

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, JUNE 27, 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 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, 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 06/20/17 Regular Meeting

A motion was moved and seconded to approve the June 20, 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 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. Petty Cash
- g. Payroll
- h. Summary
- i. Short Names/Acronym List
- j. SEWD Vehicles & Heavy Equipment

Director McGaughey inquired on the expense on page 9, line item 11 for Kristin V. Coon for Prof. service Water Conservation Educ. Jul 1-31 2017 in the amount of \$15,583.33. Manager Moody replied this cost is for the education program that Mrs. Coon runs on behalf of Stockton Area Water Suppliers (SAWS). Finance Director Vega added per her contract, the District pays Mrs. Coon every 6-months.

Manager Moody reported on the expense on page 9, line item 18 for Robert Half Finance & Accounting for Professional fees-recruitment in the amount of \$21,319.20. Manager Moody

reported the District had two rounds of interviews for the Accountant position, with only one viable candidate who would have required to enter the District at the highest step of pay for the Accountant position. Manager Moody reported the District contracted with Robert Half Finance & Accounting for head hunting services to find a suitable candidate. Manager Moody reported, although the District is paying more money up front for the services, but would get a return on investment by gaining an employee who would enter at the lowest step of pay for that position.

Director Atkins inquired on page 11, line 1 for Advanced Power Inc. for spare pump for cattle troughs for inventory in the amount of \$930.00 and line 20 for Sun Pumps for spare controllers for cattle troughs for inventory in the amount of \$513.00. Manager Moody replied these purchases are part of the agreements with the landowners.

Director Cortopassi inquired on page 11, line item 7 for Ecco Equipment Corp. for fee to move long reach excavator in the amount of \$2,444.82. Finance Director Vega replied the charge is inclusive of the rental fee, fuel charge, charge to move the equipment and remaining balances from a previous rental.

Director Atkins inquired on the expense on page 15, line item 18 for Fusion Fluid Equipment LLC for new gear box mixers for flocculators in the amount of \$88,104.76. Finance Director Vega replied there are a total of 6 mixers.

A motion was moved and seconded to approve the June 27, 2017 Warrants, as presented.

Roll Call:

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

3. Water Year 2016 – Accounts Receivable Credits for Refund for AG and Municipal & Industrial (M&I)

Manager Moody provided the Board with a list of Accounts Receivable Credits for reimbursement. The total Accounts Receivable Credits for the AG (\$6,807.64) and M&I (\$86,127.31) for refunds in the total amount of \$92,944.95.

Director Cortopassi inquired on the reason for the refund listed for the City of Stockton. Regina Rubier replied the refund is for overpayment of the groundwater assessment. The assessment was estimated higher than the actual cost.

A motion was moved and seconded to approve the Accounts Receivable Credits for Refund for Water Year 2016, as presented.

Roll Call:

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

4. Stockton East Water District Policy Manual

a. Catastrophic Leave & Donation Policy No. 2025, Revised Draft, 06/27/17

Manager Moody provided the Board with a handout of the revised draft of the Catastrophic Leave & Donation Policy No. 2025, dated 06/27/17. Manager Moody reported this policy was derived from a personnel issue and has been discussed with the Board in closed session and has been brought back for consideration and approval. Legal Counsel has reviewed the document and their comments have been incorporated. Manager Moody reported Legal Counsel provided many good comments and suggested the District consider reviewing the entire Employee Handbook.

Director Cortopassi suggested Manager Moody provide a brief explanation to the public as to the background of this policy. Manager Moody reported the idea behind this policy is if an employee is the primary caregiver to an immediate family member and the conditions require the employee to be away from work, an employee can donate a portion of their leave balances to the affected employee who may not have enough hours to be paid while off work.

A motion was moved and seconded to adopt Catastrophic Leave & Donation Policy No. 2025, (handout) dated 06/27/17, as presented.

Roll Call:

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

5. Cancellation of July 4, 2017 Stockton East Water District Regular Board Meeting
Manager Moody provided the Board with a draft cancellation notice for the July 4, 2017 Stockton East Water District Regular Board of Directors Meeting.

A motion was moved and seconded to approve to cancel the July 4, 2017 Stockton East Water District Regular Board Meeting.

Roll Call:

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

6. California Public Employees' Retirement System Unfunded Accrued Liability – Potential Increase
Manager Moody provided the Board with California Public Employees' Retirement System Unfunded Accrued Liability (UAL) – Potential Increase. Finance Director Vega reported the District pays a UAL flat fee on the first of each month. Finance Director Vega reported each year CalPERS performs an actuarial valuation to adjust the fee based on assumptions.

Beginning in July, the District's monthly contribution will increase from \$23,030.25 to \$27,223.44. Finance Director Vega reported staff wanted to make the Board aware as they will see the new amount in the warrants next month.

