



JPIA CONFERENCE PACKET

Hyatt Regency - Indian Wells

November ⋮ **27 - 28** ⋮ **2023**

800.231.5742

www.acwajpia.com

ACWA JPIA is dedicated to consistently and cost effectively providing the broadest possible affordable insurance coverages and related services to its member agencies.

President's Welcome



Dear Board Members and Friends:

It is with great pleasure and enthusiasm that I extend a warm welcome to each and every one of you to the JPIA Fall Conference scheduled for Monday, November 27 – Tuesday, November 28, 2023, in Indian Wells, California at the Hyatt Regency. As we gather here for this great event, we have the opportunity for knowledge sharing, networking, and collaboration that promises to be both insightful and rewarding.

I am delighted to see the diverse group of professionals who have come from all corners of California to participate in this event. Your presence here underscores your dedication to advancing our shared goals and the desire to learn and grow in this dynamic environment.

Our program for the conference has been carefully curated to offer an array of meeting content, panel discussions, and networking opportunities. Monday morning, the California Water Insurance Fund (CWIF) Board Meeting will kick off the meetings, followed by the Executive Committee Meeting, which will continue the conversation on pertinent industry topics. Lunch time provides a great opportunity to socialize with other water professionals at the Pre-Board Meeting Luncheon while you learn a little more about our newest hires and members of the JPIA leadership team: Kevin Phillips, Director of Member Outreach and Jennifer Jobe, Director of Pooled Programs. Be sure to plan your day and attend the one 1:00 p.m. Board of Directors' Meeting. Before Monday concludes, join JPIA Staff and Executive Committee members during the JPIA Reception starting at 4:30 p.m. The JPIA Reception will be hosted in the East Foyer and Verde Vista Terrace within the Conference Center.

Monday is a day filled with meetings and networking opportunities, but the Fall Conference does not stop there. Tuesday morning brings seminar sessions packed with information pertinent to the trending topics within and surrounding the water industry. Representatives from KYND, Ben Duffy and Ariana Lawrence, will provide you with valuable insights into KYND's cyber risk assessment services and the benefits to your agency which are now included resources for our Cyber Program members. Our second session will include a panel of knowledgeable professionals who will discuss the impacts of wildfire on property insurance market fluctuations. The panel will include Alex Tokar, Managing Director, Aon and Chief Frank Frievault (Ret.), Director, Wildland-Urban Interface Fire Institute, Cal Poly San Luis Obispo. Panelists will also include JPIA's very own Kevin Phillips, Director of Member Outreach, and Jennifer Jobe, Director of Pooled Programs and will be facilitated by Adrienne Beatty, JPIA Chief Executive Officer.

As we continue to serve our members, the organization remains steady, strong, and well-funded. We encourage members who are not enrolled in all of the JPIA's programs to consider the benefits of doing so. The pooling programs allow for more rate stability, broader coverage, and expanded benefits and services than commercial insurance. For those members who already participate in all of the JPIA's programs, thank you for your support and confidence in the JPIA. As always, I want to welcome your thoughts on how to better serve our membership and improve the organization.

Lastly, I would like to express my heartfelt gratitude to our organizing committee, sponsors, and all those who have worked tirelessly to make this Conference possible. Their commitment and dedication have been instrumental in shaping this event into what it is today.

Sincerely,

A handwritten signature in blue ink that reads 'Melody McDonald'.

Melody McDonald
Board President

CONTACT US!

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www.acwajpia.com

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Chief Executive Officer

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General Counsel

Robert Greenfield –
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Director of Finance

David deBernardi –
ddebernardi@acwajpia.com

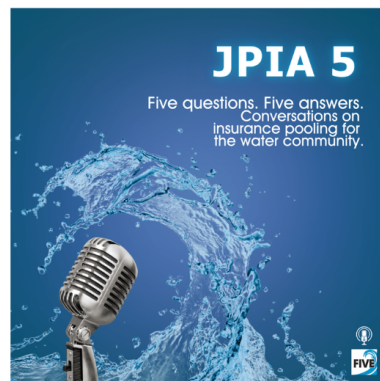
Director of Pooled Programs

Jennifer Jobe –
jjobe@acwajpia.com

Director of Member Outreach

Kevin Phillips –
kphillips@acwajpia.com

Check out Podcasts here!





KYND: Building a Resilient Front Against Cyber Attacks

Presenters: Ben Duffy, Vice President, KYND and Ariana Lawrence, Client Success Manager, KYND



BEN DUFFY



ARIANA LAWRENCE

Ben Duffy – Ben Duffy is the Vice President, Head of North America Sales for KYND, delivering risk technology and services that transform, underwriting capabilities, revolutionizes cyber insurance sales/renewal & enhances managed service cyber offerings across SMEs to multinationals. A regular cyber risk commentator podcaster, Ben has a passion for helping all organizations understand and respond to the growing cyber threats they face with particular focus on insurability & pre-underwriting processes. Having a wealth of knowledge on the sector’s pain points, Ben leads the creation and delivery of Europe’s first Cyber Broker Programme and now leads KYND’s North American growth.

Ariana Lawrence – Ariana Lawrence is cybersecurity advocate and the US customer success Manager at KYND. She’s deeply committed to safeguarding public entities across the United States, tailoring her expertise to empower organizations of all sizes and backgrounds with the knowledge and tools needed to protect themselves from digital threats. Ariana’s approach combines empathy, innovation, and a dedication to staying at the forefront of the industry, ensuring public entities are well-prepared for today’s evolving cyber challenges.

Risk & Insurance Challenges in the Wildland-Urban Interface

Presenters: Alex Tokar, Managing Director, Aon, Chief Frank Frievalt (Ret.), Director, Wildland-Urban Interface Fire Institute, Cal Poly San Luis Obispo, Kevin Phillips, JPIA Director of Member Outreach, Jennifer Jobe, JPIA Director of Pooled Programs, and Adrienne Beatty, JPIA Chief Executive Officer.



ALEX TOKAR



FRANK FRIEVALT



KEVIN PHILLIPS



JENNIFER JOBE



ADRIENNE BEATTY

Alex Tokar – With more than thirty-five years of industry experience, Alex has expertise in all aspects of property & casualty insurance with captives, alternative risk finance, D&O, cyber liability, and M&A as areas of particular interest. Alex has held various positions from Regional and National Manager to Business Development and Senior Account Executive focusing on large complex accounts. His goal remains to provide value to clients in all aspects of risk management from contract review, through mitigation, claims management and innovative approaches to risk transfer.

Continued on the next page

Frank Frievalt – Frank served since 1979 with Special District, City, County, State, and Federal fire agencies in roles from Firefighter to Fire Chief. Frank holds an M.S. from Oklahoma State University in Fire and Emergency Management Administration, and currently serves as Director of the Wildland-Urban Interface Fire Institute at Cal Poly, San Luis Obispo. Frank is an SME for the Gordon and Betty Moore Foundation Wildfire Advisory Council, and previously served as a Senior Policy Advisor to the Western Fire Chiefs Association, with an emphasis on the development of resilient Wildland Urban Interface (WUI) communities. His work is grounded in aligning key stakeholders around a core set of parcel and community level mitigations that will disrupt the fire pathways which lead to conflagration. Frank is pursuing the actuarial valuation of risk mitigations, for both the public and private sectors, since the desired outcome is similar, minimizing property loss to the peril of wildfire.

Kevin Phillips – Kevin Phillips is the Director of Member Outreach for ACWA-JPIA since April of 2023. Prior to taking on this role, Kevin was the Town Manager of the Town of Paradise and led the Town through recovery and rebuilding after the devastation of the Camp Fire. Before working with the Town, Kevin spent 13 years with Paradise Irrigation District. During his time at Paradise Irrigation District, he served as the Finance and Accounting Manager, the CFO, and the District Manager. As District Manager, Kevin led the District through the difficult water restoration period after the Camp Fire. Kevin worked with Matson & Isom Accountancy Corporation (Chico, CA) as a Certified Public Accountant from 2000 to 2007. He attended Cal Poly, San Luis Obispo, earning a Bachelor of Science in Business Administration with a concentration in Accounting and Finance.

Jennifer Jobe – Jennifer has nearly two decades of risk management and insurance experience. With a specialization in helping public agencies manage their risk through self-insurance, risk pooling, joint purchase programs, and loss control, Jennifer is responsible for overseeing JPIA's coverage programs and maintaining reinsurance and alternative risk financing solutions. Jennifer's passion lies in ensuring the organization she serves has access to broad coverage solutions and services and providing exceptional member support.

Adrienne Beatty – Adrienne Beatty was promoted to the Chief Executive Officer of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) in October 2023. Adrienne began her career with the ACWA JPIA in November 2021 as the Assistant Executive Officer. Adrienne has over 19 years in the risk pooling industry and is proud to bring her risk pooling expertise to ACWA JPIA. Prior to joining the JPIA, Adrienne served in leadership positions for four California risk pools and one Washington risk pool serving municipalities, housing authorities, and school districts. Adrienne currently serves on the Board of the Association of Governmental Risk Pools (AGRiP) providing operational best practices to risk pools throughout the world. Adrienne has a Bachelor's Degree from the University of California at Santa Barbara and holds designations for Associate in General Insurance, Associate in Risk Management, and Associate in Risk Pool Management.

JPIA 2023 Fall Conference



Location: Hyatt Regency Indian Wells
44600 Indian Wells Lane
Indian Wells, CA 92210

Date: Monday, November 27 - Tuesday, November 28, 2023

Conference Schedule

Monday, November 27, 2023

		Location
8:30 a.m. – 10:00 a.m.	CWIF Committee Meeting	Ballroom NOP
10:15 a.m. – 11:30 a.m.	Executive Committee Meeting	Ballroom NOP
11:30 a.m. – 12:45 p.m.	Pre-Board Meeting Lunch <i>(RSVP by November 6 required to attend this event.)</i>	Ballroom JK
1:00 p.m. – 4:30 p.m.	Board of Directors' Meeting	Ballroom NOP
4:30 p.m. – 6:00 p.m.	ACWA JPIA Reception	East Foyer/ Vista Verde Terrace

Tuesday, November 28, 2023

8:30 a.m. – 10:00 a.m.	KYND: Building a Resilient Front Against Cyber Attacks <i>Presenters: Ben Duffy and Ariana Lawrence</i>	Ballroom OP
10:15 a.m. – 11:45 a.m.	Risk & Insurance Challenges in the Wildland-Urban Interface <i>Presenters: Alex Tokar, Frank Frievault, Kevin Phillips, Jennifer Jobe, and Adrienne Beatty</i>	Ballroom OP

Exhibit Hall – Renaissance Esmeralda Ballroom

JPIA Staff and JPIA Executive Committee Members will be in the exhibit hall. JPIA's exhibit booth is located at 409 & 411 in the Esmeralda Ballroom, stop by to say hello!

Tuesday, November 28, 2023 – 5 p.m. – 6:30p p.m. ACWA's Welcome Reception
Wednesday, November 29, 2023 – 7:30 a.m. – 6:00 p.m.
Thursday, November 30, 2023 – 7:30 a.m. –12:00 p.m.



2023

Conference Sponsors

GOLD

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California Water Insurance Fund

CWIF Board of Directors Meeting

Hyatt Regency Indian Wells Resort & Spa
Conference Center
44600 Indian Wells Lane
Indian Wells, CA 92210

Monday
November 27, 2023
8:30 AM

Board of Directors

Chair: Andrew Morris, Santa Rosa Regional Resources Authority
Vice-Chair: David Drake, Rincon del Diablo Municipal Water District
Brent Andrewsen, Holland & Hart
Chris Kapheim, Kings River Conservation District
Melody McDonald, San Bernardino Valley Water Conservation District
Scott Quady, Calleguas Municipal Water District
Randall J. Reed, Cucamonga Valley Water District

Officers

President: Adrienne Beatty, ACWA JPIA
Vice-President: Robert Greenfield, ACWA JPIA
Secretary: Brent Andrewsen, Holland & Hart
Treasurer: David deBernardi, ACWA JPIA



California Water Insurance Fund

CWIF exists for the sole purpose of advancing and supporting the insurance and risk management needs and insurance-related support programs of the ACWA JPIA.

Board of Directors Meeting

Hyatt Regency Indian Wells Resort & Spa
Conference Center, Ballroom NOP
44600 Indian Wells Lane
Indian Wells, CA 92210

AGENDA

Monday, November 27, 2023 – 8:30 AM

<u>Presenter</u>		<u>Page #</u>
Morris	* 1. Approve the Minutes of the September 28, 2023 Meeting	10
Beatty	* 2. Program Status	12
PFM	* 3. PFM Investment Portfolio Update	18
deBernardi	* 4. Review and Approve Investment Policy Statement	45
deBernardi	* 5. Review and Approve Dividends	51
Morris	6. Review Availability of the Board of Directors for the May 29, 2024 Meeting in Utah	

ADJOURN

**Related items enclosed.*

CALIFORNIA WATER INSURANCE FUND

MINUTES OF THE BOARD OF DIRECTORS MEETING

SEPTEMBER 28, 2023

MINUTES of above referenced meeting of the Board of Directors of California Water Insurance Fund (CWIF) held at 2100 Professional Drive, Roseville, CA 95661 and remote sites via Zoom on September 28, 2023 @ 11:00 a.m. PDT.

CONFIRMATION OF NOTICE AND QUORUM

Andrew Morris, CWIF Chair, confirms the notice of the meeting and announced there was a quorum.

CWIF BOARD OF DIRECTORS IN ATTENDANCE

CHAIR: Andrew Morris, Santa Rosa Regional Resources Authority (via Zoom)

VICE-CHAIR: David Drake, Rincon del Diablo Municipal Water District
Brent Andrews, Holland & Hart

Chris Kapheim, Kings River Conservation District

Melody McDonald, San Bernardino Valley Water Conservation District

Scott Quady, Calleguas Municipal Water District (via Zoom)

Randall J. Reed, Cucamonga Valley Water District

CWIF BOARD OF DIRECTORS ABSENT

None.

CWIF OFFICERS IN ATTENDANCE

PRESIDENT: Walter "Andy" Sells, JPIA Chief Executive Officer

VICE PRESIDENT: Robert Greenfield, JPIA General Counsel

SECRETARY: Brent Andrews, Holland & Hart

TREASURER: David deBernardi, JPIA Director of Finance

CWIF OFFICERS ABSENT

None.

JPIA STAFF IN ATTENDANCE

Adrienne Beatty, Assistant Executive Officer

Jennifer Jobe, Director of Pooled Programs

Kevin Phillips, Director of Member Outreach

OTHERS PRESENT

Lauren Brandt, PFM Asset Management
Ellen Clark, PFM Asset Management

KEY ITEMS DISCUSSED

- Appointment of new CWIF Officers
- Investment Statement Comparison
- PFM Investment Portfolio Update
- Asset Allocation Study
- Dividend Policy Changes
- CWIF Talking Points
- Liability Program Reinsurance Agreements for 2023-24 Policy Year

RESOLVED:

Approved the appointment of CWIF Officers for the term October 1, 2023 to September 30, 2024: Adrienne Beatty, President; Robert Greenfield, Vice-President; Brent Andrewsen, Secretary; and David deBernardi, Treasurer.

RESOLVED:

Approved the Dividend Policy changes, as presented.

RESOLVED:

Approved the Liability Program Reinsurance Agreement for Policy Year 2023-24, as presented.

ADJOURNMENT

There being no further business, Chair Morris adjourned the meeting.

APPROVAL OF MINUTES

The Board reviewed and approved these minutes.

Brent Andrewsen
Company Secretary

Date

CWIF
Program Status
November 27, 2023

BACKGROUND

At the November 26, 2018 meeting, the Board of Directors approved a resolution to proceed with forming a Captive Insurance Company. The Captive is a private company wholly owned by the JPIA, domiciled in the state of Utah. In addition to Paid in Equity, the JPIA also cedes losses at the primary level for the Liability and Workers' Compensation Programs. CWIF also provides a layer of reinsurance for the JPIA's Liability Program at the \$10M excess of \$10M layer.

CURRENT SITUATION

The California Water Insurance Fund President, Adrienne Beatty, will update the Board with the current status of the program.

RECOMMENDATION

None, informational only.

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM CUMULATIVE FROM INCEPTION THROUGH SEPTEMBER 30, 2023

ALL PROGRAMS

	LIABILITY	WORKERS' COMP	EMPLOYEE BENEFITS	Total
1 REVENUE				
2 Deposit Premiums Earned (SIR)	\$ 80,955,087	\$ 29,005,335	\$ 0	\$ 109,960,422
3 Deposit Premiums Earned (10x10)	4,888,744	0	0	4,888,744
4 Net Investment/Other Income (Loss)	6,163,462	1,889,512	808,997	8,861,971
5 Total Revenue	92,007,293	30,894,847	808,997	123,711,137
6 EXPENSES				
7 Paid Claims	16,976,543	4,185,434	0	21,161,977
8 General/Administrative	9,818,043	8,512,678	1,295	18,332,017
9 Dividends paid to JPIA	7,104,210	1,690,288	620,864	9,415,362
10 Total Expenses	33,898,796	14,388,401	622,160	48,909,356
11 Paid in capital	22,560,890	14,477,555	60,000,000	97,038,445
12 Book balance	\$ 80,669,386	\$ 30,984,001	\$ 60,186,838	\$ 171,840,225

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM CUMULATIVE FROM INCEPTION THROUGH SEPTEMBER 30, 2023

LIABILITY PROGRAM

	Policy Year 10/1/19-20	Policy Year 10/1/20-21	Policy Year 10/1/21-22	Policy Year 10/1/22-23	Total
REVENUE					
Deposit Premiums Earned (SIR)	\$ 19,400,000	\$ 21,054,700	\$ 20,422,300	\$ 20,078,087	\$ 80,955,087
Deposit Premiums Earned (10x10)	0	1,386,700	1,421,146	2,080,898	4,888,744
Net Investment/Other Income (Loss)	2,494,503	2,491,116	839,609	338,234	6,163,462
Total Revenue	21,894,503	24,932,516	22,683,055	22,497,219	92,007,293
EXPENSES					
Paid Claims	7,358,677	6,932,966	2,684,900	0	16,976,543
General/Administrative	3,108,584	3,182,059	3,526,947	453	9,818,043
Dividends paid to JPIA	2,254,529	2,500,722	848,959	1,500,000	7,104,210
Total Expenses	12,721,790	12,615,747	7,060,806	1,500,453	33,898,796
Paid in capital	22,249,990	0	0	310,900	22,560,890
Book balance	\$ 31,422,703	\$ 12,316,769	\$ 15,622,249	\$ 21,307,666	\$ 80,669,386

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM CUMULATIVE FROM INCEPTION THROUGH SEPTEMBER 30, 2023

WORKERS COMPENSATION PROGRAM

	Policy Year 7/1/20-21	Policy Year 7/1/21-22	Policy Year 7/1/22-23	Total
REVENUE				
Deposit Premiums Earned	\$ 13,426,250	\$ 13,377,935	\$ 2,201,150	\$ 29,005,335
Deposit Premiums Earned (10x10)	0	0	0	0
Net Investment/Other Income (Loss)	1,574,210	281,704	33,598	1,889,512
Total Revenue	15,000,460	13,659,639	2,234,748	30,894,847
EXPENSES				
Paid Claims	2,767,921	1,336,009	81,504	4,185,434
General/Administrative	4,055,625	4,457,009	45	8,512,678
Dividends paid to JPIA	1,560,303	129,985	0	1,690,288
Total Expenses	8,383,849	5,923,004	81,549	14,388,401
Paid in capital	0	14,700,000	(222,445)	14,477,555
Book balance	\$ 6,616,611	\$ 22,436,636	\$ 1,930,755	\$ 30,984,001

CALIFORNIA WATER INSURANCE FUND

**FLOW OF CASH BY PROGRAM
CUMULATIVE FROM INCEPTION THROUGH SEPTEMBER 30, 2023**

EMPLOYEE BENEFITS PROGRAM

	Policy Year 2022	Policy Year 2023	Total
REVENUE			
Deposit Premiums Earned	\$ 0	\$ 0	\$ 0
Deposit Premiums Earned (10x10)	0	0	0
Net Investment/Other Income (Loss)	(169,034)	978,031	808,997
Total Revenue	(169,034)	978,031	808,997
EXPENSES			
Paid Claims	0	0	0
General/Administrative	0	1,295	1,295
Dividends paid to JPIA	620,864	0	620,864
Total Expenses	620,864	1,295	622,160
Paid in capital	60,000,000	0	60,000,000
Book balance	\$ 59,210,102	\$ 976,736	\$ 60,186,838

CWIF Purpose/Talking Points

- CWIF is fully owned and controlled by the JPIA.
- CWIF is regulated by the State of Utah.
- CWIF was created by the JPIA to do the following:
 - Offer an alternative place to obtain insurance coverage for JPIA members.
 - Invest under a model that better fits insurance payout pattern of claims.
 - Afford the opportunity to invest funds with risk levels that match the anticipated claims payout patterns.
 - Lend credibility to the JPIA with carriers in the excess insurance market.
- CWIF provides some of the coverage for the following programs of the JPIA:
 - Liability Program
 - Workers' Compensation
- The JPIA has catastrophic funds (approximately \$40M total) that are invested in CWIF in the form of capital.
- CWIF must be ready to disburse catastrophic funds should the need for them arise.
- All money in CWIF is "spoken" for, either to pay out claims or return to JPIA in the form of catastrophic fund distributions.
- CWIF has a separate audit performed annually.
- CWIF financial activity is consolidated in the JPIA financial audit report.
- CWIF Board is made up of 4 Executive Committee members, 2 At Large JPIA Board members and the Utah attorney – 7 total.
- CWIF unrealized losses have no tangible impact on the JPIA unless we need to liquidate the entire portfolio.

CWIF
Investment Portfolio Update
November 27, 2023

BACKGROUND

In December 2019, PFM Asset Management, LLC (PFMAM) began managing CWIF's investment portfolio.

CURRENT SITUATION

PFMAM will present a summary of the investment portfolio. This presentation will include commentary on the current market and thoughts about managing the investments going forward.

RECOMMENDATION

None, informational only.

California Water Insurance Fund (CWIF) Investment Portfolio Update

Market and Investment Program Update

November 27, 2023

pfmam.com

PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Lauren Brant, Managing Director

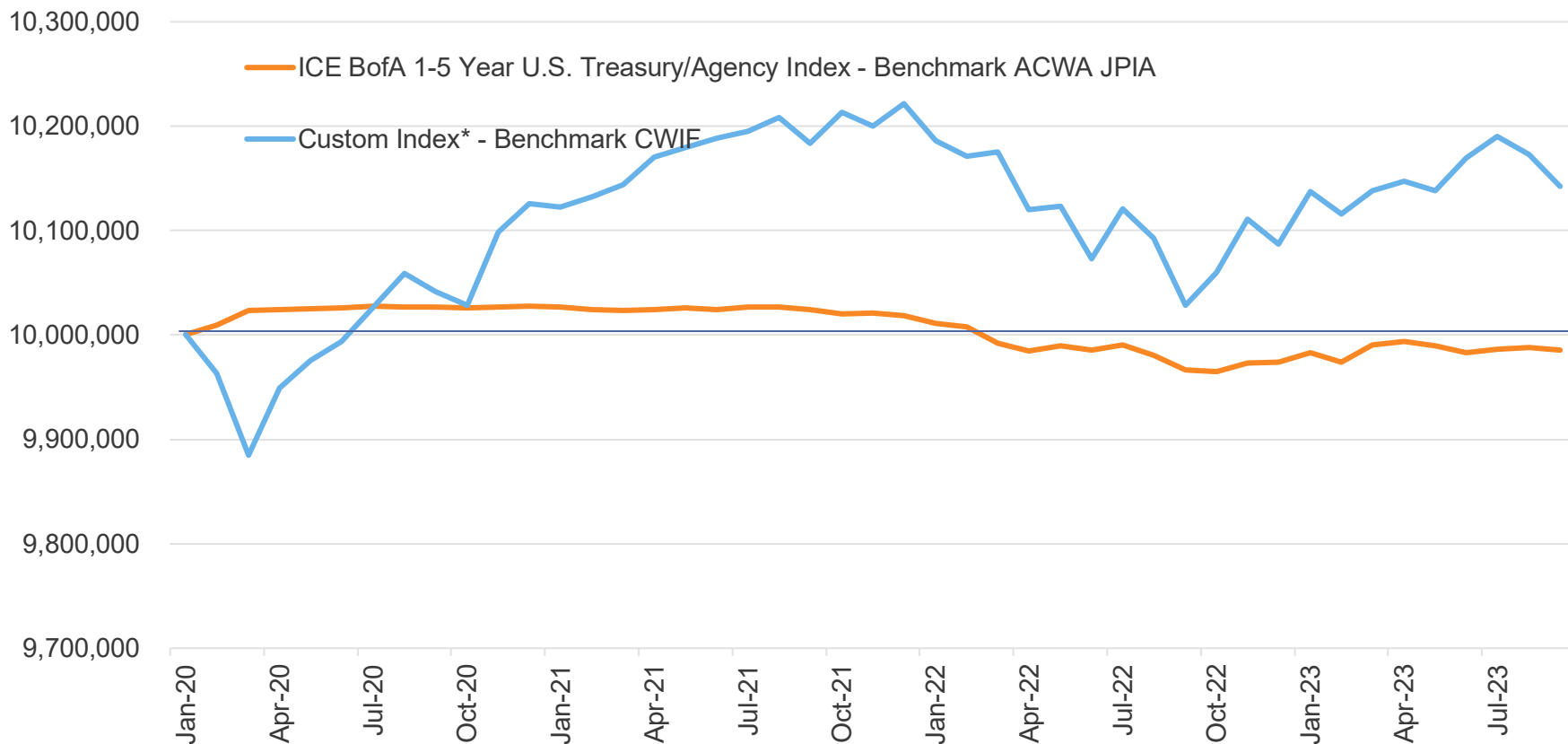
Ellen Clark, Director

CWIF Portfolio – Expanded Investment Universe

		Investment Authority
"Conventional" Fixed Income	U.S. Treasuries	CA Gov't Code
	Federal Agencies	CA Gov't Code
	Municipal Securities	CA Gov't Code
	Negotiable Certificates of Deposit	CA Gov't Code
	Prime Commercial Paper	CA Gov't Code
	Bankers' Acceptances	CA Gov't Code
	Medium-Term Corporate Bonds ("A" or Better)	CA Gov't Code
	Asset-Backed Securities (ABS)	CA Gov't Code
	Supranationals ("AA" or better)	CA Gov't Code
	Repurchase Agreements	CA Gov't Code
	Money Market Funds	CA Gov't Code
Local Government Investment Pools	CA Gov't Code	
Broader Fixed Income	Foreign Sovereign/Agencies	Captive
	Non-Agency MBS	Captive
	BBB and High-Yield	Captive
	Private Placements	Captive
	Convertibles	Captive
	Emerging Markets Debt	Captive
	Non-U.S. Dollar Investment Grade	Captive
	Bank Loans	Captive
Equities	Domestic Equities (Large Cap, Mid Cap, Small Cap)	Captive
	International Equities (Large Cap, Mid Cap, Small Cap)	Captive
	Emerging Markets	Captive
	Preferred Stock	Captive
	Equity Mutual Funds and ETFs	Captive
Alternatives	Commodities	Captive
	Real Estate	Captive
	Hedge Funds	Captive
	Private Equity	Captive

Index Portfolio Comparison – ACWA vs CWIF

Growth of \$10 Million Portfolio
February 2020 - September 2023



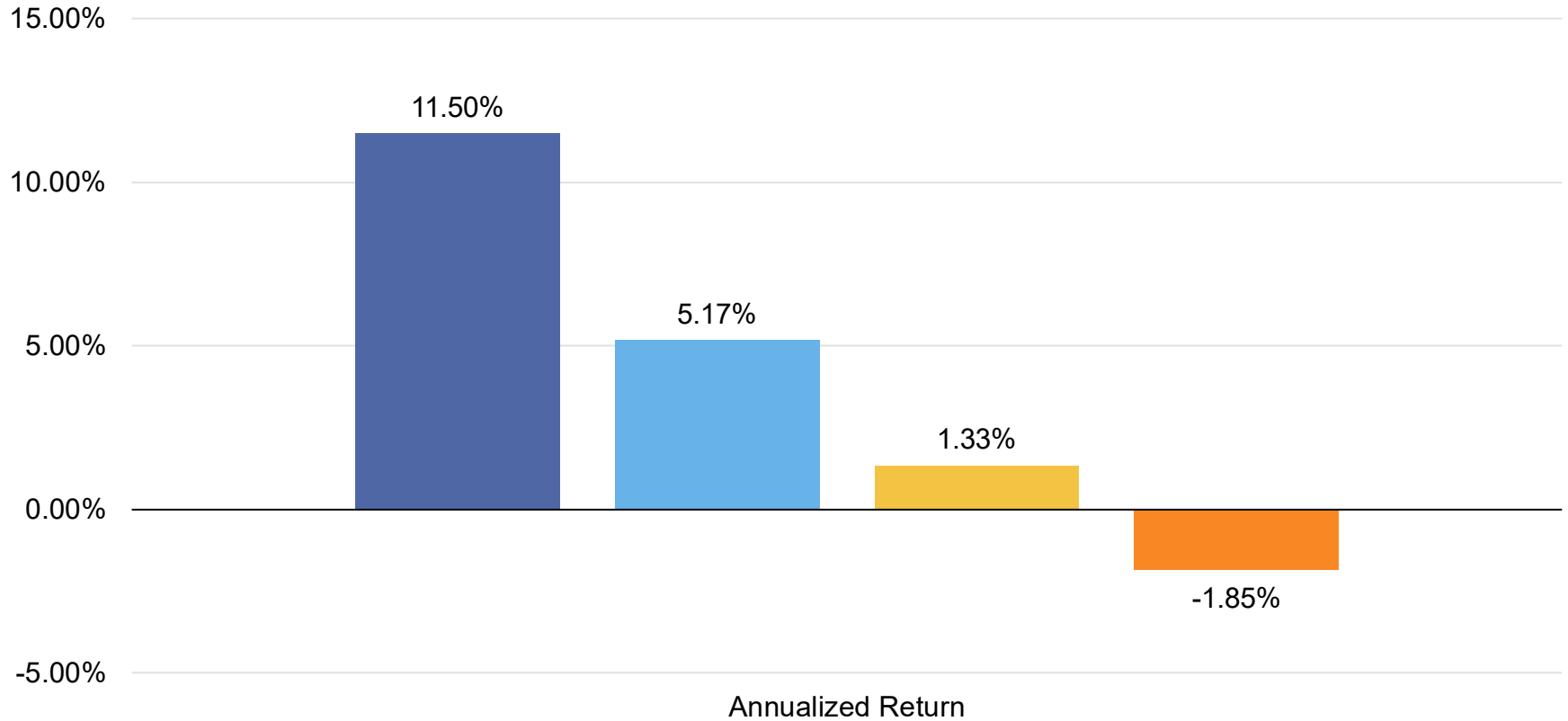
21

Source: Bloomberg, ICE BofA Indices as of 09/30/2023.

*Custom index is comprised of 42% Russell 3000 Index, 23% MSCI AC World ex USA (Net), 35% Bloomberg U.S. Aggregate

Missing a Few Days Can Dramatically Impact Performance

S&P 500 Annual Return



■ 1980 - 2022 All Days ■ 1980 - 2022 Without Top 10 Days Each Decade
■ 1980 - 2022 Without Top 20 Days Each Decade ■ 1980 - 2022 Without Top 30 Days Each Decade

Economic Update



Economic Update



- ▶ The Federal Reserve continues to fight inflation by raising rates, currently 5.25% to 5.50%. Rates expected to be “higher for longer”. U.S. National debt tops \$30 trillion. Discord in Congress almost shuts down the government.



- ▶ U.S. unemployment rate held steady at 3.8% in September, up from April’s record lows of 3.4%, while labor market participation also rose during the month to 62.8% -- the highest level since February of 2020.



- ▶ Overall inflation, as measured by consumer prices (CPI) is sitting at 3.7% above the Federal Reserve’s long term target rate of 2%.

