



NORTHEASTERN SAN JOAQUIN COUNTY GROUNDWATER BANKING AUTHORITY

1810 EAST HAZELTON AVENUE
STOCKTON, CALIFORNIA 95205
(209) 468-3531
(209) 468-2999/FAX

GBA MEMBERS
CALIFORNIA WATER SERVICE COMPANY
CENTRAL DELTA WATER AGENCY
CENTRAL SAN JOAQUIN
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CITY OF LODI
CITY OF STOCKTON
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WATER CONSERVATION DISTRICT
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SOUTH DELTA WATER AGENCY
WOODBIDGE IRRIGATION DISTRICT
SAN JOAQUIN FARM BUREAU FEDERATION
ASSOCIATE MEMBER

KEN VOGEL
CHAIRMAN

THOMAS M. GAU
SECRETARY

Board of Directors Meeting AGENDA

**California Water Service Company, Conference Room
1602 East Lafayette Street, Stockton, California**

**Wednesday, December 14, 2011
9:30 a.m.**

Pledge of Allegiance & Roll Call

Approval of Minutes for the Meeting of October 12, 2011

SCHEDULED ITEMS

A. Discussion Items:

1. Update on Mokelumne Forum Prop. 84 Planning Grant Application Preparation (See Attached) – Mel Lytle

B. Action Items:

1. Public Hearing to Adopt a Resolution of Intent to Update the Eastern San Joaquin Integrated Regional Water Management Plan (See Attached) – Mel Lytle/Brandon Nakagawa
2. Discussion and Possible Action to Send a Letter to the San Joaquin Area Flood Control Agency Requesting Their Participation in the IRWMP Update Process (See Attached) – Mel Lytle/Brandon Nakagawa

C. Communications (See Attached):

1. Lodi News-Sentinel – North San Joaquin Water Conservation District Approves Tracy Lakes Project, Picks New Director
2. EBMUD Press Release – EBMUD to issue draft revised environmental impact study
3. Fox News – EPA Report on WY Water Doesn't End Fracking Debate

Public Comment (Non-Agenda)

Next Regular Meeting: January 11, 2012, at 9:30 a.m.
California Water Service Company, Conference Room
1602 East Lafayette Street, Stockton, California

Adjournment

Action may be taken on any item

Agendas and Minutes may also be found at <http://www.gbawater.org>

Note: If you need disability-related modification or accommodation in order to participate in this meeting, please contact San Joaquin County Public Works Water Resource Staff at (209) 468-3089 at least 48 hours prior to the start of the meeting.

**Northeastern San Joaquin Groundwater Banking Authority
Board Meeting Summary
Wednesday, October 12, 2011**

Roll Call:

The GBA Board meeting was called to order at 9:30 a.m., on October 12, 2011, by Chairman Ken Vogel at the California Water Service Company Conference Room, 1602 East Lafayette Street, Stockton. Also in attendance were Directors Stan Ferraro, John Herrick, Phil Katzakian, Katherine Miller, Dante Nomellini, Mel Panizza, and Hugh Scanlon. Role was taken and a quorum was present.

Pledge: Director Scanlon led the Pledge of Allegiance.

Minutes:

A motion to approve the minutes for the meeting of August 10, 2011 was made by Director Panizza and seconded by Director Katzakian. The motion passed unanimously.

Follow-up Items:

- Dr. Lytle to schedule subcommittee meetings for the GBA agreement

SCHEDULED ITEMS

A. Discussion Item:

1. Update on DWR Prop 84 Planning and Implementation Grant Solicitation Schedule (See Attached) – Mel Lytle/Brandon Nakagawa

DWR has listed an anticipated schedule for IRWM grant applications for the next several years. It is attached in the packet and shows the schedule through fall 2013.

The Prop 84 planning and implementation grant process is coming up in February, 2012.

John Izbicki, USGS, was in town one week ago to select a site for the new monitoring well in the Stockton East area.

Staff is anticipating applying for a Phase 2 implementation grant and a stormwater management grant. Staff will stay on top of the schedule.

Chairman Vogel asked if the grants require matching funds. Mr. Nakagawa said planning grants require a 25% match, groundwater grants have no match requirement, and an implementation grant match can range from 25-50%. There were no questions from other board members.

B. Action Items:

1. Discussion and Possible Action on MOU between the Upper Mokelumne River Watershed Authority and the GBA on Preparation of a Prop 84 Planning Grant Application (See Attached) – Brandon Nakagawa/Mel Lytle

Dr. Lytle referred the group to the attached MOU for the preparation of a Prop 84 Planning Grant. The members are essentially the members of the Mokelumne River Forum. Last year the group made an attempt to acquire a planning grant, but they were unsuccessful. The Forum is interested in trying again and the application is due in February of 2012. The MOU will be between the two JPAs, UMRWA (Upper Mokelumne River Watershed Authority) and the GBA. UMRWA will take the lead and the cost will be split 50/50. The cost is estimated at approximately \$30,000 with an additional \$3000 each for staff. UMRWA has already voted to approve this. Staff is asking for up to \$18,500 from each.

