



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK
AND INSURANCE MANAGEMENT AUTHORITY
BOARD MEETING MINTUES - TUESDAY, JUNE 21, 2022 - 1:30 PM

Zoom Meeting

<https://us06web.zoom.us/j/85461497148?pwd=MXdXQUVQeXlvdWVheTVtVjBmS2g2dz09>
Meeting ID: 854 6149 7148 Passcode: 261666

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

2. Roll Call.

Present:

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*
Dave Pedersen, Las Virgenes
Municipal Water Company
Ken Tcheng, Sunny Slope Water
Company (Joined meeting at 1:56 PM)
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
Jesus Silva, Ortega Strategies Group
Yasmeen Nubani, Ortega Strategies
Group
Paul Fuller, Insurance Administrator
George Pappas, Insurance Administrator
Chase Gilmore, Insurance Administrator

Members

Steve Lenton, Bellflower Somerset
Mutual Water Company
Jay Zucca, San Andreas Mutual Water
Company

Absent:

Dave Armstrong, South Mesa Water Company

3. Public comment. No public comment.

4. Consideration and Possible Adoption of Resolution No. 06-2022-01 to Authorize Remote Teleconference Meetings of the JPRIMA Board of Directors and Make Related Findings and Determinations. On a motion by Director Pederson, seconded by Secretary Bradbury, the resolution was unanimously approved by roll call vote.

5. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on May 21, 2022. On a motion by Secretary Bradbury, seconded by Director West, the minutes of the May 21, 2022 Board of Directors meeting were unanimously approved by roll call vote.

6. President's Report. No President's report.

7. Election of CalMutuals JPRIMA Treasurer. President Michalko reminded the Board that in light of Myra Malner's resignation, the Authority is in need of a Treasurer and Director West has agreed to assume the role. A motion to appoint Director West as CalMutuals JPRIMA's Treasurer was made by Director Yamashita-Lopez, seconded by Director Byerrum, and unanimously approved by roll call vote.
8. Consideration and Approval of Demand Sheet. Financial Manager Galindo reviewed the Demand Sheet provided in the Board meeting packet. On a motion by Director Yamashita-Lopez, seconded by Secretary Bradbury, the Demand Sheet was unanimously approved by roll call vote.
9. Financial Report. Financial Manager Galindo reviewed the financial report, including budget and cash flow report, provided in the Board Meeting packet. On a motion by Director Byerrum, seconded by Secretary Bradbury, the Board unanimously approved receipt and filing of the financial report by roll call vote.
10. Consideration and Possible Adoption of Resolution No. 06-2022-02 to Authorize Revised Signatories on Authority's Account with the Local Agency Investment Fund. President Michalko reviewed the resolution to change signatories on the Authority's LAIF account. On a motion by Treasurer West, seconded by Director Byerrum, the resolution was unanimously approved by roll call vote.
11. Discussion of and Possible Action on Alternative to Authority's Tax-Exempt Organization Application. In follow up to last month's meeting and denial of the Authority's application for federal tax exemption under Internal Revenue Code Section 501(c)(12), President Michalko presented options for consideration. The first option would be to follow up with an application for tax exemption based on the same statute that CalMutuals received its tax exemption. The second option, based in part on CalMutuals JPRIMA's financial needs, would be to change the distribution of insurance fees to allocate 1% to CalMutuals JPRIMA and 4% to CalMutuals based on CalMutuals' stronger capacity to manage member support. Given the timing of insurance fee payment President Michalko noted that it may be helpful in management of the Authority's cash flow and budget to change the Authority's accounting from calendar year to fiscal year, which requires IRS approval.

On a motion by Treasurer West, seconded by Secretary Bradbury, the Board unanimously approved to change insurance fee distribution for this calendar/fiscal year effective July 1, 2022 by roll call vote; and agreed to revisit the distribution annually as part of budget process.

On a motion by Treasurer West, seconded by Vice President Nunneley, the Board, by roll call vote, unanimously approved moving forward with exploration of changing of our tax year and/or pursuing tax exempt status under Internal Revenue Code Sections 501(c)4 or 501(c)6. The Board asked General Counsel Ciampa to work with Clifton, Allen, Larson to identify alternatives and take appropriate action on behalf of the Authority.

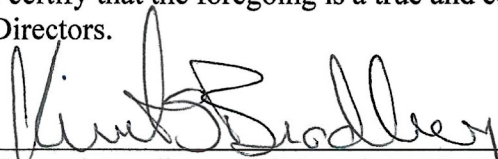
12. Chief Executive Officer's Report
 - a. *Resources and Education Report.* CEO Allen reviewed the Resources and Education report provided in the Board meeting packet.

- b. *Fall 2022 Joint CalMutuals and CalMutuals JPRIMA Annual Meeting Venue Options.* Staff has researched venues for the CalMutuals and CalMutuals JPRIMA Annual meetings in Sacramento and Sonoma. Given that Sacramento is likely to be more accessible for member participation the Board asked that staff focus planning there and look for opportunities for a wine tasting excursion before or after the meeting.
- c. *Update on Branding/Marketing Subcommittee meeting and recommendations.* CEO Allen reported on the consultation following the May Board of Directors meeting focused on improving CalMutuals Branding and Marketing. To address confusion by many CalMutuals JPRIMA members regarding the CalMutuals membership requirement (and associated benefits) the subcommittee recommended that CalMutuals change the time frame for membership renewal to April to coincide with issuance of CalMutuals JPRIMA quotes and to include marketing about the requirement and benefits and a membership renewal invoice in the same communication.
13. Insurance Administrator's Report. Insurance Administrator Fuller extended thanks and appreciation to Board of Directors and CEO for efforts to facilitate enrollment in CalMutuals JPRIMA insurance programs by Truckee Sanitation District and Lincoln Avenue Water Company. He further advised the Board that we are waiting for approval from Lloyds of London for the Authority's cybersecurity insurance product in July.
- Insurance Administrator Pappas reviewed the Insurance report included in the Board Meeting packet.
14. General Counsel's Report. No General Counsel's report.
15. Communications Report. No Communications report.
16. Director Comments. Director Yamashita-Lopez proposed that CalMutuals JPRIMA collaborate with the Zenith to provide guidance about how to prepare for and navigate the required Workers' Compensation insurance audit. She noted that the required reports are standard and can be saved periodically as they are prepared. Both Valencia Heights Water Company and Bighorn-Desert View Water Agency are currently in the workers compensation audit process and offered to contribute to the development of the guidance document.
17. Adjournment. Vice President Michalko adjourned the meeting at 2:21 PM.

Agenda Posted: June 17, 2022

SECRETARY'S CERTIFICATE:

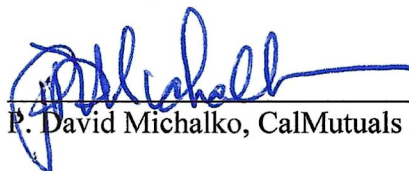
I certify that the foregoing is a true and correct copy of the minutes approved by the Board of Directors.



Kenneth Bradbury, CalMutuals JPRIMA Secretary

July 22 2022
Date

Affirmed By:



P. David Michalko, CalMutuals JPRIMA President

July 22 2022
Date