

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, JULY 9, 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 Cortopassi 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 Manger Hopkins, Assistant Manager Vega, Finance Director Ram, Water Operations Manager Wunderlich, Water Supply Manager Donis, Maintenance Manager Higaes, District Engineer Evensen, Administrative Assistant Rodriguez, Legal Counsel Zolezzi and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

Manager Hopkins wished Director Watkins and Director Cortopassi a Happy Birthday.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 06/25/24 Regular Meeting

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

Roll Call:

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

Nayes: None

Abstain: None

Absent: None

2. Warrants

- a. Fund 67 – Agricultural 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

A motion was moved and seconded to approve the July 9, 2024, Warrants, as presented.

Roll Call:

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

Nayes: None

Abstain: None

Absent: None

3. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the July 9, 2024, California Public Employees' Retirement System, as presented.

Roll Call:

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

4. Stockton East Water District – Consider Awarding Uniform and Laundry Services Contract Memo
Manager Hopkins presented the Board with a memo to Consider Awarding Uniform and Laundry Services Contract. Manager Hopkins reported the District entered into a 5-year contract with Unifirst Corporation on August 15, 2019, to provide the District with rental uniforms, laundry services, floor mats, lab and shop towels. Manager Hopkins reported the agreement with Unifirst is coming to an end on August 15, 2024 and in preparation of the agreement ending staff reached out to three local uniform service providers Cintas, Unifirst and Vestis and requested quotes for another five-year uniform service agreement. Manager Hopkins reported two of the vendors responded, Unifirst and Cintas, with Cintas being the lowest bidder with a five-year agreement totaling \$108,147.00. Manager Hopkins also reported the uniform services is budgeted this fiscal year with the District's budget and includes \$30,000 for fund 94 and \$6,000 for fund 71. Staff recommends the Board authorize the General Manager to approve a five-year contract with Cintas Corporation, in the amount of \$108,250 plus a 10% contingency of \$10,825 for a total amount of \$119,075 and to make all other necessary approvals.

Director Sanguinetti inquired if there is an issue with the uniform service the District is currently receiving. Manager Hopkins replied the District had Cintas prior to Unifirst with Cintas still providing service to the Districts' first aid kits.

Maintenance Manager Higaes replied there is an employee who has been working for the District for about a year and has only been provided with five pairs of jeans. Maintenance Manager Higaes has been reaching out to the driver and the regional sales representative to inform them that the employee is short on jeans but received no replies.

A motion was moved and seconded to authorize the General Manager to approve a five (5) year contract with Cintas Corporation, in the amount of \$108,250 plus a 10% contingency of \$10,825 for a total approved amount of \$119,075 and make all necessary approvals, as presented.

Roll Call:

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

5. Stockton East Water District – Fleet Policy Actions – Proposed Vehicle Purchases and Budget Amendment Memo
Manager Hopkins presented the Board with the Fleet Policy Actions – Proposed Vehicle Purchases and Budget Amendment Memo. Manager Hopkins reported staff met with the Municipal Operations Committee to discuss the proposed replacement of the Districts' two heavy pieces of equipment: unit 48, 2008 Chevy 4x4 Kodiak, and unit 31, 1999 Freightliner FL70, National 500C fixed cab boom truck. Manager Hopkins reported both pieces of equipment are critical for the Districts' operation as identified in the Districts' strategic plan with one of the strategic areas being reliable infrastructure, including having the tools to maintain the reliable infrastructure, and resource management, as cost analysis identifies equipment ownership is about 1/5th the cost of rental.

