

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, APRIL 5, 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 McGurk 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, Finance Director Naray, District Engineer Lee, 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 03/29/16 Regular Meeting

A motion was moved and seconded to approve the March 29, 2016 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 April 5, 2016 Warrants, as presented

Roll Call:

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

3. Resolution No. 16-17-01 – 2016 New Melones Conveyance System Wheeling Rates for Central San Joaquin Water Conservation District

Manager Moody provided the Board with Resolution No. 16-17-01 Findings for the 2016 New Melones Conveyance System Wheeling Rate for Central San Joaquin Water Conservation District. Legal Counsel Harrigfeld conveyed Legal Counsel Zolezzi inquired if the District utilized the services of Raftelis Financial Consultants, Inc., to develop the 2016 Wheeling Rate. Finance Director Naray replied staff did not utilize the services of Raftelis. Manager Moody commented District staff will consult with Raftelis on future calculations for the Wheeling Rate Resolution.

A motion was moved and seconded to adopt Resolution No. 16-17-01 Findings for the 2016 New Melones Conveyance System Wheeling Rate for Central San Joaquin Water Conservation District, as presented.

Roll Call:

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

4. Stockton East Water District – 2016 Water Rates

a. Public Hearing

President Sanguinetti opened the Public Hearing at 12:29 p.m. to receive comments on the proposed 2016 Water Rates and their associated Ordinance.

Manager Moody reported the District circulated notice of this public hearing in the Stockton Record on March 19, 2016 and did not receive any comments.

Director Cortopassi, Chair of the Agricultural Operations Committee reported the Committee met on March 17, 2016 for review and discussion of the 2016 Water Rates. The Committee recommended raising the groundwater rate from \$5.05 to \$5.06 and the Domestic Unit assessment from \$42.50 to \$43.00.

Seeing no public comment, President Sanguinetti closed the Public Hearing at 12:32 p.m.

b. Ordinance No. 41

Manager Moody provided the Board with Ordinance No. 41 Establishing Municipal Groundwater Assessments, Agricultural Groundwater Assessments, Domestic Groundwater Assessments, Charges for Stream-Delivered Water and Charges for Out-of-District Water for Calendar Year 2016.

Director Cortopassi inquired on Ordinance No. 41, Section 5, rate for sales of Out-of-District water. Director Cortopassi suggested approving Ordinance No. 41 since there is no New Melones water available, but commented the formula used to determine this rate should be changed in following years. Director Cortopassi expressed the District should not sell water Out-of-District for less than what the District pays the USBR for the water.

A motion was moved and seconded to adopt Ordinance No. 41 establishing municipal groundwater production assessment at \$333.58/AF (\$329.98/AF municipal groundwater rate equalization plus \$3.60/AF municipal groundwater assessment); agricultural groundwater assessment at \$5.06/AF; domestic unit assessment at \$43.00/domestic unit; agriculture surface water assessment at \$23.00/AF; and out-of-district water rate at \$58.04/AF (\$23.00+\$35.04=\$58.04), as presented.

Roll Call:

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

5. Calaveras River Lagorio (C14-E) and Giannecchini (C13-D) Pump Projects

Manager Moody provided the Board with information on the Calaveras River Lagorio (C14-E) and Giannecchini (C13-D) Pump Projects. Manager Moody is bringing this information to the Board to provide an overview of permit requirements and additional costs as a result of the challenges throughout this process. Administrative Services Manager Stephens reported the final cost incurred by the District was \$9,265.00, not including filing and application costs paid by each owner in the amount of \$3,573.75/each. The entire permit process took ~14 months from beginning until the final permit from the U.S. Army Corps of Engineers was issued.

