

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 20, 2021 AT 12:30 P.M.

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

Vice President Atkins called the regular meeting to order at 12:30 p.m. and Manager Moody led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 07/13/21 Regular Meeting

Director McGurk made the following correction to the minutes:

- Page 2, section D-3, 1st paragraph, after 9th sentence – add “President Watkins added it was safe for the crops.”

A motion was moved and seconded to approve the July 13, 2021 Regular Board Meeting Minutes, as amended.

Roll Call:

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

2. Warrants

- a. Fund 70 – Administration Fund
- b. Fund 71 – Water Supply Fund
- c. Fund 91 – Vehicle Fund
- d. Fund 94 – Municipal & Industrial Fund
- e. Summary
- f. Short Names/Acronym List
- g. SEWD Vehicles & Heavy Equipment

Director Sanguinetti inquired on the expense on page 11, line 70, for Morgan Tire of Sacramento Inc in the amount of \$809.39, regarding the reason for purchasing tires from Sacramento. Manager Moody replied staff is trying a specialty off-road tire with thicker sidewalls as this same unit has gone through 12 tires in the last 12 months. Director Sanguinetti commented it is the tread that causes it to happen. Manager Moody reported rocks are cutting into the sidewall which is a factor for the approved purchase of lighter trucks.

Director Cortopassi inquired on page 10, line 53 for International Water Screens Co., in the amount of \$225,631.75 regarding the purchase of traveling screens and if the cost includes installation. Assistant Manager Hopkins replied the cost covers the hardware and staff will perform the installation after irrigation season. Manager Moody added the traveling water screen is located at Funck Road. Manager Moody reported prices have increased in the last year and the District has tried to bid out the work and received prices that were higher than in the past or no responses at all.

Vice President Atkins inquired on page 8, lines 18-22 for FishBIO for various amounts and projects. Vice President Atkins inquired if any work was done differently from last month. Finance Director Vega replied FishBIO is notorious for billing out of sequence or late. Finance Director Vega reported staff has contacted FishBIO about the issue and will also be following up monthly to ensure invoicing does not continue this way. Manager Moody reported FishBIO has ~~been participating in dam removal worked on dam removal~~ for the last 2-3 seasons, ~~and will be phased out going forward.~~

Vice President Atkins inquired on page 13, line 72 for Allied Fluid Projects Corp in the amount of \$1,218.27 on which pump needed the refurbished mechanical seals. Assistant Manager Hopkins replied it is surface wash pump 2 in the back of the filter gallery that hasn't been used for ~20 years which staff pulled out and refurbished.

A motion was moved and seconded to approve the July 20, 2021 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Watkins

3. Stockton East Water District – Aquatic Vegetation Rake Memo, 07/20/21

Assistant Manager Hopkins reported last week he gave an update on the Vegetation Issues on the Lower Farmington Canal and staff proposed the purchase of an Aquatic Vegetation Rake (AVR) to help remove the excess vegetation. After the presentation, the Board inquired about the universal fit of the proposed rake on excavators and asked staff to report back with a recommendation. The Board requested staff contact San Joaquin County to inquire about purchasing their excavator. Assistant Manager Hopkins reported staff looked into the pin sizes on the rake mount and found that they are universal amongst different excavator manufacturers. Assistant Manager Hopkins stated the pin diameter varies by the size of the excavator being used, and the pins that are on the proposed AVR fit the CAT 330 long-reach excavator the District regularly rents. Assistant Manager Hopkins reported staff inquired with San Joaquin County and they are not interested in selling their excavator at this time.

Director McGurk inquired about the referenced John Deere short-radius excavator used by Bloomfield Irrigation District in New Mexico. Assistant Manager Hopkins replied it is a zero-swing excavator that has no overhanging counter balance, the counter weight does not extend past the side tracks. Director Sanguinetti added it allows operation in tight quarters.

Director McGurk inquired if the District has any tight areas. Assistant Manager Hopkins replied the District does have tight areas but are typically only on one side of the canal, but with a long-reach excavator, it can reach the other side of the canal.

Vice President Atkins inquired about the size of the CAT 330. Assistant Manager Hopkins reported it is a medium size excavator. Director Sanguinetti added it weighs ~80,000-90,000 pounds, which is the biggest that can be hauled on a 5-axel trailer.

Vice President Atkins inquired about the furthest location traveled where the long-reach excavator would be used. Assistant Manager Hopkins replied the Tunnel Outlet which is a 45-minute drive in a passenger vehicle from the District office. Vice President Atkins inquired if the excavator is dropped off on the road or driven to the project site. Assistant Manager Hopkins replied it is dropped off on the road and staff tracks it in. Director Sanguinetti stated the distance is ~30 miles to the Tunnel Outlet and ~12 miles from Farmington, where the excavator would be used. Vice President Atkins inquired if the long-reach excavator would be used for cleaning the Upper Farmington Canal. Assistant Manager Hopkins reported use has only been on the Lower Farmington Canal, the Upper Farmington Canal has not been cleaned yet.

