

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, AUGUST 13, 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 Administrative Assistant Rodriguez 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, Water Operations Manager Wunderlich, Maintenance Manager Higaes, Water Supply Manager Donis, Administrative Assistant Rodriguez, Legal Counsel Zolezzi and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 08/06/24 Regular Meeting

A motion was moved and seconded to approve the August 6, 2024 Minutes, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGurk, Nakaue, 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 Screen Improvement

e. Fund 91 – Vehicle Fund

f. Fund 94 – Municipal & Industrial Fund

g. Payroll

h. Summary

i. Short Names/Acronym List

j. SEWD Vehicles & Heavy Equipment

Director Atkins inquired on the following expense on page 17, line item 86, All Cal Equipment Services, Inc for rental of boom truck for work on HSPS (High Service Pump Station) on 07/01/24-07/15/24 in the amount of \$5,500. Manager Hopkins replied the boom truck was rented before the District received the new one.

A motion was moved and seconded to approve the August 13, 2024, Warrants, as presented.

Roll Call:

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

Nayes: None
Abstain: None
Absent: None

3. Stockton East Water District – Consider Authorizing Participation in the SJMSHCP To Satisfy Mitigation Requirements for The Bellota Weir Modification Project Memo

Manager Hopkins presented the Board with a memo to Consider Authorizing Participation in the SJMSHCP To Satisfy Mitigation Reequipments for The Bellota Weir Modification Project. Manager Hopkins reported the Bellota Project environmental and permitting processes are wrapping up with only one item left of mitigation requirements conditioned by US Fish and Wildlife Services (USFWS) under the section 7 review of the project which is tied to the Districts' section 404 permit for the Bellota Project. Manager Hopkins reported that the District's environmental consultant, FISHBIO, and their subconsultant, Moore Biological, have been exploring diverse options to meet the mitigation requirements. Manager Hopkins reported the first choice discussed was a mitigation bank. When initially contacted, the mitigation bank noted they were sold out of credit. They did note they would have an added phase of their project coming available, but the timeline was roughly 18 months from the contact date (April 25, 2024). The cost of credits was significant. At the time of inquiry, an estimated 195.87 credits at a cost of \$5,500/credit were needed to offset potential impacts, resulting in a total cost of \$1,077,285. The purchase of the mitigation credits would likely not absolve the District of having to arrange for the transplantation of the elderberry shrubs, which would lead to additional costs. Manager Hopkins reported the second option was for the District to perform self-mitigation using available land at the Bellota site. Development and maintenance of a District-owned mitigation site would be very costly and time consuming due to ongoing preservation and reporting requirements. The District does not have the specialized staff needed to monitor and report on the mitigation site. Manager Hopkins also reported FISHBIO and Moore Biological Consultants contacted the San Joaquin Council of Governments (SJCOG) San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSHCP). The Bellota Weir Modification Project was presented to the San Joaquin County of Government Habitat Technical Advisory Committee (HTAC) on June 12, 2024, and the associated site visit and survey was performed on June 27, 2024. The Bellota project was considered to take part in the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSHCP). This possibility has substantial cost savings as compared to the purchase of mitigation credits via a bank, with the fees due to San Joaquin County of Government totaling \$146,809.70. The total estimated cost to purchase environmental mitigation credits is \$146,809.70, which is within the District's Fiscal Year 2024-2025 approved budget of \$2.3M for Bellota Weir Modification Project expenses. FISHBIO and Moore Biological Consultants jointly recommend the District's Board of Directors adopt the ITMMs and use them to complete the US Fish and Wildlife Services (USFWS) Section 7 Consultation, thereby resolving the obstacles to obtain the 404 Clean Water Certification from the US Army Corps of Engineers (USACE) for the Bellota Modification Project.

Director McGurk inquired where the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan land is found. Consultant Barkett replied the land is in various locations.

Director Nakaue inquired is there is a difference between the mitigation bank and the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan and if they both satisfy the requirements. Manager Hopkins replied they both satisfy the requirements with the difference being the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan was developed by the San Joaquin County to help ease development.

