



California Association Of Mutual Water Companies Joint Powers Risk And Insurance Management Authority - Minutes

Board Meeting Minutes - Tuesday, April 16, 2024 – 1:30 P.M.

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 meeting to order at 1:31 PM.

2. Roll Call of Authority Members

Present:

Dave Armstrong, South Mesa Water Company

Ken Bradbury, Montebello Land and Water Company – *Secretary*

Dave Michalko, Valencia Heights Water Company – *President*

Lynda Noriega, California Domestic Water Company

Dave Pedersen, Las Virgenes Municipal Water District– *Vice President*

Ken Tchong, Sunny Slope Water Company

Lisa Yamashita-Lopez, Rubio Cañon Land and Water Association

Absent:

Doug Nunneley, Oildale Mutual Water Company

Marina West, Bighorn-Desert View Water Agency - *Treasurer*

Staff:

Susan Allen, Chief Executive Officer

Karina Cervantez, CalMutuals Managing Director

Jim Ciampa, General Counsel

Paul Fuller, Insurance Administrator

Gloria Galindo, Financial Manager

Chase Gilmore, Insurance Administrator

Adan Ortega – Communications Director

George Pappas – Insurance Administrator

Ceili Tuttle, CalMutuals & JPRIMA Staff

Tim Worley, CWSA Managing Director

Members:

Korey Bradbury, Montebello Land & Water

Robert Eranio

Steve Lenton, Bellflower Somerset Water Company

Sandi McEhlenney, Krista Mutual Water Company

3. Public comment. No public comment.

4. Approval of the Minutes of the JPRIMA Board Meeting on March 19, 2024. On a motion by Director Bradbury, seconded by Vice President Armstrong, the minutes of the March 19, 2024 Board of Directors meeting were unanimously approved by roll call vote.

5. President's Report. - No President's Report.
6. Consideration and Possible Approval of Fiscal Year 2022 Audit Report. President Michalko reported to the Board that the Audit Report for Fiscal Year 2022 is complete. The Audit Report will be provided for Board review and approval at the May Board meeting.
7. Consideration and Approval of Demand Sheet. Financial Manager Galindo reviewed the Demand Sheet included in the Board of Directors meeting packet. This month's demands include typical management and legal consulting fees. She also noted the demands include a commission payment to Allied Public Risk and payment to CliftonLarsonAllen for expenses related to the completion of the FY 2022 Audit Report. On a motion by Vice President Pedersen, seconded by Director Armstrong, the Board unanimously approved the Demand Sheet as presented by roll call vote.

President Michalko reminded the Board that in the early years of the Authority, Allied Public Risk (APR) agreed to a reduced commission to provide higher commissions for partner brokers to increase motivation to bring clients to CalMutuals JPRIMA. The Authority entered into an agreement with APR for profit sharing with a maximum commission amount of 3% and agreed that APR would earn higher commissions in subsequent years where higher volumes of business were generated. President Michalko praised APR and Zenith for their efforts and flexibility in the early years to allow CalMutuals JPRIMA to grow.

8. Financial Report. Financial Manager Galindo shared an overview of the financial reports included in the Board meeting packet, noting the totals for budget and cash flow. She also reported a reimbursement from Zenith was received. Additionally, \$500,000 was transferred to the Authority's reserve account invested with the Local Agency Investment Fund (LAIF). On a motion by Director Armstrong, seconded by Director Noriega, the Board unanimously approved the financial report for receipt and filing by roll call vote.
9. Chief Executive Officer's Report.
 - a. *CalMutuals March Grant-Related Activity Report.* CEO Allen reported that she and General Counsel Ciampa are updating the grant agreement between CalMutuals and JPRIMA for 2024 and will provide it to the Board at the May Board meeting for review and approval.

She also highlighted two success stories associated with the IE Works program, supported by CalMutuals and CalMutuals JPRIMA for Inland Empire members. IE Works interns with placements at Box Springs Mutual Water Company and Western Heights Water Company have been hired into full time jobs, the ideal outcome of that program.

- b. *CalMutuals JPRIMA 2023 Annual Report.* CEO Allen reported that a draft of the 2023 JPRIMA Annual Report was shared with President Michalko, Legal Counsel Ciampa, and Insurance Administrator Fuller. The Report will be ready to share with the Board for review at the next Board meeting.
- c. *CalMutuals JPRIMA's Cybersecurity Hygiene Resources and Planned Outreach.* CEO Allen called attention to a flyer in the Board meeting packet that highlights cybersecurity hygiene products available, with robust discounts for CalMutuals and CalMutuals JPRIMA members, through CalMutuals JPRIMA's partners at Alvaka Networks and Alpha Guardian.

Staff is working with Alvaka Networks and Alpha Guardian to develop regular communications through the CalMutuals JPRIMA *Linked In* page as well as a webinar series to highlight the serious risks facing water suppliers regarding cybersecurity issues and steps that can be taken to mitigate those risks.

- 10. Insurance Administrator's Report. *Insurance Report for period ending March 31, 2024.* Insurance Administrator Fuller reported to the Board that six or seven members, primarily small systems without wildfire risk mitigation, elected not to renew their Property and Casualty policies with CalMutuals JPRIMA.

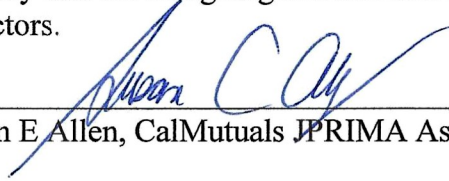
Mr. Fuller shared the good news that CalMutuals JPRIMA has achieved the level of enrollment required by the cybersecurity insurance partner and it will not need to subsidize the program. He noted that Board engagement made an important difference in inspiring confidence in the program by the member insureds. He extended special thanks and appreciation to Director Tcheng for Sunnyslope Water Company's recent enrollment.

- 11. General Counsel's Report. General Counsel Ciampa advised the Board that the Association of California Water Agencies Joint Powers Insurance Authority's (ACWA JPIA) is opposing California Water Association's legislation, AB 2735, advanced by Assemblymember Rubio, that would allow investor-owned utilities to join Joint Powers Authorities. CalMutuals and CalMutuals JPRIMA have continued to support CWA and the bill.
- 12. Review and potential approval of the draft CalMutuals JPRIMA Cybersecurity Policy. General Counsel Ciampa provided an overview of a draft Cybersecurity policy to be adopted by JPRIMA and to govern consultants that support the Authority (Allied Public Risk, Lagerlof, LLP, Ortega Strategies Group, and Valencia Heights Water Company). President Michalko suggested that given OSG's primary role in managing the Authority, that cybersecurity training for its employees be undertaken to ensure understanding of and compliance with the newly adopted policy. On a motion by Director Tcheng, seconded by Director Yamashita-Lopez, the Board unanimously approved the CalMutuals JPRIMA Cybersecurity Policy by roll call vote, 6-0, as Director Pedersen departed the meeting at approximately 2:00 p.m.

- 13. Communications Report. No communications report this month.
- 14. Director Comments. No Director comments.
- 15. Adjournment. President Michalko adjourned the meeting at 2:06pm

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

 MAY 31 2024
Date

Affirmed By:


P. David Michalko, CalMutuals JPRIMA President

 MAY 31 2024
Date