

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, APRIL 3, 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 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, 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 03/27/18 Regular Meeting

A motion was moved and seconded to approve the March 27, 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. Petty Cash
- g. Summary
- h. Short Names/Acronym List
- i. SEWD Vehicles & Equipment

Director Cortopassi inquired on the expense on page 13, line item 7 for Martech for Bellota trash rack progress payment thru 02/16/18 in the amount of \$73,865.30. Manager Moody replied the Board approved the Bellota Trash Rack Project at the October 3, 2017 Regular Board Meeting. The mechanical trash rack system requires replacement of several components; such as, the chain links, conveyor belts and entire sprocket and chain drive assembly.

Director Cortopassi inquired on the expense on page 13, line item 21, for USACE Finance and Accounting for New Hogan Contract water storage O&M 2018 in the amount of \$694,676.29. Finance Director Vega replied this amount is the same amount the District paid last year.

Director Cortopassi inquired on the expense on page 18, line item 39 for TNT Industrial Contractors Inc. for Aluminum & ACH tank project progress payment January-February 2018 in the amount of \$66,230.80. Manager Moody replied the District is holding back the 10% retention until the project is officially closed out.

A motion was moved and seconded to approve the April 3, 2018 Warrants, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins

Nays: None

Abstain: None

Absent: None

3. Stockton East Water District – 2018 Water Rates

a. Public Hearing

President McGurk opened the Public Hearing at 12:26 p.m. to receive comments on the proposed 2018 Water Rates and their associated Ordinance and rule.

The District circulated notice of this public hearing in the Stockton Record on March 24, 2018 and did not receive any comments.

Manager Moody reported the Agriculture Operations Committee convened to identify the changes outlined in Ordinance No. 44. Manager Moody reported the District is governed by enabling Legislation which dictates what rates can be changed and by how much.

Seeing no public comment, President McGurk closed the Public Hearing at 12:28 p.m.

b. Ordinance No. 44

Manager Moody provided the Board with Ordinance No. 44 Establishing Municipal Groundwater Assessments, Agricultural Groundwater Assessments, Domestic Groundwater Assessments, Charges for Stream-Delivered Water and Charges for Out-of-District Water for Calendar Year 2018.

Manager Moody reported Ordinance No. 44 is simpler than previous years, due to the Agriculture Operations Committee recommending a flat rate of \$100/AF for out-of-district water. Previously there were two different out-of-district water rates.

President McGurk inquired if the \$100/AF water rate for out-of-district water includes the wheeling rate as well. Manager Moody replied yes.

Director Cortopassi inquired if New Hogan water is supplied to out-of-district users. Manager Moody replied the District's contract with the USBR specifically states USBR water must be used within the District boundaries.

A motion was moved and seconded to adopt Ordinance No. 44 establishing municipal groundwater production assessment at \$325.92/AF (\$322.32/AF municipal groundwater rate equalization plus \$3.60/AF municipal groundwater assessment); agricultural groundwater assessment at \$5.23/AF; domestic unit assessment at \$44.00/domestic unit; agriculture surface

water assessment at \$23.00/AF; out-of-district water rate from New Hogan or New Melones Reservoir at \$100.00/AF, as presented.

Roll Call:

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

c. Rule No. 170

Manager Moody provided the Board with Rule No. 170 Rate Equalization – Calendar Year 2018. Manager Moody reported the Board must annually adopt a Rule establishing the rate equalization.

A motion was moved and seconded to adopt Rule No. 170 Rate Equalization-Calendar Year 2018 in the amount of \$322.32/AF.

Roll Call:

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

4. Notice of Acceptance of Completion – Alum (T2) and Aluminum Chlorohydrate (T6) Tank Replacement Project

Manager Moody provided the Board with the Notice of Acceptance of Completion (NOC) for the Alum (T2) and Aluminum Chlorohydrate (T6) Tank Replacement Project. Manager Moody reported Associate Engineer Ochoa, who was the District’s lead on this Project, recommends that this not be signed and submitted until some final items are completed.

Director Sanguinetti advised the Board can approve the NOC today under presumption that it will not be signed and submitted until Associate Engineer Ochoa makes final verification.

A motion was moved and seconded to approve the Notice of Completions for the Alum (T2) and Aluminum Chlorohydrate (T6) Tank Replacement Project, under the presumption Associate Engineer Ochoa accepts project completion, as presented.

Roll Call:

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

5. Annexation into Stockton East Water District Request – APN 001-014-020, APN 001-015-016 (Stanislaus County), 03/27/18

Manager Moody provided the Board with information regarding annexation into the District. Manager Moody reported the District has received ~10 different requests for annexation from the general Stanislaus County area.

Manager Moody reported he met with Local Agency Formation Commission for San Joaquin County on January 8, 2015 to discuss annexation of property in the triangle area and of the property located within Central San Joaquin Water Conservation District’s boundaries. Manager Moody then

spoke with Stanislaus County's Local Agency Formation Commission, they agreed with the annexation idea so long as there were no objections. Manager Moody reported the annexations have not occurred because Oakdale Irrigation District (OID) ~~formally~~ disagreed with it.

