

MOKELUMNE RIVER FORUM

MEETING No. 28

DRAFT MEETING SUMMARY

MEETING DATE: May 17, 2007

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
Kevin Kauffman – Stockton East Water District
Hank Willy – Jackson Valley Irrigation District
Gary Goffe – Calaveras Public Utility District
Charlie Hebrard – Calaveras County Water District
Tom Gau – San Joaquin County Public Works Department
Andy Christensen – Woodbridge Irrigation District
Jim Hansen – Hansen Eng. / Consultant for San Joaquin Co.
Ed Pattison - Calaveras County Water District
Rob Alcott – East Bay Municipal Utility District
Mel Lytle – San Joaquin County Public Works Department
Jim Abercrombie – Amador Water Agency
Tom Flinn – San Joaquin County Public Works Department
Tom McGurk – Stockton East Water District
Gerald Schwartz – East Bay Municipal Utility District
John Skinner – East Bay Municipal Utility District
Dante Nomilini – Central Delta Water Agency
Bob Granberg – City of Stockton
Mike Floyd - California Department of Water Resources
Ed Steffani – North San Joaquin Water Conservation District
Joe Mehrten – North San Joaquin Water Conservation District

ACTION ITEMS AND AGREEMENTS

1. The Forum subcommittee consisting of Jim Abercrombie, Edwin Pattison, Kevin Kauffman, Mel Lytle, Lena Tam and John Skinner will meet on March 24, 2007 at the offices of Hansen Engineering in Sacramento to discuss the development of work tasks for WRIME, Inc. to perform pursuant to the proposed I-RCUP. Matt Zidar of WRIME, Inc. and Mike Floyd of DWR will also attend.
2. Dante Nomilini of Central Delta Water Agency will provide breakfast for the June 7, 2007 Forum meeting, which will be held at the San Joaquin Farm Bureau's Stockton offices beginning at 9 am.

PRELIMINARY MATTERS

April Meeting Summary

An electronic version of the April 19, 2007 draft meeting summary was distributed via email prior to the May Forum meeting. Two edits were requested:

1. Edwin Pattison of Calaveras County Water District (CCWD) asked that the minutes be corrected to show that CCWD's contribution toward Amador Water Agency's Raise Bear Reservoir feasibility study would be \$40,000 vs. the \$150,000 as listed.
2. Bob Granberg of City of Stockton asked that the minutes be corrected to show that the City anticipated awarding a design-build contract in July of 2007 versus the May 2007 date as listed.

Purpose and Agenda

Participants adopted the draft agenda. The purpose of today's meeting was to:

- Report on outcomes from the lunch meeting of elected officials as held on May 10, 2007;
- Review developments, including revisions to draft principles for agreement, related to discussions among some San Joaquin water agencies and EBMUD; and
- Address next steps related to the I-RCUP and potential funding to develop a work plan for a feasibility study.

AGENDA TOPIC: UPDATES FROM FORUM MEMBERS

Rob Schuler noted that informal discussion has taken place in the foothills around the possible formation of a Dry Creek Watershed Council. Driving the group's formation was encouragement (and funding support) from CALFED. Specifically, CALFED hopes to foster the gathering, development and further understanding of water-quality matters within watersheds that drain into the Delta. Further, CALFED wants this work to be performed by local-based watershed groups.

Jackson Valley Irrigation District (JVID): Hank Willy of JVID noted that the agency was continuing to move forward on a water right matter.

Calaveras Public Utility District (CPUD): Gary Goffe of CPUD noted that his agency's reservoirs had reached full level as of May 2007, and that while the State and region may have to contend with dry conditions this year, fortunately his agency had enough water to meet its current needs.

Calaveras Co. Water District (CCWD): Charlie Hebrard of CCWD noted that Calaveras County was firming up the contracts with consultants whom will be performing regional studies to review the impacts of pending proposed developments. Ed Pattison later commented one study in particular was reviewing issues associated with CCWD's ability to meet the water supply needs of Valley Springs area residential construction plans. Edwin also noted that the County is updating its General Plan over the next couple of years and will pay particular attention to the regions growth and associated increasing demand for water supplies.

Mr. Pattison also commented that the Upper Mokelumne River Water Authority (UMRWA) was planning to hold a workshop later in May to roll out a water quality / hydrologic model prepared for the Mokelumne Watershed. The first day of the workshop was to inform elected officials of the model and its capabilities. The second day would be technical training to staff of agencies that are interested in understanding and/or utilizing the model.

