

# Property Program Committee Meeting

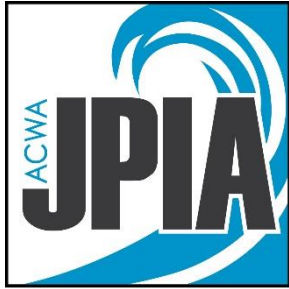


YOUR BEST PROTECTION

JPIA Executive Conference Room  
2100 Professional Drive  
Roseville, CA 95661

Tuesday  
October 31, 2017  
10:30 AM

Chairman: Tom Cuquet, South Sutter Water District  
Vice-chair: Bill Knutson, Yuima Municipal Water District  
Tom Coleman, Rowland Water District  
Mark A. Gilkey, Tulare Lake Basin Water Storage District  
Paul R. Green Jr., Rio Linda/Elverta Community Water District  
Shawn Huckaby, Fair Oaks Water District  
Theresa Lee, Walnut Valley Water District  
Ed Muzik, Hi-Desert Water District  
Eugene F. West, Camrosa Water District



## PROPERTY PROGRAM COMMITTEE MEETING

### AGENDA

JPIA Executive Conference Room  
2100 Professional Drive, Roseville, CA 95661  
(800) 231-5742 - [WWW.ACWAJPIA.COM](http://WWW.ACWAJPIA.COM)

**Tuesday, October 31, 2017 10:30 am**

**WebEx call-in: (855) 749-4750; access code: 809 506 073; password: 1234**

This meeting shall consist of a simultaneous WebEx teleconference call at the ACWA Joint Powers Insurance Authority, 2100 Professional Drive, Roseville, CA 95661 and the following remote sites:

- Knutson, 15426 Stillbrook Lane, Pauma Valley
- Gilkey, 1001 Chase Avenue, Corcoran
- Huckaby, 10326 Fair Oaks Boulevard, Fair Oaks
- Muzik, 55439 Twenty-nine Palms Highway, Yucca Valley

### **WELCOME**

### **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

**ANNOUNCEMENT RECORDING OF MEETING** This meeting may be recorded to assist in preparation of minutes. Recordings will only be kept 30 days following the meeting, as mandated by the California Brown Act.

### **EVACUATION PROCEDURES**

**PUBLIC COMMENT** Members of the public will be allowed to address the Property Program Committee on any agenda item prior to the Committee's decision on the item. They will also be allowed to comment on any issues that they wish which may or may not be on the agenda. If anyone present wishes to be heard, please let the Chairman know.

### **INTRODUCTIONS**

### **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

Presenter

Page#

#### **I. CONSENT AGENDA**

Cuquet \* A. Approve the minutes of the meeting of February 6, 2017.

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Cuquet B. Report on meetings attended on behalf of the JPIA.

## II. NEW BUSINESS

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- \* A. Review the Alliant Property Insurance Program (APIP).

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## III. UPCOMING MEETING

Cuquet

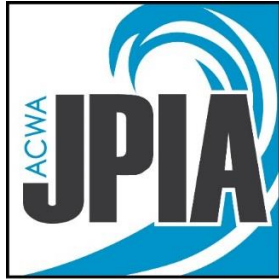
- A. There are no additional meetings scheduled for the remainder of the year.

## ADJOURN

\*Related items enclosed.

**Americans With Disabilities Act** – *The JPIA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the JPIA, shall be made to: Suzanne Wallace, Administrative Assistant II, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)*

*Written materials relating to an item on this Agenda that are distributed to the JPIA's Property Program Committee within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.*



YOUR BEST PROTECTION

*Unapproved Minutes*

## Property Program Committee Meeting

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

**February 6, 2017**

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

- Huckaby, 10326 Fair Oaks Boulevard, Fair Oaks
- Muzik, 55439 Twenty-nine Palms Highway, Yucca Valley
- West, 400 West Ventura Boulevard, Camarillo

