



CalMutuals Board of Directors Meeting
Tuesday, April 17, 2018
2:00 p.m. or upon adjournment of the JPRIMA Board Meeting
VIA Teleconference
Call-in Number: (515) 604-9371
Access Code: 462-860

Agenda

2:00 p.m.:

- 1) Call to Order (Chair Yamashita-Lopez)
- 2) Roll Call
- 3) Review and Approval of March 20, 2018 Board Meeting Minutes
- 4) Chair's Report
 - a. Calmutuals postcard outreach
 - b. Rurban Mutual – New Member *Ref. comment on Cal Rural Booklet
 - c. Lobby Day
 - d. Upcoming Workshop Comments/Ideas (AWC getting started, HR, Job Rec., Meter Compliance, Lack of AB 240 Compliance)
- 5) Executive Director's Report
- 6) Budget Report
 - a. Demand Sheet
 - b. Financials
- 7) Committee Chairs' Report
 - a. Legislative Committee (Armstrong/Ortega/Peralta Gailey)
 - b. Regulatory Affairs – Low Income Rate Assistant Program (Ortega)
- 8) Director Comments
- 9) Adjourn (3:00 p.m.)

2018 CalMutuals Board Roster

Ms. Lisa Yamashita-Lopez - President
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Mr. Dave Armstrong – Vice President
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Mr. Dave Michalko - Secretary
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Mr. Jim Byerrum - Director
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Mr. Ken Bradbury - Director
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Mr. Doug Nunneley - Director
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Mr. Ken Tcheng - Director
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Mr. Michael Palazzo- Director
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Ms. Denise Peralta Gailey
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**California Association of Mutual Water Companies (CalMutuals)
Board of Directors Meeting Minutes
March 20, 2018**

Via Teleconference (515) 604-9371, Access Code: 462860

Call to Order: Chair Lisa Yamashita-Lopez called the meeting to order at 2:01 p.m.

Present: Lisa Yamashita-Lopez (Director, President and Chair), Dave Michalko (Director, Secretary), Jim Byerrum (Director), Doug Nunneley (Director), Ken Bradbury (Director), Rick Cook (Director), Jim Ciampa (Legal Counsel), Adan Ortega (Staff, Executive Director), Denise Peralta Gailey (Staff, Managing Director), Susan Allen (Staff), Lynda Noriega (California Domestic Water Company), Myra Evangelista (California Domestic Water Company).

Absent: Dave Armstrong (Director, Vice President), Ken Tchong (Director), Michael Palazzo (Director).

Review and Approval of the February 27, 2018 Board Meeting Minutes: On a motion made by Secretary Michalko, seconded by Director Bradbury, the February 27, 2018 board meeting minutes were unanimously approved, as submitted.

Chair's Report: No comments.

Executive Director's Report: Executive Director Ortega deferred his comments to Agenda Item #7, the Committee Chairs' report.

Budget Report: Staff Member Allen provided an overview of the demand sheet. On a motion made by Secretary Michalko, seconded Director Bradbury, the demand sheet was unanimously approved. Staff Member Allen also provided an overview of the budget and cash flow statement. Director Byerrum inquired about the accuracy of the membership dues; Staff Member Allen reported that she will investigate further to ensure the budget projections on membership dues are accurate.

Committee Chairs' Report: Managing Director Peralta Gailey and Executive Director Ortega provided the committee chairs' report. Managing Director Peralta Gailey reported that the legislative committee convened on March 13, 2018 to discuss:(1) SB 998 (Dodd); (2) AB 2050 (Caballero); and (3) AB 1668/SB 606 (Friedman, Hertzberg, Skinner). On a motion made by Secretary Michalko, seconded by Director Bradbury, the board voted unanimously to accept the legislative committee's recommendation of opposing SB 998 (Dodd). Executive Director Ortega provided an update on AB 3057 (Quirk-Silva), the CalMutuals-sponsored legislation to create a state tax equivalent to the Internal Revenue Code Section 501 (c)(12). Mr. Ortega also reported that he will be traveling to Sacramento on April 5, 2018 to participate in a meeting regarding AB 401, the Low-income Rate Assistance Program; Secretary Michalko and Director Nunneley will join Executive Director Ortega at said meeting.

Managing Director's Report: Managing Director Peralta Gailey provided an update on preparations for lobby day on April 4, 2018.

Director Comments: Director Byerrum stated that he is working with Mr. Robert Eranio on property tax exemptions for mutual water companies.

Adjourn: Chair Yamashita-Lopez adjourned the meeting at 2:40 p.m.

MEMORANDUM

To: California Association of Mutual Water Companies

From: Dave Armstrong, Legislative Committee Chair

Date: April 17, 2018

Subject: Legislative Committee Report

On April 10, the CalMutuals Legislative Committee convened to discuss various bills including: (1) AB 2050 (Caballero); (2) AB 2339 (Gipson); and (3) AB 2060 (E. Garcia).

- **AB 2050 (Caballero) Small System Water Authority Act of 2018:** The bill would create the Small System Water Authority Act of 2018 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and operate noncompliant public water systems. **Update:** Eastern Municipal Water District (EMWD) has agreed to accept *most* of the Association's requested amendments. EMWD staff indicated that the hard-copy amendments will be shared with Association staff the week of April 16th.
- **AB 2339 (Gipson) Water utility service: sale of water utility property by a city:** The bill would permit a city that owns and operates a public utility for furnishing water service to sell the public utility for the purpose of consolidating its public water system with another public water system pursuant to the procedures that are generally applicable to the sale of real property by a city.
Legislative Committee Recommendation: Oppose unless amended.
- **AB 2060 (E. Garcia) Water: grants: advanced payments:** The bill would require the department to provide advanced payment for those projects of \$500,000 or 50% of the grant award, whichever is less. The bill would eliminate the requirement that the grant award for the project be less than \$1,000,000 to obtain advanced payment.
Legislative Committee Recommendation: Support.

2018 Legislative Priority

On April 4, I was joined by President Yamashita Lopez, Vice President Michalko, Director Nunneley, Executive Director Ortega and Legislative Advocate Jensen in Sacramento to advocate for AB 3057 (Quirk-Silva) which would create a state tax equivalent to the Internal

Revenue Section 501 (c) (12) by amending the state Revenue and Taxation Code. The lobby day meetings were successful. Staff has continued their outreach to mutual water companies in the districts that pertain to State Assembly Revenue and Taxation Committee members for letters of support. The bill will be heard by the Assembly Revenue and Taxation Committee in May.

The legislative committee meetings are held as needed. Members of the Board of Directors and/or their designated staff are welcome to participate on the committee.