

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, DECEMBER 10, 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 Atkins led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk and Panizza. Directors Sanguinetti and Watkins were absent. Also present were Manager Moody, Finance Director Vega, District Engineer Hopkins, 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 11/26/19 Regular Meeting

A motion was moved and seconded to approve the November 26, 2019 Regular Meeting Minutes, as presented.

Roll Call:

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

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

A motion was moved and seconded to approve the December 10, 2019 Warrants, as presented.

Roll Call:

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

3. Consideration of Proposed Annual Budget Fiscal Year 2020/2021

a. Public Hearing

President Panizza opened the Public Hearing at 12:29 p.m., to receive comments on the Proposed Annual Budget for Fiscal Year 2020/2021.

Manager Moody reported the District circulated the Draft Budget; received recommendation to approve from the Agriculture Operations Committee and published a notice of today's public hearing in The Stockton Record. Manager Moody reported the Urban Contractors were also sent a Draft Budget to the Urban Contactors. Manager Moody reported no comments were received.

Seeing there were no public comments, President Panizza closed the Public Hearing at 12:31 p.m.

Finance Director Vega reported on Fund 70 – Administration, citing the most notable changes are increase in election expenses and technology increase for SCADA for the Treatment Plant.

Finance Director Vega reported on Fund 67 – Agricultural, citing the most notable changes are the WIIN Act conversion cost and allocation of election expenses. Finance Director Vega reported staff is proposing to transfer ~\$500,000 from reserves this coming Fiscal Year to balance the budget.

Finance Director Vega reported on Fund 94 – Municipal & Industrial, citing the most notable changes are SCADA expenses; adjustments from previous Budget which show lower than normal costs due to CalPERS Unfunded Accrued Liability partial payoff and the M&I portion of the WIIN Act conversion cost.

Finance Director Vega reported there was money saved in this Budget due to refinancing of bonds. Overall, the expenses decreased; however, the Base Monthly Payment will be slightly higher than last year.

Finance Director Vega reported on Fund 56 – Construction, citing \$200,000 has been budgeted for the Whittle Bridge Project. Manager Moody reported the funds for this Project come from the New Melones Conveyance System remaining funds. Manager Moody added these were emergency funds that were required per the financing agreement for the bonds.

Finance Director Vega reported on Fund 71 – Water Supply, citing this fund remains steady with a few changes for maintenance expenses, cleaning canals and vegetation management.

Finance Director Vega reported on Fund 91 – Vehicle, citing staff has budgeted for the replacement of a passenger vehicle.

Director McGurk inquired on footnote #9 within Fund 71 – Water Supply for the Bellota House Removal. Manager Moody replied this is for the brick structure at the Bellota site.

Director Cortopassi reported all changes that were discussed at the Agriculture Operations Committee have been made and the presented Budget looks good.

b. Resolution No. 19-20-10 – Adopting Proposed Budget For Fiscal Year 2020/2021

A motion was moved and seconded to adopt Resolution No. 19-20-10 – Adopting the Proposed Budget for Fiscal Year 2020/2021, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza

Nayes: None
Abstain: None
Absent: Sanguinetti, Watkins

4. Stockton East Water District – Construction Contract Award – North Site Fencing Project Memo
Manager Moody provided the Board with a North Site Fencing Project Construction Contract Award memo. Manager Moody reported the District is required to secure the North Site Pond because it feeds the Treatment Plant.

Manager Moody reported the District received three quotes; All Steel Fence, Inc. was the lowest apparent bidder with a bid amount of \$279,181.80. Staff recommends the Board consider awarding All Steel Fence, Inc. with a contract in an amount not to exceed \$293,140.89. Manager Moody added this amount is lower than the budgeted amount of \$305,000.

Director McGurk inquired if staff provided specifications of the fence to bidders within the Request for Bid. District Engineer Hopkins replied yes and all bidders bid on the same fence material. Manager Moody added the fence specifications are as close to the District's current fence that borders the property.

Director Cortopassi inquired if the surveying work was completed prior to distributing this Bid. Manager Moody replied no; however, bidders knew how many feet to bid on, the surveying work will tell them where exactly to place the fence.

Manager Moody reported staff will not execute this contract or begin work until the surveying work has been completed.