### MEMBERS PRESENT

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Chairman: Thomas Cuquet, South Sutter Water District  
Vice-chair: Bill Knutson, Yuima Municipal Water District  
Tom Coleman, Rowland Water District  
Paul R. Green Jr., Rio Linda/Elverta Community Water District  
Shawn Huckaby, Fair Oaks Water District (*via WebEx*)  
Ed Muzik, Hi-Desert Water District (*via WebEx*)  
Bob Walters, San Juan Water District  
Eugene West, Camrosa Water District (*via WebEx*)

### MEMBERS ABSENT

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Mark Gilkey, Tulare Lake Basin Water Storage District

### STAFF PRESENT

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Chief Executive Officer/Secretary: Walter "Andy" Sells  
Carol Barake, Risk Management Program Manager  
Chimene Camacho, HR Coordinator  
Linda Craun, Administrative Assistant II (WebEx Coordinator)  
David deBernardi, Director of Finance  
Robin Flint, Sr. Risk Management Advisor  
Robert Greenfield, General Counsel  
Debbie Kyburz, Lead Member Services Representative  
Jennifer Nogosek, Liability/Property Claims Manager  
Patricia Slaven, Director of Administration  
Sandra Smith, Employee Benefits Manager  
Dianna Sutton, Finance Manager  
Karen Thesing, Director of Insurance Services  
Chuck Wagenseller, Cost Estimator/Risk Management Advisor  
Suzanne Wallace, Administrative Assistant II (Recording Secretary)  
Nidia Watkins, Member Services Representative II

Bobbette Wells, Executive Assistant to the CEO  
Cece Wuchter, Senior Claims Examiner

### **OTHERS IN ATTENDANCE**

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Marley Cleland, Aon Risk and Insurance Services  
David Drake, Rincon del Diablo Municipal Water District  
E. G. "Jerry" Gladbach, Castaic Lake Water Agency (*via WebEx*)  
Brent Haste, Yuba County Water Agency  
David Hodgin, Scotts Valley Water District  
Bruce Rupp, Humboldt Bay Municipal Water District  
Alex Tokar, Aon Risk and Insurance Services

### **WELCOME**

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Chairman Cuquet welcomed everyone in attendance.

### **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

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Chairman Cuquet called the meeting to order at 3:17 p.m. He announced there was a quorum.

### **ANNOUNCEMENT RECORDING OF MINUTES**

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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**

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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**

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Chairman Cuquet welcomed all in attendance. He introduced the newest member of the Property Program Committee, Director Paul Green, Jr. of Rio Linda/Elverta Community Water District. He then requested that Committee members and JPIA Staff introduce themselves.

### **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

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Chairman Cuquet asked for any additions to, or deletions from, the agenda; none requested.

### **CONSENT AGENDA**

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Chairman Cuquet called for approval of the minutes.

M/S/C (Knutson/Coleman) (Coleman-Yes; Cuquet-Yes; Green-Yes; Huckaby-Yes; Knutson-Yes; Muzik-Yes; Walters-Yes; West-Yes): That the Property Program Committee approve the minutes of the February 8, 2016 meeting, as presented.

## **LOSS REPORTS**

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Mr. Sells reviewed the graphs showing claims data for each \$1 million of insured values.

The Property Program 2013-14 policy year showed a slight increase in claims dollars at both the pooled layer and the reinsurance layer. The 4/1/2013-14 policy year was the first year the JPIA moved from a \$50,000 self-insured retention to a \$100,000 self-insured retention which accounted for the increase in pooled losses. Additionally, during the policy year, there were a couple of large fire claims. Overall, the property program continues to perform well and the jump to a \$100,000 retention appears to be favorable for the JPIA. The property program now insures over \$5 billion in property values.

## **NEW BUSINESS**

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### Memorandum of Crime Coverage

Ms. Kyburz presented coverage issues and potential revisions to the JPIA's Memorandum of Crime Coverage. The proposed changes are as follows: add a Table of Contents and move Definitions forward to Section V. She also reported that the pooled Crime Coverage, with limits of \$100,000 per occurrence, is automatically provided to all members participating in the Property Program. For those members who desire higher limits, the JPIA offers a group purchase excess program written through Hartford Fire Insurance Company. Currently, there are 63 agencies participating in the group purchase excess program and each member selects its desired limit and pays their allocated premium charge. Limits vary from member to member. Staff is currently working with Aon Risk and Insurance Services to provide options at a \$1 million limit for the April 1 2017 renewal term.

