

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 30, 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 Atkins 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, Administrative Services Manager Carido, Accountant Vega, Administrative Clerk Curtis and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Final Groundwater Sustainability Agencies Map for the Eastern San Joaquin Subbasin Presentation, 04/28/17

Manager Moody provided the Board with the final Groundwater Sustainability Agencies (GSA) Map for the Eastern San Joaquin Subbasin. Brandon Nakagawa reported the map shows San Joaquin County's GSA in respect to California Water Service Company's (Cal Water) service area, which are unincorporated areas of the County.

Manager Moody reported the deadline to submit a resolution supporting the GSA boundaries is June 30, 2017.

Director Watkins reported the County stated they did not want to be a GSA, rather wanted the local agencies to take their portion of the basin. Cal Water cannot legally be a GSA under the law, however, the County is now taking area within District boundaries and giving it to an entity that cannot legally represent that area under the law. Director Watkins inquired if the County intends to be a GSA or not. Mr. Nakagawa replied the County has to be a GSA in specific circumstances and in areas in which they have interest like land use. Legal Counsel Zolezzi replied the only circumstances would be in areas where there is not a qualified GSA entity, which is not the case on the proposed map.

Mr. Nakagawa reported the County was advised by District staff that the District would like contiguous boundaries. Manager Moody replied the District wanted contiguous boundaries under the assumption the City and Cal Water would come to an agreement and the District did not have an argument against the City and Cal Water teaming up and taking their service area. Mr. Nakagawa replied there is still a possibility for the City, County, Cal Water and the District to work together on GSA and Sustainable Groundwater Management Act (SGMA) issues.

Director Panizza inquired if Cal Water or the County get a vote at the table. Mr. Nakagawa replied the Joint Powers Agreement (JPA) allows a separate agreement to detail how a GSA will be represented. Using that clause, the County has created a Memorandum of Agreement (MOA) that would limit Cal Water's authority under SGMA. The three items the County is limiting Cal Water's

authority on as a partner are eminent domain, property tax and prevailing someone's groundwater rights. Cal Water cannot vote on those items. Director Sanguinetti replied Cal Water's interest lies in its shareholders, not in the interest of the area. Although Cal Water does not get to vote on a few items, there are other items they will get to vote on, which will inevitably affect the people in those areas. Director Sanguinetti stated the citizens of those areas will not get proper representation. Mr. Nakagawa replied the MOA expires once the Groundwater Sustainability Plan (GSP) is adopted, after which, the County will start from the beginning to determine whether Cal Water will participate.

Director Watkins inquired on the County represented areas, which from the beginning, were only to be the areas that were not represented by a local entity. There is now overlap of the District and the County in the north. Legal Counsel Zolezzi replied it was the Board's position that anything in District boundaries, not within the City's GSA will be part of the District.

Director Watkins inquired if there is still an ability to amend areas on the map. Mr. Nakagawa replied yes.

Legal Counsel Zolezzi requested Mr. Nakagawa make a new map showing specifically the GSA's of the District, the County and Cal Water and take to the Board of Supervisors detailing the District's objection to the map in its current form.

Legal Counsel Zolezzi inquired if the Board of Supervisors expressly stated they wanted to be in control of Colonial Heights and Lincoln. Mr. Nakagawa replied it was County staff's recommendation to the Board of Supervisors.

Director Sanguinetti inquired why there are so many open areas within the Woodbridge Irrigation District (WID). Mr. Nakagawa replied WID has left the County to inherit those areas.

Director Cortopassi inquired who composes the Eastside GSA. Manager Moody replied it is Calaveras County Water District, Oakdale Irrigation District and Stanislaus County.

Mr. Nakagawa will provide a revised map for the Board's consideration and approval.

- a. Resolution No. 17-18-04 – Approving the Revised Groundwater Sustainability Agency Boundary Map for the Eastern San Joaquin Subbasin and Submittal of the Map to the California Department of Water Resources
This item will be brought back to the Board for consideration and approval.

2. Minutes 05/23/17 Regular Meeting

A motion was moved and seconded to approve the May 23, 2017 Regular Meeting Minutes, as presented.

Roll Call:

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

3. Warrants
 - a. Fund 67 – Agricultural Fund
 - b. Fund 68 – Municipal & Industrial Groundwater Fund
 - c. Fund 70 – Administration Fund
 - d. Fund 71 – Water Supply Fund
 - e. Fund 91 – Vehicle Fund
 - f. Fund 94 – Municipal & Industrial Fund
 - g. Petty Cash
 - h. Payroll
 - i. Summary
 - j. Short Names/Acronym List
 - k. SEWD Vehicles & Heavy Equipment

Director Watkins inquired on the expenses on page 21, line items 26 and 27 for Us Bank Corp. Payment Systems for straw for repairs to McGurk Earth Dam & Gotelli Crossing (Robinsons) in the amount of \$577.26 and straw for canal repairs at Gotelli Crossing (Robinsons) in the amount of \$409.97. Accountant Vega replied there were 40 bales for Gotelli Crossing purchased. Director Sanguinetti inquired on the full name of Robinsons. Assistant Manager Johnson replied it is Robinson’s Feed Company of Lockeford.

Director Cortopassi inquired on the expense on page 21, line item 8 for Holt of CA for rental of dozer for repairs to McGurk Earth Dam in the amount of \$4,091.55, inquiring staff can investigate completing work in a different manner to keep from disturbing the stream. Manager Moody replied he would like a permanent alternative.

A motion was moved and seconded to approve the May 30, 2017 Warrants, as presented.

