

Balancing Robust Employee Benefits Plans And Sustainable Costs

The JPIA Employee Benefits plans are healthy, due to small changes implemented over the last five years. In three of those years, the Anthem PPO plans renewed without an increase.

As a member-driven organization, JPIA strives to provide the balance that members want by providing health plans that are both robust and sustainable. Benefits packages are an important part of compensation packages to attract and retain the most talented employees. Each year, numerous options and their associated savings are carefully evaluated. As a result of changes implemented since 2015, the \$81 million annual cost of the self-funded medical plans is estimated to be \$11 million lower per year. That is a savings of over 13 percent on Anthem PPO plan premiums every year for over 200 water agencies throughout California.

The increasing cost of prescription drugs has presented a challenge to all health plans. To ensure the long-term health of the Employee Benefits plans, JPIA's Employee Benefits Committee and Executive Committee have focused on controlling



the costs associated with prescription drugs. JPIA plan changes over the last several years have included mandatory mail order for maintenance medications, preferred generics, and embedding Medicare Part D, which provides reimbursement to the plan from the Centers for Medicare & Medicaid Services (CMS).

In 2019, the Pharmacy Benefit Manager for Anthem PPO participants and for Medicare retirees in both the PPO and HMO plans was changed from Express Scripts to MedImpact. This change alone is projected to save JPIA members \$3 million per year. Anthem severed ties with Express Scripts in mid-2019. JPIA marketed the pharmacy business for the last two years to find a suitable replacement. After careful evaluation, MedImpact was selected as Pharmacy Benefit Manager for the self-funded Anthem plans. MedImpact administers prescription coverage for over 50 million lives. Their business model is uniquely transparent and agnostic. MedImpact does not own

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California Supreme Court Issues Two Opinions Favorable To Public Entities

In *City of Oroville v Superior Court Butte* and *Southern California Gas Leak Cases*, the California Supreme Court has set forth very positive decisions in favor of public entities.

City of Oroville is the first Supreme Court case in 22 years addressing inverse condemnation. A dental office, that had a sewer backup, sued under inverse condemnation. The City contended that the dental office failed to have a legally required backwater valve that would have prevented the event.

The Court held that damage to private property must be substantially caused by an inherent risk presented by the deliberate design, construction, or maintenance of the public improvement. The Court held that inherent risk and substantial causation must be present for

inverse condemnation. Here, the Court found that the deliberate design included the legally required backwater valve.

As a practice note, the public entity argument is stronger if the requirement of a backwater device is an ordinance or regulation as opposed to a "policy." Ordinances and regulations have enforcement options where a policy does not. The District should review its ordinances/regulations that either require a backwater device or reference the Uniform Plumbing Code's requirement of a backwater device.

In *Southern California Gas Leak Cases*, it took four months for the repair of a gas leak. The businesses sued under theories of Tort alleging loss of business due to the extremely long period of time that the businesses were either closed or interrupted.

The Supreme Court held that claims for a purely economic loss suffered from the mere proximity to an industrial accident, no direct property damage and no personal injury damage, are not compensable in negligence. The Court goes into detail on how allowing these claims would overburden utility providers and the courts.

As always, members should check with their district counsel on how these decisions may impact their district. Members with additional questions should never hesitate to contact the JPIA for assistance.

Written by: Robert Greenfield, General Counsel

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the retail or mail order dispensing pharmacies, which is not true for their top competitors.

Prescription coverage is the most frequently utilized portion of a health plan, so it was important to make the transition as seamless as possible. JPIA made sure both member agency staff and individual participants were armed with the information needed to use and understand the new prescription coverage. A three-month grandfathering period was included to ease the transition. During this time, participants could access the same drugs at the same copays based on prior drug formulary lists. Mandatory mail order for prescriptions was also waived during the grandfathering period. This provided additional time to establish accounts and prescriptions on file with MedImpact. The Employee Benefits team provided personal service to participants with questions and helped resolve any issues that arose during the transition.

Aside from a few benefit enhancements, very little will change in the health plans in 2020. Online video physician videos will now be covered at no cost on the Anthem HMO plans. The Anthem PPO plans already included this benefit. Kaiser Senior Advantage for Medicare retirees will now include the very popular Silver and Fit fitness benefit.

Written by: Sandra Smith, Employee Benefits Manager

Member Photos

The JPIA's Art Committee would like to thank all of the members who sent photos for use in various projects throughout the JPIA. The submitted photos can be seen in the hallways of the JPIA office building in Roseville and have also been cycled frequently on its lobby display monitor. With the New Year, the Art Committee will be selecting new photos to display, so members are asked to send any admirable photos (high resolution digital format) to elarson@acwajpia.com and include a short description of the photos in order to understand their content. Some ideas for photos may include aerial photos, facilities, landscapes, disasters, and historic photos.

Common Cause Is The Key To A Cohesive Board

How to shift from being a GROUP of people who are operating out of self-interest, to a TEAM of unique individuals, with differing views, organizing around a shared interest.

