

A REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF STOCKTON EAST WATER DISTRICT  
WAS HELD AT THE DISTRICT OFFICE, 6767 EAST MAIN ST., STOCKTON, CA  
ON TUESDAY, NOVEMBER 13, 2007 AT NOON

**A. PLEDGE OF ALLEGIANCE AND ROLL CALL**

President Panizza called the meeting to order at 12:40 p.m. The pledge of allegiance was lead by Director Cortopassi.

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, Superintendent Yoshimura, Accountant Perez and Legal Counsel Harrigfeld.

**B. CONSENT CALENDAR (None)**

**C. PUBLIC COMMENT (None)**

**D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS**

1. Minutes, 11/06/07 Regular Meeting

A motion was moved and seconded to approve the 11/06/07 regular meeting minutes, as presented.

Vote: Unanimous approval

2. Expenses

- a) Fund 67 – Agricultural Fund
- b) Fund 70 – Administration Fund
- c) Fund 91 – Vehicle Fund
- d) Fund 94 – Municipal & Operations Fund
- e) Summary
- f) Short Name/Acronym List

Finance Director Jamosmos noted invoices dated for December payment are presented for payment now due to the cancellation of the 11/27/07 Board meeting.

A motion was moved and seconded to approve the 11/13/07 expenses, as presented.

Vote: Unanimous approval

3. 2008 SEWD Annexation Public Hearing

Manager Kauffman noted the proposed negative declaration was posted and advertised as required on 9/24/07 and the 30-day comment period had ended with no verbal or written comments being received regarding the proposed action. A letter from Central San Joaquin Water Conservation District (Central) was received, but not related to the proposed negative declaration. Stockton East Water District proposes to annex approximately 20,089 acres. The initial study and checklist found no adverse environmental impacts and determined a negative declaration should be adopted.

In the meeting packet, following the proposed negative declaration, Manager Kauffman summarized the contents of the proposed application for annexing approximately 20,089 acres in three areas south and east of the existing district boundaries.

President Panizza opened the Public Hearing at 12:50 p.m.

Gerald Schwartz, EBMUD Central Valley Regional Liaison, asked how the district annexation would affect the ongoing work of the Eastern Water Alliance. Manager Kauffman replied the North San Joaquin Water Conservation District (NSJWCD), Central, and Stockton East Water District (SEWD) formed the Alliance and one of its goals was to annex all lands not currently within one of the three districts so all who benefited from bringing in supplemental surface water to help the Basin would share in the cost. Manager Kauffman said there should not be any negative impacts from the annexation, and the districts involved will continue to work together.

a.

Reid Roberts, legal counsel and secretary for Central disagreed, saying the annexation would strain the districts' relationship and the ability of the Alliance to work together. Mr. Roberts explained the Alliance had agreed each district would annex adjacent lands. SEWD and NSJWCD had done so. Central has been talking with landowners, but annexation is more difficult in Central. Central has facilities adjacent to these lands and their water flows through portions of these lands. Mr. Roberts went on to say by bringing in supplemental surface water the water table has risen 13 feet under Central's district and Central can provide surface water to these adjacent lands as well. Mr. Roberts claimed SEWD provides no benefit to these lands.

Mr. Roberts said Central can serve portions of these lands, and SEWD presently has no facilities to provide service. Mr. Roberts felt it would be more beneficial and politically expedient to have Central move forward with the annexation, as opposed to SEWD. In addition, Mr. Roberts reported Central has always tried to cooperate and work with SEWD. Central and SEWD have been partners in many things over the years and Central has never opposed any of SEWD's actions or projects. Recently, Central assisted SEWD in securing emergency water from the Bureau for this year. When Central contacted Mike Finnegan at the Bureau, Mr. Roberts indicated there was no opposition on Central's part for the emergency water. Mr. Finnegan indicated this may affect Central's supply for next year, still Mr. Roberts indicated there was no opposition from Central for the emergency water.

Director Cortopassi asked if Central has benefited from these lands for the past 15 years, why had they not annexed them before now. Mr. Roberts claimed these lands are just now moving from dry pasture cattle ground to crops which use groundwater and are now benefiting from Central's actions. Also South San Joaquin Irrigation District in the past has taken issue with the annexation of Addition C, but they no longer hold any opposition.

Director Sanguinetti stated at the November 6 SEWD meeting, Central had committed to get their annexation application into LAFCo by December 1, and asked Mr. Roberts if Central had completed a proposed negative declaration. Mr. Roberts replied Central plans to complete the environmental work in the next few days and the annexation application process by the end of the year.

