

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, JANUARY 26, 2016 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

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

Present at roll call were Directors Atkins, Cortopassi, McGurk, Panizza, Sanguinetti and Watkins. Director McGaughey was absent. Also present were Manager Moody, Assistant Manager Johnson, District Engineer Lee, Finance Director Naray, Water Supply Manager Lozano, Administrative Services Manager Stephens, Administrative Assistant Lopez, Consultant Barkett and Legal Counsel Zolezzi.

President Sanguinetti acknowledged the following members of the public were present: Timothy Quinn, Association of California Water Agencies Executive Director; Robin Adam, Assembly Member Galgiani Chief of Staff; and Kris Balaji, San Joaquin County Public Works Director.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

Mark Jones, MyValleySprings.com Treasurer introduced himself and Andrew S. Grundman, Grundman Law. Mr. Jones expressed his concern regarding the New Hogan Asphaltic Batch Plant (Plant) and the Agreement Regarding Withdraw of Opposition to Project (New Hogan Asphaltic Batch Plant Project) between Stockton East Water District; Ford Construction Company, Inc.; Foothill Materials, Inc.; Chester Bross Construction Company and CB Asphalt, Inc. Mr. Jones reported Agreement conditions No. 7a – No. 7d have not been met on behalf of the Plant because of their failure to comply with the California Regional Water Quality Control Board and California Environmental Quality Act (CEQA) requirements.

Director Watkins replied the District cannot take any action today however; if he can provide a copy of the information to District staff for follow-up as appropriate. Director Watkins acknowledged the concern because the District receives its water supply from New Hogan Reservoir.

President Sanguinetti thanked Mr. Jones for attending the meeting to express his concerns and providing his information to staff.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 01/19/16 Regular Meeting

A motion was moved and seconded to approve the January 19, 2016 Regular Meeting Minutes, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the January 26, 2016 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: McGaughey

3. Association of California Water Agencies – Timothy Quinn, Executive Director

President Sanguinetti introduced Timothy Quinn, Association of California Water Agencies (ACWA) Executive Director. Mr. Quinn was present to provide an update on ACWA's member services. Mr. Quinn introduced ACWA staff also in attendance: Ana Torres, Regional & Member Services Specialist (Region 4) and Tiffany Giammona, Member Services Group Manager. Mr. Quinn provided a brief description on ACWA's organizational structure, explaining vehicles of communication begin with the member and on up; to, the Association Committee Chair Members and Board. Mr. Quinn thanked Manager Moody for his participation as a member of the State Legislative Committee and the District for utilizing benefits offered through ACWA/Joint Powers Insurance Authority. Mr. Quinn announced an experimental new member service tool (Marketplace), which is an electronic version of the Yellow Pages. Mr. Quinn emphasized membership relationships are important and conveyed the ACWA Board strongly believes the only way to address issues is to find a comprehensive solution, even when ACWA members have opposing views. Mr. Quinn explained ACWA's involvement with the Brown Administration in developing SGMA framework and the success of the January 14, 2016 CA Water 2.0.

Mr. Quinn provided the Board with a packet that includes several pieces of information to include ACWA Policy Principles; Statewide Water Action Plan for California; Recommendations for Achieving Groundwater Sustainability; 21st Century Water Storage: Recommendation's for California's Future and Improving the Resiliency of California's Headwaters – A Framework. This year ACWA's two focus areas are groundwater replenishment for beneficial use and groundwater storage. Mr. Quinn explained Assembly Bill 647 (Eggman) – Groundwater Recharge: Beneficial Use Legislation came to the attention of ACWA late in the legislative season last year and ACWA Deputy Executive Director of Government Relations, Cindy Tuck has been assigned to monitor and oversee the movement of this legislation this year. ACWA's efforts on this topic include formation of a Water Storage Integration Work Group to build on the Board-adopted Policy Recommendations. Primary functions include establishing a rapport with the California Water Commission working to develop regulations and guidelines for allocating Proposition 1 funds for water storage projects and working closely with the Department of Water Resources. Mr. Quinn also gave a brief summary on ACWA's effort regarding Water Market Initiatives; California's Headwaters and partnership with the California League of Cities and the California State Association of Counties to develop better rate setting in effort to create easier financing for new water infrastructure and management needs. Mr. Quinn referred to the statewide conservation implemented last year by the State Water Resource Control Board and reported the Board will make a decision on February 2, 2016 regarding the path the state is moving this year.

President Sanguinetti stated the topic of beneficial use of groundwater is an issue and also conveyed the legislation received opposition from other ACWA members. President Sanguinetti added SGMA did not identify tools and because SEWD utilizes surface water as a source of water supply the Groundwater Recharge: Beneficial Use Legislation was needed but it wasn't supported by ACWA along with southern state Districts. President Sanguinetti further expressed his concern of this becoming a major issue in regard to retaining local control and AG having a voice. President Board Meeting – 01/26/16

Sanguinetti explained the real issue, for some, the only way to address over-drafted area is to turn-off, and that is not a solution. Agriculture is an industry that has benefit to the economy and employment for this State. Mr. Quinn replied it is ACWA's intention to represent the District's interests and strongly believes SGMA opens discussion on groundwater water issues and sustainability.

President Sanguinetti commented on the issue of retaining water infrastructure financing conveying the State does not provide any funding mechanisms. Director Sanguinetti suggested ACWA should look at other areas that can potentially provide alternatives to obtain funding.

Director Cortopassi expressed ACWA's list of objectives are good but does not agree on the priority. Director Cortopassi also expressed his feeling that ACWA is SEWD's voice and ACWA is not representing SEWD's voice as an ACWA member.

