

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, SEPTEMBER 20, 2016 AT 12:00 NOON

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

President Sanguinetti called the regular meeting to order at 12:26 p.m., and led the Pledge of Allegiance.

Present at roll call were Directors McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Directors Atkins and Cortopassi were absent. Also present were Manager Moody, District Engineer Lee, Finance Director Naray, Administrative Services Manager Lopez, Administrative Clerk Curtis and Legal Counsel Zolezzi.

**B. CONSENT CALENDAR** (None)

**C. PUBLIC COMMENT** (None)

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 09/13/16 Regular Meeting

Director McGurk inquired if algae has been seen in the District's water. Manager Moody replied there was a minimal presence last year, which led staff to drain and dry the east reservoir. So far this year there has been no presence of algae. Manager Moody reported staff consistently checks for algae and the Jenny Lind Treatment Plant (Calaveras County Water District) communicates well with the District and will inform staff if they notice anything in the water before the water supply reaches the Water Treatment Plant.

A motion was moved and seconded to approve the September 13, 2016 Regular Meeting Minutes, as presented.

Roll Call:

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

2. Warrants – California Public Employees' Retirement System

Manager Moody reported the September 20, 2017 California Special Districts Association (CSDA) electronic Newsletter featured an article regarding three (3) California Public Employees' Retirement System (CalPERS) member Agencies, City of Loyalton; California Fairs Financing Authority and Niland Sanitary District delinquent in their obligations to the pension program. Manager Moody reported should the Agencies remain delinquent; the next step of this process is review by the CalPERS Board and possible action to involuntarily terminate the respective contracts. If the Board votes to terminate the effect, would not dismiss the member Agency's financial obligations; and, reduce the pension payments to retirees currently receiving monthly pension payments. Manager Moody noted the determination by the CalPERS Board (now) could be an important ruling in the future.

A motion was moved and seconded to approve the September 20, 2016 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

3. 2016 Irrigation Season Dam Removal Schedule

Manager Moody provided the Board with information on the 2016 Irrigation Season Preliminary Dam Removal Schedule. Manager Moody reported staff is proposing to curtail flow beginning October 14<sup>th</sup> and Bellota Weir removal completion on October 18, 2016. Further, Manager Moody requested the Board approve the preliminary removal schedule to allow staff to move forward and send variance request (delay of Bellota Weir removal) to the Central Valley Flood Protection Board for approval.

Manager Moody also provided the Board with a handout of the Draft Fall/Winter 2016 Newsletter noting the newsletter includes reference to the preliminary 2016 Irrigation Dam Removal Schedule. Manager Moody requested the Board review the Newsletter and provide any edits on or before Friday, September 23, 2016. . The Board agreed to the preliminary Dam Removal Schedule as presented and advised staff to send the variance request regarding Bellota Weir removal.

4. Stockton East Water District – Electronic Motor Control Center (MCC-4M System) Replacement Project

Manager Moody provided the Board with information on Request for Bid Summary results for contract approval of the District’s Electronic Motor Control Center (MCC-4M System) Replacement Project. Manager Moody reported Bids were due on September 7, 2016 and copy of the Bid Summary sheet is provided. All Bidders met the Bid Specification requirements, staff completed research on the two (2) bidders, Pacific Metro Electric, Inc., and D.W. Nicholson Corporation and determined Pacific Metro Electric, Inc. of Stockton, California was the most responsive low bidder in the Bid submitted amount of \$247,900. District staff recommended awarding the contract to the lowest responsible overall bidder, Pacific Metro Electric, Inc.

Director Watkins inquired if staff has considered if the solar will be compatible with the MCC-4M equipment once replaced. District Engineer Lee replied the power supply going into Low Lift location converts from direct current to alternating current, of which the MCC-4M system will be compatible. District Engineer Lee added in addition, if PG&E power source is down, solar will be cut off for worker safety and the District’s power supply will be reverted and provided by generators.

A motion was moved and seconded to procure Pacific Metro Electric, Inc., the lowest responsible bidder for award of the Electronic Motor Control Center (MCC-4M System) Replacement Project in the amount of \$247,900.00.