Chairman Vogel asked if they are going to be building on the same application. Dr. Lytle said this time it is a little different as they will have more input from the environmental groups. Last year they focused on mainly the Inter-Regional Conjunctive Use Project (ICUP). This year it will be broader and look at environmental concerns. There has been a lot of concern over EBMUD's desire to expand Pardee Reservoir. The water agencies are still interested in expanding water supply. Staff will be applying for upwards of \$1,000,000.

Dr. Lytle referenced last month's conversation at the Coordinating Committee regarding splitting the cost 50/50. EBMUD pays 60% of the UMRWA costs. Director Nomellini referenced the Mokelumne Forum was originally distributed with 2/3 of the cost to EBMUD.

A motion was made by Director Herrick and seconded by Director Miller to accept the MOU for signing. It passed unanimously.

2. Discussion and Possible Action on Consulting Services Agreement with GEI/Bookman – Edmonston for the Eastern San Joaquin Integrated Regional Water Management Plan Update (See Attached) – Brandon Nakagawa/Mel Lytle

Mr. Nakagawa explained the RFP process. The outcome of the process is a negotiated scope of work which is in the packet. This is in response to the award of the Prop 84 planning grant. The RFP was issued this summer. The attached consultant agreement for consideration is with GEI/Bookman-Edmonston for a not-to-exceed amount of \$553,832. Dr. Lytle said he and Mr. Kevin Kauffman, Mr. Nakagawa, Mr. John McGuire from Flood Management, and Mr. Dennis Makita from Contracts were all present for the contract discussions.

The consulting team is GEI/Bookman-Edmonston and Environmental Science Associates (ESA). The existing plan does not meet the new DWR standards. The planning assumptions are stale. SB5 requires planning for 200-year flood protection by 2015, not just groundwater overdraft. Also desired is advanced

readiness to proceed for key projects and a need to adopt the updated plan within two years. The bulk of the technical work will be done in the first year. The first progress report is due Fall of 2012.

Mr. Mark Williamson provided an overview. The approach includes updating land use and water demands, revisit state resource management strategies, updating the Management Action Plan, updating data management and recommending a financing plan.

In regards to data management, they will update the Groundwater Data Center web page and web-accessible GIS application. They will update land use and demands, site facilities, estimate impacts, and use techniques developed for the Freeport Element. The approach will add FEMA flood management, San Joaquin Area Flood Control Agency (SJAFCA), and other sources. Mr. Williamson showed examples of existing tools they have developed with assistance from DWR. The tools are live and there are web links to them in the attached packet.

Green house gases and climate sensitivity will assess changes in historical hydrologic event characteristics, identify dry, wet and early melt scenarios in climate predictions, and provide associated inflows to MOCASIM model to simulate system response. It will be a coordinated effort with the San Joaquin County Technical Advisory Committee, the GBA, and Advisory Water Committee regarding study area, goals, and participants. The USA Corp of Engineers (USACE) and SJAFCA will also be consulted. Things such as a master plan for the French Camp area, New Hogan to Duck Creek storage transfer pipeline, Cosgrove Creek Reservoir diversion to Duck Creek Reservoir, etc. will all be looked at during the update.

In developing the governance, they will use case studies from SJAFCA and from Kern County. The type of questions to consider will be: is the existing GBA structured appropriately for this plan, should the group include additional stakeholders, and how will the governance structure be updated and implemented in the future?

About 30% of the budget is dedicated to advanced planning of priority projects. They will identify locations, routes, operations, and interactions. They will need a conceptual design in detail adequate for reliable cost estimates and preliminary environmental analysis. It will be a GIS-based surrogate environmental analysis of all impact areas. For example, they will develop conceptual layouts and describe operations, establish locations, and have a way to develop a reliable cost estimate. They will conduct an environmental constraints analysis. An array of the projects will be measured against the criteria.

Task 5 of the workplan is the inter-regional project. This is will be completed in concert with the UMRWA and Mokelumne Amador Calaveras (MAC) regions.

They need to coordinate, define joint project operations, and identify environmental benefits.

Some of the key outcomes will include solid communication and project management, updated demands and strategies, upgraded and expanded data management, hydrologic sensitivity analysis, storm and flood water integration, and projects that are implementation grant ready.

Director Nomellini asked about how to integrate flood management when the plan for Central Valley Flood Control is not due until the spring of 2012. Additionally, no one knows when the 200 year elevations will be known. Director Nomellini said it appears efforts in climate change and flood control will be duplicated through the Central Valley Flood Management Plan with USACE and DWR. SJAFCA is working with Mr. Peterson's firm on flood management. Director Nomellini indicated a concern about how all these studies will be integrated. Mr. Williamson said they will be relying on other studies to inform this process. He said exactly how they are going to do the climate change analysis is not clear. DWR has published their guidebook which throws out a world of possibilities but doesn't say what should be done. They will have to make a decision and move forward. It is chaos to have everyone making different assumptions, but still useful to look at alternatives.

