



**California Association of Mutual Water Companies (CalMutuals)
Board of Directors Meeting**

Tuesday, February 19, 2019

2:00 p.m. or upon adjournment of the JPRIMA Board of Directors Meeting

By Telephone. Call-in number: +1 651-560-5674 PIN: 639 446 329#

AGENDA

2:00 p.m. or upon adjournment of JPRIMA Board of Directors Meeting:

- 1) Call to Order (Chair Yamashita-Lopez)
- 2) Roll Call
- 3) Review and Approval of January 15, 2019 Board Meeting Minutes
- 4) Review and Potential Approval of Resignation of Rick Cook, Bellflower-Somerset MWC Board Member and Appointment of Steve Lenton. Bellflower-Somerset MWC General Manager to the CalMutuals Board of Directors
- 5) Budget & Finance Committee Report
 - a. Reserve Policy
- 6) Legislative Committee Report
 - a. Status of Tax Exemption legislation sponsorship
 - b. Community Water Systems Alliance status
 - c. Safe Drinking Water Fund
 - d. Release of economic feasibility guidelines for drinking water standards by the State Water Board
 - e. AB 401 Implementation (Comment letter submitted)
 - f. OEHHA Human Right to Water Tool (Comment letter submitted)
 - g. Division of Drinking Water Needs Assessment (Comment letter submitted)
 - h. Mutuals 101 Fact Sheet and Plans for Session with Legislators
 - i. Other new legislation
- 7) CalMutuals Budget Report
 - a. Demand Sheet
 - b. Financials
 - c. Status on Membership Billings and Renewal Commitments
- 8) President's Report
- 9) Legal Counsel Report

10) Executive Director's Report

- a. Introduction of new OSG Staff – Rebecca Ornelas, Administrative Assistant and Gabriel Dima-Smith, Public Affairs Associate; Lynn Lipiniski, Contract Writer

11) Member Highlight(s)

12) Directors' Comments

13) Adjourn



**California Association of Mutual Water Companies (CalMutuals)
Board of Directors Meeting Minutes**

Tuesday, February 19, 2019

2:00 p.m. or upon adjournment of the JPRIMA Board of Directors Meeting

by Telephone. Call-in number: +1 651-560-5674 PIN: 639 446 329#

1) **Call to Order.** President Yamashita-Lopez called the meeting to order at 2:20 PM

2) **Roll Call.**

PRESENT

Lisa Yamashita-Lopez - President
Dave Armstrong – Vice President
Dave Michalko - Secretary
Jim Byerrum - Director
Ken Bradbury - Director
Doug Nunneley - Director
Ken Tcheng - Director
Steve Lenton - Director

Jim Ciampa, General Counsel
Adan Ortega, Executive Director
Susan Allen, Treasurer
Myra Malner, Assistant Secretary/Assistant Treasurer
Lynda Noriega, California Domestic Water Company
Matthew Kuns – Covina Irrigating Company

ABSENT

Michael Palazzo- Director

3) **Review and Approval of January 15, 2019 Board Meeting Minutes**

On a motion by Director Bradbury, seconded by Secretary Michalko the January 15, 2019 Board meeting minutes were unanimously approved, as submitted.

4) **Review and Potential Approval of Resignation of Rick Cook, Bellflower-Somerset MWC Board Member and Appointment of Steve Lenton. Bellflower-Somerset MWC General Manager to the CalMutuals Board of Directors**

Executive Director Ortega presented the minutes of the December 2018 Bellflower-Somerset Board of Directors meeting approving Steve Lenton to replace Rick Cook on the CalMutuals Board. On a motion by Director Bradbury, seconded by Director Tcheng, the Board accepted the resignation of Rick Cook and appointment of Steve Lenton.

5) **Budget & Finance Committee Report**

- a. **Reserve Policy** - Executive Director Ortega reported on a meeting of Budget & Finance Committee to review and provide input on a draft CalMutuals Reserve Policy. The Policy will be reviewed with the full Board during the March meeting.

6) **Legislative Committee Report**

Executive Director Ortega reported that the legislative season is heating up and assistance from all Board members will be needed in support of the CalMutuals legislative agenda.

a) **Status of Tax Exemption legislation sponsorship**

Executive Director Ortega provided an update on securing a sponsor for the CalMutuals tax exemption legislation. Unfortunately, Senator Portantino was not persuaded to carry the bill. Outreach is underway to Senator Susan Rubio with request to serve as our sponsor.

b) **Community Water Systems Alliance status**

Executive Director Ortega provided an update on the Community Water Systems Alliance. Thirteen (13) representatives testified at hearings of the Water Parks and Wildlife and Environmental and Toxic Substances Committees communicating a preference for addressing the needs of disadvantaged communities through a trust fund initiative rather than a water tax. Thirty (30) people from the Community Water Systems Alliance were also present and testified in favor of a meter tax.