Roll Call:

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

5. Dr. Joe Waidhofer Water Treatment Plant – Security Door Replacement Proposal  
Manager Moody provided the Board with information on the security door replacement proposal for the Operations Building (east and west exterior doors). Manager Moody reported the current exterior doors are outdated and do not provide current safety features such as crash bars in the event of an emergency; and noted the current doors also do not meet current code requirements. Staff conducted research and retained two (2) proposals from Vortex Industries, Inc., in the amount of \$13,560.00 and BC Glass in the amount of \$15,980.00. Staff recommends replacement of both East and West doors with 3-point locking system with panic egress; laminated glass as well as bringing doors in compliance with code.

Director Watkins inquired if the proposed laminated glass would make it more challenging to get through even if broken. Manager Moody replied yes.

Director Panizza inquired if staff has re-evaluate the security of the surrounding areas of the Plant. Manager Moody replied yes, several security-type additions have been made and include additional security cameras; security software update and “sounding” alarms to the buildings onsite

Director Panizza also inquired if there is a panic button system for operator use. Manager Moody replied staff is researching a solution of this nature so Operators can have on them at all times to sound an alarm to scare off intruders. Manager Moody advised the potential SCADA system would provide a security feature to the District with the ability to dial 911 when pressing the panic button.

A motion was moved and seconded to procure the services of Vortex Industries, Inc., for Security Door Replacement for the Operations Building East and West doors (with 3-point locking system; panic egress and laminated glass) in the total amount of \$13,560.00.

Roll Call:

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

6. Proposed Bay-Delta Plan Updates – DRAFT Unimpaired Flow Proposal Criteria Discussion  
Manager Moody provided the Board with information on the proposed updates to the Bay-Delta Water Quality Control Plan. Legal Counsel Zolezzi reported the entire document is ~ 3,000 pages in length and is still under review. Legal Counsel Zolezzi reported the proposed (from) the Stanislaus River a minimum of 40% target flows February through June and; in addition to, year round flows per the Biological Opinion for a combined total of 60%. The total fishery flow would be ~600,000 Acre-Foot (AF) and the average annual inflow to the river is 1,000,000 AF. Legal Counsel Zolezzi reported the proposed minimum carryover storage requirements is 700,000 AF, currently the target is 300,000 AF. Legal Counsel Zolezzi reported Oakdale Irrigation District and South San Joaquin Irrigation District have indicated that under this Plan the Districts would only get their full 600,000 AF about ~60% of the time, which is a severe drop-off of water supplies. Legal Counsel Zolezzi reported specific comments need to be formulated on the proposed Plan updates and submitted before the comment period deadline.

Director McGurk inquired how Legal Counsel filters through this document given its length. Legal Counsel Zolezzi replied staff searches for specific words and read pertinent sections based on the table of contents, paying most attention to anything referencing the Stanislaus River.

Brandon Nakagawa inquired if there will be an extension request for time. Legal Counsel Zolezzi replied most likely. This item was for information only.

## **E. COMMITTEE REPORTS**

### **1. Sustainable Groundwater Management Act Work Group, 09/14/16**

Director Panizza and Manager Moody attended the September 14, 2016 Sustainable Groundwater Management Act (SGMA) Work Group Meeting. Manager Moody reported discussion primarily focused on the Joint Powers Agreement (JPA). Manager Moody reported his concern would be getting into topics where agencies with no financial or groundwater interest have input on how the District manages their area of the Groundwater Sustainability Plan (GSP) or being a Groundwater Sustainability Agency (GSA). Manager Moody reported the attorneys who put the JPA together argued on behalf of the elected officials; therefore, the JPA should reflect the wishes of the elected officials. However, most who attend the SGMA Work Group Meeting are not elected officials, yet they are the people contemplating to change things within the draft JPA; or, choosing whether to have a JPA at all. Manager Moody added that given there is more staff at the table than elected officials there is not a lot of points and counter points being discussed because they are waiting to speak to their elected officials.

Director Panizza added he shares in Manager Moody's concerns, adding there are people sitting in the meetings making decisions or through discussion that cannot financially afford to participate. Director Panizza reported County staff is stressing the concept to move ahead without a JPA or making a decision saying it is not important how it is done, so long that it is done. Director Panizza suggested it is an important document and Legal Counsel Zolezzi agreed it is essential.

Director Panizza reported there was concern raised by California Water Service Company (Cal Water) is that under state law, since they are not a government body and therefore do not share joint or similar powers, Cal Water will not receive a seat for themselves.

