

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 22, 2022 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 Atkins led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 11/15/22 Regular Meeting

A motion was moved and seconded to approve the November 15, 2022 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 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 Atkins inquired on the expense on page 21, line item 128 for TNT Industrial Contractors Inc. for labor and materials on the Sodium Hypochlorite project. Manager Hopkins replied this is the contractor's (TNT) bill for all their costs which include labor, materials and equipment. Director Atkins also inquired on page 20, line item 115 for Rock Creek Water District water transfer. Manager Hopkins stated it worked, but not sure if the endeavor is worth pursuing in the future.

Director McGurk inquired on the expense page 9, items 11 and 12 for DCSE Inc. Manager Hopkins stated this is the study of processing satellite imagery to determine groundwater use. The study is broken into two parts; the \$37,800 amount was for measuring groundwater use within the SEWD boundary for 2020-21. And, the \$63,660 is the first invoice for the work currently being performed

to examine groundwater use for the entire east side which includes North San Joaquin Water Conservation District and Central San Joaquin Water Conservation District. The total contract amount is approximately \$120,000, and will be completed by this fiscal year. Director Cortopassi asked if the District is paying the entire \$63,660. Manager Hopkins stated the District received a grant which will pay roughly half the cost, SEWD contributed \$50,000, and the County contributed to the balance of \$10,000-12,000.

A motion was moved and seconded to approve the November 22, 2022 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

3. Stockton East Water District – Tunnel Outlet Flume Meter Project Memo, 11/22/22

Manager Hopkins stated the District's approved budget for this year includes a project for the Goodwin Tunnel Outlet Meter in the amount of \$364,000. This budget was insufficient to move forward with the project in its entirety which would include the construction of a flow measurement flume. Part of the project is to line a portion of the Upper Farmington Canal from the tunnel outlet to the location of the flume to prevent future vegetation growth which has caused problems with the current flow measurement device. District Staff solicited quotes from three contractors to perform canal lining from the tunnel outlet for approximately 200 feet downstream. The lowest bidder was K.W. Emerson who confirmed the scope of work is fully understood, and all work is included in their price.

Director Sanguinetti stated the possibility of moving down the upper canal to install a structure which can accurately measure itself. Manager Hopkins stated the next phase of the project in the draft budget for next year will construct a permanent concrete flume meter and line the rest of the 500 feet of the canal from the flume toward the tunnel outlet. Manager Hopkins stated the scope of work includes removal of all sediment and aquatics, and restoring the canal to the design dimensions before applying the liner. District Engineer Evensen stated K.W. Emerson was the lowest cost for gunite placement. Discussion followed.

A motion was moved and seconded to authorize the General Manager to execute a contract with K.W. Emerson for \$145,740 plus a 10% contingency of \$14,574, for a total cost of \$160,314.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

E. COMMITTEE REPORTS

1. Stockton East Water District Ad-Hoc Committee Meeting – Central San Joaquin Water Conservation & Stockton East Water District Meeting, 11/17/22

Director Panizza reported all in attendance for the meeting were Directors McGurk, Panizza, Sanguinetti, Manager Hopkins, Assistant General Manager Vega, Finance Director Ram, Secretary and Legal Counsel Reid Roberts, President Thompson, Directors Wagner, and Chiappe. Director Panizza reported the process was reviewed regarding LAFCo, and potential time lines for consolidation.

Director McGurk reported on outstanding issues. Discussed at the meeting, was the lack of overlap of fiscal years of the two different agencies. Director McGurk stated the original timeline was December 8th for the LAFCo process, followed by an early January date. Central requested to delay the December 8th date to mid-February. This would give the current Central District the chance to collect their final water bills for water year 2022. Central expects they could pay off old debt with these revenues before the consolidation takes place, but no details were finalized or agreed to. The District reluctantly agreed to the timeline extension.

Director Sanguinetti stated operation costs and old debt will need to be discussed at upcoming negotiation meetings with managers and legal counsel.

Director Atkins stated now Central is paying off their debt where they were not paying it off before. This could result in Central consolidating without cash on hand.

President Watkins stated the final payment from one year, and the progress payment from another calendar year funds the District for a given year. In fairness, if Central uses this same method, the entire \$600,000 revenue from Central needs to pay for its operations. President Watkins stated if there is no surface water, it makes no difference if the merge takes place this year or next year. There are also issues with SGMA, and reserves for SEWD. These issues need to be answered before consolidation. Director McGurk stated the allocation of 2022 revenue, and the fiscal year for the two districts don't correspond. Discussion followed.

