

Minutes
CHINO BASIN WATERMASTER
AGRICULTURAL POOL MEETING
February 17, 2004

The Agricultural Pool Meeting was held at the offices of the Inland Empire Utilities Agency, 6075 Kimball Ave, Chino Hills, CA, on February 17, 2004 at 9:00 a.m.

Agricultural Pool Members Present

Nathan deBoom, Chair	Milk Producers Council
Robert Feenstra	Milk Producers Council
Glen Durrington	Crops
Jeff Pierson	Crops
John Huitsing	Dairy
Gene Koopman	Dairy
Peter Hettinga	Dairy
Pete Hall	State of California, California Institute for Men
Wayne Davison	State of California Institute for Women

Watermaster Board Members Present

Geoffrey Vanden Heuvel	Agricultural Pool, Dairy
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Watermaster Staff Present

John Rossi	Chief Executive Officer
Gordon Treweek	Project Engineer
Danielle Maurizio	Senior Engineer
Sherri Lynne Molino	Recording Secretary

Watermaster Consultants Present

Michael Fife	Hatch & Parent
Mark Wildermuth	Wildermuth Environmental, Inc.

Others Present

Rick Rees	Geomatrix for CIM
Peter Von Haam	State Attorney General's Office
Gerald J. Thibeault	Regional Water Quality Control Board
Steve Lee	Space Center Mira Loma
Rich Atwater	Inland Empire Utilities Agency
Frank Brommenschenkel	Special Agricultural Consultant

Chair deBoom called the Agricultural Pool meeting to order at 9:04 a.m.

AGENDA - ADDITIONS/REORDER

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Agricultural Pool meeting held January 15, 2004

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of January 2004
2. Combining Schedule of Revenue, Expenses and Changes in Working Capital for the Period July 1, 2003 through December 31, 2003

3. Treasurer's Report of Financial Affairs for the Period December 1, 2003 through December 31, 2003
4. Profit & Loss Budget vs. Actual July 2003 through December 2003

Motion by Davison, second by Durrington, and by unanimous vote

Moved to approve Consent Calendar Items A through B, as presented

II. BUSINESS ITEMS

A. REQUEST FROM CITY OF CHINO CREDIT AGAINST OBMP ASSESMENTS (FORM 7)

Mr. Rossi confirmed the recommendation by the Pools to seek review by Mark Wildermuth of various language contained in the Peace Agreement and Rules and Regulations with respect to the issue of requested credit against OBMP Assessments. Mr. Rossi referred to page 34 on the meeting packing regarding of the November 19, 2003 Wildermuth letter and read the Peace Agreement section 7.4 (c)(i) – (iii) describing the process for the funding of future desalters. He then referred to page 36 titled Table 1 Initial List of Programs and Project for Form 7 Applications. The left column presented Program Element and Activity while the right column presented Potential Action by a Party that Could be Eligible for Credit Against OBMP Assessment or for Reimbursement. A short discussion ensued and Mr. Rossi offered the comments from the February 12, Appropriative Pool meeting. Mr. Atwater commented on ION exchange and briefly described the dynamics of how it might relate to credits along with dissecting the elements of blended water. Mr. Rossi asked the Committee members to review the Wildermuth data presented and to return to him via email or fax comments in this regard with the purpose of forming a list of comments to bring to the next meeting for discussion.

