

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, FEBRUARY 28, 2017 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:23 p.m., Director Cortopassi led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk, Panizza and Watkins. Director Sanguinetti was absent. Also present were Manager Moody, Assistant Manager Johnson, District Engineer Lee, Finance Director Naray, 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 02/21/17 Regular Meeting

President McGurk made the following correction to the minutes:

- Page 2, section D-5, last paragraph – strike “support” and add, “approve staff send a letter with the Board’s position on”.

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

Roll Call:

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

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

Director Cortopassi inquired on the expense on page 9, line item 7 for Association of California Water Agencies for the Cortopassi Registration to the 2017 ACWA Spring Conference in the amount of \$699.00. Manager Moody replied staff processes registration for the Board to hold their spot; and, will cancel registration if they cannot attend.

Director Atkins inquired on the expense on page 17, line item 2 for Auto Zone Stores, Inc. for smoke detector machine for Maintenance shop use in the amount of \$782.25. Assistant Manager Johnson replied this is a smoke generator that detects leaks in vacuum and HVAC systems.

Director Atkins inquired on the expense on page 15, line item 6 for Pape Kenworth for all parts and labor to repair Unit #53 in the amount of \$2,923.82. Assistant Manager Johnson replied repairs included replacing the vehicles electronics and injectors. Director Atkins inquired on the current mileage of Unit #53. Finance Director Naray replied Unit #53 has ~31,000 miles. President McGurk inquired how old Unit #53 is. Manager Moody replied Unit #53 is a 2011 model.

Director Panizza reported a typo on the expense description on page 9, line item 5 for Association of California Water Agencies for Registration 2017 ACWA Spring Conference AMcGurk, reporting President McGurk's name is spelled incorrectly. Manager Moody advised staff will correct the spelling.

A motion was moved and seconded to approve the February 28, 2017 Warrants, as presented.

Roll Call:

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

3. Establishing the Eastern San Joaquin Groundwater Authority in accordance with the Sustainable Groundwater Management Act

a. Joint Exercise of Powers Agreement

Manager Moody provided the Board with the Joint Exercise of Powers Agreement (JPA). Manager Moody reported the Board approved endorsement of the JPA language at the January 24, 2017 Regular Board Meeting. Manager Moody reported the Sustainable Groundwater Management Act Work Group is asking that all elected officials approve the final JPA before the end of March.

President McGurk inquired if the information provided has changed since the Board's endorsement. Manager Moody replied there have been no changes.

Manager Moody reported there will be a Groundwater Sustainability Agency (GSA) boundary map and a resolution in support of the boundary map brought before the Board in coming weeks for consideration and approval. This information will be sent to the Department of Water Resources (DWR) for approval.

President McGurk inquired if the boundary map will be an Exhibit that accompanies the JPA. Manager Moody replied the JPA is the group that was formed to assemble the Groundwater Sustainability Plan (GSP). The JPA can be viewed as a governing Board over the Sustainable Groundwater Management Act (SGMA).

Director Panizza reported Legal Counsel Zolezzi participated in the creation of the JPA and is in support. Legal Counsel Harrigfeld added Legal Counsel Zolezzi approved the final JPA and recommends signing the resolution.

Director Watkins inquired if there is a 3-month time frame to complete all components. Legal Counsel Harrigfeld replied it is due June 30, 2017.

Director Cortopassi inquired on the section of the JPA that explains contributions and expenses inquiring if allocations will be dispersed. Manager Moody replied the JPA Board will determine this, meantime, each member will need to contribute \$5,000.00 for initial administrative costs.

- b. Resolution No. 16-17-15 Approving Joint Exercise of Powers Agreement Establishing the Eastern San Joaquin Groundwater Authority

A motion was moved and seconded to approve Resolution No. 16-17-15 Approving Joint Exercise of Powers Agreement Establishing the Eastern San Joaquin Groundwater Authority, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

- c. Joint Exercise of Powers Authority Board Designation Form

Manager Moody provided the Board with the Joint Exercise of Powers Authority Board Designation Form. Manager Moody reported this is a nomination form to designate a JPA Board Member and Alternate. Manager Moody reported he would like to nominate Director Panizza as the JPA Board Member and himself as the Alternate, as they currently both attend all meetings.