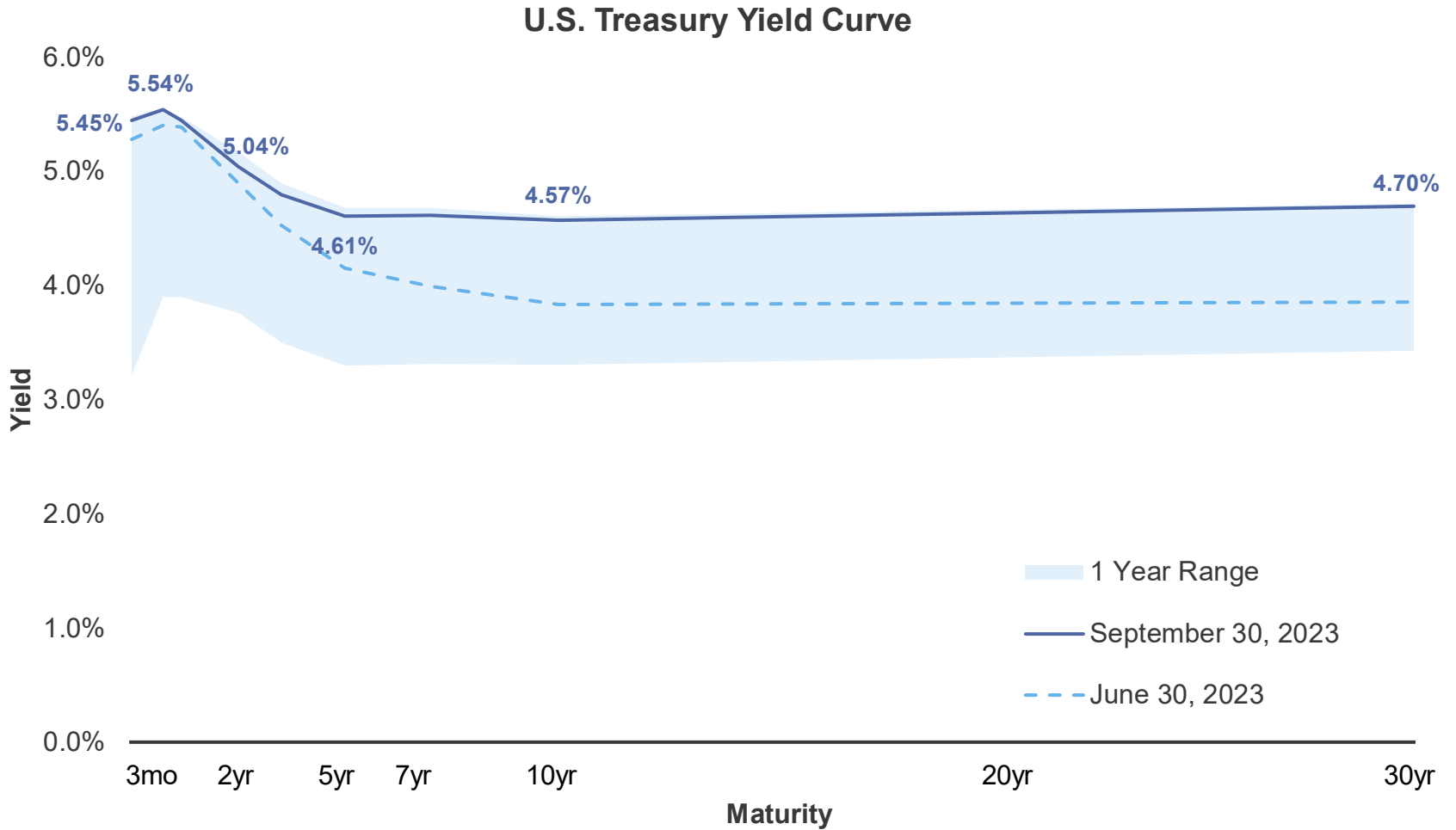


- ▶ The US consumer confidence index has dipped, though still above the historic low in June 2022. Consumers favor services over goods. Overall spending has softened after summer travel.



- ▶ While U.S. GDP growth has been stronger than expected this year, global GDP growth is decelerating. Domestically the slowdown is expected to be influenced by a number of factors including inflation, consumer spending, housing and energy prices, and geopolitical concerns.

Current Treasury Yield Curve

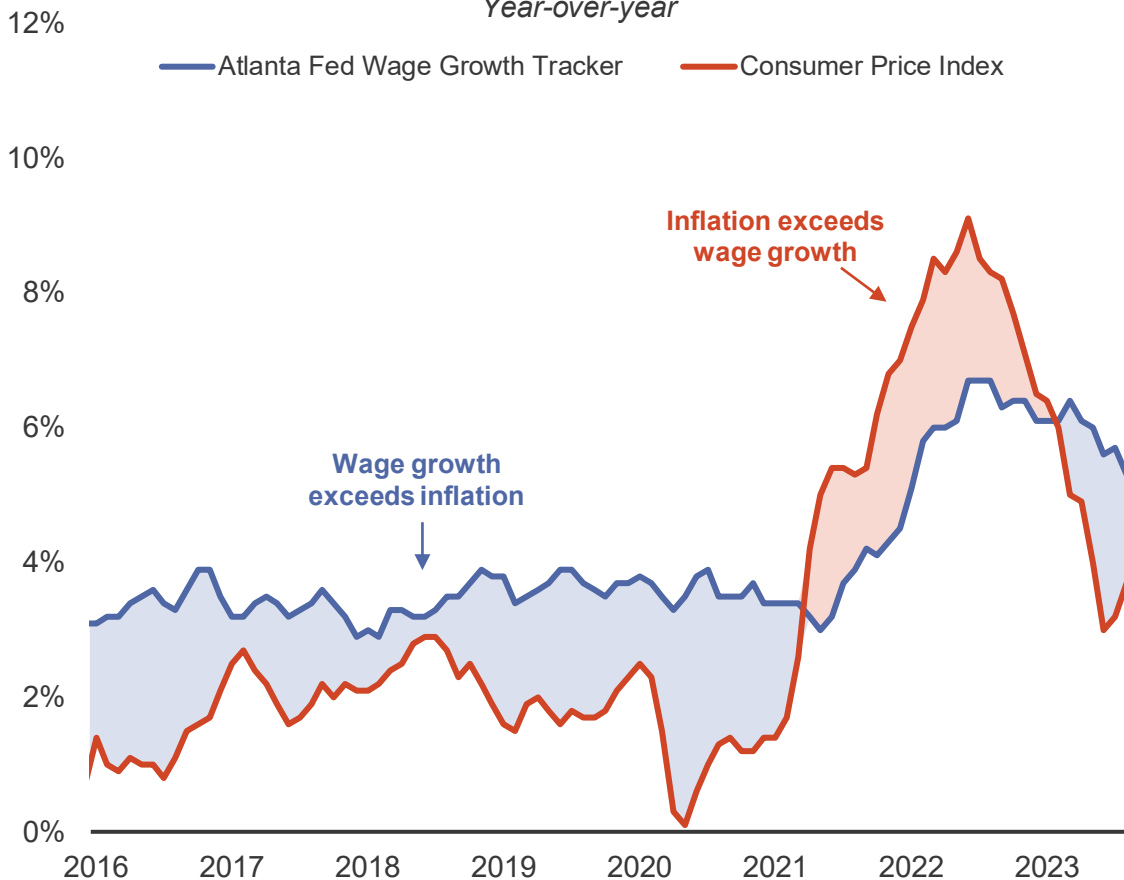


Source: Bloomberg, as of 9/30/2023.

Unemployment and Wage Growth

Wage Growth vs. Inflation

Year-over-year



Labor Market Stats

Unemployment Rate (Sept.) 3.8%

Peaked during COVID at 14.7%

Excess Job Openings (Sept.) 3 mil.

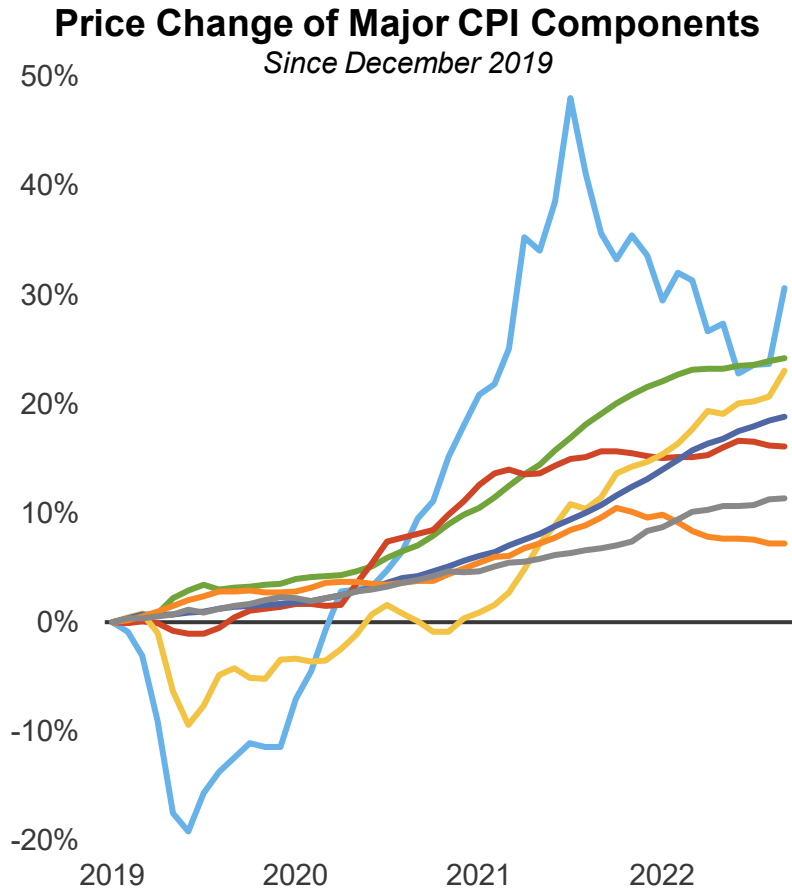
For each unemployed worker, there are approximately 1.5 job openings

Nonfarm Payrolls (Sept.) 336,000

Although the pace has declined, the economy continues to create jobs at a healthy pace

Source: As of September 2023. St. Louis Federal Reserve Economic Data. Excess job openings refers to the difference in job openings, as reported by JOLTS, and the total number of unemployed workers as reported by the Bureau of Labor Statistics.

Shelter and Transportation Costs Drive Inflation



CPI Component	12-mo. Change	Weight ¹	Contribution to YoY CPI
Energy	-3.7%	7.0%	-0.3%
Food	4.3%	13.4%	0.6%
Transportation	10.4%	5.9%	0.6%
Goods	0.4%	21.2%	0.1%
Shelter	7.2%	34.8%	2.5%
Medical services	-2.1%	6.3%	-0.1%
Other Services ²	4.2%	11.3%	0.5%
Overall	3.7%		

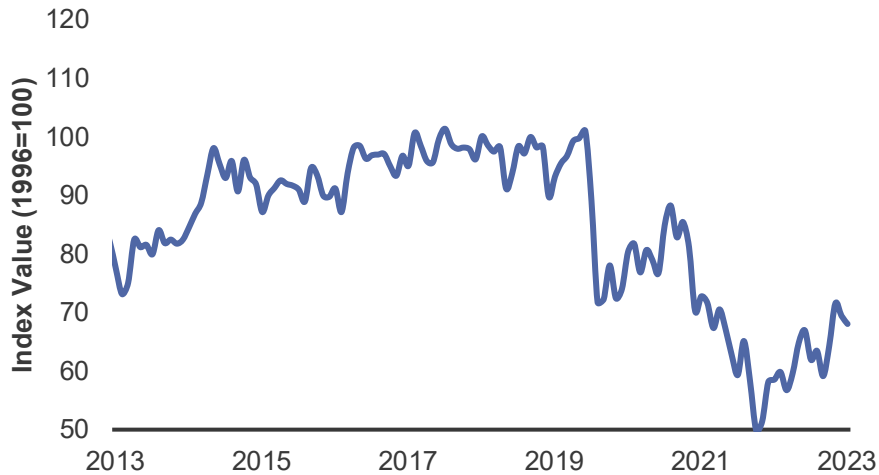
Source: Bloomberg, Bureau of Labor Statistics as of August 2023.

1. Index weights are as of July 2023 as they are published on a one-month lag.

2. Other services is a weighted blend of Water/Sewer/Trash, Household Operations, Recreation, Education, and Communication services.

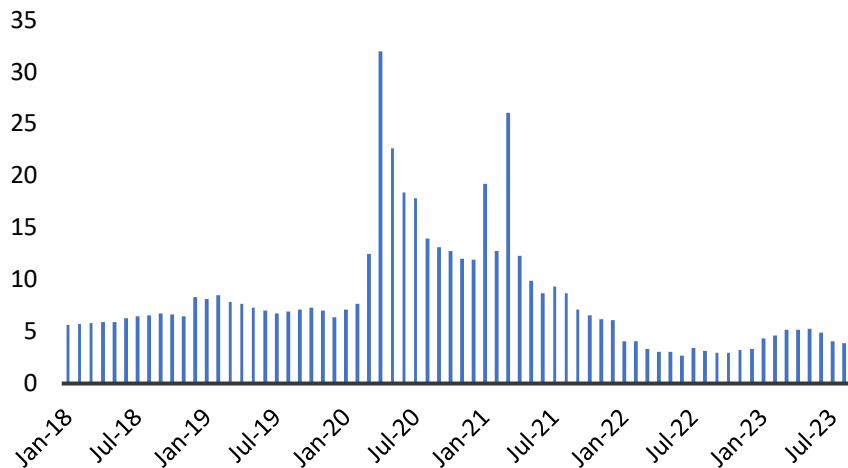
How Is the Consumer?

Consumer Sentiment Index

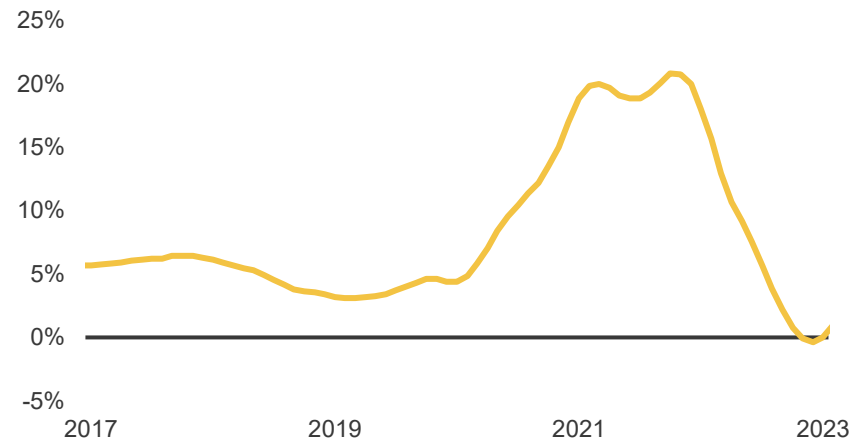


- ▶ People feel better about their environment but have less in their pockets.
- ▶ Housing prices haven't collapsed but are no longer skyrocketing.
- ▶ Consumers are in a better shape (savings, housing, debt service, income) than past low growth environments, but for how long?

Personal Savings Rate



National Home Price Index (YoY)



Source: Bloomberg, FRED.STLFED.ORG

Headwinds to GDP Growth Across All Countries

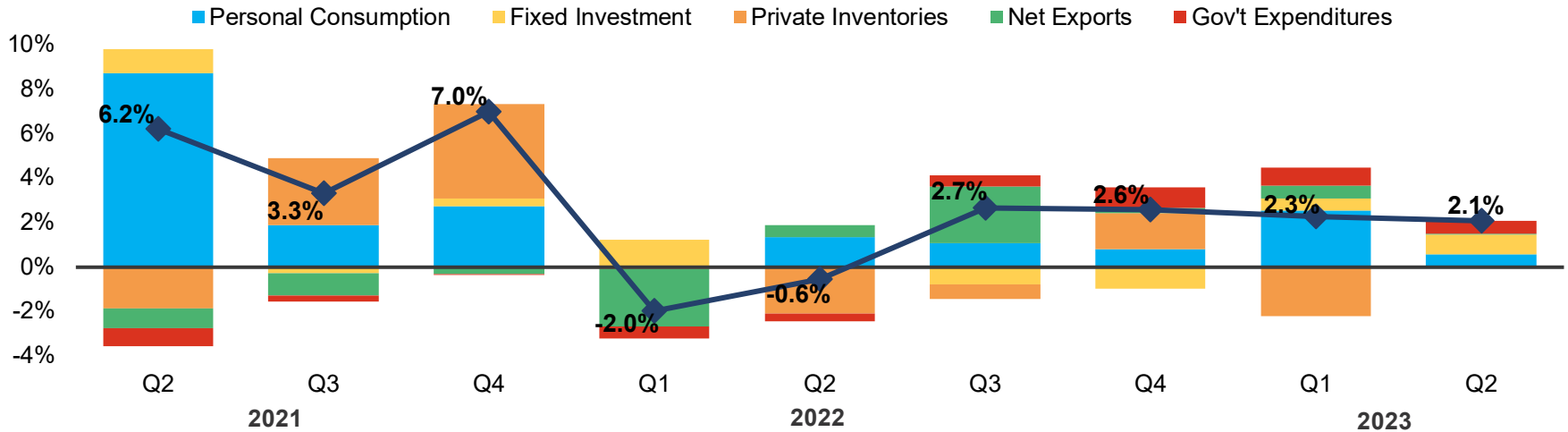
	Real GDP YOY			Forecast Real GDP Growth*	
	Dec-22	Mar-23	Jun-23	2024	2025
US	2.60%	2.20%	2.10%	1.10%	1.80%
Eurozone	1.70%	1.10%	0.50%	1.50%	2.00%
Japan	0.10%	0.80%	1.20%	1.00%	0.60%
Emerging Market	2.4%	3.7%	5.3%	4.20%	4.00%
China	2.90%	4.50%	6.30%	4.50%	4.10%

Headwinds

- ▶ Geopolitical uncertainty
- ▶ Trade restrictions
- ▶ Inflation

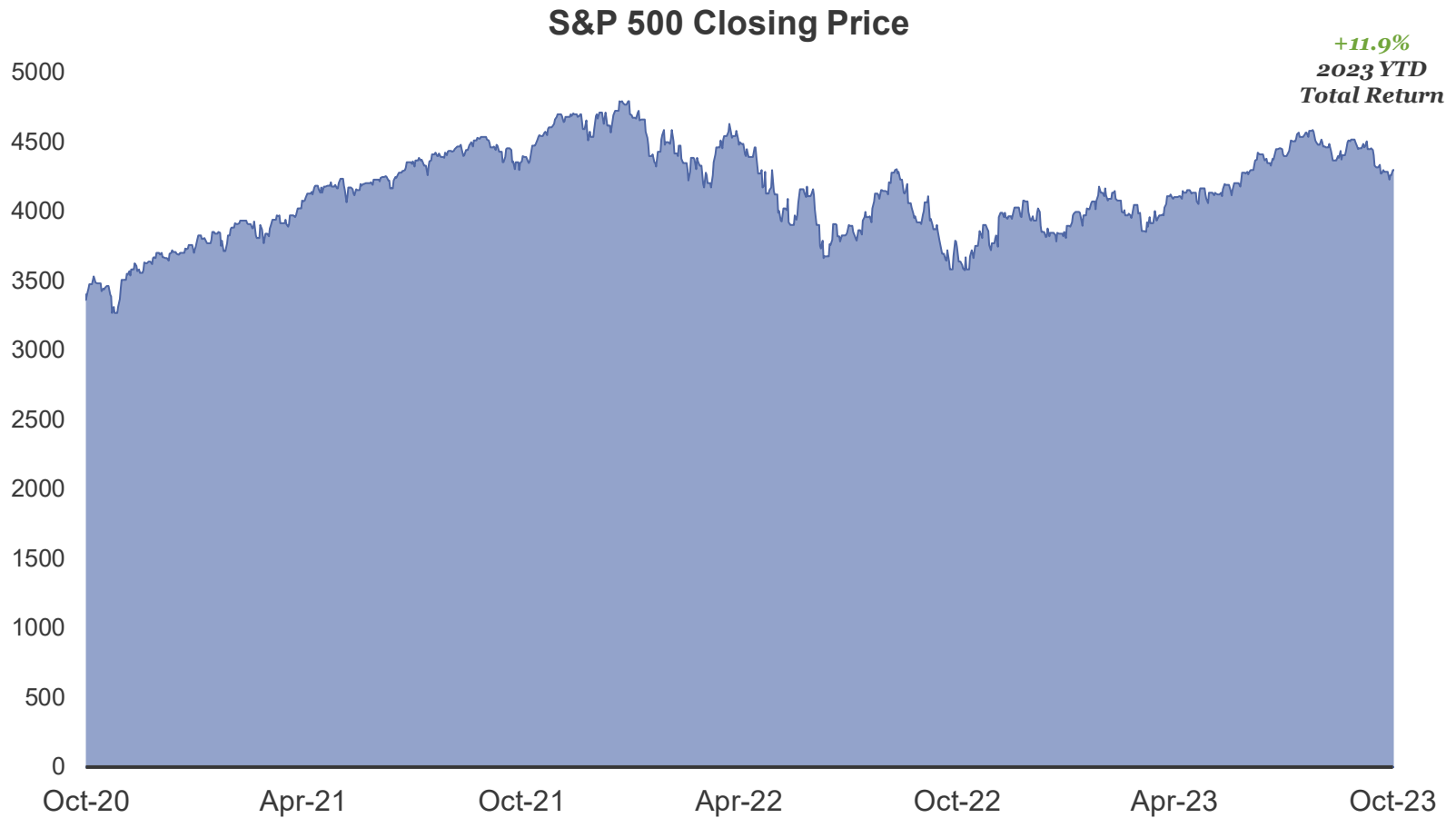
What will fuel growth?

U.S. Real GDP Contributors and Detractors



Source: Bloomberg, Bureau of Economic Analysis, as of June 2023., *www.imf.org

Robust U.S. Stock Returns



Source: Bloomberg, as of 10/6/2023.

CWIF Portfolio



Equity and Fixed Income Market Indices

Index Performance as of September 30, 2023					
DOMESTIC EQUITY	QTD	YTD	1 Year	3 Years	5 Years
S&P 500	-3.3%	13.1%	21.6%	10.1%	9.9%
Russell 3000 Index	-3.2%	12.4%	20.5%	9.4%	9.1%
Russell Midcap Index	-4.7%	3.9%	13.4%	8.1%	6.4%
Russell 2000 Index (small cap)	-5.1%	2.5%	8.9%	7.2%	2.4%
INTERNATIONAL EQUITY					
MSCI AC World ex USA (Net)	-3.8%	5.3%	20.4%	3.7%	2.6%
MSCI Emerging Markets Index (net)	-2.9%	1.8%	11.7%	-1.7%	0.5%
ALTERNATIVES					
FTSE NAREIT Equity REIT Index	-7.1%	-2.1%	3.0%	5.8%	2.8%
Bloomberg Commodity Index Total Return	4.7%	-3.4%	-1.3%	16.2%	6.1%
FIXED INCOME					
Bloomberg U.S. Aggregate	-3.2%	-1.2%	0.6%	-5.2%	0.1%
Bloomberg U.S. Gov't/Credit	-3.0%	-0.9%	0.9%	-5.3%	0.4%
Bloomberg U.S. 1-3 year Treasury	0.7%	1.7%	2.4%	-0.9%	1.0%
Bloomberg U.S. High Yield Corp	0.5%	5.9%	10.3%	1.8%	3.0%
CASH EQUIVALENT					
90 Day U.S. Treasury Bill	1.3%	3.6%	4.5%	1.7%	1.7%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material

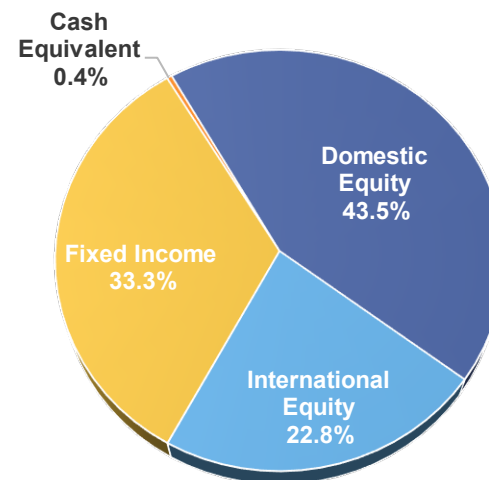
Portfolio Update as of September 30, 2023

	Last 3 Months	1 Year	3 Years	Since Inception ¹
CWIF Performance	-3.37%	12.43%	2.69%	3.09%
Benchmark Performance ²	-3.33%	13.41%	3.07%	3.58%

	9/30/2023
CWIF Market Value	\$163,077,526

Asset Class	Range	Target	9/30/23 Allocation
Growth Assets			
Domestic Equity	22-62%	42%	43.5%
International Equity	3-43%	23%	22.8%
Other Growth	0-10%	0%	0%
Income Assets			
Fixed Income	15-70%	35%	33.3%
Other Income	0-10%	0%	0%
Real Return Assets			
Cash Equivalents	0-20%	0%	0.4%

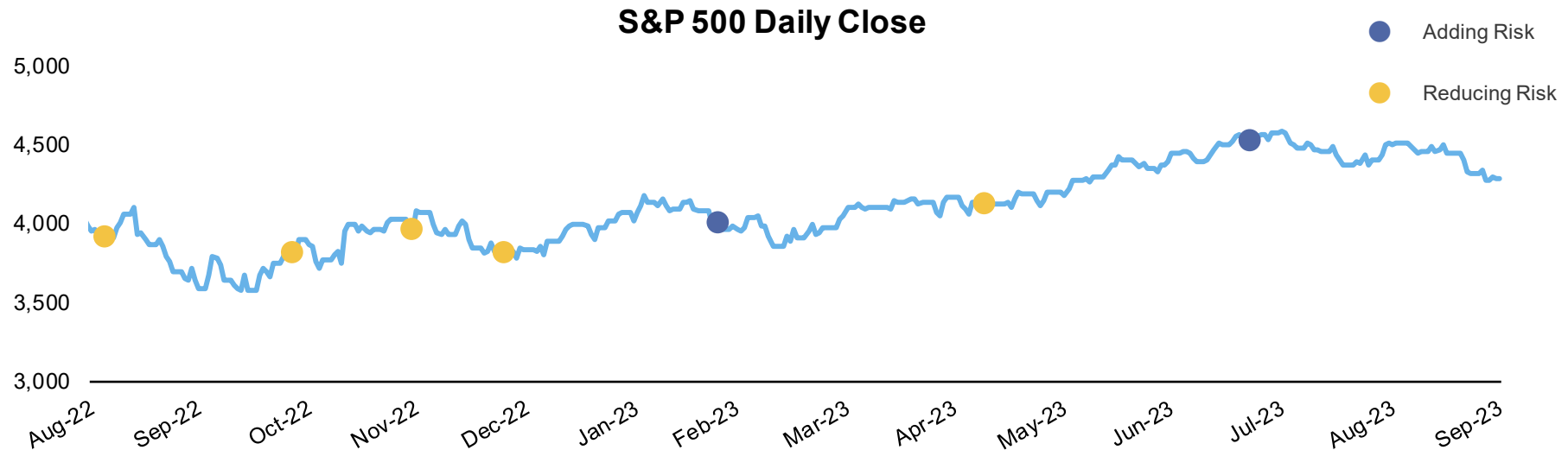
CWIF Portfolio Asset Allocation As of 9/30/2023



1. Since Inception, February 1, 2020.

2. Customized benchmark makeup: 42% Russell 3000 Index, 23% MSCI AC World ex USA (Net), 35% Bloomberg Barclay's Aggregate Index.

Investment Committee Decision Timeline



- ▶ **Sept:** Reduced allocation to active international equity manager adding to passive international equities
- ▶ **Oct:** Removed tactical allocations to commodities, preferreds, reduced allocation to REITs, allocating to domestic equity, international equity, fixed income, & cash
- ▶ **Nov:** Removed remaining tactical allocation to REITs
- ▶ **Dec:** Removed tactical cash allocation and brought fixed income to target allocation
- ▶ **Feb:** Increased allocation to mid and small cap domestic equity, increased allocation to emerging market equity
- ▶ **May:** Removed overweight to mid and small cap allocations within domestic equity and decreased allocation to short duration fixed income
- ▶ **July:** Reduced overweight to US Large Cap, increased target to domestic equity, increased exposure to Emerging markets ex China, added dedicated International Small Cap, removed dedicated short-term bonds allocation

Source: Bloomberg, as of September 30, 2023.

PFMAM issued Portfolio Updates and notification explaining the change to the portfolio and rationale.

Looking Forward

KEY TAKEAWAYS

- ▶ Inflation at 3.7%, significantly over the Fed's 2% target
- ▶ Strong labor market and wage growth
- ▶ Federal Reserve has hit the pause button
- ▶ U.S. Consumer continues to spend, favoring services but spending less

RISKS TO OUTLOOK

- ▶ Geopolitical risks remain a headwind for the global economy - strained relations with China, Russia's unstable war effort in Ukraine, the conflict in Israel, and China's move in the Taiwan Strait.
- ▶ Increased risk of recession due to decreased consumer spending, higher energy prices, and manufacturing slump

MULTI-ASSET CLASS

- ▶ Portfolios positioned at strategic targets across asset classes
- ▶ Expect slower global growth despite strong corporate fundamentals
- ▶ Valuations are attractive within international stocks and small/mid stocks in U.S., but the discount reflects ongoing growth concerns

FIXED INCOME

- ▶ Expect rising interest rate cycle to end in 2023, yield curve remains steeply inverted
- ▶ Shifting to neutral duration, favor credit to add value
- ▶ Short-term instruments provide excellent income opportunities

Questions?



Appendix



Factors to Consider for 6-12 Months

Monetary Policy:



- The Fed's recent guidance points towards soft landing scenario with another hike possible before the year-end. Markets have adjusted to higher rates for longer; restrictive monetary policy for longer could hamper economic growth.
- Globally, most major central banks have maintained hawkish stance leading to growth concerns.

Economic Growth:



- The U.S. economy is expected to avoid a recession in the near term amidst continued strength within services activity, consumer spending, corporate balance sheets, and labor markets.
- Eurozone economic growth is slow.

Inflation:



- Inflation is moderating and we expect inflation to continue to slow.
- Upside surprise driven by services inflation or due to rising crude oil prices on goods inflation will be negative and could lead to renewed aggressive monetary policy.

Financial Conditions:



- Hawkish monetary policy and higher rates for longer can lead to pockets of stress within financial markets.
- Banks' lending standards remain a concern for continuing economic growth.

Consumer Spending (U.S.):



- With inflation moderating, consumer confidence has been steadily recovering from recent lows.
- Moderating inflation, low unemployment rate, and rising real personal income may keep consumer spending while student loan repayments is a headwind.

Labor Markets:



- Labor markets remain relatively strong but showing signs of softening as economy continues to slow.
- Improving labor force participation bodes well for lower wage growth and inflation.

Corporate Fundamentals:



- Earnings growth expectations are improving, especially when energy companies are excluded.
- Profit margins have declined and are stabilizing at pre-pandemic levels. The impact of rising U.S. dollar, rising borrowing costs, slowing Eurozone growth, lackluster recovery in China, and rising commodity prices need to be monitored.

Valuations:



- International equities look attractive relative to historical valuations, but continued economic uncertainty is leading to increased volatility.
- Credit markets look attractive on the back of strong corporate fundamentals, but pockets of vulnerabilities will appear as financial conditions tighten further.

Political Risks:



- Geopolitical risks continue to remain elevated. The tensions between the U.S. and China, the war between Russia and the Ukraine, and China's moves in South China Sea and Taiwan Strait further add to risks.

