

MOKELUMNE RIVER FORUM

MEETING No. 17

DRAFT MEETING SUMMARY

MEETING DATE: March 16, 2006

LOCATION: Lodi Police Department – Meeting Room
215 W. Elm Street
Lodi, California 95240

ATTENDEES: Tom Francis – East Bay Municipal Utility District
Tom Orvis – San Joaquin Farm Bureau
Ed Pattison – Calaveras County Water District
John Skinner – East Bay Municipal Utility District
Lena Tam – East Bay Municipal Utility District
Bob Granberg – City of Stockton
Hank Willy – Jackson Valley Irrigation District
Jim Abercrombie – Amador Water Agency
Gerald Schwartz – East Bay Municipal Utility District
Tom Gau – San Joaquin County Dept. of Public Works
Rob Alcott – East Bay Municipal Utility District
Charles Hebrard – Calaveras County Water District
Mel Lytle – San Joaquin County Dept. of Public Works
Jim Hanson – San Joaquin County Public Works / Hanson Eng.
Frank Beeler – City of Lodi
Tom Flinn – San Joaquin County Dept. of Public Works
Fred Weybret – North San Joaquin Water Conservation District
Ed Steffani – North San Joaquin Water Conservation District
Mike Floyd – State of California Department of Water Resources
Kevin Kauffman – Stockton East Water District
Mike Harty – Harty Conflict Consulting and Mediation

ACTION ITEMS AND AGREEMENTS

1. Forum members asked Mike Harty to take comments generated regarding the 3rd Draft of the Assurances Document and prepare (with the help of a Forum sub-group {e.g., Jim Abercrombie, Mel Lytle, Lena Tam and John Skinner plus legal counsel from their respective agencies}) a Draft-Final for circulation at the April 20, 2006 meeting of the Forum.
2. Mike Harty will continue efforts to organize a joint meeting of representatives of the environmental community to share the latest version of the draft assurances document and develop a strategy for Forum participation.

3. Mike Harty will discuss the draft assurance document with Department of Water Resources (DWR) representatives and gather their response (including DWR's ability to sign and/or support the document).
4. Forum members will plan on sharing the Draft-Final Assurance Document with their respective agency heads, governing bodies and/or legal representatives following the April Forum meeting.
5. Mel Lytle will provide copies of a GIS map prepared by the Northeast San Joaquin Groundwater Banking Authority (GBA) at the next Forum meeting.
6. Jim Abercrombie of Amador Water Agency (AWA) agreed to provide Breakfast at the April Forum meeting.
7. The next meeting of the Forum will be held at the San Joaquin Farm Bureau's (SJFB) Stockton office from 9:00 am – 12:00 noon on April 20, 2006.

PRELIMINARY MATTERS

January Meeting Summary

Minutes from the Forum meeting of January 19, 2006 were distributed at the start of the March meeting. Requests for edits or changes should be relayed to Tom Francis of EBMUD.

Agenda

The primary agenda topic is discussion of the latest draft version of the Assurances Document. Other topics include the regular round-the-table member update regarding activities since the last Forum meeting that may be of interest to the group. Mel Lytle of SJCO and Jim Abercrombie of AWA were scheduled to give updates regarding the Integrated Regional Water Management Plans (IRWMP) they are working on.

AGENDA TOPIC: UPDATES FROM FORUM MEMBERS

San Joaquin Farm Bureau (SJFB): Tom Orvis advised that Senator Dianne Feinstein would be in Stockton on Tuesday March 21st to speak at an event sponsored by the City of Stockton Chamber of Commerce. There is a \$40 / person charge to attend.

Calaveras County Water District (CCWD): Edwin Pattison noted that his agency is participating in preparing an IRWMP with AWA (see later discussion item).

Charles Hebrard noted that CCWD hopes to complete the general manager selection process shortly.

EBMUD: Lena Tam and John Skinner advised that they are working with Mel Lytle to schedule a meeting between representatives of EBMUD and the GBA. Attendees are to include technical staff and elected officials. Meeting discussion topics will address potential water supply projects (current and future), as well as water initiatives that may be of mutual interest.