A motion was moved and seconded to authorize the General Manager to approve participation in the SJMSHCP for the Bellota Weir Modification Project in the amount of \$146,809.70, plus a 20% contingency of \$29,361.94, for a total not to exceed amount of \$176,171.64, 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 – Consider Approval Of Water Transfer Agreement with WID (Woodbridge Irrigation District) Memo

Manager Hopkins presented the Board with a memo to Consider Approval Of Water Transfer Agreement with WID. Manager Hopkins reported one of the Districts' customers is Elkhorn Golf Club. The Elkhorn Golf Club is along Pixley Slough and Woodbridge Irrigation District can convey surface water to them, and Elkhorn Golf Club wants to use it. However, Stockton East Water District (SEWD) is not able to provide Elkhorn Golf Club with the SEWD water and Elkhorn is no longer in the Woodbridge Irrigation District (WID). Manager Hopkins reported WID staff and legal counsel collaboratively developed a Water Transfer Agreement between the SEWD and WID. WID will deliver up to 360 acre-feet of surface water annually into Pixley Slough for Elkhorn Golf Course use, when supplies are available, under the proposed Water Transfer Agreement. Staff respectfully recommends the Board of Directors authorize the General Manager to execute the WID Water Transfer Agreement and make all other necessary approvals.

A motion was moved and seconded to authorize the General Manager execute the WID Water Transfer Agreement and make all other necessary approvals, as presented.

Roll Call:

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

Nayes: None

Abstain: None

Absent: None

5. Stockton East Water District – Consider Approval Of Water Service Contract With Friends Of Elkhorn, LLC Memo

a. Friends of Elkhorn, LLC – Non-Potable Water Service Agreement

Manager Hopkins presented the Board with a memo to Consider Approval Of Water Service Contract With Friends Of Elkhorn, LLC Memo. Manager Hopkins reported the SEWD had an existing Water Service Contract with Elkhorn, LLC for last irrigation season which was a Pilot Water Service Contract tied to an exchange with North San Joaquin Water Conservation District (NSJWCD). Manager Hopkins reported District staff contacted Elkhorn prior to 2024 irrigation season and confirmed their desire to continue using surface water, however a new Water Service Agreement is required. Staff respectfully recommends the Board of Directors authorize the General Manager to execute the Friends of Elkhorn, LLC, Water Service Contract and make all other necessary approvals.

Director Atkins inquired if Elkhorn's pumping station is set. Manager Hopkins replied yes.

A motion was moved and seconded to authorize the General Manager to execute the Friends of Elkhorn, LLC, Water Service Contract and make all other necessary approvals, as presented.

Roll Call:

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

6. Stockton East Water District – Consider Proposed Budget Amendment and Approval Of Variable Frequency Drive Purchase for P-26 Memo

Manager Hopkins presented the Board with a memo to Consider Proposed Budget Amendment and Approval Of Variable Frequency Drive Purchase for P-26. Assistant Manager Vega reported in November 2022, P-26 experienced a catastrophic failure caused by a short circuit in the motor windings, leading to the failure of the electric motor. After the motor was rebuilt and the VFD (Variable Frequency Drive) tested, it was put back into service. However, in May 2024, P-26 encountered another problem, this time within the VFD itself. A short circuit in the VFD led to an arc flash in the electrical cabinet, resulting in damage which rendered the VFD beyond repair. Assistant Manager Vega reported the District has standardized on ABB VFDs for their quality and availability. Staff has requested a quote to replace the P-26 VFD with the results coming at a price of \$81,792. The quote is for a VFD in a fused cabinet with cooling intake fans and line and load reactors. Assistant Manager Vega reported the replacement VFD on P-26 will provide High Service Pumping Station with the necessary standby 300 HP pump capacity, ensuring redundancy for this critical process. The provided quote of \$81,792 for an ABB VFD, plus a 10% contingency for all other project-related costs, brings the total not to exceed amount to \$89,971. Assistant Manager Vega also reported since the failure of P-26 VFD was unexpected, a budget amendment will be necessary to continue with the purchase. The Solids Handling/Dewatering Lagoons project is planned as a multi-year project and, upon recent analysis, not all the FY (Fiscal Year) 2024-2025 funds are expected to be expended. After the budget amendment, there should be enough funds remaining in the project's budget. Staff respectfully recommends the Board of Director's authorize the proposed budget amendment and the General Manager to approve the purchase of one ABB VFD for the quoted amount of \$81,792, plus a 10% for all other projects-related costs and contingencies of \$8,179, for a total not to exceed of \$89,971 and make all other necessary approvals.

