

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 24, 2016 AT 12:00 NOON

**A. PLEDGE OF ALLEGIANCE AND ROLL CALL**

President Sanguinetti called the regular meeting to order at 12:28 p.m., and 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 and Legal Counsel Zolezzi.

**B. CONSENT CALENDAR**

President Sanguinetti requested the Board approve amending the order of presented items on the agenda to hear agenda item D-3 – United States Army Corps of Engineers – Invoice for New Hogan Operation & Maintenance (2016-2020) before Agenda Item D-2 – Warrants. President Sanguinetti advised the Invoice for New Hogan Operation & Maintenance is included in the May 24, 2016 Warrants and amending the order of the two items would provide for Board discussion prior to the approval of the Warrants.

A motion was moved and seconded to amend the order of presented items on the agenda to hear agenda item D-3 – United States Army Corps of Engineers – Invoice for New Hogan Operation & Maintenance (2016-2020) before Agenda Item D-2 – Warrants.

Roll Call:

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

**C. PUBLIC COMMENT (None)**

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 05/17/16 Regular Meeting

A motion was moved and seconded to approve the May 17, 2016 Regular Meeting Minutes, as presented.

Roll Call:

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

3. United States Army Corps of Engineers – Invoice for New Hogan Operation & Maintenance (2016-2020)

Manager Moody provided the Board with information on the United States Army Corps of Engineers (USACE) Invoice for New Hogan Operation & Maintenance (2016-2020). Manager Moody reported this item is being brought back to provide the Board with additional O&M details pertaining to the invoice increase, and a list of itemized expenses. Manager Moody conveyed, per the 1970 Contract, the District's allocation of operation & maintenance costs is 38%. Director Cortopassi commented on

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the itemized expenses and the discussion that followed primarily focused on the high-dollar expenses listed.

Director Cortopassi acknowledged the terms of the Contract regarding the District's percentage of allocated costs and expressed his concern of future invoices and District's ability to pay. Legal Counsel Zolezzi commented the only option for the District is to perform an audit of the USACE financials. Director Cortopassi inquired on the status of billing Calaveras County Water District for their portion. Manager Moody replied staff has sent the bill along with additional invoice information.

President Sanguinetti recommended the District pay the invoice and perform an audit of the high-dollar expense items. After discussion, the Board advised staff to pay the invoice. Director Panizza commented he agreed in performing an audit and, suggested the District communicate with Congress Member Denham to inform him on the USACE invoicing procedure and the effects on SEWD and other Districts. Manager Moody added Congress Member Denham sits on the Committee that oversees the USACE.

A motion was moved and seconded to approve payment of the USBR Invoice for New Hogan Operation & Maintenance (2016-2020) in the amount of \$694,676.29; and for staff to perform an audit of the USACE expenses.

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 Cortopassi inquired on the expense on page 9, line item 16 for Nexgen Utility Management Inc., for Lower Farmington Rehabilitation Project thru March 31, 2016 in the amount of \$22,953.75. District Engineer Lee replied the expense is for services billed for the months of December (2015); January and February 2016 and does not include rehabilitation of the radial gates.

Director Atkins inquired on the expense on page 9, line item 13 for Maxim Crane Works, L.P., for crane rental to place the pump at Potter Creek. Water Supply Manager Lozano replied the District installs one pump annually in Potter Creek and the second is left in year round.

Director Watkins inquired on the expense on page 9, line item 14 for Maxim Crane Works, L.P., for rental use at the dam located at Eight Mile Road. Water Supply Manager Lozano replied this year was the second year using this type of rental equipment due to the location of a power line; the crane is used to install the dam from the opposite side of the canal. The location of the dam is between Highway 88 and Jack Tone Road.

A motion was moved and seconded to approve the May 24, 2016 Warrants as presented.

Roll Call:

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

~~3. United States Army Corps of Engineers — Invoice for New Hogan Operation & Maintenance (2016-2020)~~

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~~Roll Call:~~

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

4. 2016 Transfer Water Delivery Discussion – Irrigation Notification

Manager Moody provided the Board with a draft 2016 Transfer Water Delivery Irrigation Notification dated May 24, 2016. Manager Moody reported the notification mailing is pending notice from Peter Rietkerk, General Manager South San Joaquin Irrigation District (SSJID). The Water Transfer Agreement is an item on the May 24, 2016 SSJID Board of Directors Meeting. Director Watkins commented on the draft irrigation notification and suggested eliminating the first sentence and changing the second sentence from “allocation of zero percent (0%)” to “the District received no water”.

