



# Delta Rice Conversion Incentive Program

**HELP CREATE A MORE RESILIENT AND ECONOMICALLY VIABLE DELTA**

**APPLICATIONS DUE FEBRUARY 7<sup>th</sup>, 2025**

This program – implemented by The Nature Conservancy in collaboration with the Sacramento – San Joaquin Delta Conservancy – is seeking farmers, whether landowners or lessees, interested in converting existing farm fields in the Central Delta to bird-friendly rice cultivation. The objectives of this program are to convert from crops like corn, wheat or other crops to rice production and have these fields managed as high-quality habitat for migratory birds.

## Why Rice?

Growing rice in the Delta reduces subsidence due to soil oxidation, thus reducing the high greenhouse gas emissions from farming high organic matter Delta soils and increasing the long-term viability of farming in the Delta. This is the result of maintaining rice fields in a flooded state for most of the year. When managed appropriately, rice also provides high quality habitat for migratory birds in the Delta and millions of wetland dependent birds now rely on flooded agriculture for their survival.

## How Does the Program Work?

Willing farmers that are selected for the program will receive \$400/acre for a contract that requires them to grow rice and implement bird-friendly habitat management for 3 years. Payments will be issued upon verification of rice conversion work and habitat practices. For detailed payment terms, please refer to the template agreement. These incentive payments are based on the measured costs of converting fields at The Nature Conservancy's Staten Island Preserve over the last several years.

## What is Required?

1. Convert proposed acres to rice production (including all land-leveling, water infrastructure and other required modifications for successful rice cultivation) and grow rice continuously for 3 years. Farmer is responsible for ensuring all permitting and regulatory compliance.
2. Following harvest in each of those 3 years, manage post-harvest stubble and then flood at least 75% of the converted acreage, maintaining at least 10% and up to 50% as mudflat to provide migration and overwintering foraging habitat for migratory shorebirds and other water birds. See attached descriptions and pictures of suitable vs unsuitable habitat.

**For specifics regarding conversion and habitat requirements see attached template Land Management Agreement, which is the agreement applicants and landowners selected for the program will sign.**

## How and When to Apply

**Submit an application via the link below by February 7th**, with all the required information. All applications will be reviewed and successfully selected applicants will be notified by March 7<sup>th</sup>.

**Link to Application Form: <https://bit.ly/RiceConversion2025>**



## Applicant Ranking Process

All applications will be ranked and scored by representatives from The Nature Conservancy, Conservation Farms and Ranches, and the Sacramento-San Joaquin Delta Conservancy. The selection committee will assess applications based on the following criteria:

- Number of acres to be converted
- Location in Delta (preference given to lands in the central Delta that are peat soils and subsided)
- Total size of applicant's farming operation, as defined by total acres farmed
- History of bird use in the general area.

# Habitat Practice Specifications

## Post-harvest field management:

Fields must be open with little to no vegetation or crop residue, with standing crop stubble or other emergent vegetation not exceeding 10% cover. Any combination of the following post-harvest crop stubble treatments and incorporation practices to create appropriate field conditions and ensure residual grain is available as forage for waterbirds may be used to achieve a uniform level surface in the field and remove organic matter. This will reduce the likelihood of mosquito propagation.

- single stubble disc or chisel pass followed by single pass with a finish disc or a roller
- double pass with a stubble disc
- chopping, rolling, crimping, or stomping

## Flooding requirements:

- In Year 1 after field conversion, rice planting and harvest, and post-harvest field management, begin flooding between December 1<sup>st</sup> and December 15<sup>th</sup>.
- Maintain at least 10% and up to 50% as mudflat until March 1
- In sloping fields, the shallow end should have moist soil conditions or mud flats. The deep end may be greater than 4 inches. Fields that are out of compliance (e.g., uniformly deeper than 4 inches) are not acceptable.

## Mosquito Abatement considerations:

Although adequate vegetation removal and field prep will reduce mosquito propagation, enrolled participants should expect fields to be treated by mosquito/vector control districts. **All interested applicants should understand the treatment requirements and approximate abatement fees prior to applying** Growers can find their mosquito vector control district [here](#).



**Suitable Conditions:** Ideal waterbird habitat with mudflat-like conditions



**Unsuitable Conditions:** Poor field conditions for waterbirds with too much standing crop stubble and water that is too deep



**Suitable Conditions:** Great shallow flooded habitat, attracting lots of waterbirds



**Unsuitable Conditions:** Poor field conditions for waterbirds with too much standing stubble and water that is too deep

## **LAND MANAGEMENT AGREEMENT**

### **Three-year Agreement 2025-2028**

This Land Management Agreement (this “Agreement”) is made as of the date last signed below (the “Effective Date”), by and between \_\_\_\_\_ (“Cooperator”), \_\_\_\_\_ (“Landowner”), and The Nature Conservancy, a District of Columbia nonprofit corporation (“TNC”). **[Note: if Cooperator owns the Property, then delete references in Agreement to Landowner and make appropriate modifications as noted throughout the document]**

### **BACKGROUND**

Cooperator **[insert if applicable: owns and]** farms **[delete if Cooperator is Landowner: and Landowner owns]** that certain real property in \_\_\_\_\_ County, shown on the map attached hereto as **Exhibit A** (the “Property”).

