

**Draft *Verbatim* Minutes**  
**CHINO BASIN WATERMASTER**  
**NON-AGRICULTURAL POOL CONFERENCE CALL MEETING**  
**AND SEPARATE CONFIDENTIAL SESSION CONFERENCE CALL MEETING**  
**April 8, 2010**

The Non-Agricultural Pool Meeting was held via conference call using the Chino Basin Watermaster conference call number on April 8, 2010 at 8:00 a.m. The Non-Agricultural Pool Confidential Session was held via conference call using a confidential number provided by Bob Bowcock and/or Kevin Sage on April 8, 2010 for the confidential session item VIII.

**NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL**

Bob Bowcock, Chair	Vulcan Materials (Calmat Division)
Kevin Sage	Vulcan Materials (Calmat Division)
Brian Geye	California Speedway
Steve Arbelbide	California Steel Industries
Tom O'Neil	City of Ontario
Lisa Hamilton	General Electric Company (Geomatrix)
David Penrice	Aqua Capital Management LP
Curtis Stubbings	Praxair, Inc.
Chris Helm	Praxair, Inc.
Bob Lawhn	RRI Energy

**Watermaster Staff Present at Watermaster**

Kenneth R. Manning	Chief Executive Officer
Joe Joswiak	Chief Financial Officer
Sherri Lynne Molino	Recording Secretary
Ben Pak	Senior Project Engineer
Danni Maurizio	Senior Engineer
Janine Wilson	Accountant

**Watermaster Consultants Present on Conference Call**

Michael Fife	Brownstein, Hyatt, Farber & Schreck
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**Others Present on Conference Call**

Allen Hubsch	Hogan & Hartson LLP
Marguerite Battersby	Sheppard Mullin

**Others Present at Watermaster**

Ken Jeske	City of Ontario
Paul Deutsch	Geomatrix
James Jenkins	San Bernardino County, Department of Airports

**Ken Manning:** Okay, whenever you're ready to go then, we will go ahead and take roll call, if you're ready, or if you want to wait a couple of minutes.

**Bob Bowcock:** its four minutes after, let's go ahead and convene the meeting and ask that Sherri Lynne take the roll call.

**Ken Manning:** Okay.

**Sherri Lynne Molino:** Called each company name.

Vulcan Materials, Company – *Here*  
Ameron Steel – *no response*  
Angelica Textile Services – *no response*  
California Speedway – *no response*  
(CSI) California Steel Industries – *I'm here, Steve Arbelbide*  
CCG Ontario, LLC –

**Tom O'Neil:** Is that City of Ontario?

**Sherri Lynne Molino:** No

**Tom O'Neil:** I'm sorry...

**Sherri Lynne Molino:** That's all right.

**Ken Jeske:** CCG has no rights.....

City of Ontario – *Tom O'Neil*  
General Electric Company (Geomatrix) – *no response*  
Aqua Capital Management LP – *Present, Dave Penrice.*  
KCO,LLC/The Koll Company – *no response*  
San Antonio Winery – *no response*  
Swan Lake Mobil Home Park – *no response*  
Praxair, Inc. – *Present, Curtis Stubbings*  
Reliant Energy – *no response*  
San Bernardino County – *no response*  
San Bernardino County, Dept of Airports – *no response*  
Southern California Edison – *no response*  
Space Center Mira Loma – *no response*  
Sunkist Growers Incorporated – *no response*  
West Venture Development – *no response*