## **E. COMMITTEE REPORTS**

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 05/17/16  
Manager Moody attended the May 17, 2016 San Joaquin Farm Bureau Federation – Water Committee Meeting. There was no information to report. The next meeting is scheduled for June 28, 2016.
2. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 05/18/16  
Director McGurk attended the May 18, 2016 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. Director McGurk reported Brandon Nakagawa provided an update on the DREAM Project second extension of public review comment period. Tom Francis, Senior Civil Engineer Water Supply Improvements Division of East Bay Municipal Utility District (EBMUD) was in attendance and reported on the ~20 years trying to get this export to work. Presentations were given regarding recap of the May 12, 2016 Water Study Session (first of five Sessions) and lack of public attendance. Director Cortopassi inquired on the Water Session and if the San Joaquin County Board of Supervisors was in attendance. Director Panizza replied ~~Supervisors Winn and Zapfen attended~~ all Supervisors were in attendance except for Supervisor Villapudua and reported the Water Study Session was more informational as County staff provided presentations on a variety of water and flood issues. The next meeting is scheduled for June 15, 2016.
3. Stockton Area Water Suppliers Meeting, 05/23/16  
Manager Moody, Assistant Manager Johnson and District Engineer Lee attended the May 23, 2016 Stockton Area Water Suppliers (SAWS) Meeting. Manager Moody reported prior to the SAWS meeting the group met to discuss water quality and the self-certification conservation plans to be provided to the State. The Urban Contractors (UCs) reported they will be able to take 20 AF and City of Stockton will be able to take 6 AF (for supply to south of city) from the SEWD water treatment plant. Manager Moody reported the SAWS group discussed conservation efforts; sponsoring the Water Education Foundation Bay-Delta Tour dinner on June 15, 2016 with Bob Granberg (COS) as guest speaker and District staff providing dinner coordination assistance. Primary discussion focused on operating plan projections and TOC reduction efforts. Manager Moody noted the District Wells are offline today. Brandon Nakagawa reported on the DREAM Project second extension. The next meeting is scheduled for June 20, 2016.

## **F. REPORT OF GENERAL MANAGER**

1. Water Supply Report as of 05/17/16  
Water Supply Manager Lozano reported there is 132,848 AF in storage at New Hogan Reservoir. Current releases are set at 155 cfs. There is 626,216 AF in storage at New Melones Reservoir. Current releases at Goodwin Dam are set at 884 cfs. The water treatment plant is currently processing 20 mgd. The City of Stockton's water treatment plant is currently processing 21 mgd of 100% Woodbridge Irrigation District water. Water Supply Manager Lozano reported the District Wells are offline.

Water Supply Manager Lozano reported there are 19 irrigators on the New Hogan system to date.

2. Information Items:  
Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6, F2a-7, F2a-8 and F2a-9.
3. Report on General Manager Activities
  - a. California Special Districts Association – 2016 Legislative Days, Sacramento, 05/17/16 – 05/18/16

Assistant Manager Johnson attended the May 17-18, 2016 California Special Districts Association (CSDA) 2016 Legislative Days held in Sacramento, California. Assistant Manager Johnson reported meeting Senator Robert Hertzberg, who sat on the Legislators Panel along with Assembly Member Susan Talamantes Eggman and Assembly Member Ling Ling Chang. Assistant Manager Johnson reported on the CSDA's Grassroots Advocacy and Public Outreach Presentation noting CSDA efforts for opposition of Senate Bill 885 (Wolk) – Construction contracts. Assistant Manager Johnson reported the event Keynote Speaker was Fiona Ma, Board of Equalization Chair Member.

- b. ACWA State Legislative Committee Meeting, 05/20/16 (reported first)  
Manager Moody attended the May 20, 2016 ACWA State Legislative Committee (SLC) Meeting. Manager Moody reported discussion primarily focused on two items of Legislation regarding water markets debating differences between “support if amended” basis versus “opposition”. Manager Moody reported support of conservation at the ACWA level, continuing with “Save our Water” campaign and efforts to conserve. The Committee agreed to reschedule the July SLC meeting from July 1, 2016 to Friday, July 8, 2016. The next meeting is scheduled for June 10, 2016.

## **G. DIRECTOR REPORTS**

1. Greater Stockton Chamber of Commerce – 18<sup>th</sup> Annual State of the City, 05/19/16  
Directors Cortopassi, McGurk, Sanguinetti; and Manager Moody, Finance Director Naray, District Engineer Lee, Administrative Services Manager Stephens and Water Treatment Plant Manager Wunderlich attended the May 19, 2016 Greater Stockton Chamber of Commerce 18<sup>th</sup> Annual State of the City event. President Sanguinetti commented on the event acoustics were not ideal and reported the Mayor spoke following the Guest Speaker. Director Cortopassi reported the Port of Stockton gave a presentation on the Port activities. The event was catered by Outback Steakhouse.

## **H. COMMUNICATIONS (None)**

## **I. AGENDA PLANNING/UPCOMING EVENTS**

1. Sustainable Groundwater Management Act Workgroup AD HOC Technical Review Committee Meeting, 2:00 p.m., 05/25/16

President Sanguinetti added District Tour on Thursday, May 26, 2016 at 2:00 pm for ACWA President Kathleen Tiegs and staff. Directors McGurk and Sanguinetti advised on attending.  
*[This Tour was cancelled and has not been rescheduled]*

2. District Holiday – Memorial Day, 05/30/16

## **J. REPORT OF THE COUNSEL**

1. Closed Session: REAL PROPERTY – GOVERNMENT CODE  
SECTION 54956.9 – Property: Water Rights  
Agency Negotiator: Scot A. Moody/Karna E. Harrigfeld  
Negotiating Parties: Oakdale Irrigation District/South San Joaquin Irrigation District  
Under Negotiation: Water Transfer
2. Closed Session - Potential Litigation  
Government Code 54956.9 (c) – one case

President Sanguinetti adjourned the meeting to closed session at 1:20 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:41 p.m., with no reportable action.

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**K. ADJOURNMENT**

President Sanguinetti adjourned the meeting at 1:42 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

kml