East Bay Municipal Utility District (EBMUD): Rob Alcott of EBMUD noted that yr. 2007-to-date is the 7th or 8th driest on record for EBMUD. Based on that fact, coupled with low stream flows and based on their existing reservoir storage levels, his agency was pursuing a voluntary rationing program requesting customer water-use cut back of up to 15%. Tom Francis of EBMUD later noted that there was a groundbreaking ceremony for the Freeport Regional Water Project Intake Facilities on May 7, 2007. The event received considerable positive media attention.

San Joaquin County Public Works Dept. (SJC): Mel Lytle of SJC discussed a recent “One Voice One Mission” trip to Washington DC to meet with Congressional representatives. Trip attendees included various staff representatives from numerous San Joaquin governmental agencies. Topics discussed with the elected officials included water resource efforts being championed by said attending agencies, such as SJC’s proposed MORE Water Project. Following that discussion, Dr. Lytle noted that his agency recently issued an RFP for consultant services in association with the preparation of a feasibility study regarding matters pertinent to the County’s American River water right application coupled with the potential use of EBMUD’s Freeport Regional Water Project unassigned system / pipeline capacity to convey River water to the County. He anticipates awarding the consulting contract early this summer. Tom Flinn of SJC later noted that also discussed during the One Voice One Mission trip was the topic of flood protection and levee repairs and rehabilitation.

Amador Water Agency (AWA): Jim Abercrombie of Amador Water Agency (AWA) noted that the final section of pipe would soon be installed in regards to a new water conveyance pipeline his agency was constructing. Next, he commented that EBMUD and CCWD are participating in an AWA-led study to review the feasibility of raising Lower Bear Reservoir. URS is the consultant who has been selected to perform the work. Jim estimates that in general the added storage volume (to Lower Bear) would be in the neighborhood of 26,000 acre-ft, depending on the final configuration of the raised embankment.

Central Delta Water Agency (CDWA): Dante Nomilini of CDWA began his discussion by noting that this was the first time he had attend a meeting of the Mokelumne River Forum. He commented that his agency, and he personally, was keenly interested in San Joaquin County water resources matters including (and in particular) matters relating to the Mokelumne River. He followed by providing his and CDWA’s perspective on water resources matters pertinent to the Forum (see below):

Mr. Nomilini views that in times past, EBMUD had been treated more favorably by resource agencies (e.g., the State Water Resources Control Board, various State and Federal Fisheries agencies, etc.) than had San Joaquin County agencies. Hence decisions regarding water rights, flow releases and / or other water resource decisions favored EBMUD at the detriment of others along the River. More specifically:

- CDWA views that water quality within their boundary would be positively impacted if EBMUD was required to let a portion of its water supply first travel through a portion of the Delta (prior to diversion of said water to the east bay). Currently such flow bypasses the open water courses via the use of the Mokelumne Aqueduct. CDWA contends that EBMUD would continue to be able to meet its water needs if a “natural channel” water conveyance option was required.
- CDWA views that EBMUD’s FERC settlement included a disproportionate Mokelumne River minimum fisheries flow requirement as compared with that required on other nearby Rivers. Any future project should address such a discrepancy.

- CDWA views that plans need to be in place for how to address San Joaquin County's groundwater basin overdraft issue and/or water supply shortfall(s) prior to allowing parties such as the Forum (which includes interests beyond the San Joaquin Region) to move forward with I-RCUP implementation.
- CDWA is encourage by the progress as made by the Forum and the apparent willingness on the part of Parties (who in the past held to adversarial positions) to now work toward protest resolution and/or workable water supply solutions.

City of Stockton (Stockton): Bob Granberg of the City noted that his agency would be making a decision soon regarding which consultant would be hired to design-build a treatment plant and pipeline as associated with their Delta Water Supply Project. Bob expects to make the decisions shortly and have the contract in place by July 2007.

California Department of Water Resources (DWR): Mike Floyd of DWR commented that his agency was continuing to work on grant matters, such as finalization of plans for Round 2 of Prop. 50, Ch. 8 fund applications as well as on Prop 84 program developments.

North San Joaquin Water Conservation District (NSJWCD): Ed Steffani gave an update regarding their proposed well charge / groundwater use rate fee. Specifically, his board adopted the proposal to implement the charge. In addition, Ed noted that there was a hearing scheduled with the SWRCB on June 21, 2007 at which time the SWRCB would reconsider the action they took canceling NSJWCD's Mokelumne River Water Right extension. He was hopeful that the Forum members will support NSJWCD's reconsideration request.

