

**ACWA/JOINT POWERS INSURANCE AUTHORITY**

**Unapproved 7/21/09**

**Approved 8/13/09**

**EXECUTIVE COMMITTEE MEETING**

ACWA/Joint Powers Insurance Authority  
5620 Birdcage Street, Suite 110  
Citrus Heights, CA 95610  
(800) 231-5742

**July 17, 2009**

**MEMBERS PRESENT**

Chairman: Wes Bannister, Orange County Water District  
Vice Chair: Joan C. Finnegan, Municipal Water District of Orange County  
Merle Aleshire, Valley Center Municipal Water District  
Tom Cuquet, South Sutter Water District  
Joseph Dion, Citrus Heights Water District  
E. G. "Jerry" Gladbach, Castaic Lake Water Agency  
Paul Kelley, ACWA Vice President  
W. D. "Bill" Knutson, Yuima Municipal Water District  
Lou Reinkens, Tahoe City Public Utility District

**STAFF PRESENT**

Chief Executive Officer/Secretary: Daniel N. Klaff  
Chief Financial & Operations Officer: Walter "Andy" Sells  
Dick Damon, Liability/Property Claims Manager  
David deBernardi, Director of Finance  
John Gilstrap, Director of Member Services  
Debbie Kyburz, Member Services Representative II  
Sylvia Robinson, Publications and Web Editor  
Nancy Stangel, Director of Administration  
Dianna Sutton, Accounting Manager  
Jeanette Waterstradt, Executive Assistant to the CEO  
Nidia Watkins, Member Services Representative II  
Bobbette Wells, Administrative Assistant II

**OTHERS PRESENT**

Bill Malone, President, Metro/Risk, Special Operations Division, JPIA Insurance Broker  
Mike McNulty, Metro/Risk, JPIA Insurance Broker  
Robin Stewart, Kronick, Moskovitz, Tiedemann & Girard, JPIA Legal Counsel  
Ray Thorn, Organizational Behavior Consultant

**WELCOME**

Chairman Bannister called the meeting to order at 8:30 a.m. and welcomed everyone. He introduced Ray Thorn, Organizational Behavior Consultant, who will be the facilitator for the upcoming Strategic Planning Session in August. He noted that, as the agenda stated, members of the public would be allowed to address the Executive Committee on

any agenda item prior to the Committee's decision on that item. Comments on any issue which may or may not be on the agenda were also welcome.

### **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

Mr. Klaff requested the addition of discussion on Rules of Parliamentary Procedure Regarding Amended and Substitute Motions, the application of North Yuba Water District for participation in the JPIA's Workers' Compensation Program, and the addition of closed session items Moushilou vs. Oakdale Irrigation District and Various vs. Sweetwater Authority under Government Code section 54956.95 to discuss liability claims. The need for action these items arose subsequent to posting of the agenda for this meeting. Mr. Klaff added that the claim of Nichols et al vs. Solano Irrigation District had been settled and will be addressed in open session under the significant claims activity report.

M/S/C (Knutson/Reinkens) (Yes – 8, No – 0): That the Executive Committee approve the addition of discussion on Rules of Parliamentary Procedure Regarding Amended and Substitute Motions; the application of North Yuba Water District for participation in the JPIA's Workers' Compensation Program; and the addition of closed session items Moushilou vs. Oakdale Irrigation District and Various vs. Sweetwater Authority under Government Code section 54956.95 to discuss liability claims.

### **VACANCY**

Chairman Bannister stated that, with the resignation of Mary Gibson of Mission Springs Water District, there is currently a vacancy on the Executive Committee. He had asked the Committee members for their input. Two names were put up for consideration: Melody McDonald of San Bernardino Valley Water Conservation District and Charles Muse of Helix Water District. Discussion followed and it was the consensus of the Committee to appoint Melody McDonald to fill the vacancy at large position created by the resignation of Mary Gibson until the next regular election in May 2010.

M/S/C (Reinkens/Gladbach) (Yes – 9, No – 0): That the Executive Committee support the recommendation of Melody McDonald to fill the vacancy created by the resignation of Mary Gibson until the next regular election in May 2010.

### **CONSENT CALENDAR**

Chairman Bannister called for approval of the Consent Calendar.

