

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, APRIL 30, 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 Atkins led the Pledge of Allegiance.

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

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT (None)**

Kevin Kauffman, former General Manager of the District, introduced a product from the Water Group LLC, called the Parjana© EGRP – a plastic tube that goes into the ground and increases the ability of the natural soils to infiltrate water. Mr. Kauffman reported they are coming out with a new product called EGRP 2 which is currently being tested in Red Rock, Arizona by Arizona State University.

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 04/23/24 Regular Meeting

A motion was moved and seconded to approve the April 23, 2024 Minutes, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, 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 April 30, 2024 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

3. Stockton East Water District – Consideration of Approving a Professional Service Agreement with JWT Associates, LLP, For 2024-2026 Audit Memo

Manager Hopkins presented the Board with the Consideration of Approving a Professional Service Agreement with JWT Associates, LLP, For 2024-2026 Audit Memo. Manager Hopkins reported the District is required to change the principal auditor of the firm every three years. Manager Hopkins reported the current auditor, Jeremy Ware with JWT Associates, has reached the end of his three-year term and staff has reached out to for a renewed proposal from JWT Associates for a new principal to perform the District’s next three annual audits. Finance Director Ram reported the current lead auditor for JWT Associates, Jeremy Ware, has served in this role for six years. As per

Assembly Bill 1345, Section 12410.(b), which mandates changing the lead auditor every six years, we are required to make this change. Given the complexity of the District's budgeting system, staff opted not to solicit bids for a new auditor. Instead, staff engaged in discussions with Nathan Doty, a partner at JWT Associates, who has provided a proposal to serve as the new lead auditor. Mr. Doty brings extensive experience working with healthcare organizations, non-profits, and has conducted audits for the Del Puerto Water District in Patterson, CA.

To ensure a seamless transition, Jeremy Ware will be working alongside Mr. Doty in a supportive role during this process. This arrangement combines the benefits of a fresh perspective from Mr. Doty's expertise while leveraging Mr. Ware's knowledge of our organization.

From 2023 audit expense of \$38,750, the 2024 proposed cost is \$40,250. This is a 3.87% increase. This is followed by subsequent increases of 6.21% and 5.26%. The last single audit cost the District \$18,730 and the current proposed cost for single audit is \$7,000 for each of the three years. Staff respectfully recommends the Board authorize the General Manager to approve a Professional Services Agreement with JWT Associates, LLP, in the amount of \$142,000 with a 10% contingency of \$14,200, for a total amount of \$156,200, and make all other necessary approvals.

Director Cortopassi inquired what a single audit was. Finance Director Ram replied when the District receives federal grants totaling over \$750K in a single year, the auditors need to perform a separate audit from the regular audit. Finance Director Ram reported the District will not have a single audit for fiscal year 2023-2024.

Director McGurk inquired if all the grants require an audit of its own or if all grants are combined together and receive one single audit. Finance Director Ram replied in one fiscal year for federal grants if the District goes over \$750K a single audit will be required whether it be a combination of grants or a single grant exceeding the amount of \$750K.

A motion was moved and seconded to authorize the General Manager to approve a Professional Services Agreement with JWT Associates, LLP, in the amount of \$142,000 with a 10% contingency of \$14,200, for a total amount of \$156,200, and make all other necessary approvals, as presented.

Roll Call:

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

Nayes: None

Abstain: None

Absent: None

4. Stockton East Water District – Authorization of Contract Award for Extraction Well #2, Piping Memo

Manager Hopkins presented the Board with the Authorization of Contract Award for Extraction Well #2, Piping Memo. Manager Hopkins reported the District held a bid opening for Extraction Well #2 piping. Manager Hopkins reported staff has reviewed the bids and are ready to make a recommendation to the Board. Assistant Manager Vega reported staff solicited bids through Planet Bids to furnish and install approximately 25 linear feet of 12-inch ductile iron pipe (DIP) or steel pipe, 160 linear feet of 30-inch reinforced concrete pipe (RCP), and one (1) 6-foot diameter precast manhole. Assistant Manager Vega also reported the lowest bid came from Tom Mayo Construction at \$143,800. On April 23, 2024, the Board of Directors' (Board) approved Fiscal Year 2024-2025 Budget re-allocation to support completion of Fiscal Year 2023-2024 Extraction Well No. 2 Project, in the amount of \$175,000. The lowest bid plus contingency falls well within the available budget amount. Staff respectfully recommends the Board authorize the General Manager to award the contract for the Extraction Well #2 piping work to Tom Mayo Construction, the lowest responsive

and responsible bidder in the amount of \$143,800, with a 10% contingency of \$14,380, for a total amount of \$158,180, and make all other necessary approvals.

