



CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES JOINT POWERS RISK
AND INSURANCE MANAGEMENT AUTHORITY
BOARD MEETING MINUTES - TUESDAY, AUGUST 16, 2022 - 1:30 PM

Join Zoom Meeting

<https://us06web.zoom.us/j/85461497148?pwd=MXdXQUVQeXlvdWVheTVtVjBmS2g2dz09>

Meeting ID: 854 6149 7148 Passcode: 261666

1. Call to Order. President Michalko called the meeting to order at 1:31 PM.

2. Roll Call

Present:

Dave Armstrong, South Mesa Water Company

Ken Bradbury, Montebello Land and Water - *Secretary*

Jim Byerrum, California Domestic Water Company

Dave Michalko, Valencia Heights Water Company - *President*

Doug Nunneley, Oildale Mutual Water Company - *Vice President*

Marina West, Bighorn-Desert View Water Agency

Staff

Jim Ciampa, General Counsel

Gloria Galindo, Financial Manager

Adán Ortega, Communications Director

Susan Allen, Chief Executive Officer

Katrina Cervantez, Ortega Strategies Group

Ceili Tuttle, Ortega Strategies Group

Paul Fuller, Insurance Administrator

George Pappas, Insurance Administrator

Chase Gilmore, Insurance Administrator

Members

Steve Lenton, Bellflower Somerset Mutual Water Company

Lynda Noriega, California Domestic Water Company

Absent:

Dave Pedersen, Las Virgenes Municipal Water Company

Ken Tchong, Sunny Slope Water Company

Lisa Yamashita-Lopez, Rubio Cañon Land and Water Association

3. Public comment. No public comment.

4. Consideration and Possible Adoption of Resolution No. 08-2022-01 to Authorize Remote Teleconference Meetings of the JPRIMA Board of Directors and Make Related Findings and Determinations. On a motion by Treasurer West, seconded by Director Byerrum, the Board unanimously approved the resolution by roll call vote.

5. Approval of the Minutes of the CalMutuals JPRIMA Board Meeting on July 19, 2022. On a motion by Director Armstrong, seconded by Director Nunneley, the Board unanimously approved the minutes of the July 19, 2022 JPRIMA Board meeting by roll call vote.

6. President's Report

a. Audit Update – President Michalko advised the Board that the initial meeting in conjunction with the IRS Review of the Authority's 2020 financials is scheduled Monday, August 22, 2022,

10 AM – 4 PM. He further reported that, as approved by the Board, the Authority has engaged James Marta and Associates to assist with the audit. The Authority has also engaged Clifton, Larsen, Allen to work with General Counsel Ciampa to research whether CalMutuals JPRIMA may be eligible for tax exemption under 501(c)(6) and if so, to complete the application for exemption under that category. The Board packet includes a master agreement and scope of work agreement with Clifton, Larson, Allen for those services. President Michalko has requested estimated hours and cost and will share the information with the Board upon receipt.

Director Byerrum asked if the exemption, if successful, would be retroactive to the founding of CalMutuals JPRIMA. General Counsel Ciampa advised that this is uncertain and noted that a retroactive exemption is possible and will be requested.

7. Consideration of Appointment of Board of Directors as JPRIMA Nominating Committee for 2022 Annual Meeting. General Counsel Ciampa reminded the Board that the Authority's bylaws require appointment of a nominating committee to nominate candidates for open Board of Director seats and recommended appointment of the Board to serve in this capacity. On a motion by Treasurer West, seconded by Director Armstrong, the Board unanimously approved by roll call vote the appointment of the full Board as the Nominating Committee for the 2022 Annual Meeting.
8. Discussion of Nomination Process for Director Position due to Expiring Term of Director Byerrum. General Counsel Ciampa reminded the Board that Director Byerrum was appointed in an off year for one year term and that term is now out of sync with the terms of remainder of the board members. He recommend that the position be filled in a one-year term to get the position back in sync. Director Byerrum nominated Lynda Noriega for the open seat and noted that she has been supportive and engaged with CalMutuals JPRIMA and very successful in all endeavors she has pursued. Ms. Noriega accepted the nomination and acknowledged the significant work by Director Byerrum in establishing and facilitating the success of Authority. On a motion by Director Byerrum, seconded by Treasurer West, the Nominating Committee unanimously approved the nomination of Ms. Noriega by roll call vote.

Director Nunneley advised the Board of his plans to retire as general manager of Oildale Mutual Water Company at end of year. He noted that he will continue as general manager of North of the River Municipal Water District.

