

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 14, 2021 AT 12:30 P.M.

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

President Watkins called the regular meeting to order at 12:30 p.m., and President Watkins led the Pledge of Allegiance.

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

**B. CONSENT CALENDAR** (None)

**C. PUBLIC COMMENT** (None)

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 12/07/21 Regular Meeting

Manager Moody made the following correction to the minutes:

- Page 1, section D-1, title – strike “12/23/21” and replace with “11/23/21”.

Director McGurk made the following correction to the minutes:

- Page 2, section D-3, 1<sup>st</sup> paragraph, 3<sup>rd</sup> sentence – strike “to” and replace with “of”.

A motion was moved and seconded to approve the December 7, 2021 Regular Board Meeting Minutes, as amended.

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 14, 2021 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 2022/2023

a. Public Hearing

President Watkins opened the Public Hearing at 12:33 p.m., to receive comments on the Proposed Annual Budget for Fiscal Year 2022/2023.

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. Manager Moody gave an overview of the highlights of the Budget beginning with the Assumptions being similar as in previous years, Fund 70 has increased ~\$780,000 from the current year which includes \$450,000 in election expenses and various engineering projects that substantially added to the increased budget amount. Manager Moody reported Fund 67 increased ~\$60,000 as compared to the current year which is funding various projects and a substantial amount of money is being taken out of reserves to balance the budget. Manager Moody reported the Base Monthly Payment (BMP) for M&I has decreased by \$22,000 a month; this payment amount includes the funding for the new Sodium Hypochlorite System. Manager Moody added there was a \$5.5 million credit to the BMP due to all the projects that were not completed because of COVID-19. Manager Moody reported Fund 71 has increased \$1.2 million which includes ~\$767,000 in grant funded projects. All projects are pending Board approval. Manager Moody reported the Agriculture Operations Committee met to review the draft budget and was satisfied with the budget as presented.

Seeing there were no public comments, President Watkins closed the Public Hearing at 12:36 p.m.

- b. Resolution No. 21-22-10 – Adopting Proposed Budget For Fiscal Year 2022/2023, as presented.

A motion was moved and seconded to adopt Resolution No. 21-22-10 – Adopting the Proposed Budget for Fiscal Year 2022/2023, as presented.

Roll Call:

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

4. Discretionary California Public Employees' Retirement System Payment Memo

Manager Moody provided the Board with information on the CalPERS Unfunded Accrued Liability (UAL) Additional Discretionary Payment (ADP). Manager Moody reported the Board authorized Staff to entertain a Rate Reset from the District's current lender; the debt service for the Upper and Lower Farmington Canal water supply from New Melones. Manager Moody explained there were significant savings by completing the Rate Reset, even with ~\$60,000 in expenses. Manager Moody reported the Board originally had the idea to use the remaining balance to pay down the UAL to CalPERS; the Rate Reset is saving the District money as well as paying down debt to CalPERS that accrues interest. Manager Moody reported Staff recommends the Board approve an Additional Discretionary Payment to CalPERS in the amount of \$1,113,595 to produce significant savings in the future and continue to stabilize annual UAL payment increases.

President Watkins inquired about the total balance of the UAL account. Finance Director Vega replied the total balance at this time is \$6,678,490; CalPERS is 1-2 years behind. This year there was a large increase in investment earnings that has not been accounted for and as more employees retire the actuaries will adjust the balance, however, with the payment to the UAL, the interest amount will decrease. President Watkins inquired about the current payment amount.

Finance Director Vega replied the current payment amount is \$540,483 and upcoming payment amount is \$595,013 and with the ADP it is estimated to decrease to \$544,837.

Director Atkins inquired what the account will look like in the years to come. Finance Director Vega replied CalPERS uses tables which consider the age of the individuals and probability of longevity of those individuals to stay on the plan and then formulate the dollar amount to be paid. Finance Director Vega added the UAL Plan increases as less Classic Members are active. Finance Director Vega explained the Plan is funded by contributions by employees and investment earnings, and as less Classic Members are active, bi-weekly contributions decrease and the UAL amount increases.

President Watkins inquired about what happens to the funds left over after all the Classic Members have been paid out. Finance Director Vega replied the funds would be credited back to the District.

