

## **APPENDIX B**

### **CONSULTANTS, ATTORNEYS, & MANAGERS (CAM) MEETINGS**

CAM AGENDA –January 8, 2007  
EMWD – 12:00 p.m.

- Private Pumper Issues
  - Status of Class A/B participants
- DWR
  - Project manager
- IRRP – Status
  - Dozer Purchase Concept
- In Lieu agreements - re: Regional Board requirements
- 2007 Interim Water Supply Plan
- Supplemental EIR
  - Status of comments
- IRWMP
  - Estimate range for Scope of Work
- Soboba Issues
  - Report on Las Vegas meeting
- Finalize EMWD – Phase I Facilities Construction Cost and Use Contract
- MWD/EMWD contract for delivery of untreated water
  - Discuss revisions

MEMORANDUM

January 26, 2007

**TO: CAM MEMBERS**  
**FROM: Dale Schafer**  
**RE: CAM MEETING NOTES – January 8, 2007**

Members in attendance: Eric Hong, DWR; Ali Taghavi, WRIME; Mike Garner, EMWD; Gerry Shoaf, EMWD; Behrooz Mortazavi, EMWD; Chuck Rathbone, EMWD; Eric Vail, Hemet; Dennis Williams, Hemet; Bob Hargreaves, San Jacinto; Barry McClellan, San Jacinto; Tom Waggoner, LHMWD; John Loncar, LHMWD; Art Littleworth, LHMWD.

**I. Private Pumper Issues**

Behrooz Mortazavi distributed a chart listing:

- the average well production between 1995 and 1999 reported by each potential participant or estimated by EMWD
- the average metered production between 2003 and 2005
- the simulated production for 95-99.

It was noted that several well owners had a significantly higher number for 95-99 than the metered number and the simulated production number. In particular, Scott and Lauda – (parties of the In-Lieu contracts) reported numbers approximately 5,000 AF more than the 03-05 figure. In addition, John Gless and Gary McMillan had a discrepancy of more than 500 AF each.

The private pumpers' estimated production is between 3,000 and 8,000AFY higher than the actual amount. CAM members discussed the effects of this probable miscalculation:

If the pumpers current productions are less than the 95-99 productions and now start to pump more, that could cause the basin to decline. However, due to growth in the area, the local producers are expected to pump less in the future. Also, the agencies will still be required by Watermaster to reduce production in order to replenish the 10,000 AFY overdraft.

CAM requested EMWD to commit to supply Scott and Lauda with the higher amount of recycled water. Scott and Lauda have committed to take 75% of the water and will try to take the entire amount.

The attorneys will examine the Scott and Lauda agreement. There may be some changes necessary since the parties want to be included as Class B participants. Behrooz will discuss the issue with Scott and Lauda and see if a lower production value for the groundwater rights can be negotiated.

Dale will contact Dick Kelley about informing both John Gless and Gary McMillan about the discrepancy in the production numbers. If Gless or McMillan plan to convert to Class B, it would be easier to determine the production numbers now than at a later date.

Class B participants will have their numbers listed in the Stipulated Judgment.

## II. DWR Topics

- Project manager, Samson Haille-Selassie, has accepted another position with DWR. Eric Hong will act as project manager in the interim.

- Prop. 13

Eric Hong informed CAM members that the extra \$2 million available from Prop. 13 was awarded to Kern and Yuba counties. Eric told CAM members that EMWD had submitted a solid proposal, but the two recipients had had major increases in project costs and did not have adequate local funding resources to complete their projects.

DWR has scheduled two scoping meetings to gather public and stakeholder input on the IRWM grant programs: one on January 23, 2007 in Sacramento, and one on January 31, 2007 in Alhambra.

- WRIME contract

Eric reported that the contract with WRIME has been amended so that WRIME will be able to provide technical support services for an additional year.

## III. IRRP – Status

Behrooz reported that EMWD is considering three alternatives for construction of the IRRP recharge ponds.

The first alternative features purchase of a bulldozer to be used for construction and maintenance. The second alternative is for EMWD to build the ponds with rented equipment and also rent equipment to maintain the ponds. In the third alternative, EMWD would contract out the initial construction and rent equipment for maintenance.

The net present value for Alternative 1 is considerably less than either Alternatives 2 or 3. The bulldozer would also allow EMWD to improve the Grant St. ponds. The bulldozer could also be leased to other agencies.

There are two possibilities for purchase of the dozer; EMWD could buy it and lease it to member agencies of the Watermaster, or the Watermaster could buy it and each agency could lease it as needed.

Behrooz pointed out that the \$5 million grant money from DWR cannot be used for a capital purchase, but usage of the dozer could be charged to the grant funds.

CAM decided that EMWD should buy the dozer for the project. The Watermaster will fund the purchase of the dozer exclusively for use in construction and maintenance of the recharge ponds. EMWD and LHMWD can lease the dozer for other jobs.

## VI. Supplemental EIR

A CD of the draft supplemental EIR was distributed to CAM members. There was discussion on the need for a no project alternative which would mean that there would be no Watermaster, no participation by the group, but only EMWD with the existing recharge facility. The preferred alternative would then allow for the participation of the four agencies.

Currently, the EIR contains a detailed description of the other 7 projects. These projects are included in the WMP and as such should be mentioned in the EIR, but not in great detail. The emphasis should be on Phase I and these projects are not a part of Phase I.

## **VII. Integrated Regional Water Management Plan**

**Behrooz and Ali Taghavi discussed the scope of work for the IRWMP with Tetra Tech, consultant for SJRWC. Ali distributed the scope of work and the draft plan outline.**

CAM discussed the pros and cons of a joint IRWMP with the SJRWC. Eric Hong told the group that a grant applicant needs to provide a justification for defining a region. The San Jacinto is probably a watershed hydrologically, but the population is quite small. However, SJRWC does have a \$500,000 grant to develop this plan and the plan with Ali's additions meets the specifications of an IRWMP. SAWPA is considering including SJRWC's plan as well as plans from other agencies. This may be the best opportunity for this group to participate in the SJRWC's IRWMP. This route would also allow the other agencies to submit projects under the IRWMP.

Ali will provide a range of costs for the tasks listed in the Scope of Work for review at the next meeting.

## **VIII. Soboba Issues**

### **Settlement Agreement**

Art, Tom, John, Gerry, Tony and Behrooz attended an "All Hands Meeting" in Las Vegas on December 14, 2006 with federal and Tribal representatives.

The main message was that the U.S. has refused to take the land into trust under this legislation. If the Tribe insists on taking the land into trust, the process may require a 3-5 years because the Dept. of Interior would not be willing to support. The Tribe has not accepted the government proposal as yet, but Tribal attorney, Karl Johnson said that they would do so soon.

Another change is that OMB will distribute the \$10 million over 3 years without interest. There are also a few minor language changes which may require some changes to our documents.

In addition, Highway 79 is scheduled to go through the middle of the Tribal property. The Tribe is negotiating to reduce the impact of having the highway go through the property and they would like the support of the agencies on that issue.

## **X. In-Lieu Agreements**

Agreement for Delivery and Use of Recycled Water for Bertrand Lauda, Rancho Casa Loma and Scott Bros. Dairy.

CAM discussed the Maximum Benefit process for the Basin Plan Objective adjustment as part of the Lauda and Scott agreements.

The reason for considering a Maximum Benefit study is because the Basin Plan Objective in the Upper San Jacinto Management zone shows zero assimilative capacity. EMWD is now operating under an old permit that will be revised by the RWQCB. The basic law is that there can be no discharge of higher salinity water unless there is assimilative capacity.

To increase the use of recycled water, there must be an offset with better quality water. Behrooz pointed out that there were various alternatives to a desalter to discharge higher

salinity water. EMWD is proposing that the RWQCB give credit for the use of recharge imported water and water from the filtration plant and permit the recycled water projects.

Art Littleworth suggested that the mitigated negative declaration on the Scott and Lauda projects be more detailed. Figures should be included to show overall improvement. For example, show that as an alternative to “do nothing”, EMWD adds recycled, imported and treated water which is an improvement to the base condition. Art wants the Maximum Benefit Study to be attached to the mitigated negative declaration.

The proposal will be on the agenda for the EMWD Board of Directors in March. This timeframe is necessary in order to meet the schedule of construction for Scott and Lauda.

#### **IX. 2007 Interim Water Supply Plan**

Behrooz informed the CAM that 4600 AF of the 6000AF goal has been recharged in 2006. EMWD wants to continue the recharge into 2007 and complete the 2006 goal of 6,000 AF before starting the 2007 recharge goal. CAM agreed to the continuation of the recharge. Eric Vail reminded CAM that the interim agreement already carries over until 2008.

#### **X. Phase I Facilities Agreement**

A few minor language changes and exhibit numbers need to be added to a final draft of the Phase I agreement which Gerry Shoaf will do.

#### **XI. MWD-EMWD Contract for Delivery of Untreated Water**

CAM reviewed the revised MWD – EMWD contract. The language in 1.Quantities and Deliveries was changed to reflect that the contract required MWD to deliver an average of 7500 AFY over a 15 year period.

Behrooz also suggested that an in-lieu paragraph be added to the contract so that MWD has the ability to deliver a portion of water to the EMWD treatment plant. By transferring a portion of the water to the treatment plant in-lieu of direct recharge, a portion of the demand can be met using water from the treatment plant, thereby reducing groundwater pumping.

#### **XIII. NEXT STEPS**

- Private Pumper Issues - Status
- IRWMP - range of costs to complete scope of work with SJRWC
- In-Lieu Agreements - Status
- Supplemental EIR - status
- Prop. 50 grant status
- MWD-EMWD Agreement – Discuss revisions

**NEXT CAM MEETING – February 12, 2007, EMWD, 12:30 p.m.**

CAM AGENDA –February 12, 2007  
EMWD – 12:30 p.m.

- Private Pumper Issues
- DWR
  - Prop 50 award recommendations
  - DWR scoping meeting report
  - IRIS survey
- IRRP – Status
- In Lieu agreements - Status
- IRWMP
  - Estimate range for Scope of Work
- Soboba Issues
- MWD/EMWD contract for delivery of untreated water
  - Discuss revisions
- Supplemental EIR \*
  - CAM review

\* Joe Lewis, EMWD and Michael Schwerin, Helix, will join the meeting for discussion of this agenda item.

MEMORANDUM

March 9, 2007

**TO: CAM MEMBERS**  
**FROM: Dale Schafer**  
**RE: CAM MEETING NOTES – February 12, 2007**

Members in attendance: Mike Garner, EMWD; Gerry Shoaf, EMWD; Behrooz Mortazavi, EMWD; Chuck Rathbone, EMWD; Eric Vail, Hemet; Dennis Williams, Hemet; Bob Hargreaves, San Jacinto; Barry McClellan, San Jacinto; Tom Waggoner, LHMWD; John Loncar, LHMWD; Art Littleworth, LHMWD, Joe Lewis EMWD, Michael Schwerin, Helix.

**IV. Private Pumper Issues**

As was discussed at the previous CAM meeting, Bruce Scott and Bert Lauda reported a significantly higher production number for 95-99 than the metered number and the simulated production number. Behrooz Mortazavi discussed this issue with Scott and Lauda and all agreed that EMWD will provide 3020 AF recycled water for Scott and 5520 AF recycled water for Lauda. Scott and Lauda agreed upon an amount that each can transfer to Class B is:

- 1755 AF for Scott
- 3530 AF for Lauda

Behrooz also reported that Golden Era has signed up as a Class A participant. Golden Era did not file with the State for 1995-1999 so there is no record for those years. Golden Era filed 1300AF for the year 2000. This is the number that most likely will be used as the estimated 95-99 production number.

