

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, APRIL 9, 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 Director McGaughey led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk and Panizza. Directors Sanguinetti and Watkins were absent. Also present were Manager Moody, Assistant Manager Lee, Finance Director Vega, Administrative Services Manager Carido, Legal Counsel Harrigfield and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 04/02/19 Regular Meeting

Director McGurk made the following correction to the minutes:

- Page 4, section G-1, 1st paragraph, 3rd sentence – add “and presented a thorough, high-caliber overview of the current water issues that the District is working on. The presentation was well done and had no questions from the audience.”

A motion was moved and seconded to approve the April 2, 2019 Regular Meeting Minutes, as amended.

Roll Call:

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

2. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the April 9, 2019 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

3. Stockton East Water District – 2019 Water Rates

a. Public Hearing

President Panizza opened the Public Hearing at 12:28p.m. to receive comments on the proposed 2019 Water Rates and their associated Ordinance and Rule.

The District circulated notice of this public hearing in the Stockton Record on March 30, 2019 and did not receive any comments.

Seeing no public comment, President Panizza closed the Public Hearing at 12:42 p.m.

b. Ordinance No. 45

Manager Moody provided the Board with Ordinance No. 45 Establishing Municipal Groundwater Assessments, Agricultural Groundwater Assessments, Domestic Groundwater Assessments, Charges for Stream-Delivered Water and Charges for Out-of-District Water for Calendar Year 2019. This information was provided to the Agricultural Operations Committee to review figures and recommendation was made to the Board on the rates as presented in the Ordinance. Director Cortopassi commented the Agricultural Operations Committee did not review the Rule for Rate Equalization. Finance Director Vega commented the Rule is based upon the Budget and the Rule's calculations are part of the exhibit to the Ordinance. This concluded staff's presentation

Patrick Curry, Managing Member of the Friends of Elkhorn Golf Course provided public comment. Mr. Curry commented the relationship with Stockton East Water District has been friendly since 2011. Mr. Curry commented on the proposed rates and would like to impress upon the Board of Directors the fact that the golf course water use is only for application on the greens; golf course and to build-up the ponds, however the restaurant gets its water supply from the County by use of wells. Mr. Curry proposed suggestion to change the water rate, pursuant to Water Code 7995, establishing a water charge no more than five-times the agricultural rate for those entities whom do not resell or profit from this water supply. Such as in this case, the water supply is used to irrigate the golf course. Mr. Curry requested Board consideration to add this new "rate" into the proposed Ordinance.

President Panizza inquired if the Board had any questions for Mr. Curry. Manager Moody commented the Board has asked staff to look at rates and what they should be in the future. Manager Moody inquired if Mr. Curry had approached Woodbridge Irrigation District (WID). Manager Moody commented if the Board is interested, he would reach out to WID to see if the two Districts can work together on this issue. Mr. Curry commented he gave a presentation at a WID Board meeting and the WID Board was not receptive. Director McGaughey inquired when he provided the presentation. Mr. Curry replied in 2012/2013. Mr. Curry commented he would like to meet and discuss with Manager Moody and will go from there. Director McGurk commented he remembered golf courses being classified as AG. Legal Counsel Harrigfield replied they are M&I. Director Atkins inquired if there are pumps in the canal by Elkhorn Golf Course and when was the last time they were used. Mr. Curry replied yes, they have riparian rights but they are used few and far between.

President Panizza commented 2012/2013 was a difficult time and was before the Sustainable Groundwater Management Act was passed; and, perhaps now we will have more luck working together on this but noted there is nothing we can do now to change the rates. Director Cortopassi commented on a previous agreement with Elkhorn Golf Course to pump water out of the canal and questions why it ended. Legal Counsel Harrigfield commented two components for discussion are to work with WID or for WID to wheel the water. Director McGurk commented on this being a particularly wet year and has the potential for recharge. Manager Moody replied we cannot put our water in WID's canal.

Manager Moody committed to discuss this further with Mr. Curry and commented it would be helpful to see what infrastructure exists out in the field. President Panizza wanted to clarify that the restaurant at Elkhorn Golf Course is on a well and on the County's system. President Panizza then closed the public hearing seeing as there were no further questions or comments from the Board or the audience.

A motion was moved and seconded to adopt Ordinance No. 45 establishing municipal groundwater production assessment at \$334.97/AF (\$331.37/AF municipal groundwater rate equalization plus \$3.60/AF municipal groundwater assessment); agricultural groundwater assessment at \$5.36/AF; domestic unit assessment at \$45.50/domestic unit and agriculture surface water assessment at \$23.00/AF, as presented.

Roll Call:

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

c. Rule No. 171

Manager Moody provided the Board with Rule No. 171 Rate Equalization – Calendar Year 2019. Manager Moody reported the Board must annually adopt a Rule establishing the rate equalization.

A motion was moved and seconded to adopt Rule No. 171 Rate Equalization-Calendar Year 2019 in the amount of \$447.37/AF.

Roll Call:

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

4. United States Department of the Interior – Central Valley Project Water Rates for the 2019 Water Year

Manager Moody provided the Board with information on the United States Department of the Interior – Central Valley Project Water Rates for the 2019 Water Year. Manager Moody commented on the lower Ag rate this water year and noted this is a projection. Manager Moody reported the M&I water rate increased from \$48.34 to \$51.26. Director Cortopassi inquired if the lower Ag rate is due to staff attendance at the USBR finance meetings. Manager Moody commented one of the organizations that attends the finance meetings has pushed to extend the comment period on the draft Cost Allocation Study. Finance Director Vega added the comment period was to close at the end of January 2019 and has been extended to April 29, 2019. This item is for information only.

