

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, SEPTEMBER 4, 2018 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:19 p.m., and Director Atkins led the Pledge of Allegiance.

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

B. CONSENT CALENDAR

President McGurk requested the Board to make an emergency addition to the agenda (Item D-7) relative to adding District Engineer Lee as an authorized signatory in Manager Moody's absence, as it arose subsequent to the posting of the agenda.

Manager Moody reported he may be out of the office in the coming weeks for an emergency event. With his absence and the current absence of an Assistant General Manager, he requests the Board consider adding this emergency item of authorizing District Engineer Lee as an authorized signatory to the Agenda for Board consideration and approval.

A motion was moved and seconded to add an item to the September 4, 2018 Regular Board Meeting Agenda as Agenda Item No. D-7, Stockton East Water District – Delegation of Power & Authorized Signatory (Emergency Item)

Roll Call:

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

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Association of California Water Agencies/Joint Powers Insurance Authority – Professional Development Program Completion & Presentation, 08/24/18
Manager Moody presented Administrative Clerk Curtis and Water Supply Supervisor Donis with their plaques for completing the Professional Development Program (PDP) administered by the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA). Manager Moody reported Administrative Clerk Curtis completed both the Human Resources and Supervisor Basics Certification and Water Supply Supervisor Donis completed the Supervisor Basics Certification. Manager Moody reported this is a safety weighted Program, but also educates participants on how to become more effective supervisors; and, how to excel in the role of supervisor and become educated in different Human Resource topics. Manager Moody reported participation in the PDP cost the District roughly \$35 for both participants. Manager Moody reported Administrative Clerk Curtis completed 47 different required classes and Water Supply Supervisor Donis completed 26 classes.

Administrative Clerk Curtis thanked District Management for allowing her the time and resources to complete the program and advised the courses that were taken will help her grow and move forward with the District.

Water Supply Supervisor Donis thanked District Management for the Opportunity to complete the Program and advised he has already signed up for the final two programs offered through ACWA/JPIA's PDP.

2. Minutes 08/28/18 Regular Meeting

A motion was moved and seconded to approve the August 28, 2018 Regular Meeting Minutes, as presented.

Roll Call:

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

3. 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

Director Atkins inquired on the expense on page 11, line item 6 for Delta Protective Services (DPS) for fuel charge for 10 weeks 6/1/18-8/9/18 in the amount of \$2,352.70. Manager Moody replied part of the contract we enter into annually with DPS includes fuel charges. This is due to staff changing their route on occasion should particular attention need to be paid to a specific area. Our contract has fuel rates built into it.

Director Atkins inquired on the expense on page 13, line item 10 for US Bank Corp. Payment Systems for pump for water tank (fire protection) on Unit #38 in the amount of \$1,274.36. Manager Moody replied line items 4, 5, 6, 7, & 10 all coincide with each other for two different tractors. Manager Moody advised previously a member of staff has followed the tractor with a water buffalo to put out any fires created along the way. This pump will be added to the tractors to eliminate staff following someone all day with only the potential of extinguishing a fire. Director Watkins suggested staff research the requirement that all mowing equipment of this must have a shovel somewhere on this equipment in the event a fire is started. The person who starts the fire could be ticketed if they do not have a shovel onboard.

Director Cortopassi inquired on the expense on page 7, line item 1 for PG&E 1949656766 Extraction Well #5 for electricity 07/13/18-08/13/18 @ 6767 EMain-Extraction W#5 in the amount of \$4,506.85. Manager Moody replied the wells are turned on for ~15-minutes a month to sample as per the District's operating permit. Director Watkins commented once the wells

are turned on a demand is created for the whole month. Staff should contact PG&E and inquire on the most logical times to run the wells to reduce the charges.

Director Cortopassi inquired on the expense on page 15, line item 18 for Gateway Pacific Contractors, Inc. for the Raw Water Reliability & Improvement Prj Progress bill #3 in the amount of \$752,733.00. Manager Moody advised staff is comparing all charges against the approved not to exceed amount and the District is on track with all payments and progress.

A motion was moved and seconded to approve the September 4, 2018 Warrants, as presented.

Roll Call:

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

4. Central San Joaquin Water Conservation District Discussion
Nothing to report.

5. JWT and Associates, LLP – Certified Public Accountants – Draft Audited Financial Statements Fiscal Year 2017/2018

Manager Moody provided the Board with the Draft Audited Financial Statements for Fiscal Year 2017/2018 from JWT and Associates, LLP. Manager Moody advised Jeremy Ware provided the Board with a presentation at the last Regular Board Meeting. There have been no comments received by the Board; staff is requesting the Board accept the Draft Audited Financial Statements.

A motion was moved and seconded to accept the Draft Audited Financial Statements for Fiscal Year 2017/2018, as presented.

Roll Call:

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

6. Stockton East Water District – Network Installation Services Proposal

Manager Moody provided the Board information on the Network Installation Services Proposal results. Manager Moody reported this project would consist of moving equipment from the HVAC room in the basement to the server room. This move will entail all network cables and related equipment.

Manager Moody reported the District received one proposal from T and D Communications in the amount of \$138,000.

Director Atkins inquired if this is a budgeted project. Manager Moody replied yes.

