

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, DECEMBER 1, 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 Atkins led the Pledge of Allegiance.

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

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT (None)**

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 11/24/20 Regular Meeting

A motion was moved and seconded to approve the November 24, 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 December 1, 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. Stockton East Water District – Construction Contract Award – Master Backwash Valve Replacement Memo, 11/24/20

Manager Moody provided the Board with a memo regarding the construction contract award for the Master Backwash Valve Replacement Project. Manager Moody reported the District put a Bid out for the removal and replacement of the master backwash valve and two 42-inch butterfly valves. Five Contractors responded to the Bid with Mechanical Analysis and Repair (Mar-Tech) being the lowest bidder in the amount of \$187,913.09. Staff is recommending to award the Bid to Mar-Tech; and, authorize the General Manager to execute a contract with Mar-tech for the Bid amount of \$187,913.09 and to approve all other costs, contracts

agreements, and/or addendums required to complete the Project, as long as the Project remains within the approved budgeted amount of \$300,000. Manager Moody added that due to the nature of this work, it would be important to not lose any time completing the Project. Additionally, Manager Moody will notify the Board if of any changes to the Project.

Director McGaughey commented she had no problem with this. Director Atkins inquired on the timeframe to install and complete the work. Manager Moody replied ~1 week, the District has planned for a shut-down for 2-weeks which will allow for all work to be completed. The District has been working closely with the Urban Contactors regarding the shutdown which is scheduled for the first week of March 2021.

Director Cortopassi inquired on the issue with receiving the parts for this Project as there was discussion at the Committee level regarding the budgeting of funds in the 2021/2022 Fiscal Year Budget in the event all parts have not been received by the end of the current Fiscal Year. Director Cortopassi inquired if the Bid is to complete the work, no matter the timeframe. Manager Moody replied yes. Manager Moody clarified that this Bid is for the entire project but the costs of the two butterfly valves will be deducted if that portion of the work cannot be completed within the one week period.

A motion was moved and seconded to award a Construction Contract to Mechanical Analysis and Repair (Mar-Tech) for the Master Backwash Valve Replacement Project in the Bid amount of \$187,913.09, and authorize the General Manager to execute contracts agreements, and/or addendums required to complete the Project, as long as the Project remains within the approved budgeted amount of \$300,000.

Roll Call:

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

4. Memorandum of Understanding Between Central San Joaquin Water Conservation District and Stockton East Water District – Exhibit C Terms and Conditions for the Consolidation of Stockton East Water District and Central San Joaquin Water Conservation District  
Manager Moody provided the Board with the Exhibit C Terms and Conditions for the Consolidation of Stockton East Water District (SEWD) and Central San Joaquin Water Conservation District (Central). Manager Moody reported Legal Counsel Zolezzi is working with Reid Roberts on some items that have recently come into development for LAFCo. Manager Moody reported the highlighted language is the newly added language and gave an overview of the new language that included: naming the 2 Directors (Wagner & Thompson) to be added to SEWD’s Board, Central’s Outstanding Debt 3 – Payment of WIIN Act Capital Costs; delineating Central’s outstanding debts to remain allocated to Central’s Service Area, after consolidation Outstanding Debt 3 be assumed by the Consolidated District and SEWD’s Service Area shall not be responsible for any debts of Central other than amounts due to the Bureau of Reclamation for payment of the WIIN Act Capital Costs.

Director McGaughey inquired on the 2 new Directors term. Manager Moody replied the new Board will decide whether they want to keep the additional 2 seats on the Board or if those 2 seats go away. If they go away, any Director(s) in Central can choose to run at that time.

Director Atkins inquired on the duration of Reid Robert's contract with Central. Manager Moody reported this contract will end per Central's discretion.

Director Cortopassi inquired on highlighted language under "Consolidation". Manager Moody replied Central will pay their WIIN Act payment upfront, and after the Board of the Consolidated Districts will determine how much debt to assume after the Districts have been consolidated. Legal Counsel Zolezzi added Central will be reimbursed after Consolidation to pay off their debts.

Matt Zidar, San Joaquin County inquired if SEWD will be acting on this item today or is there time to have additional discussion on this item because the Urban Contractors have questions. Legal Counsel Zolezzi replied plans were to take action on this item today but the Board can do what they please.

