



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS  
RISK AND INSURANCE MANAGEMENT AUTHORITY  
BOARD MEETING TUESDAY, SEPTEMBER 19, 2023 – 1:30 P.M. -MINUTES

Join 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 1:30 PM

2. Roll Call of Authority Member

*Present:*

Dave Armstrong, South Mesa Water Company  
Ken Bradbury, Montebello Land and Water Company – *Secretary*  
Dave Michalko, Valencia Heights Water Company – *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  
Susan Allen, Chief Executive Officer

*Absent*

Lynda Noriega, California Domestic Water Company  
Doug Nunneley, Oildale Mutual Water Company – *Vice President*  
Dave Pedersen, Las Virgenes Municipal Water District  
Ken Tchong, Sunny Slope Water Company

Adan Ortega – Communications Director  
Karina Cervantez, CalMutuals Managing Director  
Ceili Tuttle, CalMutuals & JPRIMA Staff  
Tim Worley, CWSA Managing Director  
Paul Fuller, Insurance Administrator  
Chase Gilmore, Insurance Administrator

*Members*

Steve Lenton, Bellflower-Somerset Water Company  
Sandi McElhenney, Krista Mutual Water Company  
Jay Zucca, San Andreas Mutual Water Company

3. Public comment. No public comment.

4. Approval of the Minutes of the JPRIMA Board Meeting on August 15, 2023. On a motion by Director Yamashita-Lopez, seconded by Treasurer West, the minutes of the August 15, 2023 Board of Directors' meeting were unanimously approved by roll call vote.

5. President's Report
  - *Audit Update.* President Michalko advised the Board that the audit of CalMutuals JPRIMA by the Authority's auditor is in progress and is likely to be completed by the October Board meeting.
6. Consideration of staff recommendation regarding open Board of Directors seat. The Board of Directors, acting as a Nominating Committee, nominated Doug Nunneley for re-election to the Board of Directors. On a motion by Treasurer West, seconded by Director Armstrong, the Board unanimously approved the nomination by roll call vote.
7. Consideration and Approval of Demand Sheet Treasurer West shared details of the Demand Sheet included in the Board meeting packet. On a motion by Treasurer West, seconded by Director Armstrong, the Demand Sheet, as presented, was unanimously approved by roll call vote.
8. Financial Report. Treasurer West shared highlights of the financial report included in the Board meeting packet. She noted that insurance fees from Allied Public Risk and The Zenith to JPRIMA were reflected in the report. She additionally shared that staff is working to move funds from the Authority's checking account to LAIF and continuing to explore eligibility to invest with CLASS. On a motion by Treasurer West, seconded by Secretary Bradbury, the financial report, as presented, was unanimously approved by roll call vote.
9. Review and Possible Approval of 2022-23 Grant Award to CalMutuals. Action on this item was deferred to the October Board meeting. Staff was directed to confirm the amount of grant from CalMutuals JPRIMA to CalMutuals for 2023.
10. Chief Executive Officer's Report
  - *2023 Annual Meeting.* CEO Allen reminded the Board that the Annual Meeting is scheduled for Monday and Tuesday, November 6-7, 2023 at the Padre Hotel in Bakersfield and requested that Board members confirm their attendance and arrival and departure dates to facilitate hotel reservations.
  - *CalMutuals August Grant-Related Activity Report.* CEO Allen advised the Board that the Resource and Education report was modified and renamed beginning in September to include a summary of the Association Management which is a CalMutuals grant-related activity that previously had not been tracked.
  - *Cybersecurity Resources and Opportunities.* CEO Allen shared efforts in progress to raise cybersecurity awareness and urgency to address emerging risks by our members and insureds in light of ongoing cybersecurity attacks and regulatory requirements that are likely to be forthcoming. The efforts include a CalMutuals JPRIMA Webinar, JPRIMA Corner Cybersecurity Series (highlighting guidance provided by the US EPA). and development and sharing of a draft CalMutuals Cybersecurity Policy for small systems.

Director Yamashita-Lopez asked whether the Authority might be able to work with its partner brokers to automatically provide quotes to current members/insureds for cybersecurity insurance. President Michalko additionally recommended that the Authority develop training and/or background information for brokers to ensure that they are fluent and well-versed in cybersecurity. Insurance Administrator Fuller advised that both are things that can be accomplished.

11. Insurance Administrator's Report

- *Insurance Report for period ending August 31, 2023.* Insurance Administrator Fuller reported that CalMutuals JPRIMA continues to add members. He advised that three unanticipated issues have emerged that introduce exposure and expense. These include an increase in litigation associated with employment; a class action lawsuit in association with CalPERS and an inverse condemnation lawsuit in Merced County resulting from with recent flooding.

- Insurance Administrator Gilmore provided an overview of the insurance report included in the Board meeting packet.

- *Update on DMV Certificate of Self-Insurance Requirements/Application.* Insurance Administrator Fuller advised the Board that he has not yet heard from the DMV in follow up to the prior meeting regarding self-insurance requirements and he will reach out to DMV for an update.

- *Need for Valuation Tools for Small Water Systems.* Insurance Administrator Fuller raised the awareness of the Board of the need to begin to think about tools to provide assistance in estimating replacement costs and to build in some level of "inflation guard." The insurance industry overall is finding that replacement costs are higher than anticipated.

Mark Iverson with Western Heights Water Company has developed a simple worksheet that he has agreed to share that may be a potential resource. Lisa Yamashita-Lopez identified Kroll as a potential vendor and recommended that we reach out to learn more and schedule a demo. President Michalko additionally recommended that staff identify other available asset management tools.

Director Yamashita-Lopez suggested that once tools have been identified, the Authority consider scheduling Zoom consultations with insureds to preview upcoming challenges and opportunities.

12. Legal Counsel's Report. General Counsel Ciampa provided additional background on the CalPERS age discrimination-based claim referenced in the Insurance Administrator's report. The claim asserts that the applicable CalPERS statutes give rise to the contention that the system discriminates against older workers who retire due to disability. The plaintiff's lawyer has sent notice to all CalPERS member

agencies in the state regarding the claim. Impacted water suppliers are consulting and may explore a consolidated defense.

13. Communications Report. Communications Director Ortega shared that in follow up to CalMutuals 10<sup>th</sup> Anniversary celebration, State Treasurer Fiona Ma and her staff have expressed interested in working to identify funding resources to support small water systems and possible action we may wish to take in next legislative year.

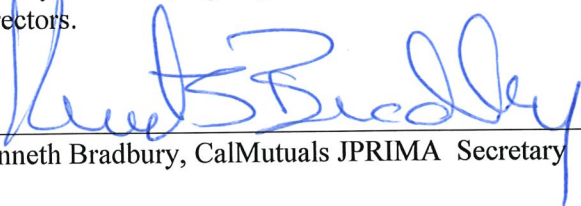
14. Director Comments. No Director's comments.

15. Adjournment. President Michalko adjourned the meeting at 2:30 PM.

Agenda Posted: September 15, 2023

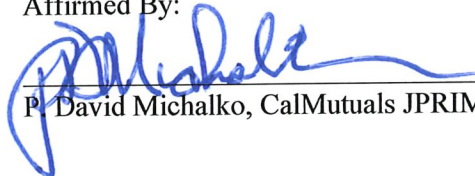
SECRETARY'S CERTIFICATE:

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