Director Nomellini said he is worried about folks coming up with scenarios that are impossible to deal with in the planning process. He added if the flood management plan is too expensive no one will be able to finance it and that could disqualify the whole Central Valley. USACE is doing a feasibility study and this could take years to get done. Director Nomellini said he is concerned with the scope for this particular task. The task of coordinating groundwater with recharge will be tempting for some folks. The current plan is to hold flood waters within levees and folks like ESA need to be careful not to get too far afield in how flood water can interface with groundwater recharge.

Director Herrick cautioned he does not want unrealistic suggestions with regard to levees.

Mr. Jason Preece, from DWR, noted the reason for the update is the state recognized the plans were lacking in coordinating, or at least sharing information, with flood planning efforts. The desire is if there is any duplication of efforts, the outcomes should not be in conflict.

Director Nomellini said DWR has its own programs that are not coordinated. He said SB5 is the major plan for the Central Valley and the timeline is not going to be met. The timeline for the IRWM update doesn't match. The concept of what can be integrated should be more modest since the information from the major SB5 effort won't be available when the IRWM update is due.

Director Ferraro said the timeline in the packet looks like stormwater and floodwater integration starts this year with completion next year. Therefore, the data from the others studies cannot possibly be integrated as they will not be complete. Mr. Williamson clarified they will not be designing facilities to meet a certain target but rather analyzing how they will perform under different scenarios. They will model various performance scenarios and use the best available data. They are not developing the flood management strategy for the county, but rather will study integration with the IRWM focus.

Mr. Nakagawa said staff struggled with the scope to morph it into something manageable and doable. The flood issues will be driven by SB5 and there is not time within the IRWM update process to wait for the results. Staff had to design the scope to coincide with the Prop 84 funding schedule. The level of effort in each task is a reflection of how important staff thinks each task is; which is why \$100,000 is dedicated to readying projects.

Mr. Kauffman highlighted only 10% of the scope is on flood issues. The consultants have a lot of information about flood issues. He added his concern is with Assemblyman Hoffman's AB359 and what it will mean to the IRWM plan and the agreed upon scope. Mr. Williamson said the concept has been addressed previously, at a certain level, as they have identified areas most suitable for recharge. Part of the management actions in the 2007 plan were to work with the County General Plan process to protect lands identified as having high recharge potential. They will continue to explore this area. Mr. Nakagawa said the consultant for the County General Plan has the recharge maps. Advanced planning and preliminary environmental analysis are about 30% of plan activities and are part of the grant readiness.

Mr. Preece clarified the basis for adopting the update within two years is that the term of the planning grant agreement. If an agency is awarded an implementation grant, they have to commit to having an updated IRWM within two years of award.

Director Nomellini emphasized he wants to be sure they are committed to integrating with current flood efforts. He does not want conflicting sensitivity to hydrology. Director Nomellini made the motion to approve the consultant agreement with the requirement of coordination with current flood efforts. The motion was seconded by Director Panizza and approved unanimously.

C. Communications (See Attached):

1. Whittier Daily News - Districts looking for water in far-away places

The article gives an overview of the southern CA water district, Walnut Valley, which is negotiating with Sacramento Valley to buy water and convey it 444 miles to southern CA.

2. On Demand Webinar – Water Banking Fundamentals Training

The article provides information about a webinar designed to provide insight on how to navigate the obstacles to developing groundwater banking projects.

3. USGS Report – Conceptual Model of the Great Basin Carbonate and Alluvial Aquifer System

Included in the packet is an abstract by USGS.

Public Comment (Non-Agenda):

Chairman Vogel opened the public hearing. A member of the public asked and received clarification on the cost of the consultant's contract for the IRWM update.

Adjournment:

The Chair adjourned the meeting at 10:36 a.m.

Next Regular Meeting: November 9, 2011, at 9:30 a.m.

California Water Service Company, Conference Room
1602 East Lafayette Street, Stockton, California

Submitted by:

Carolyn Lott, Senior Facilitator/Mediator
Center for Collaborative Policy

**ATTACHMENT
A.1.**

EXHIBIT A: SCOPE OF WORK AND PROJECT SCHEDULE

SCOPE OF WORK

RMC will assist UMRWA and the GBA in preparing a planning grant application through completion of the following tasks.

Task 1: Grant Application Checklist

RMC will prepare Table 3 (the Grant Application Checklist) using information and data contained in the Sept 2010 UMRWA and GBA Planning Grant applications and other information provided by UMRWA. We will incorporate Authorizing and Eligible Applicant Documentation provided by the Authority. The Grant Application Checklist will be provided to UMRWA and the GBA for review and comment; comments will be incorporated into the final version for submittal to DWR.