**Ken Manning:** Any other Non-Ag parties that have joined the call since we started the roll call?

**Lisa Hamilton:** Lisa Hamilton, General Electric.

**Brian Geye:** Brian Geye, Auto Club Speedway.

**Ken Manning:** Any others?

**Sherri Lynne Molino:** Any others?

**Kevin Sage:** Kevin Sage is on the phone.

**Ken Manning:** Okay, hi Kevin. Um, Okay, um.....

**Sherri Lynne Molino:** Any attorneys?

**Allen Hubsch:** Allen Hubsch is on the phone.

**Peg Battersby:** Peg Battersby representing CSI.

**Sherri Lynne Molino:** Okay.

**Allen Hubsch:** Well, I guess I'd ask, uh, are there any other uh, uh, people on the phone?

**Michael Fife:** Michael Fife.

**Ken Jeske:** Ken Jeske is at Watermaster office.

**Ken Manning:** And then Watermaster staff is here.

**Chris Helm:** I'm Chris Helm with Praxair.

**Ken Manning:** Chris, are you voting for Praxair?

**Chris Helm:** No, no Curtis Stubbings is here.

**Ken Jeske:** Hello Chris.

**Allen Hubsch:** Is there anybody else who's participating on the call who has not announced their presence yet?

**Ken Manning:** Okay.

**Sherri Lynne Molino:** Okay.

**Ken Manning:** All right Bob, it's all yours. Um, go ahead.

**Bob Bowcock:** Okay, the meeting has been called to order. Um, we've taken a roll call and it's 8:08. The ah, first item on the agenda is the Consent Calendar, Items 1A through C, um, the first item being the minutes, the second item B being the financial reports, and C being water transactions. Does anyone have any concerns or questions concerning the Consent Calendar?

**Allen Hubsch:** Well, Bob, uh, the last few meetings, this is Allen Hubsch, the last few meetings we have declined to approve the minutes and financial reports mostly because we have concerns about how they are prepared and ah information ah that's within the financial reports that we don't necessarily understand. So, I don't know how you want to deal with that but I just wanted to.....ah if we want to be consistent, ah, we're not ah, if we want to be consistent we would not approve them. Not necessarily vote, ah, that they're not right but just not approve them.

**Bob Bowcock:** Okay. That, ah I was waiting to see if another member of the committee or the pool wanted to do it, um, but what I will do is um, with that, with that ah concern raised I will remove items 1A and 1B from the Consent Calendar at this time for the reasons stated by, by attorney Allen Hubsch. I would also ask that, um 1C, um, be removed from the Consent Calendar for the ah, opportunity to discuss it um with that we're not going to take the Consent Calendar as the Consent Calendar it sounds like what we'll do is we'll go ahead and just roll it into um, you know, still agendize the Consent Calendar but I'm going to treat it as a Business Item. Um, the, the ah first item on the Consent Calendar that was removed was Item 1A the minutes um unless I hear a motion for approval we're going to ah let them stand as unapproved so I don't want A Minutes of the, the ah, A1 re, ah, resubmitted verbatim minutes of the Joint Appropriative and Non Agricultural Pool meeting held February 4, 2010, and A2 Minutes of the Non-Agricultural Pool Conference Call Meeting held March 4, 2010.

**Sherri Lynne Molino:** Okay.

**Bob Bowcock:** A, hearing none the item is not, therefore not approved. B, Financial Reports, B1 Cash Disbursements for the month of February 2010, B2 Watermaster Check Detail for the month of February 2010, B3 Combining Schedule for the period of July 1, 2009 through February 2008, February 28, 2010, B4 Treasurer's Report of Financial Affairs for the period of February 1, 2010 to February 28, 2010, B5 Budget versus Actual July 2009 through February 2010. Hearing none, the item is not approved. Item 1, Consent Calendar C Water Transactions. Which one?

**Sherri Lynne Molino:** Bob, you're um, Mr. Chairman, you're going to take each water transaction with a separate motion, is that my understanding?

**Bob Bowcock:** Yeah.

**Sherri Lynne Molino:** Okay.

**Bob Bowcock:** Um, and what I'll do is, is while we're here, Ken, so you can kind of see where we're going with this, um, I absolutely support all of the water transactions 1, C1 through 6, um just as an individual member of the, of the pool but, ah, in leading the meeting as chairman, um there are two things that I would like to discuss, and we can discuss them kind of openly at the beginning, we'd be able to ah, get through these in a much quicker fashion. Ah, the first um concern that has been voiced to me um by members of the pool, um and, and this one perhaps is addressed to ah the voting member, um in attendance from the City of Ontario as well as ah Mr. Jeske, um consultant for the City of Ontario present at Watermaster. And that, the first question is um on the issue of um volume vote, and the majority of ownership of both the Appropriative Pool and now the Non-Agricultural Pool you had that even before the pending transactions Item number 6 with Praxair. Um, it's, it's, it's becoming more of a concern as to Ontario's role in that I don't want um that position to, to cause any delay in this proposed transaction, but would like to ask the City of Ontario, um, who's been very good and very forthright about, you know, their participation in the Non-Agricultural Pool as, as, you know, an increasing roll in ownership but as more of a passive participant in that they're such an active leader in the Appropriative Pool and I don't expect to, have you know, you answer that in, in great detail. Know that the question's been raised, and we would be seeking some sort of input from the City of Ontario. And this was contemplated under Peace II wherein it was it was discussed that the Appropriative Pool members could acquire Non-Ag Overlying rights um and it was, it was articulated quite well that eventually the issue of dual pool membership and majority ownership in dual pool um, would eventually have to be addressed. And I think that there are a couple of opportunities where it can be addressed um, to the satisfaction of everyone without causing a lot of, of, ah, grief or consternation. But would like to throw that at the City of Ontario as the acquiring party that ah, as you, you need to acquire, it's something that's going to be, need to be addressed.

