

MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING
February 13, 2020

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 February 13, 2020.

NON-AGRICULTURAL POOL MEMBERS PRESENT AT WATERMASTER

Brian Geye, Chair California Speedway Corporation

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Ramsey Haddad California Steel Industries, Inc.
Kevin Sage for Bob Bowcock CalMat Co.
Shaun Stone City of Ontario (Non-Ag)

WATERMASTER STAFF PRESENT AT WATERMASTER

Peter Kavounas General Manager
Joseph Joswiak Chief Financial Officer
Edgar Tellez Foster Senior Environmental Engineer
Justin Nakano Water Resources Senior Associate
Janine Wilson Senior Accountant

WATERMASTER CONSULTANTS PRESENT AT WATERMASTER

Chris Guillen Brownstein Hyatt Farber Schreck, LLP
Andy Malone Wildermuth Environmental, Inc.

NON-AGRICULTURAL POOL LEGAL COUNSEL PRESENT ON CALL

Allen Hubsch Loeb & Loeb, LLP

CALL TO ORDER

Chair Geye called the Non-Agricultural Pool meeting to order at 11:01 a.m.

ROLL CALL

Ms. Wilson conducted the roll call.

AGENDA – ADDITIONS/REORDER

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

Receive and file as presented:

1. Minutes of the Annual Non-Agricultural Pool Meeting held January 9, 2020

(0:02:26)

Motion by Mr. Shaun Stone, seconded by Mr. Ramsey Haddad. 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 I.A. as presented.

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of December 2019
2. Watermaster VISA Check Detail for the month of December 2019
3. Combining Schedule for the Period July 1, 2019 through December 31, 2019
4. Treasurer's Report of Financial Affairs for the Period December 1, 2019 through December 31, 2019
5. Budget vs. Actual Report for the Period July 1, 2019 through December 31, 2019

(0:02:58)

Motion by Mr. Shaun Stone, seconded by Mr. Ramsay 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 I.B. without approval as presented.

C. ANG II OVERLYING (NON-AGRICULTURAL) POOL INTERVENTION REQUEST

Recommend to the Advisory Committee to recommend Watermaster filing the request for intervention with the Court.

(0:03:28) Mr. Guillen gave a report. A discussion ensued. This item was approved as a slate (see below under I.E.).

D. APPLICATION: WATER TRANSACTION

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

The permanent transfer of 24.0 acre-feet of water from Southern Service Company dba Blue Seal Linen to ANG II (Multi) LLC. This is a permanent transfer based on transfer of land ownership by Grant Deed dated March 25, 2010. This transfer is contingent on ANG II (Multi) LLC's successful intervention into the Overlying (Non-Agricultural) Pool. Date of Application: January 2, 2020.

This item was approved as a slate (see below under I.E.).

E. APPLICATION: WATER TRANSACTION

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

The transfer of 24.0 acre-feet of Operating Safe Yield from ANG II (Multi) LLC to 9W Halo Western Opco, L.P. This transfer is contingent on ANG II (Multi) LLC's successful intervention into the Overlying (Non-Agricultural) Pool. Date of application: January 2, 2020.

(0:10:03)

Motion by Mr. Shaun Stone, 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 Items I.C., 1.D., and 1.E., and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

F. APPLICATION: WATER TRANSACTION

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

The transfer of 3,500.0 acre-feet of water from the City of Chino to Fontana Water Company. This transfer is made from the City of Chino's Excess Carryover Account. Date of application: January 16, 2020.

(0:10:52)

Motion by Mr. Shaun Stone, 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 I.F., and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

G. REVISED CALENDAR YEAR 2020 VOLUME VOTE

Receive and file the revised Calendar Year 2020 Overlying (Non-Agricultural) Pool Volume Vote as presented.

(0:11:06)

The Pool discussed and decided that it is not necessary to receive and file the volume vote each time it is revised. The Pool requested that future revisions are shown as informational items instead of "receive and file".

II. BUSINESS ITEMS

A. OBMP IMPLEMENTATION PLAN UPDATE (INFORMATION ONLY)

(0:14:28) Mr. Kavounas prefaced the item and indicated that the presentation is accessible on the Watermaster FTP site; the Pool declined to receive the presentation. A discussion ensued.

