



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

By Telephone. Call-in number: (US)[+1 339-645-9169](tel:+13396459169) PIN: 800 098 326#

MEMBER LOCATION

California Domestic Water Company 15505 Whittier Blvd., Whittier, CA 90603  
Montebello Land and Water Company 344 E. Madison Ave., Montebello, CA 90640  
North of the River Municipal Water District 2836 McCray St., Bakersfield, CA 93308  
Rubio Cañon Land and Water Association 583 E. Sacramento St., Altadena, CA 91001  
South Mesa Water Company 391 W Ave L, Calimesa, CA 92320  
Valencia Heights Water Company 3009 E. Virginia Ave., West Covina CA 91791  
Sunny Slope Water Company 1040 El Campo Dr., Pasadena, CA 91107  
Henry Miller Reclamation District #2131 11704 Henry Miller Ave, Dos Palos, CA 93620

MINUTES

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

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

**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**

**Susan Allen** (Managing Director)

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

*Staff & Members*

**Jim Ciampa** (General Counsel)

**Adán Ortega** (Staff)

**Gabriel Dima Smith** (Staff)

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

**Dina Hidalgo** (Central Basin Municipal Water  
Company)

3. **Public comment:** No Public Comment.
4. **Approval of the Minutes of the JPRIMA Board Meeting on February 19, 2019.**  
On a motion made by Vice President Michalko, seconded by Director Tchong, the minutes of the February 19, 2019 JPRIMA Board meeting were unanimously approved, as submitted.
5. **Consideration and Approval of CalMutuals JPRIMA Insurance Coverage Proposal Up for renewal.** Assistant Treasurer Malner reported that CalMutuals JPRIMA's Property and Casualty insurance is up for renewal. The proposed renewal reflects a 3% increase. On a motion by Vice President Michalko, seconded by Treasurer McCoy, the Board approved the insurance renewal proposal and authorized Assistant Treasurer Malner to execute the agreement.
6. **Consideration and Approval of Demand Sheet**  
Assistant Treasurer Malner reviewed the demand sheet for March and highlighted a payment to Allied Public Risk totaling \$18,724. This payment reflects a refund from *The Zenith* to *Allied Public Risk* of reduced/deferred commissions in the 2016 policy year to incentivize broker commissions. On a motion made by Treasurer McCoy seconded by Secretary Bradbury, the demand sheet was unanimously approved.
7. **President's Report**
  - a) **JPRIMA Annual Meeting.** President Byerrum proposed that this year's Annual Meeting be held in conjunction with a planned quarterly in-person Board meeting. The proposal is informed by last year's limited attendance, despite significant efforts to engage participation and the fact that no Board members are up for election. The Board provided its support to proceed as proposed. The President will work with staff to develop plans for the meeting and provide details for Board review.
  - b) **Pollution Insurance Partnership Possibility.** President Byerrum advised the Board in the course of Insurance Administrator Fuller's marketing of our new Pollution Insurance product, he has met with several brokers who manage large insurance pools. One of these brokers has asked if CalMutuals JPRIMA might permit the sale of our pollution insurance under the other company's banner. The broker has a different customer profile than CalMutuals JPRIMA, focused on large cities. While the insurance would not be sold under the CalMutuals JPRIMA banner, CalMutuals JPRIMA would receive commissions.  
  
Director Yamashita-Lopez asked how a claim by a large city would impact our pool. Insurance Administrator Fuller assured the Board that there would be no financial liability on the pool. The policy would be written by *Navigators*, outside CalMutuals JPRIMA and include a fee to be paid to CalMutuals JPRIMA.  
  
