

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, FEBRUARY 5, 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 Cortopassi led the Pledge of Allegiance.

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

B. CONSENT CALENDAR

Manager Moody requested the Board to make an emergency addition to the agenda (Item D-6) relative to the State Revolving Fund Loan Reserve Fund Requirement, as it arose subsequent to the posting of the agenda.

A motion was moved and seconded to add an item to the February 5, 2019 Regular Board Meeting Agenda as Agenda Item No. D-6, Memo – SRF Loan Reserve Fund Requirement (Emergency Item).

Roll Call:

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

C. PUBLIC COMMENT

Manager Moody introduced and welcomed the District’s new District Engineer Justin Hopkins. District Engineer Hopkins comes from Solano Irrigation District.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes

a. Minutes 01/29/19 Regular Meeting

A motion was moved and seconded to approve the January 29, 2019 Regular Meeting Minutes, as presented.

Roll Call:

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

b. Minutes 01/30/19 Special Meeting

A motion was moved and seconded to approve the January 30, 2019 Special Meeting Minutes, as presented.

Roll Call:

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

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

A motion was moved and seconded to approve the February 5, 2019 Warrants, as presented.

Roll Call:

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

3. Stockton East Water District – Copperopolis Traveling Water Screens and Conveyor System Additions Memo

Manager Moody provided the Board with a memo regarding the Copperopolis Traveling Water Screens and Conveyor System Additions. Manager Moody reported staff is proposing to install a traveling water screen at the Copperopolis Gate Site to be similar to that of the Duck Creek traveling screen.

Manager Moody reported the Copperopolis Gates are currently not equipped with moving screens, thus, need to be cleaned manually.

Manager Moody reported staff received three proposals from Farm Pump and Irrigation Co. Inc., International Water Screens Co. and G&S Enterprises. The lowest responsible bidder was Farm Pump and Irrigation Co. Inc. with a proposed amount of \$124,983.40.

Manager Moody reported this project is a budgeted item under LFC Improvements. However, it was budgeted at \$60,000 as this project was originally planned to take place over the course of 2-years. The LFC Improvements budget line item also included a metering project which is now on hold to accommodate the construction at the Water Treatment Plant. The additional cost of the screens and conveyor would utilize funds originally budgeted for the metering project and would be completed in this fiscal year.

Manager Moody reported he is also requesting a 5% contingency as there are unknowns with this project. Including the 5% contingency, the total project cost comes to \$131,232.57.

Director Cortopassi inquired what the \$350,000 amount budgeted under the LFC Improvements line item was for. Manager Moody replied it was for canal metering design and construction. However, because of SB88 and other factors on the LFC, the amount of water going through the LFC needs to be monitored more accurately, making this a larger project.

Director Atkins inquired if this installation will be similar to the Duck Creek Gate. Manager Moody replied yes. The trash rack will empty onto a concrete pad making it easier for staff to remove debris.

Director Atkins inquired if staff removes the debris with trucks. Manager Moody replied yes, but with this new process they should only have to visit the site a couple times a year to remove debris.

A motion was moved and seconded to approve a procuring the services of Farm Pump and Irrigation Co. Inc. of Shafter in the amount of \$131,232.57, which includes the 5% contingency amount, as presented.

Roll Call:

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

4. Association of California Water Agencies – 2019 Spring Conference & San Joaquin Council of Governments – 2019 One Voice Trip Discussion
Manager Moody provided the Board with information on Association of California Water Agencies (ACWA) – 2019 Spring Conference & San Joaquin Council of Governments – 2019 One Voice Trips. Administrative Services Manager Carido reported this information was brought to the Board to query which Board Members would like to attend each event as they overlap in dates.

Manager Moody reported he and Director Sanguinetti will be attending the ACWA Legislative Trip to Washington, DC later this month and perhaps Director Watkins and another participant would choose to attend the One Voice Trip.

Manager Moody inquired with Consultant Barkett as to when he plans to travel back to Washington, DC. Consultant Barkett replied he will likely travel during the One Voice Trip.

Director Watkins and Consultant Barkett will attend the One Voice Trip, while Directors Atkins, McGurk, Sanguinetti and Manager Moody attend the ACWA Spring Conference in Monterey, CA. This item is for information only.

