

MOKELUMNE RIVER FORUM
MEETING No. 39
DRAFT MEETING SUMMARY

MEETING DATE: September 4, 2008

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

ATTENDEES: Mike Harty
Tom Francis – East Bay Municipal Utility District
Andy Christensen – Woodbridge Irrigation District
John Wookey – Woodbridge Irrigation District
Ed Pattison – Calaveras County Water District
Rod Schuler – Amador County (Retired)
Hank Willy – Jackson Valley Irrigation District
Mel Lytle – San Joaquin County Public Works Dept.
Tom Gau – San Joaquin County Public Works Dept.
Chuck Cantoni – Wallace Community Services District
David Edwards – Wallace Community Services District
Alex Coate – East Bay Municipal Utility District
Lena Tam – East Bay Municipal Utility District
Jim Abercrombie – Amador Water Agency
Gene Mancebo – Amador Water Agency
Rob Alcott – Upper Mokelumne River Watershed Authority
Pete Bell – Foothill Conservancy
Kevin Kauffman – Stockton East Water District
Mike Floyd – Department of Water Resources
Tom McGurk – Stockton East Water District
Joe Mehrten – North San Joaquin Water Conservation District
Ed Steffani – North San Joaquin Water Conservation District
Gerald Schwartz – East Bay Municipal Utility District

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| ACTION ITEMS AND AGREEMENTS |
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1. Four Forum agencies (San Joaquin Dept. of Public Works; East Bay Municipal Utility District; Amador Water Agency; and Calaveras County Water District) will each develop Concepts and Terms (C's & T's) they view must be met prior to moving forward with the Inter Regional Conjunctive Use Project "plus" (IRCUP+) project planning efforts.
2. The agencies identified above will meet (first at a staff level, then at a GM level) in Sept. and Oct. to share C's & T's, and if possible to develop a combined list of mutually agreeable C's & T's. The goal is to have the mutually agreeable list prepared by the end of October in order to share it with the full Forum at the Nov. 6th Forum meeting.

3. Stockton East Water District agreed to provide breakfast for the Nov. 6, 2008 Forum meeting.

PRELIMINARY MATTERS

Preliminary Matters

The meeting began with Bruce Blodgett, Exec. Director of the San Joaquin Farm Bureau (SJFB or the Bureau), welcoming the Forum attendees to the Bureau's meeting facilities. Following that welcome, Mr. Blodgett mentioned that SJFB's standing representative to Forum meetings, Tom Orvis, had recently taken a position with the Stanislaus County Farm Bureau as their Governmental Affairs Director. Bruce concluded by mentioning that the Bureau had yet to determine who will take Tom's place as their Forum meeting representative.

May Meeting Summary

A printed copy of the May meeting summary was provided to Forum members at the start of the meeting. Forum members were asked to review the summary and forward any requested edits to Tom Francis of East Bay Municipal Utility District (EBMUD).

Purpose and Agenda

Mike Harty, the Forum's facilitator, mentioned that the primary purpose of the meeting was to discuss matters pertinent to the Inter Regional Conjunctive Use Project (IRCUP), specifically the MOCASIM modeling that was performed by Avry Dotan.

AGENDA TOPIC: UPDATES FROM FORUM MEMBERS

East Bay Municipal Utility District (EBMUD): Gerald Schwartz of EBMUD advised that EBMUD's Freeport Regional Water Project construction continues to move forward. He estimates that ½ of the pipeline needed for the Folsom South Canal Connection "element" of the project has been installed.

Alex Coate noted that customers were under a mandatory water rationing requirement. The current water year is very dry, and EBMUD has been working with Woodbridge Irrigation District (WID) to enter into a one-time water transfer agreement. The agreement calls for a 6,000 acre-ft water transfer, with EBMUD paying WID \$200 / acre-ft for the water. As far as background details regarding what led to the transfer agreement: there was an arbitration hearing between WID and EBMUD to determine how much water would be released to WID during this water year. WID prevailed in the arbitration and was entitled to additional water (held in storage by EBMUD), but was willing to negotiate with EBMUD for a portion of that stored water.

California Department of Water Resources (DWR): Mike Floyd noted that he had prepared a draft version of the IRCUP write-up that would be included in the latest

edition of the California Water Plan. DWR staff are reviewing Mike's draft; he hopes to be able to share the draft write-up with Forum members at the next Forum meeting.

Stockton East Water District (SEWD): Kevin Kauffman reported on his work with North San Joaquin Water Conservation District (NSJWCD) on matters in support of their groundwater charge (to be billed annually to NSJWCD customers who rely on groundwater as a supply source). Kevin also mentioned that SEWD had cancelled their wheeling contract with Central San Joaquin Water Conservation District (CSJWCD), as CSJWCD had not paid their bill(s) for the wheeling service provided. Third, Kevin noted that SEWD is active on a number of items as a participant in the Northeastern San Joaquin County Groundwater Banking Authority (GBA). He asked Mel Lytle to provide a GBA update on behalf of San Joaquin County Public Works Dept. (SJC).