Executive Director Ortega extended a special thank you to Director Nunneley for his support, noting that this was his third trip to Sacramento to support CalMutuals interests this year.

c) **Safe Drinking Water Fund**

Executive Director Ortega advised the Board of a request we received from ACWA and CMUA for support in concept for the trust fund concept to address the needs of disadvantaged communities. Assemblymember Caballero would like support for the bill once it is formalized. The trust fund would be developed with a \$700M appropriation out of the state surplus. Other funding sources will be explored as well. On a motion by Director Nunneley, seconded by Vice President Armstrong, the Board agreed to support the trust fund concept.

d) **Release of economic feasibility guidelines for drinking water standards by the State Water Board**

Executive Director Ortega reported on a joint priority for CalMutuals and CWSA associated with release of economic feasibility guidelines in coming weeks by the State Water Resource Control Board. Executive Director Ortega plans to send a salvo before the guidelines are released to assert our position. Meetings to review the guidelines will be held in Riverside or Diamond Bar and once finalized we will be proactive in encouraging attendance by our members.

e) **AB 401 Implementation (Comment letter submitted)**

Executive Director Ortega reported that a comment letter from CalMutuals on AB401 Implementation was submitted by the February 4, 2019 deadline. The comment letter has been widely circulated and was forceful in communicating our perspective that a water tax would be regressive. Continued consideration of this issue will be on the agenda for the March meeting of the State Water Resources Control Board.

- f) **OEHHA Human Right to Water Tool (Comment letter submitted)**
Executive Director Ortega reported that the CalMutuals comment letter will be submitted today.
- g) **Division of Drinking Water Needs Assessment (Comment letter submitted)**
Executive Director Ortega reported on workshop held by the State Water Resources Control Board & Division of Drinking Water in early January focused on determining factors that identify “At Risk” drinking water systems. Treasurer Allen attended the meeting and the Executive Director submitted comments on behalf of CalMutuals.
- h) **Mutuals 101 Fact Sheet and Plans for Session with Legislators**
Executive Director Ortega reported that staff has developed a fact sheet and PowerPoint presentation that provide an orientation for legislators to mutual water companies. The materials will be used for a Mutuals 101 session that is scheduled during CalMutuals Sacramento Leg Day. Staff is working with Kelly Jenson to schedule our Leg Day.
- i) **Other new legislation**
Executive Director Ortega advised the Board that staff will forward a matrix of bills proposed to date that CalMutuals may want to chime in on.
- j) **AQMD Asbestos Materials Regulations**
General Counsel Ciampa provided an update on AQMC Asbestos materials regulations. Proposed regulations would require site surveys and delays in projects that involve opening the street and exposing asbestos material. The regulation was initially slated to be heard during the February meeting, but has been delayed. AQMD is collaborating with water agencies to develop workable requirements. General Counsel Ciampa is continuing to monitor activity associated with the regulation, particularly in Los Angeles County.

7. **CalMutuals Budget Report**

Treasurer Allen provided an overview of the demand sheet. On a motion made by Director Bradbury, seconded by Secretary Michalko, the demand sheet was unanimously approved. Treasurer Allen also provided an overview of the budget and cash flow statement. On a motion made by Director Tchong, seconded by Director Bradbury, the budget report was unanimously received and filed.

Treasurer Allen provided an update on Membership Billings and Renewal Commitments.

- 8. **President’s Report** No report. President Yamashita-Lopez expressed her appreciation for the efforts by staff to filter legislative bills as they are introduced and identify potential engagement for CalMutuals.

9. **Legal Counsel’s Report**

General Counsel Ciampa reported that through yesterday 691 bills had been introduced in the assembly and 329 had been introduced in the senate. To date nothing unexpected or detrimental to mutual water companies has emerged.

Executive Director Ortega and General Counsel Ciampa will be speaking to the Utility Finance Administrators on SB 998 tomorrow. CalMutuals is being proactive in communicating the requirements of the law and providing resources to our members.

10. Executive Director's Report

Executive Director Ortega introduced new Ortega Strategies Group staff:
Rebecca Ornelas-Administrative Assistant, Gabriel Dima-Smith, Public Affairs Associate and Lynn Lipiniski-Contract Writer.

11. Member Highlight(s)

Vice President Armstrong reported that South Mesa Water Company is engaged in consolidation on expedited basis of a trailer park in their community. The state is currently exploring best approaches to address funding.

12. Directors' Comments – No comments

13. Adjourn 2:50 PM