M/S/C (Knutson/Gladbach) (Yes – 8, No – 0): That the Executive Committee approve the minutes of the Executive Committee meetings of May 18, 2009 and June 29, 2009, and approve the claims warrants of April 23 – May 7, May 8 – 21, May 22 – June 3, and June 4 – 22, 2009; approve the ACH & Wire Disbursements of April 23 – May 8, May 9 – 22, May 21 – June 3, and June 4 – 19, 2009; approve the payroll warrants of May 22, June 5, June 20, and July 3, 2009; approve the regular warrants

of May 15, May 29, June 15, and June 30, 2009; approve the Safety Awards of May 28, 2009; and approve the Petty Cash Disbursements.

## **ADMINISTRATION**

### **Report on Meetings Attended on Behalf of the JPIA**

Chairman Bannister reported that he had attended the ACWA Insurance Committee meeting. Vice Chair Finnegan reported that she had attended the ACWA Board meeting in May and was planning on attending its next Board meeting the end of July.

### **Availability for Upcoming Meetings**

Chairman Bannister announced that the next Executive Committee meeting is scheduled for September 30, 2009. Both Joe Dion and Joan Finnegan noted conflicts.

### **30<sup>th</sup> Anniversary Luncheon at Fall Conference**

Ms. Robinson discussed the possibility of hosting an Anniversary lunch for attendees at the Fall Conference in San Diego. Following discussion, Chairman Bannister directed staff to look into it and get back to the Executive Committee at the August Strategic Planning Session.

### **Fair Political Practices Commission (FPPC) Reporting Requirements**

Ms. Stewart, JPIA's legal counsel, noted that the FPPC had adopted some recent amendments to its regulations to "govern gifts of event tickets and passes". A copy of the KMTG Legal Alert on this subject was included in the packet.

### **Rules of Parliamentary Procedure Regarding Amended and Substitute Motions**

Ms. Stewart then noted that a handout had been distributed prior to the meeting on the rules of parliamentary procedure regarding amended and substitute motions.

### **Recommendations of the Personnel Advisory Committee**

Chairman Bannister stated that the Committee had no recommendations from its meeting of July 16, 2009. The next meeting will be on September 29, 2009.

### **Procedure for CEO and Organizational Evaluation**

The JPIA's fiscal year ends on September 30. It has been the practice of the Executive Committee to conduct an evaluation of the organization and the Chief Executive Officer at that time. The Personnel Advisory Committee will review the results of the Executive Committee members' evaluations and make a recommendation to the Executive Committee. The procedure for this year's evaluation will follow the same format as last year. Chairman Bannister reminded Executive Committee members to return their completed evaluation to him by August 13, 2009. He will consolidate and summarize the evaluations; report back to the Personnel Advisory Committee in September; and make the presentation to the Executive Committee on September 30, 2009, as part of the Organizational and CEO Performance Evaluation.

### **Strategic Planning Meeting**

Mr. Klaff introduced Ray Thorn, Organizational Behavior Consultant; he will be the facilitator for the upcoming Executive Committee and Management Team Strategic

Planning session on Thursday and Friday, August 13 and 14, 2009, at the Hilton Irvine Orange Airport. Mr. Thorn reviewed the handout on the potential discussion items for that session. Discussion followed and topics for the Strategic Planning Session were prioritized. Staff was reminded to notify Melody McDonald, the newest member of the Executive Committee, regarding the Strategic Planning details.

#### Resolution Honoring Mary Gibson

Mr. Klaff noted that Executive Committee member Mary Gibson of Mission Springs Water District had submitted her resignation effective June 16, 2009. The JPIA would like to honor her for her past eight years of service with the proposed Resolution. The proposed Resolution only required the signatures of the President and Secretary. Following discussion, the Committee requested that a new Resolution be drafted for signing by all of the Executive Committee members. The new Resolution will be provided for signature at the August 13-14, 2009 Strategic Planning Session.

M/S/C (Aleshire/Finnegan) (Yes – 8, No – 0): That the Executive Committee approve the proposed Resolution to honor Mary Gibson for her eight years of service.

### **POOLED PROGRAMS**

#### Recommendations of Liability Program Subcommittee

##### Renewal of the JPIA's Excess Insurance Coverage

Mr. Gladbach, Chair of the Liability Program Subcommittee, stated that it was the Subcommittee's recommendation to accept Option II of the reinsurance/excess insurance proposals from Everest Reinsurance, Ironshore Specialty, and AWAC, totaling \$39 million excess of the JPIA's \$1 million retention. Staff also recommended pursuing additional excess layers, if available, of \$10 or \$20 million excess of \$40 million, for total coverage of \$50 or \$60 million at a price not to exceed the expiring premiums for those layers; and that staff explore options for continued Crisis Management type coverage which was not included in Option II.

