

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, APRIL 18, 2017 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:22 p.m., and Director Panizza led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Also present were 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. Minutes 04/11/17 Regular Meeting

A motion was moved and seconded to approve the April 11, 2017 Regular Meeting Minutes, as presented.

Roll Call:

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

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the April 18, 2017 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

3. Cancellation of May 9, 2017 Stockton East Water District Regular Board Meeting

Assistant Manager Johnson provided the Board with a draft cancellation notice for the May 9, 2017 Stockton East Water District Regular Board of Directors Meeting.

A motion was moved and seconded to approve to cancel the May 9, 2017 Stockton East Water District Regular Board Meeting.

Roll Call:

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

Nayes: None
Abstain: None
Absent: None

4. Stockton East Water District – IT/SCADA Master Plan – Presentation

Assistant Manager Johnson provided the Board with a handout on the IT/SCADA Master Plan – Midpoint Progress Report. Assistant Manager Johnson reported the IT/SCADA Master Plan is a 5-year project with an original total estimate of \$9,750,000 in 2014. The Master Plan set prioritization criteria for the entire project and staff established a budget line for each task to track progress.

Assistant Manager Johnson reported we are currently in the 3rd year of the Plan and were estimated to have spent \$4,660,000, but have actually spent only \$1,009,510. Assistant Manager Johnson reported a component of this lower amount of monies spent was a result of staff's good decisions. One example is the inventory of District desktop computers. There were 48 computers identified for replacement, but in reviewing the inventory, staff found many computers that were unnecessary and therefore did not replace them.

Assistant Manager Johnson reported the telecommunications task increased slightly from the original estimate to accommodate all telecommunication subscriptions, including Gopher Ridge, District phones, and phone system and radio communications in District vehicles.

Assistant Manager Johnson reported the SCADA portion of the Plan has not yet started, but the SCADA system has been maintained. Assistant Manager Johnson reported it is anticipated the SCADA portion will take 3-4 years.

Assistant Manager Johnson reported the IT infrastructure network design started in 2016. The design has since been completed and the fiber optic cables are on track for installation.

Assistant Manager Johnson reported the major District applications like Financial Edge and Maintenance Connection have been assessed and re-designed to be compatible with District processes. The re-design was more cost effective than switching to new applications. Director Atkins inquired if these applications are unique to each District that may use them. Assistant Manager Johnson replied each is a base application, that is then tailored to the necessities of each entity that would utilize them.

Assistant Manager Johnson reported IT support includes the District's contract with Verve, website development and other professional services as needed.

Assistant Manager Johnson reported server improvements have been completed. The District servers were replaced in 2014, the Storage Area Network servers were upgraded in 2015 and District operating systems were upgraded in 2016.

Assistant Manager Johnson reported the Program Management task includes all software licenses and annual subscription fees, which will be ongoing costs to maintain the licenses and fees. Director Atkins inquired if the District leases the software. Assistant Manager Johnson replied the District pays subscription fees and any fee that is over \$10,000 is converted to a fixed asset in Financial Edge.

Director Sanguinetti inquired if this Plan includes solutions for back-up power in the event of a power outage to eliminate the systems burning up. Assistant Manager Johnson replied all workstations are on Uninterruptable Power Supplies (UPS) which keep computers running until the back-up generators kick-in. The UPS filters the power to ensure it is only clean power running to the equipment. Director Sanguinetti inquired if the UPS' are inspected periodically. Assistant Manager Johnson replied yes, they are checked annually. One of the upgrades in the Plan is to improve the back-up and recovery systems, which would include getting a network monitoring system to monitor the UPS' online.

Director Cortopassi inquired on the \$6,809,510 midpoint revised projection cost. Assistant Manager Johnson replied the new cost includes funds that have already been spent and what is being projected as remaining costs.

Director Atkins inquired what the projected estimate is for upkeep of the Plan components. Assistant Manager Johnson replied it depends on the lifecycle of the items. Desktops are on a 3-year replacement cycle, IT infrastructure 10-15 years and servers every 5-years.

Director Cortopassi inquired if these Plan items have been budgeted. Assistant Manager Johnson replied yes, however, the Board can anticipate a spike in the budget for M&I for the Treatment Plant SCADA system when that is implemented.

President McGurk inquired what the number 10 prefix in the line item number represents. Accountant Vega replied it is a precursor in the Financial Edge system to differentiate between different accounts. This item was for information only.

5. Association of California Water Agencies' Policy Statement on Bay-Delta Flow Requirements – Request for Support

a. Resolution No. 17-18-03 – Support of Association of California Water Agencies' Policy Statement

Assistant Manager Johnson provided the Board with Resolution No. 17-18-03 – Support of Association of California Water Agencies' (ACWA) Policy Statement.

President McGurk commented the District does not support everything listed in the resolution provided by ACWA. Legal Counsel Zolezzi replied most of what is outlined in the resolution is good and nothing the District would oppose. ACWA's thought is if they can get a number of agencies to support them the State Water Resources Control Board (SWRCB) would pull back.

Director Panizza commented this resolution might be better stated by stating the District understands the strategy of ACWA, without the Board signing and approving everything listed in the resolution.

