

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, JULY 24, 2007 AT NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President Panizza called the meeting to order. The pledge of allegiance was lead by Legal Counsel Zolezzi.

Present at roll call were Directors Latimer, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. 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 (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes of the 07/17/07 Regular Meeting

President Panizza made the following correction to the minutes:

- Page 2, section D3, paragraph 1, sentence 4 – change “Morenco” to “Marenco”.

A motion was moved and seconded to approve the July 17, 2007 regular meeting minutes, as amended.

Vote: Unanimous approval

2. Mutual Aid to Central San Joaquin Water Conservation District

Assistant Manager Thomas reported Central San Joaquin Water Conservation District (CSJWCD) has asked the district for assistance in operating and maintaining their surface water distribution system. This district took over operations on Friday, July 20, 2007 with two full time operators and one part time operator. All surface water irrigators in the CSJWCD system have been notified of the change. Due to an electrical outage on Saturday, July 21, 2007, several pumps lost power and ran out of water. Since the pumps do not have alarms, there was no indication power was lost. Power has been restored and all pumps are back in operation.

Manager Kauffman, Assistant Manager Thomas and representatives from CSJWCD met on Thursday, July 19, 2007 to discuss the mutual assistance request. The person hired to operate the CSJWCD system (Buck) became physically unable to perform the work. Stockton East Water District has agreed to operate CSJWCD’s system from July 20, 2007 – September 30, 2007. All charges will be billed directly to CSJWCD on a monthly basis. Manager Kauffman stated the mutual assistance agreement will be similar to what the district’s agreed to last year.

3. Board Administration Policies

Manager Kauffman provided the Board with a proposed amendment to Section 12B5 “Director’s Compensation and Expense Reimbursement” of the Ethical Guidelines for Stockton East Water District Directors, as recommended by the Administration Committee. The proposed amendment is intended to eliminate raising red flags during the audit process by using district issued credit cards for purchases to minimize Director reimbursements. The proposed amendment is as follows:

“In order to minimize Director reimbursements, each Director should use a district issued credit card when possible for any of these reasonable and necessary expenses”.

Director Sanguinetti recommended striking “In order” and recommended replacing “should” with “will”. In addition, Legal Counsel Zolezzi recommended adding “in accordance with this section” at the end of the sentence. The revised proposed amendment is as follows:

“To minimize Director reimbursements, each Director will use a district issued credit card when possible for any of these reasonable and necessary expenses in accordance with this section”.

A motion was moved and seconded to approve the amendment to Section 12B5 “Director’s Compensation and Expense Reimbursement” of the Ethical Guidelines for Stockton East Water District Directors, as recommended by the Administration Committee and as revised.

Vote: Unanimous approval

4. The Sanctuary Master Development Plan Project DEIR

Manager Kauffman provided the Board with the City of Stockton’s Draft Environmental Impact Report for the Sanctuary Master Development Plan Project (DEIR5-05). The project will require 600 AF of non-potable water supply. Manager Kauffman will specifically focus on the non-potable water supply issues. Written comments on the Environmental Document must be submitted no later than Monday, August 27, 2007 by 5:00 p.m.

5. The Ridge at Trinitas DEIR

Manager Kauffman provided the Board with Calaveras County’s Draft Environmental Impact Report for the 2004-114 Neeme The Ridge at Trinitas Project. Manager Kauffman does not feel a response is necessary, as the project does not appear to have any water quality issues. Director Latimer reported the residents in Calaveras County are not very happy with project.

6. DWTP - Efficiency Enhancement Projects

a. Finished Water Pumping Station

Assistant Manager Thomas reported there continues to be problems with the quality of the electrical power from PG&E and computer programming issues. Superintendent Yoshimura reported a transformer blew in South Stockton resulting in computer failure. Square D has resolved the issue with pump #20 (backwash) and programming issues should be resolved this week. PG&E continues to investigate the power issues. The 5-day demonstration test has not been completed.

Jack Cunningham with EEDI, Inc. will be meeting with Manager Kauffman, Assistant Manager Thomas and Superintendent Yoshimura to continue discussions on the natural gas facility. A coordination study with PG&E will be required to assure compatibility.

b. Ribbon Cutting Ceremony – Friday, September 7, 2007

Manager Kauffman reported the Ribbon Cutting Ceremony for the Efficiency Enhancement Projects has been scheduled for Friday, September 7, 2007 at 10:00 a.m. Director Sanguinetti stated the Administration Committee is recommending having the Urban Contractors, Supervisor Ruhstaller and President Panizza as speakers. The Ceremony will last approximately 15-20 minutes and refreshments will be served. The Chamber of Commerce will be invited to do the ribbon cutting and attendees will be given a tour of the projects.

7. Farmington Groundwater Recharge & Seasonal Habitat Program

Manager Kauffman provided the Board with information on the Energy and Water Bill passed by the House Appropriations Committee. The House passed a \$31.6 billion bill funding the Energy Department and water infrastructure projects. This amount includes \$1.1 million for the Farmington Program.

