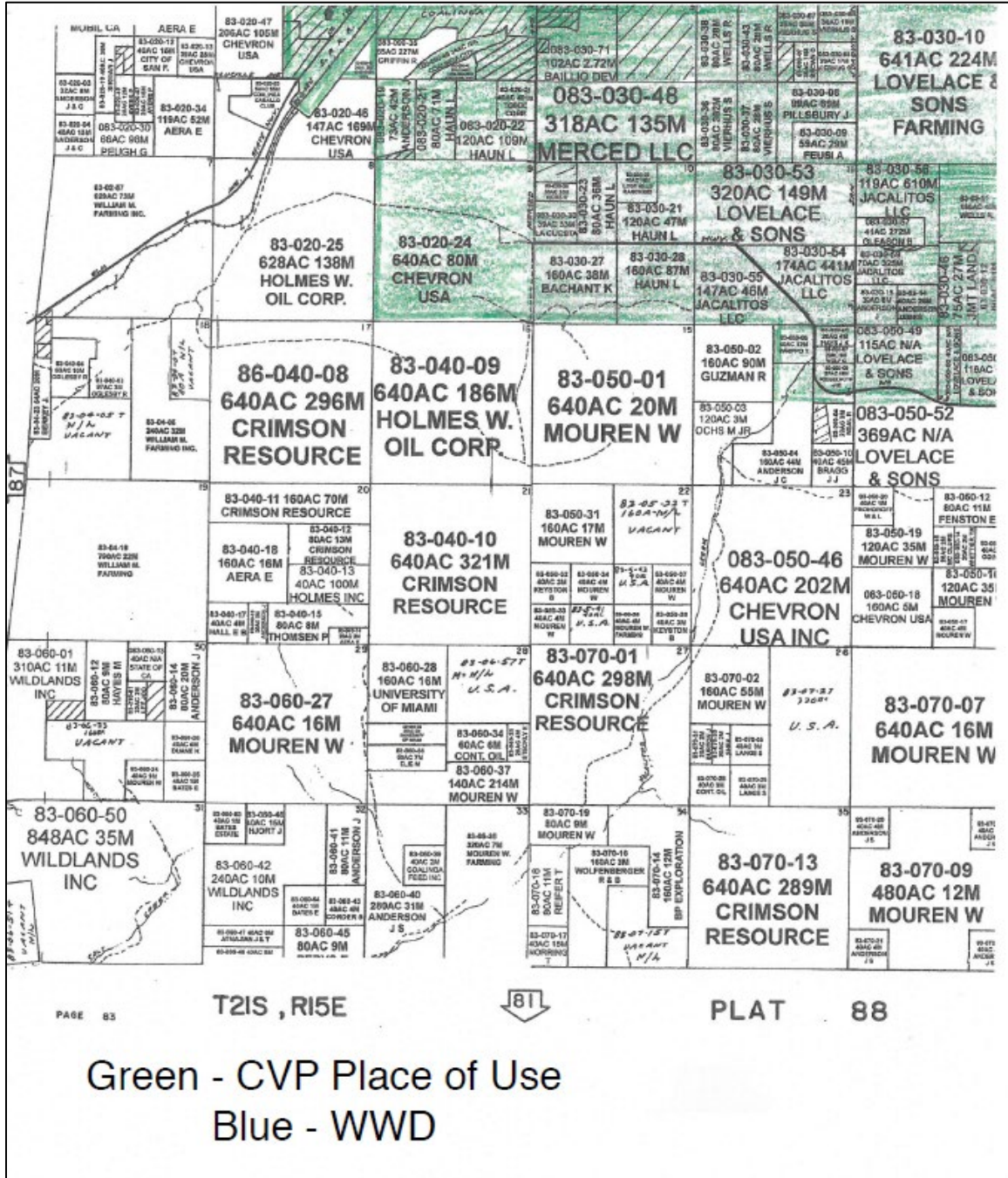
By: _____
Signature

Name Printed

Attachment 1

Maps of Farm Parcels in Green that can be Served by City of Coalinga

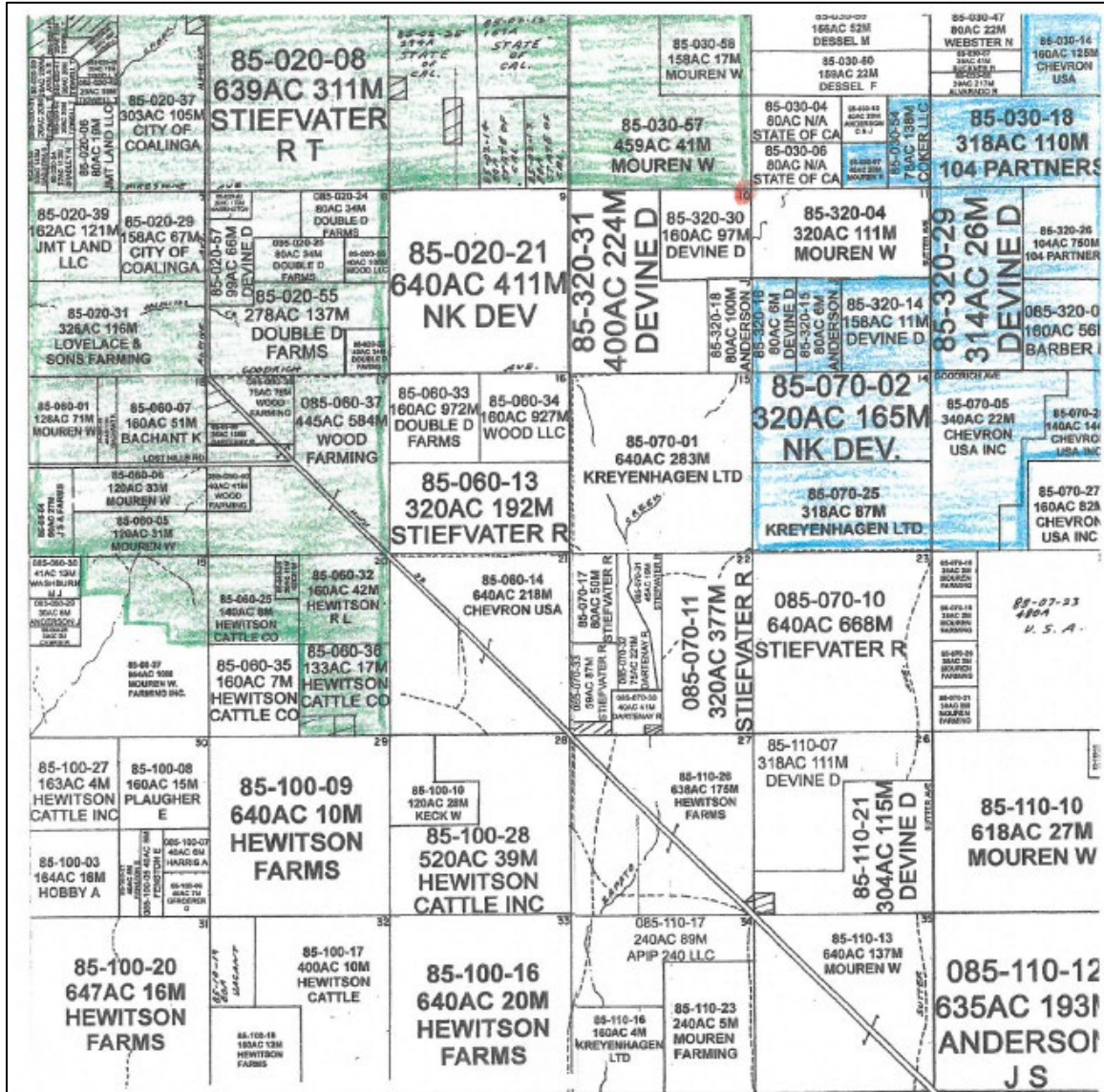
(All sections shaded below)



Attachment 1 (cont.)

Maps of Farm Parcels in Green that can be Served by City of Coalinga

(All sections shaded that are left of right two columns of sections)

