



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK
AND INSURANCE MANAGEMENT AUTHORITY
BOARD MEETING MINTUES - TUESDAY APRIL 20, 2021 - 1:30 PM

1. Call to Order. Vice President Michalko called the meeting to order.
2. Roll Call.

Present:

Dave Michalko (Vice-President, Valencia Heights Water Company)
Ken Bradbury (Secretary, Montebello Land and Water Company)

Board Directors

Dave Armstrong (South Mesa Water Company)
Doug Nunneley (Oildale Mutual Water Company)
Dave Pedersen (Las Virgenes Municipal Water District)
Ken Tcheng (Sunny Slope Water Company)
Lisa Yamashita-Lopez (Rubio Cañon Land and Water Association)

Staff

Jim Ciampa (General Counsel)
Myra Malner (Assistant Secretary and Treasurer)
Adán Ortega (Communications Director)
Susan Allen (Managing Director)
Logan Largent (Ortega Strategies Group)
Madeline Chen (Ortega Strategies Group)
Paul Fuller (Insurance Administrator)
Mia Garza (Insurance Administrator)

Members

Steve Lenton (Bellflower Somerset Mutual Water Company)
Korey Bradbury (Montebello Land and Water Company)

Absent:

Jim Byerrum (President, California Domestic Water Company)

3. Public comment. No public comment.
4. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on March 16, 2021. On a motion by Secretary Bradbury, seconded by Director Armstrong, the minutes of the March 16, 2021 Board of Director's meeting were unanimously approved.
5. Vice President's Report. No Vice President's report.
6. Consideration and Approval of Demand Sheet. Treasurer Malner reviewed the Demand Sheet provided in the meeting packet with the Board. On a motion by Director Yamashita-Lopez, seconded by Director Tcheng, the demand sheet was unanimously approved as submitted.

7. Financial Report. Treasurer Malner provided an overview of CalMutuals JPRIMA's budget and cash flow report as of March 31, 2021. She noted that the report reflects pass-through transactions associated with rebate income from the Zenith Insurance Company that is paid to members and a commission payment to Allied Public Risk. The report additionally reflects typical monthly expenses associated with program management, administrative services, legal support, accounting, and audit services. On a motion by Director Pedersen, seconded by Secretary Bradbury, the financial report was unanimously received and filed as submitted.
8. Update on Tax Filing and Proposal to Engage James Marta and Company in preparation of 2020 corporate tax returns. Treasurer Malner reviewed the engagement letter included in the Board meeting packet, to be executed by Vice President Michalko. She advised the Board that in response to CalMutuals JPRIMA's application for tax exempt status we were advised by the Internal Revenue Service that additional information was needed to process our application and that the initial determination will likely be a denial. In response, we reached out to James Marta, who is following up to reinforce the merits of our application and calling attention to similarities between the CalMutuals JPRIMA application and the application submitted on behalf of CalRural, which was granted tax-exempt status. While the determination remains pending, the Authority needs to file its 2020 income tax returns. On a motion by Director Armstrong, seconded by Secretary Bradbury, the Board unanimously approved engagement of James Marta and Company to prepare the Authority's 2020 income tax returns.
9. Insurance Administrator's Report. Insurance Administrator Fuller reported the good news that close to 100% of the Authority's Property and Casualty insured/s members renewed their policies with the Authority. He advised that CalMutuals JPRIMA was able to limit our 2021 rate increase to 9.5% and noted that competitors' rates increased by higher amounts, and many water systems are looking for alternatives as a result.

Insurance Administrator Garza reported that CalMutuals JPRIMA yielded a nice increase for 2021 based on renewal alone.

10. General Counsel's Report.
 - a. *Discussion of policy to allow for waiver of three-year membership requirement for participants in workers compensation program.* General Counsel Ciampa shared a proposal to draft a policy to allow the Authority to release members/insureds from the workers compensation program as that program transitions to a direct regulated product. General Counsel Ciampa noted that Article 20 of our JPA agreement allows the Board to cancel members with a 2/3 vote and recommended development of a new Board policy to implement that cancellation authority provided under Article 20. Insurance Administrator Fuller stated he did not believe there would be any adverse impact in waiving the 3-year commitment and did not believe such a waiver would impact the substance of program or future revenue. The Board directed General Counsel to proceed with preparing a policy for review and possible approval at the May Board meeting.

- b. *Discussion of CWSA members' required membership in CalMutuals.* General Counsel Ciampa asked the Board for guidance in how to manage CWSA members who purchase CalMutuals JPRIMA insurance. Communications Director Ortega recommended that they be considered Affiliate members of CalMutuals and not be required to pay additional dues beyond their CWSA sponsorship. General Counsel Ciampa stated that issue will be further discussed at the CalMutuals Board of Directors meeting, as any change will need to be implemented in the CalMutuals Bylaws.

11. Resources/Education Report.

Managing Director Allen called the Board's attention to the Open Online Employment and Education Verification Disclosures included in the meeting packet. She noted that the disclosures detail the parameters of the expanded services the Authority will be making available to members/insureds.

Communications Director Ortega advised the Board of relationship development and team building resources that are available to members/insureds through Managing Director Allen's expertise and certifications with Society of Human Resources Management (SHRM) as a Senior Professional and with CORE Strengths (relationship intelligence) as a facilitator. Director Pedersen noted that human resources services that could be helpful to CalMutuals JPRIMA members/insureds, including conflict management support, and succession planning support and templates.

12. Communications Report. Communications Director Ortega followed up with the Board on their request for assistance in identifying candidates for the Board of Directors who are leaders of special districts. President Byerrum had informed Communications Director Ortega about the possibility of Marina West, General Manager of Bighorn Desert View Water Agency, joining the Board and Communications Director Ortega asked for the Board's feedback. The Board extended its support to proceed.

Communications Director Ortega advised the Board of staff plans to identify potential venues for the CalMutuals/CalMutuals JPRIMA annual meeting/retreat in the Sacramento Valley in the Fall.

Finally, Communications Director Ortega shared an update on scheduled testimony before the California Assembly Environmental Toxic and Committee as an expert witness and plans to present a White Paper recently released by CWSA on larger systems helping smaller systems and findings and policy options that could be incorporated into AB 1195 (Garcia, C.)

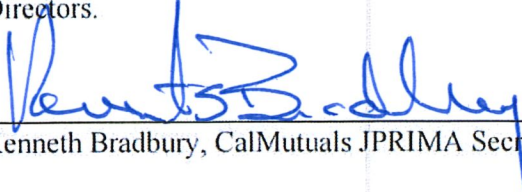
13. Director Comments. No director's comments.

14. Adjournment. Vice President Michalko adjourned the meeting at 2:29 PM.

Agenda Posted: April 16, 2021

SECRETARY'S CERTIFICATE:

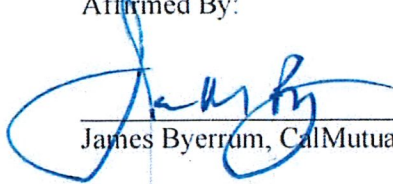
I certify that the foregoing is a true and correct copy of the minutes approved by the Board of Directors.



Kenneth Bradbury, CalMutuals JPRIMA Secretary

8/16/21
Date

Affirmed By:



James Byerrum, CalMutuals JPRIMA President

JULY 16, 2021
Date