

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, JUNE 25, 2024, AT 12:30 P.M.

**A. PLEDGE OF ALLEGIANCE AND ROLL CALL**

Vice President McGurk 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 Cortopassi, McGurk, Nakaue, Panizza, Sanguinetti and Watkins. Also present were Assistant General Manager Vega, Finance Director Ram, Water Supply Manager Donis, Maintenance Manager Higaes, District Engineer Evensen, Administrative Assistant Rodriguez and Legal Counsel Zolezzi. General Manager Hopkins was present via teleconference. Director Atkins was absent.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT**

Craig Stevens from California Water Service Company gave credit to the District's operators for staying in constant communication throughout the day and night with CalWater since the District's water treatment plant lost power due to lightning and was running on standby generators. Craig Stevens thanked the operators for providing them with water to keep their system flowing.

Assistant Manager Vega wished Director McGurk a Happy Birthday.

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 06/11/24 Regular Meeting

A motion was moved and seconded to approve the June 11, 2024 Minutes, as presented.

Roll Call:

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

Nayes: None

Abstain: None

Absent: Atkins

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. Payroll

g. Summary

h. Short Names/Acronym List

i. SEWD Vehicles & Heavy Equipment

Director McGurk inquired on the expense on page 9, line item 14 for DCSE Inc for Eastside Satellite ET project pf GROWMAS 11/01/23-12/31/23 and 04/01/24-06/06/24 in the amount of \$33,360.00. Assistant Manager Vega replied DCSE is the firm who is conducting the Districts' GROWMAS study.

Director McGurk inquired on the expense on page 10, line item 38 for Standard Insurance Company for July 2024 long term insurance – administration in the amount of \$438.22. Assistant Manager Vega replied the District has short-term, self-funded disability insurance and long-term disability insurance from Standard Insurance Company.

Director Panizza inquired where Standard Insurance Company is located. Finance Director Ram replied Standard Insurance Company is in Portland, Oregon.

A motion was moved and seconded to approve the June 25, 2024, Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Atkins

3. Warrants – California Public Employees

A motion was moved and seconded to approve the June 25, 2024, California Public Employees' Retirement System, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Atkins

4. Resolution No. 24-25-04 Stockton East Water District Requesting Register of Voters Election Services for 2024 General Election

a. San Joaquin County Registrar of Voters – 2024 General Election (SEWD Divisions 1, 3, 4 & 6) Assistant Manager Vega presented the Board with Resolution No. 24-25-04 Stockton East Water District Requesting Register of Voters Election Services for 2024 General Election. Assistant Manager Vega reported Resolution No. 24-25-04 is to declare an election be held and request the Board of Supervisors to proceed with the tasks for the elections. Assistant Manager Vega also presented the Board with the San Joaquin County Registrar of Voters Office Administrative Roster which lists the Board of Directors and the term dates.

Director Panizza inquired why the election process is different from other years. Manager Hopkins replied the San Joaquin County Registrar of Voter's discovered the District has not been submitting an official resolution requesting election services from the county and this 2024 General Election is the first time the county will implement their corrective measures to ensure the proper documentation is received.

A motion was moved and seconded to approve Resolution No. 24-25-04 Stockton East Water District Requesting Register of Voters Election Services for 2024 General Election, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Atkins

5. Stockton East Water District – High Service Pump Station Roof Replacement Memo  
Assistant Manager presented the Board with High Service Pump Station (HSPS) Roof Replacement Memo. Assistant Manager reported the HSPS roofing system is beyond its useful life and viable repairs. Assistant Manager Vega reported the HSPS roof has undergone various modifications, and received numerous patched repairs therefore, these issues have led to leaks during rainstorms, directly affecting pumps and motors. Staff contacted four roofing companies specializing in membrane roofing systems Baker Roofing, Silverstone Roofing, Claudex Roofing and Stoneridge Roofing. However, only two companies were willing and able to provide quotes. Assistant Manager Vega reported the scope of work involves removal of the existing single-ply roof layer, comprehensive cleaning of the area, disposal of debris, installation of the new hatches, a new 50-mil PVC Duro-last membrane, new plumbing pipe flashing, and proper ventilation for the membrane. Assistant Manager Vega also reported the FY (Fiscal Year) 2024-2025 budget includes \$137,500 for the HSPS roof replacement project and the proposed roofing project with Stoneridge Roofing is estimated to cost \$94,500 plus a 10% contingency falls within the approved budget. Staff recommends the Board of Directors authorize the General Manager to approve a contract with Stoneridge Roofing for a price not to exceed \$94,500 plus a 10% contingency of \$9,450, for a total amount of \$103,950, and make all other necessary approvals.

