



Approved: March 21, 2024

Executive Committee Meeting

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

January 18, 2024

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

- Lu-Yang – 500 N. Brand Blvd., Suite 1850, Glendale
- Rupp – 229 Boyle Drive, Eureka

MEMBERS PRESENT

Chair: Melody A. McDonald, San Bernardino Valley Water Conservation District
Vice-Chair: David Drake, Rincon del Diablo Municipal Water District
Ernie Avila, Contra Costa Water District
Chris Kapheim, Kings River Conservation District
Szu Pei Lu-Yang, Rowland Water District (via Zoom)
Scott Ratterman, Calaveras County Water District
Randall Reed, Cucamonga Valley Water District
J. Bruce Rupp, Humboldt Bay Municipal Water District (via Zoom)
David Wheaton, Citrus Heights Water District

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer/Secretary: Adrienne Beatty
Erin Bowles, Workers' Compensation Manager
Chimene Camacho, Executive Assistant to the CEO (*Recording Secretary*)
Debbie Cruz, Lead Member Services Representative
David deBernardi, Director of Finance
Robin Flint, Risk Control Manager
Robert Greenfield, General Counsel
Jennifer Jobe, Director of Pooled Programs
Erik Kowalewski, System/Network Administrator
Paul Myers, Risk Control Advisor II
Jennifer Nogosek, Liability/Property Claims Manager (via Zoom)
Kevin Phillips, Director of Member Outreach
Jeremy Sadler, Risk Control Advisor
Dan Steele, Finance Manager
Tony Waterford, Human Resources Manager
Nidia Watkins, Member Services Representative II

OTHERS IN ATTENDANCE

Alex Tokar, Aon (via Zoom)

WELCOME

Chair McDonald welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair McDonald called the meeting to order at 8:00 a.m. She announced there was a quorum.

PLEDGE OF ALLEGIANCE

Chair McDonald led the Pledge of Allegiance.

EVACUATION PROCEDURES

Ms. Beatty gave the evacuation procedure instructions.

ANNOUNCEMENT RECORDING OF MEETING

Chair McDonald 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 Ralph M. Brown Act.

PUBLIC COMMENT

Chair McDonald 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.

INTRODUCTIONS

Chair McDonald introduced the Executive Committee, staff, and others in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair McDonald asked for any additions to, or deletions from, the agenda. Ms. Beatty stated that the following agenda items are to be deleted: 8.A.1. ACWA Update; and 9.A.5. Derrels Mini Storage v. Kern Delta Water District.

CONSENT AGENDA

Chair McDonald called for approval of the Consent Agenda:

M/S/C (Drake/Reed) (Avila-Abstain; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve the minutes of the November 27, 2023 meeting; and ratify JPIA disbursements of: Vendor Payments, Employee Benefits Claim Payments, Payroll, And Summary of Confidential Claims Payments for the Liability, Property, & Workers'

Compensation Programs: November 16-30, 2023; December 1-15, 2023; December 16-31, 2023; and January 1-15, 2024.

II. ADMINISTRATION

Report on meetings attended on behalf of the JPIA

Director Ratterman reported attending the Calaveras Public Utility District's Board meeting and presenting the JPIA President's Special Recognition Award for their loss ratios of less than 20% in the Liability, Property, and Workers' Compensation Programs.

Review of Fall Conference

Ms. Beatty provided a summary of the JPIA meetings, seminars, and events that took place at Fall Conference. She stated that review of Fall Conference was placed on the agenda to provide an opportunity for the Executive Committee to share feedback to enhance and improve presence in this event going forward.

For the first time, AB1825 Sexual Harassment Prevention (SHP) for Board Members training was not provided due to low attendance in previous conferences, and scheduling conflicts with ACWA meetings. Much discussion was held on the value of live training vs. online training. Live training provides for more interaction between board members and seems to be the preferred method by many Board members. It was suggested that JPIA continue to provide live AB1825-compliant training.

Mr. Phillips reported that the ACWA JPIA Conference has been renamed the ACWA JPIA Membership Summit because this is more reflective of the structure and content of the event.