● Current outlook

○ Outlook one quarter ago

Stance Unfavorable to Risk Assets

Negative

Slightly Negative

Neutral

Slightly Positive

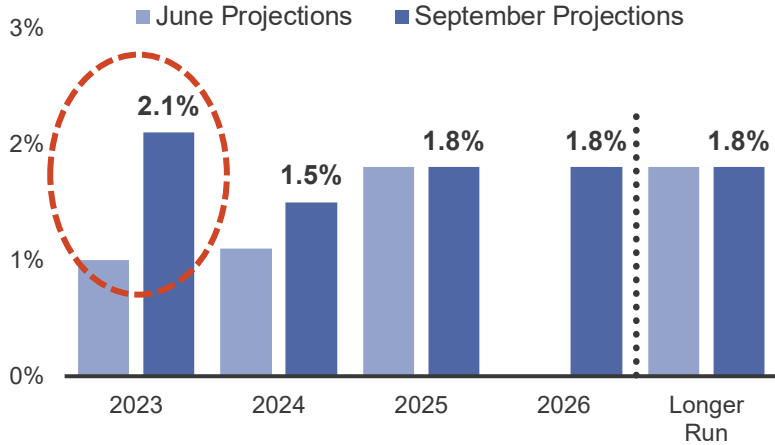
Positive

Stance Favorable to Risk Assets

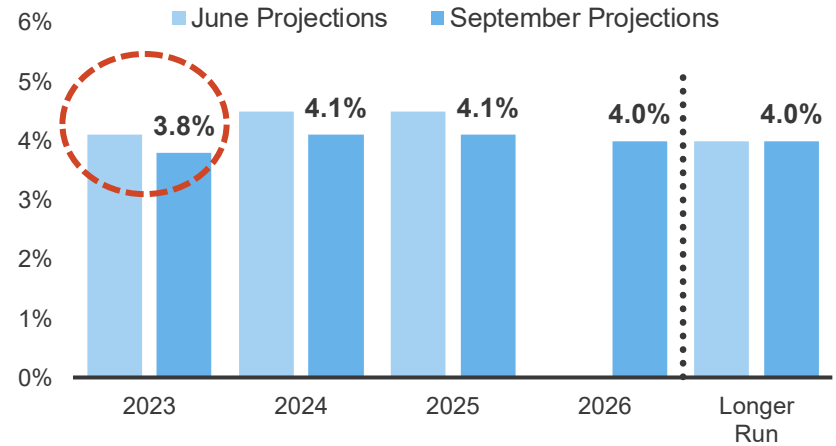
Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (9/30/2023) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

The Fed's Projections for Growth and Employment Were More Upbeat

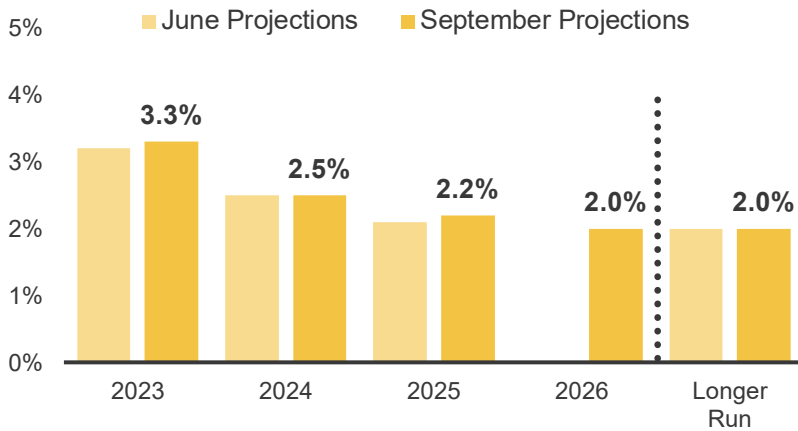
Change in Real GDP



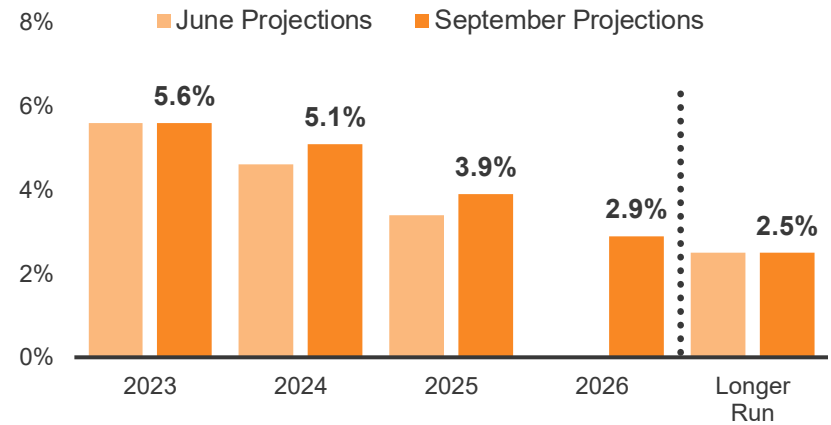
Unemployment Rate



PCE Inflation



Federal Funds Rate



Source: Federal Reserve, latest economic projections as of September 2023.

CWIF Asset Allocation & Performance

As of September 30, 2023

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Fund	163,077,526	100.00	-3.37	4.67	12.43	2.69	N/A	3.09	02/01/2020
<i>Blended Benchmark</i>			-3.33	5.96	13.41	3.07	N/A	3.58	02/01/2020
Domestic Equity	70,900,559	43.48							
Vanguard Total Stock Market ETF	67,362,221	41.31	-3.29	12.36	20.40	9.25	9.06	17.12	04/01/2020
<i>Russell 3000 Index</i>			-3.25	12.39	20.46	9.38	9.14	17.22	04/01/2020
Jensen Quality Growth Fund	3,538,338	2.17	-3.73	6.66	16.41	9.10	10.00	9.55	02/01/2020
<i>S&P 500</i>			-3.27	13.07	21.62	10.15	9.92	9.86	02/01/2020
International Equity	37,217,420	22.82							
Vanguard Total International Stock ETF	20,083,969	12.32	-4.01	5.08	20.53	3.91	2.78	10.34	04/01/2020
<i>MSCI AC World ex USA (Net)</i>			-3.77	5.34	20.39	3.74	2.58	9.58	04/01/2020
J. O. Hambro International Select	2,632,994	1.61	-5.94	6.80	22.41	-3.72	1.25	0.55	02/01/2020
<i>MSCI AC World ex USA (Net)</i>			-3.77	5.34	20.39	3.74	2.58	2.25	02/01/2020
Harding Loevner International Equity	2,602,290	1.60	-7.61	2.60	17.70	1.04	2.60	3.56	07/01/2020
<i>MSCI AC World ex USA (Net)</i>			-3.77	5.34	20.39	3.74	2.58	5.39	07/01/2020
Goldman Sachs GQG Ptnrs Intl Opportunities	2,641,829	1.62	-1.74	8.55	23.46	4.42	7.85	-2.28	09/01/2023
<i>MSCI AC World ex USA (Net)</i>			-3.77	5.34	20.39	3.74	2.58	-3.16	09/01/2023
Vanguard FTSE Developed Markets ETF	3,712,090	2.28	-4.68	5.93	24.06	5.35	3.20	-2.70	03/01/2022
<i>MSCI EAFE (net)</i>			-4.11	7.08	25.65	5.75	3.24	-1.28	03/01/2022
Vanguard FTSE All-World ex-US Small-Cap ETF	1,885,900	1.16	-3.37	4.36	18.08	2.99	1.58	-4.24	09/01/2023
<i>MSCI AC World ex USA Small Cap (Net)</i>			-1.70	5.03	19.01	4.01	2.58	-3.76	09/01/2023
Hartford Schroders Emerging Markets Equity	1,846,429	1.13	-6.04	0.55	11.04	-3.45	0.39	-1.03	02/01/2020
<i>MSCI EM (net)</i>			-2.93	1.82	11.70	-1.73	0.55	-0.44	02/01/2020
iShares MSCI Emerging Markets ex China ETF	1,811,918	1.11	-3.92	5.67	14.56	5.12	2.60	-2.54	09/01/2023
<i>MSCI EM (net)</i>			-2.93	1.82	11.70	-1.73	0.55	-2.62	09/01/2023

Returns are net of mutual fund fees.
Returns are expressed as percentages.

CWIF Asset Allocation & Performance (cont.)

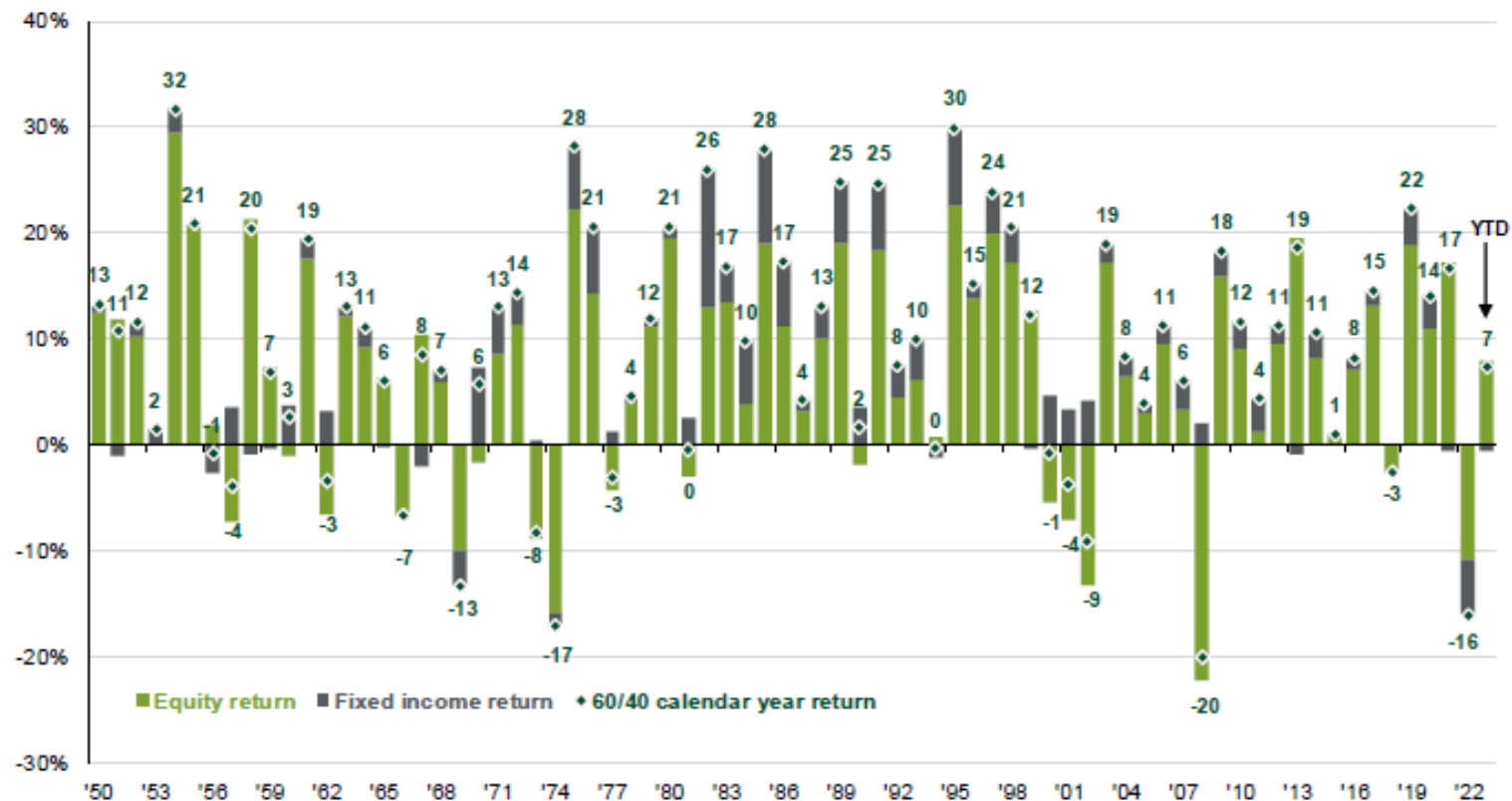
As of September 30, 2023

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Fixed Income	54,346,262	33.33							
Baird Core Plus	14,813,194	9.08	-2.73	-0.21	2.29	-4.42	0.80	-2.28	02/01/2020
DoubleLine Core Fixed Income	6,462,888	3.96	-2.93	-0.07	1.10	-4.03	-0.06	-2.79	02/01/2020
PGIM Total Return Bond Fund	11,971,354	7.34	-2.52	0.57	2.90	-4.66	0.61	-3.04	02/01/2020
Voya Intermediate Bond	6,593,009	4.04	-2.68	-0.09	1.55	-4.80	0.40	-2.91	02/01/2020
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	-3.05	02/01/2020
iShares Core US Aggregate Bond ETF	9,221,468	5.65	-3.22	-1.03	0.64	-5.21	0.08	-4.15	02/01/2023
<i>Blmbg. U.S. Aggregate</i>			-3.23	-1.21	0.64	-5.21	0.10	-4.15	02/01/2023
iShares Intermediate-Term Corporate Bond ETF	2,828,316	1.73	-2.47	1.00	4.60	-4.37	1.42	-2.37	02/01/2020
<i>ICE BofA U.S. Corporate 5-10 Year Index</i>			-2.45	0.72	4.57	-4.37	1.48	-2.31	02/01/2020
MainStay MacKay High Yield Corp Bond Fund	2,456,032	1.51	0.52	5.81	9.99	2.57	3.37	-0.02	06/01/2021
<i>ICE BofA High Yield Master II</i>			0.53	5.97	10.20	1.82	2.80	-1.34	06/01/2021
Cash Equivalent	613,286	0.38							
Dreyfus Government Securities Cash Management	613,286	0.38	1.23	3.41	4.21	1.54	1.42	3.67	07/01/2022
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.31	3.60	4.47	1.70	1.72	3.94	07/01/2022

Returns are net of mutual fund fees.
Returns are expressed as percentages.

60:40 Portfolio Returns – 2022 3rd Worst Year Since 1950

60/40 annual return decomposition
Total returns, 1950 – present



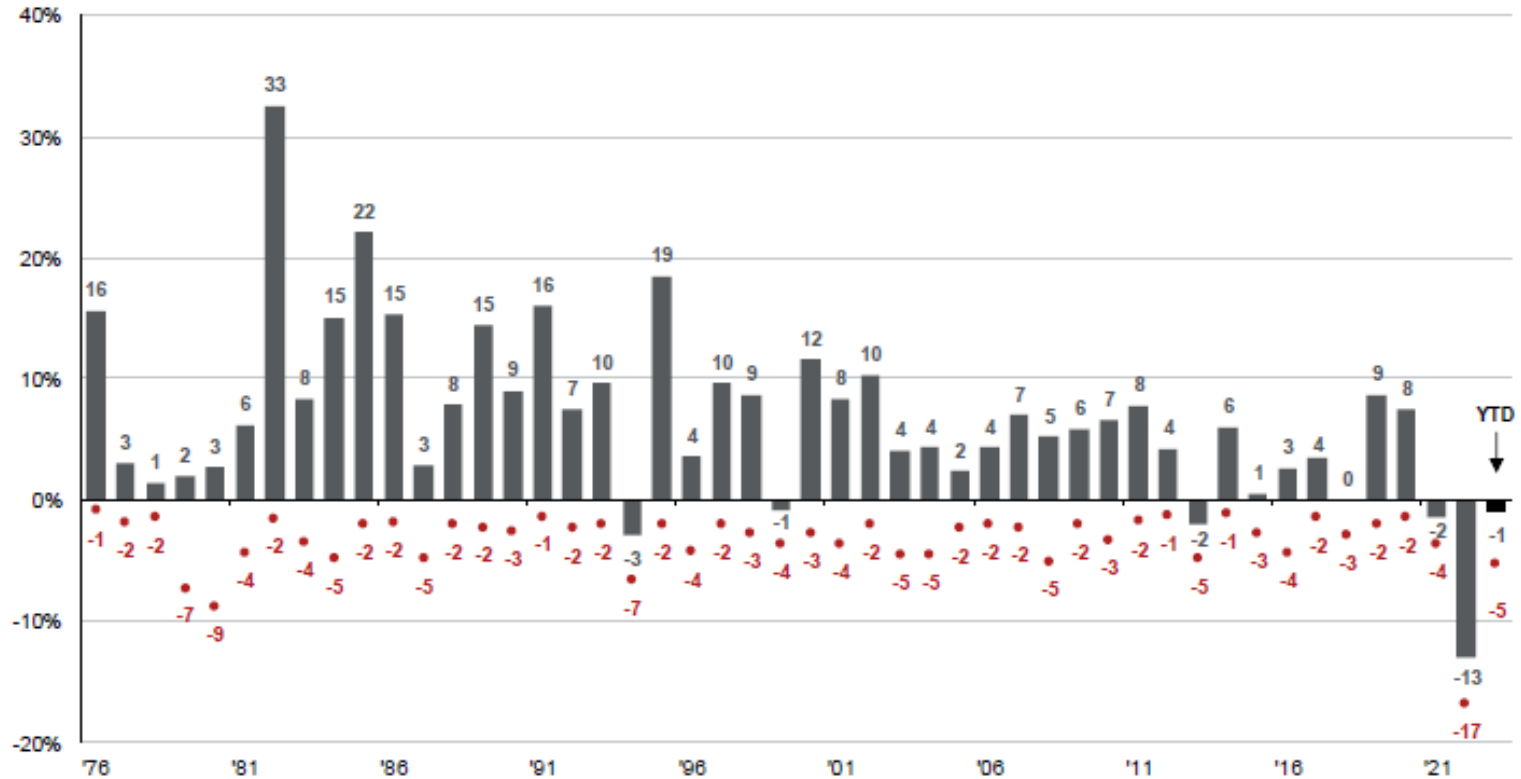
Source: Bloomberg, FactSet, Ibbotson/Strategas, Robert Shiller, Standard & Poor's, Yale University, J.P. Morgan Asset Management. The 60/40 portfolio is 60% invested in S&P 500 Total Return Index and 40% invested in Bloomberg U.S. Aggregate Total Return Index. S&P 500 returns from 1950 to 1970 are estimated using the Shiller S&P Composite. U.S. fixed income total returns from 1950 to 1975 are estimated using data from Strategas/Ibbotson. The portfolio is rebalanced annually. Guide to the Markets – U.S. Data are as of September 30, 2023.

J.P.Morgan
ASSET MANAGEMENT

Fixed Income Returns – 2022 = -13% return

Bloomberg U.S. Aggregate intra-year declines vs. calendar year returns

Despite average intra-year drops of 3.3%, annual returns positive in 42 of 47 years



Source: Bloomberg, FactSet, J.P. Morgan Asset Management.
 Returns are based on total return. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1976 to 2022, over which time period the average annual return was 6.6%. Returns from 1976 to 1989 are calculated on a monthly basis; daily data are used afterward.
 Guide to the Markets – U.S. Data are as of September 30, 2023.

J.P.Morgan
 ASSET MANAGEMENT

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CWIF
Investment Policy Statement
November 27, 2023

BACKGROUND

CWIF created an Investment Policy Statement (Statement) in October of 2019. The Statement has not been significantly changed since then.

CURRENT SITUATION

At its September 2023 meeting, the CWIF Board discussed ideas and options for revising the Statement. However, the consensus of the Board at that meeting was that the current Statement is adequate as is and does not require revision at this time.

RECOMMENDATION

That the CWIF Board of Directors approve the proposed Investment Policy, as presented, with no changes.

California Water Insurance Fund

Investment Policy Statement

Adopted October 28, 2019

Revised May 2, 2022

ACWA JPIA has established an insurance captive known as California Water Insurance Fund (CWIF). The creation of CWIF will create greater independence for excess and reinsurance coverage placement and provide greater efficiencies for managing and financing risk. The California Water Insurance Fund Board (the “Board”) has been appointed to oversee certain policies related to the operation and administration of CWIF. The purpose of this Investment Policy Statement is to document investment objectives and establish an appropriate investment strategy including an investment time horizon, asset allocation targets and ranges, performance expectations and periodic performance reporting requirements.

1. Investment Objectives

- a. To invest assets of CWIF in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of ACWA JPIA beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
- b. To provide for funding and anticipated withdrawals on a continuing basis for payment of long-term liabilities and reasonable expenses of operation of CWIF.
- c. To enhance the value of CWIF assets over the long term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
- d. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding an average annual target of 7% over a 20-year period.

2. Time Horizon

CWIF’s investment objectives are based on a long-term investment horizon (“Time Horizon”) of twenty years or longer. Interim fluctuations should be viewed with appropriate perspective. The long-term investment horizon contemplates risks and duration of investment losses, which are carefully weighed against the long-term potential for appreciation of assets.

3. Liquidity and Diversification

In general, CWIF may hold some cash, cash equivalent, and/or money market funds for near-term liabilities and expenses (the “CWIF Distributions”). Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

4. Use of an Investment Advisor

An investment advisor (“Advisor”) may be hired to assist CWIF in the investment process and to maintain compliance. The Advisor may assist CWIF in establishing investment policy objectives and guidelines. The Advisor will adjust asset allocation for CWIF subject to the guidelines and limitations set forth in this Investment Policy Statement. The Advisor will also select investment managers and strategies consistent with its role as fiduciary. The investment vehicles allowed may include exchange traded funds (“ETFs”), mutual funds, commingled trusts, collective trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor is also responsible for monitoring and reviewing investment managers; measuring and evaluating performance; and other tasks as deemed appropriate in its role as Advisor for CWIF.

5. Asset Allocation

To achieve the greatest likelihood of meeting CWIF’s investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than CWIF’s target rate of return over the long term.

	Asset Weightings	
Asset Classes	Range	Target
Growth Assets		
Domestic Equity	22% -62%	42%
International Equity	3% - 43%	23%
Other	0% - 10%	0%
Income Assets		
Fixed Income	-15% – 70%	35%
Other	0% – 10%	0%
Real Return Assets	0% – 10%	0%
Cash Equivalents	0% – 20%	0%

The total allocation to Growth Assets may not exceed 80% of the overall portfolio. Additionally, the total allocation to Other Assets is limited to 20% of the overall portfolio. The asset allocation range represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside these ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions.

6. Prohibited Investments

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of SEC Rule 144A securities). Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

7. Limitations on Managers' Portfolios

Every effort shall be made by the Advisor, to the extent practical, prudent, and appropriate, to select investments that have investment objectives and policies that are consistent with this Investment Policy Statement. Given the nature of the investments, it is recognized that there may be deviations between this Investment Policy Statement and the objectives of these investments. If deviations occur, the Advisor shall notify CWIF.

GROWTH ASSETS

Equities. No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities. Other than the above constraints, there are no quantitative guidelines as to issues, industry, or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities. The overall non-U.S. equity allocation should include a diverse global mix of the equity of companies from multiple countries, regions, and sectors.

Other*. Publicly traded asset classes like REITs, and non-traditional asset classes like private equity, whose primary risk and return characteristics are equity like and focused on capital appreciation

INCOME ASSETS

Fixed Income. Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization ("NRSRO").

Other*. Publicly traded asset classes like preferred stock and non-traditional asset classes such as, private debt, whose risk and return characteristics are align with risk mitigation and income generation.

REAL RETURN ASSETS. Real return assets may consist of collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation.

CASH EQUIVALENTS. Cash equivalents are investments designed to provide liquidity. Investments may include funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

**Prior to adding an allocation to any non-publicly traded asset class, the Advisor shall receive approval from the Board.*

8. Safekeeping

All assets of CWIF shall be held by a custodian approved for safekeeping assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Agreement. Investments of CWIF not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

9. Performance Expectations

Over the long-term the performance objective will be to achieve an average total annual rate of return that is equal to or greater than 7%. Additionally, it is expected that the annual rate of return on CWIF assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual investments and blended benchmark comparisons in its entirety.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. The Advisor shall report the investment performance to the Board and officers on a quarterly basis. In addition, the Advisor will be responsible for keeping the Board and officers advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the portfolio.

10. Review of Investment Policy Statement

The Advisor shall review annually and report to the Board and officers the appropriateness of this Investment Policy Statement for achieving CWIF's stated objectives.

Adopted by: California Water Investment Fund Board:

Andrew Morris,
Chair, CWIF Board

Date

Brent Andrewsen
Secretary, CWIF Board

Date

CWIF
Dividend Declaration
November 27, 2023

BACKGROUND

The CWIF Board approved a Dividend Policy in September 2021. The Policy was revised in September 2023.

CURRENT SITUATION

Under the CWIF Dividend Policy, realized investment income by CWIF results in a dividend. For fiscal year ended September 30, 2023, the total realized income was \$678,677.

RECOMMENDATION

The Executive Team recommends the CWIF Board of Directors approve the Dividend Declaration of \$678,677 for the fiscal year ended September 30, 2023.

Executive Committee Meeting



YOUR BEST PROTECTION

**Hyatt Regency Resort & Spa
Conference Center**

44600 Indian Wells Lane
Indian Wells, CA 92210

Monday
November 27, 2023
10:15 a.m.

President: Melody A. McDonald, San Bernardino Valley Water Conservation District

Vice-President: David A. Drake, Rincon del Diablo Municipal Water District

Cathy Green, Orange County Water District, ACWA VP

Chris Kapheim, Kings River Conservation District

Szu Pei Lu-Yang, Rowland Water District

Scott Ratterman, Calaveras County Water District

Randall J. Reed, Cucamonga Valley Water District

J. Bruce Rupp, Humboldt Bay Municipal Water District

David Wheaton, Citrus Heights Water District

Executive Committee Core Values

Trust | Integrity | Listen | Good of the Whole



YOUR BEST PROTECTION

EXECUTIVE COMMITTEE MEETING

AGENDA

Hyatt Regency Resort & Spa
Conference Center, Ballroom NOP
44600 Indian Wells Lane, Indian Wells, CA 92210
(760) 776-1234

Monday – November 27, 2023 – 10:15 AM

WELCOME

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

PLEDGE OF ALLEGIANCE

EVACUATION PROCEDURES

ANNOUNCEMENT RECORDING OF MEETING This meeting may be recorded to assist in preparation of minutes. Recordings will only be kept 30 days following the meeting, as mandated by the Ralph M. Brown Act.

PUBLIC COMMENT Members of the public will be allowed to address the Executive Committee on any agenda item prior to the Committee's decision on the item. They will also be allowed to comment on any issues that they wish which may or may not be on the agenda. If anyone present wishes to be heard, please let the Chair know.

INTRODUCTIONS

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter

Page#

I. CONSENT AGENDA

McDonald

- * A. Approve the Minutes of October 25, 2023 Meeting

55

McDonald

- B. Ratify the JPIA Disbursements of:

- Vendor Payments, Employee Benefits Claim Payments, Payroll, and summary of confidential claims payments for the Liability, Property, & Workers Compensation Programs: October 15-31, 2023 and November 1-15, 2023

<u>Presenter</u>		<u>Page#</u>
McDonald	C. Approve an Excused Absence for Any Executive Committee Member	
II. <u>ADMINISTRATION</u>		
All	A. Meetings Attended on Behalf of the JPIA	
Beatty	* B. Review and Approve the JPIA Conflict of Interest Code	60
Beatty	* C. Walter “Andy” Sells Risk Management Award	65
III. <u>SERVICE UPDATES</u>		
Jobe	* A. Cyber Risk Management Update	66
Jobe	* B. Employee Benefits Department Update	70
Crawford	* C. Training Department Update	72
Greenfield	* D. Employment Hotline Incentive Update	75
IV. <u>MISCELLANEOUS</u>		
Beatty	* A. CEO Update	76
McDonald	B. Future Agenda Items	
McDonald	* C. Review Availability of the Committee Members for Upcoming Meeting on January 18, 2024	77

ADJOURN

*Related items enclosed.

Americans With Disabilities Act – *The JPIA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the JPIA, shall be made to: Chimene Camacho, Executive Assistant to the CEO, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-5742. The JPIA’s normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)*

Written materials relating to an item on this Agenda that are distributed to the JPIA’s Executive Committee within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-5742. The JPIA’s normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.



Executive Committee Meeting

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

October 25, 2023

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

- Drake – 325 Rock Ridge Place, Escondido
- Green – 18700 Ward Street, Fountain Valley
- Kapheim – 11101 Avenue 412, Dinuba
- Lu-Yang – 500 N. Brand Blvd., Suite 1850, Glendale
- McDonald – 254 E Valley Street, San Bernardino
- Ratterman – 1216 Magers Rd. San Andreas
- Reed – 6171 Columbus Court, Alta Loma
- Rupp – 229 Boyle Drive, Eureka

MEMBERS PRESENT

Chair: Melody A. McDonald, San Bernardino Valley Water Conservation District (via Zoom)

Vice-Chair: David Drake, Rincon del Diablo Municipal Water District (via Zoom)

Cathy Green, Orange County Water District, ACWA VP (via Zoom)

Chris Kapheim, Kings River Conservation District (via Zoom)

Szu Pei Lu-Yang, Rowland Water District (via Zoom)

Scott Ratterman, Calaveras County Water District (via Zoom)

Randall Reed, Cucamonga Valley Water District (via Zoom)

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 (via Zoom)

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

Sarah Crawford, Training Manager (via Zoom)

David deBernardi, Director of Finance

Robert Greenfield, General Counsel (via Zoom)

Jennifer Jobe, Director of Pooled Programs (via Zoom)

Kevin Phillips, Director of Member Outreach (via Zoom)

Dan Steele, Finance Manager (via Zoom)

Tony Waterford, Human Resources Manager (via Zoom)

OTHERS IN ATTENDANCE

Tiffany Giammona, ACWA Senior Director of Operations and Member Engagement (via Zoom)

WELCOME

Chair McDonald welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair McDonald called the meeting to order at 8:30 a.m. She announced there was a quorum.

PLEDGE OF ALLEGIANCE

Chair McDonald led the Pledge of Allegiance.

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. None reported from staff.

CONSENT AGENDA

Chair McDonald called for approval of the Consent Agenda:

M/S/C (Reed/Rupp) (Green-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 July 27, 2023 and August 7, 2023 meetings; and ratify the JPIA disbursements of: Vendor Payments, Employee Benefits Claim Payments, Payroll, and summary of confidential claims payments for the Liability, Property, & Workers' Compensation Programs: September 16-30, 2023 and October 1-15, 2023.

ADMINISTRATION

Report on Meetings Attended on Behalf of the JPIA

Director Ratterman reported attending the CAJPA Conference in South Lake Tahoe earlier in September.

Review and Take Action on Emergency PERS Resolution (2023-3)

Ms. Beatty provided a background on the JPIA's transition to a variety of Risk Management Information Systems (RMIS) over the years and the challenges encountered with each one. Since the most recent system, Ventiv Policy, was determined to be insufficient to meet the needs of the JPIA and its members, an in-house development of an RMIS system was the optimal course of action to obtain the quality and functionality needed.

Walter "Andy" Sells, who retired as JPIA's Chief Executive Officer on September 29, 2023, has managed the RMIS project from the start. He is the most familiar with the data that will be collected, the processes that will be automated, the JPIA members' needs, the needs of each department within the JPIA, the RMIS program, and coordination of the project development with the IT department and contracted IT consultants. It was anticipated that the project would have been completed before his retirement. In order to complete the project, his expertise is essential in the development and implementation of the RMIS project.

M/S/C (Drake/Rupp) (Green-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee pass a resolution, to certify to CalPERS, the emergency appointment of Walter "Andy" Sells as Project Manager for the ACWA JPIA pursuant to the exception to the 180-day waiting period under Government Code(s) 7522.56 and 21224.

Review Executive Committee Election Process

Ms. Beatty noted that at their March 23, 2023 meeting, the Executive Committee reviewed a proposal to revise the Executive Committee election rules but, due to its proximity to an election, the Committee decided that the original election rules should remain in place and be revisited at a later time. Ms. Beatty directed the Committee to the packet which included all of the election rules contained in the Bylaws and Board Manual and noted that staff is seeking direction from the Committee on any elements of the process they would like to consider changing.

The Committee discussed at length, simplifying the voting rules and shifting to an electronic election voting system in place of paper ballots. Staff was tasked with researching voting systems and providing further options at the January 2024 Executive Committee meeting for discussion.

Discuss Creation of the Walter "Andy" Sells Risk Management Award

Ms. Beatty stated that staff was seeking input on the creation of a Walter "Andy" Sells Risk Management Award. Ideally, the award would relate to one of Mr. Sells' core traits

and strong beliefs in the world of risk management and pooling. She also noted that staff is open to any other suggestions to honor Mr. Sells' legacy.

