



Cabazon Water District
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

FINANCE & AUDIT COMMITTEE MEETING

AGENDA

Meeting Location:

Cabazon Water District Office
14618 Broadway Street
Cabazon, California 92230

Meeting Date:

Tuesday, April 16, 2019 – 5:00 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL
FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
 - Balance Sheet
 - Profit and Loss Budget Comparison
2. Finance & Audit Committee District Payables Review and Approval/Signing

PUBLIC COMMENT

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. **Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))**

ADJOURNMENT

ADA Compliance Issues

In compliance with the Americans with Disabilities Act & Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 849-4442. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.



Cabazon Water District
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

REGULAR BOARD MEETING

AGENDA

Meeting Location:
Cabazon Water District Office
14618 Broadway Street
Cabazon, California 92230

Meeting Date:
April 16, 2019 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

CONSENT CALENDAR

All matters in this category are considered to be consistent with the Board/District goals, District Policies and Regulations adopted and/or approved by the Board of Directors, and will be enacted in one motion. There will be no separate discussion of these items. If discussion is required, items may be removed from the consent calendar and will be considered separately.

1. **Approval of:**
 - a. Finance and Audit Committee Meeting Minutes and Warrants approved by the committee February 19, 2019
 - b. Regular Board Meeting Minutes and Warrants of February 19, 2019
2. **Warrants – None**
3. **Awards of Contracts – None**

UPDATES

1. **Update:** San Gorgonio Pass Regional Water Alliance Update
(by Director Davis)
2. **Update:** Manager's Operations Report
(by General Manager Louie)

NEW BUSINESS

1. Discussion/Action: Transfer of funds from District's General Account to the District's LAIF ("Savings") Account.
2. Discussion/Action: Candy Donation Request for Community Egg Hunt Event (by Director Israel and Director Wargo – see staff report)

OLD BUSINESS

1. Discussion: Sustainable Groundwater Management Act (SGMA) Update (by General Manager Louie)
2. Discussion/Action: CalMutuals - Adan Ortega, Executive Director is forming the Community Water System Alliance (CWSA) – Prevent "Smaller & Poorer" agencies to be unnecessarily taxed by the State and form a "mutual aid well-functioning water systems and those that may be at the brink of failing." (by GM Louie & Board)

PUBLIC COMMENTS

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GENERAL MANAGER/BOARD COMMENTS

1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- Suggested agenda items from the Public.
- Suggested agenda items from Management.
- Suggested agenda items from Board Members.

2. Management Comments

Staff members may speak on items of information not requiring comment or discussion to the Board and public. Topics which may be included on a future meeting agenda may be presented but cannot be discussed. (3 minutes)

3. Board Member Comments

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

MISCELLANEOUS

1. Future Board Items/Next Board Meeting Date(s)

- a. Finance & Audit Workshop – Tuesday – May 21, 2019, 5:00 pm
- b. Regular Board Meeting – Tuesday – May 21, 2019, 6:00 pm
- c. Personnel Committee – None
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting – Wednesday – April 24, 2019

ADJOURNMENT

ADA Compliance Issues

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Cabazon Water District
14618 Broadway Street • P.O. Box 297
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FINANCE & AUDIT COMMITTEE MEETING

MINUTES

Meeting Location:
Cabazon Water District Office
14618 Broadway Street
Cabazon, California 92230

Meeting Date:
Tuesday, February 19, 2019 – 5:00 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL

Director Wargo - Present
Director Israel - Present

Calvin Louie (General Manager) - Absent
Juliana Salcido, Board Secretary - Present
Cindy Byerrum, Financial Consultant - Absent

***Note: This meeting was recorded by the District - Yes**

FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report

- Balance Sheet
- Profit and Loss Budget Comparison

Balance Sheet:

- The District's combined Cash with Chase and LAIF balance was \$840,718 at month end.
The District's total liabilities were approximately \$1.111 million at month end.

Profit and Loss:

- Line 13 Standby Fees: The bulk of these receipts often occur around January and April and can occasionally cause YTD to trend over/under budget.
- Line 49 Well Maintenance: YTD is over budget due to \$34.5K in invoices from Legend Pump & Well Services for Well 5 Rehabilitation. Rehabilitation included pulling the pump to perform maintenance & restore water flow.
- Line 90 Vehicle Fuel: YTD is trending at 65% due to higher than anticipated fuel costs.
- Line 92 Safety: YTD is over budget due to a \$9.8K contract with Lancaster Safety Consulting for OSHA certified training which was not budgeted.
- Line 109 Main Street Improvements: YTD expenditures include invoices from Warren Duncan Contracting relating to demolition for the Main Street Project.

As of January 31st the fiscal year-to-date net loss is \$(92,994).

2. Finance & Audit Committee District Payables Review and Approval/Signing

PUBLIC COMMENT

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ADJOURNMENT

Motion to adjourn at 17:11 hr. made by Director Israel and 2nd by Director Wargo.

***Note: No roll call vote was made, but there were no objections voiced by either Board or Public to adjourn the meeting.**

Meeting adjourned at 17:11 hr. on Tuesday, February 19, 2019

Robert Lynk, Board Chair
Board of Directors
Cabazon Water District

Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

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Cabazon Water District
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REGULAR BOARD MEETING

MINUTES

Meeting Location:
Cabazon Water District Office
14618 Broadway Street
Cabazon, California 92230

Meeting Date:
February 19, 2019 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

Director Martin Sanderson - Present
Director Maxine Israel - Present
Director Sarah Wargo - Present
Director Alan Davis - Present
Director Robert Lynk - Present

Calvin Louie, General Manager - Present
Juliana Salcido, Board Secretary - Present
Cindy Byerrum, Financial Consultant - Absent
Steve Anderson, Best Best & Krieger Law Firm - Absent
Joseph Ortiz, Best Best & Krieger Law Firm - Absent

Note: This meeting was recorded by the District - Yes

CONSENT CALENDAR

All matters in this category are considered to be consistent with the Board/District goals, District Policies and Regulations adopted and/or approved by the Board of Directors, and will be enacted in one motion. There will be no separate discussion of these items. If discussion is required, items may be removed from the consent calendar and will be considered separately.

1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and Warrants approved by the committee January 15, 2019
- b. Regular Board Meeting Minutes and Warrants of January 15, 2019

Motion to approve following consent calendar item(s) (a.) Finance and Audit Committee Meeting Minutes of January 15, 2019. (b.) Regular Board Meeting Minutes of January 15, 2019 made by Director Israel and 2nd by Director Wargo.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

2. Warrants – None
3. Awards of Contracts – None

UPDATES

1. Update: San Gorgonio Pass Regional Water Alliance Update
(by Director Davis)

*Note: No Update

2. Update: Manager's Operations Report
(by General Manager Louie)

- Well 5: The Sonar Jet service has been completed. The next step is to send a video down to make sure the service cleared all the calcification.
- The first CalOSHA training will be taking place on February 20, 2019 at 8:30 hr. Louie will not be present due to attending a SB 998 briefing at Rancho California Water District on 02/20/2019. Proposals will be discussed, and the topic is Human Right to Water Act.
- Morongo Interconnection: Calvin and John met with Amy Olson from Edison and discussed concerns with her. We are currently waiting for Amy to receive clarification from higher ups.

*Note: A quick recess was taken at 18:15 hr. and the meeting resumed at 18:30 hr.

NEW BUSINESS

1. Discussion/Action: Customer Concern: Juan Perez, Dolores, Acct. No. 5-5032.5JP

- Juan Perez's concern is the estimated cost to restore water service for his property on Dolores.
- The board came to an agreement with Perez on a payment plan for in order for his water service to be restored.