Director Cortopassi inquired on the increased Ag division costs with their annexation into the District. Manager Moody replied he does not believe the District has to have a uniform Ag cost. There could be different tiers of customers charged different rates and different availability levels to access water. Director Sanguinetti suggested staff research the annexations, as he does not think our legislation would allow that.

Director Panizza reported he is strongly in favor of annexing any land that is not within the District boundaries. Director Panizza added the OID ~~boundary lines~~ sphere of influence extend to multiple areas; staff should research the maps displaying all boundary lines.

Director McGaughey inquired if the person requesting the annexation is a current customer of the District. Manager Moody replied Mr. Bricchetto is an out-of-district customer.

Manager Moody advised he will partner with Legal Counsel Harrigfeld to look at the District's legislation, review maps and bring back to the Board to strategize.

6. Dr. Joe Waidhofer Drinking Water Treatment Plant – Operations Building Repurposing Project (Flooring) – Asbestos Abatement Memo

Manager Moody provided the Board with a memo regarding Asbestos Abatement in the Operations Building. Manager Moody also provided the Board with a handout of pictures of the location of asbestos in the Operations Building. Manager Moody reported the Operations Building tested positive for asbestos in the linoleum in the breakroom, cleaning closet, north hallway and lab.

Manager Moody reported he approved moving forward with the abatement in the breakroom and cleaning closet, as there is a profile change in the height of the flooring. The new flooring needs to be even throughout the building and cannot be laid directly on top of the linoleum in these areas because of the height difference.

Manager Moody reported the new flooring will be laid directly on top of the linoleum in the north hallway and nothing will be done to the lab as that area is not part of the Project at this time.

Director Atkins inquired if the asbestos is under the linoleum. Manager Moody replied it is in the linoleum. This item was for information only.

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 03/27/18

Director Sanguinetti and Manager Moody attended the March 27, 2018 San Joaquin Farm Bureau Federation – Water Committee Meeting. Manager Moody reported there was a presentation by Kevin Spesert, Business & Community Manager of Sites Project Authority discussing the Sites Reservoir project. An audience member inquired what they expected the cost per AF of water will be coming out of Sites Reservoir. Mr. Spesert replied they estimate between \$400-600/AF. Director Sanguinetti added they estimate 40% of funds would come from Proposition 1 and will likely pay only for public benefit. Director Sanguinetti reported the Reservoir will be able to take and generate power and hold ~1 million AF of water. Director Sanguinetti reported the Reservoir can store cold water in Shasta and release it later, releasing other water from Sites Reservoir first. Director

Cortopassi inquired on Manager Moody's footnote about SGMA outreach. Manager Moody replied that was his reminder to speak with Brandon Nakagawa about logging the hours the District is spending doing public outreach for SGMA. The next meeting is scheduled for April 24, 2018.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 04/02/18

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 209,244 AF in storage at New Hogan Reservoir. Current releases are set at 22 cfs. There is 2,021,215 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 1,403 cfs and release to all water users are set at 1,791 cfs. The water treatment plant is currently processing 21 mgd. The City of Stockton is currently processing 13 mgd.

2. Information Items:

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

3. Report on General Manager Activities

Manager Moody reported with the recent storms the Plant experienced some poor quality of water, given the high turbidity and having four filters out of service because the carbon for those filters is being regenerated. Manager Moody reported Cal Water was taking water quicker than we could supply it to them, which resulted in low-pressure water. Legal Counsel Harrigfeld inquired if there was runoff through Farmington. Manager Moody replied yes, there was a lot of runoff.

G. DIRECTOR REPORTS

1. San Joaquin Council of Governments One-Voice Pre-Trip Meeting, 03/29/18

Director Sanguinetti and Manager Moody attended the March 29, 2018 San Joaquin Council of Governments One-Voice Pre-Trip Meeting. Director Sanguinetti reported the group is set for the trip. Director Sanguinetti reported there was discussion on the events that will take place during the week. The attire for the dinner cruise on Sunday is business casual. Director Sanguinetti reported RTD is hosting a dinner on Monday night, with a Monuments by Night Tour to follow. Manager Moody reported the SJCOG trip always results in money coming back to Stockton from Washington D.C.

2. San Joaquin Farm Bureau Federation Linden & Colleeville Farm Centers – Annual Dinner Meeting, 03/29/18

Directors McGurk, Sanguinetti and Manager Moody attended the March 29, 2018 San Joaquin Farm Bureau Federation Linden & Colleeville Farm Centers – Annual Dinner Meeting. Director Sanguinetti reported there were ~60 people in attendance and Manager Moody spoke and did a good job. Manager Moody reported he was approached by Jay Colombini who introduced him to his son who is interested in getting involved in water. Manager Moody recommended attending Farm Bureau meetings and monthly JPA meetings.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – Humphreys University, 5:15 p.m., 04/05/18

2. Delta Coalition Committee Meeting, 8:30 a.m., 04/09/18
3. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 04/09/18

J. REPORT OF THE COUNSEL

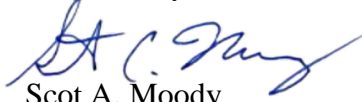
1. Closed Session - Anticipated Litigation
Government Code 54956.9 (c) – two cases

President McGurk adjourned the meeting to closed session at 1:16 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:38 p.m., with no reportable action.

K. ADJOURNMENT

President McGurk adjourned the meeting at 2:39 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

