



Approved 09.09.19

## Executive Committee Meeting

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

**June 24, 2019**

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

- LaMar – 1442 Irvine Blvd., Suite 124, Tustin

### MEMBERS PRESENT

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Chairman: E.G. “Jerry” Gladbach, Santa Clarita Valley Water Agency  
Vice-chair: Thomas A. Cuquet, South Sutter Water District  
Fred R. Bockmiller, Mesa Water District  
David Drake, Rincon del Diablo Municipal Water District  
Brent Hasteley, Yuba Water Agency  
Steven E. LaMar, Irvine Ranch Water District, ACWA Vice President *(via WebEx)*  
Melody A. McDonald, San Bernardino Valley Water Conservation District  
J. Bruce Rupp, Humboldt Bay Municipal Water District  
Kathleen Tiegs, Cucamonga Valley Water District

### MEMBERS ABSENT

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None.

### STAFF PRESENT

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Chief Executive Officer/Secretary: Walter “Andy” Sells  
Linda Craun, Administrative Assistant III *(WebEx Coordinator)*  
David deBernardi, Director of Finance  
Robert Greenfield, General Counsel  
Ben Hayden, Lead Benefits Analyst  
Erik Kowalewski, Systems/Network Administrator  
Debbie Kyburz, Lead Member Services Representative  
Jackie Rech, Employee Benefits Account Manager  
Patricia Slaven, Director of Human Resources and Administration *(via WebEx)*  
Sandra Smith, Employee Benefits Manager  
Dianna Sutton, Finance Manager  
Karen Thesing, Director of Insurance Services  
Melody Tucker, Workers’ Compensation Claims Manager  
Bobbette Wells, Executive Assistant to the CEO *(Recording Secretary)*  
Cece Wuchter, Lead Sr. Claims Adjuster

## **OTHERS IN ATTENDANCE**

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Seth Cole, Sr. Vice President, Alliant  
Dave Eggerton, ACWA Executive Director  
James Linthicum, Three Valleys Municipal Water District  
S.R. "Al" Lopez, Western Municipal Water District *(via WebEx)*  
Kevin Phillips, Paradise Irrigation District, Finance Committee Chair *(via WebEx)*

## **WELCOME**

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Chairman Gladbach welcomed everyone in attendance.

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

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Chairman Gladbach called the meeting to order at 1:00 p.m. He announced there was a quorum.

## **PLEDGE OF ALLEGIANCE/EVACUATION PROCEDURES**

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Chairman Gladbach led the Pledge of Allegiance and Mr. Sells gave the evacuation procedure instructions.

## **ANNOUNCEMENT RECORDING OF MEETING**

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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**

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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**

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Chairman Gladbach asked that all attendees introduce themselves.

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

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

## **CONSENT AGENDA**

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Chairman Gladbach called for approval of the Consent Agenda:

M/S/C (Drake/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the minutes of the June 4, 2019 and June 11, 2019 meetings; 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: May 1-15, 2019; and May 16-31, 2019.

## **ADMINISTRATION**

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### Meetings Attended on Behalf of the JPIA

Director Tiegs attended an ACWA Region 5 meeting in Montecito and conveyed that a presenter gave "great kudos" and was extremely appreciative to the JPIA concerning the response to the disaster relief from the fire/floods of the prior year.

Director McDonald attended ACWA's State Legislative Committee meetings and reported on the governor's recommendations on the wildfires.

Chairman Gladbach reported that he had a meeting with a couple of representatives of private water agencies and JPIA staff to advise them on insurance options.

### Late Payments for All Programs

Mr. deBernardi explained that the JPIA has noticed more member agencies paying premiums extending past the due date. The JPIA has historically collected little from its members in the way of penalties for late payments. Neither the Property nor the Workers' Compensation Programs have a late charge policy. The Liability Program has late fees determined at \$280, plus interest. For the Employee Benefits Program, late fees are printed on the invoices as 5% per month, if paid beyond 90 days.

