

Renewal Rates For The Property Program Remain Steady Amid Extreme Market Challenges

The 2019-2020 Property Program renewal is being described as one of the toughest renewal periods since the early 2000s. Over the last couple of years, catastrophic losses have impacted the world, the United States, and California. In fact, in the last three years, the JPIA has experienced unprecedented losses as compared to its prior 37 years. The losses, coupled with the market challenges, has made this renewal extremely challenging.

The positive news is the property rates will remain flat for the 2019-2020 Program year. The challenging news is the reinsurance rates increased by 78 percent, \$0.0624 from \$0.0350 per 100 dollars of insured value. Due to its net equity position, the JPIA was able to stave off increased costs to the members; however, industry experts warn the public agencies that the next several renewal cycles will be impacted. Increased rates from the carriers will be the norm and not an anomaly.

A sample of the terms and conditions are as follows:



“Due to its net equity position, the JPIA was able to stave off increased costs to the members ...”

- Limits to \$500 million per occurrence for scheduled properties.
- Dams, canals & flumes coverage if scheduled.
- Limits of \$100 million for Business Interruption if income is scheduled.
- Limits of \$25 million for Off Premises Service Interruption, a coverage the JPIA has never offered. Coverage is triggered when a covered peril (i.e., fire) occurs on a non-owned/operated location such as a private utility (i.e., PG&E). As a result of the loss, PG&E is not capable to provide the district electricity and therefore it can't operate. This coverage protects the lost revenue.

The pool will continue to assume the first \$100,000 per occurrence. There is also a \$1 million expenditure before the reinsurance begins. The reinsured

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JPIA Contacts

Chief Executive Officer

Walter "Andy" Sells
asells@acwajpia.com

Directors & General Counsel

Finance & IT

David deBernardi
Director of Finance
ddebernardi@acwajpia.com

Insurance, Marketing and Member Services

Karen L. Thesing
Director of Insurance Services
kthesing@acwajpia.com

Employment Practices

Patricia Slaven
Director of Human Resources and
Administration
pslaven@acwajpia.com

Employment Practices and General Counsel

Robert Greenfield, Esq.
General Counsel
rgreenfield@acwajpia.com

Managers & Training

Finance

Dianna Sutton
Finance Manager
dsutton@acwajpia.com

Employee Benefits

Sandra Smith
Employee Benefits Manager
ssmith@acwajpia.com

Liability & Property Claims

Jennifer Nogosek
Liability & Property Claims
Manager
jnogosek@acwajpia.com

Workers' Compensation Claims

Melody Tucker
Workers' Comp Claims Manager
mtucker@acwajpia.com

Training

Sarah Crawford
Training Specialist
scrawford@acwajpia.com

How To Reach JPIA

Phone:

916.786.5742
or
800.231.5742

Voice Mail:

916.774.7050
or
800.535.7899

Fax:

916.774.7040

E-mail:

claims@acwajpia.com
training@acwajpia.com
member@acwajpia.com
benefits@acwajpia.com

Website:

www.acwajpia.com

Mailing Address:

P. O. Box 619082
Roseville, CA 95661-9082

Physical Address:

2100 Professional Drive
Roseville, CA 95661-3700

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portion will cover amounts over \$100,000 following the provisions of the insuring agreement.

Although the property market is hard, which means the inability to buy certain types of coverage, limits, and from a variety of insurers, the JPIA is strategically placed for future years. Historically, the JPIA has purchased property insurance on an individual basis; its strategy now is a combination of individual and group purchase

products. Purchasing insurance in this manner does in fact insulate the Program from swings in a volatile property market.

Lastly, if members wish to add properties or the new coverage options to their schedule, they should contact a JPIA Member Services Representative.

Written by: Karen Thesing, Director of Insurance Services

The California Water Insurance Fund Board Holds Its First Meeting

The California Water Insurance Fund (CWIF) Board held its first meeting at the JPIA office in Roseville on June 17, 2019. CWIF is the captive insurance company that the JPIA Board of Directors authorized at the Fall 2018 Conference.

The meeting included the appointment of Chairman of the Board, Thomas Cuquet, South Sutter Water District and Vice Chairman, David Drake, Rincon del Diablo Municipal Water District. Also attending the meeting were Board Secretary, Lorin Barker, and Directors Melody McDonald (San Bernardino Valley Water Conservation District), Andrew Morris (Santa Rosa Regional Resources Authority), Scott Quady (Calleguas Municipal Water District), and Kathy Tieg (Cucamonga Valley Water District).

The Board approved the Request for Proposal (RFP) for an investment advisor, which has since been sent out. The Board will begin the process of reviewing the responses and will interview and select an investment advisor during its August meeting.

