



**CalMutuals Board of Directors Meeting
Tuesday, August 15, 2017**

1:30 p.m., or thereafter upon completion of the Cal Mutuals JPRIMA Board Call

Call-in Number: (712) 775-7031

Access Code: 540-575-707#

Agenda

1:30 p.m.:

- 1) Call to Order (Chair Yamashita-Lopez)
- 2) Roll Call
- 3) Review and Approval of July 18, 2017 Board Meeting Minutes
- 4) Chair's Report
- 5) Executive Director's Report
- 6) Committee Chairs' Report
 - a. Legislative Committee
 - b. Regulatory Affairs Committee
- 7) Budget Report
 - a. Review and Approval of Demand Sheet
 - b. Financial Statements
- 8) Director Comments
- 9) Adjourn (2:30 p.m.)

2017 CalMutuals Board Roster

Ms. Lisa Yamashita-Lopez - President
Rubio Cañon Land and Water Association
626-797-0509 x206 | 626-802-8092
583 E. Sacramento St., Altadena, CA 91001
lisa@calmutuals.org

Mr. David Armstrong – Vice President
South Mesa Water Company
909-795-2401 | 951-805-0861 391
West Avenue L, Calimesa, CA 92320
darmstrongsmwc@yahoo.com

Mr. Dave Michalko - Secretary
Valencia Heights Mutual Water Company
626-332-8935 | 909-215-6895
3009 E. Virginia Ave., West Covina, CA 91791
dmichalko@vhwc.org

Mr. Jim Byerrum - Director
California Domestic Water Company
562-947-3811 | 714-822-6084
15505 Whittier Blvd., Whittier, CA 90609
jbyerrum@caldomestic.com

Mr. Ken Bradbury - Director
Montebello Land and Water Company
323-722-8654 | 213-500-5279
344 E. Madison Ave., Montebello, CA 90640
ken@mtblw.com

Mr. Doug Nunneley - Director
Oildale Mutual Water Company
661-399-5516 | 661-204-1074 2836
McCray St., Bakersfield, CA 93308
dnunneley@yahoo.com

Mr. Ken Tcheng - Director
Sunny Slope Mutual Water Company
626-287-5238 x122 | 626-422-6861
1040 El Campo Dr., Pasadena, CA 91107
ken@sunnyslopedwatercompany.com

Mr. Rick Cook – Director
Bellflower-Somerset Mutual Water Company
562-866-9980
10016 Flower Street, Bellflower, CA 90706
rcook@warnerreal.com

Staff

Mr. Jim Ciampa
General Counsel
626-793-9400
301 N. Lake Ave., 10th Floor, Pasadena, CA 91101
jciampa@lagerlof.com

Ms. Myra Evangelista
Staff/Treasurer
562-947-3811 | 714-822-6084
15505 Whittier Blvd., Whittier, CA 90609
myra@calmutuals.org

Mr. Adan Ortega
Executive Director
714-449-3397 | 714-600-4683
1400 N. Harbor Blvd., Suite 510, Fullerton, CA 92835
adan@calmutuals.org

Ms. Denise Peralta Gailey
Managing Director
714-449-3397 | 626-673-0005
1400 N. Harbor Blvd., Suite 510, Fullerton, CA 92835
denise@calmutuals.org

Ms. Lynda Noriega
Vice President
California Domestic Water Company
562-947-3811
15505 Whittier Blvd., Whittier, CA 90609
lnoriega@caldomestic.com

California Association of Mutual Water Companies (CalMutuals)
Board of Directors Meeting Minutes
July 18, 2017

Call to Order: Chair Yamashita-Lopez called the meeting to order at 1:31 p.m.

Present: Lisa Yamashita-Lopez (Director, President & Chair), Dave Armstrong (Director, Vice President), Dave Michalko (Director, Secretary), Doug Nunneley (Director), Jim Byerrum (Director), Ken Bradbury (Director), Ken Tchong (Director), Rick Cook (Director), Tim Green (Member), Denise Peralta Gailey (Staff, Managing Director), Myra Evangelista (Staff, Treasurer), Jim Ciampa (Legal Counsel).

Absent: Adan Ortega (Staff, Executive Director), Lynda Noriega.

Review and Approval of the June 20, 2017 Board Meeting Minutes: On a motion made by Director Bradbury, seconded by Secretary Michalko, the June 20, 2017 board meeting minutes were unanimously approved, as submitted.

