

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, JULY 18, 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 Manager Hopkins 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, Administrative Services Manager Celestine, Finance Director Ram, District Engineer Evensen, Senior Water Treatment Plant Operator Brothers, Administrative Assistant Wood, Legal Counsel Zolezzi and Consultant Barkett. Director McGaughey was absent.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 07/11/23

A motion was moved and seconded to approve the July 11, 2023 Regular Board Meeting Minutes, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

2. Warrants

- a. Fund 67 – Agricultural
- b. Fund 70 – Administration Fund
- c. Fund 71 – Water Supply Fund
- d. Fund 91 – Vehicle Fund
- e. Fund 94 – Municipal & Industrial Fund
- f. Payroll
- g. Summary
- h. Short Names/Acronym List
- i. SEWD Vehicles & Heavy Equipment

President Atkins inquired on the expense on page 10, line item 31 for Priya Ram for Tuition reimbursement Summer 2023. Manager Hopkins responded the District offers tuition reimbursement as part of the employee benefits package and this expense is for Finance Director Ram completing her Master's Degree in Accountancy.

A motion was moved and seconded to approve the July 18, 2023 Warrants, as presented.

Roll Call:

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

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~~Draft~~Approved

Nayes: None
Abstain: None
Absent: McGaughey

3. Stockton East Water District – Podesta Reservoir Agreement for Annual Surface Water Use Memo

Manager Hopkins provided the Board with a memo regarding an Annual Surface Water Use Agreement with Fred Podesta (Landowner). Manager Hopkins reported on April 30, 2008, the District entered into an Annual Water Use Credit Agreement with Mr. and Mrs. Fred Podesta, Jr. The agreement provides the Landowner an annual surface water credit of 1,000 acre-feet for the Landowner's use of water right License #8252, which allows the Landowner to collect 1,400 acre-feet annually in storage and withdraw up to 1,320 acre-feet annually. The existing agreement was recently identified by District staff as having potentially terminated in 2018. After further interpretation, the agreement was determined to still be valid, but in need of updating. District staff coordinated with legal counsel and the Landowner to draft a new, formal agreement.

a. Fred Podesta Farms LP - Annual Surface Water Use Agreement

Director McGurk inquired if the Podesta Reservoir holds more than 1,400 acre-feet of surface water. Manager Hopkins responded the reservoir may hold more. However, the water right does not authorize the landowner to store more than 1,400 acre-feet or withdraw more than 1,320 acre-feet of water.

Director Watkins noted a section in the agreement that refers to a meter being installed at the District's expense and inquired if the Landowner would be covering the cost of the annual meter fee. Manager Hopkins replied yes, however the agreement does not specify that expense. Director Panizza suggested adding an additional paragraph citing the meter fee will be at the landowner's expense.

There was a consensus of the Board to bring this item back for consideration.

4. Stockton East Water District – 2022 Elections Payment to San Joaquin County Registrar of Voters Memo

Manager Hopkins provided the Board with a memo regarding the 2022 election expenses. Manager Hopkins reported the Board previously requested District staff investigate the 2022 election invoice received by San Joaquin County Registrar of Voters. Finance Director Ram has been working with the San Joaquin County Registrar of Voters Office to get an itemized invoice as shown in the memorandum. Manager Hopkins reported a 23% increase from \$415,911 in 2018 to \$511,075 in 2022. This increase was due to the following factors: The total number of voters for the participating cities and Districts in San Joaquin County were 820K in 2022 and 1.042M in 2018. This decrease was compounded by the increase in voters within the District from 169,003 in 2018 to 180,036 in 2022. The decrease in the total voters and increase in District voters increased the District's share of the total cost. The cost of labor and fringe benefits increased from \$135,352 in 2018 to \$196,396 in 2022. This was a 45% increase. The cost of tech support increased from \$37,667 in 2018 to \$50,422 in 2022. This was a 33.86% increase. The cost of postage increased from \$14,072 in 2018 to \$29,939 in 2022. This was a 112.76% increase. Lastly, the cost of utility increased from \$51,864 in 2018 to \$62,448 in 2022. This was a 20.41% increase. The total cost incurred and allocated for the District's share of the 2022 election was \$838,037, of which the County is absorbing \$326,962 due to their initial mistake when sending out the ballots.

