

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, MARCH 22, 2016 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Sanguinetti called the regular meeting to order at 12:29 p.m. Director Panizza led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

John Freeman of Cal Water mentioned in light of the recent terrorist attacks, Agencies remind their staff to be vigilant of their surroundings and report anything that appears out of the ordinary. President Sanguinetti agreed and thanked Mr. Freeman for his comments.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 03/15/16 Regular Meeting

A motion was moved and seconded to approve the March 15, 2016 Regular Meeting Minutes, as presented.

Roll Call:

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

Nayes: None

Abstain: None

Absent: Atkins

2. Warrants – California Public Employees’ Retirement System

Director McGurk inquired on the grand total of the California Public Employees’ Retirement System warrants, as it appears to be less than previous warrants. Finance Director Naray noted there is a regular contribution payment and an unfunded liability payment made each month. The regular contribution payment is the smaller of the two, which is what was presented in the packet.

A motion was moved and seconded to approve the March 22, 2016 Warrants, as presented

Roll Call:

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

Nayes: None

Abstain: None

Absent: Atkins

3. Resolution No. 15-16-16 Authorization to Transfer Funds
Manager Moody provided the Board with Resolution No. 15-16-16 – Authorizing San Joaquin County Auditor Controller’s Office to Make Direct Deposits (Fund No. 46097). This Resolution is required annually.

A motion was moved and seconded to approve Resolution No. 15-16-16 – Authorizing San Joaquin County Auditor Controller’s Office to Make Direct Deposits out of water Fund No. 46097 to Various Funds and to U.S. Bank for distribution to COP Series 2002A and 2002B Bondholders during Fiscal Year April 1, 2016 to March 31, 2017.

Roll Call:

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

4. 2016 Irrigation Season
Manager Moody provided a handout to the Board on the projected water availability at New Hogan Reservoir as of March 21, 2016.

Assistant Manager Johnson reported as of March 12, 2015 storage at New Hogan was ~66,219 AF; September 10, 2015 storage at New Hogan was ~29,991 AF; and March 21, 2016 storage at New Hogan was ~132,953 AF.

Assistant Manager Johnson reported this year looks promising with double the storage amount in New Hogan Reservoir compared to last year. After accounting for groundwater production and required surface water use, there will be ~87,573 AF available for irrigation season.

Manager Moody added the District estimates it uses ~60,000 AF in a normal water year. The numbers suggest the District could have a normal irrigation season this year.

Director Watkins suggested sending a letter to all surface water irrigation users advising of the normal irrigation season to commence on April 15, 2016.

Director Cortopassi stated the letter should specifically say what water ways will receive water (i.e. Potter Creek, Mosher Slough, Mormon Slough, Calaveras River, etc.).

President Sanguinetti stated the letter needs to reference Rule No. 120 as well as the fines imposed on irrigators who do not order their irrigation water. Although there is enough water for a full season, there are still rules in place that need to be followed.

The Board directed staff to proceed with a letter to surface water irrigators informing them of a normal irrigation season to begin on April 15, 2016.

Director Panizza inquired on the quality of water coming into the water treatment plant from New Hogan Reservoir and if the water quality will create issues for the District and its customers. Manager Moody replied the water quality issues will be similar to last year and our customers should not see any effects of the water quality.

5. North & South Well Rehabilitation Update

Assistant Manager Johnson provided the Board with a status update regarding the North & South Wells Rehabilitation. Assistant Manager Johnson reported Dan Purviance of Purviance Drillers, Inc. has provided the District with an estimate for both wells, which will be provided to the Board next week. Once the pump parts are ordered it will take 6-8 weeks to receive them. It was also reported Dan Purviance is putting together a proposal for a new extraction well for the District, with the location still to be determined.

E. COMMITTEE REPORTS

1. Stockton East Water District Agricultural Operations Committee Meeting, 03/17/16

Directors Atkins, Cortopassi, Sanguinetti and Watkins; Manager Moody, Assistant Manager Johnson and Finance Director Naray attended the March 17, 2016 Agricultural Operations Committee Meeting. The discussion focused on rate scenarios and setting water rates for 2016. Director Cortopassi reported the committee discussed the assessments for Groundwater, Surface Water and Domestic Units, and is recommending raising the groundwater rate from \$5.05 to \$5.06 and the Domestic Unit assessment from \$42.50 to \$43.00. This will be brought back to the Board for consideration and approval on April 5, 2016 after a public hearing.

2. Stockton Area Water Suppliers Meeting, 03/21/16

Manager Moody and Assistant Manager Johnson attended the March 21, 2016 Stockton Area Water Suppliers Meeting. Manager Moody reported Cal Water is very involved with conservation outreach efforts. John Freeman from Cal Water reported their outreach efforts consist of internet postings; rewarding customers who stay within their water budget for the month with a gift card; participate in the Latino Business Conference; REXPO; Duck Derby and in May they will have a thank you dinner for 2,500 customers who stayed within their water budget for the entire year.

