



Swift and Steady

Hyatt Regency-Indian Wells



JPIA Conference Packet

November 28-29, 2022

800.231.5742-www.acwajpia.com



President's Welcome

Dear Board Members and Friends:

Welcome to the 2022 Fall Conference at the Hyatt Regency Resort in Indian Wells. I am pleased to see more members coming back to attend in person. While rules on mask wearing and social distancing have gotten much less restrictive, I am sure that our attendees will honor everyone's personal comfort levels when it comes to physical contact and social distancing.

On Monday morning, we will start off with a Property Program Committee Meeting. An Executive Committee Meeting will follow. Our Pre-Board Meeting lunch will provide an opportunity to socialize with fellow members and friends as it is buffet-style luncheon this year. Shortly after lunch, is the Board of Directors' Meeting covering great information. Finally, to wrap up the day, a special commemorative dinner co-hosted by ACWA JPIA & ACWA honoring E.G. "Jerry" Gladbach, JPIA past Board President will start at 5:30 p.m. sponsored by Alliant Insurance Services, Inc; Barber & Bauermeister; Cohen & Burge, LLP; Donahue Davies, LLP; Fozi Dwork & Modafferi, LLP; Law Offices of Robert Gokoo; Jaboson Markham, LLP; Rankin Stock Heaberlin Oneal and VSP.

Scheduled for Tuesday are three seminars. The first one in the morning is "Corporate Water Stewardship: How Companies are Addressing Water Risk" presented by Eddie Corwin, Sustainability Partner, Real Estate & Workplace Services, Google. Then Tom Lee, of Bryan Cave Leighton Paisner LLP, and Dr. Sarahann Rackl, of Exponent will present "PFAS Contamination-The Risks and Realities for Water Districts." After the morning seminars, the afternoon will kick off with, the "Sexual Harassment Prevention for Board Members & Managers (AB1825, 1601 & 2053)" which is being presented by Robert Greenfield, JPIA General Counsel.

We will see you Tuesday evening at our booth in the Exhibit Hall for the ACWA Conference Welcome Reception. On Wednesday and Thursday, we'll be back at the Exhibit Hall. Please take time to come by the JPIA's booth and say hello to the JPIA staff and Executive Committee members.

Organizational growth remains steady. In total, there are now 402 JPIA members. In the Liability Program, we have 346 members; there are 204 members in the Workers' Compensation Program; the Property Program has 287 members; and the Employee Benefits Program has 267 members. We encourage current members to consider some of the other programs that the JPIA offers. For those members who already participate in all the JPIA's programs, thank you for your support and confidence in the JPIA.

As always, I welcome your thoughts on how to better serve our membership and improve the organization. I look forward to seeing you all in person in Indian Wells.

Sincerely,

Melody McDonald

Board President



Conference Schedule

Hyatt Regency Indian Wells

44600 Indian Wells Lane, Indian Wells, CA 92210

Monday — November 28, 2022

8:30 a.m. — Property Program Committee Meeting	Ballroom OP
10:00 a.m.	
10:15 a.m. — Executive Committee Meeting	Ballroom OP
11:15 a.m.	
11:30 a.m. — Pre-Board Meeting Lunch	Ballroom JK
12:30 p.m. <i>This is a buffet lunch with limited seating.</i>	
1:00 p.m. — Board of Directors' Meeting	Ballroom NOP
4:30 p.m.	
5:30 p.m. — ACWA JPIA & ACWA Dinner Honoring E.G. "Jerry" Gladbach	Ballroom JK
8:00 p.m.	

Tuesday — November 29, 2022

8:15 a.m. — Corporate Water Stewardship: How Companies are Addressing	Ballroom OP
9:45 a.m. Water Risk	
<i>Presenter: Eddie Corwin, Sustainability Partner, Real Estate & Workplace Services, Google</i>	
10:00 a.m. — PFAS Contamination- The Risks and Realities for Water Districts	Ballroom OP
11:30 a.m. <i>Presenters: Tom Lee, Bryan Cave Leighton Paisner LLP, and Dr. Sarahann Rackl, Exponent</i>	
1:00 p.m. — Sexual Harassment Prevention for Board Members & Managers	Ballroom N
3:00 p.m. (AB1825, 1661 & 2053)	
<i>Presenter: Robert Greenfield, JPIA General Counsel</i>	

Wednesday — November 30, 2022

8:30 a.m. Exhibit Booth #208 & 210	Renaissance
6:00 p.m.	Esmeralda

Thursday — December 1, 2022

8:00 a.m. Exhibit Booth #208 & 210	Renaissance
12:00 p.m.	Esmeralda



Seminar Descriptions

Corporate Water Stewardship: How Companies are Addressing Water Risk

Presenter: Eddie Corwin, Sustainability Partner, Real estate & Workplace Services, Google

In recognizing the increasing risk to the water supply, delivery & treatment systems, many companies are making public commitments to support water stewardship. Mr. Corwin will discuss how commitments are formed and implemented and how water agencies and the private sector can work together to address shared water challenges.

Eddie Corwin is a Sustainability Operations Program Manager for Google's offices in North and South America. Eddie supports the implementation of sustainable building strategies for water, carbon, circularity, and ecology across a variety of building types and ownership models. Over the past five years, Eddie has focused on corporate water stewardship, including Alliance for Water Stewardship Certification, on-site treatment, and reuse, and implementing Google's corporate water stewardship strategy.

PFAS Contamination: The Risks and Realities for Water Districts

Presenter: Tom Lee, Bryan Cave Leighton Paisner LLP, and Dr. Sarahann Rackl, Exponent

PFAS contamination has emerged as a regulatory issue of water districts and major concern for insurers, with many of them adding exclusions for any resulting liability from PFAS. This informative session will help explain these emerging concerns and how the commercial insurance market is responding.

Tom Lee, of Bryan Cave Leighton Paisner is a member of the firm's Energy Environmental and Infrastructure Practice Group and is a trusted advisor to clients on a range of environmental topics. Tom's practice focuses on three main areas: transactional work, compliance counseling, and enforcement defense. Tom provides compliance counseling to ensure clients continued compliance, especially in the face of the changing regulations. He regularly works with a network of environmental consultants to conduct facility audits where necessary and to prepare and submit permit applications and correct non-compliant conditions. Tom also represents clients in enforcement actions under the Clean Air Act, California Air Districts rules, California Air Resources Board regulations, California's Proposition 65, California's Green Chemistry Initiative, and TSCA. Tom is the founder and editor of the firms' Emerging Contaminants/Emerging Solutions Blog and writes regularly on a variety of topics including California's Proposition 65, and the developing regulation of per- and polyfluoroalkyl substances (PFAS). He regularly presents at conferences and in webinars on these and other topics and is the leader of the firms PFAS and Proposition 65 teams.

Continued on next page

Dr. Sarahann Rackl, of Exponent, an Engineering and Scientific Consulting firm, is a scientist and environmental engineer with a broad interdisciplinary technical and academic background in the areas of engineering, microbiology, chemistry, and ecology. Her research and work experience since the late 1990s have focused on evaluating technologies and practices related to water and other environmental media. She has applied her expertise to the development of new products; conducting business case analyses; and communicating with boards of directors, investors, regulators, legal counsel, and policy makers. Dr. Rackl excels at gathering and interpreting interdisciplinary technical data and information in a wide range of scientific areas and understanding and communicating its relevance to regulators, legal counsel, and other and non-technical colleagues. Dr. Rackl also specializes in California and other state-specific science and regulatory matters, including California's "Proposition 65", drinking water quality and supply challenges and agricultural product compliance. Dr. Rackl has particularly extensive expertise in the research, development, manufacturing scale-up and registration of biopesticides.

Sexual Harassment Prevention for Board Members & Managers (AB1825, 1661 & 2053)

Presenter: Robert Greenfield, JPIA General Counsel

The world is constantly changing and the impact of these changes filters into workplaces on a daily basis. This course will take a new look at the issue of sexual harassment, particularly considering new protected classes, technological advances, acceptable workplace behavior, and the age-old issue of respect for anyone associated with a district's business.

Other points covered by this course are understanding the California and federal sexual harassment laws, recognizing early signs of sexual harassment, and dealing with incidents of harassment.

Robert H. Greenfield joined the JPIA in December of 2013. As JPIA's General Counsel, Robert oversees legal compliance of the JPIA with all applicable State and Federal laws. Robert directs outside counsel in JPIA litigated claims and provides coverage analysis for members. He also helps the members through employment practices training, including state mandated training for supervisors and elected officials. In complicated matters, Robert assists members through the Employment Practices Hotline.

Robert graduated from Fordham College and University of Pacific School of Law with honors. Robert was in private practice for 30 years representing public entities in both State and Federal Court in many types of litigation with a focus on labor and employment matters. He has been given the highest possible rating in both Legal Ability & Ethical Standards by Martindale-Hubbell in Government Law and Employment Law.

Robert is an active member of the State Bar of California and participates in the Employment and Labor Law Section of the State Bar. He is also a past president of the local County Bar Association and served as an elected member of the Gold Trail Unified School District Board of Trustees.

To receive credit for this class, attendees must arrive on time and attend the entire two-hour session. HR professionals may count these session hours as electives towards JPIA's HR Certification Program. This course complies with AB1825 sexual harassment training for "managers."



General Information

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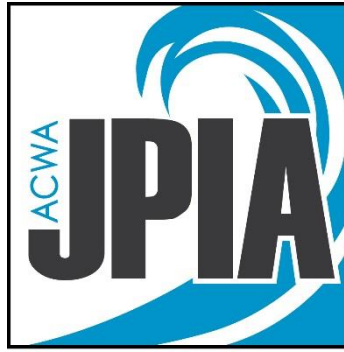
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Property Program Committee Meeting



YOUR BEST PROTECTION

Hyatt Regency Resort & Spa
Ballroom OP
44600 Indian Wells Lane
Indian Wells, CA 92210

Monday
November 28, 2022
8:30 a.m.

Chairman: Brent Hastey, Yuba Water Agency

Vice-Chair: Randall Reed, Cucamonga Valley Water District

Tom Coleman, Rowland Water District

Mark A. Gilkey, Berrenda Mesa Water District

Shawn Huckaby, Fair Oaks Water District

Theresa Lee, Walnut Valley Water District

Scott Ratterman, Calaveras County Water District

Oliver Smith, Valley Center Municipal Water District

Eugene F. West, Camrosa Water District



PROPERTY PROGRAM COMMITTEE MEETING

AGENDA

Hyatt Regency

Ballroom OP

44600 Indian Wells Lane, Indian Wells, CA

Monday, November 28, 2022, 8:30 AM

WELCOME

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

MEETING PARTICIPATION GUIDELINES

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 California Brown Act.

PUBLIC COMMENT Members of the public will be allowed to address the Property Program 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.

INTRODUCTION OF GUESTS

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter

Page#

I. CONSENT AGENDA

- | | | |
|--------|---|----|
| Hastey | * A. Approve the minutes of the meeting of June 20, 2022. | 10 |
| All | B. Report on meetings attended on behalf of the JPIA. | |

II. NEW BUSINESS

- | | | |
|---------|---|----|
| Beatty | * A. Review Property Program updates. | 17 |
| Alliant | * B. Review State of the Property market. | 20 |

III. UPCOMING MEETINGS

Hastey

- A. There are no additional meetings scheduled for the remainder of the year.

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: Kristan Brown, Administrative Assistant II, 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 Property Program 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.



Unapproved Minutes

Property Program Committee Meeting

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

June 20, 2022

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

MEMBERS PRESENT

Chairman: Brent Hastey, Yuba Water Agency
Vice-chair: Randall Reed, Cucamonga Valley Water District
Mark A. Gilkey, Berrenda Mesa Water District
Shawn Huckaby, Fair Oaks Water District
Theresa Lee, Walnut Valley Water District
Scott Ratterman, Calaveras County Water District
Eugene West, Camrosa Water District

MEMBERS ABSENT

Tom Coleman, Rowland Water District
Oliver Smith, Valley Center Municipal Water District

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells
Adrienne Beatty, Assistant Executive Officer
Laura Baryak, Administrative Assistant II
Kristan Brown, Administrative Assistant II (Recording Secretary)
Chimene Camacho, Executive Assistant to the CEO
Paula Christy, Senior Claims Adjuster
Linda Craun, Administrative Assistant III
David deBernardi, Director of Finance
Robin Flint, Risk Control Manager
Robert Greenfield, General Counsel
Debbie Kyburz, Lead Member Services Representative
Chris Light, Business Data Analyst
Jennifer Nogosek, Liability/Property Claims Manager
Sylvia Robinson, Publications & Web Editor
Heidi Sander, Claims Assistant
Patricia Slaven, Director of Human Resources and Administration
Sandra Smith, Employee Benefits Manager
Dan Steele, Finance Manager
Chuck Wagenseller, Cost Estimator/Risk Control Advisor

Unapproved Property Program Committee minutes June 20, 2022

Nidia Watkins, Member Services Representative II

OTHERS IN ATTENDANCE

Melody A. McDonald, San Bernardino Valley Water Conservation District
Fred R. Bockmiller, Mesa Water District
David Drake, Rincon del Diablo Municipal Water District
Cathy Green, ACWA Vice President
Chris Kapheim, Kings River Conservation District
J. Bruce Rupp, Humboldt Bay Municipal Water District
Rob Lowe, Alliant Insurance Services

WELCOME

Chairman Hastey welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chairman Hastey called the meeting to order at 3:05 p.m. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

Chairman Hastey announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

PUBLIC COMMENT

Chairman Hastey noted that, as the agenda stated, members of the public would be allowed to address the Property Program Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

INTRODUCTIONS

Roll call was taken for Committee attendance and Mr. Sells introduced the Executive Committee, guests, and staff on the Zoom meeting.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chairman Hastey asked for any additions to, or deletions from, the agenda. Staff had none.

CONSENT AGENDA

Approval of the minutes

Chairman Hastey called for approval of the minutes of the June 14, 2021 meeting.

M/S/C (West/Ratterman) (Gilkey-Yes; Hastey-Yes; Huckaby-Yes; Lee-Yes; Ratterman-Yes; Reed-Yes; West-Yes): That the Property Program Committee approve the minutes of the June 14, 2021 meeting, as presented.

Meetings attended on behalf of the JPIA.
None reported.

LOSS REPORTS

Review Claims Data

Mr. Sells reviewed a few recent policy years in which JPIA has suffered higher than typical historical losses. The 2021-22 policy year had the Caldor fire, which was the most substantial claim of the year. The claim exceeded JPIA's pooled layer and was brought to the excess carriers for reconciliation. The policy years of 2017-2019, JPIA had sustained significant losses from multiple wildfires (e.g., Thomas, Camp and Carr fires) in both Northern and Southern California. In policy year 2016-17, JPIA also saw a flood loss claim, in which debris flow backed up into a Member's power plant, causing \$3 million in damages.

Catastrophic wildfire and other natural disasters are a driving force in coverage rates fluctuations. Unfortunately, compounding catastrophic events over the last few years have caused the reinsurers/excess carrier rates to skyrocket.

MEMBERSHIP

Membership Report

Ms. Beatty reported that for the 2021-22 policy year, two agencies have joined the Property Program: San Bernardino Valley Municipal Water District and Tri-County Water Authority, bringing the total membership to 285 and over \$10 billion in Total Insured Values (TIV). JPIA anticipates two agencies to join for the 2022-23 policy year: Rainbow Municipal Water District and San Mateo County Flood Sea Level Rise Resiliency District. Ms. Beatty clarified that these agencies have gone through the underwriting process and requirements with multiple JPIA departments. They were considered to be a good fit for JPIA's membership and were presented to the Executive Committee Board for approval to join the JPIA.

There had been no reported intents to withdraw for the July 1, 2021 Property Program renewal.

NEW BUSINESS

State of the Property Market

Mr. Lowe from Alliant Insurance Services presented the Property and Cyber State of the Market 2021. The property market has entered challenging times, experiencing a multitude of catastrophic losses combined with "cyber risk and significant price and social inflation/lawsuit abuse," (Robert Gordon – APCIA Senior Vice President). The 2021 policy year has been the 4th worst loss year reported with grim factors including: projected \$112 billion catastrophe losses, negative record setting wildfire season, and projected \$6 trillion impact in cyber incidents.