B. DISCUSS ASSISTANCE TO REGIONAL WATER QUALITY CONTROL BOARD ON WATER QUALITY ANOMOLY SOUTH OF ONTARIO AIRPORT

Mr. Thibeault of the Regional Water Quality Control Board detailed how the Regional Board is dealing with the water quality anomaly south of the Ontario Airport. He reviewed how much evidence there really is and the costs to offer consulting assistance. Mr. Thibeault reassured the Committee that every effort to reimburse Watermaster would be investigated although he could not guarantee this would occur. He stated that there were literally hundreds of VOC plumes in the Santa Ana River basin and the focus of the Regional Board was to address the ones that directly effected drinking water wells. A question arose concerning once the Regional Board started working on this anomaly would it be started and completed without interruption. Mr. Thibeault responded, "There is no guarantee that a more important plume that would endanger the public drinking water supply would come up and the focus would then be taken off this project". The question of, "why doesn't the Regional Board have funds for situations like this available"? Mr. Thibeault responded, "The Regional Board unfortunately has very little funds for groundwater clean up and the funds that are available are being diverted towards Perchlorate clean up". The question of, "If the Regional Board does not have available funds for clean up then how will they afford legal and court costs to pursue PRP's"? Mr. Thibeault responded with, "Court costs come from a different fund source than general funds do". He commented that the important issue now was taking as much evidence as possible to the PRP's and see the direction that takes. It was noted that once this plume reaches the desalter additional costs and impacts could be realized. A comment was noted of the importance of educating State legislation as to the situation and regrettably Mr. Thibeault felt they were already aware but that this plume was low on the priority list at present. Discussion ensued with regard to businesses that were already out of business, what the time frame of assistance would be and overall concerns by the Committee members. Mr. Thibeault stated that this endeavor would take approximately 3-4 months of consulting assistance and would cost approximately \$20-25,000.

Motion by Koopman, second by Pierson, and by unanimous vote

Moved to approve a \$25,000 cap for placing consulting assistance with the Regional Board and that a report on progress will be brought back in three months

C. BASIN PLAN AMENDMENT

Mr. Rossi reiterated what transpired at the January 22, 2004 RWQCB Public Hearing for consideration of the Basin Plan Amendment revised language. Legal council was tasked to review the revised language. The final document still needs to be prepared and once that has been completed the revised Basin Plan Amendment will be brought back to the next meeting for review.

Mr. Thibeault offered comment that he felt the Board was very fair in its language revisions and that all parties should be pleased. He also noted that the Basin Plan Amendment was paid by an outside source which is a good example of how outside help could actually benefit the basin. Also, it was noted that there is no other document like this in the State. A brief discussion took place regarding salt credits, OBMP costs and options with Storage and Recovery.

D. REGIONAL WATER QUALITY CONTROL BOARD GROUND WATER MONITORING DATA ISSUES

Mr. Rossi referred to the handout provided by Wildermuth Environmental on the Draft Dairy Area Wells in the Chino Basin, in particular the 86 listed Station Names on the Quality Data 1971-2003 section, at which time he reviewed the details listed. Mr. Thibeault stated that the Regional Board needed enough water quality data to get the Basin Plan Amendment completed. Additionally, that the Regional Board needed to identify ambient water quality and they were not looking at individual salt content at each dairy and that the law required we reach an agreement so that the Regional Board can get enough data to do their jobs. Discussion ensued about well site specific data, appropriate samples and information given by the dairies. Mr. Rossi offered options to get data to the Regional Board. It was suggested that the map on the front of this handout be blown up to one quarter mile per inch and be brought back to the meeting next month for review. Counsel Fife asked if the Committee wanted a more specific map, and the Committee members responded that they did.

III. REPORTS/UPDATES**A. WATERMASTER GENERAL LEGAL COUNSEL REPORT****1. Update Regarding Proposed Dry Year Yield Storage Agreement with IEUA**

Counsel Fife reported that the Dry Year Yield Storage Agreement with IEUA was progressing in a timely manner. Counsel met with the special referee on February 11, 2004 which was the finalization stage. Counsel anticipates bringing the final Agreement for approval to the Committee members in March.

Added: Counsel Fife requested that an item be added to the section III Reports/Updates under the Watermaster General Legal Counsel Report section.

2. Update Regarding Chino Land & Water Case

Counsel Fife reported last month that Chino Land & Water had 12 days to file an oral argument with the court which they have done. Court will hear the oral argument in Riverside on March 3, 2004 at 8:30 a.m. and that all interested parties are welcome to attend. Counsel will again work with Lewis Home's legal department in this regard and counsel will keep the Committee apprised of their efforts to over turn this case.

