

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, MAY 16, 2023 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 Clerk Mendoza led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

Director Watkins submitted a California Water Service Group shareholder annual report and financial statements with information from their corporate staff.

Kevin Kauffman, former General Manager of Stockton East Water District, introduced a product from the Water Group LLC, called the Parjana© EGRP – a plastic tube that goes into the ground and increases the ability of the natural soils to infiltrate water. The product was used for a project for Eastside Water District. Mr. Kauffman has been in discussions with District staff about the product and the potential use of this product in projects that Stockton East Water District is currently working on. Director McGurk inquired about the product lending itself to the flooded orchard recharge method DWR is pushing via off-season flooding. Mr. Kauffman responded that the product has unlimited applications. Director McGurk pointed out that the agricultural sector would be interested in a product like this one. Director McGurk also asked about research affidavits from universities to back up the claims made by Mr. Kauffman about the product. Mr. Kauffman answered research was done by Lawrence Technological University (LTU) in Michigan regarding moisture content, contaminants, water quality, etc.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 05/02/23 Regular Meeting

A motion was moved and seconded to approve the May 2, 2023 Regular Board Meeting minutes, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the May 16, 2023 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

3. 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. Payroll
- j. Short Names Acronym List
- k. SEWD Vehicles & Heavy Equipment

Director Cortopassi inquired about page 13, line 1 and asked how many acre feet is covered for that line item. General Manager Hopkins responded that staff will look into the volumetric cost and how many acre feet are covered.

Director Cortopassi inquired about the high cost of line 17 on page 18. Clarification was requested on whether the line item represented one person working 80 hours, or two people working 40 hours each. General Manager Hopkins clarified that the line item is for two temporary employees working 80 hours each. Assistant Manager Vega and Finance Director Ram pointed out the amount also includes the conversion fee for a temporary worker who was hired as a permanent employee. Directors Cortopassi and Watkins suggested that be a clear description for that line item denoting that it is for two temporary employees.

Director Cortopassi inquired about page 18, line 40, the amount the San Joaquin County Registrar of Voters (Registrar of Voters) charged Stockton East Water District. Director Cortopassi stated the amount is 50% more than usual. Finance Director Ram contacted the Registrar of Voters to inquire about the high charge and was told that these are regular charges that were incurred and passed down to Stockton East Water District, but did not include any supplemental charges. Director Cortopassi asked if there was any oversight into the charges. Assistant Manager Vega responded that backup for the charges from the last election were requested. Assistant Manager Vega did note that the Registrar of Voters charges based on the number of ballots printed. He further explained that the ballots are also printed in several different languages, making the cost of the last election between \$425,000 - \$435,000. Assistant Manager Vega also noted that the cost for each election has been increasing because of the machines used and number of ballots printed in several different languages. Director Watkins pointed out that the last election, the Registrar of Voters ended up conducting a supplemental election due to the ballot mistake. Director McGurk asked Manager Hopkins about the Registrar of Voters presentation to Stockton East Water District and commitments made concerning supplementary costs being covered by the Registrar of Voters. Manager Hopkins confirmed the Registrar of Voters agreed not to charge the District for any supplemental election costs.

A motion was moved and seconded to remove the \$511,075.00 out of page 18, line 40 and set up a meeting with the appropriate committees to investigate the charge from the San Joaquin County Registrar of Voters.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

Finance Director Ram followed up with a previous topic of discussion that Director Cortopassi mentioned concerning page 13, line 1 about how many acre feet was covered for the cost in the line item. Finance Director Ram explained that the \$17,051.87 is a true-up for construction costs. The U.S. Bureau of Reclamation (USBR) conducted a cost allocation study in accordance with the Water Infrastructure Improvements for the Nation (WIIN) Act. Director Cortopassi asked if the amount is in relation to the amount of acre feet ordered. Assistant Manager Vega clarified that the line item is allocated construction cost. With the WIIN Act, the allocation cost was paid up front, instead of making in payments until 2030. This allowed the District to convert its contract to a permanent contract. Director McGurk followed up with a question on whether the amount in the line item was the total cost of the true-up or if there was a charge to a municipality as well. Assistant Manager Vega answered that there was a true-up cost as well for M&I listed on page 32, line 269 for \$650,575.95. Director McGurk asked why the description read from September 2021 on both page 13, line 1 and page 32, line 269. Assistant Manager Vega stated the date reflects the posting date of the true-up.

Director McGurk inquired about page 27, line 183 asking for the definition of “DPF”. Manager Hopkins said that it stands for “Diesel Particulate Filter”.