Director Cortopassi reported Holt of California provides a discount for liability insurance holders but the District would have to inquire with them for the discount. Assistant Manager Hopkins reported the District does not pay their insurance fee. Manager Moody added the District receives a discount for being a frequent customer.

A motion was moved and seconded to purchase the Aquatic Vegetation Rake (AVR) from Maximized Water Management, LLC in the amount of \$29,961.13 plus a 10% contingency in the amount of \$2,996.11 for a total approved purchase limit of \$32,957.24.

Roll Call:

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

4. California Public Employees' Retirement System – Yearly Unfunded Accrued Liability (UAL) Payment Options

Manager Moody provided the Board with information on the California Public Employees' Retirement System – Yearly Unfunded Accrued Liability (UAL) Payment Options. Finance Director Vega reported this is a yearly exercise brought to the Board for consideration. Finance Director Vega stated paying yearly provides savings and if paid monthly, a 7% interest applies. Paying annually would result in ~\$18,000 savings. Most of it would be applied to the classic plan and a minimal amount to PEPR plan.

Director Cortopassi inquired if the rate has gone up significantly. Finance Director Vega reported it did not, the rate only increased a few percentage points this year and the rate is supposed to go down next year. Finance Director Vega explained the classic plan is a closed plan meaning it will not have new entrants and is why it makes up a large portion of the liability. The liability will continue to increase but a previously approved lump sum payment has allowed for the yearly payment to stabilize lower than the \$750,000 previously estimated amount.

Consultant Barkett inquired if this payment solves the unfunded liability problem or if it keeps the District current. Finance Director Vega stated the UAL will not go away until all Classic members retire and their benefits are paid off, which will take decades.

A motion was moved and seconded to pay the full amount of the California Public Employees' Retirement System (CalPERS) Unfunded Accrued Liability in lump sum; and, in the amounts of \$522,505.00 for Classic Members and \$9,108.00 for PEPRA Members.

Roll Call:

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

Nays: None

Abstain: None

Absent: Watkins

E. COMMITTEE REPORTS

1. Eastern San Joaquin Groundwater Authority Steering Committee Meeting, 07/14/21

Director Watkins and Assistant Manager Hopkins attended the July 14, 2021 Eastern San Joaquin Groundwater Authority Steering Committee Meeting. Assistant Manager Hopkins reported an overview was given on the facilitation support services agreement available through Department of Water Resources, followed by a lengthy discussion between Director Watkins and the County regarding the data being used for the basin accounting proposal and the annual update, and how the two are connected. Director Watkins and the County agreed to discuss further off-line. Assistant Manager Hopkins reported the County explained the State Water Resources Control Board (SWRCB) conceptual revenues should the State take over the basin, SWRCB would charge \$55.00 per acre foot, where the Authority would charge \$5.00 per acre foot, which is a difference of the state's revenue of ~\$44,000,000 and the Authority's revenue of ~\$4,000,000. Assistant Manager Hopkins stated the County's intention was to show the benefits to make sure the State does not take over the groundwater basin should the Groundwater Sustainable Plan (GSP) goals not be met. Manager Moody stated there is a secondary motive of setting a basin-wide ground water charge for the whole basin, which is to show how much revenue could be made and paid to the County whom will distribute the funds as agreed upon by the GWA Board.

Consultant Barkett inquired if all houses, industrial and commercial properties would also be charged. Manager Moody replied commercial yes, and agriculture and urban wells would be charged for their groundwater pumping. Assistant Manager Hopkins explained there is a de-minimus fee depending on size and/or volume and they would pay a one-time fee also.

Director Cortopassi inquired about the State's \$55.00 charge and if the charge would be used to replenish the groundwater. Manager Moody explained the charge is a penalty charge if they have to take over. Director Cortopassi inquired about the timeframe. Manager Moody replied that progress has to be shown at the 5-year mark and prove to the State that sustainability will be met in the 20-year timeline.

Director Panizza inquired if the County enacts the fee and held it at the County, how would it be returned; proportionately, collected for projects for various water districts, or if the County decides how it would like to return it. Manager Moody replied the GWA would dictate how the funds would be distributed, and was implied the funds paid by that GSA would be returned to the same GSAs for them to determine what projects will be completed.

Director Panizza inquired about districts that have significant problems and no funds and other districts that have equally significant problems but do have funds, inquiring what would happen them. Manager Moody replied that the details are undetermined.

Assistant Manager Hopkins reported San Joaquin County is currently working on preparing a request for qualifications to select a consultant to perform the basin accounting work, there is no money in the GWA budget to fund the work so the County is pursuing a Facility Support Services Grant from the State. Assistant Manager Hopkins reported the County's American River Water Rights application, which the County wants to focus on the benefits to North San Joaquin Water Conservation District, Stockton East Water District, and the Northern County Cities for their water right application. Manager Moody inquired with the Board of their approval to send a letter of support but not participate as a project recipient. Manager Moody explained basin accounting framework, is the adjudication process to assign a specific groundwater amount to each GSA, if more water is requested, the GSA would have to complete more projects. Director Cortopassi inquired if the basin is all together. Manager Moody explained Director Watkins has been advocating for completing projects to get to sustainability instead of wasting money; but many other GSAs have done the adjudication process such as south of the District and the County wants to follow suit and obtain basin accounting framework to ensure all landowners in each GSA do their part towards sustainability. The next meeting is scheduled for August 11, 2021.

