



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK  
AND INSURANCE MANAGEMENT AUTHORITY  
BOARD MEETING TUESDAY, FEBRUARY 19, 2019 – 1:30 P.M.

By Telephone. Call-in number: (US)[+1 651-560-5674](tel:+16515605674) PIN: 639 446 329#

**MINUTES**

1. **Call to Order.** President Byerrum called the meeting to order at 1:30 p.m.

2. **Roll Call of Authority Members.**

PRESENT

***Board Officers***

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

**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** (North of the River Municipal Water District)

**Ken Tcheng** (Sunny Slope Water Company)

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

***Insurance Administrators***

**Paul Fuller**

**Mia Garza**

***Staff***

**Jim Ciampa** (General Counsel)

**Adán Ortega** (Staff)

**Susan Allen** (Staff)

**Myra Evangelista** (Assistant Secretary and Assistant Treasurer)

**Lynda Noriega** (California Domestic Water Company)

ABSENT:

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

3. **Public comment:** None

4. **Approval of the Minutes of the JPRIMA Board Meeting on January 15, 2019**

On a motion made by Director Nunneley, seconded by Director Michalko, the minutes of the January 15, 2019 JPRIMA Board meeting were unanimously approved, as submitted.

**5. Consideration and Possible Approval of Amendments to *The Zenith* Quota Share Agreement**

President Byerrum advised the Board that *The Zenith* has proposed an amendment to its agreement with CalMutuals JPRIMA to delete the \$5M premium revenue threshold to trigger payment of a dividend and the formula for calculating the dividend. CalMutuals JPRIMA has generated ample funds and given this, *The Zenith* proposed to implement a dividend pursuant to the proposed amendment this year for 2016 policy holders. This is a goodwill gesture from *The Zenith*, intended to help grow our Workers' Compensation insurance business.

With the amendment, future declaration of funds available to JPRIMA for dividends will be determined by *The Zenith* on an annual basis. President Byerrum and Insurance Administrator Fuller have every confidence that *The Zenith* will comply with spirit of our original agreement with them.

On a motion by President Byerrum, seconded by Director Tchong, the Board approved the amendment as presented and authorized the President to sign and execute the amendment on behalf of CalMutuals JPRIMA.

**6. Workers' Compensation Insureds Dividend**

President Byerrum asked the Board for its approval, based on the amendment just approved, to pay a dividend to 2016 policy holders in the amount of approximately 10% of the premium paid. He noted that the ability to offer a dividend after CalMutual JPRIMA's first year speaks volumes on our success.

On a motion by President Byerrum, seconded by Director Michalko the Board approved payment of dividends as per the dividend schedule provided in the Board packet (p. 44). The dividend will be paid on receipt of funds, prior to March 15, as requested by *The Zenith*.

**7. Review of Audit Proposal and Authorization of Engagement of an Auditor**

Assistant Treasurer Malner provided an overview of an engagement letter from *CliftonLarsonAllen LLP* for audit services with the same scope as in previous years. On a motion by Director Armstrong, seconded by Director Nunneley, the Board offered its approval to proceed with the audit as proposed.

**8. Consideration and Possible Approval of Proposal to Engage American Water College to format Human Resource video series for continuing education use and secure State Water Resources Control Board approval for continuing education credit**

President Byerrum and Managing Director Allen provided an overview of a proposal from the American Water College to secure approval from the State Water Resources Control Board for continuing education credit for each of the Human Resource video modules in the Gordon Graham series and to format the videos as continuing education

courses. The American Water College proposed to complete this work for a fee of \$1,350. On a motion by Director Yamashita-Lopez, seconded by Director Michalko, the Board approved the proposal.

#### **9. Discussion of OPENOnline**

President Byerrum and Managing Director Allen provided an update to the Board on OPENOnline. All background checks that are “free” to our members (paid by CalMutuals/CalMutuals JPRIMA) require submission of the background check and receipt of the background check report by CalMutuals/CalMutuals JPRIMA staff. This introduces some degree of liability for us due to personal information that may be included in the materials provided to CalMutuals/CalMutuals JPRIMA.

General Counsel Ciampa drafted a waiver of liability statement that can be added to the online form to be completed by members in initiating a background check request. Mr. Ciampa shared his assessment that the risk to CalMutuals/CalMutuals JPRIMA is relatively low.

On the recommendation of Director Michalko, the Board agreed to continue to provide the service as it is currently offered and to review this issue again in six months.

#### **10. Consideration and Approval of Demand Sheet**

On a motion made by Director Michalko, seconded by Secretary Bradbury, the demand sheet was unanimously approved.

#### **11. President’s Report**

President Byerrum shared high hopes for 2019. He applauded *The Zenith’s* commitment to competitive pricing and issuance of a dividend and is hopeful that the program will continue to work well for us.

#### **12. Financial Report**

Assistant Treasurer Malner provided an overview of the budget and cash flow report. On a motion made by Secretary Bradbury, seconded by President Byerrum, the financial report was unanimously received and filed.

#### **13. Insurance Administrator’s Report**

Insurance Administrator Fuller provided an update on CalMutuals JPRIMA Environmental Pollution Insurance in partnership with *Navigators Specialty Insurance Company*. Mr. Fuller shared that in launching the product we will focus on small to medium water and wastewater agencies and also can provide solutions for larger entities. He explained that the CalMutuals JPRIMA Pollution Insurance product is richer and more affordable than pollution insurance policies currently held by some of the larger entities.

Insurance Administrators Fuller and Garza provided updates on current members, premiums and fees paid by members, JPA income, new members, and key target accounts for the upcoming months.

#### **14. Legal Counsel’s Report – None**

**15. Resources/Education Report**

Managing Director Allen advised the Board that member engagement with CalMutuals /CalMutuals JPRIMA resources, particularly AB54/AB201 Ethics Training and American Water College courses, continues at a slow and steady pace. An insert, “Nine Great Benefits of Membership”, was sent with the 2019 membership dues renewal invoices with a prompt to members to take advantage of the resources available to help their companies thrive.

**16. Communications Report**

Communications Director Ortega noted potential marketing opportunities for CalMutuals JPRIMA associated with our dividend payments and encouraged the Board to consider presenting dividend checks at selected member Board meetings.

**17. Director Comments - None**

**18. Adjournment - President Byerrum adjourned the meeting at 2:19 PM**