Assumptions

1. Previous Planning Grant Applications will be made available to RMC by UMRWA
2. UMRWA and GBA will prepare Authorizing and Eligible Applicant Documentation and provide such documentation to RMC
3. Draft and final versions will be distributed electronically

Deliverables

1. Draft and Final Grant Application Checklist (electronic copies)

Task 2: Work Plan

RMC will prepare the Work Plan based on the Inter-regional Conjunctive Use Project (IRCUP) work plan developed and provided by the Mokelumne River Forum. The Work Plan will be provided to UMRWA and the GBA in draft form for review. Comments will be incorporated into the final version for submittal to DWR.

Assumptions

1. The Mokelumne River Forum will prepare and provide RMC with a draft Work Plan that identifies all tasks in sufficient detail for inclusion in the Planning Grant application
2. Draft and final versions will be distributed electronically

Deliverables

1. Draft and Final Work Plan Attachment (electronic copies)

Task 3: Budget

RMC will prepare a detailed line item budget, consistent with the Work Plan and Schedule, for inclusion in the grant application. The draft Budget attachment will be provided to UMRWA and GBA for review and comment; comments will be incorporated into the final version for submittal to DWR.

RMC will prepare and provide UMRWA and the GBA with a table to be completed with detailed information supporting the in-kind services to be included in the budget. Based on the information collected, RMC will prepare a local funding match budget to be included in the Budget attachment that reflects in-kind services, federal grant dollars, and/or local agency funds.

Assumptions

1. UMRWA and GBA will provide supporting information on agency in-kind services to be provided, including identifying specific staff who will be involved in completing work plan tasks,

- the work plan tasks being completed by each staff person, the estimated hours that will be spent by each staff person on each task, and the hourly rates of specific staff persons
2. Draft and final copies will be distributed electronically

Deliverables

1. Draft and Final Budget Attachment, including in-kind services line items (electronic copies)

Task 4: Schedule

RMC will prepare a detailed schedule, consistent with the Work Plan and Budget, for inclusion in the grant application. The draft Schedule attachment will be provided to UMRWA and GBA for review and comment; comments will be incorporated into the final version for submittal to DWR.

Assumptions

1. UMRWA and GBA will provide information related to critical schedule needs and drivers
2. Draft and final versions will be distributed electronically

Deliverables

1. Draft and Final Schedule Attachment (electronic copies)

Task 5 Planning Grant Application

RMC will compile a complete Planning Grant Application for hard copy submittal to DWR and upload to the online Bond Management System (BMS). RMC will prepare a complete draft version of the planning grant application, which will be distributed to UMRWA and the GBA electronically via email. RMC will incorporate comments on the draft application into the final version that is submitted to DWR.

Assumptions

1. RMC will submit draft documents to UMRWA and the GBA electronically
2. RMC will prepare four hard copies and one CD of the application package for submittal to DWR, one hard copy and one CD of the full application package for submittal to the GBA, and one hard copy and one CD of the full application package for submittal to UMRWA

Deliverables

1. Draft Grant Application for review (electronic copies)
2. Submittal of Hard Copies and CDs to DWR, UMRWA, and the GBA
3. Online submittal of the Planning Grant Application via DWR's BMS

SCHEDULE

The Draft PSP is expected to be released in October 2011, and the grant application is expected to be due in early February 2012. Depending upon DWR timelines, the schedule could extend beyond February 2012. Given that the timeframe for completing the grant application will not be in our complete control, and we will be relying on information provided by the project partners, we will be relying on UMRWA and the GBA to furnish all of their in-kind service information and project data in a timely manner to enable the project team to meet its schedule and budget obligations. RMC will endeavor to drive the schedule and communicate its expectations about delivery of materials clearly and regularly throughout the project period.



Upper Mokelumne River Watershed Authority

5883 Camanche Parkway South • Valley Springs, CA 95252
Telephone: (209) 772-8340 Fax: (209) 772-8264

November 18, 2011

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch - Attn: Rolf Frankenbach
Post Office Box 942836
Sacramento, CA 94236

Subject: Comments on Draft Round 2 Planning Grant PSP

Dear Mr. Frankenbach,

The purpose of this letter is to provide comments on the Department of Water Resources' draft Round 2 Planning Grant Proposal Solicitation Package (PSP). The Upper Mokelumne River Watershed Authority (UMRWA) is the approved regional water management group for the Mokelumne-Amador-Calaveras (MAC) region. The Authority is a joint powers agency established in the year 2000 for the purpose of preserving and enhancing Mokelumne River water supply, water quality, and the environment. UMRWA is a public agency representing the integrated regional water management interests of MAC region.