CWIF Officers and Utah Counsel remain busy preparing the applications to the State of Utah and all necessary backup documentation. Everything remains on track to be up and running for the Liability Program renewal on October 1, 2019.

Written by: Robert Greenfield, General Counsel



California Water Insurance Fund (CWIF) Board hold it first meeting.

Workers' Compensation Program Renewal

At the 2019 Spring Conference, the Workers' Compensation Program Committee met to discuss the program renewal for July 1, 2019, through June 30, 2020. The JPIA was able to secure excess insurance at \$2 million per occurrence with over a five percent reduction in the pricing from the previous year. A large reason for this decrease was the continued low frequency trend of claims from JPIA members that exceed the \$2 million threshold. JPIA members continue to play their part in reducing the severity and frequency of claims breeding favorable pricing outcomes. Since 2000, the JPIA has had only one closed claim exceeding \$2 million.

The budget for policy year 2019-2020 highlighted a reduction of estimated losses per \$100 of payroll of approximately six percent by the JPIA's independent actuary. Class code rates had been reduced by ten percent as recently as the 2016-2017 policy year. After careful review of the budget numbers for policy year 2019-2020, the Committee recommended to the Executive Committee (and the Executive Committee approved) to have no changes to the class code rates. This is great news for all the finance minds out there who often cringe at volatility!

Written by: David deBernardi, Director of Finance

Human Resources Meetings Focus On Practical Steps To Minimize Risk Of Wrongful Termination Litigation

The average cost of a wrongful termination lawsuit in the United States is upwards of \$250,000, a risk faced by all employers, but especially in the litigious state of California. Reducing the risk of employment practice litigation

demonstrated ways to avoid making costly mistakes when in the uncomfortable position of needing to let an employee go. Rob also shared helpful checklists to ensure that the process is done ethically, legally, and in a way that protects the member agencies. Attendees found the course helpful, with one participant stating that it provided a “great framework for training supervisors on performance issues.”

If JPIA member agency HR teams or supervisors missed the session, they can access the *Documentation Made Easy* course online anytime through the JPIA training web page. JPIA will be offering additional Human Resources meetings later in Summer 2019 on additional relevant



Patricia Slaven, JPIA Director of Human Resources and Administration, conducts a session during the Human Resources meeting held at the Chino Basin Water Conservation District.

tion and helping human resource professionals and supervisors effectively navigate through potential employee performance issues was the focus of three regional JPIA 2019 Human Resources meetings held this spring. Sixty-two HR professionals and supervisors from over 48 member agencies explored topics in *Documenting Employee Performance* and *Minimizing the Risk of Wrongful Termination Litigation* at the three state-wide meetings. The were hosted at the JPIA office in Roseville, Chino Basin Water Conservation District, and Vista Irrigation District.

Sarah Crawford, JPIA Training Specialist, delivered an interactive training session for participants to gain understanding and practice in documenting employee performance issues, situations, and providing feedback. She taught participants to state facts, objectives, solutions, and desired actions (FOSA) both orally and written when documenting disciplinary situations and also for recording positive employee performance and outcomes.

In the second half of the session, JPIA General Counsel, Rob Greenfield, recounted examples of terminations gone wrong and



Attendees at the Human Resources meeting.

HR topics. Members should be sure to encourage their agency HR team members to attend on August 20 at Helix Water District or August 22 at Cucamonga Valley Water District. They won't want to miss the practical knowledge, tools, and ideas for navigating the sometimes challenging world of human resources.

Written by: Sarah Crawford, Training Specialist



Sarah Crawford, JPIA Training Specialist, conducts the Documenting Employee Performance class at JPIA in Roseville.

California Court Of Appeal Sides With Irrigation District

The Fifth District Court of Appeal has published a very important decision in favor of irrigation districts. In *Inzana vs Turlock Irrigation District Board of Directors* (2019), Mr. Inzana is a landowner in the District's area and planted over 160 pistachio trees within an easement that his predecessor had granted to the District to construct a pipeline and which gave the District the right of access to maintain the pipeline. Turlock ID gave Mr. Inzana notice that he must remove the trees as they violated the easement and the District's Rule that prohibits encroachments being planted or placed within its rights of way. When Mr. Inzana failed to remove the trees, the District refused to deliver water to him, a remedy provided under the Turlock Irrigation District Rules. The Court upheld the decision of the District to deny water.