The Committee suggested renaming an existing JPIA grant or award in Mr. Sells' name. Staff was asked to explore further and report back at the next Executive Committee meeting.

PROGRAMS

Significant Claims Report

Ms. Bowles reported on a workers' compensation claim settlement that had been previously presented for authority. The following case has been settled since this Committee's last meeting:

Laurain v. Goleta Water District (3/2/21; CT to 8/30/21)

This claim involved an Equipment Operator employed 2009-2021. The injured worker filed two claims involving internal, neck, bilateral upper extremities, bilateral shoulders, and bilateral knees. The claims were settled for a total of \$180,000.00. The claim has been closed.

CALIFORNIA WATER INSURANCE FUND

California Water Insurance Fund (CWIF) Vice Chair Drake reported on the agenda items from the CWIF meeting on September 28, 2023. Key agenda items included the appointment of CWIF Officers with Adrienne Beatty elected as President; an investment portfolio update and asset allocation study were presented by PFM; approval of the Dividend Policy changes; and approval of the Liability Program Reinsurance Agreements for 2023-24 policy year.

MISCELLANEOUS

ACWA Update

Ms. Giammona reported on the upcoming region events as well as the ACWA Fall Conference to be held in Indian Wells from November 28-30, 2024.

CEO Update

Ms. Beatty shared that the Strategic Planning Session (SPS) will be held in San Diego from January 29-30 to be facilitated by Mr. Rick Brush, Chief Member Services Officer, of PRISM. The theme for this meeting will be "Measures That Matter" which focuses on designing organizational value statements from the perspective of the membership and then using that information to fine-tune services and communications. Ms. Beatty added that the Executive Committee will be receiving SPS "homework" to assist them with gathering value statements, or information that can become value statements, from their own Districts as well as peers that also participate in JPIA programs.

Ms. Beatty also reviewed the schedule of meetings and events to be held at conference in Indian Wells on November 27-28, 2023. At the pre-Board Meeting luncheon, Ms. Beatty will introduce and structure a Q&A session focused on the membership getting to know JPIA's newest hires, Director of Pooled Programs, Jennifer Jobe, and Director of

Member Outreach, Kevin Phillips. For the first time in many years, the Sexual Harassment Prevention for Board Members and Managers course will not be offered on Tuesday afternoon as it conflicts with other ACWA Committee meetings.

Ms. Beatty noted that all Committee meetings, except for the Executive Committee, are advisory and that, outside of the Chair and Vice Chair, all other Executive Committee members attending are doing so as members of the public and should operate accordingly. She also noted that staff will ensure the Executive Committee receive packets and attendance information for all advisory Committee meetings at the time the Committee receives them and they are welcome to attend.

Ms. Beatty shared that, at the January meeting, she will provide information on the estimated to actual cost of the 2022-23 G&A (General & Administrative) budget, pending the completion of the financial audit.

Future Agenda Items

None.

Availability for next meeting: The Executive Committee is scheduled to meet next at Fall Conference in Indian Wells on November 27, 2023.

The Executive Committee meeting adjourned at 10:09 a.m.

Attest:

X

Melody McDonald
Chair

X

Adrienne Beatty
Secretary

ACWA JPIA
Conflict of Interest Code
November 27, 2023

BACKGROUND

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. Additionally, in order for the JPIA to maintain accreditation with the California Association of Joint Powers Authorities (CAJPA), the JPIA's Conflict of Interest Code is to be reviewed and approved by the Board of Directors every two years. CAJPA is a self-governed association of public risk sharing pools in the state of California. The accreditation process is an in-depth peer review of the JPIA's policies, procedures, and practices. To become accredited, the JPIA must meet or exceed industry standards established by CAJPA.

CURRENT SITUATION

The Conflict Code was last approved by the Board of Directors in November of 2021. Changes to the JPIA's current Conflict of Interest Code, as shown, have been submitted to the Fair Political Practices Commission (FPPC) for review and approval.

RECOMMENDATION

That the Executive Committee recommends that the Board of Directors approve the changes to the Conflict of Interest Code pending approval by the FPPC.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY
CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA)**.

Individuals holding designated positions shall file their statements of economic interests with the **ACWA JPIA**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) All statements will be retained by the **ACWA JPIA**.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
 JOINT POWERS INSURANCE AUTHORITY
APPENDIX A- DESIGNATED POSITIONS

<u>Designated Positions to file:</u>	<u>Disclosure Category</u>
Assistant Executive Officer	1, 2, 4, 5, 6
Cost Estimator/Risk Control Advisor	3, 4
Director of Finance	1, 2, 4, 5, 6
Director of Human Resources and Administration	1, 2, 4, 5, 6
<u>Director of Member Outreach</u>	<u>1, 2, 4, 5, 6</u>
<u>Director of Pooled Programs</u>	<u>1, 2, 4, 5, 6</u>
Employee Benefits Manager	1, 2, 4, 5, 6
General Counsel	1, 2, 4, 5, 6
Finance Manager	3, 4
<u>Human Resources Manager</u>	<u>3, 4</u>
Lead Risk Control Advisor	3, 4
Lead Senior Claims Adjuster	3, 4
Lead Senior Workers' Compensation Claims Examiner	3, 4
Liability & Property Claims Manager	3, 4
<u>Litigation Manager</u>	<u>3, 4</u>
Risk Control Advisor	3, 4
Risk Control Manager	3, 4
Senior Claims Examiner	3, 4
Senior Claims Adjuster	3, 4
Senior Risk Control Advisor	3, 4
Senior Workers' Compensation Claims Examiner	3, 4
Systems Network Administrator	3, 4
Training Manager	3, 4
Workers' Compensation Claims Manager	3, 4
Workers' Compensation Claims Examiner	3, 4
Members of the following committees:	
Employee Benefits Program	1, 4, 5
Finance & Audit	1, 4, 5
Liability Program	1, 4, 5
Personnel	1, 4, 5
Property Program	1, 4, 5
Workers' Compensation Program	1, 4, 5
Risk Management	1, 4, 5
Consultants/New Positions	*

*With respect to consultants/new positions, the Chief Executive Officer may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus, is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's or new position's duties and, based upon that

description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Government Code Section 81008.)

Officials Who Manage Public Investments:

The following positions are NOT covered by the code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

Executive Committee Members/Board Members
Chief Executive Officer/Secretary/Treasurer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY
APPENDIX B- DISCLOSURE CATEGORIES

Disclosure Categories

Category 1: Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources of the type that contract with ACWA JPIA to supply goods, services, materials, or supplies.

Category 2: Interests in real property located within the Authority's jurisdiction of the type purchased or leased by the ACWA JPIA for its use.

Category 3: Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from, entities that supply services, materials, products, supplies, commodities or equipment of the type utilized by the designated position's division or department. Such services include, but are not limited to, insurance coverage, underwriting, claims processing, and risk management.

Category 4: Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that have filed a claim or have a claim pending that are reviewed and administered by the ACWA JPIA.

Category 5: Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that are engaged in the performance of work or services of the type utilized by the ACWA JPIA, including insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers, and actuaries.

ACWA JPIA
Creation of Walter “Andy” Sells Risk Management Award
November 27, 2023

BACKGROUND

In October, staff sought input from the Executive Committee on the creation of a Walter “Andy” Sells Risk Management Award that would relate to one of Mr. Sells’ core traits and strong beliefs in the world of risk management and pooling. The Committee requested staff identify a current award or Program that could be re-titled in Andy’s name and honor.

CURRENT SITUATION

Walter “Andy” Sells, former JPIA Chief Executive Officer, recently retired from the JPIA after serving 33 years. His dedication and leadership have been an important element in the development and success of the JPIA.

Mr. Sells was known for being innovative and, in addition to many other achievements, he championed the JPIA’s award-winning Commitment to Excellence (C2E) Program, which he then backed with the current Risk Control Grant Program.

In light of Mr. Sells’ strong support of the C2E Program, staff recommends that annually, at Conference, staff identify and recognize a member who has exemplified the Program over the past 12 months. Details on how the member has exemplified the Program can be shared with the Board and featured in subsequent social media and eNews blasts.

RECOMMENDATION

That the Executive Committee approve adding a Walter “Andy” Sells C2E Program Member Recognition spotlight to future Conference agendas.

ACWA JPIA
Cyber Risk Management Resources Update
November 27, 2023

BACKGROUND

The Cyber Liability Program renewed on July 1, 2023. With the savings recognized in the move to a new insurer, participating members are receiving expanded cyber risk management benefits and services. Cyber liability insurance is an essential component of the JPIA's risk management strategy. By implementing cyber risk management resources and services, members are better positioned to protect themselves from cyberattacks. Through strategic partnerships with KYND and KnowBe4, member agencies are provided with the resources to better understand their security profiles, manage phishing attacks, and deliver security awareness training to employees.

CURRENT SITUATION

KnowBe4 provides members with security awareness training combined with simulated phishing attacks. Interactive, on-demand training is administered to employees, providing education and a broadened understanding of phishing attacks.

Using the member's domain, KYND conducts regular, non-penetrative scans to assess cyber risk factors across domain registration and email security and services. KYND's scans search for instances of exposed services or critical software vulnerabilities.

Members were provided a summary of KYND and KnowBe4's services, including an FAQ, in late-September. The summary provided information regarding services, benefits to individual agencies as well as the JPIA, and addressed a list of anticipated questions to aid members in preparation of the rollout of the expanded program.

KnowBe4 Customer Success Managers have begun contacting members to provide valuable information regarding KnowBe4's training and phishing campaigns. In the coming months, KnowBe4 will work collaboratively with each of the participating member agencies to execute the KnowBe4 platform.

KYND's non-penetrative scans of member domains were conducted shortly after the beginning of the program year. To ensure a detailed understanding of the scans, including next steps, webinars were held the week of November 13th, providing members two separate opportunities to hear directly from KYND the benefits of identifying their agency's critical cyber vulnerabilities. A recorded webinar will be available to members whose schedules precluded participation in one of the live sessions.

A proactive cybersecurity risk management program will help members to identify their biggest threats. With a clear and prioritized list of threats, members can improve their security position by addressing the greatest threats first and thus significantly improving overall insurability. Within the current cyber liability marketplace, programs who can demonstrate active strengthening of their cyber-resiliency are recognizing expanded coverage options in addition to premium savings.

RECOMMENDATION

None, informational only.

Cyber Liability Program FAQ

What if my Agency is a current KYND and/or KnowBe4 subscriber?

For Agencies currently contracted with KYND and/or KnowBe4, your continued direct agreement reinforces the practice of anticipating and responding to your Agency's cyber threats and aids in the overall strengthening of the JPIA's cyber liability program. A program with proven cyber resilient members will allow for expanded coverage structures and opportunities of significant financial benefit to the JPIA.

During the term of your Agency's direct agreement with KYND and/or KnowBe4, you will not incur any duplicative costs for services. Upon conclusion of any existing agreement(s), your Agency may participate under the JPIA umbrella agreements with KYND and KnowBe4.

Why does my Agency need KYND and KnowBe4?

Cybercrime affects organizations on many levels. Cybercriminals are experts at extracting sensitive information using viruses, worms, phishing, spyware, and malware to access your data. These data breaches can happen with or without your knowledge and can happen to anyone at any time.

Using the Member's domain, KYND conducts non-penetrative scans to assess cyber risk factors across domain registration and email security and services. KYND's analysis is non-invasive and requires no exclusive access or involvement by the Member. KYND searches look for instances of exposed services or critical software vulnerabilities which will significantly increase the Member's exposure to cyber-attacks. The KYND ON dashboard provides the Member with the number of individual risk factors discovered via the non-penetrative scans in an easy to identify manner.

KnowBe4 provides security awareness training combined with simulated phishing attacks. Implemented in three phases, KnowBe4's service begins with baseline testing to determine the phish-prone percentage of Member employees, followed by interactive, on-demand training, education, and understanding of phishing attacks. The knowledge gained through this training is reinforced via frequent simulated phishing attacks.

What is the cost to my Agency?

There is no additional cost to the Members for KYND or KnowBe4's services.





How will KYND and KnowBe4 benefit my Agency?

Cybersecurity is not only necessary but crucial in today's landscape. Organizations suffer significant financial losses including the cost of mitigating a breach by hiring experts to investigate and repair the damage, notifying customers, and settling any resulting legal claims. Breaches can also lead to lost revenue from delayed or canceled projects and reputational damage if sensitive customer data is obtained by cybercriminals.

A proactive cybersecurity risk management program will help the Member identify its biggest threats. With a prioritized list of threats, the Member can improve its security position by addressing the greatest threats first.



How will KYND and KnowBe4 benefit the JPIA?

Cyber Liability Insurance is an essential component of the JPIA's risk management strategy. By implementing complementary cybersecurity services such as KYND and KnowBe4, Members are better positioned to protect themselves from cyberattacks.

Within the cyber liability marketplace, overall coverage and retention levels remain relatively steady. However, because of continued growth, some insurers are offering limits up to \$10M along with lower retentions for programs with demonstrated, strong internal controls.

Programs who have demonstrated active strengthening of their cyber-resiliency are recognizing premium decreases or premiums with flat to 5% increases.

The implementation of KYND and KnowBe4's services will result in Member's reduced cyber vulnerabilities and employees who are trained to recognize potential phishing attacks. In turn, the JPIA will have access to expanded coverage options in future program years.



How much time will be required of my Agency to implement KYND and KnowBe4?

Not much at all! KYND will begin their non-penetrative scans using Agency domain information provided by JPIA. Results and a summary report will be sent to your Agency's designated cyber representative for review. Rollout and implementation of KnowBe4 should incur no more than a few hours monthly.



My agency outsources our IT services. Will KYND and KnowBe4 work with our out-sourced provider?

KYND and KnowBe4's client services teams are equipped and ready to work directly with the Member or contracted IT personnel to help resolve and manage cyber vulnerabilities and training.



ACWA JPIA
Employee Benefits Department Update
November 27, 2023

BACKGROUND

Rates and benefits for the 2024 Employee Benefits Program were approved on July 27, 2023. Following rate reductions for plan years 2022 and 2023 and, as a result of higher claims following the pandemic, the self-funded PPO plans required increases for the 2024 plan year. Rates also increased on the fully insured medical plans, while the ancillary plan rates did not change. Keeping in line with the JPIA’s goal to decrease the reserve fund balance to \$34 million, the approved 12% PPO rate increase subsidized by \$5 million in reserve funds will lead to continuous rate stability in coming years.

For the 2024 plan year, Anthem’s PPO and CDHP plans will return to the internal Pharmacy Benefit Manager, CarelonRx. The change will provide \$4 million in savings and is expected to result in a better customer experience for members. In addition, beginning January 1, 2024, Anthem Health Guide, a concierge customer service option, will be available to Anthem PPO and CDHP plan participants. Health Guide customer service representatives will refer patients to JPIA point solutions such as Progyny, Hinge, Carrum, and Modern Health as well as programs they may be unaware of, including Anthem’s diabetes prevention, maternity, and disease management programs.

New vision plans that include prescription safety glasses as well as new dental plans with expanded benefit maximums are available beginning January 1, 2024.

CURRENT SITUATION

JPIA’s open enrollment took place from October 2, 2023, to November 10, 2023. Staff participated in 22 health fairs and presented to employees at 20 member agencies.

Since the last update, the following agencies made changes to the Employee Benefits plans in which they participate:

Member Agency	Effective Date	Plan Change
Soquel Creek WD	11/1/2023	Increasing life insurance
San Bernardino Valley MWD	1/1/2024	Changing dental plan
Reclamation District 784	1/1/2024	Changing dental plan
Cachuma Operations & Maintenance Board	1/1/2024	Changing dental plan
South Sutter WD	1/1/2024	Adding vision coverage
City of Tehachapi	1/1/2024	Changing dental plan
Rainbow MWD	1/1/2024	Changing vision plan

Member Agency	Effective Date	Plan Change
Palmdale WD	1/1/2024	Changing dental plan
Tulare ID	1/1/2024	Changing dental plan
Rowland WD	1/1/2024	Changing dental plan
Coastside WD	1/1/2024	Changing dental plan
Santa Ana Watershed Project Authority	1/1/2024	Changing dental plan
Pajaro Valley WMA	1/1/2024	Changing dental plan
Mid-Peninsula WD	1/1/2024	Changing dental plan
Carmichael WD	1/1/2024	Terming life insurance coverage
Rancho CA WD	1/1/2024	Adding Anthem CDHP and CalCare HMO medical plans
Humboldt Bay Harbor District	1/1/2024	Terming medical coverage
Three Valleys MWD	2/1/2024	Changing dental plan
El Toro WD	2/1/2024	Changing dental plan

Wellness Grants were awarded to 87 members in July. The list of recipients is attached. Due to the continued popularity of the Program, the number of applications received exceeded the \$100,000 provided by Anthem. Beginning in 2024, Anthem will provide additional funds for a total of \$200,000 for the Wellness Grant Program. The current Program will be redesigned to accommodate the additional funding.

RECOMMENDATIONS

None, informational only.

ACWA JPIA
Training Update
November 27, 2023

BACKGROUND

At the Fall Conference Executive Committee meeting, the JPIA Training department will provide an update.

CURRENT SITUATION

This fiscal year has been marked by retirement celebrations of several valued long-standing JPIA instructors. The resulting impact moved the Training department under the leadership of Director of Member Outreach, Kevin Phillips, and brought instructor upskilling and knowledge transfer to the forefront to maintain and innovate upon the legacy of effective HR, supervisory, and safety/risk management training at JPIA.

During this time of transition, Training has supported increased in-person instructor-led training requests with 158 classes held for 2,542 participants, while also producing 50 live virtual instructor-led classes for 1,908 participants, and managed thousands of e-learning course completions by members. The chart on the following pages shows the steady return of in-person training attendance and sustained online training completion levels in FY 2022-2023.





Risk Management and other JPIA department instructors offered quarterly regional training days in Roseville throughout 2023, and recently over 55 member participants attended the JPIA Training Conference hosted by Water Replenishment District in Pico Rivera in Southern CA at the Albert Robles Education Center in October 2023. Despite the increase in class completions, a smaller number of program completions was seen in the JPIA Professional Development Program (PDP) this fiscal year, resulting in 15 specialty program completions by 9 employees from 7 member agencies, compared with over 30 completions the prior year. The program will be reviewed in the coming year to evaluate and implement improvements needed to achieve improved member access and efficacy. The list of this fiscal year's JPIA PDP completions can be seen on the following pages.

To maximize JPIA staff travel time, bandwidth, and to provide additional opportunities for member engagement and networking, JPIA will be encouraging member agencies to host open sessions of courses offered onsite by JPIA, inviting nearby members if they have space and availability, as well as more regional open training events. JPIA will also explore contracting with additional training vendors while concurrently onboarding and coaching newer internal JPIA employees in training skills to expand in-person, virtual courses, and eLearning into 2024 and beyond.

RECOMMENDATION

None, informational only.

JPIA Training Attendees and Course Completions FY 2018 to 2023

Mode of Training	In Person (Classroom)	WebEx Training (Webinar/Virtual Instructor-Led)	VectorSolutions (eLearning)	JPIA Prosperity (eLearning)
				
Oct to Sept 2018-2019	6,523 attendees	935 attendees	20,067 course completions	456 course completions
Oct to Sept 2019-2020	3,956 attendees*	1,872 attendees	33,421 course completions	459 course completions
Oct to Sept 2020 - 2021	0 attendees*	2,410 attendees	33,798 course completions	825 course completions
Oct to Sept 2021 - 2022	1,179 attendees*	1,878 attendees	32,452 course completions	768 course completions
Oct to Sept 2022 - 2023	2,542 attendees	1,908 attendees	30,421 course completions	1,002 course completions

*COVID-19 Pandemic Lockdown impact to in-person instruction
Printed as of Oct 10, 2023



Congratulations JPIA Professional Development Program (PDP) 2023 Graduates!

(January - October 2023)

The ACWA JPIA Professional Development Program (PDP) offers current, in-depth training and educational opportunities focused on giving JPIA member participants tools to perform their job safely, legally, and efficiently. Three specialty areas are offered: Human Resources (HR), Operations (OP), and Supervisor Basics (SB). Each certification requires approximately 40 hours of education, including face-to-face training, online, and self-study options. Be sure to congratulate these members on their accomplishment and focus on professional development.

Name	District	Specialties
Cassie Crittenden	ACWA JPIA	HR, SB
Robin Flint	ACWA JPIA	SB
Tricia Ferguson	Calleguas MWD	HR, OP, SB
Misty Vasquez	Corcoran ID	OP
Binu Brar	Kings River CD	HR
Bryan Adams	Moulton Niguel WD	SB
Peter Van Daalen Wetters	Moulton Niguel WD	HR, OP, SB
Diana Moses	Panoche WD	HR, SB
David Lias	Walnut Valley WD	SB

ACWA JPIA
Employment Hotline Incentive Update
November 27, 2023

BACKGROUND

The Employment Hotline has been a long standing value-added service to participants in the Liability Program. Members are able to contact JPIA staff to obtain immediate responses to Labor & Employment concerns. If the matter involves drafting of documents or a complex issue, the member will be put in contact with an Employment Law Attorney who, at the expense of the pool, will provide assistance.

Since the inception of the hotline, well over 15 years ago, there have been hundreds of contacts. Only one contact has ultimately proceeded to litigation. Conversely, the JPIA receives multiple employment practices claims annually that have not utilized the Employment Hotline.

In 2021, the JPIA introduced a monetary incentive to members utilizing the Hotline.

CURRENT SITUATION

Since the introduction of the monetary incentive, no claim has gone to litigation. However, none of the litigated claims received by the JPIA have used the Hotline. First notice of these claims remains the receipt of the complaint to Civil Rights Department (CRD) or the filing of the lawsuit.

Staff is requesting Executive Committee input on means to further promote or incentivize the use of the Employment Hotline.

RECOMMENDATION

None, informational only.

ACWA JPIA
CEO Update
November 27, 2023

BACKGROUND

This is a standing item on Executive Committee agendas.

CURRENT SITUATION

The JPIA's Chief Executive Officer, Adrienne Beatty, will update the Executive Committee on relevant current issues and potential future opportunities and challenges.

RECOMMENDATION

None, informational only.

ACWA JPIA MEETINGS & CONFERENCE CALENDAR – 2024

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
JAN 8			10:00 AM ZOOM							
JAN 17							3:00 AM		1:00 PM	
JAN 18		8:00 AM								
JANUARY 29-30- STRATEGIC PLANNING SESSION - SAN DIEGO										
MAR 20				1:00 PM		10:30 AM	3:00 PM			
MAR 21		8:30 AM								
MAY 6	1:00 PM	10:00 AM			8:30 AM					
MAY 7-9 ACWA SPRING CONFERENCE – SACRAMENTO										
MAY 29									1:00 PM UTAH	
JUNE 3			11:00 AM							
JUNE 20							3:00 PM	1:00 PM		
JUNE 21		8:00 AM							11:00 AM	
JULY 31		1:00 PM			9:30 AM					
SEPT 4			10:00 AM							
SEPT 25				1:00 PM		3:00 PM				
SEPT 26		8:00 AM							11:00 AM	
OCT 16		1:00 PM								
DEC 2	1:00 PM	10:00 AM							8:30 AM	
DECEMBER 3-5 ACWA FALL CONFERENCE – PALM DESERT										

- AGRiP Governance Conference, Nashville, TN – March 3-6, 2024
- CICA Conference, Scottsdale, AZ – March 10-12, 2024
- CAJPA Conference, Lake Tahoe – September 10-13, 2024

Board of Directors' Meeting



YOUR BEST PROTECTION

Hyatt Regency Resort
Conference Center
44600 Indian Wells Lane
Indian Wells, CA 92210

Monday
November 27, 2023
1:00 PM

BOARD PRESIDENT:
Melody A. McDonald, San Bernardino Valley Water Conservation District

BOARD VICE PRESIDENT:
David Drake, Rincon del Diablo Municipal Water District



JPIA Voting Procedures

Test voting will be conducted prior to the start of the Board meeting

The California Brown Act amendment requires public agencies to publicly report how each member of a governing board votes on each item of business.

Each voting member of the Board of Directors will be provided a voting device. Every device is numbered on the back, and that number will be assigned to you as you check in at the registration desk.

INSTRUCTIONS

When the Board is ready to vote, the President will announce that it is time to vote (instructions will appear on the projection screen at the front).

Voting Keys

1 = Yes
2 = No
3 = Abstain
PRESS SEND



HOW DO I SUBMIT MY VOTE? Press **1**, **2**, or **3** to cast your vote; then press **SEND**.

WHAT HAPPENS IF I MAKE A MISTAKE? *Re-submit your vote (press 1, 2, or 3 and send).*

WHAT IF I ARRIVE LATE? *Your vote will be cast from the time you arrive at the meeting; prior to that your vote will register as “absent”.*

WHAT HAPPENS IF I AM OUT OF THE ROOM OR HAVE TO LEAVE EARLY? *Your vote will be recorded as “absent” for that vote.*

CHECK YOUR DEVICE TO MAKE SURE THAT IT IS WORKING PROPERLY – PRESS ANY BUTTON AND IT WILL LIGHT UP. ALL DEVICES WERE TESTED PRIOR TO THE MEETING.

IF IT DOES NOT LIGHT UP: *Take it back to the registration desk and ask for another keypad and make sure that they make a note of the numeric change.*

RETURN YOUR KEYPAD TO ANY STAFF MEMBER



BOARD OF DIRECTORS' MEETING

AGENDA

Hyatt Regency Resort & Spa
Conference Center, Ballroom NOP
44600 Indian Wells Lane, Indian Wells, CA 92210
(760) 776-1234

Monday – November 27, 2023 – 1:00 PM

WELCOME

TUESDAY SEMINARS

- KYND: Building a Resilient Front Against Cyber Attacks
- Risk & Insurance in the Wildland-Urban Interface

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

PLEDGE OF ALLEGIANCE

EVACUATION PROCEDURES

ANNOUNCEMENT RECORDING OF MEETING This meeting may be recorded to assist in preparation of minutes. Recordings will only be kept 30 days following the meeting, as mandated by the Ralph M. Brown Act.

PUBLIC COMMENT Members of the public will be allowed to address the Board of Directors on any agenda item prior to the Board's decision on the item. They will also be allowed to comment on any issues that they wish which may or may not be on the agenda. If anyone present wishes to be heard, please let the Chair know.

INTRODUCTION OF GUESTS

MEETING PARTICIPATION GUIDELINES

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter

Page#

I. CONSENT CALENDAR

McDonald

- * A. Approve the Minutes of the Meeting of May 8, 2023

83

II. ADMINISTRATION

Beatty	* A. Update on the 2024 Executive Committee Strategic Planning Session	94
Beatty	* B. Review and Approve the JPIA Conflict of Interest Code	109
Eggerton	C. ACWA Presentation	

III. FINANCIAL

deBernardi	* A. Review and Take Action on the Investment Policy	114
------------	--	------------

IV. PROGRAMS

Beatty	* A. Pooled Programs Update	131
Flint	* B. Risk Control Update	133

V. AWARDS AND GRANTS

Crawford	* A. E. G. "Jerry" Gladbach Leadership Grant	135
Jobe	* B. Employee Benefits Wellness Grant	138
Flint	* C. Risk Control Grant	140
Flint	* D. H.R. LaBounty Safety Award	143
deBernardi	* E. President's Special Recognition Award Recipients for the Liability, Property, and Workers' Compensation Programs	145

VI. LEGISLATIVE UPDATE

Greenfield	* A. New Laws Update	153
------------	----------------------	------------

VII. CEO UPDATE

Beatty	* A. Current Events at the JPIA	154
--------	---------------------------------	------------

VIII. PRESIDENT'S UPDATE

McDonald	* A. Review of Board Meeting, Events, and Announcements	155
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IX. OTHER BUSINESS

Greenfield

A. Review Pending Lawsuits Directly Involving the JPIA

ADJOURNMENT

*Related items enclosed.

Americans with Disabilities Act – ACWA JPIA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the JPIA, shall be made to: Chimene Camacho, Executive Assistant, ACWA JPIA, P. O. Box 619082, Roseville, CA 95661-9082; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)

Written materials relating to an item on this Agenda that are distributed to the JPIA within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.



Board of Directors' Meeting

Monterey Marriott
350 Calle Principal
Monterey, California

May 8, 2023

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 McDonald welcomed everyone in attendance, called the meeting to order at 1:13 p.m. and announced that a quorum was present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by President McDonald.

EVACUATION PROCEDURES

Mr. Sells reviewed the building evacuation procedures.

ANNOUNCEMENT RECORDING OF MEETING

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

MEETING PARTICIPATION GUIDELINES

Mr. Sells reviewed the JPIA Live Tally voting procedures with everyone in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

CONSENT CALENDAR

President McDonald called for approval of the Consent Calendar.

Motion: That the Board of Directors approve the minutes of the November 28, 2022 meeting, as presented.

Motioner: Fred Bockmiller, Mesa Water District

Second: Brent Haste, Reclamation District 784
(101-Yes; 0-No; 10-Abstain)

**See voting report following the minutes.*

EXECUTIVE COMMITTEE ELECTION

President McDonald reviewed the manual paper balloting procedures and explained that this election will fill four Executive Committee member positions for their complete terms of four years each. The written ballots are marked and tallied during open session. The qualified candidates are as follows.

- Fred Bockmiller – Mesa Water District (*incumbent*)
- June Hayes – San Bernardino Valley Municipal Water District
- Szu Pei Lu-Yang – Rowland Water District
- Andy Morris - Elsinore Valley Municipal Water District
- Lenet Pacheco – Valley County Water District
- John Pang – Tahoe City Public Utilities District
- Scott Ratterman – Calaveras County Water District
- Bruce Rupp – Humboldt Bay Municipal Water District (*incumbent*)
- Oliver Smith – Valley Center Municipal Water District
- Pamela Tobin – San Juan Water District
- John H. Weed – Alameda County Water District
- David Wheaton – Citrus Heights Water District

No other Board Directors have met the criteria to be on the ballot.

Each candidate was given two minutes to address the Board before the votes were cast. The following election officials collected the ballots: Tony Waterford, JPIA Human Resources Manager; Kathi Artis, Tulare Irrigation District; Carol Lee Gonzalez-Brady, Rancho California Water District; and Kathryn Freshley, El Toro Water District.

EXECUTIVE COMMITTEE ELECTION

Executive Committee Election Results

President McDonald reported the results of the election after two rounds of balloting. The following candidates have been elected to a four-year term on the Executive Committee:

- J. Bruce Rupp – Humboldt Bay Municipal Water District
- Szu Pei Lu-Yang – Rowland Water District
- Scott Ratterman – Calaveras County Water District
- David Wheaton – Citrus Heights Water District

ADMINISTRATION

Glossary of Terms

Mr. Sells directed the Board to the Glossary of Terms. It was suggested that they become acquainted with the terms used in this meeting and 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 McDonald noted that at each Board meeting, a list of new members is provided for membership ratification. Since the last Board of Directors' meeting, Merced Subbasin GSA has joined the ACWA JPIA.

Motion: That the Board of Directors approve to ratify Merced Subbasin GSA as a member of the ACWA JPIA.

Motioner: Peer Swan, Groundwater Banking Joint Powers Authority

Seconded: Fred Bockmiller, Mesa Water District

(102-Yes; 1-No; 10-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.

FINANCIALS

Approval of the Audited Financial Statements for Year Ending September 30, 2022

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, 2021 through September 30, 2022. 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, 2022, 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 2021/22 Audited Financial Statements, as presented.

Motioner: Pamela Tobin, San Juan Water District

Seconded: June Hayes, San Bernardino Valley Municipal Water District
(104-Yes; 1-No; 5-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, 2024. The most significant changes to the G&A budget for the fiscal year are staff salaries and staff employee benefits (lines 1 and 2). The increase in cost for staff salaries is primarily due to the estimated 5% pay increases plus three more employees in the budget compared to the previous budget. The increase in the cost for staff employee benefits is primarily due to the CalPERS rate increase from the prior year due to investment returns not meeting expectations and an anticipated increase in health insurance costs of 10%. The overall increase in the Operating Budget is 9.9% (line 36).