Dale will follow up with Dick Kelley concerning the discrepancy in production numbers of John Gless and Gary McMillan. A number will have to be negotiated for McMillan and Gless in case either decides to convert to Class B. A letter confirming the agreed upon number for transfer to Class B will then be sent to Gleiss and McMillan.

- Stipulated Judgment

Since Class B participants will have their numbers listed in the Stipulated Judgment, it is necessary to verify the names and production numbers of those property owners.

- CAM members reviewed the change proposed by Art Littleworth in the Stipulated Judgment (Section 4.4.1, replacement of lines 17-20) to reflect the various methods being used to determine the amount of a Class B participant's base production right. Art informed Behrooz that the term "statement of diversion" was a legal term that referred to pumping records. CAM decided to change "statement of diversion" to "pumping rights" to avoid confusion.

**V. DWR Topics**

- Proposition 50

Behrooz informed CAM members that DWR has recommended that proposition 50 grant funds be distributed to the remaining nine applicants who did not receive an award for the proposition 50 implementation grant during the first round. SAWPA is one of the applicants and is due to receive \$25 million. EMWD would receive \$5 million to apply to construction costs of the tertiary treatment plant. The distribution of the funds to the remaining nine applicants would eliminate the second round of proposition 50 funding.

This decision has generated a great deal of controversy. Those who are in favor of the recommendation point out that this distribution would remedy the fact that Northern California received 60% of the funds when they were only supposed to receive 40%, because the remaining funds would be distributed to Southern California. Those who are against the recommendation argue that they had planned to apply for the second round of funding instead of protesting the allocations of the first round. There will be a hearing before the State Water Quality Control Board on February 20, 2007 to determine if the recommendation is accepted. SAWPA is soliciting letters of support for the recommendation.

- **IRIS**

DWR with consultant WRIME is compiling a state wide data base (IRIS) for all agencies. A survey has been sent to DWR MOU partners. EMWD has already received and filled out the survey.

#### **VI. IRRP – Status**

The proposal to purchase a bulldozer for construction and maintenance of the IRRP recharge ponds will be an item on the EMWD Board of Director's agenda for the March meeting.

#### **IV. Supplemental EIR**

Joe Lewis and Michael Schwerin, consultant from Helix, discussed the SEIR with CAM members.

- **Private Pumpers**

Art Littleworth pointed out that the advantage for private pumpers to sign onto the Stipulated Judgment is not an economic one. An important advantage is that when a private pumper signs onto the Stipulated Judgment, he can vote for and/or be elected to serve as the private pumper representative on the Watermaster – one of five members. The represented pumpers will have a 20% vote on decisions that affect both the water quality and quantity in the management area.

The WMP is intended to give agricultural pumpers a wide range of choices and it demonstrates that the community wants to support agriculture in addition to supporting development. The two interests should work together rather than against each other.

- **Environmentally superior alternative**

Michael Schwerin pointed out that the proposed project is not the environmentally superior alternative. Groundwater recharge for storage has little benefit on the habitat, but an overriding consideration is that an environmentally superior alternative would not meet the objectives of the project.

- Growth  
The plan will serve or accommodate growth rather than induce growth.

The main point to emphasize in the SEIR is that the program will:

- Eliminate the overdraft
- Stabilize groundwater supply
- Provide for long term sustainability

## V. Integrated Regional Water Management Plan

**Ali Taghavi provided a range of costs for the tasks listed in the Scope of Work. The amount is \$94,000. Ali was unable to attend this meeting, therefore discussion was postponed until the next CAM meeting. Behrooz asked that the technical staff (Dennis Williams, Steve Johnson, John Loncar, Behrooz Mortazavi) work with Ali on the scope.**

## VI. Soboba Issues

- Settlement Agreement  
Art Littleworth and Gerry Shoaf contacted Karl Johnson who reported that, in spite of the opposition of the U.S., the Tribe is still planning to introduce the legislation with the provision that the land is taken into trust.

More information may be available at the next CAM meeting.

CAM members noted that if the legislation clears Congress this year, the group will need to complete the EIR, file the Stipulated Judgment and get federal approval of the WMP. This could be accomplished by the end of '07. The next step would be to establish the Watermaster.

- Other issues  
Highway 79 is scheduled to go through the middle of the Tribal property. The Tribe is negotiating to reduce the impact of having the highway go through the property and they would like the support of the agencies on that issue.

## VIII. In-Lieu Agreements

Agreement for Delivery and Use of Recycled Water for Bertrand Lauda, Rancho Casa Loma and Scott Bros. Dairy.

The correct base production rights should be included in the Scott - Lauda agreements:

- Scott - 1755 AF
- Lauda – 3530 AF

EMWD is now operating under an old permit that will be revised by the RWQCB. The basic law is that there can be no discharge of higher salinity water unless there is assimilative capacity.

To increase the use of recycled water, there must be an offset with better quality water. EMWD proposed that the RWQCB give credit for the use of recharge imported water and water from the filtration plant and permit the recycled water projects. Behrooz reported that the RWQCB chief executive office did not react favorably to the proposal because it was lacking a well defined commitment to mitigate the salt loading.

Currently the TDS concentration in the San Jacinto Upper Pressure Management Zone (SJUPMZ) is 320 mg/liter. CAM members reviewed a chart comparing four TDS concentration time histories for the SJUPMZ. (Refer to chart)

- Case 1 – a no action alternative. This case history demonstrates that water quality will continue to degrade with no human activity.
- Case 2 – serving Scott and Lauda with recycled water in lieu of pumping groundwater. Water quality will degrade more than Case 1 due to the addition of salts – the worst scenario.
- Case 3 – Scott and Lauda served recycled water with 575mg/liter San Jacinto filtration plant, WMP in place, reduction of production, imported water recharge. The best scenario for water quality, but may not be feasible.
- Case 4 – same as case 3 except Scott and Lauda served recycled water with 650 mg/liter, Perris filtration plant. This scenario is more feasible and results in better water quality than case 1 or 2.

In order to ensure that beneficial users will be able to use water in the basin, EMWD will commit to salinity management when the TDS concentration approaches 500 mg/liter which may include a desalter and/or another type of salinity management, possibly habitat restoration.

#### **IX. Phase I Facilities Agreement**

A few minor language changes and exhibit numbers need to be added to a final draft of the Phase I agreement which Gerry Shoaf will do.

#### **X. MWD-EMWD Contract for Delivery of Untreated Water**

Gerry Shoaf has not yet contacted MWD about the including an in-lieu paragraph to the contract which would allow a portion of the water to be delivered to the EMWFD treatment plant. Behrooz has provided a memo detailing the reasons the in-lieu proposal would be beneficial.

Gerry will send the memo to MWD and will then discuss with MWD attorneys.

**NEXT CAM MEETING – March 12, 2007, EMWD, 12:30 p.m.**

CAM AGENDA –March 12, 2007  
EMWD – 12:30 p.m.

- Private Pumper Issues
- DWR
  - Grant Status
- IRRP – Status
- In Lieu agreements
  - Discussion of commitment
- IRWMP
  - Estimate range for Scope of Work
- Estimated Contribution to Watermaster
- Soboba Issues
  - Status of legislation
- MWD/EMWD contract for delivery of untreated water
- Phase I facilities agreement - status
- Supplemental EIR - Status

MEMORANDUM

**April 5, 2007**

**TO: CAM MEMBERS**  
**FROM: Dale Schafer**  
**RE: CAM MEETING NOTES –March 12, 2007**

Members in attendance: Mike Garner, EMWD; Gerry Shoaf, EMWD; Behrooz Mortazavi, EMWD; Chuck Rathbone, EMWD; Eric Vail, Hemet; Dennis Williams, Hemet; Bob Hargreaves, San Jacinto; Barry McClellan, San Jacinto; Tom Waggoner, LHMWD; John Loncar, LHMWD; Art Littleworth, LHMWD, Eric Hong, DWR; Ali Taghavi, WRIME.

**VII. Private Pumper Issues**

In addition to Scott and Lauda, Gary McMillan and John Gless have reported a production number 500 AF higher than the metered number. Both McMillan and Gless have signed onto the judgment as Class A participants. In the event they decide to become Class B participants, McMillan will be allowed to transfer 1,100 AF and Gless will be allowed to transfer 1,002 AF.

Dale will convey that information to Dick Kelley who will discuss the numbers with John Gless and Gary McMillan. A letter confirming the agreed upon number for transfer to Class B will then be sent to Gless and McMillan.

**VIII. Estimated Contributions to the Watermaster**

CAM members reviewed several documents depicting costs over the next ten years for several projects in the H/SJ management area shared by the participants, and when formed, under the management of the Watermaster. Programs include Phase 1, In-lieu, Monitoring, Watermaster operations. CAM also reviewed administrative assessments of \$50 per AF and estimated additional recharge figures.

Comparing the cost of the programs with the assessments, the Watermaster will be \$1million short of needed funds.

CAM discussed how to make up for the \$1million shortfall. Options include increasing the total share the partners will pay, or increasing the administrative assessment. Discussion ensued about combining wheeling and operation and maintenance costs in one charge to be divided among the agencies and about how to charge each agency for extraction when each agency wants guaranteed use of facilities.

Basically the agencies will pay for their base production right, their share of the Soboba water and replenishment water.

Questions to be addressed:

- What is the best way to bill for services?
- What is the best way to make this a successful operation over the long run?

CAM decided to seek the advice of the Technical Committee concerning pumping from the extraction wells and delivery of recharged water.

Question for the TC to examine are:

- How much water should be pumped from the three extraction wells versus using agency wells for part of the extraction?
- Which wells, and at what production levels, should be used to best manage the mound?
- What would be the best mechanism for tracking and billing the extraction and delivery of water to each agency?

John Loncar will convene a meeting of the Technical Committee, hopefully before the next CAM meeting and report the recommendations.

#### **IX. DWR Topics**

- Proposition 50

Eric Hong informed CAM members that the hearing before the State Water Quality Control Board on February 20, 2007 to determine if the recommendation to fund the nine additional applicants who did not receive an award during the first round, has been continued until March 20, 2007.

There has been considerable discussion and controversy among both stakeholders and elected officials. The distribution of the remainder of prop. 50 funds may impact prop. 84 applications.

A delegation from SAWPA will attend the hearing on March 20, 2007.

There will be a meeting on March 27, 2007 to discuss prop. 84 funding for the Santa Ana region.

#### **X. IRRP – Status**

The proposal to purchase a bulldozer for construction and maintenance of the IRRP recharge ponds was removed from the EMWD Board of Director's agenda for the March meeting. The Board requested contractor's bid for comparison before making the determination to purchase the bulldozer.

##### Progress on Phase 1

Production wells - out for bid March 13 to be completed by Nov. '07

Monitoring wells – out for bid in April '07

To be completed – Nov. '07

Recharge laterals – out for bid June '07

To be completed – Oct. '07

Well equipment – finished Dec. '08

Recharge ponds – to be completed – Oct. '07

Pump modification – to be completed spring '08

Permits - Fish and Wildlife – OK

Army Corps of Engineers reviewing final EIS, to be published in the Federal Register – Permit June '07

Riverside County and Regional Board - no comment

State Fish and Game – concerns being answered

## V. Supplemental EIR

The SEIR was sent to agency attorneys on March 1, 2007. Mark Schwerin and Joe Lewis are waiting for the attorneys' comments which should be sent to EMWD by March 15. The U.S. attorneys are reviewing the Water Management Plan and have comments that they will submit as part of the EIR process.

