

MINUTES
CHINO BASIN WATERMASTER
ANNUAL NON-AGRICULTURAL POOL MEETING

January 12, 2017

The Annual 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 January 12, 2017.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Brian Geye, Chair	Auto Club Speedway
Mark Kinsey	Monte Vista Water District
Bob Page	County of San Bernardino
Ramsey Haddad	California Steel Industries (CSI)
Marco Tule	NRG California South, LP

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Bob Bowcock, Vice-Chair	Calmat Company (Vulcan Materials Co.)
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	Executive Services Director/Board Clerk
Edgar Tellez Foster	Senior Environmental Engineer
Justin Nakano	Water Resources Senior Associate

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

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

OTHERS PRESENT AT WATERMASTER

Ken Jeske	California Steel Industries (CSI)
Pete Hall	State of California – CIM
Tracy Egoscue	Egoscue Law Group
Marilyn Levin	State of California – DOJ

NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL

Allen Hubsch	Loeb & Loeb, LLP
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CALL TO ORDER

Mr. Geye, 2016 Chair, called the Non-Agricultural Pool meeting to order at 11:00 a.m.

ROLL CALL

Ms. Truong conducted the roll call.

AGENDA – ADDITIONS/REORDER

None

RECOGNITION OF KEN JESKE'S CONTRIBUTIONS TO WATERMASTER

Mr. Kavounas commented about Mr. Jeske's tenure in the Basin, particularly at Watermaster, and thanked him for his contributions. Others commented and also thanked Mr. Jeske.

I. ANNUAL ELECTIONS (ACTION)

A. Elect the following Calendar Year 2017 Officers of the Pool: Chair, Vice-Chair, Secretary, Treasurer, and Assistant Secretaries and Treasurers as may be appropriate.

Chair	<u>Brian Geye</u>
Vice-Chair	<u>Bob Bowcock</u>
Secretary	<u>Peter Kavounas</u>
Treasurer	<u>Peter Kavounas</u>

B. Election of Calendar Year 2017 Advisory Committee Members

According to the Non-Agricultural Pool Pooling Plan, the Pool shall designate at least three members of the Pool Committee, and their alternates, to serve on the Advisory Committee.

Member: Brian Geye Alternate: Bob Bowcock

Member: Tom O'Neill Alternate: Michael Sigsbee

Member: Ramsey Haddad Alternate: None

C. Calendar Year 2017 Non-Agricultural Pool Member Appointed to Serve as Advisory Committee Officer

Based on the rotation sequence established among the Pools, the members of the Non-Agricultural Pool will be asked to appoint a designated representative to serve as Chair of the Advisory Committee during calendar year 2017.

Non-Agricultural Pool Officer (Chair) Appointment to the Advisory Committee:

Brian Geye

D. Appointment of Calendar Year 2017 Non-Agricultural Pool Representation on Watermaster Board

According to the Board rotation schedule filed with the Court in 2000 and updated on November 17, 2015, the Non-Agricultural Pool is to appoint one representative and alternate to serve on the Board for the calendar year.

Member: Bob Bowcock Alternate(s): Brian Geye

(0:08:05) Mr. Kinsey introduced the motion. A discussion ensued.

Vote taken

(0:10:52)

Motion by Mr. Mark Kinsey, seconded by Mr. Ramsey Haddad. Mr. Geye called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to approve the Non-Agricultural Pool appointments to be filled as indicated above for calendar year 2017.

II. BUSINESS ITEMS - ROUTINE**A. MINUTES**

1. Minutes of the Non-Agricultural Pool Meeting held November 10, 2016

(0:11:35) Mr. Kavounas commented that the motion from the minutes of the November 10, 2016 Non-Agricultural Pool meeting regarding the RMPU Yield Enhancement Projects will be revised to indicate that the Opt-Out provision was not selected so that the motion is more succinct.

(0:12:53)

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 receive and file Business Item II.A. with the change as noted above.

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of October 2016
2. Watermaster VISA Check Detail for the month of October 2016
3. Combining Schedule for the Period July 1, 2016 through October 31, 2016
4. Treasurer's Report of Financial Affairs for the Period October 1, 2016 through October 31, 2016
5. Budget vs. Actual Report for the Period July 1, 2016 through October 31, 2016
6. Cash Disbursements for the month of November 2016
7. Watermaster VISA Check Detail for the month of November 2016
8. Combining Schedule for the Period July 1, 2016 through November 30, 2016
9. Treasurer's Report of Financial Affairs for the Period November 1, 2016 through November 30, 2016
10. Budget vs. Actual Report for the Period July 1, 2016 through November 30, 2016

(0:13:18)

Motion by Mr. Bob Page, seconded by Mr. Ramsey Haddad. 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 II.B. without approval as presented.

C. CHINO BASIN WATERMASTER INVESTMENT POLICY

Recommend that the Advisory Committee recommends approval of Resolution 2017-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy.

(0:13:51) Mr. Joswiak gave a report.

(0:14:11)

Motion by Mr. Bob Page, seconded by Mr. Mark Kinsey. 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.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. LOCAL AGENCY INVESTMENT FUND

Recommend that the Advisory Committee recommends approval of Resolution 2017-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF).

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

(0:14:56)

Motion by Mr. Mark Kinsey, 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.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. Notice of Sale or Transfer – The permanent transfer of 27.619 acre-feet of Safe Yield from Ameron International Corporation (“Ameron”) to TAMCO, a California Corporation (“TAMCO”). In addition, Ameron requests to transfer 27.619 acre-feet of its Carryover Balance, and 169.358 acre-feet from its Local Storage Account to TAMCO.
2. Notice of Sale or Transfer – The purchase of 2,000.000 acre-feet of water from the City of Norco by Fontana Water Company. This purchase is made from the City of Norco’s Excess Carryover Account and is to be transferred to Fontana Water Company’s Annual Production Right/Operating Safe Yield.

(0:16:33)

Motion by Mr. Bob Page, 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 approve staff recommendation of Business Item II.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.

III. BUSINESS ITEMS

A. STORAGE AGREEMENTS (Information Only)

Offer advice and assistance to Watermaster.

(0:16:54) Mr. Kavounas gave a report. A discussion ensued.

B. NOTICE OF OVERLYING (NON-AGRICULTURAL) POOL AVAILABLE WATER PER RESTATED JUDGMENT EXHIBIT “G” (Information Only)

(0:24:36) Ms. Truong gave a report.

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

1. Any proposed transfer of Safe Yield by a Member.
(Letter from Ameron dated December 19, 2016 addressed to Watermaster and BHFS):
 - Permanent transfer of 27.619 AF of Safe Yield from Ameron to TAMCO
 - Transfer of 27.619 AF of Carryover Balance from Ameron to TAMCO
 - Transfer of 169.358 of Local Storage from Ameron to TAMCO
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.
 - December 2016: Watermaster received a letter from Ameron indicating that the new representative is Richard Zuniga (replacing Jeffrey Bruny). Mr. Zuniga’s email address is: Richard.Zuniga@nov.com

(0:01:46) Mr. Kavounas congratulated Mr. Jeske on his retirement and thanked him for his contributions in the Basin, particularly at Watermaster. Mr. Ramsey Haddad of California Steel Industries will now be the primary representative with Mr. Ken Jeske as the alternate.

(0:26:38) Mr. Herrema gave a report on the water transfer between TAMCO and Ameron. A discussion ensued.

(0:28:08) Chair Geye noted Ameron's new representative, Mr. Richard Zuniga.

IV. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. December 9, 2016 Hearing
2. Safe Yield Reset

(0:28:56) Mr. Herrema gave a report, and added a report on the 38th Annual Report and Watermaster's intent to update the Rules and Regulations. A discussion ensued.

B. ENGINEER REPORT

1. Pomona Extensometer
2. Santa Ana River: BMPTF, SBVMWD RFP, Prado Basin AMP
3. SGMA: Model Update and Required Demonstrations, Annual Reporting, and Fringe Areas
4. California Statewide Groundwater Elevation Monitoring (CASGEM)
5. Watermaster Reporting Requirements

(0:34:27) Messrs. Malone and Tellez Foster gave a report. A discussion ensued.

C. CFO REPORT

1. 2016/17 Assessment Invoicing

(0:40:44) Mr. Joswiak gave a report.

D. GM REPORT

1. Santa Ana River Watershed Update
2. SGMA Update
3. Storage
4. RIPCom Update
5. Other

(0:41:40) Mr. Kavounas introduced Mr. Tellez Foster to give a report on, IV.D.1., the Santa Ana River Watershed update. A discussion ensued.

(0:53:04) Mr. Kavounas gave a report on IV.D.2., the SGMA update.

(0:53:57) Mr. Kavounas introduced Mr. Nakano to give a report on IV.D.4., the RIPCom update. A discussion ensued.

(0:55:36) Mr. Kavounas left the Non-Agricultural Pool meeting to rejoin the open session of the Appropriative Pool meeting, and asked Mr. Herrema to give the remainder of the GM Report.

(0:55:49) Mr. Herrema gave a report on FY 2016-2017 Storm and Supplemental Water Recharge by Basin table and Army Corps of Engineers meeting (held at IEUA), regarding the Prado Dam Master Plan.

V. INFORMATION

1. Annual Filing of Notice of Intent Regarding the Determination of Operating Safe Yield
2. Cash Disbursements for December 2016
3. Recharge Investigations and Projects Committee (RIPCom)
4. Ground Level Monitoring Report (Quarterly)
5. Update on South Archibald and Chino Airport Plumes (Quarterly)
6. RMPU Status Report (Quarterly)

VI. POOL MEMBER COMMENTS

None

VII. OTHER BUSINESS

None

VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Geye called for a confidential session at 12:03 p.m. to discuss storage. Confidential session concluded at 12:18 p.m. with the following reportable action:

- Direct Pool counsel and Pool chair to work with Watermaster staff and counsel to clarify storage agreement requirements and to provide comments on the storage agreement process.

ADJOURNMENT

Chair Geye adjourned the annual Appropriative Pool meeting at 12:19 p.m.

Secretary: _____

Approved: _____ February 9, 2017 _____