



YOUR BEST PROTECTION

Approved: May 8, 2023

Board of Directors' Meeting

Hyatt Regency Resort
Ballroom NOP
44600 Indian Wells Lane
Indian Wells, CA 92210

November 28, 2022

VOTING REPORT

See the list following the minutes.

NON-VOTING PARTICIPANTS

See the list of attendees.

STAFF PRESENT

See attendance list.

WELCOME, CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

President McDonald welcomed everyone in attendance, called the meeting to order at 1:32 p.m., and announced that a quorum was present.

MEETING PARTICIPATION GUIDELINES

Mr. Sells reviewed JPIA Voting Procedures with everyone in attendance.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by President McDonald.

EVACUATION PROCEDURES

Mr. Sells reviewed the building evacuation procedures.

ANNOUNCEMENT RECORDING OF MEETING

President McDonald announced that the meeting was being recorded to assist in preparation of minutes and that the recording would only be kept 30 days following the meeting, as mandated by the California Brown Act.

PUBLIC COMMENT

As stated in the agenda, members of the public would be allowed to address the Board of Directors on any agenda item prior to the Board's decision on that item. Comments on any issues which may or may not be on the agenda were also welcome. No comments were brought forward.

INTRODUCTION OF GUESTS

President McDonald introduced the Executive Committee members, JPIA and ACWA staff in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

President McDonald asked for any additions to or deletions from the agenda. Mr. Sells stated that, due to a delay in award notification, Agenda item III.B, Presentation of the Certificate of Achievement for Excellence in Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (COA) will be deleted from the agenda.

CONSENT CALENDAR

President McDonald called for approval of the Consent Calendar.

Motion: That the Board of Directors approve the minutes of the May 2, 2022 meeting, as presented.

Motioner: Jace Schwarm San Dieguito Water District

Second: Alan Hinman, Jr., Paradise Irrigation District
(90-Yes; 1-No; 1-Abstain)

**See voting report following the minutes.*

ADMINISTRATION

Glossary of Terms

Mr. Sells directed the Board to the Glossary of Terms. It was suggested that they become acquainted with the terms used in this meeting and to inform staff of any other terms used in this meeting that need to be included.

Resolution 2022-1 Commendation to E.G. “Jerry” Gladbach

President McDonald stated that E.G. “Jerry” Gladbach of Santa Clarita Valley Water Agency passed away in July 2022. Jerry served as Board President for the past 12 years and a member of the Executive Committee for 20 years. He also served as Chair of the Liability Program Committee, the Building & Property Ad Hoc Committee, and the Personnel Committee. In addition, he has been instrumental in the research and subsequent formation of the Captive. The JPIA would like to show its appreciation to Jerry Gladbach for his years of service to the JPIA and its members.

Motion: That the Board of Directors approve the resolution honoring E.G. “Jerry” Gladbach, as presented.

Motioner: Milford Harrison, San Bernardino Valley Municipal Water District

Second: Peer Swan, Irvine Ranch Water District
(93-Yes; 0-No; 0-Abstain)

**See voting report following the minutes.*

Ratify Executive Committee’s Acceptance of New Member Agencies

President McDonald noted that at each Board meeting, a list of new members is provided for membership ratification. The new agencies that have become members of

the JPIA since the last Board meeting are Merced Irrigation Urban GSA and South Valley Water Resources Authority.

Motion: That the Board of Directors ratify the acceptance of Merced Irrigation Urban GSA and South Valley Water Resources Authority as members of the JPIA.

Motioner: Alan Hinman, Jr., Paradise Irrigation District

Second: Jace Schwarm San Dieguito Water District
(92-Yes; 0-No; 0-Abstain)

**See voting report following the minutes.*

Approve the Proposed Changes to the JPIA Bylaws

Mr. Greenfield presented the proposed revision to the JPIA Bylaws in Article III, Sections 2(a) regarding Existence of Vacancies. At their November 14, 2022 meeting, the Executive Committee reviewed and discussed the proposed language revision which addresses the potential situation where a Member may have two votes on the Executive Committee. The Executive Committee approved the language revision in concept, however, they requested that the final language be amended to state that if there are two sitting members of the Executive Committee from the same Member District, only one member will be allowed to vote on any given motion. At their meeting on November 28, 2022, the Executive Committee approved the amended Bylaws language which was distributed as a handout. Any action to change the Bylaws requires a majority vote by the Board of Directors.

After much discussion regarding the purpose and need for the Bylaws revision, an amended motion was made to postpone voting on the Bylaws revision to a future Board of Directors' meeting. The Board of Directors then voted on the amended motion.

Amended Motion: That the Board of Directors table voting on the Bylaws revision until a future meeting.

