



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK AND  
INSURANCE MANAGEMENT AUTHORITY  
BOARD MEETING MINUTES - TUESDAY, FEBRUARY 21, 2023 - 1:30 PM

Join Zoom Meeting

<https://us06web.zoom.us/j/83160687883?pwd=VmNCVGY0ZktyQzdZbHlIQk5aQmQrUT09>  
Meeting ID: 831 6068 7883 Passcode: 125670

1. Call to Order. President Michalko called the meet to order at 1:30 PM

2. Roll Call.

*Present:*

Dave Armstrong, South Mesa Water Company  
Dave Michalko, Valencia Heights Water Company – *President*  
Lynda Noriega, California Domestic Water Company  
Doug Nunneley, Oildale Mutual Water Company – *Vice President*  
Ken Tchong, Sunny Slope Water Company  
Marina West, Bighorn-Desert View Water Agency – *Treasurer*  
Lisa Yamashita-Lopez, Rubio Cañon Land and Water Association

*Staff*

Jim Ciampa, General Counsel  
Gloria Galindo, Financial Manager  
Adán Ortega, Communications Director  
Susan Allen, Chief Executive Officer  
Karina Cervantez, Ortega Strategies Group  
Paul Fuller, Insurance Administrator  
George Pappas, Insurance Administrator  
Chase Gilmore, Insurance Administrator

*Members*

Steve Lenton, Bellflower Somerset Mutual Water Company  
Ray Kolisz, Iridium Solutions Consultant  
Jay Zucca, San Andreas Mutual Water Company

Jason Clarke, The Zenith Insurance Company

*Absent:*

Ken Bradbury, Montebello Land and Water Company – *Secretary*  
Dave Pedersen, Las Virgenes Municipal Water District

3. Consideration and Possible Adoption of Resolution No. 02-2023-01 to Authorize Remote Teleconference Meetings of the JPRIMA Board of Directors and Make Related Findings and Determinations On a motion by Director Noriega, seconded by Treasurer West, the resolution was unanimously approved by roll call vote.

4. Public comment. No public comment.

5. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on January 17, 2023. Treasurer West recommended amendment to minutes to reflect that neither LAIF or CLASS are FDIC insured. On a motion by Treasurer West, seconded by Director Armstrong, the minutes of the January Board of Directors meeting were unanimously approved as amended by roll call vote.

6. President’s Report. President Michalko advised the Board that we were able to identify and resolve the discrepancy identified through the IRS audit of the Authority’s 2021 tax return and are waiting to hear back from the auditor to finalize the review.

President Michalko reminded *members of the Board to complete and return Statements of Economic Interest* (Form 700) before the April 1 deadline. CEO Allen further advised the Board the CalMutuals JPRIMA is required to retain the original document with a “wet signature” and asked that completed forms be mailed to CalMutuals JPRIMA office at 1370 N. Brea Blvd, Ste, 235, Fullerton, CA 92835.

Finally, President Michalko asked General Counsel Ciampa to draft an expense reimbursement policy for CalMutuals JPRIMA for review by the Board at the March meeting.

7. Determination of Workers’ Compensation Dividend to be Paid to Members/Insureds

Jason Clarke from The Zenith joined the Board of Directors meeting to share his recommendation that the Board pass the full dividend of 7.5% to CalMutuals JPRIMA members/insureds. He further advised the Board that The Zenith’s approach to managing the Workers’ Compensation program ensures rate stabilization and, as such, holding back a percentage of the dividend is unnecessary. He further assured the Board that The Zenith will likely to be able to continue to yield a dividend at a similar level moving forward. On a motion by Director Tcheng, seconded by Treasurer West, the Board unanimously approved payment of the full dividend to our members/insureds by roll call vote.

President Michalko provided a history of the Authority’s payment of a commission to Allied Public Risk (“APR”) in compensation for its efforts as our Insurance Administrator. Early in the program, APR reduced its commission, and Zenith developed a formula to ultimately make APR whole,;

CEO Allen and Insurance Administrator Fuller asked members of the Board for assistance in presenting dividends in person to larger members/insureds at upcoming meetings. The APR team agreed to contact each of the Authority’s larger members/insureds and their respective partner brokers that support them to coordinate participation at March or April Board of Directors or appropriate Board committee meetings. The following summary of those agencies and proposed Authority representatives was discussed, as shown below.

San Diego County Water Authority	San Diego	Michalko
Arvin Edison Water Storage District	Arvin (Kern County)	Nunneley
Palo Verde Irrigation District	Blythe	West
Westlands Water District	Fresno	Nunneley
North Marin Water District	Marin	Zucca
Lake Hemet Municipal Water District	Hemet	Armstrong or Bradbury
Santa Ana Watershed Project Authority	Riverside	Yamashita-Lopez

8. Consideration and Approval of Demand Sheet. Financial Manager Galindo reviewed the Demand Sheet provided in the Board meeting packet. On a motion by Director Tcheng, seconded by Director Armstrong, the Demand Sheet was unanimously approved by roll call vote.
9. Financial Report. Treasurer West reviewed the 2023 budget and financial reports for the period ending January 31, 2023. She noted that for 2023, 1% of insurance revenue has been allocated to CalMutuals JPRIMA and 5% to CalMutuals. On a motion by Director Tcheng, seconded by Director Noriega, the financial report was unanimously approved for receipt and filing by roll call vote.

