



California Association Of Mutual Water Companies Joint Powers Risk And Insurance Management Authority Board Meeting

Tuesday, May 21, 2024 – 1:30 PM

1. Call to Order. President Michalko called the meeting to order at 1:31 PM.
2. Roll Call of Authority Members:

<p><i>Present:</i></p> <p>Dave Armstrong, South Mesa Water Company</p> <p>Ken Bradbury, Montebello Land and Water Company – <i>Secretary</i></p> <p>Dave Michalko, Valencia Heights Water Company – <i>President</i></p> <p>Lynda Noriega, California Domestic Water Company</p> <p>Dave Pedersen, Las Virgenes Municipal Water District– <i>Vice President</i> (1:38PM-2:03PM)</p> <p>Ken Tcheng, Sunny Slope Water Company</p> <p>Marina West, Bighorn-Desert View Water Agency - <i>Treasurer</i></p> <p>Lisa Yamashita-Lopez, Rubio Cañon Land and Water Association</p> <p><i>Absent:</i></p> <p>Doug Nunneley, Oildale Mutual Water Company</p>	<p><i>Staff:</i></p> <p>Susan Allen, Chief Executive Officer</p> <p>Karina Cervantez, CalMutuals Managing Director</p> <p>Jim Ciampa, General Counsel</p> <p>Paul Fuller, Insurance Administrator</p> <p>Gloria Galindo, Financial Manager</p> <p>Adan Ortega – Communications Director</p> <p>George Pappas – Insurance Administrator</p> <p>Ceili Tuttle, CalMutuals & JPRIMA Staff</p> <p>Tim Worley, CWSA Managing Director</p> <p><i>Members:</i></p> <p>Korey Bradbury, Montebello Land & Water</p> <p>Robert Eranio</p> <p>Steve Lenton, Bellflower Somerset Water Company</p> <p>Sandi McElhenney, Krista Mutual Water Company</p>
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3. Public comment. No public comment.
4. Approval of the Minutes of the JPRIMA Board Meeting on April 16, 2024. On a motion by Secretary Tcheng, seconded by Vice President Armstrong, the minutes of the April 16, 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. Financial Manager Galindo reviewed the Audit Report included in the Board of Directors’ meeting

packet. She reported the biggest change from last year is a net position decrease due to shifting the program revenue to CalMutuals in 2022. Legal Counsel Ciampa also highlighted the Authority received a clean audit. On a motion by Director Bradbury, seconded by Director Armstrong, the Board unanimously approved the Fiscal Year 2022 Audit Report as presented by roll call vote.

7. Consideration and Potential Approval of 2024 CalMutuals JPRIMA-CalMutuals Grant Agreement. Legal Counsel Ciampa reviewed the draft grant agreement between JPRIMA and CalMutuals included in the Board meeting packet. He noted the agreement is identical to the grant agreement from 2022, with added language that the grant funds may be used for management and operations of CalMutuals. The 2024 grant agreement provides support to CalMutuals in the amount of \$250,000, distributed in quarterly amounts of \$62,500. On a motion by Secretary Tcheng, seconded by Director Armstrong, the Board unanimously approved the 2024 CalMutuals JPRIMA-CalMutuals Grant Agreement by roll call vote.
8. Consideration and Potential Approval of Bridge Loan or Line of Credit to Support CalMutuals Directed Contract with the Department of Water Resources. CEO Allen reported to the Board that CalMutuals requires bridge funding to support the DWR Small Systems Conservation Assistance Program to cover periods from when expenses are incurred until reimbursement from the state is received, as well as to cover retention monies the state will hold. Ms. Allen shared a worksheet that detailed the expected expense and reimbursement cycle for the remainder of 2024 and noted that the bridge financing needed would range from \$200,000 to \$500,000. President Michalko suggested that CalMutuals JPRIMA set up a line of credit for CalMutuals and charge interest at the LAIF rate (currently 4.3%). On a motion by Secretary Tcheng, seconded by Director Yamashita-Lopez, the Board unanimously voted to authorize staff to present a proposal to CalMutuals to request a line of credit of \$500,000 to support bridge financing needs for the DWR grant program to be repaid with interest at the LAIF rate of return.

