

THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF STOCKTON EAST WATER DISTRICT WAS HELD AT THE DISTRICT OFFICE
6767 EAST MAIN STREET, STOCKTON, CA
ON TUESDAY, NOVEMBER 9, 2021 AT 12:30 P.M.

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Watkins called the regular meeting to order at 12:30 p.m. and Director Sanguinetti led the Pledge of Allegiance.

Present at roll call at the District were Directors Atkins, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Also present were Manager Moody, Assistant General Manager Hopkins, Finance Director Vega, District Engineer Evensen, Administrative Services Manager Carido, Legal Counsel Zolezzi and Consultant Barkett. Present at roll call via teleconference was Director Panizza. Director Cortopassi was absent.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Disinfection Alternatives Study Presentation – 90% Design

Chris Cleveland from Carollo Engineers gave a status update on the 90% design of the Sodium Hypochlorite Project. The update included a project overview; cost estimate; next steps and concluded with Question & Answers. An overview was given of the project site to include; the hypochlorite storage facility, hypochlorite feed building, truck delivery area, new connectivity to the existing Water Treatment Plant that will match existing chlorine feed points (no change there), tie-in to the basement and future changes to the back road by moving the gate that is currently located at the south of the facility. The new gate location will be a secure perimeter and also provide access to the back of the plant. Director McGurk inquired on the duct bank. Mr. Cleveland replied it is a group of conduits for electrical and control wiring and the duct bank will be buried. Director McGurk inquired on the existing AC waterline pipe. Mr. Cleveland replied this is an old asbestos cement pipe that was used years ago and will be replaced. District Engineer Evensen added this pipe will be abandoned in place and new pipe will bring water for fire flow to the facility and connect to the existing plant water system.

Mr. Cleveland then gave an overview of the Project modeled in 3-D. He went into detail on the Hypochlorite feed building CMU (concrete masonry unit) block structure that includes a flat concrete roof, conditioned space, rollup door, doorway & walkway to the storage facility. Director McGurk inquired on the beam structure of this building. Mr. Cleveland replied it is a metal beam roof structure with a steel decking, and concrete is poured on top of the decking. Existing code does not require a fire sprinkler system in the feed building, however a sprinkler system will be designed and installed in the covered storage building per code. Mr. Cleveland noted the storage building will be covered to reduce sodium hypochlorite degradation due to sunlight. Director Atkins inquired on the potential for the hypochlorite to burn. Mr. Cleveland replied that the chemical is a weak oxidant and is highly unlikely to burn as it is not combustible. Director McGurk inquired on the contained delivery truck parking area. Mr. Cleveland replied the Project is designed to contain the volume of the largest chemical tank and sprinkler flow if any leak or fire should occur. He stated that Sodium Hypochlorite is a base and staff will have to adjust to see what Ph balance works the best.

Mr. Cleveland gave a detailed overview of the bulk hypochlorite storage facility from a top view, describing spill containment that runs around the perimeter of facility and options to manually pump any spill to transfer the chemical. There was also a detailed description given of the feed building and demolition of the existing chlorine gas system.

Mr. Cleveland reported the Project cost estimate was ~\$4.75 million with a 30% contingency at the 30% design budget. Now, at a 90% design, the total estimated Project cost is around \$6.81 million. Since the last presentation given to the Board, there have been supply chain issues that are increasing the costs to the Project specifically in electrical instrumentation due to the increase of copper and a lot of the items coming from overseas. Director McGurk expressed this is only going to get worse and suggested purchasing the raw materials now to save on increased Project cost(s). District Engineer Evensen commented there have been discussions regarding pre-purchasing key equipment and getting a budgetary number from those vendors. Mr. Cleveland added that the contract documents include an agreed upon price in the Bid for the chemical pump and storage tanks so that contractors are held to that price with the goal to get the Project out to Bid as soon as possible after Board approval. Mr. Cleveland added that inflation costs in the last 8-10 months, depending on the type of project, averaged ~0.7% - 1.4% per month and expects to see escalating inflation for at least the first half of 2022. Manager Moody added that the most important reason for this project is public safety and it may not be wise to delay the project. Discussion followed regarding the existing gas chlorine equipment that will no longer be needed after the Project is online.

