



**CalMutuals Board of Directors Meeting**

**Tuesday, June 19, 2018**

**9:30 a.m. or upon adjournment of the JPRIMA Board Meeting**

Montebello Land & Water Company

344 E Madison Ave, Montebello, CA 90640 or

Via Teleconference

Call-in Number: (515) 604-9371

Access Code: 462-860

**Agenda**

9:30 a.m.:

- 1) Call to Order (Chair Yamashita-Lopez)
- 2) Roll Call
- 3) Review and Approval of May 15, 2018 Board Meeting Minutes
- 4) Chair's Report
- 5) Executive Director's Report
- 6) Budget Report
  - a. Demand Sheet
  - b. Financials
- 7) Committee Chairs' Report
  - a. Legislative Committee (Armstrong/Ortega/Peralta Gailey)
  - b. Regulatory Affairs (Ortega)
- 8) Director Comments
- 9) Adjourn (10:00 a.m.)

## 2018 CalMutuals Board Roster

Ms. Lisa Yamashita-Lopez - President  
Rubio Cañon Land and Water Association  
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Mr. Dave Armstrong – Vice President  
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Mr. Dave Michalko - Secretary  
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Mr. Jim Byerrum - Director  
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Mr. Ken Bradbury - Director  
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Mr. Doug Nunneley - Director  
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Mr. Ken Tcheng - Director  
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Mr. Michael Palazzo- Director  
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**Staff**

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Mr. Adan Ortega  
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Ms. Denise Peralta Gailey  
Managing Director  
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**California Association of Mutual Water Companies (CalMutuals)**  
**Board of Directors Meeting Minutes**  
**May 15, 2018**

**Via Teleconference (515) 604-9371, Access Code: 462860**

**Call to Order:** Chair Lisa Yamashita-Lopez called the meeting to order at 2:00 p.m.

**Present:** Lisa Yamashita-Lopez (Director, President and Chair), Dave Michalko (Director, Secretary), Jim Byerrum (Director), Doug Nunneley (Director), Ken Bradbury (Director), Ken Tchong (Director), 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:** Dave Armstrong (Director, Vice President), Michael Palazzo (Director), Rick Cook (Director).

**Review and Approval of the April 17, 2018 Board Meeting Minutes:** On a motion made by Director Bradbury, seconded by Secretary Michalko, the April 17, 2018 board meeting minutes were unanimously approved, as submitted.

**Chair's Report:** Chair Yamashita-Lopez asked Ms. Allen to provide an update on database management and membership outreach efforts. Ms. Allen stated that she a postcard was mailed to prospective members. Ms. Allen reported that the database management issues are ongoing and that she will evaluate the current online service later this year to determine if another service may be more suitable. Chair Yamashita-Lopez reported she is working with Western Heights Water Company on updating internal processes and procedures. No further comments.

**Executive Director's Report:** Executive Director Ortega reported that the Crown Plaza in Ventura has been selected as the location for a planning session and annual meeting. He added that Ms. Allen is finalizing the agreement with the hotel and will be forwarding room block details in the near future. Ms. Allen added that she will be adding a discussion item regarding the resource booklet to the planning session agenda. Mr. Ortega also reported that there has been activity around Hexavalent Chromium and 1,2,3,-Trichloropropane. He added that he will have more to report at the next board meeting.

**Budget Report:** Staff Member Allen provided an overview of the demand sheet. On a motion made by Director Bradbury, seconded Director Nunneley, the demand sheet was unanimously approved. Staff Member Allen also provided an overview of the budget and cash flow statement.

**Committee Chairs' Report:** Managing Director Peralta Gailey provided the legislative committee's report. She reported that the legislative committee convened on May 15 to discuss various bills including: (1) AB 2050 (Caballero); (2) AB 2339 (Gipson); and (3) SB 998 (Dodd). Managing Director Peralta Gailey also provided an update on AB 3057 (Quirk Silva), the CalMutuals-sponsored legislation to create a state tax equivalent to the Internal Revenue Code Section 501(c)(12). Ms. Gailey added that the Franchise Tax Board's (FTB) fiscal estimate for the bill is more than \$3 million dollars; higher than the anticipated estimate of \$800,000. She added that she, General Counsel Ciampa, and Legislative Advocate Kelly Jensen will be communicating with the FTB to investigate the source of data used to compile their initial estimate. Staff will continue monitoring the issue closely.

**Director Comments:** None.

**Adjourn:** Chair Yamashita-Lopez adjourned the meeting at 2:32 p.m.

## MEMORANDUM

To: Board of Directors

From: Dave Armstrong, Legislative Committee Chair

Date: June 12, 2018

Subject: Legislative Committee Report

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On June 12, the CalMutuals Legislative Committee convened to discuss: (1) alternatives to AB 3057 (Quirk Silva); (2) AB 2501(Chu); (3) AB 2370 (Holden); (4) SB 998 (Dodd); and (5) the Safe and Affordable Drinking Water Act/SB 623 (Monning).

- **Alternatives to AB 3057 (Quirk Silva):** The bill was pulled from the Assembly Appropriations Consent Calendar; thus, the bill is not moving forward. Staff is working on alternative options for the language which will include amendments to exempt systems below 200 connections and utilizing another vehicle/bill. More information forthcoming.
- **AB 2501 (Chu) Drinking water: consolidation and extension of service:** The bill would redefine “disadvantaged community” to mean a disadvantaged community that is in an unincorporated area, is in a mobilehome park, or is served by a mutual water company or small public water system.  
Recommended Action: By unanimous vote, the Committee recommends that the Board of Directors approve submitting a position of Oppose Unless Amended to delete “mutual water companies” in the definition of disadvantaged community.
- **AB 2370 (Holden) Lead exposure: child day care facilities: family day care homes:** The bill would, on or before July 1, 2020, require the State Department of Social Services, in consultation with the State Water Resources Control Board, to adopt regulations for the testing of drinking water at licensed child care centers.  
**Position:** Watch.
- **SB 998 (Dodd) Discontinuation of residential water service: urban and community water systems:** The bill would prohibit an urban and community water system from discontinuing residential service for nonpayment until a payment by a customer has been delinquent for at least 60 days.  
**Position:** Oppose.

- **The Safe and Affordable Drinking Water Act/ SB 623 (Monning):** The budget trailer bill, the Safe and Affordable Drinking Water Act, establishing a monthly per-meter fee to fund drinking water solutions for disadvantaged communities is no longer moving forward. The bill's sponsor, the Community Water Center, has pledged to continue to move the language forward through SB 623 (Monning). Staff will continue to monitor bill.

**Position:** Watch.

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.