## VI. Integrated Regional Water Management Plan

**Ali Taghavi reminded CAM members that an advantage of participation in the IRWMP with the SJRWC is that an agency's individual projects can be submitted under the IRWMP. Ali Taghavi and TetraTech consultant, Steve Carter, have developed a form to be filled out by agencies to include their projects in the Plan. Hemet, San Jacinto and Lake Hemet are asked to fill out that form and return to SJRWC by April 16, 2007. Dale will forward the form to CAM members.**

CAM members discussed the Scope of Work for Ali's participation in the IRWMP. It was decided that Task 1 would be paid for by EMWD. Task 2 and 3 will be cost-shared by all agencies. Ali will revise the budget to show each agency's share. A letter from EMWD will be sent to each agency noting its share. Respective Boards and Councils should include these charges on the agenda for their upcoming meetings. The bills should be paid by April 11, 2007.

## VII. Soboba Issues

- Settlement Agreement

With the recommendation of the U.S. tribal attorney, Mary Bono and cosponsor, Joe Lewis, introduced the Settlement Agreement in its original form which states that the U.S. will take the land into trust subject to all current rules, but without the gaming provision.

Tribal attorney, Karl Johnson, recommended that the trust provision not be included, but the Tribal Council decided to include the trust provision in spite of the opposition of the administration. If all goes well, the bill could pass by the end of the year. It would then have to be signed by the President. At that point, CAM can move ahead with the process to establish the Watermaster.

## VIII. In-Lieu Agreements

Agreement for Delivery and Use of Recycled Water for Bertrand Lauda, Rancho Casa Loma and Scott Bros. Dairy.

As discussed at the last CAM meeting, the RWQCB chief executive office is looking for a well defined commitment to mitigate salt loading in the Upper Pressure Zone before permitting the in-lieu project for Scott and Lauda.

Behrooz Mortazavi provided a table for review by CAM to address the concerns of the RWQCB.

Refer to: (EMWD Commitments and Compliance Schedule  
San Jacinto Upper Pressure Management Zone)

2. a Implement a Salt Management Program... “The salt management program will include a TDS reduction plan that will be implemented when either the ambient quality in the SJ Upper Pressure exceeds 490mg/L or when the five-year volume-weighted, running average TDS concentration in the SJ valley RWRWF effluent 5-year running average TDS exceeds 640 mg/L.”

Without this mitigation for salt loading, the use of recycled water in the Upper Pressure basin will not be permitted.

In addition, attorneys requested that a clause be added to the Scott and Lauda agreements stating that the contract is appurtenant to the property and is not transferable. The recycled water must be used on the existing property. A legal description of the land should be included.

Gerry will make the changes in the contract and distribute to CAM members.

#### Four Agency Agreement re In-Lieu Project

The addition of “E.2 Salt Management” addresses the issue of mitigation for salt loading. It also states that each party agrees to assume its prorata share of the costs of a salt management program.

It was also noted that the agencies will begin to incur the cost of the Four Party Agreement in January 2008.

#### **IX. MWD-EMWD Contract for Delivery of Untreated Water**

Gerry Shoaf reported that Ravi Ravishanker will discuss the possibility of the in-lieu agreement with Steve Arakawa, MWD. There may be some political issues that need to be discussed. One possible issue is that MWD may consider this contract as offering different treatment to EMWD than to the other member agencies. Behrooz has authored a letter which relates why the in-lieu program would be beneficial to both EMWD and MWD.

**NEXT CAM MEETING – April 9, 2007, EMWD, 12:30 p.m.**

**FUTURE CAM MEETINGS – May 14, 2007 & June 11, 2007**

CAM AGENDA –April 9, 2007  
EMWD – 12:30 p.m.

- Private Pumper Issues
- DWR
  - Grant Status – prop. 50 decision
- IRRP – Status
- In Lieu agreements - Status
- IRWMP
  - Estimate range for Scope of Work
- Estimated Contribution to Watermaster
  - Technical Committee advice
- Soboba Issues
  - Status of legislation
- MWD/EMWD contract for delivery of untreated water
- Phase I facilities agreement - status
- Supplemental EIR - Status
  - Discussion with Joe Lewis and Michael Schwerin

MEMORANDUM

April 24, 2007

**TO:** CAM MEMBERS  
**FROM:** Dale Schafer  
**RE:** CAM MEETING NOTES –April 9, 2007

Members in attendance: Mike Garner, EMWD; Gerry Shoaf, EMWD; Behrooz Mortazavi, EMWD; Chuck Rathbone, EMWD; Eric Vail, Hemet; Dennis Williams, Hemet; Bob Hargreaves, San Jacinto; Barry McClellan, San Jacinto; Tom Waggoner, LHMWD; John Loncar, LHMWD; Art Littleworth, LHMWD, Eric Hong, DWR; Ali Taghavi, WRIME.  
Guests – Joe Lewis, EMWD; Michael Scherwin, Helix.

**XI. Private Pumper Issues**

Dale Schafer reported that Dick Kelley had discussed the proposed production number transferable by McMillan and Gless if they convert from Class A to Class B participants. Both well owners agreed to the proposed number.

Gary McMillan – 1,110 AF  
John Gless - 1,002 AF

A letter confirming the agreed upon number for transfer to Class B will be sent to Gless and McMillan.

Behrooz Mortazavi will send a memo to Art Littleworth with the legal names of Class A participants, and legal names and production numbers of Class B participants.

**XII. Technical Committee Report**

John Loncar reported that the Technical Committee met this morning, and made the following recommendations:

1. Can the Agency wells be used as part of the extraction process?

Answer – No, not yet.

- A mound will develop because an impermeable layer will create a mounding condition. It is not known how high the mound will be or how much extraction will be needed to control it. Although MWD has committed to deliver 7500AF per year, that is an average and it could deliver 15,000AF in a year which would cause greater mounding.

2. What is the minimum amount that agencies have to commit to the Watermaster wells?

- During the years that MWD delivers water, agencies need to pay for their pro rata share of at least 6,000AF per year
- During the years when MWD doesn't export water, each agency will need to pay for its pro rata share of at least 4,000AF per year.
- In addition, all agencies will have to pay operation and maintenance costs, a recovery component and delivery charges. All will pay the same price based on the percentage of the base production right.

Behrooz point out that there are two different operation and maintenance charges.

1. O and M for the recharge facilities – the pro rata share is fixed.
2. O and M for extraction – the pro rata share will change to reflect the extraction amounts, and will be set by the Watermaster.

CAM discussed the fact that if there is capacity, the use of production wells for recharge above and beyond the 7500AF commitment is available. An agency that recharged extra water would also have to factor in operating and maintenance charges.

If any agency would prefer to use more than its prorata share of the 7500AF from the Watermaster, the extraction wells should be made available for production by the agencies above their prorata share of the 4,000 or 6,000 commitment. This would be particularly beneficial if an agency's well cannot be used due to mechanical or operational problems.

In addition, pumpage from the Watermaster wells is different than the amount delivered to each agency. A loss factor must be considered by the Watermaster.

### **XIII. DWR Topics**

- Proposition 50

Eric Hong informed CAM members that the State Water Quality Control Board approved the additional recommendations for Prop. 50 funding. SAWPA will receive \$25 million, of which EMWD will receive about \$4.5 million for the wastewater treatment expansion project at San Jacinto treatment plant. (a \$70 million project).

In addition the Board approved an expedited Round 2 of Prop. 50 with \$64 million to be distributed, \$11.5 in Northern California and the remainder in Southern California.

The next steps are to determine how to move forward with implementation of Prop. 84, AB303, and Prop. 50.

Eric discussed the timetable for proposal solicitation packages (PSP) for the grants:  
AB 303 - draft PSP for comments May 2007, final - end of 2007.

Prop. 50 – draft PSP currently available, final - Aug 2007

Prop. 84 – draft PSP for comments - summer 2007, final – end of 2007

#### Proposition 84

Behrooz Mortazavi reminded CAM that \$114 million of prop. 84 funds are earmarked for the Santa Ana region. He informed CAM that SAWPA has initiated forming a group is being formed to set up a process for how projects get prioritized, approved and implemented. EMWD has been assigned to the “recycle projects” group. If any of the agencies want to be included, notify Behrooz.

### **XIV. IRRP – Status**

The EMWD Board of Directors is still receiving contractor bids for construction of Phase I projects. The Board has not decided if EMWD will purchase a bulldozer for some of the work or if it will contract out all of the work.

#### Progress on Phase 1

Production well - out for bid March 13  
To be completed - Nov. '07  
Monitoring wells – out for bid end of April '07  
To be completed – Nov. '07

Recharge laterals (pipelines) – out for bid June '07  
To be completed – Oct. '07

Well equipment – finished Dec. '08

Recharge ponds – out for bid June '07  
To be completed – Oct. '07

System modification (boosters) – to be completed spring '08

The lead agency for the environmental work is the Army Corps of Engineers who is reviewing the final EIS for construction of the recharge ponds to be published in the Federal Register in Sept. '07.

Riverside County Flood Control also needs to issue a permit.

CAM members expressed concern that MWD may cut off replenishment water due to the ruling by Judge Roesch, Alameda County Superior Court, on the lawsuit filed by Ca. Sporting Protection Alliance stating that DWR will have to shut down Banks pumping plant near Tracy unless it complies with environmental laws protecting endangered fish.

Art Littleworth explained that the issue is the State understanding that the biological opinion for all endangered fish issued by U. S. Fish and Wildlife with take numbers was applicable for both Federal and State activities. However, the ruling in this lawsuit is that Cal State Fish and Game did not adopt the federal biological opinion. There was no consistency opinion, therefore, the State has 60 days to get authorization from Fish and Game to take the endangered fish, or have Fish and Game declare the State rules comply with federal law. The position of State Fish and Game is that the State ESA is more restrictive and that the State must fully mitigate. Fish and Game is asking for \$30 million and 800,000AF of water.

MWD has two priorities on Colorado River water that give it an advantage if there is a shortage. MWD will issue a letter to clarify that water will be available and their analysis will take into account global warming.

Art informed the CAM that Senator Kuehl has introduced a bill to reduce the number of houses that trigger the need for a Water Supply Assessment from 500 to 250.

## **V. Supplemental EIR**

Joe Lewis and Michael Scherwin discussed CAM members' recommendations.

Michael Scherwin will incorporate Art Littleworth's suggested changes. The changes make it clear that the agencies will not reduce their groundwater production, but will reduce production of "native" groundwater. Native refers to the natural groundwater

supply which is now being overdrafted and does not include replenishment from imported or recycled water.

One significant change to be made is under the additional recharge basins that could be implemented within the Management Area to help increase the replenishment of groundwater through infiltration. The SEIR should point out that the Salt Creek site is currently farmland. The remaining changes are less than significant.

Michael Scherwin will also clarify Class B pumper rights concerning the characteristics of “transfer rights” on pages 5-5 and 7-3 as requested by Bob Hargreaves. Using the current language, it appears that the Class B production rights are too freely transferable. The Class B participant should be able to either sell an unused portion of his water rights to an agency when the unused portion arises from a conservation plan that guarantees conservation of water that would otherwise be produced, or the agency should get credit for the Class B participant’s base production right adjusted as required.

Note that production rights are transferred, not water rights.

Next steps for the SEIR:

- Michael Scherwin and Joe Lewis will incorporate suggestions and send the edited SEIR to Art Littleworth and Gerry Shoaf for review.
- The SEIR will be issued for a public comment period of 45 days.
- In addition, a copy should be sent to Soboba Tribal attorney, Karl Johnson for review. Karl’s concern is pumping from Canyon Basin. If EMWD and LHMWD do draw down the Canyon Basin, they would be responsible for replenishing the supply for the Tribe.
- A copy should also be sent to the Federal Team Leader.

