

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 5, 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, Panizza, Sanguinetti and Watkins. Also present were Manager Hopkins, Assistant Manager Vega, Finance Director Ram, District Engineer Evensen, Administrative Services Manager Celestine, Administrative Assistant Wood and Consultant Barkett. Director McGaughey and Legal Counsel Zolezzi were absent. Legal Counsel Luebberke joined the meeting at 1:44 p.m.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

Manager Hopkins introduced John Van Vliet, Associate Engineer I, who started on August 28, 2023. Mr. Van Vliet addressed the Board and provided a brief overview of his background. Director McGurk inquired what engineering discipline he specializes in. Mr. Van Vliet responded agricultural engineering with hydraulics and civil engineering emphasis.

President Atkins welcomed John to the District.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 08/22/23 – Regular Board Meeting

A motion was moved and seconded to approve the August 22, 2023 Regular Board Meeting Minutes, as amended.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the September 5, 2023 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

3. Warrants

a. Fund 56 – Construction Fund

b. Fund 68 – Municipal & Industrial Groundwater Fund

c. Fund 70 – Administration Fund

d. Fund 71 – Water Supply Fund

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- e. Fund 89 – Fish Screen Improvement Fund
- f. Fund 91 – Vehicle Fund
- g. Fund 94 – Municipal & Industrial Fund
- h. Payroll
- i. Summary
- j. Short Names/Acronym List
- k. SEWD Vehicles & Heavy Equipment

Director McGurk inquired on the expense on page 13, line item 68 for XRoads Networks, Inc for Monthly Starlink SD-WAN by ZeroOutages ISP Aug 2023 in the amount of \$345.00. Director McGurk inquired if there are three different vendors who manage the District’s Starlink internet. Manager Hopkins clarified Starlink provides the service through vendors. Assistant Manager Vega added ZeroOutages is a subsidiary of XRoads Networks, Inc.

Director Cortopassi inquired on the expense on page 22, line item 168 for Terex USA LLC for replacement of the ram cylinder for dump bed on Unit 53 in the amount of \$9,315.66. Director Cortopassi inquired why the cylinder needed to be replaced. Assistant Manager Vega responded the cylinder was leaking fluid and was beyond repair. Director Cortopassi inquired if the vehicle will be compliant with the Advanced Clean Fleets (ACF) regulation. Assistant Manager Vega responded staff is evaluating the District’s fleet for compliance. Director Cortopassi inquired on the licensing for the vehicle. Assistant Manager Vega responded government vehicles are not required to renew licenses annually.

Director McGurk inquired on the expense on page 13, line item 61 for Weatherby Reynolds Consulting Engineers, Inc. for Report for Wood Bridge structural analysis-consultation project in the amount of \$375.00. Director McGurk inquired on the cost of the analysis being so low. Manager Hopkins responded the cost is the last invoice for the project budgeted for \$27,000.

Director Cortopassi inquired on the expense on page 23, line item 182 for ControlPoint Engineering Inc. for WTP disinfection system PLC & SCADA Apr to Jun 2023 prj 2303 in the amount of \$67,420.00. Assistant Manager Vega responded the expense is for the integration of the sodium hypochlorite disinfection system into the SCADA system.

A motion was moved and seconded to approve the September 5, 2023 Warrants, as presented.

Roll Call:

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

4. Stockton East Water District – Thomas A. Allen Grant of Easement

Manager Hopkins presented the Board with a Grant of Easement between Thomas A. Allen and Stockton East Water District. Manager Hopkins reported the District has worked diligently on expanding its recharge efforts. As part of those efforts District staff reached out to several property owners in the Linden/Peters community to offer a partnership to construct recharge facilities on the landowner’s properties. The District would utilize these facilities during irrigation season and in turn would allow the landowners to use the facilities during non-irrigation season. Mr. Allen reached out to the District with interest to participate in a partnership. The Grant of Easement would allow the District to construct up to a 1.4-acre recharge basin on the landowner’s property. Manager Hopkins added Legal Counsel has reviewed the Grant of Easement.

A motion was moved and seconded to approve the Thomas A. Allen Grant of Easement, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

5. Resolution No. 23-24-08 – Re-Authorizing Yearly Investment Policy – Investment Policy No. 6020

Manager Hopkins provided the Board with Resolution No. 23-24-08 – Re-Authorizing Yearly Investment Policy. The District is mandated by law to have an Investment Policy in place that is revised and approved by the Board annually. Finance Director Ram reported there were no substantive changes to this Policy.

