

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 18, 2018 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:18 p.m., and 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, Administrative Clerk Curtis, Legal Counsel Zolezzi and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 09/11/18 Regular Meeting

Manager Moody provided the Board with a handout of the September 11, 2018 Regular Board Meeting Minutes with clarifications provided by Director Panizza.

Director Panizza made the following corrections to the minutes:

- Page 3, section D-5, 4th paragraph, 1st sentence – strike “if the District is overbilled every year” and replace with “specifically on the overpayment of the Central Valley Project Improvement Act (CVPIA) and Trinity Public Utilities District (TPUD) portion of the billing analysis”.
- Page 3, section D-5, 4th paragraph, 2nd sentence – strike “no”.
- Page 3, section D-5, 4th paragraph, 4th sentence – strike “replied” and replace with “confirmed”.

A motion was moved and seconded to approve the September 11, 2018 Regular Meeting Minutes, as amended.

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. Payroll

- g. Summary
- h. Short Names/Acronym List
- i. SEWD Vehicles & Equipment

Director Atkins inquired on the expense on page 13, line item 2 for Battery Bill, Inc. for replacement batteries for golf cart #2 Unit #78 in the amount of \$748.63. Manager Moody replied the batteries are for the free Polaris' the District applied for and received through a grant about 4 years ago. Part of the grant contract requires the District maintain the Polaris'. Manager Moody reported staff runs the batteries as long as possible before plugging them in to eliminate the potential of creating a memory charging issue. Manager Moody reported the Polaris' are used daily by all staff and have been helpful to drive out to the project sites at the back end of the property.

A motion was moved and seconded to approve the September 18, 2018 Warrants, as presented.

Roll Call:

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

3. Central San Joaquin Water Conservation District Discussion

President McGurk reported the AD HOC Committees for both CSJWCD and SEWD met on Friday, September 14, 2018 and agreed to meet again on Friday, September 28, 2018. Director Panizza suggested continuing the report out of the meeting during Agenda Item E-5 AD HOC Meeting – SEWD & Central San Joaquin Water Conservation District, 09/13/18.

4. Central California Traction Railroad Site Project – License Agreement (CCTR & SEWD)

Manager Moody provided the Board with information on the Central California Traction Railroad Site Project – License Agreement (CCTR & SEWD). Manager Moody reported this agreement is for the CCTR Fish Passage Improvement Project in the Diverting Canal. The agreement has been reviewed extensively by both the District, CCTR, and their respective legal counsels.

Director Watkins inquired if part of the project consists of cutting concrete pillars on the bridge. Manager Moody replied yes. Director Watkins inquired if CCTR would then hold the District harmless.

Manager Moody advised the District would hire out services to do the concrete cutting as we would not want the liability of our staff performing this work.

District Engineer Lee reported staff would hire a structural engineer that would review the CCTR bridge inspection records, inspect the bridge, and review the design prior to construction. During the construction phase the structural engineer would have their equipment onsite to measure the deflection of the bridge.

Director Watkins inquired what happens if the District does not proceed with the project. Legal Counsel Zolezzi replied then any fish passages that have been done prior are worthless because the fish cannot get all the way through.

District Engineer Lee reported cutting the concrete would allow the water to funnel two ways as another flume would be installed. The concrete that is being proposed to be cut is the old concrete from the 1980's that does not currently structurally support the bridge.

Director Watkins inquired if the apron is structurally tied to the new bridge. District Engineer Lee replied no, none of the current bridge construction would be effected.

Director Watkins inquired if they are concrete or wood timbers. District Engineer Lee replied they are steel on our side and concrete further down.

Director Watkins inquired if this is the last Fish Passage Project. District Engineer Lee replied there is one left, it would be upstream on Hosie. Manager Moody added they are being completed in order of importance.

Manager Moody inquired if a structural engineer could be hired prior to signing the agreement. District Engineer Lee replied yes.

Director Watkins inquired if the District signs the contract and hire a structural engineer, can the contract be voided at any time if need be. Legal Counsel Zolezzi replied yes; this agreement only gives the District approval to proceed, but it is not necessary to do so.

Manager Moody requested the Board to consider contingently approving the agreement on the basis of the structural engineer's reports. All information will be brought back to the Board for review prior to moving forward.

A motion was moved and seconded to approve the License Agreement with Central California Traction Company, under the contingency that the structural engineer reports will be reviewed prior to moving forward with the Project, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

5. Memo – Pacific Gas & Electric Charges and Well Operations

Manager Moody provided the Board with information on the Memo – Pacific Gas & Electric Charges and Well Operations. Manager Moody reported this memo is a result of the Board's inquiry at the September 4, 2018 Regular Board Meeting warrants regarding testing wells and the associated demand charges.

Manager Moody reported the \$4,506.85 charge for the July 16, 2018 sampling date is high because the pump from the South Reservoir to the Percolation Ponds were running due to the taste and odor complaints, in an effort to keep the water circulating.

Manager Moody reported staff is working with PG&E to look at the possibility of paying a higher cost per kilowatt power and not getting a demand charge.

