

MOKELUMNE RIVER FORUM
MEETING No. 37
DRAFT MEETING SUMMARY

MEETING DATE: March 6, 2008

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 Water Agency (retired)
Hank Willy – Jackson Valley Irrigation District
Jim Abercrombie – Amador Water Agency
Gene Mancebo – Amador Water Agency
Mel Lytle – San Joaquin County Public Works Dept.
Jim Hanson – San Joaquin County Public Works Dept.
Ed Pattison – Calaveras County Water District
Lena Tam – East Bay Municipal Utility District
Dennis Diemer – East Bay Municipal Utility District
Alex Coate – East Bay Municipal Utility District
David Edwards – Wallace Community Services District
Charles Cantoni – Wallace Community Services District
Pete Bell – Foothill Conservancy
Gerald Schwartz – East Bay Municipal Utility District
Mike Floyd – Department of Water Resources
Joe Mehrten – North San Joaquin Water Conservation District
Dante John Nomellini – Central Delta Water Agency
John Herrick – South Delta Water Agency
Bob Granberg – City of Stockton
Charlie Swimley – City of Lodi

ACTION ITEMS AND AGREEMENTS

1. Each agency should review the latest version of the Principles of Agreement (POA) document as provided by Mel Lytle of San Joaquin County (SJC) and direct any comments to the document and/or a particular Principle to Mel's attention (or be prepared to share them at the next Forum meeting).
2. Protesting agencies (agencies who've filed a protest against the SJC Mokelumne River water right application and/or EBMUD's Camanche Water Right extension request) should meet between now and the next Forum meeting to hold a discussion in the context of "what kind of IRCUP effort will meet their interests, what would a project look like, etc.". The results of the discussion will be reported to the Forum at the next meeting.
3. Amador Water Agency agreed to provide Breakfast for the next Forum meeting.

PRELIMINARY MATTERS

February Meeting Summary

An electronic copy of the February meeting summary was provided to Forum members via email several days prior to today's meeting. A printed copy of the February meeting summary was available to attendees. Bob Granberg of the City of Stockton requested that the February minutes be corrected to state that the City of Stockton and Woodbridge Irrigation District had "entered into a long term contract" to provide the City with 6,500 acre-ft of water vs. "had entered negotiations toward an agreement", since the contract had been completed at the time of the February Forum meeting.

Purpose and Agenda

Mike Harty, the Forum's facilitator, noted that the purpose of the March meeting was to discuss two related topics. The first topic was the continuing Principles of Agreement (POA) negotiations that were on-going between various San Joaquin County water agencies and EBMUD. That conversation was taking place apart from the Forum. A second topic was to visit the Inter Regional Conjunctive Use Project (IRCUP) process, and reaffirm the role of the Forum in light of activities that are on-going / underway outside of the Forum (such as the above-mentioned POA negotiations).

AGENDA TOPIC: UPDATES FROM FORUM MEMBERS

San Joaquin Co. Dept of Public Works (SJC): Mel Lytle noted the following:

- The Groundwater Banking Authority (GBA) continues work on the development of a Programmatic Environmental Impact Report (PEIR) for their Integrated Conjunctive Use Program (ICUP)
- Representatives with the California Water Institute (of Fresno State University) attended a recent GBA meeting to discuss the Valley-wide Integrated Regional Water Management Plan (IRWMP) they are developing. The GBA is tracking that effort closely, and is particularly interested in how the GBA's IRWMP will be referenced and/or integrated into the Valley wide IRWMP. There are also questions regarding the Valley wide IRWMP boundaries that remain unanswered and/or are vague.
- Work on SJC's Freeport Element Project continues. The consultant for SJC is in the info-collection stage, and discussions with EBMUD regarding access to the Freeport Project will begin shortly.
- SJC's legislative efforts this year will include seeking appropriations for the \$3.3 M in federal monies that have been promised in support of MORE WATER Project feasibility study efforts. SJC also noted that the Bureau staff will seek to extend the required 2-year time period for completion of the Feasibility Study (to 5-yrs) in light of appropriation delays.
- Finally, Mel noted that there may be opportunities to build upon the Bureau's funding commitment for the MORE WATER Project and the Forum's IRCUP

efforts. That would be a discussion topic of the Forum as appropriate in the months ahead, yet would require that all Forum parties have a consistent message to share at the Federal level (in order to move funding opportunities forward / illustrate regional commitments / benefits)

