

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, OCTOBER 31, 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 Director McGurk 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, Finance Director Ram, District Engineer Evensen, Maintenance Manager Higaes, Administrative Assistant Wood, Administrative Clerk Rodriguez and Legal Counsel Zolezzi. Consultant Barkett was absent.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 10/24/23 – Regular Board Meeting

A motion was moved and seconded to approve the October 24, 2023 Regular Board Meeting Minutes, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, 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 October 31, 2023 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

3. Stockton East Water District – Administrative Building HVAC Improvements and Proposed Budget Transfer Memo

Manager Hopkins presented the Board with a memo regarding the Administrative Building HVAC Improvements and Proposed Budget Transfer. Manger Hopkins reported the Administration Building has experienced inadequate heating and cooling from the building’s HVAC system mainly the General Manager’s office and the Finance Director’s office. On October 29, 2019, the District’s Board of Directors approved the District staff recommendation of purchasing a new split unit for those two offices, however staff identified and replaced the fan belt with the expectation it would improve the circulation of air in those offices. The circulation improvement was negligible and the heating and cooling issues continued to be experienced with a 4-6-degree difference between the main office area in the building and the Finance and General Manager’s offices. District staff requested three quotes for addressing the issue. The quotes received are from Comfort Air, Inc.,

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Heating and Air Conditioning Experts and A-1 Heating and Cooling. After evaluating the quotes received, staff determined the quote from Comfort Air Inc. would resolve the long-standing issue. Manager Hopkins reported this project is not budgeted in this current fiscal year, however funds are available from the original Ozonation Design budget. Staff propose a transfer of 15,600 into the Maintenance and Repair Buildings account for a total ending balance of \$22,460. Staff recommends the Board to authorize the budget amendment and authorize the General Manager to execute an agreement with Comfort Air, Inc. in the amount of \$9,731 plus a 10% contingency of \$973 for a total of \$10,704.

Director Watkins inquired if a new unit was installed in the treatment plant within the last few years. Manager Hopkins replied there was a new unit installed in the treatment plant, but he could not recall when it was installed since he was not working at the District at the time.

Manager Hopkins reported part of the issue is also the narrow ducting in the General Manager's office and Finance office.

Director Atkins inquired if the units being proposed were all wall units. Manager Hopkins responded that the units being proposed by all three consultants are split units.

A motion was moved and seconded to authorize the General Manager to do a budget transfer from account 10-5323-0 Maintenance and Repair TP- Ozonation Design in the amount of \$15,600 to account 10-5326-0 Maintenance and Repair Buildings - Admin with an ending balance of \$22,460 and authorize the General Manager to execute an agreement with Comfort Air, Inc. in the amount of \$9,731 plus a 10% contingency of \$973 for a total of \$10,704 and make all other necessary approvals, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

4. Stockton East Water District – Bellota Weir Modifications Project Funding Memo

Manager Hopkins presented the Board with a memo regarding the Bellota Weir Modifications Project Funding. Manager Hopkins reported the District received approval of our Habitat Conservation Plan (HCP) and the Incidental Take Permit (ITP) which allows the District to continue operations on the Calaveras River. The flagship project within the HCP is the Bellota Weir Modifications Project (Project) to provide more reliable water supply infrastructure, improve conditions for upstream migration of adult salmon and steelhead, reduce juvenile fish entrainment at the existing Bellota intake, and reduce juvenile fish movement down the Old Calaveras River Channel. The District has ten years to complete the activities related to the Bellota Project. The engineering design is complete and the permitting almost complete; the District expects the final permitting to be complete early next year. District staff has applied for nine grants to fund the Project and the District recently received \$12.2M of grant funding from the California Department of Water Resources' Urban Community Drought Relief Program. The objective is to secure sufficient grants to fund 75% of the Project's cost, however the District remains obligated to fund the entire Project if grant funding is insufficient. District staff has investigated different funding options, including grants, community project funding, pay-as-you-go options, bonds and loans. The loans were found to be the most feasible solution but have a complicated application process. Since the loan programs

have complex applications, District staff has solicited three consultants for proposals to assist with the loan application process. District staff reached out to HDR, CDM Smith and NHA. HDR presented the best, overall proposal and they were selected based on their qualifications and also on being the lowest cost. The Bellota Project Fund has sufficient funding to cover the HDR proposal cost. of \$106,253 plus a 10% contingency of \$10,626 for a total of \$116,879.