Director Cortopassi inquired if this is only for the recovering of the roof. Assistant Manager Vega replied yes.

Director McGurk inquired what material will be used besides the coating. Maintenance Manager Higuera replied a special membrane will be installed for the concrete top.

A motion was moved and seconded to authorize the General Manager to approve a contract with Stoneridge Roofing for a price not to exceed \$94,500 plus a 10% contingency of \$9,450, for a total amount of \$103,950, and make all other necessary approvals, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Atkins

6. Stockton East Water District – Consider Authorizing Refinancing of Bank of Stockton Loan Memo  
Assistant Manager Vega presented the Board with a memo to Consider Authorizing Refinancing of Bank of Stockton Loan. Assistant Manager Vega reported in July 2014 the Board approved the purchase of the Bozzano property. Per Water Code §74950, the District is required to renew the loan every five years. The loan was renewed in July 2019 with an interest rate of 3.95% with Bank of Stockton. Assistant Manager Vega reported the original loan amount was \$3,325,000, and the current principal balance is \$1,959,395.55 with the current federal interest rate ranging from 5.25-5.5% while the new interest rate from the Bank of Stockton is 5.75%. Staff also inquired about rates through Oppenheimer and found that the rate from Bank of Stockton was competitive. Assistant Manager Vega also reported the Board approved a budget of \$3,000,000 for FY24-25 budget for the potential purchase of surface water from Oakdale Irrigation District and San Joaquin Irrigation District. Furthermore, two separate amendment requests totaling \$603,668 have been submitted for alternative uses, resulting in an available balance of \$2,396,332. The District possesses the capacity to clear the outstanding loan balance of \$1,959,395.55, consequently maintaining a surplus of \$436,936 for the FY24-25 budget period. Staff recommends the Board authorize the General Manager to pay off the current Bank of Stockton loan using the funds set aside for the water transfer and make all other necessary approvals. This action will result in savings of \$707,834.97.

Director Cortopassi inquired how much the District actually paid for the land. Assistant Manager Vega replied the District paid \$3.3M.

Director Cortopassi inquired if staff contacted Farmers & Merchants Bank to find out what their interest rates are. Finance Director Ram replied yes, staff did reach out to other banks as well, however no other bank had an interest rate lower than 5.75%.

Director Nakaue inquired if the vehicles the Municipal Operations Committee discussed purchasing are coming from the same budget as the loan. Assistant Manager Vega replied yes, it is already accounted for in this memo.

Director Watkins inquired if the District would pull out money from reserves until the District receives the money from the base monthly payment every month. Assistant Manager Vega replied yes. Discussion followed.

A motion was moved and seconded to authorize the General Manager to pay off the current Bank of Stockton loan utilizing the funds set aside for the water transfer, and make all other necessary approvals, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Atkins

## **E. COMMITTEE REPORTS**

### **1. Eastern San Joaquin Groundwater Authority Special Board Meeting, 06/12/24**

Director Panizza and Director Watkins attended the Eastern San Joaquin Groundwater Authority Special Board Meeting. Director Panizza reported the Eastern San Joaquin Groundwater Authority Special Board Meeting had two parts to the meeting one was for the progress on the Eastern San Joaquin Groundwater Sustainability Plan, 5-year update and the regular board meeting. Director Panizza reported the March 13<sup>th</sup> minutes were approved, received financial report through May 2024, received report on Communications and Engagement Plan and Facilitation Support Services Activities from Stantec, approved the proposed Eastern San Joaquin Groundwater Authority (ESJGWA) budget for FY 2024-2025 totaling \$3.3M in revenues and appropriations, and approve the proposed cost allocation to Eastern San Joaquin Groundwater Authority (ESJGWA) members totaling \$373,000 and authorize the Eastern San Joaquin Groundwater Authority secretary to extend the term of agreement for temporary staff services provided by South San Joaquin Irrigation District (SSJID) through September 2024. Director Panizza also reported the next regular meeting is Wednesday, September 11, 2024.

