



## **CAMWC Board of Directors Meeting**

**Thursday, July 9, 2015**

**12:30 pm–1:30 pm**

**Oildale Mutual Water Company  
2836 McCray St.  
Bakersfield, CA 93308**

**Dial-In: (661) 399-5516**

**\*Ask to be transferred to Board Room for CalMutuals Meeting**

### **Agenda**

12:30 pm:

- 1) Call to Order (Chairman Byerrum)
- 2) Roll Call
- 3) Chairman's Report
- 4) Executive Director's Report
- 5) Approval of June 16, 2015 Board Meeting Minutes
- 6) Budget Report *(Separate Attachment)*
  - a. Review and Approval of Demand Sheet
  - b. Financial Statements
- 7) Committee Membership Policy
- 8) Legislative Committee Report
  - a. Legislative Update
  - b. Small Systems Interagency Committee Memo
- 9) Director Comments
- 10) Quarterly Workshop – October 2015, Date & Location: TBD
- 11) Adjourn (1:30 pm)

## **2015 Board Roster**

Mr. Jim Byerrum  
California Domestic Water Co. 15505 Whittier Blvd Whittier CA 90603  
Phone: 562-947-3811 Fax: 562-947-3811 Cell: 714-822-6084  
[jbyerrum@cdwc.com](mailto:jbyerrum@cdwc.com) [www.cdwc.com](http://www.cdwc.com)

Mr. Dave Michalko  
Valencia Heights Water Co. 3009 E. Virginia Ave. West Covina CA 91791  
Phone: 626-332-8935 Fax: 909-215-6895  
[dmichalko@vhwc.org](mailto:dmichalko@vhwc.org) [www.vhwc.org](http://www.vhwc.org)

Ms. Lisa Yamashita-Lopez  
Rubio Cañon Land and Water Co. 583 E. Sacramento St. Altadena CA 91001  
Phone: 626-797-0509 x206 Fax: 626-797-0520 Cell: 626-802-8092  
[lisa@rclwa.org](mailto:lisa@rclwa.org) [www.rclwa.org](http://www.rclwa.org)

Mr. Ken Bradbury  
Montebello Land and Water Co. 344 E. Madison Ave Montebello CA 90640  
Phone: 323-722-8654 Fax: 213-500-5279  
[ken@mtblw.com](mailto:ken@mtblw.com) [www.mtblw.com](http://www.mtblw.com)

Mr. Ken Tcheng  
Sunny Slope Water Co. 1040 El Campo Dr. Pasadena CA 91107  
Phone: 626.287.5238 Fax: 626-795-7061  
[ken@sunnyslopewatercompany.com](mailto:ken@sunnyslopewatercompany.com) [www.sunnyslopewatercompany.com](http://www.sunnyslopewatercompany.com)

Mr. Dave Armstrong  
South Mesa Water Co. 391 W Ave L, Calimesa CA 92320  
Phone: 951-805-0861 Fax: 909-795-5299  
[darmstrongsmwc@yahoo.com](mailto:darmstrongsmwc@yahoo.com) [southmesawater.com](http://southmesawater.com)

Mr. Doug Nunneley  
Oildale Mutual Water Company 2836 McCray Street Bakersfield CA 93308  
Phone: (661) 399-5516 Fax: (661) 399-5598  
[dnunneley@yahoo.com](mailto:dnunneley@yahoo.com) [oildalewater.com](http://oildalewater.com)

Mr. Ken Deck  
Bellflower Somerset Mutual Water Co. 10016 Flower Street Bellflower CA 90706  
Phone: 562.866.9980 Fax: 562.866.2245  
[Ken@bsmwc.com](mailto:Ken@bsmwc.com) [www.bsmwc.com](http://www.bsmwc.com)

Mr. Adan Ortega, Executive Director  
Phone: 714-449-3397, Cell: 714-600-4683 [adanortega@mac.com](mailto:adanortega@mac.com)

Ms. Denise Peralta Gailey, Managing Director  
Phone: 714-449-3397, [denise@calmutuals.org](mailto:denise@calmutuals.org)

Ms. Myra Evangelista, Treasurer  
Phone: (562) 464-0840, [myra@calmutuals.org](mailto:myra@calmutuals.org)