Director Cortopassi inquired what the success rate is of the three companies being proposed as far as securable financing. Manager Hopkins replied District staff met with these three companies before soliciting a proposal and discussed their success in securing grant funding. Assistant Manager Vega reported HDR was part of the team which worked on the Bellota design. HDR has a specialized team which has completed upwards of \$2B worth of Water Infrastructure Finance and Innovation Act (WIFIA) loans and has a dedicated team for the Drinking Water State Revolving Fund (DWSRF) loan process. Assistant Manager Vega reported HDR was very knowledgeable and answered all the questions being asked by staff.

Manager Hopkins reported Assistant Manager Vega and himself met with staff from National Oceanic and Atmospheric Administration (NOAA) and U.S. Fish and Wildlife and discussed the District's previous grant applications, improvements the District can make on future grant applications and potential funding opportunities. The District received more feedback from some of the staff in Washington D.C., stating the staff reviewing the application have some hesitancy to award small amounts of money since they believe their funding will not get the District any closer to completing the project. The feedback received from the staff in Washington D.C. stated if the District had the money to complete a project phase, then the District's application would be more competitive.

Director Cortopassi commented that the District should provide the Urban Contractors with a procedure of how the District will pay back the money. Finance Director Ram replied there is a twenty-year re-payment loan for the DWSRF with a current interest rate of 2.1%. Once the District submits for the DWSRF, the timeline is a year to get the submittal listed and another year for finalizing the selection. The WIFIA loan funding would be a year and a half after it is submitted. WIFIA and DWSRF have the lowest interest rates when comparing them with bonds and private loans. The District currently has a DWSRF loan at 0% interest rate.

Director McGurk inquired if the payback of any of the loans being proposed goes beyond the Second Amended Contract with Urban Contractors. Manager Hopkins replied, yes. Director McGurk inquired if applying for a loan would put the District in a bind to negotiate an extension on the contract with the Urban Contractors. Manager Hopkins replied, the District will apply for any loan term available and the District will recalculate the payment based on a payback period which ends before the Second Amended Contract. Finance Director Ram reported the entire loan amount would have to be paid back by 2035 even with high interest rates.

A motion was moved and seconded to authorize the General Manager to execute a Professional Service Agreement with HDR for the amount of \$106,253 plus a 10% contingency of \$10,626 for a total of \$116,879, and make all necessary approvals, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

5. Stockton East Water District – District Website – ADA Accessibility Compliance Memo
Manager Hopkins presented the Board with a memo regarding the District’s Website and ADA Accessibility. Manager Hopkins reported the Stockton East Water District is required to maintain a website by law, that has certain information available and the website is required to be compliant with the Americans with Disabilities Act (ADA) under Title 2. Websites are required to allow access to persons with disabilities. This requires the website to be formatted properly and compatible with screen reader software, which enables vision impaired users who rely on the software to listen to, use and navigate the website. The District recently realized the website is not ADA complaint. Staff identified two approaches to ensuring an ADA complaint website. The first alternative was upgrading the District’s existing website appropriately and the second alternative was the development of a new website. Through conversations with the District’s current website provider, staff was advised the District’s existing website platform lacked sufficient upgrade capability, is no longer supported, and cannot be upgraded. As a result, staff solicited proposals from the following website service providers for a new website: Streamline, Powerful Web, and GoDaddy. Streamline is a CSDA recognized vendor which specializes in local special district websites specifically for ADA compliance. The second vendor is Powerful Web and they specialize more on power utility websites. The last vendor is GoDaddy, which is our current website provider. Services included in the implementation of the website upgrades would consist of website design and migration, ADA Compliance, Secure Sockets Layer (SSL) Certificate, website security and monitoring, web support, and staff training. Of the three website platform providers, Streamline ensures the District’s website substantially complies with ADA requirements; whereas the other vendors require the District to determine the website compliance with ADA requirements. The District’s approved fiscal year 2022-2023 budget does not include funding for website compliance management. Staff proposes to fund the initial website migration and development from the General Manager’s Professional Services account, which has sufficient funding for the \$2,500 development fee, \$11,700 annual fee, and 10% contingency, for a total amount of \$15,620. Ongoing annual website maintenance costs will be budgeted within the appropriate technology account. Staff respectfully recommends the Board authorize the General Manager to approve a contract with Streamline to implement website services in the amount of \$15,620 and make all other necessary approvals.