## VI. Integrated Regional Water Management Plan

**Ali Taghavi reminded CAM members that an advantage of participation in the IRWMP with the SJRWC is that an agency’s individual projects can be submitted under the IRWMP. Ali requested that the agencies fill out the form to include their projects in the Plan and return to SJRWC as soon as possible.**

EMWD, LHMWD and San Jacinto have authorized Ali’s participation in the Scope of Work for the IRWMP. Eric Vail has recommended approval of the Scope of Work to the Hemet City Manager.

## VII. Soboba Issues

- Settlement Agreement  
With the recommendation of the U.S. tribal attorney, Mary Bono and cosponsor, Joe Lewis, introduced the Settlement Agreement in its original form which states that the U.S. will take the land into trust subject to all current rules, but without the gaming provision. Tribal attorney, Karl Johnson, recommended that the trust provision not be included, but the Tribal Council decided to include the trust provision. The Administration will strongly oppose the legislation in its current form. The Tribe, therefore, is now

reconsidering its position. There will probably be no movement on the legislation until the end of the year.

The Settlement Agreement links 98 acres to replenishment required for the Tribe. EMWD has already identified mitigation for Phase 1. CAM members want to know if the 98 acres can be used for mitigation instead for Phase 2. Art and Gerry think that this will be acceptable to the Tribe because it is in their best interest long term. Art and Gerry will ask Karl Johnson to request a letter from the Tribe to that effect.

### **VIII. In-Lieu Agreements**

#### Agreement for Delivery and Use of Recycled Water for Bertrand Lauda, Rancho Casa Loma and Scott Bros. Dairy

Gerry Shoaf reported that additional provisions requested by CAM at the last meeting (agreement stating that the contract is appurtenant to the property and is not transferable without EMWD's consent) are now included in the Scott and Lauda in-lieu agreements.

CAM decided that the agencies will be responsible for in-lieu costs until the Watermaster is formed and then the Watermaster will be responsible if it has adequate resources.

Mike Garner reported that the RWQCB had said that the in-lieu project requires a Maximum Benefit Objective. The imported water for recharge project is being used as a credit to offset poorer quality recycled water provided to Scott and Lauda. The final request being presented to the RWQCB will employ the maximum benefit argument which holds that, based on the activities in the entire basin, this project is beneficial to the people of California. EMWD will commit to mitigation for salt loading with a desalter as part of the in-lieu project with the understanding that all of the Watermaster partners will participate in the funding of salt loading mitigation. The trigger number is 490 mg/L and is not expected to occur within the next 1-20 years.

### **IX. Phase 1**

The EIS for the recharge ponds will go into the Federal Register on April 13, 2007. There will be a 45 day comment period. There should be a Record of Decision in mid May 2007.

Gerry Shoaf will distribute the updated Phase I Agreement when all changes are made.

### **X. MWD-EMWD Contract for Delivery of Untreated Water**

Gerry Shoaf reported that Ravi Ravishanker and Steve Arakawa have not yet discussed the possibility of the in-lieu use of imported water.

**NEXT CAM MEETING – May 14, 2007, EMWD, 12:30 p.m.**

**FUTURE CAM MEETINGS – June 11, 2007**

CAM AGENDA –May 14, 2007  
EMWD – 12:30 p.m.

- Private Pumper Issues
- IRRP – Status
- In Lieu agreements - Status
- H/SJ Management Area - Annual Report – 2006
- Discussion of Fluoridation Issues
- IRWMP - Status
- Soboba Issues
  - Status of legislation
- MWD/EMWD contract for delivery of untreated water
- Phase I Facilities Agreement - status
- Supplemental EIR - status

MEMORANDUM

May 30, 2007

**TO: CAM MEMBERS**  
**FROM: Dale Schafer**  
**RE: CAM MEETING NOTES – May 14, 2007**

Members in attendance: Tony Pack, EMWD; Mike Garner, EMWD; Gerry Shoaf, EMWD; Behrooz Mortazavi, EMWD; Chuck Rathbone, EMWD; Eric Vail, Hemet; Bob Hargreaves, San Jacinto; Barry McClellan, San Jacinto; Tom Waggoner, LHMWD; John Loncar, LHMWD; Art Littleworth, LHMWD, Eric Hong, DWR; Ali Taghavi, WRIME.

**XV. Private Pumper Issues**

Behrooz Mortazavi and Dale Schafer drafted a letter confirming the agreed upon number for transfer to Class B for pumpers Gary McMillan and John Gless.

Dale will incorporate edits suggested by Gerry Shoaf, sign the letter on behalf of the CAM, and send it to McMillan and Gless.

Behrooz commented that Gary McMillan has a well on land leased from LHMWD and he claims credit for the water pumped from that well. Art Littleworth responded that this would not pose a problem for a Class A participant. If Gary becomes a Class B participant and there is a change in ownership of the property, the new owner must intervene to continue as a Class B participant, or revert to a Class A participant.

Behrooz asked if well owners with easements on agency property posed any problem. Art Littleworth answered that there would not be a problem because it is not necessary to record the easement; it is only necessary to keep track of the production.

**XVI. Draft 2007 Annual Report**

(Refer to handout)

Behrooz Mortazavi reported that the report followed the same template this year as last year. The document will serve as a reference for the Watermaster.

Water Supplies 2005 and 2006

Behrooz noted that demand increased from 2005 to 2006. There was more reliance on groundwater in '06 which was a dry year. John Loncar pointed out that the large increase for LHMWD was due to hydrology not growth. Ali Taghavi suggested that if LHMWD production fluctuates so much, Lake Hemet should assume a normal year for projections or have three projections, one for wet, normal and dry years.

Demand Projections 2005 vs. 2006

CAM discussed private pumper demand projections, 2006, and noted that they were not really accurate. For example, the number for 2010 is probably closer to 20,000 AF. If the figures are too large, the shortage will appear larger. Eric Vail suggested that the report not overinflate the production

numbers, but keep them realistic. Behrooz will lower the agricultural production numbers.

Water Quality Samples 2005 vs. 2006

Behrooz explained that the discrepancy in numbers between '05 and '06 in the upper pressure zone was due to the addition of four more wells.

Behrooz requested comments on the draft by the end of the month at which time he will finalize the report.

**XVII. IRRP – Status**

Purchase of bulldozer

The EMWD Board of Directors is reviewing informal bids for new and used bulldozers for use in future construction projects.

Phase 1

- Behrooz reported that mitigation for Phase 1 will cost \$2.5 million. The total cost share for the agencies is \$16 million.
- Condemnation of land for extraction wells  
EMWD has pipelines and a chlorinator on one of the well sites. EMWD has easements on the property from the Fruitvale agreement, but the property owner doesn't recognize the easement. There are several lawsuits on file concerning this property

Phase 2

- The Dept. of Fish and Game is requiring 5 to 1 mitigation for Phase 2. Tony Pack will discuss this issue with appropriate officials in Dept. of Fish and Game.
- The Soboba Tribe has indicated its willingness to donate 98 acres for Phase 2 which will benefit the Tribe, but the U.S. may not approve the donation because the Tribe's obligation ends with Phase 1.

**IV. DWR Issues**

Eric Hong informed CAM members that the PSP for proposition 50 chapter 6, Conservation, will be issued on June 1. SAWPA is eligible to apply for this round.

**V. Integrated Regional Water Management Plan**

**All agencies need to sign the cost sharing agreement for Ali Taghavi's participation in the IRWMP. San Jacinto will address this issue at the June City Council meeting.**

SAWPA is initiating a one water, one watershed campaign designed to bring all parties together to list projects eligible for the \$114 million available from proposition 84. There will be a kick off meeting on Thursday May 24, 2007 with keynote speaker, Frances Spivy-Weber, board member State Water Resources Control Board.

Projects from the Hemet/San Jacinto water management area will be listed in the SJRWC IWRMP; then they will be forwarded to SAWPA to be relisted. EMWD has already submitted 14 projects. Behrooz advised CAM members to not to weed out their own projects, but to submit projects with merit and allow the process to prioritize them. The list should be finalized by the end of May.

#### VI. Discussion of Fluoridation Issues

**Behrooz reported that MWD will add fluoride to treated water in October 2007 and EMWD will also upgrade and add fluoride by the end of the year. EMWD will coordinate with the Cities and LHMWD.**

A delicate balance must be maintained. When fluoride is added to water, dentists can't provide fluoride. This may prove to be a contentious issue and ample public outreach will be necessary to make the public aware.

John Loncar pointed out that fluoridation costs have to come from the private sector (grants) and not from the public. He noted that currently LHMWD has no financing for fluoridation.

#### VII. Soboba Issues

- Settlement Agreement  
Since the Administration will strongly oppose the Soboba Settlement legislation in its current form, the Tribe has reconsidered its position and has entered into discussions with the Administration. Tony Pack reported that the legislation is currently stalled in committee.
- Approval of the WMP  
The Soboba Tribe must approve the water management area's WMP. In order to complete the approval process, tribal attorney, Karl Johnson, has been gathering comments for the EIR. He sent a series of questions to Art Littleworth and Gerry Shoaf. Art and Gerry have responded and await the next correspondence from Karl Johnson.

One issue was the repeal of a 4500AF limit on pumping in Canyon basin (part of the Fruitvale agreement). The Tribe is concerned that it may not be able to pump 3,000 AF from Canyon if the agencies pump more water. However, the Tribe is protected because, according to the Settlement Agreement, the Stipulated Judgment and the WMP, if the Tribe cannot pump 3,000 AF from Canyon, EMWD and LHMWD will have to supply water for the Tribe. In addition, it is not feasible operationally to pump that much water from Canyon basin.

Art, Gerry and Behrooz will respond to Karl on this issue.

#### VIII. In-Lieu Agreements

Agreement for Delivery and Use of Recycled Water for Bertrand Lauda, Rancho Casa Loma and Scott Bros. Dairy

Behrooz Mortazavi reported that Scott and Lauda will sign notarized agreements this week and EMWD will follow.

Tony Pack reported that the representatives from the Natural Resources Conservation Service from the Dept. of Agriculture are coming to meet with Scott and Lauda and visit the project site. The representatives may be able to aid in obtaining grant funding.

Four Agency Agreement

Water rates have changed since this agreement was written. Gerry Shoaf will make the necessary changes and distribute to the agencies. The San Jacinto City Council will sign the four agency agreement on June 7, 2007. LHMWD Board and Hemet Council will sign the document on June 12, 2007.

**IX. Phase 1**

CAM reviewed the updated Phase 1 facilities agreement (final clean copy 5-7-07). Gerry Shoaf reviewed the agreed upon changes.

CAM discussed the possibility of the Watermaster having capacity in the pipeline from the intake recharge ponds to the Grant Ave. ponds that would allow Watermaster the flexibility to recharge at the Grant ponds. If EMWD allows Watermaster to use the ponds, Watermaster will have to assume maintenance costs. This issue needs to be resolved soon because Watermaster facilities for Phase 1 are listed in the agreement.

**X. MWD-EMWD Contract for Delivery of Untreated Water**

Behrooz Mortazavi and Ravi Ravishanker met with Steve Arakawa, MWD last week. MWD has agreed to in-lieu use of imported water. Behrooz will send information for MWD review including the WMP to document reduction in groundwater production.

**NEXT CAM MEETING – June 11, 2007, EMWD, 12:30 p.m.  
FUTURE CAM MEETINGS – hold July 23 and September 24.**

CAM AGENDA –June 11, 2007  
EMWD – 12:30 p.m.