With this insurance market crisis, excess carriers/reinsurers are aware of agencies and

municipalities with wildfire exposures and those organizations are seeing significant rate increases. Cyber Liability coverage has also seen an unprecedented leap in rates for clients seeking coverage. In the Cyber marketplace, rates can vary greatly from an increase of 20% up to 200%; retentions are going up and data is scrutinized. Multifactor authentication, business continuity plan and emergency response plans are the three main factors underwriters are reviewing for Cyber Liability coverage. In the current wary environment, client data is extremely important in the underwriting process for assessing all risk exposures.

Due to the fast-rising increases in Cyber Liability losses and recent years of catastrophic wildfire losses, the Excess Carriers are cautious with public entities seeking coverage for these Programs.

2022-23 Property Insurance Renewal

Ms. Beatty recapped that the JPIA experienced significant catastrophic losses over the past few years. Wildfire losses continue to be among the costliest catastrophic losses impacting the property insurance markets. Organizations have experienced an extremely hardened Property marketplace. Historically, the Property market has been soft, so losses had not prompted various changes to retentions, deductibles and excess carrier layers. For reference, the self-insured retention layer for the Property Program was at \$50,000 in the 2012-13 policy year, and then changed to a \$100,000 self-insured retention in proceeding years. Comparatively, the self-insured retention layers for the Liability and Workers' Compensation Programs changed years ago; Workers' Compensation Program has a \$2 million self-insured retention and the Liability Program a \$5 million self-insured retention.

Ms. Beatty stated that current pricing projections will require the JPIA to assume significantly more cost per each loss than our current structure. She indicated that agenda items IV.B through IV.E were interrelated. Then asked Mr. Lowe and Mr. deBernardi to speak on renewal pricing before the Committee brought forth a motion on the 2022-23 Property Program Reinsurance Renewal to be voted on.

Mr. Lowe with Alliant presented different pricing rate scenarios for the upcoming 2022-23 policy year. Most notable change would be the implementation of the wildfire deductible/retention, which was quoted at \$7.5 million. This would be in addition to a \$1.25 million aggregate deductible for all other risks, above a \$250,000 per occurrence deductible for all other risks as well. In an alternative option, JPIA would take on a \$10 million deductible, which would eliminate the current primary layer. Mr. Lowe indicated this is a calculated risk for the JPIA because the insurance underwriters perceive that there will be a loss exceeding \$10 million every other year.

Renewal Pricing

Mr. deBernardi discussed the pricing option for the 7/1/22-23 policy year. He reviewed the Property Program Expected Revenue/Expense & Funding Requirement reports, which provide a breakdown for the expected revenues and expenses for the 7/1/22-23 policy year. The total estimated premium with no pricing changes, Option 1, is

approximately \$11.3 million based on \$10.651 billion in TIVs. The premium is based on an estimated excess insurance cost of \$12.1 million and claims expense of approximately \$5 million. The 2022 actuary report projects a \$.04779, per \$100 of value, loss rate for the 7/1/22-23 policy year. Different scenarios (Options 1,2,1A and 2A) are provided to show different member pricing.

Mr. deBernardi proposed the various options and ramifications. Staff recommended a price increase of 20% as outlined below:

Real and Personal Property	\$.122
Mobile Equipment	\$.185
Automobiles	\$1.045

Options 1A and 2A provide a 20% price increase under differing excess insurance arrangements.

The Property Committee asked a variety of questions and presented different scenarios regarding wildfire claims, deductibles/retentions and members' rates, which demonstrated well thought-out discussions and decisions for the Property Program's renewing rates.

A motion was made for the 2022-23 Renewal Pricing for the Property Program.

M/S/C (West/Reed) (Gilkey-Yes; Hastey-Yes; Huckaby-Yes; Lee-Yes; Ratterman-Yes; Reed-Yes; West-Yes): That the Property Program Committee recommend that the Executive Committee approve renewal of the coverage as outlined in Option 2A and implement the 20% rate increase.

An additional motion was made for the 2022-23 Property Program Reinsurance Renewal.

M/S/C (Reed/West) (Gilkey-Yes; Hastey-Yes; Huckaby-Yes; Lee-Yes; Ratterman-Yes; Reed-Yes; West-Yes): That the Property Program Committee recommend that the Executive Committee approve the Excess Carrier layer for a \$10 million deductible and a total cost of excess coverage not to exceed \$7,830,000.

Changes to Members Deductibles

Ms. Beatty discussed that the pool will be required to absorb significantly more cost per occurrence in the pooled layer. The Workers' Compensation Program and the Liability Programs have been set-up different in that they have required minimum member Retrospective Allocation Points (RAPs), whereas the Property Program has allowed members to choose their Property deductibles. Premium costs for the excess/reinsurance policies have also increased significantly. For these reasons, staff requested the Property Committee recommend that the Executive Committee authorize staff to revise the deductible structure to require minimum member deductibles based

on Total Insured Values (TIV).

Ms. Beatty also noted that changes to member deductibles will have no immediate, negative impact on members' out-of-pocket cost. Those members who assume a higher deductible will receive a discounted deposit premium. An increased out-of-pocket cost per occurrence will only impact them when/if they report a loss. Members who have already selected a deductible higher than the minimum, will not be impacted. In review, 28% of JPIA's Property Program members are below the minimum deductible and would need to take on a higher deductible.

Staff recommends the following minimum deductibles be applied to all Property Program members, effective July 1, 2022:

- o \$10M of TIV or less = minimum deductible of \$1,000
- o \$10M-\$25M of TIV = minimum deductible of \$2,500
- o \$25M-\$50M of TIV = minimum deductible of \$5,000
- o \$50M-\$100M of TIV = minimum deductible of \$10,000
- o \$100M of TIV or more = minimum deductible of \$25,000

M/S/C (West/Ratterman) (Gilkey-Yes; Hastey-Yes; Huckaby-Yes; Lee-Yes; Ratterman-Yes; Reed-Yes; West-Yes): That the Property Program Committee recommend that the Executive Committee approve the recommended minimum member deductibles, as presented, to be effective July 1, 2022.

2022-23 Memorandum of Property Coverage

Ms. Beatty proposed the following changes to the MOPC. She informed the Property Committee that Section IV – Deductible for wildfire, will be removed if the Executive Committee's vote concurs with the Property Program Committee's vote for the Reinsurance Renewal terms of a self-insured \$10 million deductible with the Excess Carriers' coverage thereafter.

~~**Section IV – Deductible:** Language has been added to confirm that the wildfire deductible anticipated to be applied to the JPIA, effective July 1, will be the full financial responsibility of the member. In other words, for wildfire losses, the member will have a deductible that will attach directly to the reinsurance layer and the pool will not contribute to wildfire losses.~~

The following proposed section will be added to the MOPC for clarification purposes:

Section I – Definitions & Section VI – Exclusions: An additional definition and exclusion have been added to specifically define "extra expense" and confirm that extra expense does not include regular salaries and fringe benefits. Coverage for overtime and vehicle/equipment rentals would still apply. This is how coverage effectively works.

Summary of Coverage: This section is to be removed if motion is approved. As the pool's MOPC is a reverse follow-form document, our coverage follows the same limits

and sub-limits as the Alliant Property Insurance Policy (APIP) which includes its own Summary of Coverage. Including our own Summary of Coverage could potentially cause confusion for the member, the pool, and APIP, cause conflict with APIP's language, and lead to coverage disputes if there are inconsistencies between the two documents.

M/S/C (Ratterman/Lee) (Gilkey-Yes; Hastey-Yes; Huckaby-Yes; Lee-Yes; Ratterman-Yes; Reed-Yes; West-Yes): That the Property Program Committee recommends that the Executive Committee approve the Memorandum of Property Coverage, as revised, to be effective July 1, 2022.

CEO Update

Mr. Sells provided an update regarding the transition to in-person for Committee Meetings and other attended events.

UPCOMING MEETING

Availability for Upcoming Meeting(s)

There are no meetings scheduled for the remainder of the year.

The Property Program Committee meeting adjourned at 4:43 p.m.

ACWA JPIA
Property Program Update
November 28, 2022

BACKGROUND

The Property Program has experienced some significant changes in the past year and future changes are anticipated as global catastrophic losses increase, inflation and supply chain issues continue, and market conditions remain challenging and volatile.

CURRENT SITUATION

Staff intends to recap the major changes implemented as of July 1 and forecast future changes under consideration to ensure members can access the broadest, most cost-effective coverage possible and help protect the Program's financial security and increase its financial stability.

Market Conditions and the 2022-23 Renewal

It has been now multiple years whereby reports have shown the United States and countries around the globe have experienced unprecedented catastrophic losses and the property market is responding accordingly. The JPIA itself has experienced significant catastrophic losses over the past several years. JPIA losses, coupled with losses worldwide, made this renewal particularly challenging.

In light of the severely hardening market and the JPIA's loss ratio, the purchase of excess Property coverage at the pool's existing retention was significantly cost prohibitive. As such, after careful consideration of actuarial projections, the Property Program Committee recommended, and the Executive Committee approved, an increase in JPIA's retention from \$100,000 (plus a \$1M aggregate deductible) to \$10,000,000. Even with the significant increase in pool retention, premiums for this year's excess coverage still increased by approximately 16%.

Member Deductibles

Historically, the JPIA's Property Program has allowed members to independently select their deductible; however, the Liability and Workers' Compensation Programs have historically required members to accept minimum deductibles based on their basic deposit premium. As of July 1, members of the Property Program were also given minimum member deductibles based on Total Insured Values (TIV), as follows:

Total Insured Values	Minimum Deductible
< \$10,000,000	\$1,000
\$10,000,000 - \$25,000,000	\$2,500
\$25,000,000 - \$50,000,000	\$5,000
\$50,000,000 - \$100,000,000	\$10,000
> \$100,000,000	\$25,000

This was recommended by the Property Program Committee, and approved by the Executive Committee, to bring this Program into alignment with the JPIA's other

casualty pooled programs and in light of the significantly increased cost per occurrence that is now being shared by all members of the Program in the pooled layer. Ultimately, only 26% of Program members did not already have a deductible equivalent to the new minimum. Those members that assumed a higher deductible also received a discounted deposit premium, in recognition of the reduced cost per occurrence they will be contributing to the pooled layer with each loss. Members who had already selected a deductible equivalent to or higher than the minimum, were not impacted by this change.

Program Funding

Overall historical costs in the pooled layer, and claims frequency, have been on the rise. Members have been made aware for quite some time that several recent program years are in a significant deficit and that, with both the cost of self-insuring to a higher limit and sharply increased excess costs, it was likely that the Property Program would need to increase rates by approximately 15-20% per year for the foreseeable future to properly fund anticipated losses, build up reserves, and balance out years with negative equity. As such, the Property Program Committee recommended, and the Executive Committee approved, a 20% rate increase for the 2022-23 Program Year. Also included this year was a 7.5% real property and 5% personal property inflationary trend on member assets.

Memorandum of Property Coverage

Annually, the JPIA staff review the Memorandum of Property Coverage (MOPC) for potential revisions which are then presented to the Property Program and Executive Committees' for consideration of approval. Only minor changes were recommended, and approved, for the MOPC for the 2022-23 Program Year.

Property Program Natural Disaster Fund

The Property Program Natural Disaster Fund was created in 2015 by building \$500,000 into program funding for years 2015-16 through 2018-19 for a current total fund balance of \$2,000,000. In recent years, funding of the Natural Disaster Fund ceased in order to mitigate the dramatically increasing costs the Program has been experiencing. The purpose of this Fund is to mitigate the need for potential large assessments relative to unfavorable policy years or unique and unanticipated large losses, similar to the intended functionality of the Liability and Workers' Compensation Catastrophic Loss Funds.

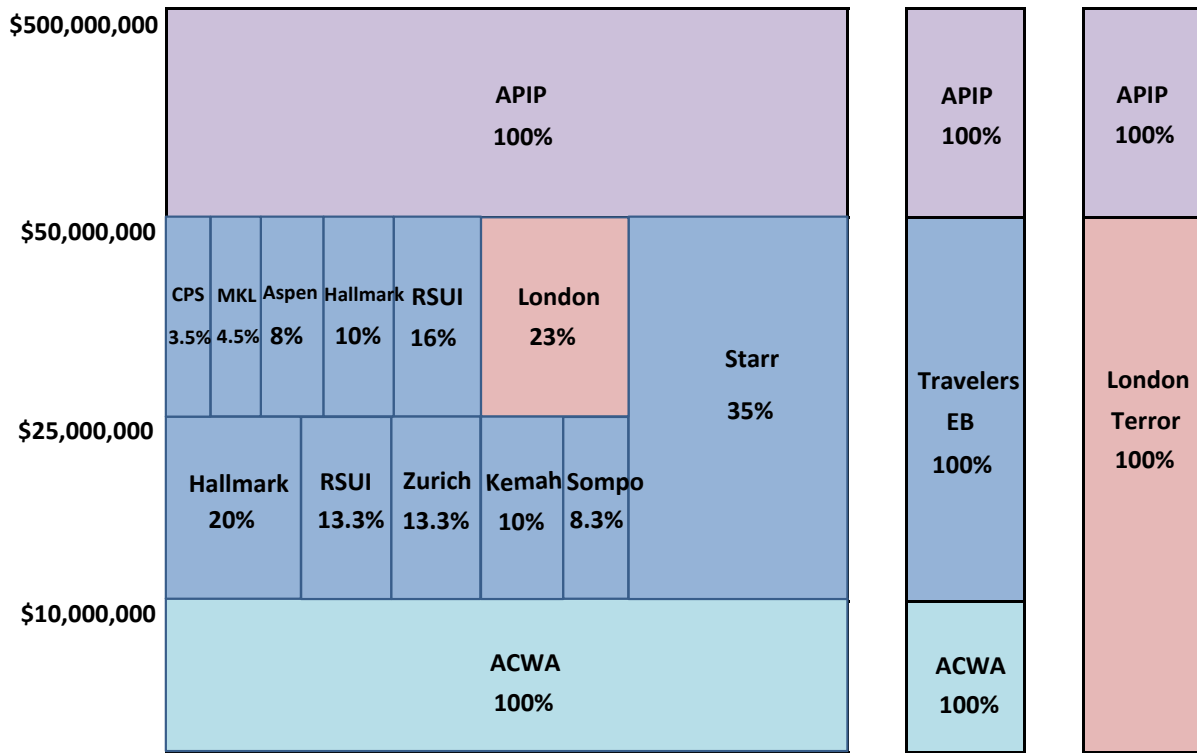
In light of the significant increase to the pooled retention, as of July 1, from \$100,000 to \$10,000,000, and quantifiable increases in not only loss experience and large claims but purchased insurance costs, the importance of continuing to fund the Natural Disaster Fund has been amplified. As such, staff intends to discuss with the Executive Committee in the coming months how annual funding of this important Fund can be resumed.

RECOMMENDATION

None, informational only.



Market Participation Schematic



ACWA JPIA
Property Insurance Market Update
November 28, 2022

BACKGROUND

The excess/reinsurance market for the Property Program continues to be very challenging. The JPIA Program has seen significant increases in the cost of the excess/reinsurance purchased for the past few years. Future policy years are anticipated to see continued increases in excess/reinsurance costs.

CURRENT SITUATION

Representatives from JPIA's Property Broker, Alliant, will review the property insurance marketplace, trends, overall insurance industry issues, and the outlook for next year's Property Program renewal.

RECOMMENDATION

None, informational only.



Public Entity Property Insurance Marketplace, Trends, Industry Issues and Outlook

Presented by: Seth Cole

ACWA JPIA Property Committee

November 28, 2022

Alliant Insurance Services
www.alliant.com

(THIS INFORMATION HAS BEEN CONSOLIDATED FROM VARIOUS INDUSTRY SOURCES)



Market Overview



Financial Performance



Underwriting Trends



Loss Trends & Market Disruptors



Toward the Future

Alliant
















Insurance Market & Financial Performance

Alliant

Market Pressures...

“While the industry balance sheet is strong enough to meet the commitments to insureds, it is facing emerging challenges from the significant and increasing impact of catastrophic weather events, cyber risk and significant price and social inflation/lawsuit abuse,” Robert Gordon, senior vice president of policy, research, and international for APCIA, said in a statement.