Director Nakaue inquired if the \$90,000 left in the Solids Handling/ Dewatering Lagoon will not be used this year and the money being used for the P-26 will be replaced. Assistant Manager Vega replied staff does not believe the full \$1.89M will be used for the Solids Handling/ Dewatering Lagoon which is why \$90,000 is being proposed to be used to purchase P-26 VFD.

A motion was moved and seconded to authorize the proposed budget amendment and the General Manager to approve the purchase of one ABB VFD for the quoted amount of \$81,792, plus a 10% for all other projects-related costs and contingencies of \$8,179, for a total not to exceed of \$89,971 and make all other necessary approvals, as presented.

Roll Call:

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

7. Stockton East Water District – Solar Power & Services Agreement Between White Pine Entity and Stockton East Water District

Manager Hopkins presented the Board with the Solar Power & Services Agreement Between White Pine Entity and Stockton East Water District. Manager Hopkins reported earlier this year there was a committee which worked with staff to evaluate different alternatives for decreasing the Districts' energy cost specifically the PG&E cost. The work of the committee and a presentation presented to the Board. The Board concluded a power purchase agreement with White Pine Renewables was the best option for the District to help reduce future PG&E costs. Manager Hopkins reported staff has been working with White Pine Renewables and the Districts' legal counsel to finalize the details of the agreement. Assistant Manager Vega reported White Pine's estimate of savings to the District was approximately \$49M. District staff has calculated its own cash flow analysis and based on the analysis the savings will be more modest. Part of the proposal from White Pine includes a proposed rate plan change what they call Plan S which is only available to those entities who have a battery. Assistant Manager Vega reported the proposed Plan S should provide additional savings. The District should save over thirty years about \$28M. District staff has worked with White Pine to finalize the agreement details and the presented draft agreement has been reviewed by legal counsel. Staff respectfully recommends the Board authorize the General Manager to execute the Agreement Between White Pine Entity and Stockton East Water District.

Director McGurk inquired if there are any deadlines for this project. Assistant Manager Vega replied there are no deadlines for this project at this time.

Director Nakaue inquired why the graph presented to the Board shows spikes and then levels off. Assistant Manager Vega replied the consultant looked at historical usage and since there are years the District has droughts and produce less water than the usual in those years the District will purchase more power than is necessary to run the treatment plant which makes the savings decrease.

Director Nakaue inquired if White Pine goes bankrupt what will happen to the equipment. Assistant Manager Vega replied if the District desires to have it removed then they will remove it at no cost since the White Pine has a bond. Discussion followed.

A motion was moved and seconded to authorize the General Manager to execute the Agreement Between White Pine Entity and Stockton East Water District, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. San Joaquin County and Delta Water Quality Coalition Steering Committee Meeting, 08/12/24
No Board members attended.

G. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 08/06/24

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 201,282 AF in storage at New Hogan Reservoir. Current releases are set at 281 cfs. There is 1,907,402 AF in storage at New Melones Reservoir. Current releases are set at 1,873 cfs. The current release at Goodwin Dam to Stanislaus River is set at 303 cfs and release to all water users is

set at 1,841 cfs. The District Water Treatment Plant (WTP) is currently processing 40 mgd. North Stockton is currently utilizing 20 mgd. South Stockton is currently using 7 mgd. Cal Water is currently utilizing 18 mgd. The City of Stockton WTP is currently processing 20 mgd.

