

STOCKTON  
EAST WATER  
DISTRICT  
www.sewd.net

Providing Service  
Since 1948

**DIRECTORS**

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Vice President  
Division 1

Andrew Watkins  
President  
Division 2

Alvin Cortopassi  
Division 3

Melvin Panizza  
Division 4

Paul Sanguinetti  
Division 5

Loralee McGaughey  
Division 6

Thomas McGurk  
Division 7

Kevin M. Kauffman  
General Manager

Jeanette R. Thomas  
AGM - Operations

John M. Green  
AGM - Administration

Elpedio "Jun" Jamosmos, Jr.  
Finance Director

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April 14, 2009

CALIFORNIA WATER SERVICE COMPANY  
P.O. Box 940001  
San Jose, CA 95194

Subject: Fiscal Year 2009-2010 Base Monthly Payment

On March 31, 2009, the Board of Directors of SEWD adopted Resolution No. 08-09-20 which sets the Revised Base Monthly Payments for the period 04/01/09 - 03/31/10.

Enclosed is a certified copy of the Resolution, and a copy of the Proration of the Base Monthly Payment for 2009-2010 Fiscal Year (04/01/09 - 03/31/10).

The Revised Base Monthly Payment for California Water Service is \$451,465.29.

Very truly yours,

KEVIN M. KAUFFMAN  
General Manager

KK/jj  
Enclosure

Cc: Ross Moilan  
Jay Perrine  
Stan Ferraro

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF STOCKTON EAST WATER DISTRICT**

**RESOLUTION NO. 08-09-20**

SETTING A REVISED BASE MONTHLY PAYMENT  
FOR PERIOD APRIL 1, 2009 TO MARCH 31, 2010,  
PURSUANT TO THE SECOND AMENDED CONTRACT AMONG THIS DISTRICT  
AND THE CALIFORNIA WATER SERVICE CO., THE CITY OF STOCKTON,  
THE LINCOLN VILLAGE MAINTENANCE DISTRICT,  
AND THE COLONIAL HEIGHTS MAINTENANCE DISTRICT,  
PROVIDING FOR THE SALE OF TREATED WATER

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WHEREAS, on September 25, 1987, the Stockton East Water District entered into a Second Amended Contract among the California Water Service Company, the City of Stockton, the Lincoln Village Maintenance District, and the Colonial Heights Maintenance District, providing for the sale of treated water; and

WHEREAS, the Stockton East Water District pursuant to Section 6D(1) of the Second Amended Contract shall announce an estimated new base monthly payment on or before the first day of October annually and this estimated base monthly payment is subject to revision upon the adoption of the Stockton East Water District Annual Budget prior to December 15 of each year under Sec. 9.2(d) of the District Act; and

WHEREAS, the Board of Directors of the Stockton-East Water District has determined that the budgeted costs for the Contract period April 1, 2009 to March 31, 2010 should be as follows:

6A(1)	Debt Service	\$2,955,927
6A(3)	Operation & Maintenance	11,301,876
6A(4)	Administration	3,397,866
6A(5)	Insurance	90,000
6A(7)	Payment into the Major Repair & Replacement Fund	35,000
6A(8)	Payment into the Water Treatment Facilities Reserve Fund	100,000
		<u>\$17,880,669; and</u>

WHEREAS, paragraph 6D(3) of said Second Amended Contract 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; and

WHEREAS, the 2009-10 budget estimates the amount of \$17,880,669 to be paid from base monthly payments, municipal groundwater assessments and other revenue as follows:

Base Monthly Payments	\$12,176,228
Municipal Groundwater Assessments (22,500 AF X \$141.11)	3,174,975
Prior Fiscal Year 2007-2008 Net Adjustment	432,597
Transfer-In from Surplus Fund	445,000
Credit from Prior Year Charges attributed To Groundwater Production Section	1,445,869
Other Revenue	<u>206,000</u>
Total	\$17,880,669

NOW, THEREFORE, BE IT RESOLVED, that pursuant to said Second Amended Contract, this Board hereby establishes the **Revised** Base Monthly Payment to be paid by the Contractors pursuant to said Contract for the period April 1, 2009 to March 31, 2010, at \$12,176,228/12 = \$1,014,685.68.

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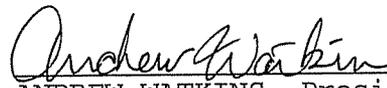
PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE STOCKTON-EAST WATER DISTRICT ON THE 31st DAY OF MARCH, 2009, BY THE FOLLOWING VOTE:

AYES: Atkins, Cortopassi, McGaughey, McGurk, Panizza, Sanguinetti and Watkins

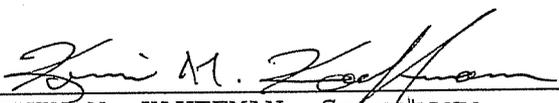
NOES: None

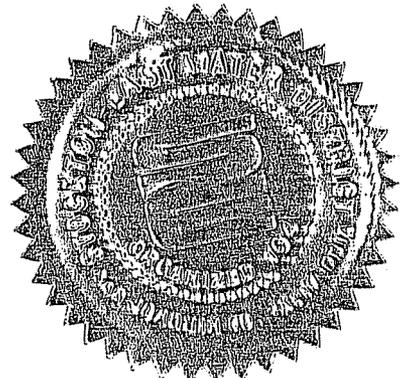
ABSENT: None

ABSTAIN: None

  
ANDREW WATKINS, President  
Board of Directors  
Stockton-East Water District

ATTEST:

