

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, DECEMBER 20, 2016 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:24 p.m., Director Cortopassi 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, Water Supply Supervisor Riojas, Administrative Services Manager Carido, Administrative Clerk Curtis, Consultant Barkett and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Association of California Water Agencies/Joint Powers Insurance Authority – Professional Development Program Completion & Presentation, 12/08/16

Manager Moody presented Water Supply Supervisor Riojas with a plaque for completing the Supervisory Basics Certification Professional Development Program (PDP) administered by the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA). Manager Moody reported this is a safety weighted Program, but also educates participants on how to become more effective supervisors; and, how to excel in the role of supervisor. Manager Moody reported participation in the PDP came at no cost to the District, as the trainings offered are a benefit of being a member of ACWA/JPIA. Manager Moody reported PDP certification is a 4-year program; and Water Supply Supervisor Riojas completed his certification in 2-years.

Water Supply Supervisor Riojas thanked Manager Moody and Assistant Manager Johnson for this opportunity to complete this course and expand his knowledge that will help make him a more effective leader.

2. Minutes 12/13/16 Regular Meeting

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

Roll Call:

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

3. 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 page 20, line item 37 for Pacific Metro Electric Inc., for 1st billing of the MCC 4M System & ATS Replacement Project thru 11/30/16 in the amount of \$67,255.00. Manager Moody replied this expense is the payment for replacement of the District's Motor Control Center (MCC-4M System); noting the District went out to Bid on this Project and was approved by the Board on September 20, 2016. Finance Director Naray reported the total expense for this Project is in the amount of \$240,000.

Director Atkins inquired on the expense on page 17, line item 9 for Big Valley Ford, for parts and labor to repair Unit #16, in the amount of \$4,565.61. Assistant Manager Johnson replied this expense is for repair of front and rear brakes; rotors; system diagnosis; sensors and injection system replacement.

Director Atkins inquired on the expense on page 19, line item 11 for Crop Productions Services Inc., for 60-gallons herbicide for Treatment Plant grounds in the amount of \$1,036.80. Manager Moody replied the herbicide is used on the Plant grounds and is currently being applied.

A motion was moved and seconded to approve the December 20, 2016 Warrants, as presented.

Roll Call:

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

4. Base Monthly Payment – Fiscal Year 2017/2018

a. Public Hearing

President McGurk opened the Public Hearing at 12:31 p.m., to receive comments on the Base Monthly Payment for Fiscal Year 2017/2018.

Manager Moody provided proof of publication of the public hearing. Manager Moody also provided a handout to the Board of a revised Resolution No. 16-17-12 – Setting a Revised Base Monthly Payment for the Period April 1, 2017 to March 31, 2018. Manager Moody reported the revision was due to a rounding figure error (on the second page of the Resolution) resulting in revision of figure 6A(3) Operations & Maintenance from \$16,639,115 to \$16,639,114. Manager Moody reported in accordance with the District Act, after Board approval of the District Fiscal Year Budget, the Board then holds public hearing for review and approval to adopt the Revised Base Monthly Payment for the Urban Contractors.

Seeing there were no public comments, President McGurk closed the Public Hearing at 12:34 p.m.

b. Resolution No. 16-17-12 – Setting a Revised Base Monthly Payment for the Period April 1, 2017 to March 31, 2018

A motion was moved and seconded to adopt Resolution No. 16-17-12 – Setting a Revised Base Monthly Payment for the Period April 1, 2017 to March 31, 2018, as presented.

Roll Call:

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

5. Notice of Acceptance of Completion

- a. Dr. Joe Waidhofer Water Treatment Plant Operations Building Replacement of East & West Exterior Doors

Manager Moody provided the Board with a draft Notice of Acceptance of Final Completion (NOC) for the Dr. Joe Waidhofer Water Treatment Plant Operations Building Replacement of East & West Exterior Doors. Manager Moody reported the date the NOC is filed with the San Joaquin County Recorder's Office begins the clock on the statues of limitations for submission of prevailing wage dispute(s) as well as contractor and subcontractor payment.

Director Cortopassi inquired if the new doors will keep individuals from entering the building with powered vehicle. Manager Moody replied the doors could not withstand the force of a powered vehicle.

