

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, DECEMBER 18, 2007 AT NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

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

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

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT

William Fields wished everyone a Merry Christmas.

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 12/11/07 Regular Meeting

Director McGurk made the following corrections to the minutes:

- Page 1, section D2, paragraph 1, sentence 2-strike “2006/2007” and add “2007/2008”.
- Page 3, section G2, paragraph 1, Sentence 1-strike “ACWA/JPIA”.

A motion was moved and seconded to approve the December 11, 2007 Regular Meeting Minutes, as amended.

Vote: Unanimous approval

2. Expenses

- a. Fund 59 – Municipal Dry Year Reserve Fund
- b. Fund 67 – Agriculture Fund
- c. Fund 70 – Administration Fund
- d. Fund 73 – Right of Way Acquisition Fund
- e. Fund 91 – Vehicle Fund
- f. Fund 94 – Municipal & Operations Fund
- g. SEWD Checking Account
- h. Petty Cash Fund
- i. Payroll Summary
- j. Short Names/Acronym List

Assistant Manager Thomas reported the expense on page 20, line item 106 for UC Agriculture & Natural Resources in the amount of \$13,900.00 is an annual expense for an educational program to assist staff with development of the district's Water Management Plan.

Director Cortopassi inquired on the expense on page 11, line item 22 for Holt of CA in the amount of \$2,030.14. Manager Kauffman replied the expense is for the purchase of a 48" ditch cleaning bucket.

Director McGurk inquired on the expense on page 17, line items 21 & 22 for CIT Technology Financial Service, Inc. in the amounts of \$163.93 & \$255.70. Manager Kauffman replied the district has switched service providers for the district's communication system and the expense represents rental of new telephones.

A motion was moved and seconded to approve the December 18, 2007 Expenses, as presented.

Vote: Unanimous approval

3. Business Consultant Agreement – Anthony M. Barkett
January 1, 2008 – March 31, 2008

Manager Kauffman provided the Board with Business Consultant Agreement for Anthony M. Barkett. Mr. Barkett's current Agreement will expire December 31, 2007. Mr. Barkett will not be returning from Rome until March 2008.

A motion was moved and seconded to approve Business Consultant Agreement for Anthony M. Barkett for a period of three months, January 1, 2008 – March 31, 2008.

Vote: Unanimous approval

4. Water Treatment Plant Efficiency Enhancement Project – High Lift Pump Station Upgrade

Manager Kauffman provided the Board with correspondence to Brian Gough, Electrical Equipment Company responding to his December 3, 2007 correspondence relative to a proposed resolution for the vertical turbine pump motors. Electrical Equipment Company is considering the offer proposed by the district.

Manager Kauffman reported HDR will contact Steve P. Rados, Inc. to request a Notice of Completion for the Finished Water Pump Station Modification Project. The retention will not be released by this district until the Stop Notice has been satisfied. If Steve P. Rados chooses to abandon the project, the retention will revert back to the district and the district will deal directly with the Stop Notice.

5. Farmington Groundwater Recharge & Seasonal Habitat Program

Manager Kauffman provided the Board with Fiscal Year 2009 Appropriations Request Form for the Farmington Groundwater Recharge & Seasonal Habitat Program. This

Appropriations Request Form will be part of the package sent to San Joaquin County Council of Governments for the One Voice Trip. Manager Kauffman reported Congress has approved an omnibus bill for a 2008 budget. It is questionable if the 2008 appropriations will be included in the budget. Director Sanguinetti felt the report language in the Appropriations Request Form should be eliminated as it may cloud or confuse the issue of the current request. Manager Kauffman will speak with Doyce Boesch to see if the form should be modified to avoid any potential confusion. Staff was directed to bring the updated Appropriations Request Form back to the Board for consideration and approval.

E. COMMITTEE REPORTS

1. Northeastern San Joaquin Groundwater Banking Authority Board & Coordinating Committee Meeting, 12/12/07

President Panizza and Directors McGurk & Cortopassi attended the December 12, 2007 Northeastern San Joaquin Groundwater Banking Authority Board Meeting. Superintendent Yoshimura attended the December 12, 2007 Northeastern San Joaquin Groundwater Banking Authority Coordinating Committee Meeting. Jean Moran from Lawrence Livermore National Laboratory (LLNL) gave a summary presentation on the Eastern San Joaquin groundwater basin flow patterns. The results from the study provided proof groundwater banking does work, and provided concerns over water quality issues and optimism that these concerns can be addressed. President Panizza reported on EBMUD's comments to the Integrated Conjunctive Use Program PEIR-Notice of Preparation. EBMUD reported alternative "D" appears to have the least potential to adversely impact EBMUD water rights, facilities and operations. This is the only alternative which does not include groundwater recharge.