9. Consideration and Approval of Demand Sheet. Treasurer West reviewed the demand sheet included the Board meeting packet. On a motion by Director Armstrong, seconded by Treasurer West, the demand sheet was unanimously approved by roll call vote.
10. Financial Report. Treasurer West reviewed the budget and cash flow report included in the board meeting packet. She noted that the end of the year balance is uncertain given that we are still working through how to best engage CalMutuals to support member services. On a motion by Armstrong, seconded by Treasurer West, the financial report was unanimously approved for receipt and filing by roll call vote.
11. Chief Executive Officer's Report
 - a. *Resources and Education Report.* CEO Allen reviewed the Resources and Education report in the Board meeting packet. She highlighted active interest in AB54/AB240 training and noted that this resource has proven to be helpful in recruiting and engaging new members.

- b. *Quick Books Proposal.* CEO Allen provided an overview of a proposal, included in the Board meeting packet, to allocate \$10,000 to support for annual subscriptions to QuickBooks, up to 50% or \$500 whichever is greater, for member mutual water companies with 500 connections or less. The proposal further anticipates continued collaboration with RCAC for annual financial management training. President Michalko noted that the financial support would not be available to wholesalers. On a motion by Treasurer West, seconded by Director Armstrong, the Board unanimously approved the proposal by roll call vote.
- c. *Fall 2022 Joint CalMutuals and CalMutuals JPRIMA Annual Meeting Update.* CEO Allen reminded the Board that 2022 Annual meeting will be held October 24-25, 2022, at the Citizen Hotel in Sacramento and advised that detailed information, to include links to register for the meeting and for hotel accommodations would be forthcoming.
- d. *Update on DWR Drought Resilience and Response Project proposal.* CEO Allen reviewed the proposed scope of work in support of the Department of Water Resources, Division of Regional Assistance, Water Use Efficiency Branch Drought Resilience and Response Package. The draft proposes to assist small water systems (under 3,000 connections) in improving their water management and ability to conserve water through financial and technical assistance for training, planning, purchase and installation of fixtures and equipment (e.g., water meters, well monitoring devices) to enable water savings and compliance with SB 552 requirements.

General Counsel Ciampa suggested that the section describing original CalMutuals members be revised to “14 Los Angeles and Kern County mutuals” and in the discussion of the location of the 38 mutuals to receive assistance, the references should be changed to southern, central and *northern* California counties. The Board expressed appreciation to CEO Allen for her work in drafting the scope and approved submission of the draft to DWR, pending approval from the CalMutuals Board.

12. Insurance Administrator’s Report. Insurance Administrator Fuller advised the Board that he and Treasurer West are continuing work to draft a guide for members/insureds to guide them in preparing for required Workers Compensation audits.

Insurance Administrator Fuller further reported that he is scheduled for that an interview with Lloyds of London in the second week of September regarding the Authority’s partnership in offering cybersecurity insurance.

Insurance Administrator Gilmore reviewed the Insurance Report included in the Board meeting packet.

Director Byerrum asked about how CalMutuals JPRIMA has been impacted by fires. Insurance Administrator Fuller advised the fire impact to the Authority has been limited and noted that CalMutuals JPRIMA has been very conservative in taking on new insureds. Director Byerrum also ask about the impact on Workers’ Compensation. Mr. Fuller indicated that CalMutuals JPRIMA picked up several members, although growth is slow. He believes that there may be interest emerging by Investor-Owned Utilities. He assured the Board that the direction CalMutuals JPRIMA is moving will provide stability and protection of revenue.

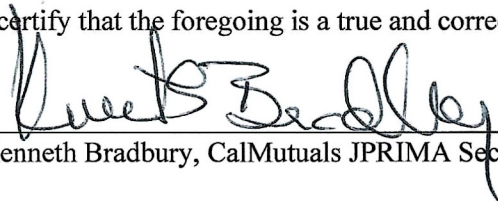
General Counsel Ciampa recommended outreach to Walnut Park Mutual Water Company, as the company is facing an increase in insurance premium with a competitor and an outreach and quote from CalMutuals JPRIMA may be welcome.

13. General Counsel's Report. General Counsel Ciampa called attention to a recent report by the State Auditor that identified issues and concerns with the State Water Resource Control Board's handling of grants. He additionally advised the Board of the recent release by the Governor's Office of the new Water Supply Strategy. He noted that Lagerlof will be creating a memo to summarize the Strategy report to share with Directors and members.
14. Communications Report. No communications report.
15. Director Comments. No Director's comments.
16. Adjournment. President Michalko adjourned the meeting at 2:36 PM.

Agenda Posted: August 12, 2022

SECRETARY'S CERTIFICATE:

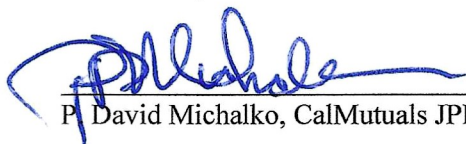
I certify that the foregoing is a true and correct copy of the minutes approved by the Board of Directors.



Kenneth Bradbury, CalMutuals JPRIMA Secretary

10/24/2022
Date

Affirmed By:



P. David Michalko, CalMutuals JPRIMA President

10/4/2022
Date