Director Watkins inquired if the Memorandum of Understanding (MOU) has already been executed. Legal Counsel Zolezzi replied this item is proposing amendment to the original document, and the changes are highlighted. President Panizza added the District is clarifying language to the document as it will be submitted to LAFCo.

Legal Counsel Zolezzi replied the District sent a letter to the Urban Contractors responding to their objections but that did not address this issue. Legal Counsel Zolezzi added SEWD's position is completely appropriate to charge the cost of water to the entire Consolidated District, because the Urban Contractors are contractually entitled to the first 15,000 AF of that water.

President Panizza commented having discussions with the Urban Contractors in the future, and that this document should be approved by the Board because the previous document did not include WIIN Act issue and the names of the 2 Board Members from Central and their terms. President Panizza commented on understanding the question raised by the County and that the District should work with a correct document and expressed moving forward with approving this document.

Director McGurk inquired if the Terms and Conditions are an exhibit to the MOU. Legal Counsel Zolezzi replied yes.

Director Cortopassi commented the document that was submitted to LAFCo needed clarification and felt there should be a motion on the clarification on the document that has already been presented & approved.

A motion was moved and seconded to approve the amended language of the original Memorandum of Understanding Between Central San Joaquin Water Conservation District and Stockton East Water District – Exhibit C Terms and Conditions for the Consolidation of Stockton East Water District and Central San Joaquin Water Conservation District for submittal to the LAFCo, as presented.

Roll Call:

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

Abstain: None  
Absent: None

President Panizza thanked the County for their comments and information today.

**E. COMMITTEE REPORTS (None)**

**F. REPORT OF GENERAL MANAGER**

1. Water Supply Report as of 11/23/20

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 133,136 AF in storage at New Hogan Reservoir. Current releases are set at 26 cfs. There is 1,516,311 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 201 cfs and release to all water users are set at 244 cfs. The water treatment plant is currently processing 21 mgd. The City of Stockton is currently processing 12 mgd.

2. Information Items:

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

3. Report on General Manager Activities

- a. Stockton East Water District Activities Update  
Nothing to report.

**G. DIRECTOR REPORTS**

1. ACWA/JPIA Board of Directors Virtual Meeting, 11/30/2020

Director McGurk attended the November 30, 2020 ACWA/JPIA Board of Directors Virtual Meeting. Director McGurk reported the meeting lasted ~2 hours and ~130 participants attended virtually. Director McGurk provided an overview of the Financial Report that included discussion regarding the JPIA's Investment Policy. Director McGurk reported the JPIA has ~\$90 Million in reserves and ~\$40 Million invested in the Local Agency Investment Fund (LAIF). The Programs report included announcement of the President's Special Recognition Award recipients for Liability, Property and Worker's Compensation Programs; and, offsetting the increase of property program rates with reserves. Director McGurk reported the JPIA's Worker's Compensation Program is the 3<sup>rd</sup> best in the state because of its self-insured program and there was discussion regarding vaccinations for water district employees and how it relates to coverage. During this meeting, action was taken to: consent agenda/minutes from the July 27, 2020 meeting, ratify new agencies, approve Resolution for virtual voting and approve the JPIA Investment Policy.

Director Cortopassi inquired on the Virtual Armed Robbery as listed on the agenda. Director McGurk reported this was a seminar scheduled for Tuesday, December 1, 2020.

**H. COMMUNICATIONS (None)**

**I. AGENDA PLANNING/UPCOMING EVENTS**

1. Association of California Water Agencies – 2020 Virtual Fall Conference, 12/02/20 – 12/03/20
2. Agriculture Operations Committee Meeting, 12:00 Noon, 12/03/20
3. Association of California Water Agencies Agriculture Committee Meeting, 9:00 a.m., 12/07/20

**J. REPORT OF THE COUNSEL**

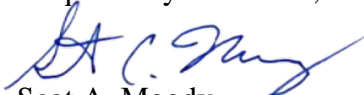
1. Closed Session - Potential Litigation  
Government Code 54956.9 (c) – one case
2. Closed Session – Personnel  
Government Code 54957

President Panizza adjourned the meeting to closed session at 1:16 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:41 p.m., with no reportable action.

**K. ADJOURNMENT**

President Panizza adjourned the meeting at 1:42 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

kmc

