

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, AUGUST 28, 2018 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:20 p.m., and Director Cortopassi led the Pledge of Allegiance.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 08/21/18 Regular Meeting

A motion was moved and seconded to approve the August 21, 2018 Regular Meeting Minutes, as presented.

Roll Call:

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

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the August 28, 2018 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

3. Central San Joaquin Water Conservation District Discussion

Nothing to report.

4. JWT and Associates, LLP – Certified Public Accountants – Audited Financial Statements Presentation For Fiscal Year 2017/2018

Jeremy Ware with JWT and Associates, LLP gave a presentation on the District’s draft Fiscal Year 2017/2018 Audited Financial Statements.

Mr. Ware gave a summary to the Board of the four (4) required communications (Audit Results) which included a modified (qualified) audit opinion on financial audit; no audit adjustments;

no disputes or disagreements with District staff during the course of the audit and total assets (\$156,011,969).

Mr. Ware provided a summary of the Independent Auditors' Report and explanation of the Basis for Qualified Opinions; Management's Discussion and Analysis; Statement of Net Position as of March 31, 2018 to include assets. Mr. Ware also provided a review of the District's Statement of Revenues, Expenses and Changes in Net Position as of March 31, 2018.

Mr. Ware gave a summary on the changes to come in 2019 for Other Post-Employment Benefits (OPEB) because of GASB 74, which will include what information will need to be disclosed. Director Cortopassi inquired if there are specific trusts that are compliant with the new standards. Finance Director Vega replied yes, there are specific companies that the District could potentially utilize.

Mr. Ware reported this is the draft version and edits can be made before finalizing. His company is prepared to finalize and submit the Audited Financial Statements.

Director Watkins advised under Note 17 – Governing Board, of the document, the term expiration dates listed are incorrect. Manager Moody concurred and stated they should be staggered and that will be changed.

Manager Moody advised the Board to provide staff with any comments and staff will bring this item back for Board consideration to approve.

E. COMMITTEE REPORTS (None)

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 08/27/18

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 173,645 AF in storage at New Hogan Reservoir. Current releases are set at 163 cfs. There is 1,831,553 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 305 cfs and release to all water users are set at 1,475 cfs. There are currently 11 irrigators on New Hogan, 3 irrigators on New Melones and 3 Out-of-District irrigator(s). The water treatment plant is currently processing 28 mgd. The City of Stockton is currently processing 26 mgd.

District Engineer Lee reported Cal Poly San Luis Obispo has an irrigation-training program and was able to secure a meter from a grant through that program. They will be placing their meter near ours to see how well it works and show any discrepancies. Director Watkins inquired if there is less or more water in Farmington. Manager Moody replied he believes the District's meter is reading high and Farmington's reading is likely more accurate.

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 staff will be meeting with the United States Bureau of Reclamation (USBR) staff tomorrow to conduct an audit. Manager Moody reported he believes this audit is taking place because of the District selling water outside its boundaries. District staff was advised they and Central San Joaquin Water Conservation District (CSJWCD) should send a letter to the USBR as part of an inclusion process. Manager Moody reported staff will send out the letter with the proposed annexation map to identify the areas that are or could potentially purchase water from the District. Director Watkins suggested purchasing water from Oakdale Irrigation District and South San Joaquin Irrigation District may help clear up some of the underlying concern. Director Cortopassi inquired if the USBR is also concerned about the out-of-district water that has been sold to CSJWCD customers. Manager Moody replied yes, specifically because CSJWCD is not taking water.

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., 08/28/18
- 2. SGMA Outreach – Open House, 6:30 p.m., 08/29/18
- 3. AD HOC Meeting with Central San Joaquin Water Conservation District, 3:00 p.m., 08/31/18
- 4. District Holiday – Labor Day, 09/03/18

J. REPORT OF THE COUNSEL

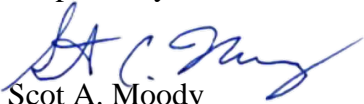
- 1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

President McGurk adjourned the meeting to closed session at 12:50 p.m. to discuss closed session agenda items. District staff, with the exception of Manager Moody, were excused from the closed session meeting at 1:46 p.m. The regular meeting reconvened at 2:10 p.m., with no reportable action.

K. ADJOURNMENT

President McGurk adjourned the meeting at 2:11 p.m.

Respectfully submitted,


 Scot A. Moody
 Secretary of the Board

tbc

