

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 12, 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 Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. 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. Association of California Water Agencies/Joint Powers Insurance Authority – Refund Check Presentation

Manager Moody introduced Dianna Sutton, Finance Manager with ACWA/JPIA. Ms. Sutton attended the meeting to present the Board with a refund check from the ACWA/JPIA Insurance Programs (Liability, Property and Workman’s Compensation).

Ms. Sutton informed the Board the District has done a good job keeping insurance claims to a minimum and participating in ACWA/JPIA training, which also contributes to reduced claims. The District currently utilizes the ACWA/JPIA online system for training as well. Ms. Sutton informed the Board that there have been three members of staff who have graduated from the Professional Development Program. Ms. Sutton presented the District with a check in the amount of \$64,159.

Manager Moody reported when he began working at the District the safety program was lacking. He since has required management to be a part of the Safety Committee, which meets monthly; conducts safety walk-throughs; writes policies and discusses training. Employees have responded quite well to the enhanced safety enforcement and training.

Director Sanguinetti commented that safety starts from the top down. Manager Moody’s diligence is part of the reason the District has been receiving good marks from ACWA/JPIA.

Director McGurk inquired where the refund monies will be deposited. Manager Moody replied the money goes back into the ACWA/JPIA budget and gets credited back at the end.

2. Minutes 03/05/19 Regular Meeting

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

Roll Call:

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

Nayes: None
Abstain: None
Absent: None

Director McGurk inquired on the lubricant spray purchase reported out in the warrants at the March 5, 2019 Regular Board Meeting. Manager Moody replied it is food grade lubricant that is used to lubricate the bridge in the Sed Basins.

Manager Moody provided the Board with information on the PG&E 0908023195-5 for electricity 12/20/18-01/21/19 WTP east side feeder charge that was reported out in the warrants at the March 5, 2019 Regular Board Meeting. This line item is referred to as the east side feeder as the charges are for Low Lift and the Treatment Plant, which is the east side of the District.

3. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the March 12, 2019 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

4. Business Consultant Agreements 04/01/19 – 03/31/20

a. Anthony Barkett

A motion was moved and seconded to approve Business Consultant Agreement with Anthony M. Barkett for a one-year period from April 1, 2019 through March 31, 2020.

Roll Call:

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

b. Doyce Boesch

A motion was moved and seconded to approve Business Consultant Agreement with Doyce Boesch for a one-year period from April 1, 2019 through March 31, 2020.

Roll Call:

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

5. 2019 San Joaquin Council of Governments One-Voice Legislature Trip Sponsorship Form
Manager Moody provided the Board with a sponsorship form for the 2019 San Joaquin Council of Governments (SJCOG) One-Voice Legislature Trip. Manager Moody queried the Board about sponsoring the SJCOG Trip as has been done in the past at the Cabinet Level in the amount of \$500.

A motion was moved and seconded to sponsor the 2019 San Joaquin Council of Governments One Voice Trip at the Cabinet level in the amount of \$500.

Roll Call:

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

6. Resolution No. 18-19-10 – Authorization to Transfer Funds From Water Fund No. 46097 During Fiscal Year 2019/2020

Manager Moody provided the Board with Resolution No. 18-19-10 – Authorizing San Joaquin County Auditor Controller’s Office to Make Direct Deposits (Fund No. 46097). This Resolution is required annually and directs the County to move funds automatically within District funds as funds go into Fund No. 46097.

A motion was moved and seconded to approve Resolution No. 18-19-10 – Authorizing San Joaquin County Auditor Controller’s Office to Make Direct Deposits out of water Fund No. 46097 to Various Funds and to U.S. Bank for distribution to COP Series 2002A and 2002B Bondholders during Fiscal Year April 1, 2019 to March 31, 2020.

Roll Call:

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

7. Draft Senate Bill 669 (Caballero) – Safe Drinking Water Trust Letter of Support

Manager Moody provided the Board with a draft version of Senate Bill 669 (Caballero) – Safe Drinking Water Trust Letter of Support. Manager Moody reported Association of California Water Agencies (ACWA) is requesting support from Districts. This is ACWA’s way to eliminate the water tax by creating a trust fund at the state level using budget surplus funds.

Manager Moody reported past discussion has included a tax on nitrogen in this water tax for both Ag and Urban. ACWA remains opposed to the tax on drinking water.

Director Watkins inquired if this law still includes the tax on fertilizer. Manager Moody replied this law is not inclusive of the fertilizer tax. Manager Moody added he has heard some discussion that ACWA would not be opposed to the nitrogen tax if they could at least eliminate the water tax.

Director Cortopassi inquired if this law is another way to fund disadvantaged communities. Manager Moody replied yes.

Director Sanguinetti commented the Board should consider supporting the creating of a trust, as it is a better alternative to what is being proposed.

A motion was moved and seconded to approve sending Senate Bill 669 (Caballero) – Safe Drinking Water Trust Letter of Support, as presented.

Roll Call:

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

8. Fiscal Year-End Recap of Base Monthly Payments

Manager Moody provided the Board with an update on the status of the Base Monthly Payment (BMP) year-to-date. Manager Moody reported this report shows figures through March 1, 2019.

Manager Moody reported March 1, 2019 was when the BMP was due to end the Fiscal Year. As of March 12, 2019, the District is underfunded by \$156,419.18 for the Fiscal Year. There is only one contractor who has not paid in full. The contractor will be sent a late notice with penalty. This item was for information only.

