



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK
AND INSURANCE MANAGEMENT AUTHORITY
BOARD MEETING TUESDAY SEPTEMBER 21, 2021 - 1:30 PM - MINUTES

Zoom Meeting

<https://zoom.us/j/91380803663?pwd=T2QzTXZYzZm1SU0xkbHErNlZGS28xQT09>

Meeting ID: 913 8080 3663 Passcode: 487539

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

Present:	<i>Staff</i>
<i>Board Directors</i>	Jim Ciampa (General Counsel)
Jim Byerrum (President, California Domestic Water Company)	Myra Malner (Assistant Secretary and Treasurer)
Dave Armstrong (South Mesa Water Company)	Adán Ortega (Communications Director)
Ken Bradbury (Secretary, Montebello Land and Water Company)	Susan Allen (Managing Director)
David Michalko (Valencia Heights Mutual Water Company)	Logan Largent (Legislative Director)
Doug Nunneley (Oildale Mutual Water Company)	Tim Worley (CWSA Managing Director)
Dave Pedersen (Las Virgenes Municipal Water District)	Paul Fuller (Insurance Administrator)
Ken Tcheng (Sunny Slope Water Company)	George Pappas (Insurance Administrator)
Marina West (Bighorn-Desert View Water Agency)	Stephanie Gilmore (Insurance Administrator)
Lisa Yamashita-Lopez (Rubio Cañon Land and Water Association)	<i>Members</i>
	Steve Lenton (Bellflower Somerset Mutual Water Company)
	Owen Sharp (San Andreas Mutual Water Company)
	Jay Zucca (San Andreas Mutual Water Company)
3. Public comment. No public comment.
4. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on August 17, 2021. On a motion by Secretary Bradbury, seconded by President Byerrum, the minutes of the August 17, 2021 CalMutuals JPRIMA Board of Directors meeting were unanimously approved by a roll call vote.
5. President's Report. No President's Report.
6. Consideration and Approval of Demand Sheet. Treasurer Malner reviewed the Demand Sheet included in the Board meeting packet with the Board. On a motion by Director Yamashita-Lopez, seconded by Director Michalko, the Demand Sheet was unanimously approved by a roll call vote.

7. Financial Report. Treasurer Malner reviewed the Budget and Cash Flow report provided in the Board meeting packet. She noted the Authority has not incurred expenses this calendar year for administration and operational reviews, grant writing, small systems support, marketing or travel. Given this, potential savings are anticipated when compared to budgeted expense amounts. Treasurer Malner also reviewed the Cash and Investment Report included in Board packet, highlighting that the current yield on our investment is 22 basis points. On a motion by Vice President Michalko, seconded by Director Tcheng, the financial report was unanimously approved by a roll call vote.

8. Review and Possible Approval of 2020 CalMutuals JPRIMA Audited Financial Statements. Treasurer Malner provided a high-level overview of the audited financial statements completed by Clifton, Larson and Allen for 2020, included in the Board meeting packet. She noted the Authority's assets have increased 39% over the previous year and its liabilities have only increased 3%. (Page 7). Revenues from sale of policies and dividend reimbursements from Zenith increased by 52% from prior year and operating expenses increased correspondingly (39%), due to dividend payment to members (reimbursed by Zenith). The auditors reviewed internal controls and did not identify any deficiencies. Vice President Michalko asked that the financial statements be revised to include footnote to clarify the dividend payment.

On a motion Secretary Bradbury, seconded by Director Armstrong, the financial statements, with the suggested revision, were received and filed pursuant to a unanimous roll call vote.

9. Insurance Administrator's Report. Insurance Administrator Fuller reported that the insurance team is preparing for insurance treaty renewal and noted that wildfires, Hurricane Ida and valuation of property will likely impact the treaty renewal.

Director Yamashita-Lopez asked about limited enrollment in Workers Compensation policies. Insurance Administrator Fuller noted that the Zenith Insurance Company provides excellent claims handling, robust resources and stable rates, which are typically 5% higher than our competitors. To date we have seen reticence for some water systems in placing values on these features over rates only. Director Yamashita-Lopez recommended refreshed marketing and consideration of a webinar or roundtable to highlight the benefits of the CalMutuals JPRIMA Workers Compensation product. Insurance Administrator Pappas shared that Zenith is planning a webinar for members to address the issues identified.

