

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 23, 2019 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Panizza called the regular meeting to order at 12:25 p.m., and Director Atkins 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, Chief Plant Operator Mathews, Administrative Assistant Curtis, Legal Counsel Harrigfeld and Consultant Barkett.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

Steve Johnson, Interim District Manager of Cal Water of the Stockton office introduced Jeremiah Mecham as the new District Manager of Cal Water's Stockton Office.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Association of California Water Agencies/Joint Powers Insurance Authority – Professional Development Program Completion & Presentation, 04/11/19

Manager Moody presented Chief Plant Operator Mathews with his plaque for completing the Professional Development Program (PDP) administered by the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA). Manager Moody reported Chief Plant Operator Mathews completed the Supervisor Basics Certification. Manager Moody reported this is a safety weighted Program, but also educates participants on how to become more effective supervisors; and, how to excel in the role of supervisor and become educated in different Human Resource topics. Manager Moody reported employees are encouraged to sign-up and complete this Program. Manager Moody reported Chief Plant Operator Mathews completed 28 different required courses. Manager Moody commented it is nice to see employees want to do more to grow professionally and benefit the District.

Chief Plant Operator Mathews thanked the District for the opportunity, and reported he has worked for the District for almost 10-years and enjoys working at the District.

2. Minutes

a. Minutes 04/16/19 Regular Meeting

A motion was moved and seconded to approve the April 16, 2019 Regular Meeting Minutes, as presented.

Roll Call:

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

b. Minutes 04/18/19 Special Meeting

There was no quorum of the Board. The meeting was not called to order.

3. Warrants – California Public Employees’ Retirement System

A motion was moved and seconded to approve the April 23, 2019 Warrants – California Public Employees’ Retirement System, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

4. San Joaquin County Registrar of Voters – Stockton East Water District 2018 General Election Costs

Manager Moody provided the Board with information on the 2018 General Election Costs provided by the San Joaquin County Registrar of Voters. Manager Moody reported the District received a bill from the County about a month ago and it showed nearly a 100% increase in costs from the prior election cycle.

Manager Moody reported the total cost of the 2014 General Election for the District was \$216,633.90 and the total cost of the 2018 General Election was \$415,911.02. The Registrar of Voters provided the District with a breakdown of the difference in charges from 2014 to 2018.

Director Watkins suggested a letter be sent to the Board of Supervisors explaining how these inflated costs are a hard hit to the District’s budget and inflation that large needs more explanation. Director Watkins added that the County used to cover these charges under County Government, but has since pushed the costs off on Districts.

Finance Director Vega reported he spoke with the County and they provided an overview and mentioned there is inflation to account for. Many of the increases in costs came from high voter turnout.

Director Sanguinetti agreed with Director Watkins regarding sending a letter. He further suggested requesting a complete breakdown of all expenses to see what makes up the five categories they provided in their correspondence.

Director McGaughey inquired if it is state or federal regulations that require ballots to be in different languages. Legal Counsel Harrigfeld replied state.

Director Sanguinetti added that staff should inquire if costs are projected to rise with each election.

Director Atkins inquired what the District budget for election expenses is. Manager Moody replied \$250,000.

Director McGurk suggested not only requesting information on the District's portion, but also what is spent on the General Election overall.

Director Cortopassi suggested that the District's percentage of the total election cost is high because the larger elections, for example the Governor, does not pay the County. Therefore, those costs are disbursed to those remaining Districts to pay.

Manager Moody reported there were 45 ballot items out of 76 that were billable to Districts.

Manager Moody advised staff will draft a letter to send regarding this matter. This item was for information only.

5. New Hogan Reservoir Operations

Manager Moody provided the Board with a handout on the New Hogan Reservoir Operations. Manager Moody reported staff put together information on how to get down to 152,000 AF for the United States Army Corps of Engineers (USACE) to complete the Tainter Gate project.

Manager Moody reported Richard Marmalejo, USACE advised that the Corps used to give some variance on the 152,000 AF, however, since the Oroville incident no one is allowed to encroach on the 152,000 AF.

Manager Moody reported in addition to the Tainter Gate project, the District will also be preparing for the California Central Traction Railroad project, which no flows can be present in the area during this work.

Manager Moody reported staff will modify the releases based on any problems staff has or if complaints are received. If the Board does not have any objections, staff will share this information with the fishery agencies and the USACE. Manager Moody added that Legal Counsel Harrigfeld has shared this information with FishBIO.

Legal Counsel Harrigfeld inquired if FishBIO had suggestions on the November releases and suggested consulting with Monica Gutierrez at the National Marine Fisheries Services (NMFS). Assistant Manager Lee added these numbers are from Andrea Fuller at FishBIO. Manager Moody added, pending what FishBIO or NMFS suggest, the District is willing to adjust the releases.

Director Cortopassi inquired how this release rate compares with the District's normal releases. Manager Moody replied typically the District releases between 150-200 cfs. This item was for information only.