Calaveras County Water District (CCWD): Ed Pattison of CCWD mentioned that there was a recent discussion on a possible update to the Mokelumne Amador Calaveras (MAC) IRWMP. That discussion was held with other MAC IRWMP participants. The update would be performed to align the document with Prop. 84 funding requirements. Ed also mentioned that CCWD submitted a couple of federal appropriations requests for funds that would be used in support of the development of potential CCWD conjunctive use projects.

East Bay Municipal Utility District (EBMUD): Alex Coate of EBMUD mentioned that there was a meeting held on Jan 31st with the City of Stockton and Woodbridge Irrigation District (WID) to discuss Stockton's long-term purchase of 6,500 acre-ft of water from WID. EBMUD drafted a 4th supplementary agreement (to a water right related agreement between EBMUD and WID) that would address EBMUD concerns over this particular matter. EBMUD was awaiting comments to the draft 4th supp. that they provided WID and Stockton.

EBMUD also noted that they would comment on SJC's American River water right application, which was recently noticed. A primary comment will likely be to note that SJC's water right proposes to move water from the FRWP intake thru to the County. EBMUD and Sacramento County Water Agency (SCWA) have yet to enter into agreement(s) with SJC for use of FRWP facilities.

Finally, it was pointed out that as of the date of this Forum meeting, the Total Storage in Pardee Reservoir was at 535 TAF. The Sept. 2008 forecast was that the reservoir storage would be a bit better than last year, but not significantly greater.

Department of Water Resources (DWR): Mike Floyd of DWR mentioned that he had been in contact with South Sacramento County representatives who are beginning work on a groundwater management plan for their portion of the County. Some outreach with neighboring parties, such as Forum representatives, is likely to take place.

Secondly, Mike did not expect IRWMP guidelines to be issued by the State until late summer, due to delays in Prop. 84 authorizing legislation. He does, however, envision that IRWMPs will need to be updated to address topics such as climate change and tying IRWMPs with general plan / local land use decision making.

Finally, Mr. Floyd mentioned that AB303 grant applicants should receive word on the fate of their applications in late April / early May.

North San Joaquin Water Conservation District (NSJWCD): Joe Mehrten of NSJWCD informed the Forum that NSJWCD's 20 TAF Mokelumne Water Right permit was reinstated by the State Water Resources Control Board (SWRCB). NSJWCD is

reviewing permit reinstatement conditions at the moment. Joe sees that there is incentive to resolve the Principles of Agreement (POA) negotiations with EBMUD, in light of the permit reinstatement.

Mr. Mehrten noted that Ed Steffani was in court this morning to address a lawsuit filed that relates to NSJWCD's proposed groundwater user fee.

Joe concluded by thanking Forum participants who supported NSJWCD's water right reinstatement efforts.

City of Stockton (Stockton): Bob Granberg of the City of Stockton mentioned that work is moving along briskly on the design of their Delta Water Supply Project's (DWSP) intake and pump station. They've completed a streambed alternation agreement for the project. The City also is doing studies on how screens can be used to address DWSP fisheries concerns associated with the Long Fin Smelt. In addition, the City is moving forward on DWSP financing and right-of-way acquisition planning matters.

On a separate matter, the City has been asked to meet with NSJWCD to discuss ways in which they may be able to partner on projects and/or enter into contractual relationships whereby the City could put the 20 TAF available to NSJWCD (under their reinstated Mokelumne right) to immediate use.

