

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, MARCH 5, 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 led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk, Panizza and Watkins. Director Sanguinetti arrived at 12:33 p.m. Also present were Manager Moody, Assistant Manager Lee, Finance Director Vega, 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 02/26/19 Regular Meeting

Director McGurk made the following correction to the minutes:

- Page 4, section E-2, 1<sup>st</sup> paragraph, 5<sup>th</sup> sentence – add “to remedy the \$2 million funding shortfall”.

A motion was moved and seconded to approve the February 26, 2019 Regular Meeting Minutes, as amended.

Roll Call:

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

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

Director Atkins inquired on the expense on page 13, line item 2 for Advanced Trailer Sales and Service for all parts and labor to repair Big Tex Trailer, Unit #30 in the amount of \$4,526.53. Manager Moody replied this repair was a result of the metal framework that runs crosswise under the trailer breaking after loading the new backhoe on the trailer and driving a few miles down the road. Staff has made repairs to this trailer in-house a few times, but thought they should have a professional make the fix this time.

Director Atkins inquired on the expense on page 15, line item 19 for Pan Pacific Supply Co. for lubricant spray for inventory in the amount of \$232.50. Manager Moody advised he will have staff research this item and bring the information back to the Board.

Director Cortopassi inquired on the expense on page 15, line items 3 & 4 for Citizens Business Bank for April 2019 semi-annual interest-WTP improvement 2005 installment purchase agreement in the amount of \$66,693.28 and principle-WTP improvement 2005 installment purchase agreement in the amount of \$194,839.75. Manager Moody replied these payments are for the new Sedimentation Basins.

Director Atkins inquired on the expense on page 15, line item 20 for PG&E 0908023195-5 for electricity 12/20/18-01/21/19 WTP east side feeder in the amount of \$12,596.57. Manager Moody advised he will have staff research this item and bring the information back to the Board,

A motion was moved and seconded to approve the March 5, 2019 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

3. Memorandum of Understanding Between Central San Joaquin Water Conservation District and Stockton Easter Water District Regarding the Merging of Districts

Manager Moody provided the Board with a Memorandum of Understanding (MOU) between Central San Joaquin Water Conservation District (CSJWCD) and Stockton Easter Water District (SEWD) Regarding the Merging of Districts. Manager Moody reported the AD HOC Committees from both Districts have met a handful of times and through vigorous negotiations have discussed the possibility of a merger between CSJWCD and SEWD.

Manager Moody reported the MOU has been reviewed by both Districts and is a good faith document to proceed with the merger.

Manager Moody reported he was notified last week that CSJWCD's Board approved their Board President to sign the MOU on behalf of the District.

Manager Moody advised this MOU has been brought before the Board for consideration and approval.

President Panizza inquired if Director McGurk had anything to add as the Chairman of the AD HOC Committee. Director McGurk echoed Manager Moody's report and is in favor of President Panizza signing the MOU on behalf of the District.

President Panizza inquired if Legal Counsel is satisfied with the legality of the document. Legal Counsel Zolezzi replied yes.

Director Atkins inquired if CSJWCD on the \$8 wheeling charge. Manager Moody replied they requested a \$5 wheeling rate and the two Districts settled on \$8.

Director Cortopassi inquired if CSJWCD will continue to operate their system during this consolidation period and to note that they will continue to pay for their water during this time. President Panizza replied until the merger is complete they will continue to operate their system and it will be their obligation to pay the USBR for water.

A motion was moved and seconded to approve the Memorandum of Understanding Between Central San Joaquin Water Conservation District and Stockton Easter Water District Regarding the Merging of Districts, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

Mel Lytle, City of Stockton reported on behalf of the City of Stockton, the City understands that this discussion between both Districts have been ongoing for a while and this MOU is the first real document that has come out of any previous discussions. Fundamentally, the idea of consolidation is a good one, however, he requests that the Urban Contractors are provided more details and can engage with the District as this process moves forward.

President Panizza expressed his gratitude to Director McGurk for his efforts as Chairman of the AD HOC Committee. The issues were difficult and he did a good job working through those with the CSJWCD Board and their Legal Counsel.

4. Dr. Joe Waidhofer Drinking Water Treatment Plant – Master Backwash Plug Valve Replacement Memo, 03/05/19

Manager Moody provided the Board with a memo regarding the Master Backwash Plug Valve Replacement. Manager Moody reported this item was brought back from last week's Regular Board Meeting for further discussion.

Manager Moody reported staff approached him wanting to discuss the operation of removing the valve, which weighs ~7,000-lbs as their only view of the issue can be seen through an access panel. Manager Moody reported this valve has been sealed before and within a year was began to leak.

Manager Moody reported the concern is the possibility the valve will eventually fail and when it does the Water Treatment Plant (WTP) will not be able to operate as the valve controls the amount of water used to backflush the filters. Part of the corrosion issue is that it only operates 20-40% of the valve capacity.

