

Minutes
CHINO BASIN WATERMASTER
ANNUAL NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
January 12, 2012

The Annual Non-Agricultural Pool Conference Call Meeting was held via conference call using the Chino Basin Watermaster conference call number on January 12, 2012 at 11:00 a.m.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Bob Bowcock, Chair	Vulcan Materials Company (Calmat Division)
Ken Jeske	California Steel Industries

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Dave Penrice	Aqua Capital Management LP
Brian Geye	Auto Club Speedway
Lisa Hamilton	General Electric Company
Tom O'Neill	City of Ontario
Bob Lawn	Genon Electric

Watermaster Staff Present at Watermaster

Danielle Maurizio	Senior Engineer, Interim CEO
Joe Joswiak	Chief Financial Officer
Gerald Greene	Senior Environmental Engineer
Sherri Molino	Recording Secretary

Watermaster Board Counsel Present at Watermaster

Michael Fife	Brownstein, Hyatt, Farber & Schreck
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Watermaster Consultants Present at Watermaster

Mark Wildermuth	Wildermuth Environmental Inc.
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Non-Agricultural Pool Counsel Present on Call

Allen Hubsch	Hogan Lovells US LLP
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Others Present at Watermaster

Dave Crosley	City of Chino
Kevin Austin	California Steel Industries
Paeter Garcia	California Steel Industries

Chair Bowcock called the Annual Non-Agricultural Pool Conference Call meeting to order at 11:04 a.m.

ROLL CALL

Sherri Molino called roll call.

AGENDA - ADDITIONS/REORDER

Chair Bowcock stated Watermaster staff asked that the agenda be reordered taking Business Item F. will fallow Business Item H., so that the Assessment Package be taken prior to the Levying of Assessments. Ms. Maurizio stated Business Item D. has a revised version that was revised this morning, and it changes one of the reference numbers to a resolution from 09-01 to 11-01.

I. ANNUAL ELECTIONS – Action**A. Calendar-Year 2012 Non-Agricultural Pool Officers**

Nominations will be heard for Pool Chair, Pool Vice-Chair, Secretary, and Treasurer to serve during Calendar-Year 2012.

Chair	<u>Bob Bowcock, Vulcan Materials Company</u>
Vice-Chair	<u>Brian Geye, Auto Club Speedway</u>
Secretary	<u>Watermaster Chief Executive Officer</u>
Treasurer	<u>Watermaster Chief Executive Officer</u>

B. Calendar-Year 2012 Advisory Committee Members

Pool member(s) will be asked to elect Pool representatives and alternates to serve on the Advisory Committee during Calendar-Year 2012.

Member: <u>California Steel Industries</u>	Alternate: <u>None was chosen</u>
Member: <u>Auto Club Speedway</u>	Alternate: <u>None was chosen</u>
Member: <u>City of Ontario</u>	Alternate: <u>None was chosen</u>

C. Calendar-Year 2012 Advisory Committee Officers

Based on the rotation sequence established among the pools, the members of the Non-Agricultural Pool will be asked to appoint a designated representative, 2nd Vice-Chair of the Advisory Committee during Calendar-Year 2012. If the appointed representative is unable to attend an Advisory Committee meeting, a remaining pool officer may serve as his/her alternate.

2nd Vice-Chair Non-Agricultural Pool: Brian Geye, Auto Club Speedway

D. Calendar-Year 2012 Pool Representation on Watermaster Board

The Pool members will be asked to select one Pool representative to serve on the Watermaster Board during Calendar-Year 2012 and one alternate representative.

Member: Bob Bowcock, Vulcan Materials Company
 Alternate: Brian Geye, Auto Club Speedway

II. BUSINESS ITEMS**A. MINUTES**

- Minutes of the Non-Agricultural Pool Meeting held December 8, 2011

Motion by O'Neil, second by Jeske, and by unanimous vote

Moved to approve the December 8, 2011 minutes

B. FINANCIAL REPORTS

- Cash Disbursements for the month of November 2011
- Watermaster VISA Check Detail for the month of November 2011
- Combining Schedule for the Period July 1, 2011 through November 30, 2011
- Treasurer's Report of Financial Affairs for the Period November 1, 2011 through November 30, 2011
- Budget vs. Actual Current Month, Year-To-Date, and Fiscal Year-End

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

Moved to receive and file the financial reports without approval

C. NOTICE OF INTENT

Ms. Maurizio gave a report on this item.

Motion by Jeske, second by O'Neil, and by unanimous vote

Moved to approve staff recommendation and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

D. CHINO BASIN WATERMASTER INVESTMENT POLICY

Ms. Maurizio gave a report on this item.

Motion by O'Neil, second by Jeske, and by unanimous vote

Moved to approve staff recommendation and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

E. LOCAL AGENCY INVESTMENT FUND

Ms. Maurizio gave a report on this item.

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

Moved to approve staff recommendation and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

Note: Item F. was pulled to take after Item H.

F. LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS

Ms. Maurizio gave a report on this item.

Motion by O'Neil, second by Jeske, and by unanimous vote

Moved to approve staff recommendation and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

G. NON-AGRICULTURAL POOL VOLUME VOTE

Ms. Maurizio gave a report on this item.

