

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, AUGUST 21, 2018 AT 12:00 NOON

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

President McGurk called the regular meeting to order at 12:20 p.m., and 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, Finance Director Vega, District Engineer Lee, Administrative Services Manager Carido, Administrative Clerk Curtis, Legal Counsel Zolezzi and Consultant Barkett.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT**

Director Cortopassi reported there is a picture of President McGurk and Manager Moody in the ACWA/JPIA Perspective from the March 13, 2018 Regular Board Meeting when the District was presented a refund check for being part of the Liability, Property & Workers' Compensation Programs with ACWA/JPIA.

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 08/14/18 Regular Meeting

A motion was moved and seconded to approve the August 14, 2018 Regular Meeting Minutes, as presented.

Roll Call:

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

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. Payroll
- g. Summary
- h. Short Names/Acronym List
- i. SEWD Vehicles & Equipment

Director Sanguinetti inquired on the expense on page 13, line item 6 for Fremont Plaza Ace Hardware for flex tape to repair Unit #52 in the amount of \$30.50. Manager Moody replied he is unsure what the tape was used to repair.

Director Atkins inquired on the expense on page 11, line item 7 for Hach Company for service Water Quality Monitoring Station at Farmington birdcage in the amount of \$5,386.00. District Engineer Lee replied this is a turbidity meter that is serviced on a regular basis. Manager Moody added this meter lets the Plant know when the turbidity spikes and that there is an issue heading into the Plant.

A motion was moved and seconded to approve the August 21, 2018 Warrants, 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  
Nothing to report.

4. Dr. Joe Waidhofer Water Treatment Plant – Alum (T2) Tank Update

Assistant Manager Johnson provided the Board with an update on the Alum (T2) Tank. Assistant Manager Johnson reported the District received a shipment of acidified alum from Chemtrade Chemicals US LLC (Chemtrade) on Wednesday, July 18<sup>th</sup>. Three days later staff conducted a routine switchover to the tank with this fresh chemical and discovered the treatment process was not working. Staff was forced to waste treated water to the South Reservoir while the problem was investigated. The problem turned out to be that the fresh chemical had coagulated in the chemical feed line, rendering it unusable.

Assistant Manager Johnson reported water production services were not interrupted because the Plant had enough FilterAid and other chemicals to keep the Plant running. Staff called Thatcher Co. of California (Thatcher) for an emergency load of acidified alum, which they delivered in time to keep the plant operating.

Assistant Manager Johnson reported Chemtrade took responsibility for the coagulation of chemical in the District's tank and removed and disposed of the unusable chemical, in addition to cleaning the feed lines and tank. Assistant Manager Johnson reported when Chemtrade conducted their own investigation they were unable to come up with an exact cause for the product instability. Assistant Manager Johnson reported Chemtrade is a third party, meaning they do not have a lot of quality control over the chemicals delivered. Chemtrade representatives offered corrective actions such as; refresh training of personnel on manufacturing, improve plant records and process improvements for consistency.

Director Watkins inquired if Chemtrade delivers chemicals via their own trucks or if they outsource delivery. Assistant Manager Johnson reported he believes they have their own trucks, but believes they mix the acidified alum in the truck during transport. The other vendor, Thatcher, does everything from chemical production to delivery. Chemtrade seems to be a third party between the chemical manufacturer and delivery.

Assistant Manager Johnson commended the Operations Department for responding well and protecting public health. However, the seriousness of this event should not be

underestimated. Under slightly different circumstances, the District could have been forced to shut down the Plant.

Director Atkins inquired if a Safety Data Sheet is provided to the District upon delivery of each chemical load. Assistant Manager Johnson replied yes and it was labeled correctly, however, what they supplied congealed.

Director Sanguinetti inquired why all of a sudden when the chemical was introduced into the tank it congealed, but in the delivery truck, it was fine. Assistant Manager Johnson replied no one has the answer to that question, but after a few days of sitting in the tank it was unusable. Director Sanguinetti replied perhaps the amount of time the chemicals sit in the tank before use should be evaluated.

Director Atkins suggested that perhaps the transfer of chemicals from the truck to the tank could have been done with a contaminated hose, contaminating the chemical.

Director Cortopassi inquired if the District has two tanks full of the same kind of chemical at the same time with separate supply lines for each tank. Assistant Manager Johnson replied yes.