TNC is working with and receiving implementation funding from the Sacramento-San Joaquin Delta Conservancy, an agency of the State of California established under Division 22.3 of the Public Resources Code, on the implementation of a Ecosystem Restoration and Climate Adaptation program in the Delta to enhance bird habitat, preserve Delta agriculture and working landscapes, promote Delta legacy communities and economic vitality, increase climate change resiliency, increase resilience of the Delta to natural disasters, protect and improve water quality, and increase opportunities for tourism and recreation through the conversion of annual row crops to rice cultivation and appropriate field management for migratory bird benefits between rice planting seasons (the “Program”).

The Program is funded by the Sacramento-San Joaquin Delta Conservancy (“SSJDC”) under Grant Agreement Number NBS02 (the “Prime Agreement”). This Land Management Agreement is intended to serve the goals and to ensure achievement of those goals and the implementation of certain tasks of the Prime Agreement.

Cooperator has received information about the Program through outreach by TNC, conversations, or other means. Cooperator desires to enroll certain acreage of its Property in the Program to be converted and maintained for rice cultivation and to be managed to provide wildlife benefits. The acreage enrolled in the Program is identified on **Exhibit A** and is referred to in this Agreement as the “Enrolled Acreage.”

### **TERMS AND CONDITIONS**

Cooperator, Landowner, and TNC agree to the following terms and conditions:

#### **1. Term of Agreement**

This Agreement will commence on the Effective Date and will expire on June 1, 2028 (the “Expiration Date”). Upon such expiration, the parties will have no further rights or obligations under this Agreement, except as specifically provided in this Agreement.

## 2. First Year Rice Conversion, Cultivation and Habitat Practice Requirements

- a. First Year - Spring Conversion and Rice Cultivation
  - i. Field Conversion: Prior to May 1, 2025, Cooperator will complete all field preparation (e.g. land levelling, installation of rice water infrastructure) needed to productively cultivate rice on the Enrolled Acreage applying industry standards and best practices as specified in **Exhibit B**. Cooperator shall notify TNC upon completion of field conversion preparation and TNC shall verify preparation has been completed in compliance with **Exhibit B** prior to rice cultivation.
  - ii. Rice Cultivation: Prior to June 1, 2025, Cooperator will plant the first rice crop under this Agreement according to industry standards for the Delta (**Exhibit B**), harvesting a mature rice crop at end of growing season. Rice cultivation will be verified by TNC and the crop must be registered by the Cooperator with the Farm Services Agency (FSA).
- b. First Year – Habitat Period. Beginning in the Fall 2025, after completing each harvest on the Enrolled Acreage, Cooperator will provide suitable migratory bird habitat through at least March 1, 2026, by implementing the following practices:
  - a. Ground Preparation. As soon as possible after harvest, Cooperator will chop, roll, or crimp rice straw down flat. No tillage or discing that incorporates crop residue is permitted in order to ensure residual grain is available as forage for Sandhill Cranes and wintering waterfowl. Organic matter should be left on the surface of each field. Prior to flooding, TNC must verify Ground Preparation as specified in Section 4 below.
  - b. Field Management. After TNC has completed Ground Preparation verification, the fields in the Enrolled Acreage may not be intentionally flooded until after December 1 but must be flooded by December 15, at which time Cooperator will flood at least 75% of the Enrolled Acreage, maintaining at least 10% and up to 50% of the Enrolled Acreage as mudflat to provide migration and overwintering foraging habitat for migratory shorebirds and other water birds throughout the remainder of the Habitat Period to provide suitable habitat for migratory shorebirds and waterfowl. Exceptions will be provided in the event heavy rainfall makes it impossible to maintain these water depths. Start of flooding and flooding depths will be verified by TNC during the Habitat Period.

## 3. Second and Third Year Rice Cultivation and Habitat Practice Requirements

- A. Rice Cultivation: By June 1 of Cultivation Years 2-3, Cooperator will plant rice crop according to industry standards for the Delta (**Exhibit B**), harvesting a mature rice crop at end of growing season. Rice cultivation in each year will be verified by TNC and the crop must be registered by the Cooperator with the Farm Services Agency (FSA).
- B. Post-harvest Habitat: Beginning in the Fall 2026, after completing each harvest on the Enrolled Acreage in Years 2-3 of this Agreement, Cooperator will provide suitable

migratory bird habitat each winter through at least March 1 of the following year (each a “Habitat Period”) by implementing the following practices:

- c. Ground Preparation. As soon as possible after harvest, Cooperator will chop, roll, or crimp rice straw down flat. No tillage or discing that incorporates crop residue is permitted in order to ensure residual grain is available as forage for Sandhill Cranes and wintering waterfowl. Organic matter should be left on the surface of each field. Prior to flooding, TNC must verify Ground Preparation as specified in Section 4 below.
- d. Field Management. After TNC has completed Ground Preparation verification, the fields in the Enrolled Acreage may not be intentionally flooded until after December 1 but must be flooded by December 15, at which time Cooperator will flood at least 75% of the Enrolled Acreage, maintaining at least 10% and up to 50% of the Enrolled Acreage as mudflat to provide migration and overwintering foraging habitat for migratory shorebirds and other water birds throughout the remainder of the Habitat Period to provide suitable habitat for migratory shorebirds and waterfowl. Exceptions will be provided in the event heavy rainfall makes it impossible to maintain these water depths. Start of flooding and flooding depths will be verified by TNC during the Habitat Period.

