

**MINUTES**  
**CHINO BASIN WATERMASTER**  
**NON-AGRICULTURAL POOL MEETING**

November 13, 2014

The Non-Agricultural Pool conference call meeting was held via conference call using the Chino Basin Watermaster conference call number on November 13, 2014.

**NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER**

Brian Geye, Chair	Auto Club Speedway
Ken Jeske	California Steel Industries
Bob Page	County of San Bernardino
Charles Linder, for Richard Darnell	NRG California South, LP

**NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL**

Bob Bowcock, Vice-Chair	Calmat Company
David Penrice	Aqua Capital Management, LP
Tom O'Neill	City of Ontario

**BOARD MEMBER PRESENT AT WATERMASTER**

Robert "Bob" Craig	Jurupa Community Services District
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**WATERMASTER STAFF PRESENT AT WATERMASTER**

Peter Kavounas	General Manager
Danielle Maurizio	Assistant General Manager
Joseph Joswiak	Chief Financial Officer
Anna Truong	Recording Secretary

**WATERMASTER CONSULTANTS PRESENT AT WATERMASTER**

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
Mark Wildermuth	Wildermuth Environmental, Inc.
Andy Malone	Wildermuth Environmental, Inc.

**NON-AGRICULTURAL POOL COUNSEL PRESENT ON CALL**

Allen Hubsch	Hogan Lovells US, LLP
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**OTHERS PRESENT AT WATERMASTER WHO SIGNED IN**

Pete Hall	State of California – CIM
Marilyn Levin	State of California – DOJ
Tarren Torres	Egoscue Law Group
Bob Feenstra	Agricultural Pool – Dairy
Andy Campbell	Inland Empire Utilities Agency

**CALL TO ORDER**

Chair Geye called the Non-Agricultural Pool meeting to order at 11:04 a.m.

**ROLL CALL**

Ms. Truong conducted the roll call.

**AGENDA - ADDITIONS/REORDER**

None

**I. BUSINESS ITEMS - ROUTINE**

**A. MINUTES**

1. Minutes of the Non-Agricultural Pool meeting held October 9, 2014

(0:01:47)

*Motion by Mr. Ken Jeske, second by Mr. Tom O'Neill. The Chair called for dissent and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to receive and file Business Item I.A. as presented.***

**B. FINANCIAL REPORTS**

1. Cash Disbursements for the month of September 2014
2. Watermaster VISA Check Detail for the month of September 2014
3. Combining Schedule for the Period July 1, 2014 through September 30, 2014
4. Treasurer's Report of Financial Affairs for the Period September 1, 2014 through September 30, 2014
5. Budget vs. Actual Report for the Period July 1, 2014 through September 30, 2014

(0:03:12)

*Motion by Mr. Ken Jeske, second by Mr. Bob Page. The Chair called for dissent and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to receive and file Business Item I.B. without approval as presented.***

**C. ANNUAL FINDING OF SUBSTANTIAL COMPLIANCE WITH THE RECHARGE MASTER PLAN**

Recommend that the Advisory Committee recommend to the Watermaster Board to adopt the finding in the Wildermuth Report that Watermaster is in substantial compliance with the Recharge Master Plan.

(0:03:46) Mr. Kavounas gave a report. A brief discussion ensued.

(0:05:27)

*Motion by Mr. Ken Jeske, second by Mr. Bob Page. The Chair called for dissent and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to approve staff recommendation of Business Item I.C. 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.***

**D. BUDGET TRANSFER FORM T-14-10-01**

Recommend that the Advisory Committee approves Budget Transfer Form T-14-10-01 for FY 2014/15 as presented and authorizes the Watermaster General Manager to amend the Task Order(s) between IEUA and CBWM as required.

(0:05:56) Mr. Joswiak gave a report. A discussion ensued.

(0:08:01)

*Motion by Mr. Ken Jeske, second by Mr. Bob Page. The Chair called for dissent and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to approve staff recommendation of Business Item I.D. 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. CHINO BASIN WATERMASTER 2014/2015 ASSESSMENT PACKAGE**

Recommend to the Advisory Committee to approve the Fiscal Year 2014/2015 Assessment Package as presented, including no credit for Stormwater New Yield and postponing the assessment of desalter replenishment.

(0:08:36) Mr. Kavounas provided introductory remarks asking if the Pool wished to hear the full version of the presentation or short version; the Pool opted for the short version.

(0:09:24) Mr. Maurizio gave a presentation. A discussion ensued.

(0:18:14)

*Motion by Mr. Ken Jeske, second by Mr. Bob Page. The Chair called for dissent and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to approve staff recommendation of Business Item II.A. and direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate. In making and adopting the action, the Pool directed that the minutes reflect that the Pool may not be obligated under the Judgment to pay assessments for some of the costs included, that approval of the assessment for these costs (and any other costs which the Pool is not obligated to pay) is and has been voluntary, and that the members of the Pool reserve the right not to approve or pay such assessments in the future.***

### **B. LEVYING REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS**

Review Resolution 2014-05 as presented, and offer advice to Watermaster.

(0:18:57) Mr. Kavounas gave a report. A discussion ensued. No action was needed.

### **C. NON-AGRICULTURAL POOL VOLUME VOTE**

Approve the Calendar Year 2015 Overlying (Non-Agricultural) Pool Volume Vote as presented, contingent on Watermaster Board approval of the Assessment Package.

(0:20:51) Mr. Kavounas gave a report. A discussion ensued.

