

MOKELUMNE RIVER FORUM

MEETING No. 24

DRAFT MEETING SUMMARY

MEETING DATE: January 18, 2007

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

ATTENDEES: Mike Harty
Tom Francis – East Bay Municipal Utility District
Kevin Kauffman – Stockton East Water District
Rod Schuler
Hank Willy – Jackson Valley Irrigation District
Jim Hanson – Hanson Engineering / San Joaquin Co.
David Lounsbury – Hanson Engineering / San Joaquin Co.
Mel Lytle – San Joaquin County Public Works Dept.
Bob Granberg – City of Stockton
Rob Alcott – East Bay Municipal Utility District
Jim Abercrombie – Amador Water Agency
Charlie Swimley – City of Lodi
Lena Tam – East Bay Municipal Utility District
Gerald Schwartz – East Bay Municipal Utility District
Tom Orvis – San Joaquin Farm Bureau
John Skinner- East Bay Municipal Utility District
Ed Pattison – Calaveras County Water District
Mike Floyd – Department of Water Resources
Ed Steffani – North San Joaquin Water Conservation District
Terry Strange – Upper Mokelumne River Watershed Council

ACTION ITEMS AND AGREEMENTS

1. A Subcommittee to the Mokelumne River Forum will meet on January 29, 2007 at the Sacramento offices of Hanson Engineering to further discuss the development of the proposed Inter-Regional Conjunctive Use Project (I-RCUP).
2. Mel Lytle will do the following:
 - Provide via email (to Mike Harty such that he in turn could forward to the Forum) a copy of the power point presentation given during the meeting which discussed a proposed I-RCUP project concept.
 - Meet with Senator Machado and/or his staff to better determine the detail and/or level of information necessary in order for the Senator to move an

- I-RCUP funding proposal forward. Mel would have this meeting prior to the Feb. 15, 2007 Forum date.
- Work with his consultants to develop a possible RFP that would be used to hire a consultant to perform I-RCUP preliminary engineering. The decision on whether to hire a consultant would be determined in the months ahead.
3. Mike Harty will be in contact with environmental organizations in attempt to solidify their participation in upcoming Forum meetings.
 4. The next meeting of the Mokelumne Forum is schedule for February 15, 2007.
 5. Calaveras County Water District (CCWD) will provide Breakfast for the February meeting of the Forum.

PRELIMINARY MATTERS

November Meeting Summary

An electronic version of the November 16, 2006 draft meeting summary was distributed via email the day preceding the January meeting. Printed copies were provided to Forum participants at the Jan. meeting's onset. There were no requested edits to the November meeting minutes at that time. For those that had yet to review the minutes, Mike Harty offered to collect comments via email.

Agenda

The primary purpose of the meeting was to discuss the ACWA conversation among elected officials and visit the next steps related to that conversation. A second purpose was to explore options for effectively broadening participation of the environmental community in the Forum.

AGENDA TOPIC: UPDATES FROM FORUM MEMBERS

San Joaquin County Dept. of Public Works (SJC) – Mel Lytle reported that there would be a presentation on their new MOCASIM hydraulic model at the January 24, 2007 meeting of the Northeast San Joaquin Groundwater Banking Authority (GBA). Forum members were invited to attend. Mel also indicated that if there was sufficient interest by Forum members, a similar MOCASIM presentation could be provided during an upcoming Forum meeting.

Dr. Lytle also commented that the Mokelumne River Water and Power Authority's (MRWPA) FERC application as associated with their proposed MORE Water Project had reached its three (3) year expiration. MRWPA submitted a new permit application in

early January. He is unclear as to when the new permit will be noticed by FERC and/or whether those that protested the original application will be required to file new protests.

Mel asked an EBMUD representative to comment as to whether EBMUD had plans for the development of a new reservoir on the Mokelumne River. Dr. Lytle noted that he was posing the question since he had recently received several inquiries regarding any such plans. Rob Alcott of EBMUD responded that there were no such plans. He speculated that the parties must have heard about the potential for raising of Bear Creek Dam(s) as is currently being reviewed by Amador Water Agency.