Legal Counsel Zolezzi commented many Water Districts have been adding concrete planters in front of their entrances blocking access as an added security measure. Manager Moody advised staff will look into barricades for additional security measures.

A motion was moved and seconded to approve the Notice of Completion for the Dr. Joe Waidhofer Water Treatment Plant Operations Building Replacement of East & West Exterior Doors, as presented.

Roll Call:

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

- b. Installation of Sample Taps in Low Lift for Water Sample for SA-1 & Future Injection Point for Potassium Permanganate

Manager Moody provided the Board with the Notice of Acceptance of Final Completion (NOC) for the Installation of Sample Taps in Low Lift for Water Sample for SA-1 & Future Injection Point for Potassium Permanganate.

A motion was moved and seconded to approve the Notice of Completion for the Installation of Sample Taps in Low Lift for Water Sample for SA-1 & Future Injection Point for Potassium Permanganate, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. Eastern San Joaquin County Groundwater Banking Authority Board Meeting, 12/14/16

Director Panizza, Manager Moody and District Engineer Lee attended the December 14, 2016 Eastern San Joaquin County Groundwater Banking Authority (GBA) Board Meeting. Director Panizza reported the Board took action and approved adoption of the GBA's Conflict of Interest Code as presented. The next meeting is scheduled for January 11, 2017.

2. Sustainable Groundwater Management Act Work Group, 12/14/16

Director Panizza, Manager Moody and District Engineer Lee attended the December 14, 2016 Sustainable Groundwater Management Act (SGMA) Work Group Meeting. Manager Moody reported discussion focused on the revised Joint Powers Agreement (JPA) that was presented by San Joaquin County. Part of this revision would include whether or not each Groundwater Sustainability Agency (GSA) gets one vote; or, if it would be a weighted vote based on criteria to be established. Manager Moody reported the draft JPA will be brought back to the SEWD Board at the December 27, 2016 Regular Board Meeting. The hope is to have all agencies present the revised JPA to their respective Board prior to the Work Group's January meeting, in effort to keep the process moving forward. Manager Moody reported City of Manteca and Central San Joaquin Water Conservation District reported to the Work Group of their Boards/Councils have formally decided to become their own GSA respectively. Manager Moody reported discussion regarding the process to move forward, which includes a Resolution to acknowledge that the Basin Boundary lines that have been modified since the County's initial submission to become a GSA; the Resolution is due by March 1, 2017.

Manager Moody reported on discussions to find California Water Service Company a voting seat within the group and Manager Moody also reported on discussions for the need for a Memorandum of Understanding (MOU) between the San Joaquin County and Linden County Water District's GSA as the County will represent Linden.

Brandon Nakagawa reported Linden County Water District did file to be their own GSA, however, that will be a future discussion. The next meeting is scheduled for January 11, 2017.

3. AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group, 12/14/16

District Engineer Lee attended the December 14, 2016 AD HOC Technical Review Committee Meeting for the Sustainable Groundwater Management Act Work Group. District Engineer Lee reported there was discussion on the Groundwater Model Input & Output Sub-areas. The model is being divided by input and output for the area. District Engineer Lee reported the input is mostly based on the water agencies and their jurisdiction and the output is more general, based on five areas. The model facilitates the Groundwater Sustainability Plans (GSP) development; the data will go in and the model will process the data as a management area or subarea. District Engineer Lee reported there was discussion on the Best Management Practices (BMP) for SGMA. The most concern in this area is that the BMP is a guidance document; however, it sets a requirement of what type of monitoring wells must be used. District Engineer Lee reported the current standard is ~ten (10) monitoring wells per square mile and the County does not currently utilize wells of this caliber. District Engineer Lee reported the hope is this will remain as a guidance document and not begin enforcing hard requirements. District Engineer Lee reported the County will be sending correspondence to different agencies to request groundwater data to input into the GSP.

Director McGurk inquired if the United States Geological Survey (USGS) has a model that could be used. District Engineer Lee reported they have a Central Valley Model, however, it is too grainy and the grid is too large for the purpose of the group.

Brandon Nakagawa reported there is a well near the Bozzano property that was just installed to evaluate recharge dynamics, it is a multi-completion monitoring well, which are the wells preferred for SGMA, however, they are very costly.

