

MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL CONFERENCE CALL MEETING
March 12, 2015

The Non-Agricultural Pool conference call meeting was held via conference call using the Chino Basin Watermaster conference call number on March 12, 2015.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Brian Geye, Chair	Auto Club Speedway
Bob Bowcock	Calmat Company (Vulcan Materials Co.)
Bob Page	County of San Bernardino

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Tom O'Neill	Ontario City Non- Agricultural
Ken Jeske	California Steel Industries

WATERMASTER STAFF PRESENT AT WATERMASTER

Peter Kavounas	General Manager
Danielle Maurizio	Assistant General Manager
Joseph Joswiak	Chief Financial Officer
Janine Wilson	Recording Secretary
Justin Nakano	Water Resources Sr. Associate

WATERMASTER CONSULTANT PRESENT AT WATERMASTER

Brad Herrema	Brownstein Hyatt Farber Schreck, LLP
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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

Pete Hall	State of California – CIM
Majid Karim	Inland Empire Utilities Agency
Andy Campbell	Inland Empire Utilities Agency

CALL TO ORDER

Chair Geye called the Non-Agricultural Pool meeting to order at 11:00 a.m.

ROLL CALL

Ms. Wilson conducted the roll call.

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

1. Minutes of the Non-Agricultural Pool Meeting held February 12, 2015

(0:04:27)

Motion by Mr. Bob Page, seconded by Mr. Bob Bowcock. 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 January 2015
2. Watermaster VISA Check Detail for the month of January 2015
3. Combining Schedule for the Period July 1, 2014 through January 31, 2015
4. Treasurer's Report of Financial Affairs for the Period January 1, 2015 through January 31, 2015
5. Budget vs. Actual Report for the Period July 1, 2014 through January 31, 2015

(0:04:46)

Motion by Mr. Bob Page, seconded by Mr. Bob Bowcock. 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. CALMAT COMPANY (VULCAN MATERIALS) – APPLICATION FOR LOCAL STORAGE AGREEMENT

Approve Vulcan Materials' Application for a Local Supplemental Storage Agreement and Application to Recapture Water in Storage that would be 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. This action would be without prejudice to other pending Applications or the priority among competing Applications. This approach will allow Vulcan Materials Company to proceed with recharge activities subject to the ongoing regulation of Watermaster of Storage Agreements on equitable, non-discriminatory grounds but without prejudice to other pending Applications.

1. **Notice of Application for Local Storage Agreement and to Recapture Water in Storage**
– On March 2, 2015, Vulcan Materials submitted an Application for a Local Storage Agreement for 50.000 acre-feet to be placed into a Local Supplemental Storage Account. A Form 4, Application to Recapture Water in Storage, was also submitted.

(0:05:11) Mr. Kavounas gave a report.

(0:05:46)

Motion by Mr. Bob Page, seconded by Mr. Ken Jeske. 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. FONTANA WATER COMPANY – APPLICATION FOR RECHARGE

Approve FWC's Application for Recharge that would be expressly subject to the same conditions as Vulcan Materials' 2012 Application for Recharge: that the project proponent demonstrates, by following the WEI site characterization plan to Watermaster's satisfaction, that the potential Material Physical Injury will be avoided.

1. **Notice of Application for Recharge** - On March 3, 2015, Fontana Water Company (FWC) submitted an Application for Recharge for up to 50.000 acre-feet to be recharged into the Vulcan Basin.

(0:06:07) Mr. Kavounas gave a report.

(0:06:19)

Motion by Mr. Bob Page, seconded by Mr. Bob Bowcock. 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

E. WATER TRANSACTIONS

1. **Consider Approval for Notice of Sale or Transfer** – The purchase of 1,200,000 acre-feet of water from Santa Ana River Water Company by Jurupa Community Services District. This purchase is made from Santa Ana River Water Company's Annual Production Right / Operating Safe Yield first, then any additional from storage. Date of application: February 23, 2015.
2. **Consider Approval for Notice of Sale or Transfer** – The purchase of 2,378,909 acre-feet of water from San Antonio Water Company by the City of Upland. This purchase is made from San Antonio Water Company's Annual Production Right / Operating Safe Yield first, then any additional from storage. The City of Upland is utilizing this transaction to produce its San Antonio Water Company shares. Date of application: January 27, 2015.
3. **Consider Approval for Notice of Sale or Transfer** – The purchase of 284,000 acre-feet of water from the City of Pomona by the City of Upland. This purchase is made from the City of Pomona's Excess Carryover Account. Date of application: January 29, 2015.