In the Property Program, the amount of money collected past the 30-day due date has averaged just under \$2 million. In the Liability Program, funds collected beyond 30 days has been growing. The number of days for collection in the Workers' Compensation Program has been slowly increasing over the last few years. The payment receipts timing in the Employee Benefit Program has been steady over the recent years.

M/S/C (Rupp/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve that the JPIA charge a late fee for all programs, in the amount of 1% of the balance due, per month, when the invoice is past 60 days of the due date.

### AGRIP Advisory Standards Recognition Application/Resolution 2019-2

Mr. deBernardi stated that the Association of Government Risk Pools (AGRIP) is an international association of government risk pools. The most recent JPIA recognition by AGRIP covered from 2016 through 2018. The JPIA is in the process of renewing its recognition with AGRIP. The application process now requires the JPIA's Executive Committee to approve of the application and resolution signed by Board President before submitting to AGRIP for review.

M/S/C (McDonald/Drake) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the AGRIP Advisory Standards Recognition Application by Resolution (2019-2), as presented.

### Captive Update

Director Cuquet updated the Committee on the first meeting of the California Water Insurance Fund (CWIF) Board on June 17, 2019. Discussed at the meeting was administration/concept, role of the board, State of Utah regulations, timeline and moving forward.

Officers were chosen: Andy Sells, President; Robert Greenfield, Vice President; David deBernardi, Treasurer; and Lorin Barker, Secretary.

An election for Chair and Vice-chair was held: Tom Cuquet is Chairman and David Drake is Vice-chairman.

An RFP has been sent out to select an investment advisor. The CWIF Committee will meet late August to make their selection.

### Organizational Core Values

Mr. Sells explained that at the February 2018 Executive Committee Strategic Planning session, creating Core Values was discussed. At that meeting, it was decided to move forward with a set of values applicable to the Executive Committee as a goal. The following Core Values were developed: trust, respect, integrity, good of the whole/Selflessness.

Staff, as a reference, developed a set of organizational values and defining statements to be used at the JPIA. The following are currently displayed on the new website.

- **People** – *members and JPIA are one team; employee success equates to organizational success*
- **Service** – *going beyond expectations for internal and external relationships; taking pride in all we do*
- **Integrity** – *operating with transparency, honesty and fairness to build trust*
- **Innovation** – *Continuous improvement and adaptation by asking “What if?” and finding the best solutions*

The following Core Values were developed by the Executive Committee at the last Strategic Planning session. Staff provided sample language to assist with defining the statements.

- **Trust** – open dialogue without repercussions or retribution
- **Respect** – encouraging and valuing diverse perspectives
- **Integrity** – fostering engagement and commitment to learning
- **Good of the Whole** – represent the membership not an individual member

M/S/C (Hastey/Rupp) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the Executive Core Values as presented.

#### Organizational Performance Appraisal

Ms. Slaven reviewed the results of the Summary Appraisal Form that was submitted to the Executive Committee for the 2018-19 Organizational Performance Appraisal. The organization was given an overall rating of **4.7** out of five.

Goals for the upcoming fiscal year 2019-20 are as follows:

- Address and implement recommendations from vulnerability/penetration testing regarding JPIA cyber security.
- Conduct staff engagement survey; determine areas for changes or improvements and implement those changes.
- Assess effectiveness and ease of current document storage process.
- Develop internal leadership skills throughout the organization.
- Create a member task group to meet and identify members' future needs/wants/ideas.

M/S/C (Bockmiller/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the 2018-19 Performance Appraisal with an overall score of 4.7, and Organizational Goals and Objectives for fiscal year 2019-20, as presented.

#### Salary Schedule

Ms. Slaven presented an updated Salary Schedule for approval. A temporary Office Assistant position was added and an error in the Grade 11 salary range was corrected.

M/S/C (McDonald/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the updated and corrected JPIA Salary Schedule, as presented.

## **PROGRAMS**

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#### Employee Benefits Program Committee

Director Rupp reported on the recommendations of the Employee Benefits Program Committee's meeting on June 24, 2019. The following action items were presented to the Executive Committee for approval:

M/S/C (Rupp/Bockmiller) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve an increase in JPIA Administrative Fees per plan, as presented, effective January 1, 2020.