Director Atkins inquired once approved when the website will become effective. Manager Hopkins replied, Streamline has a 2-4-week lead time.

Director Panizza inquired how many gigabytes will be used to provide for all of the other language and vision impaired services. Manager Hopkins replied the website and the file storage space is hosted by the service provider. Streamline servers store all of the information and as it grows, it will grow on the Streamline server. Manager Hopkins inquired with Administrative Assistant Wood if there are any website size limitations. Administrative Assistant Wood replied there are no size limitations.

Director Cortopassi inquired who will be maintaining the website, will there be a need to hire additional staff. Manager Hopkins responded Administrative Assistant Wood currently updates the website. Administrative Assistant Wood reported Streamline has a built-in tool to constantly analyze the District’s website for ADA compliance. For example, if the District were to upload a document that was not ADA compliant, Streamline would notify the District what exactly is out of compliance and how to fix the issue.

Director Watkins inquired how much the District pays now and if the information we have on the current website is proprietary to the current website we have. Manager Hopkins replied the District is paying about \$600 a year for the current platform. Assistant Manager Vega replied everything stored in our domain sewd.net is hosted by GoDaddy. The District is paying GoDaddy to allow the District to upload information to the website. The District is still owner of the information on the website.

Director Panizza inquired if the contract will contain language stating the website provider will be compliant with Federal and State regulations. Manager Hopkins replied he was unsure on what the contract language is with Streamline, however, with Powerful Web and GoDaddy options it is up to the District to notify them when our website is not ADA compliant. Streamline has a tool which is constantly running a report and notifies the District when something is not in compliance.

A motion was moved and seconded to authorize the General Manager to approve a contract with Streamline to implement website services in the amount of \$15,620 and make all other necessary approvals, as presented

Roll Call:

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

Nayes: None

Abstain: None

Absent: None

6. Letter of Nomination for San Joaquin County Flood Control and Water Conservation District Advisory Water Commission, (Term 2024-2028)
 - a. San Joaquin County Application for Appointment to Boards, Commissions and Committees.
Manager Hopkins presented the Board with the Letter of Nomination for San Joaquin County Flood Control and Water Conservation District Advisory Water Commission. Manger Hopkins reported every four years Stockton East Water District (SEWD) must re-nominate one of the District's Board members to sit on the San Joaquin County Flood Control and Water Conservation District Advisory Water Commission, which is currently held by Director McGurk with Director Sanguinetti as the alternate. Staff is recommending the Board approve submission of a nomination letter to re-nominate Director McGurk as the representative and Director Sanguinetti as the alternate.

A motion was moved and seconded to approve the Letter of Nomination for San Joaquin County Flood Control and Water Conservation District Advisory Water Commission, (Term 2024-2028) and San Joaquin County Application for Appointment to Boards, Commissions and Committees, as presented.

Roll Call:

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

Nayes: None

Abstain: None

Absent: None

7. Stockton East Water District Policy Manual – Reserve Policy No. 6040
Manager Hopkins presented the Board with a handout of the Stockton East Water District Policy Manual – Reserve Policy No. 6040. Manager Hopkins reported the intent of the Reserve Policy is to identify specific amounts and reasons for maintaining District reserves. The reserve policy will be brought back for Board approval at the November 14th board meeting.

Director Atkins inquired if the District knows the amount the State thinks is too much. Manager Hopkins replied if there is no defined amount then there is not a defined need.

Director Watkins inquired where the Goodwin Dam Reserve for \$75K originated from. Manager Hopkins responded upon review of the agreement with Tri Dam it is explicit in the agreement Oakdale Irrigation District (OID) and South San Joaquin Irrigation District (SSJID) are responsible for all the operations, maintenance, replacement, construction, and re-construction of the dam. Legal Counsel Zolezzi reported it is Oakdale Irrigation District (OID) and South San Joaquin Irrigation District (SSJID) responsibility to do all of the operations, maintenance, replacement, construction and re-construction of the dam and the District pays one third of it. Assistant Manager Vega reported the reason why it originated was because the District's insurance provider does not insure this category of the District's infrastructure. Therefore if something were to happen, it was decided to have some reserves because it is not insured.

Director Watkins inquired if the money is to replace the tunnel and the intake structure or is the money to replace the dam. Legal Counsel Zolezzi replied it is to replace the dam.