Director McGurk inquired about page 29, line 188 that has the description “1st Qtr. 2023 worker’s compensation insurance-EMP-Sales”. Director McGurk asked what the “Sales” part of the line item means. Finance Director Ram explained that the “Sales” part of the description is short for “Salesmen and Meter Readers”. She further explained that it includes positions like Manager Hopkins, Assistant Manager Vega, Finance Director Ram, and the District Accountant. Assistant Manager Vega also explained that it is the classification that best fits the pool of risk that ACWA JPIA uses.

Director McGurk inquired about page 30, line 202 and asked when buying a specialty tool, does Stockton East Water District give it a Property ID number or does it assign the tool to a project and list it as an expendable item. Manager Hopkins responded that there was a time when Property IDs were assigned using a CMMS program called Maintenance Connection, but the time and labor required for logging the tools was more resource intensive than the cost of the tools themselves. This led to the program being discontinued.

A motion was moved and seconded to approve the May 16, 2023 Warrants, as amended.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

4. Stockton East Water District – Draft Strategic Plan for Consideration Approval

Manager Hopkins presented the return of the Draft Strategic Plan for consideration of approval by the Board of Directors. The initial draft came two weeks prior to today’s meeting and was brought back for further comments.

Director Watkins made a comment concerning page 43 of the agenda and asked if President Atkins is being quoted. Manager Hopkins clarified that it is an opening statement from President Atkins. Director Watkins further questioned who the statement is from. Manager Hopkins answered that the whole page is a statement from President Atkins. Discussion followed.

Director Panizza asked if this report is printed or a draft copy for the sole purpose of review and revision. Manager Hopkins clarified that this is just a draft for review. Director Panizza shares the same sentiment as Director Watkins. Manager Hopkins stated that the statement is optional and can be taken out completely. Director Watkins clarified that if the statement is going to stay on the page, it should state more clearly who is introducing the Strategic Plan. Director Cortopassi pointed out that the statement can be slightly modified to be from President Atkins and Manager Hopkins and not the entire Board of Directors.

Director Watkins commented on page 47, where it mentions the 7,000 agricultural customers and suggested clarification that there are 1,000 agricultural customers and 6,000 domestic well accounts.

Director Watkins commented on page 48, which describes the District’s history. He points out that some of the history that is in the page conflicts with some anecdotal history that he remembers. He also notes a contradiction from page 57, which is a D-5 item, to illustrate the issue in how the history of Stockton East Water District is not being written consistently. Manager Hopkins replied the history within the Strategic Plan is consistent with the information published on the District’s website.

Director Panizza pointed out that staff has some direction and recommended bringing the corrections back for next week and give everyone the chance to look at the changes.

5. Stockton East Water District – Draft Bellota Cost Allocation Study

General Manager Hopkins presented a cost allocation study done by Raftelis to determine the appropriate cost sharing of the Bellota project. The study was largely completed in December 2022. The draft study was presented during a Bellota Project Committee meeting on December 21, 2022. The City of Stockton attended that meeting. On April 27, 2023, there was a meeting with the urban contractors to provide an overview of the Bellota project as well as a review of the findings of the study. California Water Service Company and San Joaquin County attended the meeting. Manager Hopkins confirmed no comments were received from the urban contractors and requests a motion to approve the Draft Bellota Cost Allocation Study with amendments to correct the dates that Director Watkins noted previously when discussing the history section of the Draft Strategic Plan.

Director Watkins asked if there were any changes to the writing on this item if they are substantive to the content in the item besides the date changes that he suggested. Legal Counsel Zolezzi clarified that there were no substantive changes to the content, only minor wording corrections.

Director Cortopassi inquired about the bottom line of page 63 where it denotes the ground water recharge. He asked where the ground water recharge gets the funding. Manager Hopkins responded saying that the funding comes from ground water assessments in Fund 68. Director Watkins added that Fund 68 is only M&I groundwater assessments and Assistant Manager Vega confirmed.

A motion was moved and seconded to approve the Stockton East Water District – Draft Bellota Cost Allocation Study, as amended with the 3rd paragraph changes.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

6. Stockton East Water District – 75th Anniversary Celebrations – Budget Transfer Memo

Manager Hopkins presented a memo to establish a budget for the 75th anniversary event. Manager Hopkins stated an ad-hoc committee of District staff and Board members are working on a 75th Anniversary Celebration. Since the event was not on the original 2023-2024 Fiscal Year Budget, staff recommends transferring funds from the Associate Dues Account, which has been historically under budget. Last year the actuals were \$52,400 and the account has a budget of \$106,200. The staff is proposing transferring \$30,000 of funds to the Advertising and Public Relations Account to fund the 75th Anniversary Celebration. The transfer does impact the M&I and Agricultural percent breakdown and would result in an increase of \$5,400 to AG and a corresponding decrease to the M&I fund. Manager Hopkins requested a motion to approve the budget transfer as presented.