  
KEVIN M. KAUFFMAN, Secretary  
Board of Directors  
Stockton-East Water District



**STOCKTON EAST WATER DISTRICT  
CALCULATION OF RATE EQUALIZATION GW ASSESSMENT &  
REVISED BASE MONTHLY PAYMENT  
FY 2009-2010 BUDGET**

**CALCULATION OF RATE EQUALIZATION GW ASSESSMENT**

(A) Assumed Groundwater Pumping Cost:

Power cost per acre foot	70.00
Operation & Maintenance cost	36.00
Replacement costs	10.00
<b>Total GW Pumping Cost</b>	<u>116.00</u>

(B) Calculation of Rate Equalization Groundwater Assessment:

<u>2008 - 2009 (Budget)</u>	<u>Water Production</u>	<u>\$ Cost/AF</u>	<u>Amount</u>
Ground water	16,000 AF	116.00	1,856,000.00
Surface water	54,000 AF	304.88	16,463,588.26
<b>Totals</b>	<u>70,000 AF</u>		<u>18,319,588.26</u>
GW Rate Equalization Assessment:	\$18,319,588.26 / 70,000		\$261.71
Less: GW Pumping Cost			<u>(116.00)</u>
<b>2008-2009 GW Rate Equalization Assessment</b>			<u><b>\$145.71</b></u>
<u>2009 - 2010 (Budget)</u>	<u>Water Production</u>	<u>\$ Cost/AF</u>	<u>Amount</u>
Ground water	26,500 AF	116.00	3,074,000.00
Surface water	55,000 AF	325.10	17,880,668.83
<b>Totals</b>	<u>81,500 AF</u>		<u>20,954,668.83</u>
GW Rate Equalization Assessment:	\$20,954,668.83 / 81,500		\$257.11
Less: GW Pumping Cost			<u>(116.00)</u>
<b>2009-2010 GW Rate Equalization Assessment</b>			<u><b>\$141.11</b></u>

**BASE MONTHLY PAYMENT CALCULATION (Revised)**

<b>Treatment Plant Budget - FY 2009-2010</b>		<u><b>17,880,668.83</b></u>
Revenue - Groundwater Rate Equalization	22,500 AF	3,174,975.00
Interest Income - M&O Funds		56,000.00
Transfer-In from Surplus Fund (Fund 95)		445,000.00
Payment from CSJWCD		150,000.00
BMP adjustment (credit) for prior fiscal year 2007-2008		432,597.00
<b>Total Revenues before Base Monthly Payment</b>		<u><b>4,258,572.00</b></u>
<b>Total Base Monthly Payment</b>		<b>(a) 13,622,096.83</b>
Less: BMP adjustment (credit) from charges attributable to Groundwater Production Section previously credited to Water Fund No. 97 of \$2,377,802)		<b>(b) (1,445,868.72) *</b>
<b>Total - Adjusted Base Monthly Payment - FY 2009-2010</b>		<u><u><b>12,176,228.11</b></u></u> *
Total BMP per month - (a) divided by 12 months		1,135,174.74
Total BMP adjustment credit per month - (b) divided by 12 months		<u>(120,489.06)</u>
<b>Total Adjusted BMP - FY 2009-2010 per month</b>		<u><u><b>1,014,685.68</b></u></u>

\* Per Urban Contractors' direction, the FY 2009-2010 BMP will be stabilized by this credit and will be at the same level as FY 2008-2009 BMP.

SCHEDULE D

**PRORATION OF REVISED BASE MONTHLY PAYMENT  
FOR FISCAL YEAR 2009-2010 (04/01/09 - 03/31/10)**

Total Revised Base Monthly Payment FY 2009-2010 (per month) 1,135,174.74  
 BMP Prior Fiscal Year Credit (from charges attributable to  
 Groundwater Production Section previously credited to Water Fund No. 97  
 of \$2,377,802) (120,489.06) \*  
 Total Adjusted Monthly Base Monthly Payment FY 2009-2010 1,014,685.68

	2007-2008 Water Use (AF)		Percentage	2009-2010	2008-2009	Difference
	Surface	Well		Total	Base Monthly Payment	
City of Stockton	27,029	11,373	38,402	\$ 532,980.54	506,979.79	\$ 26,000.75
Lincoln Village	931	713	1,644	\$ 22,810.63	23,605.61	\$ (794.98)
Colonial Heights	454	82	535	\$ 7,429.22	7,749.99	\$ (320.77)
Cal Water	23,844	8,685	32,529	\$ 451,465.29	476,350.29	\$ (24,885.00)
Totals	52,258	20,852	73,110	\$ 1,014,685.68	1,014,685.68	\$ (0.00)

\* Per direction from the Urban Contractors, this prior fiscal year credit will stabilize the Base Monthly Payment for FY 2009-2010 and will be at the same level as FY 2008-2009 BMP.  
 \*\*Adopted under Board Resolution No. 07-08-13 dated March 13, 2008.