Motion by Geye, second by O'Neil, and by unanimous vote

Moved to approve staff recommendation

H. WATERMASTER 2011/2012 ASSESSMENT PACKAGE

Ms. Maurizio gave a report on this item. Mr. Hubsch offered comment on this matter. A discussion regarding this item ensued.

Motion by Jeske, second by Geye, and by majority vote – Dave Penrice voted no

Moved to receive the 2011-2012 Assessment Package, subject to reserving all the rights of the Non-Agricultural Pool's claims with respect to Paragraph 31 motion and the Aqua Capital Management versus California Steel Industries law suit, including dialog on storage losses which all should be included as footnotes on sheets 13A, 14A, and 15A, and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

Note: Item F. was taken after Item H.

I. MATERIAL PHYSICAL INJURY ANALYSIS

Ms. Maurizio gave a report on this item. Mr. Wildermuth gave a report on this item. A discussion regarding future potential recharge ensued.

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

Moved to receive and file the Material Physical Injury Analysis

J. APPLICATIONS FOR RECHARGE

1. **Consider Approval for Application for Recharge** - The City of Upland has submitted an application for recharge for 9,500.000 acre-feet to be placed into a Local Supplemental Storage Account. Date of Application: November 29, 2011. Consider Approval of the City of Upland's application in so far as Recharge is concerned but expressly condition the Storage element so that it is expressly subject to subsequent Watermaster determinations on: (1) the quantity of Local Supplemental Water in Storage; (2) the priority among all competing applications for Local Storage Agreements; and (3) the general terms and conditions concerning Preemptive Replenishment and Storage.
2. **Consider Approval for Application for Recharge** - San Antonio Water Company has submitted an application for recharge for 2,000.000 acre-feet to be placed into a Local Supplemental Storage Account. Date of Application: December 1, 2011. Consider Approval of SAWCO's application in so far as Recharge is concerned but expressly condition the Storage element so that it is expressly subject to subsequent Watermaster determinations on: (1) the quantity of Local Supplemental Water in Storage; (2) the priority among all competing applications for Local Storage Agreements; and (3) the general terms and conditions concerning Preemptive Replenishment and Storage.

Ms. Maurizio gave a report on this item.

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

Moved to approve the Recharge Applications for the City of Upland and San Antonio Water Company exclusive of recycled water and account for the water in existing local supplemental storage accounts, and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they determine to be appropriate

III. REPORTS/UPDATES

A. WATERMASTER GENERAL LEGAL COUNSEL REPORT

1. Aqua Capital Management versus California Steel Industries
Counsel Fife gave a report.
2. December 16, 2011 Hearing
Counsel Fife gave a report.
3. Board Finding Regarding Compliance with Recharge Master Plan
Counsel Fife gave a report.

B. CEO/STAFF REPORT

1. Recharge Update
Ms. Maurizio gave a report.
2. Notice of Availability - Non-Agricultural Water
Ms. Maurizio gave a report.
3. WEI Analysis of Well Design for CDA Well I-20
Ms. Maurizio gave a report.

4. Chino Basin Watermaster Excess Reserves
Ms. Maurizio gave a report.
5. West Venture Development Water Rights
Ms. Maurizio gave a report.
6. New Board Member from the City of Chino Hills, William Kruger
Ms. Maurizio gave a report.
7. New Board Member from Fontana Union Water Company, James Curatalo
Ms. Maurizio gave a report.

Added to CEO/STAFF REPORT

8. Basin Plan Amendment
Ms. Maurizio gave a report.
9. Vertical Extensometer
Ms. Maurizio gave a report.
10. GRCC Meeting
Ms. Maurizio gave a report.

IV. INFORMATION

1. Cash Disbursements for December 2011
No comment was made.
2. Newspaper Articles
No comment was made.

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

No comment was made.

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.

No confidential session was called

VIII. FUTURE MEETINGS

Thursday, January 12, 2012	9:00 a.m.	Annual & Election Appropriate Pool Meeting @ CBWM
Thursday, January 12, 2012	11:00 a.m.	Annual & Election Non-Agricultural Pool Conference Call Meeting – and at CBWM
Thursday, January 12, 2012	1:00 p.m.	Annual & Election Agricultural Pool Meeting @ CBWM
Tuesday, January 17, 2012	8:30 a.m.	GRCC Meeting @ CBWM (New Date & Time)
Tuesday, January 17, 2012	10:00 a.m.	CB Recharge Master Plan Steering Committee Meeting @ CBWM

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Thursday, January 19, 2012	8:00 a.m.	IEUA DYY Meeting @ CBWM
Thursday, January 19, 2012	9:00 a.m.	Annual & Election Advisory Committee Meeting @ CBWM
Thursday, January 24, 2012	9:00 a.m.	Cancelled GRCC Meeting @ CBWM
Thursday, January 26, 2012	11:00 a.m.	Annual & Election Watermaster Board Meeting @ CBWM

Chair Bowcock adjourned the Annual Non-Agricultural Pool meeting at 12:04 p.m.

Secretary: _____

Minutes Approved: February 9, 2012