City of Lodi (Lodi): Charlie Swimley of the City of Lodi noted that a preliminary design was completed on their proposed surface water treatment plant. The City is also working on plans to install approximately 1,800 water meters within their service area in 2008 thru 2009. Charlie also noted that the City has made significant progress on pipe lining work associated with repairs to their sewage outfall. Lining progress has moved along at a face pace, averaging 1,500 ft installed / day.

AGENDA TOPIC: Principles of Agreement (POA) Discussions
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Mike Harty asked Mel Lytle of San Joaquin County together with Dennis Diemer and Alex Coate of EBMUD to provide some background on the Principles of Agreement (POA) Discussions, including the current status. He also reminded the Forum that the POA efforts are taking place apart from the Forum, although he was concerned that perhaps POA matters overlapped to closely with Forum activities, and hence complicate (if not somewhat compromise) the efforts underway by the Forum.

Mel Lytle began by providing Forum attendees with a printed copy of the most recent version of the POA, noting that the purpose of the principles were to resolve protests that the various parties had filed relative to water rights matters (SJ County's Mokelumne River application and EBMUD's Camanche Permit Extension request). The parties included Stockton East Water District, San Joaquin County, City of Lodi, Woodbridge Irrigation District, Central Delta Water Agency, South Delta Water Agency, and East Bay Municipal Utility District. POA discussions have been taking place for almost 1

year. It was also noted that Senator Mike Machado was a key elected official who encouraged the parties to meet to try and resolve their protests / develop an agreement to do so.

The document as it stands includes thirteen (13) principles. The parties are now at a point where these principles are “nearly” agreed to and now they will take the next step and share them with other agencies, groups, etc. One such group is the Forum and its members, and in particular foothill representatives such as Amador Water Agency, Calaveras County Water District, etc.

Mel noted that there were specific principles that called for follow-up agreements as next-steps – hence the POA document, while a stand alone doc., will also result in the development of subsequent agreements to address key issues of particular participants. The promise to work on said agreements is being made in the document.

Dr. Lytle together with Joe Mehrten of NSJWCD noted that NSJWCD was a bit hesitant to agree with Principle No.’s 11 and 12, although Mel was hopeful that through further discussion he could gain NSJWCD’s concurrence. Joe felt that the POA was a good avenue to leverage inclusion of FRWP modifications that may one day be of benefit to San Joaquin County, hence one of the reasons NSJWCD continues to want modifications.

Dr. Lytle suggested that Forum participants take some time and review the POA, and if they had questions and/or concerns about particular principles, that those matters should be forwarded to him and the parties to the principles would work to address them.

Mel anticipated that once the POA’s have been reviewed and matters of concern to various other interested players resolved, said POA’s would be brought forward to each party’s respective governing boards for approval.

Dante Nomellini asked EBMUD and SJC if they planned to go forward with hearings on water rights matters while the POAs were still under development. Both Alex Coate of EBMUD and Dr. Lytle of SJC indicated that they saw POA development / adoption as to be on a parallel track with preparations for water rights hearings.

It was noted that Senator Machado hopes to see the issues resolved such that they could be adopted by the respective agencies within the summer 2008 timeframe.

Dr. Lytle pointed out that Principle No. 3 deals with the Mokelumne Forum (addressing the commitment of EBMUD to attend and support Forum related matters). Hence he viewed that the Forum was well positioned by the POAs, and that perhaps this effort is not in conflict with possible Forum related project opportunities and/or Forum interests.

AGENDA TOPIC: Revisit the IRCUP effort, Confirm the Role of the Forum
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Mike Harty began the discussion of the above topic by pointing out that at last month's meeting, there were several options for how the Forum would move forward in the near term (and those options were related to IRCUP feasibility activities {specifically how and if they would be performed}).

Mr. Harty summarized the options proposed for the Forum at last month's meeting. Those options were:

- OPTION 1 – “UMRWA – GBA Joint Effort” = move the IRCUP feasibility study forward as had been planned in 2007 with each JPA sharing in the cost.
- OPTION 2 – “Proceed Independently” = each agency would move forward on their individual project efforts. The Forum may continue to meet, but such meetings would likely take the form of an info. sharing session (“Forum Lite” approach).
- OPTION 3 – “Integrated Effort” = San Joaquin County's Integrated Conjunctive Use Project (ICUP) efforts would be “adjusted” in some manner to include elements of an IRCUP feasibility study (building on the MORE WATER Project funding that is in the works). The Forum would be a place where info could be shared on the SJC expanded effort, although the Forum's role under this option was not specifically defined.

