



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK  
AND INSURANCE MANAGEMENT AUTHORITY  
BOARD MEETING TUESDAY, FEBRUARY 18, 2020 1:30 PM

By Telephone +1 470-242-8364 PIN: 905 850 787#

**MINUTES**

1. Call to Order. President Byerrum called the meeting to order at 1:30 PM.

2. Roll Call.

PRESENT

*Board Officers*

Jim Byerrum (President and Executive Director, California Domestic Water Company)

Ken Bradbury (Secretary, Montebello Land and Water Company)

Palmer McCoy (Treasurer, Henry Miller Reclamation District #2131)

Dave Michalko (Vice-President, Valencia Heights Water Company)

*Board Directors*

Doug Nunneley (Oildale Mutual Water Company)

Ken Tcheng (Sunny Slope Water Company)

*Members*

Steve Lenton (Bellflower-Somerset Mutual Water Company)

Lynda Noriega (California Domestic Water Company)

*Insurance Administrators*

Paul Fuller

Mia Garza

*Staff*

Jim Ciampa (General Counsel)

Myra Malner (Assistant Secretary and Assistant Treasurer)

Adán Ortega (Communications Director)

Susan Allen (Managing Director)

Gabriel Dima Smith (Staff)

ABSENT

Dave Armstrong (South Mesa Water Company)

Dave Pedersen (Las Virgenes Municipal Water District)

Lisa Yamashita-Lopez (Rubio Cañon Land and Water Association)

3. Public comment. No public comment.

4. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on January 15, 2020. On a motion by Secretary Bradbury, seconded by Director Michalko the minutes of the January 15, 2020 Board of Directors meeting were unanimously approved.

5. President's Report. President Byerrum advised the Board that the insurance team is currently focused on and extremely busy with April 1 and May 1 renewal of insurance.

6. Consideration and Approval of Demand Sheet.

Assistant Treasurer Malner shared the details of the demand sheet with the Board. On a motion by President Byerrum, seconded Secretary Bradbury the demand sheet was unanimously approved.

7. Financial Report.

Assistant Treasurer Malner reviewed budget and cash flow report with the Board and noted that activity in the first month of the year was limited. On a motion by Secretary Bradbury, seconded by Director Michalko the financial report was unanimously received and filed as presented.

8. Consideration and Possible Approval of Consulting Agreement with James Marta & Company LLP.

President Byerrum provided background for the Board on a consulting agreement in the meeting packet from James Marta & Company. James Marta and David Becker are experts in Joint Powers Authorities. The agreement would engage them in determining how CalMutuals should be filing federal taxes, preparing an opinion letter regarding CalMutuals JPRIMA's exempt position and preparing an exempt application and tax return for 2019. The agreement will further engage the consultants in review of CalMutual's JPRIMA's financial statements to ensure that we are properly reporting our revenue and expenses.

A separate agreement may be considered in the future to review and update 2016, 2017, 2018 tax returns, pending the outcome of the exemption application. On a motion by Secretary Bradbury, seconded by Director Michalko, the Board unanimously approved engagement of James Marta and Company as proposed.

9. Insurance Administrator's Report.

Insurance Administrator Fuller reiterated that the insurance team is working with the brokers to get Property & Casualty renewals out in April and with the Zenith Insurance Company for Workers Compensation renewals to go out in May. Rates are generally holding steady.

10. Legal Counsel's Report.

a) Review and Discussion of draft Reserve Fund Policy and Consideration of Possible Approval of Reserve Fund Policy.

General Counsel Ciampa followed up on a request from the Board at the January meeting for assistance in shaping Reserve and Investment policies for CalMutuals JPRIMA. He noted that the draft Reserve Policy relied on the CalMutuals Reserve Policy as foundation.

On a motion by Secretary Bradbury, seconded by Director Michalko, the draft Reserve Policy was unanimously adopted. The Board further approved an initial investment of

\$60,000 now and an additional investment of \$60,000 at the end of the year, if possible and by end of 2021 at the latest.

b) Review and Discussion of draft Investment Policy and Consideration of Possible Approval of Investment Policy. General Counsel Ciampa additionally provided the Board with two examples of Investment Policies for consideration, one brief and straightforward and one longer and more detailed.

President Byerrum asked if public agency deposits need to be collateralized by a bank. General Counsel Ciampa advised that this is addressed by statute and most large financial institutions cover the requirement.

On a motion by Treasurer McCoy, seconded by Secretary Bradbury, the Board recommended the brief and straightforward version of the policy for adoption and with investments limited to LAIF for the time being. General Counsel Ciampa will draft a resolution that captures the will of the Board for consideration at the March meeting.

11. Resources/Education Report. Managing Director Allen provided an overview of the Resources and Education Report in the Board packet. She noted that in all communications with members/insureds we have been calling attention to the resources available and encouraging their active use.

12. Communications Report.

Communications Director Ortega reported on recent meetings with potential partners.

The Toshiba Corporation is potentially interested in a partnership with CalMutuals JPRIMA for a pilot with small water systems of wireless remote sensing equipment to support and/or consolidate management of water systems.

The Build Strong Coalition, an alliance of manufacturers focused on disaster mitigation and infrastructure resilience, would like to explore collaboration with grant writing assistance for small systems. The Coalition has been involved with FEMA and called attention to a new provision approved by Congress to allocate 3% annually for resiliency.

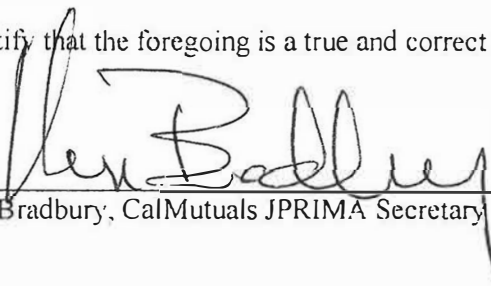
Kenneth Sansone, partner at SL Environmental Law Group has been actively engaged in legal work associated with contamination and responsible parties. He is working with Orange County on PFAS and is interested in getting acquainted with CalMutuals and CalMutuals JPRIMA.

13. Director Comments. No Director's comments were made.

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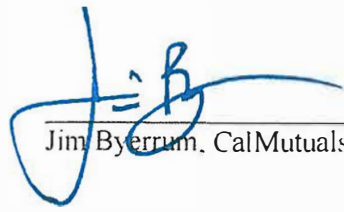
SECRETARY'S CERTIFICATE:

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

  
\_\_\_\_\_  
Ken Bradbury, CalMutuals JPRIMA Secretary

6/17/20  
\_\_\_\_\_  
Date

Affirmed By:

  
\_\_\_\_\_  
Jim Byerrum, CalMutuals JPRIMA President and CEO

MAY 9, 2020  
\_\_\_\_\_  
Date