



# Official Memorandum

PO Box 2157  
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[sldmwa.org](http://sldmwa.org)

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To: SLDMWA Board of Directors, Alternates  
SLDMWA Finance & Administration Committee, Alternates

From: Pablo Arroyave, Chief Operating Officer  
Chauncey Lee, Operations and Maintenance Manager

Date: May 11, 2026

RE: Recommendation to Board of Directors to Authorize Award and Execution of Agreement for Fuel Delivery Services and Expenditure of Up to \$300,000 From the FY 2027 OM&R Budget

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## Background

SLDMWA OM&R activities require the consistent supply and delivery of regular, unleaded gasoline and renewable diesel for operations and maintenance personnel. The FY 2027 budget includes funds for fuel services for the Los Baños and Tracy Field Offices.

The Water Authority formally solicited for both the LBFO and TFO Fuel Delivery services and received one bid each. The solicitation and received bids are for a 3-year agreement, with 2 options years.

## Issue for Decision

Whether to authorize award and execution of MSE agreements with (1) Toro Petroleum Corp., for the delivery of fuel at the Los Baños Field Office, and expenditure of up to \$150,000; and (2) with Efuel LLC. dba Ramos Oil Co., for the delivery of fuel at the Tracy Field Office, and expenditure of up to \$150,000, utilizing FY 2027 OM&R Budget funds.

## Recommendation

Staff recommends authorizing award and execution of the proposed MSE agreements with Toro Petroleum Corp., and Efuel LLC. dba Ramos Oil Co., and recommended expenditure.

## Analysis

The Water Authority formally solicited paper bids to provide all labor, equipment, and services for the delivery of fuel. The solicitation included the following critical dates:

April 10, 2026:	Bid issued
April 17, 2026:	Last day to submit questions
April 22, 2026:	Last day for Responses to Questions
April 29, 2026:	Bids due
April 30, 2026:	Notice of intent to award

The formal solicitation was publicly posted on PlanetBids and in one newspaper, the Sacramento Bee. In addition, nine contractors were notified of the release of solicitation. After completing the questions and answers phase, two bids were submitted. One responsive bid was submitted by Toro Petroleum Corp., and the other was submitted by Efuel LLC. dba Ramos Oil Co. The bids were reviewed and accepted by the Contract Specialist for responsiveness and responsibility. Upon conclusion, the most responsive/responsible bidders were determined to be Toro Petroleum Corp., and Efuel LLC. dba Ramos Oil Co. A Notice of Intent to Award was transmitted to both Toro Petroleum Corp. and Efuel LLC. dba Ramos Oil Co on April 30, 2026.

## Budget Implications

The proposed expenditure of up to \$300,000 will be funded utilizing approved budgeted funds from the Fiscal Year 2027 OM&R Budget. FY 2028 and FY 2029 expenditures of up to \$300,000 will be subject to inclusion and approval in the FY 2028 and FY 2029 Water Authority OM&R budgets.

## Attachments

1. Draft MSE Agreement
2. Notice of Intent to Award

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY**

**MATERIALS, SUPPLIES/EQUIPMENT AGREEMENT  
For  
TRACY FIELD OFFICE (TFO) FUEL DELIVERY SERVICES**

This Materials, Supplies/ Equipment (MSE) Agreement (“Agreement”) is made and entered into effective May \_\_\_\_\_, 2026 in the State of California, by and between the San Luis & Delta-Mendota Water Authority (“SLDMWA”) and Efuel LLC. dba Ramos Oil Co., (“Contractor”), and subject to the terms and conditions set forth herein.

SLDMWA and Contractor agree as follows:

**1. SCOPE OF WORK**

Contractor shall furnish the materials, supplies and/or equipment described in Scope of Work/Technical Specifications (or Purchase Order) set forth in Exhibit A at the price or prices set forth in Exhibit C within the times stated and in accordance with the General Conditions set forth in Exhibit B, each exhibit attached hereto and incorporated herein.

Any change in the Scope of the Work or schedule set forth herein, or to any other matter materially affecting the performance of or nature of the Scope of Work will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing, by SLDMWA.

**2. CONTRACT DOCUMENTS**

The Contract Documents shall include the solicitation documents (if applicable) Addenda, the accepted Bid Form, the Agreement, any required bonds, the General Conditions, the Special Provisions (if applicable), Specifications, Exhibits, the Contract Schedule, and any approved change order or amendment.

**3. TERM OF AGREEMENT**

The term of this Agreement shall be from date of contract execution, through February 28, 2029 inclusive, unless earlier terminated in accordance with the General Conditions. This Agreement may be extended by SLDMWA, at its sole and absolute discretion, for up to two additional one-year terms by giving the Provider written notice of the extension at least thirty (30) days before the Agreement expires. Time is of the essence in this Agreement. All future year funding is subject to availability of funds and board approval of funding; no guarantee of future year funding.

**4. PARTY REPRESENTATIVES AND NOTICES**

Each party’s designated representative for administration of this Agreement and receipt of notices is designated below. All notices or other communications provided for by the Agreement shall be in writing and shall be sent by 1) personal delivery, 2) nationally-recognized overnight delivery service (such as Federal Express) which provides evidence of delivery, 3) first class United States mail (postage prepaid), registered or certified, return receipt requested, or 4) e-mail

with a copy by first class U.S. mail. Notice shall be deemed received on the date actually delivered if delivered by personal delivery, overnight delivery, or U.S. Mail with return receipt requested and delivered during normal business hours on a business day. Notice by e-mail shall be deemed delivered on the date of transmission, unless the same is after 5:00 p.m. or on a weekend or holiday, in which event delivery shall be on the next business day. A party may change its address for notices under the Agreement by giving notice as provided herein. Notices shall be sent to the following party representatives at the following addresses:

<u>Contractor</u>	<u>SLDMWA</u>
Chris Tate Efuel LLC. dba Ramos Oil Co. 1515 S. River Road West Sacramento, CA 95691 <a href="mailto:christ@ramosoil.com">christ@ramosoil.com</a> 916-955-0287	Tony Romero San Luis & Delta-Mendota Water Authority 15990 Kelso Road Byron, CA 94514-9614 <a href="mailto:Tony.romero@sldmwa.org">Tony.romero@sldmwa.org</a> 209-832-6227

**IN WITNESS WHEREOF**, this Agreement has been executed by and on behalf of the parties hereto, the day, month and year so indicated above. If Contractor is a corporation, partnership or limited liability company, documentation must be provided that the person signing below for Contractor has the authority to do so and to so bind Contractor to the terms of this Agreement.

<u>Contractor</u>	<u>San Luis &amp; Delta-Mendota Water Authority</u>
By: _____ (Signature)	By: _____ Pablo R. Arroyave Chief Operating Officer San Luis & Delta-Mendota Water Authority
_____ (Print Name & Title)	
_____ (Company Name)	

## EXHIBIT A –TECHNICAL SPECIFICATIONS

### 1. CONTRACT PERIOD:

The Bid Proposal shall cover SLDMWA’s annual requirements for fuel delivery services. Initial contract period shall begin June 1, 2026 through February 28, 2029. Annual contract period will be SLDMWA’s fiscal year March 1 through February 28.

### 2. CONTRACT EXTENSION

SLDMWA may elect to extend the contract for a maximum of one (1) additional one (1) year period(s). Contractor may request an adjustment to differential prices for contract items at time of annual renewal. All such requests must be in writing at least thirty (30) days prior to contract expiration. Price adjustments shall be supported by such documentation as may be required by SLDMWA, as justification of price changes. Price changes shall in no event exceed the additional cost, paid by the Contractor. The SLDMWA reserves the right to accept or reject any price adjustments.

### 3. PRODUCT PRICING

The pricing is based on two factors; Region Base Market Cost and the Differential.