 Pandemics & Epidemics	 Great Resignation & Quiet Quitting	 Aging Infrastructure	 Geo Political	
 Climate Change	 Inflation	 Mass Shootings	 Natural Disasters	
 Supply Chain & Labor Shortage	 Social Inflation & Nuclear Verdicts	 Cyber Attacks	 Ukraine War	 Legislation

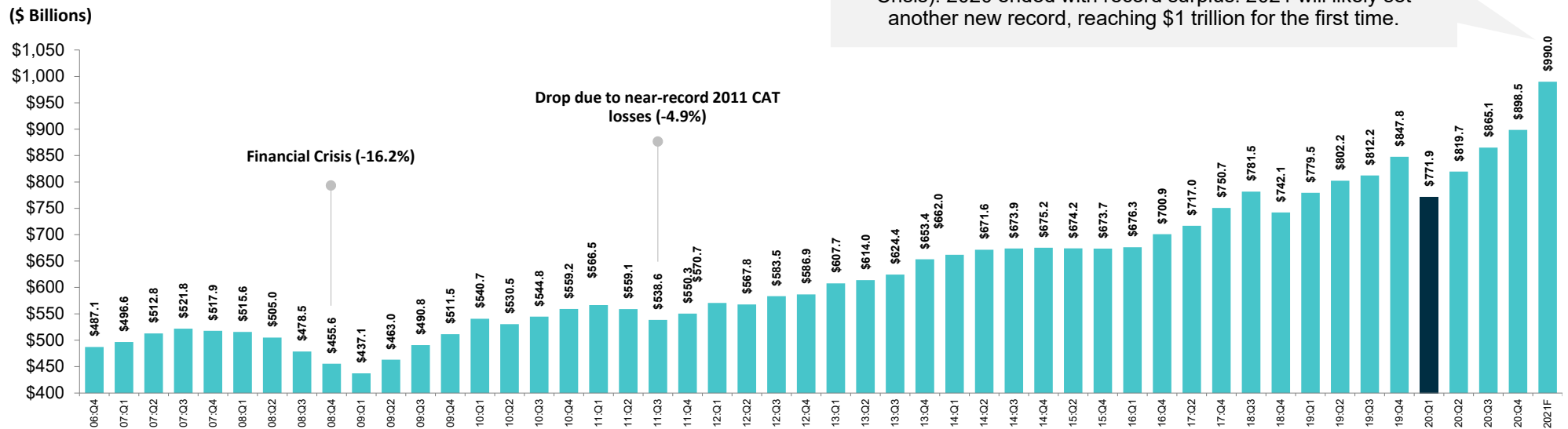
Market Conditions

Impactful issues for insureds:



- **Liability capacity pull back** and withdrawals have been significant over the past two years
- **Property capacity reductions:**
 - 15% to 30% reduction in capacity from incumbents
 - Coastal and wildfire capacity continues to be especially difficult
- **Cyber capacity is shrinking** and particularly acute for certain industries (Public Entity)
- Insurers produced **negligible profit in 2021** – \$112b in Global Insured CAT losses in 2021 – **4th Worst Loss Year on Record.**
- Excess Workers Compensation **remains stable, but retained layer may be experiencing increased claims volume.**
- Historically **low interest rates** have hampered carrier investment returns.
- An **increased pattern of major property catastrophes** such as hurricanes, typhoons, wildfires, etc. over the past 5 years. Is this the new normal?
- Consistent **increases in attritional property losses** (fires, water damage, tornados, hail, wildfires).
- **Increased inflation** has added to the issue of **valuation across all property classes.**
- **Social inflation & Litigation Financing** driving up liability verdicts and settlements.
- **Ransomware cyber losses** are systemic - \$6 Trillion Impact in 2021 – **Expecting \$10 Trillion by 2025** – 2019 was \$2 Trillion

Policyholder Surplus (Capacity), 2006:Q4–2020:Q4E and 2021F*



The P/C insurance industry entered the COVID-19 pandemic from a position of strength and was able to withstand the 9.0% surplus decline in Q1 2020 (far less than during the Financial Crisis). 2020 ended with record surplus. 2021 will likely set another new record, reaching \$1 trillion for the first time.

2010: Q1 data includes \$22.5B of paid-in capital from a holding company parent for one insurer's investment in a non-insurance business

Policyholder Surplus is the industry's financial cushion against large insured events, periods of economic stress and financial market volatility. It is also a source of capital to underwrite new risks.

Sources: NAIC data sourced through S&P Global Intelligence; Insurance Information Institute.

Net Investment Yield on Property/Casualty Insurance Invested Assets, 2007–2021



Average: 1960-2019 = 4.9% | Low: 2.8% (1961) | High: 8.2% (1984/85)

Sources: NAIC data, sourced from S&P Global Market Intelligence; 2017-19 figures are from ISO. 2020-21 data from the APCIA. Risk and Uncertainty Management Center, Univ. of South Carolina.



Property/Casualty Insurance Industry Investment Income: 2000–2021



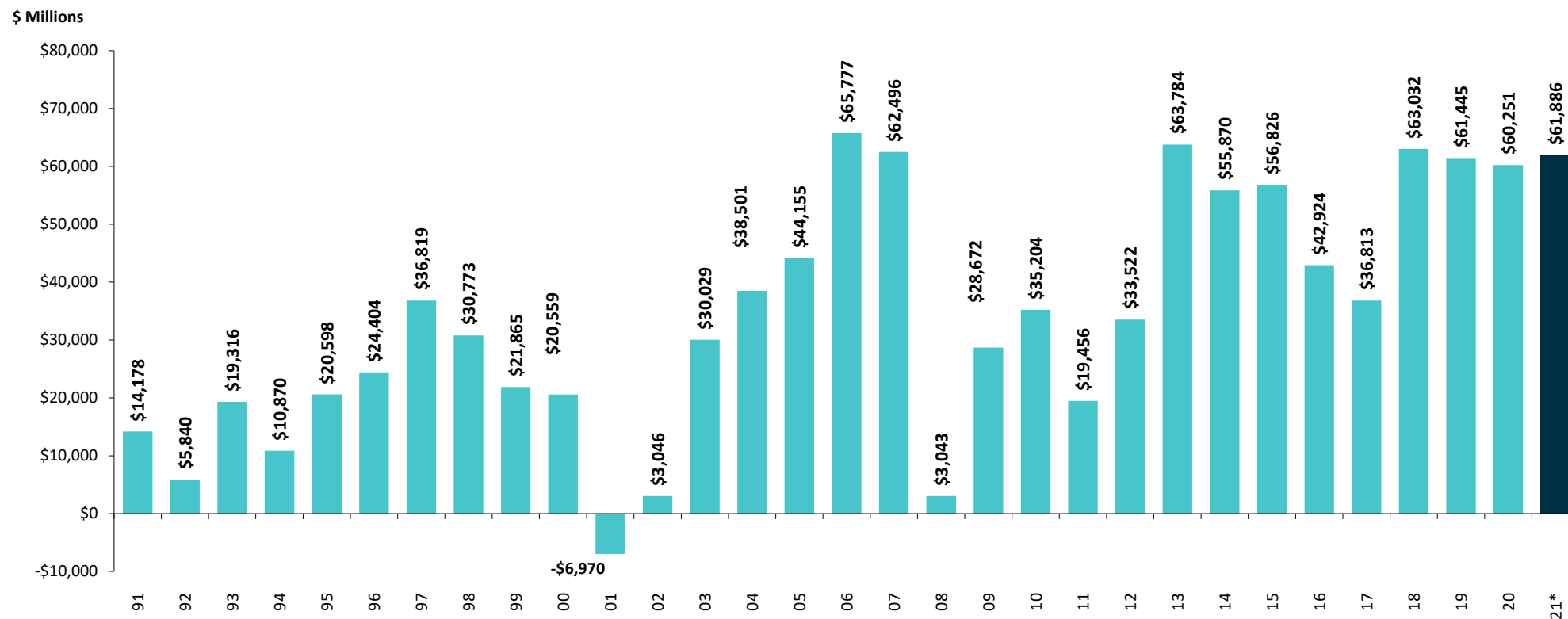
Due to persistently low interest rates, investment income remained below pre-crisis levels for a decade. Lower interest rates during COVID drove investment income down once again. Fed rate hikes in 2022 could reverse this trend.

*2021 figure is actual as of 12/31/21. 2018-19 figures are distorted by provisions of the TCJA of 2017. Increase reflects such items as dividends from foreign subsidiaries.

1 Investment gains consist primarily of interest and stock dividends. Sources: ISO; University of South Carolina, Center for Risk and Uncertainty Management.



P/C Industry Net Income After Taxes, 1991–2021*

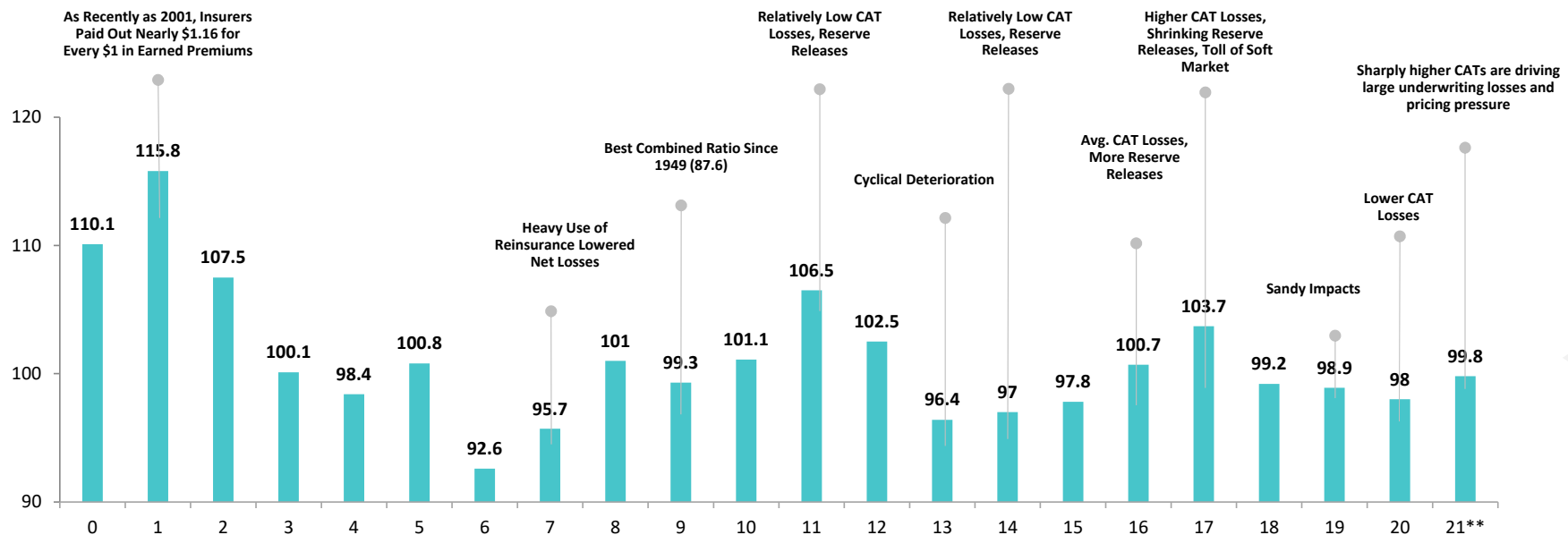


*ROE figures are GAAP; 1Return on avg. surplus. Excludes Mortgage & Financial Guaranty insurers for years (2009-2014). Sources: A.M. Best, ISO, APCA.

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P/C Insurance Industry Combined Ratio, 2001-2021F**



Pre-COVID 2020 Combined Ratio Est. 99.1 (A.M. Best) Actual = 98

*Excludes Mortgage & Financial Guaranty insurers 2008–2014.
 **2021 forecast from A.M. Best Review and Preview (Feb. 2021).
 Sources: A.M. Best, ISO (2014-2019).

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Underwriting Trends



Property

Rate Trends	"Low End"	"High End"
Challenged Exposures	10%	>15%+
Non-Challenged Exposures	Flat	10%
Standalone Earthquake	Flat	10%
Builder's Risk	Flat	10%



Capacity

There remains an abundance of general property capacity, including new capacity, however, much of this is not available to all industries and/or exposures. Insurers are often willing to increase line size and deploy additional capacity on insureds in desirable industries with good risk profiles. They are carefully managing their capacity on accounts in with notable losses and on risks that have significant secondary CAT peril exposure (wildfire, hail, tornado, etc.). Capacity for large Builders Risk projects has been cut in certain territories. ***We are carefully watching trends and feedback on reinsurance treaties and their impact on CAT capacity for 2023.***



Coverage

Valuations are part of almost every property renewal discussion given concerns about supply chain and inflation. Where insureds are unwilling or unable to substantiate replacement cost valuations, insurers are taking corrective actions in the form of: prescriptive policy language (scheduled limits provisions), internal valuation adjustments which can drive rate, or reductions in capacity. Insurers continue to scrutinize manuscript policy language, especially as relates to time element coverage extensions with no known or ambiguous physical damage triggers



Retentions

Pushes by insurers for retention increases has stabilized this quarter following multiple quarters of insurers imposing industry and peril specific minimum retentions (i.e \$100,000 or \$250,000 AOP's for frame residential, 2% for tornado/hail exposed areas, etc.) Exceptions to this stabilization are on accounts with poor loss activity where insurers feel that more corrective action is necessary to create a path to account profitability



Pricing

Rate increases are still the norm; albeit not at the levels seen in earlier quarters. Insureds with good risk profiles and in desirable industry classes can often obtain flat to low single digit rate increases, and even the occasional rate decrease, given there is often an abundance of well-priced capacity willing to offer terms. Insureds with significant loss activity or that have a significant amount of secondary CAT peril exposure, however, are often still experiencing high single digit to double digit rate increases, although very rarely at the levels seen in earlier quarters. ***Expect continued pressure on pricing as it relates to cat exposures***



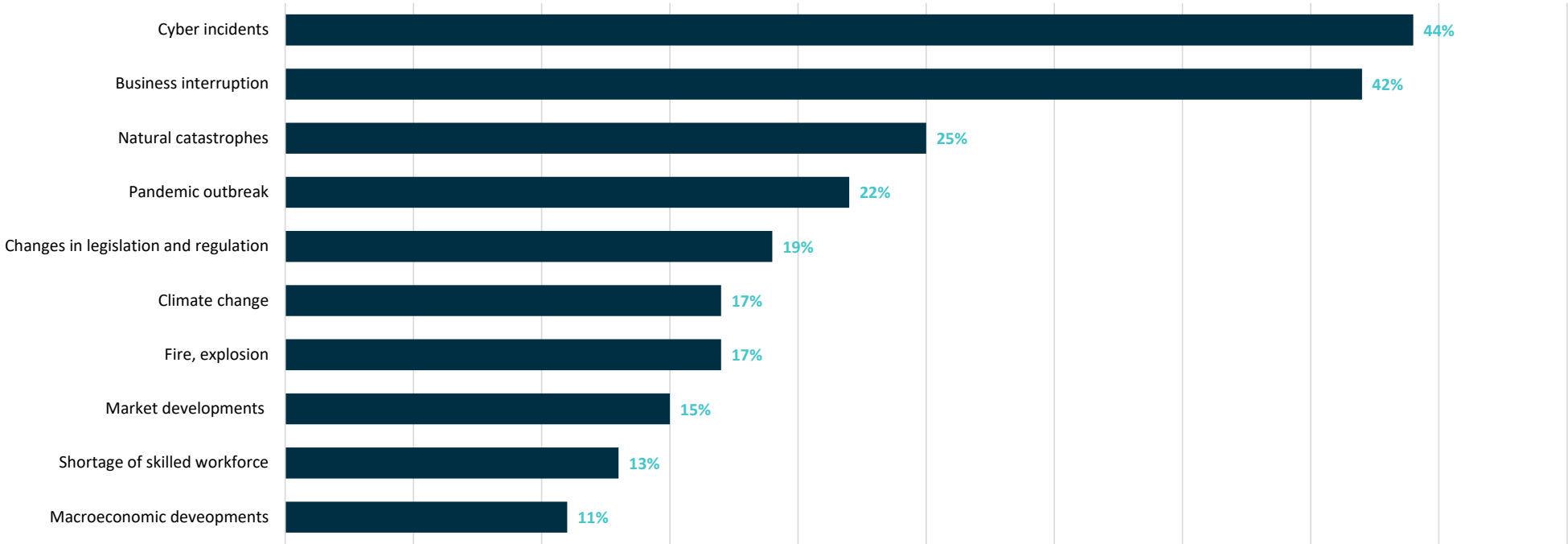
Loss Trends & Market Disruptors

What are Risk Manager's Concerns?