Dr. Lytle also asked Mr. Alcott to provide information regarding a notice he received stating that EBMUD will soon embark on the preparation of an EIR for a Watershed Assessment. Rob noted he would provide the details when it was his turn to speak.

Stockton Municipal Utility District - Bob Granberg noted that there was no news to report since the November 2006 meeting. Rob Alcott of EBMUD asked Bob to update the group on the status of the environmental documentation as associated with the City's Delta Water Supply Project (DWSP). Mr. Granberg commented that they had received the Biological Opinion (BO) from NOAA Fisheries and expected to receive a second BO from the U.S. Fish and Wildlife Service shortly.

East Bay Municipal Utility District – Rob Alcott of EBMUD mentioned that various agencies and interest groups had recently been sent a Notice of Preparation (NOP) regarding an upcoming Environmental Impact Report / Environmental Impact Study (EIR / EIS) in association the preparation (by EBMUD) of a Mokelumne Watershed Master Plan. Per Rob, the MP would update a similar plan prepared in the 1970s as associated with EBMUD properties around Pardee and Camanche Reservoirs. Topics included in the MP include allowable recreational uses for the watershed lands and waters, and the establishment of a community liaison committee. The EIR itself will be used by EBMUD to identify various management options for consideration and adoption.

Lena Tam of EBMUD noted that dam safety inspections are being conducted at Pardee and Camanche as required by their FERC license. Also, EBMUD is working with SJC to establish notification protocols for reservoir high flow release conditions (during flood events). Further, Ms. Tam noted that EBMUD was soliciting a consultant to prepare a Water Supply Master Plan through the 2040 planning horizon.

Gerald Schwartz of EBMUD commented that he was working on arrangements for a meeting between various elected officials and representatives of the Forum to be held on February 26, 2007 at San Joaquin Farm Bureau offices from 10:00 am – 1:00 pm. He plans to prepare an agenda shortly as meeting details are finalized.

Amador Water Agency – Jim Abercrombie of AWA commented that his agency is nearing the completion of an \$18 Million water conveyance pipeline project. The project

was ahead of schedule and under budget. He was very pleased with both the engineering consultant (Kennedy Jenks) as well as the construction contractor (Ranger Construction).

Mr. Abercrombie next commented that he was planning to meet with representatives from Jackson Valley Irrigation District (JVID) and EBMUD to resolve a protest as issued by EBMUD regarding a water right matter. Jim expected that it would be an easy matter to resolve.

Jim discussed AWA's plans to move forward with studies regarding the option to raise Lower or Upper Bear Reservoir. Once they have board approval, AWA will hire a consultant to develop a cost estimate for the project and perform a fatal-flaw analysis.

City of Lodi – Charlie Swimley of the City of Lodi (Lodi) noted that Lodi was active in the further study of a surface water treatment that would be used to treat water that is being sourced via an agreement with Woodbridge Irrigation District (WID). Studies include a siting analysis, a watershed survey and a preliminary financing plan.

Lodi is also moving forward with Phase 3 improvements for their White Slough treatment plant expansion. When completed, the plant will have a treatment capacity of 8.5 MGD.

Charlie noted that the City was also reviewing the need to replace and/or rehabilitate an outfall / conveyance sewer line (that leads to the White Slough plant). The existing line is approx. 25,000 feet long and has been in place since 1967. As part of that effort, they are working with the State of California Water Resources Control Board (SWRCB) to review plant and conveyance line permitting matters.

Mr. Swimley further commented that Lodi is in conversations with the City of Stockton regarding a possible recycled water project.

San Joaquin Farm Bureau – Tom Orvis of the San Joaquin Farm Bureau (SJFB) provided details regarding plans as presented by a group that goes by the name of "Restore the Delta". Their overarching mission statement is "Fishable, Drinkable, Swimable, Farmable Delta by 2010". The group was taking a position on plans for the peripheral pipeline as well as other Delta-focused projects.

Tom also noted that in regards to studies being conducted in association with UC Davis, research is showing that E Coli as found in most San Joaquin regional rivers was of human source vs. an agricultural / animal source. Results had yet to be published / finalized.

Calaveras County Water District (CCWD) – Ed Pattison commented that he had received a news report regarding a recent ruling in a court case regarding water rights fees. Specifically, the case won on appeal. Ed only just heard the news, and hence did not

know how the appeal would impact agencies and/or their water rights fees. He did, however, see it as good news.

