

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, DECEMBER 11, 2018 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Panizza called the regular meeting to order at 12:22 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 Lee, Finance Director Vega, Administrative Services Manager Carido, Administrative Clerk Curtis, Legal Counsel Zolezzi and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 12/04/18 Regular Meeting

A motion was moved and seconded to approve the December 4, 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 December 11, 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. Consideration of Proposed Annual Budget Fiscal Year 2019/2020

a. Public Hearing

President Panizza opened the Public Hearing at 12:25 p.m., to receive comments on the Proposed Annual Budget for Fiscal Year 2019/2020.

Manager Moody reported the District circulated the Draft Budget; received recommendation to approve from the Agriculture Operations Committee and published a notice of today’s public hearing in The Stockton Record. Manager Moody reported the Urban Contractors were also sent a Draft Budget and staff extended an offer to meet with the Urban Contactors. Manager Moody reported no comments were received.

Seeing there were no public comments, President Panizza closed the Public Hearing at 12:27 p.m.

- b. Resolution No. 18-19-04 – Adopting Proposed Budget For Fiscal Year 2019/2020
Manager Moody provided the Board with the Proposed Budget for Fiscal Year 2019/2020.

A motion was moved and seconded to adopt Resolution No. 18-19-04 – Adopting the Proposed Budget for Fiscal Year 2019/2020, as presented.

Roll Call:

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

- 4. Memo – Cancellation of Regular Board Meetings 12/25/18 & 01/01/19
Manager Moody provided the Board with information on cancelling the December 25, 2018 and January 1, 2019 Stockton East Water District Regular Board Meetings.

Director Watkins inquired if the warrants will be taken care of should these meetings be cancelled. Manager Moody replied yes.

A motion was moved and seconded to approve cancelling the December 25, 2018 and January 1, 2019 Stockton East Water District Regular Board Meeting.

Roll Call:

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

- 5. 2019 San Joaquin Council of Governments One-Voice Trip (05/05/19 – 05/09/19) – Call for Projects
Manager Moody provided the Board with information on the 2019 One Voice Call for Projects. The 2019 San Joaquin Council of Governments One Voice Trip is scheduled for May 5-9, 2019. Manager Moody reported the 2019 One Voice trip is scheduled later than usual and runs concurrently with the 2019 ACWA Spring Conference.

Manager Moody queried the Board about which trip they would like to attend, ACWA or One Voice.

Director Watkins inquired if the District would rather participate in the ACWA’s Legislative Trip to Washington, D.C. in February. Manager Moody replied there was some discussion of attending ACWA’s trip previously.

Consultant Barkett suggested splitting the group and half attend the ACWA Spring Conference and the other half attend the One Voice Trip. Consultant Barkett added, if the District decides to go to Washington, D.C. with ACWA, we should consider either arriving or departing a few days before or after the ACWA group as the issue we have to discuss will be lost in the shuffle of ACWA’s agenda.

President Panizza suggested going back to Washington, D.C. this coming year with either group could be beneficial as there will be new legislators in position.

President Panizza suggested contacting Consultant Boesch to discuss the meetings that could potentially be scheduled for District Representatives while in Washington, D.C. Consultant Barkett advised he will reach out to Consultant Boesch and report back to the Board.

Director Watkins reported the District needs to decide which projects and issues need to be addressed.

President Panizza recommended tabling this item until Consultant Barkett has spoken with Consultant Boesch.

Consensus of the Board to table this item for the December 18, 2018 Regular Board Meeting.

6. United States Bureau of Reclamation – Statement of Central Valley Project (CVP) Cumulative Irrigation and Municipal and Industrial (M&I) Operations for Fiscal Year (FY) Ending 09/30/17, 11/20/18

Manager Moody provided the Board with information on the Annual Statement of Central Valley Project (CPV) Cumulative Irrigation and Municipal & Industrial Operations for the Fiscal Year Ending September 30, 2017 United States Bureau of Reclamation (USBR). Manager Moody reported this correspondence details the District's outstanding construction costs. Under irrigation, the unpaid allocated construction as of 09/30/17 is \$386,615.06 and \$1,949,952.64 under M&I.