#### 4. Ground Preparation Verification

Annual verification of the Habitat Practice Ground Preparation for the Habitat Practice Requirements on the Enrolled Acreage will involve a site visit by TNC or its representative to visually inspect the condition of the Enrolled Acreage and to determine the Enrolled Acreage's suitability for the habitat. Cooperator will notify TNC when the Enrolled Acreage is available for verification. This notification and site visit should occur after the Cooperator performs the Ground Preparation. Depending on the start date for each habitat period, it may be necessary for TNC to perform verification of the Ground Preparation at different site visits. In determining verification of proper Ground Preparation, TNC will use its professional judgment to determine compliance with the requirements and objectives of the habitat. Cooperator remains responsible for complying with this provision and failure to meet Ground Preparation requirements to the satisfaction of TNC will constitute noncompliance. If any Enrolled Acreage is determined to be non-compliant, Cooperator will perform additional Ground Preparation in order to improve the condition of such Enrolled Acreage.

Upon successful verification of the Ground Preparation, TNC or its representative may place depth stakes in the Enrolled Acreage to document water depths during the Habitat Periods. For each field within the Enrolled Acreage, TNC may place depth stakes at or near the top, middle and bottom of the field. TNC will monitor Cooperator's compliance with the Habitat Practice Requirements by visiting the Enrolled Acreage and TNC may also monitor compliance by reviewing satellite imagery.

#### 5. Duty Of Care, Compliance with All Applicable Laws

During the term of this Agreement, Cooperator will, at Cooperator's sole cost and expense:

- (a) comply with all federal, state, and local laws and regulations and any contractual obligations relating to the use of the Property, including, but not limited to, any diversion or

water reporting requirements of the State of California and obtaining any and all permits necessary for the work undertaken by Cooperator under this Agreement ; and (b) take, use, provide and make proper, necessary and sufficient precautions, safeguards and protections against the occurrence of any accidents, injuries or damages to any person or the Property.

**6. Access to Property**

Cooperator and Landowner hereby irrevocably grant TNC, SSJDC, and their employees, funders, subcontractors, agents and assigns permission to enter the Property to verify field conditions, monitor habitat conditions and birds on the Property, [insert if applicable: monitor GHG emissions, subsidence, and water use (evapotranspiration) on the Property and install and maintain the equipment necessary to do so,] and confirm compliance with the terms of this Agreement until the Expiration Date. TNC or its representative will provide Cooperator with at least 24 hours' notice prior to entering the Property unless Cooperator agrees to a shorter notice period. Notice or agreement under this section may be provided verbally or in writing, including by text, email or fax. TNC, SSJDC, and their employees, funders, subcontractors, agents, and assigns will coordinate their activities with Cooperator in order not to unreasonably disturb ongoing maintenance operations and other farm activities on the Property or on Cooperator's adjacent property, if applicable. Notwithstanding the foregoing, Cooperator acknowledges that TNC may need to access the Property at least twice per week for monitoring purposes during habitat periods and Cooperator agrees to ensure that such access is allowed.

**7. Payment Terms**

Upon notification from Cooperator and verification by TNC of completion of the Rice Conversion Work and Habitat Practices in Year 1 described above in Section 2, then TNC will pay Cooperator as follows:

- a) First Year – Initial Payment – Cooperator will be paid \$\_\_\_\_\_ [the sum equal to 50% of  $[\$400 \times \# \text{ of acres converted}]$  within thirty days (30) days following verification by TNC of the Year 1 Field Conversion and Rice Planting Work.
- b) First Year – Second Payment – Cooperator will be paid \$\_\_\_\_\_ [the sum equal to 20% of  $[\$400 \times \# \text{ of acres converted}]$  within thirty (30) days following verification by TNC of the Year 1 Habitat Practices.
- c) Final Payment – Cooperator will be paid \$\_\_\_\_\_ [the sum equal to 30% of  $[\$400 \times \# \text{ of acres of converted}]$  within thirty (30) days following verification by TNC at the end of the final Habitat Period.

All payments are based in part on the acreage of the Enrolled Acreage as provided by Cooperator, which is subject to verification by TNC using standard mapping methods. TNC will make all payments to Cooperator by check, subject to TNC's receipt from Cooperator of a properly completed IRS Form W-9, within thirty (30) days of verification by TNC that the required conditions for such payment have been satisfied in accordance with the terms of this Agreement.

