

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, SEPTEMBER 8, 2020 AT 12:00 NOON

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

President Panizza 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 Atkins, Cortopassi, Sanguinetti and Watkins. Also present were Manager Moody, Assistant Manager Hopkins, Finance Director Vega, Administrative Services Manager Carido, Administrative Assistant Curtis and Consultant Barkett. Present at roll call via teleconference were Directors McGaughey, McGurk and Panizza. Also present via teleconference was Legal Counsel Zolezzi.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT (None)**

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 09/01/20 Regular Meeting

A motion was moved and seconded to approve the September 1, 2020 Regular Meeting Minutes, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the September 8, 2020 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

3. JWT and Associates, LLP – Certified Public Accountants – Audited Financial Statements Presentation for Fiscal Year 2019-2020

Jeremy Ware with JWT and Associates, LLP gave a presentation on the District’s draft Fiscal Year 2019/2020 Audited Financial Statements.

Mr. Ware gave a summary to the Board of the four (4) required communications (Audit Results) which included a modified (qualified) audit opinion on financial audit; no audit adjustments; no disputes or disagreements with District staff during the course of the audit.

Mr. Ware provided a summary of the Independent Auditors' Report and explanation of the Basis for Qualified Opinions; Management's Discussion and Analysis; Statement of Net Position as of March 31, 2020 to include assets. Mr. Ware also provided a review of the District's Statement of Revenues, Expenses and Changes in Net Position as of March 31, 2020.

Mr. Ware reported the post-employment benefits has had a recent change and is up 15% from last year. The District does not have assets in a trust to offset this liability. Director Cortopassi inquired because the money is not in a trust, it is not recognized by accounting procedures. Mr. Ware replied yes.

Mr. Ware reported the operating revenue is consistent from last year, with M&I increasing some. The operating expenses were well managed.

Mr. Ware highlighted note 16 – commitments and contingencies, stating this is the area in which future potential legal challenges or business opportunities are outlined.

Manager Moody requested the Board to provide staff with any comments and staff will bring this item back for Board consideration to approve.

President Panizza thanked Mr. Ware for his presentation to the Board.

4. Kristin Coon Consulting – Special Contract Services Agreement for SAWS Water Education Program 08/01/2020 – 07/31/2021

Manager Moody provided the Board with the Kristin Coon Consulting – Special Contract Services Agreement for the SAWS Water Education Program. Manager Moody reported other than updating the dates; this contract is the same as last year.

Director McGaughey reported she reached out to get contact information for Trinity School which she had recommended to Mrs. Coon, however, the school has been closed. Director McGaughey inquired if staff can advise Mrs. Coon of the closure. Manager Moody replied yes.

A motion was moved and seconded to approve Kristin Coon Consulting – Special Contract Services Agreement for SAWS Water Education Program 08/01/20 – 07/31/21, as presented.

Roll Call:

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

President Panizza suggested redacting personal information from documents that are included in the Board Agenda Packet.

5. Stockton East Water District – Disinfection Alternatives Study Qualification Results  
Manager Moody provided the Board with information on the Disinfection Alternatives Study Qualification Results. Manager Moody reported at the June 30, 2020 Regular Board Meeting

the Board directed staff to solicit qualified consultants to perform a study on Disinfection Alternatives for the Water Treatment Plant with a budget of \$120,000.

Manager Moody reported staff took a different approach to the bidding process. Generally all bids are opened and then each bidder's qualifications are reviewed and the lowest, most responsible bidder is chosen. This time, two packets were submitted, one with a cost for the project and one with bidder qualifications. Staff only opened the qualification packets and evaluated bidders on their qualifications to perform the study. Once the qualifications were reviewed, staff opened the packet containing the cost to perform the work of the bidder they deemed most qualified. Should the cost from that bidder been too far beyond the budgeted cost, staff would have then opened the cost package for the next qualified bidder.

Manager Moody reported staff rated Carollo Engineers with the best proposal and as the most qualified consultant. The proposal cost for this Study is for a cost not to exceed \$118,236.

Director Watkins inquired how they compared to other bidders. Manager Moody replied the other bids were not evaluated as Carollo Engineers was in line with budget and qualifications.

Director Atkins inquired on the amount of bids staff received. Assistant Manager Hopkins replied three.

Director McGurk inquired why chloramine was not included in this Study for evaluation. Manager Moody replied the City of Stockton finished their design on the ammonia station to take water to the north part of the City and Cal Water is adamant that they do not want chloramination. Couple those two with the cost of adding it to the Water Treatment Plant, led staff to not include it as part of the Study. However, if the Board would like it included staff can ensure it is added.

