

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, SEPTEMBER 3, 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 Nakaue led the Pledge of Allegiance.

Present at roll call at the District were Directors Atkins, Cortopassi, McGurk, Nakaue, Sanguinetti and Watkins. Also present were Manager Hopkins, Assistant Manager Vega, Director of Finance & Administration Ram, District Engineer Evensen, Administrative Assistant Rodriguez, Legal Counsel Zolezzi and Consultant Barkett. Director Panizza was absent.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Stockton Area Water Suppliers (SAWS) Education Program Annual Report – 2023/2024 School Year (Presentation by Water Conservation Coordinator Kristin Coon)

Water Conservation Coordinator Coon presented the SAWS Education Program Annual Report for the 2023/2024 School Year to the Board. Water Conservation Coordinator Coon provided a handout of the Annual Report and gave an overview; Report Summary, Full Report, Feedback and Report Stats. Water Conservation Coordinator Coon reported the SAWS Education program reached 20,527 participants through in-class presentations, Earth Day, AgVenture and other events.

Water Conservation Coordinator Coon reported the SAWS Water Education Program has developed a Padlet resource for both pre- and post-teaching materials, as well as for students to use in science projects. Each presentation provided by the SAWS Water Education Program is tailored to meet specific grade-level standards. Water Conservation Coordinator Coon also reported teachers can access presentations such as “Water Cycle Story” for Kindergarten and Grade 1, “H2O to Go!” for Grade 2, and “Water Matters” and “Water Cycle: The Incredible Journey” for Grades 3 through 6.

Water Conservation Coordinator Coon introduced Van Ha To-Cowell who will be replacing Blair Baker since Miss Blair left the program at the end of May 2024 for a full-time position at AVID Water.

Director Nakaue asked if the Stockton Unified School District and other schools receiving presentations from the Stockton Area Water Suppliers (SAWS) are required to contribute financially. Water Conservation Coordinator Coon replied no, as the SAWS program is funded by California Water Service, the City of Stockton, San Joaquin County (SJC), and Stockton East Water District (SEWD).

2. Minutes 08/27/24 Regular Meeting

A motion was moved and seconded to approve the August 27, 2024 Minutes, as presented.

Board Meeting – 09/03/24

~~Draft~~Approved

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, Sanguinetti, Watkins

Nays: None

Abstain: None

Absent: Panizza

3. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the September 3, 2024, California Public Employees’ Retirement System, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, Sanguinetti, Watkins

Nays: None

Abstain: None

Absent: Panizza

4. Stockton East Water District – Professional Services Agreement – USBR Water Management Plan 5-Year Update Memo

Manager Hopkins presented the Board with a Professional Services Agreement – USBR Water Management Plan 5-Year Update Memo. Manager Hopkins reported the District is required to update the Water Management Plan every 5 years with the last update being in 2019. The USBR Water Management Plan update is due on or before December 31, 2024. Manager Hopkins reported the District reached out to three consultants, David’s Engineering, GEI Consultants, and Provost & Prichard Consulting Group which have staff specializing in this field or are familiar with the Districts’ process from previous work. After receiving and reviewing each proposal for project understanding, experience, staff qualifications, schedule, and level of effort staff selected Provost and Prichard Consulting Group. District staff recommends Provost and Prichard Consulting Group for \$44,592 plus a 10% contingency of \$4,459 for a total of \$49,051.

Director Cortopassi inquired what specific information the USBR is seeking for the Water Management Plan update. Manager Hopkins replied USBR is requesting an updated plan which includes the number of agricultural customers served by the District, details on how they are being metered, confirmation of meter accuracy, and a report on how the District is complying with each of the best management practices outlined by the USBR.

Director Atkins inquired whether there is any difference between the previous Water Management Plan and the current one. Assistant Manager Vega replied if the USBR standards change, the District must adjust the plan to meet those new standards. Discussion followed.