Motion to accept a fifty percent down payment on the total service connection cost of \$3,698.77, with a monthly payment plan of \$200 minimum that must be completed within twelve months. If Perez is late in either the agreed payment plan or his water bill then the remaining balance must be paid in thirty days. Failure to pay the remaining balance in thirty days will result in termination of water service. Made by Director Lynk and 2nd by Director Israel.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

2. Discussion/Action: Clarification on Efficiency Study on Water Rate Study (by GM Louie & Dir. Sanderson)

- Louie informed the board that they are currently looking into the charges for an 8 inch meter.

OLD BUSINESS

1. Discussion: Sustainable Groundwater Management Act (SGMA) Update (by General Manager Louie)

- Rules of Conduct were established, which is a protocol of how an attendee and representative shall communicate in discussing issues. A current issue is how the grant money will be shared.
- A current discussion is to develop a RFP to contract a consultant firm to develop a Groundwater Sustainable Plan.

2. Discussion/Action: CalMutuals - Adan Ortega, Executive Director is forming the Community Water System Alliance (CWSA) – Prevent “Smaller & Poorer” to be unnecessarily taxed by the State and form a “mutual aid well-functioning

water systems and those that may be at the brink of failing.” (by GM Louie & Board)

- Louie, Director Israel, and Director Davis attended the State Capital SB699 Hearing and Lobbying on 02/06/19. They went to discuss and oppose the Meter Tax. Director Israel's statement made into an article that was published by the Sacramento Bee.
- Director Israel and Director Davis expressed favor in joining the Community Water System Alliance (CWSA).
- Director Wargo and Director Sanderson expressed concern on the contribution cost to join the (CWSA). Wargo also brought up the cost of sending our board members to future events.
- The board decided to table this until after Director Wargo pursues further information.

***Note: No Motion was made**

3. **Discussion/Action: Adoption of current County of Riverside requirements on new single family dwelling construction to install a private fire protection system (fire sprinklers) - 3/4" water meter versus 1" water meter (by GM Louie) – question by Director Lynk – impact on property owner's fire insurance if the property owner signs a waiver**

- The Board has concerns regarding signing waivers and costs for the 1 inch meter prices.
- Suggestions were made of having a way to restrict the flow of water so that homeowners still get the monthly charge of a 5/8 meter flow.
- The Board decided to table this until Director Lynk pursues further information and reports back to the board for next month's meeting

***The Board unanimously agreed to have Director Lynk attend a meeting with the engineers and Calvin Louie, the General Manager to discuss the board's concerns regarding the Adoption of current County of Riverside requirements on new single family dwelling construction to install a private fire protection system (fire sprinklers) - 3/4" water meter versus 1" water meter**

***Note: No motion was made**

4. **Discussion/Action: Customer Concern: Paul Oshideri – Unpaid Tenant Bills**

- Paul Oshideri was not present.
- The board secretary informed the board that she called and spoke to Mr. Oshideri on Thursday February 14, 2019 to remind and inform him that he would be on the agenda to address the board.

***Note: No discussion or action was made**

PUBLIC COMMENTS

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GENERAL MANAGER/BOARD COMMENT

1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- **Suggested agenda items from the Public.**
- **Suggested agenda items from Management.**
- **Suggested agenda items from Board Members.**
 - Director Israel brought up Government IDs for the Board Members
 - Director Israel suggested that pictures of the Board Members be displayed in the lobby of the district.

2. Management Comments

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3. Board Member Comments

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- Director Davis praised Director Maxine's performance at the State Capital SB699 Hearing and Lobbying on 02/06/19.
- Director Maxine stated she will not be present at next month's meeting on March 19, 2019.

MISCELLANEOUS

1. Future Board Items/Next Board Meeting Date(s)

- a. Finance & Audit Workshop – Tuesday – March 19, 2019, 5:00 pm
- b. Regular Board Meeting – Tuesday – March 19, 2019, 6:00 pm
- c. Personnel Committee – None
- d. San Gorgonio Pass Regional Water Alliance – Alliance Meeting – Wednesday – February 27, 2019

ADJOURNMENT

Motion to adjourn at 19:50 hr. made by Director Lynk and 2nd by Director Israel.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

Meeting adjourned at 19:50 hr. on Tuesday, February 19, 2019

Robert Lynk, Board Chair
Board of Directors
Cabazon Water District

Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

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Cabazon Water District

Profit & Loss

March 2019

	Mar-19	Current YTD	Amended Budget	YTD (75%)
1 REVENUES				
2 OPERATING INCOME				
3 Base Rate - Water Bills	\$ 71,218	\$ 628,488	\$ 811,800	77%
4 Commodity Sales	13,305	235,376	327,500	72%
5 DHPO Contract	9,797	146,985	225,900	65%
6 Fire Sales - Water Bills	439	2,267	2,500	91%
7 Fire Flow Income	-	-	400	0%
8 Penalty Fees - Water Bills	3,514	34,383	48,300	71%
9 New Account Fees - Water Bills	160	1,235	1,800	69%
10 Incident Fee - Water Bills	-	-	400	0%
11 Returned Check Fees	-	360	600	60%
12 Basic Facilities Fee	13,384	17,358	64,900	27%
13 Stand By Fees - Tax Revenue	-	92,973	113,600	82%
14 TOTAL OPERATING INCOME	111,817	1,159,425	1,597,700	73%
15 NON-OPERATING INCOME				
16 Property Taxes	45	27,922	60,900	46%
17 Cell Tower Lease Income	2,046	18,416	22,100	83%
18 Misc. Non-Operating Income	281	307	-	0%
19 Interest Income	438	10,983	11,200	98%
20 TOTAL NON-OPERATING INCOME	2,810	57,628	94,200	61%
21 TOTAL REVENUES	114,628	1,217,053	1,691,900	72%
22 EXPENSES				
23 PAYROLL				
24 Directors Fees	1,600	10,900	20,000	55%
25 Management & Customer Service				
26 Customer Accounts	4,032	39,315	51,700	76%
27 Business Admin Manager	-	35,254	66,800	53%
28 Office Assistant	3,117	21,281	-	0%
29 General Manager	6,662	66,479	84,100	79%
30 Total Management & Customer Service	13,812	162,329	202,600	80%
31 Field Workers	13,225	110,755	146,300	76%
32 Employee Benefits Expense				
33 Workers Comp.	1,330	5,845	8,800	66%
34 Employee Health Care	6,451	70,671	86,800	81%
35 Pension	4,537	39,175	67,800	58%
36 Total Employee Benefits Expense	12,318	115,691	163,400	71%
37 Payroll Taxes	2,469	25,942	29,300	89%
38 TOTAL PAYROLL	43,423	425,616	561,600	76%
39 OPERATIONAL EXPENSES				
40 Facilities, Wells, T&D				
41 Lab Fees	268	5,029	8,500	59%
42 Site Landscaping & Maintenance	45	360	700	51%
43 Meters	-	2,237	4,600	49%

