



REGULAR BOARD MEETING

APRIL 04, 2017



STOCKTON EAST WATER DISTRICT

PROVIDING SERVICE SINCE 1948

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DIRECTORS

Richard Atkins
Division 1

Andrew Watkins
Division 2

Alvin Cortopassi
Division 3

Melvin Panizza
Vice President
Division 4

Paul Sanguinetti
Division 5

Loralee McGaughey
Division 6

Thomas McGurk
President
Division 7

STAFF

Scot A. Moody
General Manager

Michael D. Johnson
Assistant General Manager

LEGAL COUNSEL

Jeanne M. Zolezzi
General Counsel

Phone 209-948-0333
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6767 East Main Street
Stockton, CA 95215

Post Office Box 5157
Stockton, CA 95205

MEETING NOTICE

THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
STOCKTON EAST WATER DISTRICT WILL BE HELD
AT NOON, TUESDAY, APRIL 04, 2017 AT THE
DISTRICT OFFICE, 6767 EAST MAIN STREET
STOCKTON, CALIFORNIA 95215

Assistance for the Disabled: If you are disabled in any way and need accommodation to participate in the meeting, please contact Kristin Carido, Administrative Services Manager (209) 948-0333 at least 48-hours in advance for assistance so the necessary arrangements can be made.

Agendas and minutes are located on our website at www.sewd.net.

AGENDA

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|--|----|
| A. Pledge of Allegiance (Administrative Clerk Curtis) & Roll Call | |
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| C. Public Comment (Non-Agenda Items) | |
| D. Scheduled Presentations and Agenda Items | |
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| 3. Stockton East Water District – 2017 Water Rates | |
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| 4. Resolution No. 17-18-01 – 2017 New Melones Conveyance System Wheeling Rates for Central San Joaquin Water Conservation District | 17 |
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2. Information Items
 - a. Material Included, but Bound Separately from Agenda Packet:
 1. Oroville Dam Spillway Shut Down Again As State Officials Work On Long-Term Plan, The Sacramento Bee, 03/27/17
 2. Flood Control Trumps Tunnels, The Stockton Record, 03/23/17
 3. Nearly \$56 Million Calaveras County Water District Capital Improvement Plan Passes, mymotherlode.com, 03/23/17
 4. When It Comes To Roads And Dams, Jerry Brown Isn't Always A Trump Resister, The Sacramento Bee, 03/22/17
 5. General Managers Oppose 'Water Grab', The Oakdale Leader, 03/22/17
 6. Despite Trump Promise And A Wet Winter, California Farmers Don't Get Full Water Supply, The Sacramento Bee, 03/22/17
 7. Taking A Stand For The Future We Want In California, ACWA News, 03/21/17
 3. Report on General Manager Activities
 - a. Stockton East Water District & Linden County Water District Meeting, 03/29/17

G. Director Reports

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1. Irrigation Water Request – Triple A Ranches, APN No. 001-015-012, 63
03/15/17
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I. Agenda Planning/Upcoming Events

1. San Joaquin County Agricultural Drought Task Force Meeting, 9:00 a.m.,
04/05/17

2. Greater Stockton Chamber of Commerce Monthly Mixer – Gameroom Envy, 5:30 p.m., 04/05/17
3. Delta Coalition Committee Meeting, 8:30 a.m., 04/10/17
4. San Joaquin County & Delta Water Quality Coalition Meeting, 9:00 a.m., 04/10/17
5. San Joaquin County Board of Supervisors Public Hearing – Permit Issuance for the DREAM Project, 9:00 a.m., 04/11/17

J. Report of the Counsel

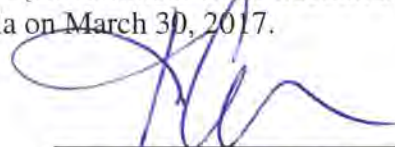
1. Closed Session - Potential Litigation
Government Code 54956.9 (c) – two cases

K. Adjournment

Certification of Posting

I hereby certify that on March 30, 2017 I posted a copy of the foregoing agenda in the outside display case at the District Office, 6767 East Main Street, Stockton, California, said time being at least 72 hours in advance of the meeting of the Board of Directors of the Stockton East Water District (Government Code Section 54954.2).

Executed at Stockton, California on March 30, 2017.



Kristin Carido, Administrative Services Manager
Stockton East Water District

Any materials related to items on this agenda distributed to the Board of Directors of Stockton East Water District less than 72 hours before the public meeting are available for public inspection at the District's office located at the following address: 6767 East Main Street, Stockton, CA 95215. Upon request, these materials may be available in an alternative format to persons with disabilities.

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THE 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 28, 2017 AT 12:00 NOON

A. PLEDGE OF ALLEGIANCE AND ROLL CALL

President McGurk called the regular meeting to order at 12:23 p.m., and Manager Moody led the Pledge of Allegiance.

Present at roll call were Directors Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti and Watkins. Also present were Manager Moody, Assistant Manager Johnson, District Engineer Lee, Finance Director Naray, Administrative Services Manager Carido, Accountant Vega, Administrative Clerk Curtis and Legal Counsel Zolezzi.

B. CONSENT CALENDAR (None)

C. PUBLIC COMMENT (None)

D. SCHEDULED PRESENTATIONS AND AGENDA ITEMS

1. Minutes 03/21/17 Regular Meeting

A motion was moved and seconded to approve the March 21, 2017 Regular Meeting Minutes, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins
Nays: None
Abstain: None
Absent: None

2. Warrants

- a. Fund 67 – Agricultural Fund
- b. Fund 68 – Municipal & Industrial Groundwater Fund
- c. Fund 70 – Administration Fund
- d. Fund 71 – Water Supply Fund
- e. Fund 91 – Vehicle Fund
- f. Fund 94 – Municipal & Industrial Fund
- g. Payroll
- h. Summary
- i. Short Names/Acronym List
- j. SEWD Vehicles & Heavy Equipment

A motion was moved and seconded to approve the March 28, 2017 Warrants, as presented.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins
Nays: None
Abstain: None
Absent: None

3. 2017/2018 Chemical Services Bid Results

Manager Moody presented the 2017 Chemical Services Bid results to the Board. Assistant Manager Johnson reported the bid results shown are for the next fiscal year; chemical services are bid on annually. Assistant Manager Johnson reported although Sierra Chemical was the lowest bidder for chlorine, staff is recommending Jones Chemical Co. as Sierra Chemical is not a responsible bidder and the District has experienced a carbon tetrachloride issue with Sierra Chemical in the past.

Director Cortopassi inquired if chemical vendors changed. Assistant Manager Johnson replied the Liquid Alum vendor changed this year, but the vendors are generally very stable from year to year.

A motion was moved and seconded to award the 2017 Chemical Bids to Sierra Chemical in the amount of \$380/dry ton for Liquid Alum; Polydyne, Inc. in the amount of \$674/liquid ton for Cationic Polymer; Northstar Chemical in the amount of \$630/dry ton for Caustic Soda; CalChem, LLC. in the amount of \$697/liquid ton for PACI; Northstar Chemical in the amount of \$720/liquid ton for ACH and Jones Chemical Co. in the amount of \$700/dry ton for Chlorine.

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins
Nays: None
Abstain: None
Absent: None

4. Stockton East Water District – Alum & ACH Tank Replacement Project

Manager Moody provided the Board with information on Alum & ACH Tank Replacement Project. Assistant Manager Johnson reported Bids were due on March 16, 2017 and a copy of the Bid summaries is provided.

Assistant Manager Johnson reported staff recommends the Board approve and enter into a contract with TNT Industrial Construction, Inc. (TNT) as they were the lowest responsive bidder. Staff also recommends the Board to approve a 10% contingency for the General Manager to authorize additional work due to unforeseen conditions during construction.

President McGurk inquired what staff will do if the 10% contingency is not enough. Manager Moody reported staff will bring that information to the Board to discuss before moving forward.

Director Cortopassi inquired what the anticipated total cost of the Project will be. District Engineer Lee replied ~\$300,000.

A motion was moved and seconded to award the Alum & ACH Tank Replacement Project and enter into contract with TNT Industrial Construction, Inc. in an amount not to exceed \$246,488.00, plus a 10% contingency in the amount not to exceed of \$24,649. .

Roll Call:

Ayes: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti, Watkins
Nays: None
Abstain: None
Absent: None

E. COMMITTEE REPORTS

1. Stockton Area Water Suppliers Meeting, 03/27/17
Manager Moody reported this meeting was cancelled. The next meeting is scheduled for April 17, 2017.

F. REPORT OF GENERAL MANAGER

1. Water Supply Report as of 03/27/17
Manager Moody provided a handout of the Water Supply Report that included storage, release, and production data collected from various sources as of midnight last night.

Manager Moody reported there is 209,445 AF in storage at New Hogan Reservoir. Current releases are set at 104 cfs. There is 1,786,972 AF in storage at New Melones Reservoir. Current release at Goodwin Dam to Stanislaus River are set at 1,256 cfs and release to all water users are set at 1,628 cfs. The water treatment plant is currently processing 15 mgd. The City of Stockton's water treatment plant is currently processing 12 mgd.

2. Information Items:
Manager Moody noted items: F2a-1, F2a-2, F2a-3, F2a-4, F2a-5, F2a-6, F2a-7 and F2a-8.

3. Report on General Manager Activities
 - a. ACWA State Legislative Committee Meeting, 03/24/17
Manager Moody attended the March 24, 2017 ACWA State Legislative Committee Meeting. Manager Moody reported the committee reviewed 52 bills during the meeting. Manager Moody reported there was discussion on the recent ACWA Legislative Trip to Washington D.C., which focused on groundwater recharge and its importance. Manager Moody reported there was discussion on the Senate Constitutional Amendment for Senator Hertzberg's Bill. Manager Moody reported ACWA does not necessarily support a commodity tax on water, but they understand a bill is coming so they are getting in front of it, by helping with the language for the bill. Director Watkins inquired if there has been mention of the cost of the tax per acre-foot on water will be. Manager Moody replied there has been no discussion yet. President McGurk inquired if the 52 bills were all pertinent to ACWA. Manager Moody replied yes, all bills were related to water. The next meeting is scheduled for April 21, 2017.

H. DIRECTOR REPORTS (None)

H. COMMUNICATIONS (None)

I. AGENDA PLANNING/UPCOMING EVENTS

1. San Joaquin Farm Bureau Federation – Water Committee Meeting, 5:30 p.m., 03/28/17

J. REPORT OF THE COUNSEL

1. Closed Session – Personnel
Government Code 54957
2. Closed Session - Potential Litigation
Government Code 54956.9 (c) – one case

President McGurk adjourned the meeting to closed session at 12:47 p.m. to discuss closed session agenda items. The regular meeting reconvened at 1:08 p.m., with no reportable action.

J. ADJOURNMENT

President McGurk adjourned the meeting at 1:09 p.m.

Respectfully submitted,

Scot A. Moody
Secretary of the Board

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**THE RECORD
PROOF OF PUBLICATION**
STATE OF CALIFORNIA
COUNTY OF SAN JOAQUIN

THE UNDERSIGNED SAYS:

I am a citizen of the United States and a resident of San Joaquin County; I am over the age of 18 years and not a part or interested in the above-entitled matter. I am the principal clerk of the printer of THE RECORD, a newspaper of general publication, printed and published daily in the City of Stockton, County of San Joaquin by the Superior Court of the County of San Joaquin, State of California, under the date of February 26, 1952, File No. 52857, San Joaquin County Records; that the notice of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published each regular and entire issue of said newspaper and not in any supplement thereof on the following dates,
To wit,
March 25 2017

I declare under penalty of perjury that the foregoing is true and correct. Executed on March 25, 2017 In Stockton California


Sonya Stephens,
The Record

0001092479

**NOTICE OF PUBLIC HEARING
BEFORE THE BOARD OF DIRECTORS OF THE STOCKTON
EAST WATER DISTRICT**

The Board of Directors of the Stockton East Water District will hold a public hearing on Tuesday, April 04, 2017 at noon, to consider a Rule for Rate Equalization and consider an Ordinance establishing municipal groundwater assessments, agricultural groundwater assessments, domestic groundwater assessments, out-of-district assessments, and charges to be made for stream-delivered water for calendar year 2017.
The hearing will be held in the District Office at 6767 East Main Street, Stockton, California, and will be held pursuant to and in accordance with Chapter 819 of the Statutes of 1971, State of California, as amended.

Scot A. Moody, General Manager
Stockton East Water District

#1092479 3/25/2017

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ORDINANCE NO.43
Adopted 04/04/2017

AN ORDINANCE ESTABLISHING MUNICIPAL GROUNDWATER ASSESSMENTS,
AGRICULTURAL GROUNDWATER ASSESSMENTS, DOMESTIC GROUNDWATER
ASSESSMENTS, CHARGES FOR STREAM-DELIVERED WATER AND
CHARGES FOR OUT-OF-DISTRICT WATER FOR CALENDAR YEAR 2017

The Board of Directors of Stockton East Water District does hereby ordain as follows:

Section 1: The Municipal Groundwater Assessment for calendar year 2017 shall be Three Hundred Thirty Three Dollars and Eighty Three Cents (\$333.83) for Rate Equalization and Three Dollars and Sixty Cents (\$3.60) for base Groundwater Production Assessment for a Total Municipal Groundwater Assessment of Three Hundred Thirty Seven Dollars and Forty Three Cents ($\$333.83 + \$3.60 = \$337.43$) per acre foot of water.

Section 2: The Agricultural Groundwater Assessment for calendar year 2017 shall be Five Dollars and Twelve Cents (\$5.12) per acre foot of water.

Section 3: The Domestic Groundwater Assessment for calendar year 2017 shall be Forty Three Dollars and Fifty Cents (\$43.50) per Domestic Use Unit.

Section 4: The rate for sales of Stream-Delivered Water for calendar year 2017 shall be Twenty-Three Dollars (\$23.00) per acre foot of water.

Section 5: The rate for sales of Out-Of-District Water from New Hogan Reservoir, or from New Melones Reservoir pursuant to the District's Central Valley Project Contract, for calendar year 2017 shall be the stream-delivered rate of Twenty-Three Dollars (\$23.00) set in Section 4 plus the New Melones Conveyance System wheeling rate of Thirty Five Dollars and Thirty Four Cents (\$35.34) for a total of Fifty Eight Dollars and Thirty Four Cents ($\$23.00 + \$35.34 = \$58.34$) per acre foot of water.

Section 6: The rate for sales of Out-Of-District Water from other sources shall be the cost of water designated under the purchase contract PLUS the New Melones Conveyance System wheeling rate of Thirty Five Dollars and Thirty Four Cents (\$35.34) per acre foot of water.

Section 7: This ordinance shall take effect thirty (30) days after its final passage, and shall be published at least once in a newspaper of general circulation within fifteen (15) days after its final passage, with the names of the members of the Board of Directors voting for and against the same.