Assistant Manager Vega reported the fleet policy was adopted in October of 2023 and establishes criteria for evaluating the current fleet and recommending replacements. Assistant Manager Vega reported both unit 31 and unit 48 have had several issues with reliability and have been in the shop numerous times. Unit 31 is out of compliance with the California Air Resources Board's (CARB) Truck and Bus Regulations which requires diesel vehicles over 14,000 pounds to have engines from 2010 or newer by January 2023. Despite research efforts, no viable options were found to retrofit unit 48's engine. Additionally, exploring chassis replacement for unit 31 revealed a CARB-compliant F-650 option at \$120,000, with a reduced GVWR of 7,000 pounds, limiting its utility for hauling wet dam boards and other items. Assistant Manager Vega reported the maintenance cost for unit 48 was \$4,150.08 with the vehicle being valued at \$49,320.00 while unit 31 had \$29,961 in maintenance costs with the vehicle value being \$30,000.00. Assistant Manager Vega reported both Unit 31 and 48 are over 8,500 pounds in GVWR. Therefore, they are also subject to CARB's Advanced Clean Fleet regulation (ACF) which was adopted on April 28, 2023, and requires government entities begin converting their fleets from internal combustion engines to Zero-Emission Vehicles (ZEVs). Furthermore, the proposed Unit 31 replacement is exempt altogether as heavy cranes (those that have a GVWR of over 54,000 pounds) are exempt from the ACF. The 26-ton Manitex will have a GVWR of about 66,000 pounds. Although the proposed boom truck is larger than Unit 31, the District's certified crane operators are allowed to operate the larger truck under existing licensures and additional certification is not required. District staff is proposing budgetary figures for unit 48 for \$125,000 base price and for unit 31 replacement base price is \$400,000. Assistant Manager Vega provided the Board with a handout with options of purchasing a new crane, leasing a crane or buying a used crane. The cost for a Manitex 26-ton crane lease would be a total cost of \$455,950, purchasing a used Manitex 26-ton crane with a total cost of \$176,00 and staff recommendation is purchasing a new Manitex 26-ton crane for the total cost of \$429,000. Assistant Manager Vega reported the current boom truck is rated for 7.5 tons and the proposed replacement is rated for 26 tons which will increase the ability of staff to perform certain duties. Purchasing an in-kind boom truck would run about \$309,760. Aside from convenience of schedule flexibility, the District benefits from the current boom truck approximately 26 days per year for dam installation and removal. Rental of an equivalent boom truck is estimated at \$62,400, based on revised-down, historic cost of rentals. Costs of rental are based on current maintenance tasks historically performed with the old boom truck. District Staff estimates that the current boom truck is used on average 15 days out of the year for things like: lifting trash racks, conveyor belt maintenance and/or installations, valve repairs, fish screen repairs, sedimentation basin maintenance, dam repairs, and treatment plant and motor and pump repairs among other items. The estimated cost to rent a crane for these tasks, based on revised-down historic cost of rentals is \$36,000. The costs to rent a boom truck due to size constraints of current boom truck. The District has spent about \$13,817 on crane rentals in 2023 which includes dam installations and maintenance tasks in cases where a larger boom truck was necessary. Costs associated with crane use as part of a contractor's overall work would be eliminated with the purchase of a new, larger boom truck. These costs include crane rentals for contractor maintenance tasks, like the removal and repair of P-28. Factoring in these expenses would increase the overall crane rental costs by an estimated \$5,760 per year based on analysis of invoices. The FY 24-25 Stockton East Water District (District) Board of Directors (Board) approved budget included \$3,000,000 for potential purchase of surface water from Oakdale Irrigation District and South San Joaquin Irrigation District. However, given the past winter's precipitation, the purchase will not be required for the treatment plant to have sufficient supply and \$2,010,395.55 has already been amended for other purposes. As such, the amendment will not negatively affect water treatment plant operations. Staff respectfully recommends the Committee direct staff to propose the below recommendations to the Board of Directors authorize the budget amendment delineated in Table 5 and Authorize the General Manager to purchase two vehicles for up to \$577,500 plus 10% contingency for a total of \$635,250 and make all other necessary approvals.

Director Sanguinetti commented he supports purchasing a used crane but does not agree with the District purchasing a new crane worth \$429,000 since staff will not be utilizing the crane every day and if when they use the crane, it would only be for a few hours a day. Maintenance Manager Higaes replied staff rented a used crane from All-Cal and the crane did not perform within its specifications.

Director Cortopassi inquired if the Ford F-550 being purchased would reuse the unit 48 bed on it. Maintenance Manager Higaes replied no, the truck will be purchased complete.

Director Cortopassi inquired if staff looked at real cranes. Manager Hopkins replied no.

Director McGurk inquired if staff investigated how much it would cost the District to be in an on-call contract with a crane company. Assistant Manager Vega replied that if the District were to be in a contract with a crane company then the crane operator would not be a District staff which could result in an accident with the divers when they are pulling the fish screens out since the gap between the fish screen and the wall is about a foot and a half apart.

Director Cortopassi inquired how many hours the District's crane currently has. Assistant Manager Vega replied it currently has 25,270 hours.

Director Panizza suggested approving the Ford F-550 and bringing the crane options to a future board meeting.

Director Nakaue inquired if the 1,400 hours being used were for the boom truck or the Kodiak. Assistant Manager Vega replied for the boom truck. Discussion followed.

A motion was moved and seconded to authorize the General Manager to purchase the Ford F-550 in the amount of \$137,500 plus a 10% contingency for a total of \$151,250 and make all other necessary approvals, as presented.

Roll Call:

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

A motion was moved and seconded to authorize the General Manager to purchase a new Manitex 26-ton crane in the amount of \$429,000 plus a 10% contingency for a total of \$471,900 and make all other necessary approvals and authorize the budget amendment delineated in Table 5, as presented.

