



## **CalMutuals Board of Directors Meeting**

**Tuesday, July 18, 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 June 20, 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](mailto: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](mailto: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](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  
[ken@sunnyslopedwatercompany.com](mailto:ken@sunnyslopedwatercompany.com)

## Staff

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General Counsel  
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Ms. Myra Evangelista  
Staff/Treasurer  
562-947-3811 | 714-822-6084  
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Mr. Adan Ortega  
Executive Director  
714-449-3397 | 714-600-4683  
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Ms. Denise Peralta Gailey  
Managing Director  
714-449-3397 | 626-673-0005  
1400 N. Harbor Blvd., Suite 510, Fullerton, CA 92835  
[denise@calmutuals.org](mailto:denise@calmutuals.org)

Ms. Lynda Noriega  
Vice President  
California Domestic Water Company  
562-947-3811  
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[lnoriega@caldomestic.com](mailto:lnoriega@caldomestic.com)

**California Association of Mutual Water Companies (CalMutuals)**  
**Board of Directors Meeting Minutes**  
**June 20, 2017**

**Call to Order:** Chair Yamashita-Lopez called the meeting to order at 1:30 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), Adan Ortega (Staff, Executive Director), Denise Peralta Gailey (Staff, Managing Director), Myra Evangelista (Staff, Treasurer), Jim Ciampa (Legal Counsel), Lynda Noriega.

**Absent:** Ken Tchong (Director).

**Review and Approval of the May 16, 2017 Board Meeting Minutes:** On a motion made by Director Bradbury, seconded by Vice President Armstrong, the May 16, 2017 board meeting minutes were unanimously approved, as submitted.

**Review and Approval of the June 2, 2017 Annual Meeting Minutes:** On a motion made by Secretary Michalko, seconded by Director Bradbury, the June 2, 2017 annual meeting minutes were unanimously approved, as submitted.

**Review and Possible Appointment of Rick Cook to Fill Board Vacancy:** Executive Director Ortega reported that he, along with President Yamashita-Lopez and Director Byerrum, met with Mr. Rick Cook who expressed interest in serving on the Board. President Yamashita-Lopez reported that Mr. Cook would be an asset to the Board. Director Byerrum added that Mr. Cook has been a dedicated member of the Association. Executive Director Ortega also mentioned that Bellflower Somerset Mutual Water Company is - and has been - a charter member of the Association. On a motion made by Director Byerrum, seconded by Director Bradbury, Mr. Cook was appointed to fill the board vacancy.

**Chair's Report:** Chair Yamashita-Lopez stated that she had received positive feedback from the annual meeting and thanked the board and staff for making the event a success. Chair Yamashita-Lopez requested that the board convene for an in-person board meeting in September. Managing Director Peralta Gailey agreed to distribute a poll to gather everyone's availability.

**Executive Director's Report:** Executive Director Ortega reported that the annual meeting was a success but added that despite strong outreach efforts, only six (6) mutual water companies - not represented by a member on the Board - participated. He added that the two task-force discussions on Chrom6 and the Sustainable Groundwater Management Act (SGMA) that took place at the annual meeting were successful. Managing Director Peralta Gailey added that staff welcomed the Board's feedback and any changes that should be considered for next year.

**Committee Chairs' Report:** Vice President Armstrong reported that the legislative committee would be convening the following day, Wednesday, June 21<sup>st</sup>, by phone to discuss the conservation bills moving through the legislature and SB 623 - a bill that may implement a "public goods charge" on water service. Managing Director Gailey reported that the regulatory affairs committee did not convene in June but would reconvene in July to discuss the establishment of a revised maximum contaminant level (MCL) for Perchlorate and other regulatory affairs issues.

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

Treasurer Evangelista disseminated and reviewed the financial statements noting that there is currently \$30, 930 in the bank. President Yamashita-Lopez stated that she will be following up with Mr. Bob Fan regarding Valley Water Company's charter membership.

**Director Comments:** None.

**Adjourn:** Chair Yamashita-Lopez adjourned the meeting at 1:54 p.m.

# California Association of Mutual Water Companies Demand Sheet

7:52 AM

07/14/17

<u>Date</u>	<u>Num</u>	<u>Memo</u>	<u>Open Balance</u>
<b>Adan Ortega Associates</b>			
06/30/2017	1126	Reimbursement for miscellaneous expenses- June 2017	5,394.37
08/01/2017		August 2017 Services-Organization Management,Office Rent and Utilities	10,250.00
Total Adan Ortega Associates			15,644.37
<b>Lagerlof, Senecal, Gosney &amp; Kruse LLP</b>			
07/10/2017	54421	Professional Fees- June 2017	1,250.00
Total Lagerlof, Senecal, Gosney & Kruse LLP			1,250.00
<b>Sloat Higgins Jensen &amp; Associates</b>			
07/01/2017	14649	Legislative Consulting Service- July 2017	5,000.00
Total Sloat Higgins Jensen & Associates			5,000.00
<b>TOTAL</b>			<b>21,894.37</b>

