

MINUTES
CHINO BASIN WATERMASTER
ANNUAL NON-AGRICULTURAL POOL MEETING

January 11, 2018

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 11, 2018.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Brian Geye, Chair	California Speedway Corporation
Bob Bowcock, Vice-Chair	CalMat Co.
Ramsey Haddad	California Steel Industries, Inc.
Van Jew for Mark Kinsey	Monte Vista Water District (Non-Ag)
Bob Page	County of San Bernardino (Non-Ag)

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

David Penrice	Aqua Capital Management LP
Natalie Costaglio	Hamner Park Associates, a California Limited Partnership
Tom O'Neill	City of Ontario (Non-Ag)

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
Mark Wildermuth	Wildermuth Environmental, Inc.
Andy Malone	Wildermuth Environmental, Inc.

OTHERS PRESENT AT WATERMASTER

Ken Jeske	KJ Consulting
Pete Hall	State of California – CIM
Katie Gienger	City of Ontario
Kevin Sage	CalMat Co.

NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL

Allen Hubsch	Loeb & Loeb, LLP
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CALL TO ORDER

Mr. Geye, 2017 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

I. ANNUAL ELECTIONS (ACTION)

- A.** Elect the following Calendar Year 2018 Officers of the Pool: Chair, Vice-Chair, Secretary, Treasurer, and Assistant Secretaries and Treasurers as may be appropriate.

Chair

Brian Geye

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

B. Election of Calendar Year 2018 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: Kathleen Brundage

C. Calendar Year 2018 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 Second Vice-Chair of the Advisory Committee during Calendar Year 2018.

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

Brian Geye

D. Appointment of Calendar Year 2018 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(s) to serve on the Board for the Calendar Year.

Member: Bob Bowcock Alternate(s): Brian Geye

(0:03:04)

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 the Non-Agricultural Pool appointments to be filled for Calendar Year 2018 as indicated above.

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

1. Minutes of the Non-Agricultural Pool Meeting held November 9, 2017

(0:04:00)

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 majority vote of those present.

Moved to receive and file Business Item II.A. as presented.

Abstention by Mr. Van Jew – Monte Vista Waster District (Non-Ag)

B. FINANCIAL REPORTS

1. Cash Disbursements for the month of October 2017
2. Watermaster VISA Check Detail for the month of October 2017
3. Combining Schedule for the Period July 1, 2017 through October 31, 2017
4. Treasurer's Report of Financial Affairs for the Period October 1, 2017 through October 31, 2017
5. Budget vs. Actual Report for the Period July 1, 2017 through October 31, 2017
6. Cash Disbursements for the month of November 2017
7. Watermaster VISA Check Detail for the month of November 2017
8. Combining Schedule for the Period July 1, 2017 through November 30, 2017
9. Treasurer's Report of Financial Affairs for the Period November 1, 2017 through November 30, 2017
10. Budget vs. Actual Report for the Period July 1, 2017 through November 30, 2017

(0:04:28)

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 2018-01 – Resolution of the Chino Basin Watermaster, San Bernardino County, California, Re-Authorizing the Watermaster's Investment Policy.

(0:04:55) Mr. Joswiak gave a report. A discussion ensued.

(0:05:39)

Motion by Mr. Tom O'Neill, 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 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 2018-02 – Resolution Authorizing Investment of Monies in the Local Agency Investment Fund (LAIF).

(0:05:58) Mr. Joswiak gave a report.

(0:06:15)

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 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. CHINO BASIN WATERMASTER 40TH ANNUAL REPORT

Recommend that the Advisory Committee recommend to the Watermaster Board to adopt the 40th Annual Report, along with filing a copy with the Court, subject to any necessary non-substantive changes.

(0:06:39) Mr. Kavounas gave a report. A discussion ensued.

(0:10:47)

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 approve staff recommendation of Business Item II.E. as presented subject to Mr. Hubsch's review, and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

F. WATER TRANSACTION

Provide advice and assistance to the Watermaster Board on the proposed transaction:

The permanent transfer of 55.239 acre-feet of Safe Yield rights, 55.239 acre-feet of Excess Carryover, and 388.081 acre-feet of stored water from Ameron International Corporation to City of Ontario (Non-Ag). Date of application: October 31, 2017.

(0:11:13) Mr. Kavounas gave a report. A discussion was held regarding the official company name for Ameron International Corporation and the attached certificates reflect the proper ownership.

(0:15:21) Mr. Jeske reported that Ameron International Corporation wishes to remain in the Non-Agricultural Pool at this time and will reevaluate its status in June 2018.

(0:16:00)

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 approve staff recommendation of Business Item II.F. and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

(0:17:03) Further discussion ensued regarding the status of Angelica Corporation.