6. Water Transfer Agreement

Manager Moody provided the Board with a Temporary Water Transfer Agreement between Oakdale Irrigation District, South San Joaquin Irrigation District and SEWD. Manager Moody reported that due to the price of the water, the District is only requesting 1,000 AF of water.

Manager Moody reported there were minor changes made, like paying for the water in one lump sum up front instead of making monthly payments.

Director Cortopassi inquired if staff is sure that out of District customers will use the water. Manager Moody reported certain landowners who have entered into out of District agreements have advised they will take water.

A motion was moved and seconded to approve the Temporary Water Transfer Agreement between Oakdale Irrigation District, South San Joaquin Irrigation District and Stockton East Water District, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

E. COMMITTEE REPORTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 04/17/19

Director McGurk attended the April 17, 2019 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. Director McGurk reported discussion focused on possible local sales tax measure for water. This tax is projected to be on the General Election ballot for 2020. Public Works is looking a ½% sales tax for water only. They were not very specific about breaking down what water is considered as part of the tax. There was discussion on ideas for where the money from tax collection would go; looking at potential management of that amount of money for water and projects. This collection would be similar to the ½% from Major K that goes to the Council of Governments (COG). The County will be inviting the Executive Director of COG to speak to the Commission. Manager Moody reported Jennifer Spaletta approached him during his presentation at the Board of Supervisor's meeting and she expressed how she is not in favor of the sales tax. Her reason being this would confuse the landowners when asking for a Proposition 218 assessment, when the two issues keep overlapping. Director McGurk commented this will be a topic of discussion at next month's meeting as well. Director McGurk reported when the Commission has to vote on this issue he would like to poll the Board first. South San Joaquin Irrigation District advises they will not vote until their Board is spoken with too. Consultant Barkett reported that if this tax is anything like COG's it took a while to develop. Everyone has to agree how it will be governed and how the funds will be spent. Director McGurk reported there was discussion on the Integrated Regional Water Management (IRWM) governance. Given that the Commission will be taking over for the GBA, who previously worked on the IRWM, the Commission will now have to take that work over. Director McGurk reported that the Commission will be a clearinghouse for projects to recommend to the Board of Supervisors. Director Cortopassi inquired if Zone 2 funds the GSP. Manager Moody replied, partially. Director Cortopassi inquired if Zone 2 would fund the GSP once it has been implemented. Manager Moody replied no. President Panizza inquired if Director McGurk would object to setting up a meeting with Manager Moody and Brandon Nakagawa to discuss the tax issue. Director McGurk replied he will work with Manager Moody to determine how best to proceed with this meeting. Director Watkins added that he has spoken with Brandon Nakagawa and he believes the push for tax is coming from the Board of Supervisors. The next meeting is scheduled for May 15, 2019.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 04/22/19

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 228,878 AF in storage at New Hogan Reservoir. Current releases are set at 59 cfs. There is 1,929,738 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 4,012 cfs and release to all water users are set at 5,035 cfs. There are no irrigator(s) on New Hogan, New Melones or Out-of-District. The water treatment plant is currently processing 24 mgd. The City of Stockton is currently processing 19 mgd.

Director Atkins inquired when the District will begin charging the Calaveras. Assistant Manager Lee replied the dam should be installed by Friday and water should be there by Saturday evening.

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, 04/11/19 & 04/19/19

Finance Director Vega attended the April 11, 2019 Cost Allocation Study Workshop and the April 19, 2019 Central Valley Project Water Association – Executive & Financial Affairs Committee Meeting. Finance Director Vega reported the April 11th meeting was a meeting held at the Western Area Power Administration (WAPA) office. Discussion focused on the methodology of the Cost Allocation Study. Some entities had proposed, using a purely prospective approach to allocation, disregarding the historical uses and benefits. The USBR disagreed with this approach, stating their procedures say they have to look at historical data. They will be using a hybrid method to compare historical and prospective approach. Finance Director Vega reported William Taylor, Reclamation Policy & Administration, among others, was present to also provide explanation to the group. There were questions in the room about how they were categorizing expenses. Comments will be responded to, prior to the Study being sent out for approval. Finance Director Vega reported the April 19th meeting was a conference call with the Finance Affairs Committee. Discussion focused on gathering comments and putting them together for review prior to them being submitted to the USBR. Finance Director Vega reported the USBR will be sending a letter to WAPA saying they will not be receiving the \$10 million credit this year as they were expecting. Director Cortopassi inquired on WAPA's credit. Finance Director Vega reported WAPA believes they have overpaid their restoration charges and need to be credited for overpayment. The USBR has estimated that WAPA has overpaid by \$92 million. This overpayment is a contention among water contractors, and USBR advises just because they overpaid that amount does not mean it needs to be repaid; they are still trying to sort through the process. The next meeting is scheduled for May 17, 2019.

