



**CalMutuals Board of Directors Meeting**  
**Tuesday, February 27, 2018**  
**2:00 p.m. or upon adjournment of the JPRIMA Board Meeting**  
VIA Teleconference  
Call-in Number: (712) 775-7031  
Access Code: 540-575-707#

**Agenda**

2:00 p.m.:

- 1) Call to Order (Chair Yamashita-Lopez)
- 2) Roll Call
- 3) Review and Approval of January 16, 2018 Board Meeting Minutes
- 4) Chair's Report
- 5) Budget Report
  - a. Demand Sheet
  - b. Financials
  - c. Review and Approval of 2018 Budget
- 6) Legislative Committee Affairs (Director Armstrong)
- 7) Managing Director's Report
  - a. Lobby Day (April 4)
  - b. Annual Meeting
- 8) Director Comments
- 9) Adjourn (3:00 p.m.)

## 2018 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](mailto:lisa@calmutuals.org)

Mr. Dave Armstrong – Vice President  
South Mesa Water Company  
909-795-2401 | 951-805-0861 391  
West Avenue L, Calimesa, CA 92320  
[darmstrongsmwc@yahoo.com](mailto:darmstrongsmwc@yahoo.com)

Mr. Dave Michalko - Secretary  
Valencia Heights Mutual Water Company  
626-332-8935 | 909-215-6895  
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[dmichalko@vhwc.org](mailto: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](mailto: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](mailto: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](mailto: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 91107-5506  
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Mr. Rick Cook  
Bellflower-Somerset Mutual Water Company  
(562) 866-9980  
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[rcook@warnerreal.com](mailto:rcook@warnerreal.com)

Mr. Michael Palazzo- Director  
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(209) 387-4305  
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**Staff**

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Mr. Adan Ortega  
Executive Director  
714-449-3397 | 714-600-4683  
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[adan@calmutuals.org](mailto:adan@calmutuals.org)

Ms. Denise Peralta Gailey  
Managing Director  
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Ms. Lynda Noriega  
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**California Association of Mutual Water Companies (CalMutuals)  
Board of Directors Meeting Minutes  
January 16, 2018**

**Via Teleconference (712) 775-7031, Access Code: 540-575-707**

**Call to Order:** Chair Lisa Yamashita-Lopez called the meeting to order at 2:08 p.m.

**Present:** Lisa Yamashita-Lopez (Director, President & Chair), Dave Michalko (Director, Secretary), Doug Nunneley (Director), Ken Bradbury (Director), Rick Cook (Director), Ken Tchong (Director), Michael Palazzo (Director- joined the meeting at 2:10 p.m.), 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:** Jim Byerrum (Director), Dave Armstrong (Director, Vice President).

**Chair's Report:** Chair Yamashita-Lopez reported that the Association is pursuing two legislative proposals and asked the board of directors for their continued support and engagement. Chair Yamashita-Lopez also reported that a planning meeting will be taking place on January 25, 2018 at the CalMutuals headquarters in Fullerton; anyone interested in participating is welcome to join.

**Budget Report:** Staff Member Allen provided an overview of the demand sheet. On a motion made by Secretary Michalko, seconded by Director Bradbury, the demand sheet was unanimously approved. Staff Member Allen also provided the budget report noting that the total income from 2017 was \$242, 172; and expenses were \$217, 978. Chair Yamashita-Lopez asked that the budget report notate that the accounting disparity in total expenses on the Profit and Loss Statement versus the Budget Report are due to accrual accounting. Secretary Michalko inquired about the \$30,000 loan from JPRIMA and asked when it would be repaid to CalMutuals; Ms. Evangelista responded, stating that the loan repayment has not been scheduled and is pending the release of the 2018 JPRIMA budget. On a motion made by Secretary Michalko, seconded by Director Nunneley, the budget report was unanimously received and filed.

**Director Comments:** None.

**Executive Director's Report:** Executive Director Ortega reported that the legislative and regulatory affairs committee meetings will no longer be taking place monthly but on an "as needed" basis in anticipation of there being more activities relating to the 2018 legislative priorities. He also provided an overview of recent activities relating to the identification of potential legislative sponsors for the Association's 2018 priorities. Managing Director Gailey provided an overview of the Governor's proposed 2018-19 budget priorities relating to water. Executive Director Ortega stated that staff will be distributing a scheduling poll to identify a date for the annual meeting in June. He added that a potential location is Paso Robles.