AYES:
NAYES:
ABSTAIN;
ABSENT:

DRAFT

Thomas McGurk, President
Board of Directors

ATTEST:

DRAFT

Scot A. Moody, Secretary
Board of Directors

Consumer Price Index - All Urban Consumers Original Data Value

Series Id: CUUR0000SA0
 Not Seasonally Adjusted
 Area: U.S. city average
 Item: All items
 Base Period: 1982-84=100
 Years: 2007 to 2017

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2007	202.4	203.5	205.4	206.7	207.9	208.4	208.3	207.9	208.5	208.9	210.2	210.2	207.3	205.7	209.0
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	215.303	214.429	216.177
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	214.537	213.139	215.935
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	218.056	217.535	218.576
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	228.850	230.338
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	232.366	233.548
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812	236.736	236.384	237.088
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525	237.017	236.265	237.769
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432	240.007	238.778	241.237
2017	242.839														

2016 240.007
 2015 237.017
 net change 2.990

Increase **0.0126** or 1.26%

FUND 67

Comparative Five Year Summary

	FY 2013-2014 Actual	FY 2014-2015 Actual	FY 2015-2016 Actual	FY 2016-2017 Projected ¹	FY 2017-2018 Budget
REVENUES					
Penalty Charges	11,237	10,021	13,011	11,772	12,000
Groundwater Assessments	611,604	630,998	707,534	720,960	633,750
Surface Water Assessment	650,783	718,210	259,340	397,523	506,000
Domestic Unit Assessment	251,901	245,258	255,477	300,263	260,150
Meter Rentals	13,049	11,208	13,126	13,702	13,200
Interest Income	929	2,676	3,363	3,201	2,500
Net Other Transfers/Income	(4,738)	16,461	-	-	-
Property Taxes	263,285	365,632	387,476	385,000	390,000
Total Revenues	1,798,050	2,000,465	1,639,327	1,832,420	1,817,600
EXPENSES					
Water Costs	169,521	131,461	280,410	398,520	234,000
OPEB Liability	29,480	103,177	95,040	100,000	-
New Melones Debt Service	363,648	363,879	362,359	363,316	364,131
Water Supply Cost Allocation	270,564	241,951	268,685	287,851	398,598
Admin Cost Allocation	539,611	542,237	590,463	603,671	697,511
Other Expenses	37,472 ²	31,783 ²	35,065 ²	35,065 ²	18,749 ²
Retained Reserves	-	-	-	-	104,611
Total Expenses	1,410,296	1,414,487	1,632,022	1,788,423	1,817,600
Total Revenues Over (Under) Expenses	387,754	585,978	7,304	43,997	-

Note 1: Preliminary numbers based on projection as of 03/03/17

Note 2: Property Insurance, Share of Capitalized Assets, Dry Year Reserve Contributions, Depreciation and Goodwin Damn Self Insurance

WATER RATE SCENARIOS
AGRICULTURAL DIVISION - FISCAL YEAR 2017-2018

Assumptions: Budgeted Water Amounts Assumed

Projected Revenues	Assumed	FY 2017-2018 Adopted Budget		Scenario 1		Scenario 2		Scenario 3		Scenario 4	
		Assumed Rate	Amount \$	Assumed Rate	Amount \$	Assumed Rate	Amount \$	Assumed Rate	Amount \$	Assumed Rate	Amount \$
Groundwater	125,000 AF	5.07	633,750	5.10	637,500	5.10	637,500	5.10	637,500	5.12	640,000
Surface Water	22,000 AF	23.00	506,000	23.00	506,000	23.50	517,000	24.00	528,000	23.00	506,000
Domestic Unit Assessments	6,050 units	43.00	260,150	43.00	260,150	43.00	260,150	43.50	263,175	43.50	263,175
Meter Rentals			13,200		13,200		13,200		13,200		13,200
Penalty			12,000		12,000		12,000		12,000		12,000
Interest Income			2,500		2,500		2,500		2,500		2,500
Transfer from Dry Year Reserve Fund			-		-		-		-		-
Property Taxes			390,000		390,000		390,000		390,000		390,000
Total Projected Revenues for FY 2017-18			1,817,600		1,821,350		1,832,350		1,846,375		1,826,875
EXPENSES											
Water Costs			234,000								
Salaries Taxes & Benefits			-								
New Melones Debt Service			364,131								
Water Supply Cost Allocation			398,598								
Admin Cost Allocation			697,511								
Other Expenses			18,749								
Retained Reserves			104,611								
Budgeted Expenses for FY 2017-18			1,817,600		1,817,600		1,817,600		1,817,600		1,817,600
Net Proj. Revenues vs. Budgeted Expenses			-		3,750		14,750		28,775		9,275

* Balance in AG Dry Year Reserve Fund is \$149,405 as of February 28, 2017.

**STOCKTON EAST WATER DISTRICT
COMPARATIVE TABLE - WATER RATES**

SCHEDULE A

RATES FOR CALENDAR YR	CPI* INCREASE	CPI Year	SURFACE WATER (AF)		GROUND WATER (AF)		DOMESTIC UNITS		MUNICIPAL GROUND WATER (AF)		OUT-OF-DISTRICT WATER RATE		GW RATE EQUALIZATION (AF)	
			Maximum Allowable	ACTUAL RATE	Maximum Allowable	ACTUAL RATE	Maximum Allowable	ACTUAL RATE	ACTUAL RATE	ACTUAL RATE				ACTUAL RATE
1979			\$7.60	\$7.60	\$1.16	\$1.16	\$10.00	\$10.00	\$3.00					-
1980	- % + 20.00%	1979	\$9.98	\$7.60	\$1.52	\$1.16	\$13.13	\$10.00	\$3.00					-
1981	- 13.50%	1980	\$11.32	\$9.12	\$1.73	\$1.39	\$14.90	\$12.00	\$3.60					-
1982	- 10.30%	1981	\$12.49	\$9.12	\$1.91	\$1.39	\$16.43	\$12.00	\$3.60					-
1983	- 6.20%	1982	\$13.27	\$9.12	\$2.02	\$1.39	\$17.46	\$12.00	\$3.60					-
1984	- 3.20%	1983	\$13.69	\$9.12	\$2.09	\$1.39	\$18.02	\$12.00	\$3.60					-
1985	- 4.30%	1984	\$14.28	\$9.12	\$2.18	\$1.39	\$18.79	\$12.00	\$3.60					-
1986	- 3.60%	1985	\$14.79	\$9.12	\$2.26	\$1.39	\$19.47	\$12.00	\$3.60					-
1987	- 1.90%	1986	\$15.08	\$9.12	\$2.30	\$1.39	\$19.84	\$12.00	\$3.60					-
1988	- 3.60%	1987	\$15.62	\$10.12	\$2.38	\$2.39	\$20.55	\$12.00	\$3.60					-
1989	- 4.10%	1988	\$16.26	\$15.00	\$2.48	\$2.39	\$21.40	\$12.00	\$3.60					-
1990	- 4.78%	1989	\$17.04	\$15.00	\$2.60	\$2.39	\$22.42	\$12.00	\$3.60					-
1991	- 5.40%	1990	\$17.96	\$15.00	\$2.74	\$2.39	\$23.63	\$12.00	\$3.60					\$37.50
1992	- 4.24%	1991	\$18.72	\$15.00	\$2.86	\$2.39	\$24.64	\$12.00	\$3.60					\$75.87
1993	- 3.03%	1992	\$19.28	\$15.00	\$3.01	\$2.39	\$25.38	\$12.00	\$3.60					\$76.15
1994	- 2.94%	1993	\$19.85	\$15.00	\$3.09	\$3.00	\$26.13	\$12.00	\$3.60					\$54.54
1995	- 2.61%	1994	\$20.37	\$15.00	\$3.17	\$3.00	\$26.81	\$12.00	\$3.60					\$47.24
1996	- 2.81%	1995	\$20.94	\$15.00	\$3.20	\$3.00	\$27.56	\$12.00	\$3.60					\$45.10
1997	- 2.93%	1996	\$21.56	\$15.00	\$3.29	\$3.00	\$28.37	\$12.00	\$3.60					\$41.22
1998	- 2.33%	1997	\$22.06	\$15.00	\$3.37	\$3.37	\$29.03	\$12.00	\$3.60					\$57.98
1999	- 1.67%	1998	\$22.43	\$15.00	\$3.48	\$3.48	\$29.51	\$12.00	\$3.60					\$64.54
2000	- 2.21%	1999	\$22.93	\$15.00	\$3.58	\$3.58	\$30.16	\$12.00	\$3.60					\$52.80
2001	- 3.36%	2000	\$23.70	\$15.00	\$3.67	\$3.67	\$31.17	\$12.00	\$3.60					\$58.35
2002	- 2.85%	2001	\$24.38	\$15.00	\$3.78	\$3.78	\$32.06	\$12.00	\$3.60					\$74.60
2003	- 1.58%	2002	\$24.77	\$15.00	\$3.84	\$3.84	\$32.57	\$12.00	\$3.60					\$75.35
2004	- 2.22%	2003	\$25.32	\$16.50	\$3.92	\$3.92	\$33.29	\$12.00	\$3.60					\$74.42
2005	- 2.61%	2004	\$25.98	\$16.50	\$4.02	\$4.02	\$34.16	\$12.00	\$3.60					\$84.31
2006	- 3.39%	2005	\$26.86	\$16.75	\$4.16	\$4.16	\$35.32	\$12.00	\$3.60					\$112.76
2007	- 3.23%	2006	\$27.72	\$20.00	\$4.29	\$4.29	\$36.46	\$12.00	\$3.60					\$127.04
2008	- 2.85%	2007	\$28.51	\$20.00	\$4.41	\$4.41	\$37.50	\$12.00	\$3.60					\$133.08
2009	- 3.84%	2008	\$29.60	\$20.00	\$4.58	\$4.58	\$38.94	\$12.00	\$3.60					\$145.71
2010	- 0.36%	2009	\$30.09	\$22.00	\$4.66	\$4.66	\$39.58	\$12.00	\$3.60					\$141.11
2011	- 1.64%	2010	\$31.03	\$22.00	\$4.80	\$4.80	\$40.83	\$12.00	\$3.60					\$160.71
2012	- 3.15%	2011	\$31.68	\$23.00	\$4.90	\$4.90	\$41.67	\$12.00	\$3.60					\$189.09
2013	- 2.07%	2012	\$32.14	\$23.00	\$4.97	\$4.97	\$42.28	\$12.00	\$3.60					\$195.43
2014	- 1.46%	2013	\$32.66	\$23.00	\$5.05	\$5.05	\$42.97	\$12.00	\$3.60					\$196.43
2015	- 1.62%	2014	\$32.70	\$23.00	\$5.06	\$5.06	\$43.02	\$12.00	\$3.60					\$207.54
2016	- 0.12%	2015	\$32.70	\$23.00	\$5.06	\$5.06	\$43.02	\$12.00	\$3.60					\$222.98
2017	- 1.26%	2016	\$33.11	\$23.00	\$5.12	\$5.06	\$43.56	\$12.00	\$3.60					\$329.98
														\$333.83

1 U.S. All Urban Consumers Index

2 One time 20% per 1979 legislation

3 This is comprised of the Proposed CSJWCD Wheeling Rate plus the proposed surface water rate.

4 Proposed Rate (Ag Committee)

RULE NO. 169
ADOPTED 04/04/2017

RULE FOR RATE EQUALIZATION - CALENDAR YEAR 2017

WHEREAS, the District Act authorizes the Board to adopt rules and regulations as it deems necessary and proper for carrying out the provisions of the Act; and

WHEREAS, paragraph 6D (3) of the Second Amended Contract among SEWD; City of Stockton, County of San Joaquin and California Water Service Company states that "Stockton East shall annually levy a municipal groundwater assessment, pursuant to its enabling legislation such that the cost of groundwater use is equivalent to the cost of surface water use";

NOW, THEREFORE, THE BOARD OF DIRECTORS OF STOCKTON EAST WATER DISTRICT HEREBY ENACTS AND ESTABLISHES THE FOLLOWING RULES TO LEVY A GROUNDWATER ASSESSMENT TO EQUALIZE THE COST OF GROUNDWATER AND SURFACE WATER FOR 2017:

1. **POWER COST** -- Use actual power costs submitted by owner to accommodate for differences in water depth, pumping efficiency, system pressure, etc. In the absence of actual power costs, the cost of \$70 per acre foot will be assumed.
2. **OPERATION AND & MAINTENANCE COST** -- Includes labor, repairs, chemicals, treatment costs and the current \$3.60 assessment. The cost of \$36 per acre foot will be assumed.
3. **AMORTIZATION AND DEPRECIATION COST** -- Includes well and equipment replacement. The cost of \$10 per acre foot will be assumed.
4. **FORMULA FOR RATE EQUALIZATION** -- Surface water costs plus Groundwater costs divided by total M & I water production equals cost per acre foot. The assumed costs and water production for 2017 are as follows:

Ground water	14,100 AF X \$116.00 = \$ 1,635,600.00
Surface water	<u>55,000 AF X \$535.41 = \$29,447,780.10</u>
Totals	69,100 AF \$31,083,380.10

The total cost of \$31,083,380.10 divided by total use of 69,100 AF equals \$449.83 per acre foot. The assumed 2017 additional groundwater assessment is \$449.83 less \$116 (total of items 1-3 above), or \$333.83.

5. Any municipal groundwater user has the right to appeal the amount of this additional \$333.83 per acre foot rate equalization assessment if it can be demonstrated that actual groundwater production costs are higher than the assumed \$116 per acre foot. The appeal process will begin with the Administration Committee of the District Board and if necessary can be appealed to the full Board.
6. Any appeal which is granted shall entitle the appellant to a refund of the amount demonstrated to have been over-collected, less the actual costs to the District of processing the appeal and refund, provided that no overpayment shall be refunded unless the request for appeal has been filed with the Secretary of the District within three years of such overpayment.