Rob Alcott mentioned that in response to a question posed by the GBA, EBMUD issued a letter clarifying EBMUD's view on the GBA's proposed inclusion of "Enlarge Pardee Reservoir" as one of their IRWMP-listed projects. EBMUD's preference is that projects such as Enlarge Pardee not be included in the GBA's IRWMP because they would require the review and consideration of a group broader than the GBA. EBMUD would need to be a participant in such an exercise, as would various up-country agencies having a potential interest. Currently GBA membership is limited to San Joaquin County entities. Rob also mentioned that EBMUD is requesting that up-country agencies adopt a similar approach as they develop a list of potential projects for inclusion in their IRWMP.

Tom Francis discussed his agency's successful Proposition 50 Chapter 8 Step 1 grant application results. A successful application was submitted covering the Sacramento County Region (that included the Freeport Regional Water Authority and EBMUD as participants). Based on the review conducted by DWR as part of this round of funding, it appears that regional cooperation will be a major factor in future rounds. This would come into play when and if the GBA and the AWA-led up-country group submit implementation grant applications in the future. Conflicting applications could prove problematic, and it would be best to submit applications that complement each other. Tom encouraged continued coordination with the Forum to enhance prospects for future applications.

City of Stockton: Bob Granberg provided an update regarding the City's Delta Water Supply Project. The State Water Resources Control Board (SWRCB) addressed issues raised in a petition for reconsideration filed by Westlands Water District and the Delta Mendota Water District related to the Board's initial issuance of a water rights permit as an agenda item on their March board calendar. The Board issued an order denying reconsideration and adding two additional conditions to the permit. Bob suggested that opposition to the project is likely to be resolved shortly.

Amador Water Agency (AWA): Jim Abercrombie advised that work was moving along on a project to abandon a water supply ditch and replace it with a conveyance pipeline. That effort was funded in part by an EBMUD contribution. In addition, he has been meeting informally with PG&E to discuss a potential project that would involve raising a PG&E reservoir on Lower Bear River. This project would lead to a water supply as well as a water quality benefit, since raising the dam could eliminate copper leaching from rocks used to form the dam's embankment / downstream face.

Jim has also been working with various up-country agencies (including Calaveras County) on an IRWMP (see below).

San Joaquin County (SJCO): Dr. Mel Lytle advised that he was working with Lena Tam on scheduling the joint EBMUD/GBA meetings noted above as a means to keep the agencies' elected representatives informed about water plans, programs, and issues.

As for SJCO's MORE Water Project, they are moving forward with the Phase 2 development of a hydraulic model (the MOCA model). It should be completed by this summer, and will be an open model available to other agencies / staff. A U.S. Senate hearing regarding HR 3812 is scheduled to take place on March 30th. Mel will testify on the Bill's behalf. HR 3812 requests \$3.3 million to fund a Bureau feasibility study regarding the MORE Water Project. Mel noted that the Bureau is nearing completion of the MORE Water Project Appraisal Study. He anticipates that a meeting will be scheduled in April between the Bureau and EBMUD to discuss the results of the Appraisal Study. A separate meeting will be held between the Bureau and SJCO to discuss the results. Assuming that schedule is kept, the Appraisal Study should be finalized shortly thereafter.

Mel mentioned that a consultant working with the GBA is nearing completion of a draft analysis of unassigned capacity available in the Freeport water project. The consultant (WRIME, Inc.) was tasked with reviewing what interests SJCO and/or the GBA may have (if any) in pursuing an agreement for use of unassigned capacity. Mel hopes to be able to share the results of the work with EBMUD in the coming months.

Mel discussed a bill in the CA Legislature that would classify groundwater recharge as a beneficial use (Senate Bill 1795). This classification would enable recharge projects to move forward without the added red-tape of various SWRCB regulations and requirements. Kevin Kauffman of SEWD is helping craft bill language that could be supported by various SJCO water agencies (and others throughout the region).

