

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, MAY 10, 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, Panizza, Sanguinetti and Watkins. Director McGurk arrived at 12:32 p.m. 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 Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 04/26/16 Regular Meeting

A motion was moved and seconded to approve the April 26, 2016 Regular Meeting Minutes, as presented.

Roll Call:

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

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. Payroll
- g. Summary
- h. Short Names/Acronym List
- i. SEWD Vehicles & Heavy Equipment

Director Cortopassi inquired on the expense on page 9, line item 1 for All Phase Electric Supply Co. for charges for returned transformer in the amount of \$1,232.55. Assistant Manager Johnson replied the incorrect transformer was initially sent to the District. The transformer was returned and the correct item was sent to the District. The cost shown is the difference between the two transformers.

Director Panizza inquired on the expenses on page 12, line 26 for US Bank Corporate Payment Systems for electrician recruitment posting on various sites 15-16 in the amount of \$699.00 and line 31 for electrician recruitment posting on various sites 15-17 in the amount of \$419.00. Manager Moody replied the expenses are for the recent recruitment for the Maintenance Electrician position. Each line represents a specific advertisement. The prices differ based on the entity and the length of time the ad ran.

Director Cortopassi inquired on the expense on page 11, line 5 for CA Public Employees Retirement System for fees for GASB-68 reports and schedules in the amount of \$1,300.00. Finance Director Naray explained this is an annual charge from CalPERS for producing the GASB-68 accounting reports. Director Watkins added this information is utilized by the Auditors when they conduct the District's annual financial audit.

Director Atkins inquired on the expense on page 18, line 37 for the San Joaquin County Sheriff-Coroner for weed eating at the treatment plant in the amount of \$2,340.00. Manager Moody replied round-up is sprayed on the weeds throughout the District after weed eating is complete. Occasionally this needs to be done a couple times and with recent rain, it has been necessary to do more than once.

A motion was moved and seconded to approve the May 10, 2016 Warrants as presented.

Roll Call:

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

Nayes: None

Abstain: None

Absent: None

3. Stockton East Water District Water Supply Needs

Manager Moody provided the Board with a presentation on the current and future water supply needs for the District. Discussion primarily focused on the role of the District per the District's Act and Mission Statement; the drought impact; contractual commitments; and opportunities of purchasing water from Oakdale Irrigation District (OID) and South San Joaquin Irrigation District (SSJID).

Manager Moody recited sections from the Second Amended Contract (SAC) stating "all efforts should be made to find all sources of water possible, rather than taking water out of the groundwater basin. The basin water should only be used when necessary. The District will use its best efforts to provide the highest quality of water possible to the Urban Contractors".

Manager Moody reported that by the year 2020, under the Groundwater Sustainability Plan, the District must prove to the Department of Water Resources (DWR) that the Eastern San Joaquin Groundwater Basis is sustainable. Sustainability is measured by how much water is in the basin, how much water will be taken out of the basin and how the water will be put back in to the basin.

Manager Moody reported on the opportunity available for the District to partner with OID and SSJID to purchase up to 10,000 AF of water. The District needs to prove if it needs the water or it is likely the water will be lost to the fish. This partnership will also prove a long-term opportunity for the District by building a relationship between the three districts. Manager Moody reported there is a possibility the District would be able to purchase water from OID and SSJID in the future

cheaper than it can be purchased under the current contract with the United States Bureau of Reclamation.

Manager Moody made a recommendation to the Board to authorize the temporary purchase of water from OID and SSJID.

4. Potter Creek PC-9A (Delucchi) Low Flow Water Crossing

Manager Moody provided the Board with information on PC-9A (Delucchi) low flow water crossing. Manager Moody queried the Board on whether or not the process should be started for instream modifications. If the Board is not opposed, staff will begin the process.

Director Atkins inquired if staff intends on changing out the pipes at the crossing. Water Supply Manager Lozano replied no, the pipes are still in good condition.

Director Watkins inquired if this is one of the District's dam locations under the Routine Maintenance Agreement with the Department of Fish and Wildlife Service. Water Supply Manager Lozano replied no.

Director Watkins inquired about adding this location to our existing Routine Maintenance Agreement. Manager Moody commented this would be a good first step.

Director Panizza requested staff provide a more comprehensive list of what the entire project will cost.

The consensus of the Board was to move forward with adding this location to the Routine Maintenance Agreement with the Department of Fish and Wildlife Service.

5. Proposed California Special Districts Association Bylaws Updates

Manager Moody provided the Board with a synopsis of the new California Special Districts Association (CSDA) Bylaws. The update contains; general clean-up language, electronic voting; and electronic communications related to the CSDA Bylaws amendments. Manager Moody stated copies would be available to the Board if needed. CSDA is asking for Board approval of changes. The Board directed Manager Moody to sign the ballot in agreement of changes on behalf of the Board. The ballot is due June 24, 2016.

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 04/26/16

Julianne Phillips, San Joaquin Farm Bureau Federation reported on the April 26, 2016 San Joaquin Farm Bureau Federation Water Committee Meeting. The group was provided an update on legislation including new bills. Assembly Member Eggman's Bill to force a statewide vote for the Twin Tunnels project did pass through the Water, Parks, and Wildlife Committee. Assembly Member Frazier's Bill to stop the automatic incorporation of conveyance into the Delta did not make it through the Water, Parks, and Wildlife Committee. There was discussion about the SB88 and Sustainable Groundwater Management Act (SGMA) Workshop, which will be held Friday, May 13, 2016. The next meeting is scheduled for May 24, 2016.

