



July 9, 2026

David Mitchell
Vice President
Gordon N. Ball, Inc.
1777 Oakland Blvd., Suite 300
Walnut Creek, CA 94596

Subject: Bid Protest by Gordon N. Ball, Inc., dated June 29, 2026
Final Decision by Designated Engineer
Coyote Creek Flood Protection Project
Project No. 26174043, Contract No. C0724

Dear Mr. Mitchell,

This correspondence provides the final decision of the Designated Engineer of the Santa Clara Valley Water District (Valley Water) regarding the bid protest, dated June 29, 2026, timely submitted by Gordon N. Ball, Inc. (GNB) to the apparent lowest bid submitted by Shimmick Construction Company, Inc. (Shimmick) for the Coyote Creek Flood Protection Project (Project), Contract No. C0724.

Valley Water provided a copy of GNB's bid protest to Shimmick, via email, by letter dated July 1, 2026, requesting a written response. Shimmick has provided the attached July 2, 2026, written response to the bid protest, which Valley Water considered as part of its independent review.

Valley Water has reviewed GNB's bid protest concerning the bid submitted by Shimmick. After review of the protest, the Bid Documents, the prequalification record, the procurement requirements applicable to this Project, and Shimmick's response, Valley Water denies the protest, as explained below.

1. GNB's Contention that Shimmick is Not a Responsible Bidder

Valley Water completed the formal prequalification process before bidding. The evaluation concluded in November 2025, and the final list of prequalified contractors was posted in December 2025. During that process, Valley Water evaluated financial capacity, organizational performance, comparable project experience, and other responsibility criteria. Shimmick was determined to be prequalified. Valley Water also considered the information raised in the protest and Shimmick's response, including information on financial capacity, bonding, and prior project performance. Based on this record, Valley Water does not find that GNB's protest establishes that Shimmick is presently nonresponsible or incapable of performing the Work.

In addition, Shimmick is required to submit valid Payment and Performance Bonds prior to contract execution in accordance with the Instructions to Bidders.



David Mitchell, Vice President, Gordon N. Ball, Inc.
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2. GNB's Contention that Shimmick's Bid is Materially Unbalanced

Valley Water independently reviewed Shimmick's bid pricing, including the Mobilization item, which represents approximately 20% of Shimmick's total bid. Section 15 of the Instructions to Bidders provides that proposals which, in Valley Water's opinion, are unbalanced may be rejected, thereby reserving discretion to Valley Water. After reviewing Shimmick's response to the protest and the bid as a whole, Valley Water determines that the pricing does not render Shimmick's bid materially imbalanced requiring rejection. Shimmick's inclusion of a higher dollar amount in Mobilization than other bidders does not provide Shimmick with an unfair competitive advantage because Shimmick is still bound by its bid price. In addition, progress payments for Mobilization bid item will be made in accordance with Article 21.01.02 of the Special Provisions.

3. GNB's Contention that Shimmick Improperly Listed Subcontractors

GNB's protest contends that Shimmick listed both C&N Reinforcing Inc. (C&N Reinforcing) and Oliveira Fence, Inc. (Oliveira Fence) for the same rebar work and that Oliveira Fence lacks the license classification required to perform rebar. Valley Water has reviewed Shimmick's bid, including the subcontractor listing and other bid materials Shimmick submitted contemporaneously with the bid. Taken together, the bid materials identify Oliveira Fence as the fencing subcontractor. Valley Water further determines that C&N Reinforcing is the subcontractor listed for the rebar scope. Therefore, Shimmick's bid does not list two subcontractors for the same rebar scope, nor change the identity of the rebar subcontractor, the bid price, or any material obligation under the Bid Documents. Moreover, Shimmick's bid does not list Oliveira Fence to perform work outside its fencing classification.

The erroneous reference to "rebar" next to Oliveira Fence's name does not override all of the other information contained in Shimmick's bid submission. Accordingly, Valley Water determines that the single inclusion of "rebar" next to Oliveira Fence's name constitutes at most a minor irregularity that Valley Water can waive because it does not affect bid responsiveness, provide Shimmick with a competitive advantage, or impair the integrity of the competitive bidding process.

4. GNB's Contention that Shimmick's Claimed Deficiencies Cannot Be Cured

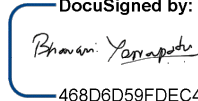
Because Valley Water has determined that none of the bid protest issues constitute material defects rendering Shimmick's bid nonresponsive or Shimmick nonresponsible, Valley Water disagrees that Shimmick's bid must be rejected. Public bidding requirements "...must be viewed in light of the public interest rather than the private interest of a disappointed bidder." Bay Cities Paving & Grading, Inc. v. City of San Leandro, 224 Cal App. 4th 1181 (2014). It is in the public's best interest for Valley Water to proceed with awarding a contract to Shimmick, the responsible bidder, submitting the lowest responsive bid, for the Project. GNB's protest is therefore denied.

Staff will recommend that Valley Water's Board of Directors (Board) award a contract for construction of the Project to Shimmick. The Board is scheduled to take action on this matter at its regular meeting set for Friday, July 24, 2026. The meeting will commence at 1:00 p.m. You are welcome to attend the meeting in the Board chambers at 5700 Almaden Expressway, San Jose, California 95118.

David Mitchell, Vice President, Gordon N. Ball, Inc.
Bid Protest by Gordon N. Ball, Inc., dated June 29, 2026
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If you have questions regarding this matter, or if you plan to attend the Board meeting and/or address the Board, kindly advise Valley Water staff by email at scvwdplanroom@valleywater.org.

Sincerely,

DocuSigned by:

468D6D59FDEC458...

Bhavani Yerrapotu, P.E.
Deputy Operating Officer
Watersheds Design and Construction Division
Designated Engineer

Enclosures: Shimmick's Response to Gordon N. Ball Bid Protest
Gordon N. Ball's Bid Protest

Sent via email: Gordon N. Ball, Inc. (dmitchell@ballconco.com, hstober@ballconco.com)

cc: Shimmick Construction Company, Inc. (tporter@shimmick.com, jmiranda@shimmick.com,
taylor.fabillaran@shimmick.com)



July 2, 2026

Amandeep Saini, P.E.
Construction Manager
Construction Contracts and Support Unit
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, California 95118

Re: Response to Bid Protest by Gordon N. Ball, Inc., dated June 29, 2026
Coyote Creek Flood Protection Project
Project No. 26174043 – Contract No. C0724

Dear Amandeep Saini P.E. ,

Shimmick Construction Company is in receipt of Valley Water's letter of July 1, 2026, enclosing the June 29, 2026, protest of Gordon N Ball, Inc (Protester) to the lowest responsive bid submitted by Shimmick to perform the Santa Clara Valley Water District's Coyote Creek Flood Protection Project.

Shimmick appreciates the vital importance of the Coyote Creek project to Valley Water and its ratepayers in reducing the risk of flooding for homes, schools and businesses in the area. As already demonstrated through the District's robust pre-qualification process for the Coyote Creek project, Shimmick is not only a pre-qualified Responsible Bidder but also an industry leader, experienced in heavy construction and climate resilience projects including flood control, dam rehabilitation, and coastal protection.

Responsibility:

As to Protester's first claim that Shimmick is somehow not "responsible", Protester's desperate claims seem to have been created by feeding Shimmick's 470-page completed "Pre-Qualification Application for General Contractors Seeking to Bid on Coyote Creek Flood Protection Project" and related documents seemingly through an AI program which spit-out, replete with hyperbole, outlandish claims of Shimmick's demise. ¹

As an initial matter, Valley Water has broad discretion and exercised its judgment in finding Shimmick responsible in that it met all of Valley Water's requirements for Prequalification. Valley Water has undertaken a rigorous pre-qualification process for all the bidders,

¹ Some of these comments which might even be considered actionable if it weren't for the forum.



including Shimmick. Shimmick is qualified. Shimmick is Responsible. That should be the end of the issue. Protester, as a disappointed bidder, is now fabricating a story to impugn Shimmick's longstanding strength and reputation.

The sole basis of Protester's argument relating to responsibility is Shimmick's financial strength which Protester attacks. Protester's own supporting documents, Shimmick's public filings, the same documents that Protester relies on, tell the opposite story: a company with narrower losses, greater backlog and revenue that can more than successfully undertake the Project.

In addition, to Valley Water's own pre-qualification process, it has other independent third-party professionals who have also closely analyzed and assessed Shimmick's financial strength and capabilities. For example, Shimmick will be providing Valley Water with a payment performance bond as required by Section 22 of the Instructions to Bidders. That bond provided by Berkshire Hathaway Specialty Insurance Company, an A++ (Superior)-rated surety.² As Valley Water is aware, sureties perform full and comprehensive underwriting process. Surety is an expert at assessing a contractor's skill and risk. In addition, the surety requires that their contractor Principal furnish significant security to the Surety before agreeing to issue any bonds. Valley Water has the additional benefit of a top Surety's assessment of Shimmick.

In addition, Shimmick is also a publicly traded company, and subject to rigorous public filing requirements enforced by the Securities Exchange Commission. As part of those regulatory requirements, Shimmick's financial statements are audited by Deloitte & Touche LLP, a Big Four accounting firm and independent auditor. Deloitte issued an unqualified opinion on Shimmick's fiscal 2025 financial statements and did not identify any substantial doubt about the company's ability to continue as a going concern. Likewise, Shimmick's first-quarter 2026 Form 10-Q raised no going-concern concerns. Under applicable auditing standards, auditors must disclose substantial doubt about a company's ability to continue operating for the following year if such doubt exists. Deloitte found none. That independent professional judgment directly contradicts Protester's unsupported claims that Shimmick is "on the verge of bankruptcy". Valley Water also has the added assurance of an

² Shimmick is not going to engage in the slinging of Protester but would merely point-out that the Coyote Creek project would seem to be a stretch for a company like Protester's where most of its projects are much smaller and the Coyote Creek's contract value alone would amount to nearly its entire annual revenue. In addition, Protester's surety is not as strong/rated as Shimmick's



independent auditor, which is a better measure, than the self-serving assertions of a disappointed bidder³.

As to Shimmick's performance on the Chickamauga project in Tennessee performed for the US Army Corps of Engineers, Shimmick does not agree with the government's decision to terminate its contract and that decision is disputed and not final. Shimmick has filed an appeal where it fully expects to prevail. As to the federal government, Shimmick is currently engaged in two major flood control projects for the US Army Corps of Engineers including the Folsom Dam in Northern California and Lewisville Dam Safety Modification – Spillway project in Texas. Both projects with excellent performance reviews from the U.S. Army Corps of Engineers. The most recent interim CPARS for the Folsom Dam project rated Folsom Dam Constructors, "Satisfactory" in every evaluated category and recommended the contractor for similar future work. Shimmick's most recent interim CPARS for the Lewisville Dam Safety Modification – Spillway project rated Shimmick "Very Good" in "Quality", "Small Business Subcontracting", and "Safety", and "Satisfactory" in "Schedule, Management", and "Regulatory Compliance". The assessing official likewise recommended Shimmick for similar future projects.

Valley Water has broad discretion in making determinations regarding contractor responsibility. *M & B Construction v. Yuba County Water Agency* (1999) 68 Cal.App.4th 1353, 1361, footnote 3, "contracting entities are vested with great discretion in determining whether a bidder is responsible." Valley Water has conducted a full Pre-Qualification process and through that process determined that Shimmick is Responsible. End of inquiry.

Given the gravity of an allegation regarding a finding of non-responsibility, the law provides Shimmick with a right to due process, to put on evidence, and be represented by counsel through a hearing process. Should Valley Water even remotely considering Protester's baseless contentions, Shimmick will request the opportunity for a full response as provided under the law⁴.

Non-Responsiveness

³ Valley Water also has the Public Contract Code's retention process as further security

⁴ *City of Inglewood-LA County Civic Center Auth. v Superior Court* (1972) 7 Cal 3 861, *Boydston v. Napa Sanitation Dist.* (1990) 222 Cal.App.3d 1362, 1369, public agency must afford a bidder the opportunity to rebut and present evidence before it can be disqualified as not responsible. In the event SCVWD were to find Shimmick's Bid "Unresponsive", it will avail itself to its legal remedies.