A. Region Base Market Cost: For the base price of the Regular Unleaded Gasoline and Renewable Diesel – R99”, “Time of Delivery” “Stockton Rack Average” price quoted for Regular Unleaded Gasoline and Renewable Diesel – R99 in the OPIS (Oil Price Information Service).

B. Differential: Transportation and Delivery Cost to SLDMWA location based on load size.

C. Differential Prices quoted shall be:

- Exempt from Federal Excise Tax
- Exclusive of: State Sales Tax, Local Sales Tax, California Motor Vehicle Fuel Tax, Oil Spill Liability Trust Fund Tax, and any other applicable tax.

If the OPIS publication is modified, SLDMWA reserves the right to re-establish the base price calculation method or cancel all or part of the contract without prejudice against any party to the contract.

4. APPLICABLE TAXES:

- A. State Sales Tax and all other applicable taxes shall be added to the invoice at the time of delivery.
- B. SLDMWA is exempt from Federal Excise Tax and an exemption form will be issued to the successful Bidder(s) after award of the contract.
- C. California Motor Vehicle Fuel Tax/State Excise Tax, CA oil Spill Liability Tax and any other applicable tax shall be set out as separate items on the invoice.
- D. At the time of award, the successful Bidder shall supply SLDMWA with a detailed breakdown of all taxes included in the prices that will be shown on invoices.

5. PRICE VERIFICATION:

During period of contract, successful Bidder may be required to provide price verification. Successful Bidder may be requested to submit copies of the Stockton Rack pricing, showing the Unbranded prices, with their own invoice for each truck/trailer load of fuel.

6. SUPPLY REQUIREMENTS:

All Bidders shall have fuel supply contracts, which shall assure the continuous supply of product during the Contract period. Bidders may be required to furnish information supporting their ability to supply, without major interruption, the products covered in this bid.

7. DELIVERY REQUIREMENTS:

- A. Products shall be delivered as ordered by SLDMWA's User Department(s):  
User Department(s): San Luis & Delta-Mendota Water Authority – Tracy Field Office Division.
- B. Delivery will be once a week on a set day (excluding Friday) between the hours of 7:00 AM and 3:00 PM.
- C. A minimum of 300 gallons is required at all times in each tank. Contractor shall monitor both fuel tanks with Smart Logic equipment at no charge. SLDMWA shall have access to the Smart Logic web portal.
- D. All deliveries shall be F.O.B. Destination, Freight Prepaid to locations listed in Section 10.

- E. Contractor must gain entry to and exit from the premises by identifying themselves to the Secretary and by signing in and out in the log books located in the Administration Building.
  - F. Contractor's Driver shall provide at the time of delivery, a receipt to include the delivered number of gallons, type of product, date, time and temperature.
  - G. Contractor will provide within five calendar days of delivery, a scanned invoice to [Accounts.Payable@sldmwa.org](mailto:Accounts.Payable@sldmwa.org). An original invoice shall be mailed after. SLDMWA will only remit payment based on an original invoice.
  - H. Emergency callouts shall be arranged by the SLDMWA authorized representative.
  - I. Invoices must reflect R-99 diesel to maintain compliance with CARB and County Air Board.
8. CAUTION AND SAFETY:
- A. Contractor's personnel shall abide by all SLDMWA safety rules and regulations outlined in the SLDMWA Injury and Illness Prevention Program. The Contractor should direct any questions regarding safety to the SLDMWA authorized representative.
  - B. Prior to work under this agreement, Contractor shall submit for approval to SLDMWA a Contractor's "Materials Safety Data Sheet" or "OSHA Form 20" for all chemical compounds to be used within the scope of this agreement. SLDMWA retains the right to reject any material that may create a safety or health hazard.
  - C. Contractor's equipment and vehicles shall meet all safety standards as required by Federal, State, and Occupational Safety and Health Act (OSHA) standards.
  - D. SLDMWA may immediately terminate any procedure or operation under this agreement that is in violation with the above or is an immediate or obvious safety hazard.

9. CANCELLATION:

SLDMWA reserves the right to cancel without prior notice the balance of the contract if the vendor fails to deliver the product within the time specified herewith or comply with requirements as set forth in this bid document.

10. QUANTITIES:

SLDMWA’s usage for the period of March 1, 2024 through February 28, 2025 is provided herein. While SLDMWA estimates that consumption will not be less than that shown for the prior period, there shall be no guarantee as to actual quantities required during the period of the contract.

- A. Regular Unleaded Gasoline
  - a. Quantity: 18,802.90 gallons
- B. Renewable Diesel (R-99)
  - a. Quantity: 16,122.90 gallons

11. FUEL TANK LOCATION AND CAPACITY

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY (SLDMWA)

DEPT. NAME	LOCATION	TYPE	CAPACITY GALLONS
Tracy Field Office	15990 Kelso Road Byron, CA 94514	Above Ground Unleaded Gasoline	2,000
Tracy Field Office	15990 Kelso Road Byron, CA 94514	Above Ground Renewable Diesel (R-99)	2,000

## **EXHIBIT B – GENERAL CONDITIONS**

### **ARTICLE 1. ENTIRE AGREEMENT**

The Agreement, including all exhibits, represents the entire and integrated agreement between SLDMWA and Contractor and supersedes all prior proposals, negotiations, representations, understandings and/or agreements, either written or oral. No changes, amendments, alterations or modifications to this Agreement will be effective unless in writing and executed in the same manner as the Agreement. No claim for any additional compensation or time shall be valid unless authorized by a written amendment executed by SLDMWA and Contractor.

### **ARTICLE 2. CONFLICTS OF INTEREST**

Contractor shall not have a familial, financial, or investment interest in any of the persons, contractors or companies with responsibilities related to the subject of this Agreement. A familial interest exists if any of Contractor's officers, directors, employee(s) providing professional services on the Project, or owners of 10% or more of the business is the spouse, sibling, parent, child, grandparent, grandchild, aunt/uncle or niece/nephew of any of the officers, directors, project managers, or owners of 10% or more of the business of any of the persons, contractors or companies with responsibilities related to the Project. Contractor affirms that, to the best of its knowledge, there exists no actual or potential conflict between family, business, or financial interests of Contractor and SLDMWA. Contractor agrees to advise SLDMWA of any actual or potential conflicts of interest that may develop subsequent to the date of execution of the Agreement.

### **ARTICLE 3. CHANGES OR TERMINATION**

Changes will be binding on SLDMWA only if in writing and signed by the SLDMWA. SLDMWA, for its convenience, may by written change order make any change, including, without limitation, additions or deductions in quantities ordered, changes in the specifications or drawings, changes in the time of delivery, or termination. SLDMWA may terminate or suspend at its convenience all or any portion of this order not shipped as of the date of termination or suspension of the order. In the event of any change or termination, there shall be an equitable price adjustment by SLDMWA. If Contractor maintains that SLDMWA's adjustment is not equitable, the price change shall be negotiated. In the event the parties cannot agree, the final determination shall be made in accordance with the dispute resolution provision of this Agreement. No change or termination shall relieve SLDMWA or Contractor of any of their obligations as to any material shipped prior to Contractor's receipt of the change, termination or suspension order. Any claim for adjustment by Contractor hereunder must be asserted in writing within ten (10) days from the date the change or termination is ordered.

In the event of a termination for default, SLDMWA may, in addition to all other rights and remedies, purchase substitute items or services elsewhere and hold Contractor liable for any and all excess costs incurred, including attorneys' fees and experts' and Contractors' fees actually incurred.