UMRWA, representing the MAC region, and the Northeastern San Joaquin Groundwater Banking Authority, representing the adjoining Eastern San Joaquin region, will be submitting a Round 2 inter-regional planning grant application. The joint grant application is expected to seek funding to develop the technical, environmental and institutional elements of a mutually acceptable joint inter-regional conjunctive use program which addresses multiple water resource management issues and conflicts within and between the two neighboring regions.

UMRWA is generally concerned that the Round 2 draft PSP does not adequately differentiate between inter-regional planning grant applications and applications by individual regions. Specifically, there are two areas in the PSP that we believe warrant DWR's critical review and modification; the required content of the application, and the scoring approach. We believe the draft PSP fairly addresses the needs of individual applications but may not be well suited to promote and assess inter-regional applications.

Our specific comments on the draft Round 2 PSP are attached. We hope you will agree that the application content requirements and scoring criteria for inter-regional applications should be modified to better reflect the unique planning tasks and outcomes associated with these uncommon applications.

We appreciate the opportunity to submit these comments. Please email me at robalcott@aol.com or call me at (707)785-1008 if you have any questions.

Sincerely,

Rob Alcott
Executive Officer

Members

Alpine County • Alpine County Water Agency • Amador County • Amador Water Agency • Calaveras County • Calaveras County Water District • Calaveras Public Utility District • East Bay Municipal Utility District • Jackson Valley Irrigation District

UMRWA COMMENTS: DRAFT Round 2 PROP 84 PLANNING GRANT PSP

Comment Number	Location	Discussion
1	III.Funding. <i>Page 8</i>	50% of the \$9 Million in funds proposed for Round 2 will be taken from “Inter Regional” funds as authorized by Proposition 84. We request that a portion of the \$9M (\$3 Million +/-) be reserved for awards made to inter-regional applicants.
2	V. Application Instructions; B. What to Submit; 1. Application Instructions; Attachment 2, Eligible Applicant Documentation. <i>Page 14</i>	For inter-regional applications, Attachment 2 should include an entry that allows designation of the lead agency as the applicant on behalf of all participating region(s).
3	V. Application Instructions; B. What to Submit; 1. Application Instructions; Attachment 3, Work Plan. Current Status in Meeting IRWM Standards. <i>Page 15</i>	For inter-regional applications, Attachment 3 should include a means by which joint applicants can illustrate (through the Work Plan description) how a proposed grant-funded inter-regional planning activity will help improve, augment or address a deficiency as identified by the participating IRWMs. This discussion should be in lieu of requiring discussion on how the grant funded effort would help address an IRWM deficiency / address IRWM standard requirements.
4	VI. Review and Scoring Criteria, Table 4, Scoring Criteria, Program Preferences, Include Regional Projects or Programs. <i>Page 19</i>	While we support the award of points toward proposals that include regional projects or programs, modifications to the scoring system should be made to facilitate effective evaluations of proposed inter-regional projects or programs.
5	VI. Review and Scoring Criteria, Table 4, Scoring Criteria, Program Preferences, Effectively resolve significant water related conflicts within or between regions. <i>Page 19</i>	While we support the award of points toward proposals that work to resolve water related conflicts <u>within</u> regions, modifications to the scoring methodology should be made to effectively evaluate and reward grant applications with projects or programs efforts that resolve water related problems <u>between</u> regions.

Members

**ATTACHMENT
B.1.**

DRAFT

BEFORE THE BOARD OF DIRECTORS OF THE
NORTHEASTERN SAN JOAQUIN COUNTY GROUNDWATER BANKING AUTHORITY

RESOLUTION R-11-__

RESOLUTION OF INTENT TO PREPARE
AN INTEGRATED REGIONAL WATER MANAGEMENT PLAN FOR THE MEMBER
AGENCIES OF THE NORTHEASTERN SAN JOAQUIN COUNTY
GROUNDWATER BANKING AUTHORITY

WHEREAS, organized in 2001, the Northeastern San Joaquin County Groundwater Banking Authority has the primary goal to develop locally-supported groundwater projects that improve water supply reliability in Eastern San Joaquin County and to provide benefits to project participants and San Joaquin County as a whole; and,

WHEREAS, the Northeastern San Joaquin County Groundwater Banking Authority prepared the Eastern San Joaquin Integrated Regional Water Management Plan in accordance to California Water Code § 10540 *et. seq.*; and,

WHEREAS, on July 25, 2007, the Board of Directors of the Northeastern San Joaquin County Groundwater Banking Authority, duly held a public hearing and formally adopted the Eastern San Joaquin Integrated Regional Water Management Plan; and,

WHEREAS, the Northeastern San Joaquin County Groundwater Banking Authority has been designated as an approved region by the California Department of Water Resources through the regional acceptance process; and,

WHEREAS, in August 2010, the California Department of Water Resources published the Integrated Regional Water Management Grant Program Guidelines for awards under bond act Propositions 84 and 1E; and,

WHEREAS, the Northeastern San Joaquin County Groundwater Banking Authority published a Notice of Public Hearing to update the Eastern San Joaquin Integrated Regional Water Management Plan in accordance with California Water Code § 10540 *et. seq.*

