



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK
AND INSURANCE MANAGEMENT AUTHORITY
BOARD MEETING TUESDAY, APRIL 18, 2023 – 11:30 A.M.

Sunny Slope Water Company 1040 El Campo Dr., Pasadena, CA 91107

1. Call to Order. President Michalko called the meeting to order at 1:58 PM.
2. Roll Call of Authority Members and Introduction of Guests.

<i>Present:</i> Ken Bradbury, Montebello Land and Water Company – <i>Secretary</i> Dave Michalko, Valencia Heights Water Company – <i>President</i> Lynda Noriega, California Domestic Water Company Ken Tcheng, Sunny Slope Water Company Marina West, Bighorn-Desert View Water Agency – <i>Treasurer</i> via teleconference	<i>Staff</i> Jim Ciampa, General Counsel Gloria Galindo, Financial Manager Adán Ortega, Communications Director Susan Allen, Chief Executive Officer Karina Cervantez, Ortega Strategies Group Tim Worley, Community Water Systems Alliance Paul Fuller, Insurance Administrator via Zoom Chase Gilmore, Insurance Administrator
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Absent:
Dave Armstrong, South Mesa Water Company
Doug Nunneley, Oildale Mutual Water Company – *Vice President*
Dave Pedersen, Las Virgenes Municipal Water District
Lisa Yamashita-Lopez, *Rubio Cañon Land and Water Association*
3. Public comment. No public comment.
4. Approval of the Minutes of the JPRIMA Board Meeting on March 21, 2023. On a motion by Secretary Bradbury, seconded by Director Tcheng, the minutes of the JPRIMA Board of Directors meeting were unanimously approved by roll call vote.
5. President’s Report. President Michalko reported that the 2021 Internal Revenue Service Tax Examination has been completed and the auditor did not request any changes to the Authority’s tax return.
6. Review and Possible Approval of Clifton Allen Larsen (CLA) proposal for Tax Preparation. President Michalko reminded the Board that for the last several years CalMutuals JPRIMA has relied on James Marta and Associates to prepare its annual tax returns. He proposed that the Authority make a change for our 2022 tax preparation, to have CLA prepare those returns given that the Authority has engaged the firm to conduct the annual audit. The cost is estimated at \$3,500-\$4,500. On a motion by Director

Noriega, seconded by Director Tcheng, the Board unanimously approved engagement of CLA for 2022 tax preparation by roll call vote.

7. Consideration and Approval of Demand Sheet. Financial Manager Galindo reviewed the revised Demand Sheet provided in the Board Meeting packet. On a motion by Director Noriega, seconded by Director Tcheng, the Demand Sheet was unanimously approved by roll call vote.
8. Consideration and Approval of Financial Report. Financial Manager Galindo reviewed the financial report as of March 31, 2023 included in the Board meeting packet. She noted the report reflects payment of dividend checks to the Workers' Compensation members/insureds. The first quarter reflects a net loss, but overall positive balance, based on timing of insurance commissions. On a motion by Director Noriega, seconded by Secretary Bradbury, the financial report was unanimously received and filed by roll call vote.

Ms. Galindo further advised that Board that enrollment by CalMutuals JPRIMA in CLASS and transfer of funds is in progress. Required signatures will be secured at today's Board meeting and forms submitted immediately following.

9. Chief Executive Officer's Report
 - a. *Draft 2023-28 Strategic Plan.* CEO Allen shared a presentation highlighting key elements of the CalMutuals JPRIMA draft strategic plan with the Board. She requested feedback and suggestions on the draft and committed to forward to the Board members a Microsoft Word version of the draft to facilitate editing.
 - b. *March 2023 and April to Date Resources and Education Report.* CEO Allen called attention to the Resources and Education report included in the Board meeting packet, noting that this month's activities reflected typical use by members/insureds of available resources and support.
 - c. *Participation in EPA Sponsored Climate Risk and Resilience Finance Workgroup Meeting, April 11, 2023.* CEO Allen advised the Board that she and Insurance Administrator Fuller continue to be engaged on behalf of CalMutuals JPRIMA and the needs and concerns of small water systems in an EPA sponsored Climate Risk and Resilience Finance workgroup. A report of the workgroup's efforts and recommendations is anticipated this summer.
10. Insurance Administrator's Report. Insurance Administrator Fuller reported that the current focus of the insurance team is the July 1 deadline for the water portfolio. He noted that he and Treasurer West will present the CalMutuals JPRIMA Cybersecurity program to the Bighorn Desert View Water Agency board of directors later today and encouraged Board members to evaluate the program and its value for their systems.

Insurance Administrator Gilmore reviewed the insurance report included in the Board meeting packet. CEO Allen extended thanks to insurance team for efforts in facilitating payment of 2023 CalMutuals membership dues.

11. Legal Counsel's Report

- a. *Disclosure of possible attorney Conflict of Interest* – General Counsel Ciampa advised the Board that he serves as General Counsel for Los Vaqueros Reservoir Joint Powers Authority and is working with that authority on a significant reservoir expansion project in Contra Costa County. The Los Vaqueros Reservoir JPA selected CalMutuals JPRIMA to address their insurance needs. Given that Mr. Ciampa also serves as General Counsel for the CalMutuals JPRIMA, he is required under the applicable Rules of Professional Conduct to provide a written disclosure of potential conflict of interest to both entities and obtain their consent to proceed with representation of both entities. On a motion by Director Tcheng, seconded by Secretary Bradbury, the disclosure and execution of the consent was unanimously approved by roll call vote.

- b. *DMV Reporting Requirement* - General Counsel Ciampa is working through an electronic reporting requirement with the DMV that is complicated by the fact CalMutuals JPRIMA is not a registered insurance company. That new requirement for reporting of commercial vehicles went into effect January 1 and the issue is further complicated by the fact that mutual water company members have commercial plates versus exempt license plates.

12. Communications Report. No communications report.

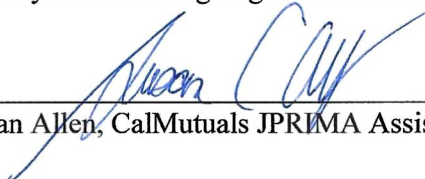
13. Director Comments. No Director's comments.

14. Adjournment. President Michalko adjourned the meeting at 2:27 PM with thanks and appreciation to the Board and Staff of Sunnyslope Water Company for their hospitality and support.

Agenda Posted: April 14, 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 Allen, CalMutuals JPRIMA Assistant Secretary

JULY 19 2023

Date

Affirmed By:

P. David Michalko, CalMutuals JPRIMA President

Date