

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 12, 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 Manager Moody 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 Harrigfeld and Consultant Barkett.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT (None)**

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 09/05/17 Regular Meeting

A motion was moved and seconded to approve the September 5, 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 September 12, 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. JWT and Associates, LLP – Certified Public Accountants – Audited Financial Statements Presentation For Fiscal Year 2016/2017

Jeremy Ware with JWT and Associates, LLP gave a presentation on the District’s draft Fiscal Year 2016/2017 Audited Financial Statements. Mr. Ware gave a summary to the Board of the four (4) required communications (Audit Results) which included a modified (qualified) audit opinion on financial audit; no audit adjustments; no disputes or disagreements with District staff during the course of the audit and total assets (\$146,550,135).

Mr. Ware provided a summary of the Independent Auditors’ Report and explanation of the Basis for Qualified Opinions; Management’s Discussion and Analysis; Statement of Net Position as of Board Meeting – 09/12/17

March 31, 2017 to include assets. Mr. Ware also provided a review of the District's Statement of Revenues, Expenses and Changes in Net Position as of March 31, 2017.

Mr. Ware reported this is the draft version and edits can be made before finalizing. His company is prepared to finalize and submit the Audited Financial Statements.

Manager Moody advised the Board to provide staff with any comments and staff will bring this item back for Board consideration to approve.

4. Business Consultant Agreements 10/01/17 – 03/31/18

a. Anthony Barkett

Manager Moody provided the Board with the draft Consultant Agreement between Stockton East Water District and Anthony Barkett. Manager Moody reported Anthony Barkett is a Consultant for the District that works with City and County officials and other elected bodies on behalf of the District.

A motion was moved and seconded to approve Business Consultant Agreement with Anthony M. Barkett for a six-month period from October 1, 2017 through March 31, 2018.

Roll Call:

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

b. Doyce Boesch

Provided the Board with the draft Consultant Agreement between Stockton East Water District and Doyce Boesch. Manager Moody reported Mr. Boesch is the District's Lobbyist in Washington D.C. Mr. Boesch will not act on issues unless directed by the District and noted Mr. Boesch worked with the District when the new Administration took office.

A motion was moved and seconded to approve Business Consultant Agreement with Doyce Boesch for a six-month period from October 1, 2017 through March 31, 2018.

Roll Call:

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

President McGurk inquired how much work the new Storm Water Program will generate. Manager Moody replied this Program is specific to California and is not on a federal level. At this point, the Brown Administration has not signed off on the Program. Manager Moody reported this Program reclassifies storm water into wastewater.

Consultant Barkett reported at the September 11, 2017 San Joaquin Area Flood Control Agency (SJAFCFA), the Cities of Lathrop and Manteca requested to join SJAFCFA in effort to tackle the RD-17 program. Consultant Barkett has recommended staff meet with the Director of SJAFCFA to explain the District's position and the disconnect on the water supply side.

5. 2017 – 2018 Fall/Winter Newsletter Draft

Manager Moody provided the Board with a handout of the Draft Fall/Winter 2017 Newsletter. Manager Moody reported Directors Panizza and Watkins have provided comments for revision. The recommendations were as follows: under the “2018 Water Supply Outlook” section, change the last sentence from “we expect that we will have a normal water year” to a “normal irrigation season”, and to add a write-up about the Demonstration Recharge Extraction & Aquifer Management (DREAM) Project.

Director Cortopassi inquired on bullet point numbers 4 and 6 under the “2017 Water Rates”. Manager Moody advised bullet point “6” was added to the Ordinance as a result of the drought last year when the District purchased water from Oakdale Irrigation District and South San Joaquin Irrigation District, and the rates for those who purchased that water was the Out-of-District rate, plus the wheeling charge.

Manager Moody inquired when staff is preparing to send the newsletter off to print. Administrative Services Manager Carido replied early next week. Manager Moody advised the Board to provide staff with any further comments before printing. This item was for information only.

