

**ACWA/JOINT POWERS INSURANCE AUTHORITY**

**Unapproved 1/4/2012**

**Approved 1/31/2012**

**EXECUTIVE COMMITTEE MEETING**

JPIA EXECUTIVE CONFERENCE ROOM

2100 Professional Drive

Roseville, CA 95661

(800) 231-5742

This meeting consisted of a simultaneous WebEx teleconference call at the ACWA/Joint Powers Insurance Authority, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- D. Hodgins - 552-97 Bean Creek Road, Scotts Valley, CA 95066
- W. Knutson - 15426 Stillbrook Lane, Pauma Valley, CA 92061
- C. Muse - 4214 Summit Drive, La Mesa, CA 91941-7841
- L. Reinkens – 5295 West Lake Blvd., Homewood, CA 96141

**January 4, 2012**

**MEMBERS PRESENT**

Chairman: E. G. “Jerry” Gladbach, Castaic Lake Water Agency

Vice Chair: Tom Cuquet, South Sutter Water District

Joseph Dion, Citrus Heights Water District

David Hodgins, Scotts Valley Water District (via WebEx telephone)

W. D. “Bill” Knutson, Yuima Municipal Water District (via WebEx telephone)

Melody McDonald, San Bernardino Valley Water Conservation District

Charles Muse, Helix Water District (via WebEx telephone)

Lou Reinkens, Tahoe City Public Utility District (via WebEx telephone)

**MEMBERS ABSENT**

None

**STAFF PRESENT**

Chief Executive Officer: Walter “Andy” Sells

Dick Damon, Liability/Property Claims Manager

David deBernardi, Director of Finance

John Gilstrap, Director of Member Services

Dan Klaff, Advisor

Erik Kowalewski, IT/Network Administrator

Patricia Slaven, Training Manager

Dianna Sutton, Finance Manager

Bobbette Wells, Executive Assistant (Recording Secretary)

**OTHERS PRESENT**

None

## **WELCOME**

Chairman Gladbach welcomed everyone in attendance and by WebEx telephone.

## **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

Chairman Gladbach called the meeting to order at 10:32 a.m. and announced that there was a quorum.

## **PLEDGE OF ALLEGIANCE**

All in attendance stood and recited the Pledge of Allegiance led by Chairman Gladbach.

## **EVACUATION PROCEDURES**

Mr. Sells briefly reviewed the building evacuation procedures.

## **PUBLIC COMMENT**

Chairman Gladbach then 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 issues which may or may not be on the agenda were also welcome. None were presented.

## **INTRODUCTION OF GUESTS**

Chairman Gladbach asked that guests in attendance be announced and the Committee members joining via telephone/WebEx be acknowledged.

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

Chairman Gladbach asked for any additions to, or deletions from, the agenda. One item was added to the agenda as item D, in the Administration section: Chairman Gladbach requested authorization to appoint an Ad Hoc Committee to explore administrative services/opportunities with ACWA Health Benefits Authority. The need for Executive Committee action on this item came to the Executive Committee's attention subsequent to the posting of the agenda for this meeting.

M/S/C (McDonald/Dion) (Yes – 8, No – 0): That the Executive Committee approve the agenda with the addition of Chairman Gladbach's request for authorization to appoint an Ad Hoc Committee to explore administrative services/opportunities with ACWA Health Benefits Authority, to be added as item D, in the Administration section.

## **CONSENT AGENDA**

Chairman Gladbach called for approval of the Consent Agenda.

M/S/C (McDonald/Dion) (Yes – 8, No – 0): That the Executive Committee approve the minutes of the November 28, 2011 and December 20, 2011 Executive Committee meetings as presented; Resolution 2012-1, "Resolution for CalPERS delegation of authority to request disbursements from the Other Post Employment Benefit Plan (OPEB)" as presented; and approve the check writes of:

- November 8-21, 2011 – ACH & Wire Disbursements
- November 8-22, 2011 – Claims
- November 14, 2011 – Payroll
- November 18, 2011 – Special Payroll
- November 22-December 7, 2011 – ACH & Wire Disbursements
- November 23-December 7, 2011 - Claims
- November 30, 2011 – Regular
- December 2, 2011 – Payroll
- December 15, 2011 – Regular
- December 16, 2011 – Payroll

## **ADMINISTRATION**

### **MEETINGS ATTENDED ON BEHALF OF THE JPIA**

Mr. Gladbach attended an ACWA Health Benefits Authority meeting to evaluate the five candidates being considered for the open Executive Officer position. No decision has been made to date.

### **AVAILABILITY FOR UPCOMING MEETINGS**

No conflicts noted at this time for the upcoming January 30-31 and February 13, 2012 meetings.

### **RETROSPECTIVE PREMIUM ADJUSTMENTS (RPA)**

Refunds for member agencies are processed through the Rate Stabilization Fund (RSF). In the last three years the JPIA has refunded \$3.4 million in 2009, \$7.4 million in 2010 and \$6.3 million in 2011. Refunds are based on an individual members balance in their RSF account. When a Member's balance exceeds 60% of their basic liability premium the difference is refunded to the member. Balances in a member's RSF account are based on retrospective premium adjustments (RPA) for prior policy years.

Current RPA calculations would result in approximately \$9 million in refunds through the RSF account; \$5 million coming from the 2007/08 policy year in the Liability Program. Next year's RPA calculations, which includes the 2008/09 Liability Program policy year, has the potential to negatively impact the Members' RSF account balances; possibly putting members in a negative balance situation and the need to be billed for additional amounts due in the future. Staff presented multiple options to achieve a goal of smoothing the refund process for this year and the year to follow.

One option presented was to delay a portion of this year's RPA calculations. The portion held back could be used to off-set next year's potential negative calculations. Another option included varying the amount of money collected for the Catastrophic Reserve Fund (Cat Fund) for the 2007/08 Liability Program policy year. Currently the amount collected is equal to 10% of that year's Deposit Premium. Staff has calculated the impact on this year's refunds by increasing the contribution amount to 20%, 30% and 40%. In all cases, normal RPA calculations would be made for the Property and Workers' Compensation Programs.

Staff recommended delaying the RPA calculations for the 2007/08 Liability Program policy year.

Discussion followed and the Committee determined that the membership would be best served by delaying this year's Liability refunds to offset the potentially costly 2008/09 policy year.

M/S/C (McDonald/Hodgin) (Yes – 8, No – 0): That the Executive Committee approve delaying the RPA refunds for the 2007/08 Liability Program policy year.

ACWA HEALTH BENEFIT AD HOC COMMITTEE

Chairman Gladbach requested authorization from the Executive Committee to appoint an Ad Hoc Committee to explore administrative services/opportunities with ACWA Health Benefits Authority (ACWA HBA) at the request of Rick Gilmore, Board President of ACWA HBA.

Discussion followed as to the feasibility of this opportunity and was determined that it would be a benefit to the membership to explore.

M/S/C (Hodgin/Dion) (Yes – 8, No – 0): That the Executive Committee give authority to Chairman Gladbach to appoint an Ad Hoc Committee to explore administrative services/opportunities with ACWA HBA.

The Executive Committee meeting adjourned at 11:27 a.m.

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JERRY GLADBACH, CHAIRMAN

ATTEST:

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WALTER A. SELLS, SECRETARY