### **ARTICLE 4. PAYMENT; TAXES**

- A. Compensation: The price herein specified shall, unless otherwise expressly stated within the terms of this Agreement, include all taxes and duties of any kind levied by federal, state, municipal, or other governmental authorities, which either party is required to pay with respect to the production, sale, use or shipment of the materials covered by this Agreement, and all charges for packing, loading, unloading and shipping. Any and all taxes imposed or assessed on Contractor's income by reason of this agreement or its performance, including but not limited to sales or use taxes, shall be paid by Contractor. Contractor shall be responsible for any taxes or penalties assessed by reason

of any claims that Contractor is an employee of SLDMWA. If transportation costs are designated as part of the cost to SLDMWA, only actual transportation costs shall be included. Damage to equipment or goods not packed to insure proper protection shall be charged to Contractor. Contractor's invoice shall set forth the items delivered to the project site, the date of delivery, the unit cost and total costs of the items invoiced.

- B. Payment: Invoices received and subsequently approved by SLDMWA shall be paid not more than thirty (30) days after delivery of an approved invoice. Disputed invoices shall be returned to Contractor within ten (10) working days of receipt.
- C. Invoicing: Provider shall submit separate invoices no later than five days after each delivery, including applicable time records and identification of any deliverables submitted during the billing period, at the differential rates not to exceed those stated in **Exhibit C** to Accounts Payable, San Luis & Delta-Mendota Water Authority, at [accounts.payable@sldmwa.org](mailto:accounts.payable@sldmwa.org).
- D. Payment Disputes: SLDMWA may dispute any invoice or portion thereof which is not properly documented and in accordance with the Agreement. For any disputed payment, SLDMWA shall provide written notice describing its dispute to Provider. Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of SLDMWA. This decision shall be final and conclusive unless within ten (10) days from the date of the receipt of its copy, Contractor mails or otherwise furnishes a written appeal to SLDMWA's Chief Operating Officer. In connection with any such appeal, Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the Chief Operating Officer shall be binding upon Contractor and Contractor shall abide by the decision. Unless otherwise directed by SLDMWA, Contractor shall continue performance under this Agreement while matters in dispute are being resolved. In the event of a dispute between each parties Terms & Conditions, SLDMWA terms will prevail.
- E. Taxes: Provider shall pay any and all taxes imposed or assessed on Provider's income by reason of this Agreement or its performance, including but not limited to sales or use taxes. Provider shall be responsible for any taxes or penalties assessed by reason of any claims that Provider is an employee of SLDMWA. SLDMWA is exempt from Federal Excise Tax.

## **ARTICLE 5. RISK OF LOSS**

Notwithstanding the terms of shipment, the risk of loss shall pass to SLDMWA only after delivery to the job site or other place designated in writing by SLDMWA.

## **ARTICLE 6. DELIVERY**

Time is of the essence of this Agreement. If no delivery date is specified on the face of this Agreement, all deliveries of materials shall conform to the date or dates specified in writing from time to time by SLDMWA's representative. Should delivery for any reason fail to be timely, Contractor shall be liable for all damages suffered by SLDMWA as a result of such failure.

## **ARTICLE 7. INSPECTION**

SLDMWA shall have the right to inspect and test the materials at Contractor's plant any time prior to shipment and to conduct additional inspections at any time after arrival at the job site. The making or failure to make any inspection of, or payment for or acceptance of, the materials shall not impair SLDMWA's right to later reject nonconforming materials, or to avail itself of any other remedy to which SLDMWA may be entitled, notwithstanding SLDMWA's knowledge of the nonconformity, its substantiality, or the

ease of its discovery. Contractor shall be liable for all inspection, reshipment and return costs on nonconforming materials. Contractor shall not replace returned materials unless so directed by SLDMWA in writing.

**ARTICLE 8. WARRANTIES**

Contractor warrants to SLDMWA that all of the materials provided under this Agreement shall be free from all defects, shall be of the quality specified, and shall be fit and appropriate for the purpose intended. Contractor further warrants that the materials will be complete in all respects necessary to make the materials fully functional if installed in accordance with the Solicitation Documents. All warranties implied by law or usage of trade are incorporated into this Agreement and shall apply to services and materials ordered. Contractor guarantees SLDMWA that the materials rendered shall be free of any and all defects in workmanship and materials which may develop for a minimum period of three (3) years or 2,000 hours following acceptance of the materials by SLDMWA. The materials are ordered by SLDMWA in reliance on each and all of the warranties and guarantees specified herein and implied by law or usage of trade. SLDMWA's remedies pursuant to this paragraph are in addition to, and not a limitation on, all other remedies allowed by law.

**ARTICLE 9. INFRINGEMENT**

Contractor shall pay all royalties and licensing fees arising in connection with the sale or use of materials hereunder. Contractor further undertakes and agrees to defend, at Contractor's expense, all suits, actions or proceedings in which SLDMWA, its successors, assigns, customers or users of its customer's products are made defendants for actual or alleged infringement of any U.S. or foreign letters patent, copyrights or trademarks or any intellectual property rights of any kind resulting from the use or purchase of any materials furnished under this Agreement, and Contractor agrees to pay or discharge any and all judgments or decrees which may be rendered in any such suit, action or proceeding against such defendants therein.

**ARTICLE 10. COMPLIANCE**

Contractor's performance shall in all ways strictly conform with all applicable laws, regulations, safety orders, labor agreements, prevailing wage requirements and working conditions to which it is subject, including, but not limited to, all state, federal and local non-discrimination in employment provisions, and all local regulations and building codes. Contractor shall execute and deliver all documents as may be required to effect or evidence compliance.

**ARTICLE 11. ASSIGNMENTS; SETOFF**

Any delegation, subletting or assignment by operation of law or otherwise, of all or any portion of the obligations to be performed by Contractor without the prior written consent of SLDMWA shall be void. In the event of any transfer, hypothecation or assignment by Contractor, without SLDMWA's consent, of the right to receive all or any part of any payments due or to become due hereunder, SLDMWA may, at any time thereafter withhold any or all monies or payments due or to become due hereunder until final payment is due and all conditions precedent to such payment are satisfied. SLDMWA may, at its option, setoff any amounts otherwise due from SLDMWA to Contractor under this Agreement against any delinquent amounts or liabilities which are due to SLDMWA or its commonly controlled affiliates from Contractor.

**ARTICLE 12. LICENSES**

Contractors are required by law to be licensed and regulated by the appropriate State Licensing Board. Contractor shall comply with all required licensing laws applicable to its services under this Agreement.

**ARTICLE 13. NON-DISCRIMINATION**

Contractor shall not discriminate against any employee or potential employee on the basis of prohibited criteria, as defined in Government Code section 12940. Without limiting the foregoing in any way, during the performance of this Agreement, Contractor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor shall give written notice of its obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

**ARTICLE 14. INSURANCE**

A. Required Policies: Contractor shall furnish to SLDMWA certificates of insurance and policy endorsements satisfactory to SLDMWA evidencing insurance, with reliable insurance companies approved by the State of California Department of Insurance and with a Bests' rating of no less than (A) Level VII, for the following minimum insurance coverages, which may be increased or expanded by the Agreement:

1. Workers' Compensation insurance and occupational disease insurance, as required by law, with limit of no less than \$1,000,000 per accident for bodily injury or disease;
2. Employer's liability insurance, with minimum limits of \$1,000,000, covering all workplaces involved in the Agreement.
3. Commercial General Liability Insurance in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Contractor's obligations under this Agreement, products and completed operations, and coverage for independent contractors.
4. Commercial Automobile Insurance for all owned, non-owned and hired vehicles used by Contractor in the performance of its services under this Agreement with a limit of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
5. Pollution Liability insurance with a limit of not less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

B. Additional Terms:

1. All general liability, automobile, and pollution liability policies shall name SLDMWA, its elected or appointed officers, officials, agents, authorized

volunteers and employees as additional insureds (“Additional Insureds”), include a severability of interest provision, and shall provide that such policy is primary and not contributory with any insurance carried by SLDMWA or its Members.