Motion: That the Board of Directors approve the proposed Operating Budget for the fiscal ending September 30, 2024, as presented.

Motioner: Pamela Tobin, San Juan Water District

Seconded: Jennifer DeMeo, Fallbrook Public Utility District
(100-Yes; 2-No; 4-Abstain)

**See voting report following the minutes.*

PROGRAMS

Pooled Programs Update

Ms. Beatty 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. Ms. Beatty continued by reviewing the highlights for each program.

- The Liability Program has 345 members and has a 10% rate increase in 2022/23, which represents the first increase in rate for this program in 15 years. A hardened market and a few large losses impacted pricing.
- The Property Program has 287 members and has a 20% rate increase in pricing this year. Catastrophic events and a few large losses continue to dominate pricing for this program.
- The Workers' Compensation Program has 204 members with pricing very stable and unchanged for the current year. Potential legislative changes present the biggest challenge to this program.
- The Employee Benefits Program has 267 members. For the current renewal, rates for the self-funded Anthem PPO plan were reduced by 10%. In 2023,

Progyny fertility and family building, Carrum oncology, and Hinge Health virtual physical therapy benefits were added to the self-funded PPO plan. Rates for 2024 are anticipated to go up by at least 10-15%.

Review of Rate Stabilization Fund Process

Ms. Beatty reviewed the change to the current fiscal year's Rate Stabilization Fund (RSF) calculations as approved by the Executive Committee at their January 31, 2023 meeting. Previously, Retrospective Premium Adjustments (RPAs) for the Liability, Property, and Workers' Compensation programs were factored into RSF calculations once the policy years had developed four years from the beginning of the policy year. Upon further analysis, it was evident that this period of time was just too soon, and that a five-year period from the end of the policy year would ensure better development of the policy year. To curb future volatility in RPA calculations, the Executive Committee approved the change in RPA calculation to five (5) years after the end of the policy year for the Liability, Property, and Workers' Compensation Programs.

MEMBERSHIP BENEFITS

Leadership Essentials for the Water Industry Program Update

Ms. Crawford reported that the Leadership Program continues to be popular with members with many inquiries already being received for the 2023/2024 program. Currently, there are 32 participants in two cohorts in Northern and Southern California. Registration is now open for the upcoming 2023/24 cohorts. New this year is the E.G. "Jerry" Gladbach Leadership Development Program Grant which covers program fees for one participant in each of the annual Northern and Southern CA cohorts. The grant was approved by the JPIA Board of Directors in November 2022 in honor of former Board President Gladbach's leadership and commitment to professional development. Applications for this year's grants will remain open until June 15, 2023.

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 14 nominations submitted from eight 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. With his upcoming retirement in September 2023, he highlighted the JPIA's new leadership team and their expanded experience in pooling and membership.

PRESIDENT'S UPDATE

Current Events at the JPIA

President McDonald congratulated the newly elected Executive Committee members. She reported on the many changes that have transpired within the JPIA staff with long-tenured employee retirements and new hires this year. A major leadership transition will

take place in September with Andy Sells, JPIA CEO, retiring after 33 years of service. Adrienne Beatty, current JPIA Assistant Executive Officer, will become CEO on October 1, 2023. A special retirement dinner in honor of Andy Sells will be held this evening in the Ferrantes Bay View ballroom. She noted and thanked the dinner sponsors: Alliant Insurance Services, Inc.; Aon; Bauer & Bauermeister; bswift; Donahue Davies LLP; Fozi Dwork & Modafferi LLP; Jacobson Markham, LLP; Occu-Med; Rankin Stock Heaberlin Oneal; Vector Solutions; VSP; and Wendelstein Law Group, PC.

OTHER BUSINESS

Review Pending Lawsuits Directly Involving the JPIA

Mr. Greenfield reported that there are no pending or threatened claims against the JPIA.

President McDonald called for adjournment of the Board of Directors' meeting at 4:11 p.m.

Attest:

X

Melody McDonald
President

X

Adrienne Beatty
Secretary

JPIA BOARD OF DIRECTORS MEETING – MAY 8, 2023
LIST OF ATTENDEES AND JPIA STAFF IN ATTENDANCE

<u>District / Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Position</u>
ACWA JPIA	Laura	Baryak	Administrative Assistant II
ACWA JPIA	Adrienne	Beatty	Assistant Executive Officer
ACWA JPIA	Erin	Bowles	Workers' Comp. Manager
ACWA JPIA	Chimene	Camacho	Executive Assistant (Recording Secretary)
ACWA JPIA	Sarah	Crawford	Training Manager
ACWA JPIA	David	deBernardi	Director of Finance
ACWA JPIA	Robin	Flint	Risk Control Manager
ACWA JPIA	Robert	Greenfield	General Counsel
ACWA JPIA	Molly	Quirk	Communications/Outreach Specialist
ACWA JPIA	Jillian	Sciancalepore	Workers' Comp. AA II
ACWA JPIA	Andy	Sells	Chief Executive Officer
ACWA JPIA	Tony	Waterford	HR Manager
ACWA JPIA	Sandra	Smith	Employee Benefits Manager
ACWA JPIA	Dan	Steele	Finance Manager
ACWA	Dave	Eggerton	Executive Director
ACWA	Tiffany	Giammona	Director of Member Outreach
Carpinteria Valley Water District	Robert	McDonald	Director
Fresno Metropolitan Flood Control District	Sarge	Green	Director
Friant Power Authority	Carl	Janzen	Director
Humboldt Bay Municipal Water District	John	Friendenbach	General Manager
Laguna Beach County Water District	Deborah	Neev	Commissioner
Madera Irrigation District	Carl	Janzen	Director
Monte Vista Water District	Michael	Milhiser	Vice President

ACWA JPIA Board of Directors Meeting Voting Report, May 8, 2023

Member	First Name	Last Name	Keypad ID	Approval of Minutes	Ratify New Members	Audited Financial Statements	Operating Budget 2023-24
Alameda CFC & WCD Zone 7 Water Agency	Dennis	Gambis	67	Yes	Yes	Yes	Yes
Alameda County Water District	John	Weed	15	Yes	Yes	Yes	Yes
Amador Water Agency	Larry	McKenney	17	Yes	Yes	Yes	Yes
Antelope Valley State Water Contractors	Kathy	Mac Laren	68	Yes	Yes	Yes	Yes
Arvin-Edison Water Storage District	David	Nixon	8	Yes	Yes	Yes	Yes
Bay Area Water Supply & Conservation Agency	Nicole	Sandkulla	64	Yes	Yes	Yes	Yes
Bella Vista Water District	James	Smith	76	Yes	Yes	Yes	Yes
Belridge Water Storage District	Justin	Rowe	106	Yes	Yes	Yes	Yes
Berrenda Mesa Water District	Rob	Goff	73	Yes	Yes	Yes	No
Bolinas Community Public Utility District	Jennifer	Blackman	70	Yes	Yes	Yes	
Calaveras County Water District	Scott	Ratterman	16	Yes	Yes	Yes	Yes
Calaveras Public Utility District	Travis	Small	14	Yes	Yes	Yes	Yes
Calleguas Municipal Water District	Scott	Quady	11	Yes	Yes	Yes	Yes
Camrosa Water District	Eugene	West	18	Yes	Yes	Yes	Yes
Carmichael Water District	Mark	Emmerson	79	Yes	Yes	Yes	Yes
Carpinteria Valley Water District-1053	Robert	McDonald	20	Abstain	Yes	Yes	Yes
Chino Basin Watermaster	Bob	Kuhn	13	Yes	Yes	Yes	Yes
Citrus Heights Water District	Hilary	Straus	12	Yes	Yes	Yes	Yes
Crestline Village Water District	Steven	Farrell	57	Yes	Yes	Yes	Yes
Cucamonga Valley Water District	Randall	Reed	5	Yes	Yes	Yes	Yes
Desert Water Agency	Kristin	Bloomer	113	Yes	Yes	Yes	Yes
Diablo Water District	Dan	Muelrath	110	Yes	Abstain	Abstain	Abstain
Dudley Ridge Water District-1073	G. Patrick	O'Dowd	84	Yes	Yes	Yes	Yes
El Toro Water District	Kathryn	Freshley	19	Yes			
Elsinore Valley Municipal Water District	Andy	Morris	61	Yes	Yes	Yes	Yes
Fallbrook Public Utility District	Jennifer	DeMeo	51	Yes	Yes	Yes	Yes
Florin Resource Conservation District/Elk Grove	Tom	Nelson	9	Yes	Yes	Yes	Yes
Fresno Metropolitan Flood Control District	Sargeant	Green	87	Yes	Yes	Yes	Yes
Friant Power Authority	Carl	Janzen	10	Yes	Yes	Yes	Yes
Georgetown Divide Public Utility District 109	Mitch	McDonald	27	Yes	Yes	Yes	Yes

ACWA JPIA Board of Directors Meeting Voting Report, May 8, 2023

Member	First Name	Last Name	Keypad ID	Approval of Minutes	Ratify New Members	Audited Financial Statements	Operating Budget 2023-24
Groundwater Banking JointPowers Authority1619	Peer	Swan	95	Yes	Yes	Abstain	Abstain
Helix Water District	Daniel	McMillian	29	Yes	Yes	Yes	Yes
Humboldt Bay Municipal Water District	J. Bruce	Rupp	3	Yes	Yes	Yes	Yes
Kern County Water Agency	Charles	Wulff, Jr.	74	Abstain	Yes	Yes	Yes
Kings River Conservation District	Chris	Kapheim	6	Yes	Yes	Yes	Yes
La Habra Heights County Water District	Michael	Gualtieri	22	Yes	Yes	Abstain	No
Laguna Beach County Water District	Deborah	Neev	21	Yes	Yes	Yes	Yes
Las Virgenes Municipal Water District 1225	Donald	Patterson	23	Abstain	Yes	Yes	Yes
Lost Hills Water District 1398	Justin	Rowe	108	Yes	Yes	Yes	Yes
Madera Irrigation District	Carl	Janzen	28	Yes	Yes	Yes	Yes
Madera-Chowchilla Water & Power Authority	Carl	Janzen	37	Yes	Yes	Yes	Yes
Main San Gabriel Basin Watermaster	David	De Jesus	33	Abstain	Yes	Yes	Yes
McKinleyville CSD	Dennis	Mayo	36	Yes		Abstain	Abstain
McMullin Area Groundwater Sustainability Agen	Matt	Hurley	107	Yes	Yes	Yes	Yes
Mesa Water District	Fred	Bockmiller	4	Yes	Yes	Yes	Yes
Monte Vista Water District	G. Michael	Milhiser	80	Yes	Yes	Yes	Yes
Montecito Water District	Flown	Wicks	111	Yes	Yes	Yes	Yes
Moulton-Niguel Water District- 1233	Sherri	Wanninger	35	Abstain	Yes	Yes	Yes
Municipal Water District of Orange County	Jeffrey	Thomas	54	Yes	Yes	Yes	Yes
Oakdale Irrigation District	Thomas	Orvis	88	Yes	Yes	Yes	Yes
Olivehain Municipal Water District	Marco	San Antonio	93	Yes	Abstain	Yes	Yes
Orange County Water District	Cathy	Green	7	Yes	Yes	Yes	Yes
Orchard Dale Water District	Edward	Castaneda	52	Yes	Yes	Yes	Yes
Otay Water District	Mark	Robak	41	Yes	No	Yes	Yes
Palmdale Water District	Dino	Vincent	39	Yes	Yes	Yes	Yes
Panoche Drainage District	Beau	Correia	71	Yes	Yes	Yes	Yes
Panoche Water District	Beau	Correia	78	Yes	Yes	Yes	Yes
Placer County Water Agency	Graham	Allen	100	Abstain	Yes	Yes	Yes
Pomona-Walnut Rowland JWLC	Thomas	Coleman	59	Yes	Yes	Yes	Yes
Puente Basin Water Agency	Tom	Coleman	58	Yes	Yes	Yes	Yes

ACWA JPIA Board of Directors Meeting Voting Report, May 8, 2023

Member	First Name	Last Name	Keypad ID	Approval of Minutes	Ratify New Members	Audited Financial Statements	Operating Budget 2023-24
Purmissima Hills Water District	Sarah	Stone	34	Yes	Yes	No	Yes
Rainbow Municipal Water District-59	Miguel	Gasca	105	Yes	Yes	Yes	Yes
Rancho California Water District	Carol	Lee	32	Yes			
Reclamation District 784-1628	Brent	Hastey	31	Yes	Yes	Yes	Yes
Regional Water Authority	Pam	Tobin	24	Yes	Yes	Yes	Yes
Rincon del Diablo Municipal Water District	David	Drake	2	Yes	Yes	Yes	Yes
Rio Alto Water District	Richard	Brubaker	40	Yes	Yes	Yes	Yes
Rosamond Community Service District	Byron	Glennan	90	Yes	Yes	Yes	Yes
Rosedale-Rio Bravo Water Storage District	Roy	Pierucci	92	Yes		Yes	Yes
Rowland Water District	Tom	Coleman	63	Yes	Yes	Yes	Yes
Sacramento Groundwater Authority	Pam	Tobin	55	Yes	Yes	Yes	Yes
Sacramento Suburban Water District	Jay	Boatwright	26	Yes	Yes	Yes	Yes
San Benito Water District	Joe	Tonascia	91	Yes	Yes	Yes	Yes
San Bernardino Valley Municipal Water District	June	Hayes	60	Yes	Yes	Yes	Yes
San Bernardino Valley Water Conservation District	Melody	McDonald	1	Yes	Yes	Yes	Yes
San Gabriel Basin Water Quality Authority	Bob	Kuhn	45	Yes	Yes	Yes	Yes
San Juan Water District	Pamela	Tobin	56	Yes	Yes	Yes	Yes
San Luis & Delta Mendota Water Authority	Beau	Correia	109	Yes	Yes	Yes	Yes
San Luis Water District	Janet	Roy	112	Yes	Yes	Yes	Yes
Santa Clarita Valley GSA	Gary	Martin	48	Yes	Yes	Yes	Yes
Santa Clarita Valley Water Agency	William	Cooper	38	Yes	Yes	Yes	Yes
Santa Margarita Groundwater Water District	Sandra	Jacobs	49	Yes	Yes	Yes	Yes
Santa Rosa Regional Resources Authority	Andy	Morris	102	Yes	Yes	Yes	Yes
Scotts Valley Water District	David	McNair	97	Yes	Yes	Yes	Yes
Serrano Water District	Gregory	Mills	96	Abstain		Yes	
Solano Irrigation District	Cary	Keaten	103	Abstain	Yes	Yes	Yes
South Bay Irrigation District	Hector	Martinez	82	Yes	Yes	Yes	Yes
South San Joaquin Irrigation District	Glenn	Spyksma	99	Yes	Yes	Yes	Yes
Stockton East Water District	Thomas	McGurk	43	Yes	Yes	Abstain	Abstain
Suisun-Solano Water Authority	Pete	Sanchez	104	Yes		Yes	

ACWA JPIA Board of Directors Meeting Voting Report, May 8, 2023

Member	First Name	Last Name	Keypad ID	Approval of Minutes	Ratify New Members	Audited Financial Statements	Operating Budget 2023-24
Tahoe City Public Utility District	John	Pang	101	Yes	Yes	Yes	Yes
Tehachapi Cummings County Water District	Jonathan	Hall	30	Yes	Yes	Yes	Yes
Three Valleys Municipal Water District	David	DeJesus	46	Yes	Yes	Yes	Yes
Trabuco Canyon Water District	Mike	Safranski	81	Yes	Yes	Yes	Yes
Tri-Dam Project	John	Holbrook	98	Abstain	Yes	Yes	Yes
Truckee Donner Public Utility District	Kim	Harris	75	Yes	Yes	Yes	Yes
Tulare Irrigation District	Kathi	Artis	69	Yes	Yes	Yes	Yes
Tuolumne Utilities District	Jeff	Kerns	62	Yes	Yes	Yes	Yes
Upper San Gabriel Valley Water District	Anthony	Fellow	89	Yes		Yes	Yes
Utica Water & Power Authority	Joel	Metzger	114		Yes	Yes	Yes
Vallecitos Water District	Craig	Elitharp	72	Yes	Yes	Yes	Yes
Valley Center Municipal Water District	Oliver	Smith	66	Yes	Yes	Yes	Yes
Valley County Water District	Lenet	Pacheco	25	Yes	Yes	Yes	
Vista Irrigation District 1166	Patrick	Sanchez	42	Yes	Yes	Yes	Yes
Water Replenishment Dist of Southern California	Elvira	Robles-DeWitt	53	Yes	Yes	Yes	Yes
West Valley Water District	Gregory	Young	47	Yes	Yes	Yes	Yes
Westborough Water District	Don	Amuzie	94	Yes	Yes	Yes	Yes
Western Municipal District 27	Laura	Roughton	77	Abstain	Yes	Yes	Yes
Yolo County Flood Control & Water Cons Dist	Tom	Barth	85	Yes	Yes	Yes	Yes
Yolo Subbasin Groundwater Agency	Tom	Barth	86	Yes	Yes	Yes	Yes
Yorba Linda Water District	J. Wayne	Miller	83	Yes	Yes	Yes	Yes
Yuba County Water Agency	Gary	Bradford	50	Yes	Yes	Yes	Yes

Totals:	Yes	101	102	104	100
	No	0	1	1	2
	Abstain	10	2	5	4
	No response	1	7	2	6
	Totals:	112	112	112	112

ACWA JPIA
Update on the 2024 Executive Committee Strategic Planning Session
November 27, 2023

BACKGROUND

Every even numbered year, the JPIA conducts an offsite meeting with the Executive Committee and senior staff to discuss future planning.

CURRENT SITUATION

On January 29-30, 2024, the JPIA will hold its Strategic Planning Session at the Bahia Resort Hotel in San Diego. This year's Session will be facilitated by Rick Brush, Chief Member Services Officer, for Public Risk Innovation, Solutions, and Management (PRISM). This year's theme will be "Measures that Matter" and Executive Committee members and senior staff will gather to collaboratively create Value Statements that highlight the value of the pool and why the JPIA matters from the perspective of its members.

The goal will be to develop Value Statements in each of these six core pooling categories:

1. Commerciality
2. Shaping Markets
3. Member Relationships
4. Community Relationship
5. Public Sector Ecosystem
6. Ethics and Mindset

Value Statements will be used:

- as a frame of reference in decision making at Board and Committee meetings
- in communications to our members
- to connect organizational goals to our values
- to introduce new governing body members to what makes the JPIA so valuable
- to inform other pool stakeholders of the value of the JPIA
- to engage staff in meaningful work

Descriptions of the six core pooling categories, as well as real, sample JPIA Value Statements, are attached.

In preparation for the Session, Executive Committee members have been asked to come up with their own Value Statements. Additionally, they have been asked to connect with other JPIA members before, during, or after Conference to gather feedback that can also become Value Statements. Board members are encouraged to reach out to Executive Committee members to share their own Value Statements or any feedback that could potentially be turned into Value Statements. Board members who wish to submit their own Value Statements can do so through this [ONLINE SURVEY](#).

RECOMMENDATION

None, informational only.

Prepared by: Adrienne Beatty, Chief Executive Officer

Date prepared: November 2, 2023



Core Pooling Categories Definitions and Sample Value Statements

1. Commerciality

There is real financial value to being a member of a pool, in particular because of predictable pricing from one year to the next, which is so critical to local public entities. Although pools would never point to this value as singular and may call it by different names, commerciality (or “economic value” if you prefer) is important. In simple terms, think of this as the contribution a member entity pays in return for coverages and services the pool provides.

Sample JPIA value statements:

- Our members can be confident they are protected from catastrophic loss.
- Our members benefit from participation in multiple programs by receiving premium discounts.
- Our Rate Stabilization Fund removes the need to "trade checks" with members for our annual retrospective adjustment process and payroll reconciliation process.

2. Shaping Markets

The value pools have in shaping markets is often underappreciated. To meet the unique risks of public entity operations, pools innovate coverage that the commercial market does not. And the very presence of a pool influences market pricing, providing members with an important benchmark against which to measure options (although it's hard to find alternatives that can match a pool's coverage and service for the price).

Sample JPIA value statements:

- JPIA's economies of scale allow the pool to provide coverages and resources either unavailable or cost-prohibitive in the commercial market.
- JPIA's development of a holistic cyber program allows the pool to drive down costs for cyber placement by demonstrating favorable insurability.
- JPIA's captive allows us to increase our negotiating power with the commercial market and provide coverage where commercial coverage is not available.

3. Member Relationships

The nature of the relationship between JPIA and its members is an obvious value to those who work within this symbiotic exchange. Most pools view their organizational priority as supporting public entities to deliver critical infrastructure and services. Offering coverage, managing claims, and delivering risk management advice and training are merely methods by which pools deliver on that broader purpose.



Sample JPIA value statements:

- Each member has a seat on the Board and therefore has a voice in the governance of the organization.
- We provide valuable contractual risk transfer advice to members.
- Our members benefit from long-term relationships with the pool.

4. Community Relationship

A significant area of value that is often understated by pools is the benefit they bring to broader community relationships. By working as an extension of the public entities they serve and guiding local decision-makers toward balanced review of risk and reward, pools deliver important value to every community and every taxpayer. This value is even evident in something as seemingly transactional as a claim payment. A commercial insurance company measures a claim by the financial liability it wants to avoid. A pool measures a claim by the investment it will make into bettering the public services provided by its members.

Sample JPIA value statements:

- Our risk management programs help ensure our members can operate safely and efficiently.
- Every dollar we save or return to our members is a dollar they can spend on providing clean, safe, and sustainable water to their communities.

5. Public Sector Ecosystem

AGRiP describes the pooling community as highly collaborative and there's evidence of this in every good idea shared between pools. This is an example of the value pools create through participation in a public sector ecosystem. In addition to this pool-to-pool sharing, pools create an environment in which their local public entity members can share best practices and work together to improve the services they provide.

Sample JPIA value statements:

- Our partnership with ACWA provides holistic resources, coverages, and services to CA water districts relative to all elements of their operational, legislative, and insurable risk-related needs.
- Our training conferences and Leadership Program facilitate networking and information sharing across members.



6. Ethics and Mindset

Pooling ethics and mindset is an important value and behavioral norm. While commercial insurers and the private sector might focus on meeting ESG goals and virtue signaling, we simply point to our “pooling culture.” Pooling culture is about service outcomes and relationships, not profit. It’s about transparency and equitable allocation of costs and benefits. It’s about stability and predictability.

Sample JPIA value statements:

- The pool's triennial award of CAJPA Accreditation and AGRiP Recognition means our members can be confident that the pool is operating at or above the highest operational standards for public entity risk pools.
- The pool's annual receipt of the Certificate of Achievement for Excellence in Financial Reporting by the GFOA means our members can be confident that the pool is operating at or above the highest financial standards.



INTELLIGENCE

ASSOCIATION OF GOVERNMENTAL RISK POOLS

MEASURES THAT MATTER: The Importance of Understanding, Measuring and Sharing Your Pool's Value

*By Peter Hunt and Ann Gergen
for AGRiP's 2023 Residency*

If you've been in public entity pooling for more than a year or two, you have likely heard the important story of how it all started. A public sector liability coverage crisis in the 1970s and 1980s led local public entities to come together and do for themselves what the insurance industry would not.

This story gets retold in every pool and it is critically important for all of us. We cannot forget the circumstances that created a need for pooling or the motivations that launched our organizations and still guide us today.

The value of our public sector focus and commitment as an extension of (and governed by) our members may be foundational, but it's not an easy one to share with someone who hasn't experienced the power of pooling for themselves. It's difficult to summarize the value of decades invested by your pool to develop uniquely structured coverage, facilitate effective resolution of losses experienced by your members, teach new risk management practices, build financial strength to maintain predictable pricing, and innovate to support public service delivery.

LEARN MORE

Find out more about Measures That Matter and how it can help your pool at: www.agrip.org/measurthatmatter

Your pool delivers far greater value today than it delivered at its start, so it's time to expand how you quantify and convey that value.

Not only is it difficult to find the right language to share these values, but it can also be a challenge to prove them — even internally. Your pool has made a difference for the public entities you serve, but how do you measure it? Ideally you have metrics that demonstrate just how valuable your coverages and services are, and they are embedded within every aspect of your pool's governance and operational oversight.

Effectively measuring and communicating your pool's value to its members requires an approach that stretches beyond your important origin story. Your pool delivers far greater value today than it delivered at its start, so it's time to expand how you quantify and convey that value.

In other words, it is important for your pool to define its core values, measure how it delivers on those values, and communicate both values and metrics effectively. **Measures That Matter** provides guidance for pools to do this work.

The Six Core Values of Pooling and How to Measure Them

AGRiP's 2023 Residency brings forward research-backed support for six core values that are endemic to pooling. The values have been tested across cooperatives and mutuals with member focus similar to that of pools, across many industries, different regulatory environments, and several continents. Even more importantly, the values have been reviewed and are supported by a group of pools working together with AGRiP and our residency team, to be sure they reflect pooling and can be reasonably measured.



Commerciality

There is real financial value to working with a pool, in particular because of predictable pricing from one year to the next, which is so critical to local public entities. Although pools would never point to this value as singular and may call it by different names, commerciality (or "economic value" if you prefer) is important. In simple terms, you can think of this as the contribution a member entity pays in return for coverages and services the pool provides.

Measures to consider:

- Net position returns generated by your pool for members, whether in the form of dividends or contribution credits
- Your efficient use of net position to maximize investment returns, which offset member contributions
- The average amount of profit to shareholders commercial insurers generate, that your pool does not



Shaping Markets

The value pools have in shaping markets is often underappreciated. To meet the unique risks of public entity operations, **pools innovate coverage that the commercial market does not.** And the very presence of a pool influences market pricing, providing public entities with an important benchmark against which to measure options (although it's hard to find alternatives that can match a pool's coverage and service for the price).

Measures to consider:

- Coverage the pool has innovated for members
- Pricing quotes generated by competitors for public entities
- The imputed market for public entity coverage and cost, absent the pool's presence



Member Relationships

The nature of the relationship between a pool and its members is an obvious value to those who work within this symbiotic exchange. Most pools view their organizational priority as **supporting public entities to deliver critical infrastructure and services**. Offering coverage, managing claims, and delivering risk management advice and training are merely methods by which pools deliver on that broader purpose.

Measures to consider:

- Your pool's member retention and average membership longevity
- Your members' participation in pool governance, such as seeking or holding positions on the pool's governing body and committees
- The frequency of your members contacting the pool for advice and consultation



Community Relationships

A significant area of value that is often understated by pools is the benefit they bring to broader community relationships. **By working as an extension of the public entities they serve and guiding local decision-makers toward balanced review of risk and reward, pools deliver important value to every community and every taxpayer.**

This value is even evident in something as seemingly transactional as a claim payment. A commercial insurance company measures a claim by the financial liability it wants to avoid. A pool measures a claim by the investment it will make into bettering the public services provided by its members.

Measures to consider:

- Grants given by your pool for safety upgrades at member entity facilities or to prevent injuries
- Claims you've paid to repair or rebuild community-use properties damaged in a weather event
- Medical costs your pool paid on behalf of public entity employees, whether through workers' compensation or employee health benefits



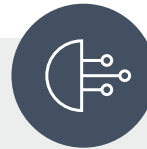
Public Sector Ecosystem

AGRIIP describes the pooling community as highly collaborative and there's evidence of this in every good idea shared between pools. This is an example of the value pools create through participation in a public sector ecosystem.

In addition to this pool-to-pool sharing, **pools create an environment in which their local public entity members can share best practices and work together to improve the services they provide.**

Measures to consider:

- The number of workgroup or member advisory committee meetings held by your pool and how many members attend
- Participation by members at your pool's safety training meetings, or in your online training programs
- How widely your members use model policies promoted or published by the pool



Ethics and Mindset

Pooling ethics and mindset is an important value and behavioral norm. While commercial insurers and the private sector might focus on meeting ESG goals and virtue signaling, we simply point to our "pooling culture."

Pooling culture is about service outcomes and relationships, not profit. It's about transparency and equitable allocation of costs and benefits. It's about stability and predictability.

Measures to consider:

- The degree to which your pool uses experience modifications in underwriting
- The amount of contribution stabilization you provide for member entities in a difficult renewal year
- The frequency and nature of governance self-evaluations performed by your pool's governing body

Sharing key data points that come directly from the six values of pooling is efficient and effective, and can pave the way for stories that build alignment.

Why Value-Linked Measures Are So Impactful

As pools experience turnover among member contacts, they face a challenge to quickly introduce new stakeholders to the value of pooling.

Newer decision-makers in your member entities may not have directly experienced when the pool has covered a novel claim, brought remediation resources to the table, or negotiated to reduce long-term costs with real impact at the member level. Using examples like these to tell stories about your pool’s values creates a strong emotional connection between the pool and its members.

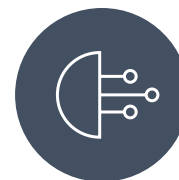
But storytelling takes time you don’t always have and the examples you use in stories may not fully explore complex information. Sharing key data points that come directly from the six values of pooling is efficient and effective, and can pave the way for stories that build alignment.

New member contacts have another impact on your pool, in terms of changes to the people selected to be on your governing body. Giving your board or executive committee a set of metrics about the progress being made toward your pool’s strategic plan (which is designed to support your values) promotes shared understanding of goals. Measures help a board ask meaningful questions and set appropriate priorities for the pool.

Effective financial measures that are linked to pool values are particularly important for a governing body. Most pools produce robust financial reports, but it can be difficult for even an experienced board member to interpret how membership growth (which seems like a good thing) could negatively impact the pool’s net position relative to its target (which seems less than ideal). Your pool’s financial measures should ideally connect to all core pool values, to bolster understanding about how interrelated pooling influences can be.

Finally, you need value-driven measures to keep your pool team (many of whom are also new) connected and working effectively in the right direction. Your pooling mission is critical for your members, so the pool team has to know exactly the value they provide in every interaction and just how well the pool meets member expectations.

In pooling, it’s important to quantify the value we deliver our local public entity members and the communities they serve. And it’s critical to talk about the work we do in a way that’s meaningful to our members, our teams and our governing bodies.



How To Use Measures That Matter

It's natural to think about these values in terms of how you might communicate them to your members, but don't mistake the 2023 Residency as a marketing effort or a list of buzz words to use in your annual report. (You probably won't use a word like "commerciality" to explain what your pool offers to members.)

Measures That Matter starts with these six tested and validated values. Residency resources and expert guidance will build on these values and provide a framework any pool can use to better deliver, measure and communicate its values.

Your pool can use the framework and associated residency resources to:

- Introduce new governing body members to what sets your pool apart
- Connect your strategic plan to your values and assign the metrics most meaningful to measure progress
- Create governing body meeting agendas to measure important decisions against your values
- Create meaningful financial and operational benchmarks for your pool
- Demonstrate to reinsurers your pool's commitment to financial, membership and leadership stability, and document the impact of your efforts
- Communicate your pool's efforts in a way consistent with what your members value most, and share data based proof points to support your statements
- Identify metrics that measure true engagement by your members, not just participation
- Orient, develop and lead your staffing teams based upon a shared understanding of values
- Inform other pool stakeholders, legislative bodies, regulators and the media

In other words, the framework will naturally become the hub to connect multiple pool efforts and provide structure for measures that track progress over time and across all your activities.

Find out more about Measures That Matter and how it can help your pool at: www.agrip.org/measurthatmatter



Don't mistake Measures That Matter as a marketing effort or a list of buzz words. With time and consistent application, the framework will naturally become a hub to connect your pool's values, efforts and measures.

About AGRiP Residencies

Each year, AGRiP selects an area of focus that will help pools perform better for their members. We work with subject matter experts to adapt their unique knowledge for pooling and deliver resources that build throughout the year, often culminating in a comprehensive guide or toolkit for pool use. You can access materials from our prior residencies at any time at www.agrip.org/intelligence.

About the Measures That Matter Framework

A team of researchers from Monash Business School in Australia worked with the Business Council of Co-operatives and Mutuals (BCCM), the Australian industry association for mutuals, to develop a performance measurement framework that would work across different types of mutually owned membership organizations in a range of industry sectors.