Director Atkins inquired why PVC pipe is not being used instead of the steel pipe. District Engineer Evensen replied steel or ductile iron pipe is used when placing a pipe above ground since the PVC pipe could encounter issues with sunlight exposure or could be more easily damaged.

Director Cortopassi inquired if the ASR well and extraction well #2 are two different wells. District Engineer Evensen replied yes, they are two separate wells.

Director Sanguinetti inquired why staff is suggesting 30-inch RCP pipe. District Engineer Evensen replied it is going from pressure to gravity flow, therefore, a larger diameter pipe is required for gravity flow and RCP pipe is the best alternative for the application. Discussion followed.

A motion was moved and seconded to authorize the General Manager to award the contract for the Extraction Well #2 piping work to Tom Mayo Construction, the lowest responsive and responsible bidder in the amount of \$143,800, with a 10% contingency of \$14,380, for a total amount of \$158,180, and make all other necessary approvals, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

5. Stockton East Water District – Authorize Approval of WTP Disinfection System Project Notice of Completion Memo

Manager Hopkins presented the Board with Approval of WTP Disinfection System Project Notice of Completion Memo. Manager Hopkins reported the WTP Disinfection System facility has been completed and staff has addressed all the punch list items. Manager Hopkins reported the District has outstanding work from Carollo Engineering in which the Board approved a budget reallocation to cover the additional expenses for record drawings and an operations and maintenance manual. The District awarded TNT Industrial Inc. the construction contract in the amount of \$5,426,903.91, with a 10% contingency of \$542,690, for a total amount of \$5,969,593.91. The construction completion amount was \$5,890,868.04. Staff respectfully recommends the Board authorize the General Manager to proceed with the signing of the WTP Disinfection Systems Project Notice of Completion.

Director Cortopassi inquired if Carollo Engineers will complete the certification. District Engineer Evensen replied he personally certified the WTP Disinfection System design and construction for the operation of the WTP under permit.

A motion was moved and seconded to authorize the General Manager to proceed with the signing of the WTP Disinfection Systems Project Notice of Completion, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

6. Stockton East Water District – Consideration of Approving MICUP Eblast and Meeting Memo

Manager Hopkins presented the District with Consideration of Approving MICUP Eblast and Meeting Memo. District Engineer Evensen reported MICUP will be having a meeting in person and via teleconference. District Engineer Evensen also reported MICUP is a regional effort to prioritize basin-wide water reliability through local and multi-jurisdictional projects to secure San Joaquin County Mokelumne River water rights. MICUP seeks a State Water Resources Control Board (SWRCB) water rights permit to utilize excess Mokelumne River water, which may be available during wet years, to divert and store as groundwater. Staff requests the Board of Directors consider and provide direction related to the circulation of the Eblast, listing of the event on the District's website.

Director Nakaue inquired why the District is participating in an event in which the District does not benefit from. Legal Counsel Zolezzi replied if the San Joaquin County obtains the permit, then the District may be able to use Mokelumne River delivered from the East Bay Municipal Utility District's aqueduct pipelines.

The Board had consensus to circulate of the Eblast and list the event on the District's website,

## **E. COMMITTEE REPORTS**

### **1. San Joaquin Farm Bureau Monthly Water Committee Meeting, 04/23/24**

Manager Hopkins attended the San Joaquin Farm Bureau Monthly Water Committee Meeting. Manager Hopkins reported North San Joaquin's conical fish screens installed in the Mokelumne River for screening their diverted water of fish is a maintenance ordeal. North San Joaquin is looking into installing dams in Bear Creek with hopes of increasing surface water use in the southern portion of their District. Manager Hopkins also reported Woodbridge Irrigation District (WID), Oakdale Irrigation District (OID) and South San Joaquin Irrigation District (SSJID) have been delivering water since last month. San Joaquin County and Delta Water Quality Coalition reported their annual budget is up to \$3M a year in which most of the money is going to the state for managing the data collected from the growers. Alex Chetley from San Joaquin County introduced the new Water Resources Manager Ashley Couch (he/him), who has thirty years of experience in the water management sector. Mr. Couch came from Arizona where he was a Public Works Director and a certified Floodplain Manager for several entities and is currently working on obtaining his engineering license for California.