Manager Moody commented the District is holding ACWA Board President Kathleen Ties to her commitment to personally visit each ACWA member during her tenure as ACWA Board President. Mr. Quinn replied the "Meet the President" initiative has been established to fulfill this commitment and advised the Board to contact ACWA directly to schedule a personal visit to the District.

President Sanguinetti invited public comments at this time. Seeing no public comments, President Sanguinetti thanked Timothy Quinn for his attendance today.

4. M&I Water Supply, Fiscal Year 2015/2016

Manager Moody provided the Board with a handout of the M&I Water Supply for Fiscal Year 2015/2016. Manager Moody reported the information provides status of water production as of January 20, 2016 and noted the requirement for the District to provide 20,000 AF to the City of Stockton through March 31, 2016. Assistant Manager Johnson clarified the water treatment plant production total of 16,262 AF includes the amount of ~3,000 AF of supply from well production. Assistant Manager Johnson also reported current New Hogan Reservoir water storage is approximately the same as it was last year.

Director Cortopassi inquired on the water treatment plant well production figures. Assistant Manager Johnson replied the figures in red are projections, and will have to be produced in order to meet the total per year figure of 7,756 AF. This item is for information only.

E. COMMITTEE REPORTS

1. ACWA Region 4 Board Meeting, 01/20/16

Director McGurk attended the January 20, 2016 ACWA Region 4 Board Meeting. Director McGurk reported it was a very productive and interactive meeting. The Board appointed Committee Members and developed the 2016/2017 Region 4 Work Plan tasks. Discussions primarily focused on development of Region 4 activities for calendar year 2016 and publication of a Region 4 Bulletin. Director McGurk echoed Timothy Quinn's earlier message to bring any items or issues to the Region 4 Board on behalf of the District. The next meeting is scheduled for May 5, 2016 during the ACWA Spring Conference in Monterey, California.

2. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 01/20/16

Manager Moody attended the January 20, 2016 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. Manager Moody reported an update was provided on the California WaterFix and the new legislation from Assembly Member Eggman forcing Board Meeting – 01/26/16

it to a statewide vote. Manager Moody provided a copy of the presentation given by Mike Cockrell on Local Drought Emergency. Director McGurk inquired on the basis of Mr. Cockrell's report. Manager Moody replied Mr. Cockrell's presentation contained information from different sources such as the Office of Emergency Services (OES) and the Department of Water Resources (DWR). Manager Moody also reported on the presentation given by Gerardo Dominguez regarding the Fall 2015 Groundwater Monitoring Program, highlighting our local area is either; consistent with, or above 1992 Standards. An update was given by the Technical Committee on Sustainable Groundwater Management Act (SGMA) activities. Manager Moody reported no update on ruling regarding Waters of the U.S. The Board took no actions. The next meeting is scheduled for Wednesday, February 17, 2016.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 01/19/16

Water Supply Manager Lozano reported there is 66,818 AF in storage at New Hogan Reservoir. Current releases are set at 22 cfs. There is 372,486 AF in storage at New Melones Reservoir. Current releases at Goodwin Dam are set at 202 cfs. The water treatment plant is currently processing 13 mgd. The City of Stockton's water treatment plant is currently processing 7.0 mgd of 100% Delta water. Water Supply Manager Lozano reported the District Wells total water extraction is 4,788 gpm (~6.94 mgd).

Water Supply Manager Lozano reported the Treatment Plant received 1.40-inches, New Hogan Reservoir received 2.34-inches and New Melones Reservoir received 2.14-inches of rain in the latest rainfall event.

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. ACWA State Legislative Committee Meeting, 01/22/16

Manager Moody attended the January 22, 2016 ACWA State Legislative Committee Meeting. Manager Moody reported discussion focused on new State Legislative Committee (SLC) member orientation and included discussion regarding member absences. Manager Moody conveyed Director Atkins can attend as an alternate without limitations, in the event Manager Moody is absent. Manager Moody reported on the upcoming ACWA events Legislative Symposium, March 9, 2016 and ACWA DC2016, February 23-25, 2016. Manager Moody inquired with the Board and received also received approval to attend the upcoming Legislative Symposium. Discussions primarily focused on public goods charge; water markets and upcoming publication regarding Sustainable Groundwater Management Act (SGMA) and Groundwater Sustainability Plans (GSP) framework. The next meeting is scheduled for February 26, 2016.

b. 2015/2016 Leadership Stockton Class (Greater Stockton Chamber of Commerce) – Pins for P.E.A.C.E. Event, 01/24/16

Manager Moody provided the Board with information on the 2015/2016 Leadership Stockton Class (Greater Stockton Chamber of Commerce) – Pins for P.E.A.C.E. Event. District Engineer Lee reported the District's sponsorship in the amount of \$750.00 consisted of three (3) bowling teams. The 2015/2016 Leadership Class made ~\$17,000.00 from the fundraiser event.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 01/26/16
2. ACWA Federal Affairs Committee Meeting, 10:00 a.m., 01/27/16

J. REPORT OF THE COUNSEL

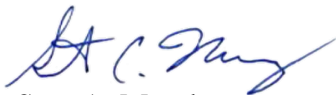
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases

President Sanguinetti adjourned the meeting to closed session at 1:57 p.m. to discuss closed session agenda items. District staff, with the exception of Manager Moody, was excused from the Closed Session Meeting at 2:25p.m. The regular meeting reconvened at 2:36 p.m., with no reportable action.

K. ADJOURNMENT

President Sanguinetti adjourned the meeting at 2:37 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

kml