**8. Force Majeure**

Neither party will be liable to the other for any delay in or failure of performance, nor will any such delay in or failure of performance constitute a default, if such delay or failure is caused by "Force Majeure." As used in this section, "Force Majeure" means, with respect to

either party to this Agreement, an event beyond the control of that party (or any person acting on its behalf), which event (a) does not arise or result from the fault or negligence of that party (or any person acting on its behalf) and (b) by its nature would not reasonably have been foreseen by that party (or any person action on its behalf), or, if it would reasonably have been foreseen, was not caused by or outside the reasonable control of the party claiming Force Majeure, and includes but is not limited to acts of war, acts of nature such as earthquakes, floods, and other natural disasters, levee failure, and loss of electric power required to operate rendering that party's performance impossible.

**9. Termination**

TNC may terminate this Agreement and be relieved of any payments should Cooperator or Landowner fail to perform the requirements of this Agreement at the time and in the manner provided for in this Agreement. If Cooperator or Landowner fails to perform on time in accordance with this Agreement, then Cooperator shall be liable for immediate repayment to TNC of all amounts paid to Cooperator under this Agreement, plus accrued interest. TNC, may, in its sole discretion, consider extenuating circumstance, including but not limited to a Force Majeure, and not require repayment for performance partially completed. This paragraph shall not be deemed to limit any other remedies TNC may have for breach of this Agreement.

TNC may also terminate this Agreement without cause upon thirty (30) days advance written notice to Cooperator and Landowner. Cooperator will be paid for performance completed up to the date of such termination by TNC.

**10. Changes in Property Control, Operation, Lease or Ownership**

During the term of this Agreement, Landowner acknowledges and Cooperator agrees that Cooperator and Cooperator's representatives and assigns (including all subcontractors and lessees) will manage the Property in accordance with this Agreement and so as not to disturb the nature of this project. Landowner and Cooperator acknowledge and agree that the terms and conditions of this Agreement shall continue as a servitude running with the land for the duration of the Agreement.

Cooperator shall maintain control of the Property for the duration of the Agreement unless Cooperator has received prior written approval from TNC and SSJDC to transfer its interest in the Property and assign its rights and obligations under this Agreement to a transferee, which approval shall not be unreasonably withheld so long as transferee assumes the obligations of Cooperator under this Agreement. Cooperator will notify TNC at least ninety (90) days prior to any planned or pending changes in operation, lease or ownership of the Property and arrange a meeting between TNC and proposed transferee.

Landowner shall maintain title to the Property for the duration of the Agreement unless Landowner has provided TNC and SSJDC at least ninety (90) days prior written notice of its intent to transfer or sell the Property, arranged a meeting between TNC and the proposed new landowner, and such landowner has agreed to assume the agreements and obligations of Landowner under this Agreement.

No exercise of the rights granted herein will give rise to any claim of title to the Property on the part of TNC or parties claiming through or under them. This Agreement and the rights granted herein may not be assigned, in whole or in part, by Cooperator or Landowner without the written consent of TNC and SSJDC, as provided for in this Section 10.

## 11. Representations and Warranties

A. By Cooperator. Cooperator represents and warrants that: (a) it has the power and authority to enter into this Agreement and to perform the actions contemplated hereunder, (b) it has obtained all consents necessary for its participation in the Program and its performance of the terms of this Agreement (including without limitation the consents of any entities or persons with other rights with respect to the Property) (such consents, the "Consents"), (c) it has provided TNC with a written description of all Consents, and (d) no other agreements or obligations concerning the Property interfere with Cooperator's right or ability to perform its obligations hereunder or will be violated by Cooperator's performance of such obligations. Cooperator further represents and warrants that Cooperator has conducted its own review of its participation in the Program and its taking of or omission of actions required by or related to this Agreement, that, except as expressly provided in this Agreement, neither TNC nor any person affiliated with or otherwise on behalf of TNC is making or has made any representation or warranty, written or oral, with respect to the Program or otherwise, and that Cooperator has not relied and will not rely on any such representation or warranty or any omissions by any such persons whether made on, before or after the date hereof, except as expressly set forth in this Agreement. Cooperator certifies that none of the acres included in the Enrolled Acreage are currently, nor will they be during the term of this Agreement, enrolled in the Natural Resources Conservation Service Regional Conservation Partnership Program (RCPP), Waterbirds Habitat Enhancement Program (WHEP) or similar program.

[Note: If Cooperator is Landowner, add subsection (a) below to paragraph above, delete the following paragraph and remove paragraph lettering and title "By Cooperator" in above paragraph]

B. By Landowner. Landowner represents and warrants that (a) it holds title to the Property, (b) no other agreements or obligations concerning the Property interfere with Landowner's right or ability to perform its obligations hereunder or will be violated by Landowner's performance of such obligations; and (c) it is not aware of any agreements or obligations concerning the Property interfere with Cooperator's right or ability to perform its obligations hereunder or will be violated by Cooperator's performance of such obligations.

This Section 11 will survive the termination or expiration of this Agreement or any part thereof.