Upper Mokelumne River Watershed Authority (UMRWA): Rob Alcott, UMRWA's Executive Director, reported that he assumed that role beginning in July of 2008, and is under a 1-year contract with UMRWA to provide Exec. Director services. Rob advised that UMRWA has taken the lead in the preparation of an update to the Mokelumne / Amador / Calaveras Integrated Regional Water Management Plan (MAC IRWMP). The update effort was just getting underway.

San Joaquin County Public Works Dept. (SJC): Mel Lytle noted that they are participating with other Delta area counties in a coalition formed to address Delta Vision / Peripheral Canal concerns. Kevin Kauffman mentioned that those agencies that have federal water contracts may face issues similar to what SEWD has been facing, in that the Bureau of Reclamation may be under increasing pressure to diminish contract supplies (to meet various environmental needs that could be in conflict with water user agreements).

- SJC has kicked off Phase 3 of their MORE WATER Project. Phase 3 efforts include site surveys, geotechnical investigations, and engineering studies. It will be a 24 month effort.
- SJC took part in an Auburn Dam Project permit revocation hearing, providing testimony at the hearing.
- SJC is working on a Programmatic EIR for their Integrated Conjunctive Use Program (ICUP), which is associated with the Groundwater Banking Authority's Integrated Regional Water Management Plan (IRWMP). He anticipates receiving an admin draft of the PEIR from their consultants later this year.
- SJC worked with Calaveras County Water District (CCWD) and EBMUD on language that appears in 2008 federal fund appropriation language associated with the MORE WATER Project feasibility study efforts.

Jackson Valley Irrigation District (JVID): Hank Willy of JVID noted that work was moving forward on a Prop. 50 funded effort that includes the installation of a water

delivery pipeline. He expressed appreciation for the support of EBMUD's staff in facilitating pipeline installation across a portion of EBMUD's foothill properties.

Hank also reported that the Federal Energy Regulatory Commission (FERC) had filed an application, on behalf of Pacific Gas and Electric, for a pump-storage project on Bear River near Salt Springs. Alex Coate noted that AWA, EBMUD as well as the Foothill Conservancy filed motions to intervene (in response to the FERC application). It was the understanding of various Forum members that the proposed PG&E project is very conceptual.

Calaveras County Water District (CCWD): Ed Pattison mentioned that his agency had received an AB 303 grant for groundwater studies. They are planning to work with the USGS to discuss the option of partnering with them on a nested well drilling effort associated with the AB 303 project. Ed also noted that his agency is working on the MAC IRWMP with other UMRWA members, and on a Tuolumne and Stanislaus IRWMP effort.

Woodbridge Irrigation District (WID): Andy Christensen confirmed that WID and EBMUD had completed an arbitration hearing on WID's entitlement to its full Mokelumne allocation (60 TAF vs the 39 TAF as EBMUD had contended). He was pleased to note that following that decision, EBMUD and WID were able to negotiate a water transfer whereby WID would sell EBMUD 6 TAF of water (as detailed previously in these minutes).

Andy also noted that WID had completed the construction of a fish screen passage on the WID dam. The passage would better enable flow management thru the WID reach of the Mokelumne River / thru Lake Lodi.

Mike Harty: Mr. Harty mentioned that as part of an assignment unrelated to the Forum, he has been following matters pertaining to the Ocean Protection Council. It is his understanding that they may ask DWR to add (as a future requirement in all state IRWMPs) the need to weave salmon habitat / flow support consideration into water management planning.

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| AGENDA TOPIC: MOCASIM Modeling Discussion |
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Mike Harty asked Mel Lytle to report on results of the MOCASIM modeling performed over the summer by Avry Dotan on behalf of the Forum. The purpose for the modeling was to review IRCUP+ components to determine how individual projects could be linked and/or optimized, and evaluate the ability of River flow to meet individual IRWMP component project operational constraints.

Mel noted that various meetings were held with a subgroup of Forum members (representatives from EBMUD, SJ County, AWA and CCWD) during the summer as the modeling progressed.

Various cases were analyzed by Mr. Dotan. Those cases included different combination of projects and were run under various water need and water right assumptions. Agency water needs as well as fishery needs were considered. 50 years worth of River flow data were also used as input into the MOCASIM model.

The results were shared with the General Managers / Directors who worked for the four Forum member agencies identified above. The General Managers (GMs) were encouraged by the results.

Based on the positive results of the MOCASIM modeling, the subgroup of agencies decided that a logical next step would be to work on the development of Concepts and Terms (C's & T's) that each of the four individual agency would want to see in place to move the IRCUP+ effort forward. Once each individual agency had developed C's & T's, they would meet to determine if a joint / combined set of C's & T's could be agreed to. Meetings would be needed at both the staff level and at the GM level

Once the C's & T's effort could be resolved, IRCUP+ efforts such as further work on refining the MOCASIM model, further feasibility studies, etc. could be embarked upon.

