



**STOCKTON
EAST WATER
DISTRICT**

PROVIDING SERVICE SINCE 1948

www.sewd.net

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MEETING NOTICE

The Agriculture Operations Committee
Of the Stockton East Water District
Board of Directors will meet at

9:00 a.m. on Friday, November 21, 2025

At the District Office, 6767 East Main Street, Stockton, CA

Assistance for the Disabled: If you are disabled in any way and need accommodation to participate in the meeting, please contact Administrative Staff at (209) 948-0333 for assistance so the necessary arrangements can be made.

Agendas and minutes are located on our website at www.sewd.net.

AGENDA

- | | | |
|----|--|-----------------------|
| 1. | Roll Call - Chairperson Atkins, Director Nakaue, Director Hansen, Director Sanguinetti (Alternate) | <u>Page No</u> |
| 2. | Public Comment | |
| 3. | Stockton East Water District – Staff Report – Approval to Award a Professional Service Agreement to Raftelis for Conducting a Comprehensive Water Rate Study | 01 |
| 4. | Stockton East Water District – Staff Report – Clements Pipeline & Reservoir Design | 05 |
| 5. | Stockton East Water District – Draft Budget Fiscal Year 2026-2027 | |
| 6. | Adjournment | |

Certification of Posting

I hereby certify that on November 18, 2025, I posted a copy of the foregoing agenda in the outside display case at the District Office, 6767 East Main Street, Stockton, California, and said time being at least 72 hours in advance of the Agriculture Operations Committee Meeting (Government Code Section 54954.2). Executed at Stockton, California on November 18, 2025

Priya Ram, Director of Finance & Administration
Stockton East Water District

Any materials related to items on this agenda distributed to the Agriculture Operations Committee of the Stockton East Water District less than 72 hours before the public meeting are available for public inspection at the District's office located at the following address: 6767 East Main Street, Stockton, CA 95215. Upon request, these materials may be available in an alternative format to persons with disabilities.

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DATE: November 21, 2025

AGENDA ITEM NO.3

TITLE: Comprehensive Water Rate Study**SUBJECT: Approval to Award a Professional Services Agreement to Raftelis for Conducting a Comprehensive Water Rate Study**

Executive Summary

The Stockton East Water District (District) seeks approval to award a professional services agreement to Raftelis Financial Consultants, Inc. (Raftelis) to conduct a Comprehensive Water Rate Study. The purpose of the study is to evaluate the District's current water rates for both surface water and groundwater users, ensuring that rates are equitable, financially sustainable, and consistent with regulatory and policy objectives.

This study follows the completion of the Water Supply Master Plan (GEI Consultants, 2024), which identified significant modernization and capital investment needs for the District's infrastructure. Those plans informed the Capital Improvement Plan (CIP) and the 2025 CIP Funding Plan, which together outline, potentially, over \$159 million in long-term water supply capital projects.

The rate study will ensure that District rates adequately recover costs associated with operations, maintenance, and the CIP while maintaining compliance with Proposition 218 and Proposition 26 requirements. It will also evaluate the interrelationship between surface water and groundwater programs, particularly in support of SGMA compliance and groundwater sustainability goals

Background

To Staff's knowledge, the District has never completed an independent, third party, full water rate study. Due to several factors listed below, there is increased importance in performing this type of strategic and long-term planning tool:

- **Increased Operating and Regulatory Costs:** The District has experienced growth in water conveyance, energy, and maintenance expenses as well as compliance obligations tied to State and Federal regulations.
- **Master Plan Integration:** The Water Supply Master Plan established a coordinated 50-year planning horizon, including a 20-year CIP that prioritizes replacement, modernization, and expansion of major infrastructure systems.
- **CIP Funding Requirements:** The 2025 CIP Funding Plan outlines funding mechanisms through the State Revolving Fund (SRF) and WIFIA loan programs to implement priority projects such as the Bellota Weir Modifications Project, with a total estimated program value exceeding \$159 million.
- **Evolving Rate Policy and Legal Framework:** The District's previous rate cap on rates was removed in recent years. Surface water rates are service fees subject to Proposition 218 protest procedures, while groundwater pumping charges,

though referred to as “assessments” under the District’s Special Act, are classified as fees subject to Proposition 26 procedural requirements only. Current surface water rates—and any rates up to \$42.38 per acre-foot—remain grandfathered under CPI-based adjustments allowed by District legislation.