2. The insurance to be provided by Contractor under this Agreement shall not include any of the following: any claims-made insurance policies; any self-insured retention or deductible amount greater than two hundred fifty thousand dollars (\$250,000) unless approved in writing by SLDMWA; any endorsement limiting coverage available to SLDMWA that is otherwise required by this Article 14; and any policy or endorsement language that (i) negates coverage to SLDMWA for SLDMWA's own negligence; (ii) limits the duty to defend SLDMWA under the policy; (iii) provides coverage to SLDMWA only if Contractor is negligent, or (iv) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SLDMWA's rights under this Agreement.
3. Contractor shall provide Certificates of Insurance, or other evidence of insurance as requested by SLDMWA, to SLDMWA within ten (10) days after receipt by Contractor of the executed Agreement. The certificates shall provide that there will be no cancellation, suspension, voiding or change of coverage without thirty (30) days' prior written notice to SLDMWA. There shall be no reduction or modification of coverage of insurance required by the Agreement without the written consent of SLDMWA. Contractor shall provide SLDMWA with a new or renewed certificate of insurance upon any changes or modifications to coverage, including any extension or renewal of required insurance coverage; provided that any changes or modifications to coverage shall be consistent with this Agreement.
4. The insurer(s) issuing the required policies shall, by separate endorsement, agree to waive all rights of subrogation against the "Additional Insureds" for losses arising in any manner from the products or work provided or performed by or on behalf of Contractor for SLDMWA, but this provision applies regardless of whether or not SLDMWA has received the waiver of subrogation.
5. Pollution Legal Liability Endorsement: \$2,000,000 combined single limit, annual aggregate for bodily injury, sickness, disease, mental anguish or shock, property damage and defense costs; with a minimum of \$1,000,000 per occurrence. Pollution Legal Liability insurance shall cover liability of the insured disposal or treatment facility that is accepting any waste or soil under this Project. Contractor shall require such disposal or treatment facilities to furnish proof of the required coverage or Contractor provides proof of coverage for Pollution Legal Liability for Non-Owned Disposal Site.

**ARTICLE 15. INDEMNITY; NO LIABILITY FOR CONSEQUENTIAL DAMAGES**

A. Contractor shall, with respect to all work which is covered by or incidental to the Agreement, defend, indemnify, and hold harmless SLDMWA, its officers, directors, agents, representatives and employees (collectively “SLDMWA”), from and against any and all liens and claims asserted by firms or individuals claiming through Contractor, and claims, liability, loss, damage, civil fines, penalties, costs, or expenses, including reasonable attorneys' fees, expert's fees, awards, fines, or judgments, relating to the death or bodily injury to persons, injury to property, other loss, damage, or expense to the extent that any of the above arise out of, pertain to, or relate to the negligence, recklessness, willful misconduct or breach of this

Agreement by Contractor or anyone acting under its direction or control or on its behalf in the course of its performance under this Agreement. Contractor's duty shall include the duty to defend the indemnitees as required by Civil Code section 2778, which duty shall arise from the need for defense and is not contingent upon a finding of liability for indemnification, and Contractor shall employ counsel reasonably acceptable to SLDMWA for this defense obligation. Contractor shall not be obligated under the Agreement to indemnify SLDMWA to the extent that the damage is caused by the active or sole negligence or willful misconduct of SLDMWA or its agents or servants other than Contractor.

B. The acceptance by SLDMWA or its representatives of any certificate of insurance providing for coverage of any kind shall in no event be deemed a waiver of any of the provisions of this Article. None of the foregoing provisions shall deprive SLDMWA of any action, right or remedy otherwise available by law.

C. Except to the extent of any insurance coverage, neither Contractor nor SLDMWA shall be responsible to the other for any form of consequential damages, including, but not limited to losses of use, sale, profits, financing, business and reputation, and attorney fees thereon. Nothing in these provisions or in this Agreement shall waive, release or compromise any insurance requirements or coverages required in Article 14.

**ARTICLE 16. RESERVED**

**ARTICLE 17. DEFAULTS**

If Contractor fails to perform any of its obligations hereunder, SLDMWA shall be entitled to all remedies provided by law, and, except as otherwise set forth herein, SLDMWA shall be entitled to recover any and all damages incurred, including without limitation, direct and compensatory damages, attributable to Contractor's breach of this Agreement. If Contractor becomes insolvent or makes an assignment for the benefit of creditors, or files or becomes subject to receivership or reorganization or bankruptcy proceedings, or becomes involved in labor difficulties, which in SLDMWA's opinion threaten Contractor's ability to perform in a timely manner, SLDMWA may, in addition to any other rights or remedies it may have hereunder or at law, terminate the purchase order upon written notice to Contractor; such termination shall be deemed a termination for default. SLDMWA's failure to notify Contractor of a rejection of nonconforming equipment or materials or to specify with particularity any defect in nonconforming materials after rejection or acceptance thereof will not bar SLDMWA from pursuing any remedies for breach which it may otherwise have.

**ARTICLE 18. TERMINATION OF AGREEMENT**

This Agreement may be terminated by either party upon 30 days' written notice, with or without cause, upon written notification to the other party. Following such termination, SLDMWA shall pay Contractor all unpaid sums due for materials provided under this Agreement and accepted by SLDMWA. No termination of the Agreement shall excuse or otherwise relieve Contractor of its responsibilities under the Agreement, including, without limitation, Contractor's warranty obligations for materials provided and accepted by SLDMWA and Contractor's indemnity obligations.

**ARTICLE 19. DISPUTE RESOLUTION**

Contractor and SLDMWA shall attempt to resolve conflicts or disputes that arise under this Agreement or that relate in any way to this Agreement or the subject matter of this Agreement in a fair and reasonable

manner. The parties agree to attempt to mediate through a professional mediator any conflicts or disputes not otherwise resolved by the parties, with the costs of mediation shared equally by the parties. If the mediation does not settle the conflict or dispute, the parties may agree in writing to binding arbitration, or the matter may proceed in litigation before a court of competent jurisdiction. Neither party shall commence or pursue arbitration or litigation prior to (1) the completion of mediation proceedings, and (2) prior to completion of Contractor's services under this Agreement.

The existence of a dispute between SLDMWA and Contractor, not involving a material default by SLDMWA in performance of a condition precedent to Contractor's performance, shall not relieve Contractor of its obligation to perform under this Agreement.

## **ARTICLE 20. ADDITIONAL PROVISIONS**

A. Successors and Assigns: SLDMWA and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto and to the partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in the Agreement. Contractor shall not assign the Agreement or sublet it in whole or part without the written consent of SLDMWA, nor shall Contractor assign any moneys due or to become due to it hereunder without the prior written consent of SLDMWA.

B. Unenforceability of any Clause: If any clause or provision of the Agreement is held to be unenforceable or invalid, then that provision of the Agreement shall be stricken and all other provisions of this Agreement shall remain in full force and effect and shall not be effected thereby.

C. Waiver of Breach: Failure by one party to notify the other of a breach of any provision of this Agreement shall not constitute a waiver of any continuing breach. Failure by one party to enforce any of its rights under this Agreement shall not constitute a waiver of those rights. The waiver by either Party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or any other provision hereof.

D. Interpretation: The Agreement shall be construed and interpreted in accordance with the laws of the State of California.

E. Headings: The titles of sections of these General Conditions are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Agreement shall be drawn therefrom.

**EXHIBIT C – RATE SHEET**

Contractor will provide fuel delivery services based on the fixed differential rates provided herein:

<i>Item No.</i>	<i>Description</i>	<i>UOM</i>	<i>Differential</i>
1	Regular Unleaded Gasoline	gal	.15
2	Renewable Diesel (R-99)	gal	.15

**Total Compensation under this Agreement is:**

**Not to Exceed \$150,000.00 per Fiscal Year.**

**Fiscal Year 1 June 1, 2026 through February 28, 2027 is approved. All future fiscal years are subject to an approved budget.**

## NOTICE OF INTENT TO AWARD

Date: April 30, 2026

To: Chris Tate  
Efuel LLC. dba Ramos Oil Co.  
1515 S River Road  
West Sacramento, CA 95691

**Project Title:** Tracy Field Office (TFO) Fuel Delivery Services

**Project Specification Number:** F27-TFO-003

You are hereby notified that your Bid dated April 29, 2026, for the above Contract has been considered. You are the apparent successful and low bidder and will be recommended for award of the contract for the above-named project.