Mr. Jim Ciampa, Legal Counsel  
Phone: 626-793-9400 Fax: 626-793-5900 [jciampa@lagerlof.com](mailto:jciampa@lagerlof.com)

Mr. Jason Mehta, Staff  
Phone: 714-449-3397, Cell: 714-872-2100 [jason@calmutuals.org](mailto:jason@calmutuals.org)

**California Association of Mutual Water Companies (CAMWC)**  
**Board of Directors Meeting Minutes**  
**June 16, 2015**

**Call to Order:** Jim Byerrum called the meeting to order at 11:02 a.m.

**Present:** Jim Byerrum, Dave Michalko, Lisa Yamashita-Lopez, Ken Bradbury, Ken Deck, Ken Tchong, Dave Armstrong, Doug Nunneley, Adan Ortega (Staff, Executive Director), Denise Peralta Gailey (Staff, Managing Director), Myra Evangelista (Staff), Jim Ciampa (Legal Counsel), Jason Mehta (Staff)

**Absent:** None

**Approval of Minutes:** The April 24, 2015 meeting minutes were approved via email on May 28, 2015.

**Chairman's Report:** President Byerrum put forth the motion to appoint an ad-hoc committee to discuss the formation of the JPA following the bill's passage. He requested that board members interested in participating on the committee email himself and Executive Director Adan Ortega. President Byerrum will also be working with General Counsel Ciampa on putting together a budget for expenses relating to the JPA and added that there is a possibility that the Association would be borrowing funds from CalDomestic for such expenses. No further comments on this item.

**Executive Director's Report:** No comments on this item.

**Budget Report:** Staff Member Evangelista reported that the demand sheet included an additional \$1,350 for the cost of the May 8<sup>th</sup> workshop videographer, bringing the actual demand sheet total to \$33,643.75. On a motion made by Vice President Yamashita-Lopez and seconded by President Byerrum, the demand sheet was approved. Regarding cash flow, Staff Member Evangelista reported that non-charter memberships were originally budgeted at \$39,300; however, more recent forecasting indicated that member dues would reach \$50,000 by the end of the year. She added that the cost for the JPA had been forecasted at a cost of \$100,000 but that the actual cost would likely be \$67,211; costs include: travel, strategy management (AOA), legal and lobbying fees. Director Tchong asked for more clarification on the operations and management costs to which President Byerrum responded that costs had increased due to additional travel needs. Executive Director Ortega noted that revenues overall were projected to be less because the AB656 effort cost less than budgeted and thus, matching contributions were less also. No further comments on this item.

**Legislative Committee Report:** Chair Lisa Yamashita-Lopez proposed an opportunity for the board to ask questions regarding any of the legislative issues listed within the legislative committee's report. No questions were asked. Executive Director Ortega provided a brief update on the items listed in the report. Regarding AB 1077, he reported that the Senate Governance and Finance Committee staff interpreted the bill's language as not being permissive. Legislative Advocate Kelly Jensen would be discussing the bill further with the author, Assemblyman Holden, and his staff. General Counsel Ciampa reviewed the issues with the bill's language from a legal perspective. No further comments on AB 1077. Executive Director Ortega then provided an update on AB 656's language which underwent two changes following feedback from the Senate Governance and Finance Committee. Changes to the bill were made to stipulate that residual funds would be used for technical assistance and the addition of a provision that would hold harmless any public agency that entered into the JPA. The changes satisfied the committee's concerns. No further comments on AB 656. Regarding the spot bill to address tax exempt issue, Executive Director Ortega reported that Legislative Advocate Afrack Vargas had not been able to identify a spot bill. Vice

President Yamashita-Lopez requested that the legislative committee schedule a call later in the week to discuss the status of K Street Consulting's work and contract with CalMutuals. No further comments on this item. Executive Director Ortega then briefed the Board on the status of SB 385 (Hueso). No further comments on SB 385. Executive Director Ortega also briefed the board about Trailer Bill 825 which authorized the State Water Resources Control Board to mandate consolidations. He noted that the aim of such authority would be exercised with water agencies that were consistently out of compliance with the Safe Drinking Water Act. Managing Director Peralta Gailey then discussed the implementation of a policy regarding requests made by non-board members to participate in the legislative committee. The Board agreed that General Counsel Ciampa develop a policy that would require that person requested to participate on the legislative committee as an official member submit a formal letter from their mutual water company's board designating that person as their formal legislative committee representative. On a motion made by Yamashita-Lopez and seconded by President Byerrum, the motion was approved.

