

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, MARCH 15, 2022 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 Director Panizza led the Pledge of Allegiance.

Present at roll call at the District were Directors Cortopassi, McGaughey, McGurk, and Watkins. Also present were Manager Moody, Assistant Manager Hopkins, Finance Director Vega, Administrative Services Manager Carido, Water Treatment Plant Operator Brothers, Administrative Clerk Feliciano, Legal Counsel Zolezzi and Consultant Barkett. Present at roll call via teleconference was Director Panizza.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. State of California State Water Resources Control Board – Certification for Water Treatment Plant Operator Grade T4 Presentation

Manager Moody congratulated Water Treatment Plant Operator, Kyle Brothers on completing his Grade T4 Certification for Water Treatment from the State of California State Water Resources Control Board. Manager Moody explained due to COVID-19, State Water Resources Control Board discontinued certification tests for a period of time; at the T3-T5 Grades a required number of hours have to be completed to test into the next grade. Manager Moody stated Water Treatment Plant Operator Brothers did not accumulate qualifying hours for over a year. Water Treatment Plant Operator Brother stated he is currently working towards his T-5 Certification.

Director Cortopassi inquired if a Grade T-4 can run the treatment plant. Manager Moody replied not by themselves, a Grade T-5 has to be available for direction.

2. Minutes 03/08/22 Regular Meeting

A motion was moved and seconded to approve the March 8, 2022 Regular Board Meeting minutes, as presented.

Roll Call:

Ayes: Cortopassi, McGaughey, McGurk, Panizza, Watkins

Nays: None

Abstain: None

Absent: Atkins, Sanguinetti

3. Warrants – California Public Employees’ Retirement System

a. Fund 70 – Administration Fund

b. Fund 71 – Water Supply Fund

c. Fund 89 – Fish Passage Improvements Fund

d. Fund 91 – Vehicle Fund

e. Fund 94 – Municipal & Industrial Fund

- f. Summary
- g. Short Names/Acronym List
- h. SEWD Vehicles & Heavy Equipment

Manager Moody reported the high expense to rent a long reach excavator is being used for construction projects and cleaning the Upper Farmington Canal; discussion at the Agricultural Operations Committee level is needed to decide on continuing renting equipment or approving the purchase of a long reach excavator.

A motion was moved and seconded to approve the March 15, 2022 Warrants, as presented.

Roll Call:

Ayes: Cortopassi, McGaughey, McGurk, Panizza, Watkins

Nays: None

Abstain: None

Absent: Atkins, Sanguinetti

4. 2022 Chemical Services Bid Results and Award, 03/15/22

Assistant Manager Hopkins provided the Board with the 2022 Chemical Services Bid results. Assistant Manager Hopkins reported the bid results shown are for the next fiscal year; chemical services are bid on annually.

Assistant Manager Hopkins reported most vendors remain the same; however, Northstar Chemical was deemed a non-responsive bidder for not identifying the places of origin within their bid packet; considering the nearby places of origins for the chemicals proposed by Northstar Chemical and the low chemical costs, staff requested the District waive the bid irregularity and consider contract awards for Northstar Chemical. Assistant Manager Hopkins reported Staff contacted Northstar Chemical and retrieved the missing information. Assistant Manager Hopkins explained the places of origin for the chemical was added to the request for bid as there were challenges with supply chain and weather issues in 2021.

President Watkins inquired what qualifies as the place of origin. Assistant Manager Hopkins replied the place of origin is the location of the tanker trucks before delivery not the location where the chemicals are made.

Assistant Manager Hopkins recommended to the Board to award the two lowest bidders for each chemical; this would give the District a solution should there be challenges with receiving chemicals on time. Assistant Manager Hopkins reported there was contract language added to evaluate the vendors' chemical cost quarterly and should the cost increase more than 10% then a price adjustment will be implemented; chemical vendors expressed concern about the uncertain cost of chemicals and how high they could increase this year. Assistant Manager Hopkins added there is also language in the contract that allows for the cost of the chemicals to decrease should the quoted amount be too high.

Director Cortopassi inquired how the chemicals will be ordered. Assistant Manager Hopkins replied the Vendor listed as No. 1 will be the primary contact for ordering the chemical however, if they cannot fulfil the order within the timeframe that we need then Vendor No. 2 will be contacted to order the chemical.

A motion was moved and seconded to award the 2022 Chemical Bids to the two lowest bidders as presented: Thatcher Co. of CA in the amount of \$617/dry ton for 5% Acidified Alum and Chemtrade Solutions, LLC in the amount of \$694/dry ton for 5% Acidified Alum; Univar USA in the amount of \$839.25/dry ton for Caustic Soda and Northstar Chemical in the amount of \$875.00/dry ton for Caustic Soda; USALCO in the amount of \$756/liquid ton for PACI and Kemira Water Solutions, Inc. in the amount of \$800/liquid ton for PACI; Northstar Chemical in the amount of \$880/liquid ton for ACH/P and Thatcher Co. of CA in the amount of \$990/liquid ton for ACH/P and Thatcher Co. of CA in the amount of \$1,200/liquid ton for Chlorine and Jones Chemical Co. in the amount of \$2,650/dry ton for Chlorine.

