

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, FEBRUARY 27, 2018 AT 12:00 NOON

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

President McGurk called the regular meeting to order at 12:21 p.m., and Director Panizza led the Pledge of Allegiance.

Present at roll call were Directors Atkins, McGurk, Panizza and Watkins. Directors Cortopassi, McGaughey, Sanguinetti were absent. Also present were Assistant Manager Johnson, District Engineer Lee, Finance Director Vega, Administrative Services Manager Carido, Administrative Clerk Curtis, Legal Counsel Zolezzi and Consultant Barkett.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT**

John Freeman, Cal Water Service Company introduced Juan Tejada, Cal Water's new Water Quality Manager.

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 02/20/18 Regular Meeting

A motion was moved and seconded to approve the February 20, 2018 Regular Meeting Minutes, as presented.

Roll Call:

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

2. Warrants – California Public Employees' Retirement System

A motion was moved and seconded to approve the February 27, 2018 Warrants – California Public Employees' Retirement System, as presented.

Roll Call:

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

3. (Updated) Resolution No. 17-18-14 – 2018 New Melones Conveyance System Wheeling Rates for Central San Joaquin Water District

Assistant Manager Johnson provided the Board with (Updated) Resolution No. 17-18-14 Findings for the 2018 New Melones Conveyance System Wheeling Rate for Central San Joaquin Water Conservation District (CSJWCD). Legal Counsel Zolezzi reported when Raftelis Financial Consultants, Inc. modified all figures with the new methodology, they revised the 2011 and 2018 calculations. In the previous Resolution, the 2011 calculations were included, not the 2018. The revised Resolution includes all accurate figures.

Legal Counsel Zolezzi reported the Resolution includes figures for volumetric and fixed component costs. The volumetric cost component under the revised methodology is \$11.75 per acre-foot. The fixed component cost for Fiscal Year 2018 is \$15.33 per acre-foot.

Legal Counsel Zolezzi reported after adoption of the revised Resolution, a letter will be sent to CSJWCD inquiring if they would be interested in scheduling a meeting to discuss further. Director Panizza inquired if the District has had previous discussion with CSJWCD regarding this. Legal Counsel Zolezzi replied no.

A motion was moved and seconded to adopt (Updated) Resolution No. 17-18-14 Findings for the 2018 New Melones Conveyance System Wheeling Rate for Central San Joaquin Water Conservation District, as presented.

Roll Call:

Ayes: Atkins, McGurk, Panizza, Watkins

Nays: None

Abstain: None

Absent: Cortopassi, McGaughey, Sanguinetti

4. Reclamation Announces The 2018 Water Supply Allocation For The Central Valley Project, USBR Mid-Pacific Region News Release, 02/20/18

Assistant Manager Johnson provided the Board with the USBR's announcement for Water Supply Allocation for the Central Valley Project (CVP). Assistant Manager Johnson reported the East Side Contractors will receive 100% allocation. This item was for information only.

5. Lower Farmington Canal – Conveyor System Additions

Assistant Manager Johnson provided the Board with a memorandum on the Conveyor System Additions at Lower Farmington Canal. Assistant Manager Johnson reported this budgeted item for Fiscal Year 2017/18 is to improve the trash racks at Bird Cage and Escalon-Bellota.

Assistant Manager Johnson reported staff requested quotes from seven local mechanical firms and five firms responded with prices ranging from \$62,360 - \$68,989. G&S Enterprise of Stockton provided the most complete quote, addressing all the requirements in the District specifications.

Staff recommends awarding a contract to G&S in the amount of \$63,643 for the purpose of providing conveyor system equipment at the Escalon-Bellota and Bird Cage trash racks.

Director Watkins inquired on who will perform the installation as the quote from G&S is inclusive of installation. Assistant Manager Johnson reported G&S will supply the materials and staff will perform the installation in-house.

Director Panizza advised there should be clarification on the quote to illustrate that staff will be performing the installation.

Director Watkins informed the Board that he sells hay to Dave Goldsworth; partner of G&S. Legal Counsel Zolezzi advised this is not a significant financial interest, so Director Watkins is able to vote on this item.

Assistant Manager Johnson advised staff will clarify the installation line on the quote and ensure a total cost is listed on the quote from G&S and bring back to the Board for information.

Director Watkins advised that the Board approve the contract as to not stall the Project, leaving staff to amend the quote, including a not to exceed number.

A motion was moved and seconded to award the Lower Farmington Canal – Conveyor System Additions Project to G&S Enterprises of Stockton in an amount not to exceed \$63,643.

Roll Call:

Ayes: Atkins, McGurk, Panizza, Watkins

Nays: None

Abstain: None

Absent: Cortopassi, McGaughey, Sanguinetti

6. Central Valley Flood Protection Board – Mormon Slough Irrigation Dams – Permits No. 5838, 7594, 8175 and 9101 Early Installation, 02/22/18

Assistant Manager Johnson provided the Board with a handout of the updated correspondence regarding early dam installation mailed to the Central Valley Flood Protection Board (CVFPB) on February 26, 2018. Assistant Manager Johnson reported after initial submittal of the District’s variance request, the CVFPB requested staff use their specific format. Staff revised the letter and resent to the CVFPB, requesting installation of dams as early as March 12<sup>th</sup>.

