

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 15, 2020 AT 12:30 P.M.

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Watkins called the regular meeting to order at 12:31 p.m. and Manager Moody led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

Director McGurk commented he attended the December 10, 2020 ACWA Region 4 Committee Meeting to report out on and was not listed on the agenda. President Watkins advised on making an amendment to the Agenda under “E. Committee Reports”, adding item “2. ACWA Region 4 Committee Meeting, 12/10/2020”.

A motion was moved and seconded to approve amending the December 15, 2020 Regular Meeting Agenda, and adding E-2 – ACWA Region 4 Committee Meeting, 12/10/2020.

Roll Call:

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

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 12/08/20 Regular Meeting

A motion was moved and seconded to approve the December 8, 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 15, 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. Consideration of Proposed Annual Budget Fiscal Year 2021/2022

a. Public Hearing

President Watkins opened the Public Hearing at 12:34 p.m., to receive comments on the Proposed Annual Budget for Fiscal Year 2021/2022.

Manager Moody reported the District circulated the Draft Budget; received recommendation to approve from the Agriculture Operations Committee and published a notice of today's public hearing in The Stockton Record.

Finance Director Vega gave an overview of the highlights of the Budget beginning with the Assumptions indicating the Urban Contractors received a credit for the previous budget year in Fund 94; and, the Schedules for allocations and the BMP are found at the back of the Budget. Finance Director Vega reported Fund 70 had a decrease in expenses in the amount of \$757,000 due to non-election year, eliminating a line in the General Manager's Professional Services Fund for Legal Expenses and a decrease in expected Technology expenses.

Finance Director Vega reported Fund 67 has an increase in expenses of ~\$350,000 due to a handful of projects that were identified to be allocated 100% to Ag.

Finance Director Vega reported in Fund 94 there was ~\$2.9 million credited to the Base Monthly Payment (BMP). Expenses for salaries and revenues are projected to increase due to merit and Cost Of Living Allowance Increases (COLA). Decreases in water charges are expected due to no longer having WIIN Act payments. Conversely, electricity and sludge disposal expenses are expected to increase. Finance Director Vega commented on Note 3 of the Treatment Plant budget, citing projects that are related to the Water Treatment Plant Maintenance and increase expenses by ~\$1 million. Finance Director Vega also noted due to the refinancing of Bonds the Water Treatment Plant realized some savings and that the District continues to plan for the Bellota Fish Screen Project. The BMP for fiscal year 2021-2022 shows a monthly decrease in the amount of \$91,842.87 being shown on Schedule D from the previous budget year.

Finance Director Vega also reported on Fund 91 – Vehicle Fund, noting the expenses to purchase two (2) replacement vehicles, a utility task vehicle and a tire changer & balancer.

Seeing there were no public comments, President Watkins closed the Public Hearing at 12:44 p.m.

b. Resolution No. 20-21-10 – Adopting Proposed Budget For Fiscal Year 2021/2022, as amended.

Roll Call:

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

Nayes: None
Abstain: None
Absent: None

President Watkins thanked Finance Director Vega for all his effort in putting the Budget together.

4. Tri-Dam Project – 2020 Budget Review

Directors Atkins, Cortopassi, Panizza and Manager Moody attended the December 9, 2020 Tri-Dam Project – 2020 Budget Review. Director Panizza reported the Tri-Dam Budget is generally flat from year to year, except the items listed under Capital Expenditures. Director Panizza reported exact figures will be known when Tri-Dam completes the true-up estimates, and the District could see a refund. Director Panizza reported the Budget has already been approved by the Tri-Dam Board and recommended the Board acknowledge receipt of the Budget and to approve.