President McGurk inquired what factors caused the increase. Finance Director Vega replied the general factors are life expectancy and assumptions made by CalPERS.

Director Cortopassi inquired what the difference is between each page of the agenda item. Finance Director Vega replied the second page is in reference to the District's Public Employees' Pension

Reform Act (PEPRA) employees. Manager Moody added employees hired after January 1, 2013 are considered PEPRA employees and not Classic in the CalPERS system.

Director Cortopassi inquired what the \$2.46 payment is for the PEPRA employees. Manager Moody replied that is the payment for the UAL for PEPRA employees.

Director Watkins inquired if there is reason the District pays the UAL bill monthly, opposed to paying the one lump sum, as there are cost savings benefits by doing so. Manager Moody replied staff can look into paying the lump sum as there are not many earnings by paying a monthly bill.

Director Cortopassi inquired where the payments are going if not to the retirement fund. Manager Moody advised staff will research where exactly the funds are going and will bring that information back to the Board.

President McGurk inquired if any deadlines will be missed by waiting for the return of information. Finance Director Vega replied the District has until July 31, 2017 to make the payment. This item was for information only.

E. COMMITTEE REPORTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting

a. Meeting Agenda, 06/21/17

President McGurk attended the June 21, 2017 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. President McGurk reported there has been more consistent attendance from cities within the County, like Tracy; Lodi; Manteca; Ripon and Escalon, than have been present in the past. President McGurk reported the Lower San Joaquin River Feasibility Study should be completed in time for the potential 2018 Water Resources Development Act (WRDA) bill. The County will be ready with flood content to add to the bill. President McGurk reported there was a presentation on the Groundwater Monitoring Report showing the data that was collected in March, which in some cases did not catch accurate numbers because of the time it took for the water to percolate. President McGurk reported the Commission would like to switch gears from being reactive to proactive. President McGurk will be meeting with Brandon Nakagawa in the coming week to brainstorm how taking a proactive approach can be implemented in the meeting agendas. Manager Moody inquired if there is a possibility of having the presenters stand in a different location for the audience to be able to understand them better. Mr. Nakagawa advised that will be part of discussions when he meets with President McGurk. The next meeting is scheduled for July 19, 2017.

b. House of Representatives 23 (H.R. 23) – Gaining Responsibility on Water Act of 2017

President McGurk reported Brandon Nakagawa presented information on House of Representatives 23 (H.R. 23) – Gaining Responsibility on Water Act of 2017. It was an action item that was summarized for the Commission. President McGurk reported the Commission voted to recommend to the Board of Supervisors to oppose H.R. 23 unless amended. President McGurk reported the details of what need to be amended need to be discussed in detail. Director Cortopassi inquired on the amendments. Manager Moody replied overall it is a good bill, clarifying things like what an anadromous fish is to be considered. Section 108 seems to be the biggest hold up from the County's perspective as it seems to want to disassociate the federal reservoirs from the Endangered Species Act (ESA). Manager Moody reported he reached out to Congressman Denham's staff and was advised Congressman Denham has signed onto the bill

and there will be changes forthcoming, which may help to smooth out some resistance. Consultant Barkett advised the District work with Consultant Boesch and Congressman Denham to have items that are more advantageous to the District be part of the bill. Mr. Nakagawa advised the County is looking for any feedback on the bill to help move forward with the positive components.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 06/26/17

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 240,172 AF in storage at New Hogan Reservoir. Current releases are set at 191 cfs. There is 2,176,339 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 2,525 cfs and release to all water users are set at 3,858 cfs. The water treatment plant is currently processing 29 mgd.

Director Cortopassi inquired how much water the United States Bureau of Reclamation will have to let go of. Manager Moody replied it is unknown at this point, but there is potential for it to be a larger number.

Director Cortopassi inquired if Central San Joaquin Water Conservation District (CSJWCD) is using the water that is allocated to them. Manager Moody replied they seem to be on track with that they normally use.

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 (None)

G. DIRECTOR REPORTS

1. Greater Stockton Chamber of Commerce – Annual Installation and Awards Dinner, 06/22/17

Manager Moody, Assistant Manager Johnson and Administrative Services Manager Carido attended the June 22, 2017 Greater Stockton Chamber of Commerce – Annual Installation and Awards Dinner. Manager Moody reported the event was not as highly attended as in past years. It was a nice event.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 06/27/17

2. AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group, 2:00 p.m., 06/28/17

3. ACWA State Legislative Committee Meeting, 10:00 a.m., 06/30/17

4. District Holiday – Fourth of July, 07/04/17

5. San Joaquin County Agricultural Drought Task Force Meeting, 9:00 a.m., 07/05/17

Board Meeting – 06/27/17

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~~Draft~~ Approved

6. Delta Coalition Committee Meeting, 8:30 a.m., 07/10/17

7. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 07/10/17

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 1:16 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

