

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, JANUARY 31, 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 Watkins led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 01/24/17 Regular Meeting

A motion was moved and seconded to approve the January 24, 2017 Regular Meeting Minutes, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

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 expenses on page 9, line items 2 through 5 for CA Public Employees Retirement System for CalPERS Survivor Bnf fee (Reg Mmb) 070116 – 063017 in an amount totaling \$490.21. Manager Moody reported this is an annual payment for the District’s survivor benefit plan that would allow a spouse to receive compensation should an employee pass away prior to their retirement.

Director Sanguinetti inquired on the expense on page 16, line item 43 for R&S Erection Tri County Inc. for parts and labor to replace Maintenance Building roll up doors in the amount of \$12,488.00. Manager Moody reported the Board approved the Notice of Completion on January 24, 2017; this is payment for completed work.

Director Sanguinetti inquired on the expense on page 15, line item 21 for Grainger, Inc. for exhaust fan and shutter for VS-1 in the amount of \$1,079.98. Manager Moody reported the vent in the building was replaced with a fan as welding is conducted in the building and the doors cannot always be open due to weather, but air flow is still necessary.

A motion was moved and seconded to approve the January 31, 2017 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

3. California Public Employees' Retirement System – Discount Rate Change Presentation
Manager Moody provided the Board with information on the California Public Employees' Retirement System – Discount Rate Change. Manager Moody reported the CalPERS approved lowering the discount rate assumption, the long-term rate of return, from 7.5% to 7% over the next three years. Manager Moody reported when the District receives the Actuarial Report it will be brought to the Board for review.

Director Panizza inquired on a recent CalPERS Circular Letter regarding the Discount Rate Change effect on smaller Districts. Manager Moody advised staff will research this information and determine if it applies to the District. This item was for information only.

4. Stockton East Water District Article Review “State Water Board Ignores Everyone But Themselves” – Written & Sent to Local Newspapers Regarding The Substitute Environmental Document (SED)
Manager Moody provided the Board with correspondence on the Stockton East Water District Article Review “State Water Board Ignores Everyone But Themselves”. Manager Moody reported staff wrote the article and had Legal Counsel Harrigfeld review before submitting to The Stockton Record and The Linden Herald. Manager Moody reported the editorial speaks to the facts of what is going on and how District customers will be affected. Manager Moody reported Brian Reiley from The Linden Herald expressed this article would run on the front page of the publication this week. This item was for information only.

E. COMMITTEE REPORTS

1. Stockton Area Water Suppliers Meeting, 01/30/17
Manager Moody and staff attended the January 30, 2017 Stockton Area Water Suppliers (SAWS) Meeting. Manager Moody reported there was discussion on Outreach Efforts, specifically the \$10,000.00 sponsorship of the Greater Stockton Chamber of Commerce's Green Team of San Joaquin. Kristin Coon, Water Conservation Coordinator, provided the group with a draft budget to utilize the \$10,000.00 to reestablish the Zun Zun Program, instead of being a Green Team sponsor. Manager Moody reported the group agreed to reestablish the Zun Zun Program. Manager Moody reported there was discussion on the City of Stockton not taking water from the District to supply North Stockton. Bob Granberg advised the District does not have high enough chlorine residual to that part of the city for the City to chloramine the water. Manager Moody reported there was discussion on the possibility of installing a chlorine injection site at the District. Manager Moody reported there was discussion on the upcoming Eastern Water Alliance meeting that is scheduled for February 3, 2017. Manager Moody reported Groundwater Sustainability Agency (GSA) discussions are complete at the SAWS level. There is an area near Lathrop that the City of Stockton, Cal Water, San Joaquin County and Lathrop to decide who will include this area as part of their GSA. President McGurk inquired if there was discussion on how to conduct outreach with adults if the Zun Zun Program focuses on children. Manager Moody replied the group discussed

advertising at events around the city to reach the adult population. The next meeting is scheduled for February 27, 2017.

2. San Joaquin Farm Bureau Federation – Water Committee Meeting, 01/24/17
Directors Sanguinetti and Watkins attended the January 24, 2017 San Joaquin Farm Bureau Federation – Water Committee Meeting. Director Sanguinetti reported there was a presentation on ultrasonic measuring the depth of the water in the pipe and the river to calculate how much water is going through the pipe. Director Watkins added it measures the level of the ditch and level of the river. Julianne Phillips reported there was a presentation on the 12-year Fishbio Salmon Study and the fall pulse flows that have shown to be more destructive to the salmon population. Ms. Phillips reported there was discussion on Delta Levee funding strategies and how the Proposition 1 funding will be appropriated as the funds are mostly for project levees. President McGurk inquired if the Delta Levee item is set for periodic follow-up with the Committee. Ms. Phillips replied this is an ongoing process, per the Delta Stewardship Council’s legislation they have to protect the levees as well as provide habitat benefits. The next meeting is scheduled for February 28, 2017.

3. AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group, 01/25/17
District Engineer Lee attended the January 25, 2017 AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group. District Engineer Lee reported discussion focused on the groundwater model that San Joaquin County is developing with help from RMC Water and Environment. The model represents the Consumnes River Basin at the north to the Modesto Basin at the south. The grids for the model have been developed over the last couple months. The model started with more than 700,000 grids for this area and have been reduced down to 17,000-18,000 grids. District Engineer Lee reported for the model for the hydrology and stream flows, the major rivers, Mormon Slough, Calaveras River and Mokelumne River have been identified, but they are not going to include all of them for the groundwater and surface water interaction. District Engineer Lee reported the District is providing all necessary data to the County. President McGurk inquired if any agencies do not submit data to the County. Mike Callahan replied yes; those that attend the AD HOC Work Groups have responded to requests, while those that do not attend have not provided data. Manager Moody inquired on the cross section of the grid. Mr. Callahan replied quarter mile along the stream channels and a half mile outside of that. The next meeting is scheduled for February 22, 2017.

4. ACWA Federal Affairs Committee Meeting, 01/27/17
Consultant Barkett attended the January 27, 2017 ACWA Federal Affairs Committee Meeting. Consultant Barkett reported there was discussion on the new Presidential Administration and how to balance everything. Consultant Barkett reported some time ago ACWA changed their position from watch to support if amended to help the House and Senate work out complications. Consultant Barkett reported the Committee wants to take the watch position on H.R. 23: Gain Responsibility on Water Act of 2017 (Valadao) as it is a new bill. Consultant Barkett reported there was discussion on new regulations and how to handle the competing initiatives. Consultant Barkett reported there was discussion on infrastructure and how to have water included in an upcoming infrastructure bill. Consultant Barkett reported there are new possible state water and park bonds.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 01/30/17
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 174,616 AF in storage at New Hogan Reservoir. Current releases are set at 2,050 cfs. There is 1,006,167 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 313 cfs and release to all water users are set at 313 cfs. The water treatment plant is currently processing 18 mgd. The City of Stockton's water treatment plant is currently processing 13 mgd.

Manager Moody reported he contacted Marchia Bond with the United States Army Corps of Engineers (USACE) because storage in New Hogan has dropped below the 177,000 AF mark. Ms. Bond advised 7-15% encroachment is what the USACE works for. Manager Moody advised Ms. Bond will take another look after the storms pass through this week. Director Watkins advised staff continue to work closely with Ms. Bond.

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 and F2a-11.

Director Watkins commented on F2a-2 stating San Joaquin County completed a Declaration of Disaster, however when Governor Brown completed the state's Declaration, San Joaquin County was left out. Director Watkins inquired as to why the County was not included. Fritz Buchman replied the Office of Emergency Services at the County is working on this.

Director Cortopassi inquired on F2a-10 on the 60% water allocation. Legal Counsel Zolezzi replied the State Water Project will distribute those allocations.

3. Report on General Manager Activities

a. Dr. Joe Waidhofer Water Treatment Plant – Aerial Footage Presentation

Manager Moody presented the Board with aerial footage of the Dr. Joe Waidhofer Water Treatment Plant.

Assistant Manager Johnson provided the Board with a handout of recent storm damage at Lower Farmington next to Rock Creek. Assistant Manager Johnson reported there was pressure at Rock Creek was pushing dirt into the canal; it has not broken yet, but it is damaged. Director Watkins inquired if the drains on the other side of the road need to be fixed to allow the natural flow of water to run around to alleviate the pressure. Assistant Manager Johnson replied staff is researching necessary repairs. Director Sanguinetti inquired if this could be a result of a problem with the drain under the canal as the drainpipe may not be large enough. Manager Moody inquired why the pipes are under the canal. Director Watkins replied it was part of the original plan with the fish agencies that the water had to bypass the canal.

President McGurk inquired on the status of a site visit at the Whittle's Property. Assistant Manager Johnson reported there is a tentative schedule for February 9 or 10, 2017 for Balance Hydrologics to conduct a site visit. President McGurk inquired if there are established stations so there can be a direct comparison of site visits. Assistant Manager Johnson replied yes, Aaron Riojas, Water Supply Supervisor has been to the property taking pictures at each station to temporarily document.

Director Cortopassi inquired on staff's tour of the Jenny Lind Treatment Plant tour. Manager Moody replied it was a good visit that allowed District Operators and Engineering staff ideas and more options on how to deal with Total Organic Carbon (TOC) removal. Manager Moody replied it is a conventional 6 MGD plant. Assistant Manager Johnson added in addition to their TOC issue they also have an iron issue as their source of water is the bottom of Lake Hogan.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS

1. 2017 San Joaquin Council of Governments One-Voice Preliminary Schedule
Manager Moody provided the Board with a preliminary schedule for the One-Voice Trip.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Agricultural Drought Task Force Meeting, 9:00 a.m., 02/01/17
2. ACWA Region 4 Mid-Term Membership Meeting, 10:00 a.m., 02/01/17
3. Envision Stockton – 2040 General Plan Update Meeting, 3:00 p.m., 02/01/17
4. Greater Stockton Chamber of Commerce Monthly Mixer – Certified Collision Center, 5:30 p.m., 02/02/17

J. REPORT OF THE COUNSEL

1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

President McGurk adjourned the meeting to closed session at 1:42 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:35 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 2:36 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