Manager Moody reported these figures are close to what staff projected when drafting the letter to the USBR requesting to become a permanent contractor via the Water Infrastructure for Improvements to the Nation (WIIN) Act.

Manager Moody inquired what the next steps are in the process of requesting to become a permanent contractor. Legal Counsel Zolezzi replied to wait for the negotiation sessions to begin. As the District requested to be part of the process, the USBR should begin to send correspondence to the District regarding next steps.

Director Watkins inquired if there is enough money in the reserves in the Ag budget to pay the balance. Manager Moody replied yes.

Director Cortopassi inquired if becoming a permanent contractor changes the District's end date on the contract. Legal Counsel Zolezzi replied it would be a permanent contract so there would be no end date.

Director Watkins queried that there would be no renewal for the District moving forward and we would not need to conduct any environmental testing to request permanent status. Legal Counsel Zolezzi replied yes. This item was for information only.

7. City of Lathrop Department of Public Works – Basin Boundary Modification
Manager Moody reported the District sent a letter to the Department of Water Resources (DWR) on April 24, 2018 in opposition of the City of Lathrop moving to the Tracy Sub-basin. DWR has just released its initial decision in favor of the City of Lathrop’s request.

Manager Moody replied there is another opportunity to submit comments if the District so chooses.

Director Sanguinetti inquired if other districts are submitting their opposition to the City of Lathrop’s request. Manager Moody replied when this subject was brought before the Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority, Oakdale Irrigation District was also opposed to it. However, it is unclear who actually submitted letters to DWR in opposition.

Director Watkins suggested not taking any further action.

Consensus of the Board was to not move forward with sending another letter of protest.

E. COMMITTEE REPORTS

1. San Joaquin County & Delta Water Quality Coalition Meeting, 12/10/18
Director Atkins attended the December 10, 2018 San Joaquin County & Delta Water Quality Coalition Meeting. Director Atkins reported there was discussion on the Financial Report and Program Manager’s Report. Director Atkins reported a storm sample was taken on November 29, 2018 and only algae toxicity was detected at the pump station at Robert’s Island. Groundwater Trend Monitoring was discussed and 43 wells have been tested and no results have been received. There was discussion on the Growers Meetings and the Coalition feels as if they have been helpful. Nitrate Management Plan Self-Certification Classes will be held in January and February 2019. Growers Packets for the Coalition will be distributed in January 2019. Director Atkins reported there will be a CV Salts meeting held December 12, 2018 in Modesto. Director Atkins reported there was discussion on Norman’s Nursery and the runoff from their property. The next meeting is scheduled for January 14, 2019.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 12/10/18
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 151,233 AF in storage at New Hogan Reservoir. Current releases are set at 23 cfs. There is 1,774,281 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 205 cfs and release to all water users are set at 246 cfs. There are no irrigator(s) on New Hogan, New Melones or Out-of-District. The water treatment plant is currently processing 18 mgd. The City of Stockton is currently processing 13 mgd.

Director Watkins inquired on the Tainter Gate Project at New Hogan. Manager Moody reported he and Legal Counsel Harrigfeld are drafting a letter to send to the United States Army Corps of Engineers (USACE) to ensure they understand that anytime New Hogan falls below 152,100 AF the District should be the Dam Master at that point. The letter will encourage them to take every

action possible to work on the Tainter Gates in the summer and not the winter, as ~100,000 AF of water could be lost by doing this work during the winter.