A motion was moved and seconded to approve executing a Professional Services Agreement with Carollo Engineers for the Disinfection Alternatives Study in an amount not to exceed \$118,236, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

## **E. COMMITTEE REPORTS**

1. Stockton East Water District Ad-Hoc Committee Meeting – Bellota Project, 09/04/20  
Directors Atkins, Cortopassi, Sanguinetti and Watkins attended the September 4, 2020 Ad-Hoc Committee Meeting for the Bellota Project. President Panizza inquired if Director Cortopassi can provide the Board with an outline of the observations.

Director Cortopassi reported he initially thought the fish screen system to be complicated, however, after visiting Intake Screens, Inc. (ISI) and the President of the company explained how everything work it was no longer as complicated.

Director Cortopassi reported during the tour the group was able to see fish screen in the installation process and they seemed to be similar to the District's, except ISI uses pumps to draw out of the river near the Sacramento International Airport. It was a very neat and clean installation.

Director Cortopassi reported the group noted distinct differences between that of ISI and Woodbridge Irrigation District's (WIDs) fish screens. The fish screens that WID have installed are labor intensive and complicated and required employees to physically go in and power wash the screen and clean debris from settlement inside the cement structure. Director Cortopassi reported WIDs screens are one piece, so if something were to go wrong, they would have to drain all of Lodi Lake and take the entire fish screen apart. The screens ISI build are individual and can be serviced and cleaned separately.

Director Cortopassi expressed this is a big ticket item and the outcome needs to be as good as or better than what the project represents.

Director Cortopassi reported he liked WIDs discharge gates that measure water that goes into the canal. WID has a SCADA system that is operating the dam and gates and send sensors down the line and it adjusts automatically.

Director Atkins reported the ISI screen was very well built and manufactured in a way that would allow 46-feet of equipment to fit in a compact area. The ISI screen also cleans the screen with the grain, instead of against the grain of the machine like what WID has installed.

Director McGurk inquired since the ISI screens are the preferred mechanics of the District, will staff have to review dimensions again to ensure screens are compatible. Director Watkins replied the District would give ISI the specifications of amount of water we want and the room we have and ISI would design the screens and guarantee they will work where we install them. Director Atkins added that ISI will also tests screens at their property before installing to ensure everything is working.

Director Cortopassi provided background on the individuals who own and run ISI, stating the family started this company because they had their own problems with pumps and created a screen to keep their pump from clogging. They are problem solvers with a lot of experience.

President Panizza inquired if the Ad Hoc Committee met after the tours to vote on a formal suggestion for the Board. Director Watkins replied no.

Director Cortopassi reported he would like the Ad Hoc Committee to meet and include Barry O'Regan, KSN and discuss final comments and recommendations from the tour.

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

### **1. Water Supply Report as of 09/07/20**

Manager Moody 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 147,967 AF in storage at New Hogan Reservoir. Current releases are set at 170 cfs. There is 1,561,343 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 203 cfs and release to all water users are set at 1,369 cfs. There are 9 irrigator(s) on New Hogan, 3 irrigator(s) on New Melones and 0 Out-of-District irrigator(s). The water treatment plant is currently processing 34 mgd. The City of Stockton is currently processing 26 mgd.

2. Information Items:

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

3. Report on General Manager Activities

a. Stockton East Water District Activities Update

Manager Moody reported he has a call scheduled with the USBR this week to discuss the WIIN Act. He anticipates they will be inquiring how the District intends to pay. M&I must be paid upfront which is normal, but there are options for paying the Ag costs. Manager Moody reported the Ag costs can be drawn out over 3 years. Legal Counsel Zolezzi added the WIIN Act Contract will be effective after it is signed, however the RRA requirements will not go away until all payments have been made. Director Cortopassi inquired on the cost of Central's portion for the WIIN Act. Finance Director Vega replied ~\$700,000 for Ag and they do not have M&I costs. Director Cortopassi inquired if those costs would fall back on the District after consolidation. Manager Moody replied partially. Consensus of the Board was to advise the USBR that the District intends to pay for all costs up front.

**G. DIRECTOR REPORTS** (None)

**H. COMMUNICATIONS**

1. San Joaquin County Farm Bureau Federation – Ag Venture Program Thank you, 08/31/20  
Manager Moody provided the Board with Thank You correspondence from the San Joaquin County Farm Bureau Federation – Ag Venture Program.

**I. AGENDA PLANNING/UPCOMING EVENTS**

1. Eastern San Joaquin Groundwater Authority Steering Committee Meeting, 8:30 a.m.,  
09/09/20  
*\*Teleconference Only\**
2. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 09/14/20

**J. REPORT OF THE COUNSEL**

1. Closed Session - Existing Litigation  
Stockton East Water District vs. City of Stockton, et al.  
Government Code 54956.9 (a)
2. Closed Session - Personnel  
Government Code 54957

President Panizza adjourned the meeting to closed session at 1:29 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:36 p.m., with no reportable action.

**K. ADJOURNMENT**

President Panizza adjourned the meeting at 1:37 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

tbc