**Adjourn:** Chair Yamashita-Lopez adjourned the meeting at 2:37 p.m.

**California Association of Mutual Water Companies**  
**Budget and Cash Flow**  
2017 and 2018

	2017		2018 Budget	2018 Estimated Cash Flow				
	Budget	Actual		Q1 Est	Q2 Est	Q3 Est	Q4 Est	
<b><u>INCOME</u></b>								
Charter Membership-2017	\$ 84,000	\$ -	-	-	-	-	-	
Charter Membership-2018	-	116,450	<b>\$ 125,600</b>	\$ 42,150	\$ 6,150	\$ 6,150	\$ 6,150	[A][B]
Regular Membership	54,000	42,800	<b>63,200</b>	63,200	-	-	-	
Affiliate Membership	500	9,350	<b>11,000</b>	11,000	-	-	-	
Associate Membership	9,000	7,100	<b>12,100</b>	12,100	-	-	-	
Sponsorships	3,000	1,000	<b>1,000</b>	-	1,000	-	-	
Advertising	1,800	1,275	<b>900</b>	225	225	225	225	
Meetings	-	730	<b>1,000</b>	-	1,000	-	-	
Loan from Third Parties	30,000	-	-	-	-	-	-	[C]
JPRIMA Loan Repayment	30,000	-	<b>38,000</b>	38,000	-	-	-	
Insurance Fees	43,000	60,950	<b>65,000</b>	1,000	62,000	1,000	1,000	
Interest Income	-	2	-	-	-	-	-	
Miscellaneous	-	2,515	-	-	-	-	-	
<b>Total Income</b>	<b>255,300</b>	<b>242,172</b>	<b>317,800</b>	<b>167,675</b>	<b>70,375</b>	<b>7,375</b>	<b>7,375</b>	
<b><u>EXPENSE</u></b>								
Management Contract	120,000	120,000	<b>120,000</b>	30,000	30,000	30,000	30,000	
Attorney Fees	24,000	13,467	<b>18,000</b>	4,500	4,500	4,500	4,500	
Office Space/Rent	3,000	3,000	<b>3,000</b>	750	750	750	750	
Insurance	1,150	1,103	<b>1,150</b>	1,150	-	-	-	
Staff Travel	12,000	5,840	<b>16,000</b>	4,000	4,000	4,000	4,000	
Meetings	3,000	4,518	<b>4,500</b>	500	3,000	500	500	
IT/Website	500	-	<b>1,200</b>	300	300	300	300	
Supplies	-	2,028	<b>2,000</b>	500	500	500	500	
Taxes	1,000	810	<b>1,000</b>	-	1,000	-	-	
Telephone	840	-	-	-	-	-	-	
Merchant/Bank Fees	500	94	<b>500</b>	400	50	25	25	
Lobbying	60,000	60,000	<b>85,000</b>	17,500	22,500	22,500	22,500	
Marketing	-	2,118	<b>2,000</b>	500	500	500	500	
JPRIMA Loan	30,000	5,000	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	
<b>Total Expense</b>	<b>255,990</b>	<b>217,978</b>	<b>254,350</b>	<b>60,100</b>	<b>67,100</b>	<b>63,575</b>	<b>63,575</b>	
<b>Net Total</b>	<b>\$ (690)</b>	<b>\$ 24,194</b>	<b>\$ 63,450</b>	<b>\$ 107,575</b>	<b>\$ 3,275</b>	<b>\$ (56,200)</b>	<b>\$ (56,200)</b>	
<b><u>Cash Flow</u></b>								
Beginning Balance				\$ 86,029	\$ 193,604	\$ 196,879	\$ 140,679	
Net Revenues				107,575	3,275	(56,200)	(56,200)	
Ending Balance				\$ 193,604	\$ 196,879	\$ 140,679	\$ 84,479	

**Notes:**

[A] 2018 Charter Membership dues in the amount of \$65,000 were collected in 2017.

[B] 2018 Charter Membership from Rubio Canon, Western Heights, Bellflower Somerset, Montebello Land & Water, Valencia Heights, Sunnyslope Water Company, California Domestic Water Co., South Mesa Water Co., Valley Water Company, Covina Irrigating Company and Lincoln Avenue.

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

## MEMORANDUM

To: California Association of Mutual Water Companies

From: Dave Armstrong, Legislative Committee Chair

Date: February 27, 2018

Subject: Legislative Update

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### Legislative Committee

On February 8, the CalMutuals legislative committee convened to discuss: (1) SB 998 (Dodd); (2) the Safe and Affordable Drinking Water Fund (Budget Trailer Bill); and (3) ACA 21 (Mayes).