The most important global business risks for 2022

Alliance Risk Barometer 2022

Based on the insight of 2,650 risk management experts from 89 countries and territories (% of responses). Figures do not add up to 100% as up to three risks could be selected



Source: Allianz Global Corporate & Specialty

Exposure Concerns: From our Clients



Common Client Concerns:



Employment

Retirements, wage growth, coasting, recruitment and succession



Cyber Liability

Constant threat, significant investment needs, coverage costs



Property Insurance

Valuation, cost of construction, availability of high limit program, wildfire threatened locations



Economy

Inflation, the “R” word, allocation of funds



Liability

Jury verdicts, litigation management, retentions and availability of coverage in challenging markets for loss leaders



Digital/Technological Transformation

Public Safety Drones, increased cyber exposure, new uncharted



Recent CAT Losses



Drought



50% of the Lower 48 States are in drought



299.9 Million acres of crops in U.S. are experiencing drought conditions this week.



120.2 Million people in the U.S. are affected by drought this week.



Flooding



2021 – More than **50** severe flood events



\$80b Economic Loss – only \$20b insured



2022 – KY Floods **37** deaths



Hurricanes



Record-breaking **21** named storms in 2021



\$45B+ in insured losses (US) **IDA = \$30b Alone**



Hurricane Ian = **\$?**



Wildfires



2021 wildfires



Burned over **7,000,000** acres



\$15B in insured loss



2022 To Date = **5.7m** acres



Tornado/Convective Storm



2021 **1376** tornadoes in the US compared to 1075 in 2020



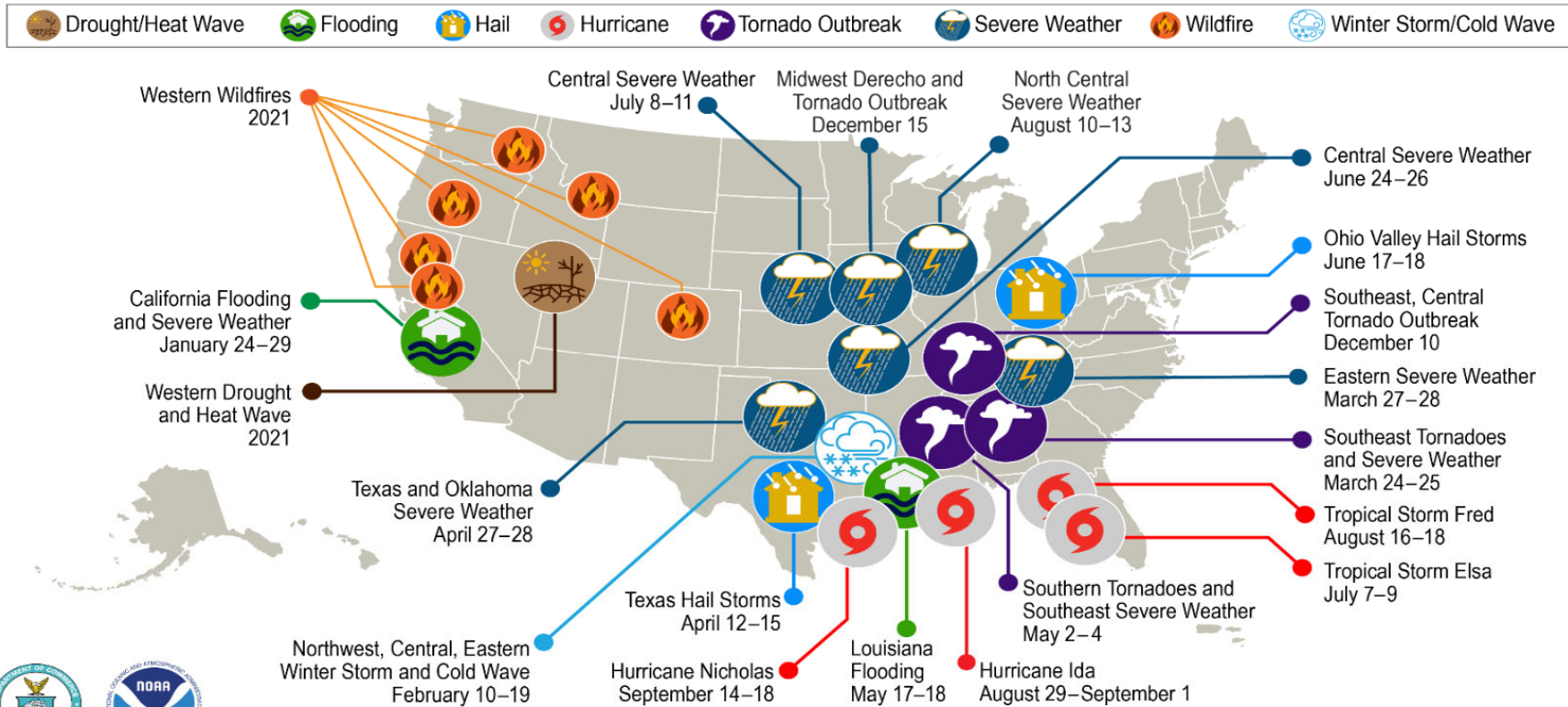
Over **100** deaths associated



Estimated **\$10B+** insured losses

Major U.S Losses in 2021

U.S. 2021 Billion-Dollar Weather and Climate Disasters



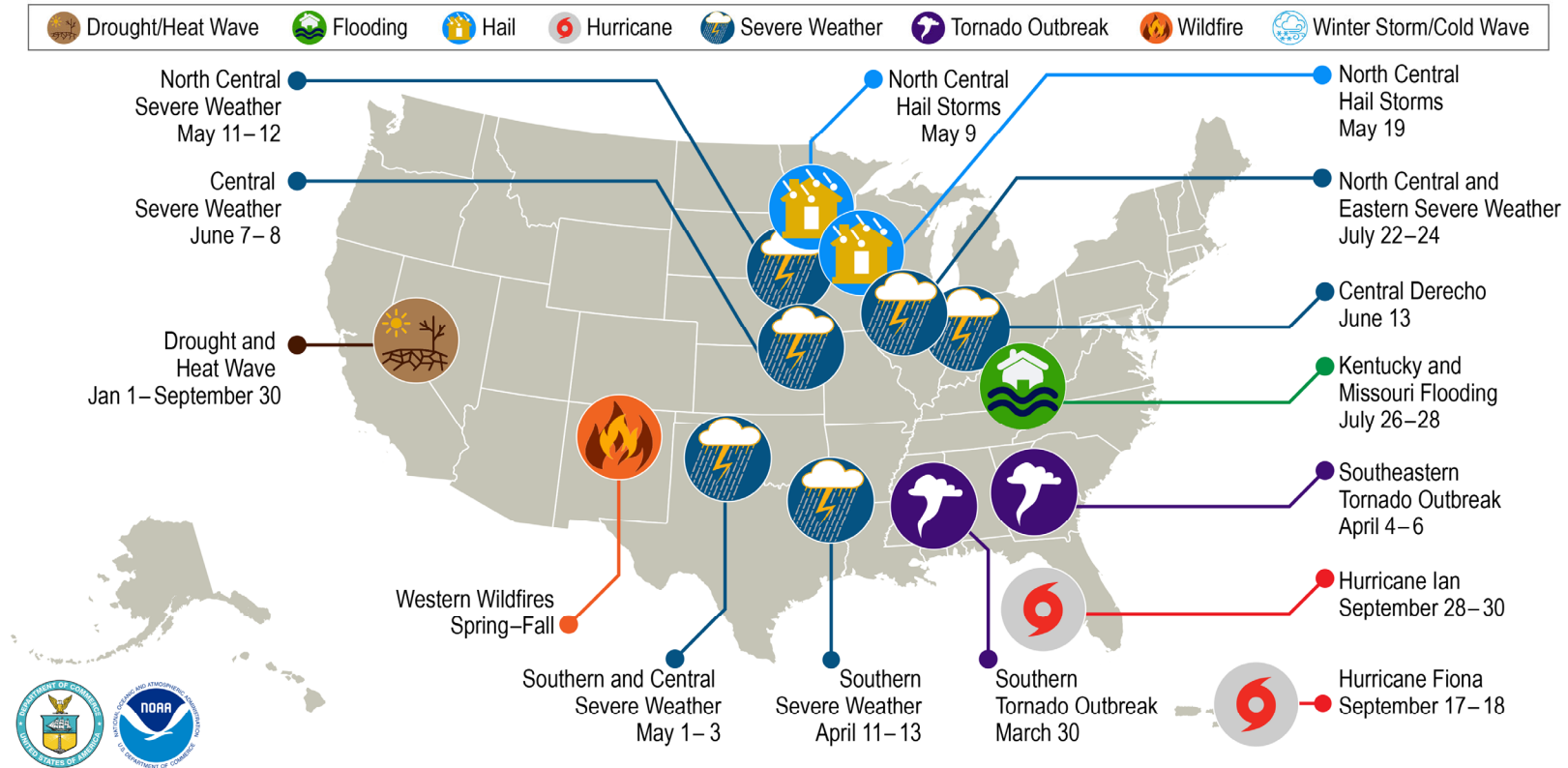
This map denotes the approximate location for each of the **20 separate billion-dollar weather and climate disasters** that impacted the United States in 2021



Source: NOAA

Major U.S Losses in 2022

U.S. 2022 Billion-Dollar Weather and Climate Disasters



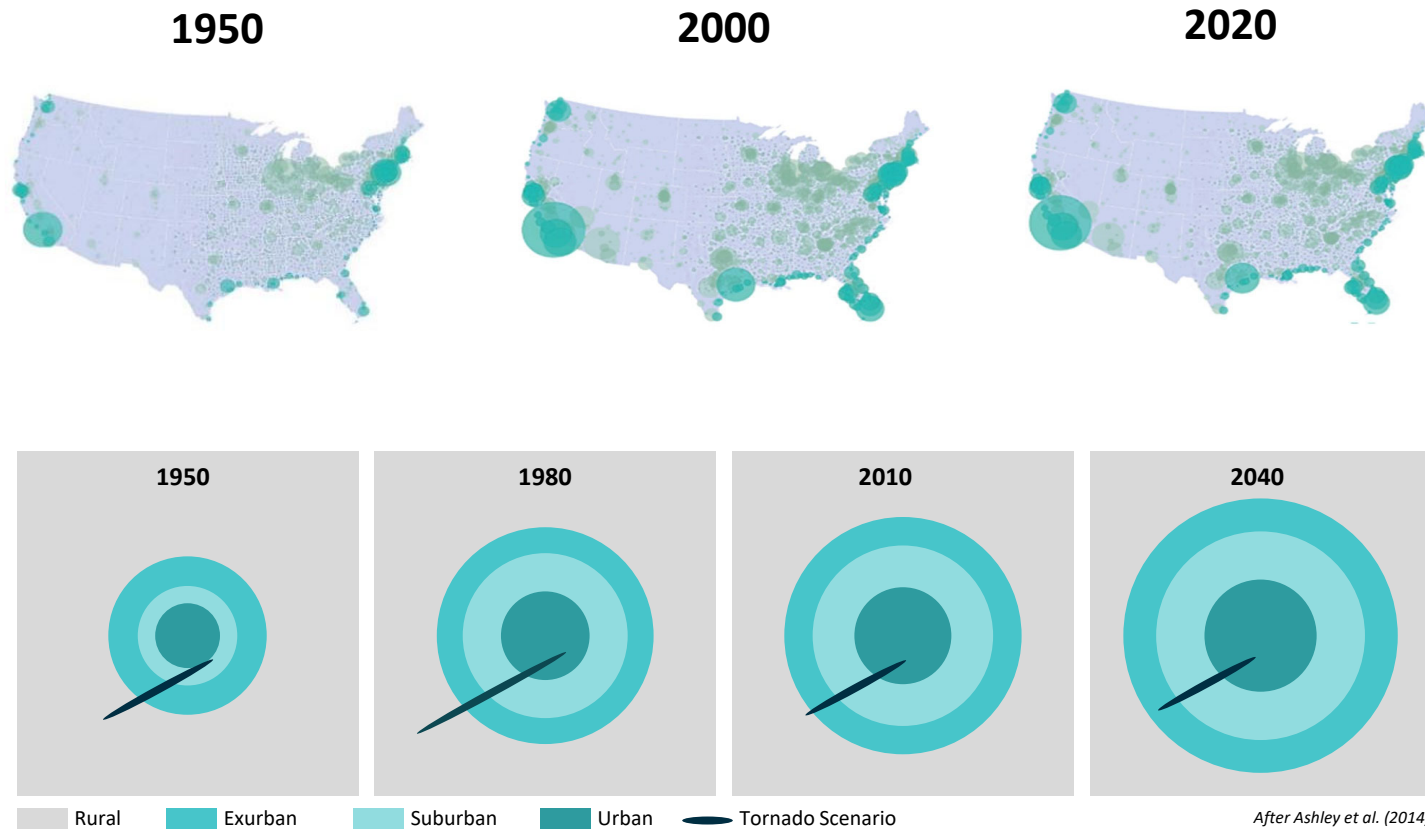
This map denotes the approximate location for each of the 15 separate billion-dollar weather and climate disasters that impacted the United States January – September of 2022.

Source: NOAA

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Population Growth and Bullseye Effect



The Newest CAT Peril: Wildfire



Climatic changes are resulting in larger and hotter wildfires occurring each summer and later into fall.

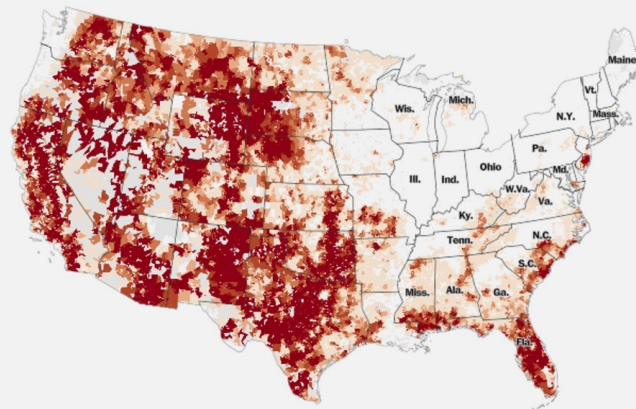
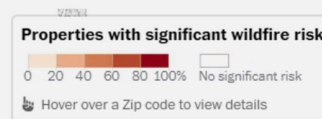


Beyond the physical damage and destruction of wildfires, intense smoke significantly impacts the health and economy of communities:

- Reduced travel and tourism leading to loss of sales and occupancy taxes.
- Reduced school attendance and outdoor activities.
- Smoke can hurt your eyes, irritate your respiratory system, and worsen chronic heart and lung diseases.