Director McGurk inquired who can change the direction this is heading. Manager Moody stated he believes it will be left to the majority; however, there are only a handful of attendees who vocalize their opinion during the meeting.

Director Watkins inquired if there are any other groups throughout the state that are further along in this process. Legal Counsel Zolezzi replied a number of people have their JPA's in place already. The next meeting is scheduled for October 12, 2016.

### **2. Stockton Area Water Suppliers Meeting, 09/19/16**

Manager Moody and staff attended the September 19, 2016 Stockton Area Water Suppliers (SAWS) Meeting. Manager Moody reported the meeting was brief; last month the group decided to reduce the length of their monthly meetings, with a new meeting start time of 3:30 p.m. Manager Moody reported everyone was in attendance aside from Cal Water. Kristin Coon, Water Conservation Coordinator, reported on the new school year, outreach and provided a summary of her annual report. Manager Moody reported there was discussion on use of New Hogan

Reservoir water supply and total organic carbon (TOC) removal; noting, the District reached 45% removal for TOC's. The next meeting is scheduled for October 17, 2016.

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

### **1. Water Supply Report as of 09/12/16**

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

Staff reported there is 83,770 AF in storage at New Hogan Reservoir. Current releases are set at 215 cfs. There is 534,685 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 153 cfs and release to all water users are set at 1,073 cfs. The water treatment plant is currently processing 30 mgd. The City of Stockton's water treatment plant is currently processing 22 mgd.

Staff reported there are 10 irrigators on the New Hogan system and there are no irrigators pumping on New Melones system.

### **2. Information Items:**

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

### **3. Report on General Manager Activities**

#### **a. Stockton East Water District & City of Stockton Finance Group Meeting, 09/19/16**

Manager Moody reported there was discussion on the standings of the City of Stockton and Stockton East Water District. Manager Moody reported they are researching now that there is a side agreement amongst the Urban Contractors (as to how they are re-allocating water). It is estimated that Cal Water is in the neighborhood of 60-70% of the Base Monthly Payment, where the original Bonds were sold as tax exempt. Now that Cal Water has so much of the BMP and is not a public entity it could be an issue and may not make sense to re-finance the Bonds. Legal Counsel Zolezzi commented that could be an issue as the original Bonds have a covenant that Cal Water will not use more than 25%. Manager Moody advised Finance Director Naray to review the original Bond language further. This item was for information only.

## **G. DIRECTOR REPORTS**

### **1. Greater Stockton Chamber of Commerce – 52<sup>nd</sup> Annual Industrial Technology Barbeque, 09/14/16**

President Sanguinetti, Manager Moody and Administrative Services Manager Lopez attended the September 14, 2016 Greater Stockton Chamber of Commerce – 52<sup>nd</sup> Annual Industrial Technology Barbeque. President Sanguinetti reported it was a nice night.

## **H. COMMUNICATIONS**

### **1. East Bay Municipal District's 23<sup>rd</sup> Annual Pardee BBQ, 10/07/16**

Manager Moody provided the Board with information on the East Bay Municipal District's 23<sup>rd</sup> Annual Pardee BBQ. Manager Moody inquired if the Board would like staff to RSVP on their behalf. Director Watkins replied yes. Manager Moody advised staff will RSVP on behalf of Directors McGaughey, McGurk and Watkins.

**I. AGENDA PLANNING/UPCOMING EVENTS**

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 09/21/16  
*[This meeting was Cancelled]*

**J. REPORT OF THE COUNSEL**

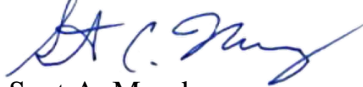
1. Closed Session: REAL PROPERTY – GOVERNMENT CODE SECTION 54956.9 – Property: Water Rights  
Agency Negotiator: Scot A. Moody /Karna E. Harrigfeld  
Negotiating Parties: Oakdale Irrigation District/South San Joaquin Irrigation District  
Under Negotiation: Water Transfer
2. Closed Session - Potential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

President Sanguinetti adjourned the meeting to closed session at 1:20 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:55 p.m., with no reportable action.

**J. ADJOURNMENT**

President Sanguinetti adjourned the meeting at 1:56 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

tbc

