

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, AUGUST 30, 2016 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Sanguinetti called the regular meeting to order at 12:30 p.m., and Director Panizza 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, Administrative Assistant Lopez, Administrative Clerk Curtis and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 08/23/16 Regular Meeting

A motion was moved and seconded to approve the August 23, 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

President Sanguinetti inquired on the expense description on page 16, line item 35 for Lovotti Inc. for parts, labor and service call charge to repair HVAC at meat locker and advised staff to reference the correct location name for use in the expense description.

Director McGurk inquired on the expenses on page 11, line items 10 – 11 for Mid Valley Agricultural Services for herbicide used on Upper and Lower Farmington Canal in the amounts of \$140.36 respectively. President Sanguinetti replied the invoice cost was split 50% for use on the Upper and Lower Canal.

Director Atkins inquired on the expense on page 11, line item 6 for Grainger, Inc., for replacement phones for the Goodwin Tunnel Inlet in the amount of \$19.49. Manager Moody replied the District has a landline and this is the most reliable source of communication in this area for use in emergencies.

Director Atkins inquired on the expense on page 13, line item 1 for Diamond Mowers Inc., for parts to repair mower attachment on Unit #38 in the amount of \$1,347.31. Finance Director Naray replied the expense was for the purchase of shaft bearings and replacement belt.

Manager Moody reported delivery of the new forklift recently purchased by the District has been delayed one more month; and staff has been advised to research all potential discounts the District can utilize towards the rental costs.

A motion was moved and seconded to approve the August 30, 2016 Warrants, as presented.

Roll Call:

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

3. Resolution No. 16-17-07 – Approving the Disposal of Surplus Property

Manager Moody provided the Board with Resolution No. 16-17-05 – Approving the Disposal of Surplus Property for a 1992 forklift; computer tower; office chairs and file cabinets. Manager Moody reported the surplus of file cabinets is result of storing District documents electronically; the computer tower has been wiped-clean and the forklift will be sent to auction.

A motion was moved and seconded to approve Resolution No. 16-17-07 – Approving the Disposal of Surplus Property.

Roll Call:

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

4. SunEdison Solar Power Purchase Agreement (PPA) Update

Manager Moody provided the Board with information and handouts of the SunEdison Solar Power Project preliminary design. District Engineer Lee reported on the Project status to date. District Engineer Lee reported SunEdison conducted the onsite Phase 1 Environmental Site Assessment and the next step is to obtain soil core boring samples to develop the structural design for the solar panel supporting piles. The Project's preliminary schedule indicates construction to begin October 7, 2016, Project completion by December 16, 2016 and operational declaration for January 17, 2017.

Manager Moody provided an update of the ongoing SunEdison bankruptcy case; and reported SunEdison Origination1, LLC, (the Company the District entered into Agreement with for the Solar Project) was not one of the entities listed in the bankruptcy documents.

Fritz Buchman, Deputy Director of Development for San Joaquin County Public Works reported this bankruptcy has incurred major delays for the County to become operational with the solar that was installed last April. Mr. Buchman reported the bankruptcy has hindered their ability to sell the project, which was the plan from the beginning.

Director Cortopassi inquired on the location of the County's solar project. Mr. Buchman replied they are the panels covering the parking lot behind the County's facility located at 1810 Hazelton Avenue in Stockton.

Director Cortopassi inquired on the preliminary design map (handout) and if a pipeline runs on the Solar Project projected site. District Engineer Lee replied the District's pipeline is located on the east side of the property running north to south; however, there may be irrigation lines.

Director Watkins inquired if the west solar panel can be relocated and be stacked on top (north) of the east panel. Director Watkins commented the panels set side-by-side could create a barrier to access water from the pond, especially if the District begins recharging from the pond on the property. Manager Moody reported staff will advise SunEdison to edit the preliminary design and stack the panels. This item was for information only.

5. California Department of Fish & Wildlife – Routine Maintenance Agreement (RMA) No. 1600-2009-0218-R2 Update

Manager Moody provided the Board with an update on the status of the District's California Department of Fish & Wildlife (CDFW) Routine Maintenance Agreement (RMA). Manager Moody reported staff filed for an extension on June 6, 2016 and CDFW has advised an environmental review of the entire system would be required. Manager Moody reported CDFW conveyed they will provide the District with a two-year extension; however, an environmental review must be completed before the extension expires.

Director Cortopassi inquired if this is specifically for the Giannecchini diversion. Manager Moody replied not specifically, the RMA provides the District the right to the watershed to conduct routine maintenance on our existing facilities.

