

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, JULY 11, 2017 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:20 p.m., and Director Watkins 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, Finance Director Vega, District Engineer Lee, Administrative Services Manager Carido, Legal Counsel Harrigfeld and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 06/27/17 Regular Meeting

A motion was moved and seconded to approve the June 27, 2017 Regular Meeting Minutes, as presented.

Roll Call:

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

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. Summary
- g. Short Names/Acronym List
- h. SEWD Vehicles & Heavy Equipment

A motion was moved and seconded to approve the July 11, 2017 Warrants, as presented.

Roll Call:

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

3. California Public Employees' Retirement System Unfunded Accrued Liability – Pre-Payment vs. Monthly Payment

Manager Moody provided the Board with the California Public Employees' Retirement System Unfunded Accrued Liability – Pre-Payment vs. Monthly Payment. Manager Moody reported staff conducted research on paying the District's Unfunded Liability contributions monthly versus lump sum; and explained the lump-sum option includes 7.5%. The percentage is what CalPERS would charge for their projected investment and is ~11,000. Manager Moody reported the District has paid this expense monthly but can change this process.

A motion was moved and seconded to pay the full amount of the California Public Employees' Retirement System (CalPERS) Unfunded Accrued Liability in lump sum; and, in the amounts of \$315,079.00 for Classic Members and \$29.00 for PEPRAs.

Roll Call:

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

4. Kristin Coon Consulting – Special Contract Services Agreement for SAWS Water Education Program 08/01/17 – 07/31/18

Manager Moody provided the Board with the Kristin Coon Consulting – Special Contract Services Agreement for the SAWS Water Education Program.

A motion was moved and seconded to approve Kristin Coon Consulting – Special Contract Services Agreement for SAWS Water Education Program 08/01/17 – 07/31/18, as presented.

Roll Call:

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

5. Stockton East Water District – Draft 2015 Agricultural Water Management Plan

Manager Moody provided the Board with information on the Stockton East Water District – Draft 2015 Agricultural Water Management Plan (AWMP). Manager Moody reported the District submitted an AWMP to the U.S. Bureau of Reclamation (USBR) in 2011 and received final approval on August 20, 2014. Since the District's Plan was not formally approved by the USBR until 2014, the Department of Water Resource (DWR) accepted the District's federally approved 2014 plan to satisfy compliance of the 2012 plan submittal requirement. Manager Moody explained the District's AWMP for state compliance (submittal to DWR) has expired; and, this draft AWMP will bring the District into compliance.

Manager Moody reported a notice of a public hearing scheduled at the July 25, 2017 Regular Board Meeting will be published twice; and, will run two-weeks prior to bringing the AWMP back to the Board for review and consideration to adopt.

6. Resolution No. 17-18-07 – Adopting Appropriations Limit for Fiscal Year 2017-2018 (Exhibit A)

Manager Moody provided the Board with Resolution No. 17-18-07 – Adopting Appropriations Limit for Fiscal Year 2017-2018 (Exhibit A). Manager Moody reported documentation used in determination of the Appropriations Limit for Fiscal Year 2017-2018 must be available to the public 15-days prior to the meeting establishing the Limit.

Manager Moody reported the Resolution No. 17-18-07 – Adopting Appropriations Limit for Fiscal Year 2017-2018 will be presented to the Board for review and consideration to approve at the July 25, 2017 Regular Board Meeting.

7. Stockton East Water District – 2017 2nd Quarterly Report Submitted, 07/06/17

Manager Moody provided the Board with information on the Stockton East Water District – 2017 2nd Quarterly Report Submitted, 07/06/17. Manager Moody gave an update to the Board on the results of quarterly testing as required by the Department of Public Health noting the District’s compliance with TOC recent sampling. This item was for information only.

8. Dr. Joe Waidhofer Water Treatment Plant – Paving Contract Summarization

Manager Moody provided the Board with information on the Dr. Joe Waidhofer Water Treatment Plant – Paving Contract Summarization. Manager Moody reported bringing this item back to the Board because Scot Valley Seal Coating (the Bidder the Board awarded the Project in the amount of \$42,991) is not willing to participate as a Public Works Contractor paying prevailing wage for this Project. Manager Moody noted Dryco Construction was the next lowest Bidder. However the amount initially Bid did not include paving some peripheral road surfaces, the addition of which resulted in a new amount of \$58,300.

Director Panizza inquired on the length of time it would take to re-bid this Project. Manager Moody replied ~30 days. Director Cortopassi suggested re-bidding this Project. Director Sanguinetti questioned why local Bidders were not included in the initial Bid and advised posting the Re-Bid at the Builders Exchange.

Staff was directed to Re-bid the Asphalt Maintenance and Repair Project, and to post the Project at the local Builder’s Exchange.

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 06/27/17

Directors Sanguinetti attended the June 27, 2017 San Joaquin Farm Bureau Federation – Water Committee Meeting. Julianne Phillips reported Delta Water Master Michael George gave a presentation on SB 88 and took Q&A from the audience. HR 23 (Nunes) – Gaining Responsibility on Water Act of 2017 will be brought back to the next meeting. The next meeting is scheduled for July 25, 2017.

2. AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group, 06/28/17

District Engineer Lee attended the June 28, 2017 AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group. District Engineer Lee reported primary discussion focused on model land use acreage; and, the Consultants introduction of irrigation demand calculation and now it works with the Model. District Engineer Lee reported preliminary figures should be available in the upcoming weeks. District Engineer Lee reported discussions focusing on the timing of the GSP Grant Application (process).

Manager Moody inquired if the San Joaquin County has submitted comments to the Department of Water (DWR) regarding the Proposal Solicitation Package (PSP) for Sustainable Groundwater Planning Grant Program. San Joaquin County Senior Engineer, Mike Callahan replied yes. President McGurk inquired as to the source of grant funding. District Engineer Lee replied grant funding comes from the State of California Prop 1. The next meeting is scheduled for July 26, 2017.

3. Delta Coalition Committee Meeting, 07/10/17
Consultant Barkett attended via phone on the July 10, 2017 Delta Coalition Committee Meeting. Consultant Barkett reported it was a short meeting and discussions primarily focused on the Water Fix. Consultant Barkett also reported an update was not given regarding the Delta Plan Litigation. The next meeting is scheduled for August 14, 2017.
4. San Joaquin County & Delta Water Quality Coalition Meeting, 07/10/17
Director Atkins attended the July 10, 2017 San Joaquin County & Delta Water Quality Coalition Meeting. Director Atkins reported staff presented the Financial Report; Membership Update and Program Manager's Report. Director Atkins reported membership dues were lowered \$1.00 per acre foot and a second notice for members out of compliance with their Management Plan. Director Atkins also reported a presentation was given by U.C. Davis charting use by irrigators that farmed 10 acres or less; update on Norman's Nursery testing and Biostimulatory/BioIntegrity Project. The Coalition will be hosting a Sediment and Erosion Control Plan Certification Class from 8:00 a.m. to Noon on July 26, 2017. The next meeting is scheduled for August 14, 2017.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 07/10/17
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 234,165 AF in storage at New Hogan Reservoir. Current releases are set at 240 cfs. There is 2,184,269 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 1,511 cfs and release to all water users are set at 2,933 cfs. The water treatment plant is currently processing 32 mgd. City of Stockton is running at 26 mgd.

2. Information Items:
Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6, F2a-7 and F2a-8.
Discussion on F2a-8 – Oakdale Irrigation District Finalizes Annexation to Add 10,000-Plus Acres. Legal Counsel Harrigfeld advised Oakdale Irrigation District has not yet annexed the acres.
3. Report on General Manager Activities
 - a. ACWA State Legislative Committee Meeting, 06/30/17
Manager Moody attended the June 30, 2017 ACWA State Legislative Committee Meeting. Manager Moody reported primary discussion on AB 401 – Water Service Affordability aims to raise water revenues by \$620 million a year (not including administrative expenses). However, ~34% of the state's population would not pay into this because they qualify for relief. The next meeting is scheduled for August 25, 2017.

Manager Moody reported the District was contacted by the State of California's Legislative Analyst's Office (LAO) and requested a meeting and tour of "parts" of the distribution system to understand the challenges irrigation districts have. Manager Moody advised he will notify the Board when a meeting date has been scheduled. More information to follow.

Manager Moody reported he will be out of the office beginning mid-Wednesday July 12, 2017, returning Tuesday, July 18, 2017.

G. DIRECTOR REPORTS

Director McGurk reported on the July 10, 2017 special meeting with San Joaquin County, Brandon Nakagawa and Fritz Buchman. President McGurk reported a survey was provided to Commission members in effort to solicit topics/items to recommend to the San Joaquin County Board of Supervisors. President McGurk reported the intent and goal is to make the future better for groundwater; surface water, flood water, projects and items the public is interested in. This item was for information only.

H. COMMUNICATIONS

1. Assembly Bill 1479 (Bonta) – Public Records: Custodian of Records: Civil Penalties – Oppose [As Amended June 19, 2017], 06/26/17
Manager Moody provided the Board with Assembly Bill 1479 (Bonta) – Public Records: Custodian of Records: Civil Penalties – Oppose [As Amended June 19, 2017] correspondence. Manager Moody reported the outreach correspondence was submitted to the State Senate Judiciary Committee. This item was for information only.
2. Water Education Foundation – Thank You
Manager moody provided the Board with July 3, 2017 Water Education Foundation Thank You for hosting the June 14, 2017 Stockton Area Water Suppliers Dinner event held at the University Plaza Waterfront Hotel. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. Eastern San Joaquin County Groundwater Banking Authority Board Meeting, 9:30 a.m., 07/12/17
2. Sustainable Groundwater Management Act Workgroup, 10:00 a.m., 07/12/17
[This meeting was Cancelled]
3. Greater Stockton Chamber of Commerce Monthly Mixer – Cherokee Memorial Park & Funeral Home, 5:15 p.m., 07/13/17
4. Mokelumne River Association Meeting – The Highway House Restaurant Banquet Room, 10:00 a.m., 07/14/17

J. REPORT OF THE COUNSEL

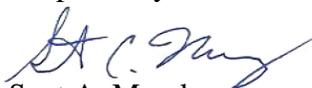
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases

President McGurk adjourned the meeting to closed session at 1:19 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:40 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 1:41 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

kmc

Board Meeting – 07/11/17

~~Draft~~ Approved