Cabazon Water District

Profit & Loss

March 2019

		Mar-19	Current YTD	Amended Budget	YTD (75%)
44	Generator Service Contractor	275	2,232	1,300	172%
45	Utilities - Wells	12,179	85,765	126,100	68%
46	SCADA	27	248	300	83%
47	Line R&M Contractor	-	-	12,500	0%
48	Line R&M Materials	1,406	28,812	60,000	48%
49	Well Maintenance	43,775	93,721	36,200	259%
50	Security	1,625	15,843	18,400	86%
51	Engineering Services	1,431	38,821	48,600	80%
52	Chlorinators	-	-	100	0%
53	Facilities, Wells, T&D - Other	-	5,012	10,000	50%
54	Total Facilities, Wells, T&D	61,031	278,080	327,300	85%
55	Utilities - Office				
56	Electricity	1,060	12,759	15,900	80%
57	Gas	234	636	710	90%
58	Telephone	810	7,194	9,500	76%
59	Trash Pickup & Office Cleaning	364	3,303	4,400	75%
60	Total Utilities - Office	2,467	23,893	30,510	78%
61	Office Expenses				
62	Water Billing System	177	1,595	2,100	76%
63	Supplies & Equipment	543	11,143	9,700	115%
64	Copier Lease & Printing Supplies	797	3,730	6,000	62%
65	Dues & Subscriptions	612	952	1,700	56%
66	Postage	615	5,312	7,700	69%
67	Printing & Publications	-	3,880	6,100	64%
68	Leases & Rents	-	251	300	84%
69	Computer Services	2,697	22,783	36,800	62%
70	Office Radio	-	-	500	0%
71	Office Storage	500	4,500	6,200	73%
72	Air Conditioning Servicing	398	3,582	4,600	78%
73	Fire Alarm System Servicing	-	312	700	45%
74	Office Expenses - Other	54	600	1,300	46%
75	Total Office Expenses	6,393	58,641	83,700	70%
76	Support Services				
77	Temporary Labor	-	708	10,000	7%
78	Financial Audit	-	8,355	22,100	38%
79	Accounting	2,779	32,208	36,000	89%
80	Legal Services	3,137	44,675	53,600	83%
81	Bank Service Charges	39	564	700	81%
82	Payroll Service	347	3,466	4,100	85%
83	Website Support	75	600	1,700	35%
84	General Liability Insurance	1,946	17,041	21,000	81%
85	Total Support Services	8,323	107,617	149,200	72%
86	Training/Travel	2,023	19,556	41,000	48%

Cabazon Water District

Profit & Loss

March 2019

		Mar-19	Current YTD	Amended Budget	YTD (75%)
87	Other Fees/SWRCB	150	6,570	6,200	106%
88	Service Tools & Equipment				
89	Shop Supplies and Small Tools	325	5,513	21,100	26%
90	Vehicle Fuel	1,536	12,009	12,800	94%
91	Employee Uniforms	-	1,394	1,500	93%
92	Safety	386	386	500	77%
93	Tractor Expenses	2,251	6,688	1,000	669%
94	Equipment Rental	212	212	2,100	10%
95	Service Trucks - R&M	8,090	11,901	13,900	86%
96	Water Ops Phone & Internet	176	792	900	88%
97	Total Service Tools & Equipment	13,748	40,740	53,800	76%
98	NON-OPERATING EXPENSES				
99	Grant & Loan Processing Fee	-	1,325	1,600	83%
100	DWR Interest Expense	-	4,978	10,300	48%
101	DHPO Interest Expense	4,671	9,833	9,800	100%
102	Bad Debt Expense	-	-	1,200	0%
103	Miscellaneous	27	157	1,600	10%
104	Depreciation Expense	22,192	199,725	266,300	75%
105	TOTAL NON-OPERATING EXPENSES	26,890	216,018	290,800	74%
106	TOTAL EXPENSES	164,449	1,176,731	1,544,110	76%
107	TOTAL INCOME BEFORE CAPITAL & GSA	(49,821)	40,322	147,790	27%
108	DHPO Capacity Credit	(1,750)	(15,750)	(21,000)	75%
	CAPITAL PROJECTS				
109	Main Street Improvements (Icehouse Imp.)	-	(29,280)	(60,000)	49%
110	Meter Replacements & Other Capital	-	(9,048)	(22,000)	41%
111	Vehicle Upgrades	(409)	(8,828)	-	0%
112	TOTAL CAPITAL PROJECTS	(409)	(47,157)	(82,000)	58%
113	DEBT - PRINCIPAL				
114	Debt Service Principal - DWR	-	(19,367)	(38,400)	50%
115	Debt Service Principal - DHPO (Zion)	(39,435)	(78,870)	(78,900)	100%
116	TOTAL DEBT - PRINCIPAL	(39,435)	(98,238)	(117,300)	84%
117	SGMA / GSA	(2,017)	(13,630)	(60,000)	23%
118	NET INCOME / (LOSS)	\$ (93,432)	\$ (134,452)	\$ (132,510)	101%

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

Cabazon Water District

Balance Sheet

March 31, 2019

Mar 31, 19

1	ASSETS	
2	Current Assets	
3	Checking/Savings	
4	General Bank Account-Chase	229,923
5	Payroll Bank Account-Chase	50,894
6	Trust Account-Chase (Cust. Deposits)	18,166
7	Local Petty Cash	100
8	Total Checking/Savings	<u>299,083</u>
9	Accounts Receivable	194,449
10	LAIF	565,249
11	Bank of NY Trustee Accounts	73,830
12	Prepaid Expenses	28,029.66
13	Inventory Total	<u>93,672</u>
14	Total Other Current Assets	<u>955,230</u>
15	Total Current Assets	<u>1,261,471</u>
16	Fixed Assets	
17	Construction in Process	
18	CIP Cabazon Outlets Expansion	9,692
19	CIP Super Map	19,015
20	CIP 50100 Main St. Property	<u>85,460</u>
21	Total Construction in Process	114,167
22	Tools and Equipment	123,319
23	Source of Supply	1,552,226
24	Transmission & Distribution	10,216,143
25	Buildings & Structures	12,281
26	Water Treatment	8,800
27	Office Furniture and Equipment	71,808
28	Intangible Plant	11,032
29	Vehicles	106,309
30	Land	689,548
31	Accumulated Depreciation	<u>(5,551,863)</u>
32	Total Fixed Assets	<u>7,353,768</u>
33	TOTAL ASSETS	<u>8,615,240</u>
34	LIABILITIES & EQUITY	
35	Liabilities	
36	Current Liabilities	
37	Accounts Payable	45,584
38	Other Current Liabilities	
39	Customer Deposits - Co 1	4,200
40	Customer Deposits - Co 2	<u>4,934</u>
41	Total Customer Deposits	9,134
42	Accrued Vacation Pay	10,051
43	DWR-HS Payable - Current	38,425
44	Current Portion Zion's Bank Ln	78,870
45	Accrued Payroll	7,565

Cabazon Water District


Balance Sheet

March 31, 2019

		Mar 31, 19
46	Accrued Payroll Taxes	<u>553</u>
47	Accrued Interest	4,734
48	Accrued Expenses	6,419
49	Employee Deductions	944
50	Total Other Current Liabilities	<u>156,695</u>
51	Total Current Liabilities	202,279
52	Long Term Liabilities	
53	DWR-H Loan Payable (Payoff '26)	318,500
54	Zion's Bank Long Term (2023)	335,745
55	RCEDA Loan Payable	300,000
56	Total Long Term Liabilities	<u>954,245</u>
57	Total Liabilities	<u>1,156,524</u>
58	Total Equity	<u>7,458,715</u>
59	TOTAL LIABILITIES & EQUITY	<u><u>8,615,240</u></u>



MEMORANDUM

DATE: April 10, 2019
TO: Board of Directors
FROM: Calvin Louie – General Manager 
SUBJ: Staff Report - Candy Donation Request for Community Egg Hunt Event
cc: Lemus

SUMMARY

Director Israel and Director Wargo requested the matter of **Candy Donation Request for Community Egg Hunt Event** be placed on the regular board meeting agenda for consideration by the Board on 04/16/19.

They (Dir. Israel, Dir. Wargo, and Diane Morris) are organizing a **Community Egg Hunt Event** for Cabazon youths at the community park during the Easter weekend (04/20-21/19).

RECOMMENDATIONS

Management recommends the following should the Board approves this proposal.

1. **No cash or check** will be issued without an approved receipt of authorized purchases or expenses as approved by the Board.
2. The Board shall determine the **amount and authorized purchases and expenses**.
3. Participating Board members may waive their Director fees or the Board may direct this event does not qualify for a stipend.
4. Board to consider District liability. In the past, District involvement with community events (i.e. annual field days, Christmas parades, etc.), the District's current liability insurance covers these events.