Director Panizza reported the current dynamic of both himself, Manager Moody and District Engineer Lee attending all meetings regarding SGMA has been beneficial given the issues that have arisen during meetings.

Director Cortopassi inquired how SGMA will affect the Groundwater Banking Authority (GBA). Director Panizza reported the SGMA Work Group was presented with two models. The first showed the GBA would be linked to the SGMA. The second model, showed them as separate entities. Director Panizza reported until recently the GBA was not a high driver in terms of demand. Whereas, the SGMA Work Group appears to be more demanding in its infancy.

Manager Moody reported an upcoming decision for the GBA, aside from determining if it should exist or not, would be grant-funding opportunities. Manager Moody reported to be eligible for grant funding the Integrated Regional Water Management Plan (IRWMP) must be updated, which can cost upwards of \$500,000. Manager Moody reported up until this point the GBA has been unsuccessful in receiving grant funding, thus they will need to evaluate the necessity of updating the IRWMP.

President McGurk inquired if this would be state of California grant money. Manager Moody replied yes.

A motion was moved and seconded to approve the Joint Exercise of Powers Authority Board Designation Form nominating Director Panizza as Board Member and Manager Moody as Alternate, as presented.

Roll Call:

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

4. 2017 One Voice Trip Project Submissions

a. Bellota Fish Ladder and Passage Improvement Project

Manager Moody provided the Board with information on the Bellota Fish Ladder and Passage Improvement Project. Manager Moody reported there are three Projects staff is recommending submitting for the 2017 One Voice Trip. These Projects have been updated or added from previous submittals and are congruent with current discussions, versus what was being discussed in years past.

Manager Moody reported the Project submissions must be sent to Kris Balaji at San Joaquin County for approval as part of the One Voice package as the District is not a member of the Council of Government (COG) group.

Director Watkins inquired on the Bellota screen and the screens for the diversion above Bellota. Manager Moody reported there has been money added to the budget over the last few years for this Project and in the next Fiscal Year a proposal will be brought to the Board to begin a design project.

Director Watkins inquired if Ag fish screens could be added to this proposal. Manager Moody replied yes, information can be added to these proposals to take to Washington D.C.

Legal Counsel Harrigfeld inquired if the Projects have been submitted to Kris Balaji yet. Manager Moody replied they have been preliminarily emailed, pending Board approval staff will request approval from Mr. Balaji.

b. South Gulch Water Conservation Project

Manager Moody provided the Board with a handout on the South Gulch Water Conservation Project.

Director Watkins inquired on the projected storage of South Gulch. District Engineer Lee replied it is ~112,000 – 160,000 AF.

President McGurk inquired if it depends on the height or the location of the dam. Manager Moody replied storage is dependent on the design.

Manager Moody reported 40,000 AF is what the Flood Control Draft Study says it needs. Manager Moody reported staff will have to assess what it would cost to raise New Hogan Reservoir versus building South Gulch.

c. Farmington Dam Re-Purpose Project

Manager Moody provided the Board with a handout on the Farmington Dam Re-Purpose Project.

A motion was moved and seconded to approve the 2017 One Voice Trip Project Submissions for the Bellota Fish Ladder and Passage Improvement Project; South Gulch Water Conservation Project and Farmington Dam Re-Purpose Project, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: Sanguinetti

5. United States Department of the Interior – Central Valley Project Water Rates for the 2017 Water Year

Manager Moody provided the Board with information on the United States Department of the Interior – Central Valley Project Water Rates for the 2017 Water Year. Manager Moody reported AG decreased 2.7% and M&I increased 7.4%.

Director Cortopassi inquired if the numbers provided are only water charges. Manager Moody replied the numbers are water charges, but the District also pays O&M and surcharges. Manager Moody reported the District does not pay anything if water is not received.

Legal Counsel Harrigfeld inquired on why the East Side Division is paying the Trinity Surcharge. Manager Moody replied staff will research the Surcharge. This item was for information only.

