



YOUR BEST PROTECTION

Approved - March 19, 2018

Finance & Audit Committee Meeting

Anaheim Marriott
700 Convention Way
Anaheim, CA 92802
(714) 750-8000

November 27, 2017

MEMBERS PRESENT

Chairman: Tom Scaglione, Vallecitos Water District
Carrie Corder, Cucamonga Valley Water District
Suha Kilic, Pebble Beach Community Services District
Dennis Michum, Glenn-Colusa Irrigation District
Kevin Phillips, Paradise Irrigation District
Steve Ruetters, Kern County Water Agency
Jim Smith, Wheeler Ridge-Maricopa Water Storage District

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells
Carol Barake, Risk Management Manager
Sarah Crawford, Training Specialist
David deBernardi, Director of Finance
Robert Greenfield, General Counsel
Chris Mizuno, Administrative Assistant II
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
Bobbette Wells, Executive Assistant to the CEO (*Recording Secretary*)

OTHERS IN ATTENDANCE

See attendance list.

WELCOME/INTRODUCTIONS

Chairman Scaglione welcomed and introduced everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Scaglione called the meeting to order at 8:30 a.m. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

Chairman Scaglione 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.

EVACUATION PROCEDURES

Mr. Sells briefly reviewed the building evacuation procedures.

PUBLIC COMMENT

Chairman Scaglione noted that, as the agenda stated, members of the public would be allowed to address the Finance & Audit 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

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

APPROVAL OF MINUTES

Chairman Scaglione called for approval of the minutes of the August 29, 2017 meeting.

M/S/C (Ruettgers/Michum) (Corder-Yes; Kilic-Yes; Michum-Yes; Phillips-Yes; Ruettgers-Yes; Smith-Yes; Scaglione-Yes): That the Finance & Audit Committee approve the minutes of the August 29, 2017 meeting, as presented.

MEETINGS ATTENDED ON BEHALF OF THE JPIA

None reported.

ACTUARY REPORTS

Mujtaba Dattoo and Tracy Fleck, both actuaries from Aon, presented an actuarial overview of the Liability, Property, and Workers' Compensation Programs. The discussion touched upon the outstanding liabilities as of September 30, 2017, projected losses for the upcoming fiscal year, and a historical perspective.

Ms. Fleck summarized that the Workers' Compensation Program liability decreased by \$0.8 million from 2016 to 2017, the Liability Program increased by \$3.6 million, and the Property Program increased by \$0.1 million. The funding loss rate change from 2017/18 to 2018/19 in Work Comp was -2%, Liability +7%, and Property +2%.

CREATION OF CAPTIVE INSURANCE COMPANY

Mr. Sells updated the Committee on the possibility of creating a Captive Insurance Company. He explained that a Captive is an insurance company owned by the parent that underwrites the insurance needs of the organization.

Several advantages to a Captive are to better utilize assets, provide greater flexibility in managing retentions/limits/market fluctuations, and to create a layer of protection for potential adverse State of California actions.

The next steps are to identify necessary professionals, create a feasibility study, identify structure, and create an operational plan.

There was much discussion on this topic and many questions. Mr. Sells indicated that he would be giving a more in depth discussion at the pre-Board luncheon.

MISCELLANEOUS

Future Agenda Items

None stated.

Availability for Upcoming Meeting(s)

The next scheduled Finance & Audit Committee meeting, March 19, 2018, at 1:00 p.m.
No conflicts were noted.

The Finance & Audit Committee meeting adjourned at 10:01 a.m.

JPIA FINANCE & AUDIT COMMITTEE MEETING

<u>District / Organization</u>	<u>Name</u>	<u>Position</u>
Alta Irrigation District	Irma Faria	Controller
Antelope Valley-East Kern Water Agency	Patti Rose	Office Manager
Calleguas Municipal Water District	Thom Slosson	Director
Calleguas Municipal Water District	Scott Quady	Director
Carpinteria Valley Water District	Alonzo Orozco	Director
Castaic Lake Water Agency	Jerry Gladbach	Director
Chino Basin Watermaster	Bob Kuhn	Director
Cucamonga Valley Water District	Kathy Tiegs	Director
El Toro Water District	Fred Adjarian	Director
Elk Grove Water District	Tom Nelson	Director
Elsinore Valley Municipal Water District	Phil Williams	Director
Florin Resource Conservation District	Patrick Lee	Finance Manager
Fresno Metropolitan Flood Control District	Ken Groom	Director
Friant Power Authority	Carl Janzen	Director
Friant Water Users Authority	Carl Janzen	Director
Helix Water District	DeAna Verbeke	Director
Henry Miller Reclamation District No. 2131	Palmer McCoy	Executive Assistant
Hi-Desert Water District	Roger Mayes	Director
Humboldt Bay Municipal Water District	Bruce Rupp	Director
Kern County Water Agency	Charles Wulff	Director
La Habra Heights County Water District	Pam McVicar	Director
La Puente Valley County Water District	William Rojas	Director
La Puente Valley Water District	Gina Herrera	Supervisor
Madera Irrigation District	Carl Janzen	Director
Madera-Chowchilla Water & Power Authority	Carl Janzen	Director
Main San Gabriel Basin Watermaster	Dan Arrighi	Director
Mission Hills Community Services District	Jim MacKenzie	Director
North Coast County Water District	Jack Burgett	Director
Palmdale Water District	Dennis LaMoreaux	General Manager
PFM Asset Management	Sarah Meacham	Managing Director
Rancho California Water District	Jack Hoagland	Director
Rancho California Water District	Eva Planzer	Asst. General Manager
Rancho California Water District	Eileen Dienzo	HR Manager
Rincon Del Diablo Municipal Water District	Jeff Umbrasas	Director of Finance
Rincon Del Diablo Municipal Water District	David Drake	Director
Rio Linda/Elverta Community Services District	Mitch Dion	General Manager
Rio Linda/Elverta Community Services District	Mary Henrici	Director
Rio Linda/Elverta Community Water District	Paul Green	Director
Rosamond Community Services District	Morrison MacKay	Director
Rowland Water District	Tom Coleman	General Manager
Sacramento Suburban Water District	Craig Locke	Director
San Bernardino Valley Municipal Water District	Steve Copelan	Director
San Bernardino Valley Water Conservation District	Melody McDonald	Director
San Gabriel Basin Water Quality Authority	Bob Kuhn	Director
Scotts Valley Water District	David Hodgins	Director
Solano Irrigation District	Lance Porter	Director

<u>District / Organization</u>	<u>Name</u>	<u>Position</u>
Solano Irrigation District	Cary Keaten	General Manager
South Coast Water District	Dennis Erdman	Director
South San Joaquin Irrigation District	Dale Kuil	Director
South Tahoe Public Utility District	Shannon Cotulla	Asst. General Manager
Suisun-Solano Water Authority	Pete Sanchez	Director
Tehachapi-Cummings County Water District	Jonathan Hall	Director
Three Valleys Municipal Water District	David de Jesus	Vice President
Tulare Irrigation District	Kathy Artis	Controller
Tuolumne Utilities District	Jim Grinnell	Director
Vista Irrigation District	Paul Dorey	Director
Walnut Valley Water District	Mike Holmes	General Manager
Western Municipal Water District	Al Lopez	Director
Yorba Linda Water District	Al Nederhood	Director
Yuba County Water Agency	Brent Hastey	ACWA VP
Yuima Municipal Water District	Bill Knutson	Director