

A 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, FEBRUARY 26, 2008 AT NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Panizza called the meeting to order and lead the pledge of allegiance.

Present at roll call were Directors Cortopassi, Latimer, McGaughey, McGurk, Panizza and Watkins. Director Sanguinetti was absent. Also present were Manager Kauffman, Assistant Manager Thomas, Superintendent Yoshimura, Finance Director Jamosmos, Office Manager Stephens and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

Gerald Schwartz, EBMUD announced EBMUD's website now has information available on construction of the Freeport Regional Water Project.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes of the 02/19/08 Regular Meeting

President Panizza made the following correction to the minutes:

- Page 1, section E1, paragraph 1, fourth sentence – strike “Leslie Moulton” add “Robert Eckhard” at the beginning of sentence.

A motion was moved and seconded to approve the February 19, 2008 Regular Meeting Minutes, as amended.

Vote: Unanimous approval

2. Third *California's Water Series* Town Hall, 04/17/2008

Manager Kauffman provided the Board with information on ACWA's Third *California's Water Series* Town Hall. The Third *California's Water Series* Town Hall will be held on Thursday, April 17, 2008 in Sacramento. The PBS series producer, Huell Howser will be the evening's Master of Ceremonies. ACWA is seeking sponsors for the Sacramento event. An event sponsor would be a contribution of at least \$2,000 and an event contributor would be less than \$2,000. Staff is recommending a \$500 contribution for the event.

A motion was moved and seconded to approve sponsorship in the amount of \$500 for the April 17, 2008 Third *California's Water Series* Town Hall in Sacramento.

Vote: Unanimous approval

3. DWTP – Efficiency Enhancement Project – Finished Water Pump Station Modification Project

Manager Kauffman reported Marc Eckardt with Travelers Casualty & Surety Company of America requested updated information on the existing claim with Steve P. Rados, Inc. District staff responded to Mr. Eckardt’s request informing him the district is not withdrawing its claim, as the issues have not been resolved.

Assistant Manager Thomas reported staff met with Doug Bradshaw from Steve P. Rados, Inc. to review outstanding claims and warranty issues. After reviewing the various issues, Mr. Bradshaw understood additional items will be added to the final punch list. District staff followed up with a letter to Mr. Bradshaw referencing the issues discussed. Director McGaughey inquired at what point does the district cut-off the relationship with Steve P. Rados, Inc. Manager Kauffman replied HDR has given Steve P. Rados, Inc. a deadline to respond and complete the work. If they do not comply, the work will be completed by a different source and charged back to the district retained funds of Steve P. Rados, Inc. Director Cortopassi inquired if the district will have to settle with Steiny and Company. Manager Kauffmann replied Steiny and Company is a sub-contractor for Steve P. Rados, Inc. and the district is not required to deal with them directly.

4. Vehicle Purchase Under State Contract

Manager Kauffman provided the Board with two bids for the purchase of a new flatbed dump truck. Big Valley Ford in the amount of \$73,915.20 and Freightliner in the amount of \$78,505.00. Big Valley Ford’s quote is based on rates provided under the State Contract. This new vehicle will replace Unit #12 which is a 1977 Ford flatbed dump truck and has reached its life expectancy. Replacement of this vehicle is a 2008-2009 budget item in the amount of \$75,000 and will be paid over a 5-year period at \$17,400 per year. Staff is recommending authorization to purchase the 2008 Ford F-650 from Big Valley Ford in the amount of \$73,915.20 under State Contract. In addition, Manager Kauffman reported staff is doing a similar investigation for the purchase of a 60-foot excavator and will bring back to the Board for approval. Director Latimer inquired on the State Contract discount as it is not reflected in the purchase price. In addition, Director Latimer does not want the district to be required to pay the \$5,000 emissions surcharge or install emission equipment we may be exempt from installing. Director McGaughey requested the district never consider removing equipment which is intended to improve air quality even if we are not required to have it installed. President Panizza directed staff to verify the State Contract pricing and investigate what the applicability of the \$5,000 emissions surcharge and provide the information to the Board when it is received.

A motion was moved and seconded to authorize staff to purchase the 2008 Ford F-650 from Big Valley Ford in the amount of \$73,915.20 under State Contract.