E. COMMITTEE REPORTS

1. Stockton East Water District Administration Committee Meeting, 07/18/07

Director Sanguinetti reported on the July 18, 2007 Stockton East Water District Administration Committee Meeting. The Committee discussed alternatives for honoring Al Bonner for his service to the District. One alternative would be renaming 1st and 2nd Streets at the district facility to Al Bonner Blvd. and Paul Polk Parkway. The Expansion Study is complete and will be circulated next week. The Committee discussed potential property purchases to accommodate the expansion. Manager Kauffman provided the Committee with various energy alternatives and the GTS proposal. GTS is proposing to build the power generating facility for free and provide 3.2 megawatts of power in exchange for use of the remainder of the pipeline to create and sell power to PG&E. Manager Kauffman will contact Bob Granberg at the City of Stockton to see if this district can incorporate a section in their Proposition 50 Grant Application for the Delta Water Supply Project to include funding for pipeline/property purchases for groundwater recharge. The Grant Application will be submitted by the GBA on behalf of the City of Stockton. Manager Kauffman authorized motor replacement for Unit #10 based on the condition of the vehicle. The Committee recommended terminating the Woodbridge Irrigation District Memorandum of Understanding (MOU). Manager Kauffman had preliminary discussions with Andy Christensen regarding termination of the MOU. Mr. Christensen felt the situation has not changed since the MOU originated in 1995. Manager Kauffman will continue discussions with Mr. Christensen. The Committee agreed to resolve the OID-SSJID Transfer Agreement issue before approaching the issue of potential Ag customers on the Upper Farmington Canal.

2. San Joaquin County Flood Control & Water Conservation District Advisory Water Commission Meeting, 07/18/07

Director McGurk reported on the July 18, 2007 San Joaquin County Flood Control & Water Conservation District Advisory Water Commission Meeting. DeeAnne Gillick gave an update on the North San Joaquin Water Conservation District State Water Board Hearing.

Legal Briefs are due for the Hearing. Roger Churchwell and Steve Winkler gave an update on Flood Control TAC activities. San Joaquin County Public Works is working with FEMA to get a PAL rating on delta levees. Brandon Nakagawa gave an update on the MORE WATER Project. The Commission voted to support South Delta Water Agency's position on water quality issues as long as it does not contradict HR2828. The Commission voted to support GBA's IRWMP Proposition 50 Grant Application. The Commission was provided with a verbatim transcript of the May 16, 2007 meeting for review. The next meeting is scheduled for Wednesday, August 15, 2007 at 1:00 p.m.

3. Calaveras River Watershed Stewardship Group Meeting, 07/18/07
Assistant Manager Thomas reported on the July 18, 2007 Calaveras River Watershed Stewardship Group Meeting. Ten people were in attendance. The Application for Proposition 50 funding for water quality monitoring and modeling did not make it to the next level of the funding process. An update was given on the Arundo Donax Mapping Project results. Arundo Donax flourishes on the banks of the Calaveras River and is harmful to the steelhead habitat. Funding has been made available to eradicate the plant and will require development of an Invasive Species Plan. World Wide Monitoring Day is scheduled for Saturday, October 6, 2007 and Coastal Cleanup Day is scheduled for Saturday, September 15, 2007. The Watershed Coordinator Grant has been extended for an additional 6 months. The next meeting is scheduled for Wednesday, October 24, 2007 at 6:00 p.m.
4. San Joaquin County & Delta Water Quality Coalition Meeting, 07/19/07
Director Latimer reported on the July 19, 2007 San Joaquin County & Delta Water Quality Coalition Meeting. The meetings have been changed to the first Wednesday of each month at the Farm Bureau. The budget is over by approximately \$202,000.00. The cost for monitoring is \$1.80 per acre. Currently the Coalition is collecting \$1.75 per acre. All monitoring reports have been submitted to the SWRCB on time. Mike Johnson gave the program manager's report. The new toxicity lab is performing well. An update was given on TAC activities. The revised Monitoring Plan is currently under review. The next meeting is scheduled for Wednesday, August 1, 2007.
5. Special Workshop Meeting, 07/21/07
Manager Kauffman reported on the July 21, 2007 Special Workshop Meeting. The meeting was well attended with good open discussion. There were no reportable actions from the meeting.

F. REPORT OF THE GENERAL MANAGER

1. M&O Superintendent's Report
Superintendent Yoshimura reported there is approximately 155,000 AF in storage at New Hogan.
2. Information Items
Manager Kauffman noted items F2a-1, F2a-2 and F2a-3.

G. DIRECTOR REPORTS

Director McGurk participated in a conference call with ACWA Regional Directors and Tim Quinn, ACWA Executive Director. Mr. Quinn held the conference call in order to meet the

Regional Directors prior to the full Board meeting. The call lasted approximately 45 minutes. Mr. Quinn indicated the water issues are severe and the Regional Directors need to get more involved. Mr. Quinn's priorities are the delta, surface water storage and climate change/solar energy. Mr. Quinn indicated he would like to make a site visit to Region 4 very soon. Manager Kauffman stated Mel Lytle is the best person to coordinate this visit.

H. REPORT OF COUNSEL (None)

I. COMMUNICATIONS (None)

J. AGENDA PLANNING FOR THE NEXT MEETING

1. Northeastern San Joaquin Groundwater Banking Authority Board Meeting, 07/25/07

President Panizza adjourned the meeting to closed session at 2:04 p.m. to discuss closed session items. The regular meeting reconvened at 2:24 p.m. with the following reportable action:

President Panizza appointed Directors McGurk and Watkins to an Ad-Hoc Committee for the purpose of groundwater recharge efforts.

K. ADJOURNMENT

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

Respectfully submitted,

Kevin Kauffman
Secretary of the Board

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