



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK
AND INSURANCE MANAGEMENT AUTHORITY - MINUTES
BOARD MEETING TUESDAY JANUARY 19, 2021, 1:30 PM

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

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)
Jim Byerrum (Hi Desert Water Agency)
Doug Nunneley (Oildale Mutual Water Company)
Dave Pedersen (Las Virgenes Municipal Water District)
Ken Tchong (Sunny Slope)
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)
Paul Fuller (Insurance Administrator)
Mia Garza (Insurance Administrator)
Logan Largent (Ortega Strategies Group)

Members

Korey Bradbury (Montebello Land and Water)
Steve Lenton
Linda Noriega
Jay Zucca (San Andreas Mutual Water Company)

ABSENT:

3. Public comment. No public comment.

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

5. President's Report. No President's report.

6. Plan for Recruitment of Board Members to fill vacancies. Communications Director Ortega reported that efforts to engage women from member/insured agencies and an additional special district representative to fill open Board of Director positions have been unsuccessful to date. President Byerrum noted that CalMutuals JPRIMA may have new members in Quarter 1 of 2021 with interest. Mr. Ortega recommended that a committee of Board members be tasked with interviewing potential candidates.

7. Consideration and Approval of Demand Sheet. Treasurer Malner reviewed the demand sheet provided in the board meeting packet. On a motion by Secretary Bradbury, seconded by Director Tcheng, the demand sheet was unanimously approved.
8. Financial Report. Treasurer Maler reported on the Authority's budget and cash flow for 2020. She highlighted that insurance revenues exceeded budget and extended thanks to the insurance team. Treasurer Malner further reported that CalMutuals JPRIMA is scheduled to contribute another \$60,000 to the LAIF fund for reserves, and will likely to be able to do so in first quarter of 2021. On a motion by Director Armstrong, seconded by Secretary Bradbury, the financial report was unanimously received and filed as presented.
9. Insurance Administrator's Report. Insurance Administrator Fuller reported that he is working through renewal solutions for smaller members in high-risk fire areas. He additionally alerted the Board that carriers across the country are adding COVID exclusions to Property & Liability insurance policies. While COVID does not have an impact on property, there is exposure in liability if there is exposure through the water supply. Reinsurers are pulling back exclusions related to potable water, but exposure remains in association with member insureds' contacts with customers.

Insurance Administrator Fuller advised the Board that CalMutuals JPRIMA received new moderate to large wildfire claims in the last few weeks. The claims reaffirm the importance of mitigating wildfire risks. He additionally alerted the Board to two insureds with frustrations about the limits of CalMutuals JPRIMA coverage, which does not extend to wooden flumes that were not included in the schedule of assets and updates that go beyond replacement of the lost charcoal filtration system.

Director Pedersen noted that FEMA or CalOES resources may be available to backstop losses. Small systems often do not have relationships with CalFire and do not have plan for mitigation. Insurance Administrator Fuller will draft a brief article for the January JPRIMA Corner to highlight fire risk mitigation best practices with members/insureds.

Lastly, Insurance Administrator Fuller reported that the industry is seeing an uptick on employment claims associated with layoffs due to COVID.

Insurance Administrator Garza reviewed the insurance report included in the board meeting packet.

10. General Counsel's Report. General Counsel Ciampa reported that CalMutuals JPRIMA is having ongoing issues with DMV in recognizing the Authority as an insurer and is continuing to take steps to resolve the problem.
11. Resources/Education Report. Managing Director Allen reported that Oak Glen Domestic Water Company reached out for assistance in contesting a recent Southern California Edison rate increase to the company based on increased usage associated with firefighting related activities. The

Board encouraged the staff to continue to offer support and assistance and to try to engage the Public Utilities Commission to intervene.

Managing Director Allen also reported that staff has identified a competitive EPA grant program focused on financial and managerial capacity building for small systems. Staff is working to identify a consultant who may be able to assist with developing the grant proposal and colleagues with insights into or experience with the EPA who may be able to provide guidance and direction in shaping a CalMutuals JPRIMA proposal to receive those funds.

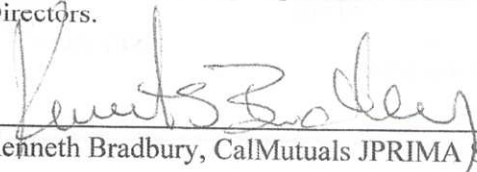
Managing Director Allen advised the Board that several members have asked for additional background check support beyond the basic support now provided by the Authority through OpenOnline. Specifically, members have been interested in assistance with credit and reference checks. The Board authorized staff to follow up with Open Online to find out if expanded services are available and if so, to secure information about associated fees.

12. Communications Report. Communications Director Ortega shared an update from a recent meeting with the State Water Resources Control Board on the results of their survey of small water systems. The survey was shaped to ascertain the financial impact of COVID 19 on water systems and their customers. The State Board reported that there are a half a million residents in California with water and wastewater bills exceeding \$1,000. Legislation is pending to propose allocation of funds to cover some or all of the outstanding bills. The net impact on water and wastewater suppliers is estimated at \$1 billion.
13. Director Comments. No Director's comments.
14. Adjournment. President Byerrum adjourned the meeting at 2:10 PM.

Agenda Posted: January 15, 2021

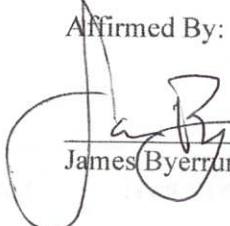
SECRETARY'S CERTIFICATE:

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

FEB 22 2021
Date

Affirmed By:


James Byerrum, CalMutuals President

MARCH 1, 2021
Date