

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, SEPTEMBER 28, 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 led the Pledge of Allegiance.

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

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT (None)**

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 09/21/21 Regular Meeting

Director McGurk made the following correction to the minutes:

- Page 4, section E-2, 1<sup>st</sup> paragraph, 1<sup>st</sup> sentence – strike “George Hartman” and replace with “Delta Water Master”.

A motion was moved and seconded to approve the September 21, 2021 Regular Board Meeting Minutes, as amended.

Roll Call:

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

Nays: None

Abstain: None

Absent: Atkins

2. Warrants

- a. Fund 67 – Agricultural Fund
- b. Fund 68 – Municipal & Industrial Groundwater Fund
- c. Fund 70 – Administration Fund
- d. Fund 71 – Water Supply Fund
- e. Fund 89 – Fish Passage Improvements Fund
- f. Fund 91 – Vehicle Fund
- g. Fund 94 – Municipal & Industrial Fund
- h. Summary
- i. Short Names/Acronym List
- j. SEWD Vehicles & Heavy Equipment

Director Sanguinetti commented on the expense on page 17, line 70, for Grainger, Inc. for the air filters for Unit 53 and inquired if air filters are used on the Kenworth Dump Truck as it is unusual that it would have air filters. Finance Director Vega replied it could have been coded incorrectly and Staff will make sure it is corrected to the correct vehicle.

A motion was moved and seconded to approve the September 28, 2021 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Atkins

3. Preliminary Base Monthly Payment – Fiscal Year 2022/2023

a. Public Hearing

President Watkins opened the Public Hearing at 12:36 p.m., to receive comments on the Preliminary Base Monthly Payment (BMP) for Fiscal Year 2022/2023.

Manager Moody provided proof of publication of the public hearing. Manager Moody reported this process is dictated by the Second Amended Contract. Manager Moody added it is done this way to allow time for the Urban Contractors to develop their own budget based on the BMP; once Board approves the BMP, the District meets with the Urban Contractors to go over any concerns they may have and those concerns are brought back to the Board for their consideration.

Finance Director Vega reported this is the first step in the budget process, per the Second Amended Contract (SAC) the preliminary BMP is to be adopted by the 1<sup>st</sup> of October. Finance Director Vega reported the second step includes sending the Urban Contractors a copy of the District's Budget fifty days before its final adoption; during that time the Urban Contractors can meet with staff and submit their comments and those are discussed with the Budget Committee before going to the Board for approval. Finance Director Vega reported Resolution No. 21-22-07 lists per the SAC the areas of revenue and expenses; the expenses are increased and the revenues are also increased. Finance Director Vega added on page 31, the three columns cover the 2021 actuals, 2021/2022 budget and 2022/2023 draft numbers for comparison; the adjustment for the BMP is high because Developer Fees received were higher than expected and overall expenses were lower than expected last fiscal year. Finance Director Vega reported on page 32, items that were eliminated from the budget are portions of the debt service that are no longer paid have been off-set by high cost projects that were added to the budget. Manager Moody added one of the main contributing factors to the high BMP payment is the \$5.6 million for the Sodium Hypochlorite System, or it would have come down significantly. Manager Moody commented there was an off-set amount of \$5.5 million that was not spent in 2020 due to COVID-19 which helps off-set the cost of the Sodium Hypochlorite System; the preliminary budget does not include the monies to be billed to the Urban Contractors for the Bellota Project. Manager Moody commented there is a possibility that the amount could decrease but it will likely not increase.

Director Sanguinetti commented the BMP amount of \$21,579,769 is confusing to the total revenue amount of \$32,829,444 as listed on Resolution No. 21-22-07. Finance Director Vega explained the total revenue amount is \$32,829,444 and the BMP amount of \$21,579,769 is the majority of the revenue but not the total amount of the District's revenue. Director Sanguinetti suggested a footnote be added for clarification. Finance Director Vega added the Urban Contractors are welcome to provide their questions and staff will answer them.

Seeing no public comment, President Watkins closed the Public Hearing at 12:44 p.m.

- b. Resolution No. 21-22-07 – Setting the Preliminary Base Monthly Payment for Period April 1, 2022 to March 31, 2023

A motion was moved and seconded to adopt Resolution No. 21-22-07 – Setting the Preliminary Base Monthly Payment for Fiscal Year 2022/2023, as presented.