Turlock Irrigation District Rules provide "no trees, vines, shrubs, corrals, fences, or other type of encroachment shall be planted or placed in, on, over, or across any District or improvement district conduit or any District right of way unless the District has given specific written approval for such encroachment." The Rules give Turlock ID the right to remove, at the encroacher's expense, any unauthorized encroachment or encroachments on an improvement district right of way that interfere with the operation or



maintenance of that facility. The Turlock Irrigation District Rules also state, "failure or refusal of any landowner or irrigator to comply with any of these rules or applicable regulations shall be sufficient grounds for terminating delivery of District water to the lands of such landowner or irrigator, and water shall not again be furnished until the landowner or irrigator is in full compliance with all rules and regulation."

Mr. Inzana received notice of violation from the District and was given 60 days to relocate the trees. Mr. Inzana refused and the District terminated water deliveries. It is important to note that the original notice to Mr. Inzana was on January 30, 2014, but the irrigation water service was not terminated until April 3, 2015.

The Court found that the trees planted by Mr. Inzana unreasonably interfered with Turlock ID's rights to ingress and egress, as well as its right to maintain the pipeline. The Court found that the Turlock Irrigation District Rules were within the authority of an irrigation district.

This case provides a good opportunity for members to review their district rules on enforcement powers and rules regarding violation of district easements and right of ways.

As always, members should consult with their district general counsel to determine the applicability of this case to their agency.

Written by: Robert Greenfield, General Counsel

When it Comes to Leadership, Is Your Agency Pointed to True North?

Invest in a water industry specific leadership development program that receives accolades like these:

"What I have found most valuable about the JPIA Leadership Essentials Program is the direct applicability of the lessons and assignments to my current position."

Tish Berge, Sweetwater Authority

"My agency is in the midst of organizational change, and the Leadership Essentials course has directly influenced how we're setting up the new structure to facilitate clarity of purpose, understanding of mission, execution of strategy, and communication of progress and accomplishments."

Ian Prichard, Camrosa WD

If you are a senior leader looking to make an impact on your agency, consider taking part in JPIA's Leadership Essentials for the Water Industry Program. The year-long program requires only four in-person sessions, complimented by webinars and online follow-up. Limited seats available. Plan now to join this exciting program!

Next sessions begin Fall 2019 in Costa Mesa & Roseville
All JPIA Members - \$2,195
JPIA Liability Program Members save \$500 - \$1,695
Non-JPIA Members - \$2,495



www.acwajpia.com
(click Leadership tab) or
800.231.JPIA



Risk Control Grant Program Offered To Members

In April 1999, the Executive Committee authorized a Safety Awards Program, now known as the H.R. LaBounty Safety Awards Program. For the past 20 years, this Program has been promoting safe workplace behaviors and rewarding members' employees who have demonstrated safe practices. Now the Executive Committee has authorized the creation of the JPIA Risk Control Grant Program.

This new Grant Program, which starts on October 1, 2019, will run parallel to the existing Safety Awards Program. Whereas the Safety Awards Program highlights individual employees or teams at a member district, the Risk Control Grant Program is a funding mechanism that facilitates a member's management team to invest in loss prevention and control initiatives. The Grant Program will incentivize members to renew their Commitment to Excellence (C2E) and review the best practices applicable to their operations.

All JPIA members participating in at least two of the JPIA's pooled Programs (Workers' Compensation, Liability, and/or Property), and who have signed the JPIA C2E agreement, will be eligible to participate in the Grant

Program. Grant funds must be applied to a C2E program category relevant to the pooled Programs in which the member participates. Example grant programs or initiatives include emergency plan and equipment for wildfires, ergonomic coordinator training, and cyber risk vulnerability testing. Each one of these examples is associated with a C2E loss reduction area and various coverage programs. Each requires management's involvement, commitment, and leadership for a successful outcome. Members should refer to the Grant Program description for guidance as to projects that are likely to merit funding.

In its first year, there will be five grants available with each grant reimbursing up to \$10,000. Applications for grants will be reviewed in October and the grants awarded will be announced by March 1. An application form, along with additional grant information, ideas, and fund criteria, are listed on the Risk Control page of JPIA's website. Please contact Karen Thesing at (800) 231-5742, ext. 3130 with any questions.

Written by: Thor Benzing, Senior Risk Control Advisor



Peter Kuchinsky II, JPIA Lead Risk Control Advisor and John Haaf (retired JPIA Risk Control Manager) with a display of the Commitment to Excellence Agreement when the Program was introduced at the Fall 2013 Conference.

New Employee Adds A Little Magic To JPIA

Having worked for private water purveyors in Oregon, Hawaii, and California, the newest member of JPIA's staff, Mathew Bunde, Senior Risk Control Advisor, brings a depth of experience not easily found. Matt capably fills the shoes of Keith Forbes, who retired at the end of 2018, and will serve the water agencies of the Central Valley.

