

MOKELUMNE RIVER FORUM

MEETING No. 21

DRAFT MEETING SUMMARY

MEETING DATE: September 21, 2006

LOCATION: San Joaquin Farm Bureau
3290 North Ad Art Road
Stockton, CA 95215

ATTENDEES: Mike Harty
Tom Francis – East Bay Municipal Utility District
Rod Schuler – Amador Co. Public Works Director (Retired)
Hank Willy – Jackson Valley Irrigation District
Bob Granberg – City of Stockton
Tom McGurk – Stockton East Water District
Tom Gau – San Joaquin County Public Works Dept.
Jim Hanson – San Joaquin County Public Works Dept.
Ed Pattison – Calaveras County Water District
Dave Andres – Calaveras County Water District
Jim Abercrombie – Amador Water Agency
Rob Alcott – East Bay Municipal Utility District
Lena Tam – East Bay Municipal Utility District
Charles Hebrard – Calaveras County Water District
Frank Beeler – City of Lodi
Gerald Schwartz – East Bay Municipal Utility District
Mike Floyd – California Dept. of Water Resources
John Skinner – East Bay Municipal Utility District
Fred Weybret – North San Joaquin Water Conservation District
Ed Steffani – North San Joaquin Water Conservation District
Tom Orvis – San Joaquin Farm Bureau

ACTION ITEMS AND AGREEMENTS

1. A Forum Subcommittee (Jim Abercrombie of Amador Water Agency (AWA), Mel Lytle of San Joaquin County (SJCO), Rob Alcott of East Bay Municipal Utility District (EBMUD), and John Skinner of EBMUD) will work to draft a description of an inter-regional water supply project. That description is proposed to be included in both the Northern San Joaquin Groundwater Banking Authority's (GBA) Integrated Regional Water Management Plan (IRWMP) and the Mokelumne / Amador / Calaveras (MAC) IRWMP.
2. A draft description of the inter-regional water supply project will be shared with other Forum members at the October Forum meeting.

3. Further action or discussion regarding preparation of an Assurances Document, A Resolution regarding assurance matters, or a Water Availability Study (WAS) will be postponed. Forum members will instead focus on their respective IRWMP activities during the remaining portion of 2006.
4. Jim Abercrombie will provide Mike Harty with a copy of the 1958 settlement agreement reached between EBMUD and various up-country agencies as it relates to the construction and operation of Camanche Reservoir. Mike will make copies of that agreement available to interested Forum members.
5. 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 October 19, 2006.
6. Jackson Valley Irrigation District (JVID) will provide breakfast at the next Forum meeting.

PRELIMINARY MATTERS

August Meeting Summary

An electronic version of the August draft meeting summary was distributed via email in late August 2006. Corrections were requested by Kevin Kauffman (via email). Rod Schuler of Amador Co. Public Works (retired) and Bob Granberg of the City of Stockton also requested edits. Mike will note the corrections in the final September minutes.

Agenda

The primary purpose of the meeting was to review options for the Forum in light of issues associated with the draft Assurances document and draft resolution. A second purpose was to review specific project options and agree on next steps.

AGENDA TOPIC: UPDATES FROM FORUM MEMBERS

Mike Harty invited those present to share updates regarding their respective water-related projects, actions, or activities that other participants may find of interest.

Jackson Valley Irrigation District (JVID) – Hank Willy noted that his agency was continuing to use the legal service of Bob Maddow to provide assistance regarding a permitting matter.

City of Stockton (Stockton) – Bob Granberg noted that Stockton is moving forward on its Delta Water Supply Project (DWSP). They anticipate awarding a contract to design an

intake system shortly. Plans are to award a design-build contract for an associated treatment plant in the Spring of 2007.

San Joaquin County Public Works Department (SJC) - Mel Lytle noted that his agency had met with representatives from the U.S. Bureau of Reclamation (Bureau) on Sept. 18th. The Bureau briefed SJC on the results of their appraisal study performed in conjunction with SJC's MORE Water Project. Since the Bureau had not yet had an opportunity to meet with EBMUD, Mel noted that he would defer any further comments on the Bureau's work until EBMUD had been briefed.

