



Approved 03.21.17

Executive Committee Meeting

ACWA JPIA Executive Conference Room
2100 Professional Drive
Roseville, CA 95661
(800) 231-5742

February 7, 2017

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

- Gladbach - 27491 Hillcrest Place, Valencia

MEMBERS PRESENT

Chairman: E.G. “Jerry” Gladbach, Castaic Lake Water Agency (*via WebEx*)

Vice-chair: Thomas A. Cuquet, South Sutter Water District

David Drake, Rincon del Diablo Municipal Water District

Brent Haste, Yuba County Water Agency, ACWA Vice President

David T. Hodgins, Scotts Valley Water District

W.D. “Bill” Knutson, Yuima Municipal Water District (*left at 10:55 am*)

Melody A. McDonald, San Bernardino Valley Water Conservation District (*left at 10:42 am*)

J. Bruce Rupp, Humboldt Bay Municipal Water District

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer/Secretary: Walter “Andy” Sells

Carol Barake, Risk Management Program Manager

Linda Craun, Administrative Assistant II

Sarah Crawford, Training Specialist

David deBernardi, Director of Insurance Services

Robin Flint, Sr. Risk Management Advisor

Robert Greenfield, General Counsel

Debbie Kyburz, Lead Member Services Representative

Jennifer Nogosek, Liability & Property Claims Manager

Patti Rider, Sr. Workers’ Compensation Claims Examiner

Sylvia Robinson, Publications & Web Editor

Patricia Slaven, Director of Administration

Sandra Smith, Employee Benefits Manager

Dianna Sutton, Finance Manager

Karen Thesing, Director of Insurance Services

Melody Tucker, Workers’ Compensation Manager

Nidia Watkins, Member Services Representative II

Bobbette Wells, Executive Assistant to the CEO (Recording Secretary)

OTHERS IN ATTENDANCE

Marley Cleland, JPIA Insurance Broker, Aon Risk & Insurance Services
Kelly Gardner, Main San Gabriel Basin Watermaster *(via WebEx)*
Phil Hawkins, Central Basin Municipal Water District
Dina Hidalgo, Central Basin Municipal Water District
Kevin Hunt, Central Basin Municipal Water District
Arrica Jiminez, Main San Gabriel Basin Watermaster *(via WebEx)*
Chuck Muse, Member of the Public *(via WebEx)*
Jennifer Persike, ACWA Deputy Executive Director of External Affairs & Operations
Paula Quinn, ACWA Director of Member Services and Events
Dan Reynolds, Central Basin Municipal Water District
Alex Tokar, JPIA Insurance Broker, Aon Risk & Insurance Services

WELCOME

Vice-chair Cuquet welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Vice-chair Cuquet called the meeting to order at 8:30 am. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

Vice-chair Cuquet announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

PLEDGE OF ALLEGIANCE/EVACUATION PROCEDURES

Vice-chair Cuquet led the Pledge of Allegiance and gave the evacuation procedure instructions.

PUBLIC COMMENT

Vice-chair Cuquet 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 on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Vice-chair Cuquet asked for any additions to, or deletions from, the agenda; none noted.

CONSENT AGENDA

Vice-chair Cuquet called for approval of the Consent Agenda:

M/S/C (Rupp/Hodgin) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Haste-Yes; Hodgin-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee approve the minutes of the November 28, 2016 meeting; and approve the JPIA disbursements of:

Vendor Payments, Employee Benefits Claim Payments, Payroll, and summary of confidential claims payments for the Liability, Property, & Workers' Compensation Programs: November 1-15, 2016; November 16-30, 2016; December 1-15, 2016; December 16-31, 2016.

ADMINISTRATION

Meetings attended on behalf of the JPIA

None were noted.

Central Basin Municipal Water District

Central Basin Municipal Water District's participation in the Liability, Property, and Workers' Compensation Programs was terminated in May 2014, by the decision of the Board of Directors. The District continues with participation in the Employee Benefits Programs.

Kevin Hunt, Central Basin Municipal Water District's General Manager, and Dina Hidalgo, Human Resources Manager, addressed the Executive Committee on the progress of the changes that the District has made and to request consideration of full reinstatement back into the Liability, Property, and Workers' Compensation Programs effective July 1, 2017.

There was discussion on this request, and the Executive Committee asked that this item be brought back to the next meeting on March 21, 2017.