Manager Moody reported the group will begin discussing water shortage and contingency plans next month. There was a lengthy discussion on the Sustainable Groundwater Management Act (SGMA) and Groundwater Sustainable Agencies (GSA). The City of Stockton will be hosting a special City Council meeting Saturday March 26, 2016 to discuss the rate increase and chloramine issues.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 03/15/16

Water Supply Manager Lozano reported there is 132,953 AF in storage at New Hogan Reservoir. Current releases are set at 20 cfs. There is 576,859 AF in storage at New Melones Reservoir. Current releases at Goodwin Dam are set at 207 cfs. The water treatment plant is currently processing 16 mgd. The City of Stockton's water treatment plant is currently processing 11.5 mgd of 100% Woodbridge Irrigation District water. Water Supply Manager Lozano reported the District Wells total water extraction is 4,742 gpm (~6.87 mgd).

Water Supply Manager Lozano reported New Hogan Reservoir received .85-inches and New Melones Reservoir received .02-inches of rain in the latest rainfall event.

Director Watkins inquired if it is known what the inflow into New Melones is supposed to be. Legal Counsel Harrigfeld replied it is projected to be over 600,000 AF.

2. Information Items:

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

3. Report on General Manager Activities

a. ACWA State Legislative Committee Meeting, 03/18/16

Manager Moody attended the March 18, 2016 ACWA State Legislative Committee Meeting. Manager Moody reported ACWA is still pushing the use of water marketing to the Governor over the mandated conservation that was used last year. Manager Moody conveyed ACWA continues to work on Article 10 Constitutional Amendment that would give storm water districts better funding mechanisms. The State Water Resources Control Board (SWRCB) is looking at permanent language in a possible budget trailer bill that will give them permanent powers they acquired due to the emergency water situation. Timm Quinn made a special note during the meeting that he had a conversation with Chairperson Felicia Marcus about this budget trailer bill a couple months prior and she stated the SWRCB is not interested in trying to keep the powers they have been given. The next meeting is scheduled for April 8, 2016.

b. Demonstration Recharge Extraction & Aquifer Management (DREAM) Project – Technical Advisory Committee Meeting, 03/18/16

Assistant Manager Johnson attended the March 18, 2016 Demonstration Recharge Extraction & Aquifer Management (DREAM) Project Technical Advisory Committee Meeting. Assistant Manager Johnson reported discussion primarily focused on closing out the design phase of the Project and discussion of Stockton East Water District being part of the Eastern Water Alliance. Stockton East Water District is hosting the next DREAM project meeting (via the Eastern Water Alliance on March 30, 2016). The next DREAM project meeting is scheduled for April 15, 2016

Manager Moody provided the Board with a letter of opposition to SB 885 (Wolk) – Construction Contracts: Indemnity. California Special Districts Association (CSDA) is requesting Districts to sign a letter of opposition.

Director Cortopassi inquired if the Bill indicates that districts cannot hire outside firms because of the issue of liability. Manager Moody replied it is to keep the firms from having to defend against the districts in the event there is litigation. The Board agreed to send the letter in opposition of SB 885 (Wolk) – Construction Contracts: Indemnity.

Manager Moody informed the Board the Eastern Water Alliance (EWA) would like to hold a meeting on March 30, 2016 at 12:00 Noon. Manager Moody reminded the Board that Director McGurk is the Chair of the EWA, President Sanguinetti is a Board Member and Director Watkins is the Alternate Board Member. This group will meet to discuss the Demonstration Recharge Extraction & Aquifer Management (DREAM) Project.. Manager Moody reported new members will need to be elected as not all members are still with their districts. Staff will continue to move forward with scheduling a meeting for March 30, 2016.

G. DIRECTOR REPORTS

1. Delta Water Users Association Annual Membership Meeting, 03/16/16

Directors Cortopassi, McGurk, Panizza and Sanguinetti and Manager Moody attended the March 16, 2016 Delta Water Users Association Annual Membership Meeting. John Herrick, Attorney for

South Delta Water Agency and Dante Nomellini, Senior Attorney for Central Delta Water Agency were the guest speakers at the event.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 03/22/16
2. AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group, 2:00 p.m., 03/23/16
3. City of Stockton Special City Council Meeting, 2:00 p.m., 03/26/16

J. REPORT OF THE COUNSEL

1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases
2. Closed Session – Personnel
Government Code 54957

President Sanguinetti adjourned the meeting to closed session at 1:17 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:20 p.m., with no reportable action.

K. ADJOURNMENT

President Sanguinetti adjourned the meeting at 2:21 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