**Ken Jeske:** Bob.

**Bob Bowcock:** Yes sir.

**Ken Jeske:** This is Ken Jeske. Since I was the person involved in this deal. First of all um, this proposed transaction does not make Ontario a majority of that pool and Ontario is not the majority of the Appropriative Pool either, so to make one correction to your statement um. Secondly um, the proposed transaction has timelines in it before the transaction closes, and those timelines very similar to the transaction um that Ontario did when it um acquired Sunkist and intervened in the pool. Those transactions do not close until after the Watermaster Board acts, um, and the, ah, appeal period for a Section 31 appeal is over. So, you're looking at the closing date of the transaction out in the future so you shouldn't really have a change in the voting for some time yet, and certainly not before the court hearing. So there really should be no impact to the proceedings that are going on, it's not Ontario's um, intent to impact those proceedings. This water transaction was in discussion, in negotiation long before there was any thought of the current controversy, and I know both Mr. Stubbings and, and um, Chris Helm can verify that we were in discussions long before then. It is in the parties' interest, um, in the interest of the Non-Ag party Praxair and the Non-Ag party Ontario to complete this transaction as quickly as possible, and, and we would ask that the representatives to approve that Item C6 on the agenda, it's also on the agenda for the other pools. And finally, I am not aware that any appropriator can purchase Non-Ag rights, Bob, as you said. I'm only aware that members of the pool can. So parties would have to appropriately intervene into the pool and would have to meet the conditions to intervene into the pool in order to purchase those rights. So I don't think it's a situation today, um under the agreements and the orders of the court and the Judgment where any party can buy Non-Agricultural rights. So I, I don't think that's correct. So, Ontario's intention is only to work within the framework of the Judgment and the subsequent orders and agreements.

**Bob Bowcock:** Perfect. And, and just so that I can restate, and, and I appreciate some of the corrections that you made, um, but I want to restate it is not my intention to withhold approval of this

transaction at all. Um, it is to merely start the dialogue, which you've done a very good job of doing, um, in representing the City of Ontario's position on a go forward basis. It's of concern to members of the pool, minority members of the pool, just wanting to better understand and it's probably something that we can take up within the pool. We have special pool Rules and Regulations, um, that have allowed us to, for instance, have a quorum of one, things like that. I think that the minority members of the pool, who many have called over the last 10 days voicing concern about this, um, and basically just saying they would like to hear from Ontario, and I think you've done a very good job of articulating your position and your willingness to go forward with dialogue as to how that can take place. Um, and with that I have no intention, like I said, of withholding approval of this transaction at all. I think most of the pool members that called and voiced concerns are absolutely supportive of the, uh, liquidity of the transaction capability within the pool and support that. They just want to make sure that they understand how, um, with the concept of volume voting as it's currently outlined, um, while I use the term majority, um, position what I meant was, um, that the largest member of the pool, not necessarily holding the majority, which would be 51%, but being the largest member, um, with a foot in both pools. That was the, you know, Ontario is, you know, for all intents and purposes, the leader city within the Chino Basin. And it's just one of those things, well, we all love Mr. Jeske, um, and, and all the representatives of the City of Ontario, politically regimes can change and influences can shift and we just want to make sure that the minority interests are protected. Now, that being said.....

**Ken Jeske:** Mr. Chair.....Yeah, and I would suggest that any pool member that has a thought or a comment please give me a call. I know Ontario wants to be in a position to be ah a partner in the good basin management.