A motion was moved and seconded to approve an Additional Discretionary Payment (ADP) to CalPERS in the amount of \$1,113,595.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

5. Stockton East Water District – Proposal for Grant Writing and Administrative Services  
Memo, 12/09/21

Manager Moody provided the Board with a Proposal for Grant Writing and Administrative Services Memo. Manager Moody reported the District sent out a Request for Proposal (RFP) for Grant Writing Services in October and received no submissions. Manager Moody reported currently there is a lot of money everywhere for projects and considering the response from the RFP process, District staff reached out to Kennedy Jenks to request a Proposal for Grant Writing and Administrative Services. Kennedy Jenks provided a Proposal in the amount of \$64,090 which includes project management and project status updates; strategy meetings and grant funding research; as-needed grant proposal development and as needed management of funding agreements. Manager Moody reported staff will brainstorm with Kennedy Jenks on all the projects, one of the projects consisting of making the McGurk levee permanent, as this area has been identified in the Habitat Conservation Plan (HCP). Manager Moody would like to entertain Kennedy Jenks to get the grant together and get environmental work done as well as there is funding in the budget. Director Cortopassi inquired what Kennedy Jenks specialty is. Manager Moody replied they are an engineering firm and per the Proposal will dedicate someone to identify the correct grants to apply for and look at the requirements to see what grant is the best fit. Discussion followed regarding behind the scene work on grant requirements and scoring. Director Cortopassi expressed not scoring well on grants. Manager Moody replied the District has been doing okay with the small grants the District applied for. Director Panizza commented on searching for and writing of grants and inquired if it gives the Consultant special dibs on the projects. Manager Moody replied no, this proposal from Kennedy Jenks is for all of the leg work in applying for a grant. Director McGurk inquired on how to measure the success of Kennedy Jenks for their hours, specifically if the District will be invoiced for their work. Manager Moody replied there will be meetings, reports and invoices the District will have to approve. Director McGurk inquired if there is a way to make the District a priority, inquiring on how much time

Kennedy Jenks will have to make us a priority. Manager Moody replied Kennedy Jenks have to adhere to a timeline and all grants have a specific deadline to apply emphasizing the deadline is not the difficult part but understanding the grant opportunity and wording the grant submittal is because we want to ensure we check all the boxes to score well and get awarded.

Director McGurk commented this gives leeway if we go partners with another District. Manager Moody replied if the grant is written and the District goes out to bid, Kennedy Jenks will have knowledge should we be awarded a grant. Director McGurk inquired on Prop 68 and if this is from the Department of Water Resources. Manager Moody replied yes, North San Joaquin Water Conservation District is submitting a grant for improvements to their north system and San Joaquin County is also submitting for geotechnical work. Manager Moody noted part of the grant is dedicated to geotechnical work and the other side is looking for other various types of requirements.

A motion was moved and seconded to award a Professional Services Agreement with Kennedy Jenks for Grant Writing and Administrative Services in the amount of \$64,090 plus a 10% contingency of \$6,409, for a total amount not to exceed \$70,499., as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

## **E. COMMITTEE REPORTS**

1. Eastern San Joaquin Groundwater Authority Steering Committee Meeting, 12/08/21  
This meeting was reported out in E-2, Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Board of Director's Meeting. The next meeting is scheduled for January 12, 2022.
2. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Board of Director's Meeting, 12/08/21  
President Watkins, Director Panizza and Manager Moody attended the December 8, 2021 Eastern San Joaquin Groundwater Authority Steering Committee Meeting and Board of Director's Meeting. Manager Moody reported discussions regarding the Groundwater Sustainability Plan (GSP) comments and the developing of a subcommittee to review and craft responses to the Department of Water Resources (DWR); noting, it is the Groundwater Sustainability Agency (GSA) responsibility to make sure responses are provided to DWR. The Board approved using money from reserves; moving money from other line items and a budget revision for Woodward and Currant task order and David's Engineering Scope of Work relating to the allocation of the basin; giving the Secretary the authority to make these changes, which is Kris Balaji. President Watkins commented on the \$25,000 increase for the Woodward and Currant for the model to interface with David's Engineering. Manager Moody also reported beginning January 2022 the JPA Board will meet monthly for the next 6-months. Director McGurk inquired on Task Orders 4 and 5 on each agenda; noting Task Order No. 5 is new and inquiring if the money was already budgeted. Manager Moody replied the budget is broad and budget line items do not identify specifics. President Watkins reported the additional \$25,000 increase for Woodward and Currant will be put toward an interactive model that will convey how the basin will react in the future. Director McGurk inquired if the group was satisfied with the budget increase for the model. Director Panizza commented being satisfied as much as you can be in a process where there is

no control nor any regular contact and for the last year and a half having a full Directors Board only meeting quarterly. President Watkins commented it is the process that we have and would not recommend it again. Director Panizza commented the first report submitted to DWR ~2-3 months ago and the state did not approve. Manager Moody replied a few plans were approved and as it stands now, DWR has provided comments and given time for response to the comments. Manager Moody reported there was discussion regarding this being an over-reach by DWR. The next meeting is scheduled for January 12, 2022.

3. San Joaquin County & Delta Water Quality Coalition Meeting, 12/13/21  
This meeting was cancelled.

4. Stockton East Water District and Central San Joaquin Water Conservation District Meeting with U.S. Bureau Of Reclamation, 12/13/21  
Manager Moody attended the December 13, 2021 Stockton East Water District and Central San Joaquin Water Conservation District Meeting with U.S. Bureau of Reclamation. Manager Moody reported discussion from the meeting will be discussed in closed session as potential litigation.

