

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

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

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Brian Geye, Vice-Chair	Auto Club Speedway
Curtis Aaron	California Steel Industries
Tom O'Neill	Ontario City Non-Agricultural

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Dave Penrice	Aqua Capital Management LP
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Watermaster Staff Present at Watermaster

Ken Jeske	Interim CEO
Danielle Maurizio	Assistant General Manager
Joe Joswiak	Chief Financial Officer
Sherri Molino	Recording Secretary

Watermaster Board Counsel Present at Watermaster

Brad Herrema	Brownstein, Hyatt, Farber & Schreck
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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

Gil Aldaco	City of Chino
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Vice-Chair Geye called the Non-Agricultural Pool Conference Call meeting to order at 11:00 a.m.

ROLL CALL

The recording Secretary called roll call.

AGENDA - ADDITIONS/REORDER

There were no additions or reorders made to the agenda.

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

1. Minutes of the Non-Agricultural Pool Conference Call Meeting held June 14, 2012

Motion by Aaron, second by O'Neill, and by unanimous vote

Moved to approve the June 14, 2012 minutes

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2012
2. Watermaster VISA Check Detail for the month of May 2012
3. Combining Schedule for the Period July 1, 2011 through May 31, 2012
4. Treasurer's Report of Financial Affairs for the Period May 1, 2012 through May 31, 2012
5. Budget vs. Actual Report for the Period July 1, 2011 through May 31, 2012

Motion by Aaron, second by O'Neill, and by unanimous vote

Moved to receive and file the financial reports, without approval

C. WATER TRANSACTION

1. **Consider Approval for Notice of Sale or Transfer** – Fontana Water Company (“Company”) has Agreed to Purchase from the Nicholson Trust 2011-2012 Annual Production Right in the Amount of 5.000 acre-feet. Date of Application: June 27, 2012

Motion by Aaron, second by O’Neill, 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

II. BUSINESS ITEMS

A. BUDGET TRANSFERS

Mr. Jeske gave a report on this item. Counsel Herrema gave a report on this item. Mr. O’Neill offered comment on this item. A discussion regarding this item ensued.

Motion by Aaron, second by O’Neill, 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

B. WATERMASTER RESTATED JUDGMENT (NON-AGRICULTURAL POOL ONLY)

Mr. Jeske gave a report on this item. A discussion regarding this item ensued.

This item was moved to closed session. Reportable action on this action was provided after the confidential session took place.

C. NON-AGRICULTURAL POOL LEGAL EXPENSES (NON-AGRICULTURAL POOL ONLY)

Vice-Chair Geye gave a report on this item. Mr. Aaron offered comment on this item. Mr. O’Neill offered comment on this item. Mr. Jeske offered comment on this item. It was noted this item was moved to closed session.

This item was tabled during the closed session.

III. REPORTS/UPDATES

A. LEGAL REPORT

1. CSI Paragraph 15 Motion
Counsel Herrema gave a report on this item.

Added Item:

2. Paragraph 31 Post Appeal Order
Counsel Herrema gave a report on this item.

B. CEO REPORT

1. August Meeting Schedule
Mr. Jeske gave a report on this item.

Motion by Aaron, second by O’Neill, and by unanimous vote

Moved to approve to not hold the regular Non-Agricultural Pool conference call meeting in August

2. CBWM 34th Annual Report
Mr. Jeske gave a report on this item.

IV. INFORMATION

- 1. Cash Disbursements for June 2012
No comment was made.

V. POOL MEMBER COMMENTS

No comment was made.

VI. OTHER BUSINESS

No comment was made.

The regular open Non-Agricultural Pool meeting was convened to hold its confidential session at 11:43 a.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 concluded at 12:20 p.m.

Vice-Chair Geye stated Mr. Hubsch will provide the reportable action for the Restated Judgment.

Mr. Hubsch stated the motion is to approve the Restated Judgment subject to the Pool counsel agreeing on satisfactory language regarding the effect of amendments and orders not reflected in the Restated Judgment, and having that language included in Watermaster's motion and/or proposed order regarding the Restated Judgment.

VIII. FUTURE MEETINGS AT WATERMASTER

Thursday, July 12, 2012	9:00 a.m.	Appropriative Pool Meeting
Thursday, July 12, 2012	11:00 a.m.	Non-Agricultural Pool Conference Call Mtg.
Thursday, July 12 2012	1:30 p.m.	Agricultural Pool Meeting
Thursday, July 19, 2012	9:00 a.m.	Advisory Committee Meeting
Thursday, July 19, 2012	10:00 a.m.	CB RMPU Steering Comm. and Storage Mtg.
Friday, July 20, 2012	10:00 a.m.	WM Board Confidential GM Recruitment Mtg.
Thursday, July 26, 2012	11:00 a.m.	Watermaster Board Meeting

Chair Geye adjourned the Agricultural Pool meeting at 12:24 p.m.

Secretary: _____

Minutes Approved: September 13, 2012