Protester's second claim in its Protest, is that Shimmick's bid is "non-responsive" because Protester erroneously claims that Shimmick "front loaded" the Mobilization Bid Item. Shimmick agrees that an "unbalanced" bid as defined by Protester where there are "nominal prices for some work and inflated prices for other work" could form the basis for a finding of "non-responsiveness". However, none of those facts are present here.

All the authorities that the Protester cites are situations where the Government's payment to the contractor exceeded the value of the work being performed and the contractor's pricing was either, 1) distorted from the actual cost allocation or 2) that a bidder received funding unrelated to the project performance- basically that the government did not receive any corresponding benefit for the payment.⁵ In the current instance, neither is the situation. Mobilization includes, among other things, procurement/mobilization of materials and supplies.

Shimmick included the supplies raw material cost needs of the passive flood barrier as an element of Mobilization. Valley Water's payment of the Mobilization Item will be utilized for the Project. Valley Water's response to Question 25 provided in Addendum #6 to the Contract Documents specifically addressed the Schedule of Values and Mobilization bid item. The question was whether there was a "cap" as to the amount a Bidder could place in the Mobilization bid item. Valley Water responded, "there is no maximum percentage cap". Evidently at least 1 other bidder (Granite Construction) included a significant amount for Mobilization, perhaps as part the key supplier's mobilization.

There is no basis for Protesters position that there was a "front loading claim". Shimmick's mobilization item is directly tied to Project work, it is in no way a "vehicle", or whatever other nefarious motive that Protesters may be trying to ascribe to it.

Bid Error

Protester's third protest ground incorrectly assumes that Shimmick designated both C&N Reinforcing, Inc. ("C&N") and Oliveira Fence, Inc. ("Oliveira") to perform rebar work. The bid documents, read as a whole, establish otherwise. Shimmick designated C&N for rebar work and Oliveira for fencing work.

⁵ As an aside, virtually every authority relied upon by Protester is either a GAO bid protest or federal procurement case. The two California cases cited by Protester npc (*Baldwin Lima* and the 1896 case of *Ertel* are "hallucinations" and have absolutely nothing to do with unbalanced bids)



The Instructions to Bidders define the “Bid” as the completed Proposal and all associated Bid Forms. Shimmick’s bid must therefore be evaluated in its entirety, rather than by isolating a single inconsistent description from the remainder of the submission.

Shimmick’s signed Bid Form No. 4 expressly identifies:

- C&N for “Rebar” in the amount of \$3,933,391; and
- Oliveira for “Fencing” in the amount of \$1,289,452.

Bid Form No. 4 also identifies the applicable fencing bid items assigned to Oliveira. The subcontractor names and dollar amounts correspond exactly to the information entered elsewhere in Shimmick’s bid. The sole inconsistency is that “Rebar” was inadvertently repeated in the electronic description associated with Oliveira.

That isolated clerical entry does not create a genuine ambiguity concerning the intended allocation of work. C&N Reinforcing was identified for the rebar scope, while Oliveira Fence was identified for the fencing scope. The signed bid materials make that distinction clear.

Valley Water too recognized the apparent clerical error even before Shimmick received Protester’s protest and sought confirmation. When Valley Water requested confirmation, Shimmick explained that Oliveira’s scope was fencing and that the rebar description had been entered in error. Valley Water responded: “We thought so but needed to see it in writing.” That contemporaneous exchange confirms that Shimmick was not attempting to revise or reallocate work after bid opening but was confirming the scope already disclosed in Bid Form No. 4.

Shimmick Did Not List Two Subcontractors for the Same Portion of Work

Public Contract Code section 4104(b) requires the prime contractor to identify the portion of work to be performed by each listed subcontractor and to list only one subcontractor for each defined portion of work. Shimmick complied with that requirement.

The complete bid identifies C&N as the rebar subcontractor and Oliveira as the fencing subcontractor. Shimmick is not selecting between the two firms for the rebar scope, changing either subcontract amount, reallocating work after bid opening, or substituting one firm for another.

Accordingly, the clerical description error created no opportunity for bid shopping, bid peddling, or post-bid manipulation. The subcontractor identities, amounts, and intended scopes were disclosed in the bid itself.



Protester's reliance on *R.J. Land & Associates Construction Co. v. Kiewit-Shea* is misplaced. That case involved subcontractors designated for the same portion of work. Here, the bid materials identify separate scopes for C&N and Oliveira. Protester's argument depends on disregarding the signed Bid Form that expressly states those scopes.

Oliveira Is Properly Licensed for the Work Assigned to It

Protester's licensing argument relies on the same mistaken assumption that Oliveira was designated to perform rebar work. It was not.

Oliveira was identified for fencing work and holds a C-13 Fencing Contractor license appropriate for that scope. C&N—not Oliveira—was identified for the rebar work. Oliveira's lack of an A or C-50 classification is therefore immaterial because Shimmick has not assigned Oliveira any reinforcing-steel work.

Protester's suggestion that Shimmick may now replace Oliveira with an unidentified rebar subcontractor is similarly unfounded. Oliveira was never intended to perform the rebar scope, and Shimmick is not seeking to replace or substitute either listed subcontractor.

The Isolated Description Error Is, at Most, a Minor Waivable Irregularity

Section 21(A) of the Instructions to Bidders expressly reserves to Valley Water the right to waive minor defects or irregularities in submitted Bid Forms.

The erroneous descriptor did not affect Shimmick's total bid price, the identity of either subcontractor, either subcontract amount, the actual allocation of work, or the comparison of competing bids. It also did not provide Shimmick with any competitive advantage.

Shimmick is not seeking to change its bid, withdraw its bid, revise any price, replace a subcontractor, or alter the allocation of work. Shimmick is simply confirming what its signed Bid Form already establishes: C&N was designated for rebar and Oliveira was designated for fencing.

Protester's protest elevates an isolated clerical inconsistency over the substance of Shimmick's complete bid. Because the bid itself clearly identifies the intended subcontractors and their respective scopes, the error does not render Shimmick's bid materially nonresponsive. At most, it is a minor irregularity that Valley Water is expressly authorized to waive.

Protester's third protest ground should therefore be denied.



California's competitive bidding laws were enacted for the benefit of property owners and taxpayers, not to enrich disappointed bidders and they must be strictly construed to accomplish that purpose. Shimmick is the lowest Responsible and Responsive Bidder.

Protester's Bid Protest should be rejected by Valley Water. Shimmick looks forward to successfully delivering this important Project to the Santa Clara Valley Water District.

Should the District have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

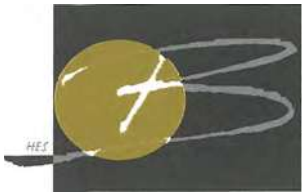
SHIMMICK CONSTRUCTION COMPANY, INC.

By: _____

Trace Porter

Vice President, Northwest Division

cc. John Carpenter esq



Gordon N. Ball, Inc.

General Engineering Contractors

Tel 925.838.5675

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1777 Oakland Blvd, Ste 300

Walnut Creek, CA 94596

June 29th, 2026 – Sent Via Hand Delivery and Email

byerrapotu@valleywater.org

Bhavani Yerrapotu, P.E.

Deputy Operating Officer

Watersheds Design and Construction Division

Santa Clara Valley Water District

5750 Almaden Expressway

San Jose, CA 95118-3686

Re: Coyote Creek Flood Protection Project Phase 2
Valley Water Project No. 26174043; Contract No. C0724
Bid Date: June 24, 2026
Protest of Bid Submitted by Shimmick Construction Co., Inc.

Dear Ms. Yerrapotu:

This letter is a protest by Gordon N. Ball, Inc. (“GNB”) of the bid submitted by Shimmick Construction Co., Inc. (“Shimmick”). For the reasons stated below, Shimmick’s bid must be rejected because Shimmick is not a responsible bidder, and Shimmick’s bid is materially nonresponsive.

Protesting Party Information

Hal Stober
President
Gordon N. Ball, Inc.
1777 Oakland Blvd., Suite 300
300
Walnut Creek, CA 94596
Telephone: (925) 838-5675
Email: hstober@ballconco.com
dmitchell@ballconco.com

David Mitchell
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Telephone: (925) 838-5675
Email:

Applicable Protest Provisions

Section 20 of the Instructions to Bidders provides:

- A. Any Bid protest relating to the form or content of the Bid Documents must be submitted in writing to the Engineer as identified in the Special Provisions, Engineer, Article 14.01. The protest must be received before 5 p.m. three (3) business days in advance of the Bid opening. Any Bidder who fails to submit a protest before the Bid opening deadline will be deemed to have waived any protest to the form or content of the Bid Documents.
- B. Any Bid protest unrelated to Paragraph A. must be submitted in writing to the Engineer identified in the Special Provisions, Engineer, Article 14.01. The protest must be received before 5 p.m. on the third business day following the Bid opening. If during the Bid evaluation, a Bidder whose Bids are considered to be non-responsive or non-responsible, the particular Bidder will be provided another Bid protest period from the date the letter of non-compliance was issued.
- C. The protest document must contain a complete statement of the basis for the protest. The protest must refer to the specific portion(s) of the Bid Documents that form the basis for the protest. The protest must include the name, address, and telephone number of the person representing the protesting party.
- D. The Engineer's final decision on a protest will be issued in writing no later than ten (10) calendar days following receipt of the protest.

Grounds for Protest

1. Shimmick Is Not A Responsible Bidder

Public Contract Code Section 21161 provides, "all contracts shall be let to the lowest responsible bidder or bidders. Consistent with Section 21161, Section 21(a) of the Instructions to Bidders states, "the Contract, if awarded, will be to a responsible Bidder, submitting the lowest responsive Bid." A bidder is responsible only if it has demonstrated the "fitness, capacity, and experience to satisfactorily perform" a public works contract in accordance with its plans and specifications. Pub. Contract Code § 1103; *City of Inglewood-LA County Civic Center v. Superior Court*, 7 Cal. 3d 861, 867 (1972). A contract awarded in violation of this requirement is illegal and void. Administrative Code § 6.7; *Valley Crest Landscape, Inc. v. Davis*, 41 Cal. App. 4th 1432 (1996); *Miller v. McKinnon*, 20 Cal. 2d 83 (1942).

Shimmick was recently terminated for default on a large project for the Army Corps of Engineers, the Chickamaugau Lock Chamber contract. As reported by the Army on its official website on May 8, 2026, the Army terminated its contract with Shimmick for default to hold "the contractor accountable for failure to prosecute the work with diligence, maintain project schedule, progress critical work, correct quality deficiencies, and manage project controls ... the contractor's inability to meet contractual obligations resulted in the government's loss of confidence in their ability to perform the work required by the contract."¹ The original contract, awarded on

¹ https://www.army.mil/article/292316/usace_terminates_chickamauga_lock_chamber_contract

September 28, 2017, had a value of \$309 million.²

A default termination of such a large contract constitutes an existential crisis for any contractor, and even more so for a company that is already facing near certain financial collapse.

Shimmick is not a responsible bidder because it is on the verge of bankruptcy and lacks the financial resources to complete the Project. That risk is amplified by Shimmick having frontloaded its bid to force District to make an interest-free loan of more than \$14 million.

Shimmick has a **negative \$56.6 million** in shareholder's equity, meaning its liabilities exceed its assets.³ By definition, Shimmick is insolvent.

Shimmick has suffered losses of more than \$155 million in the past two and half years. In 2024, Shimmick suffered a \$125 million loss and a \$26 million loss for 2025.⁴ In the first quarter of 2026, Shimmick suffered a loss of approximately \$4.5 million and is on track to losing at least \$18 million this year if current losses continue at the same rate.⁵

Shimmick has burned through its cash and cash equivalents, and currently has only \$20 million in cash and equivalents, which is completely inadequate to support the more than \$400 million in work a year it performs.⁶ The decline in cash and equivalents is long-term, structural issue. In 2025 and 2024, Shimmick's available cash and equivalents declined by \$28.1 million and \$13.9 million, respectively.⁷ In the first quarter of 2026 alone, liquidity declined by another \$5.2 million.⁸

Shimmick has attempted to delay its financial collapse by obtaining additional financing and drawing on credit facilities, increasing its total debt to approximately \$57.5 million by late 2025. These borrowings were accompanied by restrictive covenants, including liquidity minimums and leverage requirements, further limiting the company's operational flexibility.

