

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, APRIL 4, 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 Administrative Clerk Curtis led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Also present were Manager Moody, Assistant Manager Johnson, District Engineer Lee, Finance Director Naray, Accountant Vega, Administrative Clerk Curtis and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 03/28/17 Regular Meeting

Director Cortopassi made the following correction to the minutes:

- Page 2, section D-4, 4th paragraph, 1st sentence – strike “anticipated total cost of the Project will be” and replace with “anticipated Project cost prior to the bidding process was”.

A motion was moved and seconded to approve the March 28, 2017 Regular Meeting Minutes, as amended.

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 April 4, 2017 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

3. Stockton East Water District – 2017 Water Rates

a. Public Hearing

President McGurk opened the Public Hearing at 12:28 p.m. to receive comments on the proposed 2017 Water Rates and their associated Ordinance and rule.

Manager Moody reported the District circulated notice of this public hearing in the Stockton Record on March 26, 2017 and did not receive any comments.

Seeing no public comment, President McGurk closed the Public Hearing at 12:32 p.m.

b. Ordinance No. 43

Manager Moody provided the Board with Ordinance No. 43 Establishing Municipal Groundwater Assessments, Agricultural Groundwater Assessments, Domestic Groundwater Assessments, Charges for Stream-Delivered Water and Charges for Out-of-District Water for Calendar Year 2017.

Manager Moody reported the Agriculture Operations Committee recommended the changes outlined in Ordinance No. 43. Manager Moody reported the District is governed by enabling legislation which dictates what rates can be changed and by how much.

A motion was moved and seconded to adopt Ordinance No. 43 establishing municipal groundwater production assessment at \$337.43/AF (\$333.83/AF municipal groundwater rate equalization plus \$3.60/AF municipal groundwater assessment); agricultural groundwater assessment at \$5.12/AF; domestic unit assessment at \$43.50/domestic unit; agriculture surface water assessment at \$23.00/AF; out-of-district water rate from New Hogan or New Melones Reservoir at \$58.34/AF (\$23.00+\$35.34=\$58.34); and out-of-district water from other sources shall be the cost of water designated under the purchase contract plus, \$35.34, as presented.

Roll Call:

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

c. Rule No. 169

Manager Moody provided the Board with Rule No. 169 Rate Equalization – Calendar Year 2017. Manager Moody reported the Board must annually adopt a Rule establishing the rate equalization.

A motion was moved and seconded to adopt Rule No. 169 Rate Equalization-Calendar Year 2017 in the amount of \$333.83/AF.

Roll Call:

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

4. Resolution No. 17-18-01 – 2017 New Melones Conveyance System Wheeling Rates for Central San Joaquin Water Conservation District

Manager Moody provided the Board with Resolution No. 17-18-01 Findings for the 2017 New Melones Conveyance System Wheeling Rate for Central San Joaquin Water Conservation District. Manager Moody reported the Board considers and approves this resolution annually.

A motion was moved and seconded to adopt Resolution No. 17-18-01 Findings for the 2017 New Melones Conveyance System Wheeling Rate for Central San Joaquin Water Conservation District, as presented.

Roll Call:

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

5. Dr. Joe Waidhofer Water Treatment Plant – SCADA Predesign, 03/20/17

Manager Moody provided the Board with information on the SCADA (Supervisory Control and Data Acquisition) Predesign. Assistant Manager Johnson reported in December 2013, Kennedy Jenks delivered a draft IT/SCADA Master Plan to the District and in August 2016, AllConnected delivered the draft Network Design. Nick Peros was the Project Manager for both Projects. Assistant Manager Johnson reported given Mr. Peros' knowledge and experience with the District's system, and his anticipation of SCADA needs in the network design, Assistant Manager Johnson had Mr. Peros complete a work description for a SCADA Predesign.

Assistant Manager Johnson reported the current contract with AllConnected is \$103,800, which is 60% spent. The budget for SCADA work in Fiscal Year 2017/2018 is \$300,000.

Manager Moody reported the reported work is for the Treatment Plant (M&I) only, not Ag.

Director Cortopassi inquired if some design has been completed. Assistant Manager Johnson reported not for SCADA, only a draft Master Plan. This would be the first step to begin defining the details.

Manager Moody reported the District does not have electronic tracking of historical data, only physical logbooks. A SCADA historian would track all the operational events and access data to such events more readily. Manager Moody reported the SCADA system could potentially help the Operators review information from past storm seasons, automate processes such as backwashes, and monitor water levels in the ponds.

Present McGurk inquired if both the Network Design and SCADA will total the estimated \$4.5 million. Assistant Manager Johnson reported no, staff has completed a number of IT network and infrastructure items in-house, which has help to reduce costs. Assistant Manager Johnson reported as we stabilize the IT infrastructure, it forms a reliable platform for the SCADA historian, without having to create new infrastructure. Assistant Manager Johnson reported of the ~\$3.5 million that was estimated to spend in the first 3 years of the IT/SCADA Master Plan, less than \$1,000,000 was actually spent. Assistant Manager Johnson reported he does not anticipate spending \$4.5 million on the SCADA system, as there is work that can be completed in-house.

President McGurk inquired how the \$4.5 million estimate came to be and when staff expects to exhaust that amount. Assistant Manager Johnson replied the \$4.5 million was estimated in the IT SCADA Master Plan for the SCADA System design and implementation, however, nothing has been started yet. It was identified in the plan, but was not first in sequence.

Manager Moody reported at this stage we are having someone evaluate our system and explain, given what we have operationally for M&I, this is what we need. Once the needs have been identified, the information will be brought back to the Board for consideration, then staff will send the out a Bid for the Project.

