

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, JUNE 19, 2018 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:24 p.m., and Director Atkins led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk, Sanguinetti and Watkins. Director Panizza arrive at 12:33 p.m. Also present were Assistant Manager Johnson, Finance Director Vega, District Engineer Lee, Administrative Clerk Curtis and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

Mel Lytle, City of Stockton reported due to Robert Granberg’s recent retirement, Mr. Lytle will be the Acting Water Resources Director for the time being.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 06/12/18 Regular Meeting

Director Cortopassi made the following correction to the minutes:

- Page 2, section D-2, 2nd paragraph, 2nd sentence – add “an annual charge”.

President McGurk made the following correction to the minutes:

- Page 5, discussion directly following D-5, 2nd paragraph, 1st sentence – strike “recharge area” and replace with “raw water storage in the first phase”.

A motion was moved and seconded to approve the June 12, 2018 Regular Meeting Minutes, as amended.

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 June 19, 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. Central San Joaquin Water Conservation District Discussion

Director Sanguinetti inquired if the District has been given approval yet to install a weir on Little Johns. Assistant Manager Johnson replied no.

Director Atkins inquired if the District is still losing water by providing to CSJWCD customers. Assistant Manager Johnson replied yes, it is currently about a 2.5 to 1 ratio of water sent versus what is actually needed.

4. Water Management Planning Legislation Summaries – Assembly Bill No. 1668 (Friedman) & Assembly Bill No. 606 (Hertzberg)

Assistant Manager Johnson provided the Board with summaries for Assembly Bill No. 1668 (Friedman) & Assembly Bill No. 606 (Hertzberg). Legal Counsel Zolezzi reported this is information on the new requirements being imposed by AB 1668 and AB 606. The District, through the Water Conservation Plan submitted annually to the United States Bureau of Reclamation, is already fulfilling the requirements. This item was for information only.

5. Association of California Water Agencies – Communication Committee Vacancy Appointment

Assistant Manager Johnson provided the Board with information regarding a vacancy on the Communication Committee for the Association of California Water Agencies (ACWA).

President McGurk inquired who Lindsay Ching is. Administrative Clerk Curtis replied Lindsay Ching sits on the ACWA Communication Committee as the District's representative. Ms. Ching was the replacement for Mike Henry when he retired from the California Farm Water Coalition. This item was for information only.

6. Bellota Pipeline Repair Update

Assistant Manager Johnson provided the Board with an update on the payment status for the Bellota Pipeline Repair. Assistant Manager Johnson reported the District has received a check for this damage from Mark Lewallen. This item was for information only.

Director Cortopassi inquired on the pipes that are located on the front side of the District's property. Assistant Manager Johnson replied those pipes are for the Raw Water Reliability & Improvement Project. There are three different pipe sizes, so the Contractor is storing each size in a different location to keep them separate for the time being.

7. Discussion Regarding Budget Transfer Request

Assistant Manager Johnson provided the Board with information on a Budget Transfer for completion of the Network Upgrade Design. Assistant Manager Johnson reported this is the last step of the IT portion of the IT/SCADA Master Plan. Assistant Manager Johnson has received estimates for installation services and will be bringing a contract to the Board for consideration and approval.

Assistant Manager Johnson requested the Board consider approving the budget transfer to ensure all funds are in the applicable location for this final step.

Director Cortopassi inquired if this is related to last Regular Board Meeting's SCADA approval. Assistant Manager Johnson replied that last week the Board approved SCADA

Standards Development Services, which is part of the SCADA portion of the IT/SCADA Master Plan.

Director Cortopassi inquired on the transfer from Account 10-5147-0: SCADA System (WS) to pay for Network Upgrades work. Assistant Manager Johnson replied this transfer is from the Water Supply SCADA System Account, not the Treatment Plant SCADA System Account. There are two separate accounts to allocate costs to the areas in which the work is being performed.

A motion was moved and seconded to approve a Budget Transfer in the amount of \$70,000 from Account 10-5147-0: SCADA System (WS) and \$30,000 from Account 10-5140-0: Technology Planning and Support to Account 10-5144-0: Network Upgrades increasing the Network Upgrades Budget to a total amount of \$150,000, as presented.

Roll Call:

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

8. Stockton East Water District – Photovoltaic Solar System Project Update

Assistant Manager Johnson provided the Board with a handout with an update on the Photovoltaic Solar System Project. Assistant Manager Johnson reported per the Board's request at the June 12, 2018 Regular Board Meeting, staff investigated the impacts related to relocating the solar panels.