Mel committed to bringing copies of a GIS map prepared by the GBA to the next meeting as a hand-out to be provided to Forum members. The map shows graphically several water-related projects and facilities that have been discussed both at the Forum and at GBA meetings.

Tom Flynn advised that he has been working on the County's annual legislative priorities. The two highest priorities of note to the Forum are the MORE Water Project and efforts to improve Delta Levees. Tom will be traveling back to Washington DC at the end of March to discuss these and other priorities with elected officials in hopes of gaining support and securing federal funding.

Stockton East Water District (SEWD): Kevin Kauffman provided additional details regarding his efforts on Senate Bill 1795. Kevin is working with the legislative

committee of the Association of California Water Agencies (ACWA) on the bill. He hopes to get additional language incorporated into the bill as it moves through the committee process.

Hanson Engineering / Woodbridge Irrigation District (WID) Info: Jim Hanson noted that the Woodbridge Dam construction is completed and the project is up and running. The City of Lodi is working with WID to determine how they can utilize the water purchased as part of a long-term transfer agreement.

City of Lodi: Frank Beeler noted that the City has begun the installation of its first customer water meters.

North San Joaquin Water Conservation District: Ed Steffani advised that they are continuing to work with the SWRCB staff in hopes of getting their project moving. This particular project was awarded funding under CalFED. They need SWRCB approval in order to move their point of diversion. The project is a demonstration groundwater recharge project. There also is a need to receive an approval from Cal. Fish & Game (F&G). Ed stated that F&G were requesting to have a fish screen installed on a river intake. Lengthy delays have occurred in the permitting process, and Ed noted that SWRCB staff are warning of a 40-year backlog.

Ed also mentioned that NSJWCD are moving forward with a proposed groundwater recharge demonstration project on the Micke Grove Trust property.

State of California Department of Water Resources (DWR): Mike Floyd informed the Forum that the bond measure proposed for consideration in April failed to pass the Legislature. However, there was good news in that it was clear that there is broad public as well as elected support for funding to go toward integrated regional water management. DWR hopes to see a revised measure pass in the Fall.

Mike also noted that Proposition 50, Chapter 8 Step 2 grant announcements were made the prior week. EBMUD was part of successful Step 1 grant application partnership in Sacramento (see above). The Step 2 funding cap is \$25 Million. Sixteen Step 2 invitations were made, but only 6 applicants will receive funding following the review and ranking of Step 2 applications.

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| AGENDA TOPIC: IRWMP UPDATES |
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Amador Water Agency (AWA): Jim Abercrombie gave a brief update regarding the IRWMP effort he is leading on behalf of various up-country agency partners (as well as with EBMUD as an added participant). A Memorandum of Understanding has been developed detailing IRWMP team responsibilities; the goals and objectives of the IRWMP have been prepared; a preliminary project list has been crafted; and he plans to meet with GBA representatives to discuss how to integrate both IRWMPs.

San Joaquin County / GBA: Mel Lytle discussed the GBA's IRWMP status. He noted that it was important, as Jim pointed out, to meet with up-country representatives to discuss their IRWMP and how the two efforts could complement each other. The GBA is in the midst of developing water supply alternatives. Various alternative "types" are being considered (specifically a no-action alternative; a conservation alternative; a local-supply alternative; a new-supply alternative; and a saline barrier alternative). Mel noted that regional groundwater banking was a project component of the supply alternatives (in consideration of a small [50 TAF] through a large [200+ TAF] groundwater recharge project). The GBA proposes to develop several hybrid options that would consider a mix of the various project-types, and to move those forward as part of a programmatic EIR that will be prepared in conjunction with the IRWMP. Mel hopes to complete the PEIR by June of 2007.