Motioner: Sandra Jacobs, Santa Margarita Water District

Second: Deborah Neev, Laguna Beach County Water District
(27-Yes; 67-No; 0-Abstain)

**See voting report following the minutes.*

The amended motion failed, and the Board of Directors voted on the original motion, as presented.

Original Motion: That the Board of Directors approve the revision to the Bylaws, as presented.

Motioner: T. Milford Harrison, San Bernardino Valley Municipal Water District

Second: Chris Kapheim, Kings River Conservation District
(81-Yes; 12-No; 0-Abstain)

**See voting report following the minutes.*

The original motion, as presented, passed.

ACWA Presentation

Mr. Eggerton, ACWA Executive Director, noted the continued working relationship between ACWA and the JPIA in meeting members' needs, and provided an overview of ACWA's accomplishments in the past year and future programs. He also highlighted some ACWA initiatives and programs introduced this year including the formation of the non-profit ACWA Foundation to address Diversity, Equity, and Inclusion (DEI) in the water industry and Quench California.

FINANCIAL

Investment Policy

Mr. deBernardi stated that every year, per the JPIA Bylaws, the Investment Policy must be approved by the Board of Directors. The Finance & Audit Committee and the Executive Committee have both reviewed the proposed Investment Policy and recommended approval by the Board of Directors, as presented.

Motion: That the Board of Directors approve the proposed changes to the Investment Policy, as presented.

Motioner: Pamela Tobin, San Juan Water District

Second: Peer Swan, Irvine Ranch Water District
(93-Yes; 0-No; 0-Abstain)

**See voting report following the minutes.*

GFOA Certificate of Achievement for Excellence

Deleted from agenda.

PROGRAMS

Pooled Programs Update

Ms. Beatty stated the JPIA continues to offer its members stability through a strong financial position, experienced management, and an unwavering and growing member participation. Each pooled program stands alone meaning they are separately funded and managed and have different levels of members participating, as not all members partake in all programs. Highlights for each program were reviewed:

- The Liability Program currently has 345 members. Due to a hardened market and a few large losses, the program increased rates by 10%, the first increase in 15 years.
- The Property Program currently has 287 members and increased rates by 20% this year. A hardened market due to catastrophic events continues to dominate pricing for this program. New for this program is the implementation of mandatory minimum deductibles and an increased pool retention of \$10,000,000 up from \$100,000.
- The Workers' Compensation Program has 204 members with pricing very stable and unchanged for the current year. Potential challenges for this program include future legislative changes which may affect the rates.
- The Employee Benefits Program has approximately 267 members. For the current renewal, rates for the self-funded Anthem PPO plan were reduced by

10% with the other self-insured programs remaining unchanged. Members should expect rates in the self-funded Anthem PPO Plan to increase next year.

Announcement of President's Awards Recipients

Mr. deBernardi stated that each year at Fall Conference, the JPIA recognizes those members that have a Loss Ratio of 20% or less in the Liability, Property, or Workers' Compensation Programs. Those members receive the "President's Special Recognition Award." The data for this calculation is for a three-year period, 2018-2021, as of September 30, 2022. The Board packet lists all the districts receiving this special recognition and printed awards will be mailed directly.

California Water Insurance Fund (CWIF) Update

Mr. Sells provided a brief report on CWIF's current financial status. He reported that as of September 30, 2022, the book value of the CWIF portfolio was \$158,764,563 vs. a market value of \$133,937,652. The rate of return since inception is approximately 3.8% vs. a rate of return on the JPIA fixed income portfolio of approximately 1.2%.

Mr. Sells also noted that at their last meeting, the CWIF Board created a Statement of Intention which states "*CWIF exists for the sole purpose of advancing and supporting the insurance and risk management needs and insurance-related support programs of the ACWA JPIA.*" Additionally, Bruce Rupp was elected Chair and Andrew Morris was elected Vice-Chair.

MEMBERSHIP BENEFITS

Announcement of Winners of H.R. LaBounty Safety Awards Program

Ms. Flint noted that results of the Safety Awards Program are announced each spring and fall at the JPIA Conferences recognizing nominees demonstrating proactive safety contributions. For Fall 2022, there were 16 nominations. The winners of the awards were noted in the packet and a few examples of the winning safety contributions were presented. Winning submissions are also posted on the JPIA's website under Risk Control/Safety Awards/Award-Winning Submissions. Risk Control Advisors continually promote the H.R. LaBounty Safety Awards Program during site visits and training classes to encourage members to engage their staff and continuously improve their safety programs.

Training Update

Ms. Crawford stated that this fiscal year, JPIA Training was focused on the safe return to delivery of in-person, instructor-led training following the COVID-19 pandemic, while also continuing to deliver its robust online training catalog for members. Live virtual training participation continued strong with new courses offered via WebEx webinars and the number of online courses completed on the VectorSolutions platform and eLearning modules. The Professional Development Program (PDP) was completed by 22 employees from 11 member agencies, and over 60 employees from 31 member agencies attended the JPIA Training Conference in October 2022 providing additional networking and learning opportunities. The JPIA is well positioned to meet changing

demands in member education, as demonstrated during the pandemic, because of ongoing investments made in varying learning modalities over the years.