**Ken Manning:** Bob, as I had mentioned to you when we rescheduled this meeting for 8:00, ah, some of our staff, we have to head down to the Ag Pool and so we're going to drop off, ah, I personally and Joe Joswiak, the new CFO, we're leaving the meeting, and Danni and Ben and Janine are staying here to continue with the meeting. Um, and so I just wanted to let you know, but I did also in my last email to you Bob on Friday, mention that um, we do have, if you wanted to change the meeting in May because of the ACWA Conference, and you can let me know that later, you don't have to do it now. But I did want to put that on notice that we, that Thursday meeting in May, May 6th, is the same as ACWA, so.....

**Bob Bowcock:** Okay.

**Ken Manning:** And with that I'm going to take off and leave the meeting with Danni Maurizio, so.....

**Bob Bowcock:** Okay, real quick, the next question if you could give us two minutes. The next question, um, basically involves some of the other transactions. And, if you could give perhaps a 30 to one minute explanation. Why are we transferring from Appropriators to Watermaster to other Appropriators? Why aren't the transactions going direct?

**Ken Manning:** Yeah, actually, um, a good question, and it was, it's, this is a, we did this, um, earlier on another transaction last year with Fontana as well and the transaction, this is a little different than what we've done in the past, it's a little different vanilla, um, a little different than the vanilla transfer, um, and it's because we have collected the money from Fontana and Fontana made a deal to purchase water. You see two of them in the agenda where Fontana actually made the deal, came to us and said we want to make this transaction. Well, in this particular case we are holding the money for Fontana so the only option would be for us to then send the money back to Fontana which we, we don't think we have authority, nor we think it would be prudent to do. So, they are buying the water through Watermaster, um, in the transaction that they, um, negotiated. And so, that's why it's being done that way.

**Bob Bowcock:** With funds you are already holding?

**Ken Manning:** With funds that we are already holding....and then we made it clear to Fontana that if the transaction was in excess of what we collected that they are responsible for the difference, and they are aware of that, and so the transaction is going along as if they had made the deal they are just using

Watermaster to, to carry the funding part of it for them, and then, and that's the only difference. That's why the transaction amount is not in there, because in the past if a deal is made between two agencies we don't list the transaction amount until the assessment package that comes out later in the year. Then all transactions become, um, published. So, you'll see that it's not published on these two because it mirrors those same kinds of transactions. The other, um, transactions, or other water transfers that are on the agenda, are pretty much similar to what we always do here at Watermaster, deals between agencies or in the case of the Santa Ana transfer it's a Watermaster ah purchase and we're using all of that, those acre-feet of water to be used against our total cumulative unmet replenishment obligation as opposed to just going to Fontana, and so that one is listed the way it is.

**Bob Bowcock:** Understood....um, and then with that.....go ahead....

**Allen Hubsch:** This is Allen Hubsch, uh, I just want to make clear that none of the water that's being purchased, this so-called storage water or other water that's being purchased in these transactions purports to be any of the Non-Ag Pool's storage water for which the, ah, which is in dispute, is that accurate?

**Ken Manning:** Yeah, that's accurate.

**Allen Hubsch:** Okay.

**Ken Jeske:** That's also accurate for the Ontario/Praxair transaction.

**Ken Manning:** Yes.

**Allen Hubsch:** Correct.

**Peg Battersby:** Bob, if I might? This is Peg Battersby, um, I, on the Ontario transaction, I just have two questions of clarification. The first one is: with this transfer what will be Ontario's percentage of, um, volume, if it's known?

**Ken Manning:** Be approximately, approximately 45 percent.

**Peg Battersby:** That, are you answering that Bob?

**Many people talking at the same time.**

**Ken Jeske:** I don't think it's that high. I don't think it's that high...

**Ken Manning:** That much....

**Ken Jeske:** No, it's....

**Ken Manning:** We'll get it for you...

**Ken Jeske:** It's roughly 1800 plus 426 which is 20.....its 22, 2300 acre feet out of 7300 acre feet, so you can kind of do the math in your head.

**Ken Manning:** 31 percent then, it's what Danni says.

**Peg Battersby:** Okay, the second question is, I think Mr. Jeske indicated that the transaction was scheduled not to be complete until after the Section 31 appeal period was up, and I would just ask if that, if that is the actual term of the transaction or if another date is stated.

