

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, JANUARY 15, 2019 AT 12:00 NOON

**A. PLEDGE OF ALLEGIANCE AND ROLL CALL**

President Panizza called the regular meeting to order at 12:24 p.m., and Manager Moody led the Pledge of Allegiance.

Present at roll call were Directors Cortopassi, McGurk, Panizza and Sanguinetti. Director Atkins, McGaughey and Watkins were absent. Also present were Manager Moody, Assistant Manager 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 01/08/19 Regular Meeting

A motion was moved and seconded to approve the January 8, 2019 Regular Meeting Minutes, as presented.

Roll Call:

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

2. Stockton East Water District – Preparation of the Federal Water Management Plan Proposal  
Manager Moody provided the Board with a memo regarding the preparation of the Federal Water Management Plan (WMP) proposal. Manager Moody reported staff reached out to two consultants, Davids Engineering, Inc. and Brown and Caldwell, both consultants are familiar with the Districts process and previous work.

Manager Moody reported Brown and Caldwell advised they were committed with other projects and did not have the resources to help develop the WMP. Davids Engineering submitted a scope of work for a not-to-exceed amount of \$41,940.

Director McGurk inquired on the size of Davids Engineering firm. Assistant Manager Lee replied they are a small firm in comparison to Brown and Caldwell; however, they have worked with other agencies like Woodbridge Irrigation District and South San Joaquin Irrigation District. They have also been part of a team to help with SGMA for this basin.

Director Cortopassi inquired if this work will be helpful when completing the Ag WMP. Manager Moody replied yes. Assistant Manager Lee added the federal WMP requirements requires both ag and urban data, so the work that will be conducted by Davids Engineering will be necessary for the Ag WMP.

Staff recommends the Board approve an agreement with Davids Engineering, Inc. for a not to exceed contract amount of \$41,940 to prepare and complete the District's 2019 WMP for submittal to the United States Bureau of Reclamation for Central Valley Project contract compliance.

A motion was moved and seconded to approve procuring the services of Davids Engineering, Inc. for preparation and completion of the District's 2019 Water Management Plan for submittal to the United States Bureau of Reclamation for Central Valley Project contract compliance, in an amount not to exceed \$41,940.00, as presented.

Roll Call:

Ayes: Cortopassi, McGurk, Panizza, Sanguinetti

Nays: None

Abstain: None

Absent: Atkins, McGaughey, Watkins

3. United States Bureau of Reclamation – Conversion from a Water Service Contract to a Repayment Contract as Authorized Under the Water Infrastructure Improvement for the Nation (WIIN) Act for Contract 4-07-20-W0329, 01/03/19

Manager Moody provided the Board with information on the District's conversion from a water service contract to a repayment contract as authorized under the Water Infrastructure Improvement for the Nation (WIIN) Act for contract 4-07-20-w0329. Manager Moody reported the District applied to begin the process for permanent contractor status under the WIIN Act. This would entail the District pay any back due costs for M&I and Ag construction costs and would preclude the District from needing to renew every 25-years.

Manager Moody reported this correspondence is the USBRs initial response to the District's request and includes the outstanding costs the District would have to pay as part of this process, which are \$1,949,953 for M&I and \$350,870 for Ag. Manager Moody reported these costs are what staff was estimating, so we are still on track to keep moving forward.

Manager Moody noted a section in the correspondence that refers to other cost recovery and cost allocation provisions identified in the WIIN Act. He reported staff will look into these other costs further. Legal Counsel Harrigfeld replied she will research as well and provide staff with her findings.

President Panizza inquired on the ability to pay the Ag costs in four installments. Manager Moody replied they are allowing Ag to be paid in four installments, but not M&I.

Legal Counsel Harrigfeld inquired if staff is comfortable with the estimates that were provided. Finance Director Vega replied yes, these are the same estimates he found upon researching in the CVP rate book. This item was for information only.

