



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK
AND INSURANCE MANAGEMENT AUTHORITY - MINUTES
BOARD MEETING TUESDAY SEPTEMBER 15, 2020 1:30 PM

Join Zoom Meeting

<https://zoom.us/j/94540150534?pwd=bVBCUEVPaFF2TXRDU0kzQmtTbklEdz09>

Meeting ID: 945 4015 0534 Passcode: 463227

AGENDA

1. Call to Order. Vice President Michalko 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)

Doug Nunneley (Oildale Mutual Water Company)

Dave Pedersen (Las Virgenes Municipal Water District)

Ken Tcheng (Sunny Slope

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

Staff

Jim Ciampa (General Counsel)

Myra Malner (Assistant Secretary and Assistant Treasurer)

Adán Ortega (Communications Director)

Susan Allen (Managing Director)

Paul Fuller (Insurance Administrator)

Mia Garza (Insurance Administrator)

Members

David DeJesus (Covina Irrigating Company)

Steve Lenton (Bellflower Somerset Mutual Water Company)

Public

Jim Byerrum

3. Public comment. No public comment.

4. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on August 18, 2020 and CalMutuals JPRIMA Special Board Meetings on July 7, 2020 and August 24, 2020.

On a motion by Director Tcheng, seconded by Director Armstrong, the minutes of the August 18, 2020 Board of Directors meeting were unanimously approved.

On a motion by Director Yamashita-Lopes, seconded by Director Tcheng, the minutes of the July 7, 2020 special meeting of the Board of Directors were unanimously approved.

On a motion by Director Armstrong, seconded by Director Pedersen, the minutes of the August 24, 2020 special meeting of the Board of Directors were unanimously approved.

5. Vice President’s Report. Vice President Michalko advised the Board of a notice received from the California Special District Association advising CalMutuals JPRMA that CSDA’s exclusive sponsorship agreement with SDRMA precludes that Association from processing CalMutuals JPRIMA’s application for membership.
6. Discussion of Staff Proposal for JPRIMA Annual Meeting. Managing Director Allen reviewed options for shaping the 2020 CalMutuals JPRIMA Annual Meeting. The consensus of the Board was to hold the meeting jointly with CalMutuals through Zoom and to include an educational workshop of interest to both CalMutuals JPRIMA and CalMutuals members. Potential workshop topics were discussed and the Board expressed an interest in moving forward with a workshop focused on lessons learned from members impacted by wildfires.

Vice President Michalko proposed holding the meeting at the regularly scheduled date and time for the November 17, 2020 Board meetings of both entities.

7. Discussion of Director Succession, Nomination and Vacancy Issues. General Counsel Ciampa and Managing Director Allen advised the Board of feedback received from the General Manager of Little Bear Water Company expressing opposition to the proposed Bylaw amendment focused on eligibility to serve as a JPRIMA director. The member shared “I would have preferred to receive notice of your inclinations prior to a vote, so members could provide their thoughts. I am not in favor of this amendment. I have always believed that new perspectives are helpful. And any reason for directors to retire and new directors be added is a good thing.” Managing Director will prepare a response to the GM of Little Bear Water Company.

In consideration of this feedback the Board decided to defer any action to itself fill the current vacancies and to defer to the election process to take place in connection with the Annual Meeting.

General Counsel Ciampa proposed the following calendar of noticing, nominations for Board seats and scheduling of the Annual Meeting.

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| September 18, 2020 | Send members a preview of Annual meeting date and call for nominations, with October 9, 2020 deadline for response. |
| On or before October 16, 2020 | Send Annual CalMutuals JPRIMA meeting notice with ballot for Board of Directors election |
| November 17, 2020 | Annual CalMutuals JPRIMA meeting |

On a motion by Vice President Michalko, seconded by Director Tcheng, the plan for the Annual meeting and associated communications was unanimously approved.

8. Consideration and Approval of Demand Sheet. Assistant Treasurer Malner reviewed the Demand Sheet included in the board meeting packet. On a motion by Director Tcheng, seconded by Vice President Michalko the Demand Sheet was approved as submitted.
9. Financial Report. Assistant Treasurer Malner reviewed the financial reports included in the board meeting packet. On a motion by Director Yamashita Lopez, seconded by Secretary Bradbury, the financial reports were received and filed as submitted.

10. Review and Possible Approval of Amended and Restated Resolution Authorizing Investment of Monies in the Local Agency Investment Fund. General Counsel Ciampa advised the Board that the resolution adopted several months ago authorizing investment of monies in LAIF did not identify authorized signatories. The resolution has been restated to add Vice President Michalko and Assistant Treasurer Malner as signatories. Assistant Treasurer Malner reminded the Board that the Authority will invest \$60,000 this year and next \$60,000 next year in the new reserve fund with LAIF. On motion by Director Tcheng, seconded by Director Armstrong, the restated resolution was unanimously approved.

11. Insurance Administrator's Report Insurance Administrator Fuller provided the Board with an update on reinsurance treaty discussions that would take effect as of January 1, 2021. He noted that we are working with reinsurers that have stability and that the discussions have been difficult. Rates will be impacted by wildfires, ongoing concerns with inverse condemnation, a trend toward more settlements and less verdicts and an uptick in normal attritional losses.

Insurance Administrator Garza reviewed the August Insurance Report included in the meeting packet.

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

13. Resources/Education Report

- a. *Guidance on AB54/AB240 Training for non-members.* To date, the training available through CalMutuals JPRIMA has been a member only resource. Managing Director Allen advised the Board that we have received regular requests from non-members for AB54/AB240 training and asked if the Board might wish to consider making the training available to non-members for a fee. Vice President Michalko and Directors Pedersen and Yamashita-Lopez expressed support for doing so. With the concurrence of the Board, staff was directed to make training available to non-members for a fee of \$120.
- b. *Potential options to expand financial review support to members.* Managing Director Allen advised the Board of a recent request from an extremely small water system that is a member for guidance in identifying low cost resources to address the requirement for annual financial reviews. Director Yamashita-Lopez recommended that CalMutuals JPRIMA or CalMutuals allocate resources that could be made available to systems that need financial assistance to address this requirement. General Counsel Ciampa agreed to draft guidelines to govern such a program.

14. Communications Report. No communications report.

15. Director Comments. No Directors comments.

16. Adjournment. Vice President Michalko adjourned the meeting at 2:32 PM.

Agenda Posted: September 11, 2020