Mr. Pattison also reported that he had received the City of Stockton's General Plan for comment and review. There were some matters that were pertinent to CCWD operations and hence he anticipated preparing a formal response.

Ed commented that CCWD was working to capture FEMA funding to address flood-related matters that became evident during an April 2006 storm / flood event. Specifically, they plan to use funds to protect their treatment plant from flood damage from a similar or greater event.

Finally, Mr. Pattison commented about recent service requests from various developers. It was his hope to combine the various requests such that CCWD could review the various needs for water (and potentially sewer service) from a regional perspective vs. on a case-by-case basis. Funding for such review would need to come from the developers making the service requests.

State of California Department of Water Resources (DWR) – Mike Floyd reported that the Proposition 50, Ch. 8 implementation grant final award list had yet to be released as management was still mulling over public comment. A workshop (open to the public) is scheduled for later in Jan. to discuss the award list as well as the agency's plans for the next round of grant funding.

Bob Granberg of Stockton asked Mike to comment regarding a rumor he had heard to the effect that the next round of grant funding would be limited such that only Southern California agencies would be eligible for awards. Mr. Floyd stated that he was not aware of any such limitation. Mike suggested that those who had concerns regarding the grant process express those concerns in letters directed to DWR grant staff. Doing so would best assure a response from DWR grant program staff.

Upper Mokelumne River Watershed Council (UMRWC) – Terry Strange of UMRWC noted that in December 2006 their group hired a new coordinator, Susan Santie. Susan will be responsible for grants and outreach. Terry also expressed concerns regarding the general ability of various watershed organizations in the State to have continuity of staff, due to issues associated with the timing whereby current grant-funded programs are ending vs. when monies as associated with new grant funding would be available. He believes that there could be some disconnect / lack of technical staff between June of 2007 and Dec. of 2008.

Mr. Strange noted that his group had completed a second round of training for citizen volunteer monitors for various Foothill county creeks and streams. Terry also mentioned that the UMRWC had been performing bacteria sampling at select locations using an

index machine in an attempt to document water quality. The State of California had contributed \$7,500 for that effort two years prior.

Finally, Terry noted that in April 2007 there would be a joint meeting with interested parties to discuss state of Mokelumne watershed issues. Included would be a discussion of potential grant funding to further the UMRWC's efforts.

AGENDA TOPIC: UPDATES ON RECENT ACTIVITIES BY STATE BOARD

North San Joaquin Water Conservation District (NSJWCD) – Ed Steffani of NSJWCD gave an update regarding recent actions by the State Water Resources Control Board (SWRCB) regarding NSJWCD water right matters. Ed provided the following background information:

- In December of 2000, NSJWCD applied for a permit extension requesting additional time (10 yrs.) to put 20,000 acre-ft. of Mokelumne River water to beneficial use
- NSJWCD also had submitted a petition to the SWRCB to add a third point of diversion as needed to accommodate a pilot groundwater recharge project

On November 30, 2006, the SWRCB notified NSJWCD of the following:

- Their permit extension requesting additional time was denied
 - The SWRCB justified denial based on the fact that NSJWCD had not put the full 20,000 acre-ft of water to beneficial use
 - NSJWCD has appealed the ruling. They have been granted a reconsideration hearing, which is scheduled for Feb. 20, 2007.
 - NSJWCD is developing a plan to illustrate (to the SWRCB) how the 20,000 acre ft. will be put to beneficial use within the proposed period of the extension
- Their petition to add a third point of diversion was granted
- The SWRCB issued a cease and desist order, and NSJWCD was fined approx. \$66,000 for operating a diversion without a fish screen
 - NSJWCD legal council is of the opinion that Decision 1641 addressed by-pass flow requirements
 - NSJWCD staff noted that in 1993 when their diversion was installed, they had a screen in place (as loaned to them by F&G). At the end of that year, they contend that State of California Dept. of Fish and Game (F&G) staff allowed them to remove the screen as F&G viewed that its use was not warranted based on conditions observed. NSJWCD plans to use that background info to contend that a fine is not warranted.