Chair's Report: Chair Yamashita-Lopez welcomed Director Rick Cook to the Board and thanked him for his participation. Chair Yamashita-Lopez reported that she continues to assist Averydale Mutual Water Company with various matters; she added that the meeting with the State Attorney General's Office regarding the Chrom6 case was a success.

Executive Director's Report: Managing Director Peralta Gailey reported that staff is working to add a new feature to the website that will allow members to search for services provided by affiliate members. Managing Director Peralta Gailey also reported that communications to members continues to excel the industry standard; she added that she is working on engaging a photographer to take head shots of board members for the September in person board meeting.

Committee Chairs' Report: Vice President Armstrong reported that the legislative committee would be convening the following day, Wednesday, July 19th, by phone to discuss the legislative water bond proposals, the conservation proposal and SB 623 - a bill that may implement a "public goods charge" on water service. Chair Yamashita-Lopez added that she, Vice President Armstrong and staff will be working on the development of legislative policy principles. Director Ken Tchong reported that the regulatory affairs would also be convening by phone the following day, Wednesday, July 19th, to discuss various regulatory matters including; (1) 1,2,3-TCP, (2) Chrom6, (3) Perchlorate, and (4) AB 401 – Low Income Water Rate Assistance Program.

Budget Report: Treasurer Evangelista provided an overview of the demand sheet. On a motion made by Director Bradbury, seconded by Director Nunneley, the demand sheet was unanimously approved.

Director Comments: None.

Adjourn: Chair Yamashita-Lopez adjourned the meeting at 1:47 p.m.

California Association of Mutual Water Companies Demand Sheet

4:07 PM

08/10/17

<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Open Balance</u>
Adan Ortega Associates			
08/01/2017	1143	Reimbursement for miscellaneous expenses- July 2017	1,521.15
09/01/2017		September 2017 Services-Organization Management,Office Rent and Utilities	10,250.00
Total Adan Ortega Associates			11,771.15
Lagerlof, Senecal, Gosney & Kruse LLP			
08/04/2017	54570	Professional Fees/Non Retainer Matters- July 2017	1,416.20
08/04/2017	54569	Professional Fees- July 2017	1,250.00
Total Lagerlof, Senecal, Gosney & Kruse LLP			2,666.20
Sloat Higgins Jensen & Associates			
08/01/2017	14686	Legislative Consulting Service, August 2017	5,000.00
Total Sloat Higgins Jensen & Associates			5,000.00
TOTAL			19,437.35

California Association of Mutual Water Companies
Balance Sheet
As of July 31, 2017

4:29 PM
08/10/17
Accrual Basis

	<u>Jul 31, 17</u>
ASSETS	
Current Assets	
Checking/Savings	64,601.01
Accounts Receivable	
1510 · Acc Receivables-Membership Dues	34,490.00
1550 · Acc Receivables-Insurance Fees	906.40
Total Accounts Receivable	<u>35,396.40</u>
Other Current Assets	
1540 · Receivable fr Calmutuals JPRIMA	38,041.03
Total Other Current Assets	<u>38,041.03</u>
Total Current Assets	<u>138,038.44</u>
TOTAL ASSETS	<u>138,038.44</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	5,394.37
Other Current Liabilities	
2170 · Unearned Membership Dues	2,000.00
Total Other Current Liabilities	<u>2,000.00</u>
Total Current Liabilities	<u>7,394.37</u>
Total Liabilities	7,394.37
Equity	
3900 · Retained Earnings	35,257.53
Net Income	95,386.54
Total Equity	<u>130,644.07</u>
TOTAL LIABILITIES & EQUITY	<u>138,038.44</u>

NOTE: The July 31, 2017 Financial Statements includes Insurance Program Revenue from January to June 2017.