Roll Call:

Ayes: Cortopassi, McGaughey, McGurk, Panizza, Watkins

Nays: None

Abstain: None

Absent: Atkins, Sanguinetti

5. Stockton East Water District – Switch Gear A – Automatic Transfer Switch Project Memo, 03/15/22

Manager Moody provided the Board with a memo regarding the Switch Gear A – Automatic Switch Project. Assistant Manager Moody reported as part of the current Fiscal Year Budget the Board approved funding of a Water Treatment Plant Power Study to identify the need for additional backup generation power and to determine what facilities are not currently connected to backup power and connect them.

President Watkins inquired if the current generators can backup High Service. Assistant Manager Hopkins replied the generation we have will backup High Service but it is not wired for all of High Service. Manager Moody replied the generators only power certain pumps and motors.

Assistant Manager Hopkins reported the approved Fiscal Year 2022/2023 Budget includes funds to cover the improvements to connect to remainder of High Service to backup power however, due to inflation, next year's Budget is not sufficient to complete the construction portion of the project; the Budget for the Study this year does not have any available funds to pre-purchase materials we need for next year. Assistant Manager Hopkins reported the MCC-2M Project is experiencing issues with lead time; the equipment for the motor control center has a 52-week lead time which will not be received this Fiscal Year and is not budgeted for next Fiscal Year. Assistant Manager Hopkins reported Staff is suggesting moving the unspent balance of \$236,944 for the budgeted MCC-2M project to cover the cost of materials for Fiscal Year 2022/2023 backup power projects. Assistant Manager Hopkins reported the lowest bidder is Alameda Electrical Distributors in the amount of \$180,651.89; the construction work can be completed in the upcoming Fiscal Year as well as the purchase of the automatic transfer switch.

President Watkins inquired if the backup generators could power the pumps in High Service and deliver water if the power goes out. Assistant Manager Hopkins explained there are two switch gears that provide power to High Service; there are six pumps that are connected to one switch gear and two pumps connected to the second, each switch gear would be on backup generation after the project should an issue occur.

Director Cortopassi inquired if all the pumps run at the same time. Assistant Manager Hopkins replied no they do not. Director Cortopassi inquired what equipment is needed for the project. Assistant Manager Hopkins replied two switch gears were installed when the Treatment Plant

was built; it was designed with N+1 redundancy meaning if anything fails there is a backup. Assistant Manager Hopkins reported only 1 the switch gear for the High Service Pump Station was tied to backup power at the time of construction. Director Cortopassi inquired what a switch gear does. Assistant Manager Hopkins replied the switch gear routes electricity. Discussion followed regarding the automatic transfer switch project and funds necessary to complete the project.

Manager Moody stated that due to supply chain issues and inflation the District should look at planning projects based on need and not on want; projects can be planned for the coming years.

Director McGurk inquired if the supply chain issues are causing the surplus in the budget. Assistant Manager Hopkins replied yes, but the materials we propose to purchase are currently in stock.

A motion was moved and seconded to approve the use of supplemental funding from the MCC-2M Project to purchase the materials for the Fiscal Year 2022/2023 Automatic Transfer Switch Installation from Alameda Electrical Distributors for \$180,651.89, plus a 10% contingency of \$18,065.19 for a total cost of \$198,717.08, as presented.

Roll Call:

Ayes: Cortopassi, McGaughey, McGurk, Panizza, Watkins

Nays: None

Abstain: None

Absent: Atkins, Sanguinetti

6. Stockton East Water District – Reverse Osmosis System for Laboratory Water Memo, 03/15/22
Assistant Manager Hopkins provided the Board with a memo regarding the Reverse Osmosis System for Laboratory Water. Water Treatment Plant Operator Brothers reported the District currently uses a de-ionized water system which requires expensive filters to be replaced every six months; the de-ionized water system is used to clean laboratory glassware, perform water quality odor tests and having chlorine free water for laboratory processes. Water Treatment Plant Operator Brothers reported the cost to replace the filters is ~\$1,600 a year. Water Treatment Plant Operator Brothers reported Senior Water Treatment Plant Operator Welch researched less expensive alternatives to the existing system and the most suitable solution was a reverse osmosis system; a new reverse osmosis system was purchased in February 2022. Water Treatment Plant Operator Brothers reported the new reverse osmosis system cost was ~\$675 and the operational cost of replacement filters are estimated at ~\$162.49 per year.

Director McGurk inquired if purchasing new glassware would be a less expensive option. Water Treatment Plant Operator Brothers replied no, laboratory glassware is expensive. This item was for information only.

