

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, JANUARY 30, 2024 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, Panizza and Sanguinetti. Also present were Manager Hopkins, Assistant Manager Vega, District Engineer Evensen, Finance Director Ram, Maintenance Manager Higaes, Administrative Assistant Wood and Legal Counsel Zolezzi. Director Watkins and Consultant Barkett were absent.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT (None)**

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes

a. Minutes 01/16/24 Regular Meeting

Director Panizza made the following correction to the minutes:

- Page 2, section D-3, 5<sup>th</sup> paragraph – add the sentence “Director Watkins arrived to the meeting at 12:52 p.m. after discussion of this item concluded.”

A motion was moved and seconded to approve the January 16, 2024 Regular Board Meeting Minutes, as amended.

Roll Call:

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

b. Minutes 01/23/24 Regular Meeting

A motion was moved and seconded to approve the January 23, 2024 Regular Board Meeting Minutes, as presented.

Roll Call:

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

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the January 30, 2024 Warrants, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Panizza, Sanguinetti  
Nays: None  
Abstain: None

Absent: Watkins

3. Warrants
  - a. Fund 68 – Municipal & Industrial Groundwater Fund
  - b. Fund 70 – Administration Fund
  - c. Fund 71 – Water Supply Fund
  - d. Fund 89 – Fish Passage Improvements Fund
  - e. Fund 91 – Vehicle Fund
  - f. Fund 94 – Municipal & Industrial Fund
  - g. Summary
  - h. Short Names/Acronym List
  - i. SEWD Vehicles & Heavy Equipment

Director Sanguinetti inquired on the expense on page 19, line item 95 for I-5 Rentals, Inc. for Replacement mirror for rental equipment in the amount of \$220.16. Maintenance Manager Higaes replied staff attempted to adjust the mirror however the mirror was not mounted securely and broke off.

President Atkins inquired on the expense on page 19, line item 94 for Holt of CA for Brake inspection for Unit 70 in the amount of \$772.43. Maintenance Manager Higaes replied the cost includes both a brake inspection and repairs.

Director Sanguinetti inquired on the expense on page 15, line item 56 for F.T.G Construction Materials, Inc. for LFC Rehabilitation prj (FEMA)-Fill dirt (30 loads) in the amount of \$13,414.37. Manager Hopkins replied this is to repair damages to the Lower Farmington Canal sustained from the flood damage in 2023.

Director Cortopassi inquired on the expense on page 21, line item 106 for Fresno Oxygen for Metal Fabrication machine (P-65 480V Ironworker) in the amount of \$32,696.25. Manager Hopkins replied District staff fabricates steel components for trash racks, board guides for the flash dams and other miscellaneous items. The purchase of this machine will save the District money over time.

President Atkins inquired on the expense on page 21, line item 108 for Grainger, Inc. for Fuse block holders for P-25 in the amount of \$2,436.40. Manager Hopkins replied the fuse equipment was damaged when the pump was built and reenergized.

A motion was moved and seconded to approve the January 30, 2024 Warrants, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Panizza, Sanguinetti

Nays: None

Abstain: None

Absent: Watkins

4. Statement of Consistency Pursuant to Executive Order N-7-22 and Findings of Fact Stockton East Water District Groundwater Sustainability Agency Statement of Consistency Pursuant to Executive Order N-7-22 – Well Permit Application for 26501 E. Flood Rd, Linden, CA 95236  
Manager Hopkins provided the Board with a Statement of Consistency and Well Permit Application. Manager Hopkins reported the District received the well permit application from the San Joaquin Environmental Health Department. The District is required to submit a statement of consistency to San Joaquin County stating the replacement well would be consistent with the District's

Groundwater Sustainability Plan. Manager Hopkins reported the Board requested some additional information regarding the well permit. The well is being installed to provide supplemental water to an additional 40-acres of property therefore a lot line adjustment had to be completed before the well application was submitted.