Director Atkins inquired if same permits would be needed for diversions on other along Calaveras River such as Potter Creek. Administrative Services Manager Stephens advised permit requirements depend on “where” the Project is located. Manager Moody reported a major challenge was satisfying cultural & historical requirements. Director Cortopassi commented his understanding on SEWD’s participation in the permit process was to assist the irrigators on filing the permit applications pro bono. Manager Moody replied the Board approved additional costs for supplemental work as District staff worked through the process and the additional costs were paid by the District. Administrative Services Manager Stephens added the landowner paid all costs associated with filing the permit applications. Legal Counsel Harrigfeld commented new requirements were imposed upon the applicants in order to retain the permits. Legal Counsel Harrigfeld inquired if issuance of the permit required more work, in order to be issued. Administrative Services Manager Stephens replied yes, and these requirements will be the same moving forward.

Director Watkins commented on a previous permitting project for Dal Porto, noting the challenges to the landowner. If the District could not act as the Lead Agency, on behalf of the owner it would be too cumbersome for the landowner to move forward. Legal Counsel Harrigfeld added if the District does not become the Lead Agency on behalf of the landowner then the landowner would have to use Fish & Wildlife Service as Lead Agency. Director Watkins commented the District should do everything it can to facilitate the use of surface water; and did not see a problem with the landowner paying for the filing and application costs and the District absorbing the rest of the additional costs.

President Sanguinetti commented on the importance of irrigators who use surface water, they in-turn help those pumping groundwater and; moving forward, the District should assist those landowners using surface water. Legal Counsel Harrigfeld commented on the extraordinary out of pocket costs to obtain permitting, maybe the District should consider establishing a limit of how much the District would cover. Director Watkins commented if surface water is used, then it should be used for so many years, if not, the landowner would then have to pay the costs.

A motion was moved and seconded to approve the total costs for the Calaveras River Diversion Pumps Permitting for Lagorio Pump C14-E Project and Giannecchini Pump C13-D Project in the amount of \$9,265.

Roll Call:

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

6. North and South Well Rehabilitation Update

Assistant Manager Johnson provided the Board with an update regarding installation of a new tube and shaft and potential use of the District owned 150 horse-power motors. Assistant Manager Johnson reported per discussion with Dan Purviance of Purviance Drillers Inc., Dan would prefer to use/install new tube and shaft for rehabilitation of the North & South Wells; however, Dan conveyed he is willing to look at reusing the existing tube and shaft. Additionally, Dan advised he is not familiar with the efficiency curves of the District owned 150 horse-power pumps and advised the District to further research. Assistant Manager Johnson reported on the findings from staff research and reported damage to the bearings and motor will require the motor to be rebuilt. The cost for repair is ~\$4,700 and the cost to purchase a new motor is ~\$4,600.

President Sanguinetti commented a new motor should not have to be rebuilt because there are not as many moving parts; and, electric motors do not have as many problems unless they are not maintained or something was wrong with the motor before.

Director Watkins commented that the suggestion was made last week to move forward with the higher estimate of \$23,179.32/each (new tube, shaft and bowl assembly) pending research provided today. The Board agreed to move forward with the rehabilitation of the North and South wells.

7. 2016 Irrigation Season Update

Manager Moody provided handouts to the Board on the notices mailed April 1, 2016 to irrigators on the New Hogan Conveyance System and the New Melones Conveyance System regarding the 2016 irrigation season. Manager Moody also reported the McGurk dam will be repaired on April 11, 2016 and coincides with the dam installation schedule as noticed.