The study will quantify the reciprocal benefit of surface water deliveries to groundwater users, recognizing that surface water utilization supports SGMA compliance and enhances groundwater sustainability.

Additionally, the Board directed staff to include an analysis of agricultural rate structures, particularly those reflecting agriculture’s share of capital costs, and to evaluate the broader benefit of surface water infrastructure to groundwater users.

Summary

The District publicly solicited bids, providing targeted invitations to bid to six consultants, and received bids from two consulting firms. Bids were received from GEI Consultants and Raftelis, as shown in **Table 1**.

Company	Cost
Raftelis	\$79,370
GEI Consultants	\$95,685

Table 1. Water Rate Study BID Results

Raftelis brings extensive experience in rate modeling, cost-of-service studies, and agricultural rate design for similar California water agencies.

Two-Phased Study Approach and Schedule

To align with the District’s timing objectives and upcoming budget cycles, Raftelis proposed a two-phased schedule.

Phase I (November 2025 – March 2026):

Develop a Financial Plan using FY 2026 projected actuals and the FY 2027 budget to determine 10-year revenue requirements (operations, maintenance, and CIP funding). Identify necessary revenue adjustments and prepare for an across-the-board rate update for Board consideration in April 2026.

Phase II (April 2026 – March 2027):

Using the Phase I financial plan as a baseline, complete a Cost-of-Service Analysis (COS) to allocate costs between groundwater and surface water user groups. This phase will develop rate alternatives that fully recover required revenues consistent with the District’s CIP and policy objectives, with implementation scheduled for April 2027.

Key Focus Areas

The Raftelis study will address:

- Revenue sufficiency to fund operations, maintenance, and CIP projects.
- Allocation methodology between groundwater and surface water services based on resource sustainability goals.

- Evaluation of agricultural rate structure to ensure fair contribution toward capital costs.
- Quantification of cross-benefits between groundwater and surface water systems to reflect SGMA and resource sustainability.
- Compliance with legal and policy standards, including Propositions 218 and 26.
- Public communication materials to support transparency and Proposition 218 proceedings, if needed (mailing and outreach to be handled separately).

Financial Impact

The total cost for the Water Rate Study is \$79,370, to be funded from Account 10-5154 Professional Services – General Manager’s Office which has sufficient funds for the work to be completed in both Fiscal Year 2025-2026 and 2026-2027.

Recommendation

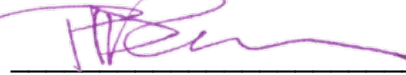
Direct staff to present this staff report to the Board of Directors to consider:

1. Award of a professional services agreement to Raftelis for completion of the Water Rate Study in an amount not to exceed **\$79,370**; and
2. Authorization for the General Manager to execute the agreement and make any other necessary amendments within the approved budget.