Legal Counsel Zolezzi inquired if this correspondence was mailed or emailed. Administrative Services Manager Carido replied both.

Administrative Services Manager Carido reported CVFPB staff advised to address the letter to Geoffrey Shaw, Chief Engineer of the CVFPB and provide the letter to the CVFPB within 10-days of the requested installation.

President McGurk inquired if staff will follow up on the request. Administrative Services Manager Carido replied yes. This item was for information only.

7. Consideration of Donating Funds to Support Association of California Water Agencies in Efforts Against Tax on Water

Assistant Manager Johnson provided the Board with information on the pledge form from ACWA regarding the consideration of donating funds to support ACWA in efforts against the tax on water. Assistant Manager Johnson reported ACWA is requesting voluntary contributions to fund ACWAs outreach efforts. Based on the District’s size, ACWA is requesting a \$10,000 voluntary donation.

Legal Counsel Zolezzi inquired if any of the outreach efforts effect the District directly. Assistant Manager Johnson replied no.

Director Watkins inquired if this is regarding SB 623. Assistant Manager Johnson replied yes, the tax on drinking water.

Director Watkins inquired if ACWA is opposing it. Assistant Manager Johnson replied yes.

Director Watkins inquired on ACWAs timeline for contributions. Assistant Manager Johnson replied there is no apparent timeline.

President McGurk inquired if the funds will help fight it if it passes. Assistant Manager Johnson replied the funds are to secure an outside public affairs firm to help develop a more strategic external affairs campaign to prevent it prior to passing.

Director Watkins advised the Board needs more information before moving forward.

#### **E. COMMITTEE REPORTS (None)**

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

##### **1. Water Supply Report as of 02/26/18**

Assistant Manager Johnson 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 158,632 AF in storage at New Hogan Reservoir. Current releases are set at 26 cfs. There is 1,927,899 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 2,305 cfs and release to all water users are set at 2,932 cfs. The water treatment plant is currently processing 17 mgd. The City of Stockton is currently processing 13 mgd.

Legal Counsel Zolezzi advised staff reach out to CSJWCD to inquire how they are irrigating based on the numbers from the Water Supply Report, if they have not requested water. Assistant Manager Johnson advised staff will research and bring back to the Board.

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

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

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

###### **a. BIT Inspection of District Vehicle #30 & Inspection and Repair of District Vehicle #53 Update**

Assistant Manager Johnson reported this is a California Highway Patrol (CHP) run program. It is a basic inspection of vehicles over 10,000-pound axle weight. Assistant Manager Johnson advised staff conducts inspections quarterly; however, the \$2,144.25 cost is for the District's annual inspection with the CHP. Director Atkins inquired what vehicle Unit #53 is. Assistant Manager Johnson replied it is the Pape Kenworth Dump Truck.

###### **b. Agricultural Operation Committee Meeting Discussion (2018 Water Rates)**

Assistant Manager Johnson inquired with the Board on availability to schedule an Agricultural Operation Committee Meeting. President McGurk advised bringing it back to the Board next week for consideration and approval. Administrative Services Manager Carido will email the Committee members prior to inquire.

Finance Director Vega reported he, Manager Moody and Legal Counsel Harrigfeld met with Mike Finnegan, formerly Area Manager for the USBR on February 22, 2018 regarding Central Valley Project (CVP) Rates. Mr. Finnegan is currently a consultant with the Municipal Consulting Group. Finance Director Vega reported Mr. Finnegan previously oversaw ~~oversees~~ general operations and rate setting

operations at the USBR. This meeting was a result of Manager Moody wanting to get a better grasp on rate setting and how the USBR pools their costs and allocated them. Finance Director Vega reported there was discussion on the operations at the USBR. Mr. Finnegan confirmed suspicions that the USBR loses institutional knowledge as employees move on or retire. Finance Director Vega reported a draft consultant agreement will be brought to the Board for consideration and approval of Mr. Finnegan's will be on call services for to the District in the event any questions arise regarding CVP rates. Finance Director Vega reported Mr. Finnegan recommended attending the CVP Water Association Executive and Financial Affairs Committee meetings. Finance Director Vega volunteered himself to participate and will attend future meetings. President McGurk inquired if Mr. Finnegan will bill the District. Finance Director Vega replied, based on his task order and what we would like him to do, with Board approval, he will invoice us. However, the District will not be charged for this initial meeting. Legal Counsel Zolezzi advised Mr. Finnegan will not be a permanent consultant, just on call for specific questions.

**G. DIRECTOR REPORTS** (None)

**H. COMMUNICATIONS** (None)

**I. AGENDA PLANNING/UPCOMING EVENTS**

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 02/27/18
2. Greater Stockton Chamber of Commerce Monthly Mixer – Emergency Food Bank  
Stockton/San Joaquin, 5:15 p.m., 03/01/18

**J. REPORT OF THE COUNSEL**

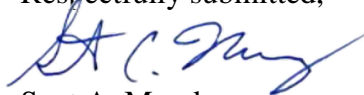
1. Closed Session - Potential Litigation  
Government Code 54956.9 (c) – one case

President McGurk adjourned the meeting to closed session at 1:02 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:08 p.m., with no reportable action.

**K. ADJOURNMENT**

President McGurk adjourned the meeting at 1:09 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

tbc

