



Approved: June 27, 2025

Executive Committee Meeting

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

March 28, 2025

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

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

Laura Baryak, Event Planner

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

Adam Dedmon, Employee Benefits Manager

David deBernardi, Director of Finance

Robin Flint, Risk Control Manager (via Zoom)

Robert Greenfield, General Counsel

Jennifer Jobe, Director of Pooled Programs

Erik Kowalewski, System/Network Administrator

Kenzie Lundy, Administrative Assistant II

Elisa Sabatini, Director of Member Outreach

Jillian Sciancalepore, Administrative Assistant III

Judy Shiu, Lead Sr. Claims Adjuster

Heidi Singer, Accountant III

Dan Steele, Finance Manager

Kayla Villa, Litigation Manager

Tony Waterford, Human Resources Manager

Nidia Watkins, Member Services Representative II

Mike Whitright, System/Network Administrator

OTHERS IN ATTENDANCE

Tiffany Giammona, ACWA Senior Director of Operations & Member Engagement
Brent Hastey, Reclamation District 784

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. Chair McDonald announced that she is dedicating today's meeting to Vice-Chair Drake in honor of his final Executive Committee meeting before his retirement on May 12, 2025.

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 (Ratterman/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 minutes of the January 29, 2025 and February 3, 2025 meetings; Ratify JPIA

disbursements of: Vendor Payments, Employee Benefits Claim Payments, Payroll, And Summary of Confidential Claims Payments for the Liability, Property, & Workers' Compensation Programs: January 16-31, 2025; February 1-15, 2025; February 16-28, 2025; and March 1-15, 2026, pursuant to Government Code Section 53910 et seq.; Significant Claims Report; and CEO Performance Evaluation Consultant Contract.

II. ADMINISTRATION

Report on meetings attended on behalf of the JPIA

Directors Ratterman, Reed, Rupp, Kapheim, Drake, Avila, and McDonald reported attending the AGRiP Governance Conference in Las Vegas, Nevada, and Director Wheaton reported attending the CICA Conference in Tucson, Arizona. Both events featured a strong emphasis on Artificial Intelligence.

Overview of Spring Summit and Executive Committee Elections

Ms. Beatty shared the schedule for the upcoming Membership Summit, set for May 12-13, 2025, in Monterey. The Spring Summit will follow the successful format of the fall event, emphasizing educational content and member engagement. Highlights include a celebration of the Leadership Program's 10-year anniversary, featuring testimonials from past participants. Additionally, new potential coverages, such as parametric insurance, will be introduced, and a comprehensive update on the new building purchase will be provided.

Ms. Beatty also provided an update on the Executive Committee elections, which will take place during the Board of Directors' meeting on May 12, 2025. As of today, six completed nomination packages have been received—three from incumbents and three from new candidates. The deadline to submit nomination packages is April 11. Voting will be conducted via paper ballots, as transitioning to electronic voting will require a Bylaws amendment. Staff plans to bring revised language to the Committee at a future meeting, in time to bring the Bylaws changes to the full Board for ratification at the Fall 2025 meeting.

Legislative Advocacy Update

Ms. Sabatini provided an update on AB 428, which closely resembles the previously vetoed AB 2735. The bill proposes allowing private water corporations to enter joint power agreements (JPAs) with public agencies for risk pooling and insurance coverage. To mitigate concerns over financial risks being transferred to public agencies, AB 428 requires JPAs who do allow private water corporations to join them, to be fully reinsured and mandates oversight by the California Public Utilities Commission (CPUC). JPIA is actively working with stakeholders to refine the bill's language and address concerns.

Ms. Sabatini shared that she plans to attend the Insurance Committee meeting scheduled for April 2 to review the Bill, where proposed amendments and stakeholder feedback will be discussed.

Additionally, JPIA is monitoring Senate Bill 41, which focuses on pharmacy benefits by banning spread pricing, ensuring minimum pharmacy reimbursements, and expanding network access through an "any willing pharmacy" provision.