Vice President Michalko shared his view that the partnership would be beneficial to CalMutuals JPRIMA. President Byerrum invited the Board to share follow up comments and concerns with him or Managing Director Allen.
  - c) **Inverse Condemnation** – President Byerrum reported that Insurance Administrator Fuller has received very positive attention from the AAWD&M video and journal

article focused on Inverse Condemnation. This has prompted a proposal to host a forum on this topic under the CalMutuals JPRIMA banner. President Byerrum suggested that we might invite public agencies, attorneys and other interested parties and structure the forum as a panel of experts and if possible, offer CEU and CLE credit to participants. The Board generally supported the proposal and encouraged President Byerrum to develop a proposal with more specificity for Board review.

8. **Transition of Meeting Chair.** President Byerrum excused himself following the President's Report. Vice President Michalko chaired the remainder of meeting.

9. **Financial Report.**

a) **Dividend Payment Update** – Assistant Treasurer Malner reported that all 2016 Policy Year Dividend checks were mailed on March 5, 2019. Managing Director Allen noted that President Byerrum and Insurance Administrator Fuller will be joining our 2018 Broker of the Year, Susan Blankenburg, to present a dividend check to Westlands Water District at their Finance and Administration Committee meeting on April 16, 2019 in Fresno.

b) **February 2019 Balance Sheet, Profit and Loss and Budget & Cash Flow Report.** Assistant Treasurer Malner provided an overview of the budget and cash flow report. On a motion made by Treasurer McCoy, seconded by Secretary Bradbury, the financial report was unanimously received and filed.

10. **Insurance Administrator's Report**

a) **Pollution Insurance Marketing Materials** - Managing Director Allen called the Board's attention to marketing materials, included in the Board packet, that have been developed to market CalMutuals JPRIMA's new pollution insurance. Members of the Board were invited to review the materials and share feedback.

Charter Member Noriega reported that the CalMutuals JPRIMA leadership and staff attended CalDomestic Board meeting and provided an update on CalMutuals JPRIMA and introduced the pollution insurance product. Cal Domestic's Board was very favorably impressed and is considering the pollution insurance seriously.

b) **Current members, premiums and targets.** Insurance Administrators Fuller and Garza provided a report on current members, premiums and fees paid, JPA income, new members, and key target accounts for the upcoming months. Mr. Fuller noted that it is "all hands on deck" for upcoming renewals, particularly for Workers' Comp insureds. Highlights include scheduled meetings with the board of Levee District #1 and Orange County LAFCO to explore CalMutuals JPRIMA insurance.

c) **Question about CalMutuals JPRIMA Proof of Automobile Insurance for DMV.** Director Tcheng raised a question about CalMutuals JPRIMA's current practices around provision of proof of automobile insurance to the Department of Motor Vehicles. He noted that in recent years proof of insurance has not been provided directly to the DMV on Sunny Slope's behalf and without this, it has made renewal of registrations more difficult. Insurance Administrator Fuller committed to follow up with Director Tcheng to address the question/concern.

11. **Legal Counsel's Report** **Consideration and approval of conflict of interest waiver letter relating to general counsel services to be provided to AAWD&M** - General Counsel Ciampa reported on a request from AAWD&M to provide legal support to assist with launch of an entry and mid-level accreditation program for water and wastewater system operators. Given that engagement with AAWD&M presents a potential conflict of interest with his continuing representation of CalMutuals JPRIMA, Mr. Ciampa requested approval from the Board of the conflict of interest waiver letter included with the meeting materials. On a motion by Treasurer McCoy, seconded by Secretary Bradbury, the conflict of interest waiver was approved as presented.
  
12. **Resources/Education Report** – Managing Director Allen reported that member use of resources provided by CalMutuals and funded through CalMutuals JPRIMA continues at a slow and steady pace. Recent highlights include requests for background checks from Cal Domestic in support of a recent hire and registration of all San Diego County Water Authority operators in the CalMutuals/American Water College learning management system.
  
13. **Communications Report** – No Report
  
14. **Director Comments** – No Director Comments
  
15. **Adjournment** - Vice President Michalko adjourned the meeting at 2:19 PM

**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

\_\_\_\_\_  
Date

Affirmed by:

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

\_\_\_\_\_  
Date