Roll Call:

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

6. Stockton East Water District – Fleet Addition – Vehicle Purchase FY 2024-2025 Memo
Manager Hopkins presented the Board with the Fleet Addition – Vehicle Purchase FY 2024-2025 Memo. Manager Hopkins reported the Board of Directors approved the Fiscal Year 2024-2025 budget, which designates \$146,00 from Fund 91 for the acquisition of three replacement vehicles.

This allocation is meant to cover replacing Unit 76, the General Manager's vehicle, and replacing two light-duty pickup trucks within the District's existing fleet. Assistant Manager Vega reported after evaluating the Districts' fleet, staff has deemed it operationally necessary to instead add two vehicles to the fleet. Assistant Manager Vega reported the Water Supply department currently has seven staff members and three vehicles which often forces the supervisor to assign two staff members to share a single truck. This situation significantly hampers operational efficiency and poses serious logistical challenges for field duties. Acquiring a new truck will immediately alleviate these issues, ensuring enhanced productivity and the ability to assign the crew individual tasks. Assistant Manager Vega reported Electrical Technician II lacks a dedicated vehicle, necessitating the borrowing of vehicles, which is not always feasible. This has led to frequent delays and complications for the technician to perform duties outside the water treatment plant at times. Acquiring a new truck for the Electrical Technician II will ensure timely maintenance and repairs, contributing to our services' overall efficiency and reliability. Assistant Manager Vega also reported staff has obtained quotes from three dealerships for two 2024 SR5 4-door double cab 4wd from Dublin Toyota, Folsom Lake Toyota and Elk Grove Toyota. Staff recommends the Board authorize the General Manager to approve the purchase of two 4x4 Toyota Tacoma's in an amount not to exceed \$96,000 and make all other necessary approvals.

Director Sanguinetti inquired why the Toyota Tacoma was chosen rather than another brand. Assistant Manager Vega replied the Board has approved purchasing Toyota's in previous board meetings due to their reliability. Manager Hopkins added that staff has previously evaluated multiple manufacturers of mid-size pickup trucks and Toyota was less expensive than Chevrolet and Ford.

A motion was moved and seconded to authorize the General Manager to approve the purchase of two 4x4 Toyota Tacoma in an amount not to exceed \$96,000 and make all other necessary approvals, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakauae, Panizza, Sanguinetti, Watkins

Nayes: None

Abstain: None

Absent: None

7. Stockton East Water District – Notice of Emergency Expenditures from Lightning Incident Memo. Manager Hopkins presented the Board with a Notice of Emergency Expenditures from Lightning Incident Memo. Manager Hopkins reported the District experienced a lightning strike event on June 24, 2024 at around 4:15 p.m. which caused damage to 12.5kV electrical equipment and the District was on emergency generator power for a week as the damaged equipment was repaired. Manager Hopkins reported the water treatment plant has been on PG&E power for a week. Both of the District's standby generators experienced issues; staff remain unsure about the problem with the CAT generator and the CAT sub-contractors will be providing the District with a diagnosis of the issue. Manager Hopkins reported the District considered the lightning strike an emergency and under the emergency provisions of the purchasing policy there were several expenditures authorized, most notably is the labor and parts to replace the switch gear which was damaged with the price of \$99,172 and the rental generator for Low Lift Pump Station with a cost of \$20,000 per week. The Fiscal Year 2024-2025 District's Board approved budget did not anticipate emergency funds needed for the fiscal year. As such, when final accounting of emergency expenditures is completed, a budget amendment will have to be presented to the Board.

Director Atkins inquired how many hours are on the CAT and Cummins generator. Maintenance Manager Higaes replied that information was not brought to the meeting, but the CAT is a 1998 model and the Cummins is a 2005 model.

8. Cancellation of the July 16, 2024 Stockton East Water District Regular Board Meeting
Manager Hopkins presented the Board with a Cancellation of the July 16, 2024 Stockton East Water District Regular Board Meeting. Manager Hopkins reported since the previous weeks the Board of Directors have only been meeting every other week, he proposed to cancel the July 16th regular board meeting if the board so desires to continue to have the regular board meetings every other week.

Director Panizza commented he would appreciate if Manager Hopkins desires to make a policy change, he should present it to the Board in order for them to considered potentially moving the regular board meetings every other week. Manager Hopkins apologized for presenting this proposal in this fashion and replied the Board is only taking action if they would want to cancel the July 16th meeting and this is not a policy change.

Director Sanguinetti commented the board of directors should be meeting weekly in order for the Warrants and CalPERS to be paid for on time. Finance Director Ram replied the District is on a thirty-day schedule. Discussion followed.