### **2. Municipal Operations Committee Meeting, 06/14/24**

Director McGurk, Director Panizza, Director Nakaue, Director Atkins and Manager Hopkins attended the Municipal Operations Committee Meeting. Director McGurk reported the Municipal Operations Committee discussed the proposed vehicle purchase and budget amendment. Director Nakaue reported the existing crane truck is insufficient for a lot of the jobs, does not meet CARB (California Air Resources Board) Regulation standards, and the District is having to rent a crane to complete the jobs. Assistant Manager Vega informed the Board a memo will be presented for the

Fleet Policy Actions – Proposed Vehicle Purchases and Budget Amendment at a future board meeting.

Director Watkins inquired if the new boom truck will be used for the water treatment plant and if it is going to be bigger than the one the District currently has. Assistant Manager Vega replied the new boom truck will be bigger and will be used for dam removals, at the water treatment plant, and for any other uses.

Director Cortopassi provided a comment to the municipal committee suggesting there should be reasoning behind buying a new boom truck when the District could easily rent one when it is needed.

Director McGurk replied the municipal operations committee discussed the District should buy its own larger boom truck rather than being a victim of the shortage of rental equipment in today's construction environment. Discussion followed.

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

### **1. Water Supply Report as of 06/11/24**

Assistant General Manager Vega 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 226,068 AF in storage at New Hogan Reservoir. Current releases are set at 221 cfs. There is 2,036,172 AF in storage at New Melones Reservoir. Current releases are set at 3,268 cfs. The current release at Goodwin Dam to Stanislaus River is set at 2,511 cfs and release to all water users is set at 4,094 cfs. The District Water Treatment Plant (WTP) is currently processing 52 mgd. North Stockton is currently utilizing 10 mgd. South Stockton is currently using 9 mgd. Cal Water is currently utilizing 23 mgd. The City of Stockton WTP is currently processing 21 mgd.

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

a. Assistant General Manager Vega noted items: F-2a and F-2b

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

#### **a. ACWA State Legislative Committee Meeting, 06/21/24**

Assistant General Manager Vega reported there were three bills discussed such as AB 2149 which relates to gate standards and yearly inspections over 50 pounds, 48 inches wide and 84 inches tall, SB 1134 which relates to Surplus Land and ACWA has a favor if amended with a contention being it would simplify the process of surplus lands negotiations and sales. Assistant General Manager Vega also reported there will be another bill which is still not numbered and relates to Shasta River Water Sheds emergency orders with ACWA having an opposed position.

#### **b. Stockton East Water District – Update to TUD Water Supply Contract Discussions with USBR Memo**

Assistant General Manager Vega presented the Board with an Update to Tuolumne (TUD) Water Supply Contract Discussions with USBR Memo. Assistant General Manager Vega reported the memo has information on the effects the TUD Supply Contract would have on the Bureau of Reclamation water on New Melones.

Director Cortopassi inquired if TUD is applying for water from the basin. Legal Counsel Zolezzi replied TUD will be taking water out of the New Melones dam. Discussion followed.

c. Stockton East Water District – Groundwater Video

Assistant General Manager Vega presented the board with the Districts' Groundwater Video for feedback. General Manager Hopkins informed the Board the other three video topics will be on the Districts' Habitat Conservation Plan, the Bellota Weir Modifications Project and Surface Water Supplies.

Director Cortopassi inquired if the District owns a drone. Assistant General Manager Vega replied yes, the District does own a drone however the video producer is the one who created the video with his professional equipment.

Director Nakaue inquired how much the cost is to produce a video. Assistant General Manager Vega replied the cost per video to produce is \$3,750.

Manager Hopkins reported the finalized groundwater video will be presented at the Growers Meeting in July and will also be a resource for Stockton Area Water Suppliers (SAWS).

d. Stockton East Water District Activities Update

Assistant General Manager Vega reported the District had a lightning strike at about 4:15 PM on Monday, June 24<sup>th</sup> which caused power outage on the HSPS and Low Lift Pump Station (LLPS) therefore, the breaker on LLPS was burnt. Assistant General Manager Vega reported a high voltage specialist was contacted to inspect the situation on LLPS and figure out a quick solution.

