



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK
AND INSURANCE MANAGEMENT AUTHORITY
BOARD MEETING TUESDAY AUGUST 17, 2021 - 1:30 PM

1. Call to Order. President Byerrum convened the meeting at 1:30 PM.
2. Roll Call.

Present:

Board Directors

Jim Byerrum (President, California Domestic Water Company)
Ken Bradbury (Secretary, Montebello Land and Water Company)
David Michalko (Valencia Heights Mutual Water Company)
Doug Nunneley (Oildale Mutual Water Company)
Dave Pedersen (Las Virgenes Municipal Water District)
Marina West (Bighorn Desert View Water Agency)

Staff

Jim Ciampa (General Counsel)
Myra Malner (Assistant Secretary and Treasurer)
Adán Ortega (Communications Director)
Susan Allen (Managing Director)
Logan Largent (Legislative Director)
Tim Worley (CWSA Managing Director)
Paul Fuller (Insurance Administrator)
George Pappas (Insurance Administrator)
Stephanie 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)
Ken Tcheng (Sunny Slope Water Company)
Sara DePasquale (Insurance Administrator)

1. Public comment. No public comment.
2. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on July 20, 2021.
On a motion by President Byerrum, seconded by Director Yamashita-Lopez, the minutes of the July 20, 2021 Board of Directors meeting were unanimously approved.
3. President's Report. No President's Report.
4. Consideration and Approval of Demand Sheet. Treasurer Malner reviewed the Demand Sheet provided in the Board meeting packet. Demands included payment for American Water College courses from January to July 2021, Internal Revenue Service 2020 taxes due, and fees for legal and management consultants. On a motion by Director Michalko, seconded by Secretary Bradbury, the Demand Sheet was unanimously approved.

5. Financial Report. Treasurer Malner reviewed the budget and cash flow report provided in the Board meeting packet. She highlighted that insurance fees received to date exceeded the amount budgeted and extended thanks to the insurance team. We anticipate ending the year with approximately \$100,000 more than last year. On a motion by Director Pedersen and seconded by Secretary Bradbury, the motion passed unanimously.
6. Review and Possible Approval of 2020 CalMutuals JPRIMA Tax Return and Payment of Federal Taxes Due. Treasurer Malner provided an overview of the 2020 CalMutuals JPRIMA tax return provided in the Board meeting packet. On a motion by President Byerrum, seconded by Director West, the Authority's 2020 Tax Return and payment of federal taxes due was unanimously approved. Director Michalko asked if CalMutuals JPRIMA will receive a refund of taxes paid if the Authority's filing for tax exempt status is ultimately approved. Legal counsel responded that typically the tax-exemption is retroactive to the date the application was filed, so it is possible the taxes paid would be refunded.
7. Review and Possible Approval of Treasurer recommendation to transfer funds from Pacific Western Bank to LAIF and authorization for Treasurer to transfer funds between Pacific Western Bank and LAIF as needed. Treasurer Malner recommended transfer of an additional \$100,000 from the Authority's account at Pacific Western Bank to its reserve account with LAIF. The Board shared their support of the recommendation. Given that the Board previously authorized the Treasurer to transfer funds, no Board action was required. Treasurer Malner noted that moving forward she will provide a monthly Treasurer's report to include updates on the LAIF account.
8. Insurance Administrator's Report
 - a. *General Update*. Insurance Administrator Fuller extended thanks to Myra Malner for her assistance with terminating the Authority's participation under OSIP and with CalMutuals JPRIMA's exit from the self-insurance sector. He introduced Lake Madrone Mutual Water Company and North Kern Water Storage District as our newest members/insureds. Mr. Fuller further provided an update on the Dixie fire. One member has incurred a loss and other members are within harm's way. CalMutuals JPRIMA has enhanced its underwriting measures to better mitigate the effects of wildfire losses on the Authority. Industry losses associated with wildfires, as well as higher materials and labor costs to rebuild, will impact rates for all California consumers in 2022, including JPRIMA members..

Insurance Administrator Pappas reviewed the insurance report included in the Board meeting packet.

- b. *Consideration and Potential Approval of Proposal for Beta Test of Cybersecurity program*. President Byerrum and Managing Director Allen reviewed the proposal provided in the Board meeting packet to support and fund a Beta test of the cybersecurity questionnaire. That questionnaire will help determine whether and to what extent members/insureds have required technology in place with respect to the patching services

members/insureds must have in place to participate in the cyberliability program. The anticipated cost is \$8,000-\$10,000. On a motion by Director Michalko, seconded by Director West, the proposal was unanimously approved. Director Pedersen noted that Las Virgenes would be pleased to participate in a consultation with the vendor.

c. *Consideration and Potential Approval of Master Services Agreement with Alvaka Networks.* General Counsel Ciampa shared a high-level overview of the master services agreement with Alvaka Networks provided in the Board meeting packet. He noted that the agreement reflects modifications to shift responsibility to participating members and noted that the agreement articulates what CalMutuals JPRIMA will do and how we will do it and the cooperation needed by members/insureds. President Byerrum added that signing the agreement is needed for us to proceed with the Beta Test. On a motion by President Byerrum, seconded by Director Yamashita-Lopez, the Board unanimously approved proceeding with that agreement.

9. General Counsel's Report. No General Counsel's report.

10. Nominations for Board of Directors Positions for New Two-Year Terms. On a motion by President Byerrum, seconded by Director West, the Board acting as the Nominating Committee, unanimously nominated the slate of directors up for election: David Armstrong, Kenneth Bradbury, Dave Michalko, Doug Nunneley, Dave Pederson, Ken Tchong, and Lisa Yamashita-Lopez.

11. Resources/Education Report

Managing Director Allen reviewed the Resources and Education Report provided in the Board meeting packet. She further provided an update on CalMutuals JPRIMA's partnership with IE Works to provide water-related internship opportunities. President Byerrum and CalMutuals JPRIMA staff facilitated a Zoom meeting for Inland Empire members and to date three are interested in participating in the program, including Cabazon Water District, Myoma Dunes Mutual Water Company and South Mesa Water Company.

Managing Director Ortega asked the Board for assistance in responding to requests for information from members on the scope of benefits provided to staff and board members and Dig Alert training.

12. Communications Report

a. *Review and Feedback on Proposed Agenda for Joint CalMutuals and CalMutuals JPRIMA Annual Meeting.* Communications Director Ortega provided an overview of the draft agenda for the joint Annual Meeting scheduled for Monday and Tuesday, October 18-19, 2021 at Pechanga Resort and Casino; and invited feedback from the Board.

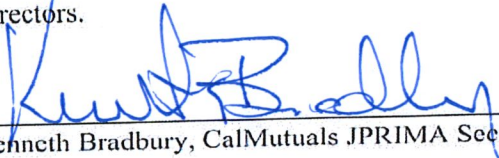
13. Director Comments. No Directors comments.

14. Adjournment. President Byerrum adjourned the meeting at 2:27 PM.

Agenda Posted: August 13, 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

11/3/21
Date

Affirmed By:



James Byerrum, CalMutuals JPRIMA President

Oct 29, 2021
Date