A motion was moved and seconded to approve the Statement of Consistency Pursuant to Executive Order N-7-22 and Findings of Fact Stockton East Water District Groundwater Sustainability Agency Statement of Consistency Pursuant to Executive Order N-7-22 – Well Permit Application for 26501 E. Flood Rd, Linden, CA 95236, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Panizza, Sanguinetti

Nays: None

Abstain: None

Absent: Watkins

5. Stockton East Water District – Approval of a PSA with SiteLogiQ, 21 Inc. for Facility Solution Project Feasibility and PG&E NEM 2 Interconnection Application Memo

Manager Hopkins presented the Board with a memo to approve a Professional Services Agreement with SiteLogiQ, 21 Inc. for Facility Solution Project Feasibility and PG&E NEM 2 Interconnection Application. Manager Hopkins reported the Board formed the Electrical Power Alternatives ad-hoc Committee to investigate the feasibility, economic viability, and operational viability of several energy-generating options to offset the District's water treatment plant's rising electricity costs incurred via PG&E. After staff presentations and Committee discussions, the Committee directed staff to present two options to the full board. One of those options is the possibility of expansion of the District's solar power production. With the widespread use of solar power, the District has a matrix of options available to consider: power generation only or power generation plus battery storage, ground mounted or floating solar arrays, or District owned project or power purchase agreement (PPA). The first step in proceeding with any of these options is the completion of Facility Solution Project Feasibility Study and related PG&E interconnection application (application). The District is in the unfortunate situation of a looming deadline for PG&E's Net Energy Metering 2.0 Aggregate program (NEM2A). PG&E will not accept any NEM2A applications after February 14, 2024. In order to submit an application prior to this deadline, the District's selected consultant must be engaged by February 1 to provide the consultant sufficient time to prepare the NEM2A application. District staff engaged several firms and worked together in investigation of potential solar projects that could be advantageous to the District's energy portfolio. Of these firms, SiteLogiQ expressed the availability and capability of meeting the required deadline for application submission and provided a proposal for the required work in the amount of \$25,000.

Director Cortopassi inquired if the savings noted in the memo was identified by a study. Manager Hopkins responded the savings were identified by a detailed analysis that considered all of the critical aspects of each proposed project options.

Director Cortopassi inquired what is the estimated savings for the District. Assistant Manager Vega replied the District is estimated to receive \$700,000 in positive cash flows.

Discussion followed.

A motion was moved and seconded to authorize the General Manager to approve a Professional Services Agreement with SiteLogiQ a not to exceed cost of \$25,000, plus a 15% contingency of \$3,750, for a total of \$28,750, as presented.

Board Meeting – 01/30/24

~~Draft~~Approved

Roll Call:

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

6. Stockton East Water District – PSA – NLine Low Head Hydropower Analysis Memo  
Manager Hopkins provided the Board with a PSA – NLine Low Head Hydropower Analysis Memo. Manager Hopkins reported the Electrical Power Alternatives ad-hoc Committee directed staff to present two energy-generating options to the full board. One of those options is the development of a Low Head Hydropower Project (Project) which was investigated by staff and NLine Energy. The project would install a 350kW crossflow style hydroelectric turbine at the terminus of the Bellota Pipeline near the East Reservoir. The project is estimated to generate 2,030,000 kWh of power annually, based on a flow range of 25-65 cubic feet per second (CFS) and 80 feet of static head. The project cost is estimated between \$2,700,000 and \$3,500,000, which would be partially offset by the Federal Investment Tax Credit (ITC) and potential grant funding. Once operational, the facility is projected to reduce PG&E E19 rate costs by \$284,000 annually, plus demand savings not currently accounted for. The facility is estimated to require \$10,000 annually for operation and maintenance costs, with a major maintenance milestone occurring after 50 years of operation. Should the District move forward with preliminary analysis, a financial proforma for the proposed project would be developed. The preliminary analysis will cost \$40,000, per the Nline Energy proposal, and require three months to complete.

Director Cortopassi inquired if this project will be a part of PG&E's Net Energy Metering 2.0 Aggregate program (NEM2A) program. Manager Hopkins replied no, this project runs 24-hours a day and will not be subject to peak charges.

Director McGurk inquired how the District would receive a tax credit when the District does not pay taxes. Manager Hopkins replied the District would receive a check in lieu of a credit.

A motion was moved and seconded to authorize the General Manager to approve a Professional Services Agreement with NLine Energy for a not to exceed cost of \$40,000, plus a 10% contingency of \$4,000, for a total of \$44,000, as presented.

