

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, JULY 2, 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 Sanguinetti led the Pledge of Allegiance.

Present at roll call were Directors Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Director Atkins was absent. 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

Legal Counsel Zolezzi introduced Amy, Herum\Crabtree\Suntag's Summer Associate who attends McGeorge Law School.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 06/25/19 Regular Meeting

Director Cortopassi made the following correction to the minutes:

- Page 2, section D-4a, 3rd paragraph, 2nd sentence – strike “land was purchased for” and replace with “original principal balance was”

A motion was moved and seconded to approve the June 25, 2019 Regular Meeting Minutes, as amended.

Roll Call:

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

2. Warrants – California Public Employees' Retirement System

A motion was moved and seconded to approve the July 2, 2019 Warrants – California Public Employees' Retirement System, as presented.

Roll Call:

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

3. Water Year 2018 – Accounts Receivable Credits for Refund for AG and Municipal & Industrial (M&I)

Manager Moody provided the Board with a list of Accounts Receivable Credits for reimbursement. Manager Moody reported this is an annual task for Board consideration and approval.

Manager Moody inquired with Finance Director Vega why some customers overpaid by such high amounts. Finance Director Vega replied in cases of large refunds those customers prepaid their Progress Bill and then reported decreased usage on their Owner Water Use Statements. Finance Director Vega replied in one case the meter was not working and they reported they had fallowed part of their land as well.

The total Accounts Receivable Credits for AG (\$12,451.80) and M&I (\$11,035.64) for refunds in the total amount of \$23,487.44.

A motion was moved and seconded to approve the Accounts Receivable Credits for Refund for Water Year 2018, as presented.

Roll Call:

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

Nayes: None

Abstain: None

Absent: Atkins

4. Stockton East Water District –Agricultural Meter & Telemetry Purchase Memo

Manager Moody provided the Board with a memo regarding Agricultural Meter & Telemetry Purchases. Manager Moody reported the meter data collection service would transfer data to a cloud storage and would allow the District and growers to tap in and check information like how much water has been pumped and if pumps are currently on or off.

The Agricultural Operations Committee recommended moving forward with the Badger Orion Cellular purchase. Manager Moody advised the Committee that in addition to meter data collection purchase there are also meters that need to be replaced as soon as possible.

Manager Moody reported there are currently only two brands of meters compatible with the Badger device. The McMag meter is the cheapest meter on the market, compatible with the recommended technology.

Manager Moody reported staff is requesting to purchase the applicable amount of meters and then begin the telemetry purchase process.

Director Watkins inquired whom staff is working with for purchase of meters. Assistant Manager Lee replied the manufacturer. Director Watkins added staff should look into obtaining meter costs from distributors as they often have more flexibility with offering better prices. Director Sanguinetti added there are several different irrigation companies that carry the same meters all at different price points.

Director Sanguinetti reported he would like to see what staff has received from other distributors. Manager Moody replied staff will reach out to additional vendors to discuss costs.

Legal Counsel Zolezzi inquired if the District has a meter policy in place for who owns and maintains the meters. Manager Moody reported this policy is part of what the Agricultural Operations Committee has been working on. The District owns the meter and is working on a standard diversion design.

Director McGurk inquired if the account startup fee is a one-time cost. Manager Moody replied yes.

Director Cortopassi inquired on the amount of meters that staff is recommending replacing now. Manager Moody replied staff is recommending replacing 21 meters that have the most need.

Director Cortopassi inquired who installs the endpoints on the meters. Assistant Manager Lee replied District staff.

Director McGurk inquired on the quantity of meters that will be replaced and the amount of endpoints. Manager Moody replied there are 45 endpoints that need to be purchased and 21 meters.

Legal Counsel Zolezzi inquired if staff has an estimate based on how new meters will be phased in based on a schedule. Manager Moody replied there is nothing firm yet, however, staff would like to install anywhere from 25-50 meters a year.

Manager Moody reported he did not want to commit to a specific meter yet because at the end of the year there will be a third compatible meter on the market.

Director Cortopassi reported he did not think the District had any existing digital meters. Assistant Manager Lee replied there are currently ~50 digital meters. Of the recommended 45 endpoints for purchase, 24 of them are to install on existing compatible meters.

Manager Moody reported staff will reach out to local vendors and bring further information back to the Board for consideration and approval.

5. Central California Traction Railroad (CCTR) Fish Passage Improvement Project – Procurement of Materials & Equipment Memo

Manager Moody provided the Board with a memo regarding Procurement of Materials & Equipment. Manager Moody reported staff has requested several cost proposals from various vendors for the manufactured flumes, rock for the engineered streambed mix, lifting crane and the heavy equipment used for the Project.

Manager Moody reminded the Board the District will pay for these costs up front, but will be reimbursed via the grant that the District was awarded by the Department of Water Resources (DWR).

Manager Moody reported staff is requesting the Board approve the total cost of equipment and material in the amount of \$241,047.19, with an additional 10% contingency in the amount of \$24,105.

Director McGurk inquired if Old Castle is a local company. Manager Moody replied yes.

Director Cortopassi inquired if this Project will be similar to the Caprini Project. Manager Moody replied no.

A motion was moved and seconded to approve equipment and material for the Central California Traction Railroad Fish Passage Improvement Project in the amount of \$241,047.19, with an additional 10% contingency in the amount of \$24,105, as presented.