**Ken Manning:** Well, the way Watermaster, the way Watermaster does its transactions there's a month delay before it goes to the Board so it won't go to the Board or the Advisory Committee until, um, it won't go to the Board until May, and that's the end of May, so it can't, if Mr. Jeske is, is, if their deal is contingent upon Board approval then it cannot be concluded until the end of May at the earliest.

**Ken Jeske:** Ken, as I, as I indicated the conditions of the deal are that it will close ninety days after the approval by the Watermaster Board. And that's after, well actually ninety-one days...that's after the appeal period.

**Peg Battersby:** Ninety-one days after the appeal period or ninety-one days after the.....

**Ken Jeske:** No, after the Board there's a ninety-day appeal period. The transaction closes the next day.

**Peg Battersby:** Okay, and the ninety-days, that's.....

**Ken Jeske:** That's' very standard....

**Peg Battersby:** Uh, the Section 31....

**Ken Jeske:** Yes, that's, that's very standard for those parties. Not all water transactions have that time period in them, um, but Praxair and Ontario, uh, felt it important to make sure all those timelines had passed, just like they did with Sunkist.

**Peg Battersby:** I know, I, I, appreciate that I, I just wasn't clear whether you were saying there were two different appeal periods.

**Ken Jeske:** No, it's all the one appeal period.

**Peg Battersby:** Okay, that's fine...

**Michael Fife:** If I may, just to, just to clarify I think, um, what Miss Battersby is asking about.....um, um, Peg, the, um, ninety-day appeal period that Mr. Jeske is talking about, um, he's talking about whether a Paragraph 31 motion was filed to review the Board approval of his transaction. He's not talking about the Paragraph 31 motion that the Non-Agricultural Pool has already filed.

**Ken Manning:** Bob, I'm leaving, so ahh, ahh.....

**Bob Bowcock:** Yeah, very good....

**Ken Manning:** Great, thanks, Okay.

**Peg Battersby:** Thank you.

**Bob Bowcock:** Okay, any other questions?

**Dave Penrice:** This is Dave Penrice with Aqua, and I just wanted to, um, weigh in on the Ontario transaction. First um, um, Aqua definitely supports the transaction, we're, we're definitely in favor of free transferability of the Non-Ag Pool and definitely recognize um, Praxair and Ontario's right to transfer this water. We are one-hundred percent supportive of it, um, the issue I think around, um, concentration of ownership in two pools, I think it goes back to Peace I where there were some pleadings and I think one of the concerns raised, um, many years ago was that, um, with appropriators being allowed to intervene in the Non-Ag Pool that um potentially in the future an issue of governance may be needed to be addressed, um, I think from what it looks, from my view, it looks like Ontario has about a forty percent volume vote, um, give or take, which ah, you know, I don't think is a, is a, is a huge issue today but I think it's something we just, you know, need to keep in mind from a governance perspective, is this something we



need to be thinking about, is this something that needs to be addressed, not, not sure it needs to be addressed now, but it's something that needs to be addressed in the future and something we need to kind of be, be mindful of, um, because I don't think that's the intent of the, of the Judgment is to have, um, a dominant party from the Appropriative Pool, um, control the Non-Ag Pool. And I don't, I'm not saying Ontario met that condition today, but let's say the next deal, maybe they buy from us, a thousand acre-feet, that could put them in control and, and if we were the one transferring we'd sure support it, and that would put Ontario in control and there would be nothing to stop them, the way it's laid out today. So, just something to think about.

**Bob Bowcock:** Very good.

**Peg Battersby:** I, I agree with that, Dave, and I appreciate that, um, comment. Is there some way, Bob, that we could move ahead with the review or a period during which the pool could agendize this and just discuss it?

**Bob Bowcock:** Absolutely.

**Peg Battersby:** Um, go to the pool with respect to the governance issue can be addressed?

**Bob Bowcock:** Absolutely, I think it's a, I think it's something that we need to discuss, uh, sooner rather than later and, uh, would ask that staff, you know, allow for, uh, you know, perhaps a thirty minute workshop prior to our next meeting. So we can kind of go through it, and give Ontario an opportunity to kind of come up with some ideas, maybe staff, um, Watermaster counsel, um, you know, you know a liberal discussion among counsel within the pool, you know, between yourself, Peg, and, and Ontario's representative counsel, um, things like that I would absolutely encourage, and then we can sit down and have a workshop and make this, make this right.

