

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, DECEMBER 5, 2017 AT 12:00 NOON

**A. PLEDGE OF ALLEGIANCE AND ROLL CALL**

President McGurk called the regular meeting to order at 12:22 p.m., and Legal Counsel Harrigfeld led the Pledge of Allegiance.

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

**B. CONSENT CALENDAR** (None)

**C. PUBLIC COMMENT** (None)

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 11/21/17 Regular Meeting

Director Cortopassi made the following correction to the minutes:

- Page 2, section D-3, Roll Call, – strike “Atkins” under absent and add “Atkins” to Ayes.

A motion was moved and seconded to approve the November 21, 2017 Regular Meeting Minutes, as amended.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza

Nays: None

Abstain: None

Absent: Sanguinetti, Watkins

Director Panizza requested the approved as amended minutes be re-opened to make an additional amendment to the minutes.

Director Panizza made the following correction to the minutes:

- Page 1, section D-2, – add “1997-A Bond Payment” behind US Bank and add “and” between California Public Employees’ Retirement System and US Bank 1997-A Bond Payment.

This change will help to indicate approval of payments for both the California Public Employees’ Retirement System and US Bank 1997-A Bond Payments.

Director Cortopassi recommended advising the Board in the future when there are two separate payments on the agenda for approval.

A motion was moved and seconded to amend the previous motion to add an additional amendment for the approval of the November 21, 2017 Regular Meeting Minutes, as amended.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza

Nayes: None  
Abstain: None  
Absent: Sanguinetti, Watkins

2. Warrants

- a. Fund 68 – Municipal & Industrial Groundwater Fund
- b. Fund 70 – Administration Fund
- c. Fund 71 – Water Supply Fund
- d. Fund 91 – Vehicle Fund
- e. Fund 94 – Municipal & Industrial Fund
- f. Petty Cash
- g. Summary
- h. Short Names/Acronym List
- i. SEWD Vehicles & Heavy Equipment

Director Cortopassi inquired on the expenses on page 11, line items 11 & 12 for Holt of CA for road grader rental to grade Lower Farmington Canal Road in the amount of \$5,987.21 and rental of roller compactor for road repairs along LFC in the amount of \$2,516.50. Assistant Manager Johnson replied this work is due to degradation of the road over the years. The road is ~2½ miles in length. Director Cortopassi inquired who determines how degraded the road is for repair. Assistant Manager Johnson replied the Water Supply Department. Manager Moody advised staff will look at the area and determine the cost to outsource in the future.

Director Cortopassi inquired on the expense on page 15, line item 10 for CA State Water Resources Control Board for Principal payment #5 Safe Drinking Water State Revolving Fund in the amount of \$286,522.19. Manager Moody replied this expense is for the 10 MG tank project.

Director Atkins inquired on the expense on page 13, line item 7 for Big Valley Ford for parts and labor to replace steering wheel on Unit #55 in the amount of \$632.74. Assistant Manager Johnson replied it was recommended for replacement after staff performed their regular vehicle inspection.

Director Atkins inquired on the expense on page 15, line item 2 for Acme Saw & Supply for parts and labor to repair hedge trimmer in the amount of \$237.80. Manager Moody replied this was for the District's equipment; staff will advise when the equipment is no longer repairable.

Director Panizza inquired on the expense on page 13, line item 19 for Les Schwab Tire Center for new tires and replace hub assembly on Unit #55 in the amount of \$1,517.79. Manager Moody advised staff will investigate and bring information back to the Board.

Director Atkins inquired on the expenses on page 13, line items 21 & 22 for Les Schwab Tire Center for new tires for Polaris Units #61 & #62 in the amount of \$578.16 each. Manager Moody advised these are heavy duty tires that last longer than the standard tires that came with the units.

A motion was moved and seconded to approve the December 5, 2017 Warrants, as presented.