MEMORANDUM


DATE: January 9, 2019
TO: Board of Directors
FROM: C. Louie
SUBJ: Community Water Service Alliance (CWSA)
cc: files

Attached are the string of email communications and various documents for your review.

Date	Classification	Description
11/29/2018	Email	CWSA Meeting 11/30/2018 – Agenda & Location
11/30/2018	Document	Proposed CWSA agenda
12/03/2018	Document	Report: Organization of a Community Water Systems Alliance and proposed tier sponsor rates
12/10/2018	Email	CWSA Agenda & Meeting Documents
12/10/2018	Document	Draft of CWSA MOU
12/12/2018	Document	Twentynine Palms Water District notes on their Board's decision to join and fund CWSA
12/12/2018	Email	CWSA Meeting Summary from 12/11
01/02/2019	Email	CWSA MOU v.3 (12/17/2018)
01/02/2019	Document	MOU v.3 (12/17/2018)
01/03/2019	Email	CWSA Update & Issues to Review
01/08/2019	Email	CWSA Meeting Agenda
01/08/2019	Document	2019 CWSA Budget Draft
01/08/2019	Document	CWSA membership recruitment flyer

Calvin Louie

From: adan <adan@calmutuals.org>
Sent: Thursday, November 29, 2018 2:02 PM
To: Jones, Paul; Coats, Danielle; Zelaya, Sheila; Ray Kolisz; Lisa Yamashita Lopez; David A. Armstrong; Tim Worley; Katie Porter; Dan Ferons; donb@smwd.com; Leach, Jim; Kelly Gardner; Meggan Valencia; Jeff Armstrong; Denise Peralta; Jim Ciampa; Lisa Ohlund; Stacy Taylor; Calvin Louie
Subject: Reminder: CWSA Meeting 11/30 11-1pm Agenda and Location
Attachments: CWSAAGenda11_30_Reminder.pdf

Thank you for planning to participate in the potential formation of an alliance for community water systems serving small, older and poorer communities in California. Attached is an agenda that is reserving the majority of time for discussion. The meeting will be held at Eastern Municipal Water District Headquarters, and Eastern is graciously hosting lunch. I look forward to seeing you tomorrow. 

Address:
EASTERN MUNICIPAL WATER DISTRICT
2270 Trumble Road
Perris, CA 92570

Adan Ortega
Executive Director
CalMutuals
714 449-8403
adan@calmutuals.org

via Newton Mail

Proposed Community Water System Alliance

Agenda

11 am – 1 pm

November 30, 2018

Location:

EASTERN MUNICIPAL WATER DISTRICT

2270 Trumble Road

Perris, CA 92570

- 1. Introductions 5 min**
Welcome by Host: Paul Jones, EMWD
Attendees
- 2. Brief Background on Formation of CWSA 10 min**
Lisa Yamashita-Lopez & Adan Ortega, CalMutuals
Ray Kolisz, TPWD
- 3. Discussion About Key Issues of Common Interests 15 min.**
Dan Ferons, SMWD / FVMWC
- Water Tax
- SWRCB Economic Feasibility Guidelines for New MCL Standards
- Others?
- 4. Funding Options Discussion 15 min**
Adan Ortega, CalMutuals
- 5. Next Steps Up to 1:15**
Open Discussion



**Report: Organization of a Community Water Systems Alliance
December 3, 2019**

A meeting was held on Friday, November 30, 2018, to discuss possible support for an alliance of community water systems representing income limited and disadvantaged communities, at Eastern Municipal Water District. The meeting was attended by:

Paul Jones, General Manager, Eastern Municipal Water District
Danielle Coats, Senior Legislative Program Manager, Eastern Municipal Water District
Lisa Yamashita Lopez, President, CalMutuals & GM Rubio Cañon Land and Water Assn.
David Armstrong, Vice President, CalMutuals & GM South Mesa Water Co.
Jim Ciampa, General Counsel, CalMutuals & Public Water Agency Group (PWAG)
Owen Sharp, General Manager, San Andreas Mutual Water Company
Sandy Caruba, Board Member, San Andreas Mutual Water Company
Carol Giannini, Board Member, Twentynine Palms Water District
Bob Coghill, Board Member, Twentynine Palms Water District
Ray Kollisz, General Manager, Twentynine Palms Water District
Denise Peralta Gailey, Advocate, Twentynine Palms Water District
Dan Ferons, General Manager, Santa Margarita Water District
Don Barns, Assistant General Manager, Santa Margarita Water District
Jim Leach, Director of Government Affairs, Santa Margarita Water District
Kelly Gardner, Assistant Executive Director, San Gabriel Valley Water Association
Paul Gonsalves, Advocate, San Gabriel Valley Water Association
Stacy Taylor, External Affairs Manager, Mesa Water District
Jeff Armstrong, General Manager, Rancho California Water District
Meggan Valencia, Public Affairs Manager, Rancho California Water District
Calvin Louie, General Manager, Cabazon Water District
Curt Saur, Joshua Basin Water District
Jeff Deming, Principal, Monterey Bay Academy
Jackie McCloud, Utilities Manager, City of Watsonville
Lisa Ohlund, General Manager, East Orange Water District
Tim Worley, Executive Director, AWWA Cal-Nevada Section
Adan Ortega, Executive Director, CalMutuals

Meeting Purpose: To potentially augment resources through CalMutuals to include income-limited and disadvantaged communities, who are served by well run and operated water supply agencies, in organized efforts to prevent that their resources will be diverted by the state through the assessment of local taxes or economically infeasible regulations (i.e. Chromium 6).

Community Water Systems Alliance (CWSA) Principles

The group discussed seven principles around which CWSA would organize and advocate. CWSA will be comprised of a group of special districts, county water districts, community service districts, and cities that are well run and operated while serving disadvantaged communities and other populations that entail revenue limitations, such as seniors.

General draft organizing principles were revised to include the following:

1. CWSA is comprised of viable and well running water supply systems focused on empowering those among them who directly represent and serve the residents of disadvantaged communities and other populations with income limitations such as seniors
2. CWSA supports a statewide comprehensive needs-assessment of the operational integrity and resiliency of chronically distressed water systems
3. CWSA supports funding to build water system resiliency that does not shift existing resources of disadvantaged communities from some regions to other regions of the state
4. CWSA supports regulations that are deemed economically feasible through a combination of factors including affordability, transparent understanding of health benefits and their real-time cost and value to the residents of California
5. CWSA supports consolidation of chronically distressed water systems when it is part of an initiative supported by the residents of such communities, and where property rights and the right of representation is respected
6. CWSA members pledge to work with larger neighboring and/or regional water agencies toward efforts that bring resource efficiency, stewardship of local shared resources that are based upon common values, needs and respect not charity
7. CWSA is an alliance for education and advocacy of the common interests and empowerment of water systems serving disadvantaged communities and other income limited populations, not a permanent water association

Management – The group generally agreed that as fiscal sponsor, CalMutuals could bring efficiency to CWSA by availing it of its administrative, advocacy and logistical support eliminating the need for the duplication of resources, in parallel with CalMutuals’ regional capacity across the state. CalMutuals is proposing that an advisory board be comprised of the initial charter members according to the contribution levels below.

Budget - The group felt that the estimated budget of \$60,000 for one year to cover the legislative calendar was modest given the issues driving the organization of CWSA. The group asked CalMutuals to propose a sponsorship schedule scaled to the revenue capacity of prospective members (see contributions below).