Calaveras County Water District (CCWD) – Dave Anders of CCWD noted that his agency was busy working on a various projects including a small wastewater treatment plant in partnership with JVID in the vicinity of Pardee Reservoir and the installation of a new water storage tank.

East Bay Municipal Utility District (EBMUD) – Lena Tam of EBMUD mentioned that her agency had participated in a face-to-face meeting with Pardee-area flood control agencies to discuss emergency and non-emergency flow releases by EBMUD on the Mokelumne. EBMUD was asked by FERC to hold the meeting in order to promote communication among interested parties.

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| <p>AGENDA TOPIC: ISSUE DISCUSSION: DRAFT RESOLUTION AND ASSURANCE DOCUMENT / APPROACH MOVING FORWARD</p> |
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Mike began the discussion by noting that a Forum Subcommittee assembled to review the matter of a Draft Resolution (that would take the place of an Assurance Document) concluded that a resolution would be of little value. Subcommittee members included Lena Tam and John Skinner of EBMUD, Jim Abercrombie of Amador Water Agency (AWA) and Mel Lytle of SJC. The wording of a resolution could not be crafted such that it contained enough "meat" (i.e., action items, financial commitments, etc.) such that it would warrant members bringing it in front of their respective governing boards for adoption. Instead, the subcommittee suggested that the Forum focus its efforts on identification and development of a mutually-beneficial project.

Lena Tam of EBMUD noted that by focusing on the development of a mutually-beneficial project, the subcommittee felt that when the concept could be identified and advanced, then there would be some "point" in the process during which they could better determine if confidential information must be brought forward. At that point the matter of how to address needed assurances could be re-opened.

Mel Lytle of SJC echoed Lena's comments, noting that he viewed that the group was quite "word-weary" following the months of effort trying to craft an assurance document that met the needs of all parties to the Forum. A re-focus of efforts was called for.

Jim Abercrombie of AWA noted that while Kevin Kauffman of Stockton East Water District (SEWD) had viewed that he could supply example agreements that included language that could be mimicked to address the water rights concerns of up-country agencies, the agreements supplied did not tackle the heart of up-country agency concerns (specifically the matter of County / Area of Origin Water Rights). Hence for the time being a re-focus of efforts was warranted and the issue of Area of Origin Water Rights would still need to be tackled if and when a project concept is advanced.

Mel Lytle asked participants if they were aware of any documents whereby Area of Origin Water Rights had been addressed, and if so were those documents / agreements available to the Forum. Jim Abercrombie noted that the 1958 settlement agreement (paragraph 14) between EBMUD and parties in Amador and Calaveras Counties as per the construction and operation of Camanche Reservoir addressed that matter. Jim noted that he would be able to provide the document to Mike Harty and Mike could distribute it to the group. In addition, Jim mentioned that the recent court decision / ruling that negated “Term 91” references applied by the State Water Board toward water usage by El Dorado Irrigation District (EID) is an example where area of origin water rights have been affirmed.

Mike Harty summed up the discussion as follows:

- An assurance document is not relevant (for the time being);
- A resolution would not serve as a suitable alternative (to an assurance document);
- The Forum will focus on development of mutually-beneficial projects (for the time being); and
- If there is a need for “firm” information to move a mutually-beneficial project forward, and the party that has such information is reluctant to provide it, the issue of an assurance document will be revisited with the hope that having a real project on the table will provide more of an incentive to Forum members to work toward assurance document adoption.

There was some mention of the possibility that perhaps there needed to be an effort to engage the participation of various Delta Water Agencies (primarily South Delta Water Agency and Central Delta Water Agency), to avoid expending a great amount of effort on project development only to later find that as that effort moves through the planning stage and into engineering those agencies may be inclined to react negatively and subvert the process. Similarly, it was noted that PG&E as well as environmental groups appear disinterested from participating in the Forum.

Some Forum members viewed that Delta agencies, while not currently engaged in the process, shared some of the same goals that Forum agencies have and could in fact be shown to benefit from a possible inter-regional project. Specifically, a project could be shown (to them) to have a positive impact on Delta water quality. Similarly, many large

landowners in San Joaquin County have property both in the eastern as well as the western portion of the County (and hence would encourage Delta agencies to consider the broader needs of the County).