Matt's experience with California Water Service Company has served him well, as he has acclimated to the needs and experiences of JPIA members from Merced to Bakersfield. In his years with them, he served as the Safety Program Manager and performed many of the same duties he will have at JPIA, including regulatory compliance reviews, risk assessments, ergonomic reviews, and conducting in-person training. Prior to his work in the water industry, Matt was a Senior CADD Designer and Bridge Designer. This background allows him to understand the engineering perspective of water utility infrastructure.

Matt lives in Bakersfield with his wife and two sons. He enjoys playing tennis and is even an amateur magician. When members meet Matt, they can ask him about the magic he performed during his job interview, then give him a hearty welcome to JPIA.

Written by: Patricia Slaven, Director of Human Resources and Administration



Mathew Bunde, Senior Risk Control Advisor

H.R. LaBounty Safety Awards Presented

At the 2019 Spring Conference in Monterey, the H.R. LaBounty Safety Award winners were announced. In this round of submissions, 15 nominations were received from 11 members recognizing the efforts of employees to improve safety and reduce accidents in the workplace.

The Safety Awards Program is designed for all JPIA members as a way to promote safe workplace behavior, recognize operational best practices, and reward those employees who demonstrate exceptional safety behavior or participate in improving workplace safety conditions. Details on the Program and nomination forms can be obtained on the Risk Control page of the JPIA's website.

While it is not possible to detail all of the award winners, here are some of the highlights:

Walnut Valley Water District reviewed the locations of first aid kits and fire extinguishers in all fleet vehicles and pickup trucks. The locations of these items in all vehicles were standardized and decals placed on the outside of all work trucks. This provides a clear message about where emergency equipment is stored and improves response time in the event of an incident.

Ramona Municipal Water District installed external controls on the outside of the electrical cabinet, along



Walnut Valley WD reviewed the locations of first aid kits and fire extinguishers in all fleet vehicles and pickup trucks. Locations in all vehicles were standardized and decals placed on the outside of all work trucks.



Ramona MWD installed external controls on the outside of the electrical cabinet along with a digital timer for pumping time control at their Wastewater Treatment Plant.

with a digital timer for pumping time control at its wastewater treatment plant. This eliminated employee exposure to arc flash for routine operations. Saving time and operational efficiency were the primary benefits. The improvement is being considered for other areas of the District's operations.

Merced Irrigation District developed a Safety Incentive Program that allowed all employees to participate. The Program included the review of the District's IIPP, emergency procedures, and hazard inspection checklists. Customized inspection forms were created to aid employees and document corrective actions for their specific work areas.

Congratulations to all winners.

Written by: Peter Kuchinsky II, Lead Risk Control Advisor

H.R. LaBounty Safety Award Winners

Will Markword	Bella Vista Water District
Mark Haverson	El Dorado Irrigation District
Staff Supervisors	Humboldt Bay MWD
Eric Couture	Merced Irrigation District
Chuck Dunahee	Moulton Niguel Water District
Paige Gulck	Moulton Niguel Water District
Jason Smith	Ramona Municipal Water District
Lui Garza	Ramona Municipal Water District
Chris Donis	Stockton East Water District
Julio Salazar	Sweetwater Authority
Jeremy Scott	Vallecitos Water District
David Lias	Walnut Valley Water District
Erik Hitchman	Walnut Valley Water District
Armando Arizpe	Yolo County Flood Control & WCD
Chris Fullerton	Yolo County Flood Control & WCD

JPIA's Website Gets A Makeover

Anyone who has logged onto the JPIA website recently will have noticed it has changed significantly. In May 2019, the new website was put into operation. Since the summer of the 2018, the JPIA has been involved in putting together a new look, feel, and use for the website. The main menu at the top of the website has been re-organized to help facilitate navigation of the new website.

Here are some highlights of the changes:

- The website is more interactive for the user. For the main menu on the website, users can hover over the tabs to see the choices that come up. This enables us-

ers to get to their intended destination with less clicks.

- On the website front page, there is now a latest news feed that shows the most recent tweets by JPIA and others that JPIA has retweeted. This helps keep readers in the loop with what has been happening in the water industry.
- There are advanced search options with faster results.
- There is a "request a quote" feature enabling prospective members to receive pricing timely.
- For Employee Benefits, users can find "Employer Resources"

that provides wellness, HIPAA, renewal/open enrollment, and other information that HR staff may need for employee benefits.

- Medical, dental, vision, and other Employee Benefits programs have separate sections for ease of use.
- The website is also ADA compliant.

The JPIA is excited about its new website and hopes that the members' user experience matches their expectations!

Written by: David deBernardi, Director of Finance

ACWA JPIA Mission Statement

The ACWA Joint Powers Insurance Authority is dedicated to consistently and cost effectively providing the broadest possible affordable insurance coverages and related services to its member agencies.