10. Review and Possible Approval of Investment Policy Modification. General Counsel Ciampa reviewed the proposed revisions to the CalMutuals JPRIMA investment policy to allow for investment in the CLASS Prime Fund and in certificates of deposit. On a motion by Director Noriega, seconded by Director Yamashita-Lopez, the modifications were unanimously approved by roll call vote.
11. Discussion and Possible Approval of Resolution to Invest CalMutuals JPRIMA Reserves in CLASS Prime Fund. General Counsel Ciampa clarified that in the event that the Board wishes to invest in the CLASS Prime Fund, a resolution is needed to authorize the opening of the Authority's account with CLASS. Treasurer West recommend leaving the minimum balance in LAIF required to keep fund open and active and to invest the balance in CLASS. On a motion by Treasurer West, seconded by Director Tchong, the Board unanimously approved by roll call vote the resolution in the form presented to authorize CalMutuals JPRIMA to invest in the CLASS Fund. The Board requested a proposal from staff for review at the March Board of Directors meeting regarding how to best shape the Authority's investments.
12. Chief Executive Officer's Report.
  - a. *Resources and Education Report* – CEO Allen provided a high-level overview of the Resources and Education Report included in the Board meeting packet. In follow up to recent inquiries from members about software and apps to support shareholder elections, she asked the Board for any resources of which they may be aware. Director Yamashita-Lopez shared that she believed Cassell offers an election module and indicated that she may be able to assist the systems that need support with tools she has created for Rubio Canon Land and Water. Director Armstrong shared that South Mesa Water Company does not use software or apps for voting but has been successful in engaging shareholders at annual meetings through selective outreach by staff to the largest shareholders. CEO Allen noted that several mutual water companies have also found it beneficial to request/require shareholders to sign proxies for voting at the time that service is requested and to structure as multi-year proxies.
  - b. *Strategic Planning Meeting follow up* – CEO Allen advised the Board that staff is working on a draft of the 2023-2028 Strategic Plan that reflects the Board's discussion at the February planning meeting.
  - c. *IE Works* – CEO Allen reported on her activities in association with CalMutuals JPRIMA's membership with IE Works. She attended and facilitated a portion of the session to set the stage for strategic planning at an IE Works Open House held at AWWA California Nevada's offices in Rancho Cucamonga on January 28, 2023. CEO Allen further reported that she was elected as Secretary/Treasurer for the IE Works Board of Directors. Finally, she shared two CalMutuals JPRIMA members, Myoma Dunes Water Company and Western Heights Water Company, are in the process of securing interns and apprentices through the program.

13. Insurance Administrator's Report.

Mr. Fuller shared that he will be speaking at northern and southern California conferences hosted by Nossaman on eminent domain for that law firm's clients, including large water clients.

Insurance Administrator Gilmore reviewed the Insurance Report included in the Board meeting packet, highlight that CalMutuals JPRIMA total members/insureds now total 408.

14. General Counsel's Report. General Counsel Ciampa alerted the Board that this meeting is the last fully virtual Board meeting of the Authority under AB 361. Beginning in March, CalMutuals JPRIMA will revert to previous Brown Act requirements for teleconferencing. These require that

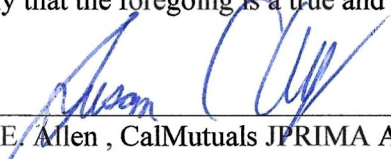
the meeting agenda include the locations of conference participants and be posted at the time of the meeting at each location. Mr. Ciampa will provide guidance to Board members to include how to manage in person participation and the requirements of AB 2449 which require accessibility of video and audio.

15. Communications Report. No communications report.
16. Director Comments. No Director's comments.
17. Adjournment. President Michalko adjourned the meeting at 2:42 PM.

Agenda Posted: February 18, 2023

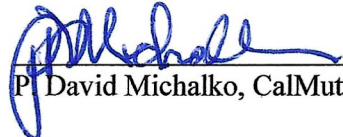
SECRETARY'S CERTIFICATE:

I certify that the foregoing is a true and correct copy of the minutes approved by the Board of Directors.

  
\_\_\_\_\_  
Susan E. Allen, CalMutuals JPRIMA Assistant Secretary

MARCH 21 2023  
Date

Affirmed By:

  
\_\_\_\_\_  
P David Michalko, CalMutuals JPRIMA President

MARCH 21, 2023  
Date