Staff Responsible for Report


 Bianca Rodriguez, Administrative Assistant

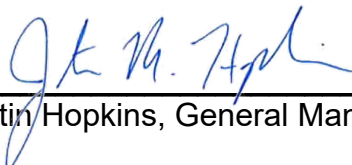
Date: 11/21/25


 Priya Ram, Director of Finance & Administration

Date: 11/21/25


 Juan Vega, Assistant General Manager

Date: 11/21/25


 Justin Hopkins, General Manager

Date: 11/21/25

Attachments

None

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DATE: November 21, 2025

AGENDA ITEM NO. 4

TITLE: Clements Pipeline & Reservoir Design

SUBJECT: Consider Approving a Professional Services Agreement – Final Design

Executive Summary

The Stockton East Water District (District/SEWD) is advancing a critical infrastructure initiative aimed at enhancing groundwater reliability through the implementation of the SEWD Surface Water Implementation Expansion Project. The Clements Pipeline and Reservoir Project (Project) is included within said Surface Water Implementation Expansion Project. This effort is a cornerstone of the District's ongoing efforts as a Groundwater Sustainability Agency (GSA) to stabilize the Eastern San Joaquin Subbasin in alignment with the Sustainable Groundwater Management Act (SGMA).

In March 2025, the District issued a Request for Proposals (RFP) to initiate the project's design phase. Proposals were received from KSN Inc. and Provost & Pritchard (P&P). Following a detailed evaluation, District staff selected P&P as the preferred consultant to complete a Preliminary Engineering Report (PER), citing their relevant experience and cost-effective approach.

P&P has refined the scope of the Project through the development of the PER which was approved by the Board of Directors (Board) on October 21, 2025. Board direction was to move forward with the design of the intake and pipeline to the proposed new reservoirs, and complete the design for the reservoirs; however, after further evaluation, the received grant also requires a 90% design package for gravity feed pipeline that provides new access to surface water for 11 locations. Once design is complete, Staff will proceed with Phase I, which includes constructing a new pipeline from Calaveras River to the Marciano property and a recharge facility at the most cost-effective solution possible, per Board direction. A future Phase II project would construct the remainder of the Clements Pipeline, subject to separate Board approval.

Key components of P&P scope of work include design of reservoirs to regulate the Old Calaveras River (OCR) flow and support groundwater recharge and the design of the Clements Pipeline to facilitate both direct and in-lieu surface water recharge. These improvements are designed to offer an alternative water source for existing groundwater users, reducing pressure on the aquifer and supporting long-term sustainability.

The preferred alternative expands the existing service area from 100 acres to 500 acres and includes the phased construction of three reservoirs for regulation and recharge utilizing surface water from the OCR. The full buildout of this alternative is expected to be implemented in five phases.

Recommendation

District Staff recommends the Board of Directors authorize the General Manager to approve a Professional Services Agreement with P&P to provide design services in the amount of \$335,000 plus a 10% contingency of \$33,500 for a total of \$368,500 and make all other necessary approvals.

Background

The District is aiming to complete a series of pipeline/reservoir projects to improve groundwater reliability by providing an alternate source of water to existing groundwater users. The Project is a part of the District's plan to work towards stabilizing the groundwater basin. As a Groundwater Sustainability Agency (GSA) under the Sustainable Groundwater Management Act (SGMA), the District has listed the SEWD Surface Water Implementation Expansion Project as an important step towards stabilizing the Eastern San Joaquin Subbasin. The Project would include the Clements Recharge/Regulating Reservoirs, providing surface water storage and distribution for both direct and in-lieu recharge. **Figure 1** below shows a potential design.

P&P was hired in March 2025 to complete the PER. Based on the alternative analysis P&P completed. The preferred alternative includes three recharge/regulating reservoirs and a pipeline to expand surface water service area from 100 to 500 acres. Based on Board feedback during PER review, P&P will analyze the most cost-effective method of using District-owned land.

