

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 30, 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 Legal Counsel Zolezzi 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 Assistant Curtis, Legal Counsel Zolezzi and Consultant Barkett.

**B. CONSENT CALENDAR** (None)

**C. PUBLIC COMMENT** (None)

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes 04/23/19 Regular Meeting

A motion was moved and seconded to approve the April 23, 2019 Regular Meeting Minutes, as presented.

Roll Call:

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

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 McGurk inquired on the expense on page 18, line item 29 for McJunkin Redman Corp. Global US for 5 Limitorque actuators for filter 5-8 in the amount of \$35,535.95 and if the filters were stationary or could move. Assistant Manager Lee replied this product is for the filter effluent valves, which do rotate.

Director Atkins inquired on the expenses on page 18, line items 45 & 46 for SunE Solar Mission III LLC for energy produced on low side solar panels Mar 2019 in the amount of \$12,935.44 and energy produced on high side solar panels Mar 2019 in the amount of \$13,256.29. Manager Moody replied this is the energy the District is purchasing at a cheaper rate. Director Watkins suggested staff research having the solar meters certified by an independent third party.

Director Atkins inquired on the expenses on page 17, line items 14 & 15 for tools for Unit #48 in the amount of \$68.86 and tools for Unit #65 in the amount of \$2,147.95. Manager Moody replied Unit #65 is a new vehicle that was fitted with a utility box, for which tools needed to be purchased. Unit #48 is used for the Alternative Work Program workers.

Director Sanguinetti inquired on the expense on page 13, line item 10 for Nutrien Ag Solutions Inc. for herbicide for UFC ordered 04/01/19 in the amount of \$644.34. Manager Moody replied we have an advisor at the County that staff works with regarding the reporting of our numbers. Director Sanguinetti added the District should have someone looking at the weeds, other than staff, so they are knowledgeable of what needs to be sprayed and what chemical to use to effectively eradicate the weeds.

A motion was moved and seconded to approve the April 30, 2019 Warrants, as presented.

Roll Call:

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

3. Out of District Non-Potable Water Service Agreement

Manager Moody reported the District has had these agreements for roughly one year, received them last summer when Central San Joaquin Water Conservation District was not running water and the District received notice from the United States Bureau of Reclamation that no water could be sold out of District.

Manager Moody reported the three agreements for Board approval, does not mean they have agreed to take water this year; however, the landowners want their agreements on file so they have the ability to take water should they desire.

Assistant Manager Lee reported only Barton Ranch, Inc. is located within the boundaries of the area that would be included as part of the merger. Manager Moody added the other two agreements would still be out of District.

Director Watkins inquired if these contracts need to be rewritten to specify the water has been purchased from Oakdale Irrigation District and South San Joaquin Irrigation District. Legal Counsel Zolezzi replied no, all out of District water users should have the same agreement.

a. JS West Milling Co

Manager Moody provided the Board with information on the Out of District Non-Potable Water Service Agreement for JS West Milling Co.

A motion was moved and seconded to approve the Out of District Non-Potable Water Service Agreement between JS West Milling Co and Stockton East Water District.

Roll Call:

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

Director Cortopassi inquired about the out of District rate needing to be set each year and the location of which the required payment is mentioned in the agreement. Legal Counsel Zolezzi replied in the agreement under the “Rates” section it is mentioned that the Board will set the rate annually and each individual entering into agreement will have to pay 50% of the cost ahead of time.

Director Watkins inquired if all out of District customers have had to pay the 50% down payment in the past. Manager Moody replied yes.

b. Barton Ranch Inc. (Josh Barton)

Manager Moody provided the Board with information on the Out of District Non-Potable Water Service Agreement for Barton Ranch Inc. (Josh Barton).

A motion was moved and seconded to approve the Out of District Non-Potable Water Service Agreement between Barton Ranch Inc. (Josh Barton) and Stockton East Water District.

Roll Call:

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

c. Mark Steele

Manager Moody provided the Board with information on the Out of District Non-Potable Water Service Agreement for Mark Steele.

A motion was moved and seconded to approve the Out of District Non-Potable Water Service Agreement between Mark Steele and Stockton East Water District.

Roll Call:

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

## E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 04/23/19

Director Sanguinetti and Manager Moody attended the April 23, 2019 San Joaquin Farm Bureau Federation – Water Committee Meeting. Manager Moody reported it was a quick meeting. They had a call-in from a local farmer who talked about Waters of California. There was discussion on District reports. Manager Moody reported a flyer was distributed to the group for viewing only on Congressman Harder’s bill for infrastructure. The bill was introduced on April 24<sup>th</sup>. The next meeting is scheduled for May 28, 2019.