Review and Take Action on Per Diem Rate for JPIA Directors Serving on the Executive and Advisory Committees

Ms. Beatty stated that the current daily rate of per diem for Executive Committee members and Directors attending Program Committee meetings is \$378. The maximum increase of 5% allowed by Government Code would increase the rate to \$397. No recommendation was provided by staff.

M/S/C (Kapheim/Ratterman) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Abstain; Drake-Yes; McDonald-Yes): That the Executive Committee approve raising the per diem rate for JPIA Directors attending Program Committee meetings to \$397, effective January 18, 2024.

Review Electronic Voting System Options

Ms. Camacho noted that at the October 2023 Executive Committee meeting, staff was tasked with researching voting systems and reporting on options at this meeting. Staff contacted three vendors and all three fulfilled the set requirements as outlined in the packet. The first vendor is Simply Voting which was the system that ACWA used for their electronic election process last year. ACWA was very pleased with the simplicity of the process and customer service responsiveness to their questions and needs. Second

was Election Buddy which is a cloud-based voting platform used by more than 10,000 private and public organizations worldwide. Last was Live Tally Connect which is the current voting system JPIA uses for Board voting using keypads. This system also supports a hybrid operation where physical keypads are mixed with online voters. Live Tally Connect representative, Todd Skyles, provided a voting demonstration for the Committee using their smart phones or iPads.

Since the JPIA voters are already familiar with this system, JPIA recommends Live Tally Connect for two reasons: 1) the option is there to utilize the key fobs, if needed; and 2) the hybrid mode provides for an easy transition from paper ballots to electronic voting.

After the demonstration and some discussion, the Committee agreed with staff's recommendation to use the Live Tally Connect system for the upcoming Membership Summit for the reasons outlined above, as well as the seamless demonstration provided. Staff was directed to produce detailed procedures for the Board of Directors.

Review Executive Committee Voting Procedures

Ms. Beatty stated that at their October 2023 meeting, the Executive Committee engaged in a robust discussion on potential changes to voting procedures and requested the conversation be continued in January. After some research, staff discovered that certain changes may not actually require any Committee or Board action and may just be procedural changes. Upon close review, it has become clear that the Bylaws only mandate the requirement for a majority vote to win the election, but the detailing of how multiple ballot elections are to work and only allowing one (1) more candidate than seats available for subsequent ballots is only detailed in the Board Manual, which is not an official governing document. Further, the Bylaws does not actually require voting to occur by paper ballot or be witnessed/validated by inspectors.

The process of implementing changes relative to voting procedures in the Bylaws and Board Manual was discussed in detail. Since the plan is to introduce the electronic voting system at the Spring Membership Summit (Summit), the Committee ultimately decided that further consideration of document amendments occur after the Summit. Review of the electronic system and amendments to the Bylaws and Board Manual will be reviewed at the next Executive Committee meeting after Summit.

Consideration of Expanding Participation in Water Conferences

Ms. Beatty reported on the Mountain Counties Water Resources Association (MCWRA) Fall Forum that staff attended last November. The information and networking opportunities with members at MCWRA proved valuable. Based on this experience, visibility in more water conferences may provide the opportunity for staff (particularly newer staff) to engage more with the membership regarding JPIA resources and service discussions. It may also prove valuable in that attendance will provide a broader depth of understanding of how our water districts operate and how legal and political influences affect their decisions.

Understanding the reasons behind this request assisted the Committee with their discussion on the value of expanding participation in other water conferences, and ultimately, provided their support.

Revision to Settlement Authority Policy

Mr. Greenfield reported on settlement authority limit changes that took place over the years for various staff positions. At this meeting, staff requested an overall increase in internal settlement authority from \$150,000 to \$250,000 to better align with current economic realities, including proportional adjustments within internal levels. The existing limits, established several years ago, no longer align with present costs and settlement values in California due to factors such as inflation, rising medical costs, evolving litigation trends, settlement complexity, and the impact of catastrophic events. Staff also requested that General Counsel be given the authority to approve expenses only, at no limit, once the total net incurred of the matter exceeds \$50,000.