Director Atkins inquired on the timeline to clean out the tank and feed line. Assistant Manager Johnson replied it was a total of 4-weeks; however, 3-weeks consisted of Chemtrade determining how to dispose of the chemical. It took ~1-week to clean the chemical out of the tank, which equated to 3 truckloads of product being removed.

Director Atkins inquired if samples are taken of each chemical upon delivery. Manager Moody replied no.

5. Memo – Chemtrade Chemicals US LLC Contract

Manager Moody provided the Board with a memo regarding the Chemtrade Chemicals US LLC Contract. Assistant Manager Johnson reported staff conducted a budget analysis of switching chemical vendors for alum. Assistant Manager Johnson reported there would be an increase of \$274.70 per dry ton if the District were to switch from Chemtrade to Thatcher.

Assistant Manager Johnson reported staff estimates ~\$77,000 in additional funds for the remainder of the year to make the vendor switch. Staff predicts this can be absorbed in the \$1,000,000 chemical budget for this Fiscal Year.

Assistant Manager Johnson reported the District needs to be protected from events of this kind, especially since Chemtrade was unsuccessful in finding a cause of the event.

Director Watkins inquired if the other agencies that faced this same problem were given an answer as to why it happened. Manager Moody replied no.

Manager Moody added, when the District approves chemical bidders each year, the bids are awarded to the lowest responsible bidder Chemtrade would be considered irresponsible if they cannot identify a cause.

A motion was moved and seconded to approve cancelling the current chemical contract with Chemtrade Chemicals US LLC and contracting with Thatcher Co. of California for Liquid Alum for the remainder of this Fiscal Year, as presented.

Roll Call:

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

Assistant Manager Johnson provided the Board with an update on the taste and odor issue. The algae is now brown and it is at the end of its life cycle. The turbidity is down to 6-6 ½ and THMs leaving the Plant are less than 30. Assistant Manager Johnson reported the cooler temperatures reduce the likelihood of future algae blooms.

Assistant Manager Johnson reported he received a complaint call this morning from a City of Stockton customer advising the water feels oily.

John Freeman, Cal Water reported they have not received any calls lately. Cal Water is producing ~6 million gallons a day in well water to blend with the other water to help reduce the taste and odor issue. Mr. Freeman reported that once the District receives the test results back, and Cal Water is satisfied with the results, they will turn their wells off. For now, they are reporting to their customers that the water meets all state and federal standards.

Manager Moody reported when he called the Department of Drinking Water to inform them of the taste and odor issue they recommended the same test that Cal Water had. Once the District receives the results in the next couple weeks the results will be shared with both entities.

**E. COMMITTEE REPORTS**

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Advisory Commission Meeting, 08/15/18  
President McGurk attended the August 15, 2018 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. President McGurk reported there was discussion on all Commission members needing to take required training, even though they may have completed training, like Ethics, through another one of their Board assignments. President McGurk reported that Supervisor Winn advised attendance will now be checked at committee meetings to see who is attending and which committees are actually meeting. President McGurk reported there were three scheduled presenters to provide presentations on the Substitute Environmental Document (SED). John Herrick, South Delta Water Agency (SDWA) was unable to attend so he sent a letter with SDWA's position. Peter Rietkerk, South San Joaquin Water Conservation District (SSJID) discussed Phase I of the SED. Manager Moody commented to some of Mr.

Rietkerk's presentation about how Phase I will affect the District and the Urban Contractors, but his presentation focused on Phase II. The only comments that were implemented in the SED were that the Calaveras River does not import 155,000 AF from the Stanislaus. Manager Moody reported that after the draft SED was released, agencies had to educate the state Board that the Calaveras is rain fed and is not allowed to reach the Delta during the summer. Manager Moody reported he will be meeting with representatives from Cal Water regarding Phase II. Cal Water is in a tough position because one piece of the SED may benefit them, while another piece does not. Manager Moody reported he has spoken with Legal Counsel Harrigfeld about modeling the Calaveras River to show exactly what will happen if unimpaired flows take place. President McGurk reported San Joaquin Area Flood Control Agency (SJAFCA) has a new Executive Director, Chris Elias and two new members, the City of Manteca and the City of Lathrop. President McGurk reported there was discussion on the Fall 2017 Semi-annual Groundwater Report. President McGurk reported the League of Women Voters had a representative attend the meeting to inquire on groundwater recharge. The next meeting is scheduled for September 19, 2018.

