

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, SEPTEMBER 26, 2017 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:19 p.m., and Director Watkins led the Pledge of Allegiance.

Present at roll call were Directors Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Director Atkins was absent. Also present were Manager Moody, Finance Director Vega, District Engineer Lee, Administrative Services Manager Carido, Administrative Clerk Curtis, Legal Counsel Zolezzi and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 09/19/17 Regular Meeting

A motion was moved and seconded to approve the September 19, 2017 Regular Meeting Minutes, as presented.

Roll Call:

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

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the September 26, 2017 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

3. Preliminary Base Monthly Payment – Fiscal Year 2018/2019

a. Public Hearing

President McGurk opened the Public Hearing at 12:21 p.m., to receive comments on the Preliminary Base Monthly Payment for Fiscal Year 2018/2019.

Manager Moody provided proof of publication of the public hearing. Manager Moody inquired if the column header should read “Water Produced” and not “Water Use” to match the language in the Second Amended Contract. The consensus of the Board was to move forward changing the phrase.

Finance Director Vega reported these are the preliminary numbers and after internal meetings, staff will determine more accurate numbers to provide for the final revision in December.

Director Watkins inquired if the 14,100 AF of groundwater listed is the assumption for the City of Stockton and Cal Water. Finance Director Vega replied it is the assumption for all M&I customers.

Director Panizza inquired if this number is based on evidence. Manager Moody replied it is based on historical documentation. Finance Director Vega added all numbers will be reviewed prior to final submittal to the Board.

Director Cortopassi inquired on the payment from Central San Joaquin Conservation District (CSJWCD) for the amount of \$240,000 listed under "Other Revenues". Manager Moody replied it is CSJWCD's water and wheeling charge that they pay the District. Director Cortopassi inquired why there was nothing charged in 2016/2017. Legal Counsel Zolezzi replied because there was no water last year.

Seeing no public comment, President McGurk closed the Public Hearing at 12:28 p.m.

- b. Resolution No. 17-18-09 – Setting the Preliminary Base Monthly Payment for Fiscal Year 2018/2019

A motion was moved and seconded to adopt Resolution No. 17-18-09 – Setting the Preliminary Base Monthly Payment for Fiscal Year 2018/2019, as presented.

Roll Call:

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

- 4. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority – Groundwater Sustainable Plan Payment Options (09/13/17 Meeting Handout)

Manager Moody provided the Board with the September 13, 2017 Groundwater Sustainable Plan (GSP) Payment Options meeting handout for the Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority (JPA). Manager Moody reported this information was requested at the September 19, 2017 Regular Board Meeting. The information provided shows the options for payment of the Groundwater Sustainability Plan (GSP); which include paying by acreage, population or divide the costs equally. Manager Moody reported if the Groundwater Sustainability Agencies (GSAs) split the cost evenly it would be roughly ~\$88,235 per GSA; if split by population the City of Stockton would pay the most at ~\$693,453 and if split by acreage North San Joaquin Water Conservation District would pay ~\$289,397 and the District would pay ~\$195,428. All of these options would be spread out equally over a three year period.

Manager Moody reported the Eastside GSA, encompassing Calaveras County Water District, Stanislaus County and Rock Creek, would be the second highest payer if pay-by-acres was the chosen payment method; these areas have a lot of acreage, but use very little groundwater.

Manager Moody reported the JPA would prefer a consensus of the group to move forward in deciding how to allocate costs for the GSP payment, but all that is required is a 2/3 vote. This item was for information only.

5. Eastern San Joaquin County Groundwater Banking Authority (GBA) – Membership Refund for 2015/2016 Dues, 09/14/17

Manager Moody provided the Board with the 2015/2016 District dues membership refund check for the Eastern San Joaquin County Groundwater Banking Authority (GBA). Manager Moody advised the GBA approved returning last year's dues to all members. The Authority still has enough money to update the Integrated Regional Water Management Plan (IRWMP). This item was for information only.

