



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY

COMBINED ANNUAL MEETING OF THE AUTHORITY'S MEMBERS AND BOARD OF DIRECTORS' MEETING- MINUTES

THURSDAY, MAY 16, 2019 – 1:00 P.M.  
 Morongo Resort - 49500 Seminole Dr, Cabazon, CA 92230

1. **Call to Order and Welcome**

President Byerrum called the meeting to order at 1:10 PM. President Byerrum welcomed officers, board members, and insureds/members. He shared that his work with CalMutuals and CalMutuals JPRIMA has been the crowning glory of career and expressed pride in the board, staff team and members. President Byerrum noted that CalMutuals PRIMA was initially cast as “the little engine that could” and now stands shoulder to shoulder with ACWA and SDRMA. The CalMutuals JPRIMA board is still together and the organization has achieved extraordinary results to date. CalMutuals JPRIMA has grown from 13 to over 300 members/insureds, and now in its third year of renewals has over \$7M in premiums. President Byerrum opened the Annual meeting with the note that he is proud of organization and pleased to part of it.

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

Present

<p><i>Officers and Board:</i>          Jim Byerrum, President          Dave Armstrong, South Mesa Water Company          Dave Michalko, Valencia Heights Mutual Water Company          Ken Tcheng, Sunny Slope Water Company          Lisa Yamashita Lopez, Rubio Canon Land &amp; Water</p> <p><i>Staff:</i>          Jim Ciampa, General Counsel          Myra Malner, Assistant Treasurer          Adan Ortega, Communications Director          Gabriel Dima-Smith          Susan Allen, Managing Director</p>	<p><i>Insureds/Members:</i>          Armando de la Paz, Rubio Canon Land &amp; Water          Larry Duncan, Lincoln Avenue Water Company          Tim Green, Western Heights Water Company          Dina Hidalgo, Central Basin Municipal Water District          Julie Hutchinson, Banning Heights MWC          Steve Lenton, Bellflower-Somerset MWC          Lynda Noriega, California Domestic Water Company          George Perez, Tract 180 MWC</p> <p><i>Guests:</i>          Cindy Byerrum, Platinum Consulting          Michele Donze, Myoma Dunes Mutual Water          Jose Herrera, Del Rio Mutual Water Company          Scott Hudson, Oak Glen Domestic Water Co          Mark Meeler, Myoma Dunes MWC</p>
<p>Absent          Ken Bradbury, Secretary          Palmer McCoy, Treasurer          Doug Nunneley, Oildale Mutual Water Company and North of the River</p>	<p>Paul Fuller, Insurance Administrator          Mia Garza, Insurance Administrator</p>

3. **Public comment.** No public comment.
4. **Approval of the Minutes of the 2018 CalMutuals JPRIMA Annual Meeting.** Given that there was not a quorum of membership in attendance, no action was taken on the minutes of the 2018 Annual Meeting.
5. **Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on April 11, 2019**  
On a motion made by Director Michalko, seconded by Director Armstrong, the minutes of the April 11, 2019 JPRIMA Board meeting were unanimously approved, as submitted.

6. **President's Report**

President Byerrum gave a report of CalMutuals JPRIMA's 2018 activities and accomplishments. 2018 was the first year that CalMutuals JPRIMA has revenues sufficient to invest in programs to support mutual water companies. CalMutuals JPRIMA was pleased to have launched a number of programs including: an online AB 54/AB240 ethics training module for directors; a robust slate of continuing education courses for operators through the American Water College; background check services through OPEN Online, a series of management training videos developed in partnership with AADW&M and human resources and safety resources for Workers' Comp members through the Zenith Solutions Center.

CalMutuals JPRIMA was further delighted to be able to provide a dividend to all members who started with the program in 2016. The program was strong enough to support a refund of 10% of premiums to the insureds/members. JPRIMA's goal has been to secure \$5 million in Property & Casualty premiums and \$2.2 million Workers Compensation, generating about \$280,000 annually. Moving forward, the goal is to generate \$500,000-\$600,000 annually to support CalMutuals and the needs of the members.

2018 also included the introduction of a new CalMutuals JPRIMA environmental pollution product exclusively for water and waste-water entities. This was not contemplated in JPRIMA's original goals but will provide an additional source of income.

7. **Election of Officers**

On a motion by Director Michalko, seconded by Director Armstrong the current slate of officers were unanimously re-elected for a new term.

8. **Presentation and Consideration for Approval of the 2018 Annual Audited Financial Statement**

Assistant Treasurer Malner gave a report on the draft December 31, 2018 audited financial statements. Highlights of the report follow:

- Total assets for December 31, 2018 totaled \$163,688, an increase of 608% from two years ago.
- December 31, 2018 liabilities balance of \$57,262 decreased by 23% due to the full payment of a loan from CalMutuals.
- The net position had a balance of \$106,426, which represents a 253% increase from the previous year.
- Program revenues from 2018 insurance policy fees totaled \$169,608, an increase of 64% over last year and 397% from two years ago.
- Operating expenses totaled \$93,253, an increase of 97% from the previous year, due to introduction of continuing education and training programs.

