



Approved 8.30.17

Executive Committee Meeting

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

June 27, 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:

- Drake – 2067 Wineridge Place, Suite E, Escondido
- Scaglione - 201 Vallecitos de Oro, San Marcos
- Tieggs - 5454 Briartree Place, Rancho Cucamonga

MEMBERS PRESENT

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

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

David Drake, Rincon del Diablo Municipal Water District (*via WebEx*)

Brent Hastey, Yuba County Water Agency, ACWA Vice President

W.D. “Bill” Knutson, Yuima Municipal Water District

Melody A. McDonald, San Bernardino Valley Water Conservation District (*left at 2:18 pm*)

J. Bruce Rupp, Humboldt Bay Municipal Water District

Kathleen Tieggs, Cucamonga Valley Water District (*via WebEx*)

MEMBERS ABSENT

David T. Hodgin, Scotts Valley Water District

STAFF PRESENT

Chief Executive Officer/Secretary: Walter “Andy” Sells

Carol Barake, Risk Management Program Manager

Linda Craun, Administrative Assistant II (WebEx Coordinator)

David deBernardi, Director of Finance

Robert Greenfield, General Counsel

Allison Hartill, Benefits Analyst I

Ben Hayden, Lead Benefits Analyst

Debbie Kyburz, Lead Member Services Representative

Jennifer Nogosek, Liability & Property Claims Manager

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

Chuck Wagenseller, Cost Estimator/Risk Management Advisor

Nidia Watkins, Member Services Representative II
Bobbette Wells, Executive Assistant to the CEO (Recording Secretary)

OTHERS IN ATTENDANCE

Chantal Ouellet, Tulare Lake Basin Water Storage District *(via WebEx)*
Jennifer Persike, ACWA Deputy Executive Director of External Affairs & Operations
Thomas Scaglione, Finance & Audit Committee Chairman, Vallecitos Water District *(via WebEx)*

WELCOME

Chairman Gladbach welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Gladbach called the meeting to order at 1:10 pm *(due to technical difficulties with WebEx)*. He announced there was a quorum.

PLEDGE OF ALLEGIANCE/EVACUATION PROCEDURES

Chairman Gladbach led the Pledge of Allegiance and Mr. Sells gave the evacuation procedure instructions.

ANNOUNCEMENT RECORDING OF MINUTES

Chairman Gladbach 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.

PUBLIC COMMENT

Chairman Gladbach 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.

INTRODUCTIONS

Chairman Gladbach asked all in attendance to introduce themselves.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chairman Gladbach asked for any additions to, or deletions from, the agenda; staff had none.

CONSENT AGENDA

Chairman Gladbach called for approval of the Consent Agenda:

M/S/C (McDonald/Rupp) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the minutes of the May 31, 2017 meeting; excuse the absence of Director Hodgin; 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: May 16-31, 2017 and June 1-15, 2017.

ADMINISTRATION

Meetings attended on behalf of the JPIA
None stated.

Selection of President and Vice President

Mr. Sells asked for a motion from the floor for a nomination of the office of President of the JPIA Board of Directors for a two-year term.

M/S/C (Rupp/Hastey) (Cuquet-Yes; Drake-Yes; Gladbach-Abstain; Hastey-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee selects Jerry Gladbach as President of the JPIA Board of Directors for a two-year term.

Mr. Sells then asked for a motion from the floor for a nomination of the office of Vice President of the JPIA Board of Directors for a two-year term.

M/S/C (Hastey/McDonald) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee selects Tom Cuquet as Vice President of the JPIA Board of Directors for a two-year term.

Update on At-Risk Districts

Mr. Sells reported that Georgetown Divide Public Utility District joined the Liability Program in 1986. Since policy year 2000, the District has had a loss ratio of approximately 24%.

On May 17, 2017, the El Dorado County Grand Jury released a report detailing continuing challenges for the District. The report conveyed issues such as a dysfunction on the Board of Directors, rapid staff turnover, infrastructure issues, declining revenue, and a declining population.

There was much discussion on what to do about districts with potential issues, without a significant claims history.

Review Electronic Voting Procedures

At the previous two Board of Directors meetings, there had been issues with the electronic voting fobs. Staff had researched other voting procedures and received a bid for new fobs that could be used with the same voting software.

The Committee reviewed the information on the new equipment and decided that staff should give the original fobs another chance at the next Board meeting. The Committee was hesitant to purchase new equipment at this time, because of rapidly changing technology.

PROGRAMS

Employee Benefits Program Committee

Committee Chairman Rupp reported on the recommendations of the Employee Benefits Program Committee's meeting on June 27, 2017. Approved action item(s) were brought to the Executive Committee for approval:

M/S/C (Rupp/Cuquet) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Haste-Yes; Knutson-Yes; McDonald-No; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to increase the out of pocket maximum to \$2,000/individual and \$4,000/family for the Anthem Classic PPO Plan, increase the participant cost share for hospitalization facility charges to 10% on the Anthem Classic PPO Plan, and approve a 4.5% aggregate increase in rates for all Anthem Blue Cross PPO Self-Funded Plans, effective January 1, 2018.