A motion was moved and seconded to approve the Tri-Dam Project – 2020 Review, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. San Joaquin County & Delta Water Quality Coalition Meeting, 12/14/20

Director Atkins attended the December 14, 2020 San Joaquin County & Delta Water Quality Coalition Meeting. Director Atkins reported there was discussion on the Financial Reports, Membership and Program Manager’s Report. The Coalition’s budget is ~\$2 million dollars and membership is slow and the Coalition is currently trying to get all members in compliance with the Nitrate Summary Report that was due. Director Atkins reported a presentation was given on Fish Friendly Farming Certification. This stewardship institute is a non-profit since 1977 that assists growers with the paperwork required to get certified. The Program Manager reported there were no reports of pesticides in October/November but algae toxicity was reported in Waffle Slough, which they believe is from copper and samples were to be taken today. Director Atkins reported of the 41 wells tested for nitrates, 11 of them were above max levels for nitrates, which is 10 milligrams per liter. Director Atkins also reported the Coalition’s Portal is being updated and will be running on January 8, 2021. It was also reported that all grower meetings will be held online and includes the continued education credit requirement to retain your spray report. Discussion followed regarding online classes and certification. Director Sanguinetti commented the County also offers classes that are ~1 hour in length, and inquired if you can go back to see if you passed. Director Atkins advised you will be able to view everything on the portal. Director Sanguinetti inquired how online certification works if you own multiple parcels. Director Atkins advised to call Ruth Mulrooney at the Coalition for more information as they did not discuss this at the meeting.

Director McGaughey inquired on CV Salts. Director Atkins reported the District and Coalition participate in CV Salts and noted there is a CV Salts meeting coming up. Director McGurk

commented reading about environmentalists being concerned about Coho Salmon and tracking back to an ingredient in tires that is draining into the water ways; and, inquired if this was brought up during the meeting. Director Atkins replied no, the only item discussed was algae toxicity coming from copper. The next meeting is scheduled for January 11, 2021.

2. ACWA Region 4 Meeting, 12/10/2020

Director McGurk attended the December 10, 2020 ACWA Region 4 Meeting. Director McGurk reported Mark Emmerson, Region Chair gave an opening speech and an update was given on the consolidation of ACWA headquarter functions as a result of staff working from home. There was review of all the committees within ACWA. Lauren Bernadett, ACWA Regulatory Advocate gave the report on the AG Committee. The Solar Committee reported self-generation for agencies and the committee is working on solar and batteries. The Finance Committee reported the budget for 2021 is ~\$9.5 million and ~\$10 million for 2022 budget, ~\$181,000 is invested in Cal Trust and ACWA will be auctioning the old building on K Street. Revenues are down due to virtual conferences revenues being about half of revenues from in-person conferences. There were ~760 attendees at the virtual Fall Conference. Water Quality Committee reported Chromium 6 being an issue. Director McGurk reported the current Region 4 Board and ACWA Committee assignments are good for one more year and Committee Consideration Form for 2022/2023 term will be coming soon.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 12/07/20

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 132,953 AF in storage at New Hogan Reservoir. Current releases are set at 22 cfs. There is 1,529,069 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 204 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 13 mgd.

2. Information Items:

Manager Moody noted items: F2a-1.

Director Sanguinetti reported having received a letter from the San Joaquin County & Delta Water Quality Coalition and beginning next year, having to monitor domestic wells. Director Atkins replied that topic did not come up during the meeting.

3. Report on General Manager Activities

a. Stockton East Water District Activities Update

Manager Moody reported back to the board on a question regarding expenses presented in the December 8, 2020 agenda packet. Director McGurk had inquired on the expense on page 7, line item 1 in the amount of \$36,282.42 and line item 2, in the amount of \$23,683.93 for Princ & Intr North Site Property Qtr Ending Jan 2021. Manager Moody reported the payment amounts were different because one payment was for principal and the other was for interest.

Manager Moody reported to the Board that he has jury duty the week of December 21, 2020.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 12/16/20
This meeting was cancelled

2. Central Valley Project Water Association – Executive & Financial Affairs Committee, 10:00 a.m., 12/18/20
This meeting was cancelled

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 - Potential Litigation
Government Code 54956.9 (c) one case

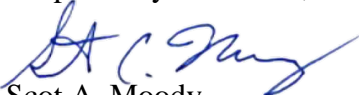
3. Closed Session - Personnel
Government Code 54957

President Watkins adjourned the meeting to closed session at 1:12 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:23 p.m., with no reportable action.

K. ADJOURNMENT

President Watkins adjourned the meeting at 1:24 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

kmc