M/S/C (Reed/Lu-Yang) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve the new claims limits, as presented.

PROGRAMS

Significant Claims report

Ms. Nogosek reported on liability claim settlements that had been previously presented for authority. The following cases have been settled since this Committee's last meeting:

Brunmark vs Rancho California Water District (7/4/2020)

This claim involved a serious head injury to a bicyclist who struck a sunken asphalt area and was thrown from her bike landing on her face. Our investigation revealed the district previously failed to repair the asphalt correctly after a pipe repair. The claim was resolved for a total of \$9,500,000. The district's share was \$6,500,000 and the owner of the road was \$3,000,000.

Avila-Alvarado vs San Luis Water District (9/30/2021)

This claim involved serious neck and back injuries to a 46-year-old male who was broadsided by a district vehicle at 60 mph. The claimant underwent several surgeries and will likely undergo more. His billed medical expenses totaled \$1 million, and he claimed future medicals in the range of \$2 million. The claim was resolved for a total of \$2,750,000.

Rubalcaba vs Vista Irrigation District (12/13/2022)

This claim involved an 8" AC pipe breaking and flooding several homes. The damages included mitigation services, repairs, contents, temporary housing, pack/out/in and storage. All claims were resolved for a total of \$543,528.06.

County of Sacramento vs Sacramento Suburban Water District (9/20/2022)

This claim involved an 8" PVC pipe that failed and damaged asphalt, gutters, curbs, and sidewalks. The claim was resolved for a total of \$179,900.

FINANCE

Review and Take Action on the Annual Retrospective Adjustments

Mr. Steele provided a background on how the adjustments for the member agencies are calculated through the Rate Stabilization Fund (RSF). He noted that as per JPIA's policy, approved last year, to only process RPAs once a program year is fully five years matured, the newest year to be added into this year's calculation would be 2017-18. While there are positive balances in all Programs for this year, the 2018-19 Liability and Property program years are currently showing considerable negative balances. Likely positive balances from the 2017-18 Program Year will need to be used to offset negative balances in the 2018-19 Program Year. Additionally, reserve balance changes and claims development could have a significant impact on the 2018-19 Program Year funded position by then. For these reasons, staff recommends not processing RPAs this year for any Programs or open years.

With regard to CAT Fund and payroll adjustments, both have generated positive balances that, when processed through members' RSFs, have generated modest refunds due to members of \$116,351, calculated as of September 30, 2023.

M/S/C (Kapheim/Wheaton) (Avila-Yes; Kapheim-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; McDonald-Yes): That the Executive Committee approve the issuance of \$116,351 in refunds to be distributed to applicable members, as presented.

Budget Update for Fiscal Year 2022-23

Mr. deBernardi stated that in May 2022, the JPIA Board approved a budget of \$12,270,000 covering the JPIA's General and Administrative (G&A) expenses for fiscal year ended September 30, 2023. At recent Executive Committee meetings, staff has communicated to the Executive Committee concerns about exceeding this budget. It was later discovered that the estimated overage was due to the Cyber Liability Program expenses paid to KYND and KnowBe4 that were included in the G&A expenses instead of the program services expenses (not part of the G&A).

Mr. deBernardi then presented various historical graphs and data showing the ten-year trend of member payroll, member total insured values (TIV), and ACWA JPIA G&A expenses as compared to total revenues. While member payroll has nearly doubled and member TIV has almost tripled, ACWA JPIA G&A expenses as a percentage of total revenue has only increased by 1%; from 4.8% to 5.8%.

PERSONNEL COMMITTEE

Personnel Committee Chair McDonald reported on the recommendations of the Committee from its meeting on January 8, 2024.

M/S/C (Rupp/Drake) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve the edits to the JPIA Employee Handbook, as presented.

M/S/C (Drake/Ratterman) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve the JPIA 2023-24 Salary Schedule, as presented.

M/S/C (Rupp/Drake) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve a one-year agreement for Clint Camac to provide CEO Coaching/Leadership.

RISK MANAGEMENT COMMITTEE

Risk Management Committee Chair Reed reported on the highlights from the meeting held on January 17, 2024. There were no recommendations from the Committee at this meeting.