They sought to capture the specific value mutual membership organizations create through their purpose-led business activities, but that is often not measured or reported on.

BCCM's project led to development of the Mutual Value Measurement Framework® (MVM), which enables a mutual to assess, measure, and report the value resulting from its member-driven purpose and activities. AGRiP and BCCM have entered into a specific licensure agreement for adaptation of the MVM to be utilized by AGRiP as Measures That Matter.



As an AGRiP member, **when you engage with Measures That Matter, you gain access to a proprietary, research-backed framework that's already helped many member cooperatives across the world** understand, measure and successfully communicate their value.

If your pool actively engages in the residency, you can have a customized framework in place by the end of the year, with preliminary pool-specific metrics identified and, in some cases, underway. More information will be distributed by direct email and in eNews, at our conferences, on our website, through LinkedIn and Twitter. And at any time if you want to learn more about Measures That Matter or how to access additional resources, [let us know](#).

About the Authors



PETER HUNT founded Mutuo in 2001 as the first cross mutual sector body to promote cooperative and mutual business to opinion formers and decision makers.

He is co-founder of Supporters Direct, the football supporters' initiative, which went on to establish over 100 supporters' trusts at professional football clubs. He led the Parliamentary teams which piloted five private members bills through the UK Parliament, working with all parties to update co-operative and mutual law.



ANN GERGEN oversees operations, governance functions and member service delivery for the Association of Governmental Risk Pools. Ann routinely communicates and collaborates with the more than 200 pools that participate in AGRiP and their service providers. Ann has more than 30 years of direct public sector experience in local government management, emergency services, risk management, primary and reinsurance claims, and pooled insurance services. She is a recognized resource in strategic management and operations of public entity pools.

Formed by Water Agencies for Water Agencies

Water agencies have a unique set of risks not every provider can cover. In 1979, water agencies banded together to share their risks and associated insurance costs. They empowered ACWA JPIA to provide the best coverage for their needs ... and we delivered. Today, we are the leader in providing California public water agencies with liability, property and workers' compensation loss coverage programs and employee benefits services.



Water Agencies Have a Champion in the JPIA

- ✔ Trustworthy, reliable and knowledgeable staff dedicated to each member
- ✔ Resourceful, in-house risk management team and claims examiners
- ✔ Strong, stable risk-sharing pool with over 350 loyal water agency members
- ✔ Programs with cost savings of 20 to 30 percent compared to commercial insurance
- ✔ Value-added services to help reduce claims, keep costs low and protect members
- ✔ 100 percent member governed, member driven and member focused
- ✔ Members are our shareholders ... We have returned nearly \$40 million to members since our inception

We battle for your rights and best protection.
Put your trust in the JPIA.



YOUR BEST PROTECTION

ACWA JPIA

P.O. Box 619082
Roseville, CA 95661
916.786.5742
acwajpia.com

104

PUT YOUR TRUST IN ACWA JPIA

WE ARE YOUR BEST PROTECTION.



YOUR BEST PROTECTION

Comprehensive coverage programs and
employee benefits exclusively for ACWA members.

July 2022

Services Exclusive to JPIA Members

As a California special district, profits do not measure our success. Members measure our success. They rate us not only on our coverage programs, but also on the quality of our free to low-cost value-added services.

Risk Management

- Certified safety professionals on staff
- Onsite consultations and risk assessments
- Assistance with safety policies

Human Resources

- Certified human resource professional on staff
- Employment practices hotline including free legal consultations
- Regional HR group meetings and individual consultations
- Employee handbook/policy reviews
- Model water district job descriptions

Employee Benefits

- Advocacy and claim support
- Legal compliance assistance
- Strategic consultations

Training

- On-site, local and regional classes
- Online courses
- Professional development programs

Claims Services

- In-house claims staff
- Specialized legal counsel
- Investigation and defense

Protection Exclusive to JPIA Members

We offer the best protection through pooled programs created specifically for our members, no matter their size. As a risk-sharing pool, we offer programs with more flexible coverage terms and higher liability limits compared to most insurance programs.



Property Program

- \$500 million in limits
- Pooled retention to \$10,000,000 per loss
- Includes boiler and machinery
- Covers earthquakes and floods



General, Auto and Public Official Liability Coverage

- Up to \$55 million limits
- Pooled retention up to \$5 million per occurrence
- Funded for catastrophic events
- Excess premium returned to members



Workers' Compensation

- Over 6,000 employees covered
- No deductible
- In-house claims examiners ranked #1 in California
- Fully funded for catastrophic events



Employee Benefits

- Over 27,000 lives covered
- HMO, PPO, and Consumer Driven medical plans
- HMO and PPO dental plans
- Vision plans
- Wellness grants

In 2015, the majority of our members ranked their investment in the JPIA as an excellent value to their agency.





Services and Resources



Use the list below to insure your district is utilizing all of the benefits available through the JPIA.

Claims

- In-house claims handling
- Direct access to adjusters
- Claims review for open workers' compensation, liability, and property claims
- Program reviews showing trends and claim costs
- Virtual or onsite training
- Assistance with locating occupational clinics

Finance

- Budgeting assistance
- Billing questions answered
- Refund check presentations to Board
- Education on Rate Stabilization Fund

Risk Management Services

- Risk assessment/consultation visits and staff training
- Participation in H.R. LaBounty Safety Awards Program and Risk Control Grant Program
- Online resources including Risk Control Manual and Commitment to Excellence Program

- Assistance with developing, implementing, and maintaining safety policies and programs
- Ergonomic evaluations
- Risk control publications

Training Resources

- On-site, local, and regional classes; annual training conferences
- Online training resources, including live and recorded water-industry specific webinars and e-learning
- Training library with over 600 DVDs for check out and streaming videos
- Professional Development Program Certifications in Human Resources, Operations, and Supervisor Basics

Member Services

- Risk transfer hotline
- Risk transfer manual
- Personal response on coverage questions

Human Resources Services

- Employment Practices

Hotline, including free legal consultations

- Online resources, including job descriptions, forms, sample policies and much more
- Regional HR group meetings and networking forums
- Handbook reviews
- Occu-Med, Inc. pre-employment physicals and fit-for-duty services
- Discounted background checks

Employee Benefit Services

- Tailored one-on-one consultations, including policy review, strategy, and plan comparisons
- Employee advocacy for claim issues
- Customer service direct to employees and retirees
- Online self-service benefits enrollment
- Electronic billing and reporting available to benefits and/or finance staff
- Annual Wellness Grants



BY THE NUMBERS

Over **39 years**
serving only public
water agencies

600+ free to low
cost training programs

360+ members

Team of **50**
dedicated staff
to serve members

\$54 million
returned to members
since JPIA's inception

100% error
free audit score
for workers'
compensation claims
handling

Over **33,000** lives
in the employee
benefits program

WHAT OUR MEMBERS SAY

We are committed to providing secure, stable and cost-effective protection programs to each member agency. We listen to our members and act on their input to enhance our offerings for the greater good of all ACWA JPIA members.

In 2015, we reached out to our members to obtain their input with an online survey. We are proud of and value each relationship with our members.

- Half of our members view ACWA JPIA as a partner in long-term success; others view ACWA JPIA as a favored resource.
- Majority consider their investment in the JPIA to be an excellent or good value.
- Majority would choose ACWA JPIA again if they had to choose insurance today.
- Majority are very satisfied with ACWA JPIA's programs.
- ACWA JPIA's programs ranked better than others in terms of cost and coverage.

51.3% = excellent value
44.8% = good value

“Thank you and your staff for all the hard work you do in taking such good care of us!”

CACHUMA OPERATION
AND MAINTENANCE BOARD

“We appreciate everything you do to make things easier for member agencies like us.”

UPPER SAN GABRIEL VALLEY
MUNICIPAL WATER DISTRICT

AWARDS & INNOVATIONS

Association of Government Risk Pools Recognition 2016

- ACWA JPIA is in general compliance with AGRIPS's Advisory Standards.

California Association of Joint Powers Authority Accreditation with Excellence

- ACWA JPIA was awarded the highest designation for risk management standards by the first risk management accreditation program.

Comprehensive Annual Financial Report Recognition

- ACWA JPIA was recognized for outstanding government financial reporting with our CAFR.

The Government Finance Officers Association of America has awarded a Certificate of Achievement for Excellence in Financial Reporting to the JPIA for its CAFR. The recognition means that the JPIA has produced a CAFR that captures all relevant generally accepted accounting procedures and all applicable legal requirements.

Public Risk Management Association Honorable Mention

- ACWA JPIA was recognized as a national honorable mention for our Commitment to Excellence program.

The Commitment to Excellence program helps JPIA's membership reduce the frequency and severity of liability, workers' compensation and property losses. Program participants make the commitment to implement practices that help prevent costly losses from auto, infrastructure, construction, employment practices, ergonomic and fall injury claims. Since its inception in 2013, the program has helped our member participants significantly reduce these types of costly claims.

Excellence in Innovation

- ACWA JPIA takes pride in our state of the art technology. Our Risk Management Information System is a business intelligence interface for synthesizing claims data, loss control, underwriting and financial data.

ACWA JPIA
Conflict of Interest Code
November 27, 2023

BACKGROUND

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. Additionally, in order for the JPIA to maintain accreditation with the California Association of Joint Powers Authorities (CAJPA), the JPIA's Conflict of Interest Code is to be reviewed and approved by the Board of Directors every two years. CAJPA is a self-governed association of public risk sharing pools in the state of California. The accreditation process is an in-depth peer review of the JPIA's policies, procedures and practices. To become accredited, the JPIA must meet or exceed industry standards established by CAJPA.

CURRENT SITUATION

The Conflict Code was last approved by the Board of Directors in November of 2021. Changes to the JPIA's current Conflict of Interest Code, as shown, have been submitted to the Fair Political Practices Commission (FPPC) for review and approval.

RECOMMENDATION

That the Board of Directors approve the changes to the Conflict of Interest Code pending approval by the FPPC.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY
CONFLICT OF INTEREST CODE

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Sec. 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendices, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of the **Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA)**.

Individuals holding designated positions shall file their statements of economic interests with the **ACWA JPIA**, which will make the statements available for public inspection and reproduction. (Gov. Code Sec. 81008.) All statements will be retained by the **ACWA JPIA**.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
 JOINT POWERS INSURANCE AUTHORITY
APPENDIX A- DESIGNATED POSITIONS

<u>Designated Positions to file:</u>	<u>Disclosure Category</u>
Assistant Executive Officer	1, 2, 4, 5, 6
Cost Estimator/Risk Control Advisor	3, 4
Director of Finance	1, 2, 4, 5, 6
Director of Human Resources and Administration	1, 2, 4, 5, 6
<u>Director of Member Outreach</u>	<u>1, 2, 4, 5, 6</u>
<u>Director of Pooled Programs</u>	<u>1, 2, 4, 5, 6</u>
Employee Benefits Manager	1, 2, 4, 5, 6
General Counsel	1, 2, 4, 5, 6
Finance Manager	3, 4
<u>Human Resources Manager</u>	<u>3, 4</u>
Lead Risk Control Advisor	3, 4
Lead Senior Claims Adjuster	3, 4
Lead Senior Workers' Compensation Claims Examiner	3, 4
Liability & Property Claims Manager	3, 4
<u>Litigation Manager</u>	<u>3, 4</u>
Risk Control Advisor	3, 4
Risk Control Manager	3, 4
Senior Claims Examiner	3, 4
Senior Claims Adjuster	3, 4
Senior Risk Control Advisor	3, 4
Senior Workers' Compensation Claims Examiner	3, 4
Systems Network Administrator	3, 4
Training Manager	3, 4
Workers' Compensation Claims Manager	3, 4
Workers' Compensation Claims Examiner	3, 4
Members of the following committees:	
Employee Benefits Program	1, 4, 5
Finance & Audit	1, 4, 5
Liability Program	1, 4, 5
Personnel	1, 4, 5
Property Program	1, 4, 5
Workers' Compensation Program	1, 4, 5
Risk Management	1, 4, 5
Consultants/New Positions	*

*With respect to consultants/new positions, the Chief Executive Officer may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus, is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's or new position's duties and, based upon that

description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Government Code Section 81008.)

Officials Who Manage Public Investments:

The following positions are NOT covered by the code because they must file under Government Code Section 87200 and, therefore, are listed for informational purposes only:

Executive Committee Members/Board Members
Chief Executive Officer/Secretary/Treasurer

An individual holding one of the above listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by Government Code Section 87200.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY
APPENDIX B- DISCLOSURE CATEGORIES

Disclosure Categories

Category 1: Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources of the type that contract with ACWA JPIA to supply goods, services, materials, or supplies.

Category 2: Interests in real property located within the Authority's jurisdiction of the type purchased or leased by the ACWA JPIA for its use.

Category 3: Investments and business positions in business entities, and sources of income (including receipt of gifts, loans, and travel payments) from, entities that supply services, materials, products, supplies, commodities or equipment of the type utilized by the designated position's division or department. Such services include, but are not limited to, insurance coverage, underwriting, claims processing, and risk management.

Category 4: Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that have filed a claim or have a claim pending that are reviewed and administered by the ACWA JPIA.

Category 5: Investments and business positions in business entities, and income (including receipt of loans, gifts, and travel payments), from sources that are engaged in the performance of work or services of the type utilized by the ACWA JPIA, including insurance companies, carriers, holding companies, underwriters, brokers, solicitors, agents, adjusters, claims managers, and actuaries.

ACWA JPIA
Investment Policy
November 27, 2023

BACKGROUND

The current Investment Policy was approved by the Board of Directors in November 2022. Every year, per the JPIA Bylaws, the Investment Policy must be reviewed and approved by the Board of Directors.

CURRENT SITUATION

After review by staff and the JPIA's investment advisor, PFM, there is a minor suggested change to add wording under the Limitations/Diversification section to clarify the date used to measure maturity as the settlement date. The changes to the policy are reflected in add/delete format in the following document.

The Investment Policy was reviewed by the JPIA's Finance & Audit and Executive Committees in September 2023. Both Committees recommend approval to the Board of Directors.

RECOMMENDATION

That the Board of Directors approve the proposed changes to the JPIA Investment Policy, as presented.

Memorandum

To: Dan Steel, Finance Manager
Heidi Singer, Accountant II
ACWA JPIA

From: Sarah Meacham, Managing Director
Richard Babbe, CCM, Senior Managing Consultant
PFM Asset Management LLC

RE: 2023 Investment Policy Review

We reviewed ACWA JPIA's (the "Authority") Investment Policy (the "Policy"), as part of the Authority's annual review process. As written, the Policy is consistent with the applicable California Government Code (the "Code") sections regulating the investment of public funds.

We are, however, recommending the Authority update the Limitations/ Diversification section of the Policy to incorporate a Code revision that was made as part of Senate Bill ("SB") 1489, which took effect January 1, 2023 (we have attached a marked-up copy of the Policy illustrating our recommended change). Previously, Code had not defined whether a security's remaining maturity at purchase was to be calculated from trade or settlement date. As revised, Code now specifies that a security's maximum maturity for compliance purposes is to be measured from its settlement date (Code further specifies that the forward settlement date of an investment cannot exceed 45 days from the time of investment). This change provides local agencies with more opportunities to consider new-issue securities. The remaining maturity of a new issue security can often exceed the Policy's maturity limit if calculated from trade date but not if calculated from settlement date.

Although no changes are needed, we wanted to make you aware of another Code change that was made as part of SB 1489. The quarterly reporting deadline in Code section 53646 (b)(1) was increased to 45 days from 30 days. The revision was made in recognition that the 30-day reporting deadline created challenges for agencies to collect the necessary investment data while following the legislative body's agenda schedule. As the Policy does not specify a reporting deadline, no change is needed.

Please let us know if you have any questions or if you would like to set up a time to discuss.

ASSOCIATION OF CALIFORNIA WATER AGENCIES

JOINT POWERS INSURANCE AUTHORITY

INVESTMENT POLICY

Revised: 09/2022 - Approved: 11/2022

INVESTMENT POLICY

OBJECTIVE

The objectives of the Investment Policy of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA or Authority) are as follows, in order of priority.

- (1) Safeguard the principal of the funds under its control by maintaining an appropriate risk level.
- (2) Meet the liquidity needs of the Authority.
- (3) Achieve an optimum rate of return (defined as income plus realized and unrealized capital gains and losses) on available assets (not required for current operating needs), commensurate with an appropriate level of risk.

SCOPE

Except for funds held in the JPIA's working bank accounts used for the daily operations, funds with the California Water Insurance Fund, and any retirement funds held in a trust, it is intended that this policy cover investment funds and activities of the Authority.

DELEGATION OF AUTHORITY

Section 53600, et seq. of the Government Code provide legal authorization and reporting requirements for the investment of funds of local agencies when applicable. All investments of the JPIA shall conform to the restrictions of these laws. In accordance with Section 53607 the authority to invest or reinvest the funds of the Authority is delegated to the Treasurer of the JPIA for a one-year period. Each year the Authority's Board of Directors meets at the ACWA Spring and Fall Conference and therein delegates its authority to invest funds to the Authority's Treasurer, who shall thereafter assume full responsibility for those transactions until the delegation of authority is revoked or expires.

PRUDENCE

All participants in the investment process shall recognize that the investment portfolio is subject to the prudent investor standard as set forth by California Government Code and to public review and evaluation and shall seek to act responsibly as fiduciaries of the public trust. The prudent investor standard states that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Authority, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like, aims, to safeguard the principal and maintain the liquidity needs of the Authority.

ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Employees and investment officials shall disclose to the Chief Executive Officer any material financial interests in financial institutions that conduct business within their jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the Authority.

PERMISSIBLE INVESTMENTS

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and marketable. See table on page 6 for further limits.

The classes of investments that most adequately meet the criteria for purchases are listed as follows.

1. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

2. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category. No more than 50% of the Authority's investment portfolio may be invested in any one federal agency.

3. Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state. Obligations eligible for investment under this subdivision must be rated in a rating category "A" or its equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO).

There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

4. Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California. Obligations eligible for investment under this subdivision must be rated in a rating category "A" or its equivalent or better by a NRSRO.

There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

5. Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Obligations eligible for investment under this subdivision must be rated in a rating category "A" or its equivalent or better by a NRSRO.

There is no limit as to the amount of the Authority's investment portfolio that may be invested in this category.

6. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest rating category as provided for by a NRSRO.

Purchases of Bankers' Acceptances may not exceed 180 days' maturity or 20% of the Authority's investment portfolio.

7. Commercial paper rated in the highest letter and number rating as provided for by an NRSRO. The entity that issues the commercial paper shall meet all of the conditions in either paragraph (a) or (b):
 - a. The entity meets the following criteria:
 - (i) Is organized and operating in the United States as a general corporation.
 - (ii) Has total assets in excess of five hundred million dollars (\$500,000,000).
 - (iii) Has debt other than commercial paper that, if any, is rated in a rating category "A," its equivalent or higher by an NRSRO.
 - b. The entity meets the following criteria:
 - (i) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - (ii) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.
 - (iii) Has commercial paper that is rated in a rating category "A-1" or higher, or the equivalent, by an NRSRO.

Purchases of eligible commercial paper may not exceed 270 days' maturity.

Purchases of commercial paper may not exceed 40% of the Authority's investment portfolio (The limit is 25% if the Authority has less than \$100 million of investment assets).

8. Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Medium-term corporate notes shall be rated in a rating category "A", its equivalent, or better by an NRSRO.

Purchase of medium-term corporate notes may not exceed 30% of the Authority's investment portfolio.

9. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a federally- or state-licensed branch of a foreign bank; provided that the senior

debt obligations of the issuing institution are rated in a rating category "A", its equivalent, or better by an NRSRO.

Purchase of negotiable certificates of deposit may not exceed 30% of the Authority's investment portfolio.

10. FDIC insured or fully collateralized time certificates of deposit (Time CDs) in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in as specified under Government Code Section 53630 et seq. The Treasurer, at their discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance.
11. Local Government Investment Pools (LGIP). Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (q) of Government Code Section 53601, inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
 - a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
 - b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (o) Government Code Section 53601, inclusive.
 - c. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

The purchase price of shares shall not exceed 50% of the investment portfolio of the Authority.

12. State of California's Local Agency Investment Fund (LAIF). Investment in LAIF may not exceed the lesser of the limit established by LAIF or 50% of the portfolio and should be reviewed periodically. (Government Code § 16429.1)
13. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally recognized rating services or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 20% of the investment portfolio of the Authority.

14. Repurchase Agreements used solely as short-term investments not to exceed 92 days.

The Authority may enter into Repurchase Agreements with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in this section, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to the Authority's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each Repurchase Agreement must equal or exceed, 102% of the total dollar value of the money invested by the Authority for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed at least weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102% no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

The Authority or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

The Authority will have properly executed SIFMA agreement with each counter party with which it enters into Repurchase Agreements.

Purchases of repurchase agreements shall not exceed 20% of the investment portfolio of the Authority.

15. Supranationals. United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AAA", its equivalent, or better by an NRSRO.

Purchases of supranationals shall not exceed 20% of the investment portfolio of the Authority.

16. Asset-Backed Securities. Mortgage pass-through securities, collateralized mortgage obligations, mortgage-backed or other pay-through bonds, equipment lease-backed certificates, consumer receivable pass-through certificates, or consumer receivable-backed bonds with a maximum remaining maturity of five years or less. Securities eligible for investment under this subdivision shall be rated in a rating category "AA" or its equivalent or better by at least one NRSRO.

Purchase of securities authorized by this subdivision may not exceed 20% of the Authority's total portfolio.

The JPIA shall also have the option of depositing funds with banks, savings and loans, and credit unions (Government Code §53620 et seq.) as a means to complement the investment program when appropriate. The financial institutions shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities as required by (Government Code § 53635.2). All bank deposits must be collateralized as specified under Government Code Section 53630 et seq. The Treasurer, at their discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance.

LIMITATIONS/DIVERSIFICATION

Below is a table summarizing the maximum percentage and minimum credit quality required for each permissible investment type. Percent limitations shown are based on book value at time of purchase. Percentages may change after purchase as a result of withdrawals from the portfolio. Credit quality refers to the credit rating at the time the security is purchased. If an investment’s credit rating falls below the minimum rating, the Treasurer will perform a timely review and decide whether to sell or hold the investment.

The average life of the total portfolio at any time shall not exceed four years. The maximum maturity, [measured from settlement date](#), for all investments, unless otherwise noted, is 5 years. U.S. Treasuries and Federal Agencies with maturities longer than 5 years may be purchased for specific purposes with the prior approval by the Executive Committee at least 90 days in advance of the purchase.

No more than 5% of the portfolio will be invested in any one issuer excluding U.S. Treasuries, Federal Agencies, supnationals, and investment pools (LAIF, LGIPs, and money market funds).

INVESTMENT TYPE	% OF INVESTMENT PORTFOLIO	% OF ISSUER REGARDLESS OF SECTOR	MAXIMUM MATURITY	MINIMUM RATING CATEGORY
US TREASURY	100%	100%	5 YEARS	
FEDERAL AGENCY	100%	50%	5 YEARS	
CALIFORNIA STATE OBLIGATIONS	100%	5%	5 YEARS	A
CALIFORNIA LOCAL GOVERNMENT OBLIGATIONS	100%	5%	5 YEARS	A
OTHER STATE OBLIGATIONS	100%	5%	5 YEARS	A
BANKERS' ACCEPTANCES	20%	5%	180 DAYS	Highest by NRSRO
COMMERCIAL PAPER	40%/25%*	5%	270 DAYS	Highest by NRSRO
MEDIUM TERM NOTES	30%	5%	5 YEARS	A
NEGOTIABLE CD'S	30%	5%	5 YEARS	A
TIME CDS	30%	FDIC/NCUA LIMITS	5 YEARS	BANKS/S&I/CU INSURED
LGIP	50%	N/A	-	AAA _m
LAIF	50%	N/A	DAILY	N/A
MONEY MARKET FUNDS	20%	20%	-	TREASURY/ AGENCY ONLY
REPURCHASE AGREEMENTS	20%	20%	92 DAYS	Primary Dealer
SUPRANATIONALS	20%	20%	5 YEARS	AAA
ASSET-BACKED SECURITIES	20%	5%	5 YEARS	AA

* The limit is 25% if the Authority has less than \$100 million of investment assets

INVESTMENT POOLS

Prior to investing in any pooled investment program and at least annually thereafter, the Authority shall perform a review of the investment policy and portfolio of any investment pools in which the Authority invests, including LAIF and LGIPs. In addition, the Treasurer shall maintain on file a copy of the pool's current disclosure document describing the program.

PROHIBITED INVESTMENTS

The Authority shall not invest in inverse floaters, range notes, mortgage derived interest-only strips, or in any security that could result in zero earnings accrual if held to maturity, except as authorized by Code Section 53601.6, and any investment not expressly authorized in the Government Code.

The Authority is prohibited from investing in securities unless specifically permitted by this Investment Policy.

TRADING

The Authority shall not make investments for the purpose of trading or speculation as the dominant criterion such as anticipation of appreciation of capital value through changes in market rates.

BORROWING

Any borrowing in the amount of one hundred thousand dollars or more shall be considered and deliberated as a separate item of business on the agenda of the JPIA's Executive Committee. Borrowing does not include bank overdrafts.

INTERNAL CONTROLS

The Treasurer shall establish and maintain a system of internal controls designed to ensure that the assets of the Authority are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgment by management. The internal controls should include references to safekeeping, master repo agreements, wire transfer agreements, banking service contracts, collateral/depository agreements, and other investment related activities as applicable.

Accordingly, the Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

COLLATERALIZATION

Collateralization for repurchase agreements and non-negotiable Certificates of Deposit shall be required in accordance with state law.

SAFEKEEPING/CUSTODY

Investment securities are to be purchased when possible in book-entry form in the Authority's name. All deliverable securities owned by the Authority shall be held in safekeeping by a third party bank trust department acting as agent for the Authority under the terms of a written custody agreement executed by the bank and the Authority. All investment transactions require the bank to provide a safekeeping receipt or acknowledgment generated from the trade. All security transactions, including collateral for repurchase agreements, entered into by the Authority shall be conducted on a delivery-versus-payment (DVP) basis. The safekeeping institution is required to provide a listing all securities held in safekeeping with current market data and other information on a monthly basis.

The Executive Committee authorized Term and non-negotiable instruments, such as certificates of deposit, to be held by the Treasurer, or in safekeeping as the Treasurer deems appropriate.

PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the Authority. The Authority shall establish a performance benchmark. Benchmarks may change over time based on changes in market conditions, investment preferences, or cash flow requirements.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

If an investment advisor is authorized to initiate investment transactions on the Authority's behalf, the investment advisor may use its own list of approved broker/dealers and financial institutions for investment purposes. The investment advisor's approved list must be made available to Authority upon request.

For any investment transactions conducted by the Treasurer, a list will be maintained of approved security broker/dealers selected by creditworthiness (e.g., a minimum capital requirement of \$10,000,000 and at least five years of operation). These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines
- Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties)
- Proof of state registration
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties)
- Certification of having read and understood and agreeing to comply with the Authority's investment policy.
- Evidence of adequate insurance coverage.

An annual review of the financial condition and registration of all qualified financial institutions and broker/dealers will be conducted.

For all investment transactions, the Authority or its investment advisor shall seek a minimum of three bids/offers from brokers and dealers on the Authority's or investment advisor's list of approved broker/dealers.

ADVISORS

The JPIA's Executive Committee shall pre-approve investment advisors given the authority to manage all or part of the JPIA investment portfolio prior to establishing a relationship.

REPORTING/REVIEW

The Treasurer shall render a monthly list of investment transactions to the Chief Executive Officer, the JPIA's Executive, and Finance & Audit Committees as required by the California Government Code §53607 when investment authority has been delegated by the Executive Committee. The Treasurer shall render a quarterly report incorporating the following:

- (1) For each investment, the report will describe the type of investment, issuer, date of maturity, par and dollar amount invested, yield to maturity, credit quality, duration and current market value as of the date of the report. Any managed funds shall be described in the quarterly report.
- (2) The quarterly report shall state compliance of the portfolio to the statement of the investment policy, or manner in which the portfolio is not in compliance.
- (3) The quarterly report shall include a statement denoting the ability of the Authority to meet its expenditure requirements for the next six months, or provide an explanation as why sufficient money shall, or shall not, be available.

The Treasurer shall review the Authority's portfolio for compliance at least annually. The Treasurer shall establish procedures to report to the Finance Committee incidences of noncompliance through the review of the portfolio.

REVIEW OF INVESTMENT PORTFOLIO

It is the intent of the JPIA that the Policy will be followed at all times. Because some securities may not comply with this Investment Policy's requirements subsequent to the date of purchase, the Treasurer shall at least annually review the portfolio to identify those securities that do not comply. If a non-compliance issue has been identified it shall be taken to the JPIA's Finance or Executive Committee at the next scheduled meeting. The Committee will determine if any action is needed. Investments or securities found not to be in compliance with this Investment Policy do not necessarily require immediate action.

INVESTMENT POLICY ADOPTION

The Treasurer shall render annually a statement of investment policy to the JPIA's Executive Committee for consideration and approval.

Glossary

Asset-backed securities (ABS) are securities whose income payments and hence value is derived from and collateralized (or "backed") by a specified pool of underlying assets which are receivables. Pooling the assets into financial instruments allows them to be sold to general investors, a process called securitization, and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can comprise common payments credit cards, auto loans, mortgage loans, and other types of assets. Interest and principal is paid to investors from borrowers who are paying down their debt.

Bankers' Acceptances are short-term credit arrangements to enable businesses to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at maturity. An acceptance is a high-grade negotiable instrument.

Broker-Dealer is a person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Certificates of Deposit

- 1. Negotiable Certificates of Deposit** are large-denomination CDs issued in \$1 million increments. These securities have average trades in the secondary market of \$5 million to \$10 million. They are issued at face value and typically pay interest at maturity, if maturing in less than 12 months. CDs that mature beyond this range pay interest semi-annually. Negotiable CDs are issued by U.S. banks (domestic CDs), U.S. branches of foreign banks (Yankee CDs), and thrifts. There is an active secondary market for negotiable domestic and Yankee CDs. However, the negotiable thrift CD secondary market is limited. Yields on CDs exceed those on U.S. treasuries and agencies of similar maturities. This higher yield compensates the investor for accepting the risk of reduced liquidity and the risk that the issuing bank might fail. State law does not require the collateralization of negotiable CDs.
- 2. Non-negotiable Certificates of Deposit** are time deposits with financial institutions that earn interest at a specified rate for a specified term. Liquidation of the CD prior to maturity incurs a penalty. There is no secondary market for those instruments, therefore, they are not liquid. They are classified as public deposits and financial institutions are required to collateralize them. Collateral may be waived for the portion of the deposits that are covered by FDIC insurance.

Collateral is securities, evidence of deposits, or other property that a borrower pledges to secure repayment of a loan. It also refers to securities pledged by a bank to secure deposits. In California, repurchase agreements, reverse repurchase agreements, and public deposits must be collateralized.

Commercial Paper is a short term, unsecured, promissory note issued by a corporation to raise working capital.

Delivery versus Payment (DVP) is a settlement system in which the transfer of securities and associated payment occur simultaneously. This ensures that the final transfer of the security occurs, if and only if, the final transfer of the associated payment (or other assets) occurs.

Federal Agency Obligations are issued by U.S. Government Agencies or Government Sponsored Enterprises (GSE). Although they were created or sponsored by the U.S. Government, most Agencies and GSEs are not guaranteed by the United States Government. Examples of these securities are notes, bonds, bills and discount notes issued by Fannie Mae (FNMA), Freddie Mac (FHLMC), the Federal Home Loan Bank system (FHLB), and Federal Farm Credit Bank (FFCB). The Agency market is a very large and liquid market, with billions traded every day.

Issuer means any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

Liquidity refers to the ease and speed with which an asset can be converted into cash without loss of value. In the money market, a security is said to be liquid if the difference between the bid and asked prices is narrow and reasonably sized trades can be done at those quotes.