G. CONSIDERATION OF LOCAL STORAGE AGREEMENTS

Recommend to the Advisory Committee to recommend the Watermaster Board to approve the storage agreements as presented.

(0:17:49) Mr. Kavounas gave a report. A discussion ensued.

(0:24:56) The Pool deferred Item II.G. to Confidential Session.

III. BUSINESS ITEMS

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

1. Any proposed transfer of Safe Yield by a Member.
 - The permanent transfer of 55.239 acre-feet of Safe Yield rights, 55.239 acre-feet of Excess Carryover, and 388.081 acre-feet of stored water from Ameron International Corporation to City of Ontario (Non-Ag). Date of application: October 31, 2017.
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).
 - NRG California South LP Bankruptcy Proceeding
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.
 - Watermaster received official correspondence, the executed Waiver of Notice/Removal From Active Party List form from Quaker Chemical Company in December 2017 indicating their desire to opt out of the Watermaster process. Staff has since removed them from all distribution lists.
 - Mr. Ken Jeske informed Watermaster that as of the end of December 2017, he will no longer be California Steel Industries' alternate. Mr. Ramsey Haddad will continue as CSI's representative and Ms. Kathleen Brundage (kathleen.brundage@californiasteel.com) will be his alternate.

- Effective for Calendar Year 2018, General Electric Company's alternate has changed from Mr. Roger Florio to Mr. Paul Deutsch; his email address is paul.deutsch@woodplc.com. Mr. Randall McAlister will continue as their primary representative.
- Effective for Calendar Year 2018, NRG California South LP's representative and alternate has changed. Mr. Rick Fatten (richard.fatten@genon.com) is now their primary representative, replacing Mr. Marco Tule, and Mr. Robert Rea (robert.rea@genon.com), replacing Mr. John Abusham, will serve as their alternate.

(0:25:40) Ms. Truong gave reports on Items III.A.1. and III.A.4. and noted the new email addresses that were provided to Watermaster.

(0:27:35) Mr. Herrema gave a report on Item III.A.3. A discussion ensued.

IV. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Appeal of April 28, 2017 Order
2. December 15, 2017 Court Hearing
3. Request for the Court to Amend the Annual Report Schedule for the Ground-Level Monitoring Committee

(0:30:12) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. Storage Management Progress Report
2. Other Ongoing Work

(0:34:05) Mr. Wildermuth gave a report on Item IV.B.1. A discussion ensued.

(0:38:23) Mr. Malone gave reports on Subsidence Management Plan, Salinity Management, RMPU Projects, Chino Basin Watermaster 40th Annual Report, and the CASGEM Reporting Program.

C. CFO REPORT

1. 2017/18 Assessment Invoicing

(0:41:45) Mr. Joswiak gave a report.

D. GM REPORT

1. Well Preservation Strategy
2. 2017 Replenishment Water Delivery
3. 2018 RMPU
4. 40th Annual Report Court Filing
5. SGMA Compliance Update
6. Chino Airport Plume Update
7. Other

(0:43:47) Mr. Kavounas introduced Messrs. Tellez Foster and Malone to give a presentation on Item IV.D.1. A discussion ensued.

(0:55:35) Mr. Kavounas gave reports on Items IV.D.2. – IV.D.4.

(0:57:57) Mr. Tellez Foster gave a report on Item IV.D.5. A discussion ensued.

(1:10:03) Mr. Kavounas gave additional reports and presented a listing showing Watermaster's obligations and duties, the Storage Framework Workshop scheduled for January 31, 2018 at 9:00 a.m., and the Hearing Officer Panel appointment.

V. INFORMATION

1. Notice of Intent Regarding the Determination of Operating Safe Yield
2. Cash Disbursements for December 2017

VI. POOL MEMBER COMMENTS

None

VII. OTHER BUSINESS

None

VIII. CONFIDENTIAL SESSION - POSSIBLE ACTION

Chair Geye called for a confidential session at 12:19 p.m. to discuss Safe Yield Reset and Business Item II.G., Consideration of Local Storage Agreements. Confidential session concluded at 1:10 p.m. with the following reportable actions:

(1:17:01)

1. The Pool authorized the Chair and Legal Counsel to negotiate all terms of the Safe Yield Reset Agreement.
2. In regards to the Consideration of Local Storage Agreements, the Pool authorized its Advisory Committee and Watermaster Board representatives to take appropriate action at the respective meetings, and direct Pool Chair and Counsel to continue discussions with the Appropriate Pool.

ADJOURNMENT

Chair Geye adjourned the annual Non-Agricultural Pool meeting at 1:12 p.m.

Secretary: _____

Approved: _____ February 8, 2018

ATTACHMENTS:

1. Ameron, Inc. Certificate of Ownership
2. Ameron, Inc. Certificate of Amendment