2. Agricultural Operations Committee Meeting, 11/18/22

Directors Atkins, Cortopassi, Sanguinetti, President Watkins, Manager Hopkins, Assistant Manager Vega, District Engineer Evensen, and Finance Director Ram attended the meeting.

President Watkins reported budgets and projects were reviewed, and forwarded to the Board for approval on December 13, 2022. President Watkins questioned the \$360,000 for the Peters Pipeline project with 100% allocation to Agriculture, and the \$700,000 for the Agriculture budget. Assistant General Manager Vega stated he will review these budgeted figures.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 11/21/22

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 49,891 AF in storage at New Hogan Reservoir. Current releases are set at 63 cfs. Current release at Goodwin Dam to Stanislaus River are set at 202 cfs and release to all water users are set at 0 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 26 mgd. The City of Stockton is currently processing 12.7 mgd. Manager Hopkins reported the District wells total water extraction is 6,866 gpm (~9.9 mgd).

2. Information Items:

Manager Hopkins noted item: F2a-1, F2a-2 and F2a-3

3. Report on General Manager Activities

a. San Joaquin County Office of Emergency Services – Agricultural Drought Task Force Meeting, 11/16/22

Manager Hopkins reported the meeting was attended by Assistant Manager Vega, and asked him to report out. Assistant Manager Vega reported the update from the National Weather Service presented a forecast from the early weather year for San Joaquin County is 60-90% of normal. The majority of

October was dry with some rainfall in November. The majority of the County is still drier than normal with southern parts around Tracy better than the rest of the County. The 5-Station Index which included some mountain precipitation trends are looking good, to date. The snow graph concentration shows some mountain areas higher than normal. The caution is, it's still early but a good indicator. There's a 76% chance that La Niña continues in the northern hemisphere throughout the winter with a 50% chance this transitions to a normal weather pattern for February through March 2023. The current conditions are classified as a weak La Niña which means drier than normal. Some rainfall will help current conditions until this pattern changes. Unfortunately, the drought is expected to persist through the rest of the year. The two-week outlook at the time had higher than normal temperatures with some precipitation for the latter part of the second week. The outlook after January through April 2023 isn't clear. Lower California is expected to be drier.

b. CVP Water Association – Executive and Financial Affairs Committees Meeting, 11/18/22
Manager Hopkins reported the meeting was attended by Finance Director Ram, and asked her for a report. Finance Director Ram reported the CVP did not hold an executive committee (EC) today because Sabir Khan and Anne Williams were out of the office. Michelle R Williams gave an update on Anne Williams taking a position with the D.C. Budget Office. Robert Ward is the acting manager for Anne for December, Sabir Khan is filling in next. They will rotate managers until they get a replacement. Kevin Kasberg said they are still finalizing the schedule of presentations for the 2023 calendar year for FAC meetings. Allocations were discussed in general.

c. Stockton East Water District Activities Update
Manager Hopkins reported he and District Staff met with The Wine Group to discuss Flood-Mar potential in their vineyard on the eastside of Escalon-Bellota Road. The Wine Group was very interested in participating in some sort of program using flood water to recharge the groundwater. The Wine Group participated in a similar project in Madera County last year and thought it was successful. The District will move forward to work out the program details. The GROMAS Study using satellites to determine groundwater use within the District is moving forward. The preliminary work has been complete, and hopefully next month there will be an opportunity to present to the Board the interface that has been developed for SEWD to review groundwater use at parcel level. The phytophthora study has not been discussed in a while, and is starting to wrap up. The data has been collected and the report is being developed. Manager Hopkins hopes to bring a draft presentation to the Board in January. Lastly, District Management hosted a barbeque for Staff last week to thank everyone for their hard work. Assistant Manager Vega added supervisors cooked, and everyone was appreciative. Communication was positive between all divisions. Overall, the barbeque was successful and seemed to boost employee morale.

President Watkins asked if the electromagnetic data from the county is available yet. Manager Hopkins replied some of the data is available through the interface, but the San Joaquin County area has not been completed yet.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. District Holiday – Thanksgiving, 11/24/22 & 11/25/22
2. ACWA Fall Conference – Indian Wells, 11/29/22-12/01/22

3. San Joaquin Farm Bureau Federation Meeting, 5:00 p.m., 11/22/22
*** This item was omitted from the agenda ***

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. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED
LITIGATION Section 54956.9 (2 Cases)

President Watkins adjourned the meeting to closed session at 1:10 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:09 p.m., with the no reportable action.

K. ADJOURNMENT

President Watkins adjourned the meeting at 2:10 p.m.

Respectfully submitted,



Justin M. Hopkins
Secretary of the Board

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