

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, MAY 29, 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 McGaughey led the Pledge of Allegiance.

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

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT**

Ray Lial addressed the Board and inquired if the District would be open to change a boundary line. A line adjustment could be forced, if enough pledges are received. Mr. Lial inquired if the boundary line adjustment were approved, would it be easier for landowners to become part of the District. Director Sanguinetti replied the Board would need to see Central San Joaquin Water Conservation District's (CSJWCD) financials and determine if the landowners are responsible for the bonds before making any decisions.

Mr. Lial inquired if CSJWCD has sent their financials to the District yet. Manager Moody replied no. They have 10-days to notify the District with when they will provide financials in a reasonable amount of time.

Raymond Brian Greer reported landowners are willing to pay off their portion of debt to leave CSJWCD and join the District.

Wayne McCurley inquired if new landowners annexed into the District would be treated as equal members of the District and charged the same water rate as current customers, assuming their previous debts have been paid. Legal Counsel Zolezzi replied that would be a policy decision of the Board. Legal Counsel Zolezzi added the Board would need to evaluate a cost that blends all water source costs together.

Mr. Lial reported three of the four farmers in attendance are already pumping from the District's main canal and are all located continuously from Escalon Bellota to Farmington Dam.

Director Cortopassi reported he is part of the District's Agriculture Operations Committee, which encourages the use of surface water, especially with the upcoming SGMA regulations.

Manager Moody advised it would be fair to say the water rates will not be more than what the water costs.

Director Atkins inquired what the water rate was last year with CSJWCD. Mr. McCurley reported it was \$50 per AF and this year the rate is \$127 per AF.

There was discussion on CSJWCD's debt service and other reasons for dramatically increasing the cost for water this year, as well as their current infrastructure.

Mr. Lial reported landowners are in a tough spot as they do not want to pay a high dollar price for surface water, but they do not want their wells to go dry either.

Mr. Lial thanked the Board for their time.

#### **D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

##### 1. Minutes 05/22/18 Regular Meeting

A motion was moved and seconded to approve the May 22, 2018 Regular Meeting Minutes, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti

Nays: None

Abstain: None

Absent: Watkins

##### 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

Director Sanguinetti inquired on the expense on page 15, line item 2 for Les Schwab Tire Center for Replacement drive tires for Unit #53 in the amount of \$4,065.40, commenting Les Schwab has the highest price in town for tires. President McGurk inquired how many tires are drivers. Assistant Manager Johnson replied all eight. Assistant Manager Johnson advised staff contacted Firestone and Goodyear for tire quotes. Director Cortopassi advised staff to add East Bay Tire to their list of contacts for potential future use.

Director Cortopassi inquired on the expense on page 13, line item 15 for San Joaquin County Sheriff-Coroner for March 2018 AWP temporary work at New Hogan in the amount of \$2,855.00. Assistant Manager Johnson replied it is for work on the New Hogan system starting at Bellota.

President McGurk inquired on the expense on page 17, line item 3 for Calgon Carbon Corp for Install GAC in filters 2, 4, 6, 8 shipped on 04/09/18 in the amount of \$259,647.61. Assistant Manager Johnson replied this cost is for removal, regeneration and installation for the 2018 calendar year. Director Sanguinetti recommended using the word replacement instead of installation. Director Cortopassi inquired how long the filters were out of service. Manager Moody replied ~2.5-months. Director Cortopassi inquired how much carbon was replaced. Assistant Manager Johnson replied there were 8-10 truckloads.

A motion was moved and seconded to approve the May 29, 2018 Warrants, as presented.

Roll Call:

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~~Draft~~Approved

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

3. Dr. Joe Waidhofer Drinking Water Treatment Plant – Chlorination System Update/ Modification (Emergency Shutoff Valves)

Manager Moody provided the Board with a memo regarding the Water Treatment Plant's Chlorination System Update/Modification (Emergency Shutoff Valves). Manager Moody reported staff contacted Telstar Instruments, the District's chlorine system maintenance contractor, to propose labor and materials to move the chlorine injectors into a room that can contain gas leaks and serviced by the chlorine scrubber to evacuate chlorine gas and review the entire chlorine system for any other unknown chlorine gas safety concerns.

