



Approved 4.10.20

Executive Committee Meeting

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

February 4, 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):

- Gladbach – 27491 Hillcrest Place, Valencia
- Cuquet – 2244 Catlett Road, Pleasant Grove
- Bockmiller – 1965 Placentia Avenue, Costa Mesa
- Drake – 2110 Enterprise St, Escondido
- Hastey – 915 8th Street, Marysville
- McDonald – 254 E Valley Street, San Bernardino
- Reed – 6171 Columbus Court, Alta Loma
- Rupp – 229 Boyle Drive, Eureka
- Tobin - 8700 Golden Spur Drive, Granite Bay

MEMBERS PRESENT

Chairman: E.G. “Jerry” Gladbach, Santa Clarita Valley Water Agency (*via WebEx*)
Thomas A. Cuquet, South Sutter Water District (*via WebEx*)
Fred R. Bockmiller, Mesa Water District (*via WebEx*)
David Drake, Rincon del Diablo Municipal Water District (*via WebEx*)
Brent Hastey, Yuba Water Agency (*via WebEx*)
Melody A. McDonald, San Bernardino Valley Water Conservation District (*via WebEx*)
Randall J. Reed, Cucamonga Valley Water District (*via WebEx*)
J. Bruce Rupp, Humboldt Bay Municipal Water District (*via WebEx*)
Pamela Tobin, San Juan Water District, ACWA VP (*via WebEx*)

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer/Secretary: Walter “Andy” Sells
Linda Craun, Administrative Assistant III
David deBernardi, Director of Finance
Robert Greenfield, General Counsel
Dan Steele, Finance Manager
Patricia Slaven, Director of Human Resources and Administration
Dianna Sutton, Special Projects Manager
Karen Thesing, Director of Insurance Services

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

OTHERS IN ATTENDANCE

None.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Gladbach called the meeting to order at 9:05 a.m. He announced there was a quorum.

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.

ADMINISTRATION

Rate Stabilization Fund Refunds

Mr. Sells explained that each year, the JPIA has updated the goals for both the Liability and Workers' Comp Catastrophic Funds by calculating a 3-year average of the gross losses from the actuary at 99% confidence level.

Changes in retentions in the Liability Program and recent large losses have created significant fluctuations in the actuary projected ultimate losses. The result of these fluctuations when applied to the current model would result in a very large reduction in the Liability Program Catastrophic Reserve Fund and would result in over \$12 million being refunded to the member agencies. It is probable that as the projected losses are adjusted over time, the Catastrophic Fund would need to be increased resulting in additional funds coming from the member's Rate Stabilization Fund (RSF) accounts.

The Employee Benefits Program uses a fixed target amount for excess reserves and reviews the target every few years and adjusts as necessary.

Staff proposed that the RSF calculation target for Liability Program Catastrophic Reserve Fund be set at \$25 million and the target for the Workers' Compensation Catastrophic Reserve Fund be set at \$15 million to create stability in the process for this year. This will allow time for the Committee to review the process at a future date, and implement changes and policies to match organizational goals. A workshop will be scheduled later in the year to discuss re-evaluating the target goals.

Total refunds to members using the adjusted targets are anticipated at \$5.9 million. These refunds will go out to approximately 185 active members vs. \$12.2 million without any change in the targets.

M/S/C (Bockmiller/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve refunds of approximately \$5.9 million incorporating the revised targets for Liability and Workers' Compensation Programs' Catastrophic Reserves Funds.

The Executive Committee meeting adjourned at 9:34 a.m.

Attest:

X

E.G. "Jerry" Gladbach
Chairman

X

Walter A. Sells
Secretary