

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, MARCH 5, 2024 AT 12:30 P.M.

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Atkins called the regular meeting to order at 12:30 p.m., and Administrative Assistant Wood led the Pledge of Allegiance.

Present at roll call at the District were Directors Atkins, Cortopassi, McGurk, Nakaue, Panizza and Watkins. Also present were Manager Hopkins, District Engineer Evensen, Finance Director Ram, Maintenance Manager Higaes, Administrative Assistant Wood and Legal Counsel Zolezzi. Director Sanguinetti was absent.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

The Board welcomed Paul Nakaue as the new Board Director for Division 6.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes

a. Minutes 02/20/24 Regular Meeting

A motion was moved and seconded to approve the February 20, 2024 Minutes, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, Nakaue, Panizza, Watkins

Nays: None

Abstain: McGurk

Absent: Sanguinetti

b. Minutes 02/22/24 Special Meeting

A motion was moved and seconded to approve the February 22, 2024 Minutes, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, Panizza, Watkins

Nays: None

Abstain: None

Absent: Sanguinetti

2. Warrants

a. Fund 68 – Municipal & Industrial Groundwater Fund

b. Fund 70 – Administration Fund

c. Fund 71 – Water Supply Fund

d. Fund 91 – Vehicle Fund

e. Fund 94 – Municipal & Industrial Fund

f. Summary

g. Short Names/Acronym List

h. SEWD Vehicles & Heavy Equipment

Director McGurk inquired on the expense on page 10, line item 39 for Robert Half Finance & Accounting for Temporary labor for Admin week ending 12/29/23-02/16/24 in the amount of \$5,075.14. Manager Hopkins replied the expense is for multiple weeks.

Director McGurk inquired on the expense on page 13, line item 64 for Fresno Valves and Castings Inc. for OCR Headworks Slide Gates project-Slide gates with electrical actuators in the amount of \$49,649.51. Manager Hopkins replied the abbreviation “OCR” stands for Old Calaveras River.

Director McGurk inquired on the expense on page 19, line item 163 for TNT Industrial Contractors Inc. for Low Lift P-1 replacement project-Piping installation in the amount of \$99,853.00. Manager Hopkins replied the expense includes labor, equipment and material.

Director Cortopassi inquired on the expense on page 13, line item 64 for Fresno Valves and Castings Inc. for OCR Headworks Slide Gates project-Slide gates with electrical actuators in the amount of \$49,649.51. Manager Hopkins replied the gates control the flow at Bellota down the Old Calaveras River.

Director Cortopassi inquired on the expense on page 13, line item 62 for Ecco Equipment Corp. for Tom Allen Recharge Pond-Rental of Dozer Crawler 11/22/23-12/20/23 in the amount of 23,138.44. Manager Hopkins replied the rental of equipment is charged on a monthly basis. Maintenance Manager Higaes added the equipment was rented for a total of two months. There was some difficulty dozing the hard pan. Director Cortopassi suggested staff manage the project more efficiently to help reduce rental expenses.

A motion was moved and seconded to approve the March 5, 2024 Warrants, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, Panizza, Watkins

Nayes: None

Abstain: None

Absent: Sanguinetti

3. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the March 5, 2024 Warrants, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, Panizza, Watkins

Nayes: None

Abstain: None

Absent: Sanguinetti

4. Stockton East Water District – Approve April 2024 Salary Adjustment per MOU Memo

Manager Hopkins provided the Board with the 2024 Salary Adjustment Memo. Finance Director Ram reported according to the 2020-2026 Memorandum of Understanding (MOU) between Stockton East Water District and its employees, a yearly salary adjustment is required effective April 1, 2024. The MOU provides for a salary adjustment equivalent to 80% of the CPI net change with a minimum increase of 2.5% and a maximum of 6.0%. The index for 2024 ending January 31st shows a net increase of 2.93% and 80% CPI net change is equal to 2.35%, which falls below the minimum 2.5% increase.

