

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 16, 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 Watkins 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 Assistant Manager Vega, Finance Director Ram, District Engineer Evensen, Administrative Assistant Rodriguez, Legal Counsel Zolezzi and Consultant Barkett. Manager Hopkins was absent.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 07/09/24 Regular Meeting

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

Roll Call:

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

Nayes: 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 McGurk inquired on the following expense on page 15, line item 41, Coastline Equipment for Manitex 26101C-26-ton crane truck in the amount of \$420,225. Assistant Manager Vega replied the Manitex will arrive on July 17.

Director Cortopassi inquired where Coastline Equipment is located. Finance Director Ram replied it is in Sacramento.

A motion was moved and seconded to approve the July 16, 2024 Warrants, as presented.

Roll Call:

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

Nayes: None
Abstain: None
Absent: None

3. Stockton East Water District – CalPERS Yearly UAL Payment Options Memo

Assistant Manager Vega provided the Board with the CalPERS Yearly UAL Payment Options Memo. Assistant Manager Vega reported the yearly UAL payment which relates to CalPERS pension plan for both classic and PEPRAs members. Assistant Manager Vega reported staff presents the information to the Board of Directors yearly to inform them of the changes and receive direction concerning which method of payment of the UAL they prefer. Finance Director Ram reported the option of either monthly payments of \$50,199.50 for Classic members for a yearly total of \$602,394 and \$611.92 for PEPRAs members for a yearly total of \$7,343.04, or the payment of an annual lump sum payment of \$582,901 for Classic members and \$7,105 for PEPRAs members. Finance Director Ram reported the District could choose to pay the lump sum payment and save \$19,493 for Classic members and \$238.04 for PEPRAs members. Staff respectfully recommends the Board authorize the General Manager to prepay the UAL portion of the District’s Classic plan in an annual lump sum, saving the District \$19,731.04

Director McGurk inquired if the calculation of the money the District is saving includes staff time. Finance Director Ram replied no, it does not include staff time.

Director Cortopassi inquired if the yearly UAL payment coincides with the District’s fiscal year. Assistant Manager Vega replied that when the Districts’ budget is set, Staff anticipates the amount of the UAL payment per fiscal year and any adjustments are made at the end of the fiscal year.

Director Nakaue inquired what PEPRAs stands for. Assistant Manager Vega replied PEPRAs stands for Public Employees’ Pension Reform Act which addresses the state’s pension liabilities. The reform includes changing the retirement formula from 2% at 55 to 2% at 62 for new plan entrants. It also requires employees to pay for their portion of the pension contributions which is not the case for Classic members who were employed before PEPRAs was enacted.

A motion was moved and seconded to authorize the General Manager to prepay the UAL portion of the District’s Classic plan in lump sum, saving the District \$19,731.04, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 07/09/24

Assistant 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 215,396 AF in storage at New Hogan Reservoir. Current releases are set at 258 cfs. There is 1,971,811 AF in storage at New Melones Reservoir. Current releases are set at 1,772 cfs. The

current release at Goodwin Dam to Stanislaus River is set at 401 cfs and release to all water users is set at 1,988 cfs. The District Water Treatment Plant (WTP) is currently processing 50 mgd. North Stockton is currently utilizing 13 mgd. South Stockton is currently using 8 mgd. Cal Water is currently utilizing 24 mgd. The City of Stockton WTP is currently processing 19 mgd.

2. Information Items: None

3. Report on General Manager Activities

a. Stockton East Water District Activities Update

Assistant Manager Vega reported the repairs on the Peters Pipeline have begun where there is a turnout about 15 feet from the pipeline which was damaged by a grower. This same location was previously repaired. Assistant Manager Vega reported staff will place a flange and a butterfly valve for future pipeline isolation for maintenance.

Assistant Manager Vega reported the roof at the High Service Pump Station has been completed.

Assistant Manager Vega reported staff is investigating the standby generators issues at the Low Lift Pump Station. Assistant Manager Vega reported the Cummins standby generator will be looked at on Wednesday and the CAT standby generator will be looked at on Thursday.

Director McGurk inquired if the CAT standby generator diagnostics is done with a laptop and a disc. Assistant Manager Vega replied the set up might be different and not necessarily a laptop and disc. The District does not have the proper equipment to perform the diagnostics.

Director Nakaue inquired when the generators will be turned off. Assistant Manager Vega replied the water treatment plant has been running on PG&E line power and the standby generators have been turned off. The standby generators are meant to operate when there is PG&E line power disruption.

4. Stockton East Water District Finance Update

Finance Director Ram provided an update on last quarter's interest from April – June. Finance Director Ram reported LAIF 's interest rate was 4.55% with interest income of \$355,087.30 and an average balance of \$31,471,083.55. Finance Director Ram reported California Class earning interest rate was 5.3993% with the total interest earned of \$138,239.01 and an average balance of \$10,254,387.73. Finance Director Ram also reported this year the District will be working with a new auditor, offering a fresh perspective on everything.

Director McGurk inquired if the auditor works for the same company as our previous auditor. Finance Director Ram replied yes.

G. DIRECTOR REPORTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – UNCLE Credit Union, 07/11/24
No Board members attended.

H. COMMUNICATIONS

I. AGENDA PLANNING/UPCOMING EVENTS

1. Stockton Chamber of Commerce - 2024 State of the Water, 8:00 a.m., 07/17/24
2. San Joaquin County Flood and Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 07/17/24

Board Meeting – 07/16/24

DraftApproved

This meeting was cancelled

3. Eastern San Joaquin Groundwater Authority – Groundwater Sustainability Plan Update: Stakeholder Meeting No.2, 4:30 p.m., 07/17/24
4. CVP Water Association – Executive and Financial Affairs Committees Meeting, 10:00 a.m., 07/19/24
5. Stockton East Water District – Administration Committee Meeting, 2:00 p.m., 07/19/24

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 12:52 p.m. The regular meeting reconvened at 1:18 p.m., with no reportable action.

K. ADJOURNMENT

President Atkins adjourned the meeting at 1:19 p.m.

Respectfully submitted,


Justin M. Hopkins
Secretary of the Board

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