### **2. Stockton East Water District - Agriculture Operations Committee Meeting, 04/25/24**

Director Cortopassi, Director Atkins, Director Watkins, Director Sanguinetti, Manager Hopkins, Assistant Manager Vega and District Engineer Evensen attended the meeting. Director Cortopassi reported the committee reviewed Rule 109 and recommended taking it to the Board on May 14<sup>th</sup>. Director Cortopassi reported GEI Consultants presented the Water Supply Master Plan and the committee is providing GEI with input to make necessary changes to perfect the Water Supply Master Plan.

Director McGurk inquired what started the problem with the riparian in Rule 109. Director Watkins replied the guidance in Rule 109 has not been followed and some parcels were receiving credits of different amounts than what the study stated.

Director Panizza inquired how many acre feet are involved. Director Watkins replied it was not viewed by acre feet. Staff reported it only made a difference of a couple thousand dollars a year to the District. Discussion followed.

3. Stockton East Water District - Municipal Operations Committee Meeting, 04/26/24  
Director McGurk, Director Nakaue, Director Panizza, Director Atkins, Manager Hopkins, Assistant Manager Vega and District Engineer Evensen attended the Municipal Operations Committee Meeting. Director McGurk reported Stantec presented a comprehensive presentation to the committee about the Water Treatment Plant Master Plan. Director Nakaue reported the District will need to replace the transformers since they are about fifty years old and are beyond their useful life and it will take approximately 2-4 years in order for the District to get new transformers. Director Nakaue also reported District Engineer Evensen is looking into ordering the transformers now in order for the District to receive the transformers within the two-year time frame.

Director Panizza inquired if there is a time frame to acquire all the necessary components for the transformers. Director Atkins replied the committee is still unsure how much the transformers and all other necessary components will cost. Assistant Manager Vega reported the Water Treatment Plant Master Plan is looking at all the old infrastructure and Stantec will provide an improvement plan which will include critical items which need to be addressed. Discussion followed.

4. Stockton East Water District - Electrical Power Alternative Committee Meeting, 04/29/24  
Director McGurk, Director Sanguinetti, Director Atkins, Manager Hopkins and Assistant Manager Vega attended the Electrical Power Alternative Committee Meeting. Director McGurk reported Assistant Manager Vega presented the committee with a presentation explaining how to develop averages for how much the District spends on electricity and at what level the treatment plant is operating. Director Atkins reported the committee discussed whether it be a better option to purchase the solar panels or have an agreement with one of the three companies the committee provided as an option. Assistant Manager Vega reported from 2022/2023 – 2023/2024 the usage charge increased by 10.8% and the demand charge increased by 17%. From 2019 to present day the maximum demand charge has doubled. Director Atkins reported it would cost the District \$24M to lease the solar panels, battery and maintenance with the company White Pine for 30 years. Manger Hopkins reported the direction of the committee was to have staff bring the White Pine ground mount Power Purchase Agreement (PPA) option to the Board for consideration.

## **F. REPORT OF GENERAL MANAGER**

1. Water Supply Report as of 04/23/24  
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 302,814AF in storage at New Hogan Reservoir. Current releases are set at 115 cfs. There is 2,057,940 AF in storage at New Melones Reservoir. Current releases are set at 2,090 cfs. Current release at Goodwin Dam to Stanislaus River is set at 2,378 cfs and release to all water users is set at 3,202 cfs. The District Water Treatment Plant (WTP) is currently processing 40 mgd. North Stockton is currently utilizing 8 mgd. South Stockton is currently utilizing 4 mgd. Cal Water is currently utilizing 18 mgd. The City of Stockton WTP is currently processing 10 mgd.

2. Information Items:
  - a. Manager Hopkins noted items: F-2a, F-2b and F-2c.
3. Report on General Manager Activities
  - a. California Special Districts Association – Financial Management for Special Districts Workshop, 04/24/24  
Manager Hopkins and Finance Director Ram attended the California Special Districts Association – Financial Management for Special Districts Workshop. Manager Hopkins

reported the District's Finance department is doing a great job with the District's internal controls. Manager Hopkins reported there were numerous items which were reviewed in the workshop the finance department is already doing. Manager Hopkins also reported best practices for financial reporting suggested more information should be brought to the Board on a regular basis. Finance Director Ram reported many agencies are seeking better software programs. Finance Director Ram also reported there is a software program many agencies are moving towards and is hopeful the District will soon migrate to such a well-known software.

Director McGurk inquired why the software is important. Finance Director Ram replied the finance department currently uses Blackbaud which is an old software and there are several steps staff must go through to know how much is expensed in every account. The new recommended software is more expensive but is more enhanced with everything shown in real time.