President Byerrum asked if the dropped dividend contribution could reduce premiums by 5%. Insurance Administrator Fuller said yes and noted that he is reluctant to do so given that the dividend has been so well received.

- a. Consideration of Candidates for Broker of the Year / Account Executive of the Year
Insurance Administrator Fuller shared a recommendation for consideration by the Board for recognition of Mayra Hernandez as Account Executive of the Year and David McNeil for Broker of the Year.

The Board unanimously supported the recommendations. Mr. McNeil will receive the award in person at the Annual Meeting. Ms. Hernandez will receive her award virtually through Zoom at a future Board meeting or a separate meeting with the President, Insurance Administrator and Managing Director.

- b. Consideration and Potential Approval of Insurance Administrator recommendations to modify Cybersecurity insurance enrollment requirement. Insurance Administrator Fuller provided an update on efforts to roll out a Beta test of the Alvaka NetSecure™ Patchworx Patching Services with a group of members. In response to feedback received from Beta test participants, the Insurance Administrator recommends that we offer insurance with and without Ransomware coverage, Enrollment in Alvaka NetSecure Patchworx or verification of a managed security provider (MSP) that provides timely critical and time-sensitive patching with follow-up patch verification would be required only for policies that include Ransomware protection. On a motion by Secretary Bradbury, seconded by Vice President Michalko, the recommended modification to enrollment requirements were unanimously approved by a roll call vote.
- c. Consideration and Possible Approval of Insurance Administrator recommendations regarding distribution to members of Gordan Graham's risk management book. President Byerrum and Insurance Administrator Fuller reviewed the proposal included in the Board meeting packet to authorize allocation of funds cover the cost of postage to mail copies of Gordan Graham's risk management book to our larger members and to have staff manage this task. Board members will be sent a few copies of the book to share with prospective members/insureds. On a motion by Secretary Bradbury, seconded by Vice President Michalko, the recommendations were unanimously approved by a roll call vote.

10. General Counsel's Report. General Counsel Ciampa provided an update on AB361. The bill will allow teleconference meetings to continue as long as the Governor's state of emergency associated with imminent health concerns is in place and the required findings are made by resolution. Once the state of emergency is lifted, other Brown Act requirements, such as agenda posting at each location, must be addressed.

11. Resources/Education Report
Managing Director Allen directed the Board to the Resources and Education report included in the Board meeting packet. She highlighted that the Rural Community Assistance Corporation (RCAC) will be offering a Financial Basics and QuickBooks Basics workshop series for CalMutuals members, Tuesday and Wednesday, November 8 & 9, 10 AM -12 PM. As previously approved by the Board, CalMutuals JPRIMA will provide members that participate in the series with a one-year QuickBooks subscription.

12. Communications Report. Communications Director Ortega provided an update on the upcoming joint CalMutuals and CalMutuals JPRIMA Annual Meeting, Monday and Tuesday, October 18-19, 2021, at the Pechanga Resort and Casino. President Byerrum noted that 2021 is a milestone for the Authority and looks forward to celebrating CalMutuals JPRIMA's 5-year anniversary.

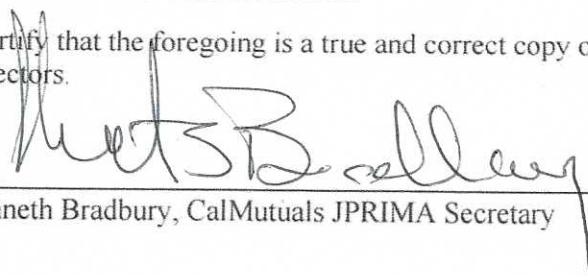
13. Director Comments. No Directors comments.

14. Adjournment. President Byerrum adjourned the meeting at 2:22 PM.

Agenda Posted: September 17, 2021

SECRETARY'S CERTIFICATE:

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

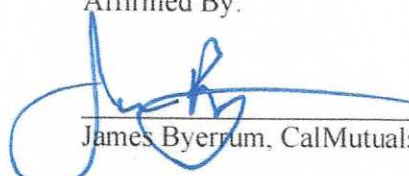


Kenneth Bradbury, CalMutuals JPRIMA Secretary

2-15-2022

Date

Affirmed By:



James Byerrum, CalMutuals JPRIMA President

2-10-2022

Date