2. SGMA Outreach Committee Meeting, 08/15/18  
Director Watkins attended the August 15, 2018 SGMA Outreach Committee Meeting. Director Watkins reported there were ~15 attendees. Discussion focused on outreach and disadvantaged communities. The committee is preparing for their Open House on August 29<sup>th</sup>. These meetings are to get the community and landowners involved in what is going on.

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

1. Water Supply Report as of 08/20/18  
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 176,444 AF in storage at New Hogan Reservoir. Current releases are set at 173 cfs. There is 1,844,381 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 301 cfs and release to all water users are set at 1,771 cfs. There are currently 13 irrigators on New Hogan, 3 irrigators on New Melones and 1 Out-of-District irrigator(s). The water treatment plant is currently processing 30 mgd. The City of Stockton is currently processing 26 mgd.

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

John Freeman reported on F2a-1 that Cal Water has pulled out of the San Jose Water deal since this article was published.

3. Report on General Manager Activities  
Manager Moody provided the Board with an update on the District's annual report that is filed with the Department of Drinking Water (DDW). Manager Moody reported DDW officials advised the District that it should be a D1 facility. District Engineer Lee wrote a letter to DDW requesting explanation of any compelling reasons to change our status.

Manager Moody reported after speaking with DDW, both entities have agreed the District will not have to officially report as a D1 facility for the permit, but will act as if they are one. We agreed that if District personnel work on transmission mains, a D4 or D5 representative from the City of Stockton and Cal Water should be present to check sterilization of the pipeline.

Manager Moody reported on correspondence from ACWA requesting agencies to take action on SB 845 (Monning). Manager Moody reported the Ag portion of the bill is not being disputed at this point, but there are concerns on the urban side. Urban users will see a tax on their water bills, along with an option not to pay this tax. Manager Moody advised this should not affect the District, but will affect both Cal Water and the City of Stockton. Director McGaughey inquired why paying this tax is optional. Manager Moody replied they were concerned they would be sued if they did not give the customer the option. Manager Moody reported ACWA is asking districts to contact legislatures and vote no. Director Cortopassi inquired what the Ag portion of the bill is. Director Watkins replied it is the tax on fertilizer. It gives protection for 30-years from any third party lawsuits. Consensus of the Board was to take no action at this time.

a. Central Valley Project Water Association – Executive & Financial Affairs Committee, 08/17/18

Finance Director Vega attended the August 17, 2018 Central Valley Project Water Association – Executive & Financial Affairs Committee Meeting. Finance Director Vega reported there was an updated provided on the Cost Allocation Study. It has now passed through legal review and is waiting for final approval from the Department of the Interior. After it passes through that step, a draft will be released and agencies will have 90-days to provide comments. Finance Director Vega reported there was an update provided on the CVPIA Restoration portion. This information has been sent for legal review to assess all items that could be repaid by water and power. Once legal review is finished, they can rework the model and explore giving a long term credit to power and not charging water any more. Finance Director Vega reported the USBR is coming up with a proposal as to how to handle extraordinary O&M. The regular O&M are minor items, such as, non-construction or new facilities. Extraordinary O&M occur due to unexpected events, that would require water users to pay back the costs immediately the following year. The Committee has a problem that that type of risk. They are attempting to configure these costs into normal rates if possible and amortize larger costs. The next meeting is scheduled for September 21, 2018.

## **G. DIRECTOR REPORTS**

1. Stop the State Water Grab Rally, 08/20/18

Director Sanguinetti and Manager Moody attended the August 20, 2018 Stop the State Water Grab Rally. Director Sanguinetti reported it was well put together. The Atwater marching band was there, as well as, 50-75 4H kids. Director Sanguinetti reported there were ~700 people in attendance. It was reported that a variety of legislators spoke at the rally, with ~6 in attendance. Director Cortopassi inquired if it was a demonstration on what the State Water Board is doing with the SED. Manager Moody replied yes. Director McGaughey inquired how teachers would be affected by the SED as stated on the rally's flyer. Manager Moody replied teachers spoke to how they teach underprivileged students



in some areas and students of farm laborers. If there is no water, there are no jobs for the parents, which may force kids out of schools.

**H. COMMUNICATIONS** (None)

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

**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 1:32 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:49 p.m., with no reportable action.

**K. ADJOURNMENT**

President McGurk adjourned the meeting at 2:50 p.m.

Respectfully submitted,



Scot A. Moody  
Secretary of the Board

tbc