2. Information Items:

- a. Manager Hopkins noted items: F-2a and F-2b

3. Report on General Manager Activities

- a. ACWA State Legislative Committee Meeting, 08/09/24

Manager Hopkins attended the ACWA State Legislative Committee Meeting. Manager Hopkins reported Dave Eggerton the Executive Director announced Chris Anderson who worked in Legislation is leaving ACWA and will be going to the California Chamber of Commerce. Soren Nelson will be replacing Chris Anderson. Manager Hopkins reported due to Chris Anderson leaving ACWA is reevaluating their salaries and expect to increase salaries. Manager Hopkins reported the legislative year adjourns on August 31st. Manager Hopkins reported SB 1390 will make the diversion of flood flows easier for groundwater recharge. The bill text was amended from the people who use the delta pumps to state if they cannot take the water then nobody else can. Manager Hopkins reported ACWA will take no position on SB1390 and it will be up to all the individual member agencies to take their own position. Manager Hopkins reported ACWA Fall Regulatory Committee Meeting will be on August 28th.

- b. Stockton East Water District Activities Update

Manager Hopkins reported a vehicle was found in the canal and was removed. Water quality samples were taken and the District received the results earlier this morning. The water quality samples were sent to the Division of Drinking Water with hopes to increase the Districts' water production.

Manager Hopkins reported the P1 Pump Replacement Project finally reached a large milestone. The District has been waiting for the 30-inch check valve which has finally been received and staff will now finish the piping work on the P1 Pump Replacement. The last item the District is waiting for is the motor which is estimated to be delivered in about a month.

Manager Hopkins reported the Cummins generator was fixed, and the control board was replaced and is back in service. The CAT generator repairs are still ongoing since CAT continues to send used fuel pumps instead of a new fuel pump. Maintenance Manager Higaes reported CAT will be coming down tomorrow.

Manager Hopkins reported Director Watkins and himself met with Harder's staff which continue to be supportive of the District and are confident the changes to the Districts' CVP (Central Valley Project) contract are going to go through even through the language is substantially softened. Manager Hopkins reported they discussed a group approach in which they were open to. The District will be sending emails to local staff in Duarte and DeSaulnier's offices as well as the senators and Garamendi. Manager Hopkins reported next month, staff will meet with those offices in person to secure support for the language and to push the Bureau to keep their progress as promised to Harder's office

Director McGurk inquired whether the District could revert to the original language. Manager Hopkins replied they spoke about it on the Senate side.

4. Stockton East Water District Water Treatment Plant Update

Water Operations Manager Wunderlich provided the Board with an update on the District's WTP production. Water Operations Manager Wunderlich reported for the month of July, 98 samples of ~~E~~ ~~ee~~ TC were collected and 0 were positive. The WTP rain fall totals for the previous week were 0, the District's WTP produced 4,912 AF and Delta Water Supply Treatment Plant produced 1,705 AF in surface water production. Cal Water produced 541 AF, City of Stockton produced 80.7 AF and the District's water treatment plant produced 28.6 AF in groundwater production.

G. DIRECTOR REPORTS

H. COMMUNICATIONS

I. AGENDA PLANNING/UPCOMING EVENTS

1. Greater Stockton Chamber of Commerce – 2024 Summer Chamber Diversity Mixer – Port of Stockton, Albert Lindely House. 5:00 p.m., 08/15/24

Manager Hopkins noted the following two meetings.

2. Eastern San Joaquin Groundwater Authority Steering Committee Meeting, 8:30 a.m., 08/14/24
3. Eastern San Joaquin Groundwater Authority Special Board Meeting, 10:30 a.m., 08/14/24

J. REPORT OF THE COUNSEL

1. CONFERENCE WITH LEGAL COUNSEL - Existing Litigation
California Water Service Company, City of Stockton & Stockton East Water District vs. Central San Joaquin Water Conservation District, Government Code 54956.9 (a)
2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Potential exposure to litigation – Government Code Section 54956.9 – two cases
3. CONFERENCE WITH LEGAL COUNSEL – Personnel, Government Code 54957

President Atkins adjourned the meeting to closed session at 1:20 p.m. The regular meeting reconvened at 1:50 p.m., with the following reportable action:

The Board approved the Amendment to Personnel Services Agreement Between Stockton East Water District and Justin M. Hopkins for Employment as General Manager.

K. ADJOURNMENT

President Atkins adjourned the meeting at 1:54 p.m.

Respectfully submitted,

Justin M. Hopkins
Secretary of the Board

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