



**CAMWC Board of Directors Meeting
February 2015**

E-mail Only

Agenda

- 1) Approve Minutes
- 2) Approve Demand Sheet

Please respond by Email

Attachment 1

California Association of Mutual Water Companies (CAMWC) Board of Directors Meeting Minutes January 20, 2015

Call to Order: Chairman Jim Byerrum called the meeting to order at 10:00 a.m.

Present: Jim Byerrum (Director, Chair), Ken Bradbury (Director), Dave Michalko (Director, Secretary), Adan Ortega (Staff/Executive Director), Jim Ciampa (Legal Counsel), Myra Evangelista (Staff), Robert Hayward (Director), Lisa Yamashita-Lopez (Director, Assistant Treasurer), Denise Peralta Gailey (Staff/Development Manager), Ken Tchong (Invited Participant, Newly Appointed Director), Blanche Vizzini (Director/Treasurer - joined the meeting at 10:20 a.m.)

Absent: Andy Turner (Legal Counsel)

Approval of Minutes: Assistant-Treasurer Yamashita-Lopez moved to approve the November 14, 2014 minutes with the following edits: “*nor*”-*risk to no-risk*, “*Rubinson*” to *Rubio*, “*San Antonion*” to *San Antonio*. With those requested edits on record, the minutes were unanimously approved by the Board.

Director Flip Boerman Resignation: Chairman Byerrum advised the Board of Director Boerman’s resignation and noted that the letter of resignation from Director Boerman was not sent to all members of the Board of Directors. After a brief discussion on who had and had not received a copy of Director Boerman’s resignation letter, the Board unanimously accepted Director Boerman’s resignation and approved staff’s recommendation to send a letter on behalf of the Association thanking Director Boerman for his participation and service to the organization.

Approval of Board Meeting Dates: The Board reviewed the proposed 2015 meeting dates. Executive Director Ortega noted that although the time listed on the agenda item was 11 a.m., the meeting start time could be adjusted based on the number of discussion items for the board meeting agenda; potentially moving the start time to 10 a.m. if necessary. He also noted that the meeting time was meant to accommodate future board members who may be traveling from outside of the region to attend board meetings.

Membership Committee Report: Development Manager Peralta-Gailey reviewed the membership list - provided in the board meeting packet as an additional item - noting that the total list of members had in fact been updated to reflect Pine Valley Mutual Water Company’s request to be removed from the member roster bringing the total number of members to 96 with 67 Regular members. Chairman Byerrum added that the Membership Committee will remain intact but will not be meeting as often as it did in 2014. No further comments provided on this item.

2015 Budget Report: Chairman Byerrum asked Staff Member Evangelista to provide the Board a formal financial report every month. Staff Member Evangelista informed the Board that Regular and Affiliate members are/will be billed on a quarterly basis and noted that there is a new item in the budget from the JPIA (AAWDM) which would reflect 50% of the lobbying expenses and 50% of the management expenses. In discussing the Financial Statements, Executive Director Ortega added that South Mesa Water Company’s board has approved Charter Membership for CalMutuals and will be mailing a \$12,000 check; and that Western Heights Mutual Water Company may also become a Charter member but that final notice has not been provided. Assistant Treasurer Yamashita-Lopez inquired about whether or not a formal notice of contract termination with Simonelli & Associates had been issued, Executive Director Ortega stated that such a letter had not been issued but would be in the immediate future to ensure the action is formally documented. Staff Member Evangelista provided the

following updates on account receivables, they are: (1) Lincoln Avenue Mutual Water Company for \$12,000, (2) Amarillo Mutual Water Company for \$1,200 and (3) Montebello Land & Water Company for \$12,000. No further questions on the budget or monthly financials. Chairman Byerrum reported the Demand Sheet items, which included: (1) \$10,250 to Adan Ortega Associates (AOA) for February services, (2) \$297 to Regus Management Group for the Sacramento post office box that has since been cancelled, (3) \$1,103 to Utility Insurance Services for General Liability, Wrongful Acts and Professional Liability Insurance. Chairman Byerrum requested that the Demand Sheet be ratified to include the \$10,250 that was paid to AOA for the month of January as well as the February payment in the same amount. General Counsel Ciampa noted that Lagerlof, Senecal, Gosney & Kruse would be submitting an invoice for January at a later time. Chairman Byerrum requested that AOA and Lagerlof, Senecal, Gosney & Kruse submit a formal agreement with the Association. By unanimous vote, the items were approved.

Legislative Committee Report: Assistant Treasurer Yamashita-Lopez reported that she had worked on the JPIA initiative in December as well as worked with Executive Director Ortega to develop the legislative program for 2015. Executive Director Ortega reported that the lobbying proposals for the JPIA initiative were all under the anticipated monthly fee; thus, allowing for greater capacity to deal with other issues most notably, for monitoring and opposing potential hostile legislation. Executive Director Ortega stated that this year, the Association will have to monitor groundwater legislation issues that may impact mutual water companies. Executive Ortega also added that the Association will be focused on gaining access to grant funding for members and attempting to facilitate a “turn-key” approach in accessing grants, particularly under \$100,000. Executive Director Ortega reported that the potential action from mutual water companies challenging the Chrom6 standard remains pending. He also recommended that it would be in the Association’s interest to hire Afrack Vargas of K Street Consulting to monitor legislation on behalf of the Association in Sacramento. Chairman Byerrum stated that the Association had budgeted \$150,000 for lobbying activities but due to lower than expected proposal fees, would be spending approximately \$80,000 to \$100,000. Executive Director Ortega asked for the Board’s approval in entering into a contract with K Street Consulting in the amount of \$2,500 per month through December to monitor and conduct minimal lobbying work. By unanimous vote, the Board approved the item.