Manager Moody reported the chlorine scrubber can only scrub one container of chlorine at any given time. The Treatment Plant has a minimum of three cylinders of chlorine on at any time. If the Plant is running at capacity, there could be as many as six chlorine cylinders online.

Manager Moody reported the proposed modification would be automatic and would shut off the cylinders without having to enter the chlorine room to do so. Director Atkins inquired if the valves are currently operated manually. Manager Moody replied yes.

Director Atkins inquired if staff completely suits up prior to changing chlorine tanks. Manager Moody replied no.

Director Cortopassi inquired if the modification would be inclusive of automatic valves on top of the chlorine storage to shut off and safely enter the room after to assess the situation. Manager Moody replied yes. Director Cortopassi inquired on the number of valves. Manager Moody replied there are six.

Director McGaughey inquired how long it could take before potentially implementing a switch from chlorine to sodium hypochlorite. Assistant Manager Johnson replied ~18-month minimum before any viable alternative could be implemented. Director McGaughey reported for safety purposes it may be best to move forward with the modifications.

President McGurk inquired what percentage concentration is the sodium hypochlorite. Assistant Manager Johnson replied it would be a 12% solution.

Director Cortopassi inquired why staff is looking into switching chemicals. Manager Moody replied there are only two distributors in California who supply gaseous chlorine. One supplier is local, but not reliable; and the District's current supplier is located in Southern California. Should anything happen that would prevent our supplier to cross the grapevine; the Plant would have to use chemicals from the unreliable supplier.

Director Atkins inquired if the potential new chemical could be stored in the current chlorine room. Assistant Manager Johnson replied the new chemical would likely require a new building. The same feed lines can be used, but in a new storage area. Assistant Manager Johnson added liquid chlorine is much safer, thus, the District would not have to complete certain procedures that are currently in place because of the gaseous chlorine.

A motion was moved and seconded to approve TelStar Instrument Proposal for the chlorine emergency shutoff valve system in the amount of \$62,512, in addition to the previously approved chlorine injector relocation in the amount of \$46,265; with a combined contract amount of \$108,777.

Roll Call:

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

4. Out of District Non-Potable Water Service Agreement & Request

a. Little Rock Ranch, LLC (Raymond Greer)

Manager Moody provided the Board with an Out of District Non-Potable Water Service Agreement & Request for Little Rock Ranch, LLC (Raymond Greer). Manager Moody reported Little Rock Ranch, LLC is requesting ~2,150 AF of water.

Director Sanguinetti inquired if there are meters on all of the pumps. Mr. Greer replied yes.

Manager Moody reported Reid Roberts, Central San Joaquin Water Conservation District (CSJWCD) advised the District can provide water to whoever requests it and to reach out to Butch Latini to assist with wheeling the water.

Mr. Greer advised the Board that he received a call from a CSJWCD Board Member imploring that he withdraw his request for 650 AF of water because it would cause CSJWCD problems delivering water to Dodd Road.

A motion was moved and seconded to approve the Out-of-District Non-Potable Water Service Agreement between Stockton East Water District and Little Rock Ranch, LLC (Raymond Greer) for the 2018 water year.

Roll Call:

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

b. Curtoni Ranches LLC (Ray Lial)

Manager Moody provided the Board with an Out of District Non-Potable Water Service Agreement & Request for Curtoni Ranches LLC (Ray Lial).

Legal Counsel Zolezzi inquired if this is a preexisting agreement. Manager Moody replied yes, however, when a request for water is made, the agreement needs to be brought back to the Board for approval.

A motion was moved and seconded to approve the Out-of-District Non-Potable Water Service Agreement between Stockton East Water District and Curtoni Ranches LLC (Ray Lial) for the 2018 water year.

Roll Call:

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

5. U.S. Bureau of Reclamation – Stanislaus River below New Melones Reservoir 1987 Agreement  
Manager Moody provided the Board with correspondence from the United States Bureau of Reclamation (USBR). Manager Moody reported the letter was advising the California Department of Fish and Game that the fishery allocation on the Stanislaus River pursuant to the Interim Instream Flows and Fishery Studies in the Stanislaus River Below New Melones Reservoir Agreement is 208,500 AF for water year 2018. This item was for information only.
6. San Joaquin Basin Update, FISHBIO, 05/21/18  
Manager Moody provided the Board with information on the San Joaquin Basin Update provided by FISHBIO. Manager Moody reported the past year was good for water, there was good flows coming down Mormon Slough, which helped replenish the depletion from previous years.

