



YOUR BEST PROTECTION

Approved: November 28, 2022

Board of Directors' Meeting

Sheraton Grand Hotel
1230 J Street
Sacramento, CA 95814

May 2, 2022

VOTING REPORT

See the list following the minutes.

NON-VOTING ATTENDEES

See the list of attendees.

STAFF PRESENT

See attendance list.

WELCOME, CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

President Gladbach welcomed everyone in attendance, called the meeting to order at 1:37 p.m., and announced that a quorum was present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by President Gladbach.

EVACUATION PROCEDURES

Mr. Sells reviewed the building evacuation procedures.

ANNOUNCEMENT RECORDING OF MEETING

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

MEETING PARTICIPATION GUIDELINES

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

ADDITIONS TO OR DELETIONS FROM THE AGENDA

President Gladbach asked for any additions to or deletions from the agenda; none were noted.

CONSENT CALENDAR

President Gladbach called for approval of the Consent Calendar.

Motion: That the Board of Directors approve the minutes of the November 29, 2021 meeting, as presented.

Motioner: Bruce Rupp, Humboldt Bay Municipal Water District

Secunder: Peer Swan, Irvine Ranch Water District

(93-Yes; 0-No; 4-Abstain)

**See voting report following the minutes.*

EXECUTIVE COMMITTEE SPECIAL ELECTION

President Gladbach explained that this special election will fill one Executive Committee member position for term ending May 2023. The qualified candidates are as follows:

- Chris Kapheim – Kings River Conservation District
- Pam Tobin – San Juan Water District
- John Weed - Alameda County Water District

No other candidates submitted resolutions to be on the ballot.

Executive Committee Special Election Result

Chris Kapheim has been elected to serve on the Executive Committee, term ending May 2025.

CAPTIVE BOARD ELECTION

President Gladbach explained that in May 2019, the two California Water Insurance Fund (CWIF) Board members served an initial term of three years each; thereafter, the terms will be two years each. This election will fill two CWIF Board member positions for a term of two years each, term ending May 2024. The qualified candidates are as follows:

- Andrew Morris – Santa Rosa Regional Resources Authority (*Incumbent*)
- Scott H. Quady – Calleguas Municipal Water District (*Incumbent*)

Captive Election Results

The following candidates have been elected to a two-year term each on the California Water Insurance Fund (CWIF):

- Andrew Morris – Santa Rosa Regional Resources Authority (*unopposed*)
- Scott H. Quady – Calleguas Municipal Water District (*unopposed*)

ADMINISTRATION

Glossary of Terms

Mr. Sells directed the Board to the Glossary of Terms at the beginning of the conference packet. 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.

Ratify Executive Committee's Acceptance of New Member Agencies

President Gladbach noted that at each Board meeting, a list of new members is provided for membership ratification. Since the last Board of Directors' meeting, the following agencies have become members of the JPIA: Atwell Island Water District and Tri-District Water Agency.

Motion: That the Board of Directors approve to ratify the following agencies as members of the JPIA: Atwell Island Water District and Tri-District Water Agency.

Motioner: Bruce Rupp, Humboldt Bay Municipal Water District

Seconder: Pamela Tobin, San Juan Water District

(95-Yes; 0-No; 0-Abstain)

**See voting report following the minutes.*

ACWA Presentation

Mr. Eggerton, ACWA Executive Director, noted the continued working relationship between ACWA and the JPIA in meeting members' needs. He spoke about the future of ACWA, challenges, and projects going forward.

California Water Insurance Fund Update

Mr. Sells provided a brief report on CWIF's current financial status. He reported that as of March 31, 2022, the book value of the CWIF portfolio was \$158,182,529 vs. a market value of \$162,239,020. The rate of return since inception is approximately 15.96% vs. a rate of return on the JPIA portfolio of approximately 1.79%.

FINANCIALS

Approval of the Audited Financial Statements for Year Ending September 30, 2021

Mr. deBernardi stated that each year, the JPIA provides for an independent audit of the JPIA's financial statements. Gilbert Associates performed the annual audit of the JPIA for the fiscal year of October 1, 2020 through September 30, 2021. The JPIA received an unmodified opinion that states that the financial statements present fairly, in all material respects, the financial position of ACWA JPIA as of September 30, 2021, 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 an Annual Comprehensive Financial Report (ACFR) 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.

Motion: That the Board of Directors approve the 2020/21 Audited Financial Statements, as presented.

Motioner: Brent Hastey, Yuba Water Agency

Seconded: Bruce Rupp, Humboldt Bay Municipal Water District
(95-Yes; 1-No; 0-Abstain)

**See voting report following the minutes.*

Approval of the Proposed Operating Budget for Fiscal Year October 1, 2022-23

Mr. deBernardi explained that in March/April of each year, a proposed operating budget is submitted to the Finance & Audit Committee and then to the Executive Committee for review. At the JPIA 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, 2023. The most significant changes to the G&A budget for the fiscal year are staff salaries and staff employee benefits (lines 1 and 2). Staff Salaries primary increase is due to anticipated inflation adjustments and an additional employee not previously budgeted. Staff Employee Benefits decrease is due to a \$500,000 estimated reduction for pension expenses. The overall decrease in the Operating Budget is .9% (line 36). Salaries remain the largest line item in the budget.