What if you only have two options – GROUP or TEAM? At Group to TEAM Leadership Solutions Inc., we have come to recognize that there are really only two modes that any INDIVIDUAL, working within a collective body, can be operating from. Group occurs when the individuals are operating out of self-interest. TEAM can only occur if the individuals begin to organize around a shared interest or a common cause.

We want to stress the word “individual” because it is actually the key to becoming a TEAM. To say that your

team) motivates us to adjust. The “pay off” for making the adjustment to include, consider, appreciate, and value others extends to every area of our lives. When we commit to creating a context of “common cause” and utilize that as the premise for our interactions, every relationship in our lives begins to improve dramatically.

Learning to listen for alignment, rather than listening for agreement is an important adjustment. When others speak, most of us are listening to determine if we agree or disagree with what they are saying. When we start to listen for alignment, we are seeking to understand the other person’s point of view and looking for points of connection or themes that we can utilize to draw out a common cause.

Discovering or uncovering alignment leads to shared interest, mutual goals and/or a common cause – which becomes the context for our interactions with others. Too often, we jump into conversations about information and details without framing the conversation – we call the information and details the “content.” Like words on a page – without context, the meaning of the words is hard to interpret. Text messages are a good example of content without context. How many of us have received a text that we misinterpreted? We just didn’t have the background information to understand the author’s meaning.

The key to becoming a cohesive board involves the orientation of

the individuals on the board toward common cause. There needn’t necessarily be a single, defined, common cause for a board to align and function as a unified body. There simply must be an understanding that alignment around a shared interest will allow for different opinions and healthy debate in service to a joint mission or purpose.

Written by: Susan Leahy, MA CSP and Freeman Michaels, MA, the co-founders of Group to TEAM Leadership Solutions Inc., a global consulting company that specializes in helping organizations build a culture of team by initiating a deeper conversation about what it takes to build viable, self-sustaining teams starting at the level of the individual. For more information about their board development programs and other trainings, please visit www.GroupToTeam.com



board should “all be on the same TEAM” seems to suggest that there should never be any disagreement – but actually, there should be lots of disagreement. The disagreement, however, is held in a context of a common cause. In fact, the sign of a great TEAM is the ability to hold different points of view while maintaining a high level of respect and a palpable appreciation of differences.

Another important element of becoming a cohesive board is to recognize that “group” is not negative, it’s normal. Focusing on yourself, your needs and wants, is not selfish, it is normal. Considering your interests while simultaneously being able to consider other people’s thoughts, feelings, ideas and opinions is simply an upgrade. We all default to “self-interest,” but recognizing our preference to operate more cohesively (more as a



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JPIA 2019 Fall Conference Schedule

Manchester Grand Hyatt Hotel – San Diego, CA

Monday – December 2, 2019

8:00 a.m.

Light Continental Breakfast
(for those attending the meetings)

8:30 – 10 a.m.

Finance & Audit Committee Meeting

10:15 – 11:15 a.m.

Executive Committee Meeting

11:30 a.m. – 1:00 p.m.

Pre-Board Meeting Lunch With Keynote Speaker
(Carly Winokur of Carrum Health) –
RSVP by 11/6/19 required to attend this event.

1:30 – 4 p.m.

Board of Directors' Meeting

4 – 5 p.m.

Town Hall Meeting

5 – 6 p.m.

ACWA JPIA Reception

Tuesday – December 3, 2019

7:30 a.m.

Light Continental Breakfast
(for those attending the seminars)

8 – 9:45 a.m.

Steady As She Goes for Stable Board Meetings
Presenter: Ann Macfarlane, Jurassic Parliament

10 – 11:30 a.m.

Building Tomorrow's Water District: Customer
Engagement & Life Cycle Replacement
Presenters: Citrus Heights WD Representatives

1 – 3 p.m.

Sexual Harassment Prevention for Board Members
& Managers (AB1825, 1661 & 2053)
Presenter: Robert Greenfield, JPIA General Counsel

3 – 5 p.m.

JPIA Leadership Meeting
(for alumni of the JPIA Leadership Program)

To request meeting packets, name badges, and RSVP for the Pre-Board Meeting Lunch, use the link on the Conference page of the JPIA's website (www.acwajpia.com/conference/). The deadline is November 6, 2019.

Preventive Maintenance For Standby Emergency Generators

With the electrical utilities taking preventative measures during the fire season by shutting off power to communities in California, water district emergency generators will be supplying more power to key facilities. The following is a review of maintenance requirements for emergency generators.

Emergency generator sets used for either prime or backup (emergency) power must be regularly maintained to ensure they provide quality power throughout their service life.

The best generator maintenance practice is National Electrical Code (NEC) 700, which applies to the installation, operation, and maintenance of an emergency system for power within 10 seconds of the interruption of normal electrical supply. Its main goal is to keep the emergency generator from breaking down and operating as reliably as possible.

