



Approved – March 28, 2025

Executive Committee Meeting

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

January 29, 2025

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

- Avila – 104 Forest Hill Drive, Clayton

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 (via Zoom)

Chris Kapheim, Kings River Conservation District

Szu Pei Lu-Yang, Rowland Water District

Scott Ratterman, Calaveras County Water District

Randall Reed, Cucamonga Valley Water District

J. Bruce Rupp, Humboldt Bay Municipal Water District

David Wheaton, Citrus Heights Water District

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer/Secretary: Adrienne Beatty

Erin Bowles, Workers' Compensation Manager

Matt Bunde, Lead Risk Control Advisor

Chimene Camacho, Senior Executive Assistant to the CEO (*Recording Secretary*)

Andrew Corral, Senior Risk Control Advisor

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

Terry Lofing, Administrative Assistant III

Paul Myers, Risk Control Advisor II

Fernando Ochoa, IT Support Specialist

Elisa Sabatini, Director of Member Outreach

Jeremy Sadler, Risk Control Advisor

Heidi Singer, Accountant III

Dan Steele, Finance Manager
Tony Waterford, Human Resources Manager
Nidia Watkins, Member Services Representative II
Mike Whitright, System/Network Administrator

OTHERS IN ATTENDANCE

Alex Anderson, Rincon del Diablo Municipal Water District
Mary Egan, MRG
Tiffany Giammona, ACWA Senior Director of Operations & Member Engagement
Brent Hastey, Reclamation District 784
Rich Stevenson, Sweetwater Authority (via Zoom)
Alex Tokar, Aon (via Zoom)
John Weed, Alameda County Water District
Marinelle Duarosan, North Kern Water Storage District (via Zoom)

WELCOME

Chair McDonald welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair McDonald called the meeting to order at 10:30 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.

Public Comment #1: Brent Hastey of Reclamation District 784 reported on Adrienne Beatty's successful presentation at the Yuba County Rotary Club. He also shared that he will be running for the Executive Committee election in May.

Public Comment #2: David Drake of Rincon del Diablo Municipal Water District announced he will not run for the Executive Committee re-election in May. He expressed his appreciation for the support and wisdom he received during his tenure.

INTRODUCTIONS

Chair McDonald asked that the Executive Committee, staff, and others in attendance introduce themselves.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair McDonald asked for any additions to, or deletions from, the agenda. None were noted.

I. CONSENT AGENDA

Chair McDonald called for approval of the Consent Agenda:

M/S/C (Kapheim/Wheaton) (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 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: October 16-31, 2024; November 1-15, 2024; November 16-30, 2024; December 1-15, 2024; December 16-31, 2024; and January 1-15, 2025 pursuant to Government Code Section 53910 et seq.

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

Ms. McDonald stated that the current daily rate of per diem for Executive Committee members and Directors attending Program Committee meetings is \$397. The maximum increase of 5% allowed by Government Code would increase the rate to \$417. No recommendation was provided by staff.

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 raising the per diem rate for JPIA Directors attending Program Committee meetings to \$417, effective January 29, 2025.

Review and Take Action on Request from Sweetwater Authority to Waive Late Payment

Mr. deBernardi noted that Sweetwater Authority participates in the JPIA's Liability, Property, and Workers' Compensation Programs. In December 2024, the Authority formally requested a waiver of a late fee for their Liability Program contribution, submitting an official letter detailing their request. Mr. Rich Stevenson of the Authority

was given the opportunity to explain the delay, citing a need for additional time to secure board approval, despite a partial payment already being made.

The Committee reviewed the request and discussed its potential implications.

M/S/C (Drake/Wheaton) (Avila-Yes; Kapheim-No; Lu-Yang-Yes; Ratterman-No; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve Sweetwater Authority's request to waive fees applied for late payment of their 2024-25 Liability Program annual contribution.

Review of Fall Summit

Ms. Beatty summarized the JPIA meetings, seminars, and events held at the Fall Summit. She explained that the review was included on the agenda to give the Executive Committee a chance to share feedback to enhance and improve future events. The Committee expressed support for replacing an Executive Committee meeting with an educational session and discussed the role of the Executive Committee during the Board meeting. While some saw value in sitting on the dais for the full meeting, most preferred to sit with the rest of the Board.

Discussion Regarding Continued Lobbyist Support

Ms. Beatty noted that hiring a lobbyist was instrumental in opposing AB 2735, and with the possibility of the bill or a similar version returning in the next legislative session, staff is seeking direction from the Committee on whether continued engagement would benefit member agencies and the risk pooling industry.