Director Watkins inquired how the environmental review complies with the District's Habitat Conservation Plan (HCP) that is currently in draft. Legal Counsel Zolezzi replied if the HCP can be put in place, it will help the RMA environmental review process much easier.

Director Watkins inquired if CDFW has changed this industry wide. District Engineer Lee reported the District re-applied for the RMA five-years ago and was required to comply with California Environmental Quality Act (CEQA) however, the District filed Categorical Exemption. District Engineer Lee reported because of the size of the Project the CDFW has advised this should not be considered Categorical Exempt and rather should complete the CEQA analysis. Director Watkins inquired if this is direction from the state or federal level. District Engineer Lee replied the direction is from state level. This item was for information only.

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 08/23/16

Manager Moody attended the August 23, 2016 San Joaquin Farm Bureau Federation – Water Committee Meeting. Julianne Philips, San Joaquin Farm Bureau reported primary discussions focused on the Joint Powers Agreement (JPA) draft received from the Sustainable Groundwater Management Act (SGMA) drafting group (specifically voting and funding). Ms. Phillips also reported the Farm Bureau is currently working on an Aquatic Invasive Species Grant Opportunity.

Director Cortopassi inquired on the State Water Resources Control Board (SWRCB) dredge and fill procedures. Ms. Philips replied this is the state process that mirrors the Waters of The United States (WOTUS) rule; it creates a state process that directly mirrors the federal process. Ms. Philips reported this new state process includes the United States Army Corps of Engineers (USACE) 404 Permit exemptions for agricultural activity and; if WOTUS will encompass agricultural activity then Permit from the USACE will be required in addition to paying a fee to the SWRCB to receive a state permit. The next meeting is scheduled for September 27, 2016.

2. Sustainable Groundwater Management Act Workgroup AD HOC Technical Review Committee Meeting, 08/24/16

District Engineer Lee attended the August 24, 2016 Sustainable Groundwater Management Act (SGMA) Workgroup AD HOC Technical Review Committee Meeting. District Engineer Lee reported the consulting firm LAND IQ gave a presentation on land use and cropping patterns developed from satellite surveys to determine applied water demands. District Engineer Lee reported LAND IQ is working with the Department of Water Resources to provide land use information for agencies for future predictions of groundwater use. District Engineer Lee reported GEI Consultants Inc., provided a handout of a flow chart listing the responsibilities or items that need to be included as part of SGMA Legislation, and lists future monitoring requirements and necessary items for the water budget. District Engineer Lee reported the flow chart was color coded to allow agencies to identify the parties responsible to comply with the identified items. The next meeting is scheduled September 28, 2016.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 08/22/16

Assistant Manager Johnson provided a handout of the Water Supply Report that included storage, release, and production data collected from various sources as of midnight last night.

Assistant Manager Johnson reported there is 92,478 AF in storage at New Hogan Reservoir. Current releases are set at 232 cfs. There is 546,253 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 151 cfs and release to all water users are set at 970 cfs. The water treatment plant is currently processing 24 mgd. The City of Stockton's water treatment plant is currently processing 25 mgd. Assistant Manager Johnson reported the District Wells are offline.

Assistant Manager Johnson reported there are 16 irrigators on the New Hogan system and there are no irrigators pumping on New Melones system.

Director Cortopassi recommended editing the description of the warrants for Electricity for the District Wells by indicating "connection fee" to keep away from confusion of the Water Supply Report stating the wells are offline, but expenses for electricity that are presented in the warrants for payment are for electricity connection fees.

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.

Director McGurk inquired on F2a-6, if the state and the County will have dueling economic reports on the unimpaired flows from the tributaries on the San Joaquin River. Brandon Nakagawa replied

yes, the state report includes a macro scale economy and the County's report will drill down and focus on the direct local impacts.

3. Report on General Manager Activities (None)

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – Atria Bayside Landing, 5:15 p.m., 09/01/16
2. District Holiday – Labor Day, 09/05/16

J. REPORT OF THE COUNSEL

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

President Sanguinetti adjourned the meeting to closed session at 1:05 p.m. to discuss closed session agenda items. District staff, with the exception of Manager Moody and Assistant Manager Johnson, was excused from the Closed Session Meeting at 1:11 p.m. The regular meeting reconvened at 1:28 p.m., with no reportable action.

J. ADJOURNMENT

President Sanguinetti adjourned the meeting at 1:29 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

