

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, FEBRUARY 2, 2016 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Sanguinetti called the regular meeting to order at 12:25 p.m. Director Atkins 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, District Engineer Lee, Finance Director Naray, Water Supply Manager Lozano, Administrative Services Manager Stephens, Administrative Assistant Lopez, Consultant Barkett and Legal Counsel Harrigfeld.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 01/26/16 Regular Meeting

A motion was moved and seconded to approve the January 26, 2016 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. Summary
- g. Short Names/Acronym List
- h. SEWD Vehicles & Heavy Equipment

Director McGurk inquired on the expense on page 7, line item 3 for Purviance Drillers, Inc., for pulling the Bozzano South Well pump. Water Supply Manager Lozano replied the invoice description is accurate, confirming this Well had a 150 horse-power pump pulled.

Director Atkins inquired on the expense on page 10, line item 30 for US Bank Corporate Payment Systems for the District printers. Manager Moody replied the expense is for the monthly printer lease payment and includes six (6) printers District-wide. President Sanguinetti added maintenance on this equipment is included in the monthly cost.

Director Atkins inquired on the expense on page 15, line item 15 for George W. Lowry Inc., for 15W 40 oil

for diesel engines. Manager Moody replied a similar inquiry regarding this purchase was made from the Board previously and as a result, staff purchased this supply from a different vendor, George W. Lowry Inc.

Director Cortopassi inquired on the expense on page 11, line items 22 & 23 for the Tri-Dam Project expenses. Finance Director Naray replied the expense in the amount of \$61,247.19 was allocated in the current Fiscal Year and the amount of \$20,415.73 was allocated as pre-paid expenses (next Fiscal Year).

A motion was moved and seconded to approve the February 2, 2016 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

3. 2015/2016 Fiscal Year Budget Amendment

Manager Moody provided the Board with information on the 2015/2016 Fiscal Year Budget Amendment. Manager Moody reported staff made minor revisions to the Amendment after receiving comments from the Ad-Hoc Committee. Manager Moody emphasized the Budget Amendments presented today did not increase the Budget overall.

Assistant Manager Johnson gave an overview of the Budget Amendment, identifying the nine (9) Budget items: 1 – Safety Equipment/Programs; 2 – Travel, Food and Lodging; 3 – Association Dues and Fees; 4 – Water Supply Enhancement Program; 5 – Groundwater Extraction Project; 6 – Extraction Wells O&M (Electricity); 7 – Chlorine Scrubber Repair; 8 – Filter 7 Rebuild and 9 – Bellota Fish Passage Improvement Capital Fund. Assistant Manager Johnson reported these 9 Budgets required adjustment for various reasons and staff utilized under-budget Funds to facilitate Amendments. Manager Moody added Fund 94 Budget Amendments were previously approved by the Board. Assistant Manager Johnson also provided an overview of accounts being reduced in order to facilitate the applicable Budget Amendments. Manager Moody added Budget Amendments were appropriately allocated between AG and M&I.

Director Cortopassi conveyed the need to clarify for the public that the Chlorine Scrubber Repair was an emergency Project that required repair for safety reasons.

Manager Moody conveyed recommendation from the Ad-Hoc Committee was made to approve the Budget Amendments, as presented.

A motion was moved and seconded to approve Resolution No. 15-16-15 – Stockton East Water District 2015/2016 Fiscal Year Budget Amendment.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

4. North & South Well Rehabilitation Update

Assistant Manager Johnson reported staff has not received an update or recommendation from Purviance Drillers, Inc. Manager Moody added this will be a recurring Agenda Item as more information will follow.

5. City of Stockton Annual Fire Inspection Report, 11/18/15

Manager Moody provided the Board with the results from the November 18, 2015 City of Stockton Annual Fire Inspection. Manager Moody reported the annual inspection was not “scheduled” and conveyed his happiness with the inspection results. Manager Moody gave credit to the Safety Committee for their work identifying safety hazards which he believes contributed to inspection results. Manager Moody added at the January 27, 2016 Safety Committee Meeting staff discussion included safety alternatives at the intake pond locations.

Director Cortopassi inquired on the City of Stockton performing the Fire Inspection as the District is not in the City. Manager Moody affirmed the District is not in the City; however, because of the chemicals onsite the District is subject to the City’s inspection. Manager Moody added in the event of an emergency at the Water Treatment Plant, first responders need to know the chemicals housed in the Operations Building to be able to respond effectively. This item is for information only.

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 01/26/16

Manager Moody attended the January 26, 2016 San Joaquin Farm Bureau Federation – Water Committee Meeting. Manager Moody reported Legal Counsel Jennifer Spaletta and Brandon Nakagawa gave an overview of the Demonstration Recharge Extraction & Aquifer Management (DREAM) Project and Julianne Philips gave an update on the San Joaquin County Work Group Groundwater Sustainable Agency (GSA) activity. Manager Moody reported updates were given on the California Water Fix effort with obtaining a U.S. Army Corps of Engineers (USACE) 404 Permit; Senate Bill 88 measurement on all diversions over 10 cfs and the San Joaquin County & Delta Water Quality Coalition. Discussions primarily focused on the Stockton East Water District Solar Project with SunEdison. The next meeting is scheduled for February 23, 2016.