MEMBERSHIP

Ms. Cruz provided a background on Bear Valley Water District's (BVWD) application for admission into the Liability and Property Programs. BVWD provides sanitary sewer collection, treatment, and disposal for approximately 650 residential and commercial customers within the Bear Valley community. The service area is comprised of approximately 3,000 acres located primarily north of California State Highway 4.

A new member risk assessment was conducted to determine substantial conformance with the JPIA's Commitment to Excellence (C2E) Program, JPIA best practices, occupational safety and health standards, and consensus with public agency loss control methods. Overall, a favorable opinion was developed about the operations of the BVWD. Should BVWD join the ACWA JPIA, a service plan will be implemented beginning April 2024 to complement the District's safety and risk management program with ACWA JPIA resources.

M/S/C (Ratterman/Drake) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve Bear Valley Water District's applications for admission into the Liability and Property Programs.

MISCELLANEOUS

General Counsel Update

Mr. Greenfield reported on the recent hiring of Kayla Villa as Litigation Manager. Ms. Villa has over 13 years of experience defending JPIA claims and will assist with

assembling enhanced analytics for presentation to the Committee. He also reported on the four new bills discussed during the most recent CAJPA Legislative Committee meeting: SB581, which sets regulations on third-party financing of civil litigation; SB809 Fair Chance Act, which sets regulations on discrimination on the basis of criminal activity of an individual's past; SB769, which sets regulations on elected officials receiving stipends to be required to take additional finance and fiscal responsibility training; and, a bill still looking for a sponsor (therefore no SB number assigned yet) which sets regulations allowing private mutuals to form an insurance pool.

CEO Update

Ms. Beatty stated that the Strategic Planning Session (SPS) will be held in San Diego from January 29-30. She also provided an update on two current recruitments: the Employee Benefits Manager and the Workers' Compensation Administrative Assistant II positions. Interviews will be underway in the next couple of weeks.

Ms. Beatty reported on recent large claims that affected the Retrospective Premium Adjustment (RPA). In addition, she shared her experience after attending the Aon Property Symposium in Orlando this week, along with Jennifer Jobe. They both emphasized the value of meeting property carriers from around the world and the significant interest in JPIA. Since there was an already scheduled facility tour of the Moulton Niguel Water District in February, some of these carriers accepted an invitation to join them and view firsthand one of our water district facilities.

Future Agenda items

None.

Availability for Next Meeting: The Executive Committee is scheduled to meet next on March 21, 2024.

CLOSED SESSION

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

M/S/C (Rupp/Lu-Yang) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee adjourn to closed session.

At approximately 11:13 a.m., the Executive Committee, upon advice of General Counsel, adjourned to closed session to discuss:

- A. Conference with Legal Counsel (tort liability losses, public liability losses/claims, or workers' compensation liability claims) – Pursuant to Government Code Sec. 54956.95.
 1. Kaiser Permanente v. Chino Basin Water Conservation District (DOL 1/24/2019)
 2. Johnson v. Central Water District (10/13/2021)
 3. Holzheu's El Rancho Market Inc. v. Santa Ynez River Water Conservation

Improvement District No. 1 (9/20/2022)
4. Branker v. South Coast Water District (10/1/2022)

M/S/C (Drake/Lu-Yang) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee reconvene to open session.

The Committee returned to open session at approximately 11:19 a.m.

Closed session item A-1: Kaiser Permanente v. Chino Basin Water Conservation District. No action taken. Direction given to staff.

Closed session item A-2: Johnson v. Central Water District
M/S/C (Drake/Ratterman) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve the settlement in the amount of \$1,750,000.00.

Closed session item A-3: Holzheu's El Rancho Market Inc. v. Santa Ynez River Water Conservation Improvement District No. 1. No action taken. Direction given to staff.

Closed session Item A-4: Branker v. South Coast Water District. No action taken. Direction given to staff.

The Executive Committee meeting adjourned at 11:20 a.m.

Attest:

X

Melody McDonald
Chair

X

Adrienne Beatty
Secretary