Manager Moody advised he would like to confirm the scope with a subject matter expert and advise if it is reasonable to move forward with T and D Communications.

Consensus of the board was to table this until a third party has reviewed the documents and bring back to the board for consideration and approval.

7. Stockton East Water District – Delegation of Power & Authorized Signatory (Emergency Item)
Manager Moody requests the Board consider approving delegating power and adding District Engineer Lee as an authorized signatory in his absence, during his absence due to an emergency event.

A motion was moved and seconded to Delegate Power & Add District Engineer Lee as an Authorized Signatory in the event of Manager Moody’s absence from now until December 31, 2018.

Roll Call:

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

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 08/28/18
Directors Sanguinetti and Watkins and Manager Moody attended the August 28, 2018 San Joaquin Farm Bureau Federation – Water Committee Meeting. Manager Moody reported this was a tame meeting. There was discussion on the SGMA Open House that was hosted on August 29, 2018. Director Sanguinetti reported there was discussion on the Waters of the United States. The next meeting is scheduled for September 25, 2018.
2. AD HOC Meeting – SEWD & Central San Joaquin Water Conservation District, 08/31/18
Directors McGurk and Panizza and Manager Moody and Finance Director Vega from SEWD and Richard Wagner, Tony Chiappe, Grant Thompson and Reid Roberts from Central San Joaquin Water Conservation District (CSJWCD) attended the August 31, 2018 AD HOC Meeting – SEWD & CSJWCD. President McGurk reported CSJWCD has requested the two AD HOC groups meet again in two weeks on a Friday. Manager Moody reported he provided CSJWCD with the numbers that the Board looked at in draft form. Manager Moody reported when the meeting was kicked off, District staff inquired with CSJWCD if they had thoughts on how to pay off their debts as none of that can be transferred to current SEWD customers. CSJWCD reported they have less debt than what the District is reporting in the numbers. Manager Moody advised the District will need documentation to show the reduced debt amounts. Manager Moody reported the groups walked through the different scenarios the SEWD Board proposed. It seemed to go well overall. Manager Moody reported he inquired with CSJWCD if they thought this was encouraging information and worth continuing to explore. They agreed it is and worth continuing to explore and refine. Manager Moody reported CSJWCD wants to continue to meet every couple weeks to keep this process moving.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 09/03/18
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 171,082 AF in storage at New Hogan Reservoir. Current releases are set at 164 cfs. There is 1,820,973 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 302 cfs and release to all water users are set at 1,299 cfs. There are currently 16 irrigators on New Hogan, 2 irrigators on New Melones and 1 Out-of-District irrigator(s). The water treatment plant is currently processing 28 mgd. The City of Stockton is currently processing 26 mgd.

President McGurk inquired if the Cal Poly meter has been installed. Water Supply Supervisor Donis replied yes. They collected data last week, however, staff is waiting to receive the results.

2. Information Items:

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

3. Report on General Manager Activities

a. U.S. Bureau of Reclamation Audit, 08/29/18

Manager Moody, Finance Director Vega and Administrative Services Manager Carido attended the August 29, 2018 U.S. Bureau of Reclamation (USBR) Audit held at the District. Manager Moody reported staff is working with the USBR on the inclusion process for Out-of-District customers. Manager Moody reported generally it went well. The USBR has requested a couple documents that staff is gathering to send over.

b. SGMA Outreach – Open House, 08/29/18

Directors McGurk and Panizza and Manager Moody and District Engineer Lee attended the August 29, 2018 SGMA Outreach – Open House. Manager Moody reported the District had the best booth at the event. Manager Moody reported ~3-4 SEWD customers and ~3-4 CSJWCD customers visited the District’s booth. District Engineer Lee reported the booth visitors mainly were inquiring about who their service provider is and if they could get surface water. Director Watkins inquired if those who inquired about surface water were CSJWCD or SEWD customers. District Engineer Lee replied one was from CSJWCD the others were SEWD customers. President McGurk reported there was extra value for GSAs in attendance as they were able to network and learn from each other.

c. Stockton East Water District & California Water Service – Substitute Environmental Document Meeting, 08/30/18

Manager Moody reported he met with Cal Water representatives from the local and corporate offices as well as their hired consultant to bring them up to speed on Phases I and II of the Substitute Environmental Document (SED). Manager Moody reported he spent a couple hours with the group discussing all facets of both phases. Manager Moody reported Cal Water advised they had been interested in Sites Reservoir but they recently backed out to avoid long term financial commitments.

H. DIRECTOR REPORTS

Director McGaughey reported she received a couple of calls on Monday, September 3rd regarding a pipeline break around 2:00 a.m. that morning. One call came from a home on March Lane, the other from a home on Stadium. Manager Moody reported he has not heard anything about this.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – Somerford Place, 5:15 p.m., 09/06/18
2. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 09/10/18

J. REPORT OF THE COUNSEL

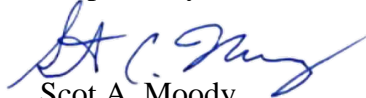
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

President McGurk adjourned the meeting to closed session at 1:00 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:23 p.m., with no reportable action.

K. ADJOURNMENT

President McGurk adjourned the meeting at 1:24 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