2. Stockton East Water District Ad-Hoc Committee Meeting – Solids Handling Project, 07/16/21
Directors McGurk, Panizza and Watkins attended the July 16, 2021 Stockton East Water District Ad-Hoc Committee Meeting for Solids Handling Project. Director Panizza reported the Committee reviewed the entire Project that entails completion over a number of years; and, will bring a recommendation to the Board for consideration. Director Panizza reported the Committee unanimously decided it is best to begin Phase I of this Project in the 2021/2022 Fiscal Year, which involves the three existing lagoons and a proposal to put in four more de-watering lagoons to the north. This Phase is part of the effort to upgrade our treatment facility and ultimately solve the issues we currently have with sludge maintenance. Director Panizza stated the improvements budgeted in the 2021/2022 Fiscal Year will cost ~\$350,000, more projects will be budgeted in future fiscal years.

Vice President Atkins inquired if polymer will be used more once with the improvements are made. Assistant Manager Hopkins stated use of polymer began in 2015 to help with TOC removal and will continue to use until we learn of a new water quality issue or if a better product comes along. Manager Moody explained in 2015 we violated the TOC removal secondary standard and a Study was submitted to the State Water Resource Control Board (SWRCB). The use of polymer does not allow the sludge to dry out and that has taken away ~1/3 capacity at the treatment plant, which is the reason for the need to expand our facilities.

Vice President Atkins inquired if this has to do with aquatics upstream and if the aquatics can be cleaned could less polymer be used. Manager Moody replied it is possible but explained the complexity of carbon and filters that are being changed more often because the pores in the carbon get full from the minute organics which causes not enough filtration and the measurement of how much organics are coming in and out because due to secondary rule, when chlorine reacts with the organics left in the water after filtration it creates THM which is a primary MCL.

Director Cortopassi inquired about the new ponds costing ~\$1.5 million dollars. Manager Moody stated it may cost that over several years but Phase I includes getting the piping, injecting facility to inject polymers and removing water from the sludge. Assistant Manager Hopkins reported the reshaping of lagoons will be part of this Phase to include making an area for the new lagoons. Manager Moody reported Department of Drinking Water (DDW) will not allow a non-lined

structure to hold sludge at the treatment plant, the product to line the new lagoons will be decided by the Board when that Phase is presented.

Vice President Atkins inquired about reason for the requirement to line the lagoons. Assistant Manager Hopkins stated because of soil contamination, the State sees the discharge of sedimentation basin as waste.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 07/19/21

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 116,112 AF in storage at New Hogan Reservoir. Current releases are set at 188 cfs. Current release at Goodwin Dam to Stanislaus River are set at 1,501 cfs and release to all water users are set at 215 cfs. There are 12 irrigator(s) on New Hogan, 3 irrigator(s) on New Melones and 2 Out-of-District irrigators. The water treatment plant is currently processing 31 mgd. The City of Stockton is currently processing 22 mgd.

Vice President Atkins inquired about the Out-of-District customers. Manager Moody stated they are billed for the water they requested and the District is not losing any money.

Director Cortopassi commented Carmichael Water District is curtailing water while the Bureau of Reclamation is throwing away water in the river. The District should send a letter to Carmichael Water District and let them know. Manager Moody reported that Carmichael Water District is curtailing water to conserve water for releases this winter when New Melones is empty. Manager Moody added the Farm Bureau may want to take a look at that.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4 and F2a-5.

3. Report on General Manager Activities

a. Central Valley Project Water Association – Executive & Financial Affairs Committee, 07/16/21

Finance Director Vega attended the July 16, 2021 Central Valley Project Water Association – Executive & Financial Affairs Committee. Finance Director Vega reported the CVPIA Plan will be finalized by the end of August. The Bureau of Reclamation has received but not commented on the letter from the CVP Water Association regarding CVPIA repayment best management practice guidelines. Additionally, there was discussion regarding resuming in-person meetings. Finance Director Vega reported CVP fiscal year accounting is being processed and the District should see correspondence in August. The next meeting is scheduled for August 20, 2021.

b. Stockton East Water District Activities Update (None)

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., 07/21/21
This meeting was cancelled
2. Greater San Joaquin County Regional Water Coordinating Committee Meeting, 3:00 p.m., 07/21/21
This meeting was cancelled
3. Sustainable Groundwater Management Act (SGMA) Outreach Event, 1:30 p.m., 07/22/21
4. Stockton Area Water Suppliers (SAWS) Meeting, 3:00 p.m., 07/26/21

J. REPORT OF THE COUNSEL

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

Vice President Atkins adjourned the meeting to closed session at 1:26 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:40 p.m., with no reportable action.

K. ADJOURNMENT

Vice President Atkins adjourned the meeting at 1:41 p.m.

Respectfully submitted,


Scot A. Moody
Secretary of the Board

kmc