## 12. Indemnification

A. By Cooperator. Cooperator assumes the risk of any damage caused by its participation in the Program. Cooperator will indemnify, defend and hold harmless TNC and its affiliates and funders, including SSJDC, and their officers, directors, members, employees and agents from and against any and all claims, demands, causes of action, damages, judgments, losses, liabilities, costs and expenses (including reasonable attorney's fees) arising or resulting, directly or indirectly, from any negligent action or failure to act on the part of Cooperator or breach by Cooperator of any of its obligations, representations and warranties under this Agreement.

**[If Cooperator is Landowner, delete the following subsection and re-letter the subsections.]**

B. By Landowner. Landowner will indemnify, defend and hold harmless TNC and its affiliates and funders, including SSJDC, and their officers, directors, members, employees and agents from and against any and all claims, demands, causes of action, damages, judgments, losses, liabilities, costs and expenses (including reasonable attorney's fees) arising or resulting, directly or indirectly, from breach by Landowner of any of its obligations under this Agreement.

C. By TNC. TNC will indemnify, defend and hold harmless Cooperator and Landowner from any and all claims, demands, causes of action, damages, judgments, losses, liabilities, costs and expenses (including reasonable attorney's fees) arising or resulting, directly or indirectly, from any negligent action arising from the entry of TNC's representatives on the Property or breach by TNC of any of its obligations under this Agreement (provided that the foregoing shall not apply to any such claims or actions to the extent arising from the absence of any Consent).

Notwithstanding the foregoing, in no event will any party be liable for consequential, incidental or special damages. This Section 12 will survive the termination or expiration of this Agreement or any part thereof.

### **13. Insurance**

Cooperator shall name TNC and SSJDC, its officers, agents and employees as additional insureds under Cooperator's liability insurance policy.

### **14. Notice**

Except as provided for in this Agreement, or for such day-to-day communications or instructions as may be called for or reasonably anticipated in the description of the work to be done under this Agreement (none of which may, however, alter the terms of this Agreement), any notice, demand, request, consent, or approval of any kind that any party to this Agreement desires or is required to give to or make on another party under or in connection with this Agreement (a "Notice") will be in writing and will be delivered to the party being addressed, at the most recent address which the addressed party has provided for such purposes under this Agreement.

Each Notice will be given by at least one of the following means: (1) delivery in person, (2) certified U.S. mail, return receipt requested, postage prepaid, (3) Federal Express or other reputable "overnight" delivery service, provided that next-business-day delivery is requested by the sender or (4) email. Notices delivered in person will be deemed effective immediately

upon delivery (or refusal of delivery or receipt). Notices sent by certified mail will be deemed given on the earlier to occur of: (1) the date of first attempted delivery; or (2) the third day after being deposited in the mail. Notices sent by Federal Express or other reputable “overnight” delivery service will be deemed given on the next-business-day after being deposited with the delivery service. Notices delivered by email will be deemed given upon confirmed receipt by addressee. Either party may, from time to time, by written notice to the other, designate a different address, which will be substituted for the most current address previously provided for such purposes under this Agreement.

This Section 14 will survive the termination or expiration of this Agreement or any part thereof.

#### **15. Counterterrorism, Anti-Money Laundering and Economic Sanction Laws**

Cooperator represents and warrants that, to the best of Cooperator’s knowledge, Cooperator and Cooperator’s subsidiaries, principals, and beneficial owners, if any (collectively, the “Cooperator Parties”):

- (a) are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any government agency;
- (b) (i) are not included on the Specially Designated Nationals and Blocked Persons lists maintained by the U.S. Treasury’s Office of Foreign Assets Control, the United Nations Security Council Consolidated List, or similar lists of proscribed entities identified as associated with terrorism; and (ii) will not engage in transactions with, or provide resources or support to, any such individuals or organizations or anyone else associated with terrorism;
- (c) are not a person or entity with whom transacting is prohibited by any trade embargo, economic sanction, or other prohibition of law or regulation; and
- (d) have not conducted, and will not conduct, their operations in violation of applicable money laundering laws, including but not limited to, the U.S. Bank Secrecy Act and the money laundering statutes of any and all jurisdictions to which the Cooperator Parties, or any one of them, is subject, and no action or inquiry concerning money laundering by or before any authority involving any of the Cooperator Parties is pending.

Should Cooperator become aware that Cooperator or any other of the Cooperator Parties is subject to any of the above conditions of this Section during the term of this Agreement, Cooperator must immediately notify TNC in writing. If TNC determines that Cooperator or any of the Cooperator Parties is subject to any of the above conditions of this Section, TNC may terminate this Agreement effective immediately upon written notice to Cooperator, with no further obligation by TNC under this Agreement, including payment, and TNC may pursue all available remedies under applicable laws. The terms of this Section must be included in all permitted subcontracts.

#### **16. Conflicts of Interest**

Cooperator certifies that the information it has provided on the “Conflicts Inquiry Form” which is being provided to Cooperator by TNC with respect to this Agreement (the “Inquiry Form”) is true and correct to the best of Cooperator’s knowledge. In the event that any material misrepresentation by Cooperator in such Inquiry Form is discovered during the term

of this Agreement, TNC may elect to declare this Agreement null and void and immediately terminate it.