Proposed Schedule for Regular Sponsors of the Initiative

CalMutuals has a “progressive” membership schedule that encourages participation by small and larger members. Pending consensus from the group, CalMutuals proposes the following scales of sponsorship for the initiative:

Tier 1: Revenues <\$250K	\$500
Tier 2: Revenues \$250K +	\$750
Tier 3: Revenues \$500K+	\$1,250
Tier 4: Revenues \$1M+	\$2,500
Tier 5: Revenues \$4M+	\$5,000

Calvin Louie

From: adan <adan@calmutuals.org>
Sent: Monday, December 10, 2018 2:25 PM
To: Jackie McCloud; coatsd@emwd.org; David A. Armstrong; donb@smwd.com; Joe A. Gonsalves & Son; Jim Byerrum; Jim Ciampa; Leach, Jim; Kelly Jensen; Katie Porter; Ray Kolisz; Stacy Taylor; Meggan Valencia; Calvin Louie; Reeb, Bob; Danielle Blacet; Oz; Curt Sauer; Nunneley, Doug; mwest@bdvwa.org; mwest@bdvwa.org
Cc: Susan Allen
Subject: CWSA Agenda & Meeting Documents
Attachments: CWSA MOU (12-3-18) v.docx; CWSA Report1Summary.docx

Community Water System Alliance Participants and Potential Participants -

Below is call-in information, a draft agenda, a draft MOU, as well as the meeting report with proposed tiers for participation in the initiative - this information is also imbedded in the Calendar invitation. **As a reminder:** Our goal is to empower persons elected to represent disadvantaged communities to have a voice about issues such as the proposed water tax and the draft economic feasibility guidelines when they are released by the State Water Board.

Call-in Information: 1 858-284-1527. PIN: 764 612 631#

Draft Agenda:

1. Introductions
2. Membership Tiers (Please see CWSA Report1Summary.docx - Attached)
3. Draft MOU for Participation by Agencies (Please see CWSA MOU- Attached)
4. AB134 (Bloom)
5. Discussions with Committee Staff and Assm. E. Garcia
6. Next Steps

Adan Ortega
Executive Director
CalMutuals
714 449-8403
adan@calmutuals.org

via Newton Mail

**MEMORANDUM OF UNDERSTANDING
COMMUNITY WATER SYSTEMS ALLIANCE**

This Memorandum of Understanding ("MOU") is entered into this ___ day of _____, 2018 ("Effective Date") by and between the California Association of Mutual Water Companies, a California non-profit mutual benefit corporation ("Cal Mutuals"), and _____ ("Participant") with respect to the following.

RECITALS

- A. There are numerous regulatory and legislative issues facing water suppliers in California, including, but not limited to, water quality standards, requirements to limit water losses, a potential water tax, funding mechanisms for low-income rate assistance and long-term water use efficiency requirements.
- B. There are numerous water suppliers serving disadvantaged and severely disadvantaged communities that while operating efficiently and well, do not, on an individual basis, have the financial resources to be able to effectively advocate with respect to the issues identified in Recital A.
- C. Cal Mutuals is a non-profit association formed to provide effective advocacy for, and to facilitate operational and educational resources to ensure effective and compliant operation and governance of, mutual water companies and other small water systems in California.
- D. Cal Mutuals has worked with various water systems to develop a collaborative program to assist water systems serving disadvantaged and severely disadvantaged communities with regulatory and legislative advocacy, as described in Section 1, below (the "Initiative").
- E. The Community Water Systems Alliance ("CWSA") is an alliance of water systems who are undertaking the Initiative, working with and through Cal Mutuals as described herein.
- F. Participant desires to participate in CWSA and desires to make a financial contribution to help offset the costs of the Initiative, in accordance with the provisions set forth below.

NOW, THEREFORE, Participant and Cal Mutuals agree as follows:

1. The Initiative. Cal Mutuals will provide the services necessary to administer and coordinate the functions relating to the Initiative, as guided by the principles attached hereto as Exhibit A and incorporated herein by this reference. Participant, in its sole discretion and at its sole cost, may provide services of its employees to assist with implementing the Initiative.

2. Participant's Financial Contribution. Participant shall contribute the sum of \$ _____ to CWSA, through Cal Mutuals, in order to join and participate in CWSA. That amount may be paid in a lump sum or through a payment arrangement to be agreed upon by Participant and Cal Mutuals. Cal Mutuals shall separately account for all such contributions and shall utilize Participant's and other CWSA members' contributions only for costs related to the Initiative and its administration. Cal Mutuals shall issue a quarterly report of CWSA's income and expenses, including the use of Participant's contribution, on or before the thirtieth (30th) day following the end of each calendar quarter (i.e., March 31, June 30, September 30 and December 31). Participant acknowledges that the financial contributions of other CWSA members may vary and may be greater than or less than Participant's contributions, although Cal Mutuals will use its best efforts to ensure a fair structure concerning such overall contributions, including through application of the revenue-based contribution model set forth in Exhibit A hereto.

3. CWSA Participant Issues. Participant shall allow Cal Mutuals to use Participant's name in any correspondence that Cal Mutuals may send regarding the Initiative and in any materials used in soliciting additional members in CWSA; provided, however, that if such correspondence relates to a position on legislation, Participant shall be provided the opportunity to opt out of being specifically named in any such correspondence and Cal Mutuals will remove Participant's name if so instructed. Upon written request of Participant, Cal Mutuals shall promptly (i.e., within three business days) provide Participant by e-mail with a list of all participants in CWSA and their respective contributions.

4. Audit/Inspection. Upon at least forty-eight (48) hours' prior written notice, Participant may audit or inspect, at Participant's sole cost and expense, Cal Mutuals' accounting books and records relating to CWSA and the Initiative.

5. Term; Termination. This MOU shall have an indefinite term, although it is contemplated to last approximately two years. Because CWSA is intended to be a temporary program, it may be terminated at any time by the vote of at least sixty percent (60%) of its members. Participant may withdraw from CWSA at any time, upon at least seven (7) days' written notice. Such withdrawal shall not entitle Participant to a refund of any portion of its contribution under Section 2, above, unless any audit or inspection under Section 4, above, reveals the misappropriation of funds by Cal Mutuals, in which case CWSA shall be entitled to the return of its entire contribution or such other amount thereof as the parties may agree.

6. Indemnification. Cal Mutuals shall indemnify and defend Participant against any third party claims, losses, liabilities damages, lawsuits, claims, judgments or other costs resulting from Cal Mutuals' gross negligence or intentional misconduct in performing its duties hereunder.

7. Notices. Any notice or other communication to be provided under this MOU shall be in writing, and shall be deemed effectively given upon personal delivery; or upon deposit in any United States mail box, by registered, certified, Priority, or Express mail, postage prepaid; or upon delivery by nationally recognized overnight courier; or upon confirmed transmission by facsimile, addressed to the other party at the address shown below.

8. Governing Law. This MOU shall be governed by and construed in accordance with the laws of the State of California.

9. Amendment. This MOU may be modified only by a written agreement signed by both parties.

10. Severability. If any court determines that any provision of this MOU is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this MOU invalid or unenforceable and such provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable

11. Counterparts; Execution Transmitted by E-Mail or Fax. This MOU may be executed in counterparts, effective as of the Effective Date first set forth above. The parties agree that this MOU will be considered signed when the signature of a party is delivered by e-mail or by facsimile transmission. Such e-mailed or facsimile signature shall be treated in all respects as having the same effect of an original signature.

IN WITNESS WHEREOF, the Participant and Cal Mutuals have executed this MOU as of the date first above written.