Director Cortopassi inquired if they will be using existing wells to monitor groundwater levels. Manager Moody replied it is important to remember the BMP is advisory in nature and also a great expense in order to satisfy the guidelines as provided in the BMP. Legal Counsel Zolezzi added it is the hope that using the existing wells is not yet out of the question.

Manager Moody inquired if the County has an Ordinance for permitting of new wells that require the well owner must share the well data with the County. Brandon Nakagawa replied the Environmental Health Department is requiring that the construction information for new wells is public. The next meeting is scheduled for January 25, 2017.

4. Tri-Dam Project – 2017 Budget Review Meeting, 12/19/16

Directors Atkins, Panizza and Manager Moody attended the December 19, 2016 Tri-Dam Budget Review Meeting. Director Panizza reported not much has changed in the budget from the prior year, with exception to Payroll and Overhead. Director Panizza reported labor and overhead costs are expected to increase by \$17,963.00 for the 2017 Budget. Director Panizza reported Tri-Dam is finished with the process of re-negotiating with the Union that represents their workers and; as a result includes a retroactivity clause for any raises that are granted through negotiations back to the start of negotiations.

Director Atkins reported they are changing their security system from analog to digital. Director Panizza reported there was discussion to facilitate future Tri-Dam Project meetings by video conference to minimize the amount of travel time for those who attend. Director McGurk inquired on the Budget's revenue. Legal Counsel Zolezzi replied the revenue comes from sources like the District. The only reason Tri-Dam conducts Budget review meetings with SEWD is to justify our portion. Director Panizza reported it was the consensus of the District representatives that the Budget was fair and ready for approval. Director Cortopassi inquired if Tri-Dam anticipates any upgrades to Goodwin Dam. Manager Moody replied they did not have any major capital expenditures planned. Manager Moody reported this will be brought back before the Board at the Regular Board Meeting scheduled next week for consideration to approve.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 12/19/16

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

Manager Moody reported there is 92,948 AF in storage at New Hogan Reservoir. Current releases are set at 27 cfs. There is 597,698 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 205 cfs and release to all water users are set at 205 cfs. The water treatment plant is currently processing 13 mgd. The City of Stockton's water treatment plant is currently processing 13 mgd.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6, F2a-7 and F2a-8.

3. Report on General Manager Activities

- a. State Water Resources Control Board Public Hearing – 2016 Bay Delta Plan Amendments & Substitute Environmental Document (SED), 12/16/16
Manager Moody attended the December 16, 2016 State Water Resources Control Board (SWRCB) Public Hearing – 2016 Bay Delta Plan Amendments & Substitute Environmental Document (SED). Manager Moody reported that he and Legal Counsel Zolezzi gave a scheduled presentation at the hearing. Manager Moody reported he spoke about the timeliness of what is occurring as agencies have only had 4-months to respond to a ~4,000 page document. Manager Moody reported there seemed to be as many people there in support of Unimpaired Flows as there was against it. Manager Moody reported Oakdale Irrigation District and South San Joaquin Irrigation District provided good presentations. Manager Moody reported during his presentation he made a point to discuss that when looking at Phases 1 & 2 of the Plan everyone is not equal; there is not a 14% loss for everyone. The District would lose 100% if what is proposed took place on the Stanislaus and Calaveras Rivers. This item was for information only.

G. DIRECTOR REPORTS

1. San Joaquin County Board of Supervisors – Holiday Open House, 12/14/16
Director McGurk and Sanguinetti attended the December 14, 2016 San Joaquin County Board of Supervisors – Holiday Open House. Director Sanguinetti reported there was a good size crowd; and spoke with Supervisor Elect Patti & Supervisor Elect (Miguel) Villapudua and outgoing Supervisors Zapien and (Carlos) Villapudua. Director Sanguinetti reported he thanked Supervisor Miller for her comments on the unimpaired flows. This item was for information only.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 12/21/16
2. District Holiday – Christmas Day, 12/26/16

J. REPORT OF THE COUNSEL

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

President McGurk adjourned the meeting to closed session at 1:14 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:48 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 1:49 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

