

**NON-AGRICULTURAL POOL MINUTES
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
August 5, 2010**

The Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on August 5, 2010 at 2:30 p.m.

NON-AGRICULTURAL POOL MEMBER PRESENT AT WATERMASTER WHO SIGNED IN

Bob Bowcock, Chair	Vulcan Materials (Calmat Division)
Scott Burton	City of Ontario

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Brian Geye	Auto Club Speedway
Dennis Poulsen	California Steel Industries
David Penrice	Aqua Capital Management LP
Curtis Stubbings	Praxair, Inc.
Bob Lawhn	RRI Etiwanda

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

Watermaster Consultants Present at Watermaster

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

Allen Hubsch	Hogan Lovells US LLP
Kevin Sage	Vulcan Materials (Calmat Division)

Others Present at Watermaster who Signed in

Jill Willis	Best Best & Krieger
John Shatz	John J. Schatz, Attorney at Law
Steven G. Lee	Reid & Hellyer

Chair Bowcock called the Non-Agricultural Pool Conference Call Meeting to order at 2:32 p.m.

AGENDA - ADDITIONS/REORDER

Mr. Manning commented on changes to Watermaster's financials.

I. CONSENT CALENDAR

A. MINUTES

1. Minutes of the Non-Agricultural Pool Conference Call Meeting held July 1, 2010

Motion by Geye, second by Poulsen, and by unanimous vote

Moved to approve Consent Calendar item A with changes, as presented

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of June 2010
2. Watermaster Visa Check Detail for the month of June 2010

3. Combining Schedule for the Period July 1, 2009 through June 30, 2010
4. Treasurer's Report of Financial Affairs for the Period June 1, 2010 through June 30, 2010
5. Budget vs. Actual July 2009 through June 2010

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 1,000 acre-feet of water from the City of Upland. This purchase is made first from the City of Upland's net underproduction in Fiscal Year 2009-10, with any remainder from the Excess Carryover Account –Date of Application: July 2, 2010
2. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company will purchase 10,000 acre-feet of water from the City of Upland's annual production right, then any additional from Excess Storage – Date of Application: July 2, 2010
3. **Consider Approval for Notice of Sale or Transfer** – Chino Basin Watermaster will purchase 500,000 acre-feet of water from West Valley Water District (WVWD). The transfer will be made from WVWD's storage account – Date of Application: July 2, 2010
4. **Consider Approval for Notice of Sale or Transfer** – Monte Vista Water District will purchase 4,000 acre-feet of water from the City of Upland. This purchase is made first from the City of Upland's net underproduction in Fiscal Year 2010-11, with any remainder from the Excess Carryover Account – Date of Application: July 29, 2010

Motion by Burton, second by Stubbings, and by unanimous vote

Moved to receive and file the items included in Consent Calendar Item B, without approval, and to approve Consent Calendar Item C, as presented

II. BUSINESS ITEMS

A. NON-AGRICULTURAL POOL VOLUME VOTE CHANGES

Mr. Manning reported on this item.

No action was taken.

B. ALCOA FINAL AGREEMENT

Mr. Manning reported on this item.

Motion by Geye, second by Burton, and by unanimous vote

Moved to approve Alcoa Final Agreement, as presented

C. NON-AGRICULTURAL POOL SPECIAL ASSESSMENT

Mr. Manning reported on this item.

No action was taken.

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. CDA Facilitation
Counsel Fife reported on this item.

B. ENGINEERING REPORT

1. Horizontal Strain Monitoring in the MZ1 Monitoring Zone Presentation
No report was given on this item.

C. CEO/STAFF REPORT

1. Legislative Update
Mr. Manning reported on this item.
2. Recharge Update
Mr. Manning reported on this item.

3. Implementation of MWD's Water Supply Allocation Plan
Mr. Manning reported on this item.
4. Peace II SEIR
Mr. Manning reported on this item.
5. Strategic Planning Conference – October 4-5, 2010
Mr. Manning reported on this item.
6. Water Activity Reports
Mr. Manning reported on this item.

IV. INFORMATION

1. Cash Disbursements for July 2010 as of July 28, 2010
No comment was made regarding this item.
2. Newspaper Articles
No comment was made regarding this item.

V. POOL MEMBER COMMENTS

No comment was made regarding this item.

VI. OTHER BUSINESS

No comment was made regarding this item.

The regular open Non-Agricultural Pool meeting was convened to hold its confidential session at 3:20 p.m.

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

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

The confidential session was convened at 4:30 p.m.

A report of the August 5, 2010 confidential session of the Non-Agricultural Pool Committee is hereby approved as follows:

- 1) The Non-Agricultural Pool Committee affirmed its desire and intent to adopt a budget of \$150,000 for legal fees and costs incurred by Pool Counsel; and for Watermaster staff to assess those members of the Pool, in an aggregate amount equal to such budgeted amount, such aggregate amount to be allocated among them in the same proportion and manner as the base assessments for the 2010-2011 water year, consistent with the prior action of the Committee at its meeting on July 9, 2010.
- 2) The Committee affirmed its intent to file a notice of appeal of the Superior Court's decision regarding the Committee's Section 31 motion, consistent with the prior action of the Committee at its meeting on July 9, 2010.

Watermaster staff is hereby authorized and instructed to include the foregoing report in the minutes of the August 5, 2010 meeting of the Committee

VIII. FUTURE MEETINGS

Thursday, August 5, 2010	1:00 p.m.	Appropriative Pool Meeting @ CBWM
Thursday, August 5, 2010	2:30 p.m.	Non-Agricultural Pool Meeting @ CBWM
Thursday, August 12, 2010	9:00 a.m.	Agricultural Pool Meeting @ IEUA
Thursday, August 19, 2010	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, August 19, 2010	9:00 a.m.	Advisory Committee Meeting @ CBWM
Thursday, August 26, 2010	11:00 a.m.	Watermaster Board Meeting @ CBWM

The Non-Agricultural Pool meeting was dismissed by Chair Bowcock at 4:30 p.m.

Secretary: _____

Minutes Approved: September 2, 2010