Roll Call:

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

7. Agricultural Lease Agreement for Remainder of North Site Property Memo
  - a. Agricultural Lease Agreement Carna Farmington-Lagorio  
Manager Hopkins provided the Board with a memo regarding an Agricultural Lease Agreement for Remainder of North Site Property with Carna Farming, Inc. Manager Hopkins reported the District owns approximately 113 acres of undeveloped property that is a portion of the North Site. To help offset costs for the North Site property purchase, the District entered into an Agricultural Lease Agreement, beginning in 2015, to generate revenue until the property is fully developed into recharge facilities. The current Agreement is expired, and the District must approve a new Agreement to allow for continued use of the North Site property by the tenant. Staff updated the Agreement through a review and feedback process with the current Lessee and legal counsel. The update includes an automatic renewal clause, provided neither party initiates the 90-days

termination, which will prevent the need for future renewal Agreements. The Agreement is estimated to generate approximately \$40,000 of revenue per year. The revenue will continue to offset the total annual loan payments of \$239,865.40 for the North Site property.

Director Cortopassi stated he had a discussion with the tenant prior to the meeting regarding the tenant's ability to enter the property through another access road as there is continued concern for who has access to the District's main gate.

A motion was moved and seconded to approve an Agricultural Lease Agreement with Carna Farmington-Lagorio, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Panizza, Sanguinetti

Nays: None

Abstain: None

Absent: Watkins

## **F. COMMITTEE REPORTS**

1. AgVenture San Joaquin County, 01/17/24

Directors Sanguinetti and Watkins attended the AgVenture San Joaquin County event on January 17<sup>th</sup>. Director Sanguinetti reported the event was well attended with about 3,500 kids. The next AgVenture is scheduled for February 29<sup>th</sup> located in Lodi.

2. Electrical Power Alternatives Committee Meeting, 01/17/24

Directors Atkins, McGurk, Sanguinetti, Manager Hopkins and Assistant Manager Vega attended the Electrical Power Alternatives Committee Meeting on January 17<sup>th</sup>. Outcomes of this committee meeting were discussed during agenda items D-5 and D-6 of this Regular Board Meeting.

2. San Joaquin Farm Bureau Federation Monthly Water Committee Meeting, 01/23/24

Assistant Manager Vega provided notes from another member who attended the San Joaquin Farm Bureau Federation Monthly Water Committee Meeting on January 23<sup>rd</sup>. East Bay Municipal Utility District (EBMUD) reported the DREAM Project is currently injecting 1.15 mgd per day until March 31<sup>st</sup>, or until the remaining 190 af has been transferred. North San Joaquin Water Conservation District (NSJWCD) is working to getting the north system operational. Central Delta reported the counties filed a suit against the state over the Environmental Impact Report (EIR) for the Delta Conveyance Project. Stockton East Water District provided an update on the SWEEP Grant due dates and workshop information. South San Joaquin Irrigation District (SSJID) reported New Melones is approximately 7,000 af over top of conservation.

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

1. Water Supply Report as of 01/16/24

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 172,497 AF in storage at New Hogan Reservoir. Current releases are set at 130 cfs. There is 1,982,470 AF in storage at New Melones Reservoir. Current releases are set at 813 cfs. Current release at Goodwin Dam to Stanislaus River is set at 1,501 cfs and release to all water users is set at 0 cfs. The district water treatment plant (WTP) is currently processing 0 mgd. North Stockton is currently utilizing 0 mgd. South Stockton is currently utilizing 0 mgd. Cal Water is currently utilizing 0 mgd. The City of Stockton WTP is currently processing 0 mgd.

2. Information Items:

- a. Manager Hopkins noted items: F2a-1, F2a-2 and F2a-3
- b. Eastern San Joaquin Groundwater Authority – Groundwater Sustainability Agencies Cost Allocation  
Manager Hopkins provided the Board with information on the Eastern San Joaquin Groundwater Authority – Groundwater Sustainability Agencies Cost Allocation. Manager Hopkins reported the Eastern San Joaquin Groundwater Authority (ESJGWA) approved additional fees for the current fiscal year to generate the necessary revenue to enter into an agreement with Woodard & Curan for a 5-year GSP update. At that time, a budget table was requested to support the GWA’s approval. The table identifies the additional cost being allocated to each of the GSA’s, the previous allocation and the total allocation for this fiscal year.