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**STOCKTON EAST WATER DISTRICT
RESOLUTION NO. 17-18-01
FINDINGS FOR THE 2017 NEW MELONES CONVEYANCE
SYSTEM WHEELING RATE FOR CENTRAL SAN JOAQUIN WATER
CONSERVATION DISTRICT**

WHEREAS, Stockton East Water District (“Stockton East”) owns and operates the New Melones Conveyance System to deliver Stockton East’s water from New Melones dam and reservoir on the Stanislaus River to the Stockton East service area; and

WHEREAS, Central San Joaquin Water Conservation District (“Central”) has a water service contract with the United States Bureau of Reclamation for a water supply from New Melones dam and reservoir on the Stanislaus River; and

WHEREAS, in the 1990’s, when Stockton East began construction of the New Melones Conveyance System, Central and Stockton East negotiated agreements under which Central would pay Stockton East to wheel Central’s water in Stockton East’s planned New Melones Conveyance System, and to oversize the facilities in the conveyance system for this purpose; and

WHEREAS, Central does not have available any conveyance facility to divert and transport Stanislaus River water to its service area other than Stockton East’s New Melones Conveyance System; and

WHEREAS, for the years 1993 through 2008 Stockton East wheeled water through the New Melones Conveyance System for Central’s use based on contractual agreements between Stockton East and Central known as the Contract Between Central San Joaquin Water Conservation District and Stockton East Water District dated January 31, 1990 and the Contract Between Central San Joaquin Water Conservation District and Stockton East Water District dated August 29, 1991 (collectively referred to as the “Wheeling Contracts”) and in 2009 Stockton East wheeled water for Central based on a special one-year agreement related to consolidation negotiations; and

WHEREAS, Stockton East terminated the Wheeling Contracts in 2009 due to lack of payment by Central; and

WHEREAS, Central has requested that Stockton East wheel 30,000 acre-feet of Central’s New Melones water through the New Melones Conveyance System in 2017 pursuant to Water Code sections 1810 et seq. (the “Wheeling Statutes”); and

WHEREAS, the Wheeling Statutes require that Stockton East wheel water for Central if there is excess capacity in the New Melones Conveyance System and Central pays fair compensation for the wheeling service; and

WHEREAS, Stockton East is prepared to make findings regarding the existence of excess capacity and the fair compensation wheeling rate in order to facilitate wheeling for Central;

THEREFORE, the Board of Directors of Stockton East Water District finds as follows:

FINDINGS

1. New Melones Conveyance System

- a. The New Melones Conveyance System (“NMCS”) consists of six components as illustrated on the map attached hereto as Exhibit A and explained below:
 - a. Component 1: The Goodwin Dam, which pools water released from New Melones reservoir so that it can be diverted by Stockton East. Located at node 1 on Exhibit A.
 - b. Component 2: The Goodwin Tunnel, which conveys water from behind Goodwin Dam through a 3.3 mile tunnel beginning at the North side of the Stanislaus River, East of the Goodwin Diversion Dam (node 1 on Exhibit A) and ending at the tunnel outlet (node 2 on Exhibit A), and has a capacity of 850 cubic feet per second.
 - c. Component 3: The Upper Farmington Canal, which conveys water from the tunnel outlet (node 2 on Exhibit A) approximately 10.3 miles to Shirley Gulch (node 5 on Exhibit A), with a capacity of 550 cubic feet per second.
 - d. Component 4: The Shirley Gulch Improvements (also called the Shirley/Hoods/Rock Creek System) are a series of improved natural creek channels which convey water from the terminous of the Upper Farmington Canal (node 5 on Exhibit A) approximately 16 miles to the outlet of Farmington Dam (node 12 on Exhibit A). This portion of the NMCS has a capacity of 550 cubic feet per second.
 - e. Component 5: The Lower Farmington Canal is an approximately 9.7 mile long canal with a capacity of 300 cubic feet per second which conveys water from the outlet of Farmington Dam (node 12 on Exhibit A) to the inlet of the Peters Pipeline (node 19 on Exhibit A).
 - f. Component 6: The Peters Pipeline which conveys water from the terminous of the Lower Farmington Canal (node 19 on Exhibit A) to the Stockton East Treatment Plant (node 22 on Exhibit A).
- b. Central’s Use of the New Melones Conveyance System
 - a. Stockton East has a contract with the United States to receive up to 75,000 acre-feet of water from New Melones annually.
 - b. Central has a contract with the United States to receive up to 80,000 acre-feet of water from New Melones annually.

- c. Stockton East diverts water from New Melones year round to serve its Municipal and Industrial customers and recharge groundwater and during the irrigation season to serve its agricultural customers.
- d. Central currently diverts water only during the irrigation season to serve its agricultural customers.
- e. When Central is diverting water, the water travels through the Goodwin Tunnel, the Upper Farmington Canal, the Shirley/Hoods/ Rock Creek System, and 2.65 out of 9.7 miles of the Lower Farmington Canal (nodes 12 through 14 on Exhibit A), thereby using Components 1, 2, 3, 4, and part of 5 of the NMCS. Central uses a very small part of the remaining capacity of the Lower Farmington Canal to deliver water to two farmers. For purposes of this analysis, this additional use has not been taken into account. If Central's use of the remaining capacity of the Lower Farmington Canal, or any of the Stockton East facilities, increases in the future, Stockton East will need to address it by allocating additional costs to Central for the purposes of establishing the wheeling rate. Central does not use the Peters Pipeline (located between nodes 19 and 22 on Exhibit A) or the Stockton East treatment plant (node 22 on Exhibit A) and the costs related to these facilities of the Stockton East system are not included in this analysis.
- f. When the NMCS was designed, Components 1, 2, 3, and 4 (the Goodwin Dam, Goodwin Tunnel, Upper Farmington Canal and Shirley Gulch Improvements) were oversized to accommodate a maximum diversion rate for Central of 350 cubic feet per second. See Contract between Central San Joaquin Water Conservation District and Stockton East Water District dated January 31, 1990 at page 3-4, 6.
- g. When the NMCS was designed, Component 5 (the Lower Farmington Canal) was oversized to accommodate a maximum diversion rate for Central of 100 cubic feet per second through node 14 on Exhibit A (the Duck Creek outlet). The Contract Between Central San Joaquin Water Conservation District and Stockton East Water District dated August 29, 1991 at page 3 explains that the Lower Farmington Canal (Component 5) was originally designed with a 200 cubic feet per second capacity. This design was modified for the first 14,000 feet (2.65 miles) of the 9.7 mile Canal to allow a new maximum flow of 300 cubic feet per second, upgraded gates at the Funck Road pipe crossing and a turnout structure to facilitate diversion of water into the Central's Duck Creek distribution system.
- h. The difference between the two maximum flow rates for Central (350 cfs and 100 cfs) in the different parts of the NMCS is due to the fact that Central diverts the majority of its water at the Farmington Dam outlet (node 12 on Exhibit A).

- i. Exhibit B details the portions of the NMCS used by Central and how much of the capacity in each system component is needed for Central based on Central's use of the NMCS over three years previous when water was delivered. Based on this analysis, Stockton East anticipates Central will use 167.9 cfs of capacity in the NMCS in 2017 based on Central's use of the system over the past three years. See Exhibit B-2.

1. **Excess Capacity:** Based on the foregoing we find that there is capacity available in Components 1, 2, 3, 4, and the first 2.65 miles of Component 5 of the NMCS to wheel approximately 30,000 acre-feet of water for Central in 2017 without adversely impacting other legal users of the NMCS. Stockton East further finds that the wheeling of water for Central is consistent with historic operations and will not have any adverse impact on the environment or the county from which the water is wheeled.

2. **Fair Compensation:**

a. Legal Requirements

- i. Water Code section 1810 (a) states that no "local public agency may deny a bona-fide transferor of water the use of a water conveyance facility which has unused capacity, for the period of time for which that capacity is available, if fair compensation is paid for that use..."
- ii. Water Code section 1811(c) defines "Fair Compensation" to mean "the reasonable charges incurred by the owner of the conveyance system, including capital, operation, maintenance, and replacement costs, increased costs from any necessitated purchase of supplemental power, and including reasonable credit for any offsetting benefits for the use of the conveyance system."

b. Method to Determine Fair Compensation and Set a 2017 Wheeling Rate

- i. Stockton East has developed a wheeling rate for 2017 using a methodology similar to that used in 2011 with the following changes:
 - 1. Capital Cost: In 2011, Stockton East included depreciation and a rate of return in the capital cost component of the rate. Central has argued that the rate of return was too high because it exceeded Stockton East's cost of debt. While Stockton East understands that the rate of return used in setting the 2011 rate is consistent with industry standard, Stockton East will reduce the rate of return in the 2017 rate to the district's cost of debt in order to lower the wheeling rate and help facilitate the transfer of water.
 - 2. Operation and Maintenance ("O&M") Cost: In 2011, Stockton East used budgeted operation and maintenance costs as the foundation

for the allocation to Central, including salaries for positions budgeted to the NMCS, subject to a true-up based on actual expenses. Central argued that this method overstated labor expense associated with the NMCS because some of these employees do not spend 100% of their time on the NMCS. Central is correct that these employees do not spend 100% of their time on the NMCS. They may also work on other divisions, including the Water Supply Division and the Treatment Plant Division. However, there are also employees who are budgeted to the Water Supply and Treatment Plant Divisions who work on the NMCS, including the portions used by Central, whose salaries were not previously included in the computation of the 2011 rate. While the actual time spent on the NMCS is accounted for in the true-up process, in order to try and more precisely compute the amount of labor expense associated with the portion of the NMCS used by Central, Stockton East has identified all of the employee positions that work on the NMCS and reviewed work orders in order to estimate the amount of time that each employee position spends on the portion of the NMCS used by Central. See Exhibit E-3. As of April 1, 2017, these employees will record time spent on the portions of the NMCS upstream of Duck Creek separately on their work orders to ensure that the “true-up” of the final 2017 wheeling rate will reflect charges for only labor expense associated with the portion of the NMCS used by Central for wheeling.

c. Capital Cost Component (“Fixed Component”)

- i. Capital Cost Method: The Water Code section 1811(c) includes capital charges incurred by the owner of the conveyance facility as one component of fair compensation to be addressed in the wheeling rate. The capital costs incurred by Stockton East are fixed costs that do not change based on the amount of water wheeled through the NMCS. Rather, the cost is based on the size of the constructed system and the reserved capacity for each user. Using the Utility Approach, the total capital cost includes the allocated depreciation and rate of return for that portion of the capacity of the NMCS that Central uses.
- ii. Total Capital Cost: The industry standard for computing capital cost is to use one of two methods: The Cash-Needs Approach or the Utility Approach. Stockton East used the Utility Approach. Using the Utility Approach, the total value of the assets used by Central is \$31,379,090. Central’s share of the rate of return and depreciation for these assets is \$627,058. See Exhibit D-1. Stockton East’s cost of debt was used as a proxy for the rate of return. See Exhibits C1-C3.

d. Replacement Cost Component

- i. Water Code section 1811(c) allows Stockton East to allocate replacement costs to Central, as defined in section 1811(d). Stockton East has not identified any replacement costs, as defined in Water Code section 1811(d), for 2017 to be included in the 2017 wheeling rate. If a replacement cost is incurred, it will be included as part of the true-up based on actual cost. If the cost is expensed, it will be added to Operation and Maintenance Costs. If the cost is capitalized, it will be added to the fixed asset listing for the NMCS and an appropriate share of depreciation and rate of return will be allocated to Central.

e. Operation and Maintenance Component

- i. Method: Stockton East incurs expenses relating to operating and maintaining the NMCS. A portion of these NMCS operation and maintenance expenses should be allocated to Central. These expenses can vary from year to year and are more properly allocated between Central and Stockton East based on the amount of water that Central wheels through the NMCS in a given year compared to the total amount of water wheeled through the NMCS. To determine the proper operation and maintenance cost component the district needed to (1) identify those NMCS operation and maintenance expenses that relate to the portions of the system used by Central, and (2) determine how to allocate those expenses between Central and Stockton East.

Stockton East also incurs administrative expenses for functions that relate to the District's entire water system, such as accounting, finance, management, etc. A portion of these costs also need to be allocated to Central and included as part of the operation and maintenance component. In order to determine the proper allocation of administrative expenses, the District needed to (1) identify those administrative expenses that relate to portions of the system used by Central, and (2) determine how to allocate those expenses between Central and Stockton East. The allocation used to allocate administrative expenses between Central and Stockton East was based on the proportion of NMCS operation and maintenance expenses allocated to Central to Stockton East's total budget (as shown in Exhibit E-1).

- ii. Operation and Maintenance Expenses Identification: Stockton East allocates operation and maintenance expenses for the NMCS in its annual budget in "Fund 71". These expenses for the 2017-2018 budget total \$1,710,277. Stockton East reviewed each of these expenses to determine which expenses relate to the portion of the NMCS used by Central. See Exhibit E-3. For salary and labor expenses budgeted to Fund 71, Stockton East allocated only that portion of the position cost that reflects time spent on the portion of the NMCS used by Central. Stockton East also included

a portion of the salary expense for employees from the Water Supply and Treatment Plant Divisions that reflects the portion of these employees' time spent on the portion of the NMCS used by Central. Of these expenses, \$920,442 relate to the portions of the NMCS used by Central. See Exhibit E-3.

- iii. Allocation to Central: Over the past three years, Central's water has made up 42.5% of the water conveyed through Components 1 through 4 of the NMCS and 9.7% of the water conveyed through the first 2.75 miles of Component 5 (see Exhibit B-1). Allocating operation and maintenance expenses on this basis, Central's share is \$556,194. See Exhibit E-3.
 - iv. Administrative Expenses. Stockton East's total budgeted administrative expenses are \$5,247,337 See Exhibit E-2. The ratio of Central's share of operation and maintenance expense (\$556,194) to Stockton East's total operation and maintenance budget (\$17,423,997) is a fair way to determine how much of these administrative expenses should be allocated to Central. This ratio is 3.2%. See Exhibit E-4. Since some administrative positions do not work on the New Melones Conveyance System, the portion of taxes and benefits allocated to Central is 1.8% and the total of administrative expenses allocated to Central is \$48,789. See Exhibit E-2. Care has been taken to ensure that none of the cost of certain administrative items that are not related to Central has been included in this allocation, such as office equipment or election expenses.
 - v. Adjustment of Volumetric Charge: The volumetric charge has been computed based on budgeted expenses and assumed deliveries to Central of 34,866 acre-feet in 2017. See Exhibit B-1. This charge is \$17.35 per acre-foot. See Exhibit F. This charge should be paid as a deposit. Actual expenses and number of acre-feet wheeled will be used to adjust the actual charge each year, pursuant to the "true-up" method described below.
- f. Power Component
- i. The diversion and conveyance of water through the New Melones Conveyance System for Central does not require the use of power, therefore the power component of the fair compensation rate is zero.
- g. Offsetting Benefit Credit
- i. The Wheeling Statutes provide that the fair compensation wheeling rate may be reduced by a reasonable credit for any offsetting benefits for the use of the NMCS by Central.
 - ii. Stockton East understands this credit to apply in situations where the use of the conveyance system by Central has an offsetting benefit to Stockton East

with regard to the costs of operating the conveyance system. For example, if Stockton East was able to generate power by running water through the conveyance system, the use of the system by Central would mean that more water was running through the system and more power was generated, thereby raising revenue for Stockton East to offset the cost of operating the system. However, Stockton East does not generate power through this system and the running of more water through the system does not help Stockton East generate any other revenue.