Director Atkins inquired if this is an ongoing Project with additional costs or if there will be an end result. Assistant Manager Johnson reported there will be a significant amount of money spent on SCADA in the next 3-4 years, then it will slow down. Currently, there is no way of collecting data electronically for process control, it is patch worked with other programs, none of which communicate with each other. Manager Moody added there is never an end point as there will always need to be maintenance performed and software updated.

Director Atkins inquired when staff believes the system will be at a point of automation. Assistant Manager Johnson reported within the next 3-4 years.

Director Cortopassi inquired if the cost could be more than the reported \$260,057. Assistant Manager Johnson reported, not for the Predesign, however, once the project begins staff will bring back those additional items and costs to the Board for consideration and approval.

Assistant Manager Johnson recommends the Board amend the Professional Services contract with AllConnected to include the Work Description for the Water Treatment Plant SCADA Predesign for an amount not to exceed \$260,057.

A motion was moved and seconded to approve the SCADA Predesign in an amount not to exceed \$260,057, as presented.

Roll Call:

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

6. Request for Assistance Funding (Declared State Disaster, FEMA-4301-DR-CA)
 - a. Resolution No. 17-18-02 – Approving the Designation of Applicant’s Agent for Non-State Agencies

Manager Moody provided the Board with Resolution No. 17-18-02 – Approving the Designation of Applicant’s Agent for Non-State Agencies. Manager Moody reported the resolution form includes titles for District representatives instead of employee names, allowing the resolution to be valid for 3-years regardless of who is on staff.

A motion was moved and seconded to approve Resolution No. 17-18-02 – Approving the Designation of Applicant’s Agent for Non-State Agencies, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 03/28/17
Julianne Phillips reported the Committee took actions on sending a letter to the San Joaquin County Board of Supervisors in support of the Demonstration Recharge Extraction & Aquifer Management (DREAM) Project. Ms. Phillips reported the Farm Bureau is working on a letter of opposition for SB 49 (De León). California Environmental, Public Health and Workers Defense Act of 2017 forces the State Water Resources Control Board to adopt water quality standards that are as least as

protective as the most federally stringent in perpetuity. Ms. Phillips reported the Committee will be working on the legislative platform at the next meeting. The next meeting is scheduled for April 25, 2017.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 04/03/17

Manager Moody provided a handout of the Water Supply Report that included storage, release, and production data collected from various sources as of midnight last night.

Manager Moody reported there is 213,933 AF in storage at New Hogan Reservoir. Current releases are set at 45 cfs. There is 1,825,784 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 1,257 cfs and release to all water users are set at 1,737 cfs. The water treatment plant is currently processing 19 mgd. The City of Stockton's water treatment plant is currently processing 7 mgd.

Manager Moody reported control of New Hogan Reservoir has been turned over to the District. Manager Moody reported the District has received approval to conduct instream maintenance at McGurk and Gotelli crossings.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6 and F2a-7.

3. Report on General Manager Activities

a. Stockton East Water District & Linden County Water District Meeting, 03/29/17

Manager Moody and Legal Counsel Zolezzi attended the March 29, 2017 Stockton East Water District & Linden County Water District (LCWD) Meeting. Manager Moody reported LCWD believes it is in their best interest to remain their own Groundwater Sustainability Agency (GSA) at this time. If there comes a point where they can no longer afford the expense or would like to join the District, both parties will meet and discuss. Legal Counsel Zolezzi reported LCWD advised it would be helpful for them if the District provided them a letter in support of their decision. Director Cortopassi inquired what GSA Morada falls within. Brandon Nakagawa reported they are within the District's GSA.

H. DIRECTOR REPORTS

Director McGaughey reported Bella Vista will be having a Ribbon Cutting on April 6, 2017 at 6:30 p.m.

H. COMMUNICATIONS

1. Irrigation Water Request – Triple A Ranches, APN No. 001-015-012, 03/15/17

Manager Moody provided the Board with an Irrigation Water Request for Triple A Ranches, APN No. 001-015-012. Manager Moody reported he wanted to make the Board aware staff has been in communication with Triple A Ranches. Their request is for ~3,600 AF of water per year. Staff advised they should also contact Oakdale Irrigation District (OID) given part of the property lies in Stanislaus County. Staff advised the District would be happy to provide water, but they suggest contacting other districts as well. President McGurk inquired what attracted them to contact the District. Manager Moody replied it could be because the District puts more water through that area than OID. Director Watkins inquired if the District has the ability to put water in Little John's Creek. Manager Moody replied no, but OID does. This item was for information only.

2. Central San Joaquin Water Conservation District – Landowner Letter & Notice of Public Hearing, 04/20/17
Manager Moody provided the Board with correspondence from Central San Joaquin Water Conservation District (CSJWCD) regarding Landowner Letter & Notice of Public Hearing. Manager Moody reported CSJWCD sends this letter to their landowners notifying them of available water. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Agricultural Drought Task Force Meeting, 9:00 a.m., 04/05/17
2. Greater Stockton Chamber of Commerce Monthly Mixer – Game room Envy, 5:30 p.m., 04/05/17
3. Delta Coalition Committee Meeting, 8:30 a.m., 04/10/17
4. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 04/10/17
5. San Joaquin County Board of Supervisors Public Hearing – Permit Issuance for the DREAM Project, 9:00 a.m., 04/11/17

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 1:12 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:00 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 2:01 p.m.

Respectfully submitted,


Scot A. Moody
Secretary of the Board

tbc