5. Discussion Regarding the Scheduling of an Agriculture Operations Committee Meeting (Various Items)
Manager Moody reported there are several items for discussion that the Agriculture Operations Committee should review prior to bringing the information to the full Board. Items for discussion include, diversions that would require diverting from the Bellota Pipeline and changes to rules regarding amortization and metering programs.

Manager Moody reported staff is seeking input on the rules to have a better finished product to bring back to the full Board.

President Panizza requested Manager Moody meet with Director Cortopassi to determine the best date to hold an Agriculture Operations Committee meeting. Manager Moody replied he will speak with Director Cortopassi after the Board Meeting to determine a date.

6. Memo – SRF Loan Reserve Fund Requirement (Emergency Item)

Manager Moody provided the Board with a handout of the State Revolving Fund (SRF) Loan Reserve Fund Requirement Memo. Manager Moody reported when the District executed a SRF Funding Agreement with the State of California’s Department of Public Health in May of 2012, the District agreed to have a reserve fund earmarked specifically for this loan payment in the amount of at least 1-year’s payment totaling \$573,044.

Manager Moody reported staff was unaware of this until the State Water Resources Control Board emailed Finance Director Vega last week requesting a copy of a bank statement showing the reserves.

Manager Moody reported staff found that an account with US Bank was established in 2012; however, no deposits into the account were made. Staff recommends moving funding from the Water Treatment Plant Reserve Fund to fund this account. Manager Moody reported this would be a restricted reserve that cannot be used for anything else.

Director Cortopassi inquired if the money added to this fund accumulates monthly. Finance Director Vega replied no, this fund would only have the amount of one annual payment, until the full amount of the loan is paid.

Manager Moody reported to make this a clean transfer for the auditor it would be best to show the transfer from reserves into the fund. If the Board desires, after this fiscal year there should be money to repay the reserves and a budget transfer can be executed.

A motion was moved and seconded to approve the check request in the amount of \$573,100 to satisfy the District’s obligations under the existing State Revolving Fund Funding Agreement with the State of California’s Department of Public Health for construction of the 10-Million Gallon Reservoir Project, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. ACWA Region 4 Board of Directors Meeting, 01/31/19

Director McGurk attended the January 31, 2019 ACWA Region 4 Board of Directors Meeting. Director McGurk reported all of the Region 4 Board was in attendance of this meeting. There was discussion on beginning the process to elect Directors for the next 2-year term for the Region 4 Board. There will be a nominating committee of three members. Director McGurk advised he intends to submit his name to continue to represent San Joaquin County on the

Region 4 Board. There was review of all the committees within ACWA and who the Region 4 representation is on each committee. Director McGurk reported there was discussion on the primary and alternate representatives to report during the Business Meetings at the Spring and Fall ACWA Conferences. Manager Moody will serve as the primary and Director Sanguinetti as the alternate for Region 4 on the Agriculture Committee. Region 4 has allocated four seats on the State Legislative Committee; two of those four are retiring. The Chairman of the Region 4 Board will have interested participants submit nominations to be considered to fill the two vacancies. Director Cortopassi suggested the District nominate Consultant Barkett to sit on the Committee in addition to Manager Moody. Director McGurk reported there was discussion on 2019 region activities. There was discussion on the Region 4 Business Meeting at the 2018 ACWA Fall Conference that was held at 6:30 a.m. Director McGurk reported there was negative feedback provided as attendance was down and prepaid meals were unavailable at the time slot for the meeting was not conducive. There was discussion on hosting a Region 4 event this year. Bryan Busch, Reclamation District No. 2068 will be hosting the event in his region. There was also discussion on a joint event between Regions 2 and 4. Director McGurk reported there was discussion on different ideas for an issue forum topic at the ACWA Fall Conference. Topics discussed were; voluntary settlement agreements; regulations; Waters of the United States; groundwater and larger agencies mentoring smaller agencies within ACWA.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 02/04/19

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 187,438 AF in storage at New Hogan Reservoir. Current releases are set at 503 cfs. There is 1,891,099 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 1,091 cfs and release to all water users are set at 1,091 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 12 mgd.