Motion: That the Board of Directors approve the proposed Operating Budget for the fiscal ending September 30, 2023, as presented.

Motioner: Fred Bockmiller, Mesa Water District

Seconded: Charles Caspary, Las Virgenes Municipal Water District
(95-Yes; 2-No; 3-Abstain)

**See voting report following the minutes.*

PROGRAMS

Pooled Programs Update

Mr. Sells 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. The Programs have different levels of members participating, as not all members partake in all programs. Over the recent years, the member participation gaps are narrowing with improved pricing, expanded coverages, increased outreach program, and a coordinated focus on customer service. Mr. Sells reviewed the highlights for each program.

- The Liability Program has approximately 335 members and has been very stable with no price increase in the last 15 years.
- The Property Program has approximately 285 members and has a 15% rate increase in pricing this year. Catastrophic events continue to dominate pricing for this program.
- The Workers' Compensation Program has approximately 200 members with pricing very stable and unchanged for the current year. Challenges in this program include legislative changes which affects the rates.
- The Employee Benefits Program has approximately 265 members. For the current renewal, rates for the self-funded Anthem PPO plan were reduced by 5% with the other self-insured program remaining unchanged. Changes this year include the switch to United Healthcare Advantage plan for retirees with Medicare and the addition of Modern Health as a component of all JPIA medical plans.

MEMBERSHIP BENEFITS

Leadership Essentials for the Water Industry Program Update

Ms. Slaven reported that the Leadership Program continues to be popular with members with many inquiries already being received for the 2022/2023 program. Currently, there are 29 participants that began in October/November and will finish in one year. A major change this year was the introduction of the concept of Strength-Based Leadership. Working from an individual's strengths increases engagement and produces better results. Revisions were also made to the Team Leadership module to stress each individual's responsibility for the success of the team.

Human Resources Update

Ms. Slaven stated that the JPIA held our first in-person Human Resources Group meeting in three years at the Frontier Project at Cucamonga Valley Water District attended by 45 participants. The overall feedback received was positive. Attendees were thankful to be able to gather together, network and learn new ideas in the world of Human Resources. Additionally, JPIA has continued the monthly Hot Java and Hot HR topics webinars attracting hundreds of participants throughout the last year and has topics scheduled through the summer months. This is a way to share pertinent information as it develops and keep members well informed.

Training Update

Ms. Crawford noted as member agencies rebound from the workplace impact of the COVID-19 pandemic, JPIA Training has been focused on safely returning to delivery of in-person training, while also enhancing and maintaining our robust online learning options for members. Guidelines were announced in January 2022 for returning to in-person instructor-led training. Once again, member agencies are able to request training courses via their assigned JPIA risk control advisor directly or by contacting our JPIA Training team. Regional multi-session training events and individual courses are beginning to be delivered onsite at member agencies. Planning has also begun for the JPIA Training Conference to be held October 18-19, 2022, in San Diego.

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

Ms. Flint stated that the results of the Safety Awards Program are announced each spring and fall at the JPIA Conferences and that the JPIA selected nominees demonstrating proactive safety contributions. For Spring 2022, there were 11 nominations submitted from seven members. The winners of the awards were noted in the packet and a few examples of the winning safety contributions were presented. 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.

CEO UPDATE

Current Events at the JPIA

Mr. Sells provided an update on the current events at the JPIA. The Risk Advisors are slowly getting back to providing in-person Risk Assessment Surveys. The next Safety Grant Program will be presented at Spring Conference 2023.

OTHER BUSINESS

Review Pending Lawsuits Directly Involving the JPIA

Mr. Greenfield reported that there are no pending claims.

Town Hall Meeting, Board of Directors' Reception and Introduction of Sponsors

President Gladbach announced that there would be a reception in the Ballroom Lobby following the Town Hall meeting. He made a special note of the reception sponsors: Alliant Insurance Services, Inc.; Barber & Bauernmeister; bswift; Cohen & Burge, LLP; Cueno Black Ward & Missler; Donahue Davies, LLP; Jacobson Markham, LLP; Law Offices of Robert Gokoo; Manning & Kass, Ellrod, Ramirez, Trester, LLP; Meyers Fozi & Dwork, LLP; Occu-Med; Rankin Stock Heaberlin Oneal; and Vector Solutions.

President Gladbach called for adjournment of the Board of Directors' meeting at 3:59 p.m.

Attest:

X

Melody McDonald
President

X

Walter A. Sells
Secretary