A motion was moved and seconded to approve the budget transfer to the Advertising and Public Relations Account for the 75th Anniversary Celebration event.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

7. Stockton East Water District – Tunnel Outlet Flume Meter Phase I Lining Overages and Proposed Budget Amendment Memo

Manager Hopkins presented the memo. He explained that last fiscal year, there was a project budgeted to improve the Goodwin Tunnel Outlet. As part of that project a contract was awarded to KW Emerson to line approximately 700 feet of the Upper Farmington Canal in preparation for a second phase project to construct a flow measurement flume. After the contract was awarded, there was sustained damage to the Upper Farmington Canal due to the storm water runoff from the upstream drainage. The Board of Directors approved \$160,314 for the canal lining and later amended the contract with an additional \$168,000 of emergency work because the stormwater completely blew out the 48-inch storm drain pipe and collapsed a portion of the southern embankment of the Upper Farmington Canal. The total approved amount of the lining project and the emergency repair work was \$328,314, within the \$364,000 fiscal year budget. During the construction, there were issues found and the findings were discussed with staff. KW Emerson mitigated these issues, but did not request in writing authorization to exceed the contracted amount. After the issues were addressed, the contractor invoiced Stockton East Water

District for \$57,293 more than the approved contract amount and exceeded the overall budget by \$21,285. Staff worked with the contractor to review expenses and try to negotiate a reasonable adjusted amount. Staff recommends that Manager Hopkins enter into negotiations with the contractor to settle the remaining amount that was invoiced, and that he be authorized to amend the contract up to \$57,293. Staff also recommends the Board of Directors authorize the budget amendment as presented in Table 3, to move unused funds from the Lower Farmington Canal Maintenance Account into the Goodwin Tunnel Account to cover the possible negotiation of the overages. There are no changes to the AG and M&I percentages.

President Atkins asked if there was prior discussion to fix the issues before the contractor started the corrections. Manager Hopkins responded that the contractor brought up the issues after starting the project. The ground water pressure was noted during grading of the canal embankment and a sub-drainage system was recommended by the contractor and verbally approved by District Engineer Evensen. The contractor recommended the installation of pressure relief devices to solve the issue. District Engineer Evensen noted that the five items listed in the Board Memo were issues that Staff was aware of during the construction. The last one was a result of another storm that happened after the first four issues were presented and resolved. President Atkins asked whether there was approval given to work on the issues. District Engineer Evensen responded that verbal approval was given.

A motion was moved and seconded to approve the recommendation from the staff outlined in the Tunnel Outlet Flume Meter Phase I Lining Overages and Proposed Budget Amendment Memo.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

8. Stockton East Water District – Peters Pipeline Constant Head Vault Intertie Valve
Assistant Manager Vega reported staff has noticed that the intertie valve between the Peters and Bellota pipelines has had issues with opening and closing and determined that the valve is close to failure. There was a \$30,000 budget approved. There are two bids from valve vendors to supply a new buried butterfly valve for the project, but both quotes are over the budget approved. Staff recommended Manager Hopkins approve the purchase and move funds from general maintenance to the valve project.

A motion was moved and seconded to approve the budget for the Peters Pipeline Constant Head Valve Intertie Valve.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

9. Greater Stockton Chamber of Commerce – 2023-2026 Board of Directors Ballot

A motion was moved and seconded to approve the nominees named in the Greater Stockton Chamber of Commerce – 2023-2026 Board of Directors Ballot.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

E. COMMITTEE REPORTS

1. San Joaquin County & Delta Water Quality Coalition Meeting, 05/08/2023

There was no attendance of this meeting.

2. ACWA Groundwater Committee Meeting, 05/09/2023

Director McGurk reported that the committee wants ACWA to comply with SGMA to avoid regulatory actions

Trevor Joseph an Executive at RWA reviewed five bills in both the CA Senate and State Assembly.

Director Cortopassi inquired into the topic of the 5 bills. Manager Hopkins explained that the bills are aimed at wells and fundamentally changing water rights. The bills will place the proof of water right ownership on the individual rather than the state. Manager Hopkins stated Stockton East Water District has taken an official stance in opposition of the bills.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 05/16/2023

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 10:30 a.m. this morning.

There is 241,624 AF in storage at New Hogan Reservoir. Current releases are set at 165 cfs. There is 1,615,225 AF in storage at New Melones Reservoir. Current releases are set at 2,752 cfs. Current release at Goodwin Dam to Stanislaus River are set at 1,502 cfs and release to all water users are set at 61 cfs. There are 2 irrigators on New Hogan, 2 irrigators on New Melones, and 0 irrigators out of District. The water treatment plant is currently processing 30 mgd. The City of Stockton is currently processing 16 mgd.

2. Information Items:

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

3. Report on General Manager Activities

- a. ACWA State Legislative Committee Meeting, 05/05/23

- (i) There were five bills discussed:

1. One water rights bill

2. Prevent the sale transfer for agricultural lands A motion was passed to convene discussion of AB 1337 during the May 26th ACWA State Legislative Committee meeting.

