

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, NOVEMBER 16, 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 Director Cortopassi led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 11/09/21 Regular Meeting

Director McGurk made the following correction to the minutes:

- Page 5, section G-1, 1st paragraph, 1st sentence – insert “McGurk and Watkins” after “Sanguinetti”.

A motion was moved and seconded to approve the November 9, 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 November 2, 2021 Warrants, as presented.

Roll Call:

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

3. Sodium Hypochlorite Discussion

Manager Moody provided the Board with memo on the Sodium Hypochlorite Project for discussion. Manager Moody reported last week Carollo Engineers, Inc., gave a presentation to the Board and Manager Moody wanted to discuss the updated cost estimate which increased the Project cost ~\$1.1 million due to escalation costs; 15% contingency, 14% construction management services and a 5% District reserve for change orders. Manager Moody reported the Project cost increase exceeds the Draft Fiscal Year 2022/2023 (FY22-23) Budget that the

Agricultural Operations Committee just reviewed; and, is requesting direction from the Board if they would like to amend the Budget now or leave as is. President Watkins commented the Project increase would also increase the Base Monthly Payment (BMP) and inquired if this could be budgeted over two-fiscal years and if construction would fit in one year. Manager Moody replied we think the Project could be completed in one year. President Watkins commented if staff's worried about the BMP there are options such as financing. Manager Moody replied the BMP would increase ~\$75,612 per month. Manager Moody noted projects typically are not amortized over two fiscal years. President Watkins inquired when the Project will begin. Manager Moody replied the Project will start next Fiscal Year. Director Atkins commented it might be economically better to plan the Project over the next couple of fiscal years due to the unknown. Director Cortopassi inquired if there is grant funding for this Project. Manager Moody replied we can look into it. President Watkins commented on the option of the State Revolving Loan as the District has used that method in the past.

Consensus of the Board was to leave the Draft Fiscal Year 2022/2023 (FY22-23) Budget as is.

E. COMMITTEE REPORTS

1. Eastern San Joaquin Groundwater Authority Steering Committee Meeting, 11/10/21
President Watkins attended the November 10, 2021 Eastern San Joaquin Groundwater Authority Steering Committee Meeting. President Watkins reported there were no actions items and the Committee approved AB 361 for teleconferencing purposes. President Watkins reported on an issue with the basin accounting framework which North San Joaquin Water Conservation District posed questions and also reported a survey request was sent to the ESJGWA regarding groundwater accounting and is to be completed by November 19th. The Department of Water Resources (DWR) gave an overview of the \$3.7 million grant monies available and provided an update on the legislative issue regarding legislation language that changed last minute. President Watkins commented the County circulated a draft comment letter regarding the language. President Watkins reported on an upcoming FloodMAR meeting and the ESJGWA Board of Directors meeting more often than once a quarter, the latter to be discussed at the December meeting.
2. North San Joaquin Water Conservation District Strategic Plan Discussion, 11/10/21
Manager Moody attended the November 10, 2021 North San Joaquin Water Conservation District (NSJWCD) Strategic Plan Discussion. Manager Moody reported it was a good turnout with ~50 people attending the morning workshop. Manager Moody reported the workshop included NSJWCD landowners testifying on their well levels dropping over the last few years and a presentation was given on NSJWCD's 10-Year Strategic Plan that includes rehabilitating their north and south system. The Farm Bureau's SGMA video was also presented. Manager Moody reported NSJWCD has a ~\$4 million deficit per year, between current revenue and funding the projects they need to do. Landowner discussions primarily focused on how much fees would be. Although the NSJWCD Board has not decided yet, they are hopeful to have this charge in place by next August and will be moving rapidly on this.

Manager Moody reported fielding a few questions and concerns regarding the shared District boundaries, primarily the boundary shared with the City of Stockton. Consultant Barkett inquired how many acres are in NSJWCD. Manager Moody replied ~175,000 acres.

3. Ad-Hoc Meeting with Central San Joaquin Water Conservation District, 11/10/21

Directors McGurk, Panizza, Sanguinetti and District staff attended the November 10, 2021 Ad-Hoc Meeting with Central San Joaquin Water Conservation District Meeting (Central). Director McGurk commented this was the most productive meeting the two Districts have had since this process started two years ago. Director McGurk reported Central expressed proceeding with the merger process through LAFCo; and, would like to amortize their debt to those that owe it (their landowners). Legal Counsel Zolezzi reported Central has paid ~\$500,000 to the USBR in the last two years. Director Panizza reported it was a more positive meeting. Director Cortopassi inquired if Central pays a fixed cost for New Melones water. Manager Moody replied yes; if, they take water. Director Sanguinetti commented overall it was a good meeting.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 11/15/21

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 89,541 AF in storage at New Hogan Reservoir. Current releases are set at 50 cfs. Current release at Goodwin Dam to Stanislaus River are set at 205 cfs and release to all water users are set at 0 cfs. The water treatment plant is currently processing 20 mgd. The City of Stockton is currently processing 12 mgd.

2. Information Items:

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

3. Report on General Manager Activities

Manager Moody provided a handout to the Board regarding information about the SWEEP Grant Program. Staff is recommending mailing this correspondence to all landowners identified as potential surface water customers along the New Hogan water system. The letter also includes information on the District's Surface Water Incentive Program (SWIP). Manager Moody queried the Board on proceeding with the mailing noting it will cost less than \$50.00 in postage to mail. Consensus of the Board was to move forward with mailing the letter as presented.

Manager Moody noted the upcoming Eastern Water Alliance Meeting being held at Stockton East Water District on Thursday, November 18, 2021 at 10:30 a.m.

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., 11/17/21

This meeting has been cancelled

2. Greater San Joaquin County Regional Water Coordinating Committee Meeting, 3:00 p.m., 11/17/21

This meeting has been cancelled

Board Meeting – 11/16/21

3. Central Valley Project Water Association – Executive & Financial Affairs Committee, 10:00 a.m., 11/19/21
4. Stockton Area Water Suppliers (SAWS) Meeting, 1:00 p.m., 11/19/21
This meeting was held on 11/12/2021

J. REPORT OF THE COUNSEL

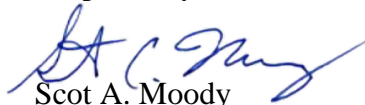
1. Closed Session – Existing Litigation
Stockton East Water District vs. City of Stockton, et al.
Government Code 54956.9 (a)
2. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

President Watkins adjourned the meeting to closed session at 12:59 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:13 p.m., with no reportable action.

K. ADJOURNMENT

President Watkins adjourned the meeting at 1:14 p.m.

Respectfully submitted,


Scot A. Moody
Secretary of the Board

kmc