NOW, THEREFORE, BE IT RESOLVED THAT:

1. This Board of Directors shall update the Eastern San Joaquin Integrated Regional Water Management Plan in accordance with the Integrated Regional Water Management Grant Program Guidelines for awards under bond act Propositions 84 and 1E.
2. Furthermore, this Board of Directors shall update and adopt the Eastern San Joaquin Integrated Regional Water Management Plan in accordance with California Water Code § 10540 *et. seq.* including all required public notices.
3. Furthermore, the Northeastern San Joaquin County Groundwater Banking Authority shall update and adopt the Eastern San Joaquin Integrated Regional Water Management Plan no later than two years after the date of this Public Hearing.

DRAFT

PASSED AND ADOPTED _____, by the following vote of the Board of Directors, to wit:

AYES:

NOES:

ABSENT:

KEN VOGEL, Chairman
Board of Directors of the
Northeastern San Joaquin County
Groundwater Banking Authority

ATTEST: THOMAS M. GAU
Secretary of the
Northeastern San Joaquin County
Groundwater Banking Authority

**ATTACHMENT
B.2.**

DRAFT

December 14, 2011

Steve Bestolarides, Chairman
San Joaquin Flood Control Agency
22 East Weber Avenue, Suite 301
Stockton, California 95202

SUBJECT: REQUEST FOR PARTICIPATION IN THE EASTERN SAN JOAQUIN INTEGRATED REGIONAL WATER MANAGEMENT PLAN UPDATE

Mr. Bestolarides:

The Northeastern San Joaquin County Groundwater Banking Authority (GBA), established in 2001, has pursued the goal of improving water supply reliability through conjunctively managing surface water and groundwater supplies for the benefit of the Eastern San Joaquin County Region. The availability of water supplies in the years and months when that water is not directly needed is a challenge that can only be solved through an integrated approach. Adopted by the GBA in 2007, the Eastern San Joaquin Integrated Regional Water Management Plan (IRWMP) attempted to describe how Eastern San Joaquin County could implement a menu of projects that would address further declines in groundwater levels and provide a sustainable water supply for future generations. The GBA's 2007 IRWMP marginally addressed the interconnection of wet-year diversions and multi-use facilities such as detention basins being used as groundwater recharge ponds. Further integration is the logical next step.

A major driver for the development of an IRWMP is the ability for an agency to remain eligible for grant funds authorized under bond act Propositions 50, 84 and 1E. In order for the GBA to maintain eligibility in the current IRWMP Grant Program, the GBA must update its current IRWMP to newly developed standards by the California Department of Water Resources (DWR). Among the new requirements is the further integration of regional water management needs with flood management opportunities.

Given the new requirements established by the DWR and the most recently award of Proposition 84 and 1E monies in the first round of IRWM Program Implementation Grants, the need for stronger integration and participation by the San Joaquin Area Flood Control Agency (SJAFCA) is extremely desirable. The GBA respectfully requests that SJAFCA consider participating in the IRWMP Update as a key stakeholder. More specifically, the GBA has identified two areas of significance that would be necessary additions to the IRWMP Update: 1.) adequately characterizing the flood management situation, goals, and objectives for the San Joaquin Region, and 2.) expanding the IRWMP project list to include flood risk reduction projects with a high potential for integration with the list of water management related strategies including but not limited to recreation, ecosystem enhancement, urban streams improvements, disadvantaged community needs, water quality improvement, groundwater

REQUEST FOR PARTICIPATION IN IRWMP

Page 2

recharge, etc. A strong flood risk reduction component in the IRWMP Update would significantly bolster the community's likelihood of securing a large implementation grant under Propositions 84 and/or 1E.

As the GBA forges ahead with the update of the IRWMP, we ask that you consider at minimum, participating as a key stakeholder through the public process which is currently in development. As the IRWMP Update process matures, SJAFCA's involvement may increase to include participating in project workgroups and providing technical information on projects that SJAFCA is the lead or major proponent. These types of in-kind contributions are important to the accuracy and ultimately the success of the IRWMP Update.

The Northeastern San Joaquin County Groundwater Banking Authority encourages the San Joaquin Area Flood Control Agency to participate in the update of the Eastern San Integrated Regional Water Management Plan. Should you have any questions, please contact Dr. Mel Lytle, Water Resources Coordinator, at (209) 468-3089.

Sincerely,

KEN VOGEL
Chairman
Northeastern San Joaquin County
Groundwater Banking Authority

KV:BN

c: James B. Giottonini, Executive Director SJAFCA,
Thomas M. Gau, Director of Public Works
Fritz Buchman, Deputy Director/Development
Mel Lytle, Water Resources Coordinator
John Maguire, Engineering Services Manager

**ATTACHMENT
C.1-3.**

North San Joaquin Water Conservation District approves Tracy Lakes project, picks new director

By Sara Jane Pohlman/News-Sentinel Staff Writer | Posted: Friday, November 18, 2011 12:00 am

When the board of directors gave the green light on the Tracy Lakes project Thursday, they created the first improvement district of the North San Joaquin Water Conservation District.