7. 2022 Water Transfer Agreement

Manager Moody provided the Board with the fully executed 2022 Water Transfer Agreement between Oakdale Irrigation District, South San Joaquin Irrigation District and Stockton East Water District. Manager Moody reported the Board had given him authorization to negotiate with the involved parties on the cost of water per acre-foot; M&I Rate of \$225 per acre-foot and Out-of-District Agricultural Rate of \$125 per acre-foot. Manager Moody stated Assistant Manager Hopkins is in contact with Out-of-District Customers to inquire how much water they want.

Manager Moody reported the agreement will be paid monthly for the water that we use and the customers have been advised to order what they want as they will be billed for that exact amount. Director Panizza inquired if the 2022 Water Transfer Agreement did not need a vote by the Board noting the Agreement. Manager Moody replied the Board voted last week in Closed Session to give authorization to negotiate and execute this Agreement. This item was for information only.

E. COMMITTEE REPORTS

1. Eastern San Joaquin Groundwater Authority Board of Directors Meeting, 03/09/22
Directors Panizza, Watkins and Manager Moody attended the March 9, 2022 Eastern San Joaquin Groundwater Authority Board of Directors Meeting. Director Panizza reported discussion regarding the staff and annual reports which were accepted. Director Panizza reported discussion regarding the budget and moving funds to prepare the report in the amount of ~\$125,000 in response to the Department of Water Resources evaluation of our Groundwater Sustainability Plan. President Watkins reported the Ad-Hoc Committee will be moving forward on the response to the comments from Department of Water Resources which requires a response within 180 days. Manager Moody added he agreed with a comment from Director Holmes, South San Joaquin Irrigation District, which he stated the focus should be submitting our comments to the Department of Water Resources to get our Groundwater Sustainability Plan approved; nothing else matters without the Plan approval. The next meeting is scheduled for April 13, 2022.
2. ACWA State Legislative Committee Meeting, 03/11/22
Administrative Services Manager Carido attended the March 11, 2022 ACWA State Legislative Committee Meeting. Manager Moody reported discussion primarily focused on Assembly Bill 1717 which would make forest clearing work prevailing wage; ACWA Staff communicated with the legislator associated with Assembly Bill 1717 that ACWA will be taking a position of opposed unless amended. Manager Moody reported the ACWA Staff was not authorized to communicate the Committee's position; half of the Committee was upset about the position of opposed unless amended being communicated before the Committee vote. Manager Moody reported the committee voted and the position of opposed unless amended won. The next meeting is scheduled for April 1, 2022.
3. San Joaquin County & Delta Water Quality Coalition Meeting, 03/14/22
Nothing to report.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 03/14/22
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 131,856 AF in storage at New Hogan Reservoir. Current releases are set at 36 cfs. Current release at Goodwin Dam to Stanislaus River are set at 1,423 cfs and release to all water users are set at 0 cfs. The water treatment plant is currently processing 30 mgd. The City of Stockton is currently processing 11 mgd.
2. Information Items:
Manager Moody noted item: F2a-1, F2a-2 and F2a-3.
3. Report on General Manager Activities

- a. Stockton East Water District Activities Update
Manager Moody stated due to the issues with supply chain and inflation the District should only plan to execute critical projects which was also the suggestion of Director Cortopassi.

Manager Moody reported Legal Counsel Zolezzi sent an email regarding the City of Stockton's second Water Right Application to take water from the American River set to be denied by the Administrative Hearing Officer. Director McGurk inquired if the water right application is the same application discussed in a previous meeting. Manager Moody replied no, that application was for the San Joaquin County. Manager Moody stated the City of Stockton's application was described as their Right of Origin Application and the State denied it. This item was for information only.

G. DIRECTOR REPORTS

1. F & M Bank 2022 Annual AG BBQ, 03/10/22
Directors Cortopassi and Sanguinetti attended the March 10, 2022 F & M Bank 2022 Annual AG BBQ. Director Cortopassi it was a large event with ~800 attendees. Director Cortopassi reported there was a presentation given by Daniel Meza, Senior Vice President of F & M Bank. Director Cortopassi reported the food was good and it was nice to see familiar faces since the last event in 2020.

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., 03/16/22
This meeting has been cancelled
2. Agricultural Operations Committee Meeting, 9:00 a.m., 03/18/22
3. Central Valley Project Water Association – Executive & Financial Affairs Committee, 10:00 a.m., 03/18/22
4. Bellota Project Committee Meeting, 11:00 a.m., 03/18/22
5. Department Of Water Resources – Deputy Director Paul Gosselin Water Tour, 03/18/22

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: REAL PROPERTY – GOVERNMENT CODE
SECTION 54956.9 – Property: Water Rights
Agency Negotiator: Scot A. Moody
Negotiating Parties: Oakdale Irrigation District/South San Joaquin
Irrigation District
Under Negotiation: Water Transfer


3. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases
4. Closed Session – Personnel
Government Code 54957

President Watkins adjourned the meeting to closed session at 1:16 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:39 p.m., with no reportable action.

K. ADJOURNMENT

President Watkins adjourned the meeting at 1:40 p.m.

Respectfully submitted,


Scot A. Moody
Secretary of the Board

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