4. United States Bureau of Reclamation – Request for Inclusion Status  
Manager Moody provided the Board with information on the inclusion request the District submitted to the USBR. Manager Moody reported as a result of an audit the District had with the USBR a few months previous, staff was advised the District cannot sell water outside of District boundaries. USBR advised the District to go through the inclusion process, which the Board authorized moving forward and paying the \$10,000 deposit.

Manager Moody reported he received an email from the USBR stating the inclusion process is only used for expansion of District boundaries via the LAFCo process. The USBR further noted, that the District boundary map they have is not current.

Manager Moody reported the areas in Farmington and others outside the District boundaries cannot be included in the inclusion process, rather the District would need to go through the water transfer process for those areas.

Manager Moody reported annexing properties east of Farmington has been discussed in the past and the District has received pushback from Districts in that area. Manager Moody is meeting with agencies in this area on Thursday, January 17<sup>th</sup> to discuss this issue. In the interim, he is continuing to push for Oakdale Irrigation District and South San Joaquin Irrigation District to sell the District water so it can be sold out of District in the coming water year.

Legal Counsel Harrigfeld reported that Legal Counsel Zolezzi does not agree with the USBR's conclusion for the District to go through the LAFCo process. Legal Counsel Harrigfeld reported there is a requirement in the LAFCo process that agencies must get LAFCo approval if they are supplying M&I water outside its boundaries. This does not hold true for ag water. Legal Counsel Zolezzi has a call setup to discuss this issue.

## **E. COMMITTEE REPORTS**

### **1. Groundwater Sustainability Plan Advisory Committee (PAC) Meeting, 01/09/19**

Manager Moody and Assistant Manager Lee attended the January 9, 2019 Groundwater Sustainability Plan Advisory Committee (PAC) Meeting. Manager Moody reported the Committee is beginning the process of ranking projects by various criteria and determining how to pay for the projects. Manager Moody reported the Lake Grupe In-Lieu Recharge and Surface Water Implementation Expansion projects the District submitted scored well. Lake Grupe scored well as it is relatively low in cost per acre-foot. Manager Moody reported he was surprised the Surface Water Implementation Expansion scored lower on the timeline for implementation as implementation could happen immediately. Manager Moody reported there was discussion on the different approaches to financing the projects. One approach is the GSA-Scale Approach where groundwater allocations are assigned to each GSA based on acreage and each GSA would fund and implement additional supply projects as desired. The other approach is the Basin-Scale Approach where all GSAs pay into project implementation as a whole. Manager Moody reported there was much discussion about the financing of the projects. Some concerns were regarding how GSAs would be compared if some have spent millions of dollars over the years to help sustainability, when other GSAs have not. There was further discussion on how to encourage landowners within each GSA to support their GSA in trying to achieve sustainability. Manager Moody reported the overall feeling in the meeting is that more active GSAs are leaning towards the GSA-Scale Approach to fund and implement their own projects. Manager Moody reported the DWR will be looking at the overall sustainability in the basin, but they will also be looking at the negative impacts and undesirable effects in the basin. Director Sanguinetti reported an obstacle will be convincing those who have pumps, but do not use surface water to make the switch. Manager Moody replied the key is to get groundwater customers to understand they will have to offset the cost of surface water so that together we can be sustainable. Legal Counsel Harrigfeld inquired why the Water Supply Enhancement Project was not included as a project. Manager Moody replied it is hard to put a project that costs so much on the list. He did however add the Farmington project to the list to make a point that we cannot just list projects to get us to sustainability because one cannot predict the future. There should also be projects that help us get new water as well. Director Cortopassi inquired on the possible credit due to the District for projects that have already been completed to achieve

sustainability. Manager Moody replied the GSAs that have previously spent funds have been proactively asking this same question. Mel Lytle, City of Stockton, reported that historically, the overdraft number would sort itself from 100,000-145,000 AF; however, it does not look like they have been accounting for expansion of Ag heading east towards Calaveras County. He is not sure that this has been accounted for in the water balance for the basin. The next meeting is scheduled for February 13, 2019.