Mr. Cleveland noted the bid market allowance line item for the Project in the cost estimate. This typically accounts for a really hot bid market, however this pricing column was not included because of so many factors that are ongoing in this volatile market. The market right now is very unknown for consultants and contractors. Mr. Cleveland mentioned discussing this with the team and deciding to bid the project and see how it goes, then bring it to the Board for a decision once we have a Project bid cost. Next steps are finalizing comments from the 90% design Project staff workshop and producing a set of final bid documents in early January 2022 to put the Project out to bid. Mr. Cleveland reported a typical bid phase of 8 weeks and an anticipated construction of ~12 months for a job of this size.

Director McGaughey thanked Mr. Cleveland for his presentation.

2. Minutes 11/02/21 Regular Meeting

A motion was moved and seconded to approve the November 2, 2021 Regular Board Meeting Minutes, as presented.

Roll Call:

Ayes: Atkins, McGaughey, McGurk, Panizza, Sanguinetti, Watkins

Nays: None

Abstain: None

Absent: Cortopassi

3. Warrants

- a. Fund 70 – Administration Fund
- b. Fund 71 – Water Supply Fund
- c. Fund 89 – Fish Passage Improvements Fund
- d. Fund 91 – Vehicle Fund
- e. Fund 94 – Municipal & Industrial Fund

- f. Payroll
- g. Summary
- h. Short Names/Acronym List
- i. SEWD Vehicles & Heavy Equipment

A motion was moved and seconded to approve the November 9, 2021 Warrants, as presented.

Roll Call:

Ayes: Atkins, McGaughey, McGurk, Panizza, Sanguinetti, Watkins
 Nays: None
 Abstain: None
 Absent: Cortopassi

4. Cancellation of Regular Board Meeting 11/30/21

A motion was moved and seconded to approve Cancellation of the November 30, 2021 Regular Board Meeting.

Roll Call:

Ayes: Atkins, McGaughey, McGurk, Panizza, Sanguinetti, Watkins
 Nays: None
 Abstain: None
 Absent: Cortopassi

5. New Melones Shutdown Update Memo, 11/09/21

Assistant General Manager Hopkins gave a status update on all projects during the New Melones shut down. Staff is currently working on the Whittle’s Crossings however this project was delayed due to weather and the completion of the Gotelli Bridge project. Staff will be back out at this site on Friday and will begin working on the footings and wing-walls. Assistant General Manager Hopkins reported the box culverts purchased for the Cooks Low Water Crossing were ordered in June and to date, have not yet been produced therefore this project has been delayed. Staff is expecting to receive the box culverts before the end of 2021. Assistant General Manager Hopkins reported this project could be a project that gets pushed into next irrigation season. The Funck Road Traveling Water Screens in-canal work should be complete by mid-December and all project work complete before Christmas. Assistant General Manager Hopkins reported on the Tunnel Outlet Flume. The District recently went out to bid and received one (1) bid way outside of the project budget. This project will be rebid for construction in 2022 and, in the meantime, Staff will determine if there is a more effective solution for this project.

Manager Moody reported the Fish Screen at Bellota Weir has required some diving, repair and cleaning. Assistant General Manager Hopkins added it is now functioning.

This item was for information only.

6. Stockton East Water District – 2021 Reset of 2019 Installment Purchase Contract

Manager Moody provided the Board with information on the 2021 Reset of 2019 Installment Purchase Contract. Finance Director Vega reported the placement agent who facilitated the refunding of the District’s COP’s along with the current lender, Pacific Western Bank, approached the District to inquire if the District was interested in resetting the rates of the 2019 Installment Purchase Agreement. Finance Director Vega reported Pacific Western Bank was motivated to keep the District as a partner in this debt service agreement, further noting

the main workings of the initial Agreement remain, with exception to the interest rate. Finance Director Vega reported savings are mostly upfront and in the amount of ~\$1.127 million with, \$1.121 million in savings the current fiscal year. The costs associated with closing are in the amount of \$69,500 with a portion going to the placement agent, advisor and Bond Counsel. Finance Director Vega reported everything has been vetted and there is nothing of concern and the bank requires approval and execution of the Resolution presented and the Agreement identified as ‘Exhibit A’. Director McGurk inquired on the interest rate for the refinance in 2019. Finance Director Vega replied the refinance was a taxable issuance and the District had a difficult time finding banks for the refinance due to the District’s bond ratings at that time, while the current proposal is much more favorable.

