

**MEETING OF THE BOARD OF DIRECTORS OF CALIFORNIA ASSOCIATION OF
MUTUAL WATER COMPANIES JOINT POWERS RISK & INSURANCE
MANAGEMENT AUTHORITY (CALMUTUALS JPRIMA)**

**1400 N. Harbor Blvd., Suite 510
Fullerton, CA 92835
Via Teleconference**

**BOARD MEETING MINUTES
Thursday, December 22, 2016**

Call to Order: President Jim Byerrum called the meeting to order at 9:03

Roll Call of Authority Members:

Present: Jim Byerrum (CalMutuals JPRIMA President & Executive Director, California Domestic Water Company), Dave Michalko (CalMutuals JPRIMA Vice President, Valencia Heights Water Company), Ken Bradbury (CalMutuals JPRIMA Secretary, Montebello Land and Water Company), Ken Deck (CalMutuals JPRIMA Treasurer, Bellflower-Somerset Mutual Water Company), Ken Tchong (CalMutuals JPRIMA Director, Sunny Slope Water Company), Dave Armstrong (CalMutuals JPRIMA Director, South Mesa Water Company), Doug Nunneley (CalMutuals JPRIMA Director, North of the River Municipal Water District), Lisa Yamashita-Lopez (CalMutuals JPRIMA Director, Rubio Cañon Land and Water Association), Jim Ciampa (Legal Counsel), Paul Fuller (Insurance Administrator), Adán Ortega (Staff), Mia Garza (Insurance Administrator Staff), Myra Evangelista (Assistant Secretary) and Lynda Noriega (California Domestic Water Company).

Absent: Denise Peralta Gailey (Staff)

Action & Agenda Items:

CalMutuals JPRIMA Administrator Agreement: President Byerrum asked Insurance Administrator Paul Fuller to present to the Board recent changes with the JPRIMA's insurance partners and the possible change to the Insurance Administrator. Mr. Fuller announced that Fairfax Financial purchased Allied World. Allied World has been the JPRIMA's property and liability carrier. Fairfax Financial already owns The Zenith, which provides the JPRIMA's worker compensation coverage. Mr. Fuller added that Fairfax Financial is a stable company comparable to Berkshire Hathaway. The advantages presented by this change is that the JPRIMA now has a single source solution for property and liability and workers compensation needs, an increase in the multi-policy property and liability coverage discount to members from 5% to 7.5%, and perhaps greater support for smaller JPRIMA members.

Insurance Administrator Fuller also announced that effective January 1, 2017, he was leaving as President of Alteris due to the company's shift in business focus toward commercial segments. Mr. Fuller prefers to keep a focus on water and public sector clients, and he will be taking the insurance portfolio and the team of 22 people who previously worked with him at Alteris to Allied Public Risk, which is partially owned by Allied World. Mr. Fuller will become the CEO

of, and a 20% shareholder in Allied Public Risk. He feels that it is a benefit to JPRIMA because there is a complete alignment with all of the entities involved in providing insurance and services to JPRIMA members. There is no change in the products offered, personnel assigned or broker relationships. Mr. Fuller noted that Alteris and Allied Public Risk were both formed in 2008. Allied Public Risk has total assets that are larger than Alteris and is a strong company. Mr. Fuller in answer to a question by Vice President Michalko stated that he has had prior dealings with Allied Public Risk and has long known its employees. In answer to a question by Director Yamashita-Lopez, Mr. Fuller stated that while Allied Public Risk has a focus on municipal business, it will be helpful to mutual water companies given that membership in the JPRIMA will remain with a majority of mutual water companies, but that 60% of revenues will be generated from larger mutual water companies and public water agencies. General Counsel Ciampa also expressed that Mr. Fuller's new role does not present a conflict of interest and may create additional synergy.. President Byerrum stated that this will require assignments of the Insurance Administrator function for the JPRIMA from Alteris to S.N. Potter Insurance Agency, and then from S.N. Potter Insurance Agency to Allied Public Risk. JPRIMA must consent to those assignments, which will require approval by the JPRIMA Board of Directors.

There was no public comment on this matter after a motion was made by Director Ken Bradbury to authorize JPRIMA President Jim Byerrum to sign documents reviewed by General Counsel Ciampa assigning the role of Insurance Administrator from Alteris to S.N. Potter Insurance Agency, and then from S.N. Potter Insurance Agency to Allied Public Risk. The motion was seconded by Director David Armstrong.

The motion was unanimously approved by the Board of Directors.

Public Comment: No comments were made.

Adjournment: President Byerrum adjourned the meeting at 9:30 a.m.

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:

Jim Byerrum, CalMutuals JPRIMA President

Date