JPIA Task Force: Secretary Michalko, acting as Chair of the JPIA TaskForce, reported that the selection of the lobbyist for the JPIA effort proved to be much more simple than anticipated and the Task Force selected its first-choice lobbyist, Kelly Jensen of Sloat, Higgins & Jensen. Executive Director Ortega reported that in December, the TaskForce met on three different occasions and flew to Sacramento to interview lobbying firms. On January 19th, Executive Director Adan Ortega spoke to Kelly Jensen who suggested that the TaskForce reconsider moving forward with the legislative language that sought to amend the insurance code, as once suggested by General Counsel Ciampa. Secretary Michalko asked if – as previously discussed in TaskForce meetings- Senator Bob Hertzberg would be interested in authoring the legislation. Executive Director Ortega responded by stating that Senator Hertzberg was not interested because he (i) is focused on other “big” issues and (ii) the bill would no longer come out of the Senate Local Government Committee; adding that instead, the bill will most likely start in the Assembly potentially with an author like Assemblyman Tom Daly, Chair of the Insurance Committee, the Assemblymembers in Senator Hannah Beth-Jackson’s district or Assemblywoman Cristina Garcia who has been a strong advocate for the insurance industry. General Counsel Ciampa added that the only issue he foresees with amending the insurance code is that of potential regulation by the Insurance Commissioner. General Counsel Ciampa added that Lobbyist Kelly Jensen has requested a revised version of the bill’s language by Thursday, January 22nd. Due to the matter’s urgency, Executive Director Ortega and General Counsel Ciampa agreed to discuss the changes to the bill language with Mr. Paul Fuller of AAQDM, at 2 p.m. that afternoon. Executive Director Ortega then posed the question of how to “roll-out” the JPIA initiative to the membership. General Counsel Ciampa stated that it would be best to first finalize the legislation and then discuss it with the rest of the membership as there is no certainty the legislation will move forward. No further comments provided on this item.

Annual Meeting: Assistant Treasurer Yamashita-Lopez presented the motion to appoint Member Tcheng to fulfill Director Boerman’s term of office. By unanimous vote, the Board approved the motion. Assistant Treasurer Yamashita-Lopez then posed the question of offering non-members a discount to attend the Annual

Meeting, the Board agreed with the request and moved to discuss additional details at a later time. General Counsel Ciampa noted that the bylaws require that the terms for Directors include staggered three year terms. After discussion, the board agreed on the following terms for each nominee: Jim Byerrum – one year term, Dave Michalko- two year term, Lisa Yamashita-Lopez – three year term, Kenneth Bradbury – one year term, Ken Deck – two year term, David Armstrong – three year term, Douglas Nunneley – two year term, Charles Moorrees – one year term, Ken Tcheng- three year term. Executive Director Ortega asked the Board what else, other than the election of directors, should be presented to the membership at the Annual Meeting and if there should be a presentation of what the Association accomplished in 2014. After discussion, Chairman Byerrum, stated that the agenda should be short and simple allowing for comments and feedback from the members on what the Association accomplished in 2014 and the Association's goals for 2015. No further comments on this item.

Next Roundtable: Chairman Byerrum proposed that the April roundtable take place in a city within Riverside County, possibly Redlands or Calimesa. Executive Director Ortega stated that in July, a potential location could be the central coast near Santa Barbara or Santa Ynez where Chrom6 issues are a major concern. Assistant Treasurer Yamashita-Lopez added that the Association should have two affiliate members present at the roundtable meetings and provide a table for affiliate members to display their products. Locations for the October meeting were not discussed. No further comments on this item.

Other: Chairman Byerrum asked the Board to provide recommendations on a tax preparer for the Association that can provide services at a budget of \$1,000. No further comments on this item.

Next Board Meeting: The Board's Organizational Meeting will be held after the Annual Meeting on February 20th, 2015. Date and location are pending.

Adjourn: Chairman Byerrum adjourned the meeting at: 12:02 p.m.

California Association of Mutual Water Companies

Demand Sheet

8:29 AM
02/13/15

<u>Date</u>	<u>Reference</u>	<u>Description</u>	<u>Open Balance</u>
Adan Ortega Associates			
01/28/2015		November 2014 Travel Expenses	2,405.49
03/01/2015		Mar 2015 Services-Organization Management,Office Rent and Utilities	10,250.00
Total Adan Ortega Associates			<u>12,655.49</u>
K Street Consulting LLC			
02/06/2015	21001	Legislative Advocacy Services- February 2015	2,500.00
Total K Street Consulting LLC			<u>2,500.00</u>
Lagerlof, Senecal, Gosney & Kruse LLP			
01/31/2015	50396	December 2014 JPIA Expenses	2,063.75
02/06/2015	50515	January 2015 Retainers Fee	1,000.00
02/06/2015	50516	January 2015 JPIA Expenses	2,746.25
Total Lagerlof, Senecal, Gosney & Kruse LLP			<u>5,810.00</u>
South Mesa Water Company			
01/28/2015	20150127	Excess Payment of 2015 Membership Dues	2,500.00
Total South Mesa Water Company			<u>2,500.00</u>
TOTAL			<u><u>23,465.49</u></u>