M/S/C (Rupp/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve an aggregate **0%** increase to rates for the Anthem Blue Cross self-funded PPO plans, which shall include RxGuide, Site of Care, Carrum Health, and an increase in associated fees, effective January 1, 2020.

M/S/C (Rupp/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve an aggregate increase of 8.21% for the Anthem Blue Cross HMO plans, effective January 1, 2020.

M/S/C (Rupp/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve a rate increase of 2.24% for the Kaiser plans, effective January 1, 2020.

M/S/C (Rupp/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve renewal of the self-funded Delta Dental PPO and VSP plans with **no change in rates**, effective January 1, 2020.

M/S/C (Rupp/Drake) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve a rate increase for DeltaCare in the amount of 5.24%, effective January 1, 2020.

M/S/C (Rupp/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve a rate increase for Standard Life in the amount of 9.41%, effective January 1, 2020.

M/S/C (Rupp/Drake) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve a rate increase for MHN EAP in the amount of 9.44%, effective January 1, 2020.

M/S/C (Rupp/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee accept the recommendation of the Employee Benefits Program Committee to approve amending the Participation Requirements to allow Directors at Incentive member agencies to waive enrollment in JPIA medical coverage, subject to the rules for employees at Standard member agencies, and to allow Directors to waive enrollment in any of the ancillary plans for the duration of their term, independent of whether medical coverage was waived.

#### Property Program Renewal

Ms. Thesing presented renewal terms for the Property Program which renews on July 1, 2019. Mr. Cole updated the Committee on market conditions. At the time of the meeting, it appeared that the final pricing for the Property Program would include a 78.2% increase in rates from the prior policy year with a \$1 million annual aggregate. The total premium for the 7/1/19-20 policy year will be \$4.9 million; a \$2 million increase from last year.

M/S/C (Cuquet/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve the excess/reinsurance coverage renewal for the Property Program policy year 7/1/2019-20 with an increase of rate at \$.0624 per \$100 of insured values, as presented.

#### **MEMBERSHIP**

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##### Panoche Water District

Ms. Kyburz presented the Panoche Water District's application for admission into the Workers' Compensation Program.

M/S/C (Drake/Rupp) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee approve Panoche Water District's application for admission into the Workers' Compensation Program.

#### **CLOSED SESSION**

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

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

At approximately 3:00 p.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. Del Valle vs. Santa Clarita Valley Water Authority
2. CSAA vs. Kirkwood Meadows Public Utility District

M/S/C (HasteY/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; HasteY-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 3:15 p.m. General Counsel reported:

- Closed session item #1: No action was taken, instructions given to staff.
- Closed session item #2:  
M/S/C (McDonald/HasteY) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; HasteY-Yes; LaMar-Yes; McDonald-Yes; Rupp-Yes; Tiegs-Yes): That the Executive Committee give authority for settlement of this claim in the amount of \$917,500.

## **MISCELLANEOUS**

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Future agenda items:

- None stated.

### CEO Update

Mr. Sells reported that he has been in contact with Swiss Re, a large excess insurance company. Swiss Re is working on developing a state-of-the-art parametric risk transfer solution. A type of straightforward insurance which pays out as soon as the preset index conditions are met. Proceeds can be used to fund a variety of uninsured losses, including, but not limited to, lost tax revenues, fire suppression costs and immediate infrastructure recovery efforts.

### General Counsel Update

Mr. Greenfield updated the Executive Committee on new legislation or case law which may have an impact on the JPIA. In addition, Counsel provided an update of coverage denials since the last report.

Availability for next meeting: Monday, September 9, 2019 – no conflicts noted by those in attendance, however, Director LaMar had previously stated that he would not be available for the September 9 meeting.



The Executive Committee meeting adjourned at 3:35 p.m.

Attest:

X

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E.G. "Jerry" Gladbach  
Chairman

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Walter A. Sells  
Secretary