Preventive maintenance consists of the following operations:

- General inspection
- Lubrication service
- Cooling system service
- Fuel system service
- Servicing and testing starting batteries
- Regular engine exercise

Equipment testing consists of the following:

- Emergency power systems testing consists of acceptance testing and operation testing (NEC 700.4). In addition, it ensures that the emergency power system meets installation specification (NEC 700.4(B)).
- Periodic testing ensures the system's proper operating conditions and running under load is a generally accepted method of testing.

The district must keep records of all required testing (NEC 700.4(A)

and (B) and NFPA 110 8.5.3) including the following:

- The date of the maintenance report.
- Identification of the serving personnel.
- Notation of any unsatisfactory condition and the corrective action taken, including parts replaced.
- Testing of any repair in the time recommended by the manufacturer.
- Emergency Power Supply System Maintenance Schedule (suggested form is located in NFPA 110).

Maintenance requirements for typical generator sets:

- Periodic maintenance of batteries, refer to manufacturers recommendations.

National Fire Protection Association (NFPA) A.8.3.6 – A battery load test should be performed quarterly. Also, the terminals should be



checked to make sure the connections are clean and tight. Additionally, the electrolyte level should be checked at least every 200 hours of operation.

- Check radiator hoses
- Check coolant, oil and fuel levels
- Check the exhaust system
- Check fuel system
- Inspect the control system regularly to make sure it is logging data properly during engine exercise.

Diesel fuel must be maintained to be reliable (NFPA 110 A.7.9.1.2)

- Fuels stored for more than six months are subject to aging degradation – oxidative products, condensation buildup, and microbiological growth.
- Sulfur, naturally occurring gums, waxes, soluble metallic soaps, water, dirt and temperature all degrade fuel as it is handled and stored. These effects begin at the time of fuel refinement and continue until consumption.
- Fuel maintenance and testing should begin the day of installation and first fill to establish a benchmark guideline for further comparison.
- Fuel must be tested (NFPA 110 8.3.7 and American Society for Testing and Materials 975 Rule). A fuel quality test shall be performed at least annually.

Preventive maintenance for engine generators plays a critical role in maximizing the reliability of the standby systems, the need for repairs, and reducing equipment life cycle costs. By following generally recognized maintenance procedures and the application of manufacturer recommendations, standby power systems will start and run when needed.

Written by: Chuck Wagenseller, Cost Estimator

Continued Smart Growth For JPIA Membership

The JPIA continues to grow in membership by welcoming two new members: Truckee Donner Public Utility District and the Zone 7 Water Agency.

The Truckee Donner Public Utility District was formed in 1927; known as the Truckee Public Utility District, it serves the City of Truckee. As the



Donner Lake

Truckee area grew, the District also grew through the purchase of private water companies. In the 1960s, the purchase of the Donner Lake distribution facilities allowed the Trucker Donner PUD to provide power for the area. Today, the District occupies 45.5 square miles in Nevada and Placer counties and services approximately 13,700 electric customers and 12,500 water customers. The District maintains a staff of 75 full-time employees.

Zone 7 Water Agency was established in 1957 to place under local control matters of flood protection and water resource management in eastern Alameda County. Zone 7 supplies treated drinking water to retailers serving more than 200,000 people in Pleasanton, Livermore, Dublin, and, through a special agreement with the Dublin San Ramon Services District, to the Dougherty Valley area. The Agency supplies agricultural water to 3,500 acres, primarily South Livermore Valley vineyards, and provides flood protection to all 425 square miles of eastern Alameda County.

As of September 1, 2019, there are a total of 397 members participating in the JPIA, of which 332 participate in the Liability Program with \$731 million in payroll, 277 participate in the Property Program with \$7.93 billion in covered property, 196 participate in the Workers' Compensation Program with approximately 7,349 employees covered, and 266 participate in the Employee Benefits Programs.

The JPIA looks forward to continuing to grow in the number of members. For information regarding coverage programs, please contact the Member Services Department via email at member@acwajpia.com.

Written by: Nidia Watkins, Member Services Representative II

Reporting JPIA Director Changes

Members should be sure to report any changes in their JPIA Directors or Alternates as soon as possible. The assigned JPIA Director is required to file a Fair Political Practices Commission (FPPC) Form 700 annually. When assuming or leaving the office, Form 700s are due within 30 days of the change of officer.

In 2015, the JPIA began to provide members with the ability to complete Form 700s online. The automation of Form 700 filing has reduced errors, eliminated the need

for “wet” signatures on filings, and has increased productivity by consolidating information.

If members have changes to their district’s designated JPIA Director or have questions concerning e-filing, they should contact Bobbette Wells at bwells@acwajpia.com or (800) 231-5742, extension 3161. Or, use the following link to report changes directly: <https://www.acwajpia.com/change-of-director-form/>.

Written by: Bobbette Wells, Executive Assistant to the CEO

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.