One of those loans, from an affiliate of Ansley Park Capital, carries an astounding 12.5% interest rate, double the prime rate, demonstrating that even non-bank vulture lenders are not

² <https://www.lrd.usace.army.mil/Missions/Projects/Article/3812399/chickamauga-lock-replacement-project/>.

³ Shimmick Form 10 K Consolidated Statements of Stockholders' (Deficit) Equity, p. 64, filed Mar 13, 2026 (<https://investors.shimmick.com/static-files/b23c35e0-f86d-4da3-9361-9aaed072cdf8>)

⁴ Shimmick Form 10 K Consolidated Statement of Operations, p. 63, filed Mar 13, 2026 (<https://investors.shimmick.com/static-files/b23c35e0-f86d-4da3-9361-9aaed072cdf8>)

⁵ Shimmick Form 10 Q Condensed Consolidated Statements of Operations, p. 6, filed May 15, 2026 (https://investors.shimmick.com/node/8641/html#item_1_financial_statements_unaudited)

⁶ Shimmick Form 10 Q Condensed Consolidated Statements of Cash Flows, p. 8, filed May 15, 2026 (https://investors.shimmick.com/node/8641/html#item_1_financial_statements_unaudited)

⁷ Shimmick Form 10K Consolidated Statements of Cash Flows, p. 65, filed Mar 13, 2026 (<https://investors.shimmick.com/static-files/b23c35e0-f86d-4da3-9361-9aaed072cdf8>)

⁸ Shimmick Form 10 Q Condensed Consolidated Statements of Cash Flows, p. 8, filed May 15, 2026 (https://investors.shimmick.com/node/8641/html#item_1_financial_statements_unaudited)

willing to provide funds to Shimmick without receiving an oversize return.⁹

Shimmick is running out of time and money. In an effort to raise additional funds through a public offering, it engaged in a campaign to increase its backlog to create an illusion that it had solved the intractable structural problems that renders its business unviable. Shimmick in the first quarter of 2026 bid and obtained work at far below market prices.

For example, on the Vista Grande Drainage Improvements project, Shimmick submitted a bid of \$179,850,000, which is \$54,451,364.42 less than the next lowest bid of \$234,301,364.42. Similarly, on the Napa Flood Protection Project, Shimmick bid \$32,812,575, which is 13.8% below the next lowest bidder at \$38,063,017, and which is \$10.83 million, or 24.8%, below the \$43,641,565 average of all other bidders.¹⁰

With continuing losses, negative equity, and persistent operating cash burn, Shimmick cannot recoup its depleted cash and cash equivalents through operations. In an effort to raise additional funds, Shimmick turned to the public markets, conducting a May 2026 public offering that generated only approximately \$14 million in net proceeds.¹¹ That amount is minimal relative to Shimmick's ongoing losses and liquidity needs and will largely be consumed by working capital demands and existing obligations, including payments on the sizeable loans it has taken on unfavorable terms.

Taking work at a loss or for unfavorable margins cannot solve Shimmick's fundamental business problems. Indeed, although Shimmick reported increase in its backlog, there is no evidence that this backlog is profitable, and Shimmick's extended history of executing projects at a loss suggests the opposite.

Given the near certainty of Shimmick's financial collapse before the Project can be completed, Shimmick is not a responsible bidder. The District and its ratepayers should not be forced to be unwilling partners in Shimmick's financial engineering and games-playing.

Shimmick's bid therefore must be rejected because Shimmick is not a responsible bidder.

2. Shimmick's Bid Is Materially Unbalanced And Nonresponsive Because Shimmick Frontloaded The Mobilization Bid Item By More Than \$14 Million

"A bid is nonresponsive when it is mathematically and materially unbalanced; such a bid must be rejected." *McKnight Constr. Co. v. Department of Defense*, 85 F.3d 565 (11th Cir. 1996). "A bid is mathematically unbalanced if the bid is structured on the basis of nominal prices for some work and inflated prices for other work; that is, each element of the bid must carry its

⁹ Shimmick Form 10 K, p. 53, filed Mar. 13, 2026 (<https://investors.shimmick.com/static-files/b23c35e0-f86d-4da3-9361-9aaed072cdf8>)

¹⁰ See screenshots of bid results, attached.

¹¹ <https://investors.shimmick.com/news-releases/news-release-details/shimmick-corporation-announces-closing-underwritten-public>

proportionate share of the total cost of the work plus profits.” *Howell Constr., Inc.*, 66 Comp. Gen. 413, B-225766 (Comp. Gen. Apr. 30, 1987).

A bid may be regarded unbalanced on its face when it is front-loaded and different from the pricing pattern evident in other bids. *See Matter of McConico Inv. Mgmt. Corp.*, B-251895, 93-1 CPD ¶ 346 (Comp. Gen. 1993). “A bid will be questioned if ... it is neither internally consistent nor comparable to the other bids received.” *Inventory Accounting Service*, B-245906, 92-1 Comp. Gen. Proc. Dec. ¶ 116, 1992 WL 18530 (Comp. Gen. Jan. 27, 1992).

Shimmick’s unbalanced bid threatens the basic integrity of the bidding process. First, it gives Shimmick an advance payment – an interest free loan of millions of dollars. Shimmick’s grossly inflated mobilization amount of \$24,440,000 is \$14,357,000 greater than the average of the mobilization amounts for all of the other bidders.

Frontloading effectively allows Shimmick to use more than \$14 million of the government’s money without providing anything in return. *See Inventory Accounting Service*, B-245906, 92-1 Comp. Gen. Proc. Dec. ¶ 116, 1992 WL 18530 (Comp. Gen. Jan. 27, 1992) (frontloaded bid; “we cannot ignore the fact that a bid such as Inventory Accounting’s enables it to use, during a base contract period, government funds”).

A frontloaded mobilization item is “tantamount to allowing an advance payment.” *Matter of ACC Constr. Co., Inc.*, B-250688, 93-1 CPD ¶ 142 (Comp. Gen. Feb. 16, 1993); *Barnard-Slurry Walls, J.V.*, B-274973, B-274973.2, 97-1 CPD ¶ 23 (Comp. Gen. Jan. 15, 1997).

[W]here during performance the bidder will receive payments based on inflated prices for bid items for which it will receive payment early in the performance of the contract, there is a legitimate concern that the bidder has received an improper competitive advantage. By accepting such a grossly unbalanced bid, the agency affords that bidder an advantage not enjoyed by its competitors for the award--the use of interest-free money.” *Barnard-Slurry Walls, J.V.*, B-274973, B-274973.2, 97-1 CPD ¶ 23 (Comp. Gen. Jan. 15, 1997).

Second, “by receiving early payments which exceed the value of work performed, the contractor will have a reduced incentive to properly complete the work.” *Matter of ACC Constr. Co., Inc.*, B-250688, 93-1 CPD ¶ 142 (Comp. Gen. Feb. 16, 1993); *Barnard-Slurry Walls, J.V.*, B-274973, B-274973.2, 97-1 CPD ¶ 23 (Comp. Gen. Jan. 15, 1997).

Third, significant front-loading such as the type that Shimmick has engaged in creates “reasonable doubt that the acceptance of [the contractor’s] bid would actually provide the lowest ultimate cost to the government.” *Tech. Servs. Int’l, Inc.*, B-278050, 97-2 CPD ¶ 152 (Comp. Gen. Nov. 25, 1997). Where “future requirements could change, such that the options no longer reflect the government’s actual requirements, or that termination for default may be necessary”, a front-loaded contract price may not provide the lowest ultimate cost to the government.” *Matter of Eastex Mar., Inc.*, B-256164, 94-1 CPD ¶ 340 (Comp. Gen. May 19, 1994).

Fourth, allowing Shimmick to game the system by frontloading its bid by over \$14 million

eliminates any common standard for evaluating bids. The other bidders, who bid realistic amounts for mobilization, are not receiving an interest-free advance of millions of dollars of taxpayer money. An unbalanced bid proposal therefore violates the requirement of competitive bidding that bid proposals must “provide a basis for full and competitive bidding upon a common standard.” *Baldwin Lima Hamilton Corp. v. Superior Court*, 208 Cal. App. 2d 803, 810 (1962); *Ertle v. Leary*, 114 Cal. 238 (1896).

In *Solon Automated Servs., Inc. v. United States*, 658 F. Supp. 28, 33 (D.D.C. 1987), the District Court ruled that “acceptance of the materially unbalanced, unresponsive bid tainted the entire procurement process.” The Court found that a “front-loaded bid was materially unbalanced such that the award to Commercial raises a reasonable doubt as to whether its contract cost will be the lowest ultimate cost to the government ... the agency should have rejected Commercial's materially unbalanced bid before evaluating the remaining offers.” See *Dement Constr. Co.; Universal Constr. Co.*, B-192794, 78-2 CPD ¶ 399 (Comp. Gen. 1978).

On its face, Shimmick's bid is materially unbalanced and must be rejected as nonresponsive. *McKnight Constr. Co. v. Department of Defense*, 85 F.3d 565 (11th Cir. 1996).

3. Shimmick's Bid Must Be Rejected Because Shimmick Made A Material Error In The Bid It Submitted

a. Public Contract Code Section 4104(b) Requires Bidders To List The Portion Of The Work Each Subcontractor Will Perform And Prohibits Listing More Than One Subcontractor For The Same Portion Of The Work

Public Contract Code Section 4104(b) provides that for each subcontractor that will be performing more than ½ of 1% of the total bid price, a general contractor must identify in its subcontractor list:

(b) The portion of the work that will be done by each subcontractor under this act. The prime contractor shall list only one subcontractor for each portion as is defined by the prime contractor in his or her bid.

(Emphasis supplied).

The Court of Appeal has explained that the Subletting and Subcontracting Fair Practices Act:

is to prevent the practices of bid shopping and bid peddling in connection with public works projects. Bid shopping is the use of the lowest bid already received by the general or prime contractor to pressure other subcontractors into submitting even lower bids; bid shopping is prohibited by the statute after the award of the prime contract. To foster this purpose, the act requires any prime contractor bidding on public works to designate what portion of the work will be done by each subcontractor, and to “list only one subcontractor for each such portion as is

defined by the prime contractor in his bid.” (§ 4104, subd. (b).)

(Emphasis supplied).

In *R.J. Land & Associates Construction Co. v. Kiewit-Shea*, 69 Cal. App. 4th 416, 428 (1999), the Court explained why a general contractor cannot list two subcontractors for the same work:

a prime contractor could list two subcontractors for the same item of work and then invite them to bid against each other to get the work, and neither subcontractor could complain. This would frustrate the policy of the act and the *Southern Cal. Acoustics* enforcement mechanism.

Thus, both the Public Contract Code and precedent prohibit listing more than one company for the same portion of work.

b. Shimmick Violated Public Contract Code Section 4104(b) By Improperly Listing Two Subcontractors For The Same Portion Of Work

In violation of Public Contract Code Section 4104(b), Shimmick listed two companies for rebar work. *See R.J. Land & Associates Construction Co.*, 69 Cal. App. 4th at 428. The following is a screenshot of Shimmick’s subcontractor listing:

Subcontractors					
Showing 4 Subcontractors					
Name & Address	Desc	License Num	CADIR	Amount	Type
C&N Reinforcing Inc. 39 Treasure Island Road Suite 16C San Francisco, California 94130	Rebar	1052018	1000365489	\$3,933,391.00	DBE, MBE
Marina Landscape Inc. 3707 W Garden Grove Blvd Orange, California 92868	Landscape	492862	1000000079	\$5,626,500.00	CADIR
Oliveira Fence, Inc. 293 Brokaw Rd Santa Clara, California 95050	Rebar	404243	1000003214	\$1,289,452.00	WBE, Local

i. Listing Multiple Subcontractors For The Same Portion Of Work Constitutes A Bid Mistake That Renders Shimmick’s Bid Nonresponsive

Given that Shimmick listed two subcontractors for rebar work, it clearly did not intend to self-perform this portion of the work. From the face of its bid, it is evident that Shimmick made a mistake that renders its bid materially different than it intended.