- b. Stockton Area Water Supplies (SAWS) Meeting, 05/12/2023

This meeting was cancelled

- c. Stockton East Water District Activities Update
Manager Hopkins deferred updates to item G-2.

G. DIRECTOR REPORTS

1. North San Joaquin Water Conservation Facilities Tour, 05/05/23
Director Cortopassi reported although they have limited resources, he was impressed with what they have done with their facility. He described the visuals and what he saw during the tour.
2. San Joaquin Council of Governments – 2023 One Voice Trip, 05/06/23 – 05/11/23
Manager Hopkins reported that the One Voice Trip was fruitful and he met many people. SEWD attendees had five additional meetings with the USDA, Congressmen Harder and Duarte, as well as Senator Feinstein regarding the validity of the Bellota Project.

They also met with NOAA who showed interest in funding the Bellota Project but don't want to put the money up first. They want to work with federal agencies to fund the project.

President Atkins showed the binder of projects throughout the area that was provided.

3. Association of California Water Agencies – 2023 Spring Conference and Exhibition, 05/09/2023 -05/11/2023
Cal Poly Irrigation Training and Research Center is researching production of water.

Assistant Manager Vega attended the energy meeting regarding changes of the emissions rules for truck fleets.

SEWD attendees met with the U.S. Bureau of Reclamation where there was a discussion of cost and if the Central merger can be done this year.

H. COMMUNICATIONS

1. United States Bureau of Reclamation – 2023 California Department of Fish and Wildlife Computation of Allocation Letter
Manager Hopkins reported the District was copied on an email from USBR regarding 2023 California Department of Fish and Wildlife Computation of Allocation which states that the fishery allocation on the Stanislaus River pursuant to the Interim Instream Flows and Fishery Studies in the Stanislaus River below New Melones Reservoir Agreement is 302,100 acre-feet for water year 2023.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Flood Control & Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 05/17/23
2. CVP Water Association – Executive and Financial Affairs Committees Meeting Schedule, 10:00 a.m., 05/19/23
This meeting was cancelled
3. Linden-Peters Chamber of Commerce – Linden Cherry Festival, 11:00 a.m., 05/20/23

J. Closed Session

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED

LITIGATION Potential exposure to litigation – Government Code
Section 54956.9 – two cases

President Atkins adjourned the meeting to closed session at 2:36 p.m. to discuss closed session agenda items. The regular meeting reconvened at 3:03 p.m., with no reportable action.

K. ADJOURNMENT

President Atkins adjourned the meeting at 3:04 p.m.

Respectfully submitted,

Justin M. Hopkins
Secretary of the Board

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DRAFT

Weekly Water Report	As of: May 16, 2023	As of: May 23, 2023	
New Hogan (NHG) TOC	241,733	240,788	AF
Storage:	241,624	240,861	AF
Net Storage Change:	+1,742	-763	AF
Inflow:	178	120	CFS
Release:	165	175	CFS
New Melones (NML) Allocation	75,000	75,000	AF
Storage:	1,612,225	1,709,538	AF
Net Storage change:	+89,072	+97,313	AF
Inflow:	7,896	11,860	CFS
Release:	2,752	3,114	CFS
Source: CDEC Daily Reports			

Goodwin Diversion (GDW)			
Inflow (Tulloch Dam):	2,712	3,126	CFS
Release to Stanislaus River (S-98):	1,502	1,505	CFS
Release to OID (JT Main):	640	795	CFS
Release to SSJID (SO Main):	282	325	CFS
Release to SEWD:	<u>119</u>	<u>212</u>	CFS
Total Release	2,424	2,837	CFS
Source: Tri-Dam Operations Daily Report			
Farmington Dam (FRM)			
Diverted to SEWD:	N/A	N/A	CFS
Diverted to CSJWCD:	0	0	CFS
Source: USACE WCDS Hourly Report			

Surface Water Used			
Irrigators on New Hogan:	2	11	
Irrigators on New Melones:	2	2	
Out-Of-District Irrigators:	0	0	
DJWWTP Production:	30	36	MGD
North Stockton:	0	5	MGD
South Stockton:	7	8	MGD
Cal Water:	21	29	MGD
City of Stockton DWSP Production:	16	23	MGD

District Ground Water Extraction			
74-01	0	0	GPM
74-02	0	0	GPM
North	0	0	GPM
South	0	0	GPM
Extraction Well # 1	<u>0</u>	<u>0</u>	GPM
Total Well Water Extraction	0	0	GPM
Total Ground Water Production	0	0	MGD

Note: All other flow data reported here is preliminary, as of 10:30 a.m. on 05/23/23.