

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 26, 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 Director Nakaue led the Pledge of Allegiance.

Present at roll call at the District were Directors Atkins, Cortopassi, McGurk, Nakaue, Panizza, Sanguinetti and Watkins. Also present were Manager Hopkins, Assistant Manager Vega, District Engineer Evensen, Finance Director Ram, Maintenance Manager Higaes, Water Supply Manager Donis, Administrative Clerk Barraza, Accounts Clerk Gamboa, and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 03/19/24 Regular Meeting

A motion was moved and seconded to approve March 19, 2024, Minutes, as presented.

Roll Call:

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

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 Cortopassi inquired on page 12, line 61 for USACE Finance and Accounting for O&M Water Storage 01/01/23-12/31/23 in the amount of \$1,110,365.64 asking if the amount has always been this high. Manager Hopkins replied yes, the annual charge is consistent for 2020 through 2024.

Director Atkins inquired on page 15, line 70 for the ACE Amature & Motor Company for Motor Inspection and Repair on P-24 in the amount of \$21,296.69 asking if the repair was only done on the motor. In response, Maintenance Manager Higaes confirmed that they were rebuilding the motor, ensuring its functionality, and installing a new motor

heater. He also mentioned that the motor, initially bought without a heater, was damaged by moisture or debris which could have originated from the skylights. Following up, Director Atkins sought information on the motor's size, to which Maintenance Manager Higaes stated it was 300 horsepower.

Director Cortopassi inquired about Comfort Air's Structural & HVAC work for HSPS Project-Process Billing cost of \$113,730 related to total project cost. District Engineer Evensen responded that the total project cost is approximately \$250,000.

A motion was moved and seconded to approve the March 26, 2024 Warrants, as presented.

Roll Call:

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

3. Business Consultant Agreements 04/01/24 – 03/31/25
 - a. Anthony Barkett

A motion was moved and seconded to approve the Business Consultant Agreement with Anthony M. Barkett for a one-year period from April 1, 2024 through March 31, 2025.

Roll Call:

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

- b. Doyce Boesch

A motion was moved and seconded to approve the Business Consultant Agreement with Doyce Boesch for a one-year period from April 1, 2024 through March 31, 2025. This is a Business Consultant Agreement for Federal Affairs.

Roll Call:

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

4. Stockton East Water District – Consideration of Contract Award for Aquifer Storage and Recovery Well Construction Phase 2A Memo

Manager Vega presented the ASR Well Project, which is budgeted for construction in FY 24/25, with the design completed in FY 23/24. Phase 2A involves constructing the actual well, while Phase 2B includes installing all the necessary components such as the pump, piping, valves, electrical components, and rehabilitating the well-house. Five bids were requested from ASR well construction companies, out of which Two bids were

submitted and staff reviewed and noted insufficient funding is available to complete Phase 2B adequately. Due to overall project cost, staff recommended the Board reject all bids and secure additional grant funding to construct the project. Discussion followed.

A motion was moved and seconded to reject all bids and readvertise for bids after securing additional grant funding.

Roll Call:

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

5. Stockton East Water District –Water Rights Fee Calculations

Manager Hopkins reported that a few months ago the Board had questioned how the California State Water Resources Board calculated the Water Rights Fees for New Hogan Reservoir and New Melones Reservoir. Finance Director Priya Ram explained why there was a difference in the cost of the NH and NM Water Rights.

Manager Hopkins elaborated on the pricing of \$8.209 million, attributing it to the request from the US Bureau of Reclamation (USBR) for a substantial amount of water from the Central Valley Project. This pricing was derived from the 44 water rights permits and licenses, amounting to over 101 million AF annually for all users of CVP water.

Director McGurk questioned if staff confirmed the data on the 44 water rights to total 101-million-acre-feet as he believed there is not that much water in the state. Manager Hopkins responded that the numbers came directly from the State Water Resources Board.

6. Stockton East Water District – WTP Security Fencing and Access Control System and Budget Amendment Memo

Assistant Manager Vega provided the Board with a memo for the WTP Security Fencing and Access Control System. He discussed the need to fence off the raw water ponds and the water treatment plant processes.

Director Cortopassi questioned if a fence could be placed along New Water Lane instead of a gate. Director Sanguinetti responded that the cost of a gate would be less than the cost of significant additional fencing. Discussion followed.

A motion was moved and seconded to approve a budget transfer from account 10-5323-0, Fund 94 Maint. & Repair TP – Solids Handling/Dewatering Lagoons to account 10-5324-0, Fund 94 Maintenance & Repair TP Grounds – Security and Access in the amount of \$185,000 and authorize the General Manager to approve contracts with C&R Fence Inc., and R-Tek Security for \$124,487 and \$59,753 respectively, for a total of \$184,240, and make all other necessary approvals, as presented.

Roll Call:

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

Absent: None

7. Stockton East Water District – Consider Adoption of Draft Heavy-Duty Vehicle Idle Policy Memo
 - a. Stockton East Water District Policy Manual – Draft Heavy-Duty Diesel Vehicle Idling Policy No. 3032

Manager Hopkins presented the Board with a memo and draft policy for Heavy-Duty and Vehicle Idling Policy. Manager Hopkins explained that the policy is to comply with state regulations adopted back in 2009. The adoption of this idling policy will provide guidelines for ensuring that heavy-duty vehicles are limited to 5-minutes of idle time.

Director Sanguinetti inquired what is classified as a heavy-duty vehicle. Manager Hopkins replied that a 10,000 gross vehicle weight rating or heavier.