California Association of Mutual Water Companies

By: _____
Lisa Yamashita-Lopez, President

Address: 1370 N. Brea Blvd., Suite 238
Fullerton, CA 92835
Fax Number: _____

Participant

By _____
Its _____

Address: _____
Fax Number: _____

TWENTYNINE PALMS WATER DISTRICT
72401 HATCH ROAD, TWENTYNINE PALMS, CA 92277-2935
760.367.7546 PHONE 760.367.6612 FAX

TO:	BOARD OF DIRECTORS
DATE:	DECEMBER 19, 2018
FROM:	RAY KOLISZ, GENERAL MANAGER
SUBJECT:	DISCUSSION OF COMMUNITY WATER SYSTEM ALLIANCE FORMATION AND APPROVAL TO CONTRIBUTE FUNDING

BACKGROUND AND DISCUSSION

As previously reported as part of the SMART initiative, we have been working to form an alliance of community water systems to give voice to elected officials who represent disadvantaged communities as is the case with Twentynine Palms Water District (TPWD). This is particularly important given that proposals to tax water at the meter have already surfaced for re-consideration by the legislature during 2019. We are also expecting the State Water Board to release draft economic feasibility guidelines that will impact the standard for Chromium 6 and other constituents.

On November 30, 2018, TPWD helped to organize and lead a gathering of 22 general managers and board members representing 14 water agencies stretching from Watsonville to the high desert and the Inland Empire to "jump-start" the Community Water System Alliance (CWSA). The California Association of Mutual Water Companies ("CalMutuals") is willing to act as fiscal sponsor. This avoids having to start a new water association. CalMutuals will manage accounting and the advocacy coordination on behalf of the group.

Among several needs, CWSA will use the funds to develop briefing materials reflecting the needs of disadvantaged communities, such as TPWD, that are successfully fending for ourselves. The funds will also be used to help poorer water districts send their representatives to public hearings in Sacramento and around the state. The original draft budget estimated costs at \$60,000 for one year, which those assembled on November 30th thought was too modest given the level of interest and need to have participation at the hearings and meetings ahead especially in Sacramento.

The group has so far agreed that residents of well-functioning disadvantaged communities should not be taxed to benefit chronically failing water systems in other parts of the state. We have agreed to work to find alternative funding sources that will also be available to agencies such as TPWD. The group has also agreed to look at other forms of mutual aid between well-functioning water systems and those that may be at the brink of failing.

RECOMMENDATION

Agencies that sponsor the initiative at \$10,000 or more will be part of a policy council that will guide the CWSA. TPWD has been urging others to support the effort, and it is thus my recommendation that TPWD agree to engage at the \$10,000 level. Upon approval from the Board the CWSA will draft a Memorandum of Understanding (MOU) to be presented to the Board for consideration.

Calvin Louie

From: adan <adan@calmutuals.org>
Sent: Wednesday, December 12, 2018 2:39 PM
To: Jones, Paul; Coats, Danielle; Lisa Yamashita Lopez; David A. Armstrong; Jim Ciampa; Ray Kolis; Dan Ferons; donb@smwd.com; Leach, Jim; Kelly Gardner; Stacy Taylor; Jeff Armstrong; Meggan Valencia; Calvin Louie; Jackie McCloud; Lisa Ohlund; Tim Worley; mwest@bdvwa.org; Nunneley, Doug
Cc: Danielle Blacet; Katie Porter; Joe A. Gonsalves & Son; Kelly Jensen; Jim Byerrum; Reeb, Bob; Susan Allen
Subject: CWSA Meeting Summary from 12/11
Attachments: CWSA MOU (12-3-18) v.docx

Team - 

The group considered several items during the CWSA call yesterday as appeared on the agenda:

Membership Tiers

There were no objections to the following sponsorship tiers for the CWSA initiative
Schedule for Regular Sponsors of the Initiative:

Tier 1: Revenues <\$250K	\$500
Tier 2: Revenues \$250K +	\$750
Tier 3: Revenues \$500K+	\$1,250
Tier 4: Revenues \$1M+	\$2,500
Tier 5: Revenues \$4M+	\$5,000

Charter Members Defined

Several water agencies will seek approval from their boards in the coming weeks to jump-start the CWSA initiative at levels of \$10,000 or more. Those agencies that donate more than \$10,000 will serve as the "executive committee" to review expenses and administrative matters through CalMutuals

Draft MOU for Participation by Agencies

No objections were raised to requests that "opt-out" provisions be inserted into the Participation MOU also applying to communications being sent to third-parties where positions, requests or group-inquiries are being made in written form. The current draft included an opt-out on legislative positions.

Given pending actions by boards considering participation in CWSA will take place over the next two weeks, it is requested that any further requests for revisions to the MOU be set to Adan Ortega by 5 pm on Monday, December 17, 2018. (The draft MOU is attached for your convenience)

AB134 (Bloom)

AB134 is a spot bill with no specific provisions (yet). But it is a potential vehicle that will be tracked.

Discussions with Committee Staff and Assm. E. Garcia

As previously reported, a joint committee hearing will be held early in '19 comprised of the Assembly Water, Parks & Wildlife Committee, Assem. Environmental Quality Committee, and Budget Committee
#3. Participation by disadvantaged communities that were not part of last year's debate is strongly encouraged.

Assem. Garcia will also be visiting other areas with Disadvantaged Communities that are succeeding and struggling. These may include Southeast Los Angeles/San Gabriel Valley, Los Desert Areas and the Central Coast.

Next Steps

1. Comments on draft MOU are due Mon. Dec. 17th at 5pm (please send to Adan Ortega)
2. Identify representatives from agencies serving Disadvantaged Communities that may be available for hearings/testimony.
3. Schedule follow-up call on the week of Jan. 7th. Potential agenda items include a)status on hearings; b) status of regional visits by Assm. Garcia & legislative Taskforce c) roster of agencies that have joined CWSA; d) briefing on human right to water proposals by ACWA and others; e) consideration of initial talking points; d) other items as suggested during the interim.

Adan Ortega
Executive Director
CalMutuals
714 449-8403
adan@calmutuals.org

via Newton Mail

On Mon, Dec 3, 2018 at 12:48 PM, adan <adan@calmutuals.org> wrote:
Team -

Once again, I'd like to thank Eastern Municipal Water District for hosting a meeting last Friday (Nov. 30) about the possible formation of an alliance of water supply systems that directly represent Disadvantaged Communities and other populations with income limitations. Attached is a document summarizing the discussion we had at Eastern. I think we made great progress to launch this initiative. Please review the principles as I tried to reflect the comments made during the meeting. We are planning to have a conference call during the week of December 10th. If you did not attend the meeting on the 30th but would like to participate on the call during the week of December 10th, please reply to this email and let me know. In the meantime, please feel free to call me if you have any questions (714 600-4683).

Thank you!

Adan Ortega
Executive Director
CalMutuals
714 449-8403
adan@calmutuals.org

via Newton Mail

Calvin Louie

From: adan <adan@calmutuals.org>
Sent: Wednesday, January 2, 2019 3:45 PM
To: Lisa Ohlund; Ray Kolisz; Calvin Louie; Dan Ferons; Jones, Paul; Coats, Danielle; Curt Sauer; Nunneley, Doug
Cc: Susan Allen; Jim Ciampa
Subject: CWSA MOU
Attachments: CWSA MOU v.3 (12-17-18).docx

Here is the final version of the MOU for the Community Water Systems Alliance. It addresses three factors raised during our last conference call: 1) Expanded opt-out; 2) Indemnification; 3) Clarifies the sponsorship tiers and the advisory board status/role of those who contribute \$10k or more. We will schedule a call for late next week with the advisory group to review the initial budget, and initial proposed steps that we will take to the broader group. Please feel free to call me at 714 600-4683 if you have any questions. □

Adan

Adan Ortega
Executive Director
CalMutuals
714 449-8403
adan@calmutuals.org

via Newton Mail

**MEMORANDUM OF UNDERSTANDING
COMMUNITY WATER SYSTEMS ALLIANCE**

This Memorandum of Understanding ("MOU") is entered into this ____ day of _____, 2018 ("Effective Date") by and between the California Association of Mutual Water Companies, a California non-profit mutual benefit corporation ("Cal Mutuals"), and _____ ("Participant") with respect to the following.