M/S/C (Rupp/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Haste-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve an 8.26% aggregate increase in rates for the Anthem Blue Cross HMO Plans, effective January 1 2018.

M/S/C (Rupp/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Haste-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve a 4.64% increase in rates for the Kaiser North HMO Plan; and a 13.08% increase in rate for the Kaiser South HMO Plan, effective January 1, 2018.

M/S/C (Rupp/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Haste-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee that the Delta Dental PPO plans; DeltaCare HMO plans; Vision plans; and Short-Term Disability plans renew with no change in rates, effective January 1, 2018.

Significant Claims Report

Ms. Nogosek relayed that the Executive Committee has requested to be kept abreast of claims that had been previously presented for authority. Both she and Mr. Greenfield reviewed the following claims:

- United National Insurance vs. Weaverville Community Services District
- Nua et al vs. Fresno Irrigation District
- Homscheid v. South Coast Water District
- Kirschenmann Farms Inc. vs. Arvin-Edison Water Storage District
- Hernandez vs. Merced Irrigation District

MEMBERSHIP

San Gabriel Basin Water Quality Authority

Ms. Watkins presented San Gabriel Basin Water Quality Authority's (WQA) application for admission into the Workers' Compensation Program. The WQA was established in 1993 to coordinate, plan, and implement groundwater quality management programs to efficiently remediate groundwater contamination, and assist in preventing future contamination. The WQA has six full-time employees and a seven-member Board. The WQA has never experienced any workers' compensation claims. They currently participate in the General Liability and Property Programs.

Staff recommended approval of San Gabriel Basin Water Quality Authority's application for admission into the Workers' Compensation Program.

M/S/C (McDonald/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve San Gabriel Basin Water Quality Authority's application for admission into the Workers' Compensation Program.

Deer Creek Storm Water District

Ms. Kyburz presented Deer Creek Storm Water District's application into the Liability Program. The District maintains the Deer Creek storm water channel to help keep flood waters away from the town of Alpaugh. The District does not have any employees. Operation and maintenance services are provided by Angiola Water District via a written contract. It is governed by a three-member Board of Directors.

The District has not experienced any losses during the past five years.

Staff recommended that the Executive Committee approve Deer Creek Storm Water District's application for admission into the Liability Program.

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

Green Valley Water District

Ms. Kyburz presented Green Valley Water District's application into the Liability Program. The District was formed to preserve water rights and deliver water to Sandridge Partners. The District does not have any employees. Operation and maintenance services are provided by Angiola Water District via a written contract. It is governed by a five-member Board of Directors.

The District has not experienced any losses during the past five years.

Staff recommended approval of the Green Valley Water District's application for admission into the Liability Program.

M/S/C (Hastey/McDonald) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve Green Valley Water District's application for admission into the Liability Program.

El Rico Groundwater Sustainability Agency

Ms. Kyburz presented El Rico Groundwater Sustainability Agency's application for admission into the Liability Program. Groundwater Sustainability Agencies (GSA) are in the process of preparing and submitting their plans by the June 30, 2017 deadline as required under the Sustainable Groundwater Management Act. The El Rico Groundwater Sustainability Agency was formed in February 2017. Current membership is as follows: Alpaugh Irrigation District, Corcoran Irrigation District, City of Corcoran, County of Kings, Lovelace Reclamation District, Melga Water District, Salyer Water District, Tulare Lake Basin Water Storage District, and Tulare Lake Drainage District.

Staff recommended approval of El Rico Groundwater Sustainability Agency's application for admission into the Liability Program.

M/S/C (Rupp/McDonald) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; Knutson-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve El Rico Groundwater Sustainability Agency's application for admission into the Liability Program.

MISCELLANEOUS

Future agenda items

None stated.

CEO Update

Mr. Sells and staff updated the Committee on relevant current issues. Those discussed were:

- Membership – Ms. Thesing reported eleven new members from the beginning of the year with over a million dollars of increased premiums.

- Information Technology – Mr. Sells reported that the upgrade to the Ventiv program is still in progress and that the bswift program data is being evaluated.
- Website – Ms. Slaven reported that an RFP went out the day prior to find a company to update the JPIA website.
- GSAs – Three GSAs have approved applications to join the JPIA and more applications are still being accepted. Mr. Greenfield attended a meeting with ACWA concerning legal affairs.
- Aon Pooling Symposium – Mr. Sells will be attending the Aon Pooling Symposium in New Mexico in July.
- Regional Training – Ms. Slaven, Mr. Greenfield, and Ms. Crawford will be out at Districts over the next several weeks presenting regional training and attending HR Group meetings.

Availability for next meeting

No conflicts noted.

CLOSED SESSION

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

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

At approximately 2:25 pm, the Executive Committee, upon advice of General Counsel, adjourned to closed session pursuant to Government Code Section 54956.95 to discuss Liability Claims in Felactu, et al vs. Mid-Peninsula Water District.

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

The Committee returned to open session at 2:35 pm. General Counsel reported:

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

The Executive Committee meeting adjourned at 2:35 pm.

Attest:

X

E. G. "Jerry" Gladbach
Chairman

X

Walter A. Sells
Secretary