A motion was moved and seconded to approve the minimum 2.5% salary increase for all District employees effective April 1, 2024, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, Panizza, Watkins

Nays: None

Abstain: None

Absent: Sanguinetti

5. Stockton East Water District – Acceptance of April 2024 Board of Directors Per Diem Increase Per Ordinance 13 Memo

Manager Hopkins provided the Board the 2024 Board of Directors Per Diem Increase Memo. Manager Hopkins reported in accordance with Section 6 of the Amended Ordinance No. 13, the Board shall receive a 5% per diem increase annually, consistent with Water Code Section 20202. The current per diem rate is \$133.32 and the 5% would increase the rate by \$6.67 to \$139.99. The FY 2024-2025 budget was formulated under the assumption the 5% increase would be accepted, and as such, is sufficiently funded to accommodate the increase. Prior to April 1, the Board must decide to either accept or reject the increase. No action is required to accept the increase; however, Board approved action is required to reject the increase.

No action was taken on this item.

6. Stockton East Water District – Support of CSDA Sponsored Assembly Bill 2060 Memo

Manager Hopkins provided the Board with the CSDA Sponsored Assembly Bill 2060 Memo and a letter of support. Manager Hopkins noted the bill is not a CSDA sponsored bill. The bill was proposed by Assemblymember Esmerelda Soria. Manager Hopkins reported the bill seeks to streamline the California Department of Fish and Wildlife (CDFW) permitting process in support of Flood-MAR (Managed Aquifer Recharge activities. AB 2060 proposed to codify the goal of streamlining Flood-MAR groundwater recharge permitting. As currently proposed, AB 2060 would indefinitely exempt existing infrastructure or temporary pumps being used to divert flood stage flows from CDFW permitting requirements. Flood flows may be diverted to existing recharge locations or agricultural land but may not be diverted to dairy land application areas, fields where pesticide or fertilizer application occurred within the last 30 days, areas that could cause damage to infrastructure or exacerbate the threat of flood, or land that has not been actively cultivated in the past three years. The bill still requires applicable fees be paid to CDFW and a temporary diversion permit secured from the State Water Resources Control Board.

Director Watkins inquired if the District can divert water through existing facilities without consulting CDFW. Manager Hopkins replied no, not unless it is the District's water. Manager Hopkins added the recharging of floodwater has not yet been extended to adjacent agricultural land since the diversion would require review and approval by the CDFW. The proposed bill would exempt certain floodwater recharge activities from the CDFW permitting requirements.

a. Stockton East Water District – Support of Assembly Bill 2060 Letter

A motion was moved and seconded to authorize the Board President to approve a letter of support, and direct staff to engage on behalf of the District to express such support, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, Panizza, Watkins

Nays: None

Abstain: None

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Absent: Sanguinetti

7. Stockton East Water District – Support of ACWA Sponsored Assembly Bill 2257 Memo
Manager Hopkins provided the Board with the ACWA Sponsored Assembly Bill 2257 Memo and a handout for a letter of support. Manager Hopkins reported Assembly Bill 2257 would require an exhaustion of administrative remedies procedure for water and sewer rates and assessments that, if public agencies elect to follow, would require the public to submit a timely written objection to the ratemaking proposal or new assessment and raise the particular Proposition 218 compliance issues the plaintiff may later litigate. The Proposition 2018 rate setting processes followed by many agencies throughout California have been protested and subsequently challenged through the court. Agencies have few remedies to address challenges to rate setting processes and are required to invest staff time and legal expenses to defend their process. The District is subject to compliance with the rate setting process established by Proposition 218 and, therefore, would benefit from AB 2257 if the District faced a challenge to any future rate setting process.

Director McGurk inquired if the District can set groundwater and surface water rates. Legal Counsel Zolezzi clarified the District can set groundwater rates however, surface water rate setting is subject to Proposition 218.

