

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, APRIL 11, 2023 AT 12:30 P.M.

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

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

Present at roll call at the District were Directors Atkins, Cortopassi, McGurk, McGaughey, Panizza, Sanguinetti and Watkins. Also present were Manager Hopkins, Assistant Manager Vega, Finance Director Ram, District Engineer Evensen, Administrative Clerk Mendoza, and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 04/04/23 Regular Meeting

A motion was moved and seconded to approve the April 04, 2023 Regular Board Meeting minutes, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

2. Warrants

a. Fund 68 – Municipal & Industrial Groundwater Fund

b. Fund 70 – Administration Fund

c. Fund 71 – Water Supply Fund

d. Fund 89 – Fish Passage Improvement Fund

e. Fund 91 – Vehicle Fund

f. Fund 94 – Municipal & Industrial Fund

g. Summary

h. Short Names/Acronym List

i. SEWD Vehicles & Heavy Equipment

A motion was moved and seconded to approve the April 11, 2023 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

3. Stockton East Water District – Summary of PLC/SCADA Projects Memo

Manager Hopkins presented the Board with a summary of the PLC/SCADA Projects. Manager Hopkins reported during the last couple of board meeting, there have been questions about the

duration of the SCADA projects, progress on the project and how much has been spent. Manager Hopkins explained the previous board meeting discussed an extensive overview of the various phases of the SCADA Project. Manager Hopkins commented phase V is to be completed during Fiscal Year 2023-2024.

Manager Hopkins further stated what was not provided in the previous meeting was the overall cost of the overarching SCADA Projects for the treatment plant. Manager Hopkins explained this project was derived from the Master IT Plan that was developed several years ago which had an original cost estimate of \$9,760,000. Manager Hopkins mentioned the price was able to be reduced substantially to \$3,711,903.

4. Stockton East Water District – 2023 Water Rates

Manager Hopkins presented the Board with information regarding the 2023 water rates. Manager Hopkins reported that Staff met with the Agricultural Operations Committee to discuss proposed water rates for fiscal year 2023-2024. Manager Hopkins explained last year’s calculated inflation rate was 6.26%, which is shown on page 31. Manager Hopkins further explained on page 35 are the recommendations that were provided to the Agricultural Operations Committee of \$6.15 per acre foot for groundwater, \$23.00 per acre foot for surface water and \$52 for domestic unit assessment.

a. Public Hearing

b. Ordinance No. 49

Director Panizza inquired if the ordinance was sent out to the urban contractors. Finance Director Ram commented the rate of equalization was sent to the urban contractors when the budget was being finalized.

Director Watkins inquired if the 6.26% inflation was applied to Section 5 of the ordinance. Assistant Manager Vega commented the process considers the capital components for the New Melones system, which normally goes down as it gets paid. Assistant Manager Vega explained the \$27.81 has not been adjusted partially because only a portion of the \$27.81 is charged due to the entire system not being used. Assistant Manager Vega further explained that the \$27.81 is a charge to use the entire system which used to be calculated for Central.

Legal Counsel Zolezzi inquired if there were two components, capital and operations and maintenance (O&M), and if the O&M use actual budget numbers. Assistant Manager Vega commented that it does use budgeted numbers.

A motion was moved and seconded to approve Ordinance No. 49, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

c. Rule No. 175

Director Cortopassi inquired about how much the rates have increased or decreased. Manager Hopkins commented the rates have increased. Assistant Manager Vega reported that last year the rate was \$382.77 and has increased this year to \$421.45.

A motion was moved and seconded to approve Rule No. 175, as presented.

Roll Call:

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

5. Stockton East Water District – New PG&E Electrical Service for Extraction Well No. 2 Memo
Manager Hopkins presented the Board with information regarding the new PG&E Electrical Service for Extraction Well No. 2. Manager Hopkins reported as part of the FY 2022-2023 and 2023-2024, the District is working on constructing a new extraction well. Manager Hopkins explained the contract for the well drilling has been executed but the well has yet to be constructed. Manager Hopkins reported the District has been working with PG&E to provide a new electrical service for the extraction well.