B. CEO/STAFF REPORT**1. Mark Wildermuth Will Make a Presentation Regarding OBMP Progress through December 31, 2003**

Mr. Rossi introduced the second section of Mr. Wildermuth's presentation regarding OBMP progress relating to Desalters and commented that last months presentation was on Hydraulic Control. Mr. Wildermuth will be giving a presentations on the following topics a) Chino Basin Facilities Improvement, b) Storage and Recovery, c) Hydraulic Control 3, 5, 6, 8 & 9, d) Maximum Benefit, e) Groundwater Monitoring, f) Water Quality Committee, g) MZ1 Management Plan, and h) Analysis of Balance of Recharge and Discharge.

2. Discuss MWD Rate Increase Proposal
Mr. Rossi stated that on February 9, 2004 at MWD's finance meeting Rich Atwater's comments were well received. Mr. Atwater commented that the basin manager worked with him on the impending rate increases. Noting there were no definitive decision at this time to comment on, however all parties will be kept apprised.
3. Update Regarding the Recharge Improvement Project
Mr. Rossi commented that one of the bid packages was rejected to save money and would be going out for re-bids. He also noted that the SCADA Project was moving forward and mentioned there was no new information on the damage from the San Sevaine incident to report on.
4. Update Regarding the Water Quality Committee Meeting of February 5, 2004
Mr. Rossi presented what topics were discussed at the Water Quality Committee meeting and noted Dr. Rhodes Trussell gave a presentation on Regulation and Removal of Perchlorate. Mr. Rossi noted that the first set of data from the Chino Airport TCE had come out; although he had not yet seen it. There was a discussion on this topic at the meeting. A discussion ensued with regard to the settlement negotiations with Kaiser. Counsel Fife was asked to review the agreement once it was completed. Mr. Wildermuth added commentary on the Kaiser issue.
5. Update Regarding Reimbursement of \$169,209 for Recharge Improvement Costs
Mr. Rossi informed the Committee about the reimbursement check received and felt that these funds needed to be placed in a reserve account until the 7th bid package was finalized.
6. Discuss Process of Establishing Future Desalter Ad Hoc Committee
Mr. Rossi stated he felt it could be necessary to form an Ad Hoc Committee to specifically deal with the future desalter implementation processes and asked the thoughts of the Committee members. It was noted there could be numerous negotiations on this issue and feed back was welcome. Mr. Rossi informed the Committee that he had met with Scott Slater three months ago to discuss issues and brainstormed on objectives and realities for upcoming desalter discussions. A reminder was made that the Court must have a written report for future desalters filed by September 2005 and that it would take approximately 6 to 9 months for the planning.

IV. INFORMATION

1. Refund of \$188,114.90 From MWD for Fiscal Year 2002/2003
Mr. Rossi informed the Committee that the refund had been received and Watermaster's portion was \$188,114.90 from Metropolitan Water District. Watermaster is analyzing the various ways to divide up the refund and Mr. Rossi commented that it should be equitably distributed. Further update will follow at the March meetings.

V. POOL MEMBER COMMENTS

Mr. Rossi inquired to Chair deBoom if meeting at the Inland Empire Utilities Agency offices would work better for the Agricultural Pool. Chair deBoom commented that the meetings would have to take place on the third Tuesday of the month due to a prior board meeting he and others were obligated to attend. Mr. Atwater offered the Board room for this time frame and welcomed the Agricultural Pool members to hold their meetings at IEUA. Chair deBoom concurred that this would indeed work better for the Committee members and the next meeting was scheduled for March 16, 2004 at 9:00 a.m.

VI. OTHER BUSINESS

No comments were received.

VII. FUTURE MEETINGS

February 12, 2004	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
February 17, 2004	9:00 a.m.	Agricultural Pool Meeting
February 26, 2004	10:00 a.m.	Advisory Committee Meeting
March 1, 2004	1:00 p.m.	Watermaster Board Meeting
March 11, 2004	1:00 p.m.	Agricultural Pool Meeting
	3:00 p.m.	Joint Appropriative & Non-Ag Pool Meeting
March 25, 2004	10:00 a.m.	Advisory Committee Meeting
	1:00 p.m.	Watermaster Board Meeting

The Agricultural Meeting Adjourned at 11:52 a.m.

Secretary: _____

Minutes Approved: March 16, 2004