

MINUTES
CHINO BASIN WATERMASTER
NON-AGRICULTURAL POOL MEETING

July 9, 2020

The Non-Agricultural Pool meeting was held by GoToMeeting (conference call and web meeting) on July 9, 2020.

NON-AGRICULTURAL POOL MEMBERS PRESENT ON CALL

Brian Geye, Chair	California Speedway Corporation
Bob Bowcock, Vice-Chair	CalMat Co.
Ramsey Haddad	California Steel Industries, Inc.
Christopher Quach	City of Ontario (Non-Ag)
Michael Adler	Hamner Park Associates, a California Limited Partnership

WATERMASTER STAFF PRESENT AT WATERMASTER

Peter Kavounas	General Manager
Vanessa Aldaz	Administrative Assistant

WATERMASTER STAFF PRESENT ON CALL

Joseph Joswiak	Chief Financial Officer
Edgar Tellez Foster	Water Resources Mgmt. and Planning Dir.
Anna Nelson	Executive Services Director
Justin Nakano	Water Resources Technical Manager

WATERMASTER CONSULTANTS PRESENT ON CALL

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

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 11:02 a.m.

ROLL CALL

(0:02:06) Ms. Nelson conducted the roll call.

AGENDA – ADDITIONS/REORDER

None

I. BUSINESS ITEMS - ROUTINE

A. MINUTES

Receive and file as presented:

1. Minutes of the Non-Agricultural Pool Meeting held June 11, 2020

(0:05:22)

Motion by Mr. Christopher Quach, 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 I.A. as presented.

B. FINANCIAL REPORTS

Receive and file as presented:

1. Cash Disbursements for the month of May 2020
2. Watermaster VISA Check Detail for the month of May 2020

3. Combining Schedule for the Period July 1, 2019 through May 31, 2020
4. Treasurer's Report of Financial Affairs for the Period May 1, 2020 through May 31, 2020
5. Budget vs. Actual Report for the Period July 1, 2019 through May 31, 2020
6. Cash Disbursements for June 2020 (Information Only)

(0:05:55)

Motion by Mr. Christopher Quach, 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 I.B. without approval as presented.

C. HAMNER PARK ASSOCIATES OVERLYING (NON-AGRICULTURAL) POOL INTERVENTION REQUEST

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

(0:06:19) Chair Geye requested that Business Item I.C. be taken in confidential session. Reportable action is shown below under Confidential Session.

D. APPLICATION: WATER TRANSACTION

The permanent transfer of 464.240 acre-feet of Safe Yield rights from Carlsberg Mobile Home Properties, LTD '73 to Hamner Park Associates, LP. This is a permanent transfer based on transfer of land ownership by Grant Deed dated September 30, 1987. This transfer is contingent on Hamner Park Associates, LP's successful intervention into the Overlying (Non-Agricultural) Pool.

(0:08:02) Chair Geye requested that Business Item I.D. be taken in confidential session. Reportable action is shown below under Confidential Session.

E. APPLICATION: WATER TRANSACTION

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

The purchase of 708.3 acre-feet of water from West End Consolidated Water Company by the City of Upland. This purchase is made from West End Consolidated Water Company's Annual Production Right. The City of Upland is utilizing this transaction to produce its West End Consolidated Water Company shares. Date of application: June 18, 2020.

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

F. APPLICATION: WATER TRANSACTION

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

The permanent transfer of Safe Yield Rights from Nicholson Trust to Nicholson Family Trust. Date of application: June 9, 2020.

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

G. APPLICATION: RECHARGE

Recommend Advisory Committee to recommend to the Watermaster Board to approve Cucamonga Valley Water District's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in Cucamonga Valley Water District's existing Local Supplemental Storage account.

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

H. APPLICATION: RECHARGE

Recommend Advisory Committee to recommend to the Watermaster Board to approve Fontana Water Company's Application for Recharge (up to 300 acre-feet to be recharged into the Vulcan

Basin) and direct Watermaster staff to account for this supplemental water recharged in Fontana Water Company's existing Local Supplemental Storage account.

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

I. APPLICATION: RECHARGE

Recommend Advisory Committee to recommend to the Watermaster Board to approve Fontana Water Company's Application for Recharge (up to 100,000 acre-feet to be recharged into the vineyard located along the south side of Beech Avenue and east of Cherry Avenue in the City of Fontana (MAR project)) and direct Watermaster staff to account for this supplemental water recharged in Fontana Water Company's existing Local Supplemental Storage account.