<p>AGENDA TOPIC: REPORT ON OUTCOME OF THE ELECTED OFFICIALS MEETING HELD ON MAY 10, 2007</p>

Mike Harty led the discussion by noting that, in his view, the elected officials meeting / luncheon held at the State offices of the California Farm Bureau in Sacramento on May 10, 2007 was very successful. He provided the Forum the following summary:

- No decision(s) were asked of the electeds, and little input was asked of the electeds. The meeting purpose was simply to provide an update regarding the progress of the I-RCUP development efforts;
- At the meeting, DWR noted that they are prepared to provide some initial funding (\$100k total, in two pieces / work orders each totaling \$50k) that would be used to pay a technical consultant (WRIME, Inc.) to fund Forum-tasks efforts aimed toward advancing the I-RCUP into the feasibility stage. In addition, DWR commented that if the momentum continued additional funds may be available under Prop. 50 (in the \$200k to \$400k range). Further success may enable DWR to make additional monies available via Prop. 84 funds, although the scale of funds available was dependent on how the Prop. 84 program was developed.

Forum members agreed that the May meeting with the electeds was worthwhile, although there was additional discussion regarding how decisions would be made in the future as to calling for an elected officials meeting.

It was agreed that there needed to be a specific reason to call for such a meeting, and that a simple project update was not sufficient enough of a reason. Reasons to meet could include a request for agency approvals to enter into agreements (for cost sharing, project development, etc.) The more concrete the reason, the better, in light of the difficulty of scheduling electeds meetings and the time constraints many elected officials have.

<p>DISCUSSION TOPIC: REVIEW RECENT DEVELOPMENTS REGARDING A PRINCIPLES OF AGREEMENT (POA) DOCUMENT UNDER DEVELOPMENT BY SEVERAL SAN JOAQUIN COUNTY AGENCIES AND EBMUD</p>
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Mike Harty began the discussion by noting that the Principles of Agreement (POA) document is not an effort that is being led by the Mokelumne River Forum. However, he recognized that it was of great interest to members of the Forum. Many Forum members had questions regarding the document and its purpose.

Two versions of the draft POA were provided to Forum participants. There were initial questions from the Forum regarding who authored the respective drafts and/or which was the original and which was the next edit. Following some discussion, it was noted that the original version, which listed six POAs, was authored by EBMUD / Dennis Diemer. The second version, which listed eleven POAs, was a response / work-in-progress as developed by Kevin Kauffman / the Eastern Water Alliance (EWA).

Kevin Kauffman was asked to provide background regarding how the POAs came to be. Kevin noted the following:

- Senator Mike Machado called a meeting in early February 2007 at which he asked Kevin Kauffman of Stockton East Water District (SEWD) and Dennis Diemer of EBMUD to attend. The purpose of the meeting was to discuss recent water rights matters and determine if protests between the parties could be resolved.
- As a follow-up to the above meeting, EBMUD prepared a list of Principles of Agreement that if acceptable could be used by the parties to mutually remove the protests.
- SEWD has since been working with various San Joaquin County parties to edit the POAs. A combined response by the various San Joaquin Counties, when arrived at, would then be forwarded to EBMUD for review, comment and/or approval. Such a response has yet to be completed. He hopes to continue to work on the POA document such that a completed version is ready in June of 2007.
- He continues to collect requested POA edits from San Joaquin County protest agencies, for example, the City of Lodi asked to see a POA provision added whereby they'd received a year-round water supply from EBMUD (in order to resolve their protest against EBMUD's Camanche Permit extension request).

Andy Christiansen of Woodbridge Irrigation District (WID) noted that his agency has a series of agreements and/or licenses with EBMUD regarding water / water rights. While WID is in general support of EWA's efforts, WID needs to give the POA matter more consideration and specifically determine what edits are needed to the principles to meet WID's needs and concerns.

Foothill representatives, including Jim Abercrombie of Amador Water Agency, Edwin Pattison of CCWD and Charlie Hebrard of CCWD expressed their POA concerns.

Concerns were as follows:

- They viewed that the development of POAs perhaps was more of a matter for discussion at the Forum vs. outside of the Forum process, in particular since certain principles appear to directly impact Foothill agency water rights.
- Jim Abercrombie noted that his agency views that the water volume proposed to be provided by EBMUD as part of the EWA's principles as currently listed (i.e., the 20 TAF that would be contracted by EBMUD to NSJWCD in the event that the SWRCB upholds the denial of the NSJWCD's permit for extension, and the second block of 20 TAF that EBMUD would make available to the EWA as part of "project development") are not within EBMUD's ability to promise, due to provisions in a 1958 agreement between AWA and EBMUD.
- Charles Hebrard noted he was particularly upset regarding the POA development process taking place outside the Forum setting. He regretted decisions his agency made to not protest various pending water rights matters (such as EBMUD's Camanche Permit extension request). Had his agency been a protestor, he views they would have been included in POA development discussions from the get-go.