2. ACWA Federal Affairs Committee Meeting, 01/27/16

Consultant Barkett attended the January 27, 2016 ACWA Federal Affairs Committee Meeting. Consultant Barkett reported the meeting initially focused on new Federal Affairs Committee member orientation. Consultant Barkett also reported Timothy Quinn, Association of California Water Agencies Executive Director conveyed enjoying his visit to SEWD. Discussions primarily focused on the upcoming the 2016 Presidential election and push to facilitate legislation through Washington by Memorial Day because of the vacancies as a result of the election. Consultant Barkett reported no action was taken on Feinstein Legislation and the Water Resources Development Act (WRDA) Bill will be introduced this year. Consultant Barkett advised District staff should meet with congressional members in the next couple weeks regarding WRDA. The next meeting is scheduled for May 4, 2016.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 01/26/16

Water Supply Manager Lozano reported there is 74,064 AF in storage at New Hogan Reservoir. Current releases are set at 22 cfs. There is 396,080 AF in storage at New Melones Reservoir. Current releases at Goodwin Dam are set at 201 cfs. The water treatment plant is currently processing 16 mgd. The City of Stockton’s water treatment plant is currently processing 7.5 mgd of 100% Delta water. Water Supply Manager Lozano reported the District Wells total water extraction is 4,796 gpm (~6.95 mgd).

Water Supply Manager Lozano reported the Treatment Plant received 0.17-inches, New Hogan Reservoir received 1.2-inches and New Melones Reservoir received 0.48-inches of rain in the latest rainfall event.

Director Cortopassi inquired on information available for converting snowpack to determine reservoir water supply. Director Watkins added a report should be coming soon as the snowpack survey was performed last

week. Legal Counsel Harrigfeld conveyed Tri-Dam has this information and suggested District staff contact Tri-Dam staff for this information.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6, F2a-7, F2a-8, F2a-9, F2a-10 and F2a-11.

Director McGaughey inquired if the District attended the City of Stockton (COS) Town Hall Meeting regarding conversion to chloramines featuring Erin Brockovich. Manager Moody reported the District was invited by Cal Water; and had a seat on the stage. Manager Moody reported the event gathered ~1,200 in attendance and drew picketers. Manager Moody conveyed the City of Stockton (COS) Vice Mayor did a good job presenting the COS choice to convert to chloramine. Additionally, Ms. Brockovich's Consultant presented a lot of intriguing information that was debunked in a February 2, 2016 Stockton Record article. Manager Moody conveyed the crowd was rowdy and not happy that COS staff and City Council were not also present.

Director Panizza reported he attended and reported he sat among mostly older residents that live in the north Stockton area and their primary concern was health reasons. Director Panizza echoed Manager Moody's description of the crowd being hostile due to the non-attendance of COS staff. Director Panizza reported the presentation lasted more than 2 hours then focused on audience Q&A.

Manager Moody reported both he and John Freeman of Cal Water were inquired by attendees what water service provider they have. Manager Moody and Mr. Freeman advised attendees to call SEWD or Cal Water respectively for assistance. Manager Moody added being approached by individuals interested in touring the Water Treatment Plant.

Director Cortopassi commented on the February 2, 2016 Stockton Record article referring to the use of activated carbon filters, and the COS choice not to use. Manager Moody responded Erin Brockovich's Consultant favors the use of carbon which can be used instead of using chloramines; however, the COS utilizes membrane filtration and ozone for pre-treatment. Regina Rubier reported the COS ozone pre-treatment has been back online for approximately a month. Manager Moody mentioned the City of Tracy, Mountain House and the East Bay area have been using chloramine treated water supply for decades.

3. Report on General Manager Activities

Manager Moody reported San Joaquin County is on a preliminary list to receive funding for Sustainable Groundwater Management Act (SGMA) data collection efforts.

Manager Moody provided the Board with information on the California Human Development Department (Farmworker Services Agency) who places unemployed field works that have been impacted by the drought with public agencies. .. Manager Moody reported signing an agreement with the Agency for two (2) AG employees at the hourly rate of \$23.00 per hour noting there is absolutely no cost to the District. Manager Moody also reported Assembly Member Eggman staff recently called the District regarding this Program and asked if Manager Moody can help promote the Program. Manager Moody reported he will make contact with surrounding/local Districts about using this Program.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS

1. Congress Member McNerney – Solar Power Purchase Agreement, 01/26/16

Manager Moody provided information to the Board on communication from Congress Member McNerney regarding the District's Solar Power Purchase Project. Manager Moody reported Congress Member McNerney requested a tour once the Project is online. This item is for information only.

2. San Joaquin County Board of Supervisors – Letter of Nomination Acknowledgement for San Joaquin County Flood Control and Water Conservation Committee, 01/21/16
Manager Moody provided the Board with information on the Letter of Nomination Acknowledgement for San Joaquin County Flood Control and Water Conservation Committee. President Sanguinetti reported he and Director McGurk have been re-appointed to the San Joaquin County Flood Control and Water Conservation District Advisory Commission and will have District staff notarize their Oath of Office for their appointments once the Regular Board Meeting adjourns. This item is for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Agricultural Drought Task Force Meeting, 9:00 a.m., 02/03/16
2. State Water Resources Control Board Water Quality and Water Rights Fees Stakeholder Meeting, 1:00 p.m., 02/04/16
3. Greater Stockton Chamber of Commerce Monthly Mixer – The Reserve at Spanos Park, 5:30 p.m., 02/04/16
4. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 02/08/16

J. REPORT OF THE COUNSEL

1. Closed Session – Real Property Negotiations
Government Code 54956.8
2. Closed Session – Personnel
Government Code 54957
3. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases

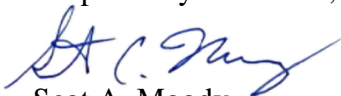
President Sanguinetti adjourned the meeting to closed session at 1:12 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:16 p.m., with the following reportable action:

The Board directed staff to enter into the Mutual Nondisclosure Agreement between Calaveras County Water District and Stockton East Water District. Further, the Board authorized General Manager, Scot A. Moody to execute the Agreement on behalf of the District.

K. ADJOURNMENT

President Sanguinetti adjourned the meeting at 2:17 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

kml

