

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, MAY 16, 2017 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:21 p.m., and Director Sanguinetti led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Also present were Manager Moody, Finance Director Naray, Administrative Services Manager Carido, Accountant Vega, 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 04/25/17 Regular Meeting

Director Cortopassi made the following correction to the minutes:

- Page 2, section D-2, 5th paragraph, 1st sentence – strike the word “gasoline” and replace with “diesel”.

A motion was moved and seconded to approve the April 25, 2017 Regular Meeting Minutes, as amended.

Roll Call:

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

2. Warrants

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

A motion was moved and seconded to approve the May 16, 2017 Warrants, as presented.

Roll Call:

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

3. Stockton East Water District Policy Manual

a. Purchasing Policy No. 6035, Revised Draft, 05/02/17

Manager Moody provided the Board with a revised draft of the District's Purchasing Policy No. 6035, dated 05/02/17. Manager Moody reported there were a few revisions made to the policy, which include, removing the Water Supply Manager position throughout the document and contracts (under \$25,000) that were executed by staff without Board approval can be closed out without bringing before the Board.

A motion was moved and seconded to approve Purchasing Policy No. 6035, Revised Draft, 05/02/17, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

b. Statement of Debt Management Policy Draft, 05/16/17

Manager Moody provided the Board with a draft Statement of Debt Management Policy dated 05/16/17. Manager Moody reported a debt management policy must be in place and approved by the Board prior to the restructuring of debt or determining public or private placement of debt. This Policy was provided and reviewed by Legal Counsel and states how the Board wants to manage the debt within the District.

Director Watkins inquired on the striking of "Variable Rate Debt". Manager Moody replied, at some point if the District wants to proceed with Variable Rate Debt it can be added back in, but there is no purpose for it at this time.

Director Panizza inquired on the change from "Financial" to "Municipal" Advisor throughout the document. Legal Counsel Zolezzi replied Municipal Advisor is the common phrase used in the business.

A motion was moved and seconded to approve Statement of Debt Management Policy Draft, 05/16/17, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

4. New Melones Conveyance Tour Discussion

Manager Moody reported staff reached out to invitees after the RSVP date to inquire if there were interested participants for the tour. Congressmen Denham and McNerney's offices RSVP'd for a staff member from each. Manager Moody queried the Board as to whether or not they are still interested in hosting the tour.

Directors Panizza, Sanguinetti and Watkins reported the tour should still be held. Director Panizza added it would be valuable to have congressional offices that are directly assigned to an area such as water to have first-hand knowledge through this tour.

Manager Moody inquired how many Board members would be interested in attending. Directors Atkins, Cortopassi, Sanguinetti and Watkins replied they will attend.

Director Cortopassi recommended staff reach out to Senator Feinstein's staff and extend a personal invitation for the tour. Manager Moody replied he will reach out to the local and Washington D.C. offices.

5. United States Department of the Interior – Request to Participate as a Cooperating Agency for the San Joaquin River Restoration Program (SJRRP) – Memorandum of Understanding
Manager Moody provided the Board with a Request to Participate as a Cooperating Agency for the San Joaquin River Restoration Program (SJRRP) – Memorandum of Understanding from the United States Department of the Interior. Manager Moody reported Legal Counsel Harrigfeld advised the District should participate and she would like to be the point of contact on behalf of the District.

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 04/25/17
Julianne Phillips reported there was discussion on the San Joaquin County Board of Supervisors passing the Demonstration Recharge Extraction & Aquifer Management (DREAM) Project. Dan Purviance of Purviance Drillers spoke about the groundwater trends that have been noticed in the Linden area and the data showed there is a balance between what is being pumped out is being put back in. Director Watkins commented on Dan Purviance's report, stating last year the draw down was 19.5-feet and as of April 25, 2017, the recovery was 19.5-feet. If pumping did not start for another month there may have been recovery heading into the irrigation season this year. Director Watkins Reported these numbers were received from one data point at Purviance Drillers in Linden. The next meeting is scheduled for May 23, 2017.
2. AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group, 04/26/17
District Engineer Lee attended the April 26, 2017 AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act (SGMA) Work Group. District Engineer Lee reported there was discussion on the groundwater model and how it was built. The model has four layers, each layer has a different permeability which is helps determine how fast the groundwater moves. District Engineer Lee reported SGMA requires land use data from the Department of Water Resources (DWR) which they are working on, in addition to working on separating walnuts from almonds in the crop type. District Engineer Lee reported there was discussion on precipitation and groundwater pumping data and the major usage for groundwater pumping including the District's five wells. There was discussion on the project scheduled and the SGMA grant program. President McGurk inquired if what is currently happening is useful. District Engineer Lee replied yes, but the model will constantly need to be maintained, allowing those that need to use the program to narrow down an area for a potential project could utilize it. Manager Moody inquired if the return on investment is years down the road after having fed the model with the data. District Engineer Lee replied yes. President McGurk inquired if this model is a computer program. District Engineer Lee replied yes. President McGurk inquired how this is being paid for. District Engineer Lee replied half was funded by a grant and the other half was funded by the County's Zone 2 funding. The next meeting is scheduled for May 24, 2017.
3. Environmental Protection Agency's Office of Water (OW) – Teleconference on Water Regulatory Actions, 05/02/17