Manager Moody reported one option is to hire a consultant to evaluate the corrosion issue and the valve itself and recommend potential options for smaller valves or purchase a new valve altogether. Hiring a consultant is half the cost of a new valve; however, purchasing a new valve would require a 17-week lead-time.

Director Sanguinetti inquired on the size of the valve. Assistant Manager Lee replied it is a 36-inch plug valve that weighs ~7,000-lbs.

Director Atkins inquired if it is easy to access the valve. Manager Moody replied no, a device will have to be constructed to be able to access and remove the valve.

Director Sanguinetti inquired on the actual amount of water that needs to run through the valve. Assistant Manager Lee replied staff does not know. This is something the consultant would be able to answer as part of the engineering study.

Director Watkins reported the Filter Gallery has plans for expansion to put more filters in. If the valve is replaced it would need to be able to cover the future addition.

Director Atkins inquired if there is another valve design available. Manager Moody replied this is information the consultant would be able to provide the District.

Director Sanguinetti inquired if the valve leaks all the time or only when it is open. Assistant Manager Lee replied it leaks all day, every day. Manager Moody added the leaking valve is not considered a failure; the amount of corrosion that can be seen is what is most concerning.

Director Cortopassi inquired if the District were to contract with West Yost and Associates for consulting services if the proposed cost only includes their time and not the purchase of a valve. Manager Moody replied yes, they will evaluate the capacity the valve needs to have, in addition to other valve options that would be less prone for corrosion. A valve would have to be purchased following their report.

Director Cortopassi inquired what the \$73,516 cost outlined in the memorandum includes. Assistant Manager Lee replied it is to purchase and install a new plug valve exactly like the current valve. Director Cortopassi suggested another option would be to purchase a new valve and have the old fixed and stored for future use. Manager Moody replied the valve is extremely large and would be difficult to store, although staff has discussed that option.

Director Sanguinetti inquired if the current valve will last another 17 weeks if the Board decides to purchase a new valve with that lead-time. Manager Moody replied it will likely last.

Director Atkins inquired what kind of warranty would come with the purchase of a new valve. Assistant Manager Lee replied the warranties are typically only one year.

Director Watkins suggested that perhaps the Board needs more information to make a decision and that maybe a visit to look at the valve will assist in this process.

Director McGaughey commented District staff is hired because they are specialists and have knowledge in areas that the Board may not be completely versed in. Director McGaughey continued that Assistant Manager Lee requested last week that this only be pushed off a week, which it was, but staff recommendations needs to be trusted by the Board. Director Sanguinetti replied that he too listens to staff recommendations and trusts their opinion. Further, he asserted Staff is knowledgeable there is a problem and they are requesting the Board review as it is not a small expenditure. If the Board decides to not fix the valve, the responsibility lies with the Board and not staff.

Assistant Manager Lee reported staff is requesting approval for West Yost and Associates to complete the assessment of the valve. After this work has been completed the information will

be brought to the Board to determine which valve is recommended to purchase and the associated costs. The valve purchase would fall in next Fiscal Year's budget.

Manager Moody suggested after the Board Meeting that any interested Directors accompany him to look at the valve and this item will be brought back for consideration next week.

5. Stockton East Water District – 2019 Annual Cost of Living Adjustment

Manager Moody provided the Board with information on the Fiscal Year 2019/2020 Annual Salary Adjustments. Finance Director Vega reported in accordance with the 2015-2020 Memorandum of Understanding (MOU) with District employees, a Cost of Living Adjustment (COLA) is based on 80% of CPI net change with a minimum increase of 2.5% and a maximum increase of 6.0%. Based on the US City Average – Urban Wage Earners and Clerical Workers Index, the COLA for employees net increase of 1.29%. Eighty percent of the increase is equal to 1.03%, which falls below the MOU minimum salary increase of 2.5%. Finance Director Vega reported staff is recommending a minimum salary increase of 2.5%. This item was for information only.

**E. COMMITTEE REPORTS**

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 02/26/19

Director Watkins attended the February 26, 2019 San Joaquin Farm Bureau Federation – Water Committee Meeting. Director Watkins reported there was discussion on District reports. There was an update on nutria in southern California. Director Cortopassi inquired if most of the Districts send representation to the meetings. Director Watkins replied yes. The next meeting is scheduled for March 26, 2019.

**F. REPORT OF GENERAL MANAGER**

1. Water Supply Report as of 03/04/19

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 196,618 AF in storage at New Hogan Reservoir. Current releases are set at 2,780 cfs. There is 2,030,133 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 3,472 cfs and release to all water users are set at 3,472 cfs. There are no irrigator(s) on New Hogan, New Melones or Out-of-District. The water treatment plant is currently processing 16 mgd. The City of Stockton is currently processing 7 mgd.

