



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK  
AND INSURANCE MANAGEMENT AUTHORITY  
BOARD MEETING TUESDAY, JULY 19, 2022 - 1:30 PM

Join Zoom Meeting

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1. Call to Order. President Michalko called the meeting to order at 1:33 PM.

2. Roll Call.

*Present:*

Dave Armstrong, South Mesa Water  
Company  
Ken Bradbury, Montebello Land and  
Water - *Secretary*  
Jim Byerrum, California Domestic Water  
Company  
Dave Michalko, Valencia Heights Water  
Company - *President*  
Doug Nunneley, Oildale Mutual Water  
Company – *Vice President*  
Marina West, Bighorn-Desert View  
Water Agency  
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  
Yasmeen Nubani, Ortega Strategies  
Group  
Ceili Tuttle, Ortega Strategies Group  
Paul Fuller, Insurance Administrator  
George Pappas, Insurance Administrator  
Chase Gilmore, Insurance Administrator

*Members*

Steve Lenton, Bellflower Somerset  
Mutual Water Company

*Absent:*

Dave Pedersen, Las Virgenes Municipal Water Company  
Ken Tcheng, Sunny Slope Water Company

3. Public comment. No public comment.

4. Consideration and Possible Adoption of Resolution No. 07-2022-01 to Authorize Remote Teleconference Meetings of the JPRIMA Board of Directors and Make Related Findings and Determinations. On a motion by Treasurer West, seconded by Armstrong, the resolution was unanimously approved by roll call vote.

5. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on June 21, 2022. On a motion by Secretary Bradbury, seconded by Director Byerrum, the minutes of the June 21, 2022 Board of Directors' meeting were unanimously approved by roll call vote.
6. President's Report. No President's report.
7. Update on IRS Notice of Selection for Examination and Potential Engagement of James Marta and Associates. President Michalko reported that JPRIMA received a communication from the IRS stating the IRS would be conducting a review of the Authority's 2020 financial records. He requested support from the Board to engage James Marta and Associates for assistance with the review. Director Byerrum made a motion recommending engagement of James Marta and Associates at the discretion of the CEO and President for assistance in an amount not to exceed \$10,000. The motion was seconded by Treasurer West and unanimously approved by roll call vote of Directors present. The Board asked that staff review the Authority's current engagement letter with James Marta and Associates and request an engagement letter for the new scope of work.

Director Armstrong noted that South Mesa Water Company received notice from the IRS for review of that company's retirement plan.

8. Consideration and Approval of Demand Sheet. Treasurer West reviewed the Demand Sheet in the Board meeting packet. On a motion by Director Byerrum, seconded by Director Yamashita-Lopez, the Demand Sheet was unanimously approved as presented by roll call vote.
9. Financial Report. Treasurer West extended a thank you to Gloria Galindo for her work in preparing this month's financial reports. She advised the Board that the Authority has sufficient income to address expenses for the remainder of the calendar year. Treasurer West referred the Board to the financial report in Board meeting packet for additional detail. On a motion by Director Byerrum, seconded by Secretary Bradbury, the financial report, as presented, was received and filed by roll call vote.
10. Review and Possible Approval of 2021 CalMutuals JPRIMA Audited Financial Statements. Gloria Galindo shared a brief report on the Authority's Financial Statements. CalMutuals JPRIMA's Financial Statements were audited by Clifton Larson and Allen, and they issued an unqualified opinion (clean opinion), which means that the Financial Statements presented are in accordance with accounting principles that are generally accepted in the United States.

Highlights of the Statement of Net Position include a 39% increase in total assets (mainly comprised of cash) and a 50% increase in net position.

Highlights of the Statement of Revenues, Expenses and Changes in Net Position include decreases in Operating Revenues, with an 11% decrease in fees from the sale of Property

& Casualty and Worker's Compensation policies, an 11% decrease in reimbursement from Zenith for dividends paid to members, a 20% decrease in dividends paid to members. Ms. Galindo further reported that revenues less expenses increased by 17%.

Lastly, the auditors considered the Authority's internal control over financial reporting, and they did not identify any deficiencies in internal control.

On a motion by Secretary Bradbury, seconded by Treasurer West, the 2021 Audited Financial Statements were unanimously approved by roll call vote.

11. Chief Executive Officer's Report.

- a. *Resources and Education Report.* Ceili Tuttle shared highlights of the Education and Outreach Report included in the Board meeting packet. She noted that Bighorn-Desert View Water Agency is the first member to take advantage of the safety courses offered through the American Water College and invited feedback on the courses from the BDVWA team. Treasurer West shared that she has found the CalMutuals JPRIMA training available through partnership with the American Water College and The Zenith to be helpful resources and noted that the offerings in each of the programs complement one another nicely.

Ms. Tuttle further noted that members are actively taking advantage of the AB54/AB240 training offered by the Authority. CEO Allen briefly walked through the requests for information and assistance directed to the staff in July and expressed thanks and appreciation for the help and support provided by General Counsel Jim Ciampa.

- b. *Fall 2022 Joint CalMutuals and CalMutuals JPRIMA Annual Meeting Venue Options* Ceili Tuttle and CEO Allen shared information about venues available for the 2022 Annual meeting and asked the Board for feedback and recommendations regarding the preferred venue for the meeting.

12. Insurance Administrator's Report. Insurance Administrator Pappas reviewed the Insurance Report included in the Board meeting packet. He additionally noted that a competitor JPA has increased rates by 27.5%, likely in response to significant wildfire loss.

He further called attention to four new members, all former WaterPlus members that moved over to the Authority's program - Truckee Sanitary District, Grier Mutual Water Company, Gasquet Community Services District, and Ponderosa Community Services District. Finally, he reported that Treasurer West and Insurance Administrator Fuller are working on a draft document with guidance for completing a Workers Compensation audit to share with The Zenith for their review and refinement.

13. General Counsel's Report. General Counsel Ciampa followed up on the CEO's report and noted that while he is generally pleased to provide needed assistance to members, he has found it necessary to set limits with some members and make clear that the level of support provided as a benefit of CalMutuals JPRIMA and CalMutuals membership is limited to

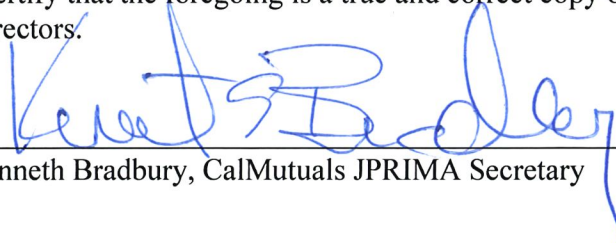
general consultation and more complex issues require engagement of the Company's own attorney or separate engagement of Lagerlof.

14. Communications Report. No communications report.
15. Director Comments. Treasurer West shared that she recently engaged a consultant to develop online forms to support application for new water services by customers and suggested that this might be a tool that CalMutuals JPRIMA would wish to make available to our members.
16. Adjournment. President Michalko adjourned the meeting at 2:34 PM.

Agenda Posted: July 15, 2022


SECRETARY'S CERTIFICATE:

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

  
\_\_\_\_\_  
Kenneth Bradbury, CalMutuals JPRIMA Secretary

\_\_\_\_\_  
Date

Affirmed By:

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

Aug 22, 2022  
Date