Human Resources Update

Ms. Slaven reported that there were more opportunities for in-person regional and local Human Resource meetings this year. Spring meetings in Rancho Cucamonga and Roseville focused on recruitment and branding with a guest speaker from CPS-HR, a public entity HR consulting firm, who specializes in helping public entities create a recruitment brand. This information was then brought to five smaller local meetings in San Diego, Bakersfield area, Santa Barbara, Monterey, and Redding. The fall meeting in Yorba Linda hosted mental health professionals that presented on Mental Health Awareness at Work which offered methods to recognize signs and symptoms of potential mental health challenges. Nationwide, mental health in the workplace has become an issue with the pandemic, prolonged isolation, and health challenges. This topic was timely and relevant for human resource professionals. Combined, all the meetings for the year had over 125 attendees. JPIA has continued the monthly Hot Java and Hot HR topics attracting hundreds of participants throughout the year and plans three webinars regarding New Laws for 2023 in the coming months.

Leadership Essentials Program Update

Ms. Slaven reported that a new Leadership Essentials Program cohort began last month in both northern and southern California. This is a yearlong program. The content for the program was updated this year with the addition of a module on Strengths-Based Leadership and revision of the Team Leadership module. This year, 13 participants in southern California graduated from the program along with 14 from northern California.

Ms. Slaven announced that this is the last conference she will attend since she will be retiring in March from her position as the JPIA Director of Human Resources and Administration. She expressed her appreciation for the JPIA and its members for her 15 years of service.

CEO UPDATE

Current Events at the JPIA

Mr. Sells provided an update on the current events at the JPIA. He also reported on the challenges the JPIA is currently experiencing with the state of the insurance industry. Upcoming retirements within the JPIA organization pose another challenge with succession planning.

PRESIDENT'S UPDATE

President McDonald congratulated the JPIA's most tenured employee, Sylvia Robinson, who recently retired after 40 years of service, and then she welcomed Laura Baryak, who replaced Sylvia in coordinating the JPIA Fall and Spring Conferences. With regard to Ms. Slaven's impending retirement in March 2023, President McDonald commended Ms. Slaven for her exceptional contribution to the JPIA. At Spring Conference, four seats on the Executive Committee will be open for election. A notice will be sent to all JPIA Directors in February listing the instructions to submit nominations. She also

reminded everyone of the dinner that evening to be held in honor of Jerry Gladbach, co-hosted by the JPIA and ACWA, and recognized the dinner sponsors: Alliant Insurance Services, Inc.; Barber & Bauermeister; Cohen & Burge, LLP; Donahue Davies, LLP; Fozi Dwork & Modafferi, LLP; Law Offices of Robert Gokoo; Jacobson Markham, LLP; Rankin Stock Heaberlin Oneal; and VSP.

OTHER BUSINESS

Review Pending Lawsuits Directly Involving the JPIA

Mr. Greenfield reported that there are no pending or threatened claims against the JPIA.

President McDonald called for adjournment of the Board of Directors' meeting at 4:05 p.m.

Attest:

X

Melody McDonald
Chair

X

Walter A. Sells
Secretary

JPIA BOARD OF DIRECTORS MEETING, NOVEMBER 28, 2022
LIST OF NON-VOTING ATTENDEES AND JPIA STAFF IN ATTENDANCE

<u>District / Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Position</u>
ACWA JPIA	Laura	Baryak	Administrative Assistant II
ACWA JPIA	Adrienne	Beatty	Assistant Executive Officer
ACWA JPIA	Chimene	Camacho	Executive Assistant (Recording Secretary)
ACWA JPIA	Sarah	Crawford	Training Manager
ACWA JPIA	David	deBernardi	Director of Finance
ACWA JPIA	Robin	Flint	Risk Control Manager
ACWA JPIA	Robert	Greenfield	General Counsel
ACWA JPIA	Molly	Quirk	Communications/Outreach Specialist
ACWA JPIA	Andy	Sells	Chief Executive Officer
ACWA JPIA	Patricia	Slaven	Director of HR/Admin.
ACWA JPIA	Sandra	Smith	Employee Benefits Manager
ACWA JPIA	Dan	Steele	Finance Manager
Moulton-Niguel Water District	Todd	Novacek	Director of Operations
Rancho California Water District	Eileen	Dienzo	Human Resources Director
Rowland Water District	Vanessa	Hsu	Director
Tehachapi-Cummings County Water District	Tom	Neisler	General Manager
Valley Center Municipal Water District	Oliver	Smith	Director
Vista Irrigation District	Jo	McKenzie	Director