**Peg Battersby:** I would appreciate that, thank you.

**Ken Jeske:** Ontario would certainly be willing to participate in any such workshop. Obviously as a large party in the pool today Ontario's not interested in seeing, you know, erosion of Non-Agricultural rights. So it's certainly not, it's certainly not in Ontario's interest to, to be in these transactions for anything other than the beneficial use of the basin water.

**Bob Bowcock:** Excellent. Well, with that being said, uh, free and liberal discussion until, uh, we can convene an agenda which will be within the next thirty days. Uh, Ken talked a little bit about, you know, a, a schedule shift in May, um, as soon as I get that information out I'll, I'll share it with all the members of the pool. Then we can properly agendize, and I think that that would be something we would probably want to base on Watermaster. That we probably wouldn't, we'll offer a call-in, but what we'll do is, we'll do the workshop first and then roll to a call-in because I know many members that travel. Um, Okay, with that I will entertain a motion to approve Items C1 through 6, um, from the original consent calendar.

**Steve Arbelbide:** CSI makes that motion?

**Tom O'Neil:** Ontario will second.

**Bob Bowcock:** Very good, all in favor?

**Many voices:** Aye...

**Bob Bowcock:** Take a roll call vote? I think everybody, is there a dissenter? And um um, now that they've all passed too, also, um, just, I know Danni stayed on the call, there's a couple of them that actually have form errors where the 85/15 is checked wrong in some boxes and right in some boxes, and the dialogue is not necessarily correct for that producer, as long as this goes through the process and we



have staff correct the forms so that they're, they're officially right, it'll make things cleaner at the end of the day.

**Danni Maurizio:** Do you, do you want to comment on what those corrections are?

**Bob Bowcock:** Yeah, I'll, I'll give you a call offline. But they were just.....I had a chance to read the package in gory detail, which I don't always have that opportunity, and just identified errors through some of those forms.

**Danni Maurizio:** Okay.

**Bob Bowcock:** So, um, next item on the agenda is Business Item 2A, is there a staff report on agreement to form a task force?

**Ben Pak:** Yes, this is only, only a discussion item.....

**Danni Maurizio:** This is Ben talking now...

**Ben Pak:** This is Ben talking, yeah, this is only discussion only...ah, we'll do an additional report and we're not really asking for any approval.

**Bob Bowcock:** Okay, so you're basically putting it out there. Once again I've had an opportunity to, um, review and, um, I'll let the rest of the pool chime in, I don't want to spend a whole lot of time on Item 2A, and then ultimately 2B, which is just an amendment to that task force. In, um, in review um, the, the funds that would be required, I realize they're rather, um, um, small, um, contributions. But I also recognize that most of the weights being carried by municipal water districts, and what I'll be expecting from staff is some sort of an explanation as to why the Watermaster, as an entity, often finds themselves in a, in a position of participating in these....

**(Unintelligible, background hold music begins)**

**Background talk**

**Bob Bowcock:** Hold on, we're trying to get the racetrack to disconnect. Everyone please try to hold on, the racetrack put us on hold....

**(Unintelligible, background hold music continues and then stops)**

Bob Bowcock: Hello?

Danni Maurizio: Is everybody there?

**Unintelligible voices.....**

**Danni Maurizio:** Thank you, Bob.

**Bob Bowcock:** Thank God we could tell that it was the racetrack because of the, the hold music.

**Danni Maurizio:** Yeah...

**Brian Geye:** Guess what? It wasn't me.

**Bob Bowcock:** Oh, really?

**Brian Geye:** No.

**Bob Bowcock:** I'm Sorry...well....

**Brian Geye:** I couldn't figure out what was going on the same...

**Bob Bowcock:** Whoever it is has the hold from a racing format.

**Brian Geye:** Yeah, and I'm like, that sounds like me and everybody's going to think it's me but it's not my on-hold message. Not to mention, I was on my cell phone, which doesn't have an on-hold message.

