



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK  
AND INSURANCE MANAGEMENT AUTHORITY - MINUTES  
SPECIAL BOARD MEETING TUESDAY, JULY 7, 2020 1:30 PM

By Zoom

Link <https://zoom.us/j/95344241751?pwd=cGFjOXQ4dXUwMFlaWlVZN3JHQ1laZz09>

Dial In # +1 669 900 6833 US (San Jose)  
Meeting ID: 953 4424 1751 Password: 261588

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

PRESENT	Dave Pedersen (Las Virgenes Municipal Water District)
<i>Board Officers</i>	Ken Tcheng (Sunny Slope Water Company)
Jim Byerrum (President and Executive Director, California Domestic Water Company)	Lisa Yamashita-Lopez (Rubio Cañon Land and Water Association)
Ken Bradbury (Secretary, Montebello Land and Water Company)	
Dave Michalko (Vice-President, Valencia Heights Water Company)	<i>Staff</i>
	Jim Ciampa (General Counsel)
<i>Board Directors</i>	Myra Malner (Assistant Secretary and Assistant Treasurer)
Dave Armstrong (South Mesa Water Company)	Adán Ortega (Communications Director)
Doug Nunneley (Oildale Mutual Water Company)	Susan Allen (Managing Director)
	Logan Largent (Staff)

ABSENT  
Palmer McCoy (Treasurer, Henry Miller Reclamation District #2131)  
Insurance Administrators: Paul Fuller and Mia Garza
3. Public comment:  
No public comment.

Report on Authority Tax-Exempt Status and Research Findings of James Marta & Company. President Byerrum reminded the Board that CalMutuals JPRIMA in its first years we operated under the understanding that the Authority was a non-profit organization. The Authority engaged James Marta & Co. LLP to review and advise the Authority regarding appropriate tax status. Their assessment is that CalMutuals JPRIMA does not meet guidelines of a government entity given that all members are not government agencies and has recommended that the Authority file for a tax exemption as 501(c)(12). The review additionally prompted a recommendation to

revise the CalMutuals JPRIMA bylaws to make the Authority's membership requirements clearer.

Given that the Authority does not currently have an exemption, we are required to file and pay income taxes for 2016, 2017, and 2018. James Marta & Co. LLP will prepare these tax returns.

On a motion by Secretary Bradbury, seconded by Director Petersen, the Board unanimously approved submission of the tax exemption application to IRS.

4. Consideration and Approval of Authority's 2016, 2017 and 2018 State and Federal Income Tax Returns. Assistant Treasurer Malner reviewed the tax returns for 2016, 2017 and 2018 included in the Board meeting packet. On a motion by Director Michalko, seconded by Director Nunneley, the State and Federal Income Tax Returns were unanimously approved.
5. Consideration and Approval of Demand Sheet. Assistant Treasurer Malner reviewed the Demand Sheet and requested approval to make payments to the United States Treasury Department and California Franchise Tax Board for 2017 and 2018 taxes due. On a motion by Director Tcheng, seconded by Director Michalko, the Demand Sheet was unanimously approved.

Assistant Treasurer Malner advised the Board that our consultant will try to recover the funds once the Authority's tax-exempt status is approved but is not optimistic about doing so.

6. Consideration and Approval of Amendment of Section 2.1 of Authority Bylaws. General Counsel Ciampa discussed the proposed amendment to Section 2.1 of the Authority Bylaws drafted to respond to the feedback from James Marta & Co. LLP that the current bylaws could be improved by more clearly identifying the types of entities who are eligible to be a member. General Counsel Ciampa noted that the proposed language amendment parallels that of the JPA Agreement. General Counsel Ciampa asked for conditional approval of the Board today and advised that with this conditional approval we will follow up with notice of the proposed amendment to our members. On a motion by Director Michalko, seconded by Director Nunneley, the bylaw amendment was conditionally approved by unanimous vote of the Board.
7. Adjournment. President Byerrum adjourned the meeting at 2:00 PM.

Agenda Posted: July 3, 2020