Director Cortopassi inquired how much the reserve amount the District currently has. Finance Director Ram replied the District currently has \$3M in the reserve account.

Legal Counsel Zolezzi inquired why the present value of the tunnel and intake was used opposed to the Goodwin Dam. Manger Hopkins replied the Finance Director and himself will have to look more in depth in the Tri Dam agreement since it stated Oakdale Irrigation District (OID) and South San Joaquin Irrigation District (SSJID) are fully responsible.

Director Cortopassi inquired on the 3rd page, 1st paragraph of the handout "Maintenance Repair and Replacement Reserve" if the 100K deposited has a reserve account already. Manager Hopkins replied it is identified as a reserve in the contract which the District already has a fund for.

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation Monthly Water Committee Meeting, 10/24/23
Assistant Manager Vega attended the San Joaquin Farm Bureau Federation Monthly Water Committee Meeting on October 24th. Assistant Manager Vega reported the meeting began with a discussion with Steve Bestolarides, the County Tax Collector. Many of the attendees pointed out the forms were deficient with regards to crop use and also in many cases the records were way too high when it came to updating them. East Bay MUD provided an update on the DREAM Project and extraction is scheduled start again in December. North San Joaquin Water Conservation District touched on trying to bring more land into underground water banking. South and Central Delta Districts mentioned the state plans for 2023 for the flood season are "horrible". The Reclamation Districts reported the reservoirs are fuller compared to last year. Oakdale Irrigation District (OID) mentioned they are shutting off their irrigation at the end of the month as well as South San Joaquin (SSJID) ending at the end of the month. San Joaquin County and Delta Water Quality Coalition state they are having a meeting November 16th. San Joaquin County will continue their efforts to fill the position for Water Resources Management.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 10/24/23
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 185,016 AF in storage at New Hogan Reservoir. Current releases are set at 100 cfs. There is 1,889,064 AF in storage at New Melones Reservoir. Current releases are set at 730 cfs. Current release at Goodwin Dam to Stanislaus River are set at 752 cfs and release to all water users are set at 0 cfs. The water treatment plant is currently processing 42 mgd. North Stockton is currently processing 12 mgd. South Stockton is currently processing 8 mgd. Cal Water is currently processing 17 mgd. The City of Stockton is currently processing 8 mgd. Extraction Well #1 is producing 3,160 gpm.

Director Cortopassi inquired if the District is producing 42 mgd at the treatment plant, how much of 3,160 gpm from the extraction well is being produced in mgd.

Manager Hopkins replied extraction well #1 is producing 4.5 mgd.

2. Information Items:

Manager Hopkins noted items: F2a-1

3. Report on General Manager Activities

a. ACWA State Legislative Committee Meeting, 10/27/23

Manager Hopkins attended the ACWA State Legislative Committee Meeting. Manager Hopkins reported Executive Director Dave Eggerton gave an update stating the water community needs to get together as a whole and push back on the probation status of some of the groundwater basins. ACWA will try to coordinate a coalition to push back on the water board probations for the SGMA basins. ACWA also advised their primary priority for 2024 is to continue to fight the water rights bills and focus on the bond bill and try to make sure as much money is benefited to water agencies as possible. There were two pieces of proposed legislation for ACWA to support, the first one was discontinuation of residential water service amendment, and the second item was Environmental Lab Accreditation Program (ELAP).

b. CVP Water Association – Executive and Financial Affairs Committee Meeting, 10/27/23

Finance Director Ram attended the CVP Water Association – Executive and Financial Affairs Committee Meeting. Finance Director reported Kevin Kasberg commented on the 2023 FAC Issues Matrix and mentioned that most of the Matrix issues have already been resolved. Duane Stroup & Robert Wade were not present at the meeting to present or discuss topics related to the FAC Issues Matrix. Ed Young, Program Budget Officer, presented the following on the 2024 Fall Budget Workshop. t. The USBR budget is funded from the following sources Water and Related Resources, Central Valley Project Restoration Fund, California Bay-Delta Restoration, Policy and Administration, San Joaquin River Restoration Fund and Bipartisan Infrastructure Law (BIL). The next CVP is a rate setting kick-off meeting and will be held on December 8th.

c. Stockton East Water District Activities Update

Manager Hopkins reported the District donated candy to the Garden Acres Community Center to pass out to the kids for Halloween.

Manager Hopkins reported the Hosie Project is complete as far as construction goes, and hydro seeding was done too. The dam removal for this year is complete.

