

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, MARCH 6, 2018 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:21 p.m., and led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 02/27/18 Regular Meeting

Manager Moody provided a handout of the revised 02/27/18 Regular Meeting Minutes. Director Panizza advised editing the minutes to reflect more detailed information as to Mr. Finnegan's current position as a consultant.

Staff made the following corrections to the minutes:

- Page 4, section F-3, 1st paragraph, 1st sentence – add “, formerly Area Manager for the USBR” after “...Mike Finnegan”.
- Page 4, section F-3, 1st paragraph, after the 1st sentence – add the sentence “Mr. Finnegan is currently a consultant with the Municipal Consulting Group.”
- Page 4, section F-3, 1st paragraph, 3rd sentence – strike the word “oversees” and replace with “previously oversaw”.
- Page 5, section F-3, 1st paragraph, 7th sentence – should now read “Finance Director Vega reported a draft consultant agreement will be brought to the Board for consideration and approval of Mr. Finnegan's on call services to the District regarding CVP rates.”

A motion was moved and seconded to approve the February 27, 2018 Regular Meeting Minutes, as amended.

Roll Call:

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

2. Warrants – California Public Employees' Retirement System

- 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 & Equipment

Manager Moody inquired on the expense on page 10, line item 47 for Willdan Financial Services for Arbitrage refunding 1990 prj Series 1997-A-12/01/12-12/01/17 in the amount of \$2,500.00. Finance Director Vega replied this is a bond requirement. Every 5-years the District receives a certificate indicating proceeds from the bonds will not exceed a specific threshold, if they do, the District will owe the IRS money.

A motion was moved and seconded to approve the March 6, 2018 Warrants, as presented.

Roll Call:

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

3. Computer-Aided Drafting (CAD) Service Project

Manager Moody provided the Board with information on the Computer-Aided Drafting (CAD) Service Project. Manager Moody reported the District's original as-built drawings were drawn by hand on vellum/Mylar. Any changes to these drawings must be done by hand and a new sheet would be reproduced. Over the years, designs and drawings have migrated to computer aided drawings (CAD). The original hand drawn drawings need to be updated and converted into CAD.

Manager Moody reported staff discussed this project with five engineering and CAD design firms. However, there is only one agency, Myriad Engineering, willing to teach staff how to use the program and produce results in-house. Manager Moody reported once all drawings are in the auto CAD system, staff will have the ability to make changes in-house, without the use of an outside firm.

Manager Moody reported this program would also allow staff to electronically send drawings to outside vendors.

President McGurk inquired on the possibility of the auto CAD system becoming outdated in the future. Manager Moody advised the District pays an annual subscription with includes support and updates to the system to remain current with software.

Director Cortopassi inquired why drawings have not been added to auto CAD as new projects arise. Manager Moody replied the intent of the agreement is for Myriad Engineering to teach the Engineering Department to input and edit drawings.

Manager Moody reported staff recommends Board approval of a professional services contract with Myriad Engineering in an amount not to exceed \$34,967 to assist staff in developing CAD standards and converting the original civil (site) drawings into an integrated CAD drawing set.

A motion was moved and seconded to award the CAD Service Project to Myriad Engineering in an amount not to exceed \$34,967.

Roll Call:

Ayes: Cortopassi, McGurk, Panizza, Sanguinetti, Watkins

Nayes: None
Abstain: None
Absent: Atkins, McGaughey

4. Lower Farmington Canal – Conveyor System Additions Final Quote
Manager Moody provided the Board with the final quote for the Lower Farmington Canal – Conveyor System Additions per Board request from the February 27, 2018 Regular Board Meeting. District Engineer Lee reported the revised quote has the same dollar amount, however, this final quote is itemized and the installation line was removed, as staff will be installing the equipment. This item was for information only.
5. “No Water Tax”: Facts on Proposed Statewide Tax on Water SB 623 (Monning), 08/22/17
Manager Moody provided the Board with Facts on Proposed Statewide Tax on Water SB 623 (Monning). Manager Moody reported ACWA is requesting funding to secure an outside public affairs firm to help develop a more strategic external affairs campaign to prevent the bill prior to it being passed.

Manager Moody reported ACWA’s position has always been that water is a right, thus, it should not be taxed. Manager Moody reported ACWA has discussed using money from the state’s General Fund, with ongoing funds from the Safe Drinking Water State Revolving Fund (SRF), general obligation bonds and an assessment proposed by agriculture and environmental justice organizations.

Manager Moody reported from the agriculture perspective, the tax on nitrogen could be an advantage. However, agencies should not become the tax collectors on behalf of the state.

Director Cortopassi inquired if ACWA is asking for the District’s support. Manager Moody replied yes and the proposed voluntary contribution of \$10,000 is based on the District’s operating budget.

Manager Moody inquired if the Board would like to table this for time being. Otherwise, the District would be contributing \$10,000 to fight against something that is not entirely beneficial across the board.

President McGurk recommended tabling this topic until more information is available.