E. COMMITTEE REPORTS

1. San Joaquin County and Delta Water Quality Coalition Steering Committee Meeting, 07/08/24
Director Atkins attended the San Joaquin County and Delta Water Quality Coalition Steering Committee Meeting. Director Atkins reported no one attended the meeting.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 06/25/24

General 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 219,059 AF in storage at New Hogan Reservoir. Current releases are set at 241 cfs. There is 1,986,762 AF in storage at New Melones Reservoir. Current releases are set at 1,653 cfs. The current release at Goodwin Dam to Stanislaus River is set at 404 cfs and release to all water users is set at 2,051 cfs. The District Water Treatment Plant (WTP) is currently processing 48 mgd. North Stockton is currently utilizing 15 mgd. South Stockton is currently using 9 mgd. Cal Water is currently utilizing 27 mgd. The City of Stockton WTP is currently processing 21 mgd.

2. Information Items:
 - a. General Manager Hopkins noted items: F-2a, F-2b and F-2c
3. Report on General Manager Activities
 - a. California Special Districts Association General Manager Leadership Summit – Anaheim, CA, 06/23/24 – 06/25/24
Manager Hopkins attended the California Special Districts Association General Manager Leadership Summit. Manager Hopkins reported the General Manager Summit provided great information and had excellent keynote speakers talking about leadership. Manager Hopkins reported he attended a session about board training and inquired with the board if they are

interested in any additional training. Manager Hopkins also reported staff will draft a policy on how the board packets get developed and a communication plan policy.

Director McGurk inquired if there are ways to measure the public outreach. Manager Hopkins replied yes, if the advertising is online there are ways in which staff could see the amount of views the page is receiving.

b. Stockton East Water District Activities Update

Manager Hopkins reported Josh Harder's staff received a tour of the water treatment plant and were interested in the treatment process along with the work the District does in general. Manager Hopkins thanked Harder and his staff for all the support they have been providing the District for the past year and a half.

Manager Hopkins reported the Peters Pipeline repairs will begin on Thursday, July 11, 2024.

Manager Hopkins reported he had a phone call with South San Joaquin Irrigation District Water (SSJID) Resource Coordinator Brandon Nakagawa, the Eastern San Joaquin Groundwater Authority's Administrator. Manager Hopkins advised GEI to look at the data the District had in the 1969 Water Rights Study, which was conducted on the Calaveras River, and came up with a 21,000 acre-foot per year discrepancy compared to the groundwater model. Manager Hopkins reported the finding GEI discovered favors the District and on staff level the best the District was able to work out to avoid compromising the schedule for the five-year GSP update is to add a foot note in the water accounting table which is part of the GSP update stating Stockton East Water District should be receiving a 21,000 acre-foot greater recharge credit and will also be incorporated in the next model update. Discussion followed.

Manager Hopkins reported the Growers Meeting will take place at the Lions Club in Linden on July 26, 2024 at 10 AM and the information which will be discussed is Water Supply Outlook, Strategic and Master Plans, Stockton East Water District On-Farm Programs and Sustainable Groundwater Management Act (SGMA).

4. Stockton East Water District Water Treatment Plant Update

Water Operations Manager Wunderlich provided the Board with an update on the District's WTP production. Water Operations Manager Wunderlich reported for the month of June, 94 samples of E coli were collected and 0 were positive. The WTP rain fall totals for the previous week was 0 and the THM's as of July 9, 2024 are 30, the District's WTP produced 4,393.96 AF and Delta Water Supply Treatment Plant produced 1,520.50 AF in surface water production. Cal Water produced 534.50 AF, City of Stockton produced 28 AF and the District's water treatment plant produced 0 AF in groundwater production.

Director Nakaue inquired on what THM's stands for. Water Operations Manager replied Trihalomethanes.

G. DIRECTOR REPORTS

1. Eastern San Joaquin Groundwater Authority Groundwater Sustainability Plan Update: Stakeholder Meeting No.1, 06/26/24

Director Watkins, Director Panizza and District Engineer Evensen attended the Eastern San Joaquin Groundwater Authority Groundwater Sustainability Plan Update: Stakeholder Meeting No.1. Director Watkins reported the meeting was for dry domestic well mitigation. Director Watkins reported Mike Machado wants a review of the funding for the well mitigation.

2. Stockton Chamber of Commerce – 2024 Business Awards, 06/27/24
Director Sanguinetti and Director Watkins attended the Stockton Chamber of Commerce – 2024 Business Awards. Director Watkins reported the supervisors attended the meeting and were presented with the new installation of the people being awarded.

H. COMMUNICATIONS

I. AGENDA PLANNING/UPCOMING EVENTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – UNCLE Credit Union, 5:00 p.m., 07/11/24
2. Stockton Area Water Suppliers (SAWS) Meeting, 1:00 p.m., 07/12/24

J. REPORT OF THE COUNSEL

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

President Atkins adjourned the meeting to closed session at 2:26 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

bra