- a. Resolution No. 21-22-09 – Approving the Execution and Delivery of an Amendment to an Installment Purchase Agreement and Certain Other Matters

A motion was moved and seconded to approve Resolution No. 21-22-09 – Approving the Execution and Delivery of an Amendment to an Installment Purchase Agreement and Certain Other Matters.

Roll Call:

Ayes: Atkins, McGaughey, McGurk, Panizza, Sanguinetti, Watkins
Nays: None
Abstain: None
Absent: Cortopassi

E. COMMITTEE REPORTS

1. Eastern San Joaquin Groundwater Authority Ad-Hoc Technical Advisory Committee (TAC) Meeting, 11/04/21
President Watkins and Manager Moody attended the November 4, 2021 Eastern San Joaquin Groundwater Authority Ad-Hoc Technical Advisory Committee (TAC) Meeting. Manager Moody reported the District received a questionnaire following this meeting, on what they find most important about the process of the basin accounting (baseline assumptions). Manager Moody reported a lot of time was spent on the model and promoting the model as a good tool. President Watkins reported there was a lot of discussion regarding the common pool and the District not getting credit for it. Manager Moody commented if we all share the assets we need to share the deficits too, noting the Groundwater Sustainability Plan (GSP) did include common pool and that the time has come to have this discussion. The next meeting is scheduled for December 2, 2021.
2. San Joaquin County & Delta Water Quality Coalition Meeting, 11/08/21
Nothing to report.
3. Agricultural Operations Committee Meeting, 11/08/21
Directors Cortopassi, Sanguinetti and Watkins and District staff attended the November 8, 2021 Agricultural Operations Committee Meeting. President Watkins reported the Committee approved the action to conduct the Committee electronically. President Watkins reported the Committee did not take a vote to make a recommendation to the Board on the Draft 2022/2023 Budget but noted the Committee did not have any objections to the presented Budget. Director Sanguinetti noted one of the biggest additions to the Budget is the addition of new staff; 4 Water Supply staff and 1 plant maintenance staff in the total budget amount of ~\$550,000. Manager Moody added the addition of staff will be helpful especially during irrigation season, this will allow construction staff the ability to continue to work on projects while running

water. President Watkins added the Board will have to vote on the Budget. Director McGurk commented a couple years ago, there being mention of a committee to discuss staffing challenges. Manager Moody reported those staffing challenges were solved yesterday at the Committee meeting. President Watkins mentioned the Budget also included a long reach excavator for canal maintenance. Director Sanguinetti added canal maintenance may need to be maintained daily. President Watkins added the canal getting backed-up affected the Water Treatment Plant this year.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 11/08/21

Manager Moody provided a handout of the Water Supply Report for information only that included storage, release, and production data collected from various sources as of midnight last night.

There is 89,856 AF in storage at New Hogan Reservoir. Current releases are set at 54 cfs. Current release at Goodwin Dam to Stanislaus River are set at 204 cfs and release to all water users are set at 0 cfs. The water treatment plant is currently processing 16 mgd. The City of Stockton is currently processing 12 mgd.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2 and F2a-3.

3. Report on General Manager Activities (None)

G. DIRECTOR REPORTS

1. San Joaquin County Farm Bureau Federation – AgVenture Days (Manteca), 11/04/21

Directors Sanguinetti, McGurk and Watkins attended the November 4, 2021 San Joaquin County AgVenture Day in Manteca. Director Sanguinetti reported it was a good day, there were ~3,000 students and it was a good start to get back into the old swing of things.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. Eastern San Joaquin Groundwater Authority Steering Committee Meeting, 8:30 a.m., 11/10/21

2. Ad-Hoc Meeting with Central San Joaquin Water Conservation District, 2:30 p.m., 11/10/21

3. District Holiday – Veteran’s Day, 11/11/21

J. REPORT OF THE COUNSEL

1. Closed Session - Potential Litigation

Government Code 54956.9 (c) – one case

2. Closed Session - Personnel

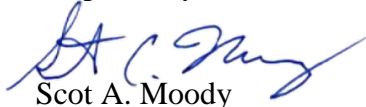
Government Code 54957

President Watkins adjourned the meeting to closed session at 1:28 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:39 p.m., with no reportable action.

K. ADJOURNMENT

President Watkins adjourned the meeting at 1:40 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

kmc