- Follow-up correspondence with the SWRCB has lead NSJWCD to believe that if they can reach an agreement with F&G regarding the fish screen matter, they will be allowed to pump 3,000 acre-ft this year and an extra 1,000 ft. next year.
 - NSJWCD is working to set aside the associated funding needed to cover screen costs.
- The NSJWCD's Board of Directors is considering a groundwater use charge to those pumpers within their district similar to that charged by Stockton East Water District (SEWD). Monies collected would be used to address the various financial needs of installing screens and other operational expenses.

East Bay Municipal Utility District (EBMUD) – Rob Alcott of EBMUD discussed the recent notice by the SWRCB of an extension request as associated with their Camanche Water Right. Mr. Alcott provided the following summary:

- EBMUD has an existing Pardee license (as licensed in the 1980s, license number 11979) which provides for a 200 mgd entitlement from the Mokelumne River.
- EBMUD has a 125 mgd permit as associated with their Camanche Reservoir. That permit was obtained in the 1950s.
- The Camanche permit allows EBMUD to take the water via a diversion at Pardee
- EBMUD applied for an extension of time (40 yrs) to apply the water to beneficial use beyond the Dec. 31, 2000 date
- Regarding the relationship between EBMUD's Camanche Permit and NSJWCD's permit:
 - The SWRCB issued a temporary right to NSJWCD for a portion (20,000 acre ft) of EBMUD's unused Camanche permit flow. Hence the EBMUD water right is tied to NSJWCD's.
- EBMUD's extension of time request was noticed by the SWRCB on Jan. 10, 2007
- Those wishing to file a protest have until Feb. 9, 2007
- The SWRCB will determine how the process will go forward following the closing of the protest period
- Rob noted that he anticipated that EBMUD will enter into a protest resolution phase as the next step, but again that was dependent on SWRCB direction / decision making / whether protests are filed / etc.

Ed Steffani of NSJWCD commented that per a conversation he had with Victoria Whitney of the SWRCB, she expressed that EBMUD had "said" that they would not put their full allotment to use for up to 100 years. Rob commented that likely that may have been part of the record from the 1950 water rights proceedings (as associated with the Camanche permit).

Kevin Kauffman of SEWD added comments regarding both the EBMUD permit matter and the NSJWCD permit matter:

- Kevin asked Lena Tam of EBMUD to detail the actions taken by SWRCB to work with EBMUD regarding the noticing process. Per Ms. Tam:
 - The SWRCB contacted EBMUD in November as an initial contact to inform them that a notice was being prepared
 - On Jan 9, 2007, the SWRCB contacted EBMUD (via letter) to let them know that the extension would be formally noticed shortly
 - On Jan 10, 2007 the SWRCB noticed the extension
 - EBMUD did not request that SWRCB notice the extension request
 - EBMUD did not view that they were given any preferential treatment by the SWRCB and/or advance notice
- Kevin commented that he was hoping to illustrate that NSJWCD was treated a bit un-fairly (as compared to other agencies) regarding the manner in which the SWRCB was handling their water right extension request (i.e., no notice was given as to upcoming SWRCB actions)
- Mr. Kauffman noted that the Eastern Water Alliance (EWA) (which includes NSJWCD, SEWD and Central San Joaquin Water Conservation District) was planning to meet with EBMUD representatives on Jan 25, 2007, to discuss water rights matters

Mike Harty, the Facilitator for the Forum, closed the discussion by commenting that the next months could prove to be somewhat challenging for the Forum. Some participants may find it a bit difficult to participate in the Forum process (of which an open, positive dialog is encouraged) while at the same time taking part in an agency protest process.

<p style="text-align: center;">AGENDA TOPIC: REPORT ON ACWA DISCUSSIONS AMONG ELECTED'S AND FOLLOW-UP SUBCOMMITTEE DISCUSSIONS</p>

Mike Harty asked members of the subcommittee to the Forum as well as those that attended the recent meeting among electeds at ACWA in Nov. 2006 to provide a brief summary / update.

Mel Lytle provided details of the meeting at ACWA. Per Mel, there was discussion of the proposed Inter-Regional Conjunctive Use Project (I-RCUP). Electeds present said that conceptually they supported the project but that more detailed info needed to be fleshed out before they could be more formal regarding their support. Issues that should be fleshed out included:

- Water Rights – which agency right(s) would be used and/or modified in order to accommodate the project?

