

**MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING
May 8, 2014**

The Non-Agricultural Pool conference call meeting was held via conference call using the Chino Basin Watermaster conference call number on May 8, 2014.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Brian Geye, Chair Auto Club Speedway

NON-AGRICULTURAL POOL MEMBER PRESENT ON CALL

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|---------------|-------------------------------|
| David Penrice | Aqua Capital Management, LP |
| Ken Jeske | California Steel Industries |
| Tom O'Neill | Ontario City Non-Agricultural |
| Bob Page | San Bernardino County |

BOARD MEMBERS PRESENT

Robert "Bob" Craig Jurupa Community Services District

WATERMASTER STAFF PRESENT AT WATERMASTER

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|-------------------|---------------------------|
| Danielle Maurizio | Assistant General Manager |
| Joseph Joswiak | Chief Financial Officer |
| Anna Truong | Recording Secretary |

WATERMASTER BOARD COUNSEL PRESENT AT WATERMASTER

Brad Herrema Brownstein Hyatt Farber Schreck, LLP

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

Andy Malone Wildermuth Environmental, Inc.

NON-AGRICULTURAL POOL COUNSEL PRESENT ON CALL

Allen Hubsch Hogan Lovells US, LLP

OTHERS PRESENT AT WATERMASTER

CALL TO ORDER

Chair Geye called the Non-Agricultural Pool meeting to order at 11:03 a.m.

ROLL CALL

Ms. Truong conducted the roll call.

AGENDA - ADDITIONS/REORDER

Business Item IIB, Wineville Project Grant (Ontario) was pulled as it was not yet ready for discussion.

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

1. Minutes of the Non-Agricultural Pool Meeting held April 10, 2014

(0:02:43)

Motion by Mr. Tom O'Neill, second by Mr. Ken Jeske

Moved to receive and file Business Item IA as presented.

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of March 2014
2. Watermaster VISA Check Detail for the month of March 2014
3. Combining Schedule for the Period July 1, 2013 through March 31, 2014
4. Treasurer's Report of Financial Affairs for the Period January 1, 2014 through March 31, 2014
5. Budget vs. Actual Report for the Period July 1, 2013 through March 31, 2014

(0:03:20)

Motion by Mr. Tom O'Neill, second by Mr. Bob Page

Moved to receive and file Business Item IB as presented, without approval.

C. WATER TRANSACTIONS

1. The purchase of 500.000 acre-feet of water from West Valley Water District by Cucamonga Valley Water District. This purchase is made from West Valley Water District's storage account. Date of Application: April 16, 2014.
2. The purchase of 4,000.000 acre-feet of water from Cucamonga Valley Water District by Fontana Water Company. This purchase is made from Cucamonga Valley Water District's storage account. Date of Application: April 30, 2014.

(0:04:41)

Motion by Mr. Ken Jeske, second by Mr. Tom O'Neill

Moved to approve staff recommendation of Business Item IC as presented and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

II. BUSINESS ITEMS**A. WATERMASTER FISCAL YEAR 2014/15 PROPOSED BUDGET**

Approve the proposed FY 2014/15 budget as presented

(0:05:05) Mr. Joswiak announced that the proposed budget and related materials are posted to the FTP site. Chair Geye asked if the Pool desired to hear the full report or just the executive summary. The Pool opted for the summary.

(0:06:13) Ms. Maurizio presented the beginning of the executive summary discussing drivers of the budget. Mr. Joswiak gave a brief report on the remainder of the executive summary. A discussion ensued.

(0:25:16) Mr. Hubsch joined the meeting.

(0:32:55)

Motion by Mr. Ken Jeske, second by Mr. Tom O'Neill

Moved to approve staff recommendation of Business Item IIA as presented and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

III. REPORTS/UPDATES**A. LEGAL COUNSEL REPORT**

1. April 25, 2014 Hearing
2. Non-Ag Pool Motion re Non-Ag Pool Quorum and Voting

(0:33:33) Mr. Herrema gave a report.

B. CFO REPORT

None

C. ENGINEER REPORT

None

D. GM REPORT

1. Safe Yield Recalculation
2. Max Benefit Reporting Obligation to RWQCB
3. Watermaster Board Compensation Policy

(0:36:17) Ms. Maurizio gave a report.

IV. INFORMATION

1. Cash Disbursements for April, 2014
2. Joint IEUA/CBWM Recharge Improvement Projects

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Geye called for a closed session at 11:40 a.m. to discuss Pool membership.

Closed session concluded at 12:01 p.m. with the following reportable action:

The Non-Agricultural Pool has directed its legal counsel to send the non-producing member notice to the following parties pursuant to Section 1.03 of the Rules and Regulations:

- Kaiser Ventures
- KCO, The Koll Company
- Loving Savior of the Hills
- Southern California Edison
- Sunkist Growers

At this time, the Pool wishes to defer action on West Venture Development.

VIII. FUTURE MEETINGS AT WATERMASTER

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|---------|-----|-------------|---|
| 5/08/14 | Thu | 11:00 a.m. | Non- Agricultural Pool |
| 5/08/14 | Thu | 1:30 p.m. | Agricultural Pool |
| 5/13/14 | Thu | 9:00 a.m. | Appropriative Pool (Rescheduled from May 8, 2014) |
| 5/15/14 | Thu | 8:00 a.m. | Dry Year Yield |
| 5/15/14 | Thu | 9:00 a.m. | Advisory Committee |
| 5/15/14 | Thu | 10:00 a.m.* | Joint IEUA/CBWM Recharge Improvement Projects |
| 5/22/14 | Thu | 11:00 a.m. | Watermaster Board |

***Note:** The Joint IEUA/CBWM Projects Update Meeting will take place immediately following the Advisory Committee Meeting.

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool meeting at 12:02 p.m.

Secretary: _____

Minutes Approved: June 12, 2014