



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK
AND INSURANCE MANAGEMENT AUTHORITY
BOARD MEETING TUESDAY, MAY 19, 2020 1:30 PM

By Telephone +1 319-346-6094 PIN: 943 680 499#

MINUTES

1. Call to Order. President Byerrum called the meeting to order at 1:00 PM.

2. Roll Call.
PRESENT

<i>Board Officers</i>	<i>Members</i>
Jim Byerrum (President and Executive Director, California Domestic Water Company)	Lynda Noriega (California Domestic Water Company)
Ken Bradbury (Secretary, Montebello Land and Water Company)	<i>Insurance Administrators</i>
Palmer McCoy (Treasurer, Henry Miller Reclamation District #2131)	Paul Fuller
Dave Michalko (Vice-President, Valencia Heights Water Company)	Mia Garza
 <i>Board Directors</i>	<i>Staff</i>
Dave Armstrong (South Mesa Water Company)	Jim Ciampa (General Counsel)
Doug Nunneley (Oildale Mutual Water Company)	Myra Malner (Assistant Secretary and Assistant Treasurer)
Ken Tcheng (Sunny Slope Water Company)	Adán Ortega (Communications Director)
Lisa Yamashita-Lopez (Rubio Cañon Land and Water Association)	Susan Allen (Managing Director)
	Logan Largent (Staff)

ABSENT:
Dave Pedersen (Las Virgenes Municipal Water District)

3. Public comment: No public comment.

4. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on April 21, 2020. On a motion by Director Tcheng, seconded by Secretary Bradbury, the minutes of the April 21, 2020 Board of Directors meeting were unanimously approved.

5. President's Report. President Byerrum advised the Board that he has been approached by Dustin Hardwick with California Rural Water Association ("CRWA") with request to a proposal to offer the CalMutuals JPRIMA/Zenith Insurance Workers' Comp program to insureds under CRWA's insurance program. Once a proposal has been developed, President Byerrum will bring it to the Board for consideration.

President Byerrum further advised the Board that he will be transferring contact information away from California Domestic Water Company to a new telephone number and email address. He will be sending the Board and staff that revised contact information.

6. Consideration and possible approval of engagement letter with James Marta and Company LLP for preparation of Authority tax returns for 2016, 2017 and 2018. President Byerrum asked the Board for its support in engaging James Marta for preparation of tax returns for 2016, 2017 and 2018 and preparing a statement regarding why returns are late. The Authority's 2019 tax returns will also be prepared by James Marta, as was previously approved by the Board.

President Byerrum reminded the Board that JPRIMA engaged James Marta and Company to assist in applying for tax-exempt status with the federal government and in connection with accounting matters that will be required with the Office of Self-Insured Plans. Given the Authority's understanding that it was tax exempt by reason of its status as a public agency, it did not file federal tax returns for 2016, 2017 and 2018. On a motion by Director Michalko, seconded by Director Armstrong, the Board unanimously approved the engagement of James Marta and Company as proposed.

7. Consideration and possible approval of Authority subsidies for members' payments of CalMutuals' dues as a result of financial impact from COVID-19. President Byerrum noted that the JPRIMA staff and insurance team have done a great job in securing payment of membership dues for 2020 and only a few insureds/members have outstanding payments. He asked the Board to consider alternatives to cancelling insurance policies for the members/insured that have not paid CalMutuals membership dues. Director Michalko shared his preference to incentivize asking for help rather than just giving help. President Byerrum proposed that staff send a letter from JPRIMA to advise members/insureds that their insurance is in jeopardy due to their unpaid dues and encouraging members/insureds who may be having financial difficulties due to COVID 19 or other dynamics to please contact JPRIMA to make payment arrangements. On a motion by President Byerrum, seconded by Director Michalko, the recommendation was unanimously approved.
8. Consideration and Approval of Demand Sheet. Assistant Treasurer Malner reviewed the Demand Sheet with the Board. On a motion by Treasurer McCoy, seconded by Director Nunneley, the Demand Sheet was unanimously approved.

9. Financial Report. Assistant Treasurer Malner reviewed the Financial Report with the Board. She highlighted that cash inflows are primarily from insurance payments and outflows are associated with rebates and commissions paid by Zenith, program management fees, accounting fee and legal fees. In addition to the year-end balance projected in the reports, she anticipates an additional \$30,000 of budgeted expenses that may not materialize, which will further enhance the Authority's financial position. On a motion by Secretary Bradbury, seconded by Treasurer McCoy, the financial reports were received and filed as presented.

10. Insurance Administrator's Report. Insurance Administrator Fuller reported that the insurance team is focused on July renewals. A number of SDRMA members are exploring moving their policies to CalMutuals JPRIMA as a result of significant increases in SDRMA's Property & Liability rates, associated with significant increases in claims related to wildfires and social liability. Mr. Fuller extended special thanks to Director Nunneley for his assistance in providing a reference to facilitate a recent new account.

Insurance Administrator Garza reviewed the April insurance report included in the Board packet.

11. General Counsel's Report. No General Counsel's report.

12. Resources/Education Report.

Managing Director Allen reviewed the Resources and Education report included in the Board meeting packet. She additionally reported that staff has been assisting General Counsel Ciampa in development of a *Sexual Harassment Prevention* presentation for CalMutuals JPRIMA and CalMutuals members.

Ms. Allen further asked the Board for guidance and direction in follow up on a proposal from *LMATRIX Cybersecurity* to promote its resources to CalMutuals members. The Board shared the view that the cost of the subscription is too expensive for most mutual water companies. Director Michalko recommended that staff explore lower cost alternatives.

13. Communications Report.

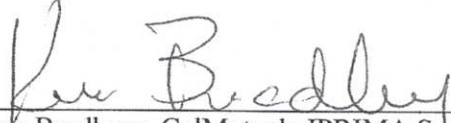
Communications Director Ortega reported on a *Mutual Aid Agreement* in development for the mutual water companies in the Southeast Los Angeles County area, which may be joined by companies in the Inland Empire. General Counsel Ciampa noted that there is a benefit to having partners outside the region given that emergencies tend to be localized. Communications Director Ortega shared that implementation of that agreement will be facilitated by CalMutuals/CalMutuals JPRIMA.

14. Director Comments. No director's comments.

15. Adjournment. President Byerrum adjourned the meeting at 2:06 PM.

SECRETARY'S CERTIFICATE:

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

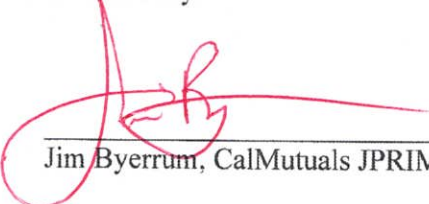


Ken Bradbury, CalMutuals JPRIMA Secretary

8-16-20

Date

Affirmed By:



Jim Byerrum, CalMutuals JPRIMA President and CEO

8-17-2020

Date