- iii. Stockton East has also investigated whether or not the running of more water through the NMCS has any offsetting benefits vis-à-vis the cost to maintain the system, such as reduced need for weed control, which would justify a credit. Stockton East has concluded that running more water through the system may have some minor advantages with respect to reduced weeds, but these advantages are offset by increased maintenance costs associated with increased erosion and wear and tear, as well as an increased need for system management, when more water is run through the system. On this basis, Stockton East cannot identify or compute an offsetting benefit credit related to a reduction in expenses associated with wheeling water for Central.
- iv. Central has proposed that Stockton East should provide an offsetting credit benefit to encourage the delivery of surface water to Central's service area because the use of surface water by Central provides benefits to all who utilize the over drafted Eastern San Joaquin County groundwater basin by helping to reduce overdraft and prevent groundwater levels from continuing to decline. Stockton East agrees that the use of surface water by Central is a good thing and benefits the basin as a whole. Stockton East does not agree, however, that this benefit "offsets" the cost of operating the New Melones conveyance system in such a way as to be considered an offsetting benefit credit as that term is used in the Wheeling Statutes.
- v. Stockton East has also considered whether or not the use of surface water by Central's farmers will have any impact on the groundwater recharge efforts of Stockton East. Stockton East has concluded that the groundwater recharge efforts of Stockton East will continue regardless of the use of surface water by Central's farmers because the use of approximately 30,000 acre-feet of surface water by Central's farmers is insufficient to address the groundwater overdraft situation in Central, let alone the overdraft situation in Stockton East.
- vi. The benefit to the basin from Central's farmers' use of surface water is the same benefit to the basin from Stockton East's delivery of surface water to its agricultural and municipal and industrial customers. This benefit is why the NMCS was constructed in the first place, but does not relate at all to the cost operating the system or the revenue generated by the system for

Stockton East. To the extent that Central desires to obtain a subsidy to help its farmers be able to afford to use more surface water, Stockton East would encourage such efforts to the extent they can be achieved within the bounds of the law. However, Stockton East cannot create that subsidy for Central through the setting of fair compensation under the Wheeling Statutes as this would be contrary to the plain meaning of the statutes and fundamentally unfair to Stockton East's own agricultural and municipal and industrial customers.

h. Facilitating Transfers

- i. Water Code section 1813 requires Stockton East, in making the determination of the wheeling rate, to act in a reasonable manner consistent with the requirements of law to facilitate the voluntary sale, lease or exchange of water. Stockton East has done so by timely setting a wheeling rate consistent with the requirements of fair compensation defined in Section 1811(c). Stockton East has also modified its rate setting methodology to use a lower cost of capital and more specific allocation of labor expense, which have resulted in a lower wheeling rate.
- ii. Central has argued that Stockton East's wheeling rate cannot be higher than \$5 or \$6 dollars because when combined with the cost of purchasing surface water, the total cost of surface water to Central's farmers is more than the cost of pumping groundwater, which discourages the use of surface water. Stockton East understands this situation because it faces a similar situation with its Agricultural Division. However, Stockton East is not required by law to allocate fewer costs to Central than are otherwise allowed by Section 1811(c) in order to subsidize the use of surface water within Central. Further, this would be unfair to Stockton East's other rate payors who would be asked to pay a disproportionate share of the costs of the NMCS.

BASED ON THE FINDINGS SET FORTH ABOVE, THE STOCKTON EAST WATER DISTRICT BOARD OF DIRECTORS RESOLVES AS FOLLOWS:

1. Stockton East has excess capacity available to wheel water for Central through the Components 1, 2, 3, 4, and 2.7 miles of Component 5, between April 1, 2017 and March 31, 2018, for approximately 30,000 acre-feet.
2. Stockton East will use this excess capacity to wheel water for Central provided Central agrees to pay the Fair Compensation Wheeling Rate.
3. The Fair Compensation Wheeling Rate that Central must pay for use of the New Melones Conveyance System between April 1, 2017 and March 31, 2018 shall be based on two components: (1) a Fixed Component and (2) a Volumetric Component.

- a. The Fixed Component shall be \$627,058 for the year, as set forth in Exhibit D-1, Exhibit F, and payable in twelve monthly installments of \$52,255 each.
 - b. The Volumetric Component shall be \$17.35 per acre-foot, as set forth in Exhibit F and payable as an advance subject to later final adjustment based on the scheduled amount of water to be wheeled each month.
 - c. Both the Fixed and Volumetric Components set forth above have been specially computed for the time period April 1, 2017 through March 31, 2018 based on Central's request for wheeling for 2017. Stockton East reserves the right to modify the wheeling rate in the future should circumstances change.
4. Stockton East staff shall use the following method to charge and collect the Fair Compensation Wheeling Rate:
- a. Fixed Component.
 1. The Fixed Component of the Fair Compensation Rate will not change based on the total amount of water wheeled through the system in 2017. The Fixed Component should be billed and collected monthly from Central in 12 equal installments from April 2017 through March 2018.
 - b. Volumetric Component
 1. The final volumetric component cannot be finally determined until actual expenses for 2017-2018 are known and actual number of acre-feet wheeled through the system for 2017-2018 are known.
 2. The volumetric component has been estimated based on (1) budgeted expenses for April 1, 2017 through March 31, 2018, and (2) projected water flow through the system by Central and Stockton East based on the prior three-year average. The volumetric component should be charged to Central monthly, in advance, based on the amount of water Central schedules for delivery during the month, and due and payable by the 15th of the month, for each month of the year for which Central requests wheeling services.
 3. Stockton East shall cause an actual expense and water delivery reconciliation to be performed as soon as practical after the audit is complete for the 2017-2018 fiscal year in order to establish the final actual volumetric component rate for April 1, 2017 through March 31, 2018 (a "true-up"). Stockton East shall deliver a copy of the "true-up" reconciliation to Central along with a letter of explanation as to whether Central has a credit balance or owes additional sums. If a credit balance occurs, the credit can be applied to any charges owing for the then current year (2018-2019) and reflected on the next invoice sent to Central. If

additional sums are owed, Central shall pay the additional sum within 30 days of invoice.

PASSED AND ADOPTED by the Board of Directors of the Stockton East Water District on this 4th day of April 2017, by the following votes of the members thereof:

AYES:

NAYES:

ABSENT:

ABSTAIN:

DRAFT

Thomas McGurk, President
Board of Directors
Stockton East Water District

ATTEST:

DRAFT

Scot A. Moody, Secretary
Stockton East Water District

EXHIBITS

- A. MAP OF NEW MELONES CONVEYANCE SYSTEM
- B. SPREADSHEET SHOWING PORTIONS OF SYSTEM USED BY CENTRAL, AMOUNT OF WATER CONVEYED IN THE SYSTEM FOR THE LAST THREE YEARS AND RESERVED CAPACITY NEEDED FOR CENTRAL'S DELIVERIES
- C. CALCULATION OF DISTRICT'S COST OF CAPITAL (Cost of Debt)
- D. CAPITAL COST CALCULATION FOR PORTION OF SYSTEM USED BY CENTRAL
- E. CALCULATION AND ALLOCATION OF OPERATION AND MAINTENANCE EXPENSES TO CENTRAL
- F. SUMMARY OF FIXED AND VOLUMETRIC COMPONENTS FOR 2017 WHEELING RATE

NEW MELONES WATER CONVEYANCE SYSTEM

STOCKTON EAST WATER DISTRICT

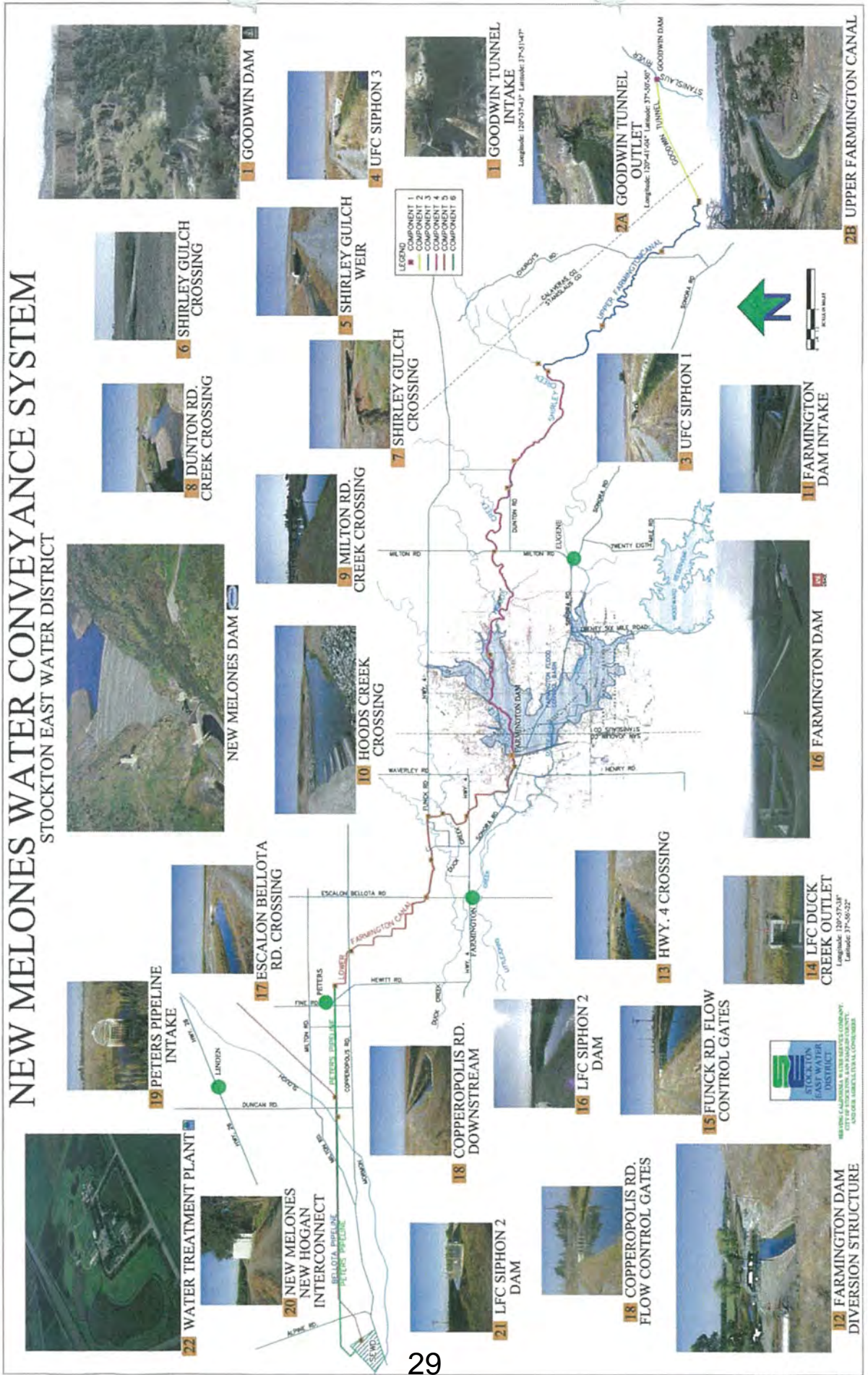


Exhibit B-1

3/29/2017

Stockton East Water District
Calculation of Wheeling Rate
Summary of Water Use
Schedule B

Fiscal Year	New Melones System Flow in Acre Feet (AF) (1)				Code
(04/01-03/31)	Central	SEWD	Total New Melones System Flow	% of Central Flow to Total Flow	
2012-2013	33,743	48,265	82,008	41.1%	
2013-2014	34,801	59,697	94,498	36.8%	
2014-2015	36,053	36,919	72,972	49.4%	
3-yr average (2012-2015)	34,866	48,294	83,159	42.5%	C

Fiscal Year	Central's Flow in New Melones System in Acre Feet (AF) (1)				Code
(04/01-03/31)	Lower Farmington Canal (LFC)	Rest of NM System	Subtotal - Central's Flow in NM System	% of Central Flow in LFC to Total New Melones Flow	
2012-2013	7,422	26,321	33,743	9.1%	
2013-2014	8,061	26,740	34,801	8.5%	
2014-2015	8,410	27,643	36,053	11.5%	
3-yr average (2012-2015)	7,964	26,901	34,866	9.7%	D

(1) Source of the New Melones System Flow was obtained from the District's monthly flow reports titled "New Melones Monthly Water Release Record" for each month from April 1, 2012 to March 31, 2015.

(2) The last three "normal" water years were used for these calculations (as a result of the drought).

Exhibit B-2

3/29/2017

Stockton East Water District Calculation of Wheeling Rate

Summary of Calculation of Reserved Capacity (1) Schedule B

Water Flow in the New Melones System in Acre Feet (AF)

SEWD

Month

SEWD - New Melones Conveyance System Flow in Acre Feet (AF) (1)			
2012-2013	2013-2014	2014-2015	3-Year Average
2,945	4,057	3,947	3,650
6,531	5,465	4,062	5,353
7,026	6,236	4,563	5,942
6,928	6,618	4,592	6,046
7,134	6,502	4,420	6,019
5,705	6,047	4,204	5,319
4,592	5,314	3,773	4,560
555	3,534	3,126	2,405
851	4,353	1,576	2,260
1,094	4,552	2,615	2,754
1,470	3,383	41	1,631
3,434	3,636	0	2,357
TOTALS	48,265	59,697	48,294

Average Daily Flow in Acre Feet
(Total Annual AF divided by 365 days)

132 164 101 132

Max Day Flow in Acre Feet (1)

288 280 217 262

Peaking Factor (Max Day / Avg Day)

2.18 **1.71** **2.15** **2.01**

Peak Day Flow in AF

288.0 280.0 217.0 261.7

Peak Day Flow converted to CFS (2)
(Reserved Capacity)

145.2 **141.2** **109.4** **131.9**

CENTRAL

Month

CENTRAL- New Melones Conveyance System Flow in Acre Feet (AF) (1)			
2012-2013	2013-2014	2014-2015	3-Year Average
519	3,227	2,805	2,184
5,665	6,515	5,903	6,028
6,963	6,443	7,102	6,836
8,288	8,332	9,253	8,624
8,055	6,529	7,125	7,236
3,595	2,342	2,769	2,902
636	578	1,053	756
22	82	43	49
0	0	0	0
0	75	0	25
0	0	0	0
0	678	0	226
33,743	34,801	36,053	34,866

Average Daily Flow in Acre Feet
(Total Annual AF divided by 365 days)

92 95 99 96

Max Day Flow in Acre Feet (1)

335 292 372 333

Peaking Factor (Max Day / Avg Day)

3.62 **3.06** **3.77** **3.48**

Peak Day Flow in AF

335.0 292.0 372.0 333.0

Peak Day Flow converted to CFS (2)
(Reserved Capacity)

168.9 **147.2** **187.6** **167.9**

Exhibit B-3

3/29/2017

Schedule B

Total Reserved Capacity - CFS

SEWD
Central

Total New Melones Reserved Capacity in CFS			
2012-2013	2013-2014	2014-2015	3-Year Average
145.2	141.2	109.4	131.9
168.9	147.2	187.6	167.9
314.1	288.4	297.0	310.6

Component 2:

Capacity of Goodwin Tunnel-CFS
SEWD's Reserved Capacity
Central's Reserved Capacity
Unreserved Capacity

850	850	850	850
17.1%	16.6%	12.9%	15.5%
19.9%	17.3%	22.1%	19.8%
63.0%	66.1%	65.1%	64.7%
100.0%	100.0%	100.0%	100.0%

E

Component 3 & 4 :

Capacity of UFC and Shirley Gulch - CFS
SEWD's Reserved Capacity
Central's Reserved Capacity
Unreserved Capacity

550	550	550	550
26.4%	25.7%	19.9%	24.0%
30.7%	26.8%	34.1%	30.5%
42.9%	47.6%	46.0%	45.5%
100.0%	100.0%	100.0%	100.0%

F/G/H

(1) Source of the New Melones System Flow was obtained from the District's monthly flow reports titled "New Melones Monthly Water Release Record" for each month from April 1, 2012 to March 31, 2015, which has daily flow information for each month.