Jim Abercrombie of Amador Water Agency (AWA) mentioned that this particular matter (selection of an option) is a complex issue. He was skeptical that a “proceed independently” option was possible, in light of the need for regional partnerships and cooperation to move any water supply project forward. He viewed that a project with regional benefit, such as the IRCUP, has the legs to advance, due to that regional benefit prospect. He also saw benefit in working to resolve protests (and expanding that effort to include Foothill agencies, not just SJ agencies and EBMUD). However, Jim also understood that Dr. Lytle and SJC have an interest in moving their MORE WATER Project forward, and thus he does not fault Mel for having that as a strategy, as it was understood that SJC wants to address project-related progress so as to not jeopardize their water right application. Jim closed his comments by pointing out that the MORE WATER Project will prove very expensive, and he questioned the ability of SJC to afford such a project without partners.

Hank Willy of Jackson Valley Irrigation District (JVID) agreed with Mr. Abercrombie that financing the MORE WATER Project would be a challenge for SJC.

Ed Pattison of CCWD commented that a regional project supported by Forum members stood a better chance of receiving federal funding support. In his view, Option 2 was a non-starter. Option 1 presented the best opportunity for the Forum as a whole. Option 3 faces difficulties in that protests are currently in place against the MORE WATER Project that complicate the ability of certain Forum parties to take part in the SJC effort.

Alex Coate of EBMUD mentioned that his agency prefers Option 1. He understood, however, that SJC perhaps needed time to work on their MORE WATER Project feasibility efforts before they were at a position to support such an option.

Dennis Diemer of EBMUD noted that he agreed with Jim Abercrombie's and Ed Pattison's characterization of the Options / choices. He agreed that there is more opportunity for funding if a regional approach is taken. He viewed it would be difficult to move forward on two parallel tracks (i.e., moving forward on a Forum IRCUP and SJC moving forward on their MORE WATER Project) when the two projects perhaps relied on the same block of water, same funding sources, many of the same resources, etc.. He speculated that perhaps there was not enough water / funding / resources to move them both forward.

While Dennis acknowledged that the Forum faced a bit of a crossroads at the moment, he urged Forum participants to not give up on the process. It can take a long time to move regional partnership projects forward. He gave as an example the Sacramento Forum process along with EBMUD's ability to work over time with Sacramento County Water Agency to move the Freeport Regional Water Project forward.

Dante Nomellini of Central Delta Water Agency (CDWA) noted that there was a desire on CDWA's part to see a total package / solution in place to address San Joaquin County's water resource issues. He could not see how an IRCUP could move forward without integrating it into that solution, which he sees as the MORE WATER Project. Acknowledging the merits of project integration, he believed that SJC's studies must move forward before such merits could be better understood and defined. He remains concerned that moving the IRCUP forward separately could enable IRCUP partners to "cherry pick" the best recharge sites / projects. The need for storing wet period water and to address the continuing advance of the salinity front were matters being considered as part of the MORE WATER project and not necessarily the IRCUP. Having the Forum on a bit slower-pace project-wise may be appropriate. He concluded by recognizing the need to consider the concerns and interests of the various Forum parties as the MORE WATER Project is advanced.

Mel Lytle of SJC mentioned that SJC is supportive of the Forum and the IRCUP. There are a series of MORE WATER Project options that will be considered as part of the feasibility studies being performed. He views that Option 3 was a way to add the IRCUP alternative (and the concept of regionalism) to the feasibility studies underway. He views that Option 1 may have too narrow a focus by itself to incorporate the full needs of SJC.

