



Approved 11.26.18

Executive Committee Meeting

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

September 18, 2018

MEMBERS PRESENT

Chairman: E.G. "Jerry" Gladbach, Santa Clarita Valley Water Agency (*via WebEx*)
Vice-chair: Thomas A. Cuquet, South Sutter Water District
David Drake, Rincon del Diablo Municipal Water District (*left meeting 11:54 a.m.*)
David T. Hodgins, Scotts Valley Water District
W.D. "Bill" Knutson, Yuima Municipal Water District
Steven E. LaMar, Irvine Ranch Water District, ACWA Vice President
J. Bruce Rupp, Humboldt Bay Municipal Water District
Kathleen Tiegs, Cucamonga Valley Water District

MEMBERS ABSENT

Melody A. McDonald, San Bernardino Valley Water Conservation District

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells
Carol Barake, Risk Management Program Manager
Linda Craun, Administrative Assistant III (*WebEx Coordinator*)
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
Mike Harrington, Bickmore Risk Services
Dick Huntington, Huntington Group/Bickmore Risk Services
Kevin Phillips, Paradise Irrigation District, JPIA Finance & Audit Committee Chairman

WELCOME

Vice-chairman Cuquet welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Vice-chairman Cuquet called the meeting to order at 8:30 a.m. He announced there was a quorum. Chairman Gladbach participated in the meeting by telephone, but was not part of the quorum due to California Brown Act posting requirements.

PLEDGE OF ALLEGIANCE/EVACUATION PROCEDURES

Vice-chairman Cuquet led the Pledge of Allegiance and Mr. Sells gave the evacuation procedure instructions.

ANNOUNCEMENT RECORDING OF MEETING

Vice-chairman 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.

PUBLIC COMMENT

Vice-chairman 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.

INTRODUCTIONS

Vice-chairman Cuquet asked all in attendance to introduce themselves.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Vice-chairman Cuquet asked for any additions to, or deletions from, the agenda; staff had none.

CONSENT AGENDA

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

M/S/C (Rupp/Tiegs) (Cuquet-Yes; Drake-Yes; Hodgins-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the minutes of the July 9, 2018 meeting; approve the absence of Director McDonald; approve the Class III activity for Merced Irrigation District; 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: June 1-15, 2018; June 16-30, 2018; July 1-15, 2018; July 16-31, 2018; August 1-15, 2018; and August 16-31, 2018.

ADMINISTRATION

Meetings attended on behalf of the JPIA

Several Executive Committee members attended the CAJPA Fall Conference in South Lake Tahoe, September 11-14. Discussion on the conference was included in the CEO update.

Organizational Appraisal and Goals for 2019

This item was brought forward for discussion and approval from the July 9, 2018 Executive Committee meeting. The finalized goals are used to determine individual goals for 2018/2019, which will support successful achievement of the organizational level mission. The overall Organizational approval rating was 4.6. The Organizational Goals assigned for 2018/2019 are:

- Present for Board of Directors' approval, and implement if approved, Captive Insurance Company.
- Develop and deliver Board training on requested topics throughout the state.
- Expand membership outreach.
- Finalize JPIA organizational core values and integrate into future planning.
- Explore and expand use of technology to mine information and streamline processes in order to better serve the pool (i.e. upgrade website, expand existing reporting capabilities, research new technology and software).

M/S/C (Drake/Hodgin) (Cuquet-Yes; Drake-Yes; Hodgin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the Organizational Performance Appraisal which included the Organizational Goals and Objectives for fiscal year 2018/2019.

Board of Directors' Manual

The JPIA Governing Documents and Board of Directors' Manuals are evaluated periodically for updates and changes. The Glossary of Terms in the Board Manual is regularly updated. The Board of Directors' Manual was routed to key personnel in the office for updates and changes.

M/S/C (Hodgin/Knutson) (Cuquet-Yes; Drake-Yes; Hodgin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the changes to the Board of Directors' Manual, as presented.

2019 Meeting Calendar

A Meeting Calendar is prepared each year for approval of the Executive Committee. The meeting calendar for 2019 was prepared taking into account the anticipated dates of the Executive Committee members own District board meetings and the needs of the JPIA.

M/S/C (Tiegs/Drake) (Cuquet-Yes; Drake-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the 2019 Meeting Calendar as presented.

Objective Contribution Allocation Formula

Mr. deBernardi explained that the JPIA went through the CAJPA accreditation process recently where it was accredited for another three years. This accreditation is conditional of the JPIA having an approved policy that states an objective contribution allocation formula covering the following:

- That it identifies the components in writing as part of the policy, and
- That the policy identifies guidelines for credits or debits.

Presented was a policy on Rate Setting/Funding requirements. The intent of the policy is to meet the standards outlined, and requested, as part of the JPIA receiving CAJPA accreditation.

M/S/C (Rupp/Hodgin) (Cuquet-Yes; Drake-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the Rate/Setting/Funding Requirements policy as presented.

Captive Insurance Company

Mr. Sells relayed that a Request for Proposal was sent out in March, and Bickmore Risk Services (Bickmore) was selected to do a feasibility study. The feasibility study is expected to be the basis of the final business plan.

Dick Huntington and Mike Harrington from Bickmore presented the highlights of the draft study. There was much discussion and many questions from the Committee. Much of the discussion centered around the benefits of forming a Captive Insurance Company and how to present the findings to the Board at Fall Conference.