(2) The conversion factor for converting AF to CFS is 1 AF equals 0.001381280 CFS.

CENTRAL's Water Flow in the Lower Farmington Canal of the New Melones System in Acre Feet (AF) (1)

CENTRAL

Month

APRIL
MAY
JUNE
JULY
AUG
SEPT
OCT
NOV
DEC
JAN
FEB
MAR

CENTRAL - Lower Farmington System Flow in AF (1)			
2012-2013	2013-2014	2014-2015	3-Year Average
244	783	891	639
1,203	1,427	1,605	1,412
1,513	1,793	1,686	1,664
1,878	1,775	1,680	1,778
1,793	1,316	1,281	1,463
616	629	493	579
153	181	656	330
22	82	43	49
-	-	-	-
-	75	75	50
-	-	-	-
-	-	-	-
-	-	-	-

(1) Excludes Rock Creek Flow.

Average Daily Flow in Acre Feet
(based on 365 days)

Max Day Flow in Acre Feet

Peaking Factor (Max Day / Avg Day)

Peak Day Flow in CFS
(Reserved Capacity)

20	22	23	22
76	105	99	93
3.74	4.75	4.30	4.26
38.3	52.9	49.9	47.1

Total Reserved Capacity in Lower Farmington Canal - cfs

SEWD's Reserved Capacity
Central's Reserved Capacity

145.2	141.2	109.4	131.9
38.3	52.9	49.9	47.1
183.5	194.1	159.3	179.0

Component 5:

Capacity of Lower Farmington Canal - CFS
SEWD's Reserved Capacity
Central's Reserved Capacity
Unreserved Capacity

300	300	300	300
48.4%	47.1%	36.5%	44.0%
12.8%	17.6%	16.6%	15.7%
38.8%	35.3%	46.9%	40.3%
100.0%	100.0%	100.0%	100.0%

I

(1) Source of the New Melones System Flow was obtained from the District's monthly flow reports titled "New Melones Monthly Water Release Record" for each month from April 1, 2012 to March 31, 2015, which has daily flow information for each month.

Exhibit C-1

Stockton East Water District
Calculation of Wheeling Rate
Calculation of Cost of Debt
Schedule C

1992 B Bonds (Note 1)					1997 Bonds (Note 2)				
YEAR	Principal	Interest	Total	Weighted Average	Principal	Interest	Total	Interest Rate	Weighted Average
1998					\$ 110,000	\$ 177,041		1.6%	0.02%
1999					\$ 70,000	\$ 527,053		4.7%	0.03%
2000					\$ 70,000	\$ 524,323		4.7%	0.03%
2001					\$ 75,000	\$ 521,558		4.7%	0.03%
2002					\$ 80,000	\$ 518,520		4.7%	0.03%
2003					\$ 80,000	\$ 515,240		4.7%	0.03%
2004					\$ 85,000	\$ 511,880		4.7%	0.04%
2005					\$ 90,000	\$ 508,225		4.7%	0.04%
2006					\$ 420,000	\$ 504,265		4.7%	0.18%
2007					\$ 440,000	\$ 485,575		4.8%	0.19%
2008					\$ 460,000	\$ 465,775		4.8%	0.20%
2009					\$ 485,000	\$ 444,615		4.8%	0.21%
2010					\$ 505,000	\$ 421,820		4.8%	0.22%
2011					\$ 530,000	\$ 397,580		4.8%	0.23%
2012					\$ 555,000	\$ 371,610		4.8%	0.24%
2013					\$ 580,000	\$ 344,138		4.8%	0.26%
2014					\$ 615,000	\$ 316,588		4.8%	0.27%
2015					\$ 635,000	\$ 287,375		4.8%	0.28%
2016					\$ 670,000	\$ 257,213		4.8%	0.30%
2017					\$ 705,000	\$ 225,388		4.8%	0.31%
2018					\$ 735,000	\$ 191,900		4.8%	0.32%
2019					\$ 770,000	\$ 156,988		4.8%	0.34%
2020					\$ 805,000	\$ 120,413		4.8%	0.36%
2021					\$ 845,000	\$ 82,175		4.8%	0.37%
2022					\$ 885,000	\$ 42,038		4.8%	
2023									
2024									
2025									
2026									
2027									
2028									
2029									
\$ 20,705,319 \$ - \$ - \$ - 7.0% % of Total Outstanding Principal 25% Weighted Average Interest Rate 1.77%					\$ 11,300,000 \$ 8,919,291 \$ - 4.7% 14% 0.65%				

Note 1: The principal amount and the interest rate were obtained from the cover of the Final Official Statement for the Series 1992 A and 1992 B Certificates of Participation.

Note 2: The 1997 principal and interest were obtained from the Final Official Offering Statement for the 1997 Installment Payments, page 7.

Exhibit C-2

Stockton East Water District
Calculation of Wheeling Rate
Calculation of Cost of Debt
Schedule C

2002A Bonds (Note 3)						2002B Bonds (Note 4)					
YEAR	Principal	Interest	Total	Interest Rate	Weighted Average	Principal	Interest	Total	Interest Rate	Weighted Average	
1998											
1999											
2000											
2001											
2002											
2003	\$ 1,130,000	\$ 1,232,890	\$ 2,362,890	4.9%	0.2%				0.0%	0.0%	
2004	\$ 1,170,000	\$ 1,022,943	\$ 2,192,943	4.3%	0.2%				0.0%	0.0%	
2005	\$ 1,205,000	\$ 987,843	\$ 2,192,843	4.3%	0.2%				0.0%	0.0%	
2006	\$ 920,000	\$ 951,613	\$ 1,871,613	4.4%	0.2%				0.0%	0.0%	
2007	\$ 945,000	\$ 924,013	\$ 1,869,013	4.5%	0.2%				0.0%	0.0%	
2008	\$ 975,000	\$ 893,300	\$ 1,868,300	4.5%	0.2%				0.0%	0.0%	
2009	\$ 1,010,000	\$ 860,150	\$ 1,870,150	4.6%	0.2%				0.0%	0.0%	
2010	\$ 1,045,000	\$ 823,538	\$ 1,868,538	4.6%	0.2%				0.0%	0.0%	
2011	\$ 1,090,000	\$ 781,738	\$ 1,871,738	4.7%	0.2%				0.0%	0.0%	
2012	\$ 1,130,000	\$ 738,138	\$ 1,868,138	4.7%	0.2%				0.0%	0.0%	
2013	\$ 1,180,000	\$ 692,938	\$ 1,872,938	4.8%	0.2%				0.0%	0.0%	
2014	\$ 1,230,000	\$ 642,788	\$ 1,872,788	4.8%	0.2%				0.0%	0.0%	
2015	\$ 1,285,000	\$ 588,975	\$ 1,873,975	4.9%	0.2%				0.0%	0.0%	
2016	\$ 1,335,000	\$ 531,150	\$ 1,866,150	4.9%	0.3%				0.0%	0.0%	
2017	\$ 1,400,000	\$ 471,075	\$ 1,871,075	5.0%	0.3%	\$ 1,948,685		\$ 1,948,685	5.82%	0.6%	
2018	\$ 1,470,000	\$ 405,275	\$ 1,875,275	5.0%	0.3%	\$ 1,823,010		\$ 1,823,010	5.88%	0.6%	
2019	\$ 1,535,000	\$ 335,450	\$ 1,870,450	5.1%	0.3%	\$ 1,706,287		\$ 1,706,287	5.93%	0.6%	
2020	\$ 1,615,000	\$ 258,700	\$ 1,873,700	5.1%	0.3%	\$ 1,595,484		\$ 1,595,484	5.98%	0.5%	
2021	\$ 1,690,000	\$ 177,950	\$ 1,867,950	5.1%	0.3%	\$ 1,495,927		\$ 1,495,927	6.01%	0.5%	
2022	\$ 1,780,000	\$ 93,450	\$ 1,873,450	5.3%	0.4%	\$ 1,401,740		\$ 1,401,740	6.04%	0.5%	
2023						\$ 1,315,402		\$ 1,315,402	6.06%	0.5%	
2024						\$ 1,233,884		\$ 1,233,884	6.08%	0.4%	
2025						\$ 1,159,572		\$ 1,159,572	6.09%	0.4%	
2026						\$ 1,089,528		\$ 1,089,528	6.10%	0.4%	
2027						\$ 1,023,524		\$ 1,023,524	6.11%	0.4%	
2028						\$ 962,331		\$ 962,331	6.12%	0.3%	
2029						\$ 902,715		\$ 902,715	6.13%	0.3%	
	\$ 25,140,000	\$ 13,413,912	\$ 38,553,912	4.8%	31%	\$ 17,658,089	\$ -	\$ 17,658,089	6.0%	6.0%	
					1.48%				22%	22%	
									1.30%	1.30%	

Note 3: Principal and interest was obtained from the Final Official Statement for the 2002 A Certificates of Participation, page 6.

Note 4: Principal and interest rates were obtained from the Final Official Statement of the 2002 B Certificates of Participation, the page after the cover which is titled "Maturity Schedule".

2005 Installment Purchase Agreement (Note 5)

Note 5: The 2005 principal and interest were obtained from the Installment Purchase Agreement for the 2005 Installment Payments, page 13.

Exhibit C-4

Stockton East Water District
Calculation of Wheeling Rate
Calculation of Debt versus Equity
Schedule C

2015-2016

Total Assets \$ 236,717,240

Total Liabilities and Equity

Total Liabilities

Current Liabilities

Long-term Liabilities

Subtotal: Liabilities

Net Assets

Invested in capital, net of debt

Restricted

Unrestricted

Subtotal: Assets

Total Liabilities and Equity \$ -

Calculation of Long-Term Debt and Equity:

Current liabilities:

Accounts payable

Compensated absences

Deferred revenue

Customer advances for construction

Post employee

Interest accrued on long-term obligations

Current portion of long-term debt

\$ 84,492,209
\$ 23,583,978
\$ 108,076,187

Total Long-Term Debt

Long-term debt

\$ 76,465,861

\$ 108,076,187

\$ 184,542,048 82.71% % of Debt

Total Net Assets/Equity

\$ 38,583,091 17.29% % of Equity

Total Long-Term Debt and Equity

\$ 223,125,139 100.00%

(1) Source Document: "Audited Financial Statements Fiscal Year 2015-2016."

Exhibit C-5

Stockton East Water District
Calculation of Wheeling Rate
Weighted Average Cost of Capital
Schedule C

COST OF DEBT CAPITAL			
Rate on Utility Bonds (1)			5.54%
COST OF EQUITY CAPITAL			
Risk Free Rate - Long-Term U.S. Treasury Bond Yield (2)			2.68%
Equity Risk Premium (2)	6.90%		
Beta for Water Companies (3)	0.54		
Adjusted Equity Risk Premium			3.73%
Total Build-up of Cost of Equity Capital			6.41%
DEBT STRUCTURE (4)			
Debt as Percentage of Capital			82.7%
Equity as Percentage of Capital			17.3%
WEIGHTED AVERAGE COST OF CAPITAL (WACC)			
Weighted Cost of Debt			4.58%
Weighted Cost of Equity			1.11%
Weighted Average Cost of Capital			5.69%

(1) Represents the weighted average cost of all outstanding debt issued by the Stockton East Water District.

(2) Key Variables in Estimating the Cost of Capital, SBBI Valuation Edition 2016 Yearbook (based on 2015 data).

(3) Median beta for the 7 publicly traded water companies as of December 31, 2015.

(4) Calculated based on the long-term debt and net assets (or equity) as reported in the fiscal year 2015-2016 Financial Statements prepared for the Stockton East Water District, page 11.

Exhibit D-1

3/29/2017

Stockton East Water District Calculation of Wheeling Rate Summary of Actual Costs Incurred Schedule D

Fixed Asset Records

Original Cost	Implied Service Life	Annual Depreciation	Accumulated Depreciation	Net Book Value (NBV) as of 2016	Implied number of years of depreciation
\$ 77,102,804	50	\$ 1,548,931	\$ 32,394,534	\$ 44,708,270	21
\$		\$ 1,542,056			

(1) Fixed asset records exclude capitalized interest. These figures were obtained from the District's "Depreciation Summary Report 4/01/15 to 3/31/16"

