

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, JANUARY 22, 2019 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

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

Present at roll call were Directors Cortopassi, McGaughey, McGurk, Panizza and Sanguinetti. Directors Atkins and Watkins were absent. 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 01/15/19 Regular Meeting

A motion was moved and seconded to approve the January 15, 2019 Regular Meeting Minutes, as presented.

Roll Call:

Ayes: Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti

Nays: None

Abstain: None

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

Director Sanguinetti inquired on the expenses on page 13, line items 5 & 6 for Big Valley Ford for 2019 Ford Super Duty F-250 service truck for WS Unit #74 and Unit #75 in the amount of \$37,692.20 each. Manager Moody apologized to the Board and replied that although budgeted, he normally brings these items to the Board prior to purchase. Director Sanguinetti inquired which vehicles were replaced. Manager Moody replied two Water Supply trucks. Manager Moody reported Unit #39 a 2007 Chevrolet pick-up that does not have a utility box and another vehicle with a utility box will be replaced too.

Director Cortopassi inquired on the expenses on pages 9 & 10, line item 12-30 for Fishbio for various items. Director Cortopassi inquired if staff has had a discussion with Calaveras County Water District regarding the District absorbing the costs for the Habitat Conservation Plan (HCP). Manager Moody replied they have been advised. Legal Counsel Zolezzi added they have made it known that whatever is paid for the HCP only benefits the District. Manager Moody added these costs include more than the HCP, as this billing dates back to July 2018.

A motion was moved and seconded to approve the January 22, 2019 Warrants, as presented.

Roll Call:

Ayes: Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti

Nays: None

Abstain: None

Absent: Atkins, Watkins

3. 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. The Board has previously discussed not participating in the One Voice Trip due to this conflict. Staff would need an official decision to inform the County of the District not participating this year.

Manager Moody reported he spoke with both Oakdale Irrigation District and South San Joaquin Irrigation District last week and both entities expressed that they prefer to go to Washington, D.C. during the ACWA Conference, as most of the legislators whom districts will be interested in meeting with should be there already.

Consultant Barkett commented that in February, when ACWA's Conference is, would be a good time to take a trip to Washington, D.C. because of all the new members of congress. Consultant Barkett reported that when the District has previously participated in this trip it was usually a smaller group, which would consist of Consultant Barkett, Manager Moody and one Director. Consultant Barkett suggested going a day earlier than ACWA or leaving a day later to schedule any additional meetings.

President Panizza inquired if elected representatives will be available during this time should the District choose to attend in February. Consultant Barkett replied elected representatives are already there or should be by the time the February trip comes around.

Manager Moody inquired the Board's position on attending the One Voice Trip in May. Director Sanguinetti replied he believes it would still be beneficial to attend the One Voice Trip. However, instead of four representatives from the District, perhaps only two and the other travelers attend the ACWA Spring Conference.

Manager Moody advised staff will work on the submittals for County approval for the One Voice Trip and bring back to the Board next week.

President Panizza reiterated Director Sanguinetti's statement about the advantage of having at least two representatives from the District participate in the One Voice Trip.

4. Association of California Water Agencies/Joint Powers Insurance Authority President's Special Recognition Awards – (Liability, Property, and Workers' Compensation Program Low Loss Ratio), 01/10/19

Manager Moody provided the Board with correspondence from ACWA/JPIA regarding the District awarded with the President's Special Recognition Awards for a Loss Ratio of 20% or less in the Liability, Property and Workers' Compensation Programs.

Manager Moody reported a couple of the District's longstanding Workers' Compensation cases ended, allowing the District to earn recognition in all three categories. Manager Moody reported the District's Safety Committee nominates employees for safe work practices quarterly as well as conducts walk-throughs to identify any outstanding safety issues. The District does a good job of ensuring the safety of all its employees. This item was for information only.

5. iHub San Joaquin – 4th Annual H₂O Hackathon – A Water Challenge – 2019 Sponsorship Opportunity

Manager Moody provided the Board with information on the iHub San Joaquin – H₂O Hackathon. This event will take place on March 16, 2019 and will focus on innovative solutions that will promote water management and dam safety. Manager Moody reported the District sponsored the event last year in the amount of \$1,000. This event brings the young adults in the community together to engage in discussion to brainstorm ideas to support the watershed.