## California Association of Mutual Water Companies

07/14/17

## Balance Sheet

Accrual Basis

As of June 30, 2017

	<u>Jun 30, 17</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	64,201.80
<b>Accounts Receivable</b>	
1510 - Acc Receivables-Membership Dues	31,240.00
1550 - Acc Receivables-Insurance Fees	<u>1,447.20</u>
<b>Total Accounts Receivable</b>	32,687.20
<b>Other Current Assets</b>	
1540 - Receivable fr Calmutuals JPRIMA	<u>38,041.03</u>
<b>Total Other Current Assets</b>	38,041.03
<b>Total Current Assets</b>	<u>134,930.03</u>
<b>TOTAL ASSETS</b>	<b><u>134,930.03</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	<u>6,758.92</u>
<b>Total Current Liabilities</b>	6,758.92
<b>Total Liabilities</b>	6,758.92
<b>Equity</b>	
3900 - Retained Earnings	35,257.53
Net Income	<u>92,913.58</u>
<b>Total Equity</b>	<u>128,171.11</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>134,930.03</u></b>

# California Association of Mutual Water Companies

6:48 AM

## Profit & Loss

07/14/17

January through June 2017

Accrual Basis

	General	JPRIMA	TOTAL
<b>Income</b>			
4000 · Membership Dues			
4010 · Charter	101,300.00	0.00	101,300.00
4030 · Regular	30,200.00	0.00	30,200.00
4070 · Associate	7,400.00	0.00	7,400.00
4050 · Affiliate	4,750.00	0.00	4,750.00
<b>Total 4000 · Membership Dues</b>	<b>143,650.00</b>	<b>0.00</b>	<b>143,650.00</b>
4300 · Insurance Program Fees			
4310 · Property & Casualty	0.00	55,546.62	55,546.62
<b>Total 4300 · Insurance Program Fees</b>	<b>0.00</b>	<b>55,546.62</b>	<b>55,546.62</b>
4510 · Sponsorships	2,000.00	0.00	2,000.00
4530 · Advertising	825.00	0.00	825.00
4550 · Meetings	730.00	0.00	730.00
4910 · Interest Income	1.60	0.00	1.60
4990 · Misc Income	15.00	0.00	15.00
<b>Total Income</b>	<b>147,221.60</b>	<b>55,546.62</b>	<b>202,768.22</b>
<b>Expense</b>			
5010 · Management Contract	60,000.00	0.00	60,000.00
5030 · Lobbying Contract	30,000.00	0.00	30,000.00
5050 · Legal Fees	5,847.50	0.00	5,847.50
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	46.73	0.00	46.73
5560 · Rent	1,500.00	0.00	1,500.00
5570 · Supplies	1,844.94	0.00	1,844.94
5585 · Travel	2,978.56	0.00	2,978.56
<b>Total Expense</b>	<b>109,854.64</b>	<b>0.00</b>	<b>109,854.64</b>
<b>Net Income</b>	<b>37,366.96</b>	<b>55,546.62</b>	<b>92,913.58</b>



**California Association of Mutual Water Companies**

**Budget and Cash Flow**

As of July 14, 2017

	2017 Budget	2017 Estimated Cash Flow					
		Q1 Actual	Q2 Actual	Q3 Est	Q4 Est	Total	
<b><u>INCOME</u></b>							
Charter Membership	\$ 84,000	\$ 6,150	\$ 22,100	\$ 7,000	\$ 6,000	\$ 41,250	[A][B]
Regular Membership	54,000	9,050	14,350	24,300	3,500	51,200	
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	225	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	3,600	3,500	54,443	
Interest Income		2	-	-	-	2	
Miscellaneous		2,500	-	-	-	2,500	
<b>Total Income</b>	<b>255,300</b>	<b>21,409</b>	<b>89,391</b>	<b>68,325</b>	<b>17,225</b>	<b>196,350</b>	
<b><u>EXPENSE</u></b>							
Management Contract	120,000	30,000	30,000	30,000	30,000	120,000	
Attorney Fees	24,000	2,308	3,540	7,000	7,000	19,848	
Office Space/Rent	3,000	750	750	750	750	3,000	
Accounting	-	-	-	-	-	-	
Insurance	1,150	1,103	-	-	-	1,103	
Staff Travel	12,000	1,023	883	6,000	3,500	11,406	
Meetings	3,000	136	-	2,000	500	2,636	
IT/Website	500	-	-	300	150	450	
Supplies	-	1,720	241	-	-	1,961	
Taxes	1,000	-	-	1,000	-	1,000	
Telephone	840	-	-	500	250	750	
Merchant/Bank Fees	500	50	30	200	100	380	
Lobbying	60,000	15,000	15,000	15,000	15,000	60,000	
Marketing	-	-	899	-	-	899	
JPRIMA Loan	30,000	-	5,000	-	-	5,000	
Miscellaneous	-	-	-	-	-	-	
<b>Total Expense</b>	<b>255,990</b>	<b>52,090</b>	<b>56,343</b>	<b>62,750</b>	<b>57,250</b>	<b>228,433</b>	
<b>Net Total</b>	<b>\$ (690)</b>	<b>\$ (30,681)</b>	<b>\$ 33,048</b>	<b>\$ 5,575</b>	<b>\$ (40,025)</b>	<b>\$ (32,083)</b>	
<b><u>Cash Flow</u></b>							
Beginning Balance		\$ 61,835	\$ 31,154	\$ 64,202	\$ 69,777		
Net Revenues		(30,681)	33,048	5,575	(40,025)		
Ending Balance		<b>\$ 31,154</b>	<b>\$ 64,202</b>	<b>\$ 69,777</b>	<b>\$ 29,752</b>		

**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, Valencia Heights, Sunnyslope Water Company, California Domestic Water Co., Lincoln Avenue Water and South Mesa Water Co.

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