

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, MARCH 4, 2008 AT NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Panizza called the meeting to order. The pledge of allegiance was lead by Manager Kauffman.

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes of the 02/26/08 Regular Meeting

A motion was moved and seconded to approve the February 26, 2008 Regular Meeting Minutes, as presented.

Vote: Unanimous approval

2. Expenses

- a. Fund 67 – Agriculture Fund
- b. Fund 70 – Administration Fund
- c. Fund 91 – Vehicle Fund
- d. Fund 94 – Municipal & Operations Fund
- e. Summary
- f. SEWD Checking Account
- g. Short Names/Acronym List

Director McGurk inquired if there was an affiliation with Bob Granberg, City of Stockton for the expense on page 8, line item 26 for US Bank Corp. Payment Services. Finance Director Jamosmos replied Granberg is the name of the manufacturer for the 12-volt chain saw sharpener.

Director McGaughey inquired if California Overnight is the new carrier service for agenda packet delivery. Manager Kauffman confirmed California Overnight is the new carrier service for agenda packet delivery. The majority of the Board expressed satisfaction with California Overnight delivery. Director Sanguinetti requested his agenda packet be delivered to the front door of his residence. Staff will contact California Overnight with this information.

A motion was moved and seconded to approve the March 4, 2008 Expenses, as presented.

Vote: Unanimous approval

3. 2008/2009 Base Monthly Payment Amendment

Manager Kauffman provided the Board with information on the 2008-2009 Base Monthly Payment Amendment. The Urban Contractor representatives on SAWS agreed to reduce the \$1,597,164 credit for the Base Monthly Payment (BMP) 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) in the amount of \$497,164 and amend the 2008-2009 BMP proportionally. A Public Hearing will be held on Tuesday, March 18, 2008 for consideration and approval of a 2008-2009 budget amendment for the BMP.

Director Latimer asked why the BMP credit was so high. Manager Kauffman replied the main reasons were the Urban Contractors did not use as much groundwater as anticipated and the auditor's shifted the accounting for the Peters Pipeline Project to the 2006-2007 budget reserve fund.

4. Carbon Replacement Bids for Filters 5 & 7

Assistant Manager Thomas provided the Board with bids for carbon replacement media for water treatment plant filter's 5 & 7. Carbon Activated in the amount of \$204,563.80, Calgon Carbon in the amount of \$173,913 and Siemens Water Technology Corporation in the amount of \$228,358. ERS Engineering did not provide a bid. Staff is recommending awarding the bid to the lowest overall bidder, Calgon Carbon in the amount of \$173,913. Assistant Manager Thomas stated the district has used this vendor in the past.

A motion was moved and seconded to award the bid for carbon replacement media for water treatment plant filter's 5 & 7 to Calgon Carbon in the amount of \$173,913.

Vote: Unanimous approval

5. Stockton - Table Top Book

Manager Kauffman provided the Board with information from Bart Barica on a new publication which is intended to promote the unique cultural and natural and economic advantages of doing business in Stockton. The cost for a two-page profile and 15 complimentary books is \$8,055. The SAWS group met on February 22, 2008 and is recommending the SEWD Board consider supporting a two-page profile in the Stockton Table Top Book highlighting the Delta Water Supply Project, MORE Water Project and Farmington Groundwater Recharge & Seasonal Habitat Program. Manager Kauffman will work with SAWS to develop an acceptable lay-out and format.

Director Cortopassi inquired if it would be beneficial to have additional reprints of the two-page profile. Manager Kauffman replied this type of hand-out would be great to use on lobbying trips, etc. Manager Kauffman will inform the publisher we are interested in purchasing reprints of the two-page profile.

A motion was moved and seconded to approve a two-page profile in the Stockton Table Top Book – "Stockton: Renewed, Revitalized, Redefined" highlighting the Delta Water Supply Project, MORE Water Project and Farmington Groundwater Recharge & Seasonal Habitat Program in the amount of \$8,055.

Vote: Unanimous approval

6. DWTP – Efficiency Enhancement Project – Finished Water Pump Station Modification Project
Manager Kauffman provided the Board with correspondence to Steve P. Rados, Inc. identifying outstanding warranty issues. Assistant Manager Thomas reported Telstar Instruments, Inc. and Steiny and Company arrived at the district facility on March 3, 2008 to work. Assistant Manager Thomas did not agree the work was authorized so the contractors did not proceed. Staff discussed the punch-list items with the contractors. The contractors disputed several of the items had already been completed. Assistant Manager Thomas reported the last 7 items on the punch-list are new. Staff has authorized HDR, Inc. to continue their construction management work on this project to finalize the outstanding issues. The additional cost for the continued services of HDR will be approximately \$4,000.

7. DWTP – Basis of Design Report – Task Order No. 4
Manager Kauffman provided the Board with Task Order No. 4 - Master Professional Services Agreement from Black & Veatch for engineering services for DJWTP Expansion Final Design in the amount of \$323,283. The SAWS group has indicated they would like to proceed with the work. The credited fees for the BMP will be applied to this effort. Staff has reviewed the Scope of Work and made minor modifications. The contracted amount with the modifications will not exceed \$323,283.

A motion was moved and seconded to approve Task Order No. 4 - Master Professional Services Agreement from Black & Veatch for engineering services for DJWTP Expansion Final Design not to exceed \$323,283.