(0:06:53)

Motion by Mr. Bob Page, seconded by Mr. Bob Bowcock. 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.E. 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. FIRST AMENDMENT TO TASK ORDER 8 (SAN SEVAINE RMPU IMPROVEMENT PROJECT)

Recommend Advisory Committee approval to Increase the total project budget for San Sevaime Basin improvements and to amend Task Order No. 8, subject to any non-substantive changes.

(0:07:20) Mr. Kavounas gave a report. A discussion ensued.

(0:09:24)

Motion by Mr. Ken Jeske, seconded 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. 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

B. FIRST AMENDMENT TO TASK ORDER 1 (2013 RMPU AMENDMENT YIELD ENHANCEMENT PROJECTS – PLANNING, PERMITTING, AND DESIGN)

Recommend Advisory Committee approval to add East Declez Basin project and remove Sierra Basin and Lower San Sevaime from the project list; and to update Task Order No. 1 to reflect the change in projects and adjust the soft cost.

(0:09:45) Mr. Kavounas gave a report. A discussion ensued.

(0:14:39)

Motion by Mr. Ken Jeske, seconded 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.B. 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

(0:14:49) Mr. Tom O'Neill joined the meeting.

C. SAFE YIELD RECALCULATION AND RESET (Discussion Only)

(0:15:09) Mr. Kavounas gave a report.

D. MEMBER STATUS CHANGES (For Discussion and Possible Action)

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.

(0:15:59) Mr. Kavounas reported that Ms. Lisa Hamilton no longer works for General Electric Company but is still their representative and has a new e-mail address which is lisa.hamilton@amec.com. Ms. Hamilton is now employed by Amec Foster Wheeler. Mr. Roger Florio continues to be the alternate representative for General Electric Company.

(0:16:36) Mr. Hubsch requested that items like this should be agendized for future meetings. Mr. Kavounas stated that staff intends to do that, but it did not happen this time since the information was received after the agendas had already been distributed.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Alvarez CalPERS Appeal

(0:18:02) Mr. Herrema gave a report.

B. CFO REPORT

1. Safe Yield Recalculation and Reset Facilitated Process – Expenses to date

(0:19:48) Mr. Joswiak gave a presentation. A discussion ensued.

C. GM REPORT

1. Overlying Non-Agricultural Pool Available Water Per Judgment Exhibit "G"
2. Ameron-TAMCO Water Rights Dispute

(0:39:08) Mr. Kavounas gave a report. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for February 2015
2. Joint IEUA/CBWM Recharge Improvement Projects

V. POOL MEMBER COMMENTS

(0:49:36) Chair Geye mentioned that he will not be able to attend the March Advisory Committee meeting and that Mr. Bowcock will attend on his behalf.

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Geye called for confidential session at 11:53 a.m. to discuss the following:

1. Safe Yield Recalculation and Reset
2. Non-Agricultural Pool Quorum

Confidential session concluded at 12:18 p.m. with no reportable action.

VIII. FUTURE MEETINGS AT WATERMASTER

3/06/15	Fri	10:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/09/15	Mon	11:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/12/15	Thu	9:00 a.m.	Appropriative Pool
3/12/15	Thu	11:00 a.m.	Non-Agricultural Pool
3/12/15	Thu	1:30 p.m.	Agricultural Pool
3/13/15	Fri	10:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/16/15	Mon	11:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/19/15	Thu	9:00 a.m.	Advisory Committee
3/19/15	Thu	9:30 a.m.	Joint IEUA/CBWM Recharge Improvement Projects Committee <u>AND</u> RMPU Amendment Steering Committee Quarterly
3/19/15	Thu	11:30 a.m.	Land Subsidence Committee
3/20/15	Fri	10:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/23/15	Mon	11:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/26/15	Thu	11:00 a.m.	Watermaster Board
3/27/15	Fri	10:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion
3/30/15	Mon	11:00 a.m.*	Safe Yield Recalculation and Reset Facilitated Discussion

***Note:** These meetings are intended for parties who have signed the Safe Yield Recalculation and Reset Facilitation and Non-Disclosure Agreement.

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool meeting at 12:20 p.m.

Secretary: _____

Approved: April 9, 2015