It was concluded that Delta agencies as well as PG&E and environmental interests can be expected to take more interest in the Forum process as project plans developed, and until then no greater outreach efforts would be attempted other than a continuing acknowledgement that their presence at the Forum meetings would be welcomed.

IRWMP UPDATES

GBA IRWMP Summary

Mel Lytle presented an update regarding the GBA's IRWMP. As discussed by Mel in his presentation:

- It was somewhat of a follow-up to a presentation given last year (to the Forum) and illustrated the work that has been completed since that time;
- Their IRWMP is scheduled to be completed late this year and will be adopted by participating agencies;
- An environmental firm will begin work on a Programmatic EIR (PEIR) to address IRWMP CEQA-related matters;
- The PEIR will be completed in mid-2007;
- The GBA is utilizing a consensus-based approach / process to cooperatively develop a comprehensive plan to integrate and enhance water resource management in the region;
- The general GBA region is eastern San Joaquin County;
- Main issues of GBA concern regarding water supply matters include:
 - The continued worsening of the groundwater basin overdraft condition; and
 - The progression eastward of a saline-groundwater intrusion "front"
- The IRWMP is also taking into consideration how proposed projects / alternatives may be beneficial to neighboring regions (e.g., the foothill counties and the bay / delta {"hills to bay"});
- In conjunction with the IRWMP, the GBA has utilized a groundwater model prepared as part of the GBA's groundwater management plan to evaluate how conditions may worsen over time if no actions are taken;
- The IRWMP has utilized a computer model called "STELLA" to evaluate how various project alternatives could positively impact the region's water supply / groundwater basin / sub areas within the GBA region;
- Aside from the "no action" alternative, the IRWMP included a review of alternatives that consider the following "categories" of actions / projects:
 - Demand-side focus;
 - Local-supply focus;

- New-supply focus;
- Saline Water Barrier focus; and
- Regional banking focus
- The new-supply focus, saline water barrier focus and regional banking focus alternatives were “combined” into one singular “hybrid” alternative as the IRWMP has been further developed. The GBA also refers the hybrid alternative as “Alternative 5”. It includes the following project components:
 - Common Elements and Actions (i.e., projects that are already permitted / under construction and actions that agencies have committed to);
 - Demand-side Actions (i.e., conservation, etc.);
 - Stockton Delta Water Supply Project – Phase II;
 - Farmington Recharge Program (enhanced);
 - MORE Water (Max) =
 - Lower River and Pardee Diversions;
 - Off Stream Reservoir (Duck Creek);
 - In-Lieu / Direct Field flooding recharge;
 - Multiple recharge ponds
 - Regional Banking; and
 - Saline Barrier.
- Mel provided slides with examples of various project options as detailed above, such as how a project which included diversions from the Mokelumne River could distribute water supplies to various groundwater recharge elements;
- Mel noted that in order to minimize the total cost of any projects that directed water to storage, he viewed the GBA would propose to utilize existing conveyances (streams, river, channels, pipeline, etc.) to the extent possible (vs. constructing new conveyance measures);
- It was noted that perhaps the GBA could utilize the Freeport project to deliver water (up to 60 TAF) that would be applied to create a saline barrier and hence stop the eastward advancement of the saline front. Such a project would require various agreements and water rights matters to be sorted out before it could move beyond the concept stage;
- Regarding regional banking, Mel noted that in concept a regional groundwater bank would address the issue of the groundwater overdraft yet also provide a means for EBMUD to store water for use during times of drought, and for up country agencies to make use of water they currently are not utilizing for storage / use at some later date.

A couple of questions followed Mel’s presentation. Specifically, Mel was asked (by John Skinner of EBMUD) to elaborate on whether the projects were being evaluated from a financial perspective. In addition, Mel was asked to comment on whether the groundwater export ordinance in place is a detriment to regional banking.

- Mel noted that the financing piece of the projects under review were being considered as part of the Management Action Plan component of the IRWMP; and
- Mel acknowledged changes may be warranted to the existing export ordinance in order to encourage participation beyond GBA members. A clear project description is the incentive necessary to allow for ordinance revision.

