

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, JANUARY 16, 2018 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:19 p.m., and Administrative Clerk Curtis 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 Vega, Administrative Services Manager Carido, Administrative Clerk Curtis, Legal Counsel Harrigfeld and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 01/09/18 Regular Meeting

A motion was moved and seconded to approve the January 9, 2018 Regular Meeting Minutes, as presented.

Roll Call:

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

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the January 16, 2018 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

3. 2018 One Voice Trip Project Submissions

a. North Site Groundwater Recharge and Raw Water Storage Reliability Project

Manager Moody provided the Board with information on the North Site Groundwater Recharge and Raw Water Storage Reliability Project.

b. Bellota Fish Ladder and Passage Improvement Project

Manager Moody provided the Board with information on the Bellota Fish Ladder and Passage Improvement Project.

Manager Moody reported the Project submissions must be sent to Kris Balaji at San Joaquin County for approval as part of the One Voice package as the District is not a member of the Council of Government (COG) group.

Director Cortopassi inquired if the Representatives that the Board and Manager Moody will meet with in Washington D.C. receive copies of the Project submittals. Manager Moody replied yes, COG provides copies of all Projects to the Representatives.

Director Cortopassi inquired if COG ever declines a Project submittal. Manager Moody replied not to his knowledge.

A motion was moved and seconded to approve the 2018 One Voice Trip Project Submissions for the North Site Groundwater Recharge and Raw Water Storage Reliability Project and Bellota Fish Ladder and Passage Improvement Project, as presented.

Roll Call:

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

4. California Governor's Office of Emergency Services – Public Assistance & Grant Programs FEMA-4308-DR-CA, Cal OES ID: 077-91014

Manager Moody provided the Board with information on the Public Assistance & Grant Programs FEMA-4308-DR-CA, Cal OES ID: 077-91014 from California Governor's Office of Emergency Services (Cal OES). Manager Moody reported the District received notification of obligation to pay \$18,246 in Public Assistance and Grant Funding for Lower Farmington Canal and the Eight Mile Road Dam from Cal OES, based on the application submitted by the District in 2017.

Manager Moody reported the District already received the Federal-Public Assistance funding in the amount of \$14,310. This item was for information only.

5. Honeywell – Presentation

Honeywell Representatives presented their findings to the Board on benefits of CA 4217, Guaranteed Savings Projects and Energy Service Companies (ESCO). Michael Kempa, Regional Sales Manager, reported on the history of CA 4217 stating it was enacted to promote all feasible means to energy and water conservation and all feasible uses of alternative energy and water supply sources, and to extend this policy to facilities of local governments and public agencies. Mr. Kempa reported since 1990, the United States ESCO projects equal about \$5 billion annually.

Mr. Kempa reported ESCOs act as project developers as they integrate the project's design, financing, installation and operational elements. ESCOs are an experienced and effective delivery mechanism to provide the maximum amount of energy and operational efficiency resources.

Mr. Kempa reported the benefits of a CA 4217 performance contract would be to; replace aging equipment with new equipment, enhance local economies through the ESCOs use of local subcontractors, maintain vendor neutrality, select services and materials based upon quality and value, and provide one point of responsibility with an ESCO.

Mary Wyand, Regional Solutions Development Engineer, reported she generated a CA 4217 Feasibility Review by collecting information from onsite visits. A few items of note for what could

be upgraded are; pumping upgrades through optimization, SCADA upgrades, battery storage, natural gas generation, lighting upgrades and HVAC upgrades. Ms. Wyand reported battery storage and natural gas generation are the best opportunities to offset the District's PG&E costs.

President McGurk inquired on the self-generation incentive program. Ms. Wyand replied incentives are being provided for battery storage, natural gas generation and co-generation, these do however change every few years.

Director Atkins inquired on what the battery storage would do. Ms. Wyand replied the batteries store power and discharge over time based on the size and storage capacity of each battery.

Director Sanguinetti inquired how the calculations for maintenance and operations cost will be calculated. Ms. Wyand replied all costs have been considered and will be shown by the cash flow example.

Ryan Gunstream, Senior Energy Business Consultant, reported Honeywell conducted a Feasibility Review only for the District to see if this program has potential. Mr. Gunstream reported that based on their findings this would be feasible for the District.

Mr. Gunstream reported the District would work with Honeywell to receive rebates and incentives. Mr. Kempa added they tried to be conservative in their Cash Flow example to ensure there is some cash flow every year.

Manager Moody thanked Mr. Gunstream, Mr. Kempa and Ms. Wyand for their presentation and advised this will be brought back to the Board for consideration.

E. COMMITTEE REPORTS (None)

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 01/15/18

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

There is 156,020 AF in storage at New Hogan Reservoir. Current releases are set at 23 cfs. There is 1,987,314 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 1,438 cfs and release to all water users are set at 1,474 cfs. The water treatment plant is currently processing 17 mgd. The City of Stockton is currently processing 13 mgd.

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 & Calaveras County Water District Meeting, 01/11/18

Manager Moody attended a meeting with Calaveras County Water District (CCWD) on January 11, 2018. Manager Moody reported he had lunch with representatives from CCWD, which the Districts like to do occasionally to keep the lines of communication open. Discussion focused on SB-88, CCWD talking with landowners who pump off the river about meter installation, and about CCWD's project wanting to store water in New Melones Reservoir. Dave Eggerton from CCWD would like to get a couple members from each Board together for lunch for a general discussion to aid in the overall communication between the Districts.

G. DIRECTOR REPORTS

- 1. Greater Stockton Chamber of Commerce Monthly Mixer – Oak Park Ice Arena, 01/11/18
Nothing to report.

President McGurk reported there is an ACWA Region 4 Board Meeting tentatively scheduled for Monday, January 29, 2018. President McGurk will have an item added to the meeting’s agenda regarding the Appointments to the ACWA State Legislative Committee for the 2018/2019 Term, specifically non-appointment of Manager Moody. President McGurk advised if the item is not successfully added to the agenda prior to distribution, he will bring the item up during the meeting to include providing the Region 4 Board with handouts of the correspondence sent by the District to the Region 4 Chairperson.

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., 01/17/18

J. REPORT OF THE COUNSEL

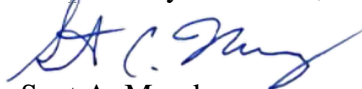
- 1. Closed Session - Existing Litigation
Stockton East Water District vs. City of Stockton, et al.
Government Code 54956.9 (a)
- 2. Closed Session - Anticipated Litigation
Government Code 54956.9 (c) – one case
- 3. Closed Session - Personnel
Government Code 54957

President McGurk adjourned the meeting to closed session at 1:13 p.m. to discuss closed session agenda items. District staff, with the exception of Manager Moody, were excused from the closed session meeting at 1:39 p.m. The regular meeting reconvened at 1:55 p.m., with no reportable action.

K. ADJOURNMENT

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

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