JPIA is also strengthening its legislative advocacy efforts by aligning with other organizations to enhance support for policies benefiting member agencies and addressing industry challenges.

Review and Take Action on Building and Property Ad Hoc Committee

Recommendations

Building and Property Ad Hoc Committee Chair McDonald noted that the Committee is seeking Executive Committee approval for the Ad Hoc Committee to proceed with the purchase process of acquiring a new building as well as future renovations and other building transition details. She noted that the Committee has toured available buildings and discussed: the current real estate market in the Roseville area, available properties within a desirable geographic region having the appropriate size and amenities to meet the JPIA's needs, and the potential re-sale value of the JPIA's current building. The Committee identified a desirable building, from available options, and gave direction to staff to negotiate with the seller on pricing. It was noted that a verbal agreement on price has been reached between JPIA staff and the desirable building owner.

Concerns were raised about delegating authority without first obtaining approval from full Executive Committee for the purchase price of the building and it was suggested that an additional Executive Committee meeting be scheduled as soon as possible to discuss the building purchase in Closed Session so that the Committee may consider granting authority to move forward with the purchase.

Questions were raised regarding the impact on member rates and concern over increased operational costs of a larger building. Mr. DeBernardi reported that as per GASB standards, the current building's purchase price and tenant improvement costs are noted as a depreciated line item in the General and Administrative budget and that cost is spread over a 30-year period. Mr. DeBernardi noted that the estimated additional depreciation cost for the new building is approximately \$150,000 per year over 30 years; therefore, staff anticipates minimal impact on member rates. With regard to operational costs, the higher operational costs are proportional to the additional building size; additionally, some of those costs can potentially be offset by revenue generated from leasing part of the new building to an outside tenant.

A motion was approved to authorize the Building and Property Ad Hoc Committee to move forward with other building purchase and renovation details, subject to full Executive Committee approval of the purchase price. An additional Executive Committee meeting will be scheduled to discuss details in Closed Session.

M/S/C (Rupp/Ratterman) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes); That the Executive Committee delegate authority to the

Building and Property Ad Hoc Committee to finalize negotiation with the building owner subject to Executive Committee approval and to proceed with all other building purchase and renovation details.

Systems Implementation Update

Mr. Kowalewski provided an overview of the organization's IT systems, highlighting the legacy Claims Enterprise (Ivos) system, which has been in use since 2005. Plans are underway to upgrade to a modern claims system incorporating Microsoft Copilot and the Microsoft Power platform. Other key initiatives include SharePoint migration for file storage and improved collaboration, the implementation of a new property asset management software, RiskStar, and an internally developed Insurance Data Management System (IDMS) program to streamline member management and billing. Recent IT improvements include the implementation of a new internal ticketing system to enhance support request tracking. Future priorities will focus on imaging software to streamline the process of formatting new computers for staff on a standardized rotation based on age, modernizing the website, exploring how to improve the JPIA's learning management system, and transitioning from Crystal Reports to Microsoft Power BI.

Cybersecurity enhancements are also a priority, with planned infrastructure updates and a comprehensive security audit. Ensuring network redundancy and regularly testing backup and recovery procedures were highlighted as critical measures to maintain business continuity.

Underground Storage Tank Pollution Liability Program Update

Ms. Jobe provided an update on the Underground Storage Tank Pollution Liability Program, which currently includes 10 members with 20 tanks - 70% of which are over 38 years old. As insurers become increasingly reluctant to cover aging tanks, staff has recommended phasing out the program. The proposed transition plan encourages converting to above-ground storage or draining existing tanks to mitigate environmental risks. A final meeting was held with agencies requesting individual insurance cost estimates, and staff recommends completing the phase-out by June 30, 2027.

III. FINANCE & AUDIT COMMITTEE

Finance & Audit Committee Chair Drake reported on the recommendations of the Committee from its meeting on March 27, 2025.