Roll Call:

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

4. Federal Emergency Management Agency – Request for Assistance Memo, 05/30/17
 Manager Moody provided the Board with a Federal Emergency Management Agency (FEMA) Memorandum requesting disaster declaration assistance. District Engineer Lee reported at the April 4, 2017 Board Meeting, the Board took action to designate personnel by position to provide the Office of Emergency Services information related to disasters and apply for FEMA grant funding.

District Engineer Lee reported there were FEMA representatives onsite the week of May 22, 2017 to meet with District staff. The meeting was positive and staff was informed most expenses are reimbursable through the FEMA grant, with the exception of a portion of personnel time.

District Engineer Lee reported per FEMA’s assistance requirements, staff itemized the incurred costs and is seeking disaster relief funding for Eight Mile Road dam in the amount of \$16,188.70; Lower Farmington Canal at Rock Creek in the amount of \$104,261.00 and Lower Farmington Canal at Birdcage in the amount of \$69,337.00.

Manager Moody inquired on the inclusion of the Rip Rap. District Engineer Lee replied staff is working to have the Rip Rap included, but is unsure at this point. Manager Moody added because

the Rip Rap was restored to original condition, then added Rip Rap where there was none, might be non-reimbursable because it was an improvement, not repair.

Director Watkins inquired on the erosion on Mormon Slough. District Engineer Lee replied the County is currently conducting preliminary design. This item was for information only.

5. DREAM Project Banking Draft Agreement, 05/24/17

Manager Moody provided the Board with the Demonstration Recharge Extraction & Aquifer Management (DREAM) Project Banking draft agreement. Manager Moody reported Jennifer Spaletta sent a draft agreement for the DREAM Project, which gives the Board opportunity to decide whether an Eastern Water Alliance (EWA) should be held to review the agreement.

Director Sanguinetti reported the EWA should meet to receive a report on the status of the Project.

Legal Counsel Zolezzi reported under the legislation, only the EWA can pump water from the basin for a project like this, which is why the EWA has to expressly delegate that power to North San Joaquin Water Conservation District (NSJWCD), thus the group should meet to gain a better understanding of the powers that have been delegated.

Manager Moody inquired which day would work best to convene. Director Sanguinetti replied the week of June 12, 2017 would work best. Manager Moody added staff will query the EWA Board to determine a date and time for a meeting.

President McGurk inquired if legislation should be available at the meeting that prescribes who is responsible. Manager Moody advised the legislation will be available.

Director Watkins inquired on the Protest Dismissal Agreement and if the group should review the agreement to begin utilizing the water available. Manager Moody advised he will look into this.

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 05/23/17

Julianne Phillips reported Legal Counsel Zolezzi gave a presentation on groundwater recharge and the requirements for underground storage supplements and the legislative push for groundwater recharge used for beneficial use. Ms. Phillips reported there was discussion on SGMA and the Committee's concerns of a non-GSA member having a seat on the GSA Board. The next meeting is scheduled for June 25, 2017.

2. AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group, 05/24/17

District Engineer Lee attended the May 24, 2017 AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group. District Engineer Lee reported there was discussion on the group's decision to utilize Crop Scape model type. There was discussion on Proposition 1 Sustainability Grant; there is already a draft of the grant in circulation and only GSAs are allowed to apply for the grant. District Engineer Lee reported that of the \$31 million available, there are ~21 critically over-drafted basins. President McGurk inquired if there is differentiation between over-drafted basins. District Engineer Lee replied the categories are critically over-drafted basin, high, medium and low priority basins. The next meeting is scheduled for June 28, 2017.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 05/29/17

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 246,635 AF in storage at New Hogan Reservoir. Current releases are set at 121 cfs. There is 2,072,265 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 4,763 cfs and release to all water users are set at 6,048 cfs. The water treatment plant 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.

Legal Counsel Zolezzi commented on F2a-1 stating the District and Calaveras had proposed legislation previously that gave New Hogan to the District; however, this legislation did not go anywhere. Manager Moody advised staff will research.

3. Report on General Manager Activities

a. Stockton East Water District – Conveyance Tour, 05/24/17

Director Watkins, Manager Moody and Assistant Manager Johnson attended the May 24, 2017 Conveyance Tour. Manager Moody reported there were representatives from both Congressmen Denham and McNerney's offices. Manager Moody reported the group toured Tulloch Dam. Director Watkins reported Ron Berry, General Manager, Tri-Dam Project, reported on average New Melones gets ~1 million AF of water and this year they are expecting ~3 million AF of water this year.

Manager Moody advised there are two Board Members that need to complete Sexual Harassment Training to be compliant with AB 1661. The course can be completed by participating in a live webinar or recorded webinar through CSDA. President McGurk and Director McGaughey advised they will attend CSDA's Live Webinar on Tuesday, June 6, 2017 at the District.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS

1. Greater Stockton Chamber of Commerce – State of the City Thank You, 05/19/17

Manager Moody provided the Board with a Thank You letter for the District's Silver Sponsorship for the State of the City event.

I. AGENDA PLANNING/UPCOMING EVENTS

1. Congress Member Denham Water Meeting – Stanislaus County Farm Bureau, 3:00 p.m., 05/31/17

2. Greater Stockton Chamber of Commerce Tradeshow Mixer – Hilton Hotel, 5:30 p.m., 06/01/17

J. REPORT OF THE COUNSEL

1. Closed Session - Potential Litigation

Government Code 54956.9 (c) – three cases

President McGurk adjourned the meeting to closed session at 1:28 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:07 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 2:08 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