Director Cortopassi inquired how the San Joaquin Registrar of Voters Office allocates the expenses. Finance Director Ram clarified the costs are divided up by 1) the percentage of ballots items for the District versus the total number of ballot items and 2) the total number of voters in the District's boundaries versus the total number of voters.

Director Panizza inquired how the District could validate the total number of voters within the divisions. Finance Director Ram responded she could request the San Joaquin Registrar of Voters Office provide the voter data.

Director Sanguinetti inquired why the District is being invoiced for postage and labor. Finance Director Ram replied it is the District's portion of the total postage and labor costs to send out the ballots.

Director Watkins stated the voters bill is becoming exceptionally high and suggested reaching out to the Board of Supervisors to discuss these charges and what can be done to reduce expenses.

A motion was moved and seconded to authorize the General Manager to discuss these charges with the Board of Supervisors before paying the 2022 Elections Payment.

Roll Call:

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

Nayes: None

Abstain: None

Absent: McGaughey

E. COMMITTEE REPORTS

1. Eastern San Joaquin Groundwater Authority Steering Committee Meeting, 07/12/23

Director Watkins and Manager Hopkins attended the Eastern San Joaquin Groundwater Authority Steering Committee Meeting on July 12th. Manager Hopkins reported the County provided an update on the Communication and Engagement Plan as prepared by Stantec. The plan was expected to be sent to the GSA's for review on July 12th however the plan has yet to be received.

Manager Hopkins reported the Steering Committee recommended a billing schedule to each of the GSA's to support the budget that was adopted at a previous board meeting. The budget exhibit will be going before the board next month.

Manager Hopkins reported the Steering Committee will advise the Technical Advisory Committee to convene and review the Tracy subbasin and the Eastern San Joaquin subbasin data management systems to discuss a preferred platform for singular use.

Manager Hopkins reported San Joaquin County has approved a \$2.1M transfer from county funds to the groundwater authority to pay for new monitoring wells.

Manager Hopkins reported the County provided a Grand Jury report conducted by the Grand Jury on the Eastern San Joaquin Groundwater Authority and subsequently sent to all the GSA's for their review.

Director Panizza stated the committee did not approve the budget funding at the last meeting as there were no staff to explain the budget in detail. Director Panizza inquired if the committee revisited the budget funding during this meeting. Manager Hopkins responded the budget funding

was reviewed and the Steering Committee recommended the budget funding be presented to the Board for approval.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 07/11/23

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 221,335 AF in storage at New Hogan Reservoir. Current releases are set at 233 cfs. There is 2,066,166 AF in storage at New Melones Reservoir. Current releases are set at 2,459 cfs. Current release at Goodwin Dam to Stanislaus River are set at 1,500 cfs and release to all water users are set at 3,150 cfs. There are 17 irrigators on New Hogan, 6 irrigators on New Melones, and 1 irrigator out of District. The water treatment plant is currently processing 47 mgd. The City of Stockton is currently processing 21.5 mgd.

Director Cortopassi inquired if the new measuring devices installed at Farmington Dam are reporting the total CFS diverted to Central San Joaquin Water Conservation District (CSJWCD). Manager Hopkins replied no, it measures the water being diverted to the District's Lower Farmington Canal (LFC). However, the District does utilize radial gates at the same headworks structure to estimate the water being diverted to CSJWCD. Director Cortopassi inquired if the District plans to accurately measure how much water is being diverted to CSJWCD. Manager Hopkins responded the District can incorporate a plan to do so.

Director Watkins inquired on the accuracy of the Goodwin diversion (GDW) release to the District at the tunnel outlet on the Upper Farmington Canal (UFC). Manager Hopkins responded the accuracy is within 10% of the reported CFS.