Local Agency Investment Fund (LAIF) is a special fund in the State Treasury that local agencies may use to deposit funds for investment. There is no minimum investment period and the minimum transaction is \$5,000, in multiples of \$1,000 above that, with a maximum of \$75 million for any California public agency. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly via direct deposit to the agency's LAIF account. The State keeps an amount for reasonable costs of making the investments, not to exceed one-quarter of one per cent of the earnings.

Local Government Investment Pool (LGIP) is a collection of funds from various governmental entities invested in a common portfolio. Each investor earns interest proportional to their investment in the overall pool.

Market Value is the price at which a security is trading and could presumably be purchased or sold.

Maturity is the date upon which the principal or stated value of an investment becomes due and payable.

Medium-Term Notes are debt obligations issued by corporations and banks, usually in the form of unsecured promissory notes. These are negotiable instruments that can be bought and sold in a large and active secondary market. For the purposes of California Government Code, the term “Medium Term” refers to a maximum remaining maturity of five years or less. They can be issued with fixed or floating-rate coupons, and with or without early call features, although the vast majority are fixed-rate and non-callable. Corporate notes have greater risk than Treasuries or Agencies because they rely on the ability of the issuer to make payment of principal and interest.

Money Market Fund is a type of safe investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must maintain a stable net asset value (NAV) of \$1 per share.

Municipal Obligations are debt instruments issued by a state or local government unit or public agency. The vast majority of municipals are exempt from state and federal income tax, although some non-qualified issues are taxable.

Nationally Recognized Statistical Rating Organization (NRSRO): A credit rating agency registered with the U.S. Securities and Exchange Commission (SEC) that provides ratings that indicate the agency’s opinion of the relative credit quality of securities. The three largest NRSROs are Standard & Poor’s, Moody’s Investors Service, and Fitch Ratings.

Principal describes the original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Repurchase Agreements are short-term investment transactions. Banks buy temporarily idle funds from a customer by selling him U.S. Government or other securities with a contractual agreement to repurchase the same securities on a future date at an agreed upon interest rate. Repurchase Agreements are typically for one to ten days in maturity. The customer receives interest from the bank. The interest rate reflects both the prevailing demand for Federal Funds and the maturity of the Repo. Repurchase Agreements must be collateralized.

Supranationals are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

U.S. Treasury Issues are direct obligations of the United States Government. They are highly liquid and are considered the safest investment security. U.S. Treasury issues include:

1. **Treasury Bills** that are non-interest-bearing discount securities issued by the U.S. Treasury to finance the national debt. Bills are currently issued in one, three, six, and twelve month maturities.
2. **Treasury Notes** that have original maturities of one to ten years.
3. **Treasury Bonds** that have original maturities of greater than 10 years.

Yield to Maturity is the rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.

ACWA JPIA
Pooled Programs Update
November 27, 2023

BACKGROUND

The JPIA has four major pooled programs. Created in 1979, the Liability Program has served JPIA members for over 40 years. The Property Program was implemented in 1982 while the Workers' Compensation Program began in 1984. Lastly, the JPIA assumed responsibility for the Employee Benefits Program in July 2012.

The JPIA continues to offer its members stability through a strong financial position, experienced management, and longevity of membership.

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.

CURRENT SITUATION

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.

Staff will review current highlights for each program.

RECOMMENDATION

None, informational only.



ACWA JPIA Pooled Programs Highlights

Liability Program – renews October 1

- 346 members
- \$5 million retention; \$50 million coverage limit; CWIF reinsures the \$10M X \$10M layer
- 10% rate increase in 2023/24
- A hardened market and increasing large losses are impacting pricing

Property Program – renews July 1

- 288 members
- \$10,000,000 retention; \$500 million coverage limit
- 20% rate increase in 2023/24
- A hardened market, catastrophic events (including wildfire), and a few large losses continue to dominate pricing

Workers' Compensation Program – renews July 1

- 208 members
- \$2 million retention, Statutory coverage limit
- Flat rate renewal in 2023/24; 2-year rate guarantee for reinsurance
- Rates have stayed flat or decreased over the past 10 years

Employee Benefits Program – renews January 1

- 268 members
- 2024 rates for the self-funded PPO program are +12%; self-funded dental/vision program rates are flat
- Insured program rate changes range from flat to 10%
- Pharmacy Benefit Manager changing to Anthem Carelon; adding Anthem Health Guide concierge customer service benefit
- Medical costs (partially related to inflation) are escalating rapidly; expect rate increases in future years

ACWA JPIA
Risk Management Update
November 27, 2023

BACKGROUND

The Risk Management Department provides on-site or virtual risk assessments, consultative services, loss reviews, and training services to JPIA members participating in our Workers' Compensation, Liability, and Property Programs. Last fiscal year, the Risk Advisors' primary efforts were returning to in-person member Risk Assessment visits and onboarding new staff.

CURRENT SITUATION

The following summarizes the 2022/23 Risk Management Department activities.

Member Visits:

- Risk Assessments - 220
- Consultative Services - 72
- Training Days - 136

Commitment to Excellence (C2E) Program:

- In the *Wildfire Prevention* loss reduction menu, Risk Advisors added the following resources:
 - SEMS training
 - USDA Wildfire Wildlands and People
 - FEMA EOC Quick Reference
- In the *Ergonomics/Fall Prevention* loss reduction menu, Ergonomic Tips for the Remote Employee were added.
- In the *Infrastructure* loss reduction menu, resources were added on Drone Registration.

Risk Control Manual:

- A new section with resources was developed for Plants, Insects, and Animals.

Outreach:

- California-Nevada Section on American Water Works Association.
- California Water Environment Association.
- Public Agency Risk Management Association (PARMA).

Legislative / Regulatory:

- Staff monitored several California legislative bills and proposed regulatory standards through the Cal/OSHA Advisory Committee.

RECOMMENDATION

None, informational only.



SENATOR DAVE CORTESE

SB 553: Workplace Violence Prevention

SUMMARY

According to the Occupational Safety and Health Administration (OSHA), workplace violence is the second leading cause of fatal occupational injuries in the United States, affecting nearly two million American workers annually. SB 553 will address workplace violence by requiring employers to implement basic protections to protect employees while at work.

BACKGROUND

Workplace violence incidents are becoming more prevalent across various workplaces in California. OSHA has identified workplace violence as the third leading cause of fatal occupational injury and estimates that nearly two million workers are affected annually. On average, 1.3 million nonfatal violent crimes occur in the workplace annually, with women workers having higher rates of nonfatal injuries due to workplace violence resulting in more days away from work.

Senate Bill 1299 (Padilla, 2014) required the Cal/OSHA Standards Board to circulate regulations by July 1, 2016, to protect healthcare workers from workplace violence by mandating protections such as keeping a violent incident log, training, and addressing workplace violence in the injury illness and prevention plan (IIPP). On April 1, 2017, Cal/OSHA officially adopted the Healthcare Workplace Violence Standard, which offers protections for healthcare workers but excludes most of California's other workforce.

THIS BILL

SB 553, as amended in Assembly Appropriation Committee, establishes a floor of protections for all workers experiencing workplace violence by

requiring the following basic safeguards for workers:

1. Employers to establish, implement, and maintain an effective workplace violence prevention plan;
2. Employers establish a violent incident log to record workplace violence incidents;
3. Employers to provide effective training on the workplace violence prevention plan;
4. Maintain records as part of the workplace violence prevention plan;
5. Requires Cal/OSHA to adopt a general industry workplace violence standard by December 31, 2026;
6. Delays implementation of the provisions in SB 553 until July 01, 2024.
7. Allows an employee representative to be a petitioner for a workplace violence restraining order.

SB 553 has removed provisions relating to shoplifter policies maintained by employers and mention of dedicated safety personnel.

FOR MORE INFORMATION

Steve Dorsey
Office of Senator Dave Cortese
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Steve.Dorsey@sen.ca.gov

ACWA JPIA
E.G. "Jerry" Gladbach Leadership Program Grant
November 27, 2023

BACKGROUND

JPIA has offered the **Leadership Essentials in the Water Industry Program (LEWI)** for member agencies since 2015 with over 184 water agency leaders from 86 agencies graduating from the program. This year-long program requires in-person attendance four times throughout the year plus a monthly webinar. JPIA currently charges member participants \$2,195 tuition to cover program expenses, plus additional travel expenses may be required to attend each two-day in-person session.

In November 2022, the Executive Committee heard staff's recommendation to implement an annual **E.G. "Jerry" Gladbach Leadership Program Grant**. Throughout his 20+ year involvement as a JPIA Director and Board President, Jerry demonstrated the value of service and commitment to the professional development of fellow water industry professionals. The grant was initiated for the 2023-2024 program year to cover the tuition and reimburse travel expenses for one selected member applicant in each of the Northern and Southern CA cohorts.

CURRENT SITUATION

In its inaugural year, three grant applications were accepted between April 2023 to June 2023. Two applications were received for the Southern CA cohort and one for Northern CA. A volunteer selection committee of three program alumni rated the submitted applications for the Southern CA cohort based on a program criteria matrix which rated agency size (with priority given to smaller agencies), leadership experience, stated aspirations, financial concern, and benefit/impact of participation to the member agency.

Ahmed Khattab, IT Manager from Rainbow Municipal Water Agency, was selected for the Southern CA cohort grant and Kyle Brothers, Senior Water Treatment Operator from Stockton East Water District received the Northern CA cohort grant for the 2023-2024 Program year. See the next page for a complete listing of this year's selected Leadership Program participants.

Registration for the 2024-2025 LEWI program and grants will open in April 2024 with applications accepted until June 15, 2024.

RECOMMENDATION

None, informational only.



**Leadership Essentials for the Water Industry Program
2023/2024 Southern California Cohort**

Kevin Phillips	Director of Member Outreach	ACWA JPIA
Wes Richardson	Manager of Information Technology	Calleguas MWD
Davin Blain	Operations Superintendent	Golden Hills CSD
John Michael Domondon	District Engineer	Lower Tule River & Pixley ID
Melissa Reeves	HR/Risk Analyst	Mammoth WD
Tony Winkel	Director of Water Resources	Mojave Water Agency
Juan Ventura	Customer Service & IT Manager	Monte Vista WD
Hilton Saenz	Distribution & Facilities Manager	Monte Vista WD
Justin Finch	Senior Water Efficiency Specialist	Moulton Niguel WD
Ahmed Khattab*	Information Technology Manager	Rainbow MWD
Danielle Coats	Senior Government & Public Affairs Manager	Rancho California WD
Allen Davidson	Director of Operations	Rowland WD
Manuel Colunga	Field Supervisor	San Bernardino Valley WCD
Freeman Ensign	Operations Supervisor	Three Valleys MWD
Jason Hubbard	District Engineer	Vallecitos WD
James Chatwin	Safety Officer	Western MWD

*indicates recipient of E.G. "Jerry" Gladbach Leadership Program Grant for 2023-2024



**Leadership Essentials for the Water Industry Program
2023/2024 Northern California Cohort**

Jennifer Jobe	Director of Pooled Programs	ACWA JPIA
Jeff Sullivan	Director of Infrastructure	Solano ID
Jennifer Gamez	HR Director	Solano ID
Danielle McPherson	Senior Water Resources Specialist	Bay Area Water Supply and Conservation Agency
Chris Mayo	Superintendent of O & M	Chowchilla WD
Karl Parker	Operations Manager	Yuba County WA
Lynn Pham	Controller	Sacramento Suburban WD
Chris Donis	Water Supply Supervisor	Stockton East WD
Kyle Brothers*	Senior Water Treatment Operator	Stockton East WD
Hayden Cornwell	General Manager	South Sutter WD
Jace Nunes	Management Analyst	Citrus Heights WD
Nicholas Schneider	General Manager	Georgetown Divide PUD
Felix Vaquilar	Supervising Engineer	Fresno ID
Joe Jimenez	Water Supervisor	Fresno ID
Dana Dean	Engineering Manager	Sacramento Suburban WD
Brett Goodlin	Accounting & Finance Manager	Paradise ID

*indicates recipient of E.G. "Jerry" Gladbach Leadership Program Grant for 2023-2024

ACWA JPIA
Employee Benefits Wellness Grant
November 27, 2023

BACKGROUND

In 2015, ACWA JPIA established its Wellness Grant Program through annual funding from Anthem Blue Cross in the amount of \$75,000. This program has continued for nine years, allowing agencies participating in Anthem medical plans to apply for a grant to support employee wellness programs. The minimum grant is \$200, and the maximum is \$2,000, based upon the total number of eligible employees. In 2023, Anthem increased annual funding for the program from \$75,000 to \$100,000.

CURRENT SITUATION

This year, JPIA is pleased to share that **88** members were awarded Wellness Grants. Those members are listed in the supporting document.

Due to the continued popularity of the Wellness Grant Program, applications for the 2023/2024 grant year have again exceeded Anthem's contribution. Beginning in 2024, Anthem has agreed to provide additional funding for a total of \$200,000 for the program. Anthem's contribution to JPIA's Wellness Grants will have no impact upon future pricing calculations for the medical plans.

RECOMMENDATIONS

None, informational only.

2023/24 Employee Benefits Program Wellness Grant Award Winners

Amador Water Agency
Angiola Water District
Antelope Valley East Kern Water Agency
Association of California Water Agencies
Brooktrails Township Community Services District
Byron Bethany Irrigation District
Cachuma Operations and Maintenance Board
Carpinteria Valley Water District
Centerville Community Services District
Chino Basin Water Conservation District
City of Tehachapi
Crescenta Valley Water District
Cucamonga Valley Water District
Desert Water Agency
Diablo Water District
Elsinore Valley Municipal Water District
El Toro Water District
Exeter Irrigation District
Fair Oaks Water District
Fallbrook Public Utility District
Georgetown Public Utility District
Glenn-Colusa Irrigation District
Goleta Water District
Grassland Basin Authority
Helix Water District
Humboldt Bay Municipal Water District
Indian Wells Valley Water District
Ivanhoe Irrigation District
Kern-Tulare Water District
Kings River Conservation District
La Canada Irrigation District
La Puente Valley County Water District
Laguna Beach County Water District
Lake Arrowhead Community Services District
Las Virgenes Municipal Water District
Madera Irrigation District
Main San Gabriel Basin Watermaster
Mammoth Community Water District
Marina Coast Water District
McKinleyville Community Services District
Mid-Peninsula Water District
Mission Springs Water District
Montara Water & Sanitary District
Monterey One Water
Municipal Water District of Orange County
North Kern Water Storage District
North Yuba Water District
Olivenhain Municipal Water District
Orange County Water District
Orange Cove Irrigation District
Orchard Dale Water District
Pajaro Valley Water Management Agency
Pajaro/Sunny Mesa Community Services District
Palmdale Water District
Panoche Water District
Rainbow Municipal Water District
Rancho California Water District
Ramona Municipal Water District
Richvale Irrigation District
Rosedale-Rio Bravo WSD
Rowland Water District
San Bernardino Valley Municipal Water District
San Bernardino Valley Water Conservation District
San Luis & Delta-Mendota Water Authority
San Mateo County Flood & Sea Level Rise Resiliency District
Santa Ana Watershed Project Authority
Santa Margarita Water District
South Coast Water District
Stockton East Water District
Stone Corral Irrigation District
Three Valleys Municipal Water District
Tri-County Water Authority
Tri-District Water Authority
Tulare Irrigation District
Tulare Lake Basin Water Storage District
Tulelake Irrigation District
Upper San Gabriel Valley Municipal Water District
Vallecitos Water District
Valley Center Municipal Water District
Vista Irrigation District
Walnut Valley Water District
West Basin Municipal Water District
West Valley Water District
Western Municipal Water District
Yolo County Flood Control & Water Conservation District
Yorba Linda Water District
Yuba Water Agency
Yuima Municipal Water District

ACWA JPIA
Risk Control Grant
November 27, 2023

BACKGROUND

At the March 20, 2019, meeting, the Risk Management Committee and the Executive Committee voted unanimously to adopt a Risk Control Grant Program to begin October 1, 2019.

CURRENT SITUATION

The ACWA JPIA Risk Control Grant Program is designed to facilitate a strategic investment by a member's management team in its risk management program. The Risk Control Grant Program incentivizes members to renew their Commitment to Excellence (C2E) efforts to prevent or mitigate losses in the JPIA's Workers' Compensation, Liability, and Property Programs.

Staff is pleased to announce the 2022/23 Risk Control Grant recipients as follows:

1. Montague Water Conservation District
2. Fresno Metropolitan Flood Control District
3. Central Water District
4. Helix Water District
5. Majestic Pines Community Services District
6. Vista Irrigation District
7. West Stanislaus Irrigation District

The JPIA received 12 applications for the period October 3, 2022 through December 1, 2022. Ten grant applications are awarded or until all eligible funds have been expended. Small, medium, and large districts received two awards respectively; the remaining awards were merit-based. The following criteria were used to analyze each grant application:

1. Defined scope, process, or performance objective(s) that have a high probability of increasing employee safety, enhancing risk control, or reducing loss exposure(s).
2. The grant request must show a results-oriented impact that is measurable and identifiable.
3. Be an effective and sustainable risk management or loss control process or procedure.

Winning projects/programs are located on the JPIA's website under the Risk Control/Risk Control Grant Program.

RECOMMENDATION

None, informational only.

Prepared by: Robin Flint, Risk Control Manager

Date prepared: October 30, 2023

ACWA JPIA 2022/2023 Risk Control Grant Program Recipients



Members agree to update ACWA JPIA to review project progress and results, and share lessons learned and observations about the implementation and outcomes. Upon completion of the project, members will provide a report to the Risk Management Committee and Executive Committee, summarizing the project goals and results achieved.

Montague Water Conservation District (MWCD) – Fire Suppression Water Trailer

MWCD currently uses an all-terrain vehicle (ATV) equipped with a small water tank in conjunction with backpack water sprayers for fire suppression during non-agricultural burning permitted through their county. MWCD plans to update its Smoke Management Plan and purchase a 525-gallon tow behind water trailer. This improved **engineering control** will allow MWCD to better control vegetation when burning by allowing them to move along canals faster, mitigate hot spots with better control, and reduce concerns from the public. This purchase aligns with the *C2E Infrastructure and Wildfire Prevention* best practices.

Fresno Metropolitan Flood Control District (FMFCD) – Confined Space Davit Arm

FMFCD has identified potential fall and confined space rescue challenges at both of their reservoir control towers. The District plans to install a Davit Fall Protection System at both locations to prevent fall injuries and improve rescue operations associated with their confined spaces. This new system, which is a combination of improved **administrative** and **engineering controls** is a *C2E Ergonomics and Falls* best practice.

Central Water District (CWD) – Pipe Locator Equipment

Currently, CWD uses maps, visual cues, and manual “potholing” (shoveling) to determine the location of their water lines. This method can take time, is labor intensive, and comes with ergonomic risks. Purchasing portable electronic pipe locating equipment **eliminates** the need for potholing and is a *C2E Infrastructure and Ergonomics* loss reduction focus area best practice. The new pipe locating equipment also has GPS capabilities which will help record coordinates for GIS mapping.

Helix Water District (HWD) – Absence of Voltage Testers Installation

HWD is purchasing 20 Panduit VeriSafe Absence of Voltage Testers (AVTs) for their pump station and treatment motor control centers. AVTs will **eliminate** the need for staff to open electrical panel doors to manually perform an absence of voltage test. By removing this step, staff and contractors avoid the potential of an electrical hazard such as an arc flash. Installing AVTs creates the preferred **engineering control** instead of relying on personal protective equipment (PPE). PPE can be hot and heavy and is a less effective control. This is a *C2E Equipment Failure* loss reduction focus area and injury prevention best practice.

Majestic Pines Community Services District (MPCSD) – Utility Locating Program

MPCSD had difficulty locating their transite water lines since they were installed many years ago, and tracer wire was not a common installation practice at that time. MPCSD has purchased locators to help reduce the risk of costly line strikes and reduce the amount of time staff needs to spend working around traffic. The locators also allow the District to accurately update maps and enable them to share information with other utilities when requested. This improved **engineering control** is a *C2E Construction* best practice.

ACWA JPIA 2022/2023 Risk Control Grant Program Recipients

Vista Irrigation District (VID) – Flow Control Facilities Solar Project

Installing a solar system with battery storage at two Flow Control facilities will ensure power for the District's SCADA system in the event of an outage due to damaged electrical equipment (hit power poles, storms, wildfires, etc.), Public Safety Power Shutoffs (PSPS) or rolling outages. Currently, during outages, these facilities require staff to physically operate hydraulic controls, sometimes in inclement weather, which could lead to undesired pressure flow and possible infrastructure failures. This **engineering control** is a *C2E Infrastructure Equipment Failure* best practice.

West Stanislaus Irrigation District (WSID) – Canal Lateral Walkways

Staff cross canal laterals to perform maintenance and other operations activities. Currently, the staff uses a 4-inch by 12-inch timber walkboard with no handrails to cross laterals creating the potential for a fall. The goal is to replace the walkboards with engineered metal walkways with a railing that will be fabricated in-house and installed by District staff. There are approximately 50 lateral walkways that need replacement. This **engineering control** project is expected to take eight years to complete and is a *C2E Canal Structure Operations and Maintenance Infrastructure and Ergonomic/Falls* best practice.

ACWA JPIA
H.R. LaBounty Safety Awards
November 27, 2023

BACKGROUND

The JPIA's H.R. LaBounty Safety Awards Program began in 1999 to promote safe workplace behavior and operation practices while rewarding employees who demonstrate safe behavior, take part in recognizable proactive activities, or participate in risk-reducing actions. The JPIA Risk Control Advisors promote the Safety Awards Program during site visits and training classes. Additionally, nomination summaries of recognized hazards with corrective actions are available to the entire JPIA membership through the JPIA's website at <https://www.acwajpia.com/safety-risk-control/#safety-awards>.

CURRENT SITUATION

Results of the Safety Awards Program are announced each Spring and Fall at the ACWA JPIA Conferences and highlighted in the *JPIASource* and the *Perspective*.

There were 21 nominations submitted from 11 members for Fall 2023. Thirty-six member employees and one member department will receive monetary awards for their safety improvements and engineering solutions. The awards highlighted for presentation at the ACWA JPIA Fall Conference were selected based on the following judging criteria:

- Provides solid documentation of the hazard or exposure; and the controls to reduce or eliminate the hazard such as tools, forms, or programs.
- Demonstrates employee participation across all levels of the organization with documentation of communication and training methods.
- Implements a best practice for a Commitment to Excellence category based on JPIA loss data.
- Applies to small, medium, and large members within the JPIA.
- Provides a long-term solution to eliminate, substitute, or engineer out the hazard.

Winning submissions will be posted on the JPIA's website under Safety Awards - Award-Winning Submissions.

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.

RECOMMENDATION

None, informational only.



H.R. LaBounty Safety Award Winners Fall 2023

American River Flood Control District

***David Diaz
Lucas Kelley
Erich Quiring***

Calleguas Municipal Water District

Tori Hren

Moulton Niguel Water District

***Justin Finch
Billy Kampen
Daniel Silva***

Orange County Water District

James Haydock

Panoche Water District

Lorena Chagoya

Ramona Municipal Water District

***Jason Smith
Kevin Guglielmetti
Tim Savage***

Sacramento Suburban Water District

***Joe Crockett
Abel Ramirez
Allen Furr***

Sweetwater Authority

***James Larsen
Weston Cydell
Michael Catrette
Donny Lewis
Luis Rangel
Victor Gaus
Adam Dingley
Richard Cortez
Craig Rasmussen
Eric Rasmussen
Mark DeAlba
Richard Kerouac
Miles Teague
Travis Northington
Willie Agundez
Israel Marquez***

Three Valleys MWD

Operations & Engineering Dept.

Vista Irrigation District

***Oscar Chavez
Luis Ramos
Steve Tester***

Western Municipal Water District

***James Chatwin
Chris Golden***

ACWA JPIA
President's Special Recognition Award Recipients
November 27, 2023

BACKGROUND

Each year at its Fall Conference, the JPIA recognizes those members that have a Loss Ratio of 20% or less in either of the Liability, Property, or Workers' Compensation Programs. Those members receive the "President's Special Recognition Award."

CURRENT SITUATION

The following members are receiving this special recognition. Members with an asterisk next to their name were recognized in *all three categories*: Liability, Property, and Workers' Compensation. The data for this calculation is for a three-year period, 2019-2022, as of September 30, 2023. Printed awards will be mailed directly to the districts.

If your district is one of those receiving this special recognition...

.....

CONGRATULATIONS

RECOMMENDATION

None, informational only.

Liability Program President's Awards – November 27, 2023

Alpaugh Community Services District
Alpaugh Irrigation District
Alta Irrigation District *
Amador Water Agency*
Angiola Water District*
Antelope Valley State Water Contractors Association
Antelope Valley Watermaster
Antelope Valley-East Kern Water Agency*
Apple Valley Foothill County Water District
Apple Valley Heights County Water District
Aromas Water District
Arroyo Santa Rosa Basin Groundwater Sustainability Agency
Arvin-Edison Water Storage District
Banta Carbona Irrigation District
Bard Water District*
Bedford-Coldwater Groundwater Sustainability Agency
Bella Vista Water District*
Belridge Water Storage District*
Berrenda Mesa Water District*
Big Bear Municipal Water District
Boron Community Services District
Borrego Water District*
Brophy Water District
Browns Valley Irrigation District
Cachuma Operation and Maintenance Board*
Calaveras County Water District
Calaveras Public Utility District*
Calleguas Municipal Water District
Calpella County Water District
Camp Far West Irrigation District
Camrosa Water District
Carpinteria Valley Water District*
Central Coast Water Authority*
Central San Joaquin Water Conservation District
Channel Islands Beach Community Services District
Chino Basin Desalter Authority*
Chino Basin Water Conservation District
Chowchilla Water District*
Circle Oaks County Water District
Citrus Heights Water District
Corcoran Irrigation District
Corning Water District
Cottonwood Water District
Cucamonga Valley Water District*
Deer Creek & Tule River Authority
Deer Creek Storm Water District
Del Puerto Water District*
Delano-Earlimart Irrigation District
Delano-Earlimart Irrigation District - Groundwater Sustainability Agency
Devil's Den Water District
Ducor Community Services District
Dudley Ridge Water District
Dunnigan Water District*
East Contra Costa Irrigation District
East Orange County Water District*
East Turlock Subbasin Groundwater Sustainability Agency
El Dorado Irrigation District
El Rico Groundwater Sustainability Agency
El Toro Water District
Elsinore Valley Municipal Water District*
Empire West Side Irrigation District
Fair Oaks Water District
Fall River Valley Community Services District
Florin Resource Conservation District*
Foothill Municipal Water District*
Forestville Water District
Free Water County Water District
Fresno Irrigation District
Fresno Metropolitan Flood Control District
Fresno Slough Water District
Friant Power Authority
Friant Water Authority
Georgetown Divide Public Utility District*
Glide Water District
Golden Hills Community Services District
Gravelly Ford Water District
Green Valley Water District
Helix Water District
Humboldt Bay Municipal Water District
Idyllwild Water District
Ivanhoe Irrigation District
James Irrigation District
Joshua Basin Water District
Kanawha Water District*
Kaweah Delta Water Conservation District
Kaweah River Power Authority
Kern County Water Agency*
Kern Water Bank Authority*
Kern-Tulare Water District
Kings County Water District
Kings River Conservation District
Kings River East Groundwater Sustainability Agency
Kings River Water District
Kirkwood Meadows Public Utility District
Knights Landing Ridge Drainage District

Liability Program President's Awards – November 27, 2023

La Canada Irrigation District*
La Puente Valley County Water District*
Lakeside Water District*
Laytonville County Water District
Le Grand-Athlone Water District
Littlerock Creek Irrigation District
Los Alamos Community Services District*
Lost Hills Water District
Lower Tule River Irrigation District
Lower Tule River Irrigation District Groundwater Sustainability Agency
Madera Water District
Madera-Chowchilla Water & Power Authority
Main San Gabriel Basin Watermaster
Maine Prairie Water District
Majestic Pines Community Services District
Mammoth Community Water District
Mariana Ranchos County Water District
McMullin Area Groundwater Sustainability Agency
Merced Integrated Regional Water Management Authority
Mesa Water District
Mid-Kaweah Groundwater Subbasin Joint Powers Authority
Mid-Valley Water District
Midway Heights County Water District*
Millview County Water District
Mojave Public Utility District*
Mojave Water Agency
Montague Water Conservation District*
Mountain Gate Community Services District
Municipal Water District of Orange County
North Delta Water Agency
North Kings Groundwater Sustainability Agency
North San Joaquin Water Conservation District
North Yuba Water District
Omochumne-Hartnell Water District
Orange County Water District
Orchard Dale Water District*
Orosi Public Utility District
Pacheco Water District
Pajaro Valley Water Management Agency
Pajaro/Sunny Mesa Community Services District*
Palm Ranch Irrigation District*
Palmdale Water District*
Panoche Drainage District
Panoche Water District
Paradise Irrigation District
Patterson Irrigation District
Pebble Beach Community Services District*
Pescadero Reclamation District No. 2058
Pico Water District*
Pinyon Pines County Water District
Pixley Irrigation District
Pixley Irrigation District Groundwater Sustainability Agency
Pleasant Valley County Water District*
Pomona-Walnut-Rowland Joint Water Line Commission
Porterville Irrigation District*
Princeton-Codora-Glenn Irrigation District
Provident Irrigation District
Puente Basin Water Agency
Purissima Hills Water District*
Quartz Hill Water District
Ramirez Water District
Reclamation District No. 1004*
Reclamation District No. 108
Reclamation District No. 1500
Reclamation District No. 1606
Reclamation District No. 2047
Reclamation District No. 2068*
Reclamation District No. 307
Reclamation District No. 744
Reclamation District No. 999
Redwood Valley County Water District
Regional Water Authority
Richvale Irrigation District
Rincon Del Diablo Municipal Water District*
Rio Alto Water District*
Rio Linda/Elverta Community Water District
Root Creek Water District
Rosedale-Rio Bravo Water Storage District
Rural North Vacaville Water District
Sacramento Groundwater Authority
Sacramento River West Side Levee District
San Andreas Sanitary District*
San Benito County Water District*
San Bernardino Valley Water Conservation District
San Gabriel Basin Water Quality Authority*
San Gabriel County Water District*
San Gabriel Valley Municipal Water District
San Geronio Pass Water Agency*
San Joaquin River Exchange Contractors Groundwater Sustainability Agency
San Joaquin River Exchange Contractors Water Authority*
San Juan Ridge County Water District
San Luis & Delta-Mendota Water Authority

Liability Program President's Awards – November 27, 2023

Santa Clarita Valley Groundwater Sustainability Agency	Vandenberg Village Community Services District*
Santa Cruz Mid-County Groundwater Agency	W.H. Wilbur Reclamation District No. 825
Santa Margarita Groundwater Agency	Walnut Valley Water District
Santa Rosa Regional Resources Authority	Water Employee Services Authority*
Santiago Aqueduct Commission	Water Replenishment District of Southern California*
Saucelito Irrigation District*	Weaverville Community Services District*
Scott Valley Irrigation District	West Basin Municipal Water District
Scotts Valley Water District	West Orange County Water Board
Semitropic Water Storage District	West Stanislaus Irrigation District*
Serrano Water District*	West Valley Water District
Shafter-Wasco Irrigation District*	Western Canal Water District
Sierra Cedars Community Services District	Western Municipal Water District
Sierra County Waterworks District No. 1 (Calpine)	Wheeler Crest Community Services District
Sierra Highlands Community Services District	Wheeler Ridge-Maricopa Water Storage District
Sierra Lakes County Water District*	Wynola Water District
Sites Project Joint Powers Authority	Yolo County Flood Control & Water Conservation District
Solano Subbasin Groundwater Sustainability Agency	Yolo Subbasin Groundwater Agency
Sonoma Mountain County Water District*	Yuba County Water Agency*
South Bay Irrigation District	
South Coast Water District	
South Feather Water & Power Agency*	
South Montebello Irrigation District	
South Sutter Water District*	
South Yuba Water District	
Southern California Water Bank Authority	
Southern San Joaquin Municipal Utility District	
Stinson Beach County Water District*	
Stockton East Water District	
Suisun-Solano Water Authority	
Sutter Extension Water District*	
Tehachapi-Cummings County Water District	
Terra Bella Irrigation District	
Thermalito Water and Sewer District*	
Three Valleys Municipal Water District*	
Tranquillity Irrigation District	
Tri-County Water Authority	
Tri-Valley Water District	
Truckee Donner Public Utility District	
Tulare Irrigation District	
Tulare Lake Basin Water Storage District*	
Twentynine Palms Water District	
Upper San Gabriel Valley Municipal Water District*	
Upper Santa Clara Valley Joint Powers Authority	
Utica Water & Power Authority	
Valley Center Municipal Water District*	
Valley County Water District*	
Valley of the Moon Water District	