Communications Director Ortega encouraged staff to continue to explore alternatives, including potential bridge funding through the State Treasurer Fiona Ma's Climate Resiliency Fund.
9. Consideration and Approval of Demand Sheet. Financial Manager Galindo reviewed the Demand Sheet included in the Board of Directors meeting packet. The demands include typical management and legal consulting fees as well as the second quarter distribution of grant funds to CalMutuals. On a motion by Director Armstrong, seconded by Treasurer West, the Board unanimously approved the Demand Sheet as presented by roll call vote.
10. Financial Report. Treasurer West provided an overview of the budget and cash flow report included in the Board meeting packet. On a motion by Director Tcheng, seconded by Treasurer West, the Board unanimously approved the financial report for receipt and filing by roll call vote.

11. Chief Executive Officer's Report.

- a. *CalMutuals April Grant-Related Activity Report.* CEO Allen provided an overview of the grant-related activity report for the period ending April 30, 2024, included in the Board meeting packet. President Michalko requested that staff prepare quarterly financial reports that detail grant-related income and expenses for future audits.
- b. *CalMutuals JPRIMA 2023 Annual Report.* CEO Allen asked the Board to review the proof of the 2023 Annual Report, included in the Board meeting packet, and to share suggestions for any revisions.
- c. *2024 Annual Meeting Options.* CEO Allen consulted with the Board regarding how to organize this year's Annual Meeting. In recent years, meetings have been held as joint meetings with CalMutuals, in different regions of the state, with the goal of reaching out to existing members and engaging new members. Annual meetings have also provided an opportunity to bring the Board and staff together. The Authority's bylaws require only that meetings address election of Board members and provide an update on the Authority's activities. For 2024, the Board recommended that staff plan the Annual Meeting in Long Beach with a Board Retreat focus and include one or two sessions focused on members (potentially to be videotaped and available to access by members who are unable to attend in person). The Board further recommended that CalMutuals separately schedule a training/round table for members in Monterey, where we have a large number of mutual water companies with eligibility for the DWR Small Systems Water Conservation Assistance Program.

12. Insurance Administrator's Report.

- d. *Insurance Report for period ending April 30, 2024.* Insurance Administrator Pappas shared with the Board that there were nine new members in April. Insurance Administrator Fuller reported that the insurance team continues its outreach to mutual water companies and reclamation districts for potential participation in the CalMutuals JPRIMA insurance program.

13. Legal Counsel's Report. Legal Counsel Ciampa updated the Board that Assembly Bill 2735 (B. Rubio), co-sponsored by JPRIMA, had passed through the Assembly unanimously with few amendments made.

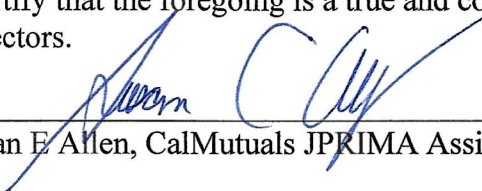
14. Communications Report. No Communications report.

15. Director Comments. No Director comments.

16. Adjournment. President Michalko adjourned the meeting at 2:23 PM.

SECRETARY'S CERTIFICATE:

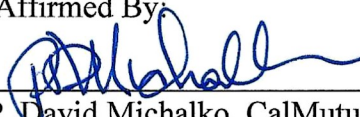
I certify that the foregoing is a true and correct copy of the minutes approved by the Board of Directors.



Susan E. Allen, CalMutuals JPRIMA Assistant Secretary

JULY 31 2024
Date

Affirmed By:



P. David Michalko, CalMutuals JPRIMA President

JULY 31 2024
Date