



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK  
AND INSURANCE MANAGEMENT AUTHORITY  
BOARD MEETING TUESDAY, AUGUST 15, 2023 – 3:00 P.M.

Sutter Club, 1220 9th St, Sacramento, CA 95814

1. Call to Order. President Michalko called the meeting to order at 3:30 PM.

2. Roll Call of Authority Members.

*Present:*

Dave Armstrong, South Mesa Water Company  
Dave Michalko, Valencia Heights Water Company – *President*  
Lynda Noriega, California Domestic Water Company (by Zoom)  
Dave Pedersen, Las Virgenes Municipal Water District  
Ken Tchong, Sunny Slope Water Company  
Marina West, Bighorn-Desert View Water Agency (by Zoom)  
Lisa Yamashita-Lopez, Rubio Cañon Land and Water Association

*Absent:*

Ken Bradbury, Montebello Land and Water Company – *Secretary*  
Doug Nunneley, Oildale Mutual Water Company – *Vice President*  
Adan Ortega – Communications Director

*Staff*

Jim Ciampa, General Counsel  
Gloria Galindo, Financial Manager  
Susan Allen, Chief Executive Officer  
Karina Cervantez, CalMutuals Managing Director  
Ceili Tuttle, CalMutuals & JPRIMA Staff  
Tim Worley, CWSA Managing Director  
Paul Fuller, Insurance Administrator  
Chase Gilmore, Insurance Administrator (by Zoom)

*Members*

Armando De La Paz, Rubio Cañon Land and Water Association  
James Graunke, Rubio Cañon Land and Water Association  
Mark Iverson, Western Heights Water Company  
Jay Zucca, San Andreas Mutual Water Company

*Guests*

Yvonne Green, CalMutuals Financial Manager

3. Public comment.  
No public comment

4. Approval of the Minutes of the JPRIMA Board Meeting on July 18, 2023. On a motion by Director Tchong, seconded by Director Armstrong, the minutes of the July 18, 2023 Board of Directors' meeting were unanimously approved by roll call vote.

5. President's Report. President Michalko extended a welcome to all in attendance at the meeting, noting that this is a big day for CalMutuals.

He further reported that CalMutuals JPRIMA's amended tax returns from prior years have been filed with the IRS with the Authority claiming status as a government agency. President Michalko acknowledged Director Yamashita-Lopez and Yvonne Green for engaging Gail Egan to provide guidance on the Authority's tax status and filings.

6. Consideration and Approval of Demand Sheet. Treasurer West reviewed the Demand Sheet included in the Board meeting packet. On a motion by Director Yamashita-Lopez, seconded by Director Armstrong, the Demand Sheet was unanimously approved by roll call vote.
7. Financial Report. Treasurer West shared an overview of the financial report included in the Board meeting packet for the period ending July 31, 2023. A motion to receive and file the financial report was made by Director Yamashita-Lopez, seconded by Director Armstrong, and unanimously approved by roll call vote.
8. Chief Executive Officer's Report.
  - *Draft Agenda for Annual Meeting.* CEO Allen provided an overview of the proposed agenda for the joint Annual Meeting with CalMutuals on Monday and Tuesday, November 6-7, 2023 at the Padre Hotel in Bakersfield.
  - *Staff recommendation to utilize Association Voting.* CEO Allen asked for the support of the Board in piloting online voting for the 2023 Board of Directors election using Association Voting <https://www.associationvoting.com/about-us/blog/>. The Board was supportive of using that technology.
  - *July Resources and Education Report.* CEO Allen provided an overview of the Resources and Education report included in the Board meeting packet.
  - *Proposed Cybersecurity Resources, Webinar and Marketing.* CEO Allen wrapped up her report by directing the Board's attention to draft presentation slides in the Board meeting packet to be used as the foundation for a webinar to "sound the alarm" with CalMutuals JPRIMA members/insureds and other water suppliers regarding federal cybersecurity requirements that will take effect in the near future and to share resources to address them, to include CalMutuals JPRIMA's cybersecurity insurance.
9. Appointment of the Board of Directors as a Nominating Committee. General Counsel Ciampa advised the Board of the requirement of the Authority's Bylaws to identify a nominating committee for Board elections. On a motion by Director Yamashita-Lopez, seconded by Treasurer West, the Board unanimously approved by roll call vote the appointment of the CalMutuals JPRIMA Board as a nominating committee.
10. Nominations for Board of Directors for two-year terms (2024-2026). General Counsel Ciampa advised that all current Board positions will be expiring in 2023. Director Nunneley advised the CEO and Board of his interest in stepping down. All other current Directors confirmed an interest in continuing. On a motion by Director Tcheng, seconded by Director Armstrong, the nominating committee nominated the eight incumbent directors (Directors Armstrong, Bradbury, Michalko, Noriega, Pedersen, Tcheng, West, Yamashita-Lopez) for new two-year terms.