Roll Call:

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

3. United States Bureau of Reclamation – 2018 Water Year Request, 11/20/17  
Manager Moody provided the Board with information on the 2018 Water Year Request from the United States Bureau of Reclamation (USBR). Manager Moody reported this letter serves as approval of water deliveries for the District from January through March 2018. This item was for information only.
4. United States Bureau of Reclamation – Statement of Central Valley Project Cumulative Irrigation and Municipal & Industrial Operations for the Fiscal Year Ending September 30, 2016  
Manager Moody provided the Board with information on the Annual Statement of Central Valley Project (CPV) Cumulative Irrigation and Municipal & Industrial Operations for the Fiscal Year Ending September 30, 2016 United States Bureau of Reclamation (USBR). Finance Director Vega reported the information provided is a summary of the accounting analysis that the USBR does annually.

Finance Director Vega reported the District took no water from the USBR in Fiscal Year 2015; therefore, there was no debt in the Operation & Maintenance division. However, the USBR has a Construction Repayment division, of which they aim to recover those costs by Fiscal Year 2030. The construction costs are allocated to Irrigation in the amount of \$461,525.96 and Municipal & Industrial (M&I) in the amount of \$2,092,232.18, these charges will need to be paid by 2030.

Director Cortopassi inquired if the amounts of \$461,525.96 and \$2,092,232.18 are owed to the USBR by the District. Finance Director Vega replied yes, by Fiscal Year 2030.

Finance Director Vega replied the construction costs are to keep up the facilities that are used to retrieve water from New Melones. The costs are divided by how much irrigation and M&I uses. Then costs are further divided by District based on previous water usage and projected out to 2030 for an estimate of what each District would use.

Director Cortopassi inquired if the balances will change based on how much water is used. Finance Director Vega replied yes, but it is on a rolling estimate based on previous and projected use.

Manager Moody inquired if the charges are based on water used or allocated. Finance Director Vega replied both; water used to the date listed on the worksheet and a projection of water allocation of how much the District will use until 2030.

Legal Counsel Harrigfeld inquired if the USBR defines what the uses of the water are. Finance Director Vega replied yes, they define recreation and other uses; however, this mostly pertains to Operations & Maintenance (O&M) and the Restoration areas. Those are allocated differently than construction.

Finance Director Vega reported the USBR released the Draft Cost Allocation in October; however, the full version with detail has not yet been released. Once it is released, contractors will have 90-days to submit comments on the O&M and Restoration areas. Legal Counsel Harrigfeld replied if given the opportunity to comment on O&M the District should take advantage.

Finance Director Vega reported some of the hydroelectric producers are looking to exit the CVP, if they do exit, there will be a bigger share for water.

Manager Moody reported there is a CVP Users Association, made up of CVP Contractors and the basic function of the association is to continually look at the numbers and policies and argue on behalf of the user, what the costs should be. This item was for information only.

#### **E. COMMITTEE REPORTS (None)**

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

##### **1. Water Supply Report as of 12/04/17**

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 153,178 AF in storage at New Hogan Reservoir. Current releases are set at 107 cfs. There is 1,992,832 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 1,814 cfs and release to all water users are set at 1,850 cfs. The water treatment plant is currently processing 17 mgd. The City of Stockton is currently processing 17 mgd.

Director Cortopassi inquired if it does not rain, how much is required to be released from New Hogan. Manager Moody replied 25 cfs.

##### **2. Information Items:**

Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6, F2a-7, F2a-8, F2a-9, F2a-10, F2a-11, F2a-12, F2a-13, F2a-14, F2a-15, F2a-16 and F2a-17.