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

1. Water Supply Report as of 12/06/21

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 90,739 AF in storage at New Hogan Reservoir. Current releases are set at 68 cfs. Current release at Goodwin Dam to Stanislaus River are set at 210 cfs and release to all water users are set at 0 cfs. The water treatment plant is currently processing 23 mgd. The City of Stockton is currently processing 6 mgd.

Manager Moody reported the City of Stockton shut down their plant for a few weeks for maintenance and the District is supplying some water and they must be using wells for the rest.

Director McGurk inquired on the current releases as there is a lot of water running down the diverting canal. President Watkins reported Bellota is reporting 1,271 cfs.

Director Cortopassi inquired on the measurement at Bellota. President Watkins replied the U.S. Army Corps of Engineers has a measurement device at Bellota. Director Cortopassi inquired if the District has measurement in place to measure what goes out to the Delta. Director Sanguinetti replied Bellota is the last spot where there is measurement. Director Cortopassi commented since the State Water Resource Control Board is looking at taking water for unimpaired flows, if water is not measured, we cannot claim it.

2. Information Items:  
Manager Moody noted items: F2a-1 and F2a-2.
3. Report on General Manager Activities
  - a. Surface Water Conversion Meeting, 12/09/21  
Nothing to report.

b. Stockton Area Water Suppliers (SAWS) Meeting, 12/10/21  
Nothing to report.

c. Stockton East Water District Activities Update

Manager Moody reported on the upcoming 2022 Mid-Pacific Water Users' Conference next month and staff will register for conference if there is interest in attending.

Manager Moody reported discussion with Consultant Boesch and Consultant Barkett for federal funding by way of the new infrastructure bill for the Bellota Fish Screen Project. Manager Moody reported Consultant Boesch liked the one-page project description for the Bellota Fish Screen Project and noted staff will be updating the project cost. There are currently efforts to schedule a meeting with the federal staffers.

Manager Moody reported on the December 10, 2021 District Potluck. Director Cortopassi and President Watkins attended. Manager Moody reported on the raffle prizes, great food and it was a good time.

Director Atkins inquired if Congress member McNerney liking the Bellota Fish Screen Project. Manager Moody replied the Project itself consists of fish and the environment and staff will continue efforts to get funding until we are told no.

## **G. DIRECTOR REPORTS**

1. Association of California Water Agencies – 2021 Fall Conference, Pasadena, CA, 11/30/21 – 12/02/21

Directors Atkins, McGurk, Sanguinetti, Watkins and Manager Moody attended the 2021 Fall Conference in Pasadena, CA. Manager Moody reported the ACWA Agricultural Committee Meeting is being repurposed to something other than agriculture. President Watkins commented ACWA past Director, Tim Quinn spoke on the repurposing the Ag land as he is part of the think tank at Stanford University. There was also discussion regarding San Diego Water Authority selling water to an avocado and citrus grower for ~\$1,900 per acre-foot. Director Atkins commented Manager Moody keeps the Board current and knowledgeable on current news. Manager Moody commented by being active with ACWA, by the time conference arrives the information conveyed at conference is more of an update of ACWA activities to date.

Manager Moody reported attending a water management breakout session with most of the discussion focusing on Prop 1 monies being moved around for projects. Discussions also focused on the voluntary agreement process and the state kept moving the target on the environmental process. Director Cortopassi inquired on Prop 1 funding being allocated for the Sites Project. Manager Moody replied yes Sites and other projects. Discussion followed regarding how Prop 1 projects such as the Sites Project that did not qualify to obtain Prop 1 grant funding. Director Cortopassi inquired if the state was able to sell bonds. President Watkins replied the state has sold bonds they just have not built the project.

Director McGurk attended the Special Forum – A Conversation with Two Water Leaders with panelists E. Joaquin Esquivel, Chair, State Water Resources Control Board and Ellen Hanak of the Public Policy Institute of California. Director McGurk commented enjoying this session, thought the content was good and expressed the panelists' jobs are enormous.

Director Sanguinetti commented on keeping the Colorado River at a certain level and Los Angeles having trouble getting water from this supply. Director Sanguinetti also noted there was no water visibly seen out of Owens Valley.

**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., 12/15/21  
*\*This meeting has been cancelled\**
2. Central Valley Project Water Association Meeting - Executive & Financial  
Affairs Committee, 10:00 a.m., 12/17/21  
*\*This meeting has been cancelled\**
3. Tri-Dam Budget Meeting, 10:00 a.m., 12/17/21

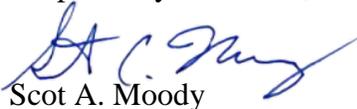
**J. REPORT OF THE COUNSEL**

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

President Watkins adjourned the meeting to closed session at 1:22 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:35 p.m., with no reportable action.

**K. ADJOURNMENT**

President Watkins adjourned the meeting at 1:36 p.m.  
Respectfully submitted,



Scot A. Moody  
Secretary of the Board

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