

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, AUGUST 8, 2017 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

Vice President Panizza called the regular meeting to order at 12:24 p.m., and Director Cortopassi led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 08/01/17 Regular Meeting

A motion was moved and seconded to approve the August 1, 2017 Regular Meeting Minutes, as presented.

Roll Call:

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

2. Warrants

- a. Fund 70 – Administration Fund
- b. Fund 71 – Water Supply Fund
- c. Fund 91 – Vehicle Fund
- d. Fund 94 – Municipal & Industrial Fund
- e. Summary
- f. Short Names/Acronym List
- g. SEWD Vehicles & Heavy Equipment

A motion was moved and seconded to approve the August 8, 2017 Warrants, as presented.

Roll Call:

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

3. Central Valley Salinity Coalition – 2017 Board Level Membership (Remaining Balance from 2016 Contribution)

Manager Moody provided the Board with information on the Central Valley Salinity (CV Salts) Coalition – 2017 Board Level Membership (Remaining Balance from 2016 Contribution). Manager

Moody reported the Board approved to pay CV Salts – 2017 Board Level Membership at the May 16, 2017 Regular Board Meeting, omitting the payment the District was in arrears. Manager Moody reported CV Salts has invoiced the District for \$2,500 2016 contribution.

A motion was moved and seconded to approve paying the remaining balance from 2016 contribution to the Central Valley Salinity Coalition in the amount of \$2,500.

Roll Call:

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

4. JWT and Associates LLP Engagement Letter – Professional Audit Services Proposal (Fiscal Year 2017/2018, 2018/2019, 2019/2020)
Manager Moody provided the Board with information on the JWT and Associates LLP Engagement Letter – Professional Audit Services Proposal for Fiscal Years 2017/2018, 2018/2019, 2019/2020. Manager Moody reported this is a request to renew the District’s auditing contract.

Manager Moody reported the fee for Fiscal Year ending on 03/31/17 is \$24,000, not \$25,000 as reported in the proposal. Legal Counsel Zolezzi inquired if the fees for the subsequent three Fiscal Years will also be reduced by \$1,000. Manger Moody replied he will follow-up with JWT & Associates and report back to the Board.

Manager Moody reported JWT and Associates has done a good job thus far serving the District with its auditing needs. It is staff’s recommendation to consider approving the renewal for JWT and Associates.

A motion was moved and seconded to approve JWT and Associates LLP Engagement Letter – Professional Audit Services Proposal (Fiscal Year 2017/2018, 2018/2019, 2019/2020), pending Manager Moody’s follow-up on the final fees for each Fiscal Year.

Roll Call:

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

5. Association of California Water Agencies – Region 4 Board Ballot (2018/2019 Term)
Manager Moody provided the Board with information on the Association of California Water Agencies – Region 4 Board Ballot for the 2018/2019 Term.

A motion was moved and seconded to approve the slate of Nominees as presented for the ACWA Region 4 Board of Directors for the 2018/2019 Term, and directed staff to cast the ballot on behalf of the District.

Roll Call:

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

6. Preliminary Base Monthly Payment Schedule – Fiscal Year 2018/2019
Manager Moody provided the Board with information on the Preliminary Base Monthly Payment Schedule for Fiscal Year 2018/2019. Manager Moody reported the BMP schedule is brought to the Board annually to put together a preliminary schedule for budgeting.

A motion was moved and seconded to approve the Preliminary Base Monthly Payment Schedule for Fiscal Year 2018/2019.

Roll Call:

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

7. City of Stockton Economic Development Department – Master Agreement for Taxing Entity Compensation
Manager Moody provided the Board with information on the Master Agreement for Taxing Entity Compensation from the City of Stockton Economic Development Department. Manager Moody reported he and Finance Director Vega met with Laverna Blanco, City of Stockton Program Manager II – Economic Development Department to discuss the Master Agreement for Taxing Entity Compensation.

Manager Moody reported after Assembly Bills x1 26 and 1484 (Dissolution Law) dissolving all California redevelopment agencies Boards were enacted to determine dissolution strategies. Manager Moody reported as the City has recently received six properties from the Successor Agency and are now required to enter into a compensation agreement with the taxing entities that receive a share of the property taxes, of which, the District is a taxing entity.