By consensus, the Committee supported moving forward with re-engaging a lobbyist for the 2025-26 legislative session, but in order to ensure the best value, the Committee requested that efforts should focus on negotiating a more competitive fee while maintaining comprehensive coverage of key legislative issues. Additionally, a clear scope of work and performance metrics will be established to measure the lobbyist's effectiveness.

Review and Take Action on the Underwriting Policy

Ms. Jobe presented the underwriting policy for review and approval. Changes to the policy were minimal, primarily housekeeping in nature. The California Association of Joint Powers Authorities (CAJPA) requires member Joint Power Authorities (JPAs) seeking Accreditation with Excellence to have an underwriting policy, and that the policy be reviewed by its governing body at least every three years.

Ms. Jobe outlined the criteria for evaluating applications from both prospective and existing members. The policy includes provisions to be in compliance with risk management standards. By maintaining a high standard of underwriting practices, the policy aims to strengthen the overall risk pool and minimize potential losses.

M/S/C (Reed/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 Underwriting Policy, as presented.

Review and Take Action on 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 \$250,000 to \$500,000 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 requested that the Committee approve the settlement authority limits, as presented.

M/S/C (Ratterman/Reed) (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 approval limits, as presented.

III. PROGRAMS

Significant Claims Report

Ms. Bowles reported on a workers' compensation claim settlement that had been previously presented for authority.

IV. FINANCE

Review and Take Action on Member Refunds and Assessments

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 Retrospective Contribution Adjustments (RCA) are only processed once a program year is fully five years matured. Refunds for member agencies are processed through the Rate Stabilization Fund (RSF) based on individual balances. When a member's RSF balance exceeds 70% of their basic Liability Program contribution, the excess is refunded. These balances are primarily determined by RCA from prior program years and Catastrophic Reserve Fund adjustments. The RCA calculation accounts for claims expenses, excess insurance, general and administrative costs, catastrophic fund contributions, and investment income. In September 2024, the Executive Committee set catastrophic reserve goals at \$29 million for the Liability Program and \$12 million for the Workers' Compensation Program.

For Fiscal Year 2023-24, CWIF declared an \$8.6 million dividend, recorded as investment income and allocated across all pooled programs, helping to offset expenses. As of September 30, 2024, RSF calculations show nine members qualifying for refunds due to favorable contribution adjustments, catastrophic fund refunds, and Liability Program contribution adjustments. However, some member districts have negative RSF balances, requiring additional funding to meet the -40% threshold. Staff

recommend that the Executive Committee approve \$277,809 in refunds and \$118,593 in RSF billings. Additionally, staff proposes allocating \$238,761 from Liability catastrophic funds and \$631 from Workers' Compensation catastrophic funds to assist members with negative balances. Detailed breakdowns are provided in the following pages.

M/S/C (Kapheim/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 total refunds due to members calculated on September 30, 2024 in the amount of \$277,809 and total RSF billings for members owing money in the amount of \$118,593, as presented.

M/S/C (Reed/Rupp) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve \$238,761 of the available Liability catastrophic funds and \$631 of the available Workers Compensation catastrophic funds to help fund those member agencies with negative balances to bring them up to the -40% threshold required in the RSF.

Review and Make Recommendation on CWIF Dividend

Mr. deBernardi reported that the California Water Insurance Fund (CWIF), JPIA's captive insurance company, realized over \$22 million in gains and dividends from investments. These realized gains were unprecedented in CWIF's investment portfolio. Mr. deBernardi discussed the impact of these gains to the JPIA's RCA calculations and how it would provide financial relief to Members affected by recent unfavorable claims experiences.

The recommendation is to consider a dividend of up to \$22 million for member agencies, pending further discussions with the CWIF board. The recommendation will be presented to the CWIF board for final consideration and potential distribution.

M/S/C (Kapheim/Wheaton) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee recommends that the CWIF Board approve a dividend to JPIA for an amount up to \$22 million, upon pending further discussion, analysis, and collaboration between staff, the CWIF Board, and CWIF's Investment Advisor.

V. PERSONNEL COMMITTEE

Personnel Committee Chair McDonald reported on the recommendations of the Committee from its meeting on January 15, 2025.

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 approve the Employee Handbook changes, as presented.

M/S/C (Kapheim/Wheaton) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-No; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve the new Cybersecurity Risk Specialist position and approve adding additional Member Services Representative II and Senior Risk Control Advisor positions.

