

APPROPRIATIVE POOL COMMITTEE

RULES AND REGULATIONS

ARTICLE 1

GENERAL PROVISIONS

1.01 TITLE/CODE. This document shall be known and may be referred to as the “Appropriative Pool Committee Rules and Regulations” adopted pursuant to Judgment entered in CHINO BASIN MUNICIPAL WATER DISTRICT v CITY OF CHINO, et. al., S. B. Sup. Ct. No. 164327, on January 27, 1978. To provide convenience in operating under the Judgment certain procedural matters contained therein have been set forth in these rules and regulations, however, should a conflict arise between the Judgment and these rules and regulations the language of the Judgment shall in all cases prevail. Designations hereinafter to “See Judgment” shall refer to verbatim quotations from the Judgment; whereas “Based on Judgment” shall refer to a paraphrase of the Judgment language.

1.02 DEFINITIONS. Unless otherwise expressly indicated or compelled by their context, words, phrases, and references appearing herein shall have the same meanings as set forth in the Judgment, including the additional definitions as follows:

- (a) COMMITTEE(S) – Any of the Pool Committees or the Watermaster Advisory Committee as the context may compel.

(b) JUDGMENT – The judgment entered in CHINO BASIN MUNICIPAL WATER DISTRICT v CITY OF CHINO, et al., San Bernardino Superior Court No. 164327.

(c) OVERLYING (AGRICULTURAL) POOL – The pool consisting of the State of California and all overlying producers who produce water for other than industrial or commercial purposes.

(d) OVERLYING (NON-AGRICULTURAL) POOL – The pool consisting of overlying producers who produce water for industrial or commercial purposes or who, at the request of Watermaster and with the consent of the Watermaster Advisory Committee, take substitute water in lieu of producing such ground water.

(e) APPROPRIATIVE POOL - The pool consisting of owners of appropriative rights, as defined under the Judgment, and any person who produces water for other than overlying use.

1.03 MEMBERSHIP IN POOL. Any city, district or other public entity and public utility – either regulated under Public Utilities Commission jurisdiction, or exempt therefrom as a non-profit mutual water company (other than those assigned to the Overlying (Agricultural) Pool) – shall be a member of this pool. All initial members of the pool are listed in Exhibit “E” to the Judgment. (Based on Judgment, page 68, Section 1.)

1.04 REPRESENTATION. The Pool Committee shall consist of one (1) representative appointed by each member of the Pool. (Based on Judgment, page 68, Section 2.)

1.05 POWERS AND DUTIES. The Pool Committee shall have the power and responsibility for developing policy recommendations for administration of its Pool and to adopt an annual budget. All actions and recommendations which require Watermaster implementation shall first be noticed to the other two Pools. If no objection is received in writing within thirty (30) days, such action or recommendation shall be transmitted directly to Watermaster for action. If any such objection is received, such action or recommendation shall be reported to the Watermaster Advisory Committee before being transmitted to Watermaster. (Based on Judgment, page 21, Section 38(a).)

## ARTICLE 2

### PROCEDURES

2.01 PRINCIPAL OFFICE. The principal office of the Pool shall be the Chino Basin Municipal Water District business office, located at 8555 Archibald Avenue, Cucamonga, California 91730; telephone number (714) 987-1712, or at such other location or locations as may be designated from time to time by amendment to these rules and regulations.

2.02 RECORDS. The records of the Pool shall be open to inspection and maintained at the Watermaster's office. (Based on Judgment, page 20, Section 37(d).) Copies of such records may be obtained upon payment of the duplication costs thereof.

2.03 REGULAR MEETINGS. The Pool Committee shall meet annually, at the beginning of each year, at such time and place as the Pool Committee may determine from time to time by resolution, for purpose of conducting the business of the pool and to make such recommendations as may be necessary to properly advise Watermaster. If the time designated for regular meetings shall fall on a legal holiday, the regular meeting shall be held instead on the next succeeding regular business day at the same time and place, or such other day, time and place as may be designated.

2.04 SPECIAL MEETINGS. Special meetings may be called at any time by the Chairperson or by any three (3) members of the Pool Committee. (Based on Judgment, page 20, Section 37(c).)

2.05 ADJOURNMENT. Any meeting may be adjourned to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. A copy of the order or notice of adjournment, shall be conspicuously posted forthwith on or near the door of the place where the meeting was held (See Judgment, pages 20-21, Section 37(e).)

2.06 PUBLIC MEETINGS. All meetings, whether regular or special, shall be open to the public.

2.07 NOTICE. Notices shall be given in writing to all Active Parties within the Pool and each such person who has requested notice in writing, and shall specify the time and place of the meeting and the business to be transacted thereat.

Delivery of notice shall be deemed made on the date personally given or within 96 hours of deposit thereof in the United States mail, first class, postage prepaid, addressed to the designee and at the address in the latest designation filed by such person.

2.08 QUORUM. A majority of the voting power of the Pool Committee shall constitute a quorum for the transaction of its affairs. (Based on Judgment, page 18, Section 35.)

2.09 VOTING PROCEDURES. The total voting power on the Pool Committee shall be 1,000 votes. Of these, 500 votes shall be allocated in proportion to decreed percentage shares in Operating Safe Yield. The remaining 500 votes shall be allocated proportionally on the basis of assessments paid to Watermaster during the preceding year. Routine business of the Pool Committee may be conducted on the basis of one vote per member, but upon demand of any member a weighted vote shall be taken. Affirmative action of the Committee shall require a majority of the voting power of members in attendance, provided that it

includes concurrence by at least one-third of its total members. (See Judgment, page 68, Section 3.)