RECITALS

- A. There are numerous regulatory and legislative issues facing water suppliers in California, including, but not limited to, water quality standards, requirements to limit water losses, a potential water tax, funding mechanisms for low-income rate assistance and long-term water use efficiency requirements.
- B. There are numerous water suppliers serving disadvantaged and severely disadvantaged communities that, while operating efficiently and well, do not, on an individual basis, have the financial resources to be able to effectively advocate with respect to the issues identified in Recital A.
- C. Cal Mutuals is a non-profit association formed to provide effective advocacy for, and to facilitate operational and educational resources to ensure effective and compliant operation and governance of, mutual water companies and other small water systems in California.
- D. Cal Mutuals has worked with various water systems to develop a collaborative program to assist water systems serving disadvantaged and severely disadvantaged communities with regulatory and legislative advocacy, as described in Section 1, below (the "Initiative").
- E. The Community Water Systems Alliance ("CWSA") is an alliance of water systems who are undertaking the Initiative, working with and through Cal Mutuals as described herein.
- F. Participant desires to participate in CWSA and desires to make a financial contribution to help offset the costs of the Initiative, in accordance with the provisions set forth below.

NOW, THEREFORE, Participant and Cal Mutuals agree as follows:

1. The Initiative. Cal Mutuals will provide the services necessary to administer and coordinate the functions relating to the Initiative, as guided by the principles attached hereto as Exhibit A and incorporated herein by this reference. Participant, in its sole discretion and at its sole cost, may provide services of its employees to assist with implementing the Initiative. Participant shall cooperate with Cal Mutuals in coordinating and organizing any such services that are to be provided in conjunction with the Initiative.

2. Participant's Financial Contribution; Charter Membership. (a) Cal Mutuals has established the following dues structure for Participants to join and participate in CWSA:

<u>REVENUE TIERS</u>	<u>DUES</u>
<u>Tier 1: Annual Gross Revenues of less than \$250,000</u>	<u>\$500</u>
<u>Tier 2: Annual Gross Revenues between \$250,000 and \$499,999</u>	<u>\$750</u>
<u>Tier 3: Annual Gross Revenues between \$500,000 and \$999,999</u>	<u>\$1,250</u>
<u>Tier 4: Annual Gross Revenues between \$1,000,000 and \$3,999,999</u>	<u>\$2,500</u>
<u>Tier 5: Annual Gross Revenues of \$4,000,000 and higher</u>	<u>\$5,000</u>
<u>Charter Member (see subsection (c))</u>	<u>At least \$10,000</u>

(b) Participant's annual gross revenues place it in Tier , and Participant shall therefore pay dues of \$. [or: Participant has agreed to contribute \$ in consideration of its Charter Membership pursuant to subsection (c), below]. shall contribute the sum of \$ to CWSA, through Cal Mutuals, in order to join and participate in CWSA. That amount may be paid in a lump sum or through a payment arrangement to be agreed upon by Participant and Cal Mutuals. The amount shall be payable by check payable to Cal Mutuals or by wire transfer or other electronic funds transfer in the manner directed by Cal Mutuals. Cal Mutuals shall separately account for all such contributions and shall utilize Participant's and other CWSA members' contributions only for costs related to the Initiative and its administration. Cal Mutuals shall issue a quarterly report of CWSA's income and expenses, including the use of Participant's contribution, on or before the thirtieth (30th) day following the end of each calendar quarter (i.e., March 31, June 30, September 30 and December 31). Participant acknowledges that, with the exception of the dues structure set forth in subsection (a), above, the financial contributions of other CWSA members may vary and may be greater than or less than Participant's contributions, although Cal Mutuals will use its best efforts to ensure a fair structure concerning such overall contributions, including through application of the revenue-based contribution model set forth in Exhibit A hereto.

(c) Charter Members shall contribute at least \$10,000 in support of the Initiative. As consideration for such contributions, a representative from each Charter Member shall serve on the Advisory Board for CWSA, along with Cal Mutuals' Executive Director. The Advisory Board shall periodically review CWSA's finances and shall approve any expenditures exceeding \$1,000. The Advisory Board shall also consult with Cal Mutuals' Executive Director to ensure the goals of the Initiative are being properly pursued.

2.3. CWSA Participant Issues. Participant shall allow Cal Mutuals to use Participant's name in any correspondence that Cal Mutuals may send regarding the Initiative and in any materials used in soliciting additional members in CWSA; provided, however, that if such correspondence relates to any position CWSA will be taking, including, but not limited to legislation or regulatory matters, Participant shall be provided the opportunity to opt out of being specifically named in any such correspondence by notifying Cal Mutuals by telephone or e-mail within twenty-four (24) hours after being notified of the position CWSA proposes to take. and if the Participant desires to opt out from being included on any such communication, Cal Mutuals

will remove Participant's name ~~from the communication if so instructed~~. Upon written request of Participant, Cal Mutuals shall promptly (i.e., within three business days) provide Participant by e-mail with a list of all participants in CWSA and their respective contributions.

~~3.4.~~ Audit/Inspection. Upon at least forty-eight (48) hours' prior written notice, Participant may audit or inspect, at Participant's sole cost and expense, Cal Mutuals' accounting books and records relating to CWSA and the Initiative.

~~4.5.~~ Term; Termination. This MOU shall have an indefinite term, although it is contemplated to last approximately two years. Because CWSA is intended to be a temporary program, it may be terminated at any time by the vote of at least sixty percent (60%) of its members. Participant may withdraw from CWSA at any time, upon at least seven (7) days' written notice. Such withdrawal shall not entitle Participant to a refund of any portion of its contribution under Section 2, above, unless any audit or inspection under Section 4, above, reveals the misappropriation of funds by Cal Mutuals, in which case CWSA shall be entitled to the return of its entire contribution or such other amount thereof as the parties may agree.

~~5.6.~~ Indemnification. Cal Mutuals shall indemnify and defend Participant, and its members, directors, officers, employees and agents, against any third party claims, losses, liabilities damages, lawsuits, claims, judgments or other costs resulting from Cal Mutuals' gross negligence or intentional misconduct in performing its duties hereunder. In the event Participant provides employees to render services in conjunction with the Initiative, Participant shall indemnify and defend Cal Mutuals, and its members, directors, officers, employees and agents, against any third party claims, losses, liabilities damages, lawsuits, claims, judgments or other costs resulting from the gross negligence or intentional misconduct or any employee of Participant in rendering such services.

~~6.7.~~ Notices. Any notice or other communication to be provided under this MOU shall be in writing, and shall be deemed effectively given upon personal delivery; or upon deposit in any United States mail box, by registered, certified, Priority, or Express mail, postage prepaid; or upon delivery by nationally recognized overnight courier; or upon confirmed transmission by facsimile, addressed to the other party at the address shown below.

~~7.8.~~ Governing Law. This MOU shall be governed by and construed in accordance with the laws of the State of California.

~~8.9.~~ Amendment. This MOU may be modified only by a written agreement signed by both parties.

~~9.10.~~ Severability. If any court determines that any provision of this MOU is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this MOU invalid or unenforceable and such provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable

~~10.11.~~ Counterparts; Execution Transmitted by E-Mail or Fax. This MOU may be executed in counterparts, effective as of the Effective Date first set forth above. The parties agree

that this MOU will be considered signed when the signature of a party is delivered by e-mail or by facsimile transmission. Such e-mailed or facsimile signature shall be treated in all respects as having the same effect of an original signature.

IN WITNESS WHEREOF, the Participant and Cal Mutuals have executed this MOU as of the date first above written.