2. Groundwater Sustainability Plan Advisory Committee (PAC) Meeting, 04/24/19

Manager Moody and Assistant Manager Lee attended the April 24, 2019 Groundwater Sustainability Plan Advisory Committee (PAC) Meeting. Manager Moody reported this meeting was scheduled as the Committee ran out of time at their previous meeting to discuss all items. There was discussion on land subsidence and linking it to groundwater levels instead of coming up with other calculations. Manager Moody reported the Consultants did a good job compiling this information. Land subsidence is not an issue in this area, but if it will be evaluated it should be tied back to groundwater levels. Manager Moody reported another topic discussed was depletions

of interconnected surface waters. Discussion focused on using groundwater levels as a proxy and monitoring for depletion of interconnected surface water at selected monitoring locations. Manager Moody reported that even the Department of Water Resources (DWR) could not come up with a way to measure this area. They advised agencies around the state to decide how they would measure it. There was discussion on the sustainability goal description and all items discussed will be recommended to the JPA Board in May for consideration and approval. Director McGurk inquired on interconnected surface water. Manager Moody replied the depletions are the additional losses or reduced gains caused by groundwater production. Director Watkins inquired on the Groundwater Dependent Ecosystem. Manager Moody replied those appear to be in the southwestern part of the Basin. Assistant Manager Lee added they are also in Woodbridge. Manager Moody reported the DWR is having GSAs advise them how they will measure and sustain. Our GSA is taking the approach if we are sustainable then we will not have the undesirable results, but will monitor the discussed areas. The next meeting is scheduled for May 8, 2019.

3. Agriculture Operations Committee Meeting, 04/25/19

Directors Atkins, Cortopassi, Watkins and Alternate Sanguinetti attended the April 25, 2019 Agricultural Operations Committee Meeting. Manager Moody reported there were three items discussed and require action after the Committee level. Those items were the Lagorio pump on the East Pond, Establishing Program Incentives for Encouraging the Use of Surface Water, and the Surface Water Diversion Application (for internal use). Director Cortopassi reported there was discussion on potential agricultural meter solutions. Staff will be continuing to research meters that are accurate and compliant with regulations. Director Cortopassi reported the Committee agreed to a seven-year amortization for the Establishing Program Incentives for Encouraging the Use of Surface Water. There was discussion on how it can be interpreted and will need to be assessed on a case-by-case basis. Director Cortopassi reported the Lagorio pump on the East Pond discussion focused on Mr. Lagorio wanting to convert to surface water. Part of the issue is Mr. Lagorio's pump would have to be on District property, staff is looking into possible solutions for this. Director McGaughey inquired if this surface water conversion is standard practice. Director Cortopassi replied yes, however, there is no waterway that runs through his property; the only issue is where the pump will be located. Manager Moody reported the Establishing Program Incentives for Encouraging the Use of Surface Water will be brought to the full Board for review as it has passed through the Committee. Manager Moody added that this is an important process, because by the time it gets to the full Board staff has had time to edit the items and Directors have contributed content to the document at the Committee level.

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

1. Water Supply Report as of 04/29/19

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 229,090 AF in storage at New Hogan Reservoir. Current releases are set at 199 cfs. There is 1,918,280 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 3,015 cfs and release to all water users are set at 4,212 cfs. There are 13 irrigator(s) on New Hogan, 0 irrigator(s) on New Melones and 2 irrigator(s) Out-of-District. The water treatment plant is currently processing 27 mgd. The City of Stockton is currently processing 18 mgd.

2. Information Items:

Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4 and F2a-5.

3. Report on General Manager Activities

a. ACWA State Legislative Committee Meeting, 04/26/19

Manager Moody attended the April 26, 2019 ACWA State Legislative Committee Meeting. Manager Moody reported there was discussion on ACWA moving from their existing building to their new building. Dave Eggerton spoke about testifying at Congress in Washington, D.C. about the importance of infrastructure. There was discussion on ACWA's sponsored bill that is competing with the water tax bill. ACWA will be creating a trust fund at the state level that could help with funding instead of taxing water bills. The bill is doing well passing through the committees with relatively little opposition. ACWA is hopeful that legislators will be too nervous to impose a tax and would rather create a trust fund. Manager Moody reported there was discussion on ACA 1 (Atkins) which proposes to lower voting approval for local infrastructure bonds to 55%. ACWA decided to take a watch position on the bill. The next meeting is scheduled for May 17, 2019.

b. Stockton East Water District Activities Update  
Nothing to report.

**G. DIRECTOR REPORTS** (None)

**H. COMMUNICATIONS** (None)

**I. AGENDA PLANNING/UPCOMING EVENTS**

1. Greater Stockton Chamber of Commerce Monthly Mixer – Neumiller & Beardslee, 4:30 p.m., 05/02/19
2. San Joaquin Council of Governments 2019 One Voice Trip, 05/04/19 – 05/09/19
3. Association of California Water Agencies – 2019 Spring Conference Monterey, CA, 05/06/19 – 05/10/19
4. Cancelled – Stockton East Water District Regular Board Meeting, 12:00 Noon, 05/07/19

**J. REPORT OF THE COUNSEL**

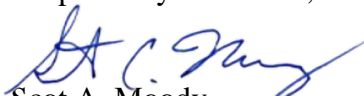
1. Closed Session - Potential Litigation  
Government Code 54956.9 (c) – one case

President Panizza adjourned the meeting to closed session at 1:13 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:26 p.m., with no reportable action.

**K. ADJOURNMENT**

President Panizza adjourned the meeting at 1:27 p.m.

Respectfully submitted,

  
Scot A. Moody  
Secretary of the Board

tbc