- a. Stockton East Water District – Support of Assembly Bill 2257 Letter

A motion was moved and seconded to authorize the Board President to approve a letter of support, and direct staff to engage on behalf of the District to express such support., as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, Panizza, Watkins

Nays: None

Abstain: None

Absent: Sanguinetti

8. Stockton East Water District – Review of Proposed Rule 176 – Securing Right-of-Way for District Interests Memo
 - a. Rule No. 176

Manager Hopkins provided the Board with proposed Rule 176. Manager Hopkins reported the District does not currently have a policy related to the procurement of right-of-way necessary for the District's projects, operations, etc. As such, right-of-way negotiation can be an arduous and lengthy process, requiring Board direction at each step of the process for each landowner providing right-of-way. In some instances, the landowners are unwilling to provide right-of-way by either requesting unreasonable compensation or failing to engage. With the potential need to secure District right-of-way for future projects and the known need of right-of-way for private projects related to the District's mission, staff propose Rule 176 – Securing Right-of-Way for District Interests. The proposed rule will provide staff with the guidance and boundaries necessary to substantially negotiate right-of-way acquisition prior to presenting an agreement to the Board.

Director McGurk inquired what the difference is between a policy and rule. Manager Hopkins replied generally, a policy is guidance for staff whereas a rule is guidance for the constituents. Director McGurk inquired if it is necessary to adopt the rule. Manager Hopkins replied the proposed rule identifies the District's authority to procure right-of-way through eminent domain, thereby providing negotiating transparency to the other negotiating parties. Through the eminent domain process, the District can secure right-of-way from unwilling negotiators. The proposed policy further

reserves the District's right to allow private parties access to the right-of-way for projects that align with the District's interest.

Director Nakaue expressed interest in the proposed rule as it would streamline the process and could prevent any conflict of interests.

The final draft of proposed Rule 176 is scheduled to return for a public hearing and presentation to the Board for approval at the March 19, 2024, following a 10-day notice of public hearing.

9. Stockton East Water District – Review of Proposed Rule 177 – Establishing a Policy for On-Farm Recharge of Surface Water Memo
 - a. Rule No. 177

Manager Hopkins provided the Board with proposed Rule 177. Manager Hopkins reported proposed Rule 177 would establish two incentive programs to compensate growers who use available surface water during the non-irrigation season. One program would apply to growers that are required to lift water from the waterway for application to the field through the use of a pump. To offset pumping costs estimated by District customers, the program would provide compensation of \$80 per acre-foot of measured net recharge. The second program would apply to growers that are able to apply water to their land(s) by gravity and without the use of a pump. The program would provide rechargers compensation of \$25 per acre-foot of measured net recharge. Both programs would also provide the recharger with a groundwater credit that may be applied to any land owned by the grower. The groundwater credit will be equal to 50% of the measured net recharge. This is in support of the District's current water right applications and the temporary storm water diversion permits obtained on Little John's Creek.

Director Nakaue inquired if the program would be available to landowners who do not necessarily have good recharge ground. Manager Hopkins replied yes, if the land is poor quality there would still be opportunity for the landowner to receive a groundwater credit.

The final draft of proposed Rule 177 is scheduled to return for a public hearing and presentation to the Board for approval at the March 19, 2024, following a 10-day notice of public hearing.

10. Stockton East Water District – Approval of Grant Administration Agreement for SWEEP Block Grant Memo

Manager Hopkins provided the Board with a memo for a Grant Administration Agreement for the SWEEP Block Grant. Manager Hopkins reported the District worked together with North San Joaquin Water Conservation District (NSJWCD) and South San Joaquin Irrigation District (SSJID) to apply for the State Water and Efficiency Program – Block Grant Pilot (SWEEP Block Grant). The districts were awarded the grant in September 2023. SEWD is the lead agency and entered into a grant agreement with the California Department of Food and Agriculture (CDFA) to administer the SWEEP Block Grant for SEWD, NSJWCD, and SSJID's constituents. A grant administration agreement has been developed between the districts to clarify the roles, responsibilities, and funding each district has as part of the SWEEP Block Grant. The agreement states how the general processes of the grant administration will be performed. Legal counsel from each district has reviewed the agreement and feels that the terms are acceptable.

Director Cortopassi inquired if the District has received any applications from constituents. Manager Hopkins replied the District has not received any completed applications however, the Technical Assistance Providers are working with a few constituents to get those applications completed.