**Next Workshop:** July 9, 2015, at Oildale Mutual Water Company.

**Next Board Meeting:** Thursday, July 9<sup>th</sup> at 12:30 p.m. at Oildale Mutual Water Company (prior to the workshop)

**Adjourn:** Chairman Byerrum adjourned the meeting at 11:42 a.m.

**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES  
POLICY REGARDING COMMITTEE MEMBERSHIP**

1. Pursuant to Article VI of the Association's Bylaws, the Board of Directors and the chairman of the Board of Directors [if amended as set forth below] are authorized to establish committees in connection with specific issues pertaining to the Association. Such committees may be permanent committees or may be ad hoc committees of limited duration with respect to a particular issue.

2. Membership of Board committees shall consist of: (a) directors appointed by the Board chairman who shall be entitled to vote on committee issues, (b) general managers of Association members who desire to become non-voting members of a committee and are approved for membership on such committee by the directors serving on that committee, and/or (c) other representatives of Association members who are confirmed in writing by the Association member to represent the interests of that member as a non-voting committee member and are approved for membership on such committee by the directors serving on that committee.

3. All directors who are members of a committee shall serve at the pleasure of the Board of Directors or Board chairman, depending on which person or entity appointed the director to the committee. Any non-voting committee members shall serve at the pleasure of the directors serving on the committee.

4. The number of members, both voting and non-voting, on any committee will be determined when the committee is established or may remain flexible depending on the nature of the committee's business.

=====

ARTICLE VI

COMMITTEES

Section 1. COMMITTEES. The Board of Directors may, by action approved by a majority of the directors then in office, or the Board chairman, may designate one or more committees consisting of two or more directors, to serve at the pleasure of the Board; provided, however, that non-directors appointed in accordance with a policy adopted by the Board of Directors may be added as non-voting members to any such committee. Any member of any committee may be removed, with or without cause, at any time by the Board, by the Board chairman if the Board chairman appointed that member or as otherwise set forth in any policy on committee membership adopted by the Board of Directors. Any committee, to the extent provided in the action of the Board or as the Board chairman may establish, shall have all or a portion of the authority of the Board, or may provide input to the Board on matters within the jurisdiction of that committee as the Board establishes. No committee, regardless of the Board

resolution, may fill vacancies on the Board of Directors or on any committee, amend or repeal the articles of incorporation or bylaws or adopt new bylaws, designate any other committee of the Board or appoint the members of any committee, approve any transaction to which the corporation is a party and as to which one or more directors has a material financial interest, or between the corporation and one or more of its directors or between the corporation and any corporation or firm in which one or more of its directors has a material financial interest.

Section 2. MEETINGS AND ACTION OF COMMITTEES. Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these bylaws concerning meetings of the Board of Directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the Board of Directors and its members. The time for special meetings of committees may also be fixed by the Board of Directors, or by the committee itself. The Board of Directors, or the committee, may also adopt rules and regulations pertaining to the conduct of meetings of any committee and with respect to the operations of any committee to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

TO: Lisa Yamashita Lopez, Chair, Legislative Committee  
Board of Directors

FROM: Adán Ortega, Jr., Executive Director  
Denise Peralta Gailey, Managing Director

DATE: July 9, 2015

SUBJECT: Legislative Committee Report

**AB 1077 (Holden):** Mutual water companies: open meetings. AB1077 (Holden) was heard by the Senate Governance and Finance Committee on June 16<sup>th</sup>. Kelly Jensen conducted an intervention as the Senate Committee Staff Analysis recommended full inclusion of the Brown Act and that mutual water companies conducting meetings by telephone or other media must provide meeting materials on demand. Yet, after the committee adjourned, language which was considered technical eliminated the permissive nature of the AB1077. CalMutuals Executive Director Ortega and General Counsel Ciampa have been working with Mr. Jensen and Mr. Holden's staff to assure that with floor amendments in the Senate, AB 1077 will go into law as a permissive bill and mutuals will not have to conduct meetings through electronic means.