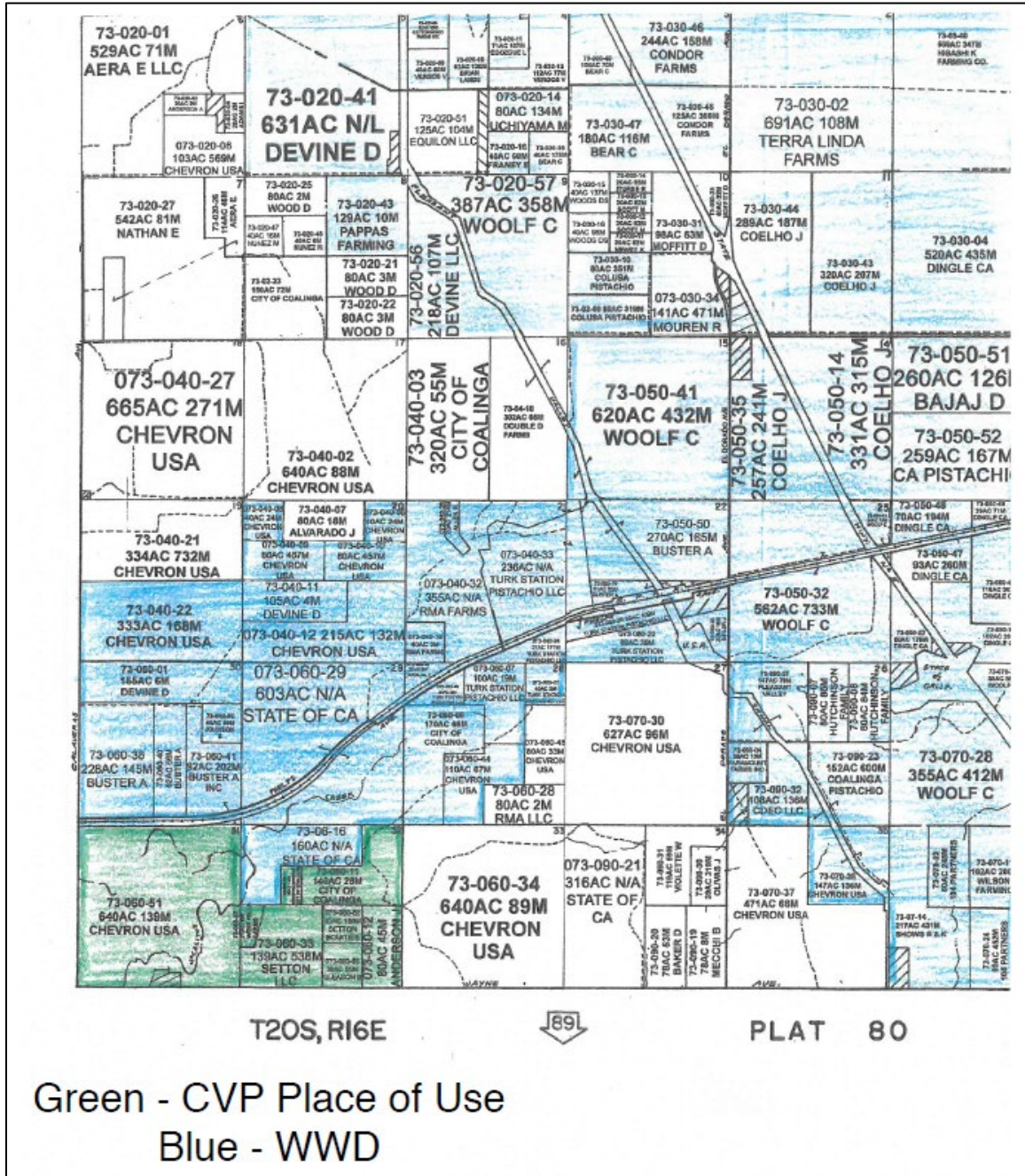


T 21S, R16E
 Green - CVP Place of Use
 Blue - WWD

Attachment 1 (cont.)

Maps of Farm Parcels in Green that can be Served by City of Coalinga

(Lower left two sections on bottom row only)



Attachment 2

CONTACT LIST PLEASANT VALLEY WATER CONVEYANCE PARTNERS

Sutter Avenue Coalinga CA, LP 25%

Lessee, Rod Stiefvater, 661-809-5199, rod@rtsag.com

Landowner, Gladstone, Kyle Murai, 949-735-2737, kyle.n@gladstoneland.com

1521 Westbranch Drive, Suite 100

McLean, VA 22102

West Lost Hills Road Coalinga CA, LP (formerly Wood Ag Management, Inc) 12.5%

Landowner, Gladstone, Kyle Murai, 949-735-2737, kyle.n@gladstoneland.com

1521 Westbranch Drive, Suite 100

McLean, VA 22102

Firestone Avenue Coalinga CA, LP (formerly Devine Farms, LLC) 12.5%

Lessee, Rod Stiefvater, 661-809-5199, rod@rtsag.com

Landowner, Gladstone, Kyle Murai, 949-735-2737, kyle.n@gladstoneland.com

1521 Westbranch Drive, Suite 100

McLean, VA 22102

NBInv AF4, LLC 25%;

Manager, Agriglobe, Phillip Christensen, 559-439-7490, p.christensen@agriglobe.com

Farm Manager, Taylor & Jeff Schmiedier, Taylor 559-349-7776,

tschmied002@gmail.com

2787 W. Bullard Ave., Suite 106

Fresno, CA 93711

NK Development 18.75%;

James Nichols, 559-772-1582, james@nicholsfarms.com

Chuck Nichols, 559-772-4111, chuck@nicholsfarms.com

Farm Manager, Joe, 559-707-4650

13762 1st Ave.

Hanford, CA 93230

Kreyenhagen Family, LLC 6.25%

Scott Kreyenhagen (Signator), skreyenhagen@gmail.com

PO Box 270114

Louisville, CO 80027

James Kreyenhagen, jim.kreyenhagen@gmail.com