Mel Lytle reported LLNL was invited to do the tracer study work to answer the question, "where does the water go once it is put into the ground?" LLNL has discovered some very dynamic information regarding the movement of water. The results were also able to show the age of water in various areas. Superintendent Yoshimura reported tracer gasses were found at Morada drinking water well, but have not appeared at the SEWD drinking water wells. There appears to be a semi-profound confining layer which isolates the SEWD wells along the diverting canal from the shallow aquifer.

2. Stockton East Water District Administration Committee Meeting, 12/12/07

Director Sanguinetti reported on the December 12, 2007 Stockton East Water District Administration Committee Meeting. Senator Machado was present to request Stockton East Water District (SEWD) take a position against the proposed Peripheral Canal. Jack Cunningham, EEDI, Inc. provided the Committee with an energy savings proposal. Manager Kauffman provided the Committee with an update on the GTS power facility proposal.

3. Mountain Counties Water Resources Association Meeting, 12/14/07

Director Latimer reported on the December 14, 2007 Mountain Counties Water Resources Association Meeting. Barbara Balen gave an update on the current financials. Member agencies gave updates on their current activities. Anne Deister was presented

with an award and flowers for the great amount of work she has done for the Association. The Association has received their 501-C status.

4. Eastern Water Alliance Meeting, 12/14/07

Director McGurk reported on the December 14, 2007 Eastern Water Alliance Meeting. San Joaquin County is still in the process of developing language for the Principals of Agreement. The Proposition 50 Integrated Regional Water Management Grant Application submitted on behalf of the Groundwater Banking Authority did not make the cut for funding. The Water Bond Act is still a work in progress. Ed Steffani handed out a proposed response to an article in The Record submitted by Senator Machado. Manager's Kauffman, Roberts, and Steffani will work together on a redraft and will refer to positive things happening on the eastside of San Joaquin County. Members of the Eastern Water Alliance will review the redraft prior to sending out.

F. REPORT OF THE GENERAL MANAGER

1. M&O Superintendent's Report as of 12/12/07

Superintendent Yoshimura reported there is approximately 119,610 AF in storage at New Hogan. Current releases are set at 64 cfs. There is approximately 1,443,000 AF at New Melones. The water treatment plant is currently processing 37 mgd. The total rainfall received at New Hogan is 2.74 inches.

2. Information Items

Manager Kauffman noted items F2a-1, F2a-3, F2a-6 and F2a-9.

Manager Kauffman reported on the following issues:

- Manager Kauffman attended a Farm Water Coalition Meeting which hosted a group of 10 water and agriculture officials from Armenia. The Armenians have formed 52 water users associations. Their total agriculture land consists of approximately 400,000 acres with 250 landowners. They grow peaches, grapes and apricots with extremely antiquated water systems. There is reportedly an ample water supply, which is allotted by the government.
- Manager Kauffman will attend the Central Valley Resource Association on Wednesday, December 19, 2007.

G. DIRECTOR REPORTS

President Panizza appointed Director McGurk as the Board's representative to work with Manager Kauffman on the upcoming Water Summit. Director McGurk reported he was present at the Campaign for Common Ground Meeting where this issue was originally discussed and will ensure the Water Summit remains focused on its original intent.

H. REPORT OF COUNSEL

1. United States Bureau of Reclamation Water Right Application No. T31666 – Cancelled
Legal Counsel Zolezzi provided the Board with correspondence from the State Water Resources Control Board cancelling the U.S. Bureau of Reclamation's Application No. T31666 for proposed diversion from San Joaquin River in Madera and Fresno counties.

Legal Counsel Zolezzi reported the application has been withdrawn due to a change in circumstances.

I. COMMUNICATIONS (None)

J. AGENDA PLANNING FOR THE NEXT MEETING

1. San Joaquin County Flood Control and Water Conservation District Advisory Water Commission Meeting, 1:00 p.m., 12/19/07
2. 12/25/07 Regular Board of Directors Meeting Cancelled
3. 01/01/08 Regular Board of Directors Meeting Cancelled
4. 01/02/08 Special Board of Directors Meeting

President Panizza adjourned the meeting to closed session at 1:54 p.m. to discuss closed session items. The regular meeting reconvened at 3:00 p.m. with no reportable actions.

K. ADJOURNMENT

The meeting was adjourned at 3:01 p.m.

Respectfully submitted,

Kevin Kauffman
Secretary of the Board

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