##### **3. Report on General Manager Activities**

###### **a. Lodi Grape Growers Association Water Seminar, Lodi Grape Festival Grounds, 11/28/17**

Assistant Manager Johnson attended the November 28, 2017 Lodi Grape Growers Association Water Seminar. Assistant Manager Johnson reported there were ~80-100 attendees. Jennifer Spaletta and Brandon Nakagawa spoke at the event and the discussion focused on the only way to sustain groundwater would be to provide more surface water. Assistant Manager Johnson reported there was audience concern that there was only urban interest represented. Director Cortopassi reported North San Joaquin Water Conservation District (NSJWCD) is looking to renovate their pipeline. Legal Counsel Harrigfeld reported NSJWCD has a north and south system, currently; they can only take water from the north. The south is severely debilitated and NSJWCD will be meeting with growers to discuss the change. Director Cortopassi inquired if their Board can provide the District will information on the enhancements as it becomes available to keep the District well informed.

###### **b. Potential Ad-Hoc Committee Meeting (North Site Groundwater Recharge Project)**

Manager Moody inquired on a date to schedule an Ad-Hoc Committee Meeting to discuss the North Site Groundwater Recharge Project. Directors Atkins and Cortopassi recommended Wednesday, December 13, 2017. Manager Moody advised he will reach out to Directors Sanguinetti and Watkins about their availability for this date.

#### **G. DIRECTOR REPORTS**

##### **1. Association of California Water Agencies – 2017 Fall Conference Anaheim, CA, 11/28/17 – 12/01/17**

Directors Atkins, McGurk, Sanguinetti, Watkins and Manager Moody attended the ACWA Fall Conference in Anaheim, CA. Manager Moody reported he and Directors Atkins, McGurk, Sanguinetti and Watkins attended a meeting with the United State Bureau of Reclamation (USBR).

Manager Moody reported David Murillo, USBR advised during the San Joaquin Council of Governments One Voice Trip in April that the USBR would be hiring a negotiator to negotiate with the State on behalf of Central Valley Project (CVP) contractors regarding the Substitute Environmental Document (SED). Manager Moody requested Mr. Murillo have the negotiator speak with the District prior to talking with the State so they can get a better understanding of the District's position. Manager Moody reported the negotiator never contacted the District. The USBR relieved the original negotiator of their duties and hired a second negotiator. The concern is that the negotiator does not know who or what they are representing. Manager Moody and Director Sanguinetti attended a lecture on "One Toke Over The Line: The Growing Specter of Marijuana in the Workplace". Manager Moody reported that even though legal, the employer does not lose any control over what happens at work. Due to changing laws, the District will be updating their Substance Abuse Policy to ensure it encompasses all information. The updated policy will be brought back to the Board for consideration and approval. Director Cortopassi inquired if there was any discussion on the Food Safety Modernization Act (FSMA). Manager Moody replied no. Manager Moody reported Brent Hasteley was elected as President of Association of California Water Agencies (ACWA) and the standing Agriculture Committee was established. Manager Moody advised staff will be inquiring with the Board to determine if there is interest in seating members on the committee. President McGurk requested this item be brought back to the Board for Directors Sanguinetti and Watkins to make comment.

## H. COMMUNICATIONS

### I. AGENDA PLANNING/UPCOMING EVENTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – Haggin Museum, 5:15 p.m., 12/07/17
2. New Hogan Annual Emergency Action Plan Face-to-Face Meeting, 10:00 a.m., 12/08/17
3. Delta Coalition Committee Meeting, 8:30 a.m., 12/11/17  
*[This meeting has been cancelled]*
4. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 12/11/17

### J. REPORT OF THE COUNSEL

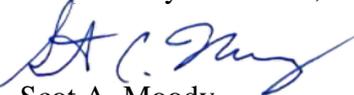
1. Closed Session - Potential Litigation  
Government Code 54956.9 (c) – two cases

President McGurk adjourned the meeting to closed session at 1:30 p.m. to discuss closed session agenda items. District staff, with the exception to Manager Moody, were excused from the closed session meeting at 2:25 p.m. The regular meeting reconvened at 2:56 p.m., with no reportable action.

### K. ADJOURNMENT

President McGurk adjourned the meeting at 2:57 p.m.

Respectfully submitted,

  
Scot A. Moody  
Secretary of the Board

tbc

Board Meeting – 12/05/17

Draft Approved