A motion was moved and seconded to sponsor the 2019 iHub San Joaquin – H₂O Hackathon – A Water Challenge and elect sponsorship in the amount of \$1,000.

Roll Call:

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

6. Stockton East Water District – Network Configuration Services

Manager Moody provided the Board with a memorandum regarding Network Configuration Services. Manager Moody reported at the October 9, 2018 Regular Board Meeting the Board approved Network Installation Services in the amount of \$138,000 for services relating to hardware. Manager Moody reported the Network Configuration Services is the second step to the Network Installation and is inclusive of the software and firewall.

Manager Moody reported staff received proposals from AllConnected and Verve Networks (Verve). AllConnected's proposal was in the amount of \$37,884.40 and Verve's proposal was \$37,710. Verve also included firewall configuration while AllConnected did not. Manager Moody reported Verve is the District's primary IT support vendor with detailed knowledge and understanding of the District's computer and network systems.

Director McGurk inquired how this work fits in with Nick Peros' agreement with the District. Manager Moody replied that when Mr. Peros became the District's representative to help complete certain projects, he relinquished some of his contractual obligations. Manager Moody reported that staff is looking at what is being proposed to finish out the District's SCADA project including reviewing the equipment Operations staff requested, their necessities and costs.

Manager Moody reported the Board had previously been presented information on the IT/SCADA Master Plan which totaled about \$9 million. Manager Moody reported he wants to make sure the Board is still content with moving forward given the large figures.

Director McGaughey inquired how Manager Moody feels about the remaining project costs. Manager Moody replied although the numbers seem high, it is unlikely the District could get a quality system without spending this money. Manager Moody reported not many plants the size of the District are without a SCADA system.

Manager Moody reported the biggest downfall to not having a SCADA system is that the District does not have a historian. Currently, staff logs everything manually in a logbook. A historian would allow for data to be logged and stored automatically.

Director Cortopassi concurred that having an outside representative would be a good in-between to discuss the system and the engineering behind it.

Director McGurk inquired if we would be one of the only districts in the area to have a SCADA system. Manager Moody replied no, both the City of Stockton and Cal Water have SCADA systems.

Director McGurk inquired if the SCADA system would only alert staff should something ruin the water system. Manager Moody replied all monitoring parameters can be established for the District's needs. They would likely be setup so employees could login and make changes remotely. However, should something unprecedented happen, there would be fail-safes in place so the Plant shuts down immediately.

Based on the availability of remaining funds in the Network Design and SCADA Predesign projects, long-standing work relationship with Verve, and Verve's vested interest in proper installation and configuration of the equipment, staff recommends the network implementation services from Verve Networks for an amount of \$37,710.

A motion was moved and seconded to procure the services of Verve Networks for network configuration services in the amount of \$37,710, as presented.

Roll Call:

Ayes: Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti

Nays: None

Abstain: None

Absent: Atkins, Watkins

7. Stockton East Water District – 2019/2020 Board Committee Assignments

Manager Moody provided the Board with information on the 2019/2020 Board Committee Assignments. Manager Moody reported at the Special Board Meeting on December 10, 2018 the Board asked staff to research the Board Committee assignments and bring back the information of those we have not participated in as of late.

Administrative Services Manager Carido reported staff found four Committees through searching minutes, cold calling agencies and searching various websites that can be removed from the list.

Administrative Services Manager Carido reported there is no evidence of having met with the Calaveras County Water District Joint Committee in ~15 years. The Eastern San Joaquin County Groundwater Basin Authority (GBA) has not met since 2017, although still active. There is no evidence of having met with the Local Agency Formation Commission (LAFCo) in ~5 years. The Mokelumne River Forum is no longer active and has not met since 2011 and their website is out of date. There is no evidence of participating in the Mokelumne River Water and Power Authority Committee, although it is believed to still be active.

Manager Moody suggested the GBA be left on the list as he believes they will meet again at some point in the future.