2. Information Items:

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

3. Report on General Manager Activities

a. Stockton East Water District – Projects Discussion with Urban Contractors, 07/13/23

Director Watkins, Manager Hopkins and District Engineer Evensen met with the UC's to discuss the Bellota Weir Project and the Ozone Project. Manager Hopkins reported there was some reservations regarding the need for an ozone facility. The District expressed it is open to receiving feedback and suggestions to address the water quality issues without the construction of the ozone facility. One suggestion received was to construct a booster chlorination disinfection facility so the UC's can receive different amounts of chlorine residuals in their corresponding conveyance pipelines.

Manager Hopkins reported the Bellota Project discussion was not as collaborative. The focus shifted from the Bellota Project funding efforts to the Cost Allocation Study. Another meeting will be scheduled to discuss this further.

b. ACWA State Legislative Special Committee Meeting, 07/14/23

Manager Hopkins attended the ACWA State Legislative Special Committee Meeting on July 14th. The committee reported water rights bills AB460 and AB1337, and a groundwater related bill AB1563 were held by committee and will not be progressing through this year.

Manager Hopkins reported there were seven bills in the bill packet, three of which were applicable to the District. ACWA discussed AB779 which establishes various methods and procedures for a comprehensive adjudication of groundwater rights in civil court. The bill was amended several times to resolve conflicts with existing laws, lower the barrier to participate and to increase the understanding of the importance of adjudication. The committee moved from an opposed unless amended to a watch position. AB1205 which is related to the sale, transfer, or leasing of water rights from agricultural land was amended. Initially this bill could have had a negative impact on ACWA members who engage in water transfers. However, the amendments proposed by the Senate Natural Resources and Water Committee (Committee) has resulted in AB1205 becoming a study bill. Lastly, the Committee reviewed SB389 which allows the State Water Board to request information from a water right holder without changing the State Water Board's enforcement authority. The Committee has moved from an opposed position to a watch position with the intent to further amend the bill.

c. Stockton Area Water Suppliers (SAWS) Meeting, 07/14/23

Manager Hopkins attended the Stockton Area Water Suppliers (SAWS) Meeting on July 14th. Manager Hopkins reported there was significant discussion regarding outreach messaging. There is a desire for SAWS and the GWA to collaborate on outreach strategies related to recharge projects.

d. Stockton East Water District Activities Update

Manager Hopkins reported staff is currently working on a funding plan for the Bellota Project. Additionally, staff met with a consultant from NHA Advisors, LLC who provides financial advice to assist with funding expensive projects. Manager Hopkins reported a presentation will be brought to the Board within the next month or so.

Manager Hopkins reported the 2024-25 Fiscal Year Budget is currently being discussed among staff. Manager Hopkins welcomed any budget suggestions from the Board.

Manager Hopkins reported staff have made several updates to the District's website as a result of the Grand Jury Report. Manager Hopkins stated if the Board agrees, a picture and biography page highlighting essential information about each director could be added to the website. Director Panizza inquired if the Brown Act prohibited publicizing the directors. Manager Hopkins replied it is restricted to mailings.

Manager Hopkins reported he will be out of the office next week for personal reasons.

G. DIRECTOR REPORTS

H. COMMUNICATIONS

1. Stockton East Water District – Association of California Water Agencies Joint Powers Insurance Authority - 2023 Wellness Grant Letter, 07/12/23

Manager Hopkins presented the Board with correspondence from the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) congratulating the District for being awarded a Wellness Grant in the amount of \$1,760.00. Manager Hopkins reported this is the most the District has ever been awarded. The funds have previously been used to purchase items promoting health and wellness.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 07/19/23
This meeting was cancelled
2. Virtual Town Hall Will Feature Candidates for ACWA President, 2:00 p.m., 07/19/23
3. Stockton East Water District - Recharge Ad-Hoc Committee Meeting, 2:00 p.m., 07/20/23
President Atkins reported this meeting will be held at 2:00 p.m.
4. CVP Water Association - Executive and Financial Affairs Committees Meeting, 10:00 a.m., 07/21/23
This meeting was cancelled

J. REPORT OF THE COUNSEL

1. 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 1:38 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:39 p.m., with no reportable action.

K. ADJOURNMENT

President Atkins adjourned the meeting at 2:40 p.m.

Respectfully submitted,



Justin M. Hopkins
Secretary of the Board

hmw