E. COMMITTEE REPORTS

1. San Joaquin County & Delta Water Quality Coalition Meeting, 03/11/19

Director Atkins attended the March 11, 2019 San Joaquin County & Delta Water Quality Coalition Meeting. Director Atkins reported there was discussion on the Financial Report. The only line that was not included in the report was the State Budget Fees. The Coalition is projecting an increase of \$0.10 per acre. There was discussion on Membership and grower meetings. Director Atkins reported discussion during the Program Manager Report included detection at Duck Creek for a new product. This detection has not yet hit the limit. There was report of algae toxicity issues at Robert's Island. Samples were taken from drains around the area. They are unsure what is causing toxicity in the algae. The Coalition hopes to hold an outreach to discuss the algae toxicity. There was discussion on the new regulations of water cleanliness. Phosphorous has to be at .08 milligrams per liter and nitrogen must be at .37 milligrams per liter. If these standards are not met, landowners either have to restore the stream they are diverting into or pay the State Board. Currently, drinking wells have a requirement of a maximum of 10 milligrams per liter ~~and that number will need to get down to the maximum threshold of .37 milligrams per liter~~. Director Cortopassi inquired at the meeting who is responsible for water in the stream. The answer was if SEWD diverts water, they are responsible for the mitigation. Director Atkins reported there was discussion on the CV Salts membership price being increased to \$35,000. The next meeting is scheduled for April 8, 2019.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 03/11/19

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 191,982 AF in storage at New Hogan Reservoir. Current releases are set at 595 cfs. There is 2,050,853 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 5,022 cfs and release to all water users are set at 5,022 cfs. There are no irrigator(s) on New Hogan, New Melones or Out-of-District. The water treatment plant is currently processing 19 mgd. The City of Stockton is currently processing 7 mgd.

2. Information Items:

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

Director Cortopassi inquired on F2a-2 regarding how Temperance Flat Dam can be built with the 40% unimpaired flow criteria. Legal Counsel Zolezzi reported Temperance Flat Dam is above Friant so they are not held to the 40% threshold.

3. Report on General Manager Activities

a. ACWA Legislative Symposium, 03/06/19

Assistant Manager Lee attended the March 6, 2019 ACWA Legislative Symposium. Assistant Manager Lee reported discussion focused on Safe and Affordable Drinking Water and Groundwater Recharge Legislation. ACWA was explaining how the trust fund will work if they have the support to move forward. There was discussion on groundwater storage being considered as beneficial use. The majority of attendees thought this was a good idea. Assistant Manager Lee reported the Keynote Speaker at lunch was Senator Henry Stern. He provided a general view on where the state is headed and Governor Newsom's plans.

b. Stockton East Water District Activities Update

i. SEWD Employee Bowling Event, 03/09/19

Manager Moody reported the District's Wellness Committee sponsored a bowling event for employees and their families at Pacific Avenue Bowl on Saturday, March 9, 2019. Manager Moody reported this is one of the events the Wellness Committee hosts with its annual grant funding, in addition to the Frisbee golf, basketball hoops and other seminars.

ii. Agricultural Operations Committee Meeting Query – Water Rates

Manager Moody queried the Agricultural Operations Committee as to if they would like staff to email available dates to schedule a Committee Meeting to discuss the 2019/2020 water rates. Director Cortopassi replied yes.

Manager Moody reported that ACWA/JPIA has availability in the month of July to host mandated sexual harassment training for the Board onsite. President Panizza inquired if this can also be taken online. Manager Moody replied yes or at an ACWA Conference.

G. DIRECTOR REPORTS

1. Agricultural Operations Committee Meeting, 02/21/19

Director Atkins, Cortopassi, Watkins and Alternate Sanguinetti attended the February 21, 2019 Agricultural Operations Committee Meeting. Director Cortopassi reported there were a number of items discussed and the Committee decided to schedule a future meeting to discuss the items further. Manager Moody reported the Committee is working to consolidate a handful of rules into one, instead of having multiple rules that potentially conflict one another. One rule being the meter program and how the District plans to move forward. The Committee is looking at procedural items. Director Cortopassi inquired if it would be possible to have the rules reviewed by Legal Counsel to assist with the legality. Manager Moody replied yes.

2. Greater Stockton Chamber of Commerce Monthly Mixer – Banner Island Ballpark, 03/07/19

Director Watkins attended the March 7, 2019 Greater Stockton Chamber of Commerce Monthly Mixer at Banner Island Ballpark. Director Watkins reported it was a relatively small crowd and not much to report.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. Groundwater Sustainability Plan Advisory Committee (PAC) Meeting, 9:00 a.m., 03/13/19
2. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting, 11:00 a.m., 03/13/19
3. Eastern San Joaquin Groundwater Authority Informational Meeting (SGMA Outreach Meeting), 4:00 p.m., 03/13/19
4. ACWA State Legislative Committee Meeting, 10:00 a.m., 03/15/19
5. Central Valley Project Water Association – Executive & Financial Affairs Committee, 10:00 a.m., 03/15/19
6. Annual Ag BBQ At The Lodi Grape Festival Grounds Hosted By F&M Bank, 11:00 a.m., 03/19/19

J. REPORT OF THE COUNSEL

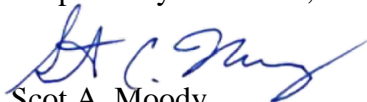
1. Closed Session - Existing Litigation
Stockton East Water District vs. City of Stockton, et al.
Government Code 54956.9 (a)
2. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

President Panizza adjourned the meeting to closed session at 1:15 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:04 p.m., with no reportable action.

K. ADJOURNMENT

President Panizza adjourned the meeting at 2:05 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

