

MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING

November 10, 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 November 10, 2016.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Brian Geye, Chair	Auto Club Speedway
Van Jew for Mark Kinsey	Monte Vista Water District

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

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

WATERMASTER STAFF PRESENT AT WATERMASTER

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Anna Truong	Executive Services Director/Board Clerk
Edgar Tellez Foster	Senior Environmental Engineer
Janine Wilson	Senior Accountant

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

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

OTHERS PRESENT AT WATERMASTER

Ramsey Haddad	California Steel Industries (CSI)
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NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL

Allen Hubsch	Loeb & Loeb, LLP
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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.

AGENDA – ADDITIONS/REORDER

None

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

1. Minutes of the Non-Agricultural Pool Meeting held October 13, 2016

(0:02:14) Chair Geye requested that the language, “without approval” be added to the motion of Business Item I.B, Financial Reports, of the October 2016 Non-Agricultural Pool Meeting minutes.

(0:03:16)

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 receive and file Business Item I.A. with the correction as noted above.

Abstention by Mr. Van Jew of Monte Vista Water District

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of September 2016
2. Watermaster VISA Check Detail for the month of September 2016
3. Combining Schedule for the Period July 1, 2016 through September 30, 2016
4. Treasurer's Report of Financial Affairs for the Period September 1, 2016 through September 30, 2016
5. Budget vs. Actual Report for the Period July 1, 2016 through September 30, 2016

(0:03:53)

Motion by Mr. Van Jew, 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 receive and file Business Item I.B. without approval as presented.

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

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

(0:04:33)

Motion by Mr. Van Jew, 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.

D. CHINO BASIN WATERMASTER 38TH ANNUAL REPORT

Recommend that the Advisory Committee recommend to the Watermaster Board to adopt the 38th Annual Report, along with filing a copy with the Court, subject to any necessary non-substantive changes.

(0:05:13)

Motion by Mr. Ramsey Haddad, seconded by Mr. Van Jew. 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.D. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

E. WATER TRANSACTION

Notice of Sale or Transfer – The purchase of 112.219 acre-feet of water from the City of Pomona by the City of Ontario. This purchase is made from the City of Pomona's Excess Carryover Account. Date of application: August 18, 2016.

(0:06:10)

Motion by Mr. Ken Jeske, seconded by Mr. Van Jew. 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.E. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

II. BUSINESS ITEMS**A. USE OF SB 222 FUNDS IN FISCAL YEAR 2016/17**

Recommend that the Advisory Committee direct the use of the SB 222 Funds of \$158,251 to pay for studies and investigations that aid in implementing the OBMP, and find that the proposed use is consistent with the original intent of the legislation.

(0:06:39) Mr. Joswiak gave a report.

(0:08:36)

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 II.A. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

B. CHINO BASIN WATERMASTER FISCAL YEAR 2016/2017 ASSESSMENT PACKAGE

Recommend to the Advisory Committee to approve the Fiscal Year 2016/17 Assessment Package as presented, including no credit for Stormwater New Yield and postponing the assessment of Desalter Replenishment Obligation.

(0:08:59) Mr. Kavounas gave a report. A discussion ensued.

(0:13:36)

Motion by Mr. Ken Jeske, seconded by Mr. Van Jew. 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. 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.

C. RESOLUTION TO LEVY REPLENISHMENT AND ADMINISTRATIVE ASSESSMENTS FOR FISCAL YEAR 2016/17

Review Resolution 2016-09 as presented, and offer advice to Watermaster.

(0:14:28) Mr. Kavounas gave a report. A discussion ensued.

D. 2013 RMPU AMENDMENT – PROPOSED YIELD ENHANCEMENT PROJECTS

Consider adopting the “Opt out” provisions from Section 5.1[c] of the Safe Yield Reset Agreement and make appropriate recommendation to the Advisory Committee.

Consider adopting the “Post-2014 Stormwater Recharge Program” as presented, and make appropriate recommendation to the Advisory Committee.

(0:19:13) Mr. Kavounas gave a report. A discussion ensued.

(0:30:25) Motion introduced by Mr. Ken Jeske. Further discussion ensued.

(0:31:22) *Vote taken*

Motion by Mr. Ken Jeske, seconded by Mr. Van Jew. 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 II.D., the “Post-2014 Stormwater Recharge Program (without the “Opt out” provisions from Section 5.1[c] of the Safe Yield Reset Agreement)” at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate, and keep the CSI Project part of the environmental review as currently scheduled.

E. SUPPLEMENTAL WATER RECHARGE REVISED FORMS

Recommend approval of the revised Form 2, and its use instead of the existing Form 2.

(0:31:38) Mr. Kavounas gave a report. A discussion ensued.

(0:31:50) Mr. Page joined the meeting via conference call at 11:28 a.m.

(0:33:36)

Motion by Mr. Ramsey Haddad, 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 II.E. at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

F. CALENDAR YEAR 2017 NON-AGRICULTURAL POOL VOLUME VOTE

Approve the Calendar Year 2017 Non-Agricultural Pool Volume Vote as presented subject to Advisory Committee and Board approval of the 2016/17 Assessment Package at the November 17, 2016 meetings.

(0:34:17) Mr. Kavounas gave a report. A discussion ensued.

(0:39:09)

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 II.F. subject to any changes to the City of Ontario’s production.

G. 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.

(0:39:35) There were no changes to note.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Responses to Questions for Clarification of Safe Yield Reset Tentative Orders
2. December 9, 2016 Court Hearing re Physical Solution Transfer Rate Substitution
3. Submittal of 2015 Ground-Level Monitoring Committee Annual Report

(0:39:58) Mr. Herrema gave a report. A discussion ensued.

B. ENGINEER REPORT

1. Prado Basin Habitat Sustainability Committee
2. Ground-Level Monitoring Committee
3. RMPU Project Support and MPI Analysis
4. Basin Monitoring Program Task Force

(0:44:14) Mr. Malone gave a report.

C. CFO REPORT

1. Fiscal Year 2016/17 Assessment Invoicing

(0:50:50) Mr. Joswiak gave a report and added an item regarding Desalter Replenishment Obligation. A discussion ensued.

(0:51:52) Mr. Hubsch joined the meeting via conference call at 11:55 a.m.

D. GM REPORT

1. FY 2015/16 Replenishment Water Order
2. Water Use Efficiency With Farmers in the Chino Basin
3. Other

(0:53:26) Mr. Kavounas gave a report and introduced Watermaster's newest employee, Mr. Edgar Tellez Foster.

IV. INFORMATION

1. Cash Disbursements for October 2016

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Geye called for a confidential session at 11:59 a.m. to discuss the following items:

1. Safe Yield Reset
2. Pool Membership

Confidential Session concluded at 12:35 p.m. with no reportable action.

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool meeting at 12:36 p.m.

Secretary: _____

Approved: _____ January 12, 2017