Manager Moody reported because the wells are active the District cannot get around monitoring requirements. However, there is an opportunity to move the wells into a standby status, which

would remove the frequent sampling requirement. However, in the event of an emergency the wells can only be used for short term, which consists of 5 consecutive days or less, and for less than 15 calendar days per year.

Director Watkins inquired what it takes to put them back into active status. Manager Moody replied staff would have to sample the wells and send the information to the Division of Drinking Water and they would conduct a well inspection. It could take about a month before the wells would be considered active again.

Director Watkins inquired what the demand per kilowatt is. District Engineer Lee replied out of the \$4,506.85 charge, \$3,300 was a demand charge and ~\$1,000 was usage.

Director Watkins inquired if the sampling can be done on the 1st and 31st of each month to only pay a demand charge every other month. District Engineer Lee replied staff is still trying to get a hold of the person who would have those answers.

Director Atkins inquired how long the wells have to run. District Engineer Lee replied a minimum of 30 minutes.

Director Watkins inquired on the high 1,2,3-Trichloropropane (1,2,3-TCP) levels. Manager Moody reported Extraction Well #5 and Well 74-02 have detected 1,2,3-TCP over the maximum contaminant level (MCL) and will need to be monitored on a monthly basis.

Director Cortopassi inquired if any of these wells go directly to customers. Manager Moody replied no. As the wells do not go to the distribution system directly and the Plant's Granulated Activated Carbon (GAC) is a treatment process, this may change that monitoring requirement.

President McGurk inquired if there is a penalty to put the wells back in active status. Manager Moody replied no, it just takes a little time. This item was for information only.

E. COMMITTEE REPORTS

1. Groundwater Sustainability Plan Advisory Committee (PAC) Meeting, 09/12/18

District Engineer Lee attended the September 12, 2018 Groundwater Sustainability Plan Advisory Committee (PAC) Meeting. District Engineer Lee reported the SGMA Outreach Open House on August 29, 2018 was very successful. District Engineer Lee reported the threshold status is being put on hold because there are wells that need more data. There was discussion on the projected water budget. District Engineer Lee reported the Basin has a historical overdraft of 50,000 AF per year. Director Watkins commented the graph that was provided to the Committee has a baseline of zero acre-feet which does not compute with the number. Brandon Nakagawa advised he will look into it and make changes as necessary. District Engineer Lee reported currently there is about 30,000 AF per year of overdraft until sustainability is in place. District Engineer Lee reported the PAC is calling for Projects from agencies. At the October meeting the Committee will discuss and review projects proposed for sustainability. Manager Moody reported the District may have projects like the Raw Water Pond and Lake Gilmore. District Engineer Lee added another project to look at would be Farmington Dam, as there has been a Preliminary Study to evaluate changing the dam from flood control to water supply. Director Watkins suggested a project to convert groundwater users to surface water within the District. Director Cortopassi inquired if the County has the Duck Creek Reservoir on their list. Manager Moody replied it is not a viable Project but they

have studies on it. Director Cortopassi reported that Dan Purviance has previously mentioned it would be a good place to recharge water. The next meeting is scheduled for October 10, 2018.

2. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting, 09/12/18

Directors Panizza and Watkins and District Engineer Lee attended the September 12, 2018 Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting. Director Panizza reported the group reviewed the status of the budget. ~\$226,000 was sent out in invoices to various Groundwater Sustainability Agencies (GSAs). Director Panizza reported ~\$101,000 has been collected to date, which is less than half of the invoice total. There are a couple GSAs splitting the cost between their fiscal years. Director Panizza reported the group reviewed items that were discussed during the Planning Advisory Committee (PAC). The October meeting will be held from 11:00 a.m. – 1:30 p.m. and it will be workshop based to discuss future projects. Director Panizza reported there is a lot more people in attendance at the meetings and a lot of environmental sensitivity questions about projects have arisen. The next meeting is scheduled for October 10, 2018.

3. Association of California Water Agencies Agriculture Committee Meeting, Willows, California, 09/12/18

Director Sanguinetti attended the September 12, 2018 Association of California Water Agencies Agriculture Committee Meeting. Director Sanguinetti reported there were ~15 people in attendance, 3 of which were farmers. There were a lot of Irrigation District representatives in attendance. Director Sanguinetti reported this meeting was organizational in nature. There were discussions on the water tax, which is in limbo, and on SB 100, Renewable Energy Portfolio & Hydropower and the effect this bill will have on agriculture. There was discussion on Proposition 3 as well. Director Sanguinetti reported the purpose of this Committee is for Agriculture to have a larger presence in ACWA. The Committee worked to identify issues that affect agriculture. Currently unimpaired flows and SGMA are the biggest topics. Director Sanguinetti reported the next meeting for both north and south interests will be held at the Fall ACWA Conference. Director Sanguinetti reported there was discussion on farmers not being knowledgeable as to what to expect in the future and discussion on outreach efforts to bring more awareness to issues that will affect them. Manager Moody inquired on the water committee the District used to have. President McGurk replied it was the Agricultural Advisory Committee. Manager Moody suggested perhaps reinvigorating that Committee may help with outreach efforts. The next meeting is scheduled for September 19, 2018.