New Melones System Fixed Asset Listing (exclusive of Capitalized Interest) (2)	Actual Costs for Construction (2)	Service Life	Annual Depreciation	Accumulated Depreciation (18 years)	Net Book Value	Portion of system used by Central	Code	\$ Portion of system used by Central	Central's % of reserved capacity	Code	\$ Portion for Central	Rate of Return	Central's Share of Rate of Return	Central's Share of Annual Depreciation
	a	b	c = a/b	d = c x 18	e = a - d	f		g = e x f	h		i = g x h	j	k = i x j	l = c x f x h
1/3 interest in Goodwin Dam	\$ 4,852,363	50	\$ 97,047	\$ 2,038,707	\$ 2,813,656	100.0%	E	\$ 2,813,656	19.8%	E	\$ 555,739	5.69%	\$ 31,622	\$ 19,168
Goodwin Tunnel	\$ 30,454,387	50	\$ 609,088	\$ 12,795,328	\$ 17,659,059	100.0%	F	\$ 17,659,059	19.8%	F	\$ 3,487,928	5.69%	\$ 198,463	\$ 120,304
Upper Farmington (9 miles)	\$ 10,602,438	50	\$ 212,049	\$ 4,454,586	\$ 6,147,852	100.0%	F	\$ 6,147,852	30.5%	F	\$ 1,876,634	5.69%	\$ 106,780	\$ 64,728
Shirley/Hoods/Rock Creek	\$ 929,071	50	\$ 18,581	\$ 390,347	\$ 538,724	100.0%	G	\$ 538,724	30.5%	G	\$ 164,446	5.69%	\$ 9,357	\$ 5,672
Lower Farmington Canal:		50												
Peter's pipeline	\$ 2,357,726	50	\$ 47,155	\$ 990,592	\$ 1,367,134	0.0%		\$ -	0.0%		\$ -	5.69%	\$ -	\$ -
Canal (3)	\$ 8,460,580	50	\$ 169,212	\$ 3,554,690	\$ 4,905,890	27.6%	J	\$ 1,354,230	15.7%	I	\$ 212,414	5.69%	\$ 12,086	\$ 7,326
Rock Creek Diversion Structure	\$ 937,197	50	\$ 18,744	\$ 393,761	\$ 543,436	100.0%	I	\$ 543,436	15.7%	I	\$ 85,239	5.69%	\$ 4,850	\$ 2,940
Wellands	\$ 431,756	50	\$ 8,635	\$ 181,401	\$ 250,355	100.0%	I	\$ 250,355	15.7%	I	\$ 39,269	5.69%	\$ 2,234	\$ 1,354
Railroad Right-of-way - peters pipeline	\$ 60,379	50	\$ 1,208	\$ 25,368	\$ 35,011	0.0%		\$ -	0.0%		\$ -	5.69%	\$ -	\$ -
Subtotal: NM Fixed Asset	\$ 59,085,897		\$ 1,181,718	\$ 24,824,779	\$ 34,261,118			\$ 29,307,313			\$ 6,421,668	18.7%	\$ 365,393	\$ 221,493
Expand treatment plant														
Additional Construction														
Hertlein Bridge constr. (Hoods Creek)	\$ 2,986,543	50	\$ 59,731	\$ 1,254,788	\$ 1,731,755	0.0%		\$ -	0.0%		\$ -	5.69%	\$ -	\$ -
Upper Farmington	\$ 45,064	50	\$ 901	\$ 18,934	\$ 26,131	100.0%	G	\$ 26,131	30.5%	G	\$ 7,976	5.69%	\$ 454	\$ 275
Draft design for New Melones System	\$ 543,300	50	\$ 10,866	\$ 228,266	\$ 315,034	100.0%	F	\$ 315,034	30.5%	F	\$ 96,164	5.69%	\$ 5,472	\$ 3,317
Peters Pipeline	\$ 1,939	50	\$ 39	\$ 815	\$ 1,124	100.0%	H	\$ 1,124	30.5%	H	\$ 343	5.69%	\$ 20	\$ 12
Other costs	\$ 12,755	50	\$ 255	\$ 5,359	\$ 7,396	0.0%		\$ -	0.0%		\$ -	5.69%	\$ -	\$ -
Arbitrage Penalty	\$ 29,631	50	\$ 593	\$ 12,449	\$ 17,181	0.0%		\$ -	0.0%		\$ -	5.69%	\$ -	\$ -
Dillingham Claim - Goodwin Tunnel	\$ 68,699	50	\$ 1,374	\$ 28,864	\$ 39,835	100.0%	K	\$ 39,835	18.7%	K	\$ 7,466	5.69%	\$ 425	\$ 258
Additional Financing Costs (1992 A&B)	\$ 1,865,783	50	\$ 37,316	\$ 783,904	\$ 1,081,879	100.0%	F	\$ 1,081,879	19.8%	F	\$ 213,687	5.69%	\$ 12,159	\$ 7,370
	\$ 1,048,152	50	\$ 20,963	\$ 440,378	\$ 607,774	100.0%	K	\$ 607,774	18.7%	K	\$ 113,917	5.69%	\$ 6,482	\$ 3,929
Total NM System Fixed Asset Listing	\$ 65,687,762		\$ 1,313,755	\$ 27,598,535	\$ 38,089,227			\$ 31,379,090			\$ 6,861,222		\$ 390,404	\$ 236,654

(2) The Actual Costs for Construction for the New Melones System were obtained from the District's "New Melones Project Financial Status as of 3/31/00".

(3) The cost of the Canal was \$8,598,602. Central contributed \$138,022 for the Bud Sanguinetti Irrigation turn out structure, the Funk Road Gates, and the Duck Creek turn out structure. These amounts have been subtracted from the original cost (\$8,598,602 less \$138,022 = \$8,322,558) to recognize that Central already paid for this portion of the system.

Total Capital Component

\$627,058

Exhibit D-2

Schedule 3 continued

New Melones Conveyance System	Total System Capacity/Miles in New Melones Conveyance System		Central's Reserved Capacity or Miles of System Used		Central's Reserved Capacity (% of total cfs)	Code
	cfs	miles	cfs	miles		
Component 2 Goodwin Tunnel	850	3.3	167.9	3.3	19.8%	E
Component 3 Upper Farmington Canal	550	10.3	167.9	10.3	30.5%	F
Component 4 Shirley Gulch to Dam Tunnel, Canal and Shirley Gulch	550	16	167.9	16	30.5%	G
	550	29.6	167.9	29.6	30.5%	H
Component 5 Lower Farmington Canal	300		47.1		15.7%	I
Component 6 Lower Farmington Canal						
		miles		miles	Central's % of Miles Used	J
		9.6		2.65	27.6%	

Exhibit E-1

Stockton East Water District

Calculation of Wheeling Rate

Operations and Maintenance Costs

Schedule E

I. Operations & Maintenance Costs

ADMINISTRATION (1)

OPERATION AND MAINTENANCE

Vehicle Operation

TOTAL O & M EXPENSES

SALARIES, WAGES AND BENEFITS

General Manager

Finance Director

Administrative Services Manager

Accountant

Administrative Assistant

Accounts Clerk II

Accounts Clerk II

Administrative Clerk

Assistant General Manager

Temporary/Interdivision Labor

Director Fees

Total Salaries & Wages

TAXES AND BENEFITS

Compensated Absences Adjustment

OPEB

Payroll Taxes

Medicare

Employees Insurance

Workers Compensation

Retirement

Directors Benefits

Other Benefits

Retired Employees Insurance

Employee/Director Bonds

Total Taxes and Benefits

TOTAL SALARIES, TAXES AND BENEFITS

ADMINISTRATIVE EXPENSES

Office Equipment

Office Equipment Rental

Office Supplies

Postage and Courier

Meeting Expenses

Property and Liability Insurance

Safety Equipment/Programs

Physical Examinations

Seminars/Conferences/Education

Travel, Food & Lodging

Association Dues and Fees

Books and Publications

Water Conservation Education

Water Conservation Ad Campaign

Advertising and Public Relations

Technology Planning and Support

Telecommunications

Hardware Upgrades

Software Licenses

Network Upgrades

Application Development

SCADA System (WTP)

SCADA System (WS)

Server Upgrades

Sanitary Surveys

Professional Services - Planning

Process Safety Management Program

	Budget 2017-2018	Costs to share with Central (2)	Code	\$ Included for Central	Allocation for Central	Code	Notes	Allocation to Central San Joaquin
1								
2	\$ 25,000	100.0%		\$ 25,000	3.2%	B	NM Composite of Total Budget	\$ 798
3	\$ 25,000			\$ 25,000				\$ 798
4								
5								
6	\$ 191,884	100.0%		\$ 191,884	3.2%	B	NM Composite of Total Budget	\$ 6,125
7	\$ 133,427	100.0%		\$ 133,427	3.2%	B	NM Composite of Total Budget	\$ 4,259
8	\$ 108,141	0.0%		\$ -	3.2%	B	NM Composite of Total Budget	\$ -
9	\$ 92,317	100.0%		\$ 92,317	3.2%	B	NM Composite of Total Budget	\$ 2,947
10	\$ 70,104	0.0%		\$ -	3.2%	B	NM Composite of Total Budget	\$ -
11	\$ 69,962	0.0%		\$ -	3.2%	B	NM Composite of Total Budget	\$ -
12	\$ 73,634	0.0%		\$ -	3.2%	B	NM Composite of Total Budget	\$ -
13	\$ 56,634	0.0%		\$ -	3.2%	B	NM Composite of Total Budget	\$ -
14	\$ 5,000	100.0%		\$ 5,000	3.2%	B	NM Composite of Total Budget	\$ 160
15	\$ -	0.0%		\$ -	3.2%	B	NM Composite of Total Budget	\$ -
16	\$ 80,000	100.0%		\$ 80,000	3.2%	B	NM Composite of Total Budget	\$ 2,554
17	\$ 881,102			\$ 507,628				\$ 16,044
18								\$ 1,884
19	\$ 20,000	100.0%		\$ 20,000	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ 364
20	\$ 64,000	100.0%		\$ 64,000	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ 1,165
21	\$ 23,540	100.0%		\$ 23,540	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ 429
22	\$ 14,000	100.0%		\$ 14,000	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ 255
23	\$ 198,000	100.0%		\$ 198,000	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ 3,605
24	\$ 20,000	100.0%		\$ 20,000	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ 364
25	\$ 200,000	100.0%		\$ 200,000	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ 3,642
26	\$ 130,000	100.0%		\$ 130,000	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ 2,367
27	\$ -	100.0%		\$ -	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ -
28	\$ 25,000	100.0%		\$ 25,000	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ 455
29	\$ -	100.0%		\$ -	1.8%	A	Salaries & Wages composite of Admin. Budget	\$ -
30	\$ 694,540			\$ 610,540				\$ 11,118
31								\$ -
32	\$ 1,575,642			\$ 1,113,168				\$ 27,162
33								
34	\$ 50,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
35	\$ -	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
36	\$ 35,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
37	\$ 25,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
38	\$ 20,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
39	\$ 140,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
40	\$ 40,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
41	\$ 5,250	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
42	\$ 25,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
43	\$ 40,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
44	\$ 90,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
45	\$ 5,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
46	\$ 187,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
47	\$ 30,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
48	\$ 10,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
49	\$ 210,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
50	\$ 55,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
51	\$ 25,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
52	\$ 87,500	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
53	\$ 150,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
54	\$ 75,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
55	\$ 150,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
56	\$ 150,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
57	\$ 50,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
58	\$ -	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
59	\$ 100,000	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
60	\$ -	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -
61	\$ -	0.0%		\$ -	3.2%		Salaries & Wages composite of Admin. Budget	\$ -

(2) This column represents costs that should be shared with wheeling customers.

Exhibit E-4

Schedule 2 continued		Budget
2017-2018		
180	Other Department Expenses NOT Allocated to Central	
181		
182		
183	Agricultural Division Fund 67 (1)	
184	Water Costs (EXCLUSIVE of Goodwin Dam O&M and property ins.)	\$ 234,000
185	New Melones Conveyance Facility (excluded because included above)	\$ -
186	Operations & Maintenance (less dry year reserve fund)	\$ -
187	Salaries, Taxes, and Benefits	\$ -
188	New Melones Debt (excluded because in debt sheet)	\$ -
189	Administrative Expenses (excluded because included above)	\$ -
190	Professional Services	\$ -
191	Section 15 Fees	\$ -
192	Efforts to secure New Melones water	\$ -
193	Efforts to protect Calaveras River	\$ -
194	Other Expenses (EXCLUSIVE of allocated ADMIN)	\$ -
195		\$ -
196	Treatment Plant Fund 94 (2)	\$ 234,000
197	Water Costs (EXCLUSIVE of Goodwin Dam O&M and property ins.)	\$ 2,491,000
198	New Melones Conveyance Facility (excluded because included above)	\$ -
199	Operations & Maintenance (less transfer to vehicle fund)	\$ 3,292,000
200	Salaries, Taxes, and Benefits	\$ 3,614,828
201	Debt (excluded because in debt sheet)	\$ -
202	Administrative Expenses	\$ -
203	Professional Services	\$ -
204	Section 15 Fees	\$ -
205	Efforts to secure New Melones water	\$ -
206	Efforts to protect Calaveras River	\$ -
207	Other Expenses (EXCLUSIVE of allocated ADMIN and Treatment plant reserve)	\$ -
208		\$ 9,397,828
209	Groundwater Production Section Fund 68 (3)	
210	Water Costs (EXCLUSIVE of Goodwin Dam O&M and property ins.)	\$ 234,000
211	New Melones Conveyance Facility (excluded because included above)	\$ -
212	Operations & Maintenance (less dry year reserve fund)	\$ -
213	Salaries, Taxes, and Benefits	\$ -
214	Debt (excluded because in debt sheet)	\$ -
215	Administrative Expenses	\$ -
216	Professional Services	\$ -
217	Section 15 Fees	\$ -
218	Efforts to secure new melones water	\$ -
219	Efforts to protect Calaveras River	\$ 600,000
220	Other Expenses (EXCLUSIVE of allocated ADMIN, GW Exp)	\$ -
221		\$ 834,000
222	Subtotal: Fund 67, 94 and 68	\$ 10,265,828
223		
224		
225	Total Budget (Exclusive of Debt):	TOTAL O&M Budget
226	ADMINISTRATION	\$ 5,247,892
227	NEW MELONES CONVEYANCE SYSTEM	\$ 1,710,277
228	SUBTOTAL: Fund 67, 94, 68	\$ 10,465,828
229	Total Budget (Exclusive of Debt):	\$ 17,423,997
230	(1) Agricultural Division O&M Costs are from the District's Budget for 2017-2018 for Fund 67.	\$ 556,194
231	(2) Treatment O&M Costs are from the District's Budget for 2017-2018 for Fund 94.	
232	(3) Groundwater Production O&M Costs are from the District's Budget for 2017-2018 for Fund 68.	

Exhibit F

3/29/2017

Stockton East Water District
Calculation of Wheeling Rate
Summary of Wheeling Rate Calculation - Utility Approach
Schedule F

Total Calculated Rate per AF:

Allocated Administrative Operating and Maintenance Expenses
Allocated New Melones Conveyance System Operating and Maintenance Expenses
Capital Component

BUDGET	
Proposed	
2017-2018	
\$	48,789
\$	556,194
\$	627,058
\$	1,232,040

Projected Water Flow based on 3-year average (AF)

34,866

Cost per AF (1)

\$ 35.34

(1) The total rate per AF assumes 34,891 AF of water is wheeled for Central.

Recommended Rate:

I) Volumetric Component per AF

Allocated Administrative Operating and Maintenance Expenses
Allocated New Melones Conveyance System Operating and Maintenance Expenses

2017-2018	
\$	48,789
\$	556,194
\$	604,983

Projected Water Flow based on 3-year average (AF)

34,866

Volumetric Rate per AF (1)

17.35

II) Fixed Component

Capital Component
Allocated Annual Depreciation
Allocated Rate of Return
Subtotal: Capital Component

\$	236,654
\$	390,404
\$	627,058

Annual Fixed Component - Monthly Charge (2)

\$ 52,255

SEWD WTP SCADA Predesign 3//2017
AllConnected, TJCAA, Nicholas Peros

WORK DESCRIPTION

SEWD's existing SCADA system includes human machine interface (HMI) screens for both the water treatment plant (WTP) and raw water supply (WS). This scope of work includes the development of a SCADA pre-design framework applicable to both the WTP and WS and flexible enough for future integration with a computerized maintenance management system (CMMS) and laboratory information. SEWD presently uses Maintenance Connection for CMMS.

Consultant's proposal includes providing agenda and notes for all workshops.

Task 1: WTP SCADA Predesign

Establish the design framework and budgetary cost estimates for the upgrade of the existing SCADA system and SCADA network for the WTP in compliance with the Task 1 criteria and standards along with applicable and industry best practices. Exhibits contain relevant materials as follows:

- **Exhibit A** lists relevant references in SEWD's archives including construction drawings.
- **Exhibit B** describes the existing SCADA system as it existed at the end of 2013.
- **Exhibit C** describes the existing Ethernet network and VMware infrastructure as well as in-progress modifications.