Roll Call:

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

Nayes: None
Abstain: None
Absent: Atkins

E. COMMITTEE REPORTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 06/25/19

Directors Sanguinetti and Watkins and Manager Moody attended the June 25, 2019 San Joaquin Farm Bureau Federation – Water Committee Meeting. Manager Moody reported the Farm Bureau provided the Committee with a brochure regarding information on the Sustainable Groundwater Management Act (SGMA) and how to get involved. Manager Moody suggested the District consider sending out this brochure or a mass produced version to customers. Manager Moody reported this can be revisited next week after the Board has time to review the brochure. Director McGurk suggested adding the District logo or sticker to the brochure to indicate it was sent from the District. Manager Moody reported the Farm Bureau has set aside 25 brochures for the District. Director Cortopassi inquired if the Farm Bureau will be sending these brochures to members or were they just for the Committee. Manager Moody replied he was not sure, but will inquire. Manager Moody reported there was discussion at the meeting regarding SB1. Director McGaughey inquired on the Sheriff's questionnaire item. Director Sanguinetti replied the Sheriff is trying to determine what are the biggest problems in the County and where his resources should be concentrated. The next meeting is scheduled for July 23, 2019.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 07/01/19

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 200,102 AF in storage at New Hogan Reservoir. Current releases are set at 363 cfs. There is 2,221,815 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 1,787 cfs and release to all water users are set at 3,216 cfs. There are 10 irrigator(s) on New Hogan, 4 irrigator(s) on New Melones and 1 irrigator(s) Out-of-District. The water treatment plant is currently processing 35 mgd. The City of Stockton is currently processing 27 mgd.

2. Information Items:

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

Assistant Manager Lee commented on F2a-1 stating the California Department of Fish & Wildlife provided the District with pocket fliers that show the difference between beavers, nutria and other similar animals. Manager Moody was pleased and replied he wants to make sure staff is educated on this topic.

Manager Moody commented on F2a-3 reporting that should a power shutdown effect the District, the back-up generators can power Low Lift for 40-hours and High Service for 100-hours.

3. Report on General Manager Activities

a. Temporary Reclamation Manual Release (TRMR) Ability-to-Pay Meeting, 10:00 a.m., 06/26/19

Legal Counsel Zolezzi and Finance Director Vega attended the June 26, 2019 Temporary Reclamation Manual Release (TRMR) Ability-to-Pay (ATP) conference call. Finance Director Vega reported discussion focused on the United States Bureau of Reclamation (USBR) attempt

to guide everyone on how new applications for the ATP under the Water Infrastructure Improvement for the Nation (WIIN) Act will be handled. Finance Director Vega reported if agencies pay estimated amounts and then apply for ATP relief, it shows the agency can in fact pay and does not need relief; instead, those funds are treated as excess revenue. Legal Counsel Zolezzi inquired if only new applications are being viewed as such. Finance Director Vega replied that was his understanding. Finance Director Vega reported if payments are made now they will be counted in the ATP calculations until 2030. Director McGurk inquired how the ATP started originally. Legal Counsel Zolezzi replied it was passed in Congress as Reclamation law. Finance Director Vega reported agencies investing in new storage projects may also have a harder time receiving aid under ATP. The USBR will evaluate benefits of participating in those projects, which may make it more difficult to qualify for relief benefits.

b. Stockton East Water District Activities Update

Manager Moody advised the Board that Director Watkins brought up the idea of touring South San Joaquin Irrigation District's (SSJID) pressurized system to see how it works. SSJID advised July 10th is an available tour date. Staff will contact SSJID regarding a different date as the JPA meetings are held on July 10th. Directors Cortopassi and McGurk expressed interest in attending this tour. Manager Moody will bring a final tour date to the Board.

G. DIRECTOR REPORTS

1. Greater Stockton Chamber of Commerce – Annual Installation Dinner, 06/27/19

Directors Panizza, Sanguinetti and Watkins attended the June 27, 2019 Greater Stockton Chamber of Commerce – Annual Installation Dinner. Director Watkins reported it was a nice event. Manager Moody inquired on the name of the new Chamber President. Director Watkins replied Doug Dinjian.

President Panizza reported Director Grant Thompson, Central San Joaquin Water Conservation District (CSJWCD), called and offered any interested Board Members a tour of the CSJWCD facilities. Manager Moody replied staff would like to be a part of that tour. Director McGurk and Legal Counsel Zolezzi replied they would also like to attend.

Manager Moody reported he will reach out to Director Thompson to discuss available dates.

Director Cortopassi inquired if Director Thompson is looking for the Board to attend. President Panizza replied he was not sure.

Director Sanguinetti suggested it would be nice to take them up on their offer and gain a better understanding of the District.

H. COMMUNICATIONS

1. Assembly Bill 100 – Safe Drinking Water Budget Trailer – Request to Support Letter, 06/24/19

Manager Moody provided the Board with correspondence regarding Assembly Bill 100 – Safe Drinking Water Budget Trailer, request to support.

2. Senate Bill 101 – Safe Drinking Water Budget Trailer – Request to Oppose Letter, 06/24/19

Manager Moody provided the Board with correspondence regarding Senate Bill 101 – Safe Drinking Water Budget Trailer, request to oppose letter.

Manager Moody reported both letters cover the same topic, however, SB 101 has issues and ACWA is recommending to support AB 100. Manager Moody lent his name in support of AB 100.

I. AGENDA PLANNING/UPCOMING EVENTS

1. District Holiday – Fourth of July, 07/04/19
2. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 07/08/19

J. REPORT OF THE COUNSEL

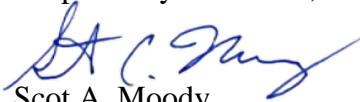
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

President Panizza adjourned the meeting to closed session at 1:15 p.m. to discuss closed session agenda items. The regular meeting reconvened at 2:07 p.m., with no reportable action.

K. ADJOURNMENT

President Panizza adjourned the meeting at 2:08 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