Director Cortopassi inquired if the LAFCo Committee is in place to make decisions when requests are sent to LAFCo. Manager Moody replied he assumes this Committee was formed to petition for submissions. President Panizza added he attended a couple meetings years ago and the Board decided to not participate.

Director Sanguinetti recommended leaving the list as is in the event the District is asked, the information can easily be provided.

Director McGaughey recommended removing the suggested Committees from the list.

Director McGurk suggested if the list is left as it currently reads the notes and colored blocks should be left as well, so when this list is reviewed in the next couple of years the Directors can remember what the discussion was.

Consensus of the Board was to not remove any Committees from the list and leave as it is.

E. COMMITTEE REPORTS

1. San Joaquin County & Delta Water Quality Coalition Meeting, 01/14/19
President Panizza advised this report will be brought back at the January 22, 2019 Regular Board Meeting as Director Atkins is absent.
2. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 01/16/19
Director Sanguinetti attended the January 16, 2019 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. Director Sanguinetti reported there was discussion on the Flood Management and Water Resources Activities. There was a presentation provided on the Integrated Regional Water Management Planning. Director Sanguinetti reported most of the discussion focused on the upcoming San Joaquin Area Flood Control Agency (SJAFCA) projects and how they will be funded. Director Sanguinetti reported that Supervisor Winn suggested a sales tax, where everyone would pay and get flood control. The increase in sales would increase the revenue to allow for a constant source of incoming funds. Legal Counsel Zolezzi added that Supervisor Winn has also been pushing a sales tax for SGMA as well. President Panizza commented that if a sales tax is implemented, it stays forever. The next meeting is scheduled for February 20, 2019.
3. AD HOC Meeting with Central San Joaquin Water Conservation District, 01/17/19
Directors Panizza and McGurk and Manager Moody, Assistant Manager Lee and Finance Director Vega attended the January 17, 2019 AD HOC Meeting with Central San Joaquin Water

Conservation District (Central). Director McGurk reported there is a follow-up meeting scheduled for Thursday, January 31, 2019 at 3:00 p.m.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 01/16/19

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 172,467 AF in storage at New Hogan Reservoir. Current releases are set at 976 cfs. There is 1,846,382 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 252 cfs and release to all water users are set at 252 cfs. There are no irrigator(s) on New Hogan, New Melones or Out-of-District. The water treatment plant is currently processing 17 mgd. The City of Stockton is currently processing 14 mgd.

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 provided the Board with a handout of the agenda for the upcoming Photovoltaic Solar System Ribbon Cutting. Manager Moody suggested the Board provide any edits to staff.

Manager Moody reported he met with representatives from South San Joaquin Irrigation District (SSJID) and Oakdale Irrigation District (OID) to discuss a reoperation plan, unimpaired flows and them selling water to the District. Manager Moody reported there was discussion on the amount of water the District would want to purchase in critically dry years when there is no supply from New Melones. Manager Moody reported both agencies are knowledgeable that the United States Bureau of Reclamation (USBR) has advised the District that we cannot serve water to out of District customers. Manager Moody queried SSJID and OID about selling the District 4,000 AF so it can be wheeled to out of District customers. They have requested the Board approve this request so Manager Moody can formally request the water. Manager Moody reported the water will be sold to the District for \$100/AF. The District's current water rate states that the District can wheel out of District water for cost of water, plus wheeling charges. Manager Moody reported if the Board is okay to move forward, he will email SSJID and OID with the formal request. Once this is confirmed, staff can draft a letter for out of District customers to explain where the water will be coming from this year. Manager Moody reported there was discussion with OID regarding annexation into the District. They are pushing back as they do not want to encourage growth in that specific area. However, there are already crops in place and if the landowners are not being provided surface water they will pump groundwater, which OID will have to deal with in the future as the land is part of their GSA.

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., 01/22/19

J. REPORT OF THE COUNSEL

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

President Panizza adjourned the meeting to closed session at 1:37 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:14 p.m., with no reportable action.

K. ADJOURNMENT

President Panizza adjourned the meeting at 2:15 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