- a. Grant Administration Agreement For State Water Efficiency & Enhancement Program (SWEEP) Block Grant Between Stockton East Water District, South San Joaquin Irrigation District, and North San Joaquin Water Conservation District

A motion was moved and seconded to approve the Grant Administration Agreement For State Water Efficiency & Enhancement Program (SWEEP) Block Grant Between Stockton East Water District, South San Joaquin Irrigation District, and North San Joaquin Water Conservation District and authorize the General Manager to execute the agreement on behalf of SEWD, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. Agriculture Operations Committee Meeting, 02/21/24
Director's Atkins, Cortopassi, Sanguinetti, Watkins, Manager Hopkins and Assistant Manager Vega attended the Agricultural Operations Committee Meeting on February 21st. Director Watkins reported the committee reviewed Rule's 176 and 177. The committee will discuss Rule 109, Rule 159 and Policy No. 3085 at the next committee meeting.
2. Electrical Power Alternatives Committee Meeting, 02/22/24
Director's Atkins, McGurk, Sanguinetti, Manager Hopkins, Assistant Manager Vega and District Engineer Evensen attended the Electrical Power Alternatives Committee Meeting on February 22nd. President Atkins reported the committee discussed several energy-generating options to offset the District's water treatment plant's rising electricity costs incurred via PG&E. The committee discussed a solar option through PG&E's Net Energy Metering 2.0 Aggregate program (NEM2A). Director McGurk reported the committee concluded hydrogen energy saving options are not feasible at this time. The next meeting will be scheduled after additional information has been obtained.
3. San Joaquin Farm Bureau Federation Monthly Water Committee Meeting, 02/27/24
Assistant Manager Vega attended the San Joaquin Farm Bureau Federation Monthly Water Committee Meeting on February 27th. Manager Hopkins reported Assistant Manager Vega provided his notes from the meeting. Manager Hopkins reported East Bay Municipal Utility District (EBMUD) appointed Mary Campbell as the Community Affairs Representative. Ms. Campbell will be attending the SJFB Water Advisory Committee meetings moving forward. North San Joaquin Water Conservation District (NSJWCD) has appointed a new Director, Brandon Colburn in the wake of Director Marden Wilber's passing. During the Delta Report there was discussion on the Twin Tunnels, Water Rights and protesting the Sites Reservoir Project. South San Joaquin Irrigation District (SSJID) reported their irrigation season is scheduled to begin on March 13th. San Joaquin County (SJC) reported they are analyzing flooding possibilities. During the SJC Assessor's Office Meeting it was conveyed the County did not wish to discuss individual situations however, they were willing to discuss methods used when valuating land. A sub-committee would like to investigate the crop pricing to ensure it is representative of the situation in the county.
4. Eastern Water Alliance (EWA)/DREAM Monitoring Committee Meeting, 02/28/24
Director McGurk and District Engineer Evensen attended the DREAM Monitoring Committee Meeting on February 28th. District Engineer Evensen reported the committee discussed extending the pilot project to the end of April. Director McGurk reported the request for extension was a result

of Well K-13 experiencing mechanical issues. The next Eastern Water Alliance meeting is scheduled for March 7th at 10:00 a.m.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 02/20/24

Manager Hopkins 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 211,160 AF in storage at New Hogan Reservoir. Current releases are set at 272 cfs. There is 2,000,126 AF in storage at New Melones Reservoir. Current releases are set at 468 cfs. Current release at Goodwin Dam to Stanislaus River is set at 1,002 cfs and release to all water users is set at 0 cfs. The district water treatment plant (WTP) is currently processing 22 mgd. North Stockton is currently utilizing 3 mgd. South Stockton is currently utilizing 4 mgd. Cal Water is currently utilizing 8 mgd. The City of Stockton WTP is currently processing 9 mgd.

2. Information Items:

a. Manager Hopkins noted items: F-2a, F-2b, F-2c and F-2d

3. Report on General Manager Activities

a. ACWA State Legislative Committee Meeting, 03/01/24

Manager Hopkins reported Consultant Barkett attended the ACWA State Legislative Committee Meeting on March 1st. This item will be brought back to the Board next week when Consultant Barkett is present.

b. Stockton East Water District Activities Update

Manager Hopkins reported the District's Master Plans are currently evaluating the condition of the Peter's Pipeline. Given the Board's extensive knowledge of the Peter's Pipeline, Manager Hopkins suggested the Board meet with the consultant to discuss the history in more detail.