Roll Call:

Ayes: Cortopassi, McGaughey, McGurk, Panizza, Watkins
Noes: Latimer
Absent: Sanguinetti
Abstain: None

E. COMMITTEE REPORTS

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 02/20/08

Director McGurk reported on the February 20, 2008 San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting. Tim Quinn, ACWA Executive Director gave a presentation on ACWA's strategic planning. Mr. Quinn provided a hand-out of Delta Conveyance Principles unanimously adopted by, it is assumed, a quorum of the ACWA Board. Directors Cortopassi and Sanguinetti provided comments to Mr. Quinn on ACWA's structure. Director McGurk recommended the Board review the minutes from the Water Advisory Commission meeting when they become available. Bob Granberg, City of Stockton provided a summary on the City of Stockton and Woodbridge Irrigation District Water Transfer Agreement. The Agreement will be a 40-year term and provide 6,500 AF per year of water in the beginning. This amount could increase to as much as 13,000 AF per year. Draft FEMA maps are available and San Joaquin County Public Works Department has 18-months to approve the Provisional Accredited Levee (PAL) ratings. Final FEMA maps will be available in approximately 18-months. Mel Lytle gave an update on the American River Water Right Application No. 29657. The elected Commission Officers remained the same for 2008. Mel Lytle gave a report on outreach efforts to get more cities involved in the Commission meetings. Mel Lytle provided a draft Resolution in response to the Blue Ribbon Task Force's Vision for the Delta. Mr. Lytle is soliciting comments from member agencies of the Commission. Member agencies have 2-3 weeks to provide comments. Representatives from The League of Women's Voters were present to discuss the pending State Bond Initiatives scheduled for November.

2. Stockton Area Water Suppliers Meeting, 02/22/08

Manager Kauffman reported on the February 22, 2008 Stockton Area Water Suppliers Meeting. The group discussed the \$1.6 million revenue over expenses taken in by SEWD for the municipal division. The Urban Contractor representatives on SAWS agreed to reduce the credit for the Base Monthly Payment by the cost of completing two specific reports (Basis of Design Report by Black & Veatch and Plan for Increasing Long Term Reliable Water Supply RFP) for the benefit of the municipal division and amend the 2008-2009 Base Monthly Payment by the difference. The group discussed alternative approaches to negotiating the OID/SSJID Water Transfer Agreement. The Urban Contractors are not in total agreement regarding recommended changes to the Second Amended Contract. An update was given on SEWD's potential annexations. SAWS is recommending the SEWD Board consider supporting a two-page write-up in the Stockton Table Top Book highlighting the Delta Water Supply Project, MORE Water Project and Farmington Groundwater Recharge & Seasonal Habitat Program.

3. San Joaquin Council of Governments Regional Excellence Awards, 02/22/08

President Panizza, Manager Kauffman, Director Sanguinetti and Water Conservation Coordinator Coon attended the February 22, 2008 San Joaquin Council of Governments Regional Excellence Awards. SAWS received an honorable mention award for the Conservation Cottage at the Children's Museum of Stockton. President Panizza

congratulated Mel Lytle and the County of San Joaquin for the award they received on the Northeastern San Joaquin County Groundwater Banking Authority Eastern San Joaquin Integrated Regional Water Management Plan.

F. REPORT OF THE GENERAL MANAGER

1. M&O Superintendent's Report as of 02/20/08
Superintendent Yoshimura reported there is approximately 154,482 AF in storage at New Hogan. Current release is 65 mgd. There is approximately 1,525,000 AF in storage at New Melones. The water treatment plant is currently processing 100% New Hogan water and will begin taking New Melones water on March 1st.
2. Information Items
Manager Kauffman noted items F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-9 and F2a-10.

The Board had lengthy discussion on F2a-2 "USBR (CVPIA) Rates".

Manager Kauffman reported on the following issues:

- Manager Kauffman reported on a meeting with Reid Roberts, Central San Joaquin Water Conservation District and Bill Taylor, Bureau of Reclamation to discuss the Ability-to-Pay Study. The Study will be completed in draft by July 2008, with approval by Reclamation expected within the following six-months.

G. DIRECTOR REPORTS

Director McGaughey inquired if Water Conservation Coordinator Coon participates in Earth Day. Manager Kauffman replied Water Conservation Coordinator Coon does participate in Earth Day

Manager Kauffman reported as of March 1, 2008 OMI is no longer operating the water & wastewater systems for the City of Stockton.

H. REPORT OF COUNSEL

1. 2007 New Melones Water Allocation
Legal Counsel Zolezzi provided the Board with information on the water allocation determination for 2007 and the "Appeal Process".
2. San Joaquin River Conditions
Legal Counsel Zolezzi provided the Board with information on San Joaquin River Conditions from FISHBIO.
3. Bay Delta Conservation Plan Steering Committee Meeting, 02/22/08
Legal Counsel Zolezzi reported on the February 22, 2008 Bay Delta Conservation Plan Steering Committee Meeting.

President Panizza adjourned the meeting to closed session at 1:39 p.m. to discuss closed session items. The regular meeting reconvened at 2:54 p.m. with no reportable action.

Director McGurk excused himself from the meeting at 2:49 p.m.

I. COMMUNICATIONS (None)

J. AGENDA PLANNING FOR THE NEXT MEETING

1. Northeastern San Joaquin County Groundwater Banking Authority Coordinating Committee Meeting, 9:30 a.m., 02/27/08

K. ADJOURNMENT

The meeting was adjourned at 2:55 p.m.

Respectfully submitted,

Kevin Kauffman
Secretary of the Board

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