

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, SEPTEMBER 19, 2017 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:19 p.m., and Administrative Clerk Curtis 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, Administrative Clerk Curtis, Legal Counsel Zolezzi and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 09/12/17 Regular Meeting

A motion was moved and seconded to approve the September 12, 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 70 – Administration Fund
- b. Fund 71 – Water Supply Fund
- c. Fund 91 – Vehicle Fund
- d. Fund 94 – Municipal & Industrial Fund
- e. Payroll
- f. Summary
- g. Short Names/Acronym List
- h. SEWD Vehicles & Heavy Equipment

A motion was moved and seconded to approve the September 19, 2017 Warrants, as presented.

Roll Call:

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

3. JWT and Associates, LLP – Certified Public Accountants – Draft Audited Financial Statements Fiscal Year 2016/2017

Manager Moody provided the Board with the Draft Audited Financial Statements for Fiscal Year 2016/2017 from JWT and Associates, LLP. Manager Moody advised Jeremy Ware provided the Board with a presentation at the last Regular Board Meeting. There have been no comments received by the Board; staff is requesting the Board accept the Draft Audited Financial Statements.

A motion was moved and seconded to accept the Draft Audited Financial Statements for Fiscal Year 2016/2017, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

E. COMMITTEE REPORTS

1. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting, 09/13/17

Directors Panizza and Watkins, Manager Moody and District Engineer Lee attended the September 13, 2017 Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting. Director Panizza reported the minutes of the last meeting were presented and approved and Mark Williamson, GEI Consultants, Inc. (GEI) gave a presentation on the Baseline Options for Allocation of Costs of the Groundwater Sustainability Plan (GSP). Director Panizza reported the group recently discussed how to divide payment amongst all Groundwater Sustainability Agencies (GSAs) to pay for the GSP. Possible allocation of costs could be divided by acreage, population or split evenly among the 17 GSAs. Director Panizza reported that regardless of the allocation formula used, unless an even split, some GSAs will have more of a financial burden than others. Because Linden County Water District is such a small agency, dependent on the formula used, their contribution could be minimal compared to larger agencies. Director Watkins reported if the GSAs split the cost evenly it would be roughly ~\$88,235 per GSA; if split by population the City of Stockton would pay the most at ~\$693,453 and if split by acreage North San Joaquin Water Conservation District would pay ~\$289,397 and the District would pay ~\$195,428. Director Watkins reported it is most equitable to allocate the costs either by population or an even split. Director Panizza reported the objective is to get all parties on the same page for how this should be paid; otherwise, this will be a revolving topic moving forward at each meeting.

Director Atkins inquired which option the Authority was leaning towards. Director Watkins replied there was no consensus. Director Watkins reported the purpose of this meeting was to discuss the grant proposal to apply for Proposition 1 grant funding, however, the discussion focused on the actual GSP itself, which is essentially skipping past discussion on an essential step of the process. President McGurk inquired if there is a decision maker in the group. Manager Moody replied no, there must be consensus of the group to move forward on any decisions. Director Atkins inquired if the Authority has 2-years to decide how to proceed. Director Watkins replied, no. The Authority has 2-months to complete the proposal to submit for grant funding, if they do not meet the deadline, the Authority will have 2-years to complete the Plan without additional grant funding.

Director Panizza reported during the meeting Director Watkins asked the question of if all the money is not spent on the Plan will it be returned to the participating GSAs. The Department of Water Resources (DWR) responded by saying they do not return monies until everything is audited and the amount of money spent is evaluated, in addition to evaluating if the project has been demonstrated. Manager Moody reported he believes the discussion turned as it did because of the amount of information that was provided by Mr. Williamson in his presentation. Sight was lost on what the discussion was supposed to be versus what it actually was. Director Panizza reported the meeting ended without coming to any resolution and the deadline for submittal to the (DWR) is November 10, 2017. The next meeting is scheduled for October 11, 2017.

2. ACWA Federal Affairs Committee Meeting, 09/14/17

Consultant Barkett attended the September 14, 2017 ACWA Federal Affairs Committee Meeting. Consultant Barkett reported Timm Quinn was not in attendance, he will be returning in a month. Cindy Tuck provided an update on SB 623 (Monning), which included the Coalition letter signed by the agencies not in support of this bill. Manager Moody reported the status is now a 2-year bill. Consultant Barkett reported there was discussion on the ACWA Ag Committee and how the bylaws may change to accommodate the needs of this Committee. Consultant Barkett reported the Ag Committee would not take a position on anything, rather, make referrals to other Committees on their position. Consultant Barkett reported the headwaters legislation is moving to the Senate. There was discussion on HR 3387 – Drinking Water System Improvement Act of 2017. The City of Stockton is not historically defined as a low-income community; however, if 80% of household income is below the median, the City should qualify under HR 3387. Consultant Barkett reported the Committee still holds a watch position on the H.R. 23: Gain Responsibility on Water Act of 2017 (Valadao). The next meeting is scheduled for November 28, 2017.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 09/18/17

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

There is 202,729 AF in storage at New Hogan Reservoir. Current releases are set at 157 cfs. There is 2,027,792 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 402 cfs and release to all water users are set at 1,425 cfs. The water treatment plant is currently processing 31 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 and F2a-6.

3. Report on General Manager Activities

Manager Moody commented on Consultant Barkett's report out of the potential ACWA Ag Committee, advising that none of the ACWA Committees have power to make decisions. They all provide their recommendations to the Board who have the final say. Manager Moody reported participation with this Committee would be advantageous for all Districts who have an Ag interest.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS

1. Association of California Water Agencies – September 8, 2017 Regions 3 & 4 Joint Program Event Update
Manager Moody provided the Board with correspondence on the September 8, 2017 Regions 3 & 4 Joint Program Event. Manager Moody reported the event had lower turnout than budgeted and as a result, \$800 will be supplemented from Region 3 & 4 budgets to compensate ACWA for expenses related to this event. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 09/20/17
2. California Special Districts Association – Annual Conference, Monterey, CA, 09/25/17 – 09/28/17
3. Stockton Area Water Suppliers Meeting, 3:00 p.m., 09/25/17

J. REPORT OF THE COUNSEL

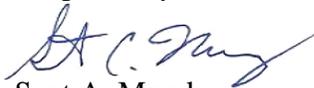
1. Closed Session – Potential Litigation
Government Code 54956.9 (c) – one case

President McGurk adjourned the meeting to closed session at 12:59 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:41 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 1:42 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