California Association of Mutual Water Companies

4:31 PM

Profit & Loss

08/10/17

January through July 2017

Accrual Basis

	General	JPRIMA	TOTAL
Income			
4000 · Membership Dues			
4010 · Charter	103,350.00	0.00	103,350.00
4030 · Regular	40,950.00	0.00	40,950.00
4070 · Associate	8,200.00	0.00	8,200.00
4050 · Affiliate	10,050.00	0.00	10,050.00
Total 4000 · Membership Dues	162,550.00	0.00	162,550.00
4300 · Insurance Program Fees			
4310 · Property & Casualty	0.00	55,546.62	55,546.62
Total 4300 · Insurance Program Fees	0.00	55,546.62	55,546.62
4510 · Sponsorships	2,000.00	0.00	2,000.00
4530 · Advertising	900.00	0.00	900.00
4550 · Meetings	730.00	0.00	730.00
4910 · Interest Income	2.04	0.00	2.04
4990 · Misc Income	15.00	0.00	15.00
Total Income	166,197.04	55,546.62	221,743.66
Expense			
5010 · Management Contract	70,000.00	0.00	70,000.00
5030 · Lobbying Contract	35,000.00	0.00	35,000.00
5050 · Legal Fees	7,097.50	0.00	7,097.50
5310 · Meeting Expenses	4,619.87	0.00	4,619.87
5514 · Bank Service Charge	33.20	0.00	33.20
5540 · Insurance	1,103.00	0.00	1,103.00
5550 · Marketing	1,880.84	0.00	1,880.84
5555 · Merchant Service Fees	49.21	0.00	49.21
5560 · Rent	1,750.00	0.00	1,750.00
5570 · Supplies	1,844.94	0.00	1,844.94
5585 · Travel	2,978.56	0.00	2,978.56
Total Expense	126,357.12	0.00	126,357.12
Net Income	39,839.92	55,546.62	95,386.54

California Association of Mutual Water Companies

Budget and Cash Flow

As of August 9, 2017

	2017 Budget	2017 Estimated Cash Flow						
		Q1 Actual	Q2 Actual	Jul Actual	Aug-Sep Est	Q4 Est	Total	
<u>INCOME</u>								
Charter Membership	\$ 84,000	\$ 6,150	\$ 22,100	\$ 17,000	\$ 4,000	\$ 6,000	\$ 55,250	[A][B]
Regular Membership	54,000	9,050	14,350	650	24,000	3,500	51,550	
Affiliate Membership	500	500	2,450	-	-	-	2,950	
Associate Membership	9,000	900	2,900	-	1,700	3,500	9,000	
Sponsorships	3,000	-	1,000	-	1,500	500	3,000	
Advertising	1,800	450	375	75	150	225	1,275	
Meetings	-	-	730	-	-	-	730	
Loan from Third Parties	30,000	-	-	-	-	-	-	[C]
JPRIMA Loan Repayment	30,000	-	-	-	30,000	-	30,000	
Insurance Fees	43,000	1,857	45,486	541	3,100	3,500	54,484	
Interest Income	-	2	-	-	-	-	2	
Miscellaneous	-	2,500	-	-	-	-	2,500	
Total Income	255,300	21,409	89,391	18,266	64,450	17,225	210,741	
<u>EXPENSE</u>								
Management Contract	120,000	30,000	30,000	10,000	20,000	30,000	120,000	
Attorney Fees	24,000	2,308	3,540	1,250	5,500	7,000	19,598	
Office Space/Rent	3,000	750	750	250	500	750	3,000	
Accounting	-	-	-	-	-	-	-	
Insurance	1,150	1,103	-	-	-	-	1,103	
Staff Travel	12,000	1,023	883	21	6,000	3,500	11,427	
Meetings	3,000	136	-	1,344	3,000	500	4,980	
IT/Website	500	-	-	-	150	150	300	
Supplies	-	1,720	241	-	-	-	1,961	
Taxes	1,000	-	-	-	1,000	-	1,000	
Telephone	840	-	-	-	500	250	750	
Merchant/Bank Fees	500	50	30	2	100	100	282	
Lobbying	60,000	15,000	15,000	5,000	10,000	15,000	60,000	
Marketing	-	-	899	-	1,200	-	2,099	
JPRIMA Loan	30,000	-	5,000	-	-	-	5,000	
Miscellaneous	-	-	-	-	-	-	-	
Total Expense	255,990	52,090	56,343	17,867	47,950	57,250	231,500	
Net Total	\$ (690)	\$ (30,681)	\$ 33,048	\$ 399	\$ 16,500	\$ (40,025)	\$ (20,759)	
<u>Cash Flow</u>								
Beginning Balance		\$ 61,835	\$ 31,154	\$ 64,202	\$ 64,601	\$ 81,101		
Net Revenues		(30,681)	33,048	399	16,500	(40,025)		
Ending Balance		\$ 31,154	\$ 64,202	\$ 64,601	\$ 81,101	\$ 41,076		

Notes:

[A] 2017 Charter Membership dues in the amount of \$60,000 were collected in 2016.

[B] 2017 Charter Membership dues from Rubio Canon, Bellflower Somerset, Covina Irrigating Co, Montebello Land & Valencia Heights, Sunnyslope Water Company, California Domestic Water Co., Lincoln Avenue Water Company, Valley Water Co. and South Mesa Water Co.

[C] Loan from AAWDM & California Domestic Water Co.