M/S/C (Knutson/Coleman) (Coleman-Yes; Cuquet-Yes; Green-Yes; Huckaby-Yes; Knutson-Yes; Muzik-Yes; Walters-Yes; West-Yes): That the Property Program Committee recommends that the Executive Committee approve the proposed revisions to the Memorandum of Crime Coverage, effective April 1, 2017.

#### Difference in Conditions Group Purchase Program

Ms. Kyburz reviewed the Difference in Conditions (DIC) Group Purchase Program. The Memorandum of Property Coverage provides earthquake coverage with an aggregate limit of \$2.5 million and flood coverage with an aggregate limit of \$25 million. For those members who desire higher limits, the JPIA offers a group purchase earthquake and flood program with a \$25 million limit through Landmark American Insurance Company and Essex Insurance Company. The deductibles are: earthquake, 5% of the total insurable value subject to a \$25,000 minimum per occurrence; flood, \$25,000 per occurrence. Currently, there are seven members participating in this program. This renewal period, staff will be alerting all members of the Property Program that the Group Purchase program is available.

#### Natural Disaster Fund

Mr. Sells started by providing a background on the Natural Disaster Fund (fund). Beginning with the inception of 4/1/2015-16 policy year, the JPIA established the fund which was designed to protect members from events in excess of the JPIA self-insured retention or for events in excess of the reinsurer's sub limits, including, but not limited to, earthquake and flood. The fund is expected to increase \$500,000 per year with a target amount of \$5 million. At the end of the current policy year, there will be \$1 million in the fund. At the last Property Program Committee meeting, staff was directed to develop a draft policy for the Natural Disaster Fund.

Staff is currently reviewing the interplay between the Natural Disaster Fund, developed for the purpose of funding earthquake and flood losses in excess of the \$2.5 million limits found in the excess property policy, and the earthquake and flood policies that some members purchased to provide catastrophic coverage for these types of events.

At this time, the policy requires additional analysis. A draft policy will be presented at a future meeting.

#### Memorandum of Property Coverage

Ms. Thesing reviewed the proposed changes to the Memorandum of Property Coverage (MOPC). Highlights included adding new definitions, adding clarification language to exclusions, and new language stating that members must report any loss or damage within thirty (30) days. After some discussion on the many changes presented, Mr. Sells commended staff for a job well done in reviewing and identifying opportunities to improve the MOPC.

M/S/C (Knutson/Coleman) (Coleman-Yes; Cuquet-Yes; Green-Yes; Huckaby-Yes; Knutson-Yes; Muzik-Yes; Walters-Yes; West-Yes): That the Property Program Committee recommends to the Executive Committee to approve the proposed revisions to the Memorandum of Property Coverage, effective April 1, 2017.





## **MISCELLANEOUS**

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### Future Agenda Items

Review of Natural Disaster Fund policy.

### Availability for Upcoming Meeting(s)

There are no scheduled meetings for the remainder of the year.

The Property Program Committee meeting adjourned at 4:36 p.m.

**ACWA JPIA**  
**Alliant Property Insurance Program**  
**October 31, 2017**

**BACKGROUND**

The JPIA's Property Program renews on April 1, 2018, which would also be the commencement of the pool's participation in the Alliant Property Insurance Program (APIP).

**CURRENT SITUATION**

The JPIA currently purchases reinsurance from the commercial market on a stand-alone basis. The pool would join a group purchase program, designed specifically for public agencies with a large component being water and waste water. In fact, some JPIA members already participate in Alliant's property programs.

At the meeting, staff will review the significant coverages and the differences between APIP and the JPIA's current program. In short, APIP provides property coverage for the member's buildings, contents, mobile equipment, boiler & machinery and cyber risks. The All-Risk limits available to our members under APIP are \$1 billion, per occurrence, as compared to the current coverage of \$150 million; additional enhancements are seen throughout the APIP coverage document.