M/S/C (Gladbach/Aleshire) (Yes – 8, No – 0): That the Executive Committee support the Liability Program Subcommittee's recommendation to accept Option II of the reinsurance/excess insurance proposals from Everest Reinsurance, Ironshore Specialty, and AWAC, totaling \$39 million excess of the JPIA's \$1 million retention and to pursue additional excess layers, if available, of \$10 or \$20 million excess of \$40 million, for total coverage of \$50 or \$60 million at a price not to exceed the expiring premiums for those layers, and that staff explore options for continued Crisis Management type coverage which was not included in Option II.

#### Liability Program Renewal Pricing

Mr. Gladbach noted that it was the Subcommittee's recommendation to approve the \$3.589 billing rate subject to changes in the final excess insurance costs.

M/S/C (Gladbach/Aleshire) (Yes – 8, No – 0): That the Executive Committee further approve the Subcommittee's recommendation to approve the \$3.589 billing rate subject to changes in the final excess insurance costs.

#### Significant Claims Activity

Mr. Damon noted that the Executive Committee has requested to be kept abreast of settlements on those claims that had been previously presented for authority. He reported that the following cases have been settled since this Committee's last meeting.

#### **Nichols Vs Solano ID (1/1/06)**

There were three plaintiffs in this case whose homes were flooded when rainfall runoff overtopped a District canal. The claim has settled and the file is closed.

#### **Gonzalez Vs Sweetwater Authority (1/16/07)**

The plaintiff, a massage therapist, suffered a severe fracture of her dominant hand when she stepped on a defective water meter box lid. She suffered damage to the ulnar nerve which left her with only 60% use of her hand. The case is now settled.

#### **MEMBERSHIP**

Ms. Kyburz, JPIA Member Services Representative II, reviewed the application of North Yuba Water District for participation in the JPIA's Workers' Compensation Program. The District was formed in 1952, joined ACWA in 1954, and became a member of JPIA's Liability Program in 1980 and its Property Program in 1983. The multi-program discount would save the District \$125 on its Liability Program deposit premium and \$112 on its Property Program premium. The March 2009 experience modification factor is .89.

North Yuba Water District provides domestic and irrigation water to the northeast part of Yuba County. The District currently has 763 metered domestic water customers and 93 irrigation customers metered by the miners-inch box method. The District has seven full-time employees.

The Risk Management assessment resulted in nine recommendations. The District is responsive to suggestions and recommendations. Much of the work they need to complete to enter the Workers' Compensation Program is already conducted on an informal or semi-formal basis as required by various local and state agencies.

Staff recommends that North Yuba Water District be accepted into the JPIA's Workers' Compensation Program subject to completion of the recommendations.

M/S/C (Knutson/Cuquet) (Yes – 8, No – 0): That the Executive Committee approve the application of North Yuba Water District for participation in the JPIA's Workers' Compensation Program, subject to implementation of, or an acceptable action plan for, the risk management recommendations.

## **MISCELLANEOUS**

### **Building and Property Ad Hoc Committee Report**

Mr. Gladbach, Chair of the Building and Property Ad Hoc Committee, reported that this has been a busy year for the Committee. He reported on actions that had been taken including an offer on the six-acre site and an offer on a vacant two-acre site; both of which were not accepted. They are currently looking at an existing building which the Committee feels is a great opportunity. It is a 16,000 square foot, single-story building designed for AAA with approximately 80 parking spaces in Roseville. It is close to the freeway, shops and hotels. It is in a commercial area near a business park. It's been vacant for 18 months and the price is attractive.

Mr. Gladbach noted that the Committee had been provided \$100,000 for professional services and now the work is finished. The Committee is requesting an additional \$50,000 for further due diligence work; this would include working with the City, construction evaluation, etc.

M/S/C (Knutson/Gladbach) (Yes – 8, No – 0): That the Executive Committee approve up to an additional \$50,000 for further due diligence work.

### **Future Agenda Items**

Chairman Bannister asked the Committee members for any future agenda items. None were noted.

At approximately 10:40 a.m. the Executive Committee, upon advice of counsel adjourned to closed session pursuant to Government Code Section 54956.95 to discuss liability claims in Moushilou vs. Oakdale Irrigation District and Various vs. Sweetwater Authority.

The Committee returned to open session at approximately 10:47 a.m. with no reportable action from closed session.

The Executive Committee meeting adjourned at 10:50 a.m.

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WES BANNISTER, CHAIRMAN

ATTEST:

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DANIEL N. KLAFF, SECRETARY