"We are coming here with \$636,000, we want to do the project, we want to make this district successful," said Dan Leonard, a landowner on the Tracy Lakes side.

When it came to the vote, the board was unanimously in favor, save for new director Joe Valente, who abstained. Attorney Roger Masuda guided the proceedings with a heavy hand to keep the board on track.

"With great reservation, definitely," said vice president Joe Petersen when his vote was called for.

During the discussion period, Petersen expressed frustration that a landowner, not the water district, is footing much of the bill of a major project.

"It's a mistake that we don't have that money," he said.

"That's water under the bridge," replied secretary Mark Beck.

Another concern was that creating the improvement district requires a separate bank account to keep track of it.

"This district doesn't even have their hat on straight and we're adding another level of management," said Petersen.

Masuda assured him that other districts are successful with similar projects.

"This mechanism is a good model for others in the district if farmers are willing to step up and pay," he said.

The project diverts water from the Mokelumne River and into the Tracy Lakes area. The landowners are allowing the district to use the land at no charge. John Franzia, who owns vineyards nearby, will pump the water out to irrigate his vineyards.

The benefit is twofold, furthering the district's goals of reducing groundwater strain. First, Franzia will be using surface water to irrigate instead of groundwater. Secondly, as the water is stored in the lake, a certain amount will filter down into the groundwater table.

Because this water is coming out of the water district's allocation from East Bay Municipal Utility District, the cost of the water is paid to the water district. For the right to commence this project and use the water from the river, the landowners are paying the water district in three ways.

First, there's the capital assessment: a payment of \$75,000 a year for 10 years beginning as soon as the project commences. Next, the landowners pay 65 percent of operations and maintenance costs, estimated at approximately \$30,000 to \$40,000 a year, indefinitely. Lastly is the actual cost of water. The landowners will pay \$2 per acre-foot of water for the first year. Area growers often pay approximately \$17 to \$25 an acre-foot, but this is considered a special case.

The water district doesn't have a current budget or financial statements, and hasn't released the meeting minutes for several months. It was difficult to determine exactly how much it was costing the district to give water to the Tracy Lakes project, so this is considered an interim solution. At the end of the first year, when the financial statements of the water district are clear, that

cost will be reassessed and a new water rate determined.

Representation for the landowners emphasized that this project was for everyone's benefit.

"If people like them don't start doing this, the groundwater table will continue to decline, causing everyone's costs to go up," said Jennifer Spaletta, attorney for the Tracy Lakes landowners.

Contact reporter Sara Jane Pohlman at sarap@lodinews.com.

Contact: Charles C. Hardy 510-287-0141

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EBMUD to issue draft revised environmental impact study on issues raised by court on water supply plan

New document outlines plan to provide sufficient water for the District's East Bay customers over next 30 years without an Enlarge Pardee Reservoir alternative

OAKLAND – The East Bay Municipal Utility District is preparing to issue a draft revised Program Environmental Impact Report (PEIR) for its Water Supply Management Program (WSMP) 2040 that recommends the District defer the project to enlarge Pardee Reservoir and not include it in its thirty year water plan.

The District's WSMP 2040 is a long-term planning effort intended to ensure the District can supply high quality water to its customers in Alameda and Contra Costa counties during droughts. The plan lists a number of strategies to ensure adequate water supplies with a strong emphasis on increased conservation and recycling to reduce customer demand. The plan also includes a variety of supplemental supply options that could be explored in the future, including water transfers, groundwater storage, desalination and regional surface storage.

In the course of conducting the additional analysis necessary to address a court order on the WSMP 2040 environmental documentation, EBMUD determined that it could prepare a plan with a portfolio of supplemental supply options for the next 30 years without including the enlargement of Pardee Reservoir. The enlargement of Pardee was originally not planned for potential consideration in the near term, and the analysis conducted by EBMUD now indicates consideration of that option can be deferred beyond 2040.

EBMUD is revising the WSMP 2040 analysis, and new information that EBMUD has developed demonstrates it may be possible to partner with the Contra Costa Water District (CCWD) to acquire additional water supplies from the expansion of Los Vaqueros Reservoir, which is a project that CCWD finalized after EBMUD developed the WSMP 2040 in 2009. The possibility for the partnership is among the factors prompting EBMUD staff to recommend going forth with the WSMP 2040 plan without the Enlarge Pardee option.

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For a partnership between EBMUD and CCWD around Los Vaqueros Reservoir to occur, water distribution, treatment and pumping issues would have to be first resolved, but there are early indications of community support and the potential to resolve these issues. EBMUD's Board of Directors has emphasized the importance of community support for any regional project, and EBMUD endeavors to work with local agencies and communities to gain support for any project that it undertakes.

