



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK AND
INSURANCE MANAGEMENT AUTHORITY
BOARD MEETING TUESDAY, OCTOBER 17, 2023 - MINUTES

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

Dave Armstrong, South Mesa Water Company	Adan Ortega – Communications Director
Ken Bradbury, Montebello Land and Water Company – <i>Secretary</i>	Karina Cervantez, CalMutuals Managing Director
Dave Michalko, Valencia Heights Water Company – <i>President</i>	Ceili Tuttle, CalMutuals & JPRIMA Staff
Doug Nunneley, Oildale Mutual Water Company – <i>Vice President</i>	Tim Worley, CWSA Managing Director
Ken Tchong, Sunny Slope Water Company	Paul Fuller, Insurance Administrator
Marina West, Bighorn-Desert View Water Agency	Chase Gilmore, Insurance Administrator
Lisa Yamashita-Lopez, Rubio Cañon Land and Water Association	George Pappas, Insurance Administrator

Staff

Jim Ciampa, General Counsel	<i>Members</i>
Susan Allen, Chief Executive Officer	Steve Lenton, Bellflower-Somerset Water Company

Absent

Lynda Noriega, California Domestic Water Company	Sandi McElhenney, Krista Mutual Water Company
Dave Pedersen, Las Virgenes Municipal Water District	Jay Zucca, San Andreas Mutual Water Company
Gloria Galindo, Financial Manager	
3. Public comment. No public comment.
4. Approval of the Minutes of the JPRIMA Board Meeting on September 19, 2023. On a motion by Secretary Bradbury, seconded by Treasurer West, the minutes of the September 19, 2023 Board of Directors meeting were unanimously approved by roll call vote.
5. President's Report
 - *Audit Update* President Michalko advised the Board that completion of the Authority's 2022 audit has been delayed due to changes CalMutuals JPRIMA made to the 2022 budget. Clifton Larson Allen plans to return early November to complete their work. President Michalko additionally reported that CalMutuals JPRIMA's 2020 and 2021 income tax returns have been processed and refunds have been approved by the Internal Revenue Service.
6. Consideration and Approval of Demand Sheet. Treasurer West reviewed the Demand Sheet included in the Board meeting packet. On a motion by Director Tchong, seconded by Vice President Nunneley, the Authority's Demand Sheet was unanimously approved by roll call vote.

7. Financial Report. Treasurer West reviewed the financial report included in the Board meeting packet. She noted that the current bank balance is above the FDIC insurance limit and shared that CalMutuals JPRIMA's Financial Manager is in the process of transferring funds to the Authority's reserve account with LAIF. Treasurer West and President Michalko have consulted with California CLASS regarding the Authority's eligibility to participate in that fund as well but it does not appear that will be possible. On a motion by Secretary Bradbury, seconded by Director Armstrong, the financial reports were unanimously approved for receipt and filing by roll call vote.
8. Review and Possible Approval of 2023 Grant Award to CalMutuals. CEO Allen reviewed the proposed 2023 grant allocation of \$102,471 to CalMutuals included in the Board meeting packet. On a motion by Director Tcheng, seconded by Secretary Bradbury, the grant award to the California Association of Mutual Water Companies in the amount of \$102,471 was unanimously approved by roll call vote.
9. Chief Executive Officer's Report
 - *Annual Meeting Update.* CEO Allen reminded the Board that the 2023 CalMutuals JPRIMA Annual Meeting will be held on Monday and Tuesday, November 6-7, 2023 at the Padre Hotel in Bakersfield. Staff has been working to finalize meeting logistics and preparations and has been actively engaged in outreach to members to secure proxies for the Board of Directors election to ensure the required quorum is met.
 - *CalMutuals August Grant-Related Activity Report.* CEO Allen provided an overview of the grant related activity report for the period ending August 31, 2023, as included in the Board meeting packet.
 - *CalMutuals JPRIMA Cybersecurity Webinar* CEO Allen advised the Board that CalMutuals JPRIMA staff has been working with vendor partners on a webinar to alert CalMutuals JPRIMA members to emerging cybersecurity risks and resources available to address them. The webinar was scheduled for October 31 but due to limited registration will be moved to December 7. A presentation with this focus is planned for the Annual Meeting.
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 - *Media Opportunity* - CEO Allen and Insurance Administrator Fuller informed the Board that CRN magazine is working on a story focused on efforts to protect water infrastructure and would like to highlight the work of CalMutuals and CalMutuals JPRIMA in the story. CRN asked if members of the CalMutuals JPRIMA Board might be available for an interview. Directors Tcheng and West agreed to assist.
 - *CAJPA Accreditation Update.* CEO Allen advised the Board that CAJPA has begun to engage staff in securing documentation required for accreditation review.
10. Insurance Administrator's Report
 - *Recommendation to move to Munich Re as CalMutuals' JPRIMA's reinsurer.* Insurance Administrator Fuller shared his recommendation that the Authority move to Munich Re as its reinsurer, noting that this will provide a long term and secure solution. The agreement has been reviewed by General Counsel Ciampa and will require approval by Board at November meeting.

Director Yamashita-Lopez asked if help and support are needed from the Board in this renewal cycle. Mr. Fuller noted that it may be helpful to engage Board members in consultations with members that have incurred losses to talk with them about mitigation planning and with outreach to the small number of members impacted by reduced wildfire coverage.

- *Insurance Report for period ending September 30, 2023.* Insurance Administrator Gilmore shared the details of the insurance report included in the Board meeting packet.

11. Legal Counsel's Report. General Counsel Ciampa advised the Board that the EPA has withdrawn its requirement that cybersecurity assessment be included as part of annual Sanitary Surveys. The State of Missouri filed a lawsuit and the court has issued a preliminary injunction with respect to that regulatory requirement. He noted that this is likely to be a temporary reprieve as the Federal or State governments are likely to pursue the issue with other regulations or statutes.
12. Communications Report. Communications Director Ortega reported that South Mesa Water Company is awaiting final receipt of a grant from State of California and recommended that the Authority consider featuring South Mesa as a system that is taking drought mitigation seriously and highlighting its practices in fire mitigation. Mr. Ortega further recommended engagement by CalMutuals JPRIMA in briefing legislators on the impact of wildfires and climate change on water systems and in advocacy for access by mutual water companies to the California FAIR Plan
13. Director Comments. Director Tcheng shared a near miss cyber incident from an outside actor that impacted Sunny Slope Water Company. The perpetrator was able to access the General Manager's email and communicate a financial request to a staff member. Fortunately, the attempted theft was identified through face-to-face communication. Sunny Slope has responded with increased attention to password aging and two factor authentication.

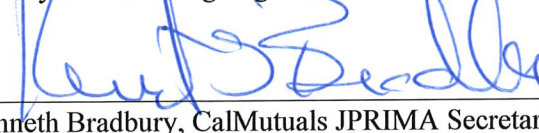
Vice President Nunneley shared that Oildale Mutual Water Company was approved to receive a grant of \$1.3 million from the Kern Integrated Regional Water Management Plan. The grant will cover the cost of the meters and will require the system to cover cost of installation.

14. Adjournment. President Michalko adjourned the meeting at 2:17 PM.

Agenda Posted: October 13, 2023

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

December 27, 2023
Date

Affirmed By:



P. David Michalko, CalMutuals JPRIMA President

Date