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| AGENDA TOPIC: REVISED DRAFT ASSURANCES DOCUMENT |
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Mike Harty led the group in a discussion of the most current (3rd) draft of the Assurances Document, a collaboration of a Forum subcommittee (e.g., Mike, Lena Tam, John Skinner, Jim Abercrombie, and Mel Lytle) and attorneys that represent their respective agencies. Key points for discussion included:

1. Whether the assurances document should be signed by members of a "water agency caucus" or by all Forum members. The 3rd draft was restructured to present the option of a "water agency caucus." This caucus would be comprised of Forum water agencies, including the SJFB, and only caucus members would sign the assurances document. This option is one way to control access to confidential information, and is modeled on the multiple caucus model of the Water Forum. Other Mokelumne Forum members would have the ability to form their own caucus, but would not have access to information covered by a water agency caucus assurances agreement. As part of this approach, there might be a quarterly "full" Forum meeting, with more frequent caucus meetings that would hold discussions involving confidential information.

An alternative is to invite any Forum member to sign the assurances document, and not limit assurances only to a water agency caucus. Under this "open" option each Forum member could elect to sign or refrain and anyone willing to sign would have equal access to confidential information. Any Forum member electing not to sign would remain a Forum member, but likely would have limited access to confidential information and might not be able to participate fully in all Forum meetings. Under this approach full Forum meetings would occur monthly, consistent with past practice, but the agenda might include topics limited to members who have signed the assurances document.

There was discussion that the environmental community may see a caucus option as a negative signal to other Forum members who would not be part of a water agency caucus.

Mike reported on his phone conversation with Terry Strange (of the Upper Mokelumne River Watershed Council), whose views reinforced this concern about a negative signal. Mike is in the process of organizing a meeting with representatives of environmental interest groups to present the draft assurances document, different options, and gather additional feedback, as well as organize sustained participation in the Forum.

Mike's current recommendation to the Forum is in favor of the "open" option. This matter will be further discussed by the subcommittee as they prepare the next version of the assurances document.

2. How to state assurances related to different rights under the Water Code. The revised draft contains a series of assurances regarding water rights and waivers of protest. In general, Amador and Calaveras Counties feel strongly about including language acknowledging county of origin water rights, San Joaquin County entities are interested in language that addresses groundwater rights and removal of protests (to water right applications), and EBMUD is concerned about consistency with the Water Code as well as preventing future use of confidential information in a water rights proceeding. Ed Steffani and Fred Wybret noted that they wanted to make sure that by signing the document it did not create any "new" water right (for signatories), and there is general agreement on this point. Language will be added to the draft to clarify that all assurances are to be consistent with the Water Code, and that the document is not intended to provide any contractual modification of water rights.

3. Other points.

- "Caucus information" on page 2 of the document should be better defined.
- The words "including providing any information that has the potential to benefit the forum process and its goals" should be added to paragraph 4 page 2.
- Confirm that the assurances will extend to consultant. See Paragraph 12.
- Confirm that the document is not intended to bar a Forum Member from pursuing an action at the State Board if that is deemed necessary. An additional sentence may be added to paragraph number 8 to clarify the draft and address NSJWCD's concerns.
- Better define what is meant by paragraph 7.E.

To close the discussion, Mike Harty advised that he will work with the subcommittee and counsel to address the comments generated from today's meeting. Mike also will discuss the document with Mike Floyd and Eric Hong of DWR to gather their comments, if any, including whether DWR will sign the agreement. Mike also will share the draft version with representatives of the environmental community to gather their comments. Mike hopes to be able to provide a completed / draft-final version of the assurances document

to the Forum in time for the April 20, 2006 meeting. The next step would be for each Forum member to take the document to their respective legal counsel for review and approval, as well as approval by decision makers.

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| NEXT FORUM MEETING AGENDA DISCUSSION ITEMS |
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Discussion of the draft-final version of the Assurances Document.

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| NEXT FORUM MEETING |
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The next meeting of the Forum is scheduled for Thursday, April 20th at 9:00 a.m. at the SJFB's meeting facilities in Stockton.

Jim Abercrombie of AWA agreed to provide breakfast at the next Forum meeting.

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| CLOSING |
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The March 16th Mokelumne River Forum Meeting was adjourned at approximately 12:00 noon.

NOTE: The initial draft of these meeting minutes was prepared by Tom Francis of EBMUD. Mike Harty reviewed and edited the draft. Please send comments or questions to Mike.