



Approved 4.10.20

Executive Committee Meeting

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

January 22, 2020

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):

- Drake – 325 Rock Ridge Place, Escondido

MEMBERS PRESENT

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 (*WebEx – joined at 10:40 a.m.*)

David Drake, Rincon del Diablo Municipal Water District (*via WebEx*)

Melody A. McDonald, San Bernardino Valley Water Conservation District

J. Bruce Rupp, Humboldt Bay Municipal Water District

Pam Tobin, San Juan Water District, ACWA VP

MEMBERS ABSENT

Brent Hastey, Yuba Water Agency

STAFF PRESENT

Chief Executive Officer/Secretary: Walter “Andy” Sells

Linda Craun, Administrative Assistant III (*WebEx Coordinator*)

David deBernardi, Director of Finance

Robert Greenfield, General Counsel

Erik Kowalewski, Network/Systems Administrator

Jennifer Nogosek, Liability/Property Claims Manager

Patricia Slaven, Director of Human Resources and Administration

Sandra Smith, Employee Benefits Manager

Dan Steele, Finance Manager

Dianna Sutton, Special Projects Manager

Karen Thesing, Director of Insurance Services

Nidia Watkins, Member Services Representative II

Bobbette Wells, Executive Assistant to the CEO (*Recording Secretary*)

OTHERS IN ATTENDANCE

Tiffany Giammona, ACWA Director of Member Outreach & Engagement

Al Lopez, Western Municipal Water District (*via WebEx*)

Kevin Phillips, Paradise Irrigation District, Finance Committee Chairman (*via WebEx*)

WELCOME

Chairman Gladbach welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Gladbach called the meeting to order at 8:31 a.m. He announced there was a quorum. Director Bockmiller joined the meeting at 10:40 a.m. by WebEx and was not counted as part of the quorum due to posting requirements.

PLEDGE OF ALLEGIANCE/EVACUATION PROCEDURES

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

ANNOUNCEMENT RECORDING OF MEETING

Chairman Gladbach 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 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

Chairman Gladbach began by welcoming Pam Tobin to the Executive Committee. He then asked those in attendance to introduce themselves.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

CONSENT AGENDA

Chairman Gladbach called for approval of the Consent Agenda:

M/S/C (Rupp/McDonald) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; McDonald-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve the minutes of the December 2, 2019 and January 10, 2020 meetings; excuse the absence of Director Hastey; 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: November 1-15, 2019; November 16-31, 2019; December 1-15, 2019; and December 16-31, 2019.

ADMINISTRATION

Meetings attended on behalf of the JPIA

Mr. Greenfield stated that he and Tiffany Giammona from ACWA attended a meeting at Kings River Conservation District to discuss the possibility of creating a GSA litigation pool.

Personnel Committee

Chairman Gladbach reported on the Personnel Committee's meeting of January 15, 2020. There were no action items from that meeting.

Executive Committee Per Diem Rate

Mr. Sells explained that the current daily rate of Per Diem for Executive Committee members and Directors is \$312. The maximum increase of 5% would move the rate to \$327.60, effective January 22, 2020. This is a standing agenda item for the first Executive Committee meeting of each calendar year.

M/S/C (Cuquet/Tobin) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; McDonald-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve raising the Per Diem rate to \$327.00, effective January 22, 2020.

Executive Committee Vacancy

Chairman Gladbach noted that as a result of the recent elections for the local water agencies, the JPIA has an opening on the Executive Committee. The balance of the term will expire in May of 2021.

An email letter was sent to all JPIA Directors December 10, 2019 inviting qualified candidates to send a letter of qualifications to the JPIA by January 14, 2020. The following Directors responded to the email request: Paul Dorey, Vista Irrigation District; Kathryn Freshley, El Toro Water District; Bill Rosen, Goleta Water District; John Weed, Alameda County Water District; Randall Reed, Cucamonga Valley Water District.

M/S/C (Cuquet/Tobin) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; McDonald-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve the selection of Randall Reed of Cucamonga Valley Water District to fill the vacancy on the Executive Committee for the remainder of the term ending May of 2021.

Marina Coast Water District

Mr. Sells explained that during risk assessment visits to Marina Coast Water District in 2017 and 2019, specific areas of concern appeared to increase liability exposures to

authorized visitors, unauthorized persons, as well as the potential workers' compensation exposures to employees were identified.

As identified in the ACWA JPIA's 2017 and 2019 risk assessment visits and subsequent reports, the decommissioned Ford Ord Wastewater Treatment Plant and the abandoned Reservation Road facilities are specific areas of concern. The JPIA is of the opinion that with the State Park, recreation trails, and increased residential and commercial development, that the abandoned and/or non-operational facilities are an attractive nuisance and an increased hazard to anyone who enters.

There was much discussion on the issues at Marina Coast Water District. The Committee decided that there was great risk of exposure to the pool and that notification be sent to the District of suspension of General Liability coverage at the decommissioned Fort Ord Wastewater Treatment Plant and at the abandoned Reservation Road facility until the District provides written notification of improvements made at both facilities.

M/S/C (Rupp/McDonald) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; McDonald-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee directs staff to notify Marina Coast Water District of suspension of General Liability coverage directly related to the decommissioned Fort Ord Wastewater Treatment Plant and the abandoned Reservation Road facility until the District provides written notification of improvements made at the two facilities, effective immediately.