A motion was moved and seconded to approve Resolution No. 23-24-08 – Re-Authorizing Yearly Investment Policy – Investment Policy No. 6020, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

6. Amendment to Personal Services Agreement Between Stockton East Water District and Justin M. Hopkins for Employment as General Manager

A motion was moved and seconded to approve the Amendment to Personal Services Agreement Between Stockton East Water District and Justin M. Hopkins for Employment as General Manager, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

7. Support of NSJWCD Temporary Application to Divert High-Flow Water Memo

Manager Hopkins provided the Board with a letter of support for North San Joaquin Water Conservation District (NSJWCD) Temporary Application to Divert High-Flow Water. Manager Hopkins reported NSJWCD has submitted an application to the State Water Resources Control Board to allow temporary diversion of high-flows from the Mokelumne River. The application proposes to divert up to 27 cubic feet per second (CFS) between November 5 and November 30, 2023. The diverted water will be applied to existing NSJWCD groundwater recharge projects and post-harvest vineyards. Using existing NSJWCD diversion facilities, the water applied to the five (5) recharge sites could total 1,350 acre-feet (AF) over the three-week period. The water proposed for diversion to recharge will be released from Camanche Reservoir regardless of the temporary application and the 1,350 AF will flow out of our groundwater basin.

Director McGurk inquired if the water released would be flood release water. Manager Hopkins replied it is water released to create flood storage.

A motion was moved and seconded to authorize a letter of support for North San Joaquin Water Conservation District's Temporary Application to Divert High-Flow Water, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation Water Advisory Committee Meeting, 08/22/23
Director Watkins and Manager Hopkins attended the San Joaquin Farm Bureau Federation Water Advisory Committee Meeting on August 22nd. Manager Hopkins reported Joe, an East Bay Municipal Utility District (EBMUD) representative advised EBMUD is planning to recoat the Mokelumne Aqueduct pipelines starting in 2024. North San Joaquin Water Conservation District reported they are still diverting surface water. Oakdale Irrigation District reported they still have plenty of water. South San Joaquin Irrigation District reported they are working on a high-density polyethylene (HDPE) canal lining project for a section of canal located near Woodward Reservoir due to water seeping through the canal. San Joaquin County reported the Board of Supervisors approved GEI Consultants to assist in developing projects that will perfect the County's Mokelumne River Water Right Application.
2. Eastern San Joaquin Groundwater Authority Steering Committee Meeting, 08/23/23
Director Watkins and Manager Hopkins attended the Eastern San Joaquin Groundwater Authority Steering Committee Meeting on August 23rd. Director Watkins reported the committee reviewed the response to the Grand Jury. The response will go before the Board for approval on September 13th. Manager Hopkins reported Stantec will provide the Draft Communication and Engagement Plan to committee members later this week for review.
3. ACWA Summer Regulatory Committee Meetings, 08/30/23
The ACWA Summer Regulatory Committee Meetings consisted of the Water Management Committee, Groundwater Committee, Agriculture Committee, Water Quality Committee and the Energy Committee. Director Sanguinetti attended the Energy Committee Meeting and reported the committee discussed new fuel sources. Assistant Manager Vega attended the Groundwater Committee Meeting. Assistant Manager Vega reported Department of Water Resources (DWR) held a Q&A and discussed the implementation of the Groundwater Sustainability Plans (GSPs). The DWR reported six of the GSPs are inadequate. Other topics discussed were the SAFER Program, dry well results, developing a maximum contaminant level (MCL) for Chromium-6, Perfluorooctanesulfonic acid (PFOS), water rights bills, the SGMA assistance program, groundwater storage levels across several basins and \$10M of technical assistance funding which is available through DWR for small agricultural systems.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 08/22/23
Manager Hopkins reported there was an error with the Water Supply Report from the August 22nd Regular Board Meeting. The net storage change reported for New Melones was reflective of a two-week time period instead of one week.

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 200,069 AF in storage at New Hogan Reservoir. Current releases are set at 183 cfs. There is 1,913,861 AF in storage at New Melones Reservoir. Current releases are set at 1,813 cfs. Current release at Goodwin Dam to Stanislaus River are set at 401 cfs and release to all water users are set at 1,781 cfs. There are 13 irrigators on New Hogan, 4 irrigators on New Melones, and 2 irrigators out of District. The water treatment plant is currently processing 48 mgd. The City of Stockton is currently processing 19 mgd.

2. Information Items:

Manager Hopkins noted items: F2a-1 & F2a-2

3. Report on General Manager Activities

a. ACWA State Legislative Committee Meeting, 08/25/23

Manager Hopkins attended the ACWA State Legislative Committee Meeting on August 25th. Manager Hopkins reported David Reynolds, Director of Federal Relations is retiring later this month. The committee reviewed six Bills; one was pertinent to the District. AB 755 which requires a cost of service analysis by any public entity that provides water. The objective of this bill is to calculate the cost of service to provide water to the top 10% of water users. Association of California Water Agencies (ACWA) went from an opposed position to a watch position as a result of bill amendments to recommend, rather than require, the analysis. The committee provided an update on AB 754, which would require any agency submitting an Urban Water Management Plan (UWMP) or Agricultural Water Management Plan (AWMP) to develop a water supply storage curve. This bill was opposed and will likely be put into the suspense file due to a large cost to implement.

b. Stockton East Water District Activities Update

Manager Hopkins reported he met with Taylor Reed, a representative with Congressman Josh Harder's Office to briefly discuss items the District could use legislative support on. Specifically, the United States Army Corps of Engineers (USACE) permitting and the Clean Water Act exceptions for irrigation diversions. Ms. Reed participated in a tour of the treatment plant.