Executive Committee Per Diem

Mr. Sells stated that Government code allows for an annual maximum increase to the daily Per Diem rate of 5%. The last increase to the Per Diem rate was February 9, 2016. The current daily rate of Per Diem for Executive Committee members and Directors attending program committee meetings is \$267.99. The maximum increase of 5% would increase the rate to \$283.39, effective February 7, 2017. This is a standing agenda item for the first Executive Committee meeting of each calendar year.

M/S/C (Haste/Drake) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Haste-Yes; Hodgin-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee approve to increase the current rate of Per Diem to \$283.39 effective February 7, 2017.

FINANCE

Governmental Accounting Standards Board (GASB) 68

Mr. deBernardi relayed that the JPIA provides for a defined benefit plan to its employees upon retirement through CalPERS. Benefit provisions under the plan are established by State statute and ACWA JPIA resolution.

The JPIA recently received new contribution rates determined by CalPERS actuaries effective July 1, 2017. With this information, CalPERS provided the JPIA with its funded position in the plan, including an estimate of JPIA's portion of the market value of the plan's assets and accrued pension obligation.

Staff recommended that the Executive Committee approve funding the estimated pension obligation of \$1.348 million.

M/S/C (Hodgin/Hastey) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Hodgin-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee approve funding the estimated pension obligation of \$1.348 million.

Rate Stabilization Fund Refunds

Mr. deBernardi reported that the 2012-13 policy year for the Liability Program will go through the retro process for the first time. This policy year has been very favorable to date. Consequently, the JPIA will refund \$4.5 million to members. The 2012-12 policy year for the Liability Program is the catalyst for the member refunds this year.

Staff provided a handout at the meeting with a detailed listing of member refunds.

M/S/C (Knutson/McDonald) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Hodgin-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee approve the Rate Stabilization Fund refunds as presented.

PROGRAMS

Property Program Committee

Committee Chairman Cuquet reported on the recommendations of the Property Program Committee's meeting on February 6, 2017. Approved action items were brought to the Executive Committee for approval:

M/S/C (Cuquet/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Hodgin-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee accept the recommendation of the Property Program Committee to approve the proposed revisions to the Memorandum of Crime Coverage, effective April 1, 2017.

M/S/C (Cuquet/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Haste-Yes; Hodgins-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee accept the recommendation of the Property Program Committee to approve the proposed revisions to the Memorandum of Property Coverage, effective April 1, 2017.

M/S/C (Cuquet/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Haste-Yes; Hodgins-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee accept the recommendation of the Property Program Committee to approve XL Catlin's renewal terms and pricing for excess/reinsurance coverage for the Property Program policy year April 1, 2017-18.

M/S/C (Cuquet/Drake) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Haste-Yes; Hodgins-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee accept the recommendation of the Property Program Committee to approve that there be no change in rates for the Property Program policy year April 1, 2017-18 in the following areas:

- Real and Personal Property \$ 0.090
- Mobile Equipment \$ 0.135
- Automobiles \$ 0.765

Significant Claims

Ms. Nogosek relayed that the Executive Committee had requested to be kept abreast of claims that had been previously presented for authority. The following closed claims were reviewed:

- Roldan et al vs. Castaic Lake Water Agency
- Roberts et al vs. Vallecitos Water District
- Warden vs. San Luis & Delta-Mendota Water Authority

MEMBERSHIP

Root Creek Water District

Ms. Watkins presented Root Creek Water District's application for admission to the Property Program. The District was formed in 1996 and is managed by Provost & Pritchard Engineering Group.

The District covers approximately 9,220 acres. Construction on the concrete pipeline, turnouts, storm water drain and wells began in 2014-15. The water delivery system has been built: inlet structure on the Madera Irrigation District Canal, and an outlet structure to empty into Root Creek, basically a flood channel.

A service plan has been developed to assist the agency with risk management recommendations. Staff recommended approval for admission.

M/S/C (McDonald/Drake) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Hodgkin-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee approve Root Creek Water District's application for admission into the JPIA's Property Program.

Main San Gabriel Basin Watermaster

Ms. Kyburz presented Main San Gabriel Basin Watermaster's application for admission into the Liability, Property, and Workers' Compensation Programs.