2. Information Items:

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

3. Report on General Manager Activities

a. ACWA State Legislative Committee Meeting, 02/01/19

Manager Moody attended the February 1, 2019 ACWA State Legislative Committee Meeting. Manager Moody reported there was discussion on ACWA looking at their current location and the inability to house the Legislative Committee meetings. Currently, ACWA rents a meeting room for every State Legislative meeting for \$1,000. It was reported they are spending \$250,000 a year for their current location. ACWA is looking into whether they can remodel the building where they currently reside or if they should move to the building where the Delta Stewardship Council is located. Manager Moody reported Governor Newsom released a trailer bill for Safe Drinking Water, which ACWA is adamantly opposed to. ACWA wrote and sponsored a Safe Drinking Water Trust Bill this year for a trust fund at the state level that could help with funding instead of taxing water bills. There was discussion on the SWRCB draft report on Low-Income Water Rate

Assistance Program. There was discussion on the ACWA Energy Committee and Manager Moody suggested that perhaps the District would want to be more active with that committee during the PG&E bankruptcy process. Manager Moody reported there are a number of upcoming retirements happening within ACWA, to include Wendy Ridderbusch, the lead staff member for the Legislative Committee. Manager Moody reported in the water field, there has been discussion on how depth and experience with water lies within the baby boomer generation and there needs to be something done to attract the younger generation to the water industry. The next meeting is scheduled for February 22, 2019.

b. Stockton East Water District – Employee Souper Bowl, 02/01/19

Administrative Services Manager Carido reported this was the first of the District’s quarterly potlucks. There were eight soup or chili entries to the contest this year. Administrative Services Manager Carido reported staff with birthdays in this quarter were recognized during the event. There was a tie for first place; however, the Water Supply Department’s entry won due to their creative dish name of “Mormon Sloup”. Administrative Services Manager Carido reported cash prizes were given to the winners as the Employee Fund raised a large amount of money from the Pie in the Face contest and raffle in December. Manager Moody reported the Safety Committee presents a Safety Award each quarter, pending nominations received. This award is for when staff notices an employee doing something safe, it is noted and the safety committee votes on submissions. The Safety Award was awarded during the Souper Bowl.

c. Stockton East Water District Activities Update

Manager Moody reported he recently spoke with Richard Marmalejo, USACE regarding a tour of New Hogan. Manager Moody advised Mr. Marmalejo that the tour could consist of 10-15 people. It was recommended that the tour be held in mid-March after things have dried out some. Manager Moody advised if the Board has any dates that do not work that they let staff know so invitations can be sent out sooner than later. Director Watkins inquired if legislators will be on break in mid-March to potentially reach them while they are at their home offices. Manager Moody advised staff will research.

G. DIRECTOR REPORTS

1. Photovoltaic Solar System Ribbon Cutting Ceremony, 01/30/19

Directors Atkins, Cortopassi, McGurk, Panizza, Sanguinetti and Watkins attended the January 30, 2019 Photovoltaic Solar System Ribbon Cutting Ceremony. President Panizza reported staff did a nice job at not only being organized with moving guests from the parking site to the ribbon cutting site and back, but the site was setup ahead of time and operational by the time guests arrived. The agenda had a good lay out as well. President Panizza reported it was a very well done event and it was nice to not only see office staff, but field personnel as well. Director Cortopassi agreed with President Panizza and commented that it was a nice function. Director McGaughey inquired on an estimate of the amount of attendees. Administrative Services Manager Carido reported there were ~50 attendees. President Panizza reported there were representatives from San Joaquin County and Cal Water presented at the event. Manager Moody reported the District received recognition from Congress Member McNerney’s office, Assembly Member Talamantes-Eggman and Assembly Member Flora’s offices as well. Director Cortopassi reported Manager Moody did a nice job of demonstrating the savings the

District expects to see from this project and how those savings will be used to make payments on the land where it resides.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – Sugar Mediterranean Bistro, 5:15 p.m., 02/07/19
2. District Holiday – Lincoln’s Birthday, 02/11/19
3. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 02/11/19
4. Eastern San Joaquin Groundwater Authority Informational Meeting (SGMA Outreach Meeting), 6:00 p.m., 02/12/19

Manager Moody reported Assistant Manager Lee will represent the District at the SGMA Outreach in Lockeford on February 12th and he will represent the District at the SGMA Outreach in Linden on February 18th.

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

President Panizza adjourned the meeting to closed session at 1:23 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:30 p.m., with no reportable action.

K. ADJOURNMENT

President Panizza adjourned the meeting at 2:31 p.m.

Respectfully submitted,


Scot A. Moody
Secretary of the Board

tbc