Mel also mentioned that perhaps there was a fourth option, which would be to have DWR help by fostering the IRCUP studies / keeping this process moving. He noted that perhaps Prop. 84 funding may be tapped to allow DWR to provide that support. Perhaps the Forum agencies could also lend support to DWR (either financial and/or tech. services) to facilitate the IRCUP work effort.

Mike Floyd of DWR agreed that the IRCUP was seen by his agency as an example of how thinking from a regional perspective can best drive solutions to complex water supply issues / problems. Monies may be available through Prop. 84, but that was highly speculative until a grant program is fleshed out. DWR's technical contract with WRIME, Inc. expired last year, and they are yet to establish a new contractual relationship with

WRIME, Inc. and/or other technical consultants. Before any monies are committed, DWR would need clear indication that the Forum (and the IRCUP development process) is succeeding / has a strong chance of advancing.

Mike Harty summarized the discussion on this topic by making the following observations:

- The IRCUP is linked to protest resolution
- The linkage between the IRCUP and protest resolution is complex
- It appeared that the POA's must be completed, and then immediately there will be a need to move into protest resolution discussion
- Discussion of what projects or programs are a part of protest resolution will likely then take place (and perhaps the IRCUP is one such project)
- The IRCUP provides benefit to SJC by using other existing water rights (vs. the rights they've applied for)
- The MORE WATER Project relies on the applied for SJC water right, and SJC has a desire to obtain a permanent Mokelumne Water Right.
- The SJC desire for a permanent Mokelumne Water Right is something Forum members need to remember in future discussions
- Forum members agreed that it made sense to integrate some water right efforts (either now or perhaps in the future)
- It would be financially wasteful (and take extra time) to duplicate study efforts (i.e., IRCUP and MORE WATER Project), but perhaps due to circumstances that could not be avoided
- There are merits to aim to avoid competing for the "same block of water"
- There are merits to maximize / leverage project funding opportunities
- Overall, there appears to be lots of agreement between Forum parties on the "basics"
- In terms of reporting back to Forum electeds, it would be difficult to go to decision makers and ask them to endorse a project / process that they have filed protests against
- Core questions continue to be "what is the MORE WATER Project", "what is the IRCUP", "what water right will be utilized for particular projects", "who is the project owner"

Dante Nomellini pointed out that perhaps a concept for future review was "joint" ownership of water right. He viewed that the group as a whole also needs to accept that a regulating reservoir is required for implanting a groundwater banking effort.

Dennis Diemer pointed out that any project developed also needed to consider how it could be configured to also provide environmental benefits.

No conclusion as to which of the three options would work best for the Forum was determined at today's meeting. Instead, it was seen as a continuing Forum topic.

AGENDA TOPIC: DISCUSSION FOLLOW-UP

Based on today's discussion, Mike Harty suggested the following actions should be taken between now and the next Forum meeting:

- Each agency should review the latest version of the Principles of Agreement (POA) document as provided by Mel Lytle of SJC and direct any comments to the document and/or a particular Principle to Mel's attention (or be prepared to share them at the next Forum meeting)
- Protesting agencies (agencies who've filed a protest against the SJC Mokelumne River water right application and/or EBMUD's Camanche Water Right extension request) should meet between now and the next Forum meeting to hold a discussion in the context of "what kind of IRCUP effort will meet their interests, what would a project look like, etc.". The results of the discussion will be reported to the Forum at the next meeting.

Based on the difficulties of scheduling a side meeting of protesting agencies, it was viewed that perhaps the next meeting of the Forum would be held in May vs. April.

AGENDA TOPIC: NEXT FORUM MEETING

The next meeting of the Mokelumne River Forum is tentatively scheduled to take place on Thursday, May 1, 2008. It will be held from 9:00 am thru 12 noon at the offices of the San Joaquin Farm Bureau in Stockton, California.

CLOSING

The March 6, 2008 meeting of the Mokelumne River Forum was adjourned at approximately 12 noon.

NEXT FORUM MEETING BREAKFAST PROVIDER

Amador Water Agency agreed to provide breakfast for 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.