B. MEMBER STATUS CHANGES (FOR DISCUSSION AND POSSIBLE ACTION)

1. Any proposed transfer of Safe Yield by a Member.
 - The transfer of 24.0 acre-feet of Operating Safe Yield from ANG II (Multi) LLC to 9W Halo Western OpCo, L.P. This transfer is contingent on ANG II (Multi) LLC's successful intervention into the Overlying (Non-Agricultural) Pool. Date of application: January 2, 2020.
 - The permanent transfer of 24.0 acre-feet of water from Southern Service Company dba Blue Seal Linen to ANG II (Multi) LLC. This is a permanent transfer based on transfer of land ownership by Grant Deed dated March 25, 2010. This transfer is contingent on ANG II (Multi) LLC's successful intervention into the Overlying (Non-Agricultural) Pool. Date of Application: January 2, 2020.
2. Any transfer of Safe Yield that has actually closed or been completed. *(Page 123)*
 - GenOn California South LP/Ontario (Non-Ag) water transaction approved by Board on 10/24/19, was deemed closed by the transacting parties on 1/29/20. GenOn submitted correspondence notifying Watermaster of the closing.
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. *(Page 124)*
 - GenOn California South, LP, having sold all its water rights and stored water to the City of Ontario (Non-Ag), notified Watermaster of its desire to opt out of the Watermaster Active Party List. They have since been removed from the Non-Agricultural Pool meeting roll call and email distribution lists.

(0:16:00) Mr. Kavounas gave a report indicating the proposed water transfers as shown in II.B.1. above and also noted the closure of the GenOn/City of Ontario (Non-Ag) transaction as indicated in II.B.2. above. He also noted that Watermaster received a Waiver of Notice form from GenOn opting out of Watermaster Active Party notices. A discussion ensued.

(0:22:37)

Motion by Mr. Ramsay Haddad, seconded by Mr. Kevin Sage. The Chair called for dissent, and, none being noted, the motion was deemed passed by unanimous vote of those present.

Moved to authorize Pool counsel to reach out to GenOn to confirm their desire to completely opt out of the Overlying (Non-Agricultural) Pool Committee and any Watermaster related business.

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. Watermaster's Motion for Court to Receive and File Annual Report
2. March 20, 2020 Hearing

(0:23:20) Mr. Guillen gave a report. A discussion ensued.

B. ENGINEER REPORT

1. 2020 Safe Yield Recalculation
2. PFAS Monitoring and Results
3. PBHSP Scope and Budget Process
4. GLMC Scope and Budget Process

(0:25:44) Mr. Malone gave a report on III.B.1.

(0:27:57) Mr. Stone left the meeting

(0:28:27) Ms. Weamer gave a presentation on III.B.2.

(0:30:25) Mr. Malone gave the remainder of the Engineer Report.

C. CFO REPORT

- 1. Fiscal Year 2019/20 Mid-Year Review
- 2. Fiscal Year 2020/21 Budget Schedule

(0:32:10) Mr. Joswiak gave a report and a presentation on the Fiscal Year 2020/21 budget schedule. A discussion ensued.

D. GM REPORT

- 1. OAP Contest
- 2. Exhibit G Process
- 3. Costs Related to 1,2,3-TCP Treatment
- 4. Other

(0:41:23) Mr. Kavounas gave a report.

IV. INFORMATION

- 1. Cash Disbursements for January 2020

V. POOL MEMBER COMMENTS

None

VI. OTHER BUSINESS

None

VII. CONFIDENTIAL SESSION - POSSIBLE ACTION

A Confidential Session may be held during the Pool Committee meeting for the purpose of discussion and possible action.

Chair Geye called for a confidential session at 11:44 a.m. to discuss the following:

- 1. Storage Management
- 2. Overlying (Agricultural) Pool Committee's Amendment to its July 12, 2018 Consolidated and Amended Contest to Applications for Storage Agreements and Sale or Transfer

Confidential session concluded at 12:00 p.m. with no reportable action.

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool meeting at 12:00 p.m.

Secretary: _____

Approved: _____ March 12, 2020