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

J. APPLICATION: RECHARGE

Recommend Advisory Committee to recommend to the Watermaster Board to approve San Antonio Water Company's Application for Recharge and direct Watermaster staff to account for this supplemental water recharged in San Antonio Water Company's existing Local Supplemental Storage account.

(0:08:25)

Motion by Mr. Christopher Quach, 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.E., I.F., I.G., I.H., I.I., and I.J., and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

K. REVISED CALENDAR YEAR 2020 VOLUME VOTE

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

(0:09:21)

Motion by Mr. Christopher Quach, 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 I.K. as presented.

II. BUSINESS ITEMS

A. TASK ORDER NO. 6 UNDER MASTER AGREEMENT FOR COLLABORATIVE PROJECTS: WATER DEMAND PROJECTIONS BASED ON LAND USE

Recommend to the Advisory to Committee to approve the Task Order No. 6 as presented.

(0:09:55) Messrs. Kavounas and Tellez Foster gave a report. A discussion ensued.

(0:13:28)

Motion by Mr. Ramsey Haddad, seconded by Vice-Chair Bob Bowcock. The Chair called for dissent, and, noting abstention by Mr. Christopher Quach representing the City of Ontario, the motion was deemed passed by majority vote of those present.

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

B. BUDGET AMENDMENT FORM A-20-07-01

Recommend Advisory Committee approval.

(0:14:57)

Motion by Mr. Ramsey Haddad, seconded by Vice-Chair Bob Bowcock. The Chair called for dissent, and, noting abstention by Mr. Christopher Quach representing the City of Ontario, the motion was deemed passed by majority vote of those present.

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

**C. OBMPU IMPLEMENTATION PLAN/PEACE AGREEMENT AMENDMENT
(FOR DISCUSSION AND POSSIBLE ACTION)**

Offer suggestions to Watermaster staff.

(0:16:58) Mr. Kavounas gave a report. A discussion ensued; the Pool Chair expressed that the Pool welcomes Watermaster's help in moving forward.

No action was taken on this item.

**D. POTENTIAL OPTIONS TO ADDRESS LIMITATION ON STORAGE
(FOR DISCUSSION AND POSSIBLE ACTION)**

Consider various options and offer input to Watermaster staff.

(0:20:50) Mr. Kavounas gave a report. A discussion ensued.

No action was taken on this item.

E. MEMBER STATUS CHANGES

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.

None

III. REPORTS/UPDATES

A. LEGAL COUNSEL REPORT

1. San Bernardino County Superior Court Emergency Order
2. June 26, 2020 Hearing
3. July 10, 2020 Hearing

(0:31:25) Mr. Herrema gave a report.

B. ENGINEER REPORT

1. MPI Analyses
 - CVWD Recharge at Turner
 - SAWCo recharge at Upland and Montclair
 - FWC Recharge at Vineyard near San Sevine and Vulcan
2. Safe Yield Reset Support

(0:35:16) Mr. Malone gave a report.

C. CFO REPORT

None

D. GM REPORT

- 1. Status report: OBMP Update
- 2. Status report: OAP Contest
- 3. COVID-19 Business Operation Plan
- 4. August Meeting Schedule
- 5. Other

(0:36:20) Mr. Kavounas gave a report.

IV. POOL MEMBER COMMENTS

None

V. OTHER BUSINESS

None

VI. 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 11:41 a.m. to discuss the following:

- 1. Safe Yield
- 2. Storage

Confidential session concluded at 12:01 p.m. with the following reportable action:

(0:42:34)

The Pool approved its standard motion to approve staff recommendation of Business Item I.C. and I.D and to direct the Pool representatives to support at the Advisory Committee and Watermaster Board meetings subject to changes which they deem appropriate.

If there are problems or any opposition to Business Item I.C. or I.D the Pool also passed a resolution to be included as a part of these minutes.

ADJOURNMENT

Chair Geye adjourned the Non-Agricultural Pool meeting at 12:11 p.m.

Secretary: _____

Approved: _____ August 14, 2020

Attachments:

- 1. 20200709 Revised ONAP Calendar Year 2020 Volume Vote.
- 2. 20200709 Resolution Re: Hamner Park Associates.



