



YOUR BEST PROTECTION

*Approved Minutes*

## **Finance & Audit Committee Meeting**

ACWA Joint Powers Insurance Authority  
2100 Professional Drive  
Roseville, CA 95661  
(800) 231-5742

**May 14, 2020**

This meeting consisted of a simultaneous Zoom teleconference meeting at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and remote sites.

### **MEMBERS PRESENT**

---

Chairman: Kevin Phillips, Paradise Irrigation District  
Vice-chair: Carrie Corder-Guarino, Cucamonga Valley Water District  
Louis Jarvis, Glenn-Colusa Irrigation District  
Marlene Kelleher, Vista Irrigation District  
Suha Kilic, Pebble Beach Community Services 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  
David deBernardi, Director of Finance  
Robert Greenfield, General Counsel  
Patricia Slaven, Director of Human Resources and Administration  
Sandra Smith, Employee Benefits Manager  
Dan Steele, Finance Manager  
Min Su, Senior Accountant  
Dianna Sutton, Special Projects Manager  
Karen Thesing, Director of Insurance Services  
Shelley Tippit, Accountant II  
Bobbette Wells, Executive Assistant to the CEO (*Recording Secretary*)

### **OTHERS IN ATTENDANCE**

---

Thomas A. Cuquet, South Sutter Water District  
Fred R. Bockmiller, Mesa Water District  
David Drake, Rincon del Diablo Municipal Water District  
E.G. "Jerry" Gladbach, Santa Clarita Valley Water Agency  
Bob Green, Gilbert Associates  
Brent Haste, Yuba Water Agency  
Al Lopez, Western Municipal Water District  
Melody A. McDonald, San Bernardino Valley Water Conservation District

Randall J. Reed, Cucamonga Valley Water District  
Pamela Tobin, San Juan Water District, ACWA VP  
Kevin Wong, Gilbert Associates

## **WELCOME/INTRODUCTIONS**

---

Chairman Phillips welcomed everyone in attendance.

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

---

Chairman Phillips called the meeting to order at 10:01 a.m. He announced there was a quorum.

## **ANNOUNCEMENT RECORDING OF MINUTES**

---

Chairman Phillips announced that the meeting would be recorded to assist in preparation of minutes. Recordings are kept 30 days following the meeting, as mandated by the California Brown Act.

## **PUBLIC COMMENT**

---

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

## **APPROVAL OF MINUTES**

---

Chairman Phillips called for approval of the minutes of the December 2, 2019 meeting.

M/S/C (Ruettgers/Kelleher) (Corder-Guarino-Yes; Jarvis-Yes; Kilic-Yes; Kelleher-Yes; Phillips-Yes; Ruettgers-Yes; Smith-Yes): That the Finance & Audit Committee approve the minutes of the December 2, 2019 meeting.

## **MEETINGS ATTENDED ON BEHALF OF THE JPIA**

---

None reported.

## **FINANCIAL STATEMENTS**

---

Mr. Wong and Mr. Green reported that the JPIA received an unmodified opinion. The opinion stated that the Financial Statements present fairly, in all material respects, the financial position of the JPIA as of September 30, 2019, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As in the previous year, the JPIA prepared a Comprehensive Annual Financial Report (CAFR) in accordance with the Government Finance Officers Association

(GFOA) standards. Management intends to submit this report to the GFOA for review in order to again obtain a Certificate of Achievement for Excellence in Financial Reporting. Consequently, the annual report has additional reports therein to meet these high standards.

M/S/C (Ruetters/Kelleher) (Corder-Guarino-Yes; Jarvis-Yes; Kilic-Yes; Kelleher-Yes; Phillips-Yes; Ruetters-Yes; Smith-Yes): That the Finance & Audit Committee recommends that the Executive Committee Approve the Audited Financial Statements and to forward to the Board of Directors at their next meeting for final approval.

## **OPERATING BUDGET**

---

Mr. deBernardi conveyed that in March of each year, a proposed operating budget is submitted to the Finance & Audit Committee and then to the Executive Committee for review. At the ACWA spring conference, the proposed operating budget is presented for approval to the Board of Directors. The budget covers General & Administrative (G&A) Expenses for the fiscal year ending September 30, 2021.

The most significant changes to the G&A budget for the fiscal year are staff salaries and staff employee benefits. Staff Salaries increase is due two additional positions anticipated (Member Services Admin and Special Projects Manager). These positions were approved by the Executive Committee during fiscal year 2020.

The overall increase in the Operating Budget is 3.3%. Salaries remain the largest line item in the budget.

M/S/C (Ruetters/Kelleher) (Corder-Guarino-Yes; Jarvis-Yes; Kilic-Yes; Kelleher-Yes; Phillips-Yes; Ruetters-Yes; Smith-Yes): That the Finance & Audit Committee recommends that the Executive Committee Approve the Operating Budget for fiscal year ending September 30, 2021 and to forward to the Board of Directors at their next meeting for final approval.

## **CAPTIVE UPDATE**

---

Mr. Sells reported that since the last Finance & Audit Committee meeting, the following has transpired with the Captive:

- JPIA ceded approximately \$19 million of expected losses and expenses to CWIF for the 2019-20 Liability Program policy year.
- Implementation of the CWIF Investment policy began January 2020.
- JPIA transferred \$12 million in capital to CWIF authorized by Board of Directors resolution.
- Next CWIF Board meeting is expected to be scheduled for a date during the Fall of 2020.

## **MISCELLANEOUS**

---

### Future Agenda Items

None stated.

### Availability for Upcoming Meeting

The next scheduled Finance & Audit Committee meeting is August 24, 2020.

The Finance & Audit Committee meeting adjourned at 11:40 a.m.