**Bob Bowcock:** Oh, wow....okay, well then somebody that's, that's listening to back talk....

**Brian Geye:** There you go.....unbelievable....

**Bob Bowcock:** Sorry....

**Brian Geye:** That's all right.

**Bob Bowcock:** Okay, we're all back on. This is where I'm at with Item 2A and B so that we can get on our, our, ah, closed session call. Um, since it's just information items only, um, what I'm going to be expecting from staff is an explanation as to why Watermaster feels compelled to get involved in virtually everything that has anything to do with water. Um, if there's a good explanation, I, I can, you know, work with the pool and we can support it. But from, uh, insomuch as there's no, no information and no, ah, no reason to support it now, it's only for discussion purposes to come up at a later meeting. Be prepared for my question, I'm giving you the head's up now, and that is Watermaster does not need to even for two-hundred and fifty dollars, twenty-five hundred dollars or two-hundred and fifty thousand dollars, be involved in everything, um, and so I'll be looking for a better explanation than the one given in Items 2A and 2B. That rolls us into staff report, um, 3A, is there any update from Watermaster's general counsel on ah, the Paragraph 1 motion or the database and records management?

**Michael Fife:** Um, sure, I don't know, uh, I think you're going to have a closed session on this so, um, you probably don't want too much detail from me. I'm available to answer questions. We had a hearing on Friday um to go over procedural matters and Watermaster will be filing its response, um, to the Paragraph 31 motion, um, um, this coming Monday on the 12th. Um, as for the other items, the database management, um, this is something that has been an outgrowth of the process that's been going on for several months, um, to create a policy manual for Chino Basin, um, and I think that process has been going on for something on the order of six months or so. Um, as an outgrowth of that, um, while we've been dealing with issues such as notice, etc., um, we've been noticing that that our, um, database could also use a, um, updating and a review, and so, um, we are just letting everybody know that we are going to begin going through that process, um, um, in order to make sure that all of our records are perfect and the way they should be under the Judgment. Um, so that's a very brief overview but I'm happy to answer questions, um, about either of those subjects.

**Bob Bowcock:** Anybody have any questions for counsel? Okay, hearing none now that moves us to the CEO Report. He's left; did he leave any instructions for either Danni or Ben?

**Danni Maurizio:** Yeah, this is Danni here. I have a couple of things I can update you on. Um, the Legislative Update, he did say he will update everybody at the Advisory Committee meeting. In terms of the Recharge Update, for the month of March we recharged for stormwater five-hundred and seventy-one acre-feet, and for recycled water six-hundred and twelve, so that's, um, almost twelve hundred acre-feet for the month bringing the totals to date for the, um, fiscal year up to, ah, twelve..., twelve-thousand six hundred for storm, and recycled forty-four hundred. So, a little over seventeen thousand total to date for the fiscal year. And then, um the next issue, the regional board complaint, we received a copy from the regional board of the complaint. It's for, um, it's a fine to IEUA and Watermaster for two-hundred and twenty-seven thousand dollars, and it's due to the, um, slowness of the CDA installing the wells for

hydraulic control. Uh, Ken said that he'll provide further information on it at the Advisory Committee meeting, but.....

**Bob Bowcock:** Can you post that a, that order on the ftp site?

**Danni Maurizio:** Uh, I will ask Ken.

**Bob Bowcock:** Okay.

**Danni Maurizio:** I will make a note of that. And we do have a meeting scheduled with Jerry, um, Thibeault on April 19<sup>th</sup> to discuss it further.

**Bob Bowcock:** Excellent.

**Danni Maurizio:** I will, yeah, I will ask Ken about posting it, see if we can. And then, um, regarding the last one, San Sevaine 5 berm improvements, Ben has a PowerPoint that he's prepared to give at all the meetings. Um, that's not going to work for this conference call but he can give an overview of it right now...a verbal.

**Ben Pak:** Yeah, back in 2008 the one side of the berm of San Sevaine number 5 has been breached, collapsed, and in February 2009 Watermaster staff had put some sand bags to be able to capture the stormwater and then finally in March of this, well, last month has been the whole berm improvement project has been completed so we are now capturing water at San Sevaine Basin Number 5.

**Bob Bowcock:** Very good. Any, ah, any, ah, other items for the good of the cause? Any comments from pool members? Any other business? Okay, we will convene the confidential closed session at 8:45.

**Danni Maurizio:** Okay.

**Janine Wilson:** Bob.....

**Bob Bowcock:** Does anyone need the number? Pardon?

**Danni Maurizio:** I'm, I'm sorry, Bob, before everybody goes; I heard a bunch of people jumping in on the call in the last half hour. Can we see who's joined since we took the roll call? Can anybody state their name, who's joined?