Director Sanguinetti also asked Mr. Roberts if Central plans to annex all three areas, identical to SEWD's application. Mr. Roberts stated they were applying for all three areas, but may do the Lone Tree Creek area (Addition C) as a separate annexation.

Seeing no intention for further public comment, President Panizza closed the Public Meeting at 1:05 p.m.

Board discussion followed.

a. Proposed Negative Declaration

A motion was made and seconded to approve the Proposed Negative Declaration.

Vote: Unanimous approval

b. Resolution of Application to San Joaquin County LAFCo

Director Sanguinetti was concerned Central had not yet taken action on an environmental document for their possible competing annexation application, but felt Central should be given more time to apply.

A motion was made and seconded to approve Resolution 07-08-08 to San Joaquin County LAFCo for reorganization consisting of annexation of inhabited territory and to amend the district's sphere of influence.

Roll Call Vote: Ayes: Cortopassi, Latimer, McGaughey, McGurk, and Panizza  
Noes: Sanguinetti and Watkins

4. State Water Resources Control Board Water Rights Application Fees

Counsel Harrigfeld said the memo was provided to show which SWRCB fees had been billed. All are paid under protest per Somach, Simmons, and Dunn. There are four remaining fees to be paid.

A motion was made and seconded to approve to pay the four remaining water rights fees under protest.

Vote: Unanimous approval

Director Cortopassi asked if the fees would change once the district secures the water rights. Counsel Harrigfeld was uncertain and said she would investigate the fee structure and report to the Board.

Director Latimer expressed his frustration with the water right permit application process, and the delays caused by the SWRCB and staff.

Director Watkins asked if the charge of \$29,677.81 was for the district's share of New Melones water or did it include Central as well. Manager Kauffman said each district received its own bill for its share of the annual fee on the USBR permit.

5. DWTP – Efficiency Enhancement Projects

a. Al Bonner Power Generating Facility

Manager Kauffman said this is an update from EEDI. A discussion followed regarding PG&E rates, GTS involvement, steam generation, and downsizing of EEDI power generation. It was directed by President Panizza these issues be taken up at the next Administration Committee meeting.

b. Finished Water Pumping Station

Manager Kauffman said a new Stop Notice was filed by Steiny Electric. Manager Kauffman said Rados has paid Steiny, and so the amount of the Stop Notice has been reduced.

6. CVP Contract – Ability-to-Pay Analysis

Manager Kauffman said he received a letter from USBR on the district's Ability-to-Pay Analysis. Counsel Harrigfeld said she has reviewed the proposed agreement and finds no objection. A payment and a resolution authorizing the General Manager to sign the agreement are needed to get the process started.

A motion was made and seconded to approve Resolution 07-08-09, which authorizes the General Manager to sign a Letter of Agreement for Ability-to-Pay (ATP) Analysis on behalf of the district with the district share for the analysis to be \$12,500.

Vote: Unanimous approval

7. ACWA Membership Dues (2008)

Manager Kauffman presented an invoice worksheet for the District's ACWA Membership dues for 2008. A short discussion followed regarding how dues are calculated and what benefits the district receives from ACWA membership.

A motion was made and seconded to pay the 2008 ACWA Membership dues of \$12,970.

Vote: Unanimous approval

**E. COMMITTEE REPORTS (NONE)**

**F. REPORT OF GENERAL MANAGER**

1. M&O Superintendent Report (None)

2. Informational Items

Manager Kauffman noted F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-8, F2a-9, F2a-10, and F2a-14.

Manager Kauffman said Director McGaughey and Sanguinetti would be receiving the Outreach Program Award on behalf of the district.

Manager Kauffman said he would be working with staff on the One Voice Trip. He noted he anticipated trips to Washington DC in February for the One Voice Trip and March because the WRDA language has been approved.

Manager Kauffman noted a SJFCA meeting was held on 11/08/07, but notice was not received until 11/09/07.

**G. DIRECTOR REPORT**

Director McGurk noted his term is up on the Water Committee and his position is open.

Director Latimer noted the SJDWQC meeting was canceled without notice.

Director Panizza and Sanguinetti met last week with Supervisor Ruhstaller to discuss district issues.

**H. REPORT OF COUNSEL**

President Panizza adjourned the meeting to a closed session at 1:59 p.m. to discuss scheduled closed session items. The regular meeting reconvened at 2:40 p.m. with the following reportable action:

A motion was moved and seconded to authorize legal counsel to file a protest to USBR's Petition for Change in the Point of Diversion and Point of Rediversion under USBR's permits for New Melones.

Vote: Unanimous approval

**K. ADJOURNMENT**

The meeting was adjourned at 2:41 p.m.

Respectfully submitted,

Kevin Kauffman  
Secretary of the Board

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