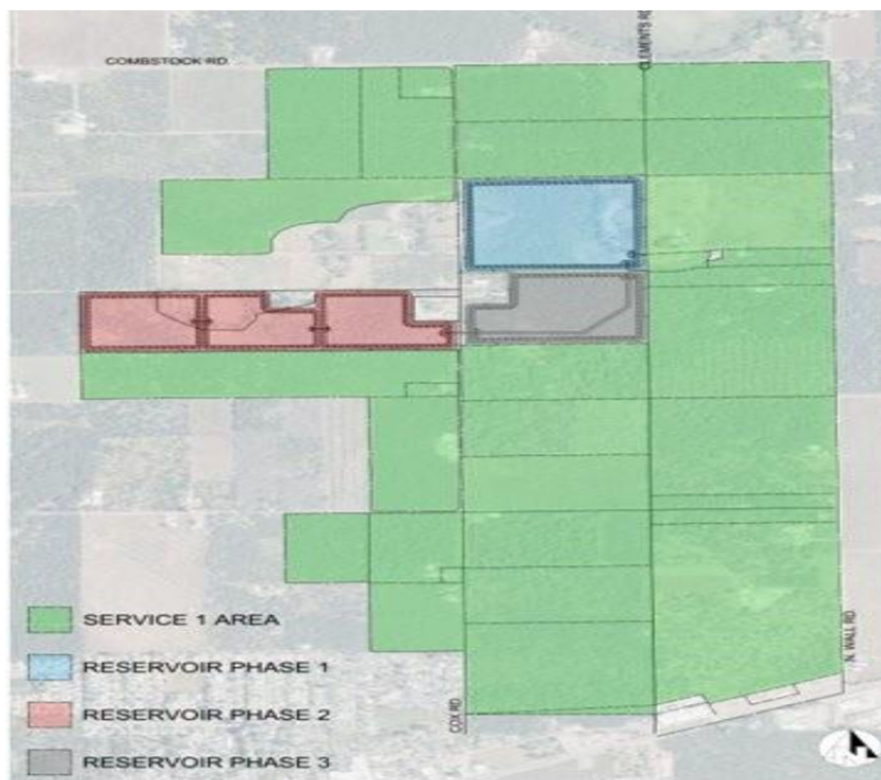


Figure 1: Preferred Service Alternative and Proposed Reservoir Design

Summary

The District requested proposals for the design of the Project in March 2025. Proposals were due on April 4th, 2025. The District received two proposals, one from KSN Inc and the other from P & P Each consultant provided a scope of work, budget to complete the environmental permitting, design, and geotechnical work, a schedule, and qualifications and related experience.

The original proposals for the final design were received in April 2025. The final design included proposals from KSN, Inc. and P & P. The proposal costs were given as ranges

since the original Project scope was broad. Please see **Table 1** for proposed costs from each consultant:

Consultant	Proposal Budget Range
KSN, Inc.	\$380,000 - \$820,000
Provost & Pritchard	\$342,000 - \$461,000

Table 1. Proposed Cost Range by Consultant

Since P&P completed the PER, they have provided a refined estimate for the final design in the amount of **\$335,000**. Since this is within their original range for final design work, District staff recommends moving forward with a professional services agreement for the final design with P&P.

Financial Impact

The Board of Director's (Board) approved Fiscal Year 2025-2026 budget includes \$1,500,000 for design and other work on the "Calaveras Pipeline", now called the "Clements Pipeline and Reservoir Project".


The FY 2025-2026 budget has enough funds to cover the cost of the proposed work by Provost & Pritchard.

In addition, the District received a grant from the United States Bureau of Reclamation (USBR) for planning of this Project in the amount of \$188,920.


Recommendation

District Staff recommends the Board of Directors authorize the General Manager to approve a Professional Services Agreement with P&P to provide design services in the amount of \$335,000 plus a 10% contingency of \$33,500 for a total of \$368,500 and make all other necessary approvals.

Staff Responsible for Report


Gianna O'Day, Associate Engineer

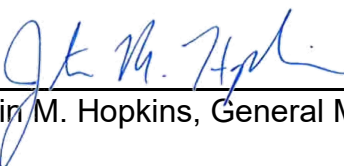
Date: 11/21/25


Darrel Evensen, District Engineer

Date: 11/21/25


Juan Vega, Assistant General Manager

Date: 11/21/25


Justin M. Hopkins, General Manager

Date: 11/21/25

Attachments

1. None