The program is also designed to provide flexibility to select additional coverages and amounts such as earthquake and flood, and upgrading buildings to green. APIP has a national presence amongst public agencies and has designed "towers" to capture specific participants in a diverse set of regions. For example, not all California public agencies are in the same tower; the concept is to spread the maximum amount of risk throughout the 9,300 participants. The \$1 billion limit is dedicated to each member of the JPIA.

The pool retention will remain the same at \$100,000 per occurrence.

Alliant Insurance Services will be present to highlight the unique manuscript features of APIP, its membership strength, and the future for the JPIA.

**RECOMMENDATION**

None, informational only.

<b>ACWA JPIA Property Program</b>	
Pool	
Appraisals every 5 years for Real Property	
<b>COVERAGE</b>	<b>LIMIT</b>
All Risk	150,000,000
B&M	150,000,000
Shared EQ Limits available	\$2,500,000 annual agg
Fungus Clean-up & Removal Limit - Caused by a specific insured peril as defined in MOC	\$100,000 per occurrence; \$250,000 agg
Automatic Coverage	Up to \$5,000,000 single piece of property, or \$10M for property in COC
Business Interruption	10,000,000
Course of Construction	10,000,000
Errors & Omissions Limit	Excluded
Miscellaneous Unnamed Locations Limit	Not Covered
Off Premises Service Interruption	Not Covered

<b>APIP Program</b>	
Group Purchase	
Appraisals every 5 years for Real Property above \$5,000,000 & Treatment plants > 11 MGD	
<b>COVERAGE</b>	<b>LIMIT</b>
All Risk	1,000,000,000
APIP B&M, power generation exceptions	100,000,000
Earthquake	Up to 30,000,000
Zone A & V Flood	Up to 50,000,000
All Other Flood Zones	100,000,000
Asbestos Clean-up & Removal Limit	No Sublimit, must be caused by a covered peril
Automatic Acquisition -	\$25,000,000 Automatic Acquisition up to \$100,000,000 or a Named Insured's Policy Limit of Liability if less than \$100,000,000 for 90 days
Combined Business Interruption, Rental Income & Tax Revenue Interruption - Must be Reported	100,000,000
Course of Construction	50,000,000
Errors & Omissions Limit	50,000,000
Miscellaneous Unnamed Locations Limit	25,000,000
Off Premises Service Interruption	25,000,000



# JPIA MEETING & CONFERENCE CALENDAR – 2017

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT
					Emp. Benefits	Liability	Property	Work Comp	
FEB 7		8:30 AM							
FEB 28				1:00 PM					
MAR 20				1:00 PM				3:00 PM	
MAR 21		8:30 AM							
APR 4					1:00 PM	9:00 AM			
MAY 8	1:30 PM	10:15 AM							8:30 AM
MAY 9	ACWA CONFERENCE MAY 9 TO 12 – MONTEREY								
MAY 31		9:30 AM							
JUN 27		1:00 PM			9:00 AM				
JUL 20			11:00 AM ONTARIO						
AUG 29			10:00 AM	1:00 PM		3:00 PM			
AUG 30		8:30 AM							
SEP 12	CAJPA CONFERENCE SEPTEMBER 12 TO 15 – SOUTH LAKE TAHOE CA								
OCT 25					1:00 PM				
OCT 31		8:30 AM					10:30 AM		
Nov 13			12:30 PM ONTARIO						
Nov 27 ANAHEIM	1:30 PM	10:15 AM		8:30 AM					
Nov 28	ACWA CONFERENCE NOVEMBER 28 TO DECEMBER 1 – ANAHEIM								

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
JPIA CLOSED	2/16	20			29		4		4		23/24	25/26
MGR MEETINGS	6	3	3	7	1	5	10	21	<del>4</del>	2	6	4
STAFF Q&A	11	8	8	12	18	14	12	9	20	11	16	7
RM @ JPIA		8-9		<del>12-13</del>		14-15		8-9		11-12		7-8