District Engineer Lee attended the May 2, 2017 Environmental Protection Agency's (EPA) Office of Water (OW) – Teleconference on Water Regulatory Actions. District Engineer Lee reported those that participated were mostly environmental groups who want the EPA to do more. President McGurk inquired if there was discussion on anything that may affect the District. District Engineer Lee replied no.

4. San Joaquin County & Delta Water Quality Coalition Meeting, 05/08/17

Julianne Phillips reported the Coalition is currently conducting monitoring, however there were not updates available during the meeting. Due to high flows, there were not many hits of dissolved oxygen. Ms. Phillips reported the Coalition is talking about developing an online platform to keep all information housed in the same place for landowners to login and check-off the plans they have completed. Ms. Phillips reported the committees cannot come to an agreement of individual well testing.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 05/15/17

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 247,519 AF in storage at New Hogan Reservoir. Current releases are set at 134 cfs. There is 2,059,742 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 5,034 cfs and release to all water users are set at 6,033 cfs. The water treatment plant is currently processing 22 mgd. The City of Stockton's water treatment plant is currently processing 17 mgd.

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, F2a-17, F2a-18, F2a-19 and F2a-20.

3. Report on General Manager Activities

a. New Hogan Emergency Action Plan Tabletop Exercise, 05/09/17

Assistant Manager Johnson attended the May 9, 2017 New Hogan Emergency Action Plan Tabletop Exercise. Manager Moody reported this annual meeting is to review the written Emergency Action Plan and look for discrepancies and well as updated contact information.

Manager Moody reported the District has received the annual invoice for CV Salts in the amount of \$27,500 which includes the annual payment of \$25,000 plus a past due balance due from 2016 in the amount of \$2,500. Legal Counsel Harrigfeld has recommended the District pay the invoice and continue with CV Salts for another year as their focus has shifted back to salinity and water quality issues. The District's membership with CV Salts can be re-evaluated next year. Director Atkins inquired on the total amount of \$27,500. Administrative Services Manager Carido replied last year the District budgeted \$20,000 and advised CV Salts we would pay \$20,000 and they had no objection. Manager Moody advised the District will pay the annual payment of \$25,000.

Manager Moody reminded the Board of the F&M sponsored baseball game on Friday, May 19, 2017. The Board advised Manager Moody give the tickets to employees.

Manager Moody reminded the Board of the State of the City Luncheon on Thursday, May 18, 2017. Directors Atkins, Cortopassi, Sanguinetti and Watkins advised they will attend the event.

Manager Moody reported he participated in a conference call with the ACWA State Legislative Sub-Committee regarding beneficial use language and groundwater recharge. The Committee discussed that with the creation of the Sustainable Groundwater Management Act (SGMA), those who are in favor should submit the issues they are trying to resolve to the Committee so they can drill down and determine what needs to be fixed and how it will be fixed. Manager Moody will submit the District's issues to Legal Counsel for review before submitting to the Committee.