Assistant Manager Johnson reported staff contacted Onyx Renewable Partners L.P. (Onyx) to determine the cost and schedule impacts. The cost impacts are estimated at ~\$375,000, with a schedule impact of 12-24 weeks. Staff also researched what it would cost to deep rip the field to improve percolation rates in the solar panel location. Assistant Manager Johnson reported that work is estimated to cost ~\$12,000.

Assistant Manager Johnson reported staff believes the tax credit was extended last year to expire in December 2018. Onyx did not advise what the impacts would be, however, if the tax credit expires; staff is anticipating an impact, the worst case being cancellation of the Project.

Director Watkins inquired whom staff contacted for deep ripping prices. Assistant Manager Johnson reported he inquired with Water Operations Manager Wunderlich as his personal field was deep ripped a couple years prior.

Director Cortopassi inquired if the District has a tentative date of installation. Assistant Manager Johnson reported there is no performance date currently driving the timeline.

Director Watkins inquired if Onyx has already purchased the solar panels and is storing them. Assistant Manager Johnson replied yes.

President McGurk inquired if there is a penalty to the District if Onyx were to cancel the Project. Assistant Manager Johnson replied no, not if Onyx cancels.

Director Atkins inquired if staff knows when this Project was started. District Engineer Lee replied the contract was signed ~2 years ago.

Director Panizza reported the Board has looked into alternative energy sources for years. However, the Urban Contractors expressed concern of the purchase of the Bozzano Property about how this would benefit them, if the District were to store water underground and how this would benefit them. The original soil report on the Bozzano Property showed that the western sections of land percolated better than the eastern sections, which is why the current solar location was chosen. Director Panizza reported if the Board believes it is not in the best interest of the District to move forward it should be voted against.

Director Atkins inquired if the District were to choose another solar company, would all steps have to be completed again. Legal Counsel Zolezzi replied yes all items listed on the handout would have to be completed by the new company.

District Engineer Lee reported Onyx is scheduled to break ground in September 2018 and the design is almost 90% complete. Once the Project begins, it takes a short amount of time to physically erect the infrastructure.

Director McGaughey advised continuing as planned. President McGurk requested the Board be kept informed on the progress. This item was for information only.

E. COMMITTEE REPORTS

1. Groundwater Sustainability Plan Advisory Committee (PAC) Meeting, 06/13/18

Director Panizza reported this item will be reported out on at the next Regular Board Meeting on June 26, 2018.

2. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting, 06/13/18

Director Panizza reported this item will be reported out on at the next Regular Board Meeting on June 26, 2018.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 06/18/18

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 204,612 AF in storage at New Hogan Reservoir. Current releases are set at 221 cfs. There is 1,925,303 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 703 cfs and release to all water users are set at 1,977 cfs. There are currently 17 irrigators on New Hogan, 2 irrigators on New Melones and 2 Out-of-District irrigators. The water treatment plant is currently processing 35 mgd. The City of Stockton is currently processing 25 mgd.

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. Central Valley Project Water Association – Executive & Financial Affairs Committee, 06/15/18

Finance Director Vega attended the June 15, 2018 Central Valley Project Water Association – Executive & Financial Affairs Committee Meeting. Finance Director Vega reported this was a short conference call with the contractors. Next month will be the in-person meeting between the contractors and USBR staff. Finance Director Vega reported there was an update provided on the USBR’s progress on the CVP Cost Allocation Study. Once senior staff at the Bureau have properly reviewed it, the USBR will release the Study. Finance Director Vega reported there was discussion on the Croffset Technical Work Team Meeting on June 12th to work on a permanent solution for the credit to power users. They are starting to sort through the law to determine what is part of the law and what can be eliminated. Due to staff turnover, this may not be accomplished until after this year.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. Cancelled – San Joaquin County Flood Control and Water Conservation District Advisory Water Advisory Commission Meeting, 1:00 p.m., 06/20/18
2. California Special Districts Association General Manager Leadership Summit – Olympic Valley, CA, 06/24/18 – 06/26/18

J. REPORT OF THE COUNSEL

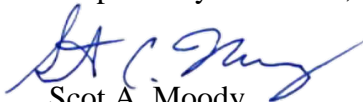
1. Closed Session - Existing Litigation
Stockton East Water District vs. City of Stockton, et al.
Government Code 54956.9 (a)

President McGurk adjourned the meeting to closed session at 1:19 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:20 p.m., with no reportable action.

K. ADJOURNMENT

President McGurk adjourned the meeting at 1:21 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

