

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, OCTOBER 2, 2007 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 Latimer, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Director Cortopassi arrived at 12:37 p.m. Also present were Manager Kauffman, Superintendent Yoshimura, Finance Director Jamosmos, Office Manager Stephens and Legal Counsel Zolezzi.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT**

Mel Lytle reported Tim Quinn, Executive Director for ACWA is scheduled to be present at the Wednesday, October 10, 2007 GBA meeting. The meeting will be held at 9:30 a.m. at Cal Water on Wilson Way.

Gerald Schwartz, EBMUD reported the Mokelumne Forum Meeting will be held on Thursday, October 4, 2007.

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes of the 09/25/07 Regular Meeting

Director Watkins made the following correction to the minutes:

- Page 4, section G, paragraph 1, sentence 1, add "Cortopassi" after "Watkins".

A motion was moved and seconded to approve the September 25, 2007 regular meeting minutes, as amended.

Vote: Unanimous approval

2. Expenses

- a. Fund 67 – Agriculture Fund
- b. Fund 70 – Administration Fund
- c. Fund 73 – Right of Way Acquisition
- d. Fund 91 – Vehicle Fund
- e. Fund 94 – Municipal & Operations Fund
- f. Payroll Expenses
- g. Summary
- h. Short Names/Acronym List

Director Watkins inquired on the expense on page 9, item 4 for Adlie Fogarty in the amount of \$1,000.00. Manager Kauffman replied the district has leased acreage for the

storage of tunnel spoils on Ms. Fogarty's property since 1989. The district contracted with Mr. Roen to dispose of the tunnel spoils; however, Mr. Roen has had difficulty marketing the material. Director McGurk inquired if the material could be utilized for local levee repair projects. President Panizza directed staff to explore the idea of utilizing the material for local levee repair projects.

Director McGurk inquired on the expense on page 18, line item 95 for Maxim Crane Works in the amount of \$839.95. Manager Kauffman replied this is an expense incurred while maintaining a pump station for Central San Joaquin Water Conservation District (CSJWCD). Finance Director Jamosmos reported staff is consolidating all CSJWCD expenses and will be submitting an invoice for reimbursement.

Director Latimer inquired on the expense on page 6, item 49 for Scott's Sign Company in the amount of \$2,693.75. Superintendent Yoshimura replied the expense is for the purchase of 50 personalized "NO TRESPASSING" signs. Director Sanguinetti recommended staff research other alternatives when making these types of purchases.

Finance Director Jamosmos reported payment on page 7, item 56 for US Bureau of Reclamation in the amount of \$54,258.95 is the agriculture fund balance for New Melones water. Payment for the municipal & industrial fund was made in December 2006.

Finance Director Jamosmos reported payment on page 18, item 117 for South San Joaquin Irrigation District in the amount of 80,000.00 is for an additional 2,000 AF of water as outlined in the Settlement Agreement dated September 10, 2007. Director McGurk stated there are two line item's 117. Manager Kauffman stated staff will make the necessary corrections.

A motion was moved and seconded to approve the October 2, 2007 expenses, as amended.

Vote: Unanimous approval

### 3. DWTP - Efficiency Enhancement Projects

#### a. Finished Water Pumping

Manager Kauffman provided the Board with Change Order No. 1 from HDR to Steve P. Rados, Inc. in the amount of \$108.69. Change Order No. 1 includes all approved changes, itemized as Work Change Directives (WCD 1-33). HDR will be providing a second Change Order, which will result in net deductions. Manager Kauffman will be providing the Board with a Notice of Acceptance of Completion in next week's agenda packet. This will begin the 35-day waiting period.

Superintendent Yoshimura reported the power reliability from PG&E has improved since identifying and repairing a slack span along Austin Road. In addition, PG&E suspected birds were also causing power supply problems in August.

Manager Kauffman reported that he continues to research co-generation alternatives.

b. Funding Future Enhancements

Manager Kauffman provided the Board with interest rate information from the Safe Drinking Water State Revolving Fund Program. The Department of Water Resources has determined 2.2836% to be the current interest rate for funding commitments. Projects the district previously applied for are still eligible. The Department of Water Resources has been notified of the district's continued interest in obtaining funding for possible future expansion of the DWTP. Once a commitment is received from the Urban Contractors for the water treatment plant expansion, staff will pursue funding.

4. 2008 Water Bond Act

Manager Kauffman provided the Board with correspondence from San Joaquin Farm Bureau Federation to Governor Schwarzenegger expressing opposition to the Peripheral Canal. The Senate Natural Resources and Water Committee have scheduled a hearing to listen to testimony on competing water bond bills for Thursday, October 4, 2007.

5. ACWA Water Crisis Campaign

Manager Kauffman provided the Board with information regarding ACWA's Public Education Program, "California's Water: A Crisis We Can't Ignore". ACWA is requesting financial support for this effort. No action was taken.

6. Farmington Groundwater Recharge & Seasonal Habitat Program Funding

Manager Kauffman provided the Board with information on the Senate passage of 2007 Water Resource Development Act (WRDA).

