

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, OCTOBER 29, 2019 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Panizza called the regular meeting to order at 12:27 p.m., and Director McGurk 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 10/22/19 Regular Meeting

Director McGurk made the following corrections to the minutes:

- Page 2, section D-3, 4th paragraph, 1st sentence – add “including Manager Moody, to discuss” and strike “discussing”.
- Page 4, section E-3, 1st paragraph, 1st sentence – add “and Alternate Sanguinetti”.

A motion was moved and seconded to approve the October 22, 2019 Regular Meeting Minutes, as amended.

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 & Heavy Equipment

Director Cortopassi inquired on the expenses on page 11, line item 1 for A&A Concrete Supply Inc. for concrete for repairs to Williams Crossing in the amount of \$4,983.44 and line item 9 for HDS White Cap Construction Supply for materials for repairs to concrete structure at Williams Crossing in the amount of \$4,178.45. Assistant Manager Lee replied the warrant says Williams Crossing, however, Frank DeBenedetti uses this crossing.

Director Cortopassi inquired on the expense on page 15, line item 10 for FishBio for labor to monitor fish on North Raw Water Reservoir in the amount of \$4,917.48. Manager Moody replied he believes this line was misnamed.

A motion was moved and seconded to approve the October 29, 2019 Warrants, as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

3. Stockton East Water District – Administration Building HVAC Proposal Memo, 10/17/19
Manager Moody provided the Board with a memo regarding the Administration Building HVAC Proposal. Manager Moody reported there is an ongoing long-term issue of inadequate heating and cooling in the two-north office (Manager Moody and the Finance offices).

Manager Moody reported the first option to help this issue would be to install a new unit on the roof and run new electrical service. Option 2 would be to take sections of the ceiling off to replace the ductwork and install dampers. Option 3 would be to install wall units in each office.

Director Watkins advised if the ductwork is broken, it should be fixed. Manager Moody agreed that the system will never be efficient as long as air is not being circulated properly.

Director McGurk inquired if the Boardroom has its own HVAC unit. Manager Moody replied yes.

Director McGaughey inquired what the least expensive option would be. Manager Moody replied option 3, the wall units. Director Cortopassi commented that at least wall units would allow each office to control their own temperature.

Director Watkins inquired if just those two offices are affected by the climate. Manager Moody replied for the most part they are the most affected areas of the office.

Director McGurk inquired if any contractors that inspected the HVAC system looked in the crawl space. Manager Moody reported they looked in as far as they could go; however, there is only about 18-inches of space between the ceiling and roof, not leaving much room for inspection.

Director Sanguinetti inquired if anyone has a camera up into the area to look into the crawl space without physically having to be inside. Manager Moody advised staff will look into taking this step.

Director Sanguinetti reported something minimal can be done for the offices affected, however, if the ductwork is leaking it is still an energy problem. If that is not fixed, the problem is not eliminated.

President Panizza suggested staff investigate the issue further and see if a break or collapse in the ductwork can be located before taking any further action.

Manager Moody advised staff will conduct more research and if the price of work gets too high this item will be brought back to the Board.

4. Stockton East Water District – P-25 High Service Vertical Turbine Pump Memo, 10/18/19
Manager Moody provided the Board with a memo regarding the P-25 High Service Vertical Turbine Pump. Manager Moody reported in late August, P-25 pump faulted. The cause of the failure was a rubber brushing that became worn and shifted out of position.

Manager Moody reported he authorized the services for MarTech to get the pump back in services. MarTech is going to look into fabricating a bronze brushing to replace the failed rubber brushing.

Director Watkins inquired if the bronze brushing uses oil, as the rubber brushing is water lubricated. Manager Moody replied staff will check-in with MarTech before they finish fabricating the brushing. This item was for information only.

5. Stockton East Water District – CalPERS Unfunded Accrued Liability (UAL) Additional Discretionary Payment (ADP), 10/18/19
Manager Moody provided the Board with a memo on the CalPERS Unfunded Accrued Liability (UAL) Additional Discretionary Payment (ADP). Finance Director Vega reported if the Board chooses to make an additional payment it would stabilize payments and save the District on additional interest charges for the next 14-15 years.

Finance Director Vega reported the audited financial statements for the District's Fiscal Year 2018/19 yielded a GASB 68 pension expense of \$148,528.

Finance Director Vega reported the proportion of responsibility for each payment has been calculated as 95.29% M&I and 4.71% Ag based on attributable payroll to each fund in Fiscal Year 2018/19. The corresponding dollar amounts equate to \$141,532.33 and \$6,995.67. Both amounts are covered in the adopted Fiscal Year 2019/20 Budget.

Finance Director Vega reported making the additional payment would yield estimated savings in the amount of \$98,445 in future interest paid.

Director McGurk inquired if payment stabilization was part of the additional payment the Board approved last year as well. Finance Director Vega replied yes, the payment this year would help to continue stabilizing future payments.

