

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 23, 2019 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Panizza called the regular meeting to order at 12:23 p.m., and Legal Counsel Zolezzi led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, Panizza, Sanguinetti and Watkins. Director McGurk was absent. Also present were 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 07/16/19 Regular Meeting

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

Roll Call:

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

2. Warrants

- a. Fund 56 – Construction Fund
- b. Fund 68 – Municipal & Industrial Groundwater Fund
- c. Fund 70 – Administration Fund
- d. Fund 71 – Water Supply Fund
- e. Fund 91 – Vehicle Fund
- f. Fund 94 – Municipal & Industrial Fund
- g. Summary
- h. Short Names/Acronym List
- i. SEWD Vehicles & Heavy Equipment

Director Watkins inquired on the expense on page 17, line item 20 for Jared Parham/Cooper Ag for disking holding ponds for weed abatement on 06/10/19 in the amount of \$870.00. Assistant Manager Lee replied staff did not have time to complete this work before water was added to the pond; an outside contractor performed the work.

Director Sanguinetti inquired on the expenses on page 17, line item 7 for Capital Rubber Co., Ltd. for hose for pumping sludge from sludge lagoons in the amount of \$758.12 and line item 24 for Rain For Rent, Inc. for rental of hose and fittings to empty sludge lagoons in the amount of \$146.43. Assistant Manager Lee replied staff will research the charges and bring back to the Board.

Director Atkins inquired on the expense on page 17, line item 6 for California Pipe Fabricators for 48” welded steel pipe buttstraps for East reservoir modification in the amount of \$1,788.65. Assistant Manager Lee replied this is to fix the DB-1 gate at the East Reservoir.

A motion was moved and seconded to approve the July 23, 2019 Warrants, as presented.

Roll Call:

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

3. Stockton East Water District Policy Manual – Establishing Program Incentives for Encouraging the Use of Surface Water Policy No. 3085, 07/23/19

Assistant Manager Lee provided the Board with Policy No. 3085 Establishing Program Incentives for Encouraging the Use of Surface Water Policy. Assistant Manager Lee reported all comments and edits from Legal Counsel and the Agricultural Operations Committee have been included in this version.

A motion was moved and seconded to approve Policy No. 3085 Establishing Program Incentives for Encouraging the Use of Surface Water dated July 23, 2019, as presented.

Roll Call:

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

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

Assistant Manager Lee provided the Board with a memo regarding Agricultural Meter & Telemetry Purchases. Assistant Manager Lee reported per Board recommendation at the July 2, 2019 Regular Board Meeting, staff contacted two additional vendors for quotes.

Assistant Manager Lee reported out of the five companies contacted, one is a manufacture; two are distributors and two are retailers. Two companies, the distributors, did not provided bids, leaving McCrometer as the lowest quote.

Assistant Manager Lee reported staff is recommending the purchase of 21 meters and the total cost for endpoints.

Director Cortopassi inquired on the amount of endpoints that will be purchased. Assistant Manager Lee replied staff requests the Board approve a contract with National Meter for \$31,970. Staff would purchase 45 endpoints now and would purchase the additional endpoints under that contract amount as meters are deployed.

Director Atkins inquired if there will be updated versions for the endpoints. Assistant Manager Lee replied yes, near the end of the year. Staff wants to lock in the price for the current endpoint and purchase the updated ones later.

A motion was moved and seconded to approve entering into a contract with National Meter for \$31,970 to furnish up to 211 Orion cellular LTE endpoints and the purchase of 21 McCrometer

meters in the amount of \$75,915.03 and a 10% contingency in the amount of \$7,591.50, as presented.

Roll Call:

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

5. Stockton East Water District – Habitat Conservation Plan (HCP) Update
Assistant Manager Lee provided the Board with an update on the Habitat Conservation Plan (HCP) and reported that Manager Moody signed National Environmental Policy Act (NEPA) posting related documents last Thursday. Assistant Manager Lee reported the HCP should be out for public circulation very soon. This item was for information only.
6. Stockton East Water District – Refunding of Certificates of Participation and Installment Purchase Agreement Memo
Assistant Manager Lee provided the Board with a memo on Refunding of Certificates of Participation and Installment Purchase Agreement. Finance Director Vega reported the provided memo serves as a summary of the closing for the refunding debt of the District on July 15, 2019.

Finance Director Vega reported that all former Certificates of Participation (COPs) and the Installment Purchase Agreement from 2005 have been refunded with Pacific Western Bank (PWB).

Finance Director Vega reported starting in October 2019; the District will make semi-annual payments to PWB.

Finance Director Vega reported PWB set aside funds to pay for issuance costs for the Placement Agent, Bond Counsel, Municipal Advisor, Bank Counsel(s) and miscellaneous fees. The total cost of issuance at closing was \$223,243.