Manager Hopkins reported District Staff and Legal Counsel hosted Director Nakaue on March 4th providing an orientation.

Manager Hopkins reported the Engineering Staff supported Grant Application Workshops held at North San Joaquin Irrigation District (NSJID) and South San Joaquin Irrigation District (SSJID) on February 22nd. There were 30 interested constituents who attended the workshop at SSJID and 60 interested constituents who attended the workshop at NSJID. California Special District Association reached out to interview the districts regarding the State Water Energy & Efficiency (SWEET) Block Grant Program.

Manager Hopkins reported the Project Management Committee has met to discuss the five-year Groundwater Sustainability Plan (GSP) update. The Department of Water Resources (DWR) identified eight inches of subsidence located in the areas between Alpine Road, HWY 88, Jack Tone Road and HWY 26 over the past eight years. Staff is currently working to confirm these findings.

4. Stockton East Water District Finance Update

Finance Director Ram reported for investments LAIF's current interest rate is 4%, and California Class annualized interest rate is 5.44%. The District has more than doubled the interest income this year. The 2023 Final Bills have been mailed out to all customers. Staff is currently working on a

water rates presentation to bring to the Agricultural Operations Committee for review before bringing to the Board.

G. DIRECTOR REPORTS

1. ACWA DC Conference, 02/26/24-02/29/24

Directors Atkins, Sanguinetti, Watkins and Manager Hopkins attended the ACWA DC Conference. President Atkins reported the trip was very eventful. President Atkins reported they had the chance to meet with congressmen Harder and other public officials to discuss District projects and gained support for funding opportunities. Director Watkins reported Consultant Boesch did a great job coordinating various meetings with the elected officials.

2. AgVenture Days – Lodi, 02/29/24

No District representative attended this event.

H. COMMUNICATIONS

1. Department of Water Resources – Award Notification for Watershed Resilience Grant Program Letter, 02/14/24

Manager Hopkins provided the Board with an award Notification for Watershed Resilience Grant Program letter from the Department of Water Resources (DWR). Manager Hopkins reported the District has been awarded \$2M through DWR's Watershed Resilience Grant Program.

2. Stockton East Water District – Aquatic Ecosystem Restoration Grant Program Eligibility Letter, 02/29/24

Manager Hopkins reported the District mailed a letter to U.S. Bureau of Reclamation requesting the Aquatic Ecosystem Restoration Grant Program language be changed to ensure the Bellota Project is not excluded.

3. San Joaquin Farm Bureau Federation Annual Dinner Meeting, 03/07/24

Manager Hopkins provided the Board with an invitation for the San Joaquin Farm Bureau Federation Annual Dinner Meeting on March 7th. If anyone is interested in attending, a reservation will be made on their behalf.

I. AGENDA PLANNING/UPCOMING EVENTS

1. ACWA Quarterly Regulatory Committee Meetings, 9:00 a.m., 03/06/24

2. Eastern Water Alliance (EWA)/DREAM Monitoring Committee Meeting, 03/07/24

3. Greater Stockton Chamber of Commerce Monthly Mixer – Stockton Community Kitchen, 5:15 p.m., 03/07/24

4. Stockton East Water District – Employee Pot O' Luck Party, Noon, 03/08/24

5. Stockton Area Water Suppliers (SAWS) Meeting, 1:00 p.m., 03/08/24

6. San Joaquin County and Delta Water Quality Coalition Steering Committee Meeting, 9:00 a.m., 03/11/24

J. REPORT OF THE COUNSEL

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Potential exposure to litigation – Government Code Section 54956.9 – one case

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President Atkins adjourned the meeting to closed session at 2:10 p.m. The regular meeting reconvened at 2:38 p.m., with no reportable action.

K. ADJOURNMENT

President Atkins adjourned the meeting at 2:39 p.m.

Respectfully submitted,



Justin M. Hopkins
Secretary of the Board

hmw

