



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK AND
INSURANCE MANAGEMENT AUTHORITY
BOARD MEETING MINUTES - TUESDAY, DECEMBER 20, 2022 - 1:30 PM

1. Call to Order. President Michalko called the meeting to order at 1:32 PM.

2. Roll Call

Present:

Ken Bradbury, Montebello Land and
Water Company – *Secretary*
Dave Michalko, Valencia Heights Water
Company – *President*
Lynda Noriega, California Domestic Water
Company
Doug Nunneley, Oildale Mutual Water
Company – *Vice President*
Ken Tcheng, Sunny Slope Water Company
Marina West, Bighorn-Desert View Water
Agency - *Treasurer*
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
Karina Cervantez, Ortega Strategies Group
Ceili Tuttle, Ortega Strategies Group
Tim Worley, Community Water Systems
Alliance
Paul Fuller, Insurance Administrator
George Pappas, Insurance Administrator
Chase Gilmore, Insurance Administrator

Members

Steve Lenton, Bellflower Somerset Mutual
Water Company

Absent:

Dave Armstrong, South Mesa Water Company
Dave Pedersen, Las Virgenes Municipal Water District

3. Public comment. No public comment.

General Counsel Ciampa noted that the majority of the Board has not taken the oath of office and he then administered the oath of office to the directors in attendance. Mr. Ciampa will follow up by e-mail with Board members to secure executed written oaths.

4. Consideration and Possible Adoption of Resolution No. 12-2022-01 to Authorize Remote Teleconference Meetings of the JPRIMA Board of Directors and Make Related Findings and Determinations. On a motion by Vice President Nunneley, seconded by Treasurer West, the resolution was unanimously approved by roll call vote.

5. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on November 15, 2022. On a motion by Director Tcheng, seconded by Secretary Bradbury, the minutes of the November 15, 2022 Board of Directors meeting were unanimously approved by roll call vote.

6. President's Report. President Michalko extended holiday wishes to all members of the staff and Board.

- a. New IRS Audit for Tax Year 2021. President Michalko advised the Board that the same auditor who reviewed CalMutuals JPRIMA's 2020 tax return has been assigned to review CalMutuals JPRIMA's 2021 tax return.
7. Consideration and Approval of Demand Sheet. The CalMutuals JPRIMA Demand Sheet was presented by Treasurer West. On a motion by Treasurer West, seconded by Director Yamashita-Lopez, the Demand Sheet was unanimously approved by roll call vote.
8. Financial Report. Treasurer West reviewed the CalMutuals JPRIMA budget and cash flow report as of November 30, 2022 with the Board. She reported the Authority anticipates ending the year with small deficit based on transfer of income and expenses to CalMutuals. On a motion by Treasurer West, seconded by Director Tchong, the Board unanimously approved receipt and filing of the financial report by roll call vote.

Director Byerrum advised the board of a new fund established by the California Special Districts Association to provide an alternative to LAIF. That fund is paying about 4.24% on investments and adjusts to market in close to a 90 day period versus approximately 300 days with LAIF. He asked Executive Director Allen and General Counsel Ciampa to secure additional information about the fund to share with the Board as an option for future CalMutuals JPRIMA investments.

9. Review and Possible Approval of 2023 CalMutuals JPRIMA Budget. Financial Manager Galindo reviewed the proposed 2023 budget. She noted that commissions associated with CalMutuals JPRIMA's Property and Casualty insurance are shared between CalMutuals JPRIMA and CalMutuals and the commissions associated with other insurance products are fully retained by CalMutuals JPRIMA. Treasurer West asked that the budget be amended to add a notation to highlight and clarify the Board's decision to change the allocation of Property and Casualty revenues for 2023 from 3% to CalMutuals JPRIMA and 2% to CalMutuals to 1% to CalMutuals JPRIMA and 4% to CalMutuals. This change reflects the fact that CalMutuals is better suited to coordinate and manage Risk Management Program Support for our members. On a motion by Director Yamashita-Lopez, seconded by Treasurer West, the 2023 CalMutuals JPRIMA budget was unanimously approved by roll call vote.
10. Chief Executive Officer's Report
 - a. *Resources and Education Report.* CEO Allen shared highlights of the Resources and Education report, included in the Board meeting packet.
 - b. *2024-2028 Strategic Planning.* CEO Allen advised the Board to look for a Doodle poll with potential dates for a strategic planning meeting in late January or February. We are looking for a two-day meeting, to be held jointly with the CalMutuals Board in Los Angeles, Ventura or Paso Robles.
11. Insurance Administrator's Report. Insurance Administrator Fuller reported that CalMutuals JPRIMA enjoyed a good November. The Authority's cover holder application for cybersecurity insurance was approved by Lloyds of London and that product will begin being available early in the new year. Mr. Fuller continues to believe CalMutuals JPRIMA has a product that offers good value for the water and wastewater industry.

Insurance Administrator Fuller advised that Board the Authority's Property and Casualty insurance will renew in 2023 with Water Plus in a non-admitted facility. CalMutuals JPRIMA is in the process of changing its reinsurance to American Family and approval for rate reform requires a year or more waiting period due to COVID. Non-admitted facilities are subject to taxes and are not protected by the Department of Insurance against bankruptcy.

Insurance Administrator Fuller shared that ACWA and JPRIMA have been extended invitations to attend a small water industry gathering, hosted by East Bay Municipal Utility District in March at the UC Berkely campus.

Insurance Administrator Gilmore reviewed the Insurance Report included in the Board meeting packet. He noted CalMutuals JPRIMA has 355 P&C members, and 120 Workers' Comp members and that the Authority's income is up by \$120,000 on annualized basis. November brought *63 new members* to CalMutuals JPRIMA, primarily fire protection districts that work closely with mutual water companies. Mr. Gilmore advised that CalMutuals JPRIMA may wish to consider engagement of these districts on issues that overlap with fire prevention and water conveyance.

12. General Counsel's Report. General Counsel Ciampa reported the Amendment to the Articles of Incorporation for CalMutuals has been filed with the California Secretary of the State without issues. He plans to follow up with amending the JPA agreement to reflect the addition of the numerous new members previously reported.
13. Communications Report. No communications report.
14. Director Comments. No Director's comments.
15. Adjournment. President Michalko adjourned the meeting at 2:27 p.m.

Agenda Posted: December 9, 2022

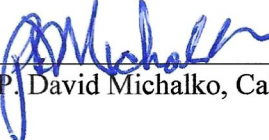
SECRETARY'S CERTIFICATE:

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

March 21, 2023
Date