**Bob Lawhn:** This is Bob Lawhn with RRI Energy, representing the Etiwanda Plant.

**Danni Maurizio:** Anybody else?

**Bob Lawhn:** And, is there a different number for the next call?

**Danni Maurizio:** There is, and Bob will have to provide that for you.

**Bob Bowcock:** Who needs it, I'm sorry?

**Danni Maurizio:** State your name.

**Bob Bowcock:** We're going to have to send it by email. Who, who needs it?

**Bob Lawhn:** Uh, Bob Lawhn, RRI Energy, I'm here in Las Vegas.

**Bob Bowcock:** Uh, Okay. Um, are you, do you have access to your email? We'll send it to you immediately.

**Bob Lawhn:** Bob, I'm on email right now.

**Bob Bowcock:** Okay, it'll be right there.

**Bob Lawhn:** Thank you

**Danni Maurizio:** Is there anybody else who's.....

**Bob Bowcock:** Five minutes, guys....

**Danni Maurizio:** Anybody else who's joined the call?

**Bob Lawhn:** We just disconnect from this call and just dial back in the new number?

**Bob Bowcock:** Yeah.

**Bob Lawhn:** Okay.

**Bob Bowcock:** Kevin, can you forward that real quick? Oh, I'm sorry....Okay, anybody else?

**Danni Maurizio:** All right, and, and Bob, um, after you're....Bob, are you still there?

**Bob Bowcock:** Yes, ma'am....

**Danni Maurizio:** Just please make sure that you email Sherri Lynne after you've adjourned your closed session with, with the time of adjournment

**Bob Bowcock:** I will.

**Danni Maurizio:** And, um, if there's any action.

**Bob Bowcock:** Any action taken.

**Danni Maurizio:** Yes.

**Bob Bowcock:** Very good.

**Danni Maurizio:** Thank you very much.

***The regular open conference call meeting adjourned at 8:38 a.m.***

#### **AGENDA - ADDITIONS/REORDER**

There were no additions or reorders made to the agenda noted during the conference call.

#### **I. CONSENT CALENDAR**

##### **A. MINUTES**

As noted in the verbatim minutes.

##### **B. FINANCIAL REPORTS**

As noted in the verbatim minutes.

##### **C. WATER TRANSACTIONS**

As noted in the verbatim minutes.

*Motion by Arbelbide, second by O'Neil, and by unanimous vote  
**Moved to approve Items C1 through C6, as presented.***

**II. BUSINESS ITEMS**

As noted in the verbatim minutes.

**III. REPORTS/UPDATES**

As noted in the verbatim minutes.

**IV. INFORMATION**

1. Newspaper Articles

No comment was made regarding this item during the conference call.

**V. POOL MEMBER COMMENTS**

As noted in the verbatim minutes.

**VI. OTHER BUSINESS**

As noted in the verbatim minutes.

**VII. CONFIDENTIAL SESSION - POSSIBLE ACTION**

Pursuant to the Non-Agricultural Pool Rules & Regulations, a Confidential Session will be held during the Watermaster Pool meeting for the purpose of discussion and possible action.

The closed session was adjourned at 9:05 a.m.

There were no reported actions given to the recording secretary by Chair Bowcock.

**VIII. FUTURE MEETINGS**

Thursday, April 8, 2010	8:00 a.m.	Non-Agricultural Pool Mtg. @ CBWM/Conference Call
Thursday, April 8, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, April 8, 2010	1:00 p.m.	Appropriative Meeting @ CBWM
Thursday, April 15, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, April 15, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Wednesday, April 21, 2010	9:00 a.m.	* RMP Half Day Workshop @ <b>Rancho Central Park</b>
Thursday, April 22, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM
Thursday, May 6, 2010	1:00 p.m.	Appropriative Meeting @ CBWM
Thursday, May 6, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, May 13, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Wednesday May 19, 2010	9:00 a.m.	* RMP Half Day Workshop @ <b>Rancho Central Park</b>
Thursday, May 20, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, May 20, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, May 27, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

**\* Recharge Master Plan (RMP) Workshop from 9:00 a.m. to Noon at Rancho Central Park  
11200 Base Line Road, Rancho Cucamonga**

Secretary: \_\_\_\_\_

Minutes Approved: \_\_\_\_\_