Manager Hopkins reported he received an email from Congressman Harder's office advising the Farmington Dam Study is included in the house release of the 2024 Water Resources Development Act and the congressman is excited about having the Farmington Dam Study project included.

4. Stockton East Water District Water Supply Update

Water Supply Manager Donis provided the Board with an update on the District's water supply. Every month the monitoring well data is collected.

From June 2023 to June 2024, the 3 monitoring wells located between Administration and the South Raw Water Reservoir are up 2.2 ft. The 3 monitoring wells located east of the recharge site and the East Reservoir are up 3.8 ft. The 3 monitoring wells located on the eastside of the nursery are up 3.6 ft. The well located in the northwest corner of the property is up 12ft. The well located in the center of the Bozzano property is up 8.4 ft. The 4 wells located on the eastside of the North Raw Water Reservoir are up 6 ft and the total District recharge year to date is 6,487 AF. The New Melones storage was 2,020,658 AF as of last year. As of today, the New Melones storage is 2,036,172 AF which is an increase of 15,514 AF. The allocation used to date for New Melones is at 14.5% with 10,508 AF. New Hogan storage was 230,892 AF as of last year. As of today, the New Hogan storage is 226,068 AF which is a decrease of 4,824 AF. The allocation used to date is 27% with 22,892 AF.

Director Cortopassi inquired if staff is measuring recharge on the north pond. Water Supply Manager Donis replied yes.

## **G. DIRECTOR REPORTS**

1. Woodbridge Irrigation District 100+ Year Celebration Luncheon, 06/13/24  
Director Atkins, Director Nakaue, Director Sanguinetti, Director McGurk, Director Watkins and General Manager Hopkins attended the Woodbridge Irrigation District 100+ Year Celebration. Director Watkins reported it was a nice event, Woodbridge showcased their history for the attendees to see.
2. Mokelumne Integrated Conjunctive Use Program (MICUP) Quarterly Meeting, 06/17/24  
Director Watkins, General Manager Hopkins and Assistant General Manager Vega attended the Mokelumne Integrated Conjunctive Use Program (MICUP) Quarterly Meeting. Assistant General Manager Vega reported there was update on the discussions with the State Water Resources Control Board and East Bay Municipal Utility and Woodbridge Irrigation District. Assistant General Manager Vega also reported updates on project information and the District's projects are now updated.
3. San Joaquin Farm Bureau's 110<sup>th</sup> Annual Meeting, 06/20/24  
Director Atkins, Director McGurk, Director Nakaue, Director Watkins, Director Sanguinetti and General Manager Hopkins attended the San Joaquin Farm Bureau's 110<sup>th</sup> Annual Meeting. Director Watkins reported about two hundred people attended this event.

## **H. COMMUNICATIONS**

1. Stockton East Water District Opposing Letter for AB 2557 (Ortega): Local Agencies: Contracts For Special Services And Temporary Help: Performance Reports, 06/18/24  
Assistant General Manager Vega presented the Board with an Opposing Letter for AB 2557 (Ortega): Local Agencies: Contracts For Special Services And Temporary Help: Performance Reports. Assistant General Manager Vega reported the opposing letter is for placing additional reporting for special services contract and temporary help.

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

1. California Special Districts Association General Manager Leadership Summit – Anaheim, CA, 06/23/24 – 06/25/24
2. San Joaquin Farm Bureau Monthly Water Committee Meeting, 5:00 p.m., 06/25/24  
Director Watkins reported this meeting was cancelled.
3. District Holiday – Independence Day, 07/04/24
4. San Joaquin County and Delta Water Quality Coalition Steering Committee Meeting, 9:00 a.m., 07/08/24

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

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

Vice President McGurk adjourned the meeting to closed session at 2:22 p.m. The regular meeting reconvened at 3:05 p.m., with the following reportable action:

The Board voted to deny the June 5, 2024, loss claim, however, acknowledge there is a liability for loss and will work with the claimant and ACWA/JPIA for final claim amount.

**K. ADJOURNMENT**

Vice President McGurk adjourned the meeting at 3:06 p.m.

Respectfully submitted,



Justin M. Hopkins  
Secretary of the Board

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