2. San Joaquin County & Delta Water Quality Coalition Meeting, 01/14/19  
President Panizza advised this report will be brought back at the January 22, 2019 Regular Board Meeting as Director Atkins is absent.

## **F. REPORT OF GENERAL MANAGER**

1. Water Supply Report as of 01/14/19

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 157,596 AF in storage at New Hogan Reservoir. Current releases are set at 29 cfs. There is 1,809,805 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 202 cfs and release to all water users are set at 247 cfs. There are no irrigator(s) on New Hogan, New Melones or Out-of-District. The water treatment plant is currently processing 17 mgd. The City of Stockton is currently processing 13 mgd.

Director Cortopassi inquired when the Tainter Gate Project will be finished. Manager Moody replied the project was finished last Saturday. Staff will be meeting with the USACE in March to discuss the timeline for the remaining gates.

2. Information Items:  
Manager Moody noted items: F2a-1, F2a-2, F2a-3 and F2a-4.

3. Report on General Manager Activities

- a. Stockton East Water District Activities Update

Manager Moody reported he received a call from North San Joaquin Water Conservation District (NSJWCD) inquiring if the District has staff to do its own weed control. Manager Moody replied yes. They further inquired if District staff could conduct work on NSJWCD's property. Manager Moody advised NSJWCD that there is a possibility the District could help if the work is limited. Manager Moody reported the District's permit does not allow us to work outside our District; however, the Ag Commission is willing to add NSJWCD under our permit to allow staff to facilitate work on their land. Manager Moody replied he will be visiting NSJWCD next week to see the exact work they are requesting be done.

Manager Moody reported the perspective District Engineer has signed his offer letter and is scheduled to begin work with the District on January 31, 2019. He is coming from Solano Irrigation District and wanted to continue working with an Ag District.

## **G. DIRECTOR REPORTS**

1. Greater Stockton Chamber of Commerce Monthly Mixer – Heritage Dining & Provisions at the Waterloo Gun & Bocce Club, 01/10/19  
Nothing to report.

## H. COMMUNICATIONS

1. United States Army Corps of Engineers – Response Letter Regarding New Hogan Dam’s Infrastructure Improvements, 01/09/19  
Manager Moody provided the Board with correspondence from the U.S. Army Corps of Engineers dated January 9, 2019 regarding the New Hogan Dam Infrastructure Improvements. Manager Moody reported the letter states the Project has concluded and they are back to normal operating practices. This item was for information only.

## I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 01/16/19
2. AD HOC Meeting with Central San Joaquin Water Conservation District, 3:00 p.m., 01/17/19
3. District Holiday – Martin Luther King Jr.’s Birthday, 01/21/19

Manager Moody reported in conjunction with the Linden-Peters Chamber of Commerce, the District will be conducting SGMA Outreach at the February 18, 2019 Linden-Peters Chamber of Commerce Meeting. The meeting is to be held at 7:00 p.m., location to be determined, but will likely be held at Linden High School. More information to follow.

President Panizza reported that there will also be a SGMA Outreach event in Lockeford on February 12, 2019 at 6:00 p.m.

## J. REPORT OF THE COUNSEL

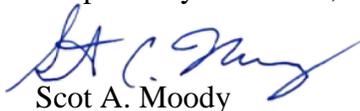
1. Closed Session - Potential Litigation  
Government Code 54956.9 (c) – two cases
2. Closed Session - Existing Litigation  
Stockton East Water District vs. City of Stockton, et al.  
Government Code 54956.9 (a)

President Panizza adjourned the meeting to closed session at 1:37 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:59 p.m., with no reportable action.

## K. ADJOURNMENT

President Panizza adjourned the meeting at 3:00 p.m.

Respectfully submitted,

  
Scot A. Moody

Secretary of the Board

tbc

