

THE SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF STOCKTON EAST WATER DISTRICT WAS HELD AT THE DISTRICT OFFICE  
6767 EAST MAIN STREET, STOCKTON, CA  
ON THURSDAY, MARCH 18, 2021 AT 11:00 A.M.

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

The special meeting came to order at 11:00 a.m.

Present at the District were Directors Atkins, Cortopassi, Panizza and Watkins. Also present were Manager Moody and Administrative Assistant Curtis. Director Sanguinetti arrived at 11:03 a.m. Legal Counsel Zolezzi joined the teleconference at 11:11 a.m.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT (None)**

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Stockton East Water District Zoom Meeting with City of Stockton Mayor Lincoln  
Manager Moody and the Board of Directors introduced themselves to Mayor Lincoln. Manager Moody provided Mayor Lincoln with the background and history of the District and the Board of Directors and the divisions they serve.

Mayor Lincoln inquired on the split of agriculture versus urban water provided. Manager Moody replied it is ~60/40 split with more water going toward the urban side than agriculture. The District hopes to even that split with groundwater sustainability being the focus. This is the biggest focus of the District currently.

Mayor Lincoln inquired on the impact that Coronavirus (COVID) has had on the District. Manager Moody replied that the District is a staff of ~48, including the Board and the District has experienced ~12 COVID incidences. As an essential service, the District sent home a relief crew early 2020, and asked those employees to stay home and stay safe. Manager Moody added that the District is fortunate to have been able to work throughout the pandemic, although some departments have been thinly staffed at times, water continued to flow.

Mayor Lincoln inquired on the District's focuses moving forward. Director Panizza replied the District is in discussion with LAFCo to work on the consolidation of SEWD with Central San Joaquin Water Conservation District (Central), a smaller, local district. Director Panizza added that this consolidation is important as Central has firm water rights from New Melones that cannot be taken. This would increase the ability to continually supply surface water, especially within Central's boundaries. New Melones is far superior to New Hogan water. Director Panizza reported when Central stopped districts stop-taking surface water there is a negative impact, as far out as southeast City of Stockton, on the groundwater table. The City's groundwater table has improved since 1997 when Director Panizza sat on City Council because of the Treatment Plant being able to supply New Melones water.

Director Sanguinetti introduced himself and advised his division is part agriculture and part urban. He inquired how much knowledge Mayor Lincoln has of the District and its partnership with the City. Mayor Lincoln replied that he understands that water is complex and multifaceted.

Mayor Lincoln inquired what the District's previous interaction has been with the City, the Mayor's office and other City departments. President Watkins replied the road has been bumpy at times, however, both entities have the same mission in mind. The District serves water to the City and has the best interest of groundwater sustainability in mind.

Director Sanguinetti reported that the City has not always agreed with things the District has spent money on, but it all was worthwhile during the dry years as the District was able to continue to supply water. All entities are considered when the District begins works on a project to ensure it is beneficial across the board.

Director Panizza reported the most important item to keep in consideration is the Second Amended Contract (SAC), which is the foundation of the relationship between the Urban Contractors and the District. Director Panizza added that it is an adversarial and complex document. The Courts ruling, as result of the City suing the District in 1998/99, provided adjustments to be more in line with what the City wanted and established percentages in regards to the budget. Director Panizza suggested that this is a document that Mayor Lincoln should be briefed on by the City Attorney or individual who is handling the City's water legal matters.

Director Cortopassi explained the District's process of supplying water, stating that the District does not supply water to the end users, the City and Cal Water do. The District has owned water rights to the New Hogan water and are in a contractual agreement with the Urban Contractors. The District creates a budget annually, which the Urban Contractors review and approve, then pay the District monthly for the cost to supply the water.

Director Sanguinetti reported that the District delivers water at cost and makes no money on this process. There is a budget that the District works from. If the District ends up with a surplus of funds, the money is credited back to the Urban Contractors on the following year's bill. The City gets water at cost from the District. To include, when the District had to refinance and when there was a shortage of water, the District worked to find water to make sure the City would be supplied.

Director Sanguinetti reported the District works to improve efficiency of District processes and finds the funds to take these steps to increase efficiency. The District added solar to reduce electricity costs and is currently working on a disinfection study to help efficiency and make the Treatment Plant more reliable 100% of the time. Mayor Lincoln commented that he appreciates the District's candor and being clear of the District processes.

Director Panizza inquired if Mayor Lincoln has any additional questions for the Board. Mayor Lincoln replied he has some questions on his end, but will inquire further after discussion with City staff.

President Watkins inquired on Mayor Lincoln's background and his time thus far in his role as Mayor. Mayor Lincoln replied that he was born and raised in Stockton and joined the Marine Corps in April 2001. After September 11, 2001, he was recruited to serve under President George W. Bush. After his time serving the President, he was connected with a private security company in Silicon Valley for work. He later moved to the Central Valley and began work for a non-profit Church as an Executive Director. Mayor Lincoln added that he decided to run for Mayor in October 2019, as he thought his life experience, education, nonprofit and corporate work and his military experience could benefit the City. Mayor Lincoln expressed that he knows in this

position the person has to be teachable and willing to listen and understand. His goal is to create a collaborative environment where people can work cohesively. He understands that not everyone will always see eye-to-eye, but should be able to discuss and speak freely and have a general understanding that is for the best interest of the whole. Mayor Lincoln reported that we are not a Mayor strong City, we are council driven. The top of the organizational chart are the citizens of Stockton. As Mayor, he plans to make decisions based on the needs of the City. The goal is to move the people, City and districts in a forwards direction. Stockton is a unique City with a lot of history, potential and community assets. Mayor Lincoln is optimistic and expressed that it will take hard work and agencies coming together and working towards a common goal.

Manager Moody reported that Director Panizza touched on the difference between the City and the District. It is important to know that the District operates very differently. There is not any decision that is made without the Board knowing about. Whereas, staff at the Municipal Utilities Division of the City, are the deciding factors of which direction they are headed. Traditionally, it does not seem that conversations of those decisions ever make it to the Mayor's Office or City Council. Mayor Lincoln replied that transparency is of utmost importance to him. He tries to be as proactive as possible. Upon beginning in his role as Mayor on of his first tasks was asking City staff for briefings from different departments and to set an expectation of what staff should bring before the City Council. Mayor Lincoln's philosophy is not to simply have the City Council vote on topics, rather, they need to be engaged in the process and ensure that everyone is fully informed. When the City Council is informed, the community at large is informed. It is their responsibility to get as many answers as possible for their constituents.

Director Sanguinetti explained that while Manager Moody does an excellent job of managing the District, the Board makes the final decisions and are ultimately the responsible parties. That is why the Board is present today to meet with Mayor Lincoln and be involved in the discussion.

President Watkins reported that the District looks forward to working with Mayor Lincoln over his tenure and solving problems and moving forward. The District is here to improve the groundwater basin and ensure everyone has water. President Watkins added that the District would love to host Mayor Lincoln for a tour of its facilities once more restrictions are lifted.

Mayor Lincoln thanked the group for their time today and meeting with him.

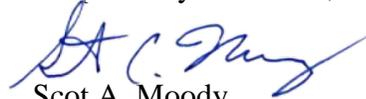
**E. REPORT OF THE COUNSEL** (None)

The meeting concluded at 11:33 a.m.

**F. ADJOURNMENT**

President Watkins adjourned the meeting at 11:34 a.m.

Respectfully submitted,

  
Scot A. Moody  
Secretary of the Board

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