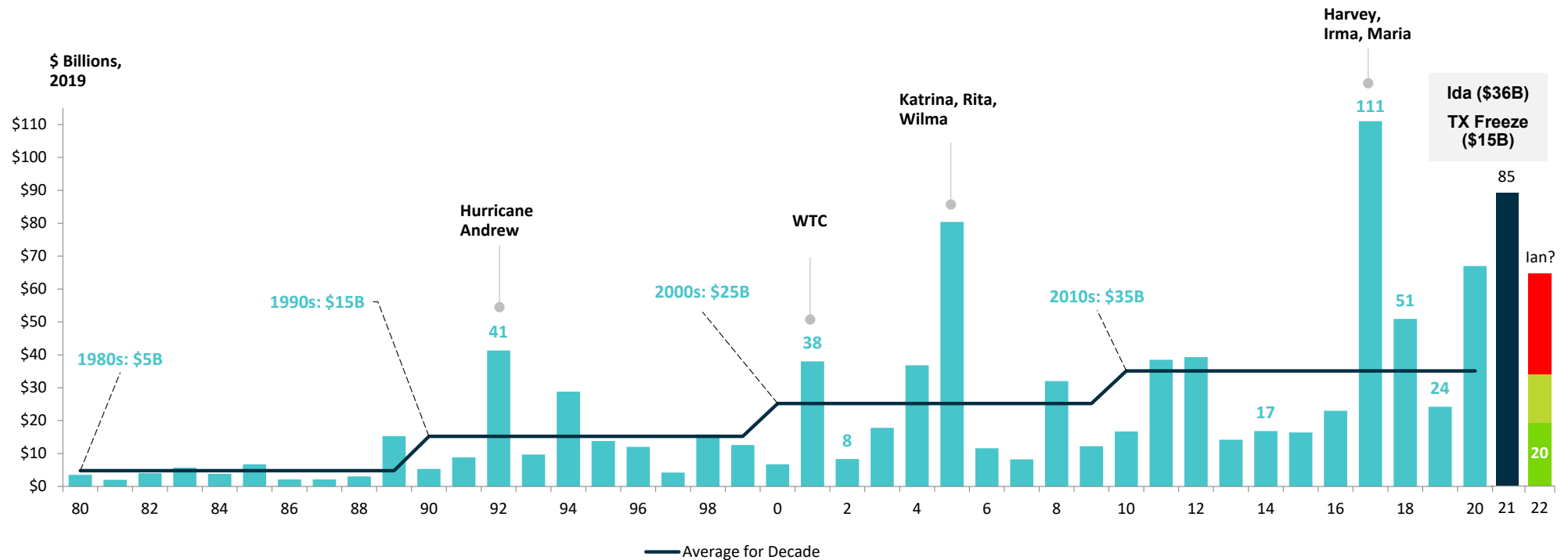
Continued investment & development of high-risk areas.



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U.S. Inflation-Adjusted Insured CAT Losses



Insured Cat Losses Are Increasing At An Alarming Rate – Nearly 700% Since 80's
Average Insured Loss per Year* | 1980-2021: \$23.8 Billion | 2012-2021: \$44.1 Billion

Sources: NAIC data sourced through S&P Global Intelligence; Insurance Information Institute.



Toward the Future

 **Alliant**

Property Renewal Outlook



Continued scrutiny of data (SOV, COPE, ITV with Increased Construction Cost)



Increased retentions and caps on certain types of exposure

- *Windstorm & Hail*



Rate increases expected and highly dependent on Wind Season, Reinsurance Market and individual client losses



Underwriter submission activity remains high – imperative to engage early and access global market



Regional Underwriting: Property markets are affected differently across the nation.

e.g. West Wildfire, East Hurricanes, Midwest Hail, etc.



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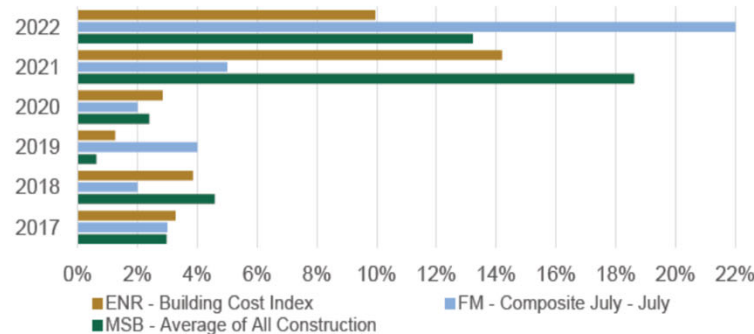


COST TREND UPDATE October 2022

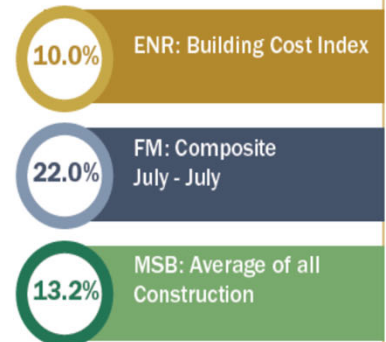
CONSTRUCTION COST TRENDS

Inflation is not the only challenge impacting construction costs. While certain material costs increases may have subsided and some supply chain issues have diminished, the construction industry is faced with significant labor challenges. The shortage of skilled labor, coupled with increasing wages, is extending project completion timelines and impacting the cost of both existing projects and new bids.

Construction Cost Trends October Yearly



2022 Construction Cost Trends



www.cbiz.com/valuation

North American CAT Property Reinsurance Outlook

Stonybrook Capital Says Hurricane Ian Is Largest-Ever Insured Loss Event at Over \$75B

By Chad Hemenway | October 12, 2022

Swiss Re's Pande urges cat attachment increases to counter rising valuations

The executive described the reinsurance renewals heading into 2023 as **"a three-legged stool"**. Rate increases, some structural changes – notably to attachment points – and terms and conditions each represent one leg, Pande explained.

CIAB full-time wrap on US cat: the fight for capacity

At the Council of Insurance Agents & Brokers' (CIAB) Insurance Leadership Forum in Colorado Springs this week, the focus of brokers has been on communicating to clients expectations that they will **likely need to significantly increase retentions if they are to secure the limit they require at the top of cat programs to keep pace with inflation.**



Berkshire to non-renew retro cat quota shares as market searches for capacity signals



Swiss Re will shrink in US cat as it asks cedants for 'double-double-half'

'Hardening' Property Catastrophe Market Enters 'Hard' Market Phase: Bank of America

By L.S. Howard | October 12, 2022

European reinsurers **will miss their earnings targets in 2022 – for the sixth year in a row** – which is pressuring the industry to raise rates and continue improving the quality of their portfolios, according to a research report published by the Bank of America.

The result is that the **industry is finally entering a "true 'hard' market"** said the report.

Specific Challenges:



- Exposure increases (ITV) driven by inflation and supply chain

- Knock on affect to modeling
- \$20B of additional capital required (10% of current \$200b)



- Supply & Demand Imbalance
 - Investor fatigue from years of losses = No new entrants
 - Increase of natural disasters
 - Recent poor industry performance (unprofitable in 4 of last 5 years)
 - Reduced capacity from incumbents "de-risking" book



- Ian Loss ? = \$35B to \$70B
 - Trapped capital cannot be redeployed
 - ILS/Collateralized market seizing up



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Thank you!

Questions?

Please contact us if you would like a copy of this presentation.



Executive Committee Meeting



YOUR BEST PROTECTION

Hyatt Regency Resort & Spa
Ballroom OP
44600 Indian Wells Lane
Indian Wells, CA 92210

Monday
November 28, 2022
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

Fred R. Bockmiller, Jr., Mesa Water District

Cathy Green, Orange County Water District, ACWA VP

Brent Hastey, Yuba Water Agency

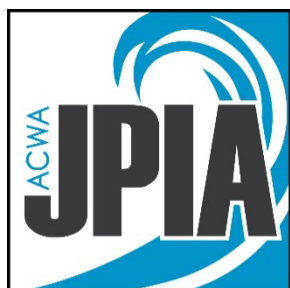
Chris Kapheim, Kings River Conservation District

Randall J. Reed, Cucamonga Valley Water District

J. Bruce Rupp, Humboldt Bay Municipal Water District

Executive Committee Core Values

Trust | Integrity | Listen | Good of the Whole



YOUR BEST PROTECTION

EXECUTIVE COMMITTEE MEETING

AGENDA

Hyatt Regency Resort & Spa

Ballroom OP

44600 Indian Wells Lane, Indian Wells, CA 92210

(760) 776-1234

Monday – November 28, 2022 – 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 California 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 JPIA disbursements of:

- Vendor Payments, Employee Benefits Claim Payments, Payroll, and summary of confidential claims payments for the Liability, Property, & Workers Compensation Programs: November 1-15, 2022.

McDonald

B. Approve an excused absence for any Executive Committee member.

II. ADMINISTRATION

All	A. Meetings attended on behalf of the JPIA.	
Slaven	* B. Introduction of the Jerry Gladbach Leadership Grant.	51
McDonald	* C. Resolution 2022-1 Commendation to Brent Hastey.	52
Slaven	* D. Review and take action on new positions.	54

III. PROGRAMS

Beatty	* A. Cyber Liability Program update.	61
Smith	* B. Employee Benefits update.	63
Flint	* C. Risk Management update.	65

IV. MEMBERSHIP

A. Review and take action on membership applications.

Beatty	* Upper San Luis Rey Groundwater Management Authority	<u>Agency</u> TIVs \$0	<u>Payroll</u> \$0	<u>Program</u> Liability	67
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V. MISCELLANEOUS

McDonald	A. Discuss future agenda items.	
Sells	* B. CEO update.	69
McDonald	C. Review the availability of the Committee members for upcoming meeting. There are no meetings scheduled for the remainder of 2022. The next scheduled meeting is on January 31, 2023.	

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.

ACWA JPIA
Introduction of the Jerry Gladbach Leadership Grant
November 28, 2022

BACKGROUND

JPIA offers the Leadership Essentials for the Water Industry program each year to member agencies. This year long program requires in-person attendance four times during the year along with participation on webinars. JPIA currently charges member agencies \$2,195 to attend. Many participants must also pay for travel to attend each two-day in-person session.

CURRENT SITUATION

In order to make it more affordable to agencies that need assistance with the tuition and expenses to participate in the Leadership Essentials program, staff have created the Jerry Gladbach Leadership Grant. Jerry, former President of JPIA, encompassed the qualities that good leaders possess – humility, compassion, experience, and self-awareness. He was involved with and truly cared for staff and enjoyed calling them for their birthdays and work anniversaries each year. Each year, to memorialize his contributions, JPIA will reimburse one agency in northern California and one in southern California for the expenses for one staff member to attend the leadership program for one year.

RECOMMENDATION

None, informational only.

ACWA JPIA
Resolution (2022-1)
Commendation to Brent Hastey
November 28, 2022

BACKGROUND

Director Brent Hastey of Yuba Water Agency will be leaving the JPIA's Executive Committee after six years of service.

CURRENT SITUATION

The JPIA would like to show their appreciation to Brent Hastey for his years of service to the JPIA and its members. Director Hastey has served on the Executive Committee for six years with two of those years as ACWA Vice-President. Director Hastey has also served on the California Water Insurance Board and has been instrumental in getting the JPIA Captive up and running. Additionally, he has served as Vice-Chair of the Risk Management Committee and Chair of the Property Committee.

RECOMMENDATION

That the Executive Committee approve the proposed resolution as presented.

**RESOLUTION (2022-1) OF THE
EXECUTIVE COMMITTEE OF THE ASSOCIATION OF CALIFORNIA WATER
AGENCIES JOINT POWERS INSURANCE AUTHORITY (ACWA JPIA)
COMMENDING BRENT HASTEY FOR
SIX YEARS OF OUTSTANDING SERVICE**

BE IT RESOLVED by the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority that commendation be given to Brent Hastey, of Yuba Water Agency, for outstanding service to the Joint Powers Insurance Authority as a member of the Executive Committee for six years, two of those as ACWA Vice-President. Director Hastey has served on the California Water Insurance Board and has been instrumental in getting the Captive up and running. Director Hastey has also served as Vice-chair of the Risk Management Committee and Chair of the Property Committee.

Brent's dedicated service to the JPIA and its members, combined with a high standard of integrity and fairness, has been an important element in the development and success of the JPIA.

PASSED AND ADOPTED at a regular meeting of the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority held November 28, 2022 in Indian Wells, California.

By: _____
Melody McDonald, President, ACWA JPIA

ATTEST:

Walter "Andy" Sells, Secretary, ACWA JPIA

ACWA JPIA
New Positions Approval
November 28, 2022

BACKGROUND

The Executive Committee must approve any grade changes or new positions to the JPIA staff.

CURRENT SITUATION

As JPIA staff has focused on future planning and conducted conversations on succession planning, the need for additional staff has become apparent. With the pending retirement of the Director of Human Resources and Administration who also directed the Risk Management and Training departments, it was determined that a person with knowledge of risk, training, and member outreach is critical for the continued success of the organization. This new position of Director of Member Outreach will report to the CEO and oversee the areas that touch the membership most often, ensuring that there is coordination and consistent messaging, that the needs of members are met, and that all is done efficiently and effectively.

Additionally, it was determined that an additional person with knowledge of pooling and insurance is critical for the continued success of the organization. This new position of Director of Pooling and Member Support will report to the CEO and handle insurance renewals, Memorandum of Coverages, and risk transfer, and will manage the Member Services department.

Job descriptions follow.

RECOMMENDATIONS

That the Executive Committee approve the new positions of Director of Member Outreach, and Director of Pooling and Member Support, as presented.

ACWA JPIA
DIRECTOR OF MEMBER OUTREACH

Name:	Reports to: Chief Executive Officer
Grade: 68	
Status: Exempt	Date: November 2022
Supervises: Training and Risk Management Departments, Communication and Outreach Specialist	

Definition/Summary

Under administrative direction, plans, organizes, coordinates, directs and supervises the Training and Risk Management Departments including the administration of communications for the agency. As more of a generalist position, this requires adept skills in negotiating, coaching and coordination of diverse interests. Assists CEO with strategic decision making.

Essential Functions

- Participates as a member of the senior management team in developing and implementing both the short- and long-range strategic plans of the JPIA
- Provides input and feedback to CEO regarding overall management of organization.
- Oversees Training and Risk Management department providing direction and support and manages Communication and Outreach Specialist
- Oversees ACWA JPIA Risk Management Programs including Commitment to Excellence, Safety Awards, Risk Control Grants, etc.
- Oversees ACWA JPIA Training Programs including Professional Development certifications, Leadership program and training conferences
- Coordinates outreach efforts to agencies to emphasize member benefits
- Gathers information on members' needs to assess additional outreach services
- Works with member services and human resources department to ensure effective outreach efforts and coordinate consistent messaging
- Conducts training for JPIA staff, district staff and at conferences
- Drives personal or rental vehicles for JPIA-related travel requirements
- Regular attendance and adherence to prescribed work schedule
- Establishes and maintains positive relationships with co-workers, members, and the public

Other Duties

- Assist the Chief Executive Officer in preparing for and supporting meetings of the Board of Directors, Executive Committee and various other committees
- Approve accounts payable invoices for direct reports
- Travel to conduct training at member agencies
- Write articles for JPIA publications
- Manage the workflow of outreach staff
- Complete special assignments for the Chief Executive Officer
- Conduct a variety of research and prepares reports on assigned topics
- Perform other job-related duties as required

Job Standards/Specifications

Knowledge of:

- Office management
- Principles of supervision, employee development, and performance evaluation
- Coaching managers for optimal performance
- Employee training and development
- Risk management practices
- Methods and techniques for effective outreach; communicating and connecting with members
- Budget development and fiscal controls
- Computer systems and software applications, Microsoft office suite, Office 365

Ability to:

- Plan, organize, manage, and develop staff
- Negotiate among diverse interests
- Gather/survey membership
- Organize data, maintain records and prepare reports
- Use computer systems and software packages
- Travel to attend meetings, conferences, training, appropriate events
- Develop and coordinate support for members
- Prepare and monitor budgets
- Communicate effectively verbally and in writing

Typical Physical Activities

- Communicate orally with district members, co-workers, and public in face-to-face one-to-one setting; by telephone and in group setting (gives instructions and information and responds to questions)
- See and hear within normal range with or without correction
- Ability to work at a desk for an extended period of time
- Insert and retrieve documents from a manual filing cabinet
- Sit for extended periods of time
- Work in an office environment, lift and move objects up to 15 pounds such as large binders, books, and small office equipment
- Have sufficient finger/hand coordination and dexterity to operate and adjust office equipment such as computer or copier

Environmental Factors

1. Exposure to the sun: 10% or less work time spent outside a building and exposed to the sun.
2. Irregular or extended work hours: Occasionally required to change working hours or work overtime.

Desirable Qualifications

Any combination of education and experience that would likely provide the necessary knowledge and abilities is qualifying.

Education: Completion of a bachelor's degree or Master's Degree from an accredited college or university in business administration, employee development, risk management, or closely related field.

Experience: Ten years of increasingly responsible experience managing and coordinating work from variety of departments, bringing together diverse areas of expertise to operate in a united way, reaching out to members or constituents to educate on products and services. Directing the managers of a training and development or risk management department from a high level is a plus.

License Certificate Registration Requirement

Driver License: Possession of a valid California Class C Driver License may be required at the time of appointment. Failure to obtain or maintain such required license(s) may be cause for disciplinary action. Individuals who do not meet this requirement due to a physical disability will be considered for accommodation on a case-by-case basis.