**E. COMMITTEE REPORTS**

1. Delta Coalition Committee Meeting, 09/11/17

Consultant Barkett attended the September 11, 2017 Delta Coalition Committee Meeting. Consultant Barkett reported it was a quick meeting. The Coalition in conjunction with Delta Counties, is reaching out to entities across the state to speak with them and explain alternatives to the Water Fix. Manager Moody added Supervisor Winn has been touring the state over the last few months. The next meeting is scheduled for October 11, 2017.

2. Eastern Water Alliance (EWA) Meeting, 09/11/17

Directors McGurk, Sanguinetti, Watkins, Manager Moody and staff attended the September 11, 2017 Eastern Water Alliance (EWA) Meeting. Director McGurk reported there was discussion on Water Code 1220 and a resolution was approved to authorize North San Joaquin Water Conservation District (NSJWCD) to operate the DREAM Project on behalf of the EWA. Director Sanguinetti reported as part of the resolution and agreement, NSJWCD will comply with transparency standards, which state NSJWCD will advise the EWA at least 30-days prior to pumping any banking water for export pursuant to the Export Permit and will provide the EWA a pumping schedule.

**F. REPORT OF GENERAL MANAGER**

1. Water Supply Report as of 09/11/17

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 205,441 AF in storage at New Hogan Reservoir. Current releases are set at 192 cfs. There is 2,035,724 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 1,651 cfs. The water treatment plant is currently processing 35 mgd. The City of Stockton is currently processing 25 mgd.

2. Information Items:  
 Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4 and F2a-5.
3. Report on General Manager Activities

Manager Moody attended the emergency State Legislative Committee Webinar on September 11, 2017. Manager Moody reported the webinar covered discussion on the Ag Water Management Plan for the Ag and Urban members. The urban members will have more guidelines to follow, which include; water loss audits, auditing water distribution systems, designing capital improvement plan, give the State Water Resources Control Board powers to set whatever conservation targets they want. Manager Moody reported ACWA took an oppose unless amended position, during the call a vote took place and resulted in a 28 to 2 vote to oppose.

Manager Moody attended the ACWA Ag Committee conference call on September 12, 2017. Manager Moody reported the discussions focused on the Ag Committee ACWA is trying to form. The consensus of the group was the first Ag Committee Meeting will take place at the 2017 ACWA Fall Conference. At that time, the Board should determine whom they appoint to sit on ACWA’s Ag Committee. President McGurk inquired if the Ag Committee will trump the State Legislative Committee. Manager Moody replied no, but they are hoping that the participants in the Ag Committee will begin to infiltrate other ACWA committees. Manager Moody reported out of the ~60 members on the State Legislative Committee only a handful are Ag related.

**G. DIRECTOR REPORTS**

1. Greater Stockton Chamber of Commerce Monthly Mixer – Never Boring Associates & Warden’s Office, 09/07/17  
 Nothing to report.

**H. COMMUNICATIONS**

1. Central Valley Flood Protection Board – Mormon Slough Irrigation Dams – Bellota Dam, Permits #5597-A, Sent 09/07/17  
 Manager Moody provided the Board with correspondence to the Central Valley Flood Protection Board regarding Mormon Slough Irrigation Dams – Bellota Dam, Permits #5597-A sent on September 7, 2017. This item was for information only.

**I. AGENDA PLANNING/UPCOMING EVENTS**

1. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting, 10:15 a.m., 09/13/17
2. Greater Stockton Chamber of Commerce – 53<sup>rd</sup> Annual Industrial Technology Barbeque, 5:00 p.m., 09/13/17
3. ACWA Federal Affairs Committee Meeting, 10:00 a.m., 09/14/17

**J. REPORT OF THE COUNSEL**

1. Closed Session – Potential Litigation  
 Government Code 54956.9 (c) – one case
2. Closed Session – Personnel  
 Government Code 54957  
 Board Meeting – 09/12/17

President McGurk adjourned the meeting to closed session at 1:10 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:56 p.m., with no reportable action.

**J. ADJOURNMENT**

President McGurk adjourned the meeting at 1:57 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

tbc