- Private Pumper Issues
- IRRP – Status
- In Lieu agreements - Status
- H/SJ Management Area - Final Annual Report – 2006
- IRWMP - Status
- Soboba Issues
- MWD/EMWD contract for delivery of untreated water
- Phase I Facilities Agreement - status
- Supplemental EIR - status

MEMORANDUM

**TO: CAM MEMBERS**  
**FROM: Dale Schafer**  
**RE: CAM MEETING NOTES – June 11, 2007**

Members in attendance: Tony Pack, EMWD; Mike Garner, EMWD; Gerry Shoaf, EMWD; Eric Vail, Hemet; Bob Hargreaves, San Jacinto; Barry McClellan, San Jacinto; Tom Waggoner, LHMWD; John Loncar, LHMWD; Art Littleworth, LHMWD, Amy Mora, EMWD.

**I. Private Pumper Issues**

Dale Schafer sent a letter confirming the agreed upon groundwater production right that will be allowed for transfer to Class B for pumpers Gary McMillan and John Gless. Dale spoke with private pumper Dick Kelley who reported that John Gless thought that the offered production number was inconsistent with his filings for '95-'99 (1,002 acre feet per year). Dick will speak with John Gless and assure him that if there are any inconsistencies, he can contact Behrooz Mortazavi to discuss the numbers and come to an agreement. Dick felt that there most likely would be no problem, as John Gless doesn't plan to become a Class B participant.

CAM members asked how a mutual water company would be classified, as an agency or as a private pumper? Art Littleworth replied that a mutual water company could be listed as a defendant in the Stipulated Judgment, and it would be up to the water company how to divide the water rights.

**II. Water Supply Flouridation**

(Refer to handout, "EMWD's Flouridation Implementation Plan"  
June 11, 2007)

Amy Mora, EMWD, Dept. of Environmental and Regulatory Compliance, gave a powerpoint presentation on EMWD's fluoridation implementation plan.

California cities are on a list for funding to fluoridate their systems. EMWD is no. 14. Forty five of the 50 largest cities nationwide are presently fluoridating their water supply. Calif. Cities include L.A., Sacramento, Bakersfield and Escondido. California's regulatory limit is 2 mg per liter. The recommended dose is 1.0 mg/l with an optimal level at 0.8 mg/l.

MWD adopted a fluoridation policy in 2003 and plans to fluoridate its 5 treatment plants in October 2007. EMWD plans to begin fluoridation at that time.

- When fluoridation begins, the district will have to monitor the wells as no more than 20% of the samples can be outside the range of .7 to 1.3 mg/l.

There are several issues connected with fluoridation:

- When fluoridation begins, there is a one year moratorium on oral fluoride treatments. CAM members wanted to know the following:
  - Does the law required notification of customers?

- Who is responsible for the notification of medical practitioners?
- EMWD will have to coordinate public outreach with MWD. Medical practitioners will probably be notified through medical associations. After July 1, flyers will be placed in medical offices, pharmacies, etc. There will be people with expertise on the subject to answer calls from concerned citizens.
- There will be blending issues with member agencies. If partners commingle fluoridated and non-fluoridated water, the fluoride will fall below the recommended dose.
- John Loncar informed CAM that LHMWD will not fluoridate as it does not have the funding to do so. Funding must come from the private sector.

### **III. Hemet/ San Jacinto 2006 Annual report**

The agriculture production numbers were lowered as suggested by CAM. These numbers will also need to be changed in the WMP. The final report will be available on the EMWD website and will be distributed at the next CAM meeting.

### **IV. IRRP – Status**

#### Purchase of bulldozer

There are no used bulldozers available for purchase. EMWD will lease a bulldozer for a year and will establish operating costs more precisely before making a recommendation whether to purchase a bulldozer or not.

#### Phase 2

- The Dept. of Fish and Game is requiring 5 to 1 mitigation for Phase 2. Tony Pack reported that Dale Morris, BIA, considers this a federal project and therefore, the mitigation requirement is 3 to 1. Negotiations continue.
- The Soboba Tribe has indicated its willingness to donate 98 acres for Phase 2 which will benefit the Tribe, but the U.S. may not approve the donation because the Tribe's obligation ends with Phase 1.

### **V. SEIR**

The SEIR comment period ended June 8, 2007. EMWD has received comments from several agencies including SCAG, Governor's Office of Planning and Research, State Clearinghouse and Planning Unit, Native Heritage Commission, Dept. of Fish and Game, Riverside County Flood Control. Mike Garner will forward the comments to Dale who will distribute them to CAM.

### **VI. Integrated Regional Water Management Plan**

**Approximately 250 people attended the SAWPA "One Water, One Watershed" kickoff meeting on May 24, 2007. Behrooz Mortazavi will head up the pillar committee on recycled water.**

Projects from the Hemet/San Jacinto water management area will be listed in the SJRWC IWRMP; then they will be forwarded to SAWPA to be relisted.

### **VII. Soboba Issues**

- Settlement Agreement

Since the Administration will strongly oppose the Soboba Settlement legislation in its current form, the Tribe will amend the legislation and remove the trust clause. Karl Johnson, tribal attorney, thinks that the Settlement legislation will be finished during this year. Karl Johnson also noted that the Tribe wants to receive the \$10 million in one year instead of three. The attorneys are not sure if this is a possibility or not.

- **Approval of the WMP**  
The Soboba Tribe must approve the water management area's WMP. In order to complete the approval process, tribal attorney, Karl Johnson, has been gathering comments for the EIR. He sent a series of questions to Art Littleworth and Gerry Shoaf. Art and Gerry have responded and await the next correspondence from Karl Johnson.

One issue was the repeal of a 4500AF limit on pumping in Canyon basin (part of the Fruitvale agreement). The Tribe is concerned that it may not be able to pump 3,000 AF from Canyon if the agencies pump more water. However, the Tribe is protected because, according to the Settlement Agreement, the Stipulated Judgment and the WMP, if the Tribe cannot pump 3,000 AF from Canyon, EMWD and LHMWD will have to supply water for the Tribe. In addition, it is not feasible operationally to pump that much water from Canyon basin.

Art, Gerry and Behrooz will respond to Karl on this issue.

### **VIII. In-Lieu Agreements**

#### Agreement for Delivery and Use of Recycled Water for Bertrand Lauda, Rancho Casa Loma and Scott Bros. Dairy

The Scott and Lauda agreements have been finalized.

Tony Pack reported that the representatives from the Natural Resources Conservation Service from the Dept. of Agriculture visited the project site. Lauda and Scott had hoped to obtain grant funding from NRCS, but there is no funding remaining for 2007. Work is in progress on a new farm bill which may allow agencies to apply for funds in addition to individual farmers. This may be a source of funds to assist with the in-lieu projects with citrus farmers in the future.

#### Four Agency Agreement

The Cities and LHMWD need to adopt the EMWD's mitigated negative declaration for the Scott and Lauda agreement and then sign the Four Agency Agreement.

### **IX. Phase 1 Facilities Agreement**

CAM reviewed the updated Phase 1 facilities agreement. There were a few changes suggested:

- Be sure that all the terms are consistent throughout all documents.
- Include a clause to the effect that when the Watermaster is appointed, Watermaster will assume responsibility for the payments to EMWD, but that in the event that Watermaster declines, each agency will then again assume its prorata share of the payments.

The possibility of the Watermaster having capacity in the pipeline from the intake recharge ponds to the Grant Ave. ponds that would allow Watermaster the flexibility to recharge at the Grant ponds still needs the approval of Tony Pack.

- Recital 4.

Bob Hargreaves asked how a pumper representative would be selected for the Watermaster since the private pumpers have no formal organization. The pumpers could make an informal nomination, but the Court would appoint the representative.

X. MWD-EMWD Contract for Delivery of Untreated Water

Gerry Shoaf reported that Steve Arakawa, MWD, agrees in principle with the in-lieu provision with MWD, but he needs some information from Behrooz before MWD makes a final decision.

MWD has cut off replenishment due to the low snow pack. There will probably be no replenishment water available until early Spring '08.

**NEXT CAM MEETING – August 13, EMWD, 12:30 p.m.**

**FUTURE CAM MEETING – hold September 24.**

CAM AGENDA –August 13, 2007  
EMWD – 12:30 p.m.

- Private Pumper Issues
- IRRP – Status
- DWR Report
  - Update on Prop 84
- Expansion of In-Lieu for EMWD Customers who have access to Groundwater
- In Lieu agreements – Status
- Extending the In-Lieu Recycled Water Use Project
- H/SJ Management Area - Final Annual Report – 2006
- IRWMP - Status
- Soboba Issues
- MWD/EMWD contract for delivery of untreated water - Status
- Phase I Facilities Agreement - Status
- Supplemental EIR - Status

MEMORANDUM

**TO: CAM MEMBERS**

**FROM: Dale Schafer**

**RE: CAM MEETING NOTES – August 13, 2007**

Members in attendance: Behrooz Mortazavi, EMWD; Chuck Rathbone, EMWD; Gerry Shoaf, EMWD; Eric Vail, Hemet; Bob Hargreaves, San Jacinto; Barry McClellan, San Jacinto; John Loncar, LHMWD; Brad Neufeld, LHMWD; Eric Hong, DWR, Maurice Hall, DWR, Ali Taghavi, WRIME.

**I. Introductions**

Eric Hong introduced Maurice Hall who will be the new project manager for the Hemet/San Jacinto water management area.

CAM congratulated Behrooz Mortazavi on his appointment as Assistant General Manager of EMWD.

**II. Water Supply Fluoridation**

(Refer to handout, “EMWD’s Fluoridation Implementation Plan”  
June 11, 2007)

As reported at the last meeting, MWD plans to fluoridate its five treatment plants in October 2007. EMWD plans to begin fluoridation at that time and the process should be complete by the end of the calendar year.

The issue of concern is that physicians and dentists will not be able to prescribe oral fluoride supplements. EMWD has begun a public outreach program. Flyers have been enclosed in water bills providing information to customers. Several staff members have been trained by Dept. of Health Services to answer questions posed by concerned citizens.

LHMWD will not be fluoridating its water but will blend water with EMWD. Commingled fluoridated and non-fluoridated water may not contain the recommended dose of fluoride which is 0.8mg/l.

**III. Hemet/ San Jacinto 2006 Annual Report**

Behrooz Mortazavi reported that the agriculture production numbers were lowered in the Report as suggested by CAM. These numbers will also need to be changed in the WMP. Behrooz distributed copies of the final report which is available on the EMWD website.

**IV. DWR Report**

(See handout, Integrated Regional Water Management, Prop. 84 – the next generation.)

Eric Hong gave a presentation on prop. 84 for Integrated Regional Water Management (IRWM). IRWM implementation is a cornerstone of the Ca. Water plan.

The DWR, IRWM Grant Program:

- Promotes and encourages integrated regional strategies for the management of water resources through local agency collaboration
- Provides assistance to local agencies developing IRWM Plans
- Funds projects submitted by IRWM planning regions
- Administers grants funded through Props. 50, 84 and 1E (\$300 million for stormwater/flood management grants).

IRWM Plan is a comprehensive water resource planning and management tool intended to:

- Encourage coordination of various regional stakeholders
- Identify water resource issues and needs within the region
- Determine goals and objectives of the water management for the region
- Develop solutions using the water management strategies identified in the Ca. Water plan

Resource Management Strategies

(proposals for prop. 84 fit within these)

- Reduce water demand
- Improve operational efficiency & transfers
- Increase water supply
- Improve water quality
- Practice resource stewardship

Integrated Regional Water Management Roles and Responsibilities

- The IRWM program, the Ca. Water Plan Update and Regional Planning groups are working on streamlining information so flood management fits into IRWM. They are also trying to coordinate efforts which will hopefully result in the requirement of fewer forms for grant application.