I have reviewed this Job Description with my Supervisor and agree with its contents.

Employee Signature

Date

Supervisor Signature

Date

The specific statements shown in each section of this job description are not intended to be all-inclusive. They represent typical elements and criteria necessary to successfully perform the job.

ACWA JPIA
DIRECTOR OF POOLING AND MEMBER SUPPORT

Name:	Reports to: Chief Executive Officer
Grade: 68	Salary Range:
Status: Exempt	Date: November 2022
Other: Supervises Members Services staff	

Definition/Summary

Under administrative direction, to plan, organize, direct supervise and coordinate operations of the Member Services Department. Analyze and evaluate program coverage, program structure, underwriting issues and expansion of coverage; deliver Board presentations; assist member districts with appropriate insurance coverages; secure excess/reinsurance coverages.

Essential Functions

- Participates as a member of the senior management team in developing and implementing both the short and long range strategic plans of the Authority
- Provides input and feedback to CEO regarding overall management of organization
- Assigns, coordinates, supervises and monitors the work of Member Services staff
- Directs the securing and development of excess insurance/reinsurance underwriting and promotional information and obtains premium and coverage proposals for Liability/Property/Workers Compensation programs
- Oversees and manages changes/updates to the MOCs for pooled programs
- Effectively prepare presentations and present information to internal and external customers in all venues
- Calls on members to deliver and explain coverages
- Oversees pooled program operations; coordinates with internal staff responsible for accounting and finance, underwriting, risk control, and claims
- Interviews prospective members to explain programs and assist in application process
- Consults with members on exposure analysis, risk management and insurance coverage issues
- Drives personal or rental vehicle for JPIA-related travel requirements
- Regular attendance and adherence to prescribed work schedule to conduct job responsibilities
- Establishes and maintains cooperative working relationships with co-workers, outside agencies, and the public.

Other Duties

- Secure necessary insurance coverages for JPIA's internal exposures.
- Prepare and makes presentations at meetings, workshops and to members.
- Hire, train, motivate and evaluate staff.
- Communicate by writing memos, bulletins, and articles for publications.
- Other duties as assigned.

Job Standards/Specifications

Knowledge of:

- Principles of training, supervision, and management
- Commercial insurance coverages, additional insured endorsements and certificates of insurance
- Pooling industry
- Appraisal principles and practices
- JPIA and its relationship with its member agencies
- English grammar and usage

Ability to:

- Assist with the overall management of the agency
- Plan, organize, direct, and coordinate the functions of the Member Services
- Manage staff functions including development, appraisal, morale, training
- Develop underwriting data for all lines of property and casualty coverage
- Develop appropriate coverage plans for the material exposures of the member agencies
- Travel to meet with members, insurance carriers, conduct training
- Make comparisons between commercial coverages and JPIA offerings
- Communicate effectively, verbally and in writing
- Write articles on insurance coverage for publication

Typical Physical Activities

- Communicate orally with district members, co-workers, and public in face-to-face one-to-one setting; by telephone and in group setting (gives instructions and information and responds to questions)
- See and hear within normal range with or without correction
- Ability to work at a desk for an extended period of time
- Insert and retrieve documents from a manual filing cabinet
- Sit for extended periods of time
- Work in an office environment, lift and move objects up to 15 pounds such as large binders, books, and small office equipment
- Have sufficient finger/hand coordination and dexterity to operate and adjust office equipment such as computer, calculator, copier, and fax machine

Environmental Factors

1. Exposure to the sun: 10% or less work time spent outside a building and exposed to the sun.
2. Irregular or extended work hours: Occasionally required to change working hours or work overtime.

Desirable Qualifications

Any combination of education and experience that would likely provide the necessary knowledge and abilities is qualifying.

Completion of a Bachelor's Degree or Master's Degree from an accredited college or university in business administration or closely related field; insurance/risk management certifications, and five years of increasingly responsible experience in insurance underwriting, risk management and related services. **OR**

Ten years of supervisory and increasingly responsible experience in insurance underwriting, risk management and related services.

License Certificate Registration Requirement

Driver License: Possession of a valid California Class C Driver License may be required at the time of appointment. Failure to obtain or maintain such required license(s) may be cause for disciplinary action. Individuals who do not meet this requirement due to a physical disability will be considered for accommodation on a case-by-case basis.

Insurance certifications such as CPCU, ARM, CIC, CSP desirable.

I have reviewed this Job Description with my Supervisor and agree with its contents.

Employee Signature

Date

Supervisor Signature

Date

The specific statements shown in each section of this job description are not intended to be all-inclusive. They represent typical elements and criteria necessary to successfully perform the job.

ACWA JPIA
2022-2023 Cyber Program Update
November 28, 2022

BACKGROUND

The Cyber Liability Program is a fully insured program that has historically provided coverage for all members of the JPIA Liability Program. The Program renews on July 1 of every year. Premiums for the Cyber Program have also historically been included in the cost of the Liability Program and no separate premium has been charged. For the 2021-22 year, the premium for the Cyber Liability Program was approximately \$929,000; a roughly 640% increase in premium over the prior year, which was approximately \$127,000.

CURRENT SITUATION

Membership and Premium

As of July 1, 2022, the Cyber Liability Program only provides coverage to members that have taken affirmative action to participate in the Program by completing an application and paying the premium invoice that was distributed to all JPIA Liability Program members (equivalent to 5% of their basic liability premium) in early August. The premium for the 2022-2023 Program was approximately \$1.2M, a 30% increase over the prior year. Upon invoicing, members were notified that failure to pay the invoice would effectively decline coverage and participation in the Program.

Of the 345 current Liability Program Members, 280 members have paid the premium invoice and therefore confirmed that they wish to continue to participate in the Cyber Liability Program. Sixty-five (65) members have declined coverage in writing. These 280 members now represent a separate, stand-alone group-purchase program, no longer affiliated with the JPIA Liability Program.

2023-24 Renewal

Staff has already begun planning for the 2023-24 renewal which will begin in December with the scheduling of live webinars to aid members in completion of the application. Once again, members will be asked to access electronic applications via the Alliant Portal, which will be pre-filled with historical data, if available.

The Cyber Insurance market continues to harden as losses worldwide escalate, particularly in the public sector. The challenge for the JPIA remains the total number of insured members with a wide range of needs and technical expertise. Additionally, the JPIA's loss history does include some significant costs. Despite having a \$100,000 retention for most members, the JPIA's five largest losses to date, total just under \$2,000,000. As such, staff is anticipating another hefty rate increase, with the markets reporting rate trend ranges from 5%-200%.

Risk Control Resources

Staff has been researching a variety of risk control resources that could potentially be offered to members, to help them control cyber risk and become better insureds (thus potentially positively impacting future renewals); however, as technical cyber risk management services are outside of the scope of the JPIA's on-staff Risk Advisors, any risk management resources implemented would be outsourced and therefore may include significant hard costs for which budgeting will be necessary. Currently, requests for risk management assistance are largely being directed to JPIA's Broker, Alliant, and current insurer, Beazley.

Inconsistency remains throughout the marketplace, on what risk control actions to be taken by insureds will be required at renewal in order to obtain coverage. Most recently, staff has been informed that one potential future requirement may be confirmation of the implementation of a system-wide Multi-Factor Authentication process, or MFA. Other requirements may be proof that all employees are receiving at least annual security awareness training, confirmation that all staff are being regularly tested on cyber diligence via controlled phishing campaigns, and that Districts are actively managing Privileged Access Management. Staff is endeavoring to stay on top of industry trends and to communicate relevant information to members.

As insured costs for cyber liability continue to rise dramatically, staff is also continuing to explore options for creating a self-insured component to the current Program, so that in the event simply group-purchasing cyber coverage becomes cost prohibitive, the JPIA will be poised to bring some element of this Program in-house as a pooled program.

RECOMMENDATION

None, informational only.

ACWA JPIA
Employee Benefits Update
November 28, 2022

BACKGROUND

Employee Benefits Programs will renew January 1, 2023. Rates and benefits were approved July 18, 2022. This included a 10% rate reduction for the self-funded PPO medical plans. PPO plan benefits were expanded to include Progyny fertility, Hinge virtual physical therapy, and Carrum oncology guidance and treatment. Rate increases for the insured plans were passed on to members in line with the carrier increases.

CURRENT SITUATION

Open Enrollment was held from October 3, 2022 to November 10, 2022. Staff attended 22 health fairs and made 17 presentations to employees. Feedback on plan changes has been favorable.

The following agencies made changes to the Employee Benefits plans in which they participate.

Member Agency	Effective	Plan Change
Pescadero RD 2058	9/1/2022	Adding Vision
Casitas MWD	9/1/2022	Adding Long Term Disability
Reclamation Dist. 784 <i>New JPIA member</i>	1/1/2023	Adding medical, dental, vision
Alameda County WD	1/1/2023	Adding Anthem Employee Assistance Program
Yuba County WA	1/1/2023	Adding Medical plans (from CalPERS)
Mammoth CWD	1/1/2023	Adding Supplemental Dependent Life
Irvine Ranch WD	1/1/2023	Termed dental. No longer a JPIA member.

Wellness Grants were awarded to 77 members in July. The list of recipients is included in the packet. Due to the continued popularity of the Wellness Grant Program, applications received exceeded the \$75,000 in funds provided by Anthem. Beginning in 2023, Anthem has agreed to provide \$100,000 in funding for Wellness Grants.

In line with the rest of the market, medical claims are trending higher in 2022.

RECOMMENDATIONS

None, informational only.

2022/2023 Wellness Grant Award Winners

Amador Water Agency	Montara Water & Sanitary District
Aromas Water District	Monterey One Water
Association of California Water Agencies	Municipal Water District of Orange County
Byron Bethany Irrigation District	North Kern Water Storage District
Cachuma Operations and Maintenance Board	North Yuba Water District
Carpinteria Valley Water District	Olivenhain Municipal Water District
Centerville Community Services District	Orange County Water District
Chino Basin Water Conservation District	Orange Cove Irrigation District
City of Tehachapi	Orchard Dale Water District
Coastside County Water District	Pajaro/Sunny Mesa Community Services District
Crescenta Valley Water District	Pajaro Valley Water Management Agency
Cucamonga Valley Water District	Palmdale Water District
Desert Water Agency	Panoche Water District
Diablo Water District	Ramona Municipal Water District
Elsinore Valley Municipal Water District	Richvale Irrigation District
Exeter Irrigation District	San Bernardino Valley Municipal Water District
Fair Oaks Water District	San Bernardino Valley Water Conservation District
Fallbrook Public Utility District	San Luis & Delta-Mendota Water Authority
Florin Resource CD/Elk Grove Water District	San Mateo County Flood & Sea Level RRD
Fresno Metropolitan Flood Control District	Santa Margarita Water District
Glenn-Colusa Irrigation District	South Coast Water District
Goleta Water District	South Tahoe Public Utility District
Grassland Basin Authority	Stockton East Water District
Helix Water District	Three Valleys Municipal Water District
Humboldt Bay Municipal Water District	Tri-District Water Authority
Indian Wells Valley Water District	Tulare Irrigation District
Kern-Tulare Water District	Tulare Lake Basin Water Storage District
Kings River Conservation District	Tulelake Irrigation District
La Puente Valley County Water District	Upper San Gabriel Valley Municipal Water District
Laguna Beach County Water District	Vallecitos Water District
Lake Arrowhead Community Services District	Valley Center Municipal Water District
Lake Don Pedro Community Services District	Vista Irrigation District
Las Virgenes Municipal Water District	Walnut Valley Water District
Main San Gabriel Basin Watermaster	West Basin Municipal Water District
Mammoth Community Water District	West Valley Water District
Marina Coast Water District	Western Municipal Water District
McKinleyville Community Services District	Yorba Linda Water District
Mid-Peninsula Water District	Yuima Municipal Water District
Mission Springs Water District	

ACWA JPIA
Risk Management Update
November 28, 2022

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, Risk Advisors were focused on the return to in-person member visits while maintaining COVID-19 safe work practices.

CURRENT SITUATION

The following summarizes the 2021-22 Risk Management Department activities.

Member Visits:

- Risk Assessments - 254
- Consultative - 98
- Training Classes - 79

Commitment to Excellence Program:

- In the *Infrastructure* loss reduction menu, Risk Advisors developed or added Pest Rodent Control and Unmanned Aerial Device best practices to our webpage.
- In the *Wildfire* loss reduction menu, more emergency preparedness best practices were added to our webpage.

Public Risk Management Association (PRIMA) Award Winner:

- The JPIA received PRIMA's 2022 Achievement Award Risk Pool Program Category.

Risk Control Grant Program:

The JPIA received 19 applications from the period October 1, 2021 through December 1, 2021.

Staff is pleased to announce last year's Grant recipients as follows:

1. Calaveras Public Utility District
2. Carmichael Water District
3. Centerville Community Services District
4. Mid-Peninsula Water District
5. North Coast County Water District
6. San Luis and Delta-Mendota Water Authority
7. Santa Clarita Valley Water Authority
8. South Coast Water District

9. Vandenberg Village Community Services District
10. Walnut Valley Water District
11. Yorba Linda Water District

Ten grant applications are awarded or until all eligible funds have been expended. Small, medium, and large districts received two awards respectively; the remaining four awards are merit-based.

RECOMMENDATION

None, informational only.

ACWA JPIA
Membership Approval Request
November 28, 2022

AGENCY INFORMATION

Upper San Luis Rey Groundwater
Management Authority
Pauma Valley , CA
San Diego County

Program
Liability

Join Date
Applying

Date Formed: 2022
Type of Agency: Groundwater Sustainability Agency
Date Joined ACWA: 2022

LINES OF COVERAGE

<u>Program</u>	<u>TIVs/Payroll</u>	<u>Quoted Premium</u>	<u>Current Carrier</u>
Liability	\$0	\$1,800	N/A

BACKGROUND

The Upper San Luis Rey Groundwater Management Authority (USLRGMA) was formed in May 2022 by the members/entities listed below to work together in cooperation to develop a groundwater management plan for the San Luis Rey Valley Groundwater Basin. Yuima Municipal Water District (Yuima) provides the administration for the USLRGMA at this time.

Members	Existing JPIA Member Programs Participation
Yuima Municipal Water District	Yes, Liability, Property, and Workers' Compensation
Upper San Luis Rey Resources Conservation District	No
San Luis Rey Municipal Water District	No
Pauma Municipal water District	No
Pauma Valley Community Services District	No

RISK MANAGEMENT

Risk Management Consultant: Robin Flint
Date of Assessment: October 20, 2022

A new member risk assessment was conducted in accordance with the JPIA's Commitment to Excellence (C2E) Program, JPIA best practices, occupational safety and health standards, and consensus with public agency loss control methods.

USLRGMA will draft consulting and/or technical contracts to conduct aquifer testing and eventual plans for construct a monitoring station. Currently, Yuima is responsible for creating technical information, including risk transfer requirements. Yuima is part of the JPIA's Liability Program and is aware of the JPIA risk transfer requirements.

USLRGMA has not had previous liability coverage and therefore has no loss history reports.

If USLRGMA is accepted into the JPIA Liability Program, it is recommended the following be completed within three months of joining:

- Receipt of Board training completion records for AB 1234 and Sexual Harassment Prevention

RECOMMENDATION

That the Executive Committee approve Upper San Luis Rey Groundwater Management Authority's application for admission into the Liability Program.

ACWA JPIA
CEO Update
November 28, 2022

BACKGROUND

This is a standing item on Executive Committee agendas.

CURRENT SITUATION

The JPIA's Chief Executive Officer will update the Executive Committee on relevant current issues, progress on the current Goals & Objectives, and potential future opportunities and challenges.

RECOMMENDATION

None, informational only.

