

**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS  
INSURANCE AUTHORITY**

**BOARD MEETING MINUTES  
FRIDAY, JANUARY 28, 2016**

**Call to Order:** Vice President David Michalko called the meeting to order at 3:03 p.m.

**Roll Call of Initial Authority Members**

**Present:** Jim Byerrum (President, California Domestic Water Company), Dave Michalko (Vice President, Valencia Heights Water Company), Ken Bradbury (Secretary, Montebello Land and Water Company), Ken Deck (Treasurer, Bellflower-Somerset Mutual Water Company), Myra Evangelista (California Domestic Water Company), Doug Nunneley (North of the River Municipal Water District, Oildale Mutual Water Company), Lisa Yamashita-Lopez (Rubio Cañon Land and Water Association), Dave Armstrong (South Mesa Water Company), Dave Michalko (Valencia Heights Water Company), Ken Tcheng (Sunny Slope Water Company), Monica Valencia (staff), Denise Peralta-Gailey (staff), Jim Ciampa (Legal Counsel).

**Absent:** Adán Ortega (Interim Executive Director)

**Public Comment:** None

**Action Items:**

(1) **Approval of minutes of January 8, 2016 Organizational Meeting:** Vice President Michalko postponed approval of the minutes until the next scheduled meeting.

(2) **Approval of Amendments to Authority's Joint Powers Agreement:**

Legal Counsel Ciampa explained that Robin Johnson, Insurance Regulations Special Counsel, reviewed the agreement and recommended changes to the agreement that are necessary and beneficial. A significant change toward the substance of the agreement was made in Article 27, which concerns amendments to the Agreement. Mr. Johnson recommended the following language for Article 27: This Agreement may be amended at any time by a majority vote of the Members, and any such amendment shall be binding on the Members to the extent allowed by law. On a motion by Ken Tcheng, and seconded by President Byerrum, the Amendments to the Authority's Joint Powers Agreement were unanimously approved with revisions in the draft that had been distributed.

(3) **Approval of Authority Bylaws:**

Legal Counsel Ciampa explained that non-substantive changes were made to the by-laws to clarify language. A substantive change was suggested by Mr. Johnson to change the Authority's name from the Joint Powers Insurance Authority to the Joint Powers Risk and Insurance Management Authority so it is not perceived that the Authority only provides insurance. Mr. Tcheng expressed concern that the language in Section 2.8, concerning the nomination of board members, could be too limiting. On a motion made by Secretary Bradbury and seconded by Mr. Armstrong, the Authority Bylaws were unanimously approved with the following

revision to Section 2.8 Nomination of Directors, that was included in the draft that had been distributed: A Member may nominate one of its directors, upper level management employees or other person affiliated with the Member to serve on the Authority's Board of Directors.

**(4) Report on workers' compensation coverage negotiations**

President Byerrum said members of the board, Interim Executive Director Ortega, Grant Writer Nancy Steele and Paul Fuller of Alteris Insurance Services, Inc., met with Zenith Insurance Company. President Byerrum and Interim Executive Director Ortega met with officials of Homestate Insurance Company, a subsidiary of Berkshire Hathaway, on January 7 in San Francisco. While both companies are well-respected in the workers' compensation world, it was noted that Zenith is California-focused, while Homestate is a nationwide carrier. Also, Zenith offers a training and education program to meet the Authority's needs. Zenith was also genuinely interested in learning more about mutual water companies, and met Mr. Fuller's request to reduce its competitive quote by 10%. Homestate has not provided the Authority with a rate yet, or explained its training and education program. The board agreed to schedule a meeting next week to consider rates provided by both companies, and hear recommendations and options from Mr. Fuller.

**(5) Discussion of Expense Reimbursement Policy Principles**

Legal Counsel Ciampa said Expense Reimbursement Policy is not a bylaw issue. The board agreed to review reimbursement policies from similar organizations and continue the discussion of the Expense Reimbursement Policy at its next meeting.

**5. Adjournment**

Vice President Michalko adjourned the meeting at 3:34 p.m.