Manager Hopkins reported San Joaquin County AgVenture sent a thank-you card for the District's sponsorship and continued support. AgVenture provided agriculture education to an estimated 65,000 participants last year.

Manager Hopkins reported the District submitted a temporary flood water diversion application to the California State Water Resources Control Board.

Manager Hopkins reported District staff have updated the District's website with more information, especially related to SGMA. However, the website software is outdated and cannot support the Americans with Disabilities Act Standards Accessible Design. Meaning, all electronic information and technology must be accessible to those with disabilities. Staff is currently exploring other software that can support ADA requirements. Administrative Services Manager Celestine added the current software being used is WordPress.

4. Stockton East Water District Financial Update

Finance Director Ram reported the District's investment portfolio is currently with Local Agency Investment Fund (LAIF). The current rates for June was published at 3.15%. Finance Director Ram stated finance staff is looking at investing with California Class. The monthly yield for California Class is at 5%. The current annualized rate as of September is 3.79%. The investment is to diversify

and maximize the investment for the District. The District's first quarter expenses are at \$4.01M in comparison to \$5.2M in 2022.

Director McGurk inquired on the rate from the firm of 3.1% opposed to 5%. Finance Director Ram reported the lower rate is due from LAIF investing into long term funds which yielded a lower APR. Currently, California Class is investing into short-term investments which are getting a higher yield. However, both will stabilize and be similar over a period of time.

Director Cortopassi inquired on LAIF and California Class funds. Assistant Manager Vega clarified LAIF has a pool of government agency funds which are invested at very low risks. California Class is a Joint Power Authority (JPA) investment pool. In fact, both entities have investments that comply with government codes and are very safe and vetted to invest. Director Cortopassi inquired if the risk is less than if you would invest with one versus the other. Assistant Manager Vega responded no, however, investing in both helps to diversify the investment.

G. DIRECTOR REPORTS

1. California Special Districts Association Annual Conference, 08/28/23 – 08/31/23
President Atkins, Director Watkins and Manager Hopkins attended the California Special Districts Association (CSDA) Annual Conference. President Atkins reported they attended various sessions during the conference. One session discussed Proposition 218 which ensures all taxes and most charges on property owners are subject to voter approval. The session discussed the fee-setting process, the approval process, and public outreach efforts. President Atkins reported there was an Artificial Intelligence (AI) session which was very interesting. Streamline gave a presentation how AI can summarize a document, or write a poem about your district in less than 30 seconds. Director Watkins added the capabilities of AI are jaw dropping. AI can save time for general managers, board secretaries, board members, chiefs, and district staff at all levels. However, AI presents risks and legal challenges as there are scam dangers and "bots". A bot is a software program that performs automated, repetitive, pre-defined tasks and imitates human user behavior. Discussion followed.

Director Watkins reported they participated in a boat tour of the Elkhorn Slough and Moss Landing Harbor District.

2. Stockton East Water District Sodium Hypochlorite Ribbon Cutting Ceremony, 09/05/23
Present at the Stockton East Water District Sodium Hypochlorite Ribbon Cutting Ceremony were President Atkins, and Directors Cortopassi, McGurk, Panizza, Sanguinetti, and Watkins. Also present were Manager Hopkins, Assistant Manager Vega and District Engineer Evensen. President Atkins reported the event turned out well. Mayor Lincoln presented the District with a certificate for the completion of the Sodium Hypochlorite Disinfection Facility. Assemblymember Carlos Villapudua's office and representatives from Congressman Josh Harder's Office, San Joaquin County, and the Greater Stockton Chamber of Commerce also presented certificates. Director Panizza stated the event was mentioned on Channel 3 News station.

H. COMMUNICATIONS

1. California Farm Water Coalition – Thank You Letter
Manager Hopkins presented a thank you letter from the California Farm Water Coalition for the continuation of support of their organization.
2. Stockton East Water District – New Hogan Project – Request for Temporary Deviation from Water Control Plan Letter

Manager Hopkins provided the Board with a letter requesting the United States Army Corps of Engineers (USACE) consider a temporary deviation from the New Hogan Reservoir Water Control plan. Manager Hopkins reported this letter was sent on August 24th. A response has yet to be received.

I. AGENDA PLANNING/UPCOMING EVENTS

1. Stockton East Water District – Bellota Check Presentation, 10:00 a.m., 09/06/23
2. Stockton East Water District & Central Ad-Hoc Meeting, 3:00 p.m., 09/07/23

J. REPORT OF THE COUNSEL

1. CONFERENCE WITH LEGAL COUNSEL: REAL PROPERTY – GOVERNMENT CODE SECTION 54956.8 – Property: Stanislaus River Water Agency Negotiator: Justin M. Hopkins
Negotiating Parties: Justin M. Hopkins, Jeanne Zolezzi
2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Potential exposure to litigation – Government Code Section 54956.9 – three cases

President Atkins adjourned the meeting to closed session at 1:49 p.m. The regular meeting reconvened at 2:30 p.m., with no reportable action.

K. ADJOURNMENT

President Atkins adjourned the meeting at 2:31 p.m.

Respectfully submitted,

Justin M. Hopkins
Secretary of the Board

hmw