Eric discussed planning considerations and showed maps of IRWM planning regions and amounts allocated from prop. 84 for each region (Santa Ana region = \$114 million). The materials for prop. 84/1E guidelines will be posted on DWR website. In September, there will be multiple focused IRWM Program topic meetings.

Initial Program Concepts

- Planning Grants
  - IRWM - \$30 million (2 rounds - \$15 million each round)
  - Regional Flood management – up to \$30 million (2 rounds)
  - Maximum grant = \$1 million per regional group effort with 25 % cost share
  - 2 funding cycles with 2 rounds per cycle
  - First come – first serve
  - Performance based competition
- Implementation Grants

- 3 funding cycles, no maximum grant amount, 25% cost share which can be waived or reduced for disadvantaged communities.
- Some funding areas may be “non-competitive”
- How to structure competition to foster: funding best efforts while encouraging developing efforts
- Quality of IRWM Plan
- Changes to project evaluation component
- Stormwater-Flood Management Grants
  - 3 funding cycles – max. grant amount - \$30 million, 50% cost share, no waiver or reduction for disadvantaged communities
  - Competitive solicitation
  - Outside state plan of flood control
  - Consistent with IRWM Plan and RWQC Plan
  - Must reduce flood damage
  - Preference for projects with multiple benefits
  - Pending legislation – coordination with SWRCB
- Prop 84 schedule
  - Sept. 2007 – multiple focused IRWM Program topic meetings
  - Feb. 2008 – release draft program guidelines
  - March 2009 – public comment period
  - April 2008 – Approve final program guidelines
- Regional coordinator for Santa Ana subregion, Natalie Deardorff

Discussion:

Question – Does DWR prefer that a region ranks its projects?

Answer: There is \$114 million available for the Santa Ana region. SAWPA in the spirit of “one water, one watershed” is forming a project list. DWR prefers that agencies get together to identify their projects and prioritize them. Also note that there is \$100 million interregional unallocated.

Q – When does the IRWM Plan have to be in place for grant consideration?

A – The date is January 2008, but this is not realistic since the guidelines will not be out until April 2008. The more likely date would be April or May 2008.

Eric told CAM that there will be workshops on the subject of drought given by DWR and the Bureau of Reclamation during the month of October.

#### V. IRRP – Status

- EMWD has issued the contract for the IRRP. EMWD will fully supervise the construction.
- The Dept. of Fish and Game is requiring 5 to 1 mitigation for Phase 2. BIA disagrees and considers this a federal project, therefore requiring 3 to 1 mitigation. The issue is still not settled.
- The Soboba Tribe still maintains its willingness to donate 98 acres for Phase 2, but Karl Johnson, Tribal attorney is not optimistic that the U.S. will agree to this proposal.

- It was noted that there may be a problem if the 98 acres is not available. One option would be to change the land proposed for mitigation for Phase 1. That may cause problems with the Fish and Wildlife Service and possibly delay the project for a year. If that occurs, DWR would need to extend the prop 13 grant agreement which is due to sunset in 2008. Eric Hong said it would not be a problem to amend the agreement to extend the time.

## VI. SEIR

The agreement for the four parties to share the cost of the SEIR environmental work has been signed by all parties. EMWD will invoice the parties.

## VII. Integrated Regional Water Management Plan

Ali Taghavi reported that the firm Tetra Tech is in the process of developing the Plan. EMWD, LHMWD and Hemet have submitted projects to include in the Plan. San Jacinto has not yet submitted any projects. A draft Plan may be forthcoming in late August or September. Ali will give a summary presentation at the next meeting.

## VIII. In-Lieu Recycle Water Rate Proposal

(See handout – In-lieu Recycle water rate proposal, Aug. 13, 2007)

Behrooz Mortazavi proposed to CAM that EMWD provide the same incentives as the low rates in the Lauda/Scott in-lieu agreements to all recycled water users in the Management Area. The advantage would be providing low cost recycled water for farmers to use instead of using groundwater, which would benefit the basin.

- In-lieu water project user obligations
  - User water rights will be subject to the provisions of the WMP
  - Users become Class B Participants in the WMP
  - Users will authorize installation/reading of groundwater data
  - Users will pay the secondary treated recycled water rate
  - Any necessary easements are provided for no fee
  - Purchase at least 75% of the agreed upon annual recycled water deliveries in any given year.
  - Limited deliveries during July, August, and September
- In-lieu Water Project EMWD obligations
  - Provide users with an agreed upon amount of tertiary treated water at a rate equal to the cost of secondary treated water
  - Provide secondary treated water if operational constraints prohibit delivery of tertiary treated water
  - Provide 24 hour advance notice of any scheduled flow interruptions
  - Non-delivery of recycled water shall not exceed 2 days
- Four-Agency Agreement Requirements
  - Ownership
    - EMWD shall hold title to facilities in trust; when terminated, title shall be free and clear
  - Recycled Water Cost
    - Agencies will pay their pro rata share of the difference between cost of secondary and tertiary treated water

- Watermaster may assume lead when appointed by the Court
- New Construction
  - EMWD, on behalf on the agencies, will undertake financing & construction of facilities
  - Agencies will each pay their pro rata share
- Salt Management
  - Agencies acknowledge salt management program may be necessary
- Agencies will assume their pro rata share of such a program
- Proposal to CAM
  - Provide the same incentives as Lauda/Scott's in-lieu agreements to all recycled water users in the Management Area that have groundwater access.
  - Develop a new agreement similar to the Four Agency Agreement
  - Develop a generic agreement similar to the Scott/Lauda agreements
  - Implement the proposed change

Discussion:

- The EMWD Board is agreeable to this proposal because it makes it more equitable for their customers.
- The Four Party Agreement was not adopted by the LHMWD Board in June. It will be reintroduced at the August Board meeting.

CAM discussed the proposal:

- Tertiary water costs \$46/AF in winter and \$78/AF in summer. Lauda and Scott are paying \$33/AF all year.
- Considering all costs, it probably costs about \$120/AF for farmers to pump groundwater

CAM members raised the question – Why should the Watermaster subsidize the water rates when it costs much more to pump groundwater (approx. \$120/F) than to buy the recycled water at tertiary prices (\$78/AF)? Would farmers be willing to pay \$78/AF?

Several points were made:

1. At the \$33/AF rate, EMWD may deliver secondary treated water if necessary. This allows flexibility.
2. The actual amount that it costs to pump groundwater varies greatly for each farmer. In addition, pumpers probably don't figure in all the costs that contribute to pumping an acre/foot.
3. Pumpers know the incentive that Scott and Lauda are getting.
4. CAM members need to know where the end point is. Are these agreements interdependent?

It was suggested that this issue might be appropriate for a Policy Committee discussion. Several CAM members voiced their preference to consider the proposal at the next CAM meeting and have a recommendation before discussing the issue with the Policy Committee members.

VII. Soboba Issues

- Settlement Agreement  
Art Littleworth and Gerry Shoaf will report on the status of the Settlement Agreement at the next meeting.

- Approval of the WMP  
The Soboba Tribe must approve the water management area's WMP. Art Littleworth and Gerry Shoaf will report on the status of the approval of the WMP and the status of the Fruitvale issue at the next meeting.
- Acceptance of land into trust  
Gerry Shoaf told CAM that the "acceptance of land into trust" clause (9.c) was deleted in February '07.

### VIII. In-Lieu Agreements

LHMWD and Hemet have adopted the mitigated negative declaration for the Scott and Lauda agreement. San Jacinto will bring the matter before their City Council on September 6. The Four Agency Agreement is an attachment to the Scott and Lauda agreements and vice versa, so all need to be signed. LHMWD has not yet adopted the Four Agency Agreement.

### IX. Extending the In-Lieu Recycled Water Use Project

(See map)

In order to implement the in-lieu project with EMWD, Bruce Scott has to build 1300 ft. of pipeline. Golden Era properties are further to the southeast of this pipeline. If the Watermaster and builds 7600 feet of pipeline and Scott allows an easement, it would give Golden Era access to use recycled water for their golf course. This project is roughly estimated to cost about \$2 million, but has the potential to free up to 1300 AF of groundwater.

CAM discussed whether Golden Era was contemplating selling the properties. More information is needed before continuing discussion of this issue. Behrooz will talk with Golden Era personnel to see if they would be interested in this proposal.

### X. Phase 1 Facilities Agreement

The possibility of the Watermaster having capacity in the pipeline from the intake recharge ponds to the Grant Ave. ponds that would allow Watermaster the flexibility to recharge at the Grant ponds has been approved by Tony Pack.

The exhibits need to be included in the agreement. The agreement should be finalized by the next meeting.

### XI. MWD-EMWD Contract for Delivery of Untreated Water

Efforts to draft a contract with MWD for delivery of untreated water have been curtailed.

**NEXT CAM MEETING – September 24, EMWD, 12:30 p.m.**

**FUTURE CAM MEETING – hold October 22, 2007 (CAM to decide if this meeting should be a CAM meeting or a Policy Committee Meeting)**

CAM AGENDA –September 24, 2007  
EMWD – 12:30 p.m.

- IRRP – Status
- Expansion of In-Lieu for EMWD Customers who have access to Groundwater - Continued
- Potential Amendment to Scott/Lauda Agreement
- 
- Potential Amendment to Four Party Agreement
- Extending the In-Lieu Recycled Water Use Project
- IRWMP - Update
- Soboba Issues
- Phase I Facilities Agreement - Status
- MWD Water Allocation Plan
- MWD Interim Ag Water Reduction
- Supplemental EIR – Status
- Next Meeting – Policy Committee or CAM?

MEMORANDUM

October 16, 2007

**TO: CAM MEMBERS**

**FROM: Dale Schafer**

**RE: CAM MEETING NOTES –September 24, 2007**

Members in attendance: Ravi Ravishanker, EMWD; Behrooz Mortazavi, EMWD; Chuck Rathbone, EMWD; Gerry Shoaf, EMWD; Eric Vail, Hemet; Bob Hargreaves, San Jacinto; Barry McClellan, San Jacinto; John Loncar, LHMWD; Brad Neufeld, LHMWD; Tom Wagonner, LHMWD; Maurice Hall, DWR, Ali Taghavi, WRIME.

**I. IRRP – Status**

MWD has informed member agencies that there will be no replenishment water in 2008, therefore, construction of the ponds may be deferred until 2009. Maurice Hall informed CAM that amending the contract with DWR to end at a later date, will not be a problem. Behrooz informed CAM that there may be an increase in construction costs and EMWD may consider doing the construction in house.

- The Dept. of Fish and Game has agreed to 3 to 1 mitigation for Phase 1.
- The Soboba Tribe still maintains its willingness to donate 98 acres for mitigation for Phase 2, but the U.S. will agree not to this proposal. The U.S. will allow the Tribe and EMWD to draft a side agreement.

**II. DWR Report**

Maurice Hall informed CAM that there would be scoping workshops for prop. 84 to solicit stakeholder input before issuing the draft guidelines due in December. The Sacramento workshop on Sept. 25 will be webcasted. Final guidelines are scheduled for April 2008. Maurice noted that the application proposal for a prop. 84 planning and implementation grant, and the 1E grant may all be part of one process.

AB 303 will be funded for \$6.4 million. There is \$250,000 available for groundwater management. There will be small seed money grants for start up plans up to \$50,000. The PSP will be available in October, followed by workshops in November, and the proposal will be due in December.