A motion was moved and seconded to authorize the General Manager to execute a Professional Services Agreement with Provost & Prichard Consulting Group for \$44,592, plus 10% contingency of \$4,459 for a total of \$49,051 and make all other necessary approvals, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, Sanguinetti, Watkins

Nays: None

Abstain: None

Absent: Panizza

5. Stockton East Water District – WIFIA and SRF Funding Application – Consideration of Projects To Be Included Memo

Manager Hopkins presented the Board with the WIFIA and SRF Funding Application – Consideration of Projects To Be Included Memo. Manager Hopkins reported the District approved Incidental Take Permit (ITP), which allows for the Districts’ continued operation of the Calaveras River and binds the District to implementing the Calaveras River Habitat Conservation Plan (HCP). The Bellota Project is the flagship project of the Habitat Conservation Plan. Manager Hopkins reported the District has until 2030 to complete the project. District staff has investigated different funding options, including grants, community project funding, pay-as-you-go options, bonds, and loans. The most feasible option for the District is The California State Water Resources Control Board (SWRCB) Drinking Water State Revolving Fund (SRF) loan and a U.S (United States). Environmental Protection Agency (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) loan. Assistant Manager Vega reported on October 31, 2023, the District's Board of Directors approved a Professional Services Agreement (PSA) with HDR, Inc. for \$106,253, with an additional 10% contingency. According to the scope of work, HDR will assist with the loan application process for both the SRF and the WIFIA loan programs. SRF is a state program, while WIFIA is a federal program. On August 26, 2024, the Municipal Operations Committee (Committee) was presented with potential additions to the WIFIA and SRF Applications. Clean Water State Revolving Fund (SRF) financing details are the loan size is typically \$20M to \$50M maximum annually with a present 2.10% interest rate, loan term is up to 30 years or the useful life of the project and grants, the states may use up to 30% of their SRF funding to provide grants. On the other hand, the WIFIA Program loan size is a minimum project size of \$20M for large communities and \$5M for small communities, loan term is maximum of 35 years with a 4.13% interest rate. Assistant Manager Vega reported the projects considered for WIFIA and SRF application and funding are noted in Table 2. The committee’s recommendation was to include Sections A and B. Assistant Manager Vega provided a breakdown of the amounts for Municipal and Industrial (M&I) and Agricultural (AG) at a 4.13% interest rate, which reflects the cost of WIFIA financing which is also shown on Table 2. Each individual project will still require Board approval before moving forward. This effort is focused on securing funding in advance to ensure it is available when needed for the projects. By including the projects in the current application process, the District can reduce effort and costs, resulting in long-term savings. Per Committee direction, staff respectfully recommends the Board authorize the General Manager to add the projects within Section A and B of Table 2 to the WIFIA and SRF applications currently being completed by staff and HDR.

Director Cortopassi inquired if the District is completing the application or if the District will hire a consultant. Assistant Manager Vega replied the District currently has a contract with HDR which was approved by the Board of Directors on October 31, 2023.

Director Nakaue commented part of the issue arises from the way the contract with Urban Contractors is structured. The \$12 million estimated annual expense could have been avoided if there had been an agreement to build up reserves over the years. Discussion followed.

No action was taken. Director Atkins noted this item will return back at a future Regular Board Meeting.

E. COMMITTEE REPORTS

1. ACWA Fall Regulatory Committee Meeting, 08/28/24
 - a. Groundwater Committee
 - b. Agriculture Committee
 - c. Energy Committee

Director Atkins, Director Watkins and Manager Hopkins attended the ACWA Fall Regulatory Committee Meeting. Manager Hopkins reported he attended the Groundwater Committee and Agriculture Committee meeting. Manager Hopkins reported Paul Gosselin with DWR gave a debrief of the unsuccessful AB 2079, however, DWR will continue to work with ACWA and California State Association of Counties (CSAC) on non-legislative solutions which they were trying to achieve through AB 2079, The Department of Water Resources (DWR) is continuing its work on subsidence and interconnected surface water guidance, with plans to release these items this fall. Additionally, Proposition 9 will be on the November ballot; this bond measure includes funds for water projects, with \$193M specifically distributed for conjunctive use and groundwater recharge projects, \$193M for SGMA implementation projects and \$200M for land repurposing. Manager Hopkins reported on the Agriculture Committee. ACWA's Vice President Ernie Avila gave an update on ACWA's strategic plan to refocus on four key goals being Advocacy, Connections, Education and Organizational Strength. ACWA desires to be a leader in a proactive position rather than reactive. ACWA would also focus more on member agency resource such as their Scientist, Lawyers and Engineers to help ACWA with their different initiatives. Manager Hopkins also reported Mike Wade from California Farm Water Coalition provided a presentation on Cultivate California Initiative which is an initiative to promote positive messaging about agricultural throughout the state and the Metropolitan Water District has entered into Memorandums of Understanding (MOUs) with the Friant Water Authority and Westland's for a groundwater banking project and have partnered with the San Joaquin Water Blueprint to collaborate with Stantec in evaluating water storage opportunities across the state.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 08/27/24

