

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 25, 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 Manager Moody 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 09/18/18 Regular Meeting

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

Roll Call:

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

Nays: None

Abstain: None

Absent: None

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the September 25, 2018 Warrants – California Public Employees’ Retirement System, 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 from both CSJWCD and SEWD have a meeting scheduled for Friday, September 28, 2018.

Manager Moody reported John Freeman, Cal Water is still getting 13+ geosmin. Manager Moody advised Mr. Freeman that the District will order more samples and isolate the issue. Mr. Freeman added that perhaps the two agencies can collaborate on sampling and location to ensure samples are taken in the same area.

4. Preliminary Base Monthly Payment – Fiscal Year 2019/2020

a. Public Hearing

President McGurk opened the Public Hearing at 12:21 p.m., to receive comments on the Preliminary Base Monthly Payment (BMP) for Fiscal Year 2019/2020.

Manager Moody provided proof of publication of the public hearing. Manager Moody reported this process is dictated by the Second Amended Contract.

Manager Moody reported the total expenses are estimated to be down ~\$600,000 from the current Fiscal Year, which Development Fees went up ~\$300,000.

Manager Moody reported staff will meet with the Urban Contractors in the near future to discuss a more thorough representation of actual BMP figures prior to bringing back the final figures prior to December 15th.

Seeing no public comment, President McGurk closed the Public Hearing at 12:23 p.m.

b. Resolution No. 18-19-03 – Setting the Preliminary Base Monthly Payment for Fiscal Year 2019/2020

A motion was moved and seconded to adopt Resolution No. 18-19-03 – Setting the Preliminary Base Monthly Payment for Fiscal Year 2019/2020, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

5. Stockton East Water District – Engineering Support Services Scope of Work (SCADA, Networking & Related Projects)

Manager Moody provided the Board with information on the Engineering Support Services Scope of Work for SCADA, networking and related projects. Manager Moody reported this is a result of the retirement of Michael Johnson. Mr. Johnson’s experience was in IT and process control and the District no longer has anyone on staff with as much expertise.

Manager Moody reported the first draft was considerably higher in cost, however, District staff was able to remove tasks from the quote that are items the District’s engineers and electricians are capable of handling.

Manager Moody reported staff recommends the Board consider approval of hiring Nick Peros, P.E. as the District’s representative to help complete and administer the following projects; SCADA Standards Contract, Network Configuration, Network Installation, Services by Verve Networking and Electrical and Control matters for the Raw Water Project, in an amount not to exceed \$119,000.

Director Atkins inquired once Mr. Peros’ contract ends and all projects complete, if he can provide a synopsis to the Board. Manager Moody replied yes, he will be designing and implementing these projects as if they were his own. He is who we will look to if things are not going according to plan.

President McGurk inquired since Mr. Peros is vacating his previous role with District responsibilities if the District will have to fill it. Manager Moody replied no, they will fill it internally on their side.

Director Panizza inquired if Manager Moody is looking for the next Assistant General Manager to be knowledgeable in IT and process control. Manager Moody replied not necessarily. This was a side benefit that came with Mr. Johnson, but it is not an everyday necessity to the District's functionality.

President McGurk inquired if Mr. Peros' work will be bonded. Manager Moody replied he will be required to meet the District's contractual obligations and insurance requirements.

A motion was moved and seconded to procure the services of Nicholas J. Peros to serve as the District's Representative to help complete and administer the following projects; SCADA Standards Contract, Network Configuration, Network Installation, Services by Verve Networking and Electrical and Control matters for the Raw Water Project, in an amount not to exceed \$119,000, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. Association of California Water Agencies Agriculture Committee Meeting, Bakersfield, California, 09/19/18
Nothing to report.
2. San Joaquin County Flood Control and Water Conservation District Advisory Water Advisory Commission Meeting, 09/19/19
President McGurk attended the September 19, 2018 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. President McGurk reported there was discussion on the Lower San Joaquin River Restoration Project. The next step for that Project is funding. President McGurk reported there was discussion on Public Works requesting the Commission recommend to the County Board of Supervisors the opposition of activities concerning Staten Island. The Commission voted to approve recommendation of opposition of Staten Island to the County Board of Supervisors. President McGurk reported there were updates provided on the San Joaquin Delta and SGMA. The next meeting is scheduled for October 17, 2018.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 09/24/18
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 163,808 AF in storage at New Hogan Reservoir. Current releases are set at 141 cfs. There is 1,788,006 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 1,234 cfs. There are currently 8 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 33 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

a. Central Valley Project Water Association – Executive & Financial Affairs Committee, 09/21/18

Finance Director Vega attended the September 21, 2018 Central Valley Project Water Association – Executive & Financial Affairs Committee Meeting. Finance Director Vega reported there was discussion on items that have been on the agenda for some time, to include the Cost Allocation Study which has yet to be circulated. Finance Director Vega reported the USBR is working on legal opinions on the Croffsets issue, while continuing to work on the technical side to find a more permanent solution. Finance Director Vega reported there was discussion on the Water Infrastructure for Improvements to the Nation (WIIN) Act. Some agencies are looking to convert their contracts to take advantage of the new provisions. Finance Director Vega reported there has been a lot of turnover at the USBR, they commented to how these positions are being filled and how that affects their workflow. The Trinity Public Utility District (TPUD) Assessment was discussed. This Committee has pushed the USBR to explain the payments and costs of the TPUD. Finance Director Vega reported the USBR is coming up with a proposal as to how to handle extraordinary O&M. Extraordinary O&M occur due to unexpected events, that would require water users to pay back the costs immediately the following year. They are currently compiling a list of potential big ticket items and are looking to cap the amount at \$6 million and amortize the remaining amount so contractors are not burdened by paying the amount all at once. Finance Director Vega reported San Luis Joint Use O&M Cost Reallocation Study was discussed. President McGurk inquired on the turnover at the USBR. Finance Director Vega replied an Accountant is retiring and there is an interim Financial Director in place until a permanent is found. The issue is positions have to be filled temporarily until permanently filled. Also, there are employees internally that are interested in vacancies so they have to fill that person's job if they take the new position. The next meeting is scheduled for October 17, 2018.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS

1. Central Valley Flood Protection Board – Mormon Slough Irrigation Dam Permit No. 5838, 7594, 8175 and Bellota Dam Permit No. 5597-A – Variance Request (Delay Removal to 10/12/2018), 09/20/18

Manager Moody provided the Board with correspondence to the Central Valley Flood Protection Board (CVFPB) requesting a delay on the Mormon Slough dam removal schedule. President McGurk inquired if the District has received anything back from CVFPB as a result of this letter. Manager Moody replied no. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 09/25/18
2. AD HOC Meeting with Central San Joaquin Water Conservation District, 3:00 p.m., 09/28/18

J. REPORT OF THE COUNSEL

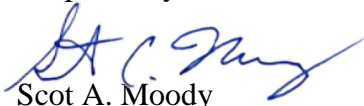
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – three cases
2. Closed Session - Personnel
Government Code 54957

President McGurk adjourned the meeting to closed session at 12:48 p.m. to discuss closed session agenda items. District staff, with the exception of Manager Moody, were excused from the closed session meeting at 1:19 p.m. The regular meeting reconvened at 1:43 p.m., with no reportable action.

K. ADJOURNMENT

President McGurk adjourned the meeting at 1:44 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