Pay Rate Schedule

The California Public Employees' Retirement System (CalPERS), California Code of Regulations 570.5 and 571, requires the approval of the employee Pay Schedule by the Executive Committee prior to posting to the JPIA's website. The Fiscal Year 2018-19 Pay Schedule requires approval prior to October 1, 2018.

M/S/C (Hodgin/Drake) (Cuquet-Yes; Drake-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the Pay Rate Schedule as presented.

FINANCE

Finance & Audit Committee

Chairman Phillips reported on the recommendations of the Finance & Audit Committee's meeting on September 17, 2018. The following action item was presented to the Executive Committee for approval:

M/S/C (Rupp/Knutson) (Cuquet-Yes; Drake-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Finance & Audit Committee to approve changes to the Investment Policy, as presented, with the one addition noted, and forward to the Board of Directors for approval at Fall Conference.

PROGRAMS

Liability Program Committee

Director Hodgkin reported on the recommendations of the Liability Program Committee's meeting on September 17, 2018. The following action items were presented to the Executive Committee for approval:

M/S/C (Hodgin/Knutson) (Cuquet-Yes; Drake-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Liability Program Committee to approve the revisions to the Memorandum of Liability Coverage, as presented, effective October 1, 2018.

M/S/C (Hodgin/Knutson) (Cuquet-Yes; Drake-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Liability Program Committee to approve the reinsurance terms, conditions, and premiums, as presented, effective October 1, 2018.

M/S/C (Hodgin/Knutson) (Cuquet-Yes; Drake-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Liability Program Committee to approve the Cyber Liability coverage renewal terms for policy year 2018/2019.

M/S/F (Hodgin/Tiegs) (Cuquet-No; Drake-No; Hodgkin-Yes; Knutson-No; LaMar-No; Rupp-No; Tiegs-Yes): That the Executive Committee accept the recommendation of the Liability Program Committee to approve Option 2 from the Liability Packet with a 5% decrease in billing rate, subject to changes in the final excess insurance costs for the 10/1/2018-19 policy year.

M/S/C (Drake/Knutson) (Cuquet-Yes; Drake-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept staff's recommendation to approve Option 3 from the Liability Packet with a 9.07% decrease in billing rate for the 10/1/2018-19 policy year.

Significant Claims Report

Pursuant to Government Code 54956.95, Ms. Nogosek and Mr. Greenfield reported on claims that had been previously presented for authority:

- Feinstein vs. Santa Clarita Valley Water Agency – motor vehicle accident alleging injuries. Claim settled for \$550,000.
- Schelebo vs. Kern County Water Agency – Employment Practice Liability claim. Claim settled for \$210,000.
- Carpenter vs. Tehachapi-Cummings County Water District – Employment Practice Liability claim. Defense verdict.

MEMBERSHIP

South Bay Irrigation District

Ms. Watkins presented the South Bay Irrigation Water District's application for admission into the Liability and Workers' Compensation Programs.

M/S/C (Hodgin/Drake) (Cuquet-Yes; Drake-Yes; Hodgin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve South Bay Irrigation Water District's application for admission into the Liability and Workers' Compensation Programs.

South Tahoe Public Utility District

Ms. Watkins presented the South Tahoe Utility District's application for admission into the Liability Program.

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

Merced Integrated Regional Water Management Authority

Ms. Kyburz presented Merced Integrated Regional Water Management Authority's application for admission into the Liability Program.

M/S/C (Hodgin/Knutson) (Cuquet-Yes; Drake-Yes; Hodgin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve Merced Integrated Regional Water Management Authority's application for admission into the Liability Program.

MISCELLANEOUS

Future agenda items:

- Procedure for rejecting/responding to claims against the JPIA (from CEO update) will be brought to a future meeting as an action item.

CEO Update

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

- Procedure for rejecting/responding to claims against the JPIA
- Meeting with Property underwriters
- CAJPA recap
- ACWA Conference update

Availability for next meeting: Monday, November 26, 2018; at Fall Conference in San Diego.

CLOSED SESSION

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

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

At approximately 11:45 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 and/or workers' compensation claims in:

1. Stapleton vs. Elsinore Valley Municipal Water District
2. McConnell vs. Helix Water District
3. Goulart vs. Fresno Irrigation District
4. Metro Acura vs. Monte Vista Water District

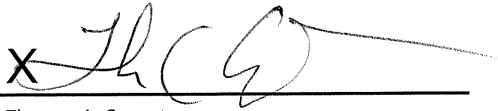
M/S/C (Knutson/Hodgin) (Cuquet-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee reconvene to open session.

The Committee returned to open session at approximately 12:01 p.m. General Counsel reported:

- Closed session item #1: No action was taken, instructions given to staff.
- Closed session item #2:
M/S/C (Hodgin/Knutson) (Cuquet-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee give authority for settlement of McConnell vs. Helix Water District, by Compromise and Release, in the amount of \$350,000.
- Closed session item #3:
M/S/C (Hodgin/Knutson) (Cuquet-Yes; Hodgkin-Yes; Knutson-Yes; LaMar-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee give authority for settlement of Goulart vs. Fresno Irrigation District in the amount of \$1,175,000.
- Closed session item #4: No action was taken, instructions given to staff.

The Executive Committee meeting adjourned at 12:02 p.m.

Attest:

X 

Thomas A. Cuquet
Vice-chairman

X 

Walter A. Sells
Secretary