E. COMMITTEE REPORTS

1. Delta Coalition Committee Meeting, 02/15/17

Consultant Barkett attended the February 15, 2017 Delta Coalition Committee Meeting. Brandon Nakagawa reported there was an update on the WaterFix, Delta Plan and some discussion on the high water coming via the San Joaquin River. President McGurk inquired if there was discussion on the City of Stockton litigation. Consultant Barkett reported the City settled their suit. Mr. Nakagawa added it was explained the City now has more clarity on how covered action is defined and when jurisdiction of the Delta Stewardship Council steps in regarding the Delta Plan. Consultant Barkett reported they accepted the Delta Plan's old map which states anything prior to 2008 is not under their jurisdiction if within city limits. The next meeting is scheduled for March 13, 2017.

2. Stockton Area Water Suppliers Meeting, 02/27/17

Manager Moody and staff attended the February 27, 2017 Stockton Area Water Suppliers (SAWS) Meeting. Manager Moody reported the group discussed renaming the Water Shortage Contingency Plans item, as there currently is no water shortage this year. Manager Moody reported there was discussion about the USBR allocation although agencies had not yet been notified. Manager Moody reported the District received word during a conference call on February 28, 2017 that they will receive 100% allocation from New Melones. Brandon Nakagawa suggested looking into the Water Infrastructure Finance and Innovation Act (WIFIA) for any debt service. Manager Moody reported the Demonstration Recharge Extraction & Aquifer Management (DREAM) Project was approved by the Water Commission and will be brought to the San Joaquin County Board of Supervisors on March 21, 2017. President McGurk inquired if Mr. Nakagawa knows where on the agenda the DREAM Project will fall during the Board of Supervisors Meeting. Mr. Nakagawa replied that information will be available a week prior to the meeting. The next meeting is scheduled for March 20, 2017.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 02/27/17

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 226,523 AF in storage at New Hogan Reservoir. Current releases are set at 4,850 cfs. There is 1,566,777 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 219 cfs and release to all water users are set at 219 cfs. The water treatment plant is currently processing 19 mgd. The City of Stockton's water treatment plant production was not available.

President McGurk inquired on the top of conservation (TOC) number for New Hogan. Director Watkins replied it should have gone up after 5-days without rain, it is expected to change in the coming days.

Director Watkins inquired when the District will start taking water from New Melones. Manager Moody replied staff has not received a reply back from the annual submission diversion request. Legal Counsel Harrigfeld added the Corps easement prohibits the District from diverting water while Farmington Dam has water.

Manager Moody reported he emailed Drew Lessard and inquired if the District will receive a response to the request for allocation now that the Contractors have been informed of the 2017 Allocation.

2. Information Items:

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

3. Report on General Manager Activities

Manager Moody reported the District received a request to sponsor the iHub San Joaquin – H₂O Hackathon on March 25, 2017. Manager Moody reported the event is expected to host 100 students and 20 teachers. John Freeman reported the event hosts students from the area that work in groups throughout the day to come up with ideas for water savings, metering, conservation, solar projects, etc. The groups pitch their ideas to a panel of judges at the end of the day for the chance to win a cash prize. Director Watkins inquired on the cost of sponsorship. Manager Moody replied \$1,000. Director McGaughey inquired if Cal Water will be sponsoring the event again this year. John Freeman replied yes. Director Watkins expressed expensing sponsorship for this upcoming event to the Water Conservation Education (SAWS).

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 02/28/17

2. San Joaquin County Agricultural Drought Task Force Meeting, 9:00 a.m., 03/01/17
[This Meeting has been Cancelled.]

3. Greater Stockton Chamber of Commerce Monthly Mixer – Stockton Ports, 5:30 p.m., 03/02/17

4. ACWA State Legislative Committee Meeting, 10:00 a.m., 03/03/17

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)

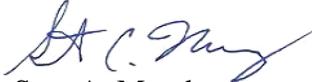
2. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases

President McGurk adjourned the meeting to closed session at 1:12 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:31 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 2:32 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