The Total Price of your contract is:

NOT-TO-EXCEED \$150,000 (One Hundred Fifty Thousand Dollars.) PER FISCAL YEAR THROUGH FEBRUARY 28, 2029. ALL FUTURE FUNDING IS SUBJECT TO AVAILABILITY OF FUNDS AND BOARD APPROVAL OF FUNDING; NO GUARANTEE OF FUTURE YEAR FUNDING.

In accordance with the solicitation documents, contract award will be made once the protest period is up. Please refer to the solicitation for protest periods.

This letter will serve as notification that the San Luis Delta-Mendota Water Authority will recommend to the Board the award of this contract to Efuel LLC. dba Ramos Oil Co. in the amount of \$150,000.

Regards,



**Travis Roberts**

*Contract Specialist*

*San Luis & Delta-Mendota Water Authority*

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY**

**MATERIALS, SUPPLIES/EQUIPMENT AGREEMENT**

**For**

**LOS BANOS FIELD OFFICE (LBFO) FUEL DELIVERY SERVICES**

This Materials, Supplies/ Equipment (MSE) Agreement (“Agreement”) is made and entered into effective May \_\_\_\_, 2026 in the State of California, by and between the San Luis & Delta-Mendota Water Authority (“SLDMWA”) and Toro Petroleum Corp., (“Contractor”), and subject to the terms and conditions set forth herein.

SLDMWA and Contractor agree as follows:

**1. SCOPE OF WORK**

Contractor shall furnish the materials, supplies and/or equipment described in Scope of Work/Technical Specifications (or Purchase Order) set forth in Exhibit A at the price or prices set forth in Exhibit C within the times stated and in accordance with the General Conditions set forth in Exhibit B, each exhibit attached hereto and incorporated herein.

Any change in the Scope of the Work or schedule set forth herein, or to any other matter materially affecting the performance of or nature of the Scope of Work will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing, by SLDMWA.

**2. CONTRACT DOCUMENTS**

The Contract Documents shall include the solicitation documents (if applicable) Addenda, the accepted Bid Form, the Agreement, any required bonds, the General Conditions, the Special Provisions (if applicable), Specifications, Exhibits, the Contract Schedule, and any approved change order or amendment.

**3. TERM OF AGREEMENT**

The term of this Agreement shall be from date of contract execution, through February 28, 2029 inclusive, unless earlier terminated in accordance with the General Conditions. This Agreement may be extended by SLDMWA, at its sole and absolute discretion, for up to two additional one-year terms by giving the Provider written notice of the extension at least thirty (30) days before the Agreement expires. Time is of the essence in this Agreement. All future year funding is subject to availability of funds and board approval of funding; no guarantee of future year funding.

**4. PARTY REPRESENTATIVES AND NOTICES**

Each party’s designated representative for administration of this Agreement and receipt of notices is designated below. All notices or other communications provided for by the Agreement shall be in writing and shall be sent by 1) personal delivery, 2) nationally-recognized overnight delivery service (such as Federal Express) which provides evidence of delivery, 3) first class United States mail (postage prepaid), registered or certified, return receipt requested, or 4) e-mail

with a copy by first class U.S. mail. Notice shall be deemed received on the date actually delivered if delivered by personal delivery, overnight delivery, or U.S. Mail with return receipt requested and delivered during normal business hours on a business day. Notice by e-mail shall be deemed delivered on the date of transmission, unless the same is after 5:00 p.m. or on a weekend or holiday, in which event delivery shall be on the next business day. A party may change its address for notices under the Agreement by giving notice as provided herein. Notices shall be sent to the following party representatives at the following addresses:

<u>Contractor</u>	<u>SLDMWA</u>
Larry Shepherd Toro Petroleum Corp. 35175 West Shaw Ave. Firebaugh, CA 93622 <a href="mailto:larrys@toropetroleum.com">larrys@toropetroleum.com</a> 209-840-1976	Brandon Soares San Luis & Delta-Mendota Water Authority 18785 S. Creek Road Los Banos, CA 93635 <a href="mailto:Brandon.soares@sldmwa.org">Brandon.soares@sldmwa.org</a> 209-826-4788

**IN WITNESS WHEREOF**, this Agreement has been executed by and on behalf of the parties hereto, the day, month and year so indicated above. If Contractor is a corporation, partnership or limited liability company, documentation must be provided that the person signing below for Contractor has the authority to do so and to so bind Contractor to the terms of this Agreement.

<u>Contractor</u>	<u>San Luis &amp; Delta-Mendota Water Authority</u>
By: _____ (Signature)	By: _____ Pablo R. Arroyave Chief Operating Officer San Luis & Delta-Mendota Water Authority
_____ (Print Name & Title)	
_____ (Company Name)	

## EXHIBIT A –TECHNICAL SPECIFICATIONS

### TECHNICAL SPECIFICATIONS

1. CONTRACT PERIOD:

The Bid Proposal shall cover SLDMWA’s annual requirements for fuel delivery services. Initial contract period shall begin June 1, 2026 through February 28, 2029. Annual contract period will be SLDMWA’s fiscal year March 1 through February 28.

2. CONTRACT EXTENSION

SLDMWA may elect to extend the contract for a maximum of one (1) additional one (1) year period(s). Contractor may request an adjustment to differential prices for contract items at time of annual renewal. All such requests must be in writing at least thirty (30) days prior to contract expiration. Price adjustments shall be supported by such documentation as may be required by SLDMWA, as justification of price changes. Price changes shall in no event exceed the additional cost, paid by the Contractor. The SLDMWA reserves the right to accept or reject any price adjustments.

3. PRODUCT PRICING

The pricing is based on two factors; Region Base Market Cost and the Differential.

A. Region Base Market Cost: For the base price of the Regular Unleaded Gasoline and Renewable Diesel – R99”, “Time of Delivery” “Fresno Rack Average” price quoted for Regular Unleaded Gasoline and Renewable Diesel – R99 in the OPIS (Oil Price Information Service).

B. Differential: Transportation and Delivery Cost to SLDMWA location based on load size.

C. Differential Prices quoted shall be:

- Exempt from Federal Excise Tax
- Exclusive of: State Sales Tax, Local Sales Tax, California Motor Vehicle Fuel Tax, Oil Spill Liability Trust Fund Tax and any other applicable tax.

If the OPIS publication is modified, SLDMWA reserves the right to re-establish the base price calculation method or cancel all or part of the contract without prejudice against any party to the contract.

4. APPLICABLE TAXES:

- A. State Sales Tax and all other applicable taxes shall be added to the invoice at the time of delivery.
- B. SLDMWA is exempt from Federal Excise Tax and an exemption form will be issued to the successful Bidder(s) after award of the contract.
- C. California Motor Vehicle Fuel Tax/State Excise Tax, CA oil Spill Liability Tax and any other applicable tax shall be set out as separate items on the invoice.
- D. At the time of award, the successful Bidder shall supply SLDMWA with a detailed breakdown of all taxes included in the prices that will be shown on invoices.

5. PRICE VERIFICATION:

During period of contract, successful Bidder may be required to provide price verification. Successful Bidder may be requested to submit copies of the Fresno Rack pricing, showing the Unbranded prices, with their own invoice for each truck/trailer load of fuel.

6. SUPPLY REQUIREMENTS:

All Bidders shall have fuel supply contracts, which shall assure the continuous supply of product during the Contract period. Bidders may be required to furnish information supporting their ability to supply, without major interruption, the products covered in this bid.