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 02/27/18
Directors Sanguinetti and Watkins attended the February 27, 2018 San Joaquin Farm Bureau Federation – Water Committee Meeting. Director Sanguinetti reported there was not much reported out on at the meeting.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 03/05/18
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 160,686 AF in storage at New Hogan Reservoir. Current releases are set at 26 cfs. There is 1,914,400 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus

River are set at 204 cfs and release to all water users are set at 995 cfs. The water treatment plant is currently processing 17 mgd. The City of Stockton is currently processing 13 mgd.

Manager Moody reported there is a meter malfunction on the Army Corps meter that is reporting to the website staff pulls the figures from. Staff verified there is no water being diverted at this time. Manager Moody reported the Water Supply Report will show “0” under CSJWCD, until the irrigation season begins.

Director Watkins inquired if there is a calculation for a loss from Farmington to CSJWCD. Manager Moody advised staff will research and bring back to the Board.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6, F2a-7 and F2a-8.

3. Report on General Manager Activities

a. OID/SSJID/SEWD Washington D.C. Trip, 02/26/18 – 03/01/18

Legal Counsel Harrigfeld attended the February 26, 2018 – March 1, 2018 OID/SSJID/SEWD Washington D.C. Trip. Legal Counsel Harrigfeld reported the overall trip went well and was worth the trip. Legal Counsel Harrigfeld reported the days were long, but the meetings were productive. Legal Counsel Harrigfeld reported the group met with Brenda Burman, Commissioner of the USBR, Andrea Travnicek, Deputy Assistant Secretary for Water & Science and Austin Ewell, Deputy Assistant Secretary. Mr. Ewell will be spearheading the water issues for the Central Valley Project (CVP) in California. The group also met with Aurelia Skipwith, Deputy Assistant Secretary for Fish, Wildlife & Parks, which will be beneficial to the extent that the District needs to make contact with USF&WS regarding the Habitat Conservation Plan (HCP), that initial contact has been made. Legal Counsel Harrigfeld reported the group met with Jason Larrabee, Principal Deputy Assistant Secretary for Fish & Wildlife & Parks, formerly with Congressman Denham’s office. Legal Counsel Harrigfeld reported there was discussion of the OID/SSJID water transfers program, on storage needed in New Melones and the need for a Revised Plan of Operation for the re-initiation of consultation with NMFS based on comments that OID/SSJID/SEWD submitted. President McGurk inquired if this trip helped to enhance the District’s relationship with OID and SSJID. Legal Counsel Harrigfeld replied yes.

b. ACWA State Legislative Committee Meeting, 03/02/18

Manager Moody attended the March 2, 2018 ACWA State Legislative Committee Meeting. Manager Moody reported the Committee reviewed ten bills, which is far less than the normal for this time of year. ACWA reported out on their recent legislative trip to Washington D.C., reporting that the current Federal Budget does not have funding for water storage. ACWA commented that there currently are several employment positions open at ACWA. Manager Moody reported AB 2050: Small System Water Authority Act of 2018 (Caballero) is one of five bills this year that is aiming to create new processes for consolidating small public water systems that are chronically out of compliance. ACWA feels they may be able to convince Legislator Fong, and use the bill to consolidate smaller districts that have water issues with larger districts. Manager Moody reported ACWA is working with agencies rejected by the Water Commission for storage projects, helping agencies to rewrite the applications for re-submittal and have them pushed through the Commission. Waters of the State is working hard to make sure recharge ponds are not part of the State Wetlands. Contact was made with the State Farm Bureau in efforts to ensure recharge ponds are not included. The next meeting is scheduled for March 23, 2018.

Manager Moody requested the Board to advise staff if any Directors are interested in attending the Bob Foy Memorial Building Dedication on March 15, 2018.

Manager Moody reported the District's variance request for early dam installation was approved by the Central Valley Flood Protection Board. Dam installation can begin as early as March 12, 2018. However, with the recent and potential future rain, dam installation will likely happen after March 12, 2018, after the roads have dried. Manager Moody advised he will inform the Board once installation is set to begin.

Manager Moody inquired with the Board on a day to schedule an Agriculture Operations Committee Meeting during the week of March 19th. The Committee decided on Monday, March 19, 2018 at 12:00 Noon.

G. DIRECTOR REPORTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – Emergency Food Bank Stockton/San Joaquin, 03/01/18
Nothing to report.

H. COMMUNICATIONS

1. Central San Joaquin Water Conservation District – Request to Wheel 2018 Water, 02/27/18
Manager Moody provided the Board with correspondence from Central San Joaquin Water Conservation District (CSJWCD) regarding their Request to Wheel 2018 Water. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. Annual Ag BBQ At The Lodi Grape Festival Grounds Hosted By F&M Bank, 11:00 a.m., 03/08/18
2. Delta Coalition Committee Meeting, 8:30 a.m., 03/12/18
3. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 03/12/18

J. REPORT OF THE COUNSEL

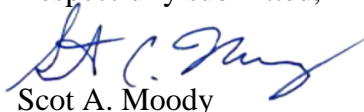
1. Closed Session - Existing Litigation
Stockton East Water District vs. City of Stockton, et al.
Government Code 54956.9 (a)

President McGurk adjourned the meeting to closed session at 1:26 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:45 p.m., with no reportable action.

K. ADJOURNMENT

President McGurk adjourned the meeting at 1:46 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