## 11. Insurance Administrator's Report.

- Insurance Administrator Fuller reported that CalMutuals JPRIMA is growing and profitable. He noted significant challenges facing the industry and previewed that these challenges will impact rates. He reported that CalMutuals JPRIMA continues to be conservative in its underwriting and is planning a conservative budget for 2024-26.
- *Update on DMV Certificate of Self-Insurance Requirements/Application.* Insurance Administrator Fuller provided an update on a recent consultation with the California Department of Motor Vehicles (DMV). The meeting focused on identifying alternatives to a new rule that requires insurance companies to provide proof of insurance for insureds' vehicles. Given that joint powers authorities are not deemed an insurer by the state, it cannot provide the necessary certification of insurance. The recent call discussed possible solutions and General Counsel Ciampa noted that the DMV engaged a large number of staff to assist in solving the problem. A response is expected within the next 3-4 weeks.
- *July Insurance Report.* Insurance Administrator Gilmore reviewed the insurance report for the period ending July 31, 2023, included in the Board meeting packet. He noted and corrected errors in the summary report associated with insurance revenues to date and agreed to forward a corrected report to include with the meeting minutes. Treasurer West asked that cybersecurity insurance be included as part of the report beginning with the August report.
- *Assistance in Determining Valuation.* Director Yamashita-Lopez asked if CalMutuals JPRIMA might be able to provide assistance to members in determining valuation. Insurance Administrator Fuller noted that Mark Iverson, General Manager of Western Heights Water Company has a tool that has promise in assisting smaller members with step-by-step guidance to determine replacement value and agreed to follow up to explore this further. Insurance Administrator Fuller further expressed thanks and appreciation to Director Armstrong for his work in securing Yucaipa Valley Water District as a new JPRIMA insured.
- *President's Reflections on JPRIMA.* President Michalko reflected on the tremendous success of both CalMutuals and CalMutuals JPRIMA, as we celebrate CalMutuals' 10<sup>th</sup> Anniversary. He reminded the Board that the Authority initially set a revenue goal of \$5 Million in 5 years and \$10 Million in 10 years and has surpassed both goals.

## 12. Review and Approval of Restated Insurance Administrator Agreement with Allied Public Risk. Gail Egan, counsel with accounting and tax expertise retained by the Authority, provided a recommendation that the Authority restate its agreement with Allied Public Risk, retroactive to January 1, 2022. General Counsel Ciampa noted that the original and restated agreements are substantially the same, with changes to update the references of

the insurance administrator from Alteris to Allied Public Risk, elimination of minor “start up”-related language and a change to remit the full 5% fee directly to CalMutuals JPRIMA.

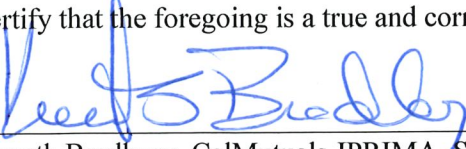
Treasurer West asked for clarification of what Allied Public Risk does for CalMutuals JPRIMA. General Counsel Ciampa advised that APR is engaged to administer the insurance on behalf of the Authority, including interfacing with insurers and handling of claims, among other things. On a motion by Treasurer West, seconded by Director Tcheng, restatement of the Insurance Administrator Agreement as proposed, was unanimously approved by roll call vote.

13. Review and Approval of Rescission of prior Agreement with CalMutuals regarding Insurance Revenue Allocation. In follow up to Item 12, a motion to rescind CalMutuals JPRIMA’s prior agreement with CalMutuals regarding insurance revenue allocation was made by Director Yamashita-Lopez, seconded by Treasurer West, and unanimously approved by roll call vote.
14. Review and Approval of Grant Agreement with CalMutuals General Counsel Ciampa reviewed a draft grant agreement, included in the Board meeting packet, that implements the provision of grant funds to CalMutuals to carry out the support of small water systems consistent with the Authority’s statutory mandate. The proposed term of the grant to CalMutuals is a two-year period with an opportunity to roll unexpended funds forward. On a motion by Director Tcheng, seconded by Director Yamashita-Lopez, the grant agreement was unanimously approved by roll call vote.
15. Legal Counsel’s Report. General Counsel Ciampa reported that he will process and file the latest amendment to the Authority’s Joint Powers Agreement to reflect new Authority members from the past several months either later this week or early next week.
16. Communications Report. No communications report.
17. Director Comments. No Directors comments.
18. Adjournment. President Michalko adjourned the meeting at 4:25 p.m.

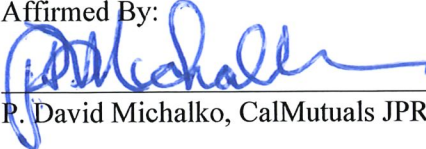
| Agenda Posted: August 11, 2023

SECRETARY'S CERTIFICATE:

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

  
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Kenneth Bradbury, CalMutuals JPRIMA Secretary

December 27, 2023  
Date

Affirmed By:  
  
\_\_\_\_\_  
P. David Michalko, CalMutuals JPRIMA President

\_\_\_\_\_  
Date