- b. San Joaquin County Board of Supervisors – Storm Water Capture Presentation, 04/23/19
Manager Moody provided a presentation regarding Storm Water Capture at the April 23, 2019 San Joaquin County Board of Supervisors Meeting. Manager Moody reported there were four specific questions he was provided prior to the meeting so he was able to create a presentation based on what was provided. The topics provided were; what is the District doing for groundwater recharge; future plans of the District; reasons why the District is not allowed to divert flood flows and efforts being done with the State Legislative Committee. Present for the Presentation were Jennifer Spaletta, Attorney for North San Joaquin Water Conservation District and John Herrick, Attorney for South Delta Water Agency. Manager Moody was asked what the County could do to help. Manager Moody commented when speaking to people in Sacramento, the perception is that agencies within San Joaquin County cannot agree on anything and that is why the County does not get positive attention. Manager Moody suggested finding a way to select some projects that can be supported via the JPA or other groups to show the County moving forward. Director McGurk inquired if all of the Board of Supervisors asked questions after the Presentation. Manager Moody replied yes. Supervisor Patti discussed scheduling a workshop to discuss projects. Manager Moody added that in the water industry, everyone has project lists, but they are not discussed amongst Districts. Convening to discuss projects may show potential overlay or bring other things to light to help move projects forward.
- c. Stockton East Water District Activities Update
Manager Moody reminded the Board of the Agricultural Operations Committee Meeting on Thursday, April 25th at 12:00 Noon.

Manager Moody provided the Board with a handout regarding the generator repair that was inquired about in the Warrants at the April 16, 2019 Regular Board Meeting.

G. DIRECTOR REPORTS

1. San Joaquin Council of Governments One-Voice Pre-Trip Meeting, 04/17/19
Consultant Barkett attended the April 17, 2019 San Joaquin Council of Governments One-Voice Pre-Trip Meeting. Consultant Barkett reported there was nothing new this year that was discussed. A list of the four or five top projects was provided; none of them are water projects. President Panizza inquired on the dates of the One Voice Trip. Director Watkins replied May 4th-9th.
2. Stockton East Water District Special Board of Director's Meeting – Tour of the New Hogan Dam, 04/18/19
Directors Cortopassi, McGurk and Sanguinetti and Manager Moody and Assistant Manager Lee attended the April 18, 2019 Tour of the New Hogan Dam. Director Cortopassi reported it was a good experience for all who attended. Richard Marmalejo, USACE was very detailed with his explanation of items discussed. It was a very thorough tour. Director Cortopassi reported the group was able to go inside the Dam. This area is where they control how much water is released, it was very interesting and very clean and hardly any leaking water. Director Cortopassi reported the group was provided a tour of the lake on a nice boat; he was surprised at the size of the lake. Director Cortopassi reported attendees included Zenet Negron from Assembly Member Eggman's office and Gary Prost from Congressman McNerney's office. Director Sanguinetti reported inside the dam there are eight slide valves, which are 4-ft. by 5-ft.; four of the valves are used regularly and the other four are backup valves. Director McGurk

added only one of the valves is dedicated to hydropower, the other three are water release. Director Sanguinetti reported the group was shown the spillway and the arms of the Tainter Gates that are being worked on. Director Cortopassi added when the arms are repaired, they put plates in to brace the gate. If they have one working gate, it is possible they can work around the schedule for completing the Tainter Gate project. Director Sanguinetti reported it was a nice day. Manager Moody reported there was good discussion on a variety of topics with both Ms. Negron and Mr. Prost after the tour when the group convened for lunch. Director Sanguinetti reported Mr. Marmalejo discussed how he operates five facilities, Farmington Dam being one of them. They do not remotely operate Farmington Dam anymore; they have to manually open the gate now, if needed.

H. COMMUNICATIONS

1. Assembly Bill 217 (E. Garcia) – Safe Drinking Water Funding/Water Tax – Oppose Unless Amended [March 28, 2019 Version], 04/16/19
Manager Moody provided the Board with correspondence from the Association of California Water Agencies (ACWA) regarding Assembly Bill 217 (E. Garcia) – Safe Drinking Water Funding/Water Tax. Manager Moody reported the Board previously opposed AB 217, and based on the Board’s prior position he advised ACWA to include the District on this correspondence. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 04/23/19
2. Groundwater Sustainability Plan Advisory Committee (PAC) Meeting, 9:00 a.m., 04/24/19
3. Agricultural Operations Committee Meeting, 12:00 Noon, 03/22/19
4. ACWA State Legislative Committee Meeting, 10:00 a.m., 04/26/19

J. REPORT OF THE COUNSEL

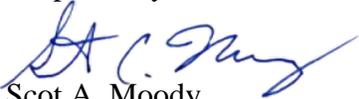
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases

President Panizza adjourned the meeting to closed session at 2:07 p.m. to discuss closed session agenda items. The regular meeting reconvened at 3:48 p.m., with no reportable action.

K. ADJOURNMENT

President Panizza adjourned the meeting at 3:49 p.m.

Respectfully submitted,


Scot A. Moody
Secretary of the Board

tbc