Finance Director Vega reported the District also received a wire for remaining funds of \$4,921, which was deposited into Fund 97 – M&I depository account and a check in the amount of \$481,985.90 which was deposited into Fund 56 – New Melones Construction Fund.

Director Cortopassi inquired on the money what was refunded to the District. Finance Director Vega replied, as part of the original COPs, the District was supposed to put \$35,000 in an account with US Bank for maintenance along the conveyance system. This money would be paid back to the District once the COPs were paid off or refunded. This item was for information only.

E. COMMITTEE REPORTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 07/17/19
Director Sanguinetti attended the July 17, 2019 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. Director Sanguinetti reported he was elevated to Chairman for the meeting as Director McGurk was unable to attend and the Commission currently does not have a Vice Chair. Director Sanguinetti reported the Commission was provided with an update on the San Joaquin Area Flood Control Agency (SJAFCA) flood control projects. There was discussion of a Proposition 218 proceedings to approve the projects that are being proposed by SJAFCA. Director Sanguinetti reported the Commission will be

sending Levee Maintenance Services of Zone 9 Project to the Board of Supervisors for consideration and approval. There was an update given on the Integrated Regional Water Management Governance MOU. The Commission reverted to the old version of the document. The Commission voted to send this version to the Board of Supervisors for consideration and approval. Supervisor Winn provided an update on the Delta and there was an update provided on SGMA. The next meeting is scheduled for August 21, 2019.

2. Eastern San Joaquin Groundwater Authority Open House (SGMA Outreach), 07/18/19
Director Watkins, Manager Moody, Assistant Manager Lee and Administrative Services Manager Carido attended the July 18, 2019 Eastern San Joaquin Groundwater Authority Open House (SGMA Outreach). Assistant Manager Lee reported the Consultant from Woodward & Curran provided an overview on what San Joaquin County and the JPA of the East San Joaquin Basin have done for SGMA. There were growers from the District who visited the District booth and advised they would like more surface water. There were also growers from North San Joaquin Water Conservation District who visited the District's booth for more information.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 07/22/19
Assistant Manager Lee 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 188,197 AF in storage at New Hogan Reservoir. Current releases are set at 506 cfs. There is 2,178,317 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 2,053 cfs and release to all water users are set at 3,522 cfs. There are 14 irrigator(s) on New Hogan, 1 irrigator(s) on New Melones and 3 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:
Assistant Manager Lee noted items: F2a-1, F2a-2 and F2a-3.
3. Report on General Manager Activities
 - a. Central Valley Project Water Association – Executive & Financial Affairs Committee, 07/19/19
Finance Director Vega attended the June 14, 2019 Central Valley Project Water Association – Executive & Financial Affairs Committee Meeting. Finance Director Vega reported there was a discussion on aging infrastructure, which is a work in progress. Nothing has been determined in regards to the Shasta Dam Raise as of yet. Also not determined is to whom the additional water would be allocated. There was an update provided on the Warren Act costs and the USBR is waiting on the draft letter of the Folsom Safety of Dams construction costs. A status update was provided on the Trinity PUD assessment schedules. Finance Director Vega reported the USBR provided an update on the CVP Cost Allocation Study and advised they would like it finalized before the end of the year. They do not want the upcoming elections to destabilize the progress. The USBR is planning to schedule a meeting on August 16, 2019 to discuss credits to power contractors and how costs are allocated. Finance Director Vega reported the USBR had been double charging the power contractors for ~10-years; a credit has been issued back to the power contractors. There was discussion that the USBR should create standard operating procedures to ensure the overcharging does not happen in the future. Finance Director Vega reported the Committee has asked the USBR to provide

clear definitions for terms such as construction, capital and Extraordinary O&M, as they do not have the same meaning across USBR documents and schedules. There was discussion on the San Luis Transmission Project, of which the USBR had a 50-year contract for power from San Luis to Tracy averaging ~\$55,000 per year flat fee. This contract expired and the bill went to ~\$8.3 million per year. The USBR has collaborated with a company that will provide the money to build a new transmission line and in exchange, the contractor would be guaranteed 200 mega-watts of capacity. The USBR anticipated they will save money once the full costs are paid off to the company providing the money upfront. The next meeting is scheduled for August 16, 2019.

b. Retirement Luncheon, 09/27/19

Assistant Manager Lee reported the Retirement Luncheon for Rhonda Luke-Olvera, Accounts Clerk II will be held on Friday, September 27, 2019 and all Board is invited to attend.

c. Stockton East Water District Activities Update

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 07/23/19

J. REPORT OF THE COUNSEL

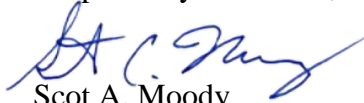
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

President Panizza adjourned the meeting to closed session at 12:57 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:03 p.m., with no reportable action.

K. ADJOURNMENT

President Panizza adjourned the meeting at 1:04 p.m.

Respectfully submitted,


Scot A. Moody
Secretary of the Board

tbc