Director Atkins inquired if the fence will be compliant with state regulations. Manager Moody replied yes and Homeland Security.

President Panizza inquired when staff expects the results of the surveying work. Manager Moody replied he is unsure, as the weather has not been favorable to begin the work.

A motion was moved and seconded to procure the services of All Steel Fence, Inc. for the North Site Fencing Project in the amount of \$279,181.80 with a 5% contingency (in the amount of \$13,959.09) in a total amount not to exceed \$293,140.89, as presented.

Roll Call:

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

5. Stockton East Water District – Server Hardware Scheduled Replacement Memo
Manager Moody provided the Board with a Server Hardware Scheduled Replacement memo. Manager Moody reported to server hardware have a reliable life expectancy of 5-years. The District's Virtual Host Server was purchased in February 2014 and the Storage Area Network (SAN) Server was purchased in February 2015; both are approaching their end of life expectancy.

Finance Director Vega reported the Virtual Host Server hosts the operational servers such as the filer server, email server, financial and application servers. The SAN Server makes up physical

server components with software components that allow it to access and control data and network storage drive.

Director Cortopassi inquired if this upgrade will be compatible with the SCADA design. Finance Director Vega replied yes.

Director Atkins inquired if this upgrade will increase the functional speed. Finance Director Vega replied yes, it should be faster and has more capacity and will likely be supported longer.

Director Atkins inquired if the equipment will be the latest models. Finance Director Vega replied he is not privy to that information, but would assume it is the most up to date product.

A motion was moved and seconded to authorize the purchase, installation and programming of the Virtual Host Server and Storage Area Network Server and their redundant backups in an amount not to exceed \$83,633.21, as presented.

Roll Call:

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

E. COMMITTEE REPORTS

1. San Joaquin County & Delta Water Quality Coalition Meeting, 12/10/19
Nothing to report. The next meeting is scheduled for January 13, 2020.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 12/09/19
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 151,458 AF in storage at New Hogan Reservoir. Current releases are set at 31 cfs. There is 1,986,321 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 4,008 cfs and release to all water users are set at 4,049 cfs. There are 0 irrigator(s) on New Hogan, 0 irrigator(s) on New Melones and 0 Out-of-District irrigator(s). The water treatment plant is currently processing 19 mgd. The City of Stockton is currently processing 13 mgd.

2. Information Items:
Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6, F2a-7 and F2a-8.
3. Report on General Manager Activities
 - a. New Hogan Annual Emergency Action Plan Face-to-Face Meeting, 12/05/19
Manager Moody reported at the meeting the Emergency Action Plan was reviewed, which is the order of operations in an emergency. All agency contact information was also reviewed to ensure all contacts are up to date. Manager Moody reported Water Operations Manager Wunderlich attended this meeting and nothing unusual was reported.
 - b. Stockton East Water District Activities Update
Manager Moody reminded the Board that they will need to discuss potential cancellation of the December 24th and 31st Regular Board Meetings. President Panizza inquired if cancelling these meetings will pose an issue for CalPERS and regular warrants. Finance Director Vega replied

no; both warrants will be combined for approval at the Regular Board Meetings on December 17th and January 7th. President Panizza advised this item be brought back for action at the next Regular Board Meeting on December 17th. Director Cortopassi inquired if there are any additional mandatory items that need to be taken care of before the end of the calendar year should these meetings be cancelled. Manager Moody replied no.

G. DIRECTOR REPORTS

1. Association of California Water Agencies – 2019 Fall Conference, San Diego, CA, 12/03/19 – 12/06/19
This item will be moved to the December 17, 2019 Regular Board Meeting for discussion.
2. Greater Stockton Chamber of Commerce Monthly Mixer – Haggin Museum, 12/05/19
Nothing to report.

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. Cancelled – Groundwater Sustainability Plan Advisory Committee (PAC) Meeting, 9:00 a.m., 12/11/19
2. Eastern San Joaquin Groundwater Authority Joint Exercise of Powers Authority Meeting, 11:00 a.m., 12/11/19
3. Central Valley Project Water Association – Executive & Financial Affairs Committee, 10:00 a.m., 12/13/19
4. Central Valley Project Improvement Act True-Up Contractor Meeting, 2:00 p.m., 12/16/19

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 1:05 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