Chino Basin Watermaster 2020 Non-Ag Pool Volume Vote

Assessment Year 2019-2020 (Production Year 2018-2019)

Share of Safe Yield as of March 26, 2020

	Assessable Production			Share of Safe Yield			TOTAL VOLUME VOTE
	Acre-Ft	Percentage	Votes	Acre-Ft	WV Realloc	Votes	
9W Halo Western OpCo L.P. ^{1,2}	22.711	0.591%	4.385	18.789	0.040	2.000	6.385
ANG II (Multi) LLC ^{1,3}	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
Aqua Capital Management LP	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
California Speedway Corporation	388.618	10.113%	75.037	1,000.000	2.130	101.000	176.037
California Steel Industries, Inc.	1,418.841	36.922%	273.959	1,615.137	3.440	162.000	435.959
CalMat Co.	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
CCG Ontario, LLC	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
City of Ontario (Non-Ag)	1,508.086	39.244%	291.191	3,920.567	8.351	393.000	684.191
County of San Bernardino (Non-Ag)	56.999	1.483%	11.006	133.870	0.285	14.000	25.006
General Electric Company	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
GenOn California South, LP ^{4,5}	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
Hamner Park Associates, a California Limited Partnership	303.605	7.901%	58.622	464.240	0.989	47.000	105.622
Monte Vista Water District (Non-Ag)	15.013	0.391%	2.899	50.000	0.107	6.000	8.899
Praxair, Inc.	0.000	0.000%	0.000	1.000	0.002	1.000	1.000
Riboli Family and San Antonio Winery, Inc.	25.569	0.665%	4.937	0.000	0.000	0.000	4.937
Space Center Mira Loma, Inc.	93.708	2.439%	18.094	104.121	0.222	11.000	29.094
TAMCO	9.688	0.252%	1.871	42.619	0.091	5.000	6.871
West Venture Development Company	0.000	0.000%	0.000	0.000	0.000	0.000	0.000
TOTAL	3,842.838	100.000%	742.000	7,350.343	15.657	742.000	1,484.000

¹ In the early 1980's, Southern Service Company sold their operations to Angelica Textile Services, Inc. but retained the ownership to the property and water rights. At the same time, the property and water rights were leased to Angelica Textile Services, Inc.

² In 2017, Angelica Textile Services, Inc. filed for bankruptcy and subsequently sold all of its assets to 9W Halo Western OpCo L.P. As a result, 9W Halo Western OpCo L.P. became the successor to Angelica Textile Services, Inc. under the lease with ANG II (Multi) LLC.

³ ANG II (Multi) LLC acquired the property and water rights from Southern Service Company on March 25, 2010. Simultaneously, the property and water rights were then leased to Angelica Textile Services, Inc., and subsequently to 9W Halo Western OpCo L.P. in 2017.

⁴ GenOn California South, LP transferred all of its share of Safe Yield to the City of Ontario (Non-Ag) on January 29, 2020.

⁵ GenOn California South, LP has requested to be removed from the Watermaster Active Party List. Its share of votes based on the 2018/2019 assessable production is reallocated to the remaining parties.

RESOLUTION RE HAMNER PARK ASSOCIATES

NON-AGRICULTURAL POOL COMMITTEE

RESOLUTION

In or about 2015, the Non-Agricultural Pool Committee prepared a roster of its members, and of the representatives and alternates of such members, and directed Watermaster staff to use that roster for purposes of business thereafter conducted by the Non-Agricultural Pool Committee. At that time, the Non-Agricultural Pool Committee determined that, starting in or about 1987, Hamner Park Associates was a party to the Judgment and a member of the Non-Agricultural Pool Committee, notwithstanding that Watermaster's records were incomplete. The Non-Agricultural Pool Committee notes that Watermaster staff's records generally with respect to this period of time are incomplete, suggesting that the files relating to Hamner Park Associates have been lost or misplaced. The Non-Agricultural Pool Committee does not believe that a water transfer or intervention by Hamner Park Associates in 2020 is necessary or appropriate. The Non-Agricultural Pool Committee would support entry of an appropriate order by the Court which confirms that Hamner Park Associates has been a party to the Judgment and a member of the Non-Agricultural Pool since 1987, consistent with the Pool Committee's previous determination on this subject in 2015.