**17. State Regulations; SSJDC Rights**

This Agreement is further subject to the additional terms and conditions set forth in **Exhibit C** ("State Government Laws and Regulations"). Cooperator agrees and acknowledges that the State's right to audit for three (3) years from the date of the final payment made under the Prime Agreement per the Audit Clause of **Exhibit C** will survive the termination or expiration of this Agreement or any part thereof. SSJDC, as a third-party beneficiary, shall have the right, but not the obligation to enforce the terms and conditions of this Agreement.

This Section 17 will survive the termination or expiration of this Agreement or any part thereof.

**18. Use of Data**

TNC will own all data collected and processed during the Program and all data collected shall be made available to SSJDC and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act (Government Code Section 6250 et seq.) and SSJDC shall have the right to reproduce, publish and use the data described in this section in any manner and for any purposes whatsoever and to authorize others to do so.

**19. Miscellaneous**

This Agreement will become binding when signed by all parties. This Agreement supersedes all prior or contemporaneous communications and negotiations, both oral and written, concerning the subject matter of this Agreement and constitutes the entire agreement between the parties with respect to such matters. No amendment to this Agreement will be effective unless it is in writing and is signed by all of the parties hereto. This Agreement will be interpreted and construed under, and will be and governed by, the internal laws of the State of California, without regard to any choice of law rules. Time is of the essence in this Agreement. The terms and conditions of this Agreement are binding upon Cooperator, Landowner and their respective successors and assigns. Each party will bear and pay its own expenses, including, in the case of the Cooperator, any costs of preparing the Property for or otherwise participating in the Program.

Any and all exhibits, schedules, and addenda attached to and referred to in this Agreement are hereby incorporated into this Agreement as fully as if set out in their entirety herein, but in the event of any conflict between the terms of this main body of the Agreement and the terms of any exhibits, addenda, or other attachments to this Agreement, the terms of this main body of the Agreement will control. The provisions of this Agreement will survive the termination of this Agreement to the extent of any rights accrued or obligations incurred during such term, and Sections 11, 12, 14, 17 and 19 and the State's right to audit under the Audit Clause is **Exhibit C** shall survive any expiration or termination of this Agreement. If any provision of this Agreement is held to be invalid or unenforceable, the other provisions will not be affected thereby. This Agreement may be executed in several counterparts, and all counterparts so executed will constitute one contract which will be binding on all of the

parties, notwithstanding that all of the parties are not signatory to the same counterpart. Electronic signatures, digital signatures, fax signatures, and scanned signatures are acceptable for this Agreement in compliance with the Uniform Electronic Transactions Act (UETA).

Attachments:

Exhibit A – Map of Property showing Enrolled Acreage

Exhibit B – Rice Field Preparation and Cultivation Industry Standards

Exhibit C – State Government Laws and Regulations

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK – SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date last written below.

**COOPERATOR**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address Information for Notices:

Name:  
Street Address:  
City, State, Zip:  
Email:  
Phone:

**THE NATURE CONSERVANCY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address Information for Notices:

Name:  
Street Address:  
City, State, Zip:  
Email:  
Phone:

**LANDOWNER**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Address Information for Notices:

Name:  
Street Address:  
City, State, Zip:  
Email:  
Phone:

Approved As to Form:

---

Sacramento San Joaquin Delta Conservancy

Address Information for Notices:

Name:  
Street Address:  
City, State, Zip:  
Email:  
Phone:

**Exhibit A**  
**Map of Property showing Enrolled Acreage**

## **Exhibit B**

### **Rice Field Preparation and Cultivation Industry Standards**

**Field Establishment.** The rice paddies are being established for long term continuous rice production. Tillage operations are done in the previous year and consist of disking twice with a stubble disk, landplaning to firm up the ground, applying Roundup, GPS leveling and building levees, chiseling 14-16 inches deep (may not be necessary in all fields), and installing irrigation (pipe, gate valves, and risers) as well as rice boxes. Gate valve installation allows pipes to maintain siphon. Levees are large, flat and approximately 15 feet wide for long term stability and provide ample room for mowing weeds. The rice boxes are installed in the permanent levees and are included in the establishment costs.

**Field Preparation.** In the spring of each year, the field is disked three times – twice with a stubble disk (second pass with roller) and once with a finish disk and roller. Levees are mowed and the boxes repaired.

**Planting.** Certified seed of M-206 rice is planted in April or May at a rate of 150 pounds per acre. M-206 is a medium grain Calrose variety having wide adaptability across California rice growing regions. Each check or paddy is 20+- acres. The rice is drilled into moist soil with a 25-30 foot grain seeder onto the prepared seed bed at 6-inch spacing. The planting operation runs 10 hours per day but includes lunch and downtime. The planting crew uses one tractor driver for the planter. Starter fertilizer is applied with the seed. Two tractors/trucks plus two tenders that are furnished by the fertilizer company are used to transport the seed and fertilizer from the truck to the drill. One operator handles both operations. Two 30-foot belt loaders (furnished by the fertilizer company) are located at the truck to load the tenders from the bottom dump trailers. The ground is flat rolled after planting to help pull up moisture and even the ground.