M/S/C (Rupp/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 2023-24 Audited Financial Statements, as presented, and submit for final approval by the Board of Directors at the subsequent ACWA JPIA Spring Membership Summit in Monterey in May 2025.

M/S/C (Ratterman/Reed) (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 proposed

Operating Budget for the fiscal year ending September 30, 2026, as presented, and submit for final approval by the Board of Directors at the subsequent ACWA JPIA Spring Membership Summit in Monterey in May 2025.

The Committee discussed the process by which staff monitors and informs the Committee of budget expenditures and potential overages in specific line items. Ms. Beatty noted that, last year, staff initiated a mid-year budget review process, whereby an accounting of actual expenditures to budget, as well as anticipated year-end expenditures will be brought before the Committee annually in September. Ms. Beatty also noted that staff will bring forward options for moving the fiscal year of the JPIA to the Committee for philosophical discussion at a future meeting. A fiscal year shift could better align the JPIA's budget approval process to the start of the fiscal year and actual costs incurred and reduce the amount of forecasting necessary to accurately budget.

On behalf of the Finance Department, Chair Drake presented David deBernardi, the Government Financial Officers Association (GFOA) award for excellence in financial reporting and transparency. This award recognizes the department's commitment to high standards in financial management and accountability. It highlights the successful implementation of best practices in budgeting, auditing, and financial reporting processes.

IV. LIABILITY PROGRAM COMMITTEE

Liability Program Committee Chair Reed reported on the recommendations of the Committee from its meeting on March 27, 2025.

M/S/C (Rupp/Kapheim) (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 revisions to the Liability Program Memorandum of Coverage, effective October 1, 2025.

V. UPDATES

ACWA Update

Ms. Giammona provided ACWA updates, including the appointment of interim Executive Director Marwan Khalifa. Standing meetings have been established between ACWA and JPIA leadership to enhance collaboration, share updates, and align strategic priorities within the water sector. Upcoming regional elections will include positions for ACWA President and Vice President, along with a reset of committee appointments. Additionally, ACWA Region 4 will host an event on April 16 in Manteca, and the Spring Conference and Expo is set for May 13–15 in Monterey.

CEO Update

Ms. Beatty reported on notable staffing changes, including five retirements expected by year-end, with key departures in the liability claims, workers' compensation claims, employee benefits, member education, and member services departments. The

organization is actively recruiting for 12 open or pending positions, combining replacements and new roles to support growth and facilitate knowledge transfer. Due to space limitations, internal department relocations are underway to enhance workflow and team collaboration.

The Executive Committee onboarding is set for July 14–16 in San Diego and will include a DiSC workshop and a financial overview. During the same time, meetings for the Executive Committee, Employee Benefits Program Committee, and the Ad Hoc Employee Handbook and Building and Property Committees are also scheduled to take place in San Diego.

VI. UPCOMING MEETING

Future Agenda items

None.

Availability for Next Meeting: The Executive Committee is scheduled to meet next on June 27, 2025.

VII. CLOSED SESSION

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

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 adjourn to closed session.

At approximately 10:16 AM., 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. City of Laguna Niguel v. Moulton Niguel Water District (DOL 11/8/24)
 - 2. Deseret Farms v. Sutter Extension Water District (DOL 12/1/19)
- B. 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 11:07 AM.

Closed session item A-1: City of Laguna Niguel v. Moulton Niguel Water District
(DOL 11/8/24)

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 grant authority of
\$540,170.49 to reimburse Moulton Niguel Water District.

Closed session item A-2: Deseret Farms v. Sutter Extension Water District (DOL 12/1/19)
No action taken. Direction given to staff.

Closed session item B-1: Chief Executive Officer.
No action taken. Direction given to staff.

The Executive Committee meeting adjourned at 11:08 AM.

Attest:

X

Melody McDonald
Chair

X

Adrienne Beatty
Secretary