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 192,622 AF in storage at New Hogan Reservoir. Current releases are set at 220 cfs. There is 1,862,349 AF in storage at New Melones Reservoir. Current releases are set at 1,406 cfs. The current release at Goodwin Dam to Stanislaus River is set at 254 cfs and release to all water users is set at 1,567 cfs. The District Water Treatment Plant (WTP) is currently processing 42 mgd. North Stockton is currently utilizing 6 mgd. South Stockton is currently using 7 mgd. Cal Water is currently utilizing 21 mgd. The City of Stockton WTP is currently processing 21 mgd.

2. Information Items:

a. Manager Hopkins noted items: F-2a and F-2b

3. Report on General Manager Activities

a. Stockton East Water District Activities Update

Manager Hopkins reported the Bellota Pipeline leaks are slowly getting worked on with the completion of the Machado property and efforts have begun on the Eiler's property leak, with the goal of finishing this week. Work is planned to start on the Watkins property next week.

Manager Hopkins reported that the LLPS (Low Lift Pump Station) emergency generator was expected to be repaired last week. However, instead of receiving a new fuel pump, CAT removed the District's existing fuel pump from the generator to rebuild it. The repaired fuel pump is expected to be delivered next week.

Manager Hopkins reported the Dry Well Pilot Project is set to begin. The engineering staff has been coordinating with several septic tank companies and has selected one to install three pilot dry wells on the north side of the property. Work is expected to start this week.

Manager Hopkins reported the District received an update from San Joaquin County, which is offering the District 1,000 acres of towed Transient Electromagnetics Surveying (TowTEM) to help identify desirable recharge areas via the MICUP project. The engineering staff has been evaluating locations where the District could benefit from improved recharge data

Manager Hopkins reported California Special District Association (CSDA) invited the District to a meeting with Assembly Candidate Rhodesia Ransom on September 27th.

4. Stockton East Water District Engineering Update

District Engineer Evensen presented the Board with an Engineering update.

District Engineer Evensen reported updates on the Delucchi Low-Water Crossing, FEMA Repairs, Filter Pipe Repairs and Filtration System Design and Retrofit. District Engineer Evensen also reported the Planning, Design, Permitting and Grants such as Water Supply Master Plan and CIP (Capital Improvement Plan), Water Treatment Plant Master Plan and CIP, George Watkins Low-Water Crossing, Eight Mile Dam and Grants including the SWEEP Block Grants.

Director Nakaue asked for clarification on what dry wells are. District Engineer Evensen replied that typically dry wells are under 50 foot in depth and filled with rock for groundwater recharge. District Engineer Evensen explained that the Dry Well Pilot Project aims to acquire infiltration data to verify the practicality of using dry wells for major groundwater recharge projects at a lower cost than other options. The District will test three wells next to the farm building.

Director Atkins inquired how deep the drilling equipment can go. District Engineer replied about 50 feet.

G. DIRECTOR REPORTS

H. COMMUNICATIONS

I. AGENDA PLANNING/UPCOMING EVENTS

1. Eastern Water Alliance Committee Meeting, 10:00 a.m., 09/05/24
2. Stockton East Water District – Agriculture Operations Committee Meeting, 1:00 p.m., 09/05/24
3. Greater Stockton Chamber Of Commerce – Monthly Mixer – Best Western Plus, 5:00 p.m., 09/05/24
4. San Joaquin County and Delta Water Quality Coalition Steering Committee Meeting, 9:00 a.m., 09/09/24

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 1:59 p.m. The regular meeting reconvened at 2:08 p.m., with the no reportable action.

K. ADJOURNMENT

President Atkins adjourned the meeting at 2:09 p.m.

Respectfully submitted,



Justin M. Hopkins
Secretary of the Board

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