



Approved 5.07.18

Executive Committee Meeting

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

March 20, 2018

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

- Rupp – 229 Boyle Drive, Eureka

MEMBERS PRESENT

Chairman: E.G. “Jerry” Gladbach, Santa Clarita Valley Water Agency
Vice-chair: Thomas A. Cuquet, South Sutter Water District
David Drake, Rincon del Diablo Municipal Water District
David T. Hodgin, Scotts Valley Water District
W.D. “Bill” Knutson, Yuima Municipal Water District
Steven E. LaMar, Irvine Ranch Water District, ACWA Vice President
Melody A. McDonald, San Bernardino Valley Water Conservation District (*left 9:24 am*)
J. Bruce Rupp, Humboldt Bay Municipal Water District (*via WebEx*)
Kathleen Tiegs, Cucamonga Valley Water District

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer/Secretary: Walter “Andy” Sells
David deBernardi, Director of Finance
Robert Greenfield, General Counsel
Debbie Kyburz, Lead Member Services Representative
Jennifer Nogosek, Liability/Property Claims Manager
Sylvia Robinson, Publications & Web Editor
Patricia Slaven, Director of Human Resources and Administration
Sandra Smith, Employee Benefits Manager
Dianna Sutton, Finance Manager
Karen Thesing, Director of Insurance Services
Melody Tucker, Workers’ Compensation Claims Manager
Nidia Watkins, Member Services Representative II
Bobbette Wells, Executive Assistant to the CEO (*Recording Secretary*)

OTHERS IN ATTENDANCE

Tiffany Giammona, ACWA Director of Member Outreach & Engagement
Thomas Scaglione, Vallecitos Water District, Finance & Audit Committee Chairman

WELCOME

Chairman Gladbach welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Gladbach called the meeting to order at 8:31 a.m. 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 MEETING

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; Mr. Sells requested one addition to the agenda in Closed Session, Logue vs. West Valley Water District. The need for Executive Committee action on this item came to staff's attention subsequent to the posting of the agenda for this meeting.

CONSENT AGENDA

Chairman Gladbach called for approval of the Consent Agenda:

M/S/C (Hodgin/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hodgin-Yes; Knutson-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes):
That the Executive Committee approve the minutes of the March 5, 2018 meeting; Resolution (2018-1) for Other Post Employment Benefit Plan; 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: February 1-15, 2018; and February 16-28, 2018.

ADMINISTRATION

Meetings attended on behalf of the JPIA

Several Committee members stated that they had attended refund check deliveries at the districts listed:

2/26/2018	Yuima Municipal Water District	Knutson/McDonald
2/27/2018	Yorba Linda Water District	Knutson/McDonald
2/28/2018	Sweetwater Authority	Knutson
3/6/2018	Desert Water Agency	Knutson/Tiegs
3/7/2018	Three Valleys Municipal Water District	Gladbach/Tiegs
3/7/2018	Western Municipal Water District	McDonald/Tiegs
3/7/2018	Helix Water District	Knutson
3/8/2018	Rancho California Water District	Drake
3/8/2018	Humboldt Bay Municipal Water District	Rupp
3/8/2018	Elsinore Valley Municipal Water District	Knutson/McDonald/Tiegs
3/12/2018	Fair Oaks Water District	Cuquet
3/13/2018	Humboldt Community Services District	Rupp
3/13/2018	Rincon Del Diablo Municipal Water District	Knutson
3/13/2018	La Canada Irrigation District	Gladbach
3/14/2018	Beaumont-Cherry Valley Water District	McDonald
3/15/2018	Santa Fe Irrigation District	Knutson/Tiegs

CalPERS Unfunded Liability

Ms. Sutton explained that CalPERS administers the pension for the JPIA. On December 16, 2016, the CalPERS Board lowered their discount rate from 7.5% to 7% in a three year phase-in. The discount rate was lowered starting with the valuation date of June 30, 2016 to 7.375%, 2017 to 7.25%, and finally in 2018 to 7%. In December of 2017, the CalPERS Board decided to maintain the discount rate at 7% for three more years.

CalPERS lowering of the discount rate increases the unfunded liability of the pension. Each year, CalPERS provides an annual report with the unfunded liability as well as the savings in interest if paid in full. Currently, the unfunded pension liability is \$1,090,034. The estimated savings in interest will be \$1,970,030, if the JPIA pays the unfunded pension liability in full.

M/S/C (Drake/McDonald) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hodgin-Yes; Knutson-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the payment of the CalPERS Unfunded Liability, in full, as presented.

Strategic Planning Meeting

Ms. Slaven reviewed with the Executive Committee the outcome of the recent Strategic Planning Meeting. Topics for discussion included JPIA organizational values, Executive Committee values, pricing for all programs and possible additional services. Through small group work and brainstorming, a general direction for the organization was developed. Though no action items were part of the agenda, staff was charged with doing further research in several areas.

All aspects of the meeting were rated highly by the participants. Looking forward, staff feels this type of meeting would be of great value early in the year following the Executive Committee election cycle; therefore, in March of even calendar years.

