

Minutes
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
June 2, 2011

The Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on June 2, 2011 at 2:30 p.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

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|---------------------------|--|
| Bob Bowcock, Chair | Vulcan Materials Company (Calmat Division) |
| Ken Jeske, Vice-Chair | California Steel Industries |
| Dennis Poulsen, Alternate | California Steel Industries |
| Brian Geye | Auto Club Speedway |
| Curtis Stubbings | Praxair, Inc. |
| Scott Burton | City of Ontario Non-Agricultural Pool |
| Tom O'Neill, Alternate | City of Ontario Non-Agricultural Pool |
| David Penrice | Aqua Capital Management LP |
| Bob Lawhn | Genon Electric |

Watermaster Staff Present at Watermaster

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| Danni Maurizio | Senior Engineer |
| Joe Joswiak | Chief Financial Officer |
| Ben Pak | Project Engineer |
| Janine Wilson | Recording Secretary |

Watermaster Board Counsel Present at Watermaster

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| Michael Fife | Brownstein, Hyatt, Farber & Schreck |
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Non-Agricultural Pool Counsel Present on Call

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| Allen Hubsch | Hogan Lovells US LLP |
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Chair Bob Bowcock called the Non-Agricultural Pool Conference Call meeting to order at 2:32 p.m.

ROLL CALL

Janine Wilson called roll call.

AGENDA - ADDITIONS/REORDER

No additions or reorders were made to the agenda.

I. BUSINESS ITEMS

A. MINUTES

1. Minutes of the Non-Agricultural Pool Meeting held May 5, 2011

Motion by Jeske second by Geye, and by unanimous vote

Moved to approve May 5, 2011 minutes, as presented

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of April 2011
2. Watermaster VISA Check Detail for the month of April 2011
3. Combining Schedule for the Period July 1, 2010 through April 30, 2011
4. Treasurer's Report of Financial Affairs for the Period April 1, 2011 through April 30, 2011
5. Budget vs. Actual July through April 2011

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

Receive and file Watermaster Financial Reports without approval

- C. DISCUSSION AND POSSIBLE ACTION – DATE AND TIME CHANGE FOR MEETINGS**
Consider Changing the Date and Time for the Non-Agricultural Pool Monthly Meeting to the Second Thursday of the Month.

No motion was made regarding this item.

D. WATERMASTER 2011-2012 BUDGET

Staff Recommends Approval of the 2011-2012 Watermaster Budget.

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

Moved to direct the chairs to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

E. PURCHASE OF 50,000 ACRE-FEET WATER FROM METROPOLITAN WATER DISTRICT

1. Recommend Approval of the applications of Fontana Water Company and Niagara Water Company for Local Storage Agreements.
2. Request that the Watermaster Board waive the thirty day notice period (Watermaster Rules and Regulations Section 10.10) and the twenty-one day consideration period (Watermaster Rules and Regulations Section 10.11) for Applications for Local Storage Agreements, so that the Advisory Committee and Watermaster Board may approve the Local Storage Agreements in June. This request is sought with the express acknowledgment that it does not create precedent for future applications.

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

Moved to direct the chairs to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate with the caveat that the Non-Ag Pool has and will have no obligations with respect to desalter replenishment

II. REPORTS/UPDATES

1. Paragraph 31 Appeal
Counsel Fife gave a report on this item.
2. Restated Watermaster Judgment
Counsel Fife gave a report on this item.
3. July 8, 2011 Court Hearing
Counsel Fife gave a report on this item.

B. CEO/STAFF REPORT

1. Recharge Update
Ms. Maurizio gave a report on this item.
2. Horizontal Extensometer Update
Ms. Maurizio gave a report on this item.

III. INFORMATION

1. Cash Disbursements for May 2011
No comment was made regarding this item.
2. Newspaper Articles
No comment was made regarding this item.

IV. POOL MEMBER COMMENTS

No comment was made regarding this item.

V. OTHER BUSINESS

Mr. Schatz offered comment on the Appropriative Pool closed session.

The regular open Non-Agricultural Pool meeting was convened to hold its confidential session at 3:10 p.m.

VI. 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.

1. Paragraph 31 Motion

The confidential session concluded at approximately 4:00 p.m.

The Pool directed the Chair and Pool counsel to continue to engage in settlement discussions with Bob Kuhn and other persons, with the understanding that no settlement would be binding without approval by affected members (see attached Confidential Session Public Report)

VII. FUTURE MEETINGS

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| Thursday, June 2, 2011 | 1:00 p.m. | Appropriative Pool Meeting @ CBWM |
| Thursday, June 2, 2011 | 2:30 p.m. | Non-Agricultural Pool Conference Call Meeting |
| Thursday, June 9, 2011 | 9:00 a.m. | Agricultural Pool Meeting @ IEUA |
| Thursday, June 16, 2011 | 8:00 a.m. | IEUA Dry Year Yield Meeting @ CBWM |
| Thursday, June 16, 2011 | 9:00 a.m. | Advisory Committee Meeting @ CBWM |
| Thursday, June 16, 2011 | 10:30 a.m. | Land Subsidence Committee Meeting @ CBWM |
| Thursday, June 23, 2011 | 11:00 a.m. | Watermaster Board Meeting @ CBWM |
| Friday, July 8, 2011 | 10:30 a.m. | Watermaster Court Hearing @ Chino Court |

The Non-Agricultural Pool Committee meeting was dismissed by Chair Bowcock at approximately 4:00 p.m.

Secretary: _____

Minutes Approved: July 14, 2011