Assistant Manager Vega reported PG&E provided several payment options that are shown on page 43 and it was decided by Staff the best option was to go with \$20,580.26 pre-payment which gives a \$2,000 credit.

Director Watkins inquired if there is any way to power the well with the solar facility. Manager Hopkins commented there would be no way of including it in the solar facility due to the solar being connected to the Low Lift and High Service Pump Stations' meters.

Director Cortopassi inquired what the difference was between the two \$22,580.26 payment options. Assistant Manager Vega commented the difference is that one option is a non-refundable 50% discount option for gas and electric and the second option is a 10-year refundable advance option for gas and non-refundable 50% discount option for electric.

A motion was moved and seconded to approve to authorize the General Manager to approve a contract with PG&E for new electrical service in the amount of \$20,580.26 for the non-refundable 50% discount option for Gas and Electric, as presented.

Roll Call:

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

6. State Water Resources Control Board – Notice of Water Right Application A033342
Manager Hopkins presented the Board with a State Water Resources Control Board – Notice of Water Right Application A033342. Manager Hopkins explained this application was presented to the Board in the previous meeting and there were some questions regarding the individual(s) that comprise the Whiskey Slide Ranch Family LLP and what the recreational usage of the water would be. Manager Hopkins reported Staff reached out to applicants' consultant and the Whiskey Slide Ranch Family LLP is Carey Shermer and the recreational uses are boating and swimming on a small beach location on Shermer's residence.
Director McGurk inquired if this would count as consumption for Calaveras County Water District's share of the New Hogan reservoir. Legal Counsel Zolezzi commented that it does not count as consumption for Calaveras County Water District.

Director Cortopassi inquired about the need for a water right for onstream storage. Legal Counsel Zolezzi commented water impoundment by the Whiskey Slide Ranch Family LLP provides a storage capacity of 42-acre feet and therefore requires a water right.

A motion was moved and seconded to oppose the recommendation of the water right application A033342, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

7. Stockton East Water District – Water Supply Master Plan Memo

Manager Hopkins presented the Board with the Water Supply Master Plan memo. Manager Hopkins reported the Board was presented with a memorandum detailing the need for a Water Supply Master Plan at the April 4 Board meeting. Manager Hopkins explained the Board recommended that this go to the Agricultural Operation Committee Meeting on April 6 and was directed by the committee to present this to the Board for consideration.

Director Watkins commented what was proposed during the Agricultural Operation Committee Meeting was \$250,000 to the agricultural budget which is now \$45,000 to agricultural budget with \$205,000 going to municipal. Director Watkins commented that, per the Raftelis Allocation Study, the ratio between M&I and agriculture is 82% to 18%, respectively. Manager Hopkins confirmed the allocation of the Raftelis Allocation Study implemented is 18% for agriculture and 82% for M&I.

There was a consensus of the Board to bring this item back for review at the next board meeting.

E. COMMITTEE REPORTS

1. Agricultural Operations Committee Meeting, 04/06/23

Director Cortopassi reported on the Agricultural Operations Committee Meeting. Director Cortopassi explained properties that are split between two districts (Stockton East Water District and North San Joaquin Water District) should be adjusted into Stockton East Water District. Director Cortopassi also reported a program was discussed to encourage the use of surface water. Director Cortopassi mentioned an incentive program that would provide a low-cost loan for people for the installation for surface water.

Director Cortopassi explained in addition to any incentive the District should pay for all the indirect and direct permitting costs for the installation of surface water diversion facilities.

Director McGurk inquired what will the District pay for and what would the individual pay for. Director Cortopassi clarified the District would only pay for the permitting costs and the individual(s) would be in-charge of the rest of the costs.

Director McGurk inquired what does the District get in return for someone receiving the loan and is it guaranteed the person will use the surface water. Legal Counsel Zolezzi explained it is guaranteed for 15 years. Director Watkins mentioned it is still under review how long the loan would be.