Shimmick’s mistake provides Shimmick with an unearned competitive advantage because Shimmick can assert it made a mistake in listing one or more subcontractors and that it did not

intend to self-perform the rebar work for which it listed C&N Reinforcing and Oliveira Fence. From the face of Shimmick's bid, there is a mistake that would allow it to withdraw its bid. Pub. Contract Code §§ 5100 & 5103. Shimmick's bid therefore must be rejected as materially non-responsive. *Valley Crest Landscape, Inc. v. Davis*, 41 Cal. App. 4th 1432 (1996).

c. Shimmick's Bid Is Nonresponsive Because Shimmick Listed Oliveira Fencing, Which Lacks A Contractor's License To Perform The Work For Which It Was Listed

Shimmick's bid is nonresponsive because Shimmick violated Section 9 of the Notice to Bidders by listing a subcontractor, Oliveira Fence, Inc., which does not have a license to perform the work for which it was listed.

Section 9 of the Notice to Bidders provides in relevant part:

Regardless of whether a subcontractor must be identified at the time of Bid, each subcontractor must also be properly licensed to perform its scope of Work. However, listed subcontractors must be licensed at the time of Award.

(Emphasis added).

Oliveira Fence possesses only a C-13 Fencing specialty license. A C-13 license does not authorize fabrication and installation of rebar. Rebar work either requires a Class A general engineering license or a C-50 reinforcing steel specialty license. Bus. & Prof. Code §§ 7055 & 7056; 16 Cal. Code Regs. §§ 832.13 & 832.50.

Except when performing minor incidental work, a contractor "licensed in one classification shall be prohibited from contracting in the field of any other classification unless they are also licensed in that classification". Cal. Code Regs., tit. 16, § 830(b); *Ahdout v. Hekmatjah*, 213 Cal. App. 4th 21, 31 (2013). A licensee classified as a class C specialty contractor "shall not act in the capacity of a contractor in any classification other than one in which he/she is classified except on work incidental or supplemental to the performance of a contract in a classification in which any contractor is licensed by the Board." Cal. Code Regs., tit. 16, § 834.

Shimmick listed Oliveira Fence as performing \$1,289,452 in rebar work. It is impossible for rebar work of that magnitude to be "incidental" to fencing.

Shimmick's bid is therefore nonresponsive. "[A] responsive bid must conform to the public agency's specifications for the contract." *DeSilva Gates Construction, LP v. Department of Transportation*, 242 Cal. App. 4th 1409, 1417 (2015). "A basic rule of competitive bidding is that bids must conform to specifications, and that if a bid does not so conform, it may not be accepted." *National Identification Systems, Inc. v. State Bd. Of Ctrl.*, 11 Cal. App. 4th 1446, 1453 (1992).

Shimmick gained a competitive advantage by submitting a nonresponsive bid that listed a subcontractor who is not licensed for the work for which it was listed. After bids were opened, Shimmick can replace Oliveira Fence with any licensed rebar subcontractor it wishes. Pub. Contract Code §4107(a)(6).

Shimmick's violation of the District's Notice to Bidders therefore gave Shimmick the

ability to shop work among subcontractors, an advantage no other bidder enjoyed. This irregularity in Shimmick's bid therefore cannot be waived. *Valley Crest Landscape, Inc. v. Davis*, 41 Cal. App. 4th 1432 (1996); *Bay Cities Paving & Grading, Inc. v. City of San Leandro*, 223 Cal. App. 4th 1181 (2014).

4. The Deficiencies in Shimmick's Bid Cannot Be Cured

Shimmick cannot cure the deficiencies in its bid documents by modifying or supplementing its bid documents after the District has opened bids. *Valley Crest Landscape, Inc. v. Davis*, 41 Cal. App. 4th 1432 (1996); see *Greer v. Hitchcock*, 271 Cal. App. 2d 334 (1969).

Conclusion

For the reasons set forth above, GNB respectfully requests that its protest be sustained. If for any reason the District does not reject Shimmick's bid, we ask that the District inform us of its decision and provide an opportunity to present legal authorities and evidence at an appropriate hearing on this matter. Please feel free to call if you have any questions or would like to discuss this protest.

Sincerely,

GORDON N. BALL, INC.



David Mitchell

Vice President



MENU

SEARCH 

USACE terminates Chickamauga Lock Chamber Contract

By Leon Roberts May 8, 2026

NASHVILLE, Tenn. (May 8, 2026) – The U.S. Army Corps of Engineers (USACE) Nashville District terminated the lock chamber contract with Shimmick Construction Company, Inc. (SCCI), at the Chickamauga Lock Replacement Project on the Tennessee River in Chattanooga, Tennessee, effective today. This decisive action is necessary to get the project back on track and protect taxpayer dollars.

The decision to terminate results from USACE holding the contractor accountable for failure to prosecute the work with diligence, maintain project schedule, progress critical work, correct quality deficiencies, and manage project controls. The Nashville District actively collaborated with SCCI to improve efficiency of their execution and overall delivery of contractual obligations. Despite these efforts, the contractor's inability to meet contractual obligations resulted in the government's loss of confidence in their ability to perform the work required by the contract. As a steward of the American taxpayer dollar, USACE terminated SCCI's contract to mitigate cost impacts that do not result in a positive return on American strategic infrastructure investment. This good management decision directly aligns with the Army Civil Works "Building Infrastructure, Not Paperwork" (BINP) initiative, with a commitment to fiscal discipline and a focus on efficiency by terminating inefficient contracts to free up critical funds for investment in our nation's most important infrastructure priorities.

"We are very proud of our team and the Nashville District for their leadership and professional management of the delivery of one of the nation's critical infrastructure projects, the Chickamauga Lock Replacement Project. Protecting the taxpayer's investment requires having the right people overseeing our projects every single day," said Great Lakes and Ohio River Division Commander Col. Daniel Herlihy. "Our team recognized the root causes of this contractor's delays and took decisive action. By terminating this contract, our USACE professionals enforced the high standards of accountability and efficiency thenation expects."

USACE is exploring all contracting options to finish remaining lock chamber construction, maintain the overall project timeline, and to cross the goal line with an operational navigation lock in 2028.

The public can obtain news, updates and information from the U.S. Army Corps of Engineers Nashville District on the district's website at

<https://www.lrd.usace.army.mil/About/Districts/Nashville-District/>

[<https://www.lrd.usace.army.mil/About/Districts/Nashville-District/>], on Facebook at

www.facebook.com/nashvillecorps [http://www.facebook.com/nashvillecorps] and on

X (formerly Twitter) at www.x.com/nashvillecorps [http://www.x.com/nashvillecorps].

Follow us on LinkedIn for the latest Nashville District employment and contracting opportunities at <https://www.linkedin.com/company/u-s-army-corps-of-engineers-nashville-district> [https://www.linkedin.com/company/u-s-army-corps-of-engineers-nashville-district].





US Army Corps of Engineers Great Lakes and Ohio River Division Website

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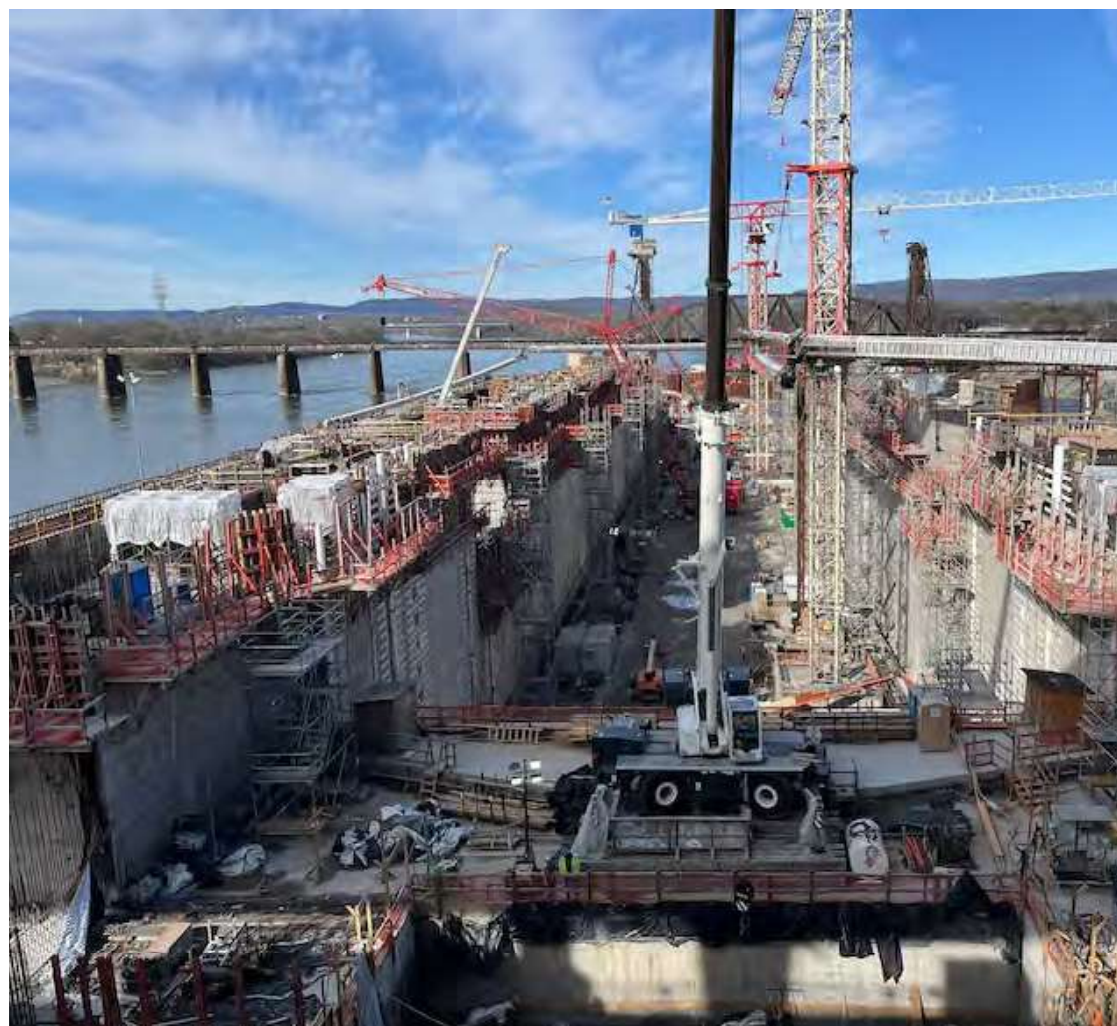


Chickamauga Lock Replacement Project

Construction

NASHVILLE DISTRICT

Published June 20, 2024



[Skip to main content \(Press Enter\).](#)



US Army Corps of Engineers Great Lakes and Ohio River Division Website

Tennessee River Mile 471 in Chattanooga, Tennessee

PROJECT DESCRIPTION AND BACKGROUND

The replacement lock project consists of a new 110-foot by 600-foot lock to be located riverward of the existing 60-foot by 360-foot lock and downstream of Chickamauga Dam. A new lock is required at Chickamauga Dam because of structural deficiencies of the existing lock resulting from physical expansion of the concrete structure. This phenomenon of concrete growth was observed soon after initial construction in 1940 and is caused by a reaction between the alkali in the cement and the aggregate. Even with significant maintenance efforts, this expansion threatens the structural integrity of the existing lock and limits its life.

Replacement lock construction began in 2004 with highway and utility relocations and continued through 2012 with the completion of the cofferdam structure and prefabricated components (miter gates, culvert valves, culvert bulkheads, and approach wall beams) that are currently being stored at other Tennessee Valley Authority (TVA) facilities until needed. After a temporary suspension of construction activities due to funding constraints with the Inland Waterways Trust Fund (IUTF), funding returned to the project in FY15. Like all locks on the Tennessee River, the existing and proposed locks are owned by the TVA but operated and maintained by the Corps of Engineers.

The new lock is vital to maintain 318 miles of navigable channels upstream of Chickamauga Lock and Dam to support stakeholders including the Department of Energy at Oak Ridge, Tennessee, TVA, and numerous other businesses. The current Chickamauga Lock can pass one "Jumbo" barge at a time and the new lock will allow nine barges to pass at once.

