

EBMUD POLICY STATEMENT
for
NSJWCD RECONSIDERATION HEARING
June 21, 2007

The East Bay Municipal Utility District (EBMUD) makes the following Policy Statement concerning the North San Joaquin Water Conservation District (NSJWCD) extension matter.

EBMUD holds water rights to water from the Mokelumne River, through permits and licenses issued by the SWRCB. The Mokelumne River is the primary water source for the municipal and industrial customers of EBMUD. Over 90 percent of EBMUD's water supply comes from the Mokelumne River watershed to serve 1.34 million people in Alameda and Contra Costa Counties. EBMUD owns and operates Pardee and Camanche Reservoirs in Amador, Calaveras and San Joaquin Counties. EBMUD's water rights allow for delivery of up to a maximum of 325 million gallons per day (MGD) from the Mokelumne River, subject to the availability of Mokelumne River runoff and senior water rights of other users. The District has entered into several agreements with water users in the lower Mokelumne River to provide regulated water supplies from Camanche Reservoir. The State Water Resources Control Board's decision in D-858 granted a water right to EBMUD for its Camanche Project and granted NSJWCD a temporary appropriative water right, issued pursuant to Water Code §1462, which is derivative of the EBMUD Camanche permit right and allows NSJWCD to use water while EBMUD's municipal needs expand. EBMUD entered into an agreement with NSJWCD in 1963 to store water in Camanche Reservoir and release it to NSJWCD from December 1 to July 1 in an amount not to exceed 20,000 acre-feet.

With widespread interest in improving water resource management in the Mokelumne Basin in a way that helps resolve over-drafted groundwater basin conditions in San Joaquin County and addresses water related needs in the entire Mokelumne region, regional stakeholders including EBMUD initiated what has become known as the

Mokelumne River Forum. The Mokelumne River Forum, modeled after the successful Sacramento Forum, is a collaboration of Mokelumne Basin stakeholders organized to examine water resource management opportunities that would provide regional and mutual benefits, such as improvements in water supply reliability and water quality protection in the service areas of the parties.

EBMUD views the establishment of the Mokelumne River Forum as a significant and positive development on the Mokelumne River and hopes that this can assist San Joaquin County in resolving the issues that have arisen in the County with respect to groundwater and surface water management. Both NSJWCD and EBMUD are part of the Mokelumne River Forum. The balance of this policy statement will summarize the progress that has been made during the Mokelumne River Forum process.

As with many river systems in California, the Mokelumne River has seen historic conflicts over water rights and related matters. To help resolve these conflicts, water entities along the Mokelumne River who were interested in working together to identify new water supply alternatives began an initial series of meetings in 2002 to explore whether there was a commonality of interest to form a stakeholder-supported collaborative process. Following the completion of a structured feasibility study by the Center of Collaborative Policy the entities agreed that there were indeed significant mutual interests in working together to overcome institutional barriers and resolve long-standing conflicts to improve water supply availability and reliability from the Mokelumne River.

The Mokelumne River Forum was formally organized pursuant to a June 2005 Memorandum of Agreement. Under the MOU the stakeholders agree to work cooperatively, through facilitated stakeholder participation, to examine and enhance ongoing conjunctive water management activities, to explore new initiatives, and to identify potentially feasible solutions to meet the objectives of the stakeholders.

The Mokelumne River Forum involves 16 stakeholder water agencies, local governments, and special interest organizations. The Forum's work is actively supported by the Department of Water Resources. The stakeholder organizations include:

- Alpine County
- Amador County
- Amador Water Agency
- Calaveras County Water District
- Calaveras Public Utilities District
- City of Lodi
- City of Stockton
- EBMUD
- Jackson Valley Irrigation District
- North San Joaquin Water Conservation District
- San Joaquin County
- Stockton East Water District
- Central San Joaquin Water Conservation District, and
- Woodbridge Irrigation District
- San Joaquin Farm Bureau
- Foothill Conservancy

Under the June 2005 Memorandum of Understanding, the State of California Department of Water Resources has been funding facilitative services to achieve the following two Mokelumne River Forum objectives:

Development of mutually beneficial and regionally focused solutions to meet the water supply and related needs of the parties by pursuing water supply availability, reliability, and quantity acceptable to all participants in the Mokelumne River Forum.

Development of solutions that resolve conflicts among and between the parties and stakeholders and assist in meeting:

- *Up-country consumptive water and infrastructure needs (Amador, Calaveras, and Alpine);*
- *San Joaquin County water supply needs (basin overdraft);*
- *Dry-year drinking water needs of the Parties; and*
- *Water needs for agriculture, the environment and recreation*

Through a series of facilitated monthly meetings, Forum stakeholders have developed a proposal for a conjunctive use project which would contribute significantly to fulfilling the Forum's two objectives. The project, called the Mokelumne Inter-Regional Conjunctive Use Project (I-RCUP), is based on the premise that a three-way groundwater banking, exchange and transfer project could provide water supply sustainability and reliability benefits to Amador, Calaveras and San Joaquin Counties, and to East Bay Municipal Utility District's service area. The basic concept is that Mokelumne River water stored in wet years in San Joaquin's over-drafted groundwater basin would be extracted in times of drought. The project will also demonstrate the benefits of improved conjunctive management as part of the Integrated Conjunctive Use Program for the Eastern San Joaquin Groundwater Basin.

With the active support of the Department of Water Resources, the Forum on June 7, 2007 approved a Work Order to engage the services of WRIME, Inc. to (1) prepare key foundational documents which describe existing and proposed Mokelumne water rights, river hydrology and stakeholder needs, and (2) develop an I-RCUP Work Plan to guide the preparation of an engineering feasibility study, environmental documentation, financing plan and institutional arrangements. These two work products are scheduled to be completed by December 2007.

We believe the I-RCUP represents a significant step forward in working collaboratively and constructively to address water resource management issues that have arisen in San Joaquin County and neighboring jurisdictions. The I-RCUP also demonstrates the

potential of what might be accomplished by Mokelumne stakeholders working together to realize their mutual goals rather than in adversarial processes to meet individual goals, as historically has been practiced. While the Mokelumne River Forum was not established to serve as a venue for discussing potential settlements to protests filed in SWRCB proceedings concerning the Mokelumne River, the I-RCUP could be important in addressing the fundamental interests of many parties.

Finally, as to the extension of NSJWCD's water right (Permit 10477) EBMUD requests that the SWRCB not take any action in this proceeding to address the extension of NSJWCD's temporary right under Water Code §1462 that would be contrary to the provisions governing that right or that would adversely impact the Mokelumne River Forum's efforts to advance the I-RCUP or would otherwise upset the ongoing collaborative process being undertaken in this region. EBMUD believes that working together, Forum participants can develop mutually agreeable regional solutions that will successfully resolve water supply and related conflicts on the Mokelumne River.

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