- Project Size and Yield – would this be a large project or a small project, what would the yield be in acre-ft?
- Restrictions – could the existing San Joaquin County export ordinance be revised such that all parties are able to agree to basin operational terms?
- Cost / Benefits – can the cost(s) of the projects and the prospective benefits be developed to the degree that it allows for electeds to reach decisions regarding the merits of project participation?

Dr. Lytle noted that following the ACWA meeting, SJC officials met with State of Cal. Senator Machado. Primarily the topic of the meeting was SJC flood-related issues, although during the meeting the Senator brought up the subject of the I-RCUP and the Forum. He asked Mel to provide a more complete project description to him / his office by March 1, 2007. Assuming it had the level of detail that he required, he would work to seek funding support for the I-RCUP.

In response to the Senator's request, Mel noted that he has been working with the Forum subcommittee to develop a more detailed I-RCUP project description. A subcommittee meeting was held on January 8, 2007 to discuss this matter. Dr. Lytle also enlisted the assistance of key consultant engineers for SJC to help on this effort.

Mel closed by mentioning that Gerald Schwartz is charged with organizing a follow-up electeds meeting. That meeting is to take place on February 26, 2007 at the San Joaquin Farm Bureau.

Jim Abercrombie of Amador Water Agency (AWA) commented that he had a sense, based on discussions during the November ACWA meeting, that some elected officials were well informed while others had not been kept up to speed regarding Forum activities and in particular the I-RCUP. He asked Forum members to make a commitment to keeping their respective governing bodies better informed in the years ahead.

Edwin Pattison of Calaveras County Water District (CCWD) agreed with Jim's observation, and noted although the CCWD elected official(s) perhaps were not informed prior to the November ACWA meeting, they have since asked to be provided periodic Forum / I-RCUP updates and hence in Ed's view this is now a topic of much greater interest at CCWD.

Ed Steffani of NSJWCD noted that he was worried about project particulars (i.e., where wells would be located, etc.), although he understood that project details would be developed as the I-RCUP is advanced.

Lena Tam of EBMUD mentioned that it would be a challenge for the group to go from the general I-RCUP concept to a detailed project, and that Staff assistance and/or consultant assistance was key help needed in the near future.

Mel Lytle of SJC was asked to detail who was present at the Jan. 8, 2007 subcommittee meeting. Mel commented that he attended along with Edwin Pattison of CCWD, John Skinner of EBMUD, Lena Tam of EBMUD, and Jim Abercrombie of AWA. Mark Williamson and Dave Pederson, both consultants to SJC, were also present.

Following the above discussion, Mel Lytle of SJC distributed a hand-out he prepared that provided a proposed I-RCUP project description. He utilized a power point presentation to guide Forum participants through various details as presented on the hand-out.

Dr. Lytle's power-point presentation included the following slides / discussion:

- A map that depicted existing water resource features was shown (reservoirs, rivers, streams, conveyance systems, aqueducts, etc.). Other information provided on the map were area roads and community boundaries.
 - Mel commented that the area between Lodi and Stockton was interesting in that it was close to various key water features and infrastructure. The area was desirable from an I-RCUP location(s) point of view.
 - Mel noted that the Kern Water Bank was sited such that it too was located close to water features and existing infrastructure, which has contributed to its success.
 - Dr. Lytle also commented that the area between Lodi and Stockton was in close proximity to the location of the depression associated with the groundwater basin overdraft.
- Additional maps were also shown as part of the power-point presentation. Those maps were constructed to depict:
 - Potential new reservoir locations vs. existing
 - Potential conveyance measures (pipelines, aqueducts, etc.) vs. existing
 - Potential groundwater recharge project locations vs. existing
 - Mel noted that the best recharge sites from a geotechnical perspective did not necessarily correspond to the best location from an existing water infrastructure perspective. Hence there would need to be additional effort(s) to make such locations suitable for recharge if and when a project is proposed.
- Mel next detailed the Alternatives (Alt. A and B) that were included in the proposed project description handout. Alt. A was an In-Lieu groundwater recharge project (sized at recharge = 10,000 acre-ft / yr during yrs when water is available). Alt. B incorporated groundwater recharge basins and was sized at recharge = 25,000 acre-ft / year during yrs when water is available.