CURRENT STATUS

- Chickamauga Lock's current risk based total project cost estimate is \$954.4 million (FY23 price level); approximately \$569 million has been expended through December 2024. Estimated project completion is February 2031. The 2023 TPCE indicates an additional \$236.8 million is required for project completion and is under review with expected updates in March 2025.
- The \$309 million Lock Chamber contract was awarded Sep. 28, 2017; it is currently 78% complete based on payments and has a required contract completion date of Jan. 27, 2026. Miter Gates have been delivered to site and will be installed through 2025. The contract will result in a completed navigational lock located inside the cofferdam. Projected contractor completion is June 2026.
- The \$68M Upstream Approach Wall (USAW) contract was awarded Sept. 9, 2021 and has a projected contractor completion of November 2025. The Upstream Approach Walls allow vessels to safely navigate in to the new lock without being impacted by flows going over the Chickamauga Dam spillway and will feature a tow haulage system that will contribute to the greater efficiency of the new lock.
- The award of the Approach Wall and Decommissioning (AWD) contract is planned for August 2025 with an in-service date of February 2028.
- The project's total Benefit to Cost Ratio (BCR) at a 7% discount rate is 1.0 and its Remaining Benefit to Remaining Cost Ratio is 2.0. At the FY23 discount rate of 2.75%, these Ratios increase to 1.8 and 3.8, respectively. An updated TPCS is under development.

AUTHORIZATION

Consolidated Appropriations Act of 2003 (P.L. 108-7); reauthorized in America's Water Infrastructure Act of 2018 (P.L. 115-270)

Contact

Project Manager: Bob Winters
robert.l.winters@usace.army.mil

Chickamauga Chattanooga Tennessee Tennessee River construction
Chickamauga Lock Replacement Project navigation navigation lock

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 2, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD

FROM TO

Commission File Number 001-41867

Shimmick Corporation

(Exact name of registrant as specified in its Charter)

Delaware

(State or other jurisdiction of incorporation or organization)

530 Technology Drive

Suite 300

Irvine, CA

(Address of principal executive offices)

84-3749368

(I.R.S. Employer Identification No.)

92618

(Zip Code)

Registrant’s telephone number, including area code: (833) 723-2021

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	SHIM	Nasdaq

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the registrant’s common stock held by non-affiliates computed by reference to the price at which the common stock was last sold as of the last business day of the registrant’s most recently completed second quarter was approximately \$13.1 million.

The number of shares of registrant’s Common Stock, par value \$0.01 per share, outstanding as of March 11, 2026 was 36,091,730.

DOCUMENTS INCORPORATED BY REFERENCE

Certain sections of the registrant's definitive Proxy Statement relating to the registrant's 2026 annual meeting of stockholders, which definitive Proxy Statement will be filed within 120 days of the end of the registrant's fiscal year, are incorporated by reference into Part III of this Annual Report on Form 10-K.

Results of Operations

The following table sets forth selected financial data for the fiscal year ended January 2, 2026 compared to the fiscal year ended January 3, 2025:

	Fiscal Year Ended				% of Revenue	
	January 2, 2026	January 3, 2025			January 2, 2026	January 3, 2025
<i>(In thousands, except percentage data)</i>			\$ Change	% Change		
Revenue	\$ 492,844	\$ 480,236	\$ 12,608	3%	100%	100%
Cost of revenue	459,252	535,885	(76,633)	(14)	93	112
Gross margin	33,592	(55,649)	89,241	(160)	7	(12)
Selling, general and administrative expenses	54,576	63,966	(9,390)	(15)	11	13
ERP pre-implementation asset impairment and associated costs	—	15,708	(15,708)	(100)	—	3
Total operating expenses	54,576	79,674	(25,098)	(32)	11	17
Equity in earnings (loss) of unconsolidated joint ventures	1,508	(4,728)	6,236	(132)	—	(1)
Gain on sale of assets	75	20,725	(20,650)	(100)	—	4
Loss from operations	(19,401)	(119,326)	99,925	(84)	(4)	(25)
Interest expense	6,660	5,426	1,234	23	1	1
Other (income) expense, net	(636)	959	(1,595)	(166)	—	—
Net loss before income tax	(25,425)	(125,711)	100,286	(80)	(5)	(26)
Income tax benefit	—	963	(963)	(100)	—	—
Net loss	<u>\$ (25,425)</u>	<u>\$ (124,748)</u>	<u>\$ 99,323</u>	<u>(80)%</u>	<u>(5)%</u>	<u>(26)%</u>

- (1) Consists of transformation-related costs we have incurred including advisory costs in connection with settling outstanding claims in connection with exiting certain Non-Core Projects as part of the Company's growth strategy to address and capitalize on the nation's growing need for water and other critical infrastructure.
- (2) Reflects a strategic decision to enhance the Company's current ERP system rather than implementing a new platform which, due to prior capitalized costs and remaining contractual obligations, resulted in a one-time charge of \$16 million in the third quarter of fiscal 2024.
- (3) Consists of legal fees and other costs incurred in connection with claims relating to Non-Core Projects.
- (4) Consists of transaction-related costs and changes in fair value of contingent consideration remaining after the impact of transactions with our prior owner.

Liquidity and Capital Resources

Capital Requirements and Sources of Liquidity

During the fiscal year ended January 2, 2026, our capital expenditures were approximately \$6 million compared to \$10 million for the fiscal year ended January 3, 2025. Historically, we have had significant cash requirements in order to organically expand our business to undertake new projects. Our cash requirements include costs related to increased expenditures for equipment, facilities and information systems, purchase of materials and production of materials and cash to fund our organic expansion into new markets, including through joint ventures. Our working capital needs are driven by the seasonality and growth of our business, with our cash requirements greater in periods of growth. Additional cash requirements resulting from our growth include the costs of additional personnel, enhancing our information systems, our compliance with laws and rules applicable to being a public company and, in the future, our integration of any acquisitions. Unrestricted cash and cash equivalents at January 2, 2026 totaled \$20 million and availability under the Credit Agreement and ACF Credit Agreement totaled \$17 million and \$7 million, respectively, resulting in total liquidity of \$44 million.

We have historically relied upon cash available through operating activities, in addition to credit facilities and existing cash balances, to finance our working capital requirements and to support our growth.

However, we regularly monitor other potential capital sources, including equity and debt financing, in an effort to meet our planned expenditures and liquidity requirements. Our future success will be highly dependent on our ability to access outside sources of capital.

As is customary in our business, we are required to provide surety bonds to secure our performance under our contracts. Our ability to obtain surety bonds primarily depends upon our capitalization, working capital, past performance, management expertise and reputation and certain external factors, including the overall capacity of the surety market. Surety companies consider such factors in relationship to the amount of our backlog and their underwriting standards, which may change from time to time. We have pledged proceeds and other rights under our contracts to our bond surety company. Events that affect the insurance and bonding markets may result in bonding becoming more difficult to obtain in the future, or being available only at a significantly greater cost.

We believe that our operating, investing and financing cash flows are sufficient to fund our operations for at least the next twelve months and thereafter for the foreseeable future. However, future cash flows are subject to a number of variables, and significant additional expenditures will be required to conduct our operations. There can be no assurance that operations and other capital resources will provide cash in sufficient amounts to maintain planned or future levels of expenditures. In the event we make one or more acquisitions and the amount of capital required is greater than the amount we have available for acquisitions at that time, we could be required to reduce the expected level of expenditures and/or seek additional capital. If we seek additional capital, we may do so through joint ventures, asset sales, offerings of debt or equity securities or other means. We cannot guarantee that this additional capital will be available on acceptable terms or at all. If we are unable to obtain the funds we need, we may not be able to complete acquisitions that may be favorable to us or finance the expenditures necessary to conduct our operations.

Total debt outstanding is presented on the consolidated balance sheets as follows:

<i>(In thousands)</i>	January 2, 2026	January 3, 2025
Credit Agreement	\$ 46,424	\$ 11,503
ACF Credit Agreement	8,194	—
Ansley Loan Agreement	12,971	—
Unamortized debt issuance costs	(3,130)	(2,025)
Total debt, net	64,459	9,478
Less: Current portion of long-term debt, net	4,143	—
Long-term debt, less current portion, net	<u>\$ 60,316</u>	<u>\$ 9,478</u>

Credit Agreement

On May 20, 2024, the Company, as guarantor, and its wholly-owned subsidiaries as borrowers (“Borrowers”), Alter Domus (US) LLC, as agent, and AECOM and Berkshire Hathaway Specialty Insurance Company (“BHSI”) as lenders, entered into a revolving credit facility (the “Credit Agreement”), which was most recently amended on March 9, 2026 to, among other things, waive the specified noncompliance of the Material Project Documents covenant regarding entering into non-bonded contracts. As amended, the Credit Agreement provides borrowing capacity up to \$60 million. The obligations under the Credit Agreement bear interest at a per annum rate equal to One Month Term SOFR (as defined in the Credit Agreement), subject to a 1.00% floor, plus 3.50%. Interest on any outstanding amounts drawn under the Credit Agreement will be payable, in kind or in cash at our election, on the last day of each month and upon prepayment. Payment-in-kind interest accrued and capitalized shall not constitute loan outstanding amounts for the purposes of calculating loan availability.

The Credit Agreement matures on May 20, 2029 (the “Maturity Date”), and the Borrowers may borrow, repay and reborrow amounts under the Credit Agreement until the Maturity Date.

Obligations of the Borrowers under the Credit Agreement are guaranteed by the Company and secured by a lien on substantially all assets of the Company and the Borrowers.

The Credit Agreement contains customary affirmative and negative covenants for a transaction of this type, including covenants that limit liens, asset sales and investments, in each case subject to negotiated exceptions and baskets. In addition, the Credit Agreement contains a maximum leverage ratio covenant as tested quarterly commencing with the close of the second quarter of 2027. The Credit Agreement also contains representations and warranties and event of default provisions customary for a transaction of this type. The Company is not aware of any instances of noncompliance with non-financial or financial covenants as of January 2, 2026.

ACF Credit Agreement

On March 12, 2025, we entered into a credit agreement (“ACF Credit Agreement”) with ACF FINCO I LP, which provides a total commitment of \$15 million and bears interest at an annual rate of adjusted term SOFR (as defined in the ACF Credit Agreement), subject to a 2.0% floor, plus 4.50%. Further, the ACF Credit Agreement is subject to an annual unused line fee of 0.50%. The ACF Credit Agreement includes certain financial operating covenants, including a minimum liquidity requirement of \$5 million. The ACF Credit Agreement matures on the earlier of March 12, 2028 or 90 days prior to the maturity date of the Credit Agreement. As of January 2, 2026, we are not aware of any instances of noncompliance with non-financial or financial covenants.

Ansley Loan Agreement

On March 31, 2025, we entered into a loan and security agreement (the “Ansley Loan Agreement”) with Ansley Park Capital LLC which provides for a borrowing capacity of \$15.0 million as evidenced by two promissory notes (each, a “Promissory Note,” and together, the “Promissory Notes”).

Each Promissory Note has a maturity date of April 1, 2031, and accrues interest at a rate of 12.50% per annum. Pursuant to the terms of the Ansley Loan Agreement, we granted a security interest in (a) certain items of equipment

	Fiscal Year Ended	
	January 2, 2026	January 3, 2025
<i>(In thousands)</i>		
Net cash used in operating activities	\$ (65,114)	\$ (21,259)
Net cash provided by investing activities	1,124	15,041
Net cash provided by (used in) financing activities	50,054	(21,897)
Net decrease in cash, cash equivalents and restricted cash	(13,936)	(28,115)
Cash, cash equivalents and restricted cash, beginning of period	35,795	63,910
Cash, cash equivalents and restricted cash, end of period	<u>\$ 21,859</u>	<u>\$ 35,795</u>

Operating Activities

During the fiscal year ended January 2, 2026, net cash used in operating activities was \$65 million, compared to net cash used in operating activities of \$21 million for the fiscal year ended January 3, 2025. Cash flows used in operating activities were driven by a net loss, adjusted for various non-cash items and changes in accounts receivable, contract assets, contract liabilities, accounts payable and accrued expenses balances, accrued salaries and wages and other assets and liabilities as discussed below.