Task 1.1 Reconnaissance

Reconnaissance work shall include:

- Review of relevant bid documents and other materials in **Exhibit A**
- Review existing HMI application and PLC programs
- Conduct on-site reconnaissance.
- Analyze collected data

Assumption: To the extent that reconnaissance requires investigations into energized equipment, SEWD will provide the assistance of staff with the appropriate personal protective equipment (PPE). Consultant will not be able to do reconnaissance within the flash protection boundary.

Deliverable: High level overview of reconnaissance in a brief summary, approximately two pages in length, and including recommendations to enhance current documentation.

Task 1.2 Vision Workshops

Facilitate workshops as follows:

- **Product & Vendor Preferences Workshop 1-1** (includes project kickoff meeting): identify SEWD's:
 - preferred products (hardware, operator interface terminal (OIT), instruments, etc. and
 - preferred vendors (panel shops, integrators, etc.)
 - needs for remote data entry and off-site access to SCADA
 - needs for intelligent network based instrumentation and electrical distribution, metering, and motor controllers
- **PLC Workshop 1-2:**
 - Establish PLC programming tagging system, Meet with SEWD maintenance staff to identify preferences, control strategies, unit processes, equipment naming conventions, and prepare recommendation and summary report.
- **HMI Workshop 1-3:** establish HMI platform to be implemented in the design. Meet with SEWD operations staff to identify preferences, prepare rating sheets, arrange on-site demonstrations for SEWD staff, coordinate with SEWD to arrange field trips to view working facilities, meet with staff to arrive at a consensus, prepare recommendation and summary report.
- **Historian Workshop 1-4:** historical data archiving and analyses, alarms, plant security, and offsite alarming, status monitoring, or remote notification needs
- **Report Review Workshop 1-5:** review existing reports per **Exhibit A** and others provided by SEWD operations staff which may be of value. Document reporting needs for operations and maintenance and to meet regulatory requirements.

Deliverables:

- Workshop Agenda 1-1 through 1-5
- Memo summarizing all of the Vision Workshops

Task 1.3: Pre-design

The objectives of this task are: to develop the design framework sufficiently to identify major alternatives and choose among them; and to develop preliminary drawings and process control narratives (PCN).

Work shall include:

- Identifying options for modifying and standardizing existing process controls, including the electro-mechanical controls of motors and processes, and the process control strategies implemented in the PLCs.
- Developing options for SCADA architecture utilizing the HMI product selected in Task 1 Standards.
- Assessing the condition of the existing instrumentation system and recommending additional or replacement instruments as justified
- Developing drawings as follows:
 - G1 Site Plan
 - E1 Photo Markup: Ops Ground Floor, Ops Basement, High Service
 - E2 Photo Markup: Ice House, Sedimentation Basin 3 & 4, Low Lift Pump Station
 - E3 Photo Markup: Filters 2 & 4, 1 & 2, 5 & 7, 6 & 8
 - E4 Schematic Diagrams (typical. starter interface)

SEWD WTP SCADA Predesign 3//2017

AllConnected, TJCAA, Nicholas Peros

- I1 SCADA Block Diagram (with network)
 - I2 P&ID - conceptual plant flow diagram
 - A1 Conceptual Drawing, Ops Building Lobby Remodeling/Main Control Board Removal (provided by SEWD).
 - **Assumption:** Existing facility record drawing P&IDs shall be used as the basis for the P&IDs and are assumed to be reasonably accurate with respect to process control documentation.
- Creating process control narratives (PCN's), with companion input-output (I/O) list, which will document the present controls and needed revisions for supervisory controls by the new SCADA system. Limited to 5 major processes and 5 minor processes.
 - **Assumption:** Existing operations and maintenance manuals or other documentation exists for the present control narratives and are reasonably accurate with respect to existing control strategies.

Deliverables:

- Predesign Report, draft and final, including preliminary design level drawings, outline specifications, estimate of probable construction cost, PCNs, and the preliminary I/O list. It shall also include a narrative on an approach for standardizing existing process controls, the proposed SCADA architecture, and the condition of instrumentation.
- Workshop minutes.

Consultant will facilitate two 1-day workshops: one to present the findings of the draft report and the second to go over SEWD's comments. The Final Predesign Report shall incorporate comments to the draft.

Task 1.4: Project Management

Provide overall project management including supervision of in-house staff and subconsultants, planning and monitoring budget and schedule, reviewing and submitting monthly invoices and monthly reports, and coordination with SEWD's project manager.

Submit a Project Management Plan (PMP) within 15 days of Notice to Proceed. The PMP shall include project scope, task assignments and deliverables, project organization chart, team roles and responsibilities, communications protocols, project schedule, budget, project procedures, Quality Assurance/Quality Control (QA/QC) plan, and other items as needed.

Prepare monthly invoices with monthly progress reports in the format shown below under "Invoicing".

QA/QC reviews of deliverables shall be performed by senior engineers not directly involved in the specific work. The project manager shall schedule technical QA/QC reviews in advance as deliverables are nearing completion. The labor for QA/QC reviews is included in each task.

BUDGET & SCHEDULE

4.1 Fee Proposal

Provide an estimated cost summary in the fee proposal that includes all items shown below:

Fee Proposal Summary					
Task Description	Hours	Rate	Subtotal	Expenses	Sub-Total
Task 1: Reconnaissance	154	\$214	\$32,979	\$4,785	\$37,764
Task 2: Workshops	215	\$218	\$46,873	\$2,585	\$49,458
Task 3: Pre-Design	660	\$216	\$142,396	\$4,070	\$146,466
Task 4: Project Management	112	\$235	\$26,369	\$0	\$26,369
Totals	1,141		\$248,617	\$11,440	\$260,057

4.2 Schedule

Provide a project schedule in a GANNT chart form for all tasks.

4.3 Invoicing

The Consultant will be paid monthly for services completed during the previous month. The monthly invoice will include a progress report and a billing report showing hours billed by individual, hourly rates, labor subtotal and other expenses. These expenses will be summarized per task and must support the budget.

SEWD WTP SCADA Predesign 3//2017

AllConnected, TJCAA, Nicholas Peros

Stockton East WATER DISTRICT

Engineering Services for
WTP SCADA Predesign

Monthly progress report

Project Number 2017-01
Report Period March 2017
distribute to Michael Johnson

REPORT NUMBER: 1

Planned Work for Period

2.1 Draft Standards

Actual Progress and Status

Draft submittal was completed and delivered on time.

Additional Unplanned Work

1. None.

Planned Work for Next Period

1. Finalize SCADA Standards.
2. Commence WTP SCADA design.

Problems/Needs

1. None.

Overall Schedule and Budget

Schedule: On schedule (per proposal)

Task	Budget	This Month	Total To Date	Remaining
Task 1: Reconnaissance				
Task 2: Workshops				
Task 3: Pre-Design				
Task 4: Project Management				
TOTAL	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Prepared by John Doe

Date April 1, 2017

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EDMUND G. BROWN JR.
GOVERNOR

MARK S. GHILARDUCCI
DIRECTOR



March 10, 2017

Kevin Kauffman
General Manager
Stockton East Water District
6767 East Main Street
Stockton, CA 95215



Subject: Applicants Briefings and Application Deadline for Storms Event January 3-12, 2017

This mailing is being distributed to organizations that have previously applied for Public Assistance (PA) funding in a State or Federal disaster. If your organization suffered damage during the latest federally declared disaster, FEMA-4301-DR-CA, your organization may be eligible for federal reimbursement. Specifically, counties, cities, special districts, state agencies, and private nonprofit organizations (PNP) that provide essential governmental service, are eligible for PA funding under this disaster declaration. If your organization incurred expenses responding to or recovering from the atmospheric river storm system that occurred January 3-12, 2017, your organization is encouraged to submit a Request for Public Assistance (RPA) to apply for funding from the federal PA Program. The RPA and other associated forms are enclosed and should be submitted no later than **April 11, 2017**.

The following counties were included in FEMA-4301-DR-CA declaration: Alameda, Amador, Butte, Calaveras, Contra Costa, El Dorado, Humboldt, Inyo, Lake, Lassen, Marin, Mendocino, Merced, Mono, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Luis Obispo, Santa Clara, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tuolumne, Trinity, Yolo, and Yuba.

The California Governor's Office of Emergency Services (Cal OES) encourages you to submit your organization's RPA to DisasterRecovery@caloes.ca.gov; at any of the Applicants Briefings; or by mailing to:

Mr. David Gillings
State Public Assistance Officer
California Governor's Office of Emergency Services
Public Assistance
3650 Schriever Avenue
Mather, California 95655
FEMA-4301-DR-CA

Following is a schedule of the Applicants' Briefings for this event. You are welcome to attend any of the scheduled briefings or alternatively, participate in the webinar planned for March 17, 2017. These briefings will review changes in the Federal PA program; preparation of PA project worksheets; and other relevant subjects pertaining to this disaster and the PA program.



3650 SCHRIEVER AVENUE, MATHER, CA 95655
(916) 845-8506 TELEPHONE (916) 845-8511 FAX
www.CalOES.ca.gov

Date	Time	County	Address
March 15th	1-4pm	Sonoma	Sonoma County Board of Supervisors' Chamber 575 Administration Drive, Room 100 A Santa Rosa, CA 95403
March 16th	1-4pm	Humboldt	Wharfinger Building 1 Marina Way Eureka, CA 95501
March 17th	9-12pm	Sacramento/Webinar	**STATE AGENCIES ONLY** Cal OES HQ 3650 Schriever Avenue, MPR 1&2 Mather, CA 95655
March 17th	1-4pm	Sacramento/Webinar	Cal OES HQ 3650 Schriever Avenue, MPR 1&2 Mather, CA 95655
March 21st	1-4pm	Santa Cruz	TBD
March 22nd	1-4pm	Inyo	Inyo County Board of Supervisors Room 224 N. Edwards Independence, CA 93526
March 23rd	1-4pm	Shasta	Shasta County Board of Supervisors' Chamber 1450 Court Street Redding, CA 96001

If you believe you are an eligible PNP, please contact Mr. Kyle Gleave at (916) 531-3896 to receive the PNP application package, which is also due no later than April 11, 2017.

In order to ensure prompt payment of State and Federal funding, you must provide a Designation of Applicant's Agent Resolution (Cal OES Form 130) and/or Project Application for Federal Assistance (Cal OES Form 89), which are both available on Cal OES's website. Please note you do not need to submit a new Designation of Applicant's Agent Resolution if you have previously submitted a universal form to Cal OES that identifies your authorized agent by title.

Cal OES is committed to expediting the recovery process in order to provide maximum financial assistance under state and federal programs. If you have any questions regarding this correspondence, please contact the Public Assistance Division at (916) 845-8200.

Sincerely,

THE RECOVERY TEAM

Enclosed:

Request for Public Assistance

DEPARTMENT OF HOMELAND SECURITY
FEDERAL EMERGENCY MANAGEMENT AGENCY
REQUEST FOR PUBLIC ASSISTANCE

O.M.B. NO. 1660-0017
Expires April 30, 2013

PAPERWORK BURDEN DISCLOSURE NOTICE

Public reporting burden for this form is estimated to average 10 minutes. Burden means the time, effort and financial resources expended by persons to generate, maintain, disclose, or to provide information to us. You may send comments regarding the burden estimate or any aspect of the collection, including suggestions for reducing the burden to: Information Collections Management, Department of Homeland Security, Federal Emergency Management Agency, 500 C Street, SW, Washington, DC 20472, Paperwork Reduction Project (OMB Control Number 1660-0017). You are not required to respond to this collection of information unless it displays a valid OMB number. **NOTE: Do not send your completed questionnaire to this address.**

APPLICANT (Political subdivision or eligible applicant) Stockton East Water District	DATE SUBMITTED 04/04/2017
---	------------------------------

COUNTY (Location of Damages. If located in multiple counties, please indicate) San Joaquin County	DUNS NUMBER 06-6122854
--	---------------------------

APPLICANT PHYSICAL LOCATION

STREET ADDRESS 6767 East Main Street			
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CITY Stockton	COUNTY San Joaquin	STATE CA	ZIP CODE 95215
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MAILING ADDRESS (If different from Physical Location)

STREET ADDRESS			
----------------	--	--	--

POST OFFICE BOX	CITY	STATE	ZIP CODE
-----------------	------	-------	----------

Primary Contact/Applicant's Authorized Agent

Alternate Contact

NAME Scot Moody	NAME Michael Johnson
TITLE General Manager	TITLE Assistant General Manager
BUSINESS PHONE 209.948.0333	BUSINESS PHONE 209.948.0333
FAX NUMBER 209.948.0423	FAX NUMBER 209.948.0423
HOME PHONE (Optional)	HOME PHONE (Optional)
CELL PHONE	CELL PHONE 209.444.3150
E-MAIL ADDRESS smoody@sewd.net	E-MAIL ADDRESS mjohanson@sewd.net
PAGER & PIN NUMBER	PAGER & PIN NUMBER

Did you participate in the Federal/State Preliminary Damage Assessment (PDA)? ☐ YES ☐ NO

Private Non-Profit Organization? ☐ YES ☒ NO

If yes, which of the facilities identified below best describe your organization? _____

Title 44 CFR, part 206.221(e) defines an eligible private non-profit facility as: "... any private non-profit educational, utility, emergency, medical or custodial care facility, including a facility for the aged or disabled, and other facility providing essential governmental type services to the general public, and such facilities on Indian reservations." "Other essential governmental service facility means museums, zoos, community centers, libraries, homeless shelters, senior citizen centers, rehabilitation facilities, shelter workshops and facilities which provide health and safety services of a governmental nature. All such facilities must be open to the general public."

Private Non-Profit Organizations must attach copies of their Tax Exemption Certificate and Organization Charter or By-Laws. If your organization is a school or educational facility, please attach information on accreditation or certification.

