



Approved 9.28.2022

Finance & Audit Committee Meeting

ACWA Joint Powers Insurance Authority
2100 Professional Drive
Roseville, CA 95661
(800) 231-5742

March 30, 2022

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

- Jennifer Bryant – 7811 University Avenue, La Mesa, CA 91942
- Marlene Kelleher – 1391 Engineer Street, Vista
- Steve Ruetters – 3200 Rio Mirada Drive, Bakersfield, CA 93308 (arrived at 11:02am)
- Bruce Rupp – 828 7th Street, Eureka, CA 95501
- Jim Smith – 12109 Highway 166, Bakersfield

MEMBERS PRESENT

Chairman: Melody McDonald, San Bernardino Valley Water Conservation District
Susan Talwar, Citrus Heights Water District

MEMBERS ABSENT

Louis Jarvis, Glenn-Colusa Irrigation District

STAFF PRESENT

Chief Executive Officer/Secretary: Walter “Andy” Sells
Laura Baryak, Administrative Assistant II
Adrienne Beatty, Assistant Executive Officer
Chimene Camacho, Executive Assistant to the CEO
Sarah Crawford, Training Manager
Cassie Crittenden, HR Specialist
David deBernardi, Director of Finance
Robin Flint, Risk Control Manager
Robert Greenfield, General Counsel
Kyle Hutchings, Senior Accountant
Pete Korfhage, IT Solutions Developer
Jennifer Nogosek, Liability and Property Claims Manager
Patricia Slaven, Director of Human Resources and Administration
Sandra Smith, Employee Benefits Manager
Dan Steele, Finance Manager
Shelley Tippit, Accountant II (*Recording Secretary*)

OTHERS IN ATTENDANCE

E.G. Jerry Gladbach, Santa Clarita Valley Water Agency

Fred Bockmiller, Mesa Water District
David Drake, Rincon del Diablo Municipal Water District
Cathy Green, Orange County Water District
Brent Hastey, Yuba Water Agency
Randall J. Reed, Cucamonga Valley Water District
Bob Green, Gilbert Associates
Kevin Wong, Gilbert Associates

WELCOME/INTRODUCTIONS

Chairman McDonald welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman McDonald called the meeting to order at 10:03a.m. She announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

Chairman 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 California Brown Act.

EVACUATION PROCEDURES

Mr. Sells briefly reviewed the building evacuation procedures.

PUBLIC COMMENT

Chairman McDonald noted that, as the agenda stated, members of the public would be allowed to address the Finance & Audit 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. No comments were brought forward.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chairman McDonald asked for any additions to, or deletions from, the agenda; none were requested.

APPROVAL OF MINUTES

Chairman McDonald called for approval of the minutes of the September 27, 2021 meeting.

M/S/C (Rupp/Kelleher) (Bryant-Yes; Kelleher-Yes; Smith-Yes, Talwar-Yes; Rupp-Yes; McDonald-Yes): That the Finance & Audit Committee approve the minutes of the September 27, 2021 meeting.

MEETINGS ATTENDED ON BEHALF OF THE JPIA

Chairman McDonald reported that she attended two Rate Stabilization Fund (RSF) check presentations. The presentations included Sweetwater Authority and South Coast Water District. She also attended the ACWA Board of Directors meeting on March 25, 2022.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Mr. Green reported that the JPIA received an unmodified opinion. The opinion stated that the Financial Statements present fairly, in all material respects, the financial position of the 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 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.

M/S/C (Rupp/Talwar) (Bryant-Yes; Kelleher-Yes; Smith-Yes; Talwar-Yes; Rupp-Yes; McDonald-Yes): That the Finance & Audit Committee recommend that the Executive Committee approve the Audited Financial Statements and forward to the Board of Directors at their next meeting for final approval.

OPERATING BUDGET

Mr. Steele conveyed that the most significant changes to the G&A budget for the fiscal year are staff salaries and staff employee benefits. The primary increase in staff salaries is due to a 4% cost of living adjustment and an additional employee not previously budgeted. Staff employee benefits decreased due to a \$500,000 estimated reduction in pension expense and retiree medical benefits. The reduction is the result of favorable investment performance in these funds managed by CalPERS.

The overall decrease in the Operating Budget is .9%. Salaries remain the largest line item in the budget.

M/S/C (Ruetters/Rupp) (Bryant-Yes; Kelleher-Yes; Smith-Yes; Talwar-Yes; Rupp-Yes; McDonald-Yes): That the Finance & Audit Committee recommend that the Executive Committee approve the Operating Budget for fiscal year ending September 30, 2023 and forward to the Board of Directors at their next meeting for final approval. A change to round up figures to the nearest \$1,000 on line items 1 & 2 of the proposed budget was also recommended.

CEO UPDATE

Mr. Sells asked staff to report on relevant current issues:

- Mr. Steele reported that the California Water Insurance Fund's (CWIF) cumulative rate of return was 16% as of 12/31/2021. As of 2/22/2022, the book value was \$137.6 million and the market value was \$140 million.

- Mr. Sells and Ms. Beatty provided a cyber and property insurance market update.
- Ms. Slaven gave an Administration Department update.

MISCELLANEOUS

Future Agenda Items

None stated.

Availability for Upcoming Meeting

The next scheduled Finance & Audit Committee meeting is September 28, 2022.

The Finance & Audit Committee meeting adjourned at 11:23am.