Operating assets and liabilities — The change in operating assets and liabilities varies due to fluctuations and timing in operating activities and operating assets and liabilities. The changes in the components of operating assets and liabilities during the fiscal years ended January 2, 2026 and January 3, 2025 were as follows:

	Fiscal Year Ended	
	January 2, 2026	January 3, 2025
<i>(In thousands)</i>		
Accounts receivable, net	\$ 12,809	\$ 11,190
Contract assets	(40,156)	104,139
Accounts payable	23,067	(35,114)
Contract liabilities	(48,764)	(13,260)
Accrued expenses	(4,384)	9,940
Other assets and liabilities	(8,892)	6,349
Changes in operating assets and liabilities, net	<u>\$ (66,320)</u>	<u>\$ 83,244</u>

During the fiscal year ended January 2, 2026, the decrease in operating assets and liabilities was \$66 million, which was primarily driven by decreases in contract liabilities and increases in contract assets, partially offset by increases in accounts payable. The Company's operating assets and liabilities fluctuations are impacted by the mix of projects in backlog, seasonality, the timing of new awards and related payments for work performed and the contract billings to the customer as projects are completed. Operating assets and liabilities are also impacted at period end by the timing of accounts receivable collections and accounts payable payments for projects.

Investing Activities

For the fiscal year ended January 2, 2026, net cash provided by investing activities was \$1 million, which was primarily driven by proceeds from the sale of assets of \$5 million and return of investment in unconsolidated joint ventures of \$3 million, partially offset by purchases of property, plant and equipment of \$7 million.

For the fiscal year ended January 3, 2025, net cash provided by investing activities was \$15 million, which was primarily driven by proceeds from the sale of assets of \$32 million, partially offset by purchases of property, plant and equipment of \$10 million and contributions to unconsolidated joint ventures of \$6 million.

Financing Activities

For the fiscal year ended January 2, 2026, net cash provided by financing activities was \$50 million, which primarily consisted of borrowings on credit and loan agreements of \$129 million, partially offset by repayments on credit and loan agreements of \$75 million, \$2 million of debt issuance costs incurred for the ACF Credit Agreement and

The Company recognizes revenue from signed contracts with customers, change orders (approved and unapproved) and claims on those contracts that we conclude to be enforceable under the terms of the signed contracts. Many of the Company's contracts have one clearly identifiable performance obligation. However, some contracts provide the customer an integrated service that includes two or more of services associated with construction, operations and management. The determination of the number of performance obligations in a contract requires significant judgment and could change the timing of the amount of revenue recorded for a given period.

Determination of the contract price is dependent upon a number of factors, including the accuracy of a variety of estimates made at the consolidated balance sheet date, such as estimated costs at completion. Additionally, the Company is required to make estimates for the amount of consideration to be received, including variable compensation such as bonuses, awards, incentive fees, claims, unapproved change orders, unpriced change orders, penalties, and liquidated damages. The Company's estimates of variable consideration and determination of whether to include such amounts in the contract price are based largely on the Company's assessment of legal enforceability, anticipated performance, and any other information (historical and forecasted) that is reasonably available to the Company. Management continuously monitors factors that may affect the quality of its estimates and makes adjustments accordingly.

The Company has numerous contracts that are in various stages of completion which require estimates to determine the forecasted costs at completion. Due to the nature of the work left to be performed on many of the Company's contracts, the estimation of total cost at completion ("EAC") for fixed-price contracts is complex, subject to many variables and requires significant judgment. Estimates of total cost at completion are made each period and changes in these estimates are accounted for prospectively as cumulative adjustments to revenue recognized in the current period. If estimates of costs to complete fixed-price contracts indicate a loss, a provision is made through a contract write-down for the total loss anticipated in the cost of revenue.

Change Orders

Contracts are often modified to account for changes in contract specifications and requirements. Most of the Company's contract modifications are for goods or services that are not distinct from existing contracts due to the significant integration provided in the context of the contract and are accounted for as if they were part of the original contract. The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates are recognized as an adjustment to revenue (either as an increase or decrease) on a cumulative catch-up basis during the period the modification occurs and throughout the remainder of the contract.

Claims Recognition

Sometimes the Company seeks claims for amounts in excess of the contract price for delays, errors in specifications and designs, contract terminations, change orders in dispute or other causes of additional costs incurred. Costs attributable to claims from customers are treated as costs of contract performance as incurred.

Income Taxes

The Company accounts for income taxes under the asset and liability method prescribed by the Accounting Standards Codification Topic 740 — Income Taxes ("ASC 740"). This method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements. Under this method, the Company determines deferred tax assets and liabilities on the basis of the differences between the consolidated financial statements and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse.

The Company recognizes deferred tax assets to the extent that its management believes these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, it will make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended April 3, 2026
OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission File Number: 001-41867

Shimmick Corporation
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
530 Technology Drive
Suite 300
Irvine, CA
(Address of principal executive offices)

84-3749368
(I.R.S. Employer
Identification No.)

92618
(Zip Code)

Registrant’s telephone number, including area code: (833) 723-2021

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	SHIM	NASDAQ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

- | | | | |
|-------------------------|-------------------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| Emerging growth company | ☒ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 12, 2026, the registrant had 36,696,660 shares of Common Stock, par value \$0.01 per share, outstanding.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

Shimmick Corporation
Condensed Consolidated Balance Sheets
(In thousands, except share data)
(unaudited)

	April 3, 2026	January 2, 2026
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 14,959	\$ 19,969
Restricted cash	1,650	1,890
Accounts receivable, net	23,940	30,179
Contract assets, current	106,164	110,276
Prepays and other current assets	12,774	13,067
TOTAL CURRENT ASSETS	159,487	175,381
Property, plant and equipment, net	9,035	10,571
Intangible assets, net	3,447	4,091
Lease right-of-use assets	17,070	16,466
Investment in unconsolidated joint ventures	12,852	11,866
Other assets	375	388
TOTAL ASSETS	\$ 202,266	\$ 218,763
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	\$ 65,274	\$ 69,542
Contract liabilities, current	35,744	53,760
Accrued expenses	39,673	34,172
Current portion of long-term debt, net	2,706	4,143
Other current liabilities	34,387	34,499
TOTAL CURRENT LIABILITIES	177,784	196,116
Long-term debt, less current portion, net	65,972	60,316
Lease liabilities, non-current	11,629	11,913
Contract liabilities, non-current	469	453
Contingent consideration	5,254	5,203
Other liabilities	1,643	1,402
TOTAL LIABILITIES	262,751	275,403
Commitments and Contingencies (Note 11)		
STOCKHOLDERS' DEFICIT		
Common stock, \$0.01 par value, 100,000,000 shares authorized as of April 3, 2026 and January 2, 2026; 36,096,072 and 36,035,559 shares issued and outstanding as of April 3, 2026 and January 2, 2026, respectively	361	360
Additional paid-in-capital	47,501	46,795
Retained deficit	(108,347)	(103,795)
Non-controlling interests	—	—
TOTAL STOCKHOLDERS' DEFICIT	(60,485)	(56,640)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 202,266	\$ 218,763

See accompanying notes to the unaudited condensed consolidated financial statements.

Shimmick Corporation
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(unaudited)

	Three Months Ended	
	April 3, 2026	April 4, 2025
Revenue	\$ 88,033	\$ 122,110
Cost of revenue	77,135	117,414
Gross margin	10,898	4,696
Selling, general and administrative expenses	14,253	14,368
Total operating expenses	14,253	14,368
Equity in earnings of unconsolidated joint ventures	1,061	726
(Loss) gain on sale of assets, net	(22)	66
Loss from operations	(2,316)	(8,880)
Interest expense	2,176	1,000
Other income, net	(66)	(110)
Net loss before income tax	(4,426)	(9,770)
Income tax expense	—	—
Net loss	(4,426)	(9,770)
Net income attributable to non-controlling interests	126	—
Net loss attributable to Shimmick Corporation	\$ (4,552)	\$ (9,770)
Net loss attributable to Shimmick Corporation per common share		
Basic	\$ (0.13)	\$ (0.28)
Diluted	\$ (0.13)	\$ (0.28)

See accompanying notes to the unaudited condensed consolidated financial statements.

Shimmick Corporation
Condensed Consolidated Statements of Stockholders' Deficit
(In thousands, except share data)
(unaudited)

	Common Stock		Additional Paid-in- Capital	Retained Deficit	Non- Controlling Interests	Total Stockholders' Deficit
	Shares	Amount				
Balance as of January 2, 2026	36,035,559	\$ 360	\$ 46,795	\$ (103,795)	\$ —	\$ (56,640)
Net (loss) income	—	—	—	(4,552)	126	(4,426)
Issuance of common stock related to stock-based awards	60,513	1	1	—	—	2
Stock-based compensation	—	—	705	—	—	705
Distributions to non-controlling interests	—	—	—	—	(126)	(126)
Balance as of April 3, 2026	<u>36,096,072</u>	<u>\$ 361</u>	<u>\$ 47,501</u>	<u>\$ (108,347)</u>	<u>\$ —</u>	<u>\$ (60,485)</u>

	Common Stock		Additional Paid-in- Capital	Retained Deficit	Non- Controlling Interests	Total Stockholders' Deficit
	Shares	Amount				
Balance as of January 3, 2025	34,271,214	\$ 343	\$ 43,353	\$ (78,211)	\$ (159)	\$ (34,674)
Net loss	—	—	—	(9,770)	—	(9,770)
Issuance of common stock related to stock-based awards	60,300	1	12	—	—	13
Stock-based compensation	—	—	1,790	—	—	1,790
Balance as of April 4, 2025	<u>34,331,514</u>	<u>\$ 344</u>	<u>\$ 45,155</u>	<u>\$ (87,981)</u>	<u>\$ (159)</u>	<u>\$ (42,641)</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

Shimmick Corporation
Condensed Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	Three Months Ended	
	April 3, 2026	April 4, 2025
Cash Flows From Operating Activities		
Net loss	\$ (4,426)	\$ (9,770)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	705	1,790
Depreciation and amortization	2,856	3,460
Equity in earnings of unconsolidated joint ventures	(1,061)	(726)
Return on investment in unconsolidated joint ventures	90	1,137
Loss (gain) on sale of assets	22	(66)
Other, net	1,170	(236)
Changes in operating assets and liabilities:		
Accounts receivable, net	6,239	(3,005)
Contract assets	4,112	(15,863)
Accounts payable	(4,268)	5,806
Contract liabilities	(18,016)	(17,767)
Accrued expenses	5,501	(6,869)
Other assets and liabilities	(457)	3,925
Net cash used in operating activities	<u>(7,533)</u>	<u>(38,184)</u>
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	(599)	(545)
Proceeds from sale of assets	—	107
Net cash used in investing activities	<u>(599)</u>	<u>(438)</u>
Cash Flows From Financing Activities		
Borrowings on credit and loan agreements	10,264	22,745
Repayments on credit and loan agreements	(7,163)	—
Distributions to non-controlling interests	(126)	—
Other, net	(93)	(838)
Net cash provided by financing activities	<u>2,882</u>	<u>21,907</u>
Net decrease in cash, cash equivalents and restricted cash	(5,250)	(16,715)
Cash, cash equivalents and restricted cash, beginning of period	21,859	35,795
Cash, cash equivalents and restricted cash, end of period	<u>\$ 16,609</u>	<u>\$ 19,080</u>
Reconciliation of cash, cash equivalents and restricted cash to the Condensed Consolidated Balance Sheets		
Cash and cash equivalents	\$ 14,959	\$ 16,302
Restricted cash	<u>1,650</u>	<u>2,778</u>
Total cash, cash equivalents and restricted cash	<u>\$ 16,609</u>	<u>\$ 19,080</u>

See accompanying notes to the unaudited condensed consolidated financial statements.