OFFICIAL USE ONLY: FEMA -	-DR-	-	FIPS#	DATE RECEIVED
---------------------------	------	---	-------	---------------

Disaster No: _____

Cal OES ID No: _____

DUNS No: _____

PROJECT ASSURANCES FOR FEDERAL ASSISTANCE

SUBGRANTEE'S NAME: Stockton East Water District
(Name of Organization)

ADDRESS: 6767 E. Main Street

CITY: Stockton STATE: CA ZIP CODE: 95215

TELEPHONE: 209.948.0333 FAX NUMBER: 209.948.0423

AUTHORIZED AGENT: Scot Moody TITLE: General Manager

EMAIL ADDRESS: smoody@sewd.net

ASSURANCES – CONSTRUCTION PROGRAMS

Note: Certain of these assurances may not be applicable to all of your projects. If you have questions, please contact the California Governor's Office of Emergency Services. Further, certain federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the subgrantee named above:

1. Has the legal authority to apply for federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-federal share of project costs) to ensure proper planning, management, and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project.
4. Will comply with the requirements of the assistance-awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or state.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gains.
8. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.), which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
9. Will comply with all federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color, or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683 and 1685-1686) which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794) which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107) which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 93-

- 255) as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616) as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee-3) as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to nondiscrimination in the sale, rental, or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) which may apply to the application.
10. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal and federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchases.
 11. Will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$5,000 or more.
 12. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.O 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.O. 93-205).
 13. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
 14. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and preservation of historic properties), and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
 15. Will comply with Standardized Emergency Management (SEMS) requirements as stated in the California Emergency Services Act, Government Code, Chapter 7 of Division 1 of Title 2, Section 8607.1(e) and CCR Title 19, Sections 2445, 2446, 2447, and 2448.
 16. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996.
 17. Will comply with all applicable requirements of all other federal laws, Executive Orders, regulations and policies governing this program.
 18. Has requested through the State of California, federal financial assistance to be used to perform eligible work approved in the subgrantee application for federal assistance. Will, after the receipt of federal financial assistance, through the State of California, agree to the following:
 - a. The state warrant covering federal financial assistance will be deposited in a special and separate account, and will be used to pay only eligible costs for projects described above;
 - b. To return to the State of California such part of the funds so reimbursed pursuant to the above numbered application, which are excess to the approved actual expenditures as accepted by final audit of the federal or state government.
 - c. In the event the approved amount of the above numbered project application is reduced, the reimbursement applicable to the amount of the reduction will be promptly refunded to the State of California.
 19. Will not make any award or permit any award (subgrant or contract) to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549 and 12689, "Debarment and Suspension."

"I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized by the above named subgrantee to enter into this agreement for and on behalf of the said subgrantee, and by my signature do bind the subgrantee to the terms thereof."

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL

TITLE

DATE

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DRAFT

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE Board of Directors OF THE Stockton East Water District
(Governing Body) (Name of Applicant)

THAT The General Manager OR
(Title of Authorized Agent)

The Assistant General Manager OR
(Title of Authorized Agent)

(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the Stockton East Water District, a public entity
(Name of Applicant)

established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the Stockton East Water District, a public entity established under the laws of the State of California,
(Name of Applicant)

hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

Please check the appropriate box below:

☒ This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.

☐ This is a disaster specific resolution and is effective for only disaster number(s) _____

Passed and approved this 4th day of April, 2017

(insert approving Board members)

(Name and Title of Governing Body Representative)

(insert approving Board members)

(Name and Title of Governing Body Representative)

(insert approving Board members)

(Name and Title of Governing Body Representative)

CERTIFICATION

I, Scot A. Moody, duly appointed and Secretary of the Board of
(Name) (Title)

Stockton East Water District, do hereby certify that the above is a true and correct copy of a
(Name of Applicant)

Resolution passed and approved by the Board of Directors of the Stockton East Water District
(Governing Body) (Name of Applicant)

on the 4th day of April, 2017.

Secretary of the Board

(Signature)

(Title)

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**San Joaquin Farm Bureau Federation
Water Committee**
San Joaquin Farm Bureau Federation Boardroom
3290 North Ad Art Road
Stockton, CA 95215

AGENDA

March 28, 2017

5:30 PM

Consent Items:

Approve the Agenda for March 28, 2017

Approval of minutes for meeting of February 28, 2017(Attachment 1)

Approval of attendees for meeting of February 28, 2017(Attachment 2)

District Reports:

- Banta-Carbona-
- Central Delta-
- Coalition-
- Delta Caucus-
- EBMUD-
- NSJWCD-
- OID-
- RD's-
- SEWD-
- South Delta-
- SSJID-
- WID-

Old Business:

Supplemental Environmental Document:

1. SJFB Comments sent 3/17 (Attachment 3)
 2. ACWA policy statement (Attachment 4)
- Ag Initiative Committee teleconference tomorrow

DREAM Project Update:

1. March 27, 2017- SJC Board of Supervisors approved a public hearing date of April 11, 2017 for the export permit application on behalf of the Eastern Water Alliance.
2. Public hearing will be on **April 11, 2017 at 9:00am**
3. Action?

Flood Updates:

1. CVFPP Update

Meeting was on 3/17 and there was not any new information presented. We will be sending comments on the ambiguity of the plan and working with the local agencies for consistency.

2. Flood Funding (Attachment 5)

Legislation Update:

1. AB 313- Gray
Has not been amended.

New Business:

New Legislation:

1. SB 49 Kevin de Leon (Attachment 6)
California Environmental, Public Health and Workers Defense Act of 2017
Forces the SWRCB to adopt water quality standards that are as least as protective as the most federally stringent in perpetuity.

2. Presentation Ideas for future meetings
3. ACWA Fall Conference
May 9-11, Monterey

Informational:

1. New Appointees to the SWRCB. California Citrus Mutual (Attachment 7)
2. Agricultural Groundwater Management in California: Possible Perverse Consequences. University of California Agricultural and Resource Economics Update. (Attachment 8)
3. Many California farms need an updated water delivery system. Ben Chou with the NRDC as published in the Sacramento Bee. (Attachment 9)

Next Meeting:
April 25, 2017

Weekly Water Report		
	As of: Mar. 27, 2017	As of: Apr. 3, 2017
New Hogan (NHG) TOC	202,782	AF
Storage:	209,445	AF
Net Storage Change:	+10,812	AF
Inflow:	574	CFS
Release:	104	CFS
New Melones (NML) Allocation	75,000	AF
Storage:	1,786,972	AF
Net Storage change:	+61,283	AF
Inflow:	4,848	CFS
Release:	1,752	CFS
Source: CDEC Daily Reports		

Goodwin Diversion (GDW)		
Inflow (Tulloch Dam):	1,620	CFS
Release to Stanislaus River (S-98):	1,256	CFS
Release to OID (JT Main):	372	CFS
Release to SSJID (SO Main):	0	CFS
Release to SEWD:	<u>0</u>	CFS
Total Release	1,628	CFS
Source: Tri-Dam Operations Daily Report		
Farmington Dam (FRM)		
Diverted to SEWD:	0	CFS
Diverted to CSJWCD:	0	CFS
Source: USACE WCDS Hourly Report		

Surface Water Used		
Irrigators on New Hogan:	0	
Irrigators on New Melones:	0	
DJWWTP Production:	15	MGD
North Stockton:	0	MGD
South Stockton:	2	MGD
Cal Water:	13	MGD
City of Stockton DWSP Production:	12	MGD

District Ground Water Extraction		
74-01	0	GPM
74-02	0	GPM
North	0	GPM
South	0	GPM
Extraction Well # 1	<u>0</u>	GPM
Total Well Water Extraction	0	GPM

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Triple A Ranches

Tyler Angle
Triple A Ranches
P.O. Box 1120
Hughson, CA 95326

March 24, 2017

Scot Moody
General Manager
Stockton East Water District
6767 East Main Street
Stockton, CA 95215

Re: Water Acquisition

Dear Scot Moody,

This letter has been prepared by Triple A Ranches to announce our intention to apply for water from Stockton East Irrigation District. We would like approximately 1,200 acres at 36 inches an acre annually worth of water. Attached is a map of the parcels we're interested in irrigating. Parcel 001-015-012 at it's eastern most point is intersected with Shirley Creek. Triple A Ranches is primarily an almond farming business. Part of our business model is to be responsible stewards of the land and practice water sustainability.

The purpose in applying for this surface water from Stockton East Irrigation District is to conserve aquifer reserves by pumping less ground water and replenish those aquifer levels by utilizing surface water for the purposes of irrigating our orchards.

Please remain in contact with Ryan Honnette (ryan@cal-almond.com (209)620-2345), my Special Projects Coordinator and/or Lorie Bolme (lorie@cal-almond.com (209)883-4359), my Controller about future details of this arrangement.

Your generous support will allow Triple A Ranches to conserve this valuable resource and develop long term plans for growth and sustainability.

Sincerely,

Tyler Angle

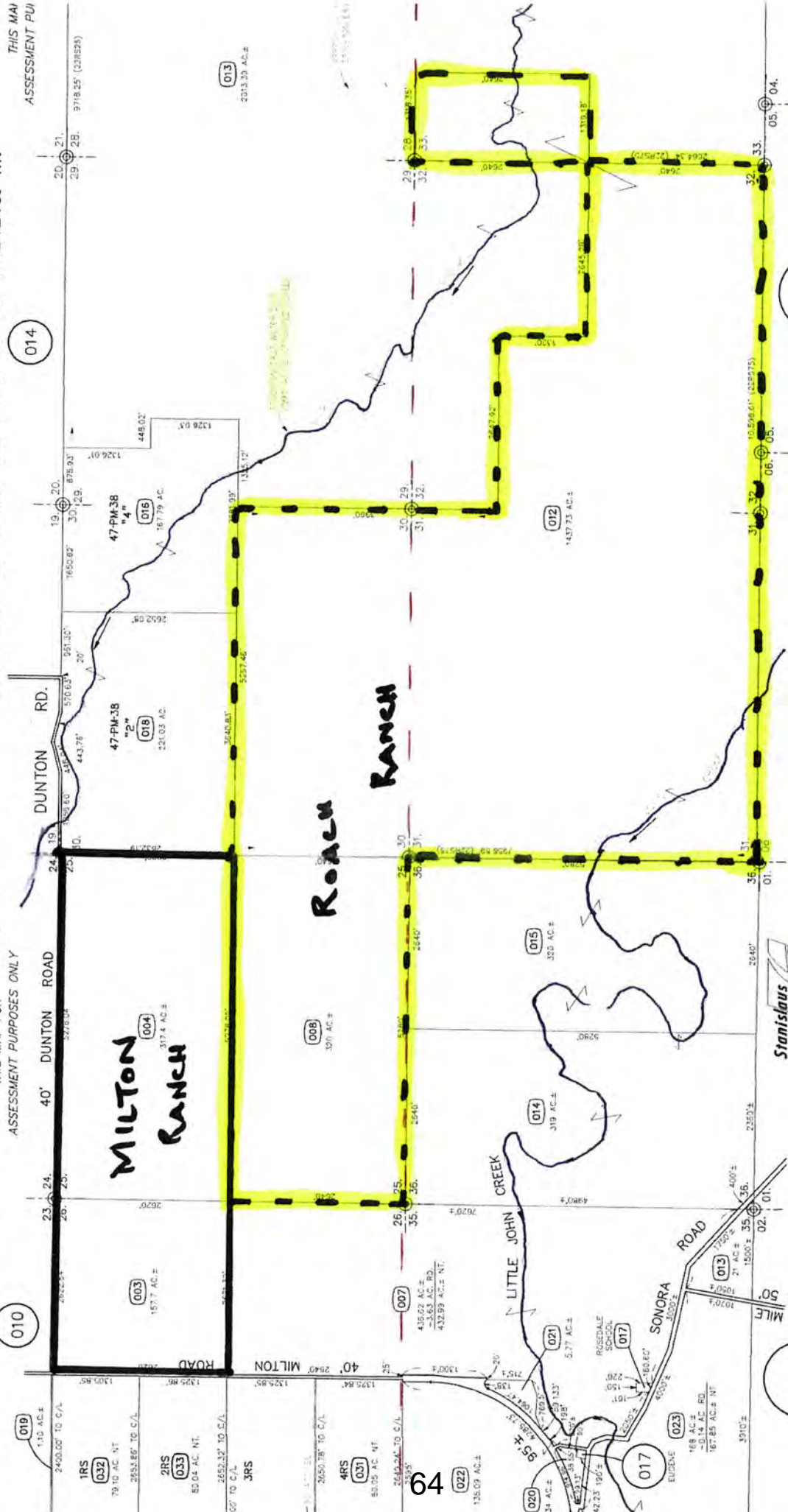
& 34-36 T.1N. R.10E. M.D.B.& M.

103 001
107 001

THIS MAP FOR
ASSESSMENT PURPOSES ONLY

SECTIONS 28 THRU 33 T.1N. R.11E. M.D.B.& M.

THIS MAP
ASSESSMENT PURPOSES ONLY



6 (V)DH

Stanislaus
County
Assessor

51,74,02,CM: 001-015
WN: 05-21-73
USED: 01-31-85, 11-19-98, 07-20-04 MF., 03-22-10 (V) MB.

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002-021

51

Date: 04/04/17

THE CENTRAL SAN JOAQUIN WATER CONSERVATION DISTRICT

"67,000 acres of diversified family farms in San Joaquin County, California"
11 S. San Joaquin St., Ste. 306, Stockton, California 95202
(209) 466-7952 • FAX 466-7953

DIRECTORS
 EUGENE CAFFESE
 TONY CHIAPPE
 JAMES NILSSON
 RICHARD WAGNER
 GRANT THOMPSON
 RICHARD VELDSTRA

COUNSEL
 REID W. ROBERTS

March 15, 2017

Dear Landowner:

On February 28, 2017, the Bureau of Reclamation released surface water allocations for the New Melones Unit of the Central Valley Project. The District has received a full allocation of 80,000 acre feet of surface water for the 2017 irrigation season. Any users interested in taking surface water during the 2017 irrigation season, should contact the District Office. The District's delivery of surface water beneficially addresses the over-drafted conditions of the groundwater basin and delivery of surface water this year is expected to start on or about April 15, 2017.

To update you on District activity, please be advised that the District has applied to the State of California to become a Groundwater Sustainability Agency. This is required by all areas within the Eastern San Joaquin County Groundwater Basin. In addition, the District is opposing the State Water Resources Control Board's process to modify the environmental document related to flows on the Stanislaus River. Such modification would negatively impact surface water availability under our existing Bureau of Reclamation contract.

Please be reminded that the District continues to make financial assistance available for surface water pumping facilities to acreage that has previously been irrigated solely from groundwater. You are encouraged to contact the District regarding this program at (209) 466-7952. For information regarding current District activities please refer to the District website at www.csjwcd.com.

Very Truly Yours,

Board of Directors
 Central San Joaquin Water
 Conservation District




**NOTICE OF PUBLIC HEARING
BEFORE BOARD OF DIRECTORS OF
CENTRAL SAN JOAQUIN WATER CONSERVATION DISTRICT**

NOTICE IS HEREBY GIVEN that the CENTRAL SAN JOAQUIN WATER CONSERVATION DISTRICT has received the Engineering Investigation and Report prepared pursuant to Section 75570 of the California Water Code, and that a public hearing will be held at 7:00 p.m. on Thursday, April 20, 2017, at the Farmington Fire Station, Farmington, California.

Said hearing will be conducted by the Board of Directors for the purpose of receiving evidence concerning the groundwater conditions and surface water supplies of the District, and in support, or protest of the Engineering Investigation and Report as provided in Section 75573 of the California Water Code.

All interested persons desiring to be heard or to present evidence on said matters may appear at said hearing. All operators of water producing facilities within the District are invited to examine the Engineering Investigation and Report at the District Office Located at 11 S. San Joaquin Street Suite 306, Stockton, California 95202.

DATED: March 15, 2017

BY: 
REID W. ROBERTS, Secretary
Central San Joaquin Water
Conservation District