Legal Counsel Zolezzi reported both O.mykiss and salmon were present in the water. This item was for information only.

#### **E. COMMITTEE REPORTS**

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 05/22/18  
Director Sanguinetti and Manager Moody attended the May 22, 2018 San Joaquin Farm Bureau Federation – Water Committee Meeting. Director Sanguinetti reported North San Joaquin Water Conservation District advised they are going to try a voluntary assessment approach. If landowners volunteer, they will be first in line to receive water. The next meeting is scheduled for June 26, 2018.

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

1. Water Supply Report as of 05/28/18  
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 213,797 AF in storage at New Hogan Reservoir. Current releases are set at 202 cfs. There is 1,971,263 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 3,005 cfs and release to all water users are set at 4,219 cfs. There are currently 11 irrigators on New Hogan; 2 irrigators on New Melones and 1 Out-of-District irrigator. The water treatment plant is currently processing 31 mgd.

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

#### Report on General Manager Activities

Manager Moody advised the Board he will be out of the office on Friday, June 1<sup>st</sup>.

- a. California Special Districts Association Legislative Days – Sacramento, CA, 05/22/18 – 05/23/18  
Assistant Manager Johnson attended the May 22-23, 2018 California Special Districts Association (CSDA) Legislative Days in Sacramento, California. Assistant Manager Johnson reported Marcie Frost, CalPERS Chief Executive Officer (CEO) was the keynote speaker for the event. Ms. Frost’s focus is on funding and that CalPERS should be completely funded up to 90%. Currently CalPERS is still in the red zone at 71%. Until 90% is reached, no political investments should be made. Assistant Manager Johnson reported he met with Assemblymember Aguiar-Curry who represents Solano and Yolo counties. Discussion focused on SB 623. Assistant Manager Johnson reported there was discussion about the Little Hoover Commission recommendations on improving special districts and their standings. Assistant

Manager Johnson reported he attended a Human Resources breakout session on medical marijuana use. Discussion focused on even if medically approved, employees can still be terminated if they are working under the influence. Assistant Manager Johnson reported it was one of the most productive Legislative Days he has attended and the breakout sessions were timely with current legislation. Director Cortopassi inquired if Ms. Frost explained how CalPERS will reach being funded at 90%. Assistant Manager Johnson replied she spoke about engagement with companies and how to change strategies to make smarter investments. President McGurk inquired if Ms. Frost was appointed to the position. Assistant Manager Johnson replied CalPERS conducted a nationwide search and Ms. Frost was previously Washington State's PERS Executive Director.

## **G. DIRECTOR REPORTS**

1. Greater Stockton Chamber of Commerce – 2018 State of the City, 05/24/18  
Directors ~~Atkins~~, Cortopassi, McGurk and Sanguinetti and Manager Moody, attended the May 24, 2018 Greater Stockton Chamber of Commerce – 2018 State of the City. Manager Moody reported Mayor Tubbs for an extended amount of time, with discussion focusing on what he has done and everything that is remaining. President McGurk reported Mayor Tubbs spoke for 73-minutes. Mayor Tubbs discussed different statistics of Stockton citizens, of which, the City of Stockton is at the bottom of the scale of most everything. President McGurk reported Mayor Tubbs is trying to invest in the problems of the city and turn it around.

## **H. COMMUNICATIONS (None)**

## **I. AGENDA PLANNING/UPCOMING EVENTS (None)**

## **J. REPORT OF THE COUNSEL**

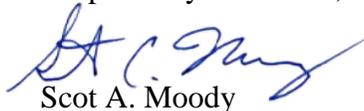
1. Closed Session - Existing Litigation  
California Water Service Company,  
City of Stockton & Stockton East Water District vs. Central San  
Joaquin Water Conservation District  
Government Code 54956.9 (a)

President McGurk adjourned the meeting to closed session at 2:12 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:20 p.m., with no reportable action.

## **K. ADJOURNMENT**

President McGurk adjourned the meeting at 2:21 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

tbc