A motion was moved and seconded to adopt the Heavy-Duty Vehicle Idle Policy No. 3032, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 03/20/24

Director McGurk attended the San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. Director McGurk reported that the primary topic of this meeting was to get endorsements of the Advisory Water Commission for North San Joaquin to get an extension to finish the DREAM extraction. He also reported that Bob Granberg presented the Fall 2023 Groundwater Report and that San Joaquin Public Works is almost caught up with the groundwater data. Director McGurk also reported a MICUP update and inquired to clarify the purpose of MICUP. Manager Hopkins stated that MICUP is the county's effort to develop a collaborative project to help perfect their Mokelumne River Water Right Application. Director McGurk stated that they have \$3.3 million for this current project. Furthermore, he provided an update on SJAFCA, noting their intention to install a floodway. Due to the narrowness of Paradise Cut, it is overwhelmed with water, necessitating an alternative route for water flow. Director McGurk emphasized the federal and state interest in funding this initiative to prevent larger issues from arising.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 03/19/24

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 219,162 AF in storage at New Hogan Reservoir. Current releases are set at 26 cfs. There is 2,002,562 AF in storage at New Melones Reservoir. Current releases are set at 2,248 cfs. The current release at Goodwin Dam to Stanislaus River is set at 1,504 cfs and release to all water users is set at 2,073 cfs. The district water treatment plant (WTP) is currently processing 30 mgd. North Stockton is currently utilizing 5 mgd. South Stockton is currently utilizing 5 mgd. Cal Water is currently utilizing 17 mgd. The City of Stockton WTP is currently processing 9 mgd.

Director Cortopassi inquired about the current release from New Melones. Manager Hopkins clarified that repairs for flood damage caused by the 2023 storms were completed just last week and the canal is back in service. Following up, Director Cortopassi asked if the water being used was coming to the treatment plant, and Manager Hopkins confirmed this.

Director Nakaue asked about the decrease in the release to New Hogan to 26 cfs. Manager Hopkins explained that there is currently no demand for the water, and the District is only fulfilling its HCP obligations. The usual order from SEWD is for 25 cfs, which is sufficient to maintain at least 20 cfs fish flow.

2. Information Items:
 - a. Manager Hopkins noted items F-2a, b, and c.
3. Report on General Manager Activities
 - a. ACWA State Legislative Committee Meeting, 03/22/24

Manager Hopkins attended the ACWA State Legislative Committee Meeting on March 22nd. Manager Hopkins provided an update on four bills: AB2302 regarding open meetings for local agencies. Existing law allows legislative bodies to convene twice a year through remote means. There's a proposed amendment to this law that would permit members to hold more than two remote meetings per year, based on the frequency of their monthly meetings. Since the Stockton East Water District's Board meets more than three times a month, directors would be allowed to participate in up to seven remote meetings annually.

Manager Hopkins provided an update on AB275, which pertains to risk pool joint powers authorities for public utilities. The aim is to permit publicly owned utility companies to pool insurance resources. There is a notable concern that poorly performing power utilities could impact the financial stability of organizations like ACWA/JIPA. Amendments are currently being worked on to address these concerns and reduce risk.

Manager Hopkins provided an update on Senate Bill 1156, which focuses on groundwater sustainability agency (GSA) financial disclosures. The bill mandates that board members must disclose their financial interests. There is concern that this regulation might be redundant or could expand the scope of entities required to report financial information. ACWA is collaborating with the bill's author to propose

amendments that would clarify and ensure that GSAs do not need to complete additional paperwork due to this requirement.

Manager Hopkins provided an update on AB2079, which proposes to prevent development of large diameter high-capacity groundwater wells within one-quarter mile of a domestic well or in subsided areas. ACWA members are very concerned as the bill essentially applies only to agricultural and groundwater banking wells. For political reasons, ACWA took an oppose unless amended position instead of full oppose.

b. Stockton East Water District Activities Update

Manager Hopkins reported the new gates are installed on the Old Calaveras River Headworks and the District recently held its quarterly Calaveras River Forum meeting, as required by the HCP. Manager Hopkins also reported the San Joaquin County Board of Supervisors was considering an item to approve the reduction of the District's 2022 General Election costs from \$511,075 to \$288,000.

4. Stockton East Water District Water Supply Update

Water Supply Manager Donis presented the change in groundwater levels in the past year. The three wells between Admin and SRWR were up 6.9 ft, the three wells east of the East Reservoir were up 0.9ft, the three wells east of the nursery on Main St were up 6.3 ft, One well on the NW corner of SEWD was up 4.3 ft, One well in the center of Bozzano was up 3 ft, and the four wells east of the NRWR were up 1.82 ft. He presented that the New Melones Lake storage was 2,002,120 AF in comparison to 1,359,485AF last year. He also presented that the New Hogan Lake storage was 219,403 AF in comparison to 216,898 AF last year.

G. DIRECTOR REPORTS

1. U.S. Bureau of Reclamation – Award Ceremony Celebrating Ernest Conant, 03/21/24

Director Sanguinetti reported that he, Director Watkins, and Manager Hopkins attended the event. The event was well organized and many people spoke about Ernest Conant.

H. COMMUNICATIONS

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation Monthly Water Committee Meeting, 5:00 p.m., 03/26/24
2. San Joaquin County Town Hall – Water Solutions Meeting, 6:00 p.m., 03/26/24
3. Administration Committee Meeting, 10 a.m., 03/28/24

J. REPORT OF THE COUNSEL

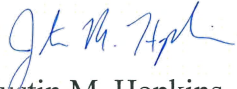
1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Potential exposure to litigation – Government Code Section 54956.9 – two cases

President Atkins adjourned the meeting to closed session at 1:50 p.m. The regular meeting reconvened at 2:02 p.m., with no reportable action.

K. ADJOURNMENT

President Atkins adjourned the meeting at 2:03 p.m.

Respectfully submitted,



Justin M. Hopkins
Secretary of the Board

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