**Nutrition.** At planting, 100 pounds of starter fertilizer 11-52-0 is applied through the grain drill. In June, before permanent flood, a dry 20-0-20 fertilizer (blend of urea ammonium sulfate and sulfate of potash) is applied by ground at the rate of 300 pounds of material per acre(or similar). If the field is deficient in nitrogen (determined by leaf sampling), a top-dress fertilizer may be applied. 100 pounds of 40-0-0-5S (a blend of urea and sulfur) is applied by air (helicopter/ plane) in July.

**Soil/Tissue Sampling.** Soil samples are taken in March (not necessarily on an annual basis) for phosphorous (P) and potassium (K) analysis at one sample per 25 acres(not necessary in all cases). All samples are collected by the PCA and the analysis are included as part of the grower service agreement.

**Irrigation.** The fields are flooded beginning in early June when the rice is six inches tall and drained in late August or early September. Flooding and draining labor costs are included in the irrigator labor. It is assumed that the irrigator checks the field daily during June, July and August. The irrigator travels the fields in a pickup and based on grower information takes 0.133 hours per acre. The land is below sea level and after opening a siphon valve on the river, the water flows into the fields. It is assumed that the land has riparian water rights. Landowners pay a reclamation fee for water and electricity costs and levee maintenance. In the fall after harvest, the fields are flooded and allowed to decompose

over the winter. They are then drained in the spring (March) to prepare the field for the new season.

**Pest Management.** *Pest Control Adviser/Certified Crop Advisor, (PCA/CCA).* An individual who is licensed as a PCA and/or a CCA may monitor the field for pests and disease, collect samples for nutrient analyses, and complete surveys and paperwork for regulatory compliance. A CCA emphasizes fertilizer and plant nutrient management issues. Growers may hire private PCAs or receive the service as part of a service agreement with an agricultural chemical company. Pesticide costs may vary by location and grower volume. PCA service is provided by the chemical/fertilizer company at no additional cost.

**Weeds.** Broadleaf and grasses are troublesome weeds in rice fields. The first step for weed control may be a Roundup (glyphosate) ground application to early germinating weeds, before the rice emerges. In most cases, 25% of the acreage receives a Roundup spray. After rice emergence (at 3-4 leaf), Regiment, Prowl, Sandea, and SuperWham are ground applied to the field for control of broadleaves and grasses. For each application, one person delivers the material to the applicator, while one person mixes the materials. Both work while the field applicator is spraying. Another person delivers water to the mixing area and works half the time as the mixer. The water tank and ball tank for hauling the mixture is furnished by the chemical company. The levees are mowed once, with dual rotary mowers when there is no water in the field.

**Insects.** Armyworms are an occasional but serious problem in some rice fields. Intrepid insecticide is applied in July by air to 20% of the acres. In 2022, Intrepid usage was through a Section 18 Emergency Exemption. The final registration process was started in 2022, and completed in 2023.

**Disease.** No diseases assumed. After five years of rice culture a fungicide, such as Quadris may be needed to control stem rot or other fungal pathogens. Most suggest a rotation after 5 years to combat disease.

**Harvest.** The water is drained from the field 3 to 4 weeks before harvest. The rice crop is harvested beginning at 22% kernel moisture using a rice combine with a cutter-bar header.

**Yields.** An average of 85 hundredweight per acre yield at 14% moisture (dry weight) is assumed.

**Assessments.** Under a state marketing order, a mandatory assessment is collected and administered by the California Rice Research Board which pays for rice research in California.

**Drying and Storage.** Drying charges increase with moisture content. Most dryers use a rate schedule that reflects the loss of moisture plus other 'invisible' losses in the system associated with immature kernels, dockage and dust. The non-moisture factor varies among dryers, but usually ranges from two percent to six percent. Together, these losses are called 'shrink'. Rice is assumed to be dried to 14% moisture.

**Post-Harvest.** In October/November, the levees are mowed(optional), the straw is shredded/mulched with a flail mower, and then the field is rolled and flooded for the winter. This is done on all of the acreage. Flooding in this Program will not begin until December 1<sup>st</sup> for leftover grain to be consumed and shredding/mulching to be completed. Fields will be flooded no later than December 15<sup>th</sup>and drained no sooner than March 1<sup>st</sup>.

## **Exhibit C**

### **State Government Laws and Regulations**

#### **Nondiscrimination Clause**

During the performance of this Contract, Contractor and its subcontractors shall not deny the Contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status. Contractor and all of its subcontractors shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and all of its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code § 12990 et seq.), the regulations promulgated thereunder (California Code of Regulations, Title 2, § 11000 et seq.), the provision of Article 9.5, Chapter 1, Part 1, Division 3, title 2 of the Government Code (Gov. Code §§ 11135-11139.5). Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the Sacramento-San Joaquin Delta Conservancy upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. . Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (Cal. Code Regs., tit. 2, § 11105). Contractor shall include the nondiscrimination and compliance provisions of this clause in all further subcontracts under this Contract.