Roll Call:

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

4. Resolution No. 21-22-08 – Approving the Disposal of Surplus Property  
Manager Moody provided the Board with Resolution No. 21-22-08 – Approving the Disposal of Surplus Property for damaged and non-usable items; electrical panel, jump starter, oil pump, wire feed welder and 3hp DC motor.

Director McGurk inquired if a more modern wire feed welder was purchased a few months ago. Manager Moody replied the wire feed welder was old and the switch had gone out and a replacement switch could not be found, otherwise it was a good welder.

Director Sanguinetti commented on the oil pump by suggesting the District purchase cartridges instead. Manager Moody replied the District has cartridges that are used in the field and the oil pump is used in the Maintenance Department.

A motion was moved and seconded to approve Resolution No. 21-22-08 – Approving the Disposal of Surplus Property, as presented.

Roll Call:

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

5. Stockton East Water District – PG&E Work for Gotelli Bridge Project Memo, 09/22/21  
Manager Moody reported the District is working with PG&E to disconnect the power lines in order to use a crane to place the railcar bridge; the \$26,542.01 was approved to keep the project on schedule and was also budgeted for.

Director Cortopassi inquired if the District has looked into disconnecting the main line in order to avoid working with PG&E. Manager Moody replied Staff will look into the options.

Director Sanguinetti inquired if the wires have to be removed to install the bridge. Assistant Manager Hopkins replied he has not been to the site but he knows the \$26,542.01 includes removal of the wires. Director Sanguinetti added if the main line can be disconnected and the wires do not have to be moved to install the bridge, PG&E services are not needed.

Director Cortopassi suggested Staff put together a list of all the costs that go into the project. Manager Moody replied yes, we can do that. This item was for information only.

**E. COMMITTEE REPORTS (None)**

## **F. REPORT OF GENERAL MANAGER**

### **1. Water Supply Report as of 09/20/21**

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 89,583 AF in storage at New Hogan Reservoir. Current releases are set at 140 cfs. Current release at Goodwin Dam to Stanislaus River are set at 203 cfs and release to all water users are set at 150 cfs. There are 7 irrigator(s) on New Hogan and 4 irrigator(s) on New Melones. There are currently no Out-of-District irrigator(s). The water treatment plant is currently processing 27 mgd. The City of Stockton is currently processing 23 mgd.

### **2. Information Items:**

Manager Moody noted items: F2a-1, F2a-2, F2a-3 and F2a-4.

### **3. Report on General Manager Activities**

#### **a. Stockton East Water District Activities Update**

Manager Moody reported there is an emergency Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting on September 30, 2021 at 9:30 a.m.

Manager Moody reported a lunch meeting with Calaveras County Water District (CCWD) is scheduled for September 30, 2021 to discuss FIROMAR and how to lessen their financial impact on the New Hogan Reservoir.

## **G. DIRECTOR REPORTS (None)**

## **H. COMMUNICATIONS**

### **1. Oakdale Irrigation District – Temporary Water Transfer Agreement Refund Letter, 09/23/21**

Manager Moody reported Oakdale Irrigation District (OID) sent a refund check for the Out-Of-District water that was purchased. Manager Moody added South San Joaquin Irrigation District (SSJID) Board of Directors will vote to approve the refund at their Board Meeting on September 28, 2021. Manager Moody reported the District is receiving refunds from both OID and SSJID because they chose to end the contract. President Watkins inquired how the irrigators felt. Manager Moody replied they were not happy but the irrigators will be refunded for the water they did not receive. This item was for information only.

## **I. AGENDA PLANNING/UPCOMING EVENTS**

### **1. San Joaquin Farm Bureau Federation – Water Committee Meeting. 5:30 p.m., 09/28/21**

## **J. REPORT OF THE COUNSEL**

### **1. Closed Session – Personnel**

Government Code 54957

### **2. Closed Session - Potential Litigation**

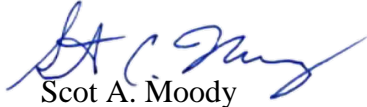
Government Code 54956.9 (c) – one case

President Watkins adjourned the meeting to closed session at 12:57 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:17 p.m., with no reportable action.

**K. ADJOURNMENT**

President Watkins adjourned the meeting at 1:18 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

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