Any action or recommendation taken by the Pool Committee shall be transmitted to Watermaster in writing within five (5) days of such action, together with a report of any dissenting vote or opinion. (Based on Judgment, page 19, Section 35.)

All actions may be adopted by voice vote, but upon demand of any member the roll shall be called and the ayes and noes recorded in the minutes of the proceedings.

2.10 AGENDA. Any person requesting that a matter be considered for action by the Pool committee, shall request such action in writing delivered to the secretary thereof at least fourteen (14) days prior to said meeting. The priorities of business shall be as stated in the agenda for a particular meeting, subject, however, to matters of business which may arise on an urgency basis, and require the immediate attention and action of the Pool Committee.

2.11 MINUTES. The secretary (or in the absence thereof) any person so designated at said meeting) shall prepare and subscribe the minutes of each meeting and make available a copy thereof to the appropriate Active Parties and each person who has filed a request for copies of all minutes or notices in writing. The minutes shall constitute notice of all actions therein reported. (Based on Judgment,

page 20, Section 37(d.), unless a reading of the minutes of a meeting is ordered by a majority vote of its members, each such minutes may be approved without reading.

2.12 RULES OF ORDER. Except as may be provided herein, the procedures for the conduct of any meeting shall be governed by the latest revised edition of Roberts' Rules of Order. However, such rules, adopted to expedite the transaction of the business in an orderly fashion, are deemed to be procedural only and the failure to strictly observe such rules shall not affect the jurisdiction or invalidate any action taken at a meeting that is otherwise held in conformity with law.

2.13 COMPENSATION. Members of the Pool Committee may by resolution, allow themselves compensation for attendance at meetings, regular or special, in an amount not to exceed twenty-five (\$25.00) dollars per meeting, to a maximum of three hundred (\$300.00) dollars per year, together with reasonable expenses related to the respective activities thereof, subject to applicable provisions of law. (Based on Judgment, page 19, Section 36.)

2.14 OFFICERS. Annually, members of the Pool Committee shall elect one of their number to serve as Chairperson and another of their number to serve as Vice Chairperson. They shall also select a secretary, a treasurer and such assistant secretaries and treasurers as may be appropriate, any of who may, but need not be members of the

Pool Committee. All officers are to hold their respective offices subject to the vote of the majority voting power of the Pool committee. (Based on Judgment, page 19, Section 37(a).)

The Chairperson shall preside over all meetings of the Pool Committee. In the event of the Chairperson's absence, inability, or disability, these duties shall be performed by the Vice Chairperson. In the event of the Vice Chairperson's absence, inability, or disability as well, such duties shall be performed by one of their number so appointed, by majority vote, as temporary Chairperson for that meeting. The secretary shall prepare and maintain minutes of the meetings of the Pool Committee and forward the originals for filing to the Watermaster within ten (10) days of each meeting.

2.15 ADVISORY COMMITTEE REPRESENTATIVES. Ten (10) members of the Pool Committee shall be designated to represent the pool on the Watermaster Advisory Committee. Each major appropriator, i.e., the owner of an adjudicated appropriative right in excess of 3,000 acre feet, shall be entitled to one representative. The other members representing the Pool on the Watermaster Advisory Committee shall be elected at large by the remaining members of the Pool on the basis of one of the members representing the Appropriative Pool on the Watermaster Advisory Committee shall be elected at large by the remaining members of the Appropriative Pool on the basis of one vote per member, and the other member representing the Appropriative Pool on the Watermaster Advisory Committee shall be elected based upon a

volume vote. The voting power of the Pool on the Watermaster Advisory Committee shall be apportioned between the major appropriator representatives in proportion to their respective voting power in the Pool Committee. The remaining two representatives shall exercise equally the voting power of all remaining appropriators. If one of the two remaining representatives fails to attend a Watermaster Advisory Committee meeting, the voting power of both representatives shall be exercised by the one so attending. If both remaining representatives fail to attend, their voting power shall be allocated proportionately among those representatives attending. If any representative, other than a non-major appropriator representative, fails to attend a Watermaster Advisory Committee meeting, the voting power of that representative shall be allocated among all the representatives of the Pool in attendance in the same proportion as their own respective voting powers. (Based on Judgment, pages 68-69, Section 4.)

2.16 REPLENISHMENT. It shall be the responsibility of the members of the pool to provide the funds necessary for purchase of replenishment water to replace any production by such pool members in excess of Operating Safe Yield in accordance with the formula set forth in paragraph 7 of Exhibit H to the Judgment. (Based on Judgment, page 69, Section 5.)

2.17 ADMINISTRATIVE ASSESSMENT. Costs of administration of the Pool and its share of general Watermaster expense shall be recovered by a uniform assessment applicable to all production during the

preceding fiscal year or calendar quarter. (Based on Judgment, page 64, Section 6.)

2.18 ASSIGNMENT, LEASE AND/OR LICENSE. Appropriative rights, and corresponding shares of Operating Safe Yield, may be assigned or may be leased or licensed or licensed to Watermaster, either for Watermaster's own account or in trust for an appropriator not a party to the Judgment, or to another appropriator within the Pool for exercise within the Basin in a given year. Any assignment, lease or license shall be ineffective unless provided in a form approved by Watermaster and when written notice thereof is furnished to Watermaster, in compliance with applicable Watermaster rules.

(Based on Judgment, page 77, Section 13.)

2.19 AMENDMENT. The Pool Committee may amend the rules and regulations from time to time, but not inconsistent with its pooling plan, by majority vote of the voting power. (Based on Judgment, pages 77-78, Section 14; page 19, Section 35.)

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