Contractor's signature on this Contract shall constitute a certification under penalty of perjury under the laws of the State of California that Contractor has, unless exempted, complied with the nondiscrimination program requirements of Government Code Section 12990 (a-f) and Title 2, California Code of Regulations, Section 8103.

#### **Americans With Disabilities**

By signing this Contract, Contractor assures the State, and the parties to the Contract, that Contractor complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.).

#### **National Labor Relations Board**

In accordance with Public Contract Code Section 10296, by signing this Contract, Contractor declares under penalty of perjury that no more than one (1) final, unappealable finding of

contempt of court by a federal court has been issued against Contractor within the immediately preceding two (2) year period because of Contractor's failure to comply with an order of a federal court which orders Contractor to comply with an order of the National Labor Relations Board.

### **Workers' Compensation**

Contractor affirms that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor agrees to comply with such provisions before commencing the performance of the work under this Contract.

### **Drug-Free Workplace Requirements**

By signing this Contract, Contractor hereby certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
2. Establish a Drug-Free Awareness Program to inform employees about:
  - a. The dangers of drug abuse in the workplace;
  - b. The person's or organization's policy of maintaining a drug-free workplace;
  - c. Any available counseling, rehabilitation and employee assistance programs; and
  - d. Penalties that may be imposed upon employees for drug abuse violations.
3. Provide that every employee who works on this Contract:
  - a. Will receive a copy of the company's drug-free policy statement; and,
  - b. Will agree to abide by the terms of the company's statement as a condition of employment on this Contract.

Failure to comply with these requirements may result in suspension of payments under this Contract or termination of this Contract, or both, and Contractor may be ineligible for award of any future State agreements if the State determines that any of the following has occurred:

(1) Contractor has made false certification, or (2) Contractor has violated the certification by failing to carry out the requirements as noted above.

### **Recycling Certification**

Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material, as defined in Public Contract Code section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code section 12209. With respect to printer

or duplication cartridges that comply with the requirements of section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Public Contract Code, § 12205).

### **Air and Water Pollution Violation**

Under the State's laws, Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

### **Audit Clause**

Contractor agrees that all parties to the Contract, the Department of General Services, the Department of Finance, the California State Auditor, or their designated representative(s), shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Contract. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years from the final payment made under the Contract, unless a longer period of records retention is stipulated elsewhere in this Contract. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State and all parties to the Contract to audit records and interview of staff in any further subcontract made under this Contract. (Government Code Section 8546.7, Public Contract Code Section 10115 et seq., California Code of Regulations Title 2, Section 1896.60 et seq.)

### **Travel and Per Diem**

If applicable, reimbursement rates for travel shall not exceed the amounts identified by CalHR state rates in effect at the time of travel, see [www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx](http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx). No travel outside the State of California by Contractor shall be reimbursed unless there is prior written authorization obtained from the State.

### **Use of Subcontractors**

Contractor is responsible for any work it subcontracts. Subcontracts must be in writing and include all applicable terms and conditions of this Contract, including, but not limited to, specific language which establishes the rights of the auditors of the State, and the parties to the Contract to examine the records of the further subcontractor relative to the services and materials provided under the subcontract.

### **Name Change by Contractor**

An amendment to the Contract is required if Contractor changes its name as listed in this Contract. Contractor shall provide written notice to the parties to the Contract at least thirty (30) days prior to any changes to Contractor's current legal name. Upon receipt of legal documentation of the name change, the parties will process an amendment to the Contract.

Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

#### **Conflict of Interest – Current State Employees**

1. No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment.
2. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.

(Public Contract Code Section 10410)

#### **Conflict of Interest – Former State Employees**

1. For the two-year period from the date of leaving State employment, no former State officer or employee may enter into an agreement in which he or she was engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the agreement while employed in any capacity by any State agency.
2. For the twelve-month period from the date of leaving State employment, no former State officer or employee may enter into an agreement with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed agreement within the twelve-month period prior to his or her leaving State service.

(Public Contract Code Section 10411)

#### **Child Support Compliance Act**

If this Contract is in excess of \$100,000, Contractor acknowledges in accordance with Public Contract Code Section 7110 that: (a) Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable State and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and (b) Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

#### **Priority Hiring Considerations**

If this Contract is in excess of \$200,000, Contractor agrees to give priority consideration in filling vacancies in positions funded by this Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Public Contract Code Section 10353.

#### **Executive Order N-6-22 – Russia Sanctions**

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions”

refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate grants with, and to refrain from entering any new grants with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

**Expatriate Corporations**

Contractor hereby declares that it is not an expatriate corporation or a subsidiary of an expatriate corporation within the meaning of Public Contract Code sections 10286 and 10286.1.

**Domestic Partners**

If this Contract is for \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Code Contract section 10295.3

**Gender Identity**

If this Contract is for \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

**Corporate Qualifications to do Business in California**

If Contractor is a corporation, Contractor certifies that is qualified to do business in the State of California and is in good standing.