Director McGurk inquired if the District will own the surface water facilities since the District will pay for the permits. Director Watkins commented there are other programs regarding the rest of the costs and the only thing that has been discussed is the costs of the permits, which the District will take care of.

Director McGurk asked if the money used to cover the permitting costs will be added to the Master Plan. Manager Hopkins mentioned the District securing the permits and affording all the costs will be presented as a resolution or a rule within the next couple of months.

Manager Hopkins reported he and Staff along with Director Watkins visited the Delucchi Crossing site and came to an agreement the repairs are needed. Manager Hopkins mentioned it was also noted the installation of the flashboard dam would benefit several properties.

2. San Joaquin County and Delta Water Quality Coalition Meeting, 04/10/23

President Atkins attended the San Joaquin County and Delta Water Quality Coalition Meeting via zoom. President Atkins reported the State raised the coalition dues so, the coalition will also raise their dues from \$5.00 to \$5.25.

President Atkins reported 5,000 acres will go out to development. President Atkins also reported that some will not be charged a membership fee due to trees being pulled out.

President Atkins reported there is a lawsuit against the Regional Board to have all of the information of the coalition be public.

President Atkins mentioned a meeting for the SEWD 75th anniversary. Directors McGurk, Sanguinetti and President Atkins attended along with Staff. Ideas and things that can be done for the celebration and ways to get people interested were discussed.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 04/11/23

Manager Hopkins 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 228,843 AF in storage at New Hogan Reservoir. Current releases are set at 22 cfs. There is 1,419,491 AF in storage at New Melones Reservoir. Current releases are set at 1,559 cfs. Current release at Goodwin Dam to Stanislaus River are set at 1,509 cfs and release to all water users are set at 53 cfs. There are 0 irrigators on New Hogan, 0 irrigators on New Melones, and 0 irrigators out of District. The water treatment plant is currently processing 24 mgd. The City of Stockton is currently processing 13 mgd. Manager Hopkins reported the District wells total water extraction is 0 gpm (~0 mgd).

2. Information Items:

Manager Hopkins noted item: F2a-1 and F2a-2.

3. Report on General Manager Activities

a. CSDA's General Manager Leadership Summit 06/25/23 – 06/27/23

Manager Hopkins reported that there will be a CSDA General Manager Leadership Summit and Manager Hopkins plans to attend. The Board had no objections.

b. Stockton East Water District Activities Update

Manager Hopkins reported he and Consultant Barkett spoke with Senator Eggman's Chief of Staff about the opposition of the water rights bills to see where she stands with regards to the opposition. Manager Hopkins also reported a letter was sent to Bureau of Reclamation requesting a payment capacity analysis and is waiting to hear back regarding next steps.

Manager Hopkins mentioned San Joaquin Counsel of Government's One Voice Trip is May 6th through May 11th and the District participants need to be finalized.

G. DIRECTOR REPORTS

1. Greater Stockton Chamber of Commerce – Stockton Ports Opening Day Ribbon Cutting Event, 04/06/23
2. Greater Stockton Chamber of Commerce Networking Mixer and Delta Protective Services Ribbon Cutting Event, 04/06/23

H. COMMUNICATIONS

I. AGENDA PLANNING/UPCOMING EVENTS

1. Eastern San Joaquin Groundwater Authority Steering Committee Meeting, 8:30 a.m., 04/12/23
2. Eastern San Joaquin Groundwater Authority Board Meeting, 10:30 a.m., 04/12/23
3. ACWA State Legislative Committee Meeting, 10:00 a.m., 04/14/23

President Atkins reported the Mokelumne River Water and Power Authority Meeting will meet at 2:30 p.m. on 4/12/23.

J. Closed Session

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Potential exposure to litigation – Government Code Section 54956.9 – two cases

President Atkins adjourned the meeting to closed session at 2:05 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:09 p.m., with no reportable action.

K. ADJOURNMENT

President Atkins adjourned the meeting at 2:11 p.m.

Respectfully submitted,



Justin M. Hopkins
Secretary of the Board

hnm