- **SB 998 (Dodd) Water shutoffs: urban and community water systems:** This bill would prohibit an urban and community water system from shutting off residential service until a payment by a customer has been delinquent for at least 60 days.  
**Legislative Committee Recommendation:** Legislative Advocate Kelly Jensen to obtain background information on the author's motivation for the legislation; he will report back to staff.
  
- **Safe and Affordable Drinking Water Fund:** Beginning July 1, 2019, the Safe and Affordable Drinking Water Fund (consistent with the language in SB 623) would impose a drinking water fee as outlined below:
  - For a customer with a water meter that is less than or equal to one inch in size, the fee shall be ninety-five cents (\$0.95) per month;
  - For a customer with a water meter that is greater than one inch and less than or equal to two inches in size, the fee shall be four dollars (\$4) per month;
  - For a customer with a water meter that is greater than two inches and less than or equal to four inches in size, the fee shall be six dollars (\$6) per month;
  - For a customer with a water meter that is greater than four inches in size, the fee shall be ten dollars (\$10) per month;
  - For a customer *without* a water meter, the fee shall be ninety-five cents (\$.095) per month;
  - For a customer that has multiple meters serving a single address, the total fees shall not exceed ten dollars (\$10) per month.

**Legislative Committee Recommendation:** Committee to revisit bill and directed Executive Director Ortega to obtain more information from Governor’s office.

- **ACA 21 (Mayes) Infrastructure Funding:** Would create the California Infrastructure Investment Fund. The measure would require, for the 2019–20 fiscal year and each fiscal year thereafter - the amounts in the fund to be allocated to specified infrastructure investments, including the funding of deferred maintenance projects; including water infrastructure projects. Estimate: \$2.4 to \$2.8 billion in annual funding.  
**Legislative Committee Recommendation:** Support in concept.

### 2018 Legislative Priorities

Assemblymember Sharon Quirk-Silva (D-65) has authored **AB 3057** to create a state tax equivalent to the Internal Revenue Section 501 (c) (12) by amending the Revenue and Taxation Code. To date, the following members have signed-on to support the legislation:

1. Bellflower Somerset Mutual Water Company
2. California Domestic Water Company
3. Lincoln Avenue Water Company
4. Maywood Mutual Water Company #1
5. Milky Way Water Company
6. Montebello Land and Water Company
7. Oildale Mutual Water Company
8. Rubio Canon Land and Water Association
9. South Mesa Water Company
10. Sunny Slope Water Company
11. Tract 180 Water Company
12. Valencia Heights Water Company
13. Vaughn Water Company

CalMutuals is also is sponsoring legislation that would specify circumstances under which the State Water Resources Control Board must plan for compliance with a safe drinking water regulation. Assemblymember Eduardo Garcia (D-56), Chair of the Assembly Water, Parks and Wildlife Committee, has agreed to author the legislation and has reserved a spot bill for the language. Executive Director Ortega met committee staff and they requested that the legislation be tailored to create a compliance period that accounts for an emergency regulation. At the direction of the Legislative Committee, Executive Director Ortega will be working with the Natural Resources Defense Council (NRDC) on the bill’s language to further the bill’s potential for success.

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.

**MEMORANDUM**

To: CalMutuals & CalMutuals JPRIMA

From: Denise Peralta Gailey, Managing Director

Re: 2018 Meetings and Events

Date: February 13,2018

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CalMutuals and CalMutuals JPRIMA 2018 meetings and events are listed below. Please note that dates are subject to change. Legislative and Regulatory Affairs Committee meetings are not listed as they are held as needed.

**February 27:** Board Meeting (by phone).

**March 16:** JPRIMA Annual Members' & In-person Board Meeting.

**March 20:** CalMutuals Board Meeting (by phone).

**April 4:** CalMutuals Lobby Day.

**April 17:** Board Meeting (by phone).

**May 15:** Board Meeting (by phone).

**June 19:** Board Meeting (by phone).

**July 17:** Board Meeting (by phone).

**August 21:** Board Meeting (by phone).

**September 14:** CalMutuals Annual Meeting – Paso Robles, CA.

**September 18:** Board Meeting (by phone).

**October 16:** Board Meeting (by phone).

**November 13:** Board Meeting (by phone).

**December 6:** Holiday Luncheon.

**December 18:** Board Meeting (by phone).