California Association of Mutual Water Companies

Participant

By _____
Lisa Yamashita-Lopez, President

By _____
Its _____

Address: 1370 N. Brea Blvd., Suite 238
Fullerton, CA 92835

Address: _____

Fax Number: _____

Fax Number: _____

DRAFT

Calvin Louie

From: adan <adan@calmutuals.org>
Sent: Thursday, January 3, 2019 2:34 PM
To: Jones, Paul; Coats, Danielle; Lisa Yamashita Lopez; David A. Armstrong; Jim Ciampa; Ray Kolisz; Dan Ferons; donb@smwd.com; Leach, Jim; Kelly Gardner; Joe A. Gonsalves & Son; Stacy Taylor; Jeff Armstrong; Meggan Valencia; Calvin Louie; Jackie McCloud; Lisa Ohlund; Tim Worley; Nunneley, Doug; mwest@bdvwa.org; Curt Sauer; Reeb, Bob; Dennis Albiani
Cc: Danielle Blacet; Katie Porter; Kelly Jensen; Jim Byerrum; Susan Allen
Subject: CWSA UPDATE & ISSUES TO REVIEW

Team - ☐

Happy New Year! I am writing to report about the status of members and urgent issues that will either result and/or influence potential legislation we are concerned about with respect to meter taxes.

First, as of this date, the following agencies have pending or completed action with their respective boards to approve participation in the Community Water Systems Alliance. These include:

Santa Margarita Water District*
Twentynine Palms Water District*
Mesa Water District*
East Orange County Water District*
Cabazon Water District ^
North of the River Water District#
Big Horn Water District*
Joshua Basin Water District ^
Eastern Municipal Water District*

*denotes Advisory Board Level ^ denotes undetermined level #tiered membership level

Others are pending their internal management evaluation and I will keep you posted. If you run an association and represent agencies with disadvantaged communities, or have neighboring systems, please feel free to refer them and I will call them on your behalf. It is imperative that we have a solid roster of officials from around the state that are elected to represent persons in cities and water districts that are from disadvantaged communities.

ISSUES

While the legislature returns to session on January 7th., two critical reports have been released for public comment with tight deadlines the first week of February. We are currently reviewing them and will develop draft comment letters for your review. In the meantime here are the links for your study, review and feedback. These two reports will have an influence on continuing legislative discussions about a potential residential/business meter tax to pay for O&M under a current effort to help chronically failing systems, mostly in parts of the Central Valley.

State Water Resources Control Board AB401(Dodd) Low Income Water Rate Assistance Program - This draft report to the legislature outlines options for how the program could be funded and administered. Deadline for comments: Feb 1

https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/assistance/

OEHHA Draft Framework and Tool for Evaluating Progress on the Human Right to Water

Addresses water quality, access to water, and affordability in the metric for evaluating progress in providing water to all. Deadline for comments: Feb 4

<https://oehha.ca.gov/water/report/human-right-water-california>

We will keep you posted on any further developments.

Best,

Adan

Adan Ortega
Executive Director
CalMutuals
714 449-8403
adan@calmutuals.org

via Newton Mail

On Mon, Dec 3, 2018 at 12:48 PM, adan <adan@calmutuals.org> wrote:
Team -

Once again, I'd like to thank Eastern Municipal Water District for hosting a meeting last Friday (Nov. 30) about the possible formation of an alliance of water supply systems that directly represent Disadvantaged Communities and other populations with income limitations. Attached is a document summarizing the discussion we had at Eastern. I think we made great progress to launch this initiative. Please review the principles as I tried to reflect the comments made during the meeting. We are planning to have a conference call during the week of December 10th. If you did not attend the meeting on the 30th but would like to participate on the call during the week of December 10th, please reply to this email and let me know. In the meantime, please feel free to call me if you have any questions (714 600-4683).

Thank you!


Adan Ortega
Executive Director
CalMutuals
714 449-8403
adan@calmutuals.org

via Newton Mail

Calvin Louie

From: adan <adan@calmutuals.org>
Sent: Tuesday, January 8, 2019 3:45 PM
To: Calvin Louie; Curt Sauer; Feron, Dan; donb@smwd.com; Leach, Jim; Nunneley, Doug; Jim Ciampa; Lisa Ohlund; Ray Kolisz; Jim Byerrum; Lisa Yamashita Lopez; Stacy Taylor; Jones, Paul; Coats, Danielle
Subject: CWSA 4 pm meeting documents
Attachments: 2019 CWSA Budget DRAFT 01.03.xlsx; CWSAFlyer.docx

Team -

The calendar notice contains the draft agenda and meeting items. However, realizing that not everyone's system is compatible with google, here they are via email. 

Description:Agenda

1. Review of Participants and Prospective Participants
 - Review of Flyer (Attached)
2. Budget Review (Attached)
3. Advocacy -
 - a. AB401/OEHHA Letters - Preference of Joint Letter or Template for individual use
 - b. Request for list of directors/elected officials who represent DAC divisions/districts
4. Scheduling general meeting and agenda

Adan Ortega
Executive Director
CalMutuals
714 449-8403
adan@calmutuals.org

Member Contributions	\$72,500-\$85,000	A
Total Income	\$72,500-\$85,000	
<u>EXPENSE</u>		
First Year Activities		
Advocacy & Representation (Lobbyist) Support	20,000	
Coordination & Analysis of Issues & Activities (OSG)	18,000	
Legal Fees (Lagerlof, Senecal, Gosney & Kruse)	6,000	
Travel (Staff & Smaller Members)	8,000	
CalMutuals Administrative Fee	6,000	
Communications & Graphic Design Support	2,000	
Total Expense	60,000	
Beginning Reserve	\$12,000-\$25,000	B
Net Total		

NOTES

A Reflects contributions of from members as

Big Horn Water District ^	\$2,500-\$10,000	(Monthly)
Cabazon Water District #	\$5,000-\$10,000	(Monthly)
Eastern Municipal Water District *	\$10,000	
East Orange County Water District #	\$10,000	
Mesa Water District #	\$10,000	
North of the River Municipal Water District #	\$5,000	
Santa Margarita Water District *	\$20,000	
Twentynine Palms Water District *	\$10,000	

^ Board Action beginning in January
Board Action completed in January
* Final Action taken

\$72,500-\$85,000

B Contributions beyond \$60,000 to be invested in Reserve

Pending:

- City of Coachella
- City of Watsonville
- Coachella Valley Water District
- Henry Miller Irrigation District
- Joshua Basin Water District
- Mojave Water Agency
- Palmdale Water District
- Rancho California Water District
- Santa Ynez Conservation District



Community Water Systems Alliance

The Community Water Systems Alliance is an initiative in California to provide a voice in Sacramento for water systems serving disadvantaged communities that are reliably and affordably providing water to low income and income limited residents such as seniors.

What We Care About:

We want to preserve the ability of local water suppliers that provide water to disadvantaged and income limited communities to provide safe and affordable water through efficiency, good management practices and fairness. We care about legislation and regulations that affect disadvantaged and income limited communities where our community voices need to be heard.

What Threatens Safe Drinking Water for Our Communities:

Pending legislation may propose to levy water meter taxes that could transfer our local revenues to other parts of the state. The State Water Resources Control Board is soon considering economic feasibility guidelines for evaluating the viability of drinking water standards like Chromium 6.. These two factors may damage the viability of well operated water systems serving disadvantaged communities around the state.

What do we want?

Our communities want a seat at the table as legislation and regulations are considered affecting disadvantaged communities so we can advocate for:

- Equitable grant programs that don't discriminate against suppliers serving disadvantaged communities with more than 10,000 customers
- A revenue source to help disadvantaged communities that is not based upon regressive taxes that shift funds from some disadvantaged and income limited communities to others
- Strategies for dealing with chronically failing water systems that don't burden or typecast water systems serving disadvantaged and income limited communities that are functioning well

Where are we from?

Participating agencies in CWSA stretch from California's Central Valley, the greater Los Angeles Basin, Coachella Valley and the high desert's Morongo Basin.