- Dr. Lytle noted that the costs were preliminary and somewhat ballpark. There were likely to be project elements not included.
- He attempted to keep both Alternatives small efforts (in terms of their size in acre-ft of recharge during years when water is available)

Following Mel's presentation, Rob Alcott suggested that the following was needed before Forum members could be comfortable with supporting the I-RCUP project concept:

- Further definition of the project
- A scope of work that would be used to hire an independent consultant to take the project as defined by the Forum and move it forward
- A proposal for how to share in the costs of the work as would be performed by the independent consultant, who would be the contracting entity, etc.

The following commitments were made (in keeping with Rob's comment and as a follow-up to Mel's presentation):

- As an action item, Mel agreed to provide to the Forum a copy of his power point presentation.
- As an action item, the Forum subcommittee agreed to meet on January 29, 2007 in Sacramento to edit and refine the project concept as presented by Mel. The goal was to bring a refined project concept back to the Forum for consideration at the next meeting (Feb. 15, 2007).
- As an action item, Mel Lytle was to meet with Senator Machado and/or his staff to better determine the detail and/or level of information necessary in order for the Senator to move it forward w/r to seeking funds and state support. Mel would have this meeting prior to the Feb. 15, 2007 Forum date. Forum members present asked for this meeting since they viewed that it would be preferable to provide Machado with only general project concepts versus specific, since the specific details would best be left to the consultant to develop (and would take considerable time and effort to develop).
- Dr. Lytle indicated he'd work with his consultants to develop a possible RFP that would be used to hire a consultant to perform further engineering review. The decision on whether to hire a consultant would be based on whether parties are willing to make a financial contribution, whether Machado is accepting of that approach and can secure State funding assistance, and whether an acceptable contracting arrangement could be established between the various parties to the I-RCUP.

Also following Mel's presentation, Terry Strange of the Upper Mokelumne River Watershed Council (UMRWC) noted that as part of the project concept, the Forum should give consideration to how using existing rivers and streams for moving water may

have a somewhat unintended consequence, in that it could possibly provide stream flow that enables the establishment of protected fish species.

To close this discussion, it was noted that there may be a desire to invite a larger group of electeds to the proposed meeting of Feb. 26, 2007. The Forum agreed that representatives from other agencies, such as from the City of Lodi, The Woodbridge Irrigation District, North San Joaquin Water Conservation District, etc., should also be invited. Care must be taken to recognize that the group assembled should not be so large as to make the meeting hard to run. Continuity with the electeds meeting held at the Nov. 2006 ACWA meeting was also desired.

<p style="text-align: center;">AGENDA TOPIC: OPTIONS FOR BROADER PARTICIPATION IN THE FORUM</p>
--

Mike Harty opened the discussion of the topic of broader Forum participation by mentioning his recent discussions with Pete Bell and Katherine Evatt of the Foothill Conservancy. As has been noted during past Forum meetings, PG&E has a meeting scheduled for every third Thursday of the month to discuss Mokelumne River FERC relicensing matters. The PG&E meetings time and location precludes many environmental organizations from also attending Forum meetings.

Mr. Harty noted that as the I-RCUP process moves forward, it behooves interested environmental groups to attend the Forum. Options he proposed were as follows:

- Hold separate meetings with interested environmental organizations
- Move the standing meeting date / time of the Forum

Mr. Harty intended to continue to hold discussions with environmental organizations to determine which of the above two options is most favorable.

Terry Strange of UMRWC noted that he shared Mike's view that meeting attendance by representatives of environmental organizations has become more critical as the Forum's I-RCUP project moves forward.

<p style="text-align: center;">CLOSING</p>

The January 18, 2007 Mokelumne River Forum Meeting was adjourned at approximately 12:00 noon.

NEXT FORUM MEETING

The next meeting of the Forum is scheduled for Thursday, February 15, 2007 at 9:00 a.m. at the SJFB's meeting facilities in Stockton.

Ed Pattison of CCWD 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.

DRAFT