**III. Water Management Plan**

The plan should be finalized by the end of October. The Soboba Tribe may still comment, but they have no objection to finalization of the WMP.

**IV. SEIR for WMP and Stipulated Judgment**

The SEIR is ready to be certified by the EMWD Board. The final WMP will be an attachment to the SEIR. CAM members discussed the steps for approval and adoption of the WMP, the Stipulated Judgment and the Phase 1 Facilities Agreement. CAM will address this issue at the next meeting.

**V. Integrated Regional Water Management Plan**

Ali Taghavi provided a list of projects to be included in the IRWMP. He asked CAM members to review the list to be sure all projects are included and therefore, will have access to grant funding.

The administrative draft plan is due to be released Friday, September 28, 2007. The final plan should be completed by the end of December.

Ali recommended that LHMWD and the Cities adopt the plan to gain access to grant funds. The Plan will be folded into SAWPA's plan. Members were asked to notify Ali of any changes.

## **VI. Expansion of In-Lieu Recycled Water for EMWD Customers with Access to Groundwater, continued.**

(For review - See handout – In-lieu Recycle water rate proposal, Aug. 13, 2007)

Behrooz Mortazavi proposed to CAM that EMWD provide the same incentives as the low rates in the Lauda/Scott in-lieu agreements to all recycled water users with groundwater access in the Management Area. Users would become Class B participants in the WMP. EMWD would provide users low cost recycled water to replace groundwater use. The benefit to the basin would be the reduction of class B water rights. It was noted that reduction in pumping reduces the overdraft from 2800 AF to 1130AF. The term of the agreement would probably be five years.

CAM continued its discussion:

- Eric Vail noted that it would be difficult to take this proposal to Hemet City Council because they had already accepted the Scott/Lauda agreement as a one time occurrence.
- Behrooz Mortazavi characterized this as an equity issue. Other farmers know about the Scott/Lauda agreement and would like to take advantage of the same agreement. EMWD is willing to develop an agreement with the other farmers if the Watermaster declines. Users will be required to make a commitment to take 75% of their Class B allotment in recycled water. This would benefit them because it would give them priority to recycled water in summer when demand exceeds supply.
- Bob Hargreaves noted that this proposal would be extending a precedent. The Cities noted that the proposal may be politically unpalatable at this time.
- There are no capitol costs included in this proposal. There could be capitol costs if other farmers are included in the future (e.g. citrus farmers).
- Brad Neufeld remarked that with no capitol costs, paying \$45AF vs. \$300AF makes economic sense.
- Ravi Ravishanker noted that, per the Soboba Settlement Agreement, MWD is committed to deliver 7500 AF per year until 2035. He suggested that this proposal would increase reliability of the groundwater supply, but agreed that it has to be economically feasible.

- It was noted that recycled water rates are quite low – from the Watermaster perspective it would be buying water at \$45AF vs. \$300AF.
- LHMWD will discuss this proposal at their next Board meeting.
- The Cities need more information before reviewing this proposal with their respective Councils.

#### **VII. Potential Amendment to the Four Agency Agreements**

(Refer to Addendum to Four Agency Agreement. Sept. 11, 2007)

LHMWD Board has adopted the Four Agency Agreement with an addendum that at the end of the 30 years, any Party to the Agreement shall have the option to withdraw. If an agency withdraws, the remaining parties will assume the obligations of the Agreement. All agencies were in favor of the addendum and will recommend approval by respective Boards and Councils. Dale Schafer will distribute a copy with the word “draft” removed to the agencies.

#### **VIII. Potential Amendment to the Scott/Lauda Agreement**

The Scott/Lauda agreement requires Scott to take 3020 AF per year. According to the Scott/Lauda agreement, Scott would have 2265AF of recycled water delivered each year (75%). As Class B participant, Scott is allowed to pump 1755 per year, but is committed to take 2265 AF and would therefore have to pay a higher rate for the additional recycled water. In addition, Scott must pump some groundwater for use in the dairy. He will have to pay the full amount (\$300AF) for groundwater pumped over his allotment of 1755. The proposal, therefore, is to reduce Scott’s recycled water take from 3020 AF to 1755AF per year. Scott still wants EMWD to commit to delivery of 3020AF in the winter months and would pay the full amount for delivery over 1755AF.

The total commitment of the Scott/Lauda agreement is 8540AF. Class B total commitment is 5285AF. The amendment would decrease the Watermaster’s subsidized amount of water by 3255AF.

If all agree, either an addendum to the existing agreement or a new agreement would be necessary. Gerry Shoaf will draft an amendment for review.

#### **IX. Soboba Issues**

- **Settlement Agreement**  
A draft of the legislation has been released for review by Representatives Bono and Lewis. The Tribe has reasserted its desire to have a one time payment to which the U.S. is opposed. Karl Johnson is optimistic that the legislation will be completed before the end of this session.
- As noted above, the U.S. will allow a side agreement between EMWD and the Tribe in which the Tribe will give 98 acres for mitigation for Phase 2 in exchange for 98 acres from EMWD which previously was suitable for mitigation purposes, but is no longer due to gravel pit operations that elevated the land from the river bed. EMWD will waive past damages to 300 acres (which includes the 98 acres) if the Tribe will agree to protect and provide fill materials for the slopes next to the Cienega Wellfield. EMWD and the Tribe have scheduled a meeting for October 8.

**X. Extending the In-Lieu Recycled Water Use Project**

Behrooz contacted Golden Era Productions about the possibility of delivering recycled water to Golden Era in-lieu of groundwater production. Behrooz will provide cost estimates for the project when Golden Era provides the amount of demand that can be switched from groundwater to recycled water.

**XI .Phase 1 Facilities Agreement**

Phase 1 Facilities agreement will be ready for review at the next CAM meeting.

**XII .MWD Interim Ag Water Reduction**

MWD will reduce delivery of water for agriculture that has been discounted to member agencies. MWD delivered about 6700AF of Certified AG water to EMWD in 2003/04 which will be reduced by 30% starting Jan. 1, 2008. EMWD will reduce the 500AF that it delivers to LHMWD by 30%.

**XIII. MWD Water Allocation Plan**

MWD is discussing an allocation reduction of 10% for all member agencies but the reduction would not go into effect until after 2008. MWD rates will increase by \$35AF and then may rise by \$50 or \$60 AF. MWD has \$15 million available to retrofit for public agencies. If an agency reduces water demand, MWD will help with the costs of implementing that reduction, e.g., building a pipeline to deliver recycled water. MWD will hold an informational meeting on September 27, 2007.

It was noted that CAM should review the EMWD/MWD agreement at the next meeting.

**NEXT CAM MEETING – October 22, EMWD, 12:30 p.m.**

**FUTURE CAM MEETING – November 26, 2007**

CAM AGENDA –October 22, 2007  
EMWD – 12:30 p.m.

- IRRP – Status
- Sequence of Steps - SEIR, adoption of WMP, Phase 1, Stipulated Judgment, etc.
- Expansion of In-Lieu for EMWD Customers who have access to Groundwater - Continued
- Potential Amendment to Scott/Lauda Agreement
- Amendment to Four Party Agreement - Status
- Extending the In-Lieu Recycled Water Use Project
- IRWMP - Update
- Soboba Issues
- Phase I Facilities Agreement - Final
- EMWD/MWD Agreement

MEMORANDUM

November 20, 2007

**TO: CAM MEMBERS**

**FROM: Dale Schafer**

**RE: CAM MEETING NOTES –October 22, 2007**

Members in attendance: Behrooz Mortazavi, EMWD; Chuck Rathbone, EMWD; Gerry Shoaf, EMWD; Ralph Phraner, EMWD; Eric Vail, Hemet; Bob Hargreaves, San Jacinto; Art Littleworth, LHMWD; Tom Wagonner, LHMWD; Maurice Hall, DWR, Ali Taghavi, WRIME.

Congratulations to Ralph Phraner who is the new Director of Water Resources Management for EMWD.

**I. IRRP – Status**

Ralph Phraner reported on the status of Phase 1.

- There are six construction tracks for Phase 1.
- The first well has been finished, the second well has been tested, and the third well is in development.
- The second well pumping facility will be out for bid on November 8, 2007.
- The booster upgrade tract is in final review and will be out for bid in approximately three weeks.
- A final design review work session has been completed for the 4<sup>th</sup> track. It will be out for bid in approximately six weeks.
- The specs for the monitoring wells will be finished at the end of the year.
- The recharge ponds are on hold temporarily - construction is dependent on water deliveries from MWD.

Phase 1 cost estimate update:

- The previous cost estimate for Phase 1 was \$16 million, which did not include the entire cost of the project (ex. Design). The cost for tasks which could have been completed for \$16 million has now escalated to \$18 or 19 million.
- The estimate for the total project is now \$23 million. The DWR grant will fund \$5 million which leaves \$18 million for the agencies to share instead of \$9 million.

CAM members were concerned with the rise in cost of the project. A spreadsheet shows the breakdown for the expenditure of the \$16 million, so members can compare with the previous cost estimate to see where increases have occurred.

- All agencies need to examine the figures to reassess their proportionate shares.
- Ralph will bring a complete cost estimate to the next CAM meeting.

**II. Sequence of Steps - SEIR, adoption of WMP, Phase 1, Stipulated Judgment**

Art Littleworth told CAM members that they should not delay action any longer while waiting for the Tribe to approve the WMP. The Tribe's issues seem to be minor ones. Therefore, the steps should be:

- EMWD certify the SEIR and start the 30 day statute of limitations. (Art will check to see if the statute runs with the SEIR)
- LHMWD and the two Cities review the findings and, as responsible agencies, can reach the same conclusions.
- Sign the Phase 1 agreement –the essence of which is included in the WMP.

**Soboba Issues:**

The Stipulated Judgment and the final WMP require congressional approval. The one remaining substantive issue to be resolved before the legislation is introduced is whether the funds can be paid out in one year instead of over three years. The Tribe is still holding out for the one year payout, but it appears that OMB will oppose the entire legislation if that provision remains. Although the Tribe remains optimistic that the legislation will go through during this session, time is running out.

The WMP and the Stipulated Judgment supersede the Fruitvale Judgment, so the Tribe is concerned with the amount of water that can be pumped out of Canyon basin (limited to 4500 AF – Fruitvale). A technical committee with members from EMWD, LHMWD and the Tribe will address that issue. The Tribe wants to develop a canyon basin water operation plan to ensure that the Watermaster doesn't pump Canyon basin dry.

### **III. DWR Report**

Maurice Hall reported that proposition 84 fund allocations have been vetoed for the current fiscal year (ending June '08). DWR will continue to develop guidelines; however, there will probably not even be a PSP for proposition planning grants this fiscal year.

AB303 guidelines should be available very soon. The target deadline is December 11, 2007. These are small groundwater grants (max. \$250,000). One possible project for this group is a data base for the Watermaster, CAM members questioned whether points would be deducted because the WMP is not yet approved. Maurice said that Hemet/San Jacinto could still receive points for a plan that would be adopted after the AB303 application.

### **IV. EMWD Report**

EMWD will reduce delivery of water for agriculture that has been discounted by 30% beginning Jan. 1, 2008 which includes 500 AF to LHMWD. LHMWD is providing certification of its agriculture customers for EMWD.

EMWD is going to delay processing water supply assessments until the end of March 2008. A water supply assessment determines if there is an adequate source of supply with some certainty. EMWD will require developers to implement conservation measures for all connections.

The EMWD Board has adopted a water shortage contingency plan in which retail customers will be asked to voluntarily cut back water usage by 10%. LHMWD is doing the same.