Ms. Blanco reported the City is dedicated to working with developers and organizations that will develop projects that are beneficial to the City; the community and are in line with the plans adopted by the former Redevelopment Agency. As the properties are sold, the net proceeds will be remitted to the San Joaquin County Auditor-Controller for disbursement to the taxing entities in accordance with each taxing entity's prorated share of the property.

Manager Moody inquired if the amount of Boards will reduce. Ms. Blanco replied yes; per the Dissolution Law, each of the cities that serve redevelopment areas and have Boards determining dissolution strategies, will be consolidated into one Board within San Joaquin County.

A motion was moved and seconded to approve Manager Moody execute the Master Agreement for Taxing Entity Compensation on behalf of the District.

Roll Call:

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

8. Dr. Joe Waidhofer Drinking Water Treatment Plant – Operations Building Repurposing Project (Flooring) – Possible Demolition of Flooring to Investigate Cause of Failure
Manager Moody provided the Board with information on the Operations Building Repurposing Project (Flooring). Manager Moody reported the most concerning of the Project is the unknown of

the condition underneath the tiling throughout the Operation Building's lobby. Manager Moody reported the first step would be to remove the floor tiling and inquired with the Board if this work could be performed by District staff earning overtime pay.

Director Atkins inquired if there is plumbing in the cement underneath the tile. Manager Moody replied there should not be plumbing in the concrete flooring.

Directors Panizza and Sanguinetti agreed removing the tiling and checking the condition of the concrete underneath is the best next step.

Director Cortopassi advised staff look at the plans for the Operations Building to determine how the plumbing is setup, which may help explain the condition of the flooring.

Consensus of the Board was to move forward with removing the tile and inspecting the concrete.

E. COMMITTEE REPORTS (None)

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 08/07/17

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 220,989 AF in storage at New Hogan Reservoir. Current releases are set at 209 cfs. There is 2,116,523 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 1,502 cfs and release to all water users are set at 3,137 cfs. The water treatment plant is currently processing 37 mgd. The City of Stockton is currently processing 26 mgd.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6 and F2a-7.

3. Report on General Manager Activities

a. Legislative Analyst's Office (LAO) Meeting, 08/03/17

Director Sanguinetti, Manager Moody, Assistant Manager Johnson and District Engineer Lee attended the August 3, 2017 Legislative Analyst's Office (LAO) Meeting. Director Sanguinetti reported staff and he were able to explain some about agriculture and how the District operates. The LAO is looking at programs that could potentially help farmers use water. Manager Moody reported District representatives were direct with the LAO and helped them understand the misconception that farmers are wasting water. Director Sanguinetti expressed to the LAO that the District is different from other entities because irrigators use natural canals to receive water, versus man made reservoirs. Manager Moody reported there was discussion on the different Legislation (SB-88; SBX7-7) that require different things, but that is challenging when all must be complied with. Manager Moody reported the LAO inquired on the Water Management Plans, Manager Moody replied the Plans are a waste of time and money as many staff hours are spent completing the Plans and an ample amount of money is spent. The Plans are completed and not looked at again for 5-years when they need to be revised. Director Watkins inquired if beneficial use and recharge were discussed. Manager Moody replied, yes, there was a good deal of discussion on those topics. Manager Moody reported the meeting was time well spent for all.

G. DIRECTOR REPORTS

- 1. Greater Stockton Chamber of Commerce Monthly Mixer – Dorfman Pacific, 08/03/17
Nothing to report.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

- 1. Eastern San Joaquin County Groundwater Banking Authority Board Meeting, 9:30 a.m., 08/09/17
- 2. Sustainable Groundwater Management Act Workgroup, 10:00 a.m., 08/09/17
- 3. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting, 10:15 a.m., 08/09/17
- 4. Delta Coalition Committee Meeting, 8:30 a.m., 08/14/17
[This meeting has been cancelled]
- 5. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 08/14/17
- 6. Customer Appreciation BBQ at F&M Bank – Linden Branch, 11:00 a.m., 08/15/17

J. REPORT OF THE COUNSEL

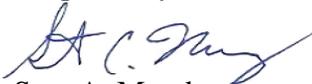
- 1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

Vice President Panizza adjourned the meeting to closed session at 12:56 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:08 p.m., with no reportable action.

J. ADJOURNMENT

Vice President Panizza adjourned the meeting at 1:09 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