Chair McDonald also provided preliminary information on potential new office space and the creation of the Building and Property Ad Hoc Committee to evaluate potential new office spaces. A report will be presented to the Board of Directors at Spring Summit in Monterey. Committee Members are Director Reed, Director Kapheim, Director Ratterman, and President McDonald.

VI. RISK MANAGEMENT COMMITTEE

Risk Management Committee Chair Reed reported on the recommendations of the Committee from its meeting on January 29, 2025.

M/S/C (Reed/Kapheim) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee accept the recommendation of the Risk Management Committee to approve the Commitment to Excellence Program Ergonomics: Sprains/Strains Reduction Program for Field Employees, as presented.

VII. MEMBERSHIP

Union Public Utility District

Ms. Watkins provided a background on Union Pacific Utility District's (UPUD) application for admission into the Workers' Compensation Program. UPUD has a boundary area of approximately 19.1 square miles including the community of Murphys, Vallecito, and Douglas Flat along South Ditch to include the community of Carson Hill.

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 UPUD. Should UPUD join the ACWA JPIA, a service plan will be implemented beginning January 2025 to complement the District's safety and risk management program with ACWA JPIA resources.

M/S/C (Kapheim/Rupp) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve Union Public Utility

District's applications for admission into the Worker's Compensation Program.

North Kern Water Storage District

Ms. Watkins provided a background on North Kern Water Storage District's (NKWSD) application for admission into the Liability and Property Programs. The District's primary facilities consist of large capacity canals (Beardsley/Lerdo and Calloway) emanating from the Kern River, approximately 1,500 acres of dedicated recharge ponds, and approximately 100 groundwater recovery wells.

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 staff and operations of NKWSD. Should NKWSD join the ACWA JPIA, a service plan will be implemented beginning April 2025 to complement the District's safety and risk management program with ACWA JPIA resources.

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

VIII. UPDATES

ACWA Update

Ms. Giammona provided a brief update on ACWA's relevant current issues and events, including the ACWA DC Conference to be held on February 25-27, 2025.

CEO Update

Ms. Beatty, CEO, discussed the successful settlement of claims and highlighted the importance of proactive risk management strategies. She provided updates on upcoming conferences and workshops designed to enhance member engagement and collaboration. Next week, Ms. Beatty and Ms. Jobe will attend the Aon Symposium in Orlando to meet with property and liability carriers. Additionally, she plans to participate in the ACWA DC Conference in February. On February 3, the Employee Engagement Survey will be launched for all employees. The organization is also exploring the implementation of new claims software, as the current system is outdated. The CEO underscored the need for a cybersecurity specialist to strengthen risk management and support member districts in addressing cyber threats.

IX. UPCOMING MEETING

Future Agenda items

None.

Availability for Next Meeting: The Executive Committee is scheduled to meet next on March 28, 2025.

X. 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 1:10 PM., 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. Grassland Basin Authority v. Central California Irrigation District (DOL 10/28/2023)
 - 2. Fournier v. Mission Springs Water District (DOL 8/2/2024)
 - 3. Light v. ACWA JPIA (DOL 7/26/2024)
- B. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code Section 54956.95(d)(2)
- C. Public Employee Performance Evaluation (Personnel) – Pursuant to Government Code(s) Sec. 54957 and 54957.6 (conference with Labor Negotiators)
 - 1. Position: Chief Executive Officer

The Committee returned to open session at approximately 2:25 PM.

Closed session item A-1: Grassland Basin Authority v. Central California Irrigation District (DOL 10/28/2023)

M/S/C (Wheaton/Reed) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee grant authority of \$407,382.53 to resolve the claim with Grassland Basin Authority.

Closed session item A-2: Fournier v. Mission Springs Water District (DOL 8/2/2024)
No action taken. Direction given to staff.

Closed session item A-3: Light v. ACWA JPIA (DOL 7/26/2024)
No action taken. Direction given to staff.

XI. OPEN SESSION

Review and Take Action on Chief Executive Officer’s Employment Contract

The Executive Committee reviewed the Chief Executive Officer’s 2024-25 employment contract during Closed Session. Due to time constraints, an Executive Committee meeting was scheduled for Monday, February 3, 2025 to report on the Chief Executive Officer employment contract for 2024-25.

The Executive Committee meeting adjourned at 2:30 PM.

Attest:

X

Melody McDonald
Chair

X

Adrienne Beatty
Secretary