2. Information Items:

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

3. Report on General Manager Activities

a. Stockton East Water District Activities Update

Manager Moody reported at the request of Norman's Nursery and The Wine Group Assistant Manager Lee, Water Supply Supervisor Donis and himself made a site visit to their properties on December 5, 2018 to discuss moving them from groundwater to surface water. Manager Moody reported that not only would the switch to surface water be beneficial, but also there are studies that show when wine grapes are dormant their field can be flooded for groundwater recharge. Manager Moody reported staff will be putting together a rough estimate of what it would take to move both Norman's Nursery and The Wine Group to surface water. Director Watkins reported that this may not be a problem now as the City of Stockton is not taking a lot of water, but if that changes and if the District is restricted to New Hogan water only, the pipe to provide water will not be large enough. Manager Moody replied staff is knowledgeable and will take a closer look at the Bellota pipeline to make sure there is enough capacity to send water. Director Watkins commented that there could potentially be issues with pumping off the river, as there are challenges in keeping the pumps clean enough. Manager Moody reported if this change were to happen it would be a good move for surface water use and groundwater recharge on the grapes.

G. DIRECTOR REPORTS

1. Association of California Water Agencies – 2018 Fall Conference San Diego, CA, 11/27/18 – 11/30/18

Directors Atkins, McGurk, Sanguinetti, Watkins and Manager Moody attended the 2018 ACWA Fall Conference in San Diego, CA. Manager Moody reported he attended a presentation on “A Conversation Concerning Consolidation”. Most scenarios used during this presentation were about forced consolidations mostly from a drinking water quality perspective. Manager Moody reported the theme of the event seemed to be about saying goodbye to Timm Quinn and welcoming Dave Eggerton. Director Watkins reported he and Manager Moody attended Ethics training. Director Sanguinetti reported there was discussion during the Ag Committee regarding outreach efforts for SGMA and unimpaired flows. Director Sanguinetti reported there was discussion during the Energy Committee Meeting regarding peak hours and time use rates and how their new hours will be better for the Ag community. Director McGurk reported he enjoyed Legal Counsel Zolezzi's forum on “Groundwater Recharge: Identifying and Removing the Barriers” which elicited good discussion. Director McGurk also attended the presentation on “Data collection for Effective Groundwater Sustainability Planning and Management (U.S. Geological Survey, California Water Science Center)”. Director McGurk reported there is discussion during the Region 4 Business Meeting that there is a budget surplus so all regions have been given money to spend on meetings, tours and programs and have a budget for buses and meals. Region 4 has \$6,000 to spend. Manager Moody reported there was discussion about how ACWA can get caught up with their post-retirement benefits and bring their unfunded liability down.

2. Greater Stockton Chamber of Commerce Monthly Mixer – Haggin Museum, 12/06/18
Nothing to report.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. Cancelled – Groundwater Sustainability Plan Advisory Committee (PAC) Meeting, 9:00 a.m., 12/12/18
2. Cancelled – Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting, 10:30 a.m., 12/12/18
3. Central Valley Salinity Coalition Outreach Workshop Modesto CA, 10:00 a.m., 12/12/18
4. Central Valley Salinity Coalition Outreach Workshop Tulare CA, 10:00 a.m., 12/13/18
5. New Hogan Annual Emergency Action Plan Face-to-Face Meeting, 10:00 a.m., 12/14/18
6. Central Valley Project Water Association – Executive & Financial Affairs Committee, 10:00 a.m., 12/14/18
7. Stockton East Water District Employee Holiday Potluck, 12:00 Noon, 12/14/18

J. REPORT OF THE COUNSEL

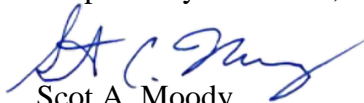
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases
2. Closed Session – Personnel
Government Code 54957

President Panizza adjourned the meeting to closed session at 1:14 p.m. to discuss closed session agenda items. With the exception of Manager Moody, Assistant Manager Lee and Administrative Services Manager Carido, District staff was excused from the closed session meeting at 1:31 p.m. The regular meeting reconvened at 1:43 p.m., with no reportable action.

K. ADJOURNMENT

President Panizza adjourned the meeting at 1:44 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