Manager Moody reported the UAL is a moving target, which depends on CalPERS estimation of how they will do in the stock market versus how they actually did among other factors.

Director McGurk inquired how long CalPERS waits before providing that information to their customers. Finance Director Vega replied they are about 1-1.5 years behind.

Finance Director Vega reported the largest portion of the UAL is for the Classic Plan. This Plan does not have any new entrants. Now that it is a closed Plan and employees are retiring, but there are no new people entering to pay their portion; the UAL helps to support the Classic Plan.

Director Watkins inquired if it would be best to invest the money ourselves or send to CalPERS directly. Finance Director Vega replied you would have to find an investment with at least a 7% return because that is what will be saved in interest.

A motion was moved and seconded to approve the Additional Discretionary Payment in the amount of \$148,528 for the California Public Employees' Retirement System – Unfunded Accrued Liability (UAL), as presented.

Roll Call:

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

Nays: None

Abstain: None

Absent: None

E. COMMITTEE REPORTS (None)

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 10/21/19

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 147,357 AF in storage at New Hogan Reservoir. Current releases are set at 28 cfs. There is 2,003,338 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 491 cfs and release to all water users are set at 943 cfs. There are 0 irrigator(s) on New Hogan, 2 irrigator(s) on New Melones and 0 Out-of-District irrigator. The water treatment plant is currently processing 29 mgd. The City of Stockton is currently processing 22 mgd.

2. Information Items:

Manager Moody noted items: F2a-1 and F2a-2.

3. Report on General Manager Activities

a. ACWA State Legislative Committee Meeting, 10/25/19

Manager Moody attended the October 25, 2019 ACWA State Legislative Committee Meeting. Manager Moody reported this was the Annual Planning Meeting, which is the last meeting of the legislative season. Manager Moody reported there was discussion on the legislation that ACWA will sponsor in the coming year. ACWA takes recommendations from members on what they would like to sponsor in the upcoming season. Manager Moody reported that ACWA is taking a renewed interest in promoting the Voluntary Agreements. This was the last meeting to be held at the current ACWA building; they should be moved into the new building by Christmas. Manager Moody reported there was discussion on ACWA Legislative Bill Proposals for; Elk Grove Water District: Water Theft Penalties, ACWA Energy Committee: power safety shut-off and use of emergency generators and the zero-carbon policy implementation. Director McGurk inquired if there was discussion on AB 137 (Cooper). Manager Moody replied the Committee likely will not see that bill until January 2020.

b. Stockton Area Water Suppliers (SAWS) Meeting, 10/28/19

Manager Moody reported this meeting was cancelled and the group will meet next month.

c. Stockton East Water District Activities Update

Manager Moody reported the U.S. Army Corps of Engineers (USACE) requested to inspect Farmington Dam on November 14th. Staff will switch to using New Hogan water for the 2-week period for inspection. Manager Moody reported the process takes 2-weeks because the outlet will need to be drained prior to inspection. Manager Moody advised staff would like to continue to run on New Hogan water for an additional 2-weeks after the inspection so the two Rubicon Flume Gates can be installed downstream of Farmington Dam. Director McGurk inquired if

there are any other tasks staff would like to work on while the area is free of water. Manager Moody advised staff will evaluate the system to look for any other work that can be performed during this time. Director Atkins inquired on the frequency of the USACE inspections. Manager Moody replied they inspect the Dam annually. Director Watkins inquired how many days the Water Treatment Plant could operate based on storage on District property, to include the new ponds. Manager Moody replied it would depend on the capacity of which the Water Treatment Plant is running, but he would estimate ~30-days. Director Watkins suggested that perhaps during this 4-week period that the Water Treatment Plant look at using stored water versus using New Hogan water.

Manager Moody advised the Board he would like to take a vacation day on Friday, November 1st. There was no objection.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS

1. Central Valley Flood Protection Board – 2nd Time Variance Request (Bellota & Budiselich Dam) from 10/25/19 – 11/01/19, 10/21/19

Manager Moody provided the Board with correspondence to the Central Valley Flood Protection Board (CVFPB) requesting a delay of the Bellota and Budiselich dam removal schedule. Manager Moody reported the CVFPB has granted the first extension from October 25th – November 1st. This item was for information only.

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 10/29/19

J. REPORT OF THE COUNSEL

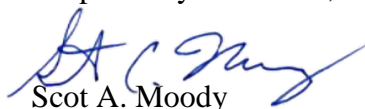
1. Closed Session - Existing Litigation
Stockton East Water District vs. City of Stockton, et al.
Government Code 54956.9 (a)
2. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases

President Panizza adjourned the meeting to closed session at 1:07 p.m. to discuss closed session agenda items. District staff, with the exception to Manager Moody, were excused from the closed session meeting at 1:41 p.m. The regular meeting reconvened at 2:02 p.m., with no reportable action.

K. ADJOURNMENT

President Panizza adjourned the meeting at 2:03 p.m.

Respectfully submitted,


Scot A. Moody
Secretary of the Board

tbc