7. DELIVERY REQUIREMENTS:

- A. Products shall be delivered as ordered by SLDMWA's User Department(s):  
User Department(s): San Luis & Delta-Mendota Water Authority – Los Banos Field Office Division.
- B. Delivery will be once a week on a set day (excluding Friday) between the hours of 7:00 AM and 3:00 PM.
- C. A minimum of 300 gallons is required at all times in each tank. Contractor shall monitor both fuel tanks with Smart Logic equipment at no charge. SLDMWA shall have access to the Smart Logic web portal.
- D. All deliveries shall be F.O.B. Destination, Freight Prepaid to locations listed in Section 10.

- E. Contractor must gain entry to and exit from the premises by identifying themselves to the Secretary and by signing in and out in the log books located in the Administration Building.
  - F. Contractor's Driver shall provide at the time of delivery, a receipt to include the delivered number of gallons, type of product, date, time and temperature.
  - G. Contractor will provide within five calendar days of delivery, a scanned invoice to [Accounts.Payable@sldmwa.org](mailto:Accounts.Payable@sldmwa.org). An original invoice shall be mailed after. SLDMWA will only remit payment based on an original invoice.
  - H. Emergency callouts shall be arranged by the SLDMWA authorized representative.
  - I. Invoices must reflect R-99 diesel to maintain compliance with CARB and County Air Board.
8. CAUTION AND SAFETY:
- A. Contractor's personnel shall abide by all SLDMWA safety rules and regulations outlined in the SLDMWA Injury and Illness Prevention Program. The Contractor should direct any questions regarding safety to the SLDMWA authorized representative.
  - B. Prior to work under this agreement, Contractor shall submit for approval to SLDMWA a Contractor's "Materials Safety Data Sheet" or "OSHA Form 20" for all chemical compounds to be used within the scope of this agreement. SLDMWA retains the right to reject any material that may create a safety or health hazard.
  - C. Contractor's equipment and vehicles shall meet all safety standards as required by Federal, State, and Occupational Safety and Health Act (OSHA) standards.
  - D. SLDMWA may immediately terminate any procedure or operation under this agreement that is in violation with the above or is an immediate or obvious safety hazard.

9. CANCELLATION:

SLDMWA reserves the right to cancel without prior notice the balance of the contract if the vendor fails to deliver the product within the time specified herewith or comply with requirements as set forth in this bid document.

10. QUANTITIES:

SLDMWA’s usage for the period of March 1, 2024 through February 28, 2025 is provided herein. While SLDMWA estimates that consumption will not be less than that shown for the prior period, there shall be no guarantee as to actual quantities required during the period of the contract.

- A. Regular Unleaded Gasoline
  - a. Quantity: 21,543.40 gallons
- B. Renewable Diesel (R-99)
  - a. Quantity: 16,122.90 gallons

11. FUEL TANK LOCATION AND CAPACITY

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY (SLDMWA)

<b>DEPT. NAME</b>	<b>LOCATION</b>	<b>TYPE</b>	<b>CAPACITY GALLONS</b>
Los Banos Field Office	18785 S. Creek Road Los Banos, CA 93635	Above Ground Unleaded Gasoline	1,000
Los Banos Field Office	18785 S. Creek Road Los Banos, CA 93635	Above Ground Renewable Diesel (R-99)	1,000

## **EXHIBIT B – GENERAL CONDITIONS**

### **ARTICLE 1. ENTIRE AGREEMENT**

The Agreement, including all exhibits, represents the entire and integrated agreement between SLDMWA and Contractor and supersedes all prior proposals, negotiations, representations, understandings and/or agreements, either written or oral. No changes, amendments, alterations or modifications to this Agreement will be effective unless in writing and executed in the same manner as the Agreement. No claim for any additional compensation or time shall be valid unless authorized by a written amendment executed by SLDMWA and Contractor.

### **ARTICLE 2. CONFLICTS OF INTEREST**

Contractor shall not have a familial, financial, or investment interest in any of the persons, contractors or companies with responsibilities related to the subject of this Agreement. A familial interest exists if any of Contractor's officers, directors, employee(s) providing professional services on the Project, or owners of 10% or more of the business is the spouse, sibling, parent, child, grandparent, grandchild, aunt/uncle or niece/nephew of any of the officers, directors, project managers, or owners of 10% or more of the business of any of the persons, contractors or companies with responsibilities related to the Project. Contractor affirms that, to the best of its knowledge, there exists no actual or potential conflict between family, business, or financial interests of Contractor and SLDMWA. Contractor agrees to advise SLDMWA of any actual or potential conflicts of interest that may develop subsequent to the date of execution of the Agreement.

### **ARTICLE 3. CHANGES OR TERMINATION**

Changes will be binding on SLDMWA only if in writing and signed by the SLDMWA. SLDMWA, for its convenience, may by written change order make any change, including, without limitation, additions or deductions in quantities ordered, changes in the specifications or drawings, changes in the time of delivery, or termination. SLDMWA may terminate or suspend at its convenience all or any portion of this order not shipped as of the date of termination or suspension of the order. In the event of any change or termination, there shall be an equitable price adjustment by SLDMWA. If Contractor maintains that SLDMWA's adjustment is not equitable, the price change shall be negotiated. In the event the parties cannot agree, the final determination shall be made in accordance with the dispute resolution provision of this Agreement. No change or termination shall relieve SLDMWA or Contractor of any of their obligations as to any material shipped prior to Contractor's receipt of the change, termination or suspension order. Any claim for adjustment by Contractor hereunder must be asserted in writing within ten (10) days from the date the change or termination is ordered.

In the event of a termination for default, SLDMWA may, in addition to all other rights and remedies, purchase substitute items or services elsewhere and hold Contractor liable for any and all excess costs incurred, including attorneys' fees and experts' and Contractors' fees actually incurred.

### **ARTICLE 4. PAYMENT; TAXES**

- A. Compensation: The price herein specified shall, unless otherwise expressly stated within the terms of this Agreement, include all taxes and duties of any kind levied by federal, state, municipal, or other governmental authorities, which either party is required to pay with respect to the production, sale, use or shipment of the materials covered by this Agreement, and all charges for packing, loading, unloading and shipping. Any and all taxes imposed or assessed on Contractor's income by reason of this agreement or its performance, including but not limited to sales or use taxes, shall be paid by Contractor. Contractor shall be responsible for any taxes or penalties assessed by reason

of any claims that Contractor is an employee of SLDMWA. If transportation costs are designated as part of the cost to SLDMWA, only actual transportation costs shall be included. Damage to equipment or goods not packed to insure proper protection shall be charged to Contractor. Contractor's invoice shall set forth the items delivered to the project site, the date of delivery, the unit cost and total costs of the items invoiced.

- B. Payment: Invoices received and subsequently approved by SLDMWA shall be paid not more than thirty (30) days after delivery of an approved invoice. Disputed invoices shall be returned to Contractor within ten (10) working days of receipt.
- C. Invoicing: Provider shall submit separate invoices no later than five days after each delivery, including applicable time records and identification of any deliverables submitted during the billing period, at the differential rates not to exceed those stated in **Exhibit C** to Accounts Payable, San Luis & Delta-Mendota Water Authority, at [accounts.payable@sldmwa.org](mailto:accounts.payable@sldmwa.org).
- D. Payment Disputes: SLDMWA may dispute any invoice or portion thereof which is not properly documented and in accordance with the Agreement. For any disputed payment, SLDMWA shall provide written notice describing its dispute to Provider. Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of SLDMWA. This decision shall be final and conclusive unless within ten (10) days from the date of the receipt of its copy, Contractor mails or otherwise furnishes a written appeal to SLDMWA's Chief Operating Officer. In connection with any such appeal, Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the Chief Operating Officer shall be binding upon Contractor and Contractor shall abide by the decision. Unless otherwise directed by SLDMWA, Contractor shall continue performance under this Agreement while matters in dispute are being resolved. In the event of a dispute between each parties Terms & Conditions, SLDMWA terms will prevail.
- E. Taxes: Provider shall pay any and all taxes imposed or assessed on Provider's income by reason of this Agreement or its performance, including but not limited to sales or use taxes. Provider shall be responsible for any taxes or penalties assessed by reason of any claims that Provider is an employee of SLDMWA. SLDMWA is exempt from Federal Excise Tax.