- The changes in net position had a balance of \$76,355, an increase of 35% from last year.

Assistant Treasurer Mahler reported that the auditors considered CalMutuals JPRIMA's internal controls over financial reporting and found no deficiencies.

On a motion by Director Yamashita-Lopez, seconded by Director Tcheng, the annual audited financial statement was unanimously received and filed as presented.

General Counsel Ciampa, recommended that the section of note 4, on page 7, indicating that CalMutuals and CalMutuals JPRIMA have the same board of directors be amended to reflect that CalMutuals and CalMutuals JPRIMA have "many of the same directors".

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

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

Director Michalko asked how the cost of the 2018 audit compared with previous years. Assistant Treasurer Malner reported that the cost reflected a slight increase.

## **10. Financial Report**

Assistant Treasurer Malner provided an overview of the financial reports with a focus on budget and cash flow. On a motion made by Director Michalko, seconded by Director Tcheng, the financial report was unanimously received and filed.

## **11. Consideration and possible approval of proposal to develop CalMutuals JPRIMA trade show booth**

Managing Director Allen presented design ideas and estimated costs for a vendor booth for JPRIMA. Board members suggested that the proposed tagline be modified to read "Your Insurance Partner beyond the Policy" and recommended replacing partner logos on the backwall with text or graphics that highlight the insurance products being provided. Staff will work with our graphic designer to incorporate recommendations and bring the design back to the Board for final approval.

On a motion by President Byerrum, seconded by Director Michalko, the Board approved the expenditure of up to \$2000 for vendor booth development.

Director Yamashita-Lopez asked where we are likely to market CalMutuals JPRIMA and noted that success in a vendor fair requires energy, creativity and proactive engagement with conference attendees. President Byerrum reported that potential venues for marketing include the California Association of Sanitary Agencies (CASA), California Special Districts Association, American Water Works Association (AWWA), Association of California Water Agencies (ACWA), California Rural Water Association the Inland Empire Building Associations and the Association of Ventura Water Agencies. The Allied Public Risk team will staff the booths, with support from President Byerrum or Managing Director Allen.

## **12. Insurance Administrator's Report**

President Byerrum gave the Insurance Administrator's report, noting CalMutuals JPRIMA's income this year to date is roughly equivalent to last year and previewing the

pipeline of agencies that have been provided quotes. President Byerrum asked members of the Board for their assistance in reaching out to contacts they may have with any of the agencies in the pipeline to encourage them to move forward with insurance through CalMutuals JPRIMA.

**13. Legal Counsel's Report** – No Legal Counsel's report.

**14. Resources/Education Report**

Managing Director Allen reported that members are beginning to take advantage of the resources available. Director Yamashita-Lopez asked Director Tcheng about Sunny Slope's experience with continuing education courses offered through the American Water College. Director Tcheng indicated that last month's CalMutuals newsletter did a nice job of telling the story. The Sunny Slope team found the courses to be dynamic and interactive and like the convenience of online training and the ability to go back and review what they missed. President Byerrum noted that his son, who had no experience in water industry, enrolled in the distribution certification courses through American Water College and passed his D2 exam. Armando De La Paz seconded this assessment and shared that he has used the American Water College modules for himself and his staff and appreciated having access to continuing education at his fingertips, as an alternative to in-person classes.

**15. Communications Report**

Communications Director Ortega reported that a CalMutuals JPRIMA specific bulletin was sent last week as a test. The Ortega Strategies Group team will monitor to see if the open rate is comparable with the CalMutuals-CalMutuals JPRIMA joint newsletter and if it is, will work to augment the mailing list to include a broader audience to include brokers and special districts.

**16. Director Comments**

Director Tcheng asked the CalMutuals JPRIMA Board to think about how we might assist children and youth with their education. He proposed the possibility of developing internships focused on business operations as well as water specific knowledge.

Steve Lenton shared that Bellflower Somerset currently partners with an adult school that provides water distribution classes. Director Yamashita-Lopez shared that Rubio Canon has a partnership with Citrus College to develop some practical engagement to augment their water operator training. Dina Hidalgo advised the group that UC Berkeley is developing a pilot program focused on students in southern California with interest in water careers and may be interested in a partnership with CalMutuals/CalMutuals JPRIMA. The Board generally supported development of a framework that could be marketed to programs that provide operator training.


Director Armstrong alerted the group to the recent theft of equipment from South Mesa Water Company. Scott Hudson shared that San Bernardino county offers an equipment registration program that assigns an *owner applied number* to each company that can be etched or attached to each piece of equipment. The registration plays a helpful role in recovery of lost and stolen equipment.

**17. Adjournment**

President Byerrum adjourned the meeting at 2:16 PM.

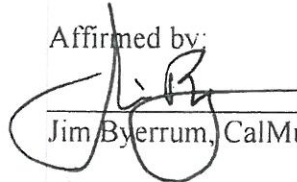
**SECRETARY'S CERTIFICATE**

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

  
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Ken Bradbury, CalMutuals JPRIMA Secretary

7/22/19  
Date

Affirmed by:

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

7/22/19  
Date