

MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING

July 14, 2016

The Non-Agricultural Pool meeting was held at the offices of Chino Basin Watermaster and via conference call using the Chino Basin Watermaster conference call number on July 14, 2016.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Bob Page	San Bernardino County
Van Jew for Mark Kinsey	Monte Vista Water District
Ken Jeske	California Steel Industries (CSI)

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Brian Geye, Chair	Auto Club Speedway
David Penrice	Aqua Capital Management LP
Tom O'Neill	Ontario City Non-Agricultural

WATERMASTER STAFF PRESENT AT WATERMASTER

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

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

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

NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL

Allen Hubsch	Hogan Lovells US, LLP
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OTHERS PRESENT AT WATERMASTER

Darron Poulsen	City of Pomona
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CALL TO ORDER

Chair Geye called the Non-Agricultural Pool meeting to order at 11:01 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 June 9, 2016

(0:02:15)

Motion by Mr. Tom O'Neill, 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 receive and file Business Item I.A. as presented.

Abstention by Monte Vista Water District

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of May 2016
2. Watermaster VISA Check Detail for the month of May 2016
3. Combining Schedule for the Period July 1, 2015 through May 31, 2016
4. Treasurer's Report of Financial Affairs for the Period May 1, 2016 through May 31, 2016
5. Budget vs. Actual Report for the Period July 1, 2015 through May 31, 2016

(0:02:50)

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

C. WATER TRANSACTIONS

1. Notice of Sale or Transfer - The purchase of 725.000 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from West End Consolidated Water Company's Excess Carryover Account, effective for the Fiscal Year 2015-2016. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: June 6, 2016.
2. Notice of Sale or Transfer - The purchase of 67.941 acre-feet of water from West End Consolidated Water Company by Golden State Water Company. This purchase is made from West End Consolidated Water Company's Excess Carryover Account, effective for the Fiscal Year 2015-2016. Golden State Water Company is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: June 6, 2016.
3. Notice of Sale or Transfer - The purchase of 6.500 acre-feet of water from The Nicholson Trust by Fontana Water Company. This purchase is made from The Nicholson Trust's Annual Production Right (Appropriative Pool) or Operating Safe Yield (Non-Agricultural Pool), effective for the Fiscal Year 2015-2016. Date of application: June 10, 2016.

(0:03:25)

Motion by Mr. Ken Jeske, seconded 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 direct the Pool representatives to support Business Item I.C. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

II. BUSINESS ITEMS**A. 2016 NON-AGRICULTURAL POOL VOLUME VOTE**

Approve the Calendar Year 2016 Overlying (Non-Agricultural) Pool Volume Vote as presented.

(0:04:06) Mr. Kavounas gave a report. A discussion ensued.

(0:14:34) Motion introduced by Mr. Jeske, seconded by Mr. Page; more discussion ensued.

(0:18:02) Motion amended by Messrs. Jeske and Page.

(0:19:25) Vote taken

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 Business Item II.A. using current shares of Safe Yield as attached to these minutes and direct staff to prepare a recommended volume vote table every time a water rights transaction occurs.

B. 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.
 - Possible clarification to add CCG to member list

(0:19:41) Chair Geye raised the question whether CCG Ontario has been inadvertently omitted from the membership list, if CCG has a secondary right in Speedway's water. David Penrice stated that Aqua may have acquired all of CCG's water rights in the Basin, including the secondary right in Speedway's water. A discussion ensued. No action was taken to add CCG to the membership list.

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

1. September 23, 2016 Hearing

(0:28:15) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. Procedure for Supplemental Water Recharge
2. RMPU Projects Support
3. Proposition 1 – Stormwater Grant Application Support
4. Assistance on Self-Certification Applications
5. 2016 Groundwater Elevation Data for California Statewide Groundwater Elevation Monitoring (CASGEM) Program
6. CY 2015 Permittee Progress Report on Stormwater Recharge to State Board

(0:30:01) Mr. Malone gave a report. A discussion ensued.

C. CFO REPORT

1. Assessment Invoicing
2. Desalter Replenishment Obligation
3. Exhibit "G" Water Transactions
4. RTS Charge

(0:34:27) Mr. Joswiak gave a report. A discussion ensued.

(0:39:38) Mr. Kavounas recommended that the Pool, especially parties that may be purchasing replenishment water in the future, review and become familiar with the new RTS charge process as it fundamentally changes the cost of replenishment water.

D. GM REPORT

1. Stored Water Accounts – Account Balances
2. SGMA Basin Boundary Modification Update

(0:42:54) Mr. Kavounas gave a report. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for June 2016
 2. Recharge Investigations and Projects Committee (RIPCom)
 3. RMPU Status Report
 4. Ground Level Monitoring Status Report
 5. South Archibald and Chino Airport Plumes Status Report
- (0:46:02) Mr. Jeske commented about the East Declez Basin Project.

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

None

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool meeting at 11:47 a.m.

Secretary: _____

Approved: _____ August 11, 2016 _____

Attachment: 2016 Non-Ag Pool Volume Vote (Share of Safe Yield as of July 14, 2016)