EBMUD General Manager Alexander R. Coate notes that the District's Board and staff worked hard for several years on the long-term planning effort. "The revised PEIR refines that work and provides additional support for an important and robust plan that will allow EBMUD to meet future water needs in an environmentally and economically sound manner," said Coate.

The revised draft PEIR will be released on December 6. Public meetings on the environmental report will be held in Calaveras and Amador counties and in Oakland in January.

EBMUD has a proud history of providing high-quality drinking water for 1.3 million customers in Alameda and Contra Costa counties. The District's award-winning wastewater treatment protects San Francisco Bay and serves 650,000 customers.



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EPA report on WY water doesn't end fracking debate

Published December 09, 2011 | Associated Press

A U.S. Environmental Protection Agency draft finding that it may have detected groundwater pollution resulting from a controversial technique that plays a huge role in modern oil and gas development isn't settled science yet.

Nor is it settled politics, especially where hydraulic fracturing has been opening up vast new oil and gas reserves and creating economic opportunities that might not otherwise exist.

And so the debate over fracking is likely to continue.

Environmentalists have been sounding the alarm about fracking in Pennsylvania, New York State and other places with new gas drilling. They lauded Thursday's announcement concerning pollution in a central Wyoming community as a long time coming.

"In Wyoming, EPA is recognizing what experts — along with families in fracking communities across the country — have known for some time," Kate Sinding, an attorney with the Natural Resources Defense Council in New York City, said in an e-mail Thursday. "Fracking poses serious threats to safe drinking water."

Jan Jarrett, president of the environmental group PennFuture, said the news underscores the need for more research and protections in Pennsylvania.

"It really highlights the importance of getting the best possible safeguards in place," he said, adding that the report also shows that hydraulic fracking is not foolproof, as some in the industry have claimed.

The EPA emphasized that its announcement that it had found chemicals likely associated with gas production practices, including fracking, was just the first step in a review of its science. The draft report opens up a 45-day public comment period and a 30-day peer review process by independent scientists.

Even so, the oil and gas industry and its allies blasted the announcement as premature.

"Unsubstantiated statements coming from the EPA today stretch the data and cause unwarranted alarm and concern about a proven technology that allows our industry to safely extract oil and natural gas. The EPA's announcement is irresponsible and leads us to call into question its motives," said Bruce Hinchey, president of the Petroleum Association of Wyoming.

The practice called hydraulic fracturing is aimed at improving the productivity of oil and gas wells. It involves pumping pressurized water, sand and chemicals underground to open fissures and improve the flow of oil or gas to the surface.

Sen. James Inhofe called the study "not based on sound science but rather on political science."

"Its findings are premature, given that the Agency has not gone through the necessary peer-review process, and there are still serious outstanding questions regarding EPA's data and methodology," the Oklahoma Republican said.

Residents of Pavillion long have said their drinking water stinks of chemicals and is giving them health problems. Health officials last year recommended that they not drink their water and ventilate their bathrooms while showering.

Industry officials pointed out that the EPA announcement didn't focus on those domestic water wells but two wells drilled somewhat deeper into the aquifer specifically to test for pollution.

Moreover, the compounds could have had other origins not related to gas development, said Doug Hock, spokesman for Calgary, Alberta-based Encana, owner of the Pavillion gas field.

"Those could just have likely been brought about by contamination in their sampling process or construction of their well," Hock said.

An announced \$45 million sale of the Pavillion field to Midland, Texas-based Legacy Reserves fell through last month amid what Encana said were Legacy's concerns about the EPA investigation.



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The EPA, which has been studying the groundwater in Pavillion for more than two years, also emphasized that the preliminary findings are specific to the Pavillion area, not necessarily anywhere else in the U.S. The agency said the fracking that occurred in Pavillion differed from fracking methods used in regions with different geological characteristics.

The fracking occurred below the level of the drinking water aquifer and close to water wells, the EPA said. Elsewhere, drilling is more remote and fracking occurs much deeper than the level of groundwater that would normally be used.

"EPA's highest priority remains ensuring that Pavillion residents have access to safe drinking water," said Jim Martin, EPA regional administrator in Denver. "We look forward to having these findings in the draft report informed by a transparent and public review process."

The draft EPA report and the upcoming critiques of it come as states and the federal government continue to ponder whether and how to regulate fracking.

Last year, Wyoming became one of the first states to require oil and gas companies to publicly disclose the chemicals used in fracking. Colorado regulators are considering doing the same.

The public and industry representatives packed an 11-hour hearing on the issue in Denver on Monday. They all generally supported the proposal but the sticking point is whether trade secrets would have to be disclosed and how quickly the information would have to be turned over.

Associated Press writers Colleen Slevin in Denver, Mary Esch in Albany, N.Y., and Kevin Begos in Pittsburgh contributed to this report.

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