Three Months Ended April 3, 2026 compared to the Three Months Ended April 4, 2025

The following table sets forth selected financial data for the three months ended April 3, 2026 compared to the three months ended April 4, 2025:

(In thousands, except percentage data)	Three Months Ended		\$ Change	% Change	% of Revenue	
	April 3, 2026	April 4, 2025			April 3, 2026	April 4, 2025
Revenue	\$ 88,033	\$ 122,110	\$ (34,077)	(28)%	100%	100%
Cost of revenue	77,135	117,414	(40,279)	(34)	88	96
Gross margin	10,898	4,696	6,202	132	12	4
Selling, general and administrative expenses	14,253	14,368	(115)	(1)	16	12
Total operating expenses	14,253	14,368	(115)	(1)	16	12
Equity in earnings of unconsolidated joint ventures	1,061	726	335	46	1	1
(Loss) gain on sale of assets, net	(22)	66	(88)	(133)	—	—
Loss from operations	(2,316)	(8,880)	6,564	(74)	(4)	(7)
Interest expense	2,176	1,000	1,176	118	2	1
Other income, net	(66)	(110)	44	(40)	—	—
Net loss before income tax	(4,426)	(9,770)	5,344	(55)	(6)	(8)
Income tax expense	—	—	—	—	—	—
Net loss	\$ (4,426)	\$ (9,770)	\$ 5,344	(55)%	(6)%	(8)%

Revenue and gross margin

The following table sets forth selected revenue and gross margin data for the three months ended April 3, 2026 compared to the three months ended April 4, 2025:

(In thousands, except percentage data)	Three Months Ended		\$ Change	% Change
	April 3, 2026	April 4, 2025		
Shimmick Projects				
Revenue	\$ 87,793	\$ 93,154	\$ (5,361)	(6)%
Gross Margin	\$ 9,955	\$ 5,267	\$ 4,688	89)%
Gross Margin (%)	11%	6%		
Non-Core Projects				
Revenue	\$ 240	\$ 28,956	\$ (28,716)	(99)%
Gross Margin	\$ 943	\$ (571)	\$ 1,514	(265)%
Gross Margin (%)	393%	(2)%		
Consolidated Total				
Revenue	\$ 88,033	\$ 122,110	\$ (34,077)	(28)%
Gross Margin	\$ 10,898	\$ 4,696	\$ 6,202	132%
Gross Margin (%)	12%	4%		

Shimmick Projects

Projects started after the AECOM Sale Transaction ("Shimmick Projects") have focused on critical infrastructure aligned with our strategy, including water, climate resilience, energy transition and sustainable transportation. Revenue recognized on Shimmick Projects was \$88 million and \$93 million for the three months ended April 3, 2026 and April 4, 2025, respectively. The \$5 million decrease in revenue was primarily the result of \$21 million of decreases in revenue from lower activity on existing projects and projects winding down as well as \$13 million of revenue from a fire clean-up project which was included in revenue for the three months ended April 4, 2025 but was completed during the second quarter of fiscal year 2025 and did not reoccur for the three months ended April 3, 2026, partially offset by \$29 million of revenue from new higher margin projects ramping up.

Gross margin recognized on Shimmick Projects was \$10 million and \$5 million for the three months ended April 3, 2026 and April 4, 2025, respectively. The \$5 million increase in the gross margin was primarily the result of new higher margin projects ramping up.

Non-Core Projects

As part of the AECOM Sale Transaction, we acquired projects and backlog that were started under prior ownership (formerly referred to as "Legacy and Foundations Projects").

Non-Core Projects revenue was \$200 thousand and \$29 million for the three months ended April 3, 2026 and April 4, 2025, respectively. The \$29 million decrease was primarily the result of the notice of termination associated with the Chickamauga Lock Replacement Project as well as a \$10 million decrease from the Company working to wind down these Non-Core projects. See Note 12 - Subsequent Events for additional details.

See reconciliations below:

	Three Months Ended	
	April 3, 2026	April 4, 2025
<i>(In thousands)</i>		
Net loss attributable to Shimmick Corporation	\$ (4,552)	\$ (9,770)
Transformation costs ⁽¹⁾	41	715
Stock-based compensation	705	1,790
Legal fees and other costs for Non-Core Projects ⁽²⁾	1,364	(340)
Other ⁽³⁾	51	191
Adjusted net loss	\$ (2,391)	\$ (7,414)

	Three Months Ended	
	April 3, 2026	April 4, 2025
<i>(In thousands)</i>		
Net loss attributable to Shimmick Corporation	\$ (4,552)	\$ (9,770)
Interest expense	2,176	1,000
Income tax expense	—	—
Depreciation and amortization	2,856	3,460
Transformation costs ⁽¹⁾	41	715
Stock-based compensation	705	1,790
Legal fees and other costs for Non-Core Projects ⁽²⁾	1,364	(340)
Other ⁽³⁾	51	191
Adjusted EBITDA	\$ 2,641	\$ (2,954)

(1) Consists of transformation-related costs we have incurred including advisory costs in connection with settling outstanding claims in connection with exiting certain Non-Core Projects as part of the Company's growth strategy to address and capitalize on the nation's growing need for water and other critical infrastructure.

(2) Consists of legal fees and other costs incurred in connection with claims relating to Non-Core Projects.

(3) Consists of transaction-related costs and changes in fair value of contingent consideration remaining after the impact of transactions with our prior owner.

Liquidity and Capital Resources

Capital Requirements and Sources of Liquidity

Our capital expenditures were approximately \$1 million for each of the three months ended April 3, 2026 and April 4, 2025. Historically, we have had significant cash requirements in order to organically expand our business to undertake new projects. Our cash requirements include costs related to increased expenditures for equipment, facilities and information systems, purchase of materials and production of materials and cash to fund our organic expansion into new markets, including through joint ventures. Our working capital needs are driven by the seasonality and growth of our business, with our cash requirements greater in periods of growth. Additional cash requirements resulting from our growth include the costs of additional personnel, enhancing our information systems, our compliance with laws and rules applicable to being a public company and, in the future, our integration of any acquisitions. Unrestricted cash and cash equivalents at April 3, 2026 totaled \$15 million and availability under the Credit Agreement and ACF Credit Agreement totaled \$13 million and \$6 million, respectively, resulting in total liquidity of \$34 million.

We have historically relied upon cash available through operating activities, in addition to credit facilities and existing cash balances, to finance our working capital requirements and to support our growth.

However, we regularly monitor other potential capital sources, including equity and debt financing, in an effort to meet our planned expenditures and liquidity requirements. Our future success will be highly dependent on our ability to access outside sources of capital.

As is customary in our business, we are required to provide surety bonds to secure our performance under our contracts. Our ability to obtain surety bonds primarily depends upon our capitalization, working capital, past performance, management expertise and reputation and certain external factors, including the overall capacity of the surety market. Surety companies consider such factors in relationship to the amount of our backlog and their underwriting standards, which may change from time to time. We have pledged proceeds and other rights under our contracts to our bond surety company. Events that affect the insurance and bonding markets may result in bonding becoming more difficult to obtain in the future, or being available only at a significantly greater cost.

We believe that our operating, investing and financing cash flows are sufficient to fund our operations for at least the next twelve months and thereafter for the foreseeable future. However, future cash flows are subject to a number of variables, and significant additional expenditures will be required to conduct our operations. There can be no assurance that operations and other capital resources will provide cash in sufficient amounts to maintain planned or future levels of expenditures. In the event we make one or more acquisitions and the amount of capital required is greater than the amount we have available for acquisitions at that time, we could be required to reduce the expected level of expenditures and/or seek additional capital. If we seek additional capital, we may do so through joint ventures, asset sales and sale-leaseback transactions, offerings of debt or equity securities or other means. We cannot guarantee that this additional capital will be available on acceptable terms or at all. If we are unable to obtain the funds we need, we may not be able to complete acquisitions that may be favorable to us or finance the expenditures necessary to conduct our operations.

Total debt outstanding on the condensed consolidated balance sheets is comprised of the following:

<i>(In thousands)</i>	April 3, 2026	January 2, 2026
Credit Agreement	\$ 51,279	\$ 46,424
ACF Credit Agreement	9,458	8,194
Ansley Loan Agreement	10,808	12,971
Unamortized debt issuance costs	(2,867)	(3,130)
Total debt, net	68,678	64,459
Less: Current portion of long-term debt, net	2,706	4,143
Long-term debt, less current portion, net	\$ 65,972	\$ 60,316

Credit Agreement

On May 20, 2024, the Company, as guarantor, and its wholly-owned subsidiaries as borrowers (“Borrowers”), Alter Domus (US) LLC, as agent, and AECOM and Berkshire Hathaway Specialty Insurance Company (“BHSI”) as lenders, entered into a revolving credit facility (the “Credit Agreement”), which was most recently amended on May 8, 2026 to, among other things, waive the specified noncompliance of the Material Project Documents covenant regarding entering into non-bonded contracts. As amended, the Credit Agreement provides borrowing capacity up to \$60 million. The obligations under the Credit Agreement bear interest at a per annum rate equal to One Month Term SOFR (as defined in the Credit Agreement), subject to a 1.00% floor, plus 3.50%. Interest on any outstanding amounts drawn under the Credit Agreement will be payable, in kind or in cash at our election, on the last day of each month and upon prepayment. Payment-in-kind interest accrued and capitalized shall not constitute loan outstanding amounts for the purposes of calculating loan availability.

The Credit Agreement matures on May 20, 2029 (the “Maturity Date”), and the Borrowers may borrow, repay and reborrow amounts under the Credit Agreement until the Maturity Date.

Obligations of the Borrowers under the Credit Agreement are guaranteed by the Company and secured by a lien on substantially all assets of the Company and the Borrowers.

The Credit Agreement contains customary affirmative and negative covenants for a transaction of this type, including covenants that limit liens, asset sales and investments, in each case subject to negotiated exceptions and baskets. In addition, the Credit Agreement contains a maximum leverage ratio covenant as tested quarterly commencing with the close of the second quarter of 2027. The Credit Agreement also contains representations and warranties and event of default provisions customary for a transaction of this type. The Company is not aware of any instances of noncompliance with non-financial or financial covenants as of April 3, 2026.

ACF Credit Agreement

On March 12, 2025, we entered into a credit agreement (“ACF Credit Agreement”) with ACF FINCO I LP, which provides a total commitment of \$15 million and bears interest at an annual rate of adjusted term SOFR (as defined in the ACF Credit Agreement), subject to a 2.0% floor, plus 4.50%. Further, the ACF Credit Agreement is subject to an annual unused line fee of 0.50%. The ACF Credit Agreement includes certain financial operating covenants, including a minimum liquidity requirement of \$5 million. The ACF Credit Agreement matures on the earlier of March 12, 2028 or 90 days prior to the maturity date of the Credit Agreement. As of April 3, 2026, we are not aware of any instances of noncompliance with non-financial or financial covenants.

Ansley Loan Agreement

On March 31, 2025, we entered into a loan and security agreement (the “Ansley Loan Agreement”) with Ansley Park Capital LLC which provides for a borrowing capacity of \$15.0 million as evidenced by two promissory notes (each, a “Promissory Note,” and together, the “Promissory Notes”).

Each Promissory Note has a maturity date of April 1, 2031, and accrues interest at a rate of 12.50% per annum. Pursuant to the terms of the Ansley Loan Agreement, we granted a security interest in (a) certain items of equipment described therein, (b) all leases, rental contracts, chattel paper, accounts, security deposits and general intangibles relating thereto and (c) and any and all proceeds thereof as collateral for the payments under the Ansley Loan Agreement. The Ansley Loan Agreement contains customary affirmative and negative covenants for a transaction of this type. In connection with the Ansley Loan Agreement, we entered into a separate guaranty agreement (each, a “Guaranty Agreement,” and together, the “Guaranty Agreements”) in favor of the Ansley Park Capital LLC unconditionally guaranteeing our liabilities and the liabilities of one of our wholly-owned subsidiaries under the Ansley Loan Agreement. As of April 3, 2026, we are not aware of any instances of noncompliance with non-financial or financial covenants.

During the three months ended April 3, 2026, the Company paid \$1 million in cash interest, and accrued \$5 million in the aggregate in non-cash payment-in-kind interest as of April 3, 2026.

ATM Agreement

On September 8, 2025, the Company entered into an At The Market Offering Agreement (the “Sales Agreement”) with Roth Capital Partners, LLC (the “Sales Agent”). Under the Sales Agreement, the Sales Agent may, at the Company’s discretion, sell up to \$7.8 million of shares of the Company’s common stock, in “at the market offerings” as defined in Rule 415 under the Securities Act of 1933, as amended. The shares will be sold pursuant to the Company’s Registration Statement on Form S-3 (File No. 333-288513), declared effective by the SEC on July 10, 2025, and the related prospectus supplement (the “Prospectus Supplement”) dated September 8, 2025 filed with the SEC in connection with the offer and sale of the shares.