G. DIRECTOR REPORTS

1. Greater Stockton Chamber of Commerce – Business Education Alliance (BEA) Breakfast Symposium, 04/28/17
Nothing to report.
2. San Joaquin Council of Governments 2017 One Voice Trip, 04/30/17 – 05/04/17
Directors Atkins, Sanguinetti, Watkins and Manager Moody attended the 2017 San Joaquin Council of Governments One Voice Trip to Washington D.C. Director Sanguinetti reported it was a productive trip and congressional staff members showed more interest in the things the District was presenting than in the past. Manager Moody reported Senator Feinstein's staff representative was very knowledgeable of the District's projects. Manager Moody he told the United States Bureau of Reclamation (USBR) during their meeting that the District's biggest concern at this point is the unimpaired flow criteria. Manager Moody stressed that the USBR consultants meet with District staff to review the comments the District submitted on the unimpaired flow criteria. Of which, the USBR seemed to be receptive to the idea. Manager Moody reported there was a lot of optimism surrounding the trip, but there is still some standstill as not all people have been appointed with the new Presidential administration. President McGurk inquired if it seems current staff members will be in their positions for a while. Director Sanguinetti replied yes.
3. Greater Stockton Chamber of Commerce Diversity Mixer – Residence Inn by Marriott/Courtyard by Marriott Stockton, 05/04/17
Nothing to report.
4. Association of California Water Agencies – 2017 Spring Conference Monterey, CA, 05/09/17 – 05/12/17
Directors Atkins, McGurk, Sanguinetti, Watkins and Manager Moody attended the 2017 ACWA Spring Conference in Monterey, California. Manager Moody reported there was discussion on streamlining the National Environmental Policy Act (NEPA) process to make it easier for entities to work their way through it. Director Sanguinetti reported it seems as if ACWA is beginning to pay more attention to the Ag needs. Manager Moody reported he attended a lecture on how to get through the unimpaired flows negotiation process. Directors Atkins, Sanguinetti and Watkins attended sexual harassment training. Director Sanguinetti commented it was very interesting.

H. COMMUNICATIONS

1. Assembly Committee on Water, Parks and Wildlife – Letters of Opposition
 - a. Assembly Bill 1667 (Friedman) – Related to Agricultural Water Management Plans, 04/24/17
Manager Moody provided the Board with Assembly Bill 1667 (Friedman) – Related to Agricultural Water Management Plans correspondence. Manager Moody reported this is a copy of the letter of opposition that was mailed. This item was for information only.

- b. Assembly Bill 1668 (Friedman) – Seeking to Augment the Existing Drought Planning Process, 04/24/17
 Manager Moody provided the Board with Assembly Bill 1668 (Friedman) – Seeking to Augment the Existing Drought Planning Process correspondence. Manager Moody reported this is a copy of the letter of opposition that was mailed. This item was for information only.
 - c. Assembly Bill 1669 (Friedman) – Granting New Authorities to the State Water Resources Control Board, 04/24/17
 Manager Moody provided the Board with Assembly Bill 1669 (Friedman) – Granting New Authorities to the State Water Resources Control Board correspondence. Manager Moody reported this is a copy of the letter of opposition that was mailed. This item was for information only.
2. Calleguas Municipal Water District – Request for Support of Board Member Scott Quady to Serve on the Association of California Water Agencies/Joint Power Insurance Authority (ACWA/JPIA) Executive Committee
 Manager Moody provided the Board with correspondence from Calleguas Municipal Water District – Request for Support of Board Member Scott Quady to Serve on the Association of California Water Agencies/Joint Power Insurance Authority (ACWA/JPIA) Executive Committee. Manager Moody reported the voting for this position took place during the ACWA Spring Conference.
 3. Oakdale Irrigation District/South San Joaquin Irrigation District Request to Meet with the United States Bureau of Reclamation – Regarding the State Water Resources Control Board’s Draft Water Quality Control Plan (USBR Comments), 04/21/17
 Manager Moody provided the Board with correspondence from Oakdale Irrigation District (OID)/South San Joaquin Irrigation District (SSJID) explaining to the USBR that the comments they have made recently do not represent an understanding of the issues OID, SSJID and the District are facing. This item was for information only.
 4. Calaveras County Water District – Water Use – New Hogan Contract; Actual 2016, Projected 2017, 05/01/17
 Manager Moody provided the Board with correspondence from Calaveras County Water District regarding Water Use – New Hogan Contract; Actual 2016, Projected 2017. Manager Moody reported this is an annual letter the District receives, which assists in preparation of the Sanitary Survey to determine how much CCWD will be required to pay. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. California Special Districts Association Legislative Days - Sacramento, CA, 05/16/17 – 05/17/17
2. San Joaquin County Flood Control and Water Conservation District Advisory Water Advisory Commission Meeting, 1:00 p.m., 05/17/17
3. Greater Stockton Chamber of Commerce – 2017 State of the City, 10:30 a.m., 05/18/17
4. ACWA State Legislative Committee Meeting, 10:00 a.m., 05/19/17

J. REPORT OF THE COUNSEL

1. Closed Session - Existing Litigation
 Central San Joaquin Water Conservation District

vs. Stockton East Water District
Government Code 54956.9 (a)

2. Closed Session - Potential Litigation
Government Code 54956.9 (c) – four cases
3. Closed Session – Personnel
Government Code 54957

President McGurk adjourned the meeting to closed session at 1:15 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:43 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 2:44 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