Director McGurk inquired if the software includes training. Finance Director Ram replied yes, the software comes with training. Discussion followed.

b. Stockton East Water District Activities Update

Manager Hopkins presented the Board with a picture of the Tully Dam installation and reported all the dam installations are complete and most of the system is charged. Potter Creek is yet to be filled up and is currently in progress. Manager Hopkins also reported the Potter Creek Pump Station 8,000 pump (8,000 gallon per minute capacity) was also installed.

Director Cortopassi inquired if the rental crane is shown in the picture and was the operator included with the crane. Manager Hopkins replied no, only the crane was rented.

Manager Hopkins reported a meeting was held last week with the Project Management Committee which oversees the five-year update for Groundwater Sustainability Plan. Manager Hopkins reported one item the Groundwater Authority will have to integrate into the five-year update is explicit demand reduction actions and triggers.

Manager Hopkins reported the District was hopeful there would be existing right-of-way to install the Calaveras Pipeline Project so the District could distribute New Hogan water south of the Calaveras River to several growers. Through the District's general counsel, a title investigator was hired to conduct thorough research and they were not able to find any recording of Linden Irrigation District right-of-way.

Manager Hopkins reported he had a phone call with the District's environmental consultants on the Bellota Weir Modifications Project. The consultants have been negotiating with U.S. Fish and Wildlife (USFW) to try and get the biological consultation concluded for the Section 404 permit from U.S. Army Corps of Engineers (USACE). Manager Hopkins reported the mitigation being requested by USFW is turning out to be costly and will require a three to one mitigation for every one acre of habitat the District impacts with the total of eight acres. Manager Hopkins also reported there is a local mitigation bank that is waiting for USFW approval to begin construction of their third phase of the mitigation bank and they have mitigation credits which will be available in approximately a year and a half. The approximate cost for eight acres of mitigation is \$1.2M. Manager Hopkins reported there is an alternative the District is currently looking into through San Joaquin Council of Governments which have the San Joaquin County

habitat conservation plan in which the District could participate in with a fee of \$160K for the eight acres, however, there are eight Elderberry bushes in which each limb will cost \$500.

Manager Hopkins reported the District had to shut down High Service Pump Station to install another Automatic Transfer Switch (ATS). Once the pumps were restarted, Pump P26 VFD started smoking and burned up

4. Stockton East Water District Maintenance Update

Maintenance Manager Higaes provided the Board with an update of the District's maintenance and construction projects; completion of Switch Board A ATS installation, completion of the Peters Pipeline inspection, construction of the Delucchi Low Water Crossing and Dam, replacement of the Old Calaveras Headworks gates, and installation of the High Service Pump Station (HSPS) HVAC. The HSPS old air conditioners will be moved off the roof so the roofer can install a new roof. Also, repair at Duck Creek Dam with the installation of a rebar cage and concrete. Two leaks were identified at the Machado property along the Bellota Pipeline and mobilization will start soon for those repairs.

**G. DIRECTOR REPORTS**

**H. COMMUNICATIONS**

Manager Hopkins presented the Board with a handout of the letter to Assembly Member Villapudua in which the District opposes Assembly Bill 2079 unless amended.

**I. AGENDA PLANNING/UPCOMING EVENTS**

1. Central San Joaquin Water Conservation District & Stockton East Water District Committee Meeting, 2:30 p.m., 05/01/24
2. San Joaquin Council of Government – One Voice in Washington, DC, 05/06/24 – 05/09/24
3. ACWA Spring Conference, 05/07/24 - 05/09/24
4. Stockton Area Water Suppliers (SAWS) Meeting, 1:00 p.m., 05/10/24
5. San Joaquin County and Delta Water Quality Coalition Steering Committee Meeting, 9:00 a.m., 05/13/24

**J. REPORT OF THE COUNSEL**

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Paragraph (1) of subdivision (d) of Gov. Code § 54956.9)  
Stockton East Water District vs State Water Resources Control Board San Joaquin County Superior Court Case No. STK-CV-UWM-2019-472
2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Potential exposure to litigation – Government Code Section 54956.9 – one case

President Atkins adjourned the meeting to closed session at 2:04 p.m. The regular meeting reconvened at 2:24 p.m., with no reportable action.

**K. ADJOURNMENT**

President Atkins adjourned the meeting at 2:25 p.m.

Respectfully submitted,



Justin M. Hopkins  
Secretary of the Board

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