The Company is not obligated to make any sales of shares under the Sales Agreement, and no assurance can be given that the Company will sell any shares under the Sales Agreement, or, if the Company does, as to the price or amount of shares that the Company will sell, or the dates on which any such sales will take place. The Company or the Sales Agent, under certain circumstances and upon notice to the other, may suspend the offering of the shares under the Sales Agreement. The offering of the Shares pursuant to the Sales Agreement will terminate upon the sale of shares in an aggregate offering amount equal to \$7.8 million, or sooner if either the Company or the Sales Agent terminates the Sales Agreement. The Company will pay the Sales Agent a cash commission in an amount up to 3% of the gross proceeds from each sale of Shares sold pursuant to the Sales Agreement and will reimburse the Sales Agent for the documented fees and costs of its legal counsel reasonably incurred in connection with entering into the transactions contemplated by the Sales Agreement in an amount not to exceed \$50,000 in the aggregate.

The Company made certain customary representations, warranties and covenants in the Sales Agreement concerning the Company and its subsidiaries and the Registration Statement, Prospectus, Prospectus Supplement and other documents and filings relating to the offering of the shares. In addition, the Company has agreed to indemnify the Sales Agent against certain liabilities, including liabilities under the Securities Act. The shares to be sold under the Sales Agreement, if any, will be issued and sold pursuant to the Company’s Registration Statement, and its Prospectus Supplement related thereto.

Cash Flows Analysis

The following table sets forth our cash flows for the periods indicated:

	Three Months Ended	
	April 3, 2026	April 4, 2025
<i>(In thousands)</i>		
Net cash used in operating activities	\$ (7,533)	\$ (38,184)
Net cash used in investing activities	(599)	(438)
Net cash provided by financing activities	2,882	21,907
Net decrease in cash, cash equivalents and restricted cash	(5,250)	(16,715)
Cash, cash equivalents and restricted cash, beginning of period	21,859	35,795
Cash, cash equivalents and restricted cash, end of period	\$ 16,609	\$ 19,080

Operating Activities

During the three months ended April 3, 2026, net cash used in operating activities was \$8 million, compared to net cash used in operating activities of \$38 million for the three months ended April 4, 2025. Cash flows used in operating activities were driven by net loss, adjusted for various non-cash items and changes in contract liabilities, contract assets, accounts payable and accrued expenses balances, accounts receivable and other assets and liabilities as discussed below.

NEWS RELEASES

Shimmick Corporation Announces Closing of Underwritten Public Offering of Common Stock

May 26, 2026

 [PDF Version](#)

IRVINE, Calif., May 26, 2026 (GLOBE NEWSWIRE) -- Shimmick Corporation (NASDAQ: SHIM), a leading infrastructure solutions provider specializing in water, electrical, and other critical infrastructure construction services, today announced the successful closing of its previously announced underwritten public offering of 3,730,000 shares of its common stock at a public offering price of \$3.50 per share.

In connection with the offering, the underwriter fully exercised its 30-day option to purchase an additional 559,500 shares of common stock to cover overallotments.

As a result, Shimmick sold an aggregate of 4,289,500 shares in the offering and received net proceeds of approximately \$14.0 million, after deducting underwriting discounts and estimated offering expenses.

Roth Capital Partners acted as sole manager for the offering.

Shimmick intends to use the net proceeds from the offering for working capital and general corporate purposes.

The shares of common stock were offered by Shimmick pursuant to a "shelf" registration statement on Form S-3 (File No. 333-288513) previously filed with the Securities and Exchange Commission (the "SEC") and declared effective on July 10, 2025. The offering was made only by means of a prospectus supplement and accompanying prospectus filed with the SEC on May 22, 2026. Copies of the prospectus supplement and accompanying prospectus may be obtained from the SEC's website at www.sec.gov or from Roth Capital Partners, LLC, 888 San Clemente Drive, Suite 400, Newport Beach, CA 92660, telephone: (800) 678-9147.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Shimmick Corporation

Shimmick Corporation ("Shimmick", the "Company") (NASDAQ: SHIM) is an industry leader in delivering turnkey infrastructure solutions that strengthen critical markets across water, energy, climate resiliency, and sustainable transportation. With a track record that spans over a century, Shimmick, headquartered in California, unites deep engineering heritage with entrepreneurial spirit to tackle today's most complex infrastructure challenges. We integrate technical excellence with collaborative project delivery methods to provide innovative, technology-driven infrastructure solutions that accelerate economic growth and empower communities nationwide. For more information, visit www.shimmick.com.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of U.S. federal securities laws. These forward-looking statements are often characterized by the use of words such as "may," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar words. Forward-looking statements are only predictions based on our current expectations and our projections about future events, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances, including, but not limited to, unanticipated events, after the date on which such statement is made, unless otherwise required by law. Forward-looking statements contained in this release include, but are not limited to, statements about our public offering, including the proposed use of proceeds of the public offering. These statements involve risks and uncertainties, and actual results may differ materially from any future results expressed or implied by the forward-looking statements.

We wish to caution readers that, although we believe any forward-looking statements are based on reasonable assumptions, certain important factors may have affected and could in the future affect our actual financial results and could cause our actual financial results for subsequent periods to differ materially from those expressed in any

forward-looking statement made by or on our behalf, including, but not limited to, the following: our ability to accurately estimate risks, requirements or costs when we bid on or negotiate a contract; the impact of our fixed-price contracts; qualifying as an eligible bidder for contracts; the availability of qualified personnel, joint venture partners and subcontractors; inability to attract and retain qualified managers and skilled employees and the impact of loss of key management; higher costs to lease, acquire and maintain equipment necessary for our operations or a decline in the market value of owned equipment; subcontractors failing to satisfy their obligations to us or other parties or any inability to maintain subcontractor relationships; marketplace competition; our inability to obtain bonding; our limited operating history as an independent company following our separation from AECOM, our prior owner our relationship and transactions with our prior owner; our prior owner defaulting on its contractual obligations to us or under agreements in which we are beneficiary; our limited number of customers; any inability to successfully expand our business into new markets or geographies; dependence on subcontractors and suppliers of materials; any inability to secure sufficient aggregates; an inability to complete a merger or acquisition or to integrate an acquired company's business; adjustments in our contract backlog; accounting for our revenue and costs involves significant estimates, as does our use of the input method of revenue recognition based on costs incurred relative to total expected costs; material impairments; any failure to comply with covenants under any current indebtedness, and future indebtedness we may incur; the adequacy of sources of liquidity; the outcome of any legal or regulatory proceedings to which we are, or may become, a party, including our appeal of the USACE's notice of termination related to the Chickamauga Lock project; the effectiveness of our disclosure controls and procedures; cybersecurity attacks against, disruptions, failures or security breaches of, our information technology systems; seasonality of our business; commodity products price fluctuations, inflation (and actions taken by monetary authorities in response to inflation) and/or elevated interest rates; climate change; deterioration of the U.S. economy; changes in state and federal laws, regulations or policies under the current presidential administration, including changes in trade policies and regulations, including increases or changes in duties, current and potentially new tariffs or quotas and other similar measures, as well as the impact of retaliatory tariffs and other actions, changes to tax legislation, including the passage of the One Big Beautiful Bill Act, potential changes to the amounts provided for under the Infrastructure Investment and Jobs Act, changes to immigration laws, as well as other legislation and executive orders or decreases or delays in or uncertainties related to governmental spending, and geopolitical risks, including those related to the war between Russia and Ukraine and the conflict and potential regime change in Iran, as well as other hostilities in the Middle East, and related disruptions to global energy markets; and other risks detailed in our filings with the Securities and Exchange Commission, including the "Risk Factors" section in our Annual Report on Form 10-K for the fiscal year ended January 2, 2026 and those described from time to time in our future reports with the SEC.

Investor Relations: IR@shimmick.com 1-949-704-2350

Media Contact: Lee Ann Ballew
LeeAnn.Ballew@shimmick.com

VISTA GRANDE DRAINAGE BASIN IMPROVEMENTS PROJECT

[illegible]

GORDON N. BALL, INC.
Bid Results

2026 Bid Number	3	
Bid Date	1/20/2026	
Estimate Number	25G060	
Description	Napa Flood Protection Project	
Contract No	FC26-01	
Owner	County of Napa	
Estimator	HS/KJ	

Contractor	Bid	% Diff	% off Low
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1 Shimmick	\$32,812,575		
2 Goodfellows	\$38,063,017	16.00%	16.00%
3 Ghilotti Construction	\$41,515,116	9.1%	26.5%
4 GNB	\$43,573,155	5.0%	32.8%
5 Odin	\$44,099,564	1.2%	34.4%
6 A&B Construction	\$44,737,682	1.4%	36.3%
7 Stacy & Witbeck/Ghilotti Bros JV	\$49,860,860	11.5%	52.0%
8			
9			
10			
11			
12			

Engineers Estimate	\$34,671,000	
Average Bid	\$42,094,567	28.3%
% GNB difference of Average Bid		3.51%

GNB SUBCONTRACTOR LISTING

Listed Firm	Work Type
Evergreen	Tree Removal
Evergreen	Demolition (Partial)
Pacific Steel Group	Rebar
Pro Fence	Fence
Pro Fence	Metal Railing
R & R Maher	Minor Concrete

Rangeline

In-Line Stop

Certificate Of Completion

Envelope Id: E73138D2-2AC9-8B25-83B1-A4A165E60798
 Subject: Complete with Docusign: C0724 CCFPP Response to Protest 07.09.2026.pdf take 2
 Source Envelope:
 Document Pages: 44
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Status: Completed

 Envelope Originator:
 Lori Gregory
 5750 Almaden Expressway
 San Jose, CA 95123
 LGregory@valleywater.org
 IP Address: 64.190.101.22

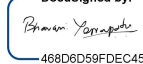
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 LGregory@valleywater.org
 Pool: StateLocal
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Signer Events

Bhavani Yerrapotu
 byerrapotu@valleywater.org
 DOO
 Valley Water
 Security Level: Email, Account Authentication
 (None)

Signature

DocuSigned by:

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 Signed: 7/9/2026 3:47:44 PM

Electronic Record and Signature Disclosure:
 Accepted: 6/6/2024 9:20:22 AM
 ID: 5f21817c-8159-4a24-8e87-8cbb394885d0

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Amandeep Saini
 asaini@valleywater.org
 Construction Manager
 Valley Water
 Security Level: Email, Account Authentication
 (None)

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Sent: 7/9/2026 3:44:45 PM
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Electronic Record and Signature Disclosure:
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 ID: 14ecbdd6-c951-4453-b031-181699e57665

Caitlin Kin-McAlpine
 cmcalpine@valleywater.org
 Associate Engineer
 Santa Clara Valley Water District
 Security Level: Email, Account Authentication
 (None)

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Electronic Record and Signature Disclosure:
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Carbon Copy Events	Status	Timestamp
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Madhu Thummaluru mthummaluru@valleywater.org Madhu Thummaluru (acting for Bhavani Yerrapotu) Valley Water Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 2/24/2024 6:50:06 AM ID: 4ff3fe28-9843-4626-830d-331617591edc	COPIED	Sent: 7/9/2026 3:44:46 PM Viewed: 7/9/2026 3:54:31 PM
Robert Yamane RYamane@valleywater.org Acting Unit Manager Valley Water Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 7/9/2026 3:44:47 PM
Sally Castro scastro@valleywater.org Deputy Operating Officer Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 7/9/2026 3:44:47 PM Viewed: 7/9/2026 3:45:24 PM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	7/9/2026 3:44:48 PM
Certified Delivered	Security Checked	7/9/2026 3:46:50 PM
Signing Complete	Security Checked	7/9/2026 3:47:44 PM
Completed	Security Checked	7/9/2026 3:47:44 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Santa Clara Valley Water District (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Santa Clara Valley Water District:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by phone call: (408) 630-2360

To contact us by email send messages to: RecordsStaff@valleywater.org

To contact us by paper mail, please send correspondence to:

Santa Clara Valley Water District

5750 Almaden Expressway

San Jose, CA 95123

To advise Santa Clara Valley Water District of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at RecordsStaff@valleywater.org and in the body of such request you must state: your previous email address, your new email address. Please contact the requesting department or our main Front Desk at (408) 630-2600 to be transferred to the appropriate department.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Santa Clara Valley Water District

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to mcook@valleywater.org and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Santa Clara Valley Water District

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to RecordsStaff@valleywater.org and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. Please contact the requesting department or our main Front Desk at (408) 630-2600 to be transferred to the appropriate department..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Santa Clara Valley Water District as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Santa Clara Valley Water District during the course of your relationship with Santa Clara Valley Water District.

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