MAC IRWMP Summary

Following Mel Lytle's presentation, Jim Abercrombie of AWA briefed Forum members on the status of the Mokelumne / Amador / Calaveras (MAC) IRWMP.

- Agency participants include CCWD, AWA, EBMUD, and the Cities of Sutter Creek, Jackson, Plymouth, and the Amador Regional Sanitation Authority;
- Plans are for each agency to adopt the MAC IRWMP by the end of 2006;
- Forum participants were provided with a draft version of a chapter from the IRWMP that discussed inter-regional projects. The chapter included a description of "Raise Pardee" reservoir and a project to expand either Lower Bear or Upper Bear reservoir. A regional groundwater banking project was also discussed. Such projects were viewed as those that were of interest to not only the MAC region but also the GBA region. Hence the chapter, once finalized, would appear in both the GBA and the MAC IRWMPs;
- Jim detailed the expand Bear reservoir(s) (lower and upper) project options. He noted that a feasibility analysis had been prepared on behalf of AWA that indicated that such a project would prove beneficial to not only AWA but also was financially favorable since it offered a hydro-power component / had headwater benefits. It offered a water supply component that would be of interest to EBMUD. It could be used to provide additional storage of flood flows during winter months and hence be of interest to SJC since it serve to regulate the flows and hence make conveyance to storage easier. It would be of interest to PG&E since there are copper-leaching issues associated with the existing reservoir embankments (and hence a raise could encapsulate / cover the leaching soils / rock to provide a water quality benefit);
- Rob Alcott provided some information regarding the work that had been done in the past on the "Raise Pardee" option. Such an option was considered as part of the EIR developed for the Freeport Regional Water Project. There were concerns regarding the project's possible impact on a stretch of the Mokelumne River that is used for whitewater rafting; and

- Jim noted there were numerous other projects included in the IRWMP, but those projects were locally focused (confined to the MAC region) and hence would be of lesser interest to the Forum.

**DISCUSSION OF 'NEXT STEPS' FOR THE FORUM TO TAKE IN THE
SHORT-TERM**

Mike Harty asked the group to comment on what next-steps the Forum should take in the short-term.

Forum participants noted that significant efforts were underway by participants regarding the completion of the MAC and GBA IRWMPs. The IRWMP efforts must be completed between now and the end of the year. The group acknowledged that the joint chapter (that would appear in both IRWMPs) could be crafted such that it provided more specific details regarding a proposed inter-regional project. Assuming those details could be fleshed out in the IRWMPs, the project could then be continued (developmentally) by the Forum in 2007.

In concept, the inter-regional project would include a storage element in upcountry areas (such as a raise lower bear reservoir), existing EBMUD facilities such as Pardee Reservoir to convey the water to San Joaquin County, and some regional groundwater banking element in San Joaquin County that would allow for EBMUD and upcountry participation.

Mel Lytle suggested that the Forum subcommittee, with the support of the respective consultants who've been hired by the GBA and the MAC team, work to flesh out this inter-regional project description.

Mike Floyd of the California Department of Water Resources (DWR) noted that his agency would be encouraged by such cooperation between the MAC and GBA regions. Cooperation would be particular noteworthy in any possible application that either party may wish to put forward during future IRWMP implementation grant funding rounds (since DWR and the State Water Resources Control Board would not look favorably upon projects that compete for the "same" water resource).

A meeting was proposed of a Forum Subcommittee (Jim Abercrombie, Mel Lytle, Rob Alcott, and John Skinner) for September 29, 2006 during which details of the inter-regional project would be further developed. MAC and GBA consultants would then work to further develop the project option. Assuming a positive result, those details would be shared with Forum members during the October meeting.

It was agreed that the Forum would commit to the suggestion to concentrate on GBA and MAC IRWMP matters through the end of 2006.

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| CLOSING |
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The September 21, 2006 Mokelumne River Forum Meeting was adjourned at approximately 12:00 noon.

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| NEXT FORUM MEETING |
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The next meeting of the Forum is scheduled for Thursday October 19, 2006 at 9:00 a.m. at the SJFB's meeting facilities in Stockton.

Hank Willy of JVID agreed to provide breakfast at the next Forum meeting.

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.

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