Director Sanguinetti suggested contacting ACWA and advising the District does not agree with the resolution in its entirety. Legal Counsel Zolezzi replied staff can modify the resolution to agree with the District's position.

Director Sanguinetti suggested modifying the agreement and bringing it back to the Board for consideration and approval.

6. Notice of Acceptance of Completions

Director Cortopassi inquired why it is necessary for the Board to approve the Notices of Acceptance of Completions (NOC) if staff executed the contract. Legal Counsel Zolezzi replied staff can complete the NOCs without Board approval if the contract was drawn up as part of the normal course of business.

Director Cortopassi commented if the Board will be approving NOCs the documents should be accompanied by additional information explaining the work that was completed.

Director Sanguinetti recommended staff research who approved the contracts and bring additional information back to the Board next week for consideration.

a. Annual Instrumentation Loop Calibration

Assistant Manager Johnson provided the Board with the Notice of Acceptance of Completion (NOC) for Annual Instrumentation Loop Calibration.

b. Triennial High Voltage Testing for Electrical Distribution Equipment

Assistant Manager Johnson provided the Board with the Notice of Acceptance of Completion (NOC) for Triennial High Voltage Testing for Electrical Distribution Equipment.

B. COMMITTEE REPORTS

1. Delta Coalition Committee Meeting, 04/10/17

Consultant Barkett attended the April 10, 2017 Delta Coalition Committee Meeting. President McGurk recommended bringing this item back for discussion next week as Consultant Barkett is absent.

2. Groundwater Banking Authority Coordinating Committee & Sustainable Groundwater Management Act Work Group Joint Meeting, 04/12/17

Directors Panizza and Manager Moody attended the April 12, 2017 Groundwater Banking Authority (GBA) Coordinating Committee & Sustainable Groundwater Management Act Work Group Joint Meeting. Director Panizza reported discussion focused on the status of the GBA and how to proceed with the Committee in the future. Director Panizza reported staff estimates there will be 19-20 members on the Groundwater Sustainability Plan (GSP) Board of Directors. Currently there are a handful of Districts that have not completed the required paperwork. Director Panizza reported the maps for each Groundwater Sustainability Agency (GSA) will go before the San Joaquin County Board of Supervisors on May 9, 2017 for Board approval to be sent to the State. Director Panizza reported Brandon Nakagawa presented a brief overview of the Sustainable Groundwater Management Act (SGMA) activities to date. Director Panizza reported there was a presentation on the status and future of the Integrated Regional Water Management Plan (IRWMP). Director Cortopassi inquired on what the IRWMP is. Director Panizza replied if there is no IRWMP updated and in place, entities cannot apply for grant money. Director Panizza reported there was discussion on eliminating the GBA and transferring function to other committees, however there is no resolve to inquiry. Regina Rubier reported there was discussion on treating the GBA like the Eastern Water Alliance and utilizing the group only when necessary. The next meeting is scheduled for May 10, 2017.

3. Stockton Area Water Suppliers Meeting, 04/17/17

Assistant Manager Johnson reported this meeting was cancelled.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 04/17/17

Assistant Manager Johnson provided a handout of the Water Supply Report that included storage, release, and production data collected from various sources as of midnight last night.

Assistant Manager Johnson reported there is 233,344 AF in storage at New Hogan Reservoir. Current releases are set at 17 cfs. There is 1,917,849 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 2,209 cfs and release to all water users are set at 2,603 cfs. The water treatment plant is currently processing 12 mgd. The City of Stockton's water treatment plant is currently processing 16 mgd.

Director Cortopassi inquired why the District uses New Melones water if New Hogan water can be used. Legal Counsel Zolezzi replied it has been the Board's policy to use New Melones water first to save New Hogan water and maximize our use.

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 and F2a-10.

3. Report on General Manager Activities

G. DIRECTOR REPORTS

1. San Joaquin Council of Governments One-Voice Pre-Trip Meeting, 04/17/17

Director Sanguinetti attended the April 17, 2017 San Joaquin Council of Governments One-Voice Pre-Trip Meeting. Director Sanguinetti reported the group is set for the trip and there will be some earmarks coming back.

President McGurk attended the ACWA Region 4 – Event Planning Conference Call on April 14, 2017. President McGurk reported Region 4 has planned a couple joint events. The first will be hosted by Regions 3 & 4 on Friday, August 11, 2017 in South Lake Tahoe; the theme will be head waters. President McGurk reported a Region 4 Director John Mensinger is in the lumber business and feels lumber has been left out of the headwater discussion. This event will help to try and integrate lumber aspects into headwater issues. President McGurk reported the second event will be hosted by Regions 2 & 4 in late September, early November and will include a ranch tour covering topics of food, fish, water and fowl. Both events will be held the day prior to the ACWA Board Meetings to capture as many participants as possible.

Director McGaughey complimented staff on the State Legislative Tour invitation.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 04/19/17

[This meeting was cancelled]

2. ACWA State Legislative Committee Meeting, 10:00 a.m., 04/21/17

Board Meeting – 04/18/17

J. REPORT OF THE COUNSEL

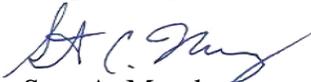
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – three cases

President McGurk adjourned the meeting to closed session at 1:32 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:55 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 1:56 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

