

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, SEPTEMBER 29, 2020 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Panizza called the regular meeting to order at 12:31 p.m. and Director Atkins led the Pledge of Allegiance.

Present at roll call at the District were Directors Atkins, Sanguinetti and Watkins. Also present were Manager Moody, Assistant Manager Hopkins, Finance Director Vega, Administrative Services Manager Carido, Administrative Assistant Curtis and Consultant Barkett. Present at roll call via teleconference were Directors McGaughey, McGurk and Panizza. Also present via teleconference was Legal Counsel Zolezzi. Director Cortopassi joined the teleconference at 12:35 p.m.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 09/22/20 Regular Meeting

Director Sanguinetti requested that it is listed in the minutes when President Panizza arrived and took over the meeting.

President Panizza was in fact present at the start of the meeting. Due to clerical error, the following correction was made to the minutes:

- Page 1, section A, 1st paragraph, 1st sentence – replace “Vice President Watkins” with “President Panizza”.

A motion was moved and seconded to approve the September 22, 2020 Regular Meeting Minutes, as amended.

Roll Call:

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

Nays: None

Abstain: None

Absent: Cortopassi

2. Warrants

- a. Fund 67 – Agricultural 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 Atkins inquired on the expense on page 11, line item 7 for Greater Stockton Chamber of Commerce for 2020 Green Team San Joaquin Sponsorship in the amount of \$10,000. Manager Moody replied this is the same group that SAWS sponsors each year.

Director McGaughey inquired on the expense on page 11, line item 20 for Municipal Automation Services/Charles K. Aycock for professional services agreement through 08/23/20 in the amount of \$42,935. Manager Moody replied Mr. Aycock is the District's SCADA representative, who makes sure the District gets what is needed without buying the most expensive products available.

Director Atkins inquired on the expense on page 13, line item 1 for Irrigation Design and Construction for PC-5 meter installation in the amount of \$1,413.75. Assistant Manager Hopkins replied this was for a meter replacement, however, there was a hole in the pipe from the previous meter that was larger than needed for the new meter. Staff purchased a spool to replace that section of pipe to successfully install the new meter.

Director Atkins inquired on the expense on page 17, line item 2 for American Valley Waste Oil, Inc. for waste removal-oily water from oil water separator at High Service in the amount of \$1,225. Manager Moody replied the District has an oil water separator that occasionally has to be pumped out.

A motion was moved and seconded to approve the September 29, 2020 Warrants, as presented.

Roll Call:

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

3. Stockton East Water District – Possible Transition Plan – County Services Memo, 09/23/20
Manager Moody provided the Board with a memo regarding the District's transition plan from County services. Manager Moody reported staff is proposing a two-step process at this point. The first step would be to move funds to F&M Bank to handle the day-to-day services. The other would be to move funds to a Local Agency Investment Fund (LAIF) account where the majority of the District's funds will be placed and earn interest.

Manager Moody reported that staff is estimating a total savings of ~\$18,098 after moving funds to F&M Bank. Staff is also estimating ~\$58,000 per year in revenue through savings and investments.

Manager Moody reported the Board previously discussed waiting until January 2021 to transfer payroll to ADP for a clean break, staff agrees, and if the Resolution is approved will begin using the ADP services at the beginning of the new year.

Manager Moody reported that the Board requested there be more definition in the Resolutions regarding LAIF and F&M funds. These numbers change frequently, so the term "approximately" is used. However, once funds have been transferred, staff will report back to the Board for the minutes of the exact amount that was transferred to both the LAIF and F&M accounts.

- a. Resolution No. 20-21-06 – Approving The Banking Services From Farmers & Merchants Bank Of Central California And The Payroll Services From Automatic Data Processing, Inc. (ADP)

A motion was moved and seconded to approve Resolution No. 20-21-06 – Approving The Banking Services From Farmers & Merchants Bank Of Central California And The Payroll Services From Automatic Data Processing, Inc. (ADP), as presented.

Roll Call:

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

- b. Resolution No. 20-21-09 – Authorizing Investment Of Monies In The Local Agency Investment Fund

A motion was moved and seconded to approve Resolution No. 20-21-09 – Authorizing Investment Of Monies In The Local Agency Investment Fund, as presented.

Roll Call:

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

Manager Moody requested clarification for the jump from Resolution No. 06 to Resolution No. 09. Administrative Services Manager Carido reported 20-21-06 was previously taken to the Board and there have been other Resolutions approved in between. All Resolutions are accounted for.

4. Stockton East Water District – JWT & Associates, LLP Memo, 09/24/20

Manager Moody provided the Board with information regarding an extended contract with the District’s current Auditor, JWT & Associates, LLP. Manager Moody reported the new contract costs the Auditor is proposing are slightly higher than previous; however, the District is now required to conduct single audits each year for grants for the Fish Passage Improvement Project. This would be an add-on cost to normal audit services.

Manager Moody reported because of the complexity of the District’s financials as well as possible impactful upcoming changes, the expertise of the current independent auditor will be an asset when performing the new few years’ financial audits.

Manager Moody reported staff is requesting to enter into a 3-year contact with JWT & Associates, LLP.

A motion was moved and seconded to approve entering into contract with JWT & Associates, LLP. for audit services through March 31, 2023, as presented.

Roll Call:

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

Nayes: None
Abstain: None
Absent: None

E. COMMITTEE REPORTS (None)

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 09/28/20

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 141,497 AF in storage at New Hogan Reservoir. Current releases are set at 100 cfs. There is 1,522,121 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 208 cfs and release to all water users are set at 1,322 cfs. There are 3 irrigator(s) on New Hogan, 1 irrigator(s) on New Melones and 0 Out-of-District irrigator(s). The water treatment plant is currently processing 34 mgd. The City of Stockton is currently processing 26 mgd.

2. Information Items:

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

3. Report on General Manager Activities

a. San Joaquin County Department of Public Works – Invoice Regarding Member Contributions To The Eastern San Joaquin Groundwater Authority, 09/16/20

Manager Moody provided the Board with information from San Joaquin County regarding member contributions to the Eastern San Joaquin Groundwater Authority. Manager Moody reported this invoice was in today's warrants for payment, but wanted it to be on record that it has been paid.

b. Stockton East Water District Activities Update

Manager Moody reported next week begins open enrollment for health benefits. Administrative Services Manager Carido will be emailing all open enrollment information to the all the District's health benefit participants.

Manager Moody reported he was advised by Drew Lessard that the USBR has signed the WIIN Act contract and a copy of the agreement should arrive soon to the District. Payment for the WIIN Act was also included in the warrants for payment today.

Manager Moody reported on a ground penetrating radar demonstration he attended at the District on September 24, 2020. Manager Moody reported those providing the demonstration were unable to locate any pipes or waterlines.

Manager Moody reported he will be out of the office for most of the day on Thursday, October 1st for a business meeting with Calaveras County Water District.

G. DIRECTOR REPORTS (None)

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS (None)

J. REPORT OF THE COUNSEL

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

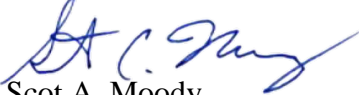
2. Closed Session – Personnel
Government Code 54957

President Panizza adjourned the meeting to closed session at 12:56 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:00 p.m., with no reportable action.

K. ADJOURNMENT

President Panizza adjourned the meeting at 1:01 p.m.

Respectfully submitted,



Scot A. Moody
Secretary of the Board

tbc