Vote: Unanimous approval

8. Request for Proposals to Increase Long-Term Reliable Water Supplies for DWTP
Manager Kauffman provided the Board with a draft Request for Proposals prepared by Jeff Yarne for preparation of a plan for increasing long-term reliable water supplies to the Stockton East Water District Water Treatment Plant. The credited fees for the BMP will be applied to this effort. The Request for Proposals (RFP) will be submitted to West Yost & Associates, Camp Dresser & McKee, HDR and Montgomery Watson Harza. The RFP will focus on agriculture water management efficiency, unused wet weather flows, dry weather transfer agreements with SEWD agriculture users and other sources of surface water supply. The estimated cost for the Study is \$150,000. The RFP will be mailed out next week with a Final Report expected by the end of 2008.

Gerald Schwartz inquired if the Study will include water sources outside of this area. Manager Kauffman replied this will be covered in section 4, Other Sources of Surface Supply.

Director Watkins inquired if \$150,000 was enough money to fund these efforts. Manager Kauffman replied Jeff Yarne estimated between \$100,000 and \$200,000. Manager Kauffman will inquire to assure the funding is sufficient and will adjust the BMP accordingly.

A motion was moved and seconded to approve distribution of Request for Proposals for preparation of a plan for increasing long-term reliable water supplies to the SEWD Water Treatment Plant to West Yost & Associates, Camp Dresser & McKee, HDR and Montgomery Watson Harza.

Vote: Unanimous approval

9. LAFCo Proposed Out-of-Agency Service Policies and Procedures
Manager Kauffman provided the Board with correspondence from LAFCo regarding proposed out-of-agency service policies and procedures. Legal Counsel Zolezzi stated these proposed changes will not affect this district.

E. COMMITTEE REPORTS

1. Northeastern San Joaquin County Groundwater Banking Authority Coordinating Committee Meeting, 02/27/08
Manager Kauffman reported on the February 27, 2008 Northeastern San Joaquin County Groundwater Banking Authority Coordinating Committee Meeting. Kathy Wood and Sergeant Green were present to describe the CSU Fresno Water Institute's efforts to develop a Valley-wide IRWMP under the direction of Congress Member Costa. There was positive discussion among the group. Ed Steffani & Dante Nomellini expressed general concerns regarding County involvement. Ms. Wood confirmed the eight Counties involved will be included as part of the framework. Manager Kauffman will keep the GBA informed on the progress. Mark Williamson gave an update on the American River – Freeport Element Project. Mel Lytle shared information on the Polar Icecap.

F. REPORT OF THE GENERAL MANAGER

1. M&O Superintendent's Report (None)
Assistant Manager Thomas reported there is approximately 157,108 AF in storage at New Hogan and the top of conservation is 201,200 AF. Current release is 65 mgd. There is approximately 1,500,000 AF in storage at New Melones. The water treatment plant is currently processing 40 mgd.
2. Information Items
Manager Kauffman noted items F2a-1, F2a-2, F2a-3, F2a-4, F2a-9, and F2a-10.

President Panizza appointed Directors Cortopassi and Watkins to an Ad Hoc Committee for further discussion and review on the purchase of new excavator for the district.

Manager Kauffman reported on the following issues:

- Manager Kauffman reported a letter will be going out tomorrow to the Reclamation Board requesting permission to install the Mormon Slough dams beginning the week of March 24, 2008.
- Manager Kauffman provided the Board with hand-outs from the State of the City Luncheon.
- Manager Kauffman reported the preliminary agenda for ACWA's Spring Conference is available.

G. DIRECTOR REPORTS

1. State of the City Luncheon, 02/28/08
Director Sanguinetti reported there were approximately 400 people in attendance and the booths were similar to what has been displayed in the past. Manager Kauffman stated the room lay-out was comfortable. The Board agreed there are some amazing developments happening at the Port with all the new businesses.

H. REPORT OF COUNSEL

1. San Joaquin Basin Update, 02/25/08
Legal Counsel Zolezzi provided the Board with information on San Joaquin River Conditions from FISHBIO.
2. Contra Cost Water District – Change in Place of Use
Legal Counsel Zolezzi provided the Board with information on the Alternative Intake Project water right change petition protest dismissal agreement letter on behalf of SEWD and West Side Irrigation District.
3. North San Joaquin Water Conservation District – State Board Actions (2)
Legal Counsel Zolezzi provided the Board with information from the State Water Resources Control Board on North San Joaquin Water Conservation District's approval for Extension of Time and Cease and Desist Order for Permit No. 10477 (Application 12842).

Gerald Schwartz reminded the Board the Mokelumne Forum meeting will be held on Thursday, March 6, 2008 at the Farm Bureau. In addition, Mr. Schwartz pointed out an interesting article on page 52 of the F2-a's.

President Panizza adjourned the meeting to closed session at 1:30 p.m. to discuss closed session items. The regular meeting reconvened at 2:23 p.m. with no reportable action.

Manager Kauffman reported he will be on vacation through March 12, 2008.

I. COMMUNICATIONS (None)

J. AGENDA PLANNING FOR THE NEXT MEETING

1. Mokelumne Forum, 03/06/08

K. ADJOURNMENT

The meeting was adjourned at 2:25 p.m.

Respectfully submitted,

Kevin Kauffman
Secretary of the Board

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