2. San Joaquin County & Delta Water Quality Coalition Meeting, 05/09/16
Director Atkins reported on the May 9, 2016 San Joaquin County & Delta Water Quality Coalition Meeting. Director Atkins reported membership packets were mailed and all customers should be receiving their Coalition bills. The Management Practice Plan is due by June 4, 2016; the Nitrate Management Plan and Farm Evaluation Plans are due June 15, 2016.

Julianne Phillips, San Joaquin Farm Bureau Federation commented there was discussion about the State Board Hearing on the East San Joaquin Water Quality Coalition Waste Discharge Requirement (Proposed ESJ Order) on May 4, 2016. The State Board will do something, but the extent of what they will do is unknown. There will be more information available on this after the next hearing on May 17, 2016. Director Cortopassi inquired if there was representation at the hearing. Julianne Phillips replied yes, in attendance was; the San Joaquin County & Delta Water Quality Coalition, the San Joaquin Farm Bureau Federation Executive Director, the Executive Director of Napa County and Counsel from the California Farm Bureau Federation sat on the Coalition's panel as well. The next meeting is scheduled for June 13, 2016.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 04/26/16

Water Supply Manager Lozano reported there is 136,776 AF in storage at New Hogan Reservoir. Current releases are set at 125 cfs. There is 605,865 AF in storage at New Melones Reservoir. Current releases at Goodwin Dam are set at 2,318 cfs. The water treatment plant is currently processing 18 mgd. The City of Stockton's water treatment plant is currently processing 20 mgd of 100% Woodbridge Irrigation District water.

Water Supply Manager Lozano reported there are 23 irrigators on the system to date.

Director Cortopassi inquired if we are behind on the snowmelt given the inflow into New Melones. Legal Counsel Zolezzi stated the New Melones inflow is on target.

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, F2a-11, F2a-12, F2a-13, F2a-14, F2a-15, F2a-16, F2a-17 and F2a-18.
3. Report on General Manager Activities
 - a. ACWA State Legislative Committee Meeting, 04/29/16
Manager Moody attended the April 29, 2016 ACWA State Legislative Committee Meeting. Manager Moody reported the Energy Bill passed in Washington DC, but the Appropriations Bill is still stalled. Manager Moody reported the Water Resources Development Act (WRDA) Bill passed. Manager Moody conveyed Governor Brown's administration is supporting ACWA's position of not giving the State Water Resources Control Board (SWRCB) their long-term emergency powers granted them to help during the drought. Manager Moody reported ACWA is expecting the Groundwater Sustainability Plans (GSP) regulations this month. The next meeting is scheduled for May 20, 2016.

- b. Demonstration Recharge Extraction & Aquifer Management (DREAM) Project – Tour, 04/29/16

President Sanguinetti and Director Watkins attended the Demonstration Recharge Extraction & Aquifer Management (DREAM) Project Tour. President Sanguinetti commented the land they toured is in poor condition and he foresees an uphill battle for the Project.

G. DIRECTOR REPORTS

1. Association of California Water Agencies – 2016 Spring Conference Monterey, CA, 05/03/16 – 05/06/16

Director Atkins, President Sanguinetti and Manager Moody attended the ACWA Spring Conference in Monterey, California. President Sanguinetti reported they attended an interesting forum on “Water Scarcity: Can Agriculture Survive? How it Impacts You”. Aubrey Bettencourt, Executive Director, California Water Alliance did a good job explaining the agricultural position and how farmers are effected.

President Sanguinetti reported the Energy Committee meeting was interesting. It was reported in Southern California, PG&E has shut down 114 gas wells for inspection and there will be 15 days of rolling blackouts. President Sanguinetti reported there is an abundant amount of solar being used now, which causes the electrical rates to change.

Manager Moody reported on the ACWA/JPIA Board Meeting. District staff nominated its Safety Committee for a H.R. La Bounty Safety Award. Manager Moody received a safety pin and the committee was awarded a \$125.00 check.

2. Greater Stockton Chamber of Commerce Monthly Mixer – DeYoung Memorial Chapel, 05/05/16
Nothing to report.

H. COMMUNICATIONS

1. San Joaquin County Board of Supervisors Water Study Session

Manager Moody reported this session is to be held on May 12, 2016 at 5:30 p.m. This session is more of an opportunity for the public to talk with County officials, discuss what is going on in the County and air any concerns they may have.

2. Greater Stockton Chamber of Commerce – State of the City

Manager Moody advised the Board that the District has eight available tickets to the State of the City event.

I. AGENDA PLANNING/UPCOMING EVENTS

1. Eastern San Joaquin County Groundwater Banking Authority Board Meeting, 9:30 a.m., 05/11/16
2. Sustainable Groundwater Management Act Workgroup, 10:00 a.m., 05/11/16
3. Board of Supervisors Water Study Session, Board Chambers, 5:30 p.m., 05/12/16
4. SB 88 & Sustainable Groundwater Management Act Water Workshop, Robert J. Cabral Agricultural Center, 10:00 a.m., 05/13/16
5. California Special Districts Association Legislative Days, Sacramento, CA, 05/17/16 – 05/18/16

Board Meeting – 05/10/16

J. REPORT OF THE COUNSEL

President Sanguinetti adjourned the meeting to closed session at 1:48 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:30 p.m., with the following reportable action:

A motion was moved and seconded to approve the 2016 Temporary Water Transfer Agreement By and Between Oakdale Irrigation District/South San Joaquin Irrigation District and Stockton East Water District.

Roll Call:

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

K. ADJOURNMENT

President Sanguinetti adjourned the meeting at 2:31 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