Strategic Planning

Mr. Sells and Ms. Slaven reviewed the agenda for the upcoming Strategic Planning session in Palm Desert on March 4-6, 2020.

AGRiP Policy Recommendations

Mr. deBernardi explained that the JPIA applied for the *Advisory Standards Recognition* award provided by the Association of Government Risk Pools (AGRiP). AGRiP recognition is a method for member pools to conduct a comprehensive self-assessment of internal operational procedures against industry best practices. Any pool that meets the Advisory Standards is granted recognition for three years. AGRiP completed its review and provided policy recommendations that are needed to obtain recognition.

The proposed policy recommendation is as follows:

The JPIA as a matter of best practices hereby adopts the following policies:

- *It is hereby resolved as policy that the JPIA Executive Committee receives each year a summary of the annual actuarial studies obtained by the JPIA.*

- *It is hereby resolved as policy that all contracts for services obtained by the JPIA include the following contract provisions:*
 - *Agreement term*

- *Scope of services provided*
 - *Form and timing of periodic reporting by the service provider*
 - *Performance measures*
 - *Compensation details*
 - *Ownership and confidentiality of pool information*
 - *Business continuity obligations of the service provider*
 - *Records retention standards and accountabilities*
 - *Compliance with applicable California and federal regulations*
 - *Indemnification of the parties and insurance requirements*
 - *Breach definition and remedies*
 - *Choice of law*
 - *Legal venue to resolve disputes*
 - *Cancellation and termination of the agreement*
 - *Assignability of the contracted relationship*
- *Any service contract exceeding the Chief Executive Officer's limit of \$100,000 must be approved by both the JPIA Board President and Vice President. Any service contract exceeding \$150,000 must be approved by the JPIA Executive Committee. Service contracts are limited to one per organization.*
 - *As a matter of practice, the JPIA must obtain a claims audit once every three years. This audit is to be shared and reviewed by the JPIA Executive Committee.*
 - *The JPIA has established claims approval limits that will periodically be reviewed by the JPIA Executive Committee. The approval limits are as follows:*
 - *Claims Examiners* \$ 35,000 (up to)
 - *Claims Managers* \$ 50,000 (up to)
 - *General Counsel* \$ 50,000 (up to)
 - *Chief Executive Officer* \$100,000 (up to)
 - *President/Vice President* \$150,000 (up to)
 - *Executive Committee* >\$150,000 (greater than)

M/S/C (Tobin/Rupp) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; McDonald-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve the AGRiP Policy recommendations, as presented.

PROGRAMS

Significant Claims

Pursuant to Government Code 54956.95, Ms. Nogosek reported on claims that had been previously presented for authority:

- *Petrowsky vs. Calleguas Municipal Water District – Six-inch airvac line ruptured and sent water into claimant's home. Claim resolved for \$483,961.84.*

- City of Santa Clarita vs. Santa Clarita Valley Water Agency – 14” PVC line broke damaging road and sidewalk. Claim resolved for \$283,020.22.
- City of Glendale vs. Crescenta Valley Water District – Eight-inch pipe broke, and damaged 26,000 square feet of roadway. Claim resolved for \$315,350.90.

MEMBERSHIP

Zone 7 Water Agency

Ms. Watkins presented Zone 7 Water Agency’s application for admission into the Property Program.

M/S/C (Rupp/Drake) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; McDonald-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve Zone 7 Water Agency’s application for admission into the Property Program.

MISCELLANEOUS

Future agenda items: None stated.

CEO Update

Mr. Sells and staff updated the Executive Committee on the progress of the 2019/2020 Goals & Objectives and other relevant current issues. Those discussed were:

- 2020 Goals and Objectives
- Alliant Roundtable
- CUEMA (California Utility Executive Management Association) update
- Visit with Property underwriters

Availability for next meeting: The Executive Committee and Finance & Audit Committee meetings on March 16, 2020 were rescheduled to Monday, March 30, 2020.

CLOSED SESSION

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

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

At approximately 10:38 a.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. Lucero Farms vs. Semitropic Water Storage District
2. Sten vs. Vallecitos Water District
3. Polk/Ingram vs. Rancho California Water District
4. Presley vs. Palo Verde Irrigation District

5. Gonzalez vs. Desert Water Agency
6. Laubham vs. South Coast Water District
7. Foothill Courtyards vs. Vista Irrigation District

M/S/C (McDonald/Tobin) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; McDonald-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee reconvene to open session.

The Committee returned to open session at approximately 11:00 a.m.

- Closed session item #1: No action was taken, information only.
- Closed session item #2: No action was taken, instructions given to staff.
- Closed session item #3: No action was taken, instructions given to staff.
- Closed session item #4: No action was taken, instructions given to staff.
- Closed session item #5:
M/S/C (Tobin/McDonald) (Cuquet-Yes; Drake-Yes; Gladbach-Yes; McDonald-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee give authority for settlement of Gonzalez vs. Desert Water Agency in the amount of \$200,000.
- Closed session item #6: No action was taken, instructions given to staff.
- Closed session item #7: No action was taken, instructions given to staff.

The Executive Committee meeting adjourned at 11:02 a.m.

Attest:

X

E.G. "Jerry" Gladbach
Chairman

X

Walter A. Sells
Secretary