(0:23:30)

*Motion by Mr. Ken Jeske, second by Mr. Bob Page. The Chair called for dissent and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to approve Business Item II.C. with removal of Kaiser Ventures, KCO/ The Koll Company, Loving Savior of the Hills, and Sunkist Growers.***

**D. SAFE YIELD RECALCULATION AND RESET – WATERMASTER MOTION**

Review and provide advice and assistance on the draft motion prepared at the Board's direction for possible action.

(0:23:54) Mr. Kavounas gave introductory remarks mentioning that there would be changes to the wording on the pleading and handed the item over to Mr. Herrema to walk the Pool through the pleading.

(0:25:01) Mr. Herrema gave a report. A discussion ensued about this as well as Business Item II.E. below, after which the Non-Agricultural Pool stated it would take both items into its closed session for further discussion.

**E. SAFE YIELD RECALCULATION AND RESET – APPROPRIATIVE POOL REQUEST**

Consider the Appropriative Pool's request.

This item was combined with Business Item D above.

**III. REPORTS/UPDATES**

**A. LEGAL COUNSEL REPORT**

1. Motion for Approval of Physical Solution Transfer Rate Substitution
2. City of Ontario Request
3. West Venture
4. Waters of the United States Rulemaking

(0:40:46) Mr. Herrema gave a report. A discussion ensued.

**B. CFO REPORT**

1. Assessment Invoicing

(0:44:43) Mr. Joswiak gave a report. A discussion ensued.

**C. ENGINEER REPORT**

None

**D. GM REPORT**

1. RMPU Amendment – DWR Grant Application
2. Vulcan Materials Company – Recharge Application
3. December Meeting Schedule and Holiday Office Closure

(0:48:09) Mr. Kavounas gave a report. A discussion ensued.

**IV. INFORMATION**

1. Cash Disbursements for October 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 11:55 a.m. to discuss the following:

1. West Venture
2. Legal Assessment
3. Membership/Representative Roster

Closed session concluded at 1:05 p.m. with the following reportable actions:

*Following motion and second, the Chair called for dissent and, none being noted, the motion was deemed passed by unanimous vote of those present.*

***Moved to approve the following:***

***Legal Assessment:*** *The Non-Agricultural Pool legal assessment will be \$60,000 based on production as has been done historically.*

***Membership/Representative Roster:*** *The Non-Agricultural Pool Committee has considered the membership list and representative roster prepared by pool counsel.*

*To the current knowledge of the Members present, without any independent investigation, the list and roster is accurate as of the date hereof. The Members direct Watermaster staff to use the list as the current list of members and representatives.*

*The Committee desires to have staff provide more consistent reports about Member Status Changes (as hereafter defined). The Committee directs Watermaster staff to add an agenda item to the agenda for meetings of the Committee. The agenda item should be entitled "Member Status Changes." If a Member Status Change has occurred, and has not previously been reported by staff or the affected Member at a meeting of the Committee, then staff is directed to report the Member Status Change in writing at the next meeting of the Committee. Any Member may report a Member Status Change affecting such Member at a meeting of the Committee. The minutes of the meeting prepared by staff shall include a report of any Member Status Change, whether reported at the meeting by staff or by a Member.*

*For the purposes hereof, a Member Status Change means:*

- (1) Any proposed transfer of Safe Yield by a Member.*
- (2) Any transfer of Safe Yield that has actually closed or been completed.*
- (3) Any change in name or corporate identity of a Member (such as results from a merger or filing of a change of name certificate).*
- (4) Any change in the name of a representative or alternate representative of a Member, or a change in e-mail address for either such person.*

***Safe Yield Recalculation:*** *The Non-Agricultural Pool does not support the Appropriative Pool position or the Watermaster Board position but does support a negotiated solution between the Parties and the April 2015 deadline to complete the Safe Yield Recalculation and Reset.*

**VIII. FUTURE MEETINGS AT WATERMASTER****NOVEMBER 2014:**

11/13/14 Thu 9:00 a.m. Appropriative Pool

- 11/13/14 Thu 11:00 a.m. Non-Agricultural Pool
- 11/13/14 Thu 1:30 p.m. Agricultural Pool
- 11/20/14 Thu 8:00 a.m. Joint IEUA/CBWM Recharge Improvement Projects
- 11/20/14 Thu 9:00 a.m. Advisory Committee
- 11/20/14 Thu 10:00 a.m.\* Safe Yield Recalculation and Related Matters
- 11/25/14 Tue 11:00 a.m. Watermaster Board
- ~~11/27/14 Thu 11:00 a.m. Watermaster Board (Rescheduled to 11/25/14)~~

**DECEMBER 2014:**

- ~~12/04/14 Thu 10:00 a.m. Safe Yield Recalculation and Related Matters (Cancelled)~~
- ~~12/11/14 Thu 9:00 a.m. Appropriative Pool (Cancelled)~~
- ~~12/11/14 Thu 11:00 a.m. Non-Agricultural Pool (Cancelled)~~
- ~~12/11/14 Thu 1:30 p.m. Agricultural Pool (Cancelled)~~
- ~~12/18/14 Thu 8:00 a.m. Joint IEUA/CBWM Recharge Improvement Projects (Cancelled)~~
- ~~12/18/14 Thu 9:00 a.m. Advisory Committee (Cancelled)~~
- ~~12/18/14 Thu 10:00 a.m.\* Safe Yield Recalculation and Related Matters (Cancelled)~~
- ~~12/25/14 Thu 11:00 a.m. Watermaster Board (Cancelled)~~

**ADJOURNMENT**

Chair Geye adjourned the Non-Agricultural Pool meeting at 1:09 p.m.

Secretary: \_\_\_\_\_

Approved: January 8, 2015

Attachment: Non-Agricultural Pool Membership List and Representative Roster