5. Whittle Crossings Project – Scope & Fee for Environmental Services

Manager Moody provided the Board with a memo regarding environmental services for the Whittle Crossings Project. Manager Moody reported that the Board approved moving forward with the Whittle Crossings Project and the next step of the process is undertaking actions to comply with the California Environmental Quality Act (CEQA) and conducting a cultural survey. Last year, the Board entered into a Professional Services Agreement with KSN, Inc., for structural evaluation which included an optional task quote in the amount of \$85,000 for

completion of the CEQA process. Staff retained a revised quote from Dokken Engineering to complete the CEQA process, in the amount of \$18,830 and a contingency of 10%. Staff is requesting the Board to move forward with this Project and recommends entering into agreement with Dokken Engineering to perform environmental services for the Whittle Crossings Project.

A motion was moved and seconded to procure the services of Dokken Engineering for Environmental Services for the Whittle Crossings Project in an amount not to exceed \$18,830 and a 10% contingency (in the amount of \$1,883.00) , as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. AD HOC Meeting with Central San Joaquin Water Conservation District, 04/05/19
Directors Panizza and McGurk and Manager Moody, Assistant Manager Lee and Finance Director Vega attended the April 5, 2019 AD HOC Meeting with Central San Joaquin Water Conservation District (Central). Manager Moody reported the AD HOC Committee reviewed documents prepared by Legal Counsel Zolezzi, one document being a Joint Resolution to submit to LAFCo. Manager Moody commented there was a positive discussion and Legal Counsel Zolezzi is updating the documents and staff will schedule another meeting with Central once those documents are ready. President Panizza commented the tone of the meeting was very positive and efforts seem to be moving smoothly.
2. San Joaquin County & Delta Water Quality Coalition Meeting, 04/08/19
Director Atkins attended the April 8, 2019 San Joaquin County & Delta Water Quality Coalition Meeting. Director Atkins reported a financial report was provided noted groundwater purchasing and groundwater trend monitoring expenses are now included in the budget; ~35% of the membership are utilizing the Coalition's Membership Portal. Director Atkins reported on testing conducted in the main channels for algae toxicity but not sure where the source is coming from. Manager Moody commented groundwater testing and monitoring is a requirement for SGMA and there may be an opportunity for the Coalition and District to work together on this. Director Atkins reported there was an update on CV Salts. Legal Counsel Harrigfield explained the membership dues for participation with CV Salts decreased from \$25,000 to \$18,500 however CV Salts is looking at ways for funding a Prioritization and Optimization Study, without using any the membership fees. The next meeting is scheduled for May 13, 2019.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 04/08/19
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 220,575 AF in storage at New Hogan Reservoir. Current releases are set at 25 cfs. There is 1,974,442 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 4,517 cfs and release to all water users are set at 5,160 cfs. There are no irrigator(s) on New Hogan, New Melones or Out-of-District. The water treatment plant is currently processing 18 mgd. The City of Stockton is currently processing 13 mgd.

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

3. Report on General Manager Activities

- a. ACWA State Legislative Committee Meeting, 04/05/19

Manager Moody attended the April 5, 2019 ACWA State Legislative Committee Meeting. Manager Moody reported there were many bills but it was a relatively short meeting. ACWA is pushing for infrastructure funding and Senator Feinstein will be putting out a bill that will affect Colorado to the west. There was discussion regarding the Water Tax and Affordability legislation. Manager Moody noted the feeling is if the Water Tax legislation gets passed this year Affordability legislation will pass next year. The next meeting is scheduled for April 26, 2019.

Manager Moody reported the April 18, 2019 New Hogan Tour is scheduled for next week and queried the Board whom are attending where lunch should be held. The consensus of the Board was to have lunch at the District upon completion of the tour at New Hogan. Director Cortopassi inquired if the District extended an invite to Calaveras County Water District. Manager Moody replied yes and has not heard back from them. Director McGaughey suggested staff follow-up with those whom received invites.

- b. Stockton East Water District Activities Update

Manager Moody informed the Board of an immediate family member's condition and expressed he may potentially be out of the office.

G. DIRECTOR REPORTS

1. Greater Stockton Chamber of Commerce Monthly Mixer – Family Resource & Referral – Center Joan Richards Learning Village Pre-School, 04/04/19
Nothing to report.

H. COMMUNICATIONS

1. Humboldt Bay Municipal Water District – Request for Support of Board Member Bruce Rupp to Serve on the Association of California Water Agencies/Joint Power Insurance Authority (ACWA/JPIA) Executive Committee
Manager Moody provided the Board with correspondence from Humboldt Bay Municipal Water District – Request for Support of Board Member Bruce Rupp to Serve on the Association of California Water Agencies/Joint Power Insurance Authority (ACWA/JPIA) Executive Committee. No action taken on this item.

I. AGENDA PLANNING/UPCOMING EVENTS

1. Groundwater Sustainability Plan Advisory Committee (PAC) Meeting, 9:00 a.m., 04/10/19
2. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting, 11:00 a.m., 04/10/19
3. Eastern San Joaquin Groundwater Authority Informational Meeting (SGMA Outreach Meeting), 4:00 p.m., 04/10/19

J. REPORT OF THE COUNSEL

- 1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

President Panizza adjourned the meeting to closed session at 1:26 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:52 p.m., with no reportable action.

K. ADJOURNMENT

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

Respectfully submitted,



Scot A. Moody
Secretary of the Board

kmc