**AB 656 (Garcia, Cristina):** Joint powers agreement: mutual water companies. AB656 was approved by the Senate Governance and Finance Committee on Wednesday, June 17<sup>th</sup> by a vote of 7-0. The bill was amended with language provided by our General Counsel, Jim Ciampa, to include explicit provisions that public agencies involved in formation of the JPA would be held harmless of liability incurred by the JPA; as well as providing that insurance residual funds would be spent on the operations of the JPA as well as technical support for its members. We welcomed those amendments as we anticipated that they would be part of the formation of such a JPA. The bill now moves to the Senate Appropriations Committee where no obstacles are anticipated. After Senate Appropriations, the bill will move to the Senate floor approval. Once approved by the Senate, the bill will return to the Assembly floor for concurrence on the amendments and then goes to the governor for his signature. CalMutuals staff will be contacting members statewide urging them to send a support letter to Governor Brown requesting that the bill be signed into law as soon as possible.

**CalMutuals is currently "watching" the following bills:**

**SB 385 (Hueso)** Primary drinking water standards: variances: hexavalent chromium. SB 385 would establish a carefully monitored process for public water systems to work toward and achieve compliance with the new chromium-6 standard. As amended on April 7, the measure would authorize the State Water Resources Control Board to grant a limited period of time for affected water systems to work toward achieving compliance without being deemed in violation as long as strict safeguards are met. The bill was passed by the Assembly Environmental Safety and Toxic Materials Committee on June 30<sup>th</sup>. It has been referred to Judiciary Committee and recommended for the consent calendar.

**AB 617 (Perea):** The Sustainable Groundwater Management Act: requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. This bill would authorize a combination of one or more local agencies and one or more mutual water companies to enter into an agreement to form a groundwater sustainability agency and would authorize a groundwater sustainability agency formed by a joint powers agreement to exercise the powers granted in the act. The bill is scheduled to be heard by the Senate Natural Resources and Water Committee on July 14<sup>th</sup>.



TO: Board of Directors

FROM: Adan Ortega, Executive Director

BY: Denise Peralta Gailey, Managing Director

DATE: June 24, 2015

SUBJECT: Small Systems InterAgency Outreach Committee Meeting

**After consultation with Chairman Byerrum, Denise Peralta Gailey was asked to attend the Small Systems Interagency Outreach Committee (SSIOC) meeting in Sacramento. Below is her report:**

On June 24<sup>th</sup>, 2015, I joined representatives from USDA, US EPA, AWWA, RCAC, CalRural and the SWRCB for the small systems interagency outreach committee (SSIOC) meeting. The official purpose of SSIOC is 'to be an active and open forum whose ultimate goal is to improve the quality of life in rural communities and to ensure that a clean, safe, reliable water supply is available for all residents'.

During the meeting, the following updates were provided by each representative when asked what it is that SSIOC can do for each agency:

CalRural: Some of their members are having issues with curtailment orders as their systems cannot curtail without impacting their only source of water. Megan Tosney from the State Water Resources Control Board pledged to follow-up on the issue.

USDA: USDA has \$4 million available for emergency drought funding. 27 emergency funding applications have been submitted from community water systems. Emergency drought funding is available to communities that have over 51% seasonal occupants (vacation homes).

SWRCB: Guidelines for recycling and wastewater have been adopted. Final guidelines for drinking water workshop will go to the Board in August. The Board is currently working on guidelines for technical assistance funding.

EPA: Current priority is obtaining more details for PWS grants. No consistency in grant assistance funding. Requested that CalRural provide them with information on who is attending their technical assistance training and also requested that the committee ask its members to submit positive emergency water project stories that EPA can share on its website.

AWWA: Requested more information to share with AWWA members.

CalMutuals: On behalf of the Association, I also requested more information to share with CalMutuals members, especially funding and upcoming AB 54 training information from RCAC. Ms. Gailey also shared updates on AB 656 and the issue members are encountering regarding the

lack of a state 501(c)(12) designation. Mr. Dustin Hardwick of CalRural added that the IRS designation is an issue he is familiar with.

Committee Goals for Next Year: The committee will be creating a centralized online information platform to share details on funding, events, training, etc. The goal is to help sift easily through all of the information and update the group when needed. The platform will only be shared with committee participants. Members can add as much information as needed.

Follow-up: Dustin Hardwick of CalRural requested a meeting with Jim Byerrum, Adan and myself to discuss potential overlapping resources between CalRural and CalDomestic that can positively impact both associations' members. I asked Dustin to email a meeting request to set something up.