**E. COMMITTEE REPORTS**

1. Northeastern San Joaquin Groundwater Banking Authority Coordinating Committee Meeting, 9/26/07

Manager Kauffman reported on the September 26, 2007 Northeastern San Joaquin Groundwater Banking Authority Coordinating Committee Meeting. Leslie Moulton gave an update on the Integrated Conjunctive Use Program CEQA Analysis. Comments on the proposed NOP are due by Wednesday, October 3, 2007. The group discussed the four proposed projects for Proposition 50 funding. A meeting will be scheduled with representatives from Stockton East, North San Joaquin, City of Stockton and San Joaquin County for further discussions on the four proposed projects. The next meeting is scheduled for Wednesday, October 10, 2007.

2. SAWS Meeting, 09/27/07

Manager Kauffman reported on the September 27, 2007 SAWS Meeting. The group discussed status of supply negotiations with SSJID/OID for the balance of the water year, status of supply discussions with the USBR, renewal of existing agreement with SSJID/OID, SEWD's proposed plans for Mariposa Lakes & Empire Ranch, availability of raw water supply to SEWD's water treatment plant, replacement of Second Amended Contract, supply availability analysis by West Yost, Black & Veatch Expansion Study, Mokelumne River water supply and SEWD's annexations. Water

Conservation Coordinator Coon will present her Annual Report at the October 29, 2007 SAWS Meeting.

Director McGaughey inquired if Water Conservation Coordinator Coon could also present her Annual Report at a City Council meeting. Bob Granberg stated he will run it by his management.

3. San Joaquin County & Delta Water Quality Coalition – Latest Correspondence  
Manager Kauffman provided the Board with the latest correspondence from the San Joaquin County & Delta Water Quality Coalition relative to voodoo science and agriculture.

#### **F. REPORT OF THE GENERAL MANAGER**

1. M&O Superintendent's Report as of 09/26/07  
Superintendent Yoshimura reported there is approximately 126,908 AF in storage at New Hogan. Current releases are set at 91 cfs. There is approximately 1,435,000 AF at New Melones.
2. Information Items  
Manager Kauffman noted items F2a-1, F2a-2, F2a-3 and F2a-4.

Manager Kauffman reported on the following issues:

- Manager Kauffman reported he received a voice-mail from Tim O'Laughlin stating he wanted to sell the 4,000 AF Oakdale Irrigation District obligated to SEWD to Reclamation for fall attraction flows in the Stanislaus. Mr. O'Laughlin felt SEWD did not have a chance of receiving a Warren Act Contract to store this water in New Melones. Legal Counsel Zolezzi stated she will continue negotiations with the Urban Contractors and Mr. O'Laughlin.

#### **G. DIRECTOR REPORTS**

1. Ribbon Cutting Ceremony, 09/28/07  
Director McGaughey stated all staff members did a really great job pulling the event together despite the weather. In addition, Superintendent Yoshimura gave an excellent tour of the facilities. Director Sanguinetti stated President Panizza gave an excellent speech appropriate for the occasion. President Panizza stated he and the Board appreciated all staff's efforts and commitment for completion of the project.

Director McGurk and Manager Kauffman attended the Campaign for Common Ground Meeting on Monday, October 1, 2007. Fritz Grupe gave a presentation on The Sanctuary Project (proposed development on Shima Tract). After Manager Kauffman spoke to the group, Mr. Grupe recommended setting up a water conference with the Business Council. Mr. Grupe asked if Director McGurk and Manager Kauffman could organize this water conference and invite all water interests. Director McGurk stated attendees could include developers, Eastside water interests, Delta water interests, Urban Contractors and the Water Council's for the City and County. Manager Kauffman stated the group was interested in obtaining information and if everyone is a willing participant it could be a

good educational forum. President Panizza recommended the Board think about the concept and discuss at the next Board meeting.

**H. REPORT OF COUNSEL**

1. SEWD-OID Contract

Legal Counsel Zolezzi provided the Board with a Contract between Oakdale Irrigation District and Stockton East Water District to provide an additional 4, 000 AF of water for the 2006-2007 water year. Legal Counsel Zolezzi will continue negotiations with the Urban Contractors and Mr. O’Laughlin.

**I. COMMUNICATIONS (None)**

**J. AGENDA PLANNING FOR THE NEXT MEETING**

1. San Joaquin Delta and Water Quality Coalition Meeting, 9:00 a.m., 10/03/07

2. Mokelumne Forum Meeting, 9:00 a.m., 10/04/07

3. Mokelumne River Association Meeting, 10:00 a.m., 10/05/07

4. Mountain Counties Water Resource Association Meeting, 10:00 a.m.10/05/07

President Panizza adjourned the meeting to closed session at 1:44 p.m. to discuss closed session items. The regular meeting reconvened at 2:22 p.m. with no reportable actions.

**K. ADJOURNMENT**

The meeting was adjourned at 2:23 p.m.

Respectfully submitted,

Kevin Kauffman  
Secretary of the Board

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