Manager Hopkins reported he has been in contact with Doyce and now that there is a speaker of the house there should be an appropriations bill soon for the federal government's current fiscal

year. Manager Hopkins also reached out to the City of Stockton mayor's office and invited the mayor and city council on a tour of the Bellota site, the two dates the mayor will be available are December 7th and 14th.

Manager Hopkins reported the 2024 One Voice Projects application is out and the District staff has been working to put together a submission package for the Bellota project to be considered as one of the One Voice Projects for next year.

4. Stockton East Water District Maintenance Update

Maintenance Manager Higaes provided the Board with an update on the District's maintenance.

Maintenance Manager Higaes reported Electrical Maintenance update staff has recently upgraded the fish screens at Bellota, reinstalled MACE flowmeter for accurate data and SCADA integration for real time monitoring at Bellota headworks. Maintenance Manager Higaes reported staff is currently working on Water Supply Trash Racks and staff has completed Duck Creek, Copperopolis, Birdcage and Funk Road with standardizing electrical controls including alarms. Staff has started the 4000 Amp automatic transfer witch construction; High Service Pump Station AC unit installation is also being worked on staff poured the pads and the electrical work is currently ongoing. Fiber optic installation at Extraction Well No.1 was completed, staff recently upgraded the Omni base station enhancements, Panel PMs and VFD PMs are constantly on going. Staff is also working with Control Point on SCADA. Maintenance Manger Higaes also reported staff has completed spill site monitoring at McAllen, Main Street and Bear Creek. Maintenance Manager Higaes reported the District's constructions milestones, Tulley Dam, Hosie Crossing Replacement have been completed and currently working on Stagnero Crossing and Lower Farmington Canal repairs. Staff is currently working on the Tom Allen recharge pond and the south overflow percolation pond. Maintenance Manager Higaes reported an update on mechanical maintenance, staff has repaired all the vehicles in the District's fleet and has serviced all vehicles as well as all of the heavy equipment. Staff recently removed P-25 out of the High Service Pump Station, serviced all the trash racks, maintenance staff helped with the New Melones canal trash racks repair as well as installing new fish screens at the Bellota intake. Staff also refurbished the motor at Potter Creek pump station for the 4000.

Director Watkins inquired if the 4000 pumps on Potter Creek Pump station electric motor burnt up. Maintenance Manager Higaes replied no, the original motor bearings were getting loud, the efficiency was off, and staff decided to refurbish the motor.

G. DIRECTOR REPORTS

1. 2023 Special District Leadership Academy Conference, California Special District Association, 10/22/23-10/25/23

Director Watkins and Manager Hopkins attended the 2023 Special District Leadership Academy Conference, California Special District Association. Manager Hopkins reported the conference provided useful information for current and new Board members. The conference was more of a training than conference, since there were high level topics discussed for half a day each. The program initiated with building a foundation for governance. Manager Hopkins reported the conference also touched on defining staff and Board roles relationship and how the Board should be involved in Human Resources. Manager Hopkins reported the following day began discussion with fulfilling the District's mission and creating a vision on how important the Board's role is which rolled into communication and outreach to the community to help the community understand what the directions is.

Director McGurk inquired what is community. Manager Hopkins replied community is your constituents.

Director McGurk inquired how the Board would create outreach to the community. Director Watkins replied there are outreach programs and tours. The reason is to educate and have an impression prior to the problem. Manager Hopkins reported one of the methods which were discussed to support community outreach was developing relationships with the local news and T.V reporters. Director Atkins inquired how many people attended the conference. Manager Hopkins responded about 200 people.

H. COMMUNICATIONS

I. AGENDA PLANNING/UPCOMING EVENTS

1. AgVenture Days, 9:00 a.m., 11/02/23

Director Watkins reported the AgVenture event took place on October 19, 2023.

2. Greater Stockton Chamber of Commerce – Chamber Networking Event, 5:00 p.m., 11/02/23

J. REPORT OF THE COUNSEL


1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Potential exposure to litigation – Government Code Section 54956.9 – two cases

President Atkins adjourned the meeting to closed session at 2:03 p.m. The regular meeting reconvened at 2:14 p.m., with no reportable action.

K. ADJOURNMENT

President Atkins adjourned the meeting at 2:15 p.m.

Respectfully submitted,


Justin M. Hopkins
Secretary of the Board

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