### **V. Integrated Regional Water Management Plan**

Ali Taghavi distributed a CD of the draft IRWMP. Ali noted that the Plan still has several placeholders. Currently there are approximately 100 projects included in the plan.

The Plan will be circulated one more time before a 30 day public release. CAM members can then adopt the plan in order to take advantage of grant funding opportunities. There will be no CEQA process needed to adopt the Plan.

Ali requested that the agencies' staff members review the projects starting on page 100 to be sure the projects are represented correctly. Ali also asked that staff check the project descriptions in the appendix. Ali will send an e-mail listing sections he wants to staff to review.

CAM members asked if SAWPA was going to rank the projects. Currently there is no ranking of projects or strategies by SAWPA or by the SJ Watershed IRWMP. The prioritization will happen at the time of application for the specific grants.

## **VI. Expansion of In-Lieu Recycled Water for EMWD Customers with Access to Groundwater, continued.**

(For review - See handout – In-lieu recycle water rate proposal, Aug. 13, 2007)

Behrooz Mortazavi proposed to CAM that EMWD provide the same incentives as the low rates in the Lauda/Scott in-lieu agreements to all recycled water users with groundwater access in the Management Area. Users would become Class B participants in the Stipulated Judgment and would be required to take delivery of 75% of their allocation in order to take advantage of this proposal.

CAM continued its discussion of this proposal:

- CAM members asked if the proposed list included all those with the potential to sign onto this agreement. Behrooz commented that the list is complete – those included are the ones entitled to sign onto the Stipulated Judgment as Class B participants and are also currently using recycled water. There could be several potential users including citrus farmers, Golden Era, Soboba golf course, and San Jacinto College that could be added on a case by case basis at the discretion of the Watermaster.
- Will more capital facilities be necessary to carry out this proposal? Ralph Phraner will research this question. If so, some of the facilities may be EMWD's responsibility.
- LHMWD Board of Directors is in favor of this proposal because it cuts down production - a benefit to the basin.
- If this proposal is less expensive for the agencies, Hemet city council would probably be in favor of it.

## **VIII. Potential Revision of the Scott/Lauda Agreement**

The total commitment of the Scott/Lauda agreement is 8540AF. Class B total commitment is 5285AF. The amendment would decrease the Watermaster's subsidized amount of water by 3255AF. Gerry Shoaf will draft a revised Scott/Lauda agreement. The Four Agency Agreement including the addendum will be an attachment to the revised agreement.

CAM will review the agreement at the next meeting.

**IX .Phase 1 Facilities Agreement**

The latest revision of the agreement gives Watermaster capacity in the pipeline from the Intake basin recharge ponds to the Grant Ave. ponds that would allow Watermaster the flexibility to recharge at the Grant Ave. ponds.

**XII . EMWD/MWD Agreement for water delivery**

Gerry Shoaf will bring the agreement for review at the next CAM meeting.

**NEXT CAM MEETING – November 26, 2007, 12:30 p.m., EMWD**

CAM AGENDA –November 26, 2007  
EMWD – 12:30 p.m.

- IRRP – Review current cost estimate
- Sequence of Steps - SEIR, adoption of WMP, Phase 1, Stipulated Judgment - Status
- Expansion of In-Lieu for EMWD Customers who have access to Groundwater - Continued
- Revised Scott/Lauda Agreement and Attachments
- Extending the In-Lieu Recycled Water Use Project Technical Committee Review?
- IRWMP - Update
- Soboba Issues
  - Status of legislation
  - Canyon subbasin
- EMWD/MWD Agreement

**MEMORANDUM**

**January 2, 2007**

**TO: CAM MEMBERS**

**FROM: Dale Schafer**

**RE: CAM MEETING NOTES –November 26, 2007**

Members in attendance: Behrooz Mortazavi, EMWD; Chuck Rathbone, EMWD; Gerry Shoaf, EMWD; Ralph Phraner, EMWD; Ravi Ravishanker, EMWD; Eric Vail, Hemet; Bob Hargreaves, San Jacinto; Barry McClellan, San Jacinto; Brad Neufeld, LHMWD; Tom Wagonner, LHMWD; John Loncar, LHMWD; Maurice Hall, DWR

**I. IRRP – Status**

**See handouts Summary of Estimated Costs, 2002-2008, IRRP  
Costs for calculations as of Nov. 19, 2007**

- CAM reviewed several spread sheets and a summary of estimated costs for the IRRP. CAM members previously had expressed concern that the amount for the program had escalated from \$13.7 million to \$23 million. The \$13.7 million estimate was based on the original Prop. 13 grant application. It was a preliminary estimate before the completion of the design and did not include an initial feasibility study or facilities design costs because they were costs not allowed by DWR's Prop. 13 \$5 million grant. The change from approximately \$16 million to approximately \$25 million is due mainly to the rise in the cost of construction since the original estimate was in 2002. Chuck Rathbone noted that no agency has yet been charged for capital costs and EMWD has already invested over \$10 million in the project.

Eric Vail noted that the original language included only construction costs and not the cost for facilities design or environmental mitigation. Behrooz Mortazavi pointed out that the \$16 million did include facilities design costs. The environmental and design costs are part of the project cost and should be covered by the agreement. The issue is: who is going to pick up the costs and/or what costs are the agencies willing to share? As CAM members continued their discussion, it became clear that this is a policy issue. Although the two cities did agree to buy into the whole package, the large increase may cause some concern on the part of City Council members and also for LHMWD Board members.

Members agreed that policy makers need to have an understanding of the entire project - the history, the time line, the budget in order to be able to commit their support and their funds.

CAM members recommended that an ad hoc committee meet to discuss the IRRP and other relevant issues. The committee will consist of the two policy committee representatives from each agency plus CAM members. Dale Schafer will send out possible meeting dates as soon as the policy committee representatives have been polled.

A review of costs of all the projects also revealed that they will not be covered by the \$50 Watermaster administration assessment fees. The fee will have to be increased to cover the costs, or the agencies will have to pay for a portion of the program costs directly without involving the Watermaster.

## **II. Sequence of Steps - SEIR, adoption of WMP, Phase 1, Stipulated Judgment**

EMWD Board of Directors certified the SEIR and approved the Water Management Plan on November 21, 2007. The project approval is contingent upon Congressional approval, and effectiveness thereunder of the Soboba Settlement Agreement. The approval of the Plan will trigger the start of the 30 day statute of limitations. EMWD should now send the record of action to LHMWD so Art Littleworth can prepare a model for the responsible agencies to follow (LHMWD, Hemet, San Jacinto).

## **III. Soboba Issues**

- Settlement Agreement

The one remaining substantive issue to be resolved before the Settlement Agreement between the Tribe and the Feds is whether the funds can be distributed in one year instead of over three years. The Tribe is still holding out for the one year payout, but it appears that OMB will oppose the entire legislation if that provision remains. EMWD sent a letter in support of the Tribe's position. The legislation will be introduced and signed into committee this year and will probably be addressed the beginning of 2008.

- Canyon subbasin

The WMP and the Stipulated Judgment supersede the Fruitvale Judgment, so the Tribe is concerned with the amount of water that can be pumped out of Canyon basin (limited to 4500 AF – Fruitvale) and also the quality of water that is recharged into the Canyon basin. The Tribe has asked for only “native” water to recharge Canyon basin. LHMWD has the only source of “native” water. A technical committee with members from EMWD, LHMWD and the Tribe has been discussing these issues. EMWD has proposed the recharge of the basin with imported water. The Tribal Council will discuss this possibility.

## **III. DWR Report**

Maurice Hall reported that proposition 84 fund allocations have been vetoed for the current fiscal year (ending June '08). DWR will continue to develop guidelines; however, there will probably not even be a PSP for proposition planning grants this fiscal year.

Maurice also informed CAM members that DWR was updating Bulletin 160. He requested input from members on the groundwater management /conjunctive use portion - Chapter 4 in Volume 2. Maurice will send the web link to Dale who will distribute to CAM.

## **IV. EMWD Report**

- Water Conservation

EMWD has employed a “waste buster” to cite EMWD customers who are using water excessively. EMWD Board has also approved an ordinance that allows EMWD to impose a penalty on commercial customers who are not in compliance with their allotted water budget. EMWD Board will add residential customers to the ordinance in January 2008.

Behrooz Mortazavi requested that LHMWD and the Cities support EMWD and that all the agencies coordinate their conservation efforts. Dale will distribute copies of the EMWD ordinance to the agencies for their review.

EMWD will also require that beginning in 2008, all new homes in the district will install “California friendly” landscaping. Riverside County originally was going to require “Calif. Friendly” landscaping for new homes in 2010, but now will require the landscaping in 2008.

On December 17, 2007, EMWD will meet with agricultural customers to inform them that EMWD will reduce delivery of water for agriculture that has been discounted by 30% beginning Jan. 1, 2008.

#### **V. Integrated Regional Water Management Plan**

A new draft of the IRWMP should be issued within the next two weeks. When the new draft is released, Jim Blanke, WRIME, will send out a request for CAM to review the highlighted sections of the document.

#### **VI. Expansion of In-Lieu Recycled Water for EMWD Customers with Access to Groundwater, continued.**

(For review - See handout – In-lieu recycle water rate proposal, Aug. 13, 2007)

Behrooz Mortazavi proposed to CAM that EMWD provide the same incentives as the low rates in the Lauda/Scott in-lieu agreements to all recycled water users with groundwater access in the Management Area. Users would become Class B participants in the Stipulated Judgment and would be required to take delivery of 75% of their allocation in order to take advantage of this proposal.

CAM continued its discussion of this proposal:

- LHMWD Board of Directors is in favor of this proposal because it cuts down production - a benefit to the basin, but members are concerned about language that states that participants would provide “alternative” water to the farmers if tertiary water is not available. If, for example, water is delivered from the State, it would cost about \$320 per AF and then there would not be any benefit for LHMWD to participate. LHMWD would like language to state that the subsidy is based on the cost of tertiary water only. Any difference due to other supply sources will be made up by EMWD for its customers. Brad Neufeld will draft the appropriate language.
- CAM members questioned how the tertiary water would be supplied. The majority will come from the San Jacinto treatment plant. All treatment plants are tied into that network. The average amount of water treated at the combined treatment plants is approximately 45 million gallon per day.
- CAM members asked about current tertiary water availability. This should not be a problem as the San Jacinto treatment plant is going through an expansion and water can be combined from other regions.

- Behrooz Mortazavi pointed out that it is necessary for EMWD to make a commitment to deliver water to the agricultural customers who would agreed to this plan because they would stop extracting groundwater. Members agreed that if a problem arouse with the delivery of tertiary water, the least expensive alternative would be employed.
- Behrooz also noted that the Watermaster should participate in all recycled water activities in the Hemet/San Jacinto area.
- Bob Hargreaves requested that the following phrase be added to the addendum to the four party agreement: 1. Withdrawal by Party at End of Initial Term – after end of last sentence “Base Production rights”, add “subject to any equitable adjustment deemed necessary by the Watermaster.”

#### **VIII. Potential Revision of the Scott/Lauda Agreement**

The total commitment of the Scott/Lauda agreement is 8540AF. Class B total commitment is 5285AF. The amendment would decrease the Watermaster’s subsidized amount of water by 3255AF. Gerry Shoaf will distribute a revised Scott/Lauda agreement for review at the next meeting. The Four Agency Agreement including the addendum will be an attachment to the revised agreement.

CAM will review the agreement at the next meeting.

#### **XII . EMWD/MWD Agreement for water delivery**

Gerry Shoaf will bring the agreement for review at the next CAM meeting.

**NEXT CAM MEETING – January 14, 2008, 10:00 am, EMWD, lunch to be provided – thanks EMWD.**