Board of Directors' Meeting



YOUR BEST PROTECTION

Hyatt Regency Resort
Ballroom NOP
44600 Indian Wells Lane,
Indian Wells, CA 92210

Monday
November 28, 2022
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

Ballroom NOP

44600 Indian Wells Lane, Indian Wells, CA 92210

(760) 776-1234

Monday – November 28, 2022 – 1:00 PM

WELCOME

TUESDAY SEMINARS

- Corporate Water Stewardship: How Companies are Addressing Water Risk
- PFAS Contamination – The Risks and Realities for Water Districts
- Sexual Harassment Prevention For Board Members & Managers

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

MEETING PARTICIPATION GUIDELINES

PLEDGE OF ALLEGIANCE

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 California 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

ADDITIONS TO OR DELETIONS FROM THE AGENDA

<u>Presenter</u>		<u>Page#</u>
	I. <u>CONSENT CALENDAR</u>	
McDonald	* A. Approve the minutes of the meeting of May 2, 2022.	76
	II. <u>ADMINISTRATION</u>	
Sells	* A. Glossary of Terms.	86

<u>Presenter</u>		<u>Page#</u>
McDonald	* B. Resolution 2022-1 Commendation to E.G. “Jerry” Gladbach.	98
Sells	* C. Ratify Executive Committee’s acceptance of new member agencies.	100
Greenfield	* D. Review and take action on proposed revision to JPIA Bylaws.	101
Eggerton	E. ACWA Presentation.	
III. <u>FINANCIAL</u>		
deBernardi	* A. Review and take action on the Investment Policy.	103
deBernardi	* B. Presentation of the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (COA).	120
IV. <u>PROGRAMS</u>		
Beatty	* A. Pooled Programs update: 1. Liability Program 2. Property Program 3. Workers’ Compensation Program 4. Employee Benefits Program	121
deBernardi	* B. Announce the President’s Special Recognition Award recipients for the Liability, Property, and Workers’ Compensation Programs.	122
Sells	* C. California Water Insurance Fund (CWIF) update.	130
V. <u>MEMBERSHIP BENEFITS</u>		
Flint	* A. Announce the winners of the H.R. LaBounty Safety Award Program.	132
Crawford	* B. Training update.	134
Slaven	* C. Human Resources update.	140
Slaven	* D. Leadership Essentials Program update.	142

VI. CEO UPDATE

Sells

- * A. Current events at the JPIA.

144**VII. PRESIDENT'S UPDATE**

McDonald

- * A. Review of Board meeting, events, and announcements.

145**VIII. OTHER BUSINESS**

Greenfield

- A. Review pending lawsuits directly involving the JPIA.
- B. Open discussion.

ADJOURNMENT

*Related items enclosed.

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

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.

Dinner in honor of Jerry Gladbach

Ballroom JK from 5:30 to 8:00 PM

Many thanks to our Sponsors:



Alliant
Insurance
Services, Inc.

Barber &
Bauermeister

Cohen &
Burge, LLP

Donahue
Davies, LLP

Fozi Dwork &
Modafferi, LLP

Law Offices of
Robert Gokoo

Jacobson
Markham, LLP

Rankin Stock
Heaberlin
Oneal

VSP



Unapproved Minutes

Board of Directors' Meeting

Sheraton Grand Hotel
1230 J Street
Sacramento, CA 95814

May 2, 2022

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 Gladbach welcomed everyone in attendance, called the meeting to order at 1:37 p.m., and announced that a quorum was present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by President Gladbach.

EVACUATION PROCEDURES

Mr. Sells reviewed the building evacuation procedures.

ANNOUNCEMENT RECORDING OF MEETING

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

MEETING PARTICIPATION GUIDELINES

Mr. Sells reviewed JPIA Voting Procedures with everyone in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

CONSENT CALENDAR

President Gladbach called for approval of the Consent Calendar.

Motion: That the Board of Directors approve the minutes of the November 29, 2021 meeting, as presented.

Motioner: Bruce Rupp, Humboldt Bay Municipal Water District

Seconder: Peer Swan, Irvine Ranch Water District

(93-Yes; 0-No; 4-Abstain)

**See voting report following the minutes.*

EXECUTIVE COMMITTEE SPECIAL ELECTION

President Gladbach explained that this special election will fill one Executive Committee member position for term ending May 2023. The qualified candidates are as follows:

- Chris Kapheim – Kings River Conservation District
- Pam Tobin – San Juan Water District
- John Weed - Alameda County Water District

No other candidates submitted resolutions to be on the ballot.

Executive Committee Special Election Result

Chris Kapheim has been elected to serve on the Executive Committee, term ending May 2023.

CAPTIVE BOARD ELECTION

President Gladbach explained that in May 2019, the two California Water Insurance Fund (CWIF) Board members served an initial term of three years each; thereafter, the terms will be two years each. This election will fill two CWIF Board member positions for a term of two years each, term ending May 2025. The qualified candidates are as follows:

- Andrew Morris – Santa Rosa Regional Resources Authority (*Incumbent*)
- Scott H. Quady – Calleguas Municipal Water District (*Incumbent*)

Captive Election Results

The following candidates have been elected to a two-year term each on the California Water Insurance Fund (CWIF):

- Andrew Morris – Santa Rosa Regional Resources Authority (*unopposed*)
- Scott H. Quady – Calleguas Municipal Water District (*unopposed*)

ADMINISTRATION

Glossary of Terms

Mr. Sells directed the Board to the Glossary of Terms at the beginning of the conference packet. It was suggested that they become acquainted with the terms used in this meeting and to 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 Gladbach noted that at each Board meeting, a list of new members is provided for membership ratification. Since the last Board of Directors' meeting, the following agencies have become members of the JPIA: Atwell Island Water District and Tri-District Water Agency.

Motion: That the Board of Directors approve to ratify the following agencies as members of the JPIA: Atwell Island Water District and Tri-District Water Agency.

Motioner: Bruce Rupp, Humboldt Bay Municipal Water District

Seconder: Pamela Tobin, San Juan Water District
(95-Yes; 0-No; 0-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.

California Water Insurance Fund Update

Mr. Sells provided a brief report on CWIF's current financial status. He reported that as of March 31, 2022, the book value of the CWIF portfolio was \$158,182,529 vs. a market value of \$162,239,020. The rate of return since inception is approximately 15.96% vs. a rate of return on the JPIA portfolio of approximately 1.79%.

FINANCIALS

Approval of the Audited Financial Statements for Year Ending September 30, 2021

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, 2020 through September 30, 2021. 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, 2021, and

the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. As in the previous year, the JPIA prepared an Annual Comprehensive Financial Report (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 2020/21 Audited Financial Statements, as presented.

Motioner: Brent Hastey, Yuba Water Agency

Seconders: Bruce Rupp, Humboldt Bay Municipal Water District
(95-Yes; 1-No; 0-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, 2023. The most significant changes to the G&A budget for the fiscal year are staff salaries and staff employee benefits (lines 1 and 2). Staff Salaries primary increase is due to anticipated inflation adjustments and an additional employee not previously budgeted. Staff Employee Benefits decrease is due to a \$500,000 estimated reduction for pension expenses. The overall decrease in the Operating Budget is .9% (line 36). Salaries remain the largest line item in the budget.

Motion: That the Board of Directors approve the proposed Operating Budget for the fiscal ending September 30, 2023, as presented.

Motioner: Fred Bockmiller, Mesa Water District

Seconders: Charles Caspary, Las Virgenes Municipal Water District
(95-Yes; 2-No; 3-Abstain)

**See voting report following the minutes.*

PROGRAMS

Pooled Programs Update

Mr. Sells 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. Mr. Sells reviewed the highlights for each program.

- The Liability Program has approximately 335 members and has been very stable with no price increase in the last 15 years.
- The Property Program has approximately 285 members and has a 15% rate increase in pricing this year. Catastrophic events continue to dominate pricing for this program.
- The Workers' Compensation Program has approximately 200 members with pricing very stable and unchanged for the current year. Challenges in this program include legislative changes which affects the rates.
- The Employee Benefits Program has approximately 265 members. For the current renewal, rates for the self-funded Anthem PPO plan were reduced by 5% with the other self-insured program remaining unchanged. Changes this year include the switch to United Healthcare Advantage plan for retirees with Medicare and the addition of Modern Health as a component of all JPIA medical plans.

MEMBERSHIP BENEFITS

Leadership Essentials for the Water Industry Program Update

Ms. Slaven reported that the Leadership Program continues to be popular with members with many inquiries already being received for the 2022/2023 program. Currently, there are 29 participants that began in October/November and will finish in one year. A major change this year was the introduction of the concept of Strength-Based Leadership. Working from an individual's strengths increases engagement and produces better results. Revisions were also made to the Team Leadership module to stress each individual's responsibility for the success of the team.

Human Resources Update

Ms. Slaven stated that the JPIA held our first in-person Human Resources Group meeting in three years at the Frontier Project at Cucamonga Valley Water District attended by 45 participants. The overall feedback received was positive. Attendees were thankful to be able to gather together, network and learn new ideas in the world of Human Resources. Additionally, JPIA has continued the monthly Hot Java and Hot HR topics webinars attracting hundreds of participants throughout the last year and has topics scheduled through the summer months. This is a way to share pertinent information as it develops and keep members well informed.

Training Update

Ms. Crawford noted as member agencies rebound from the workplace impact of the COVID-19 pandemic, JPIA Training has been focused on safely returning to delivery of in-person training, while also enhancing and maintaining our robust online learning options for members. Guidelines were announced in January 2022 for returning to in-person instructor-led training. Once again, member agencies are able to request training courses via their assigned JPIA risk control advisor directly or by contacting our JPIA Training team. Regional multi-session training events and individual courses are beginning to be delivered onsite at member agencies. Planning has also begun for the JPIA Training Conference to be held October 18-19, 2022, in San Diego.

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 11 nominations submitted from seven 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. The Risk Advisors are slowly getting back to providing in-person Risk Assessment Surveys. The next Safety Grant Program will be presented at Spring Conference 2023.

OTHER BUSINESS

Review Pending Lawsuits Directly Involving the JPIA

Mr. Greenfield reported that there are no pending claims.

Town Hall Meeting, Board of Directors' Reception and Introduction of Sponsors

President Gladbach announced that there would be a reception in the Ballroom Lobby following the Town Hall meeting. He made a special note of the reception sponsors: Alliant Insurance Services, Inc.; Barber & Bauermeister; bswift; Cohen & Burge, LLP; Cueno Black Ward & Missler; Donahue Davies, LLP; Jacobson Markham, LLP; Law Offices of Robert Gokoo; Manning & Kass, Ellrod, Ramirez, Trester, LLP; Meyers Fozi & Dwork, LLP; Occu-Med; Rankin Stock Heaberlin Oneal; and Vector Solutions.

President Gladbach called for adjournment of the Board of Directors' meeting at 3:59 p.m.

Attest:

X

E. G. "Jerry" Gladbach
Chairman

X

Walter A. Sells
Secretary

ACWA JPIA Board of Directors Meeting Voting Report, May 2, 2022

Member	First	Last	Keypad ID	Minutes 11.29.21	CWIF Election Andy Morris	CWIF Election Scott Quady	Ratify New Members	Financial Statements	Operating Budget
Santa Clarita Valley Water Agency	E. G. "Jerry"	Gladbach	1	1	1	1	1	1	1
Devil's Den Water District	E. G. "Jerry"	Gladbach	2	1	1	1	1	1	1
Upper Santa Clara Valley JPA	E. G. "Jerry"	Gladbach	3	1	1	1	1	1	1
San Bernardino Valley WCD	Melody	McDonald	4	1	1	1	1	1	1
United Water Conservation District	Bruce	Dandy	5	1	1	3	1	1	1
Sacramento Groundwater Authority	Pamela	Tobin	6	1	1	1	1	1	1
Tri-Dam Project	John	Holbrook	7	1	1	1	1	1	1
Vista Irrigation District	Brett	Hodgkiss	8	1	1	1	1	1	1
San Bernardino Valley Municipal WD	T. Milford	Harrison	9	1	1	1	1	1	1
Tulare Irrigation District	Kathi	Artis	10	1	1	1	1	1	2
Carpinteria Valley Water District	Matthew	Roberts	11	1	1	1	1	1	1
Bedford Coldwater GSA	Philip	Williams	12	1	1	1	1	1	1
Kings River East GSA	Marc	Limas	13	1	1	1	1	1	1
Alta Irrigation District	Marc	Limas	14	1	1	1	1	1	1
Palmdale Water District	Gloria	Dizmang	15	1	1	1	1	1	1
Santa Margarita Water District	Saundra	Jacobs	16	1	1	1	1	1	1
San Gabriel Basin Water Quality Authority	Bob	Kuhn	17	1	3	1	0	1	3
Rosamond Community Service District	Byron	Glennan	18	1	1	1	1	1	1
Paradise Irrigation District	Alan	Hinman, Jr.	19	1	1	1	1	1	1
Rosedale-Rio Bravo Water Storage District	Roy	Pierucci	20	1	1	1	1	1	1
Las Virgenes Municipal Water District	Charles	Caspary	21	1	1	1	1	1	1
Main San Gabriel Basin Watermaster	David	De Jesus	22	1	1	1	1	1	1
Oakdale Irrigation District	Thomas	Orvis	23	1	1	1	1	1	1
Orange County Water District	Cathy	Green	24	1	1	1	1	1	1
Olivenhain Municipal Water District	Lawrence	Watt	25	3	1	1	1	1	1
North Kings GSA	Karl	Kienow	26	1	1	1	1	1	1
Elsinore Valley Municipal Water District	Phil	Williams	27	1	1	1	1	1	1
Florin Resources Conservation District	Bruce	Kamilos	28	1	1	1	1	1	0

ACWA JPIA Board of Directors Meeting Voting Report, May 2, 2022

Member	First	Last	Keypad ID	Minutes 11.29.21	CWIF Election Andy Morris	CWIF Election Scott Quady	Ratify New Members	Financial Statements	Operating Budget
Georgetown Divide Public Utility District	Mitch	McDonald	29	1	1	1	1	1	1
El Toro Water District	Mike	Gaskins	30	1	1	1	1	1	1
Kern County Water Agency	Charles	Wulff, Jr.	31	1	1	1	1	1	1
Kings River Conservation District	Chris	Kapheim	32	1	2	1	1	1	1
Bella Vista Water District	James	Smith	33	1	1	1	1	1	1
Desert Water Agency	James	Cioffi	34	1	1	1	1	1	1
Humboldt Bay Municipal Water District	Bruce	Rupp	35	1	1	1	1	1	1
Sacramento Suburban Water District	Jay	Boatwright	36	3	1	1	1	1	1
South Sutter Water District	Ashley	McKenzie	37	1	1	1	1	1	1
Fresno Metropolitan FCD	Peter	Sanchez	38	1	1	1	1	1	1
Regional Water Authority	Pamela	Tobin	39	1	1	1	1	1	1
Rowland Water District	Vanessa	Hsu	40	1	1	1	1	1	1
Goleta Water District	William	Rosen	41	1	1	1	1	1	1
Carmichael Water District	Mark	Emmerson	42	1	1	1	1	1	1
Tehachapi-Cummings County WD	Jonathan	Hall	43	1	1	1	1	1	1
Santa Rosa Regional Resources Auth.	Andy	Morris	44	1	1	1	1	1	1
Solano Irrigation District	Cary	Keaten	45	1	1	1	1	1	1
South San Joaquin Irrigation District	Glenn	Spyksma	46	1	1	1	1	1	1
San Juan Water District	Pamela	Tobin	47	1	1	1	1	1	1
Tahoe City Public Utilities District	John	Pang	48	1	1	1	1	1	1
Three Valleys Municipal Water District	Brian	Bowcock	49	1	1	1	1	1	1
Santa Clarita Valley GSA	Gary	Martin	50	1	1	1	1	1	1
Crestline Village Water District	Steven	Farrell	51	3	1	1	1	1	1
North Coast County Water District	Jack	Burgett	52	1	1	1	1	1	1
Arvin-Edison Water Storage District	David	Nixon	53	1	1	1	1	1	1
Otay Water District	Mark	Robak	54	1	1	1	1	1	1
Madera Irrigation District	Carl	Janzen	55	1	1	1	1	1	1
Yuba Water Agency	Brent	Hastey	56	1	1	1	1	1	1