CLOSED SESSION

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

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

At approximately 8:50 a.m., the Executive Committee, upon advice of General Counsel, adjourned to closed session pursuant to Government Code(s) Section 54956.95 to discuss Liability claims in:

1. Logue vs. West Valley Water District

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

The Committee returned to open session at approximately 9:24 a.m. General Counsel reported:

- Closed session item #1: No action was taken.

FINANCE

Finance & Audit Committee

Committee Chairman Scaglione reported on the recommendations of the Finance & Audit Committee's meeting on March 19, 2018. The following action items were presented to the Executive Committee for approval:

M/S/C (Cuquet/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hodgin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Finance & Audit Committee to approve the Audited Financial Statements, as presented, and forward to the Board of Directors for approval at Spring Conference.

M/S/C (Drake/Hodgin) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hodgins-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Finance & Audit Committee to approve the proposed Operating Budget for the fiscal year ending September 30, 2019, as presented, and forward to the Board of Directors for approval at Spring Conference.

RISK MANAGEMENT

Risk Management Committee

Committee Chairman Hodgins reported on the Risk Management Committee's meeting on March 19, 2018. There were no action items for approval.

MEMBERSHIP

San Joaquin River Exchange Contractors Water Authority Groundwater Sustainability Agency

Ms. Watkins presented the San Joaquin River Exchange Contractors Groundwater Sustainability Agency's (GSA) application for admission into the Liability Program. The GSA was formed on November 3, 2017. Their board is committed to join ACWA and has completed membership requirements by signing the JPIA agreement and passing the resolution to join the Liability Program.

M/S/C (Hodgins/Tiegs) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hodgins-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve San Joaquin River Exchange Contractors Water Authority Groundwater Sustainability Agency's application for admission into the Liability Program.

Antelope Valley Watermaster

Ms. Watkins presented the Antelope Valley Watermaster's application into the Liability Program. The Watermaster was formed on January 21, 2016, by adjudication. The Watermaster board is committed to join ACWA and has completed membership requirements by signing the JPIA agreement and passing the resolution to join the Liability Program. There are no reported losses since March 2016 to present.

M/S/C (Drake/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hodgins-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve Antelope Valley Watermaster's application for admission into the Liability Program.

South Tahoe Public Utilities District

Ms. Watkins presented the South Tahoe Public Utilities District's application into the Workers' Compensation Program. The District supplies drinking water and provides sewage collection, treatment, and export. The District's service area includes portions of El Dorado County within the Tahoe Basin. Currently, the calculated experience modifiers for 2017-18 is 1.07, and for 2018-19 is 0.87.

M/S/C (Hodgin/Drake) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hodgin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve South Tahoe Public Utilities District's application for admission into the Workers' Compensation Program.

East Turlock Subbasin Groundwater Sustainability Agency

Ms. Kyburz presented East Turlock Subbasin Groundwater Sustainability Agency's application into the Liability Program. A group of six agencies entered into a Memorandum of Understanding to form the East Turlock Subbasin Groundwater Sustainability Agency on March 31, 2017. Current membership is Ballico-Cortez Water District, City of Turlock, Eastside Water District, Merced Irrigation District, Merced County, and Stanislaus County.

M/S/C (Cuquet/Drake) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hodgin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve East Turlock Subbasin Groundwater Sustainability Agency's application for admission into the Liability Program.

Bedford Coldwater Groundwater Sustainability Agency

Ms. Kyburz presented Bedford Coldwater Groundwater Sustainability Agency's application into the Liability Program. A group of three agencies entered into a Memorandum of Understanding to form the Bedford Coldwater Groundwater Sustainability Agency on April 1, 2017. Current membership is Elsinore Valley Municipal Water District, City of Corona, and Temescal Valley Water District.

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

Big Springs Irrigation District

Ms. Kyburz presented Big Springs Irrigation District's application into the Liability, Property, and Workers' Compensation Programs. The Big Springs Irrigation District approached the JPIA for approval into our various programs as their insurance is being canceled in May 2018; the carrier is no longer writing business of this nature. Big Springs Irrigation District shares an employee with Montague Water District, and in fact, inquired about membership into the JPIA years prior.

The Big Springs Irrigation District has completed the membership applications and is in the process of forwarding the necessary loss runs. Staff has received a verbal notice that "no claims" have been incurred over the last ten years; once the requested loss runs have been received, the District's claims history will be verified. On April 2, 2018, their board will be signing the JPIA agreement and passing the required resolutions.

M/S/C (Hodgin/Knutson) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee conditionally approve Big Springs Irrigation District's application for admission into the Liability, Property, and Workers' Compensation Programs.

MISCELLANEOUS

Future agenda items

- None stated

CEO Update

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

- Mr. Sells provided a Captive update.
- Mr. Greenfield updated the prospect of forming a GSA litigation expense pool.
- Mr. deBernardi provided an update on the progress of the Ventiv software program.
- Ms. Slaven updated the Committee on the Training Conference that was held in Claremont on March 7th and 8th.
- Ms. Robinson explained that the upcoming Spring Conference is only 48 days from the date of this meeting and gave an overview of the Conference schedule.

Availability for next meeting: May 7, 2018 at Spring Conference Sacramento; no conflicts noted.

The Executive Committee meeting adjourned at 10:22 a.m.

Attest:

X

E. G. "Jerry" Gladbach
Chairman

X

Walter A. Sells
Secretary