Kevin Kauffman commented that the Forum's Memorandum of Agreement (MOA) specifically noted that "settlement discussions" would not be a part of the Forum, hence negotiations such as those taking place between SEWD/EWA and EBMUD would not likely take place at the Forum. However, he did indicate a willingness to discuss the POAs with any party who views that there were provisions that would be problematic and/or cause for concern.

Rob Alcott of EBMUD supported Kevin's conclusion that the Forum may not necessarily be a settling for protest resolution discussions. However, he too indicated a need to include any impacted party (such as the Foothill Counties) in discussions regarding the POAs, and also noted that Jim's comments regarding the 1958 agreement between EBMUD and AWA needed to be taken into account / considered. He pointed out that EBMUD's draft of the POAs differed significantly from EWA's work-in-progress.

Regarding the POA development schedule, Mr. Kauffman indicated that tentatively the EWA wished to finalize the POA document by June 21st, such that it would be available to provide to the SWRCB during NSJWCD's reconsideration hearing.

Ed Steffani of NSJWCD indicated that having the POA document completed prior to his hearing with the SWRCB was not necessary, however. Instead, he viewed it more

important to vent agency concerns such that the completed POAs could be supported by parties to the Forum.

Tom Gau of SJC commented that for his agency to be supportive of the POAs, there needed to be mention of other matters, such as of EBMUD's support of SJC's MORE Water Project. Further, Mr. Gau noted that he viewed the whole POA development process needed to be more agency-inclusive, and hence was pleased to see it discussed at the Forum and in other venues.

Discussion of the topic concluded with Mike Harty noting that there will likely be continued interest in POA development by Forum members. Hence there will also likely be a request from Forum members (whom are not a part of the POA development) to be kept informed. The POA effort is not a Forum sponsored activity, and as such there were other efforts the group would likely be concentrating on (in particular, the I-RCUP development). Whether the POA effort needed to be included as part of upcoming meeting discussions / agendas will be up to the Forum Participants.

AGENDA TOPIC: NEXT STEPS IN THE I-RCUP DEVELOPMENT PROCESS

To begin the topic discussion, Mike Harty reviewed the financial support that DWR has indicated they would be willing to provide to the Forum to help move the I-RCUP effort forward. Mr. Harty asked Mike Floyd of DWR to help elaborate.

Mr. Floyd provided the following comments:

- DWR has a contract with WRIME, Inc. that can be used to provide technical support;
- DWR is willing to provide up to \$100,000 in funding to the Forum, provided that the Forum can give WRIME, Inc. direction regarding what specific I-RCUP technical assistance is needed;
- The \$100k would be made available via two separate work-task efforts;
- One task effort could be the development of a work plan for a feasibility study;
- Another task effort could be a preliminary / foundational efforts (separate tasks from the work plan development). As an example, initial info-gathering that would lend itself toward the preparation of a future study, such as a water availability study;
- There may be additional funds available to further the I-RCUP. Those funds could require agency match. Also, DWR would require that the Forum identify one specific agency to provide said funds to (on behalf of the Forum). Hence the MOA as currently being developed for the I-RCUP effort would need to be completed and a grant award body recognized. Moreover, DWR would need to view that there is support for the I-RCUP in order to make any such funding available. Specific funds as may be available were as follows:
 - There is from \$200k to \$400k that may be available from Prop. 50 funding

- There may be several million dollars available under Prop. 84, although that grant program is still under development, and hence the dollar availability is subject to change.

Following Mike Floyd's summary and a bit of discussion regarding the type of tasks WRIME, Inc. could perform, the Forum made the following conclusions / assigned the following action item:

- The Forum sub-committee (consisting of representatives from CCWD, AWA, EBMUD, City of Stockton, SEWD and San Joaquin County) should meet with DWR and WRIME, Inc. representatives at the offices of Jim Hansen Engineering, Inc. in Sacramento, California on May 24, 2007, to identify proposed work activities / a draft scope of work for WRIME, Inc. WRIME, Inc. will then develop a proposed work assignment write-up. That write-up will be shared with the Forum at the June 7, 2007 for Forum approval.

AGENDA TOPIC: POTENTIAL ALTERNATIVE FORUM MEETING DATE

Mike Harty reported that beginning next month, the Mokelumne River Forum will hold its meeting on the first Thursday of the month (hence next month's meeting will take place on June 7th). He understands that by making the change, a representative from the Foothill Conservancy will be able to regularly attend Forum meetings. Specifically, he anticipates that Pete Bell will be attending the June 7, 2007 Forum meeting.

CLOSING

The May 17, 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, June 7, 2007 at 9:00 a.m. at the SJFB's meeting facilities in Stockton.

CDWA 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.