The Main San Gabriel Basin Watermaster is charged with administering adjudicated water rights, along with management and protection of groundwater resources within the watershed and groundwater basin known as the Main San Gabriel Groundwater Basin in Los Angeles County. The majority of their operations are handled in the office. Three employees will attend outside meetings, producers' ribbon cutting, or visit producers' well drilling jobsite.

A service plan has been developed to assist the agency with risk management recommendations. Staff recommended approval for admission.

M/S/C (McDonald/Drake) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Hodgkin-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee approve Main San Gabriel Basin Watermaster's application for admission into the Liability, Property, and Workers' Compensation Programs.

Sonoma Mountain County Water District

Ms. Kyburz presented Sonoma Mountain County Water District's application for admission into the Workers' Compensation Program.

Sonoma Mountain County Water District was formed in 1963, and services 55 homes within its boundaries. The District's water source is obtained from two wells and stored in three redwood storage tanks. Distribution system is a gravity feed system. The District has two part-time employees (general manager and water operator) and a five-member Board.

A service plan has been developed to assist the agency with risk management recommendations. Staff recommended approval for admission.

M/S/C (Rupp/Drake) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Hodgkin-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee approve Sonoma Mountain County Water District's application for admission into the Workers' Compensation Program.

Chino Basin Desalter Authority

Ms. Smith presented Chino Basin Desalter Authority's application to join the JPIA to implement the JPIA medical, dental, vision and life plans.

The Chino Basin Desalter Authority is a joint exercise of powers agency formed between Jurupa Community Services District, the Santa Ana River Water Company, the Cities of Chino, Chino Hills, Norco and Ontario, Western Municipal Water District and the Inland Empire Utilities Agency.

Chino Basin Desalter Authority has six employees, three of whom are full time benefits-eligible employees. Coverage in the JPIA Employee Benefits plans would become effective March 1, 2017. The Authority presents a favorable risk profile consistent with JPIA membership.

M/S/C (McDonald/Hastey) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Hodgkin-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes): That the Executive Committee approve Chino Basin Desalter Authority's request for admission into the JPIA to implement the JPIA medical, dental, vision and life plans.

MISCELLANEOUS

Future agenda items

- Revisit Central Basin Municipal Water District's request for readmission into the Liability, Property, and Workers' Compensation Programs.
- Report on upcoming election at Spring Conference.
- Discuss scheduling of the Strategic Planning session for 2017. Director Rupp noted that he would not be available for the proposed date of July 17-18, 2017.

CEO Update

The CEO report began with a PowerPoint presentation from Paula Quinn and Jennifer Persike of ACWA. They explained that the construction at the Marriott and Portola Hotels may not be complete before Spring Conference. ACWA presented an alternate plan to have the JPIA meetings at the Hyatt Hotel in case the work is not completed. The City of Monterey will make reasonable accommodations for members to travel between the two hotels. If construction is completed, the JPIA may still have their meeting at the Marriott.

Mr. Sells and staff provided an update to the Executive Committee on relevant current issues, progress on the Goals & Objectives set for 2017, and potential future opportunities and challenges. The following were included in his update:

- GSAs
- Management training program
- Potential new members
- Drones at Spring Conference
- Liability Program update
 - Memorandum of Coverage
 - Premium calculations
- Workers' Compensation e-mod calculations

- RFP for actuary services
- Strategic Planning session

Availability for next meeting

Director Hastey stated that he would not be available for the Executive Committee meeting on March 21, 2017.

CLOSED SESSION

Before proceeding into closed session, General Counsel announced the items to be discussed.

M/S/C (Rupp/Hodgin) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Hodgkin-Yes; Rupp-Yes): That the Executive Committee adjourn to closed session.

At approximately 10:57 am, the Executive Committee, upon advice of General Counsel, adjourned to closed session pursuant to Government Code Section 54956.95 to discuss Liability Claims in Kirschenmann Farms, Inc. vs. Arvin-Edison Water Storage District; and Petrowsky vs. Calleguas Municipal Water District.

M/S/C (Hastey/Drake) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Hodgkin-Yes; Rupp-Yes): That the Executive Committee reconvene to open session.

The Committee returned to open session at 11:10 am. General Counsel reported:

- Closed session item #1: No reportable action, instructions given to staff.
- Closed session item #2: No reportable action, instructions given to staff.

The Executive Committee meeting adjourned at 11:12 am.

Attest:

X

E. G. "Jerry" Gladbach
Chairman

X

Walter A. Sells
Secretary