ACWA JPIA Board of Directors Meeting Voting Report, May 2, 2022

Member	First	Last	Keypad ID	Minutes 11.29.21	CWIF Election Andy Morris	CWIF Election Scott Quady	Ratify New Members	Financial Statements	Operating Budget
Yorba Linda Water District	Brooke	Jones	57	1	3	1	1	1	3
Friant Power Authority	Carl	Janzen	58	1	1	1	1	1	1
Kinneola Irrigation District	Melvin	Matthews	59	1	1	1	1	1	1
Foothill Municipal Water District	Melvin	Matthews	60	1	1	1	1	1	1
Irvine Ranch Water District	Peer	Swan	61	1	1	1	1	1	1
Madera-Chowchilla W&PA	Carl	Janzen	63	1	1	1	1	1	1
Calleguas Municipal Water District	Scott	Quady	64	1	1	1	1	1	1
Mid-Peninsula Water District	Kirk	Wheeler	66	1	1	1	1	1	1
Mesa Water District	Fred	Bockmiller	67	1	1	1	1	1	1
WRD of Southern California	Elvira	Robles-DeWitt	68	1	1	1	1	1	1
Sweetwater Authority	Steve	Castaneda	69	1	1	1	1	1	1
San Benito County Water District	Andrew	Shelton	70	1	1	1	1	1	1
Water Employee Services Authority	Phil	Williams	71	1	1	1	1	1	1
San Luis Water District	Janet	Roy	72	1	1	1	1	1	1
Rio Alto Water District	Craig	Weaver	73	1	1	3	1	1	2
Santa Clara Valley Water District	John	Varela	74	1	2	2	0	1	0
Santa Margarita Groundwater Agency	Piret	Harmon	75	1	1	1	1	1	1
Wheeler Ridge-Maricopa WSD	James	Smith	76	1	1	1	1	1	1
Vallecitos Water District	Jim	Pennock	77	3	1	3	1	2	1
Valley Center Municipal Water District	Oliver	Smith	78	1	1	1	1	1	1
Valley County Water District	Jazmin	Lopez	79	1	1	1	1	0	1
Rincon Del Diablo MWD	David	Drake	80	1	1	1	1	1	1
Rancho California Water District	William	Plummer	81	1	1	1	1	1	1
Laguna Beach County Water District	Deborah	Neev	82	1	1	1	1	1	1
Purissima Hills Water District	Essy	Stone	83	1	1	1	1	1	1
Cucamonga Valley Water District	Randall	Reed	84	1	1	1	1	1	1
Chino Basin Watermaster	Bob	Kuhn	85	1	3	1	1	1	3
Bay Area Water Supply & Conserv. Agency	Nicole	Sandkulla	86	1	1	1	1	1	1

ACWA JPIA Board of Directors Meeting Voting Report, May 2, 2022

Member	First	Last	Keypad ID	Minutes 11.29.21	CWIF Election Andy Morris	CWIF Election Scott Quady	Ratify New Members	Financial Statements	Operating Budget
Alameda County Water District	John	Weed	87	1	1	1	1	1	1
Banta Carbona Irrigation District	David	Weisenberger	88	1	1	1	1	1	1
Helix Water District	Daniel	McMillan	89	1	1	1	1	1	1
San Dieguito Water District	Jace	Schwarm	90	1	1	1	1	1	1
Monte Vista Water District	Sandra	Rose	91	1	1	1	1	1	1
Calaveras County Water District	Scott	Ratterman	92	1	1	1	1	1	1
Pomona-Walnut-Rowland JWLC	Thomas	Coleman	93	1	1	1	1	1	1
Mission Springs Water District	Nancy	Wright	94	1	1	1	1	1	1
Serrano Water District	Gregory	Mills	95	1	1	1	1	1	1
Rainbow Municipal Water District	Miguel	Gasca	96	1	1	1	1	1	1
Montecito Water District	Floyd	Wicks	97	1	1	1	1	1	1
Citrus Heights Water District	David	Wheaton	98	1	1	1	1	1	1
Suisun-Solano Water Agency	Cary	Keaten	99	1	1	1	1	1	1

Legend

1 = Yes

2 = No

3 = Abstain

Totals:	Yes	93	92	93	95	95	90
	No	0	2	1	0	1	2
	Abstain	4	3	3	0	0	3

ACWA JPIA
Glossary of Terms
November 28, 2022

BACKGROUND

Communications and documents prepared by the JPIA frequently use words, phrases, and acronyms that may not be familiar to many readers. These terms might be unique to the JPIA, to public entity risk-sharing pools, or to the insurance industry.

PRESENT SITUATION

In order to eliminate confusion and to better help members understand the material presented by the JPIA, the following “Glossary of Terms” has been prepared. This is also included in the JPIA’s Board of Directors’ Manual, which is available to each Director appointed to the Board of Directors on the JPIA website, www.acwajpia.com.

Members are requested to let the staff know if there is a term, abbreviation, or acronym that needs to be included in the future.

RECOMMENDATION

None, informational only.

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) – A national organization of JPAs and public agency insurance pools. Formed for educational, information gathering and political lobbying 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.

CAFR (Comprehensive Annual Financial Report) – An award program established by the GFOA to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

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 losses without additional premium assessments to members. The Fund can be used when actual incurred losses for a given coverage year exceed 150% of projected losses. A portion (currently 10%) of each member’s annual deposit premium is set aside in this fund. The monies are held, earning interest, until all claims for that coverage year are closed. At that time, the money is refunded to members or credited to their Retrospective Premium Adjustment Fund account.

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.

Consumer Driven Health Plan (CDHP) - 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.

Co-insurance – 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.

Co-pay – 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.

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 (Liability) – 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 (Employer Group Wavier Plan) – Retiree benefit plan design that embeds Medicare Part D benefits, resulting in reimbursement for a portion of the cost of prescriptions.

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.

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

Health Savings Account (HSA) - 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.

High Deductible Health Plan (HDHP) - see Consumer Driven Health Plan (CDHP).

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).

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.

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.

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.

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.

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.

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. Forty-five months after its inception, 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.

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.

SIEF – Self Insured Excess Fund.

SIR (Self Insured Retention) – In the JPIA’s liability program, members may choose SIRs of \$100,000, \$300,000 or \$500,000. This is the amount of each loss the member will be responsible for. It is payable at the time of the loss. An up-front premium credit is given to members selecting these high SIRs. Retentions below these levels are treated differently; they are considered RAPs.

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.

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.

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.

ACWA JPIA
Resolution (2022-1)
Commendation to E.G. “Jerry” Gladbach
November 28, 2022

BACKGROUND

E.G. “Jerry” Gladbach of Santa Clarita Valley Water Agency passed away in July 2022 after more than 20 years of service with the ACWA JPIA.

CURRENT SITUATION

The JPIA would like to show its appreciation to Jerry Gladbach for his years of service to the JPIA and its members. Jerry has served on the Executive Committee for 20 years. For the past 12 years, he has served as Board President. He also served as Chair of the Liability Program Committee, the Building & Property Ad Hoc Committee, and the Personnel Committee. In addition, he has been instrumental in the research and subsequent formation of the Captive.

RECOMMENDATION

That the Board of Directors approve the proposed resolution honoring E.G. “Jerry” Gladbach, as presented.

RESOLUTION (2022-1)
OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF CALIFORNIA WATER
AGENCIES JOINT POWERS INSURANCE AUTHORITY (ACWA JPIA)
COMMENDING E.G. “JERRY” GLADBACH FOR
TWENTY YEARS OF OUTSTANDING SERVICE

BE IT RESOLVED by the Board of Directors of the Association of California Water Agencies Joint Powers Insurance Authority that commendation be given to E. G. “Jerry” Gladbach of Santa Clarita Valley Water Agency, for outstanding service to the Joint Powers Insurance Authority as a member of the Executive Committee for twenty years. For the past 12 years, he has served as Board President. He also served as Chair of the Liability Program Committee, the Building & Property Ad Hoc Committee, and the Personnel Committee. In addition, he has been instrumental in the research and subsequent formation of the Captive.

Jerry’s dedicated service to the JPIA and its members, combined with a high standard of integrity and fairness, has been an important element in the development and success of the JPIA.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Association of California Water Agencies Joint Powers Insurance Authority held November 28, 2022 in Indian Wells, California.

By: _____
Melody McDonald, President, ACWA JPIA

ATTEST:

Walter “Andy” Sells, Secretary, ACWA JPIA

ACWA JPIA
Ratify New Member Agencies
November 28, 2022

BACKGROUND

At each Board meeting, a list of new members is provided for membership ratification.

CURRENT SITUATION

The following agencies have joined ACWA JPIA:

Agency: Merced Irrigation Urban GSA
Effective Date: July 13, 2022
Program: Liability
Director: Hicham ElTal

Agency: South Valley Water Resources Authority
Effective Date: September 1, 2022
Program: Liability
Director: TBD

RECOMMENDATION

That the Board of Directors ratify the Executive Committee's acceptance of above agencies into JPIA.

ACWA JPIA
Proposed Revision to the JPIA Bylaws
November 28, 2022

BACKGROUND

The JPIA Bylaws were last reviewed and revised at the Board of Directors' meeting on November 29, 2021. Any action to change the Bylaws requires a majority vote by the Board of Directors.

CURRENT SITUATION

Included in the packet is the proposed revision to the Bylaws in Article III, Sections 2(a) regarding Existence of Vacancies.

The proposed language addresses the situation where the Vice President of the Association of California Water Agencies is from the same Member as a sitting member of the Executive Committee. It is the goal not to have a single Member District with two votes on the Executive Committee. Under the proposed Bylaws change, as long as there is a representative from the Member sitting on the Executive Committee, the Vice President of the Association of California Water Agencies will not have a vote on Executive Committee matters.

RECOMMENDATION

That the Board of Directors approve the revision to the Bylaws, as presented.

Article III-Executive Committee

Section 1. Composition, Selection and Term of Office.

The Executive Committee shall consist of nine (9) members, including eight (8) members elected by the Board of Directors from its voting Members and the Vice President of the Association of California Water Agencies, who shall be an *ex officio* member of the Executive Committee. Commencing with the first Board of Directors' meeting held in 2013, four (4) members shall be elected in every odd-numbered year and shall serve four-year terms until their respective successors are elected. Commencing with the first Executive Committee meeting held after the 2013 Board of Directors' election, the Executive Committee shall appoint two of its members to serve two-year terms as President and Vice President of the Board of Directors. There shall be no limit to the number of two-year terms a person may serve as the President or the Vice President of the Board of Directors. All members of the Executive Committee, except the Vice President of the Association of California Water Agencies, shall be Directors of Members which participate in the ACWA JPIA Liability, Property, Workers' Compensation, and at least one of the Employee Benefits Programs.

Should the Vice President of the Association of California Water Agencies be from the same Member as a sitting member of the Executive Committee or be an existing member of the Executive Committee, the Vice President of the Association of California Water Agencies shall not have voting privileges on any Executive Committee items until such time as their term expires or no two seats are filled from the same Member.

Upon their adoption by the Members, these four-year terms shall be implemented as agreed upon by the Executive Committee.

The President, or in their absence, the Vice President shall serve as Chair of the Executive Committee.

ACWA JPIA
Investment Policy
November 28, 2022

BACKGROUND

The current Investment Policy was last approved by the Board of Directors at the 2021 Fall Conference.

The JPIA Bylaws require that the Investment Policy be reviewed and approved annually by the Board of Directors.

CURRENT SITUATION

The Investment Policy was reviewed by staff and the JPIA's investment advisor. The changes to the policy are reflected in add/delete format in the following document.

The Investment Policy was reviewed and approved by the JPIA's Finance & Audit and the Executive Committees.

RECOMMENDATION

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

Memorandum

To: David deBernardi, Director of Finance
Daniel Steel, Finance Manager
Association of California Water Agencies Joint Powers Insurance Authority

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

RE: 2022 Investment Policy Review

At your request, we completed our annual review of the Association of California Water Agencies Joint Powers Insurance Authority ("Authority") Investment Policy ("Policy"). As written, the Policy complies with the applicable California Government Code (the "Code") sections regulating the investment of public funds. Furthermore, there have been no changes to the relevant Code sections, effective January 1, 2022, that would require any changes the Authority's Policy.

Although no Policy changes are needed, we recommend that the Authority make a minor change to the Limitations/Diversification section, such that the Percentage of Investment Portfolio limit for commercial paper in the summary table matches the limits described under item 7 of the Permissible Investments section.

Please let us know if you have any questions or comments.

ASSOCIATION OF CALIFORNIA WATER AGENCIES

JOINT POWERS INSURANCE AUTHORITY

INVESTMENT POLICY

Revised: 09/2021 - Approved: 11/2021

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 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, supranationals, 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% <u>/25%*</u>	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
Certificate of Achievement for
Excellence in Financial Reporting
November 28, 2022

BACKGROUND

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting (COA) program in 1945 to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

Reports submitted to the COA program are reviewed by selected members of the GFOA professional staff and the GFOA Special Review Committee, which is comprised of individuals with expertise in public-sector financial reporting and includes financial statement preparers, independent auditors, academics, and other finance professionals.

The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by government and its management.

The JPIA submitted for review its recent comprehensive annual financial report to the GFOA in March of 2022.

CURRENT SITUATION

The JPIA was notified in November 2022 that the COA for the fiscal year ended September 30, 2022, qualified for a Certificate of Achievement for Excellence in Financial Reporting. This is the ninth year in a row that the JPIA has received this esteemed award.

RECOMMENDATION

None, informational only.

ACWA JPIA
Pooled Programs Update
November 28, 2022

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 a stable membership committed to risk management and risk reduction.

Each pooled program stands alone meaning they are separately funded and managed. The Programs have independent memberships and not all members participate in all programs.

CURRENT SITUATION

Over 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, information only.

ACWA JPIA
President's Special Recognition Award Recipients
November 28, 2022

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, 2018-2021, as of September 30, 2022. Printed awards will be mailed directly to the districts.

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

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RECOMMENDATION

None, informational only.

Liability Program President's Award – November 28, 2022

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

Liability Program President's Award – November 28, 2022

Laguna Irrigation District	Porterville Irrigation District*
Lakeside Water District*	Princeton-Codora-Glenn Irrigation District
Laytonville County Water District	Provident Irrigation District
Le Grand-Athlone Water District	Puente Basin Water Agency
Lindsay-Strathmore Irrigation District	Purissima Hills Water District*
Littlerock Creek Irrigation District	Quartz Hill Water District
Los Alamos Community Services District*	Ramirez Water District
Lost Hills Water District	Reclamation District No. 1004
Madera Water District*	Reclamation District No. 108
Madera-Chowchilla Water & Power Authority	Reclamation District No. 1500
Main San Gabriel Basin Watermaster	Reclamation District No. 1606
Maine Prairie Water District	Reclamation District No. 2047
Majestic Pines Community Services District	Reclamation District No. 307
Mammoth Community Water District*	Reclamation District No. 744
Mariana Ranchos County Water District	Reclamation District No. 999
Mesa Water District	Redwood Valley County Water District
Mid-Kaweah Groundwater Subbasin Joint Powers Authority	Regional Water Authority
Midway Heights County Water District*	Richvale Irrigation District*
Millview County Water District	Rincon Del Diablo Municipal Water District*
Mojave Public Utility District*	Rio Alto Water District
Mojave Water Agency	Root Creek Water District
Montague Water Conservation District*	Rowland Water District
Moulton Niguel Water District*	Rural North Vacaville Water District
Mountain Gate Community Services District	Sacramento Groundwater Authority
Municipal Water District of Orange County	Sacramento River West Side Levee District
North Coast County Water District	San Andreas Sanitary District*
North Delta Water Agency	San Benito County Water District*
North Kings Groundwater Sustainability Agency	San Bernardino Valley Water Conservation District
North San Joaquin Water Conservation District	San Gabriel Basin Water Quality Authority*
North Yuba Water District	San Gabriel County Water District*
Omochumne-Hartnell Water District	San Gabriel Valley Municipal Water District
Orange County Water District	San Geronio Pass Water Agency*
Orchard Dale Water District*	San Joaquin River Exchange Contractors Groundwater Sustainability Agency
Orosi Public Utility District	San Joaquin River Exchange Contractors Water Authority*
Pacheco Water District	San Juan Ridge County Water District
Pajaro Valley Water Management Agency	San Luis & Delta-Mendota Water Authority
Pajaro/Sunny Mesa Community Services District*	Santa Cruz Mid-County Groundwater Agency
Palm Ranch Irrigation District*	Santa Fe Irrigation District
Panoche Drainage District	Santa Margarita Groundwater Agency
Panoche Water District	Santa Rosa Regional Resources Authority
Paradise Irrigation District	Santa Ynez River Water Conservation District
Patterson Irrigation District	Improvement District No. 1*
Pