

MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING

October 12, 2017

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 October 12, 2017.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

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

NON-AGRICULTURAL POOL MEMBER PRESENT ON CALL

Ramsey Haddad	California Steel Industries (CSI)
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WATERMASTER STAFF PRESENT AT WATERMASTER

Peter Kavounas	General Manager
Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Senior Environmental Engineer
Anna Truong	Executive Services Director/Board Clerk
Justin Nakano	Water Resources Senior Associate
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.

NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL

Allen Hubsch	Loeb & Loeb, LLP
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OTHERS PRESENT AT WATERMASTER

Pete Hall	State of California – CIM
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CALL TO ORDER

Chair Geye called the Non-Agricultural Pool meeting to order at 11:03 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 September 14, 2017

(0:01:46)

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.A. as presented.

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of August 2017

2. Watermaster VISA Check Detail for the month of August 2017
3. Combining Schedule for the Period July 1, 2017 through August 31, 2017
4. Treasurer's Report of Financial Affairs for the Period August 1, 2017 through August 31, 2017
5. Budget vs. Actual Report for the Period July 1, 2017 through August 31, 2017

(0:02:04)

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. PROFESSIONAL SERVICES AGREEMENT BETWEEN APPLIED COMPUTER TECHNOLOGIES AND CHINO BASIN WATERMASTER

Recommend to the Advisory Committee to recommend to the Watermaster Board to approve.

(0:02:23)

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.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.

II. BUSINESS ITEMS

A. DESALTER REPLENISHMENT OBLIGATION ALLOCATION

Offer advice to Watermaster on the acceptable methodology to allocate Desalter Replenishment Obligation among parties.

(0:02:45) Mr. Kavounas gave a report. No action needed.

B. GROUND-LEVEL MONITORING COMMITTEE CHANGE IN ANNUAL REPORTING SCHEDULE

Offer advice and assistance to the Watermaster Board regarding the suggested changes to the Ground Level Monitoring Committee annual reporting schedule.

(0:03:33) Mr. Malone gave a report. A discussion ensued. No action needed.

C. EXHIBIT "G" PHYSICAL SOLUTION TRANSFER RATE SUBSTITUTION

Approve the proposed two-year, (Fiscal Years 2017-18 through 2018-19) substitute Physical Solution Transfer rate, recommend Advisory Committee approval, and approve Watermaster legal counsel's filing of motion for Court approval of the same.

(0:06:36) Mr. Kavounas reported on the Appropriative Pool's action on this item.

(0:06:57) Chair Geye deferred the item to Confidential Session.

The reportable action is provided in Section VII.1. below.

D. CALENDAR YEAR 2017 REVISED OVERLYING (NON-AGRICULTURAL) POOL VOLUME VOTE

Approve the Revised Calendar Year 2017 Overlying (Non-Agricultural) Pool Volume Vote as presented.

(0:07:45) The Pool deferred this item to Confidential Session.

The reportable action is provided in Section VII.3. below.

E. 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.
 - Angelica Corporation (Southern Service Company) permanent transfer of 18.789 of Safe Yield to 9W Halo Western OpCo., L.P.
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.
 - Effective September 29, 2017 Hamner Park Associates (Swan Lake Mobile Home Park) representative change from Mr. David Starnes to Ms. Natalie Costaglio (natalie.costaglio@mcmcnet.net); alternate representative remains unchanged.

(0:09:01) Chair Geye gave a report indicating Angelica Corporation (Southern Service Company) permanent transfer of 18.789 of Safe Yield to 9W Halo Western OpCo., L.P., and noted that on September 29, 2017 Hamner Park Associates (Swan Lake Mobile Home Park) representative change from Mr. David Starnes to Ms. Natalie Costaglio (natalie.costaglio@mcmcnet.net); alternate representative remains unchanged.

(0:09:51) Ms. Truong reported that she reached out to Mr. Dennis Dooley of Angelica Corporation, to inquire if he wanted to remain in the Pool, and will provide report once she receives a confirmation.

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

1. Appeal of April 28, 2017 Order
2. Petitions for Extension of Time (State Water Board Permits 19895 and 20753)

(0:10:21) Mr. Herrema gave a report

B. ENGINEER REPORT

1. Ground-Level Monitoring Program Implementation
2. Storage Management Workshop
3. Other Efforts

(0:13:50) Mr. Malone gave a report.

C. CFO REPORT

None

D. GM REPORT

1. CalMat/NCL Requests for Interventions and Related Water Transactions
2. Inland Empire Utilities Agency Proposition 1 Application
3. DYY Program Update
4. November Meeting Schedule
5. Other

(0:17:55) Mr. Tellez Foster gave a report on Item III.D.2.

(0:19:04) Mr. Kavounas gave an update on Item I.D.1., and reported the Appropriate Pool's action taken out of confidential session regarding the Calmat Company/NCL Company interventions and related water transactions.

(0:20:22) Mr. Kavounas gave reports on Items III.D.3. and III.D.4.

(0:21:46) Mr. Tellez Foster gave a report on preservation of wells for monitoring purposes. A discussion ensued.

IV. INFORMATION

1. Cash Disbursements for September 2017

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Geye called for a confidential session at 11:29 a.m. to discuss Exhibit "G" Transfer Rate, Storage Agreement Status, and Business Item II.D., Calendar Year 2017 Revised Overlying (Non-Agricultural) Pool Volume Vote. Confidential session concluded at 12:13 p.m. with the following reportable actions:

(0:24:31)

1. The Pool approved a transfer rate of 92% of Metropolitan Water District's Tier 1 Untreated Rate, which is \$639.40; and has authorized the Chair to continue to negotiate with Appropriative Pool.
2. The Pool has requested that Watermaster staff send a reminder to the parties who have not returned signed Storage Agreements.
3. The Pool deferred Business Item II.D. to November 2017 meetings and directed Pool counsel to provide input to staff.

(0:25:34) Mr. Kavounas commented on the FY 2017/18 Assessment Package.

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool meeting at 12:15 p.m.

Secretary: _____

Approved: _____ November 9, 2017