E. COMMITTEE REPORTS

1. Eastern Water Alliance Meeting, 03/30/16

Director McGurk, Sanguinetti and Watkins and Manager Moody attended the March 30, 2016 Eastern Water Alliance (EWA) Meeting. Director McGurk reported North San Joaquin Water Conservation District (NSJWCD) has two (2) new representatives (Tom Flinn and ~~Bob~~ Dave Simpson) who requested documents regarding the purpose of the EWA. Director McGurk reported he was re-elected as Chair, Grant Thompson, Central San Joaquin Water Conservation District (CSJWCD) was elected as Vice President and Tom Flinn (NSJWCD), ~~San Joaquin County~~ was elected Secretary. Director McGurk reported that Legal Counsel Jennifer Spaletta for NSJWCD gave an overview of the Demonstration Recharge Extraction & Aquifer Management (DREAM) Project to the Alliance as it is the only Authority who can approve any groundwater exports from the Eastern San Joaquin County Groundwater Basin. Mr. Thompson (CSJWCD) commented not being comfortable voting on the DREAM Project without taking to CSJWCD Board first (the next CSJWCD Board meeting is April 7, 2016). Director McGurk reported a copy of the draft export permit has been revised twice since the meeting and conveyed a current version will be provided at the follow-up EWA meeting to be held on Thursday, April 7, 2016.

Director Watkins added per Water Code 1220, water cannot be exported from a critically over drafted water basin and technically the EWA is the only entity in the Eastern San Joaquin County Groundwater Basin with authority to approve the export water; therefore, the DREAM Project is requesting the EWA become an applicant on the permit application.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 03/22/16

Water Supply Manager Lozano reported there is 137,815 AF in storage at New Hogan Reservoir. Current releases are set at 24 cfs. There is 621,876 AF in storage at New Melones Reservoir. Current releases at Goodwin Dam are set at 459 cfs. The water treatment plant is currently processing 18 mgd. The City of Stockton's water treatment plant is currently processing 18 mgd of 100% Woodbridge Irrigation District water. Water Supply Manager Lozano reported the District Wells total water extraction is 4,743 gpm (~6.87 mgd).

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 and F2a-10.

3. Report on General Manager Activities

a. Central Valley Project Conference Call – (Allocation Announcement), 04/01/16

Manager Moody provided the Board with information on the April 1, 2016 U.S. Bureau of Reclamation Conference Call regarding Central Valley Project 2016 Water Supply Allocation. Manager Moody reported East Side Contractors (Stockton East Water District and Central San Joaquin Water Conservation District) will receive zero percent allocation.

Manager Moody reminded the Board of the upcoming ACWA Spring Conference, held in Monterey, California May 3rd – 6th, 2016, and inquired if any Directors are not able to attend. Directors Cortopassi and Panizza replied they will not be attending. Director McGurk advised District staff he will commute and will not need a room reservation during the conference.

Manager Moody reminded the Board of the Friday, April 8, 2016 Tour with Gustavo Medina and inquired on the Directors planning to attend. Directors Atkins and Sanguinetti replied they will be attending the Tour.

Manager Moody advised Monday, April 25th, a Tour will be given to San Joaquin County Supervisor Winn.

G. DIRECTOR REPORTS

1. San Joaquin Council of Governments One-Voice Pre-Trip Meeting, 04/04/16

Director Sanguinetti and Manager Moody attended the April 4, 2016 San Joaquin Council of Governments One-Voice Pre-Trip Meeting. President Sanguinetti reported on average ~30 attend One-Voice; however, this year there is a good sized group of ~44 attendees. Director McGaughey inquired who from SEWD is attending. President Sanguinetti replied Directors Atkins, Sanguinetti, Watkins and Manager Moody will be attending and are scheduled to leave on Saturday, April 16, 2016.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Agricultural Drought Task Force Meeting, 9:00 a.m., 04/06/16

2. Eastern Water Alliance Meeting, 3:00 p.m., 04/07/16

3. Greater Stockton Chamber of Commerce Monthly Mixer – San Joaquin General Hospital, 5:15 p.m., 04/07/16
4. ACWA State Legislative Committee Meeting, 10:00 a.m., 04/08/16
5. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 04/11/16

J. REPORT OF THE COUNSEL

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

President Sanguinetti adjourned the meeting to closed session at 1:17 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:47 p.m., with no reportable action.

K. ADJOURNMENT

President Sanguinetti adjourned the meeting at 1:48 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

kml