Ed Pattison of CCWD, Jim Abercrombie of AWA, and Alex Coate of EBMUD agreed with Mel Lytle's summary. All expressed a desire to have the C's & T's developed within the next two months, so that they could be shared with the Forum at a November meeting.

Ed Steffani asked if it was not possible to move this effort along at a faster pace. Mel, Jim, Alex and Ed Pattison were doubtful, based on the time it has taken to date to advance IRCUP+ related matters, coupled with the fact that there are other factors, such as the water rights protests that are on-going, that limit the ability to advance C's & T's.

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| AGENDA TOPIC: Update on the Principles of Agreement (POA) |
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Mike Harty asked Kevin Kauffman to provide a brief update on the status of the POA.

Kevin noted that due to the successful reinstatement of NSJWCD's Mokelumne Water Right, the incentive by NSJWCD to enter into a POA was no longer present. The POA effort has since been placed on a back-burner. Alex Coate of EBMUD mentioned that the POA effort to date was of value, in that it allowed the agencies to share issues and interests of importance to them. If it becomes a hot topic again in the future, the foundational work toward developing principles will provide a useful foundation for possible solutions. EBMUD was able to work directly with some POA parties, specifically the City of Lodi, to reach independent protest resolutions.

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| AGENDA TOPIC: SEWD Groundwater Bank Proposal |
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Kevin Kauffman presented information regarding a proposed groundwater bank that SEWD would construct, assuming that the effort was of interest to potential urban water contractors / partner entities in San Joaquin County.

The concept as currently proposed consisted of a small groundwater bank located within SEWD boundaries. SEWD had used, as a model, existing groundwater banks developed in Kern County (the Semitropic Bank). The size as currently conceived was a bank that would generate 15 thousand acre feet (TAF) of banked supply during each year of a three-year drought.

SEWD expected to hear whether there was an interest in pursuing the option within the next several weeks (from urban contractors (primarily the City of Stockton)). Over time, there was the possibility that the bank could be expanded to meet the needs of other Forum parties, including both Foothill agencies and EBMUD.

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| AGENDA TOPIC: Grant Funding Update |
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Mike Floyd was asked to provide an update regarding the status of Proposition 84 funding legislation. He mentioned that SBX2 – 1 had been enrolled and was waiting the Governor’s approval. SBX2-1 would provide monies to be used for integrated regional water management efforts (planning as well as implementation efforts).

The bill includes approx. \$181M for IRWMP activities, of which \$100M are for implementation grants. In addition, there is \$39M available for planning grants and local groundwater assistant grants (AB 303 type efforts). Approx. \$23M is also available for projects with inter-regional benefits.

Agencies with an adopted IRWMP may apply for implementation grant monies, so long as they promise to update their IRWMP within the short term such to meet the new Prop. 84 standards (which to date have not been fully determined). Planning grant dollars could be applied for to go toward IRWMP updates.

While the Forum’s IRCUP+ efforts may be grant worthy, Mike noted that there would be intense competition for the limited grant monies available. There also is a bit of uncertainty regarding what projects would be funded, as there is a definite interest on the part of lawmakers to see dollars go to projects that would have an immediate “drought relief” impact.

SB2X – 1 makes approximately 10% of Prop. 84 monies available; the remainder won’t be available until the 2010 budget.

Rob Alcott reminded the group that as the MAC IRWMP is updated and as the GBA moves forward with its planning efforts, there may be renewed interest in a joint Prop. 84 grant application. Forum members agreed with Rob, stating that as additional SB2X – 1 details emerge, the Forum (and UMRWA and the GBA) should meet to discuss funding options and interest in grant applications.

AGENDA TOPIC: NEXT FORUM MEETING

Mike Harty summarized the previous discussion items, and noted that it appeared that an October Forum meeting was not feasible due to the time it would take the subgroup to work on the C's & T's. He suggested that a meeting in November would be possible, however, and at that meeting the following would be discussed:

- Progress made toward the resolution of “institutional problems” – or more specifically the C's and T's as detailed previously in these minutes.
- Discussion regarding what “message” should be given by Forum members to their respective elected officials regarding IRCUP progress (under the assumption that elected officials will perhaps ask about Forum-related progress on the IRCUP at the ACWA meeting that would be held later during the month of November).
- A presentation by Mike Floyd regarding the draft IRCUP brochure that has been developed for inclusion in the California Water Plan.

The next meeting of the Mokelumne River Forum is tentatively scheduled to take place on Thursday, November 6, 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 September 4, 2008 meeting of the Mokelumne River Forum was adjourned at approximately 12 noon.

NEXT FORUM MEETING BREAKFAST PROVIDER

Stockton East Water District 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.