4. ACWA Federal Affairs Committee, 09/13/18

Consultant Barkett attended the September 13, 2018 ACWA Federal Affairs Committee Meeting. Consultant Barkett reported Tim Quinn provided a general report. Consultant Barkett reported the water tax led by ACWA was defeated, and ACWA is pushing Proposition 3 and recommending agencies support it. There was discussion on SGMA and the recently established Agriculture Committee. Consultant Barkett reported Cindy Tuck reported on the Ag Tax as part of the water tax which they tried to push it through on a voluntary basis; but upon discussion with water districts, it was determined it could cost districts ~\$100 million to implement. This bill will likely come back next year in some form. Consultant Barkett reported a slimmed down WRDA version was passed and will be in conference. Consultant Barkett reported there was an update provided on dam safety. There are ~60-80 dams that are in fair to poor condition. Director Watkins inquired if that includes private dams. Consultant Barkett replied yes. The next meeting is scheduled for November 27, 2018.

5. AD HOC Meeting – SEWD & Central San Joaquin Water Conservation District, 09/13/18
Directors McGurk and Panizza, Finance Director Vega and Administrative Services Manager Carido from SEWD and [Tony Chiappe](#), Richard Wagner, Grant Thompson and Reid Roberts from Central San Joaquin Water Conservation District (CSJWCD or Central) attended the September 13, 2018 AD HOC Meeting – SEWD & CSJWCD. President McGurk reported the issue of the amount of debt CSJWCD has is still unclarified. Reid Roberts reported to the group that he has been communicating with the USBR and has been unsuccessful in getting anywhere. President McGurk reported that Finance Director Vega provided Mr. Roberts with contact names and numbers of USBR representatives as the person he was contacting is no longer with the USBR. President McGurk reported if Central’s debt amount cannot be clarified, the discussions about merging the districts will need to be tabled. Legal Counsel Zolezzi inquired why SEWD does not assume the higher amount of debt and move forward. President McGurk replied that CSJWCD does not want to assume the higher amount, yet the representatives are still pushing for this to be decided by December 2018. Director Panizza reported Mr. Roberts has reported at the last two meetings that he has been working with the USBR and Bank of Stockton to get their actual debt figures. Director Panizza reported CSJWCD is also trying to value the infrastructure against the debt. Legal Counsel Zolezzi advised if CSJWCD does not have new debt figures at the upcoming meeting to offer that SEWD will contact both the USBR and Bank of Stockton to collect the accurate figures. Legal Counsel Zolezzi further advised not scheduling any future meetings unless SEWD has all the figures they need. The next meeting is scheduled for September 28, 2018.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 09/17/18
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 166,017 AF in storage at New Hogan Reservoir. Current releases are set at 124 cfs. There is 1,799,093 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 303 cfs and release to all water users are set at 1,245 cfs. There are currently 12 irrigator(s) on New Hogan, 0 irrigator(s) on New Melones and 1 Out-of-District irrigator(s). The water treatment plant is currently processing 32 mgd. The City of Stockton is currently processing 26 mgd.
2. Information Items:
Manager Moody noted items: F2a-1, F2a-2, F2a-3 and F2a-4.
3. Report on General Manager Activities
Manager Moody queried the Board for RSVP’s for the upcoming Pardee BBQ on Friday, October 5, 2018. Directors Sanguinetti and Watkins and Manager Moody will attend. This item is for information only.

Manager Moody reported he will be out of the office on Friday, September 21, 2018.

G. DIRECTOR REPORTS

Director McGaughey admonished Director Cortopassi for his brusque interaction with a staff person as well as with herself, while in the presence of other staff and Board Members, during

closed session of the previous Board meeting (9/11/2018). She suggested to Director Cortopassi that he seriously consider his future effectiveness as a Director of the Board. President McGurk then noted that this was an item that happened within closed session, that he regarded as a personnel issue, and all other discussion should be moved to closed session under the personnel exception (Government Code 54957).

H. COMMUNICATIONS

1. Senate Bill 998 (Dodd) – Request for VETO, 09/13/18
Manager Moody provided the Board with Senate Bill 998 (Dodd) – Request for VETO. Manager Moody reported this is a copy of the letter of opposition that was mailed. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. Association of California Water Agencies Agriculture Committee Meeting, Bakersfield, California, 10:00 a.m., 09/19/18
2. San Joaquin County Flood Control and Water Conservation District Advisory Water Advisory Commission Meeting, 1:00 p.m., 09/19/19
3. Central Valley Project Water Association – Executive & Financial Affairs Committee, 10:00 a.m., 09/21/18

J. REPORT OF THE COUNSEL

1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – three cases
2. Closed Session - Personnel
Government Code 54957

President McGurk adjourned the meeting to closed session at 1:28 p.m. to discuss closed session agenda items. District staff, with the exception of Manager Moody, were excused from the closed session meeting at 1:29 p.m. The regular meeting reconvened at 1:52 p.m., with no reportable action.

K. ADJOURNMENT

President McGurk adjourned the meeting at 1:53 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc/tm