3. Report on General Manager Activities

- a. ACWA State Legislative Committee Meeting, 01/19/24  
Manager Hopkins stated Consultant Barkett attended the ACWA State Legislative Committee Meeting on January 19<sup>th</sup>. This item will be brought back to the Board next week when Consultant Barkett is present.
- b. Stockton East Water District Activities Update  
Manager Hopkins reported the Water Treatment Plant (WTP) has been shut-down since January 22<sup>nd</sup>. During the shut-down staff had multiple critical projects to complete. All projects were completed ahead of schedule therefore the WTP can begin the restart process on January 31<sup>st</sup>.

Manager Hopkins reported District Engineer Evensen and Legal Counsel Zolezzi attended a Mokelumne Integrated Conjunctive Use Project (MICUP) meeting last week. The purpose of the meetings is to perfect the counties water rights application. Director McGurk will begin attending these meetings in the future. Legal Counsel Zolezzi reported she will prepare a summary and list of concerns for the Board to discuss at a later date.

Manager Hopkins reported the Water Diversion and Use Reports are due to the State Water Resources Control Board by February 1<sup>st</sup>.

4. Stockton East Water District Maintenance Update

Maintenance Manager Higaes provided an update on the following mechanical and construction projects; completion of concrete sidewalks repairs at Farmington headworks, construction of an emergency sludge pond, installation of a flap gate at Stagnerro Crossing, repair of the undermined Stagnerro Crossing, demolished old gates and installed new 60” and 48” gates in Low Lift Pump Station (LLPS), successfully procured all seven replacement vehicles, reshaped and cleaned Lower Farmington Canal (LFC) from the headworks to the first bridge, repaired a leak for washdown water in the filter gallery, and conducted Preventative Maintenance (PM) for the treatment plant, water supply and District vehicles. Maintenance Manager provided an update on the following electrical and instrumentation projects; completion of electrical work for the High Service Pump Station (HSPS), conducted an emergency PM in HSPS to retorque, tape and clean spliced in the cable tray after discovering exposed 480v conductors in the Polaris connections, moved HSPS pull box in preparation for SWB-A ATS installation, installed a new VFD in P-25, removed P-24 motor for repairs, transitioned exterior plant lighting to LEDs, completed plant calibrations for accuracy, conducted a path study for Water Supply radios, performed inspections on XFRMS oil, installed a 50’ radio antenna at Bellota for reliability, installed radios at Eillers, Main street, McAllen, Bear Creek, and installed new LLPS actuators.

## G. DIRECTOR REPORTS

1. 56<sup>th</sup> Annual Mid-Pacific Water Users Conference, 01/23/24 – 01/26/24  
Directors Atkins, Sanguinetti, Watkins, Manager Hopkins and Assistant Manager Vega attended the 56<sup>th</sup> Annual Mid-Pacific Water Users Conference. Director Sanguinetti reported there were many controversial topics discussed at the conference. Keynote speakers included the United States Bureau of Reclamation and Klamath Water Users Association among others. Manager Hopkins provided a handout “The Squeeze of Regulation” that was presented at the conference.

## H. COMMUNICATIONS

1. United States Department of the Interior – New Process to Repay Trinity Public Utilities District (PUD) Assessment Letter, 01/22/24  
Manager Hopkins provided the Board with a letter from the United States Department of the Interior Bureau of Reclamation (USBR) regarding the new process to repay Trinity Public Utilities District (PUD) Assessment. Manager Hopkins reported as part of the New Melones Water Rate fee the District pays a charge to the USBR to fund the Trinity PUD operation. Delano-Earlimart Irrigation District has paid the annual amount in a lump sum. The Water Marketing rate will increase by approximately 15 cents an acre foot beginning with the 2024 Water Rates.

## I. AGENDA PLANNING/UPCOMING EVENTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – Verve IT, 5:15 p.m., 02/01/24

Manager Hopkins reported an Agriculture Operations Committee meeting is scheduled for Monday, February 5<sup>th</sup> at 11:00 a.m.

## J. REPORT OF THE COUNSEL

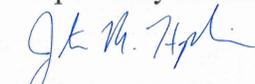
1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED  
LITIGATION Potential exposure to litigation – Government Code  
Section 54956.9 – two cases

President Atkins adjourned the meeting to closed session at 2:16 p.m. The regular meeting reconvened at 2:19 p.m., with no reportable action.

## K. ADJOURNMENT

President Atkins adjourned the meeting at 2:20 p.m.

Respectfully submitted,



Justin M. Hopkins  
Secretary of the Board

hmw