Property Program President's Awards – November 27, 2023

Alameda County Water District
Alpaugh Community Services District
Alta Irrigation District*
Amador Water Agency*
American River Flood Control District
Angiola Water District*
Antelope Valley-East Kern Water Agency*
Apple Valley Foothill County Water District
Apple Valley Heights County Water District
Aromas Water District
Association of California Water Agencies Joint Powers Insurance Authority
Bard Water District*
Bella Vista Water District*
Belridge Water Storage District*
Berrenda Mesa Water District*
Bodega Bay Public Utility District
Bolin Community Public Utility District
Boron Community Services District
Borrego Water District*
Browns Valley Irrigation District
Byron-Bethany Irrigation District
Cachuma Operation and Maintenance Board*
Calaveras Public Utility District*
Carpinteria Valley Water District*
Central California Irrigation District
Central Coast Water Authority*
Chino Basin Desalter Authority*
Chowchilla Water District*
Circle Oaks County Water District
Citrus Heights Water District
Coastside County Water District
Corning Water District
Cottonwood Water District
Crescenta Valley Water District
Crestline Village Water District
Crestline-Lake Arrowhead Water Agency
Cucamonga Valley Water District*
Del Paso Manor Water District
Del Puerto Water District*
Delano-Earlimart Irrigation District
Desert Water Agency
Devil's Den Water District
Ducor Community Services District
Dunnigan Water District*
East Contra Costa Irrigation District
East Orange County Water District*
El Toro Water District
Elsinore Valley Municipal Water District*
Fallbrook Public Utility District
Florin Resource Conservation District*
Foothill Municipal Water District*
Fresno Irrigation District
Fresno Slough Water District
Friant Power Authority
Friant Water Authority
Georgetown Divide Public Utility District*
Golden Hills Community Services District
Goleta Water District
Helix Water District
Hi-Desert Water District
Humboldt Community Services District
Idyllwild Water District
Ivanhoe Irrigation District
James Irrigation District
Kanawha Water District*
Kaweah Delta Water Conservation District
Kern County Water Agency*
Kern Water Bank Authority*
Kinneloa Irrigation District
Kirkwood Meadows Public Utility District
La Canada Irrigation District*
La Puente Valley County Water District*
Lakeside Water District*
Laton Community Services District
Le Grand-Athlone Water District
Los Alamos Community Services District*
Madera-Chowchilla Water & Power Authority
Maine Prairie Water District
Mammoth Community Water District
Mariana Ranchos County Water District
Marina Coast Water District
Merced Irrigation District
Mesa Water District
Mid-Peninsula Water District
Midway Heights County Water District*
Millview County Water District
Mojave Public Utility District*
Mojave Water Agency
Montague Water Conservation District*
Moulton Niguel Water District
Mountain Gate Community Services District
Municipal Water District of Orange County
North Coast County Water District
North San Joaquin Water Conservation District
North Yuba Water District
Orange County Water District
Orange Cove Irrigation District
Orchard Dale Water District*
Pacheco Water District
Pajaro/Sunny Mesa Community Services District*

Property Program President's Awards – November 27, 2023

Palm Ranch Irrigation District*
Palmdale Water District*
Palo Verde Irrigation District
Panoche Water District
Pebble Beach Community Services District*
Pescadero Reclamation District No. 2058
Pico Water District*
Pinedale County Water District
Pixley Irrigation District
Pleasant Valley County Water District*
Porterville Irrigation District*
Princeton-Codora-Glenn Irrigation District
Puente Basin Water Agency
Purissima Hills Water District*
Quartz Hill Water District
Rancho California Water District
Reclamation District No. 1004*
Reclamation District No. 2068*
Reclamation District No. 744
Reclamation District No. 999
Rincon Del Diablo Municipal Water District*
Rio Alto Water District*
Rio Linda/Elverta Community Water District
Root Creek Water District
Rowland Water District
Sacramento Groundwater Authority
San Andreas Sanitary District*
San Benito County Water District*
San Dieguito Water District
San Gabriel Basin Water Quality Authority*
San Gabriel County Water District*
San Gabriel Valley Municipal Water District
San Geronio Pass Water Agency*
San Joaquin River Exchange Contractors Water Authority*
San Juan Water District
Santa Clarita Valley Water Agency
Santa Fe ID - Joint Properties
Santa Fe Irrigation District
Santa Rosa Regional Resources Authority
Santa Ynez River Water Conservation District
Improvement District No. 1
Saucelito Irrigation District*
Scotts Valley Water District
Semitropic Water Storage District
Serrano Water District*
Shafter-Wasco Irrigation District*
Sierra Cedars Community Services District
Sierra County Waterworks District No. 1 (Calpine)
Sierra Lakes County Water District*
Sites Project Joint Powers Authority
Solano County Water Agency
Sonoma Mountain County Water District*
Soquel Creek Water District
South Coast Water District-Joint Regional Water Supply
South Feather Water & Power Agency*
South Sutter Water District*
Southern San Joaquin Municipal Utility District
Stinson Beach County Water District*
Stockton East Water District
Sutter Extension Water District*
Sweetwater Authority
Thermalito Water and Sewer District*
Three Valleys Municipal Water District*
Tranquillity Irrigation District
Truckee Donner Public Utility District
Tulare Lake Basin Water Storage District*
Twentynine Palms Water District
Upper San Gabriel Valley Municipal Water District*
Upper Santa Clara Valley Joint Powers Authority
Utica Water & Power Authority
Vallecitos Water District
Valley Center Municipal Water District*
Valley County Water District*
Valley of the Moon Water District
Vandenberg Village Community Services District*
Walnut Valley Water District
Water Employee Services Authority*
Water Replenishment District of Southern California*
Weaverville Community Services District*
West Basin Municipal Water District
West Orange County Water Board
West Stanislaus Irrigation District*
Westborough Water District
Western Municipal Water District
Wheeler Crest Community Services District
Woodbridge Irrigation District
Wynola Water District
Yorba Linda Water District
Yuba County Water Agency*
Yuima Municipal Water District

Workers' Compensation Program President's Awards – November 27, 2023

Alpaugh Irrigation District
Alta Irrigation District*
Amador Water Agency*
American River Flood Control District
Angiola Water District*
Antelope Valley-East Kern Water Agency*
Association of California Water Agencies Joint Powers Insurance Authority
Banta Carbona Irrigation District
Bard Water District*
Bella Vista Water District*
Belridge Water Storage District*
Berrenda Mesa Water District*
Bodega Bay Public Utility District
Bolin Community Public Utility District
Borrego Water District*
Buena Vista Water Storage District
Butte Water District
Byron-Bethany Irrigation District
Cachuma Operation and Maintenance Board*
Calaveras County Water District
Calaveras Public Utility District*
Calleguas Municipal Water District
Camrosa Water District
Carpinteria Valley Water District*
Central Coast Water Authority*
Channel Islands Beach Community Services District
Chino Basin Desalter Authority*
Chowchilla Water District*
Coastside County Water District
Corcoran Irrigation District
Cucamonga Valley Water District*
Del Puerto Water District*
Dunnigan Water District*
East Orange County Water District*
Elsinore Valley Municipal Water District*
Fallbrook Public Utility District
Florin Resource Conservation District*
Foothill Municipal Water District*
Forestville Water District
Fresno Metropolitan Flood Control District
Georgetown Divide Public Utility District*
Kanawha Water District*
Kern County Water Agency*
Kern Water Bank Authority*
Kern-Tulare Water District
Kings County Water District
Kings River Conservation District
La Canada Irrigation District*
La Habra Heights County Water District
La Puente Valley County Water District*
Lakeside Water District*
Littlerock Creek Irrigation District
Los Alamos Community Services District*
Lost Hills Water District
Madera Water District
Main San Gabriel Basin Watermaster
Majestic Pines Community Services District
Marina Coast Water District
Midway Heights County Water District*
Mission Hills Community Services District
Mojave Public Utility District*
Montague Water Conservation District*
Montara Water and Sanitary District
Monte Vista Water District
Moulton Niguel Water District
Orchard Dale Water District*
Orosi Public Utility District
Pajaro Valley Water Management Agency
Pajaro/Sunny Mesa Community Services District*
Palm Ranch Irrigation District*
Palmdale Water District*
Patterson Irrigation District
Pebble Beach Community Services District*
Pico Water District*
Pleasant Valley County Water District*
Porterville Irrigation District*
Purissima Hills Water District*
Ramirez Water District
Reclamation District No. 1004*
Reclamation District No. 2068*
Regional Water Authority
Richvale Irrigation District
Rincon Del Diablo Municipal Water District*
Rio Alto Water District*
Rosedale-Rio Bravo Water Storage District
Sacramento Suburban Water District
San Andreas Sanitary District*
San Benito County Water District*
San Bernardino Valley Water Conservation District
San Gabriel Basin Water Quality Authority*
San Gabriel County Water District*
San Geronimo Pass Water Agency*
San Joaquin River Exchange Contractors Water Authority*
San Juan Water District
Santa Ynez River Water Conservation District Improvement District No. 1
Saucelito Irrigation District*
Serrano Water District*
Shafter-Wasco Irrigation District*

Workers' Compensation Program President's Awards – November 27, 2023

Sierra Lakes County Water District*
Solano County Water Agency
Sonoma Mountain County Water District*
South Bay Irrigation District
South Feather Water & Power Agency*
South Montebello Irrigation District
South Sutter Water District*
Stinson Beach County Water District*
Sunnyslope County Water District
Sutter Extension Water District*
Tehachapi-Cummings County Water District
Terra Bella Irrigation District
Thermalito Water and Sewer District*
Three Valleys Municipal Water District*
Trabuco Canyon Water District
Tri-County Water Authority
Tulare Lake Basin Water Storage District*
Upper San Gabriel Valley Municipal Water District*
Valley Center Municipal Water District*
Valley County Water District*
Vandenberg Village Community Services District*
Vista Irrigation District
Water Employee Services Authority*
Water Replenishment District of Southern California*
Weaverville Community Services District*
West Stanislaus Irrigation District*
Westborough Water District
Yolo County Flood Control & Water Conservation
District
Yuba County Water Agency*
Yuima Municipal Water District

ACWA JPIA
New Laws Update
November 27, 2023

BACKGROUND

Governor Newsom signed 890 bills into law this year. In addition, California Courts continue to issue opinions that shape the laws of our state.

CURRENT SITUATION

The JPIA's General Counsel, Robert Greenfield, will update the Board of Directors on new legislation or case law which may have an impact on the JPIA.

1. SB 848 Reproductive Loss Leave
2. SB 700 Cannabis
3. O'Conner-Ratcliff vs Garnier (SCOTUS Facebook Case)
4. Kuciemba vs. Victory Woodworks (Employee's Spouse COVID Claim)

RECOMMENDATION

None, informational only.

ACWA JPIA
CEO Update
November 27, 2023

BACKGROUND

This is a standing item on the Board of Directors agendas.

CURRENT SITUATION

The JPIA's Chief Executive Officer, Adrienne Beatty, will update the Board of Directors on relevant current issues and potential future opportunities and challenges.

RECOMMENDATION

None, informational only.

ACWA JPIA
President's Update
November 27, 2023

BACKGROUND

This is a standing item on the Board of Directors meeting agenda.

CURRENT SITUATION

ACWA JPIA Board President, Melody McDonald, will address the Board of Directors on relevant items, events, and announcements.

RECOMMENDATION

None, informational only.

APPENDIX

Glossary of Terms

Section 12 — Glossary of Terms

ACA (Affordable Care Act) – The federal statute signed into law in March 2010. Signed under the title of The Patient Protection and Affordable Care Act, the law includes multiple provisions that will take effect over a matter of years.

ACOEM Guidelines (American College of Occupational and Environmental Medicine) – A medical utilization review system of evidence-based, nationally recognized standards of medical care. Utilization of ACOEM Guidelines is intended to control over-utilization and end unreasonable medical care.

ACV (Actual Cash Value) – Value of property at the time of its loss or damage, determined by subtracting depreciation of the item from its replacement cost. Applies to vehicles and mobile (contractor's) equipment covered under the JPIA's MOPC, hypalon reservoir covers, hypalon bladder tanks, and other property subject to a higher rate of depreciation than the typical property types.

AD&D (Accidental Death and Dismemberment) – A life insurance benefit that pays a claim in the event of accidental death or loss physical functionality. Basic Life is often mirrored by an identical amount of AD&D, resulting in benefit doubling in the case of accidental death.

Adverse Selection – It is a term used in economics, insurance, risk management, and statistics. It refers to a market process in which undesired results occur when buyers and sellers have asymmetric information (access to different information); the "bad" products or services are more likely to be selected. For example, a bank that sets one price for all of its checking account customers runs the risk of being adversely selected against by its low-balance, high activity (and hence least profitable) customers. Two ways to model adverse selection are to employ signaling games and screening games.

Aggregate – The term used to describe the cumulative amount of all losses for a period of time.

AGRIP (Association of Governmental Risk Pools) – An international organization of public entity insurance risk pools formed for educational, information sharing, and networking purposes.

AIS – Associate in Insurance Services.

ALCM – Associate in Loss Control Management.

APIP – Alliant Property Insurance Program.

ARM – Associate in Risk Management.

ARM-P – Public risk management designation.

ASO (Administrative Services Only) – This refers to what self-funded plans pay to a medical claims administrator, which includes use of that claims administrator's network of providers. Providers have agreed to accept negotiated rates for services in exchange for participation in the network.

ASP – Associate Safety Professional.

Attachment Point – The dollar amount of a loss where the next layer of insurance begins to pay for the loss.

Automobile Liability – Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles.

Automobile Physical Damage – Usually a first party coverage; however, some entities have “Bailment” or “care, custody and control” liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots.

BI – Bodily injury.

C&R (Compromise and Release) – A final settlement in workers’ compensation.

CAJPA (California Association of Joint Powers Authorities) – It is pronounced ka jaup’ a. Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs.

CAMP (California Asset Management Program) – A California Joint Powers Authority (“JPA”) established in 1989 to provide California public agencies with professional investment services. JPIA sometimes uses it as a short term investment vehicle.

Captive Insurance Company – A Captive Insurance Company is a private corporation, wholly owned by the JPIA, that provides insurance services only to the JPIA.

CAT Fund (Catastrophic Loss Reserve Fund) – A separate JPIA reserve account designated to pay catastrophic losses incurred as a result of extraordinary events without additional premium assessments to members.

CDHP (Consumer Driven Health Plan) – A health plan in which the full deductible applies to all medical and prescription services, with the only exception being preventive care. These plans must have a minimum deductible set by the IRS each year. The plans are designed to comply with IRS regulations governing Health Savings Accounts (HSAs), which allow participants to set aside tax-advantaged funds in a Health Savings Account to pay for medical expenses.

CIGA (California Insurance Guarantee Association) – A state agency that administers and pays claims on behalf of admitted insurance carriers that have been declared insolvent. Since the JPIA is not an insurance company, it does not participate in CIGA, which is funded by a surcharge on premiums. However, some of the carriers that provide excess coverage to the JPIA do participate in CIGA.

CIH – Certified Industrial Hygienist.

CIPRA (California Institute for Public Risk Analysis) – Organized to develop, analyze and disseminate information on risk management in California’s public sector, especially self-insured entities and Joint Powers Authorities.

Claim – A demand of a right. In general a demand for compensatory damages resulting from the actions of another.

Claims Made – A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. (See “Occurrence”)

CNP (Closed No Payment) – Status of a claim that was closed out without any claim payments having been made.

COB (Coordination of Benefits) – When a participant is covered by two health plans, the manner in which benefits are determined. This determination includes which plan pays first, and how benefits are calculated once the primary plan has made payment.

Coinsurance – The percentage cost sharing split between a plan and participant, which takes effect once the Deductible is met. Typically part of a PPO plan benefit design.

Copay – The flat dollar amount owed by a participant for medical plan benefits. Typically part of an HMO plan design, but applicable to certain benefits in PPO plan designs, e.g. office visits.

CPCU – Chartered Property and Casualty Underwriter.

CPRA (California Public Records Act) – a law passed by the California State Legislature and signed by the governor in 1968 requiring inspection or disclosure of governmental records to the public upon request, unless exempted by law.

CSP – Certified Safety Professional.

CWIF (California Water Insurance Fund) – ACWA JPIA's Captive Insurance Company (see Captive).

DDC – Defensive Driving Class.

Deductible (Employee Benefits) – The amount a participant must pay in full before Co-Insurance cost sharing begins. Typically associated with PPO medical plans. Some services, like office visits, are often subject to Co-pays prior to the Deductible being met.

Deductible – It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid. Only the JPIA's Property Program uses a deductible.

Defense – A defendant's denial to a complaint or cause of action.

Deposit Premium – Premium required at the beginning of a policy period based on estimated costs.

DIC (Difference In Conditions) – A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses.

Directors, Officers and Trustees Liability – Intended to protect nonprofit board members, officers, and directors for faulty decisions which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrong-doers.

EAP (Employee Assistance Program) – A benefit that provides numerous services to covered employees and eligible members of their household and/or dependents (as determined by the plan). The programs are designed to help employees manage

the health of their personal lives, allowing them to be productive and focused at work.

EE – Employee.

EGWP “egg whip” (Employer Group Wavier Plan) – A group purchase program for Medicare Part D prescription drugs for retirees.

E-mod – See Experience Modification.

Employers’ Liability – Included as part of a worker’s compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers’ compensation benefits.

Employment Liability Hotline – Contact for employment related issues.

Environmental Impairment Liability (EIL) – Also referred to as “Pollution” and “Pollution Legal” Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First-party (damage to owned property) and third-party (liability for damage to others) protection can often be combined.

EOB (Explanation of Benefits) – A statement issued by a PPO claims administrator for each claim that details costs for services, broken down by: full cost, network negotiated rate, ineligible amount (if any), plan responsibility and participant responsibility.

EOC (Evidence of Coverage) – The detailed document that describes a medical plan’s coverage provisions.

EPL (Employment Practices Liability) – Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc. A relatively new coverage, this is one of the fastest growing areas of litigation.

ER – Employer.

Errors and Omissions Liability – Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys.

Excess Insurance – Insurance that is purchased to provide higher limits than the primary policy provides.

Excess Loss – The portion of a loss that is allocated to, or paid by, excess insurance. The JPIA Liability Program self-insures, through a pool, the first \$1 million of each occurrence. Losses in excess of that amount are paid by an excess liability insurance policy purchased by the JPIA on behalf the Program members.

Experience Modification – A mathematical factor used to modify a member’s premium in both the JPIA Liability Program and the Workers’ Compensation Program. It is based on a member’s previous actual loss experience compared to the average or expected loss experience. A calculated factor of greater than 1.0 is a debit and reflects higher than expected loss experience. Conversely, a factor of less than 1.0

is a credit and reflects more favorable loss experience. Also known as **E-mod**, **Ex-mod**, and **X-mod**.

Experience Modifier – A numerical factor developed by measuring the difference between a member’s actual loss experience and the expected losses of the payroll classifications (for workers’ compensation) or the average losses of the pool (for liability). The experience period used is the earliest three of the last four years. The factor may increase or decrease a member’s standard premium in response to their past lost experience. Members with a favorable loss record will have a factor lower than 1.0 and will pay a lower premium. Member with a poorer loss record will have a factor greater than 1.0 and will pay a higher premium. Also known as **experience modification factor**, **e-mod**, **ex-mod**, and **X-mod**.

FASB – Financial Accounting Standards Board.

Fidelity Bonds – Written as financial guarantees of employees’ honesty. Personnel with money-handling responsibilities are considered exposures to loss.

Fiduciary Liability – Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds.

FLSA (Fair Labor Standards Act) – The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

FPPC (Fair Political Practices Commission).

FSA (Flexible Spending Account) – An account to which an employee contributes a portion of earnings to pay for certain expenses such as medical or dependent care. Contributions are exempt from payroll taxes.

FSC (Family Status Change) – See Qualifying Event.

Fully Insured Plan – A plan for which premiums are paid to an insurance company, who in turn pays claims. These plans are referred to as pass through plans in associations, because premiums are collected and remitted directly to the insurer.

Full Value – A term used in the JPIA’s MOPC to provide “guaranteed” replacement cost coverage, which will pay the full cost to replace damaged property regardless of the “limit” carried. Applies to buildings and personal property.

G&A – General & Administrative.

GAAP – Generally Accepted Accounting Principles.

GASB – Governmental Accounting Standards Board.

General Liability – Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties).

GFOA (Government Finance Officers’ Association) – International association whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education. The GFOA is the organization that oversees the CAFR Program.

HCR (Health Care Reform) – See Affordable Care Act.

HDHP (High Deductible Health Plan) – See Consumer Driven Health Plan (CDHP).

Health Plan – May be used to reference a medical plan, but also often refers to medical, dental and vision plans.

HIPAA (Health Insurance Portability and Accountability Act) – Federal legislation that, among other things, establishes standards for electronic medical records, and protects the privacy of a patient's protected health information. See PHI.

HMO (Health Maintenance Organization) – A plan whose benefits are limited solely to a participating network of providers, for which capitation (per head) payment is made to the participant's assigned provider, regardless of whether the participant seeks services. Claims payments are also made for services exceeding those deemed to be covered by capitation. Deductibles are not often part of an HMO plan design, with the exception of ABHPs, which utilize the network and certain elements of plan design of traditional HMOs.

HRCP (Human Resources Certification Program) – One of the professional certification "tracks" within the JPIA's Professional Development Program (PDP).

HSA (Health Savings Account) – A triple tax-advantaged account that allows contributions, investment growth and withdrawals for medical, dental and vision expenses, free from Federal taxes. To contribute to an HSA, an individual must be enrolled in a Consumer Driven Health Plan (CDHP). An individual does not need to be enrolled in a CDHP to withdraw the funds. Before age 65 the withdrawals must be for health expenses to avoid penalties and taxation. Upon reaching age 65, funds can be withdrawn as taxable income free from penalty. These accounts are governed by IRS Publication 969.

IBNR (Incurred But Not Reported) – This is a claim term. It is that part of the total claims that is unknown at any point in time. When a claim is reported, its final value must be estimated. The JPIA tracks how accurately it estimates and knows that historically the average claims' value will grow over time. The JPIA also understands that at any point in time occurrences have taken place that will certainly generate claims that have not yet been reported.

Incurred Loss – This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves).

Inverse Condemnation – Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages.

LAIF (Local Agency Investment Fund) – It is part of the California State Pooled Money Investment Account (PMIA), sometimes used by JPIA as a short-term investment vehicle.

LMS (Learning Management System) - a software application for the administration, documentation, tracking, reporting and delivery of education courses or training programs.

Lending Library – Library of videos, tapes, DVDs, and booklets available for borrowing by members to use in their training efforts.

Limit – The most that will be paid in a loss.

MOLC (Memorandum of Liability Coverage) – The JPIA's agreement providing liability coverage to Member Agencies.

MOPC (Memorandum of Property Coverage) – The JPIA's agreement providing property coverage to Member Agencies.

NRSRO – Nationally Recognized Statistical Rating Organization.

Occu-Med – Providers of a service program for members in the JPIA's Workers' Compensation Program, which assists in facilitating pre-employment physicals, fit-for-duty exams, etc.

Occurrence – A) In order for the JPIA to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act, which results in "damages", "bodily injury", or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented. (See "claims made")

Open Enrollment – The annual opportunity to make changes to benefits enrollment selections. JPIA health plans renew January 1. Each October through November, employees may choose to add or delete dependents, and/or switch between the available health plans. Retirees of members who choose to offer retiree open enrollment may also change plans during this period, but may not add dependents.

OOPM (Out of Pocket Maximum) – The maximum a participant will pay for covered services in a plan year.

OPEB (Other Post-Employment Benefits) – Refers to the benefits, other than pensions, that a state or local government employee receives as part of his or her package of retirement benefits. Typically, retiree medical insurance is the most significant OPEB offering, though other benefits such as life insurance are also covered by this umbrella term.

PARMA (Public Agency Risk Managers Association) – A state-wide association for risk managers in the public sector. Educational and lobbying activities.

Parties – The participants in any claim or suit are referred to as the "parties" to the action. When dealing with insurance claims, the following terms are used: **First Party** - This is the member district; **Second Party** - This is the JPIA; and **Third Party** - This is anyone other than the member or JPIA.

PBM (Pharmacy Benefit Manager) – A third-party administrator responsible for administration of pharmacy benefits and price negotiation for prescription drugs.

PCORI (Patient Centered Outcomes Research Institute) – A consortium put together by the Affordable Care Act to study health treatments and outcomes to identify cost effective treatments that result in long term health and savings. This is funded by fees charged to health plans.

PD – Property damage.

PD (Permanent Disability) – Results when an injury diminishes a worker's future earning capacity. Permanent disability is essentially the disability that remains once the employee's condition has become permanent and stationary. A worker's medical condition is considered permanent and stationary after it has reached maximum medical improvement.

PDP (Professional Development Program) – The framework for JPIA's training program, providing members' employees with opportunities to learn or refine job-related skills while pursuing certifications in their fields of interest.

PE – Registered Professional Engineer.

PEPM (Per Employee Per Month) – Refers to a cost based on the primary enrollee only in a health plan.

PFAS – Perfluorinated Compounds: Any and all liability, including, but not limited to, losses, costs or expenses related to, arising from, or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by Perfluorinated Compounds (PFCs), in whole or part, listed as part of State or Federal guidance or regulations, and county, state, or federal directives requiring PFCs to be investigated or cleaned up including, but not limited to, perfluoroalkyl substances (PFAS or any PFAS, PFOS and PFOA-related products and chemicals), including any constituents of, additives to, or daughter or degradation by-products thereof.

PHI (Protected Health Information) – Protected health information (PHI), as defined by HIPAA, is any individually identifiable information about health status, provision of health care, or payment for health care that can be linked to a specific individual. This is interpreted rather broadly and includes any part of a patient's medical record or payment history. This includes health information with data items which reasonably could be expected to allow individual identification. HIPAA applies to health information exchanged or stored electronically, to data transmitted or maintained in any other form or medium, which includes paper records, fax documents and oral communications.

Plaintiff – The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit.

PMPM (Per Member Per Month) – Refers to a cost based on each person enrolled in a health plan, including dependents.

Pooled Loss – The portion of a loss that is allocated to, or paid by, the self-insured pool. The JPIA Liability Program pools, or self-insures, the first \$1 million of each occurrence. Loss costs exceeding this amount are paid by excess insurance.

PPACA (Patient Protection and Affordable Care Act) – This is now commonly referred to as the Affordable Care Act. See Affordable Care Act.

PPD (Permanent Partial Disability) – A permanent disability rating from 1% to 99.75%. It is possible for the worker to be permanently partial disabled, even if the worker has returned to the previous job and is doing the same work as before the injury.

PPO (Preferred Provider Organization) – A type of plan design that utilizes a network of providers to provide significant discounts to participants, yet allows the participant to seek out of network services at a reduced benefit. These plans typically have a Deductible. Once the Deductible is met, Co-insurance applies, resulting in cost sharing between the plan and participant at a predetermined percentage.

PRIMA (Public Risk Management Association) – A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes.

Property Insurance – This covers the member for damage to its own property, sometimes called first-party coverage.

PTD (Permanent Total Disability) – A permanent disability rating of 100%.

QE (Qualifying Event) – An event like marriage, birth, adoption, that allows a mid-year change to benefits enrollment.

QME (Qualified Medical Evaluator) – A doctor selected from a State panel to address medical, disability, and compensability disputes between the parties.

RAP (Retrospective Allocation Point) – In the JPIA's liability and workers' compensation programs, it is that portion of each claim that the member will be responsible for when the RPA is made. The deposit premium includes an estimate of the expected losses below the RAP. It is not a deductible; the member does not pay additional money at the time of loss. RAP losses are included in the RPA calculation. Members share in the pooled losses of other members only for losses above their RAP. The Liability Program offers RAPs of \$2,500; \$5,000; \$10,000; \$25,000; and \$50,000. Retentions above these amounts are treated differently; they are considered SIRs.

RC (Replacement Cost) – The cost to replace damaged property with like kind and quality, with no deduction for depreciation.

RDP (Registered Domestic Partner) – A couple registered with the State of California that is same gender of any age, or opposite gender and age 62 or above.

REA – Registered Environmental Assessor.

REHS – Registered Environmental Health Specialist.

Reinsurance – Insurance that is purchased by an insurance company (*insurer*) from another insurance company (*reinsurer*) as a means of risk management, to transfer risk from the *insurer* to the *reinsurer*. The JPIA uses a mix of both reinsurance and excess insurance in its pooled coverage programs.

Reserve – In order to budget for its expected costs, the JPIA estimates the ultimate expected total value of each claim and "reserves" part of the deposit premium to pay for it. As moneys are paid out for a claim, the reserve amount is decreased.

RIMS (Risk and Insurance Management Society) – National professional organization to promote principles of risk management and assist risk managers in their daily activities.

Risk Control – Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others.

Risk Financing – Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques - retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses using an outside intermediary for a consideration (such as a payment of a premium). Each agency that participates in the JPIA practices these techniques. Losses are retained to the extent of an agency's RAP; they are transferred to the JPIA pool in excess of this amount.

Risk Management – One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.

RPA (Retrospective Premium Adjustment) – At the beginning of each policy period, the JPIA collects a deposit premium representing the estimated costs for that year. The JPIA looks back at that estimate and determines how accurate it was and makes an RPA. If it collected too much, a refund is made. If it collected too little, the member is charged for the difference. The process is repeated annually for each coverage year until all claims for that year are closed out.

RSF (Rate Stabilization Fund) – A separate JPIA fund designed to stabilize the RPA process. A member's refunds from the Catastrophic Loss Fund and from the RPA process are credited to this fund. Any RPAs resulting in additional premiums due will be charged against this fund. When a member's Fund balance exceeds a predetermined amount, the excess money will be refunded.

RTW – Return to work.

RX – Prescription.

SBC (Summary of Benefits and Coverage) – A plan summary that utilizes a specific format, required and set forth by the Affordable Care Act. This allows apples to apples comparison of different medical plans, based on the standardized format. These must be distributed to participants becoming newly eligible for coverage and annually.

SCIF (State Compensation Insurance Company) – A state agency that provides workers' compensation insurance to California employers.

SCP (Supervisor Certification Program) – One of the professional certification "tracks" within the JPIA's Professional Development Program (PDP).

Self-Funded Plan – A plan which collects payment from participants and pays claims directly, often utilizing a third party claims administrator. Funds left over can be used

to offset future premium increases. Costs for participation are directly tied to the claims cost for the specific group of participants' utilization.

SIR (Self Insured Retention) – In the JPIA's liability program, the Pool's self-insured limits.

Special Events – Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies' loss integrity. Another type of special event coverage, known as a "tenants' and users'" policy, can be issued for third parties who rent or use your owned facilities.

SPD (Summary Plan Description) – The detailed document that describes a medical plan's coverage provisions.

Suprationals - United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

TD (Temporary Disability) – An impairment of bodily function, or physical incapacity that is reasonably expected to be cured or materially improved with proper medical care. This is the healing period following an injury. Temporary disability benefits are intended to be a substitute for lost wages (subject to minimums and maximums) during a period of temporary incapacity.

TIV (Total Insured Values) – The values shown on a Member Agency's schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss.

UST (Underground Storage Tanks) – Refers primarily to underground fuel tanks; used most often in reference to the JPIA's Memorandum of Underground Storage Tank Pollution Liability Program. This program protects member agencies against third-party claims for bodily injury and property damage caused leaks from USTs. It also includes coverage for government mandated clean-up costs.

Workers' Compensation – A statutory coverage designed as the "sole remedy" for workers injured in the course and scope of their duties.