## **ARTICLE 5. RISK OF LOSS**

Notwithstanding the terms of shipment, the risk of loss shall pass to SLDMWA only after delivery to the job site or other place designated in writing by SLDMWA.

## **ARTICLE 6. DELIVERY**

Time is of the essence of this Agreement. If no delivery date is specified on the face of this Agreement, all deliveries of materials shall conform to the date or dates specified in writing from time to time by SLDMWA's representative. Should delivery for any reason fail to be timely, Contractor shall be liable for all damages suffered by SLDMWA as a result of such failure.

## **ARTICLE 7. INSPECTION**

SLDMWA shall have the right to inspect and test the materials at Contractor's plant any time prior to shipment and to conduct additional inspections at any time after arrival at the job site. The making or failure to make any inspection of, or payment for or acceptance of, the materials shall not impair SLDMWA's right to later reject nonconforming materials, or to avail itself of any other remedy to which SLDMWA may be entitled, notwithstanding SLDMWA's knowledge of the nonconformity, its substantiality, or the

ease of its discovery. Contractor shall be liable for all inspection, reshipment and return costs on nonconforming materials. Contractor shall not replace returned materials unless so directed by SLDMWA in writing.

#### **ARTICLE 8. WARRANTIES**

Contractor warrants to SLDMWA that all of the materials provided under this Agreement shall be free from all defects, shall be of the quality specified, and shall be fit and appropriate for the purpose intended. Contractor further warrants that the materials will be complete in all respects necessary to make the materials fully functional if installed in accordance with the Solicitation Documents. All warranties implied by law or usage of trade are incorporated into this Agreement and shall apply to services and materials ordered. Contractor guarantees SLDMWA that the materials rendered shall be free of any and all defects in workmanship and materials which may develop for a minimum period of three (3) years or 2,000 hours following acceptance of the materials by SLDMWA. The materials are ordered by SLDMWA in reliance on each and all of the warranties and guarantees specified herein and implied by law or usage of trade. SLDMWA's remedies pursuant to this paragraph are in addition to, and not a limitation on, all other remedies allowed by law.

#### **ARTICLE 9. INFRINGEMENT**

Contractor shall pay all royalties and licensing fees arising in connection with the sale or use of materials hereunder. Contractor further undertakes and agrees to defend, at Contractor's expense, all suits, actions or proceedings in which SLDMWA, its successors, assigns, customers or users of its customer's products are made defendants for actual or alleged infringement of any U.S. or foreign letters patent, copyrights or trademarks or any intellectual property rights of any kind resulting from the use or purchase of any materials furnished under this Agreement, and Contractor agrees to pay or discharge any and all judgments or decrees which may be rendered in any such suit, action or proceeding against such defendants therein.

#### **ARTICLE 10. COMPLIANCE**

Contractor's performance shall in all ways strictly conform with all applicable laws, regulations, safety orders, labor agreements, prevailing wage requirements and working conditions to which it is subject, including, but not limited to, all state, federal and local non-discrimination in employment provisions, and all local regulations and building codes. Contractor shall execute and deliver all documents as may be required to effect or evidence compliance.

#### **ARTICLE 11. ASSIGNMENTS; SETOFF**

Any delegation, subletting or assignment by operation of law or otherwise, of all or any portion of the obligations to be performed by Contractor without the prior written consent of SLDMWA shall be void. In the event of any transfer, hypothecation or assignment by Contractor, without SLDMWA's consent, of the right to receive all or any part of any payments due or to become due hereunder, SLDMWA may, at any time thereafter withhold any or all monies or payments due or to become due hereunder until final payment is due and all conditions precedent to such payment are satisfied. SLDMWA may, at its option, setoff any amounts otherwise due from SLDMWA to Contractor under this Agreement against any delinquent amounts or liabilities which are due to SLDMWA or its commonly controlled affiliates from Contractor.

#### **ARTICLE 12. LICENSES**

Contractors are required by law to be licensed and regulated by the appropriate State Licensing Board. Contractor shall comply with all required licensing laws applicable to its services under this Agreement.

**ARTICLE 13. NON-DISCRIMINATION**

Contractor shall not discriminate against any employee or potential employee on the basis of prohibited criteria, as defined in Government Code section 12940. Without limiting the foregoing in any way, during the performance of this Agreement, Contractor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor shall insure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor shall give written notice of its obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

**ARTICLE 14. INSURANCE**

A. Required Policies: Contractor shall furnish to SLDMWA certificates of insurance and policy endorsements satisfactory to SLDMWA evidencing insurance, with reliable insurance companies approved by the State of California Department of Insurance and with a Bests' rating of no less than (A) Level VII, for the following minimum insurance coverages, which may be increased or expanded by the Agreement:

1. Workers' Compensation insurance and occupational disease insurance, as required by law, with limit of no less than \$1,000,000 per accident for bodily injury or disease;
2. Employer's liability insurance, with minimum limits of \$1,000,000, covering all workplaces involved in the Agreement.
3. Commercial General Liability Insurance in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, property damage, personal injury, advertising liability, blanket contractual liability, Contractor's obligations under this Agreement, products and completed operations, and coverage for independent contractors.
4. Commercial Automobile Insurance for all owned, non-owned and hired vehicles used by Contractor in the performance of its services under this Agreement with a limit of not less than \$1,000,000 combined single limit per occurrence for bodily injury and property damage.
5. Pollution Liability insurance with a limit of not less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

B. Additional Terms:

1. All general liability, automobile, and pollution liability policies shall name SLDMWA, its elected or appointed officers, officials, agents, authorized

volunteers and employees as additional insureds (“Additional Insureds”), include a severability of interest provision, and shall provide that such policy is primary and not contributory with any insurance carried by SLDMWA or its Members.

2. The insurance to be provided by Contractor under this Agreement shall not include any of the following: any claims-made insurance policies; any self-insured retention or deductible amount greater than two hundred fifty thousand dollars (\$250,000) unless approved in writing by SLDMWA; any endorsement limiting coverage available to SLDMWA that is otherwise required by this Article 14; and any policy or endorsement language that (i) negates coverage to SLDMWA for SLDMWA's own negligence; (ii) limits the duty to defend SLDMWA under the policy; (iii) provides coverage to SLDMWA only if Contractor is negligent, or (iv) permits the recovery of defense costs from any additional insured. The insurance provided under this Agreement shall not contain any restrictions or limitations which are inconsistent with SLDMWA's rights under this Agreement.
3. Contractor shall provide Certificates of Insurance, or other evidence of insurance as requested by SLDMWA, to SLDMWA within ten (10) days after receipt by Contractor of the executed Agreement. The certificates shall provide that there will be no cancellation, suspension, voiding or change of coverage without thirty (30) days' prior written notice to SLDMWA. There shall be no reduction or modification of coverage of insurance required by the Agreement without the written consent of SLDMWA. Contractor shall provide SLDMWA with a new or renewed certificate of insurance upon any changes or modifications to coverage, including any extension or renewal of required insurance coverage; provided that any changes or modifications to coverage shall be consistent with this Agreement.
4. The insurer(s) issuing the required policies shall, by separate endorsement, agree to waive all rights of subrogation against the "Additional Insureds" for losses arising in any manner from the products or work provided or performed by or on behalf of Contractor for SLDMWA, but this provision applies regardless of whether or not SLDMWA has received the waiver of subrogation.
5. Pollution Legal Liability Endorsement: \$2,000,000 combined single limit, annual aggregate for bodily injury, sickness, disease, mental anguish or shock, property damage and defense costs; with a minimum of \$1,000,000 per occurrence. Pollution Legal Liability insurance shall cover liability of the insured disposal or treatment facility that is accepting any waste or soil under this Project. Contractor shall require such disposal or treatment facilities to furnish proof of the required coverage or Contractor provides proof of coverage for Pollution Legal Liability for Non-Owned Disposal Site.

**ARTICLE 15. INDEMNITY; NO LIABILITY FOR CONSEQUENTIAL DAMAGES**

A. Contractor shall, with respect to all work which is covered by or incidental to the Agreement, defend, indemnify, and hold harmless SLDMWA, its officers, directors, agents, representatives and employees (collectively “SLDMWA”), from and against any and all liens and claims asserted by firms or individuals claiming through Contractor, and claims, liability, loss, damage, civil fines, penalties, costs, or expenses, including reasonable attorneys' fees, expert's fees, awards, fines, or judgments, relating to the death or bodily injury to persons, injury to property, other loss, damage, or expense to the extent that any of the above arise out of, pertain to, or relate to the negligence, recklessness, willful misconduct or breach of this

Agreement by Contractor or anyone acting under its direction or control or on its behalf in the course of its performance under this Agreement. Contractor's duty shall include the duty to defend the indemnitees as required by Civil Code section 2778, which duty shall arise from the need for defense and is not contingent upon a finding of liability for indemnification, and Contractor shall employ counsel reasonably acceptable to SLDMWA for this defense obligation. Contractor shall not be obligated under the Agreement to indemnify SLDMWA to the extent that the damage is caused by the active or sole negligence or willful misconduct of SLDMWA or its agents or servants other than Contractor.

B. The acceptance by SLDMWA or its representatives of any certificate of insurance providing for coverage of any kind shall in no event be deemed a waiver of any of the provisions of this Article. None of the foregoing provisions shall deprive SLDMWA of any action, right or remedy otherwise available by law.

C. Except to the extent of any insurance coverage, neither Contractor nor SLDMWA shall be responsible to the other for any form of consequential damages, including, but not limited to losses of use, sale, profits, financing, business and reputation, and attorney fees thereon. Nothing in these provisions or in this Agreement shall waive, release or compromise any insurance requirements or coverages required in Article 14.

#### **ARTICLE 16. RESERVED**

#### **ARTICLE 17. DEFAULTS**

If Contractor fails to perform any of its obligations hereunder, SLDMWA shall be entitled to all remedies provided by law, and, except as otherwise set forth herein, SLDMWA shall be entitled to recover any and all damages incurred, including without limitation, direct and compensatory damages, attributable to Contractor's breach of this Agreement. If Contractor becomes insolvent or makes an assignment for the benefit of creditors, or files or becomes subject to receivership or reorganization or bankruptcy proceedings, or becomes involved in labor difficulties, which in SLDMWA's opinion threaten Contractor's ability to perform in a timely manner, SLDMWA may, in addition to any other rights or remedies it may have hereunder or at law, terminate the purchase order upon written notice to Contractor; such termination shall be deemed a termination for default. SLDMWA's failure to notify Contractor of a rejection of nonconforming equipment or materials or to specify with particularity any defect in nonconforming materials after rejection or acceptance thereof will not bar SLDMWA from pursuing any remedies for breach which it may otherwise have.

#### **ARTICLE 18. TERMINATION OF AGREEMENT**

This Agreement may be terminated by either party upon 30 days' written notice, with or without cause, upon written notification to the other party. Following such termination, SLDMWA shall pay Contractor all unpaid sums due for materials provided under this Agreement and accepted by SLDMWA. No termination of the Agreement shall excuse or otherwise relieve Contractor of its responsibilities under the Agreement, including, without limitation, Contractor's warranty obligations for materials provided and accepted by SLDMWA and Contractor's indemnity obligations.

#### **ARTICLE 19. DISPUTE RESOLUTION**

Contractor and SLDMWA shall attempt to resolve conflicts or disputes that arise under this Agreement or that relate in any way to this Agreement or the subject matter of this Agreement in a fair and reasonable

manner. The parties agree to attempt to mediate through a professional mediator any conflicts or disputes not otherwise resolved by the parties, with the costs of mediation shared equally by the parties. If the mediation does not settle the conflict or dispute, the parties may agree in writing to binding arbitration, or the matter may proceed in litigation before a court of competent jurisdiction. Neither party shall commence or pursue arbitration or litigation prior to (1) the completion of mediation proceedings, and (2) prior to completion of Contractor's services under this Agreement.

The existence of a dispute between SLDMWA and Contractor, not involving a material default by SLDMWA in performance of a condition precedent to Contractor's performance, shall not relieve Contractor of its obligation to perform under this Agreement.

## **ARTICLE 20. ADDITIONAL PROVISIONS**

A. Successors and Assigns: SLDMWA and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto and to the partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in the Agreement. Contractor shall not assign the Agreement or sublet it in whole or part without the written consent of SLDMWA, nor shall Contractor assign any moneys due or to become due to it hereunder without the prior written consent of SLDMWA.

B. Unenforceability of any Clause: If any clause or provision of the Agreement is held to be unenforceable or invalid, then that provision of the Agreement shall be stricken and all other provisions of this Agreement shall remain in full force and effect and shall not be effected thereby.

C. Waiver of Breach: Failure by one party to notify the other of a breach of any provision of this Agreement shall not constitute a waiver of any continuing breach. Failure by one party to enforce any of its rights under this Agreement shall not constitute a waiver of those rights. The waiver by either Party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or any other provision hereof.

D. Interpretation: The Agreement shall be construed and interpreted in accordance with the laws of the State of California.

E. Headings: The titles of sections of these General Conditions are for convenience only and no presumption or implication of the intent of the parties as to the construction of this Agreement shall be drawn therefrom.

**EXHIBIT C – RATE SHEET**

Contractor will provide fuel delivery services based on the fixed differential rates provided herein:

<i>Item No.</i>	<i>Description</i>	<i>UOM</i>	<i>Differential</i>
1	Regular Unleaded Gasoline	gal	.30
2	Renewable Diesel (R-99)	gal	.30

**Total Compensation under this Agreement is:**

**Not to Exceed \$150,000.00 per Fiscal Year.**

**Fiscal Year 1 June 1, 2026 through February 28, 2027 is approved. All future fiscal years are subject to an approved budget.**

## NOTICE OF INTENT TO AWARD

Date: April 30, 2026

To: Larry Shepherd  
Toro Petroleum Corp.  
35175 West Shaw Ave.  
Firebaugh, CA 93622

**Project Title:** Los Banos Field Office (LBFO) Fuel Delivery Services

**Project Specification Number:** F27-LBFO-004

You are hereby notified that your Bid dated April 29, 2026, for the above Contract has been considered. You are the apparent successful and low bidder and will be recommended for award of the contract for the above-named project.

The Total Price of your contract is:

NOT-TO-EXCEED \$150,000.00(One Hundred Fifty Thousand Dollars.) PER FISCAL YEAR THROUGH FEBRUARY 28, 2029. ALL FUTURE FUNDING IS SUBJECT TO AVAILABILITY OF FUNDS AND BOARD APPROVAL OF FUNDING; NO GUARANTEE OF FUTURE YEAR FUNDING.

In accordance with the solicitation documents, contract award will be made once the protest period is up. Please refer to the solicitation for protest periods.

This letter will serve as notification that the San Luis Delta-Mendota Water Authority will recommend to the Board the award of this contract to Toro Petroleum Corp. in the amount of \$150,000.00.

Regards,

*Travis Roberts*

**Travis Roberts**

*Contract Specialist*

*San Luis & Delta-Mendota Water Authority*