E. COMMITTEE REPORTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 09/20/17

President McGurk attended the September 20, 2017 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. President McGurk reported there was a presentation and discussion on the Integrated Regional Water Management Plan (IRWMP) projects. The consensus of the Commission was to move forward with reviewing all projects on the docket. President McGurk reported the District has some of the best projects submitted; however, none are shovel ready. President McGurk queried the Board on the projects already submitted on behalf of the District, which they would like to expedite. Manager Moody replied the project closest to being ready would be design of the North Site project. The consensus of the Board was to move forward with the project. This design should be completed before the IRWMP has had its final submission. Another project would be the Bellota Fish Screen project; however, this project is not as close to being ready as the North Site. President McGurk inquired if the Bellota Fish Screen will be ready for inclusion in the IRWMP. Manager Moody replied it will be included in the Plan, but not shovel ready. Manager Moody advised the IRWMP project package gets submitted to the state and is evaluated comprehensively. The IRWMP is judged based on the projects submitted and if they do not score well, there is potential to receive no funding or partial funding. The state wants to see projects that Districts have already invested in and are proven to be viable and worth their investment. Manager Moody reported there was discussion on the project sponsors giving a presentation to the Commission, which may help determine how to group the projects together for better scoring upon submission. Director Panizza reported there has been discussions on the disbanding the Groundwater Banking Authority (GBA), however, the GBA houses the IRWMP. Currently, the discussions are whether the GBA should remain its own entity, be combined with the Commission or be disbanded completely. The next meeting is scheduled for October 18, 2017.

2. Stockton Area Water Suppliers Meeting, 09/25/17

Manager Moody and staff attended the September 25, 2017 Stockton Area Water Suppliers (SAWS) Meeting. Manager Moody reported this was the first time the group convened in the last ~6-months. Kristin Coon gave her annual report, which was well received. Discussion focused on water quality and plans for the North Site Project. Manager Moody reported it was a constructive meeting. Director Cortopassi inquired if the Sally Save Water Program is still active. Manager Moody replied there was an effort by Diana Lowry during the drought to have the SAWS group and individual Districts hire her and revamp the program; this never came to fruition.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 09/25/17

Manager Moody 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 200,298 AF in storage at New Hogan Reservoir. Current releases are set at 192 cfs. There is 2,024,783 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 404 cfs and release to all water users are set at 1,373 cfs. The water treatment plant is currently processing 30 mgd. The City of Stockton is currently processing 26 mgd.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5 and F2a-6.

3. Report on General Manager Activities

a. Alternative Plan for SB 88 (Measuring Diversions) Meeting, 09/21/17

Manager Moody and staff attended the September 21, 2017 Alternative Plan for SB 88 (Measuring Diversions) Meeting. Manager Moody reported this meeting was to discuss the state's new reporting requirements under SB 88. Manager Moody advised he will bring more detailed comments to the Board after further discussions with other entities.

b. ACWA Workgroup Webinar – AB 1427 Water: Underground Storage (2017-2018), 09/26/17

Manager Moody attended the September 26, 2017 ACWA Workgroup Webinar – AB 1427 Water: Underground Storage (2017-2018). Manager Moody reported this is a subcommittee he volunteered to sit on. Discussion focused on legislative and administrative perspectives and if these perspectives can influence the State Board. On the administrative side, the State Board is willing to discuss groundwater recharge, but there still needs to be discussion on groundwater storage supplement. Director Cortopassi inquired if underground storage was discussed. Manager Moody replied the group avoids discussion on groundwater storage currently, and focuses on groundwater recharge as it relates to the Groundwater Sustainability Plan (GSP) under Sustainable Groundwater Management Act (SGMA) law. Manager Moody reported the group seems committed to wanting to make a change. Manager Moody received a call from Assembly Member Flora's office regarding these discussions. Manager Moody advised he would keep their office informed and extended an invitation for a tour of the District.

Manager Moody advised the Board of a recent case law that recommends all Board of Director's have District issued email addresses as any correspondence to and from the District is subject to disclosure under the Public Records Act. Legal Counsel Zolezzi added this will also help keep District business separate from personal matters. Manager Moody queried the Board on establishing emails. The consensus of the Board was to move forward.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS

1. East Bay Municipal District's 24th Annual Pardee BBQ, 10/06/17

Manager Moody provided the Board with information on the upcoming annual Pardee BBQ on Friday, October 6, 2017. Manager Moody queried the Board for those interested to attend.

Board Meeting – 09/26/17

President McGurk and Director Sanguinetti advised they will attend. This item is for information only.

2. Request for Signature on Assembly Bill 313 (Gray) – Water Rights Fairness, Dated 09/21/17
Manager Moody provided the Board with correspondence for a Request for Signature on Assembly Bill 313 (Gray) – Water Rights Fairness sent on September 21, 2017. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 09/26/17
2. AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group, 2:00 p.m., 09/27/17

J. REPORT OF THE COUNSEL

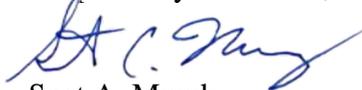
1. Closed Session – Potential Litigation
Government Code 54956.9 (c) – two cases

President McGurk adjourned the meeting to closed session at 1:08 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:54 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 1:55 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