2. Information Items:

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

3. Report on General Manager Activities

a. ACWA State Legislative Committee Meeting, 02/22/19

Manager Moody attended the February 22, 2019 ACWA State Legislative Committee Meeting. Manager Moody reported it was a brief meeting. ACWA is encouraged about the possibility of water being included on the federal infrastructure bill. Manager Moody replied Adam Quiñonez will be replacing Wendy Ridderbusch as Legislative Director after her retirement. There was discussion on the \$21.4 billion surplus in the state's budget. Most of these funds are going to one time spending for wildfire recovery. The next meeting is scheduled for March 15, 2019.

b. Stockton East Water District Activities Update

Manager Moody reported he and Administrative Services Manager Carido reviewed the state and federal legislative calendars and determined that the week of April 15<sup>th</sup> seems to be when both will be in recess. April 17<sup>th</sup> and 18<sup>th</sup> look to be the best options to schedule a Legislative Tour of New Hogan Reservoir. Manager Moody reported he spoke with Richard Marmalejo, USACE and both dates are available and inquired if the Board has a preference. Director McGurk reported he prefers Thursday, April 18<sup>th</sup> as he has a Water Advisory Commission Meeting on April 17<sup>th</sup>. Manager Moody reported staff will schedule the Tour for Thursday, April 18<sup>th</sup>.

Manager Moody reported there was a minor glitch with the 2018 Final Bills. There were some misprints due to a software and printing issue. Staff believes they were able to retrieve all misprints prior to mailing, however, should any Director receive a phone call because of this he wanted to make them aware. If phone calls are received, staff requests that customers are asked to call the District office for assistance.

## **G. DIRECTOR REPORTS**

1. Association of California Water Agencies – 2019 Annual Washington D.C. Conference, 02/25/19-02/28/19

Director Sanguinetti and Manager Moody attended the 2019 Annual Washington D.C. Conference. Director Sanguinetti reported it was a good trip and they had good meetings with both the United States Army Corps of Engineers (USACE) and the United States Bureau of Reclamation (USBR). Director Sanguinetti reported they provided talking points to everyone they met with and they all appreciated the information to help guide their discussions. Staff will make sure to send Council of Governments attendees with the same layout of information to provide during their meetings. There was discussion of the reoperations of New Hogan to hold more water for the flood curve. Director Sanguinetti reported they met with Catherine Pomposi of Senator Harris' office. They had good dialogue during their meeting as she was previously a meteorologist and she was able to expound on the topics of snowpack and atmospheric changes. Manager Moody added Ms. Pomposi was interested in discussing new technology that could help rewrite the flood curve control plan for New Hogan. Director Sanguinetti reported they met with John Watts from Senator Feinstein's office and Congressman McNerney. They attended ACWA's Congressional Speech Program at the U.S. Capitol Visitor Center and Representative LaMalfa from District 1 was a good speaker. Manager Moody reported they bumped into Dennis Cardoza who is currently working for a large law firm. Legal Counsel Zolezzi added he is now a lobbyist. Manager Moody reported they were unable to meet with Representative Josh Harder.

## **H. COMMUNICATIONS**

1. Delta Water Users Association – Annual Membership Meeting, 6:00 p.m., 03/20/19

Manager Moody provided the Board with correspondence regarding the Delta Water Users Association – Annual Membership Meeting to be held on March 20, 2019. Manager Moody queried the Board as to who would like to attend. Directors Atkins, Cortopassi, McGurk, Panizza, Sanguinetti, Watkins and Manager Moody will attend.

## **I. AGENDA PLANNING/UPCOMING EVENTS**

1. ACWA Legislative Symposium, 9:00 a.m., 03/06/19

2. Greater Stockton Chamber of Commerce Monthly Mixer – Banner Island Ballpark, 5:15 p.m., 03/07/19
3. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 03/11/19

Director McGaughey reported the annual Chamber of Commerce Golf Tournament is coming up on April 8, 2019.

**J. REPORT OF THE COUNSEL**

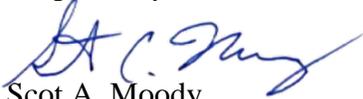
1. Closed Session: REAL PROPERTY – GOVERNMENT CODE  
SECTION 54956.9 – Property: Water Rights  
Agency Negotiator: Scot A. Moody /Karna E. Harrigfeld  
Negotiating Parties: Oakdale Irrigation District/South San Joaquin Irrigation District  
Under Negotiation: Water Transfer
2. Closed Session - Potential Litigation  
Government Code 54956.9 (c) – two cases

President Panizza adjourned the meeting to closed session at 1:38 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:21 p.m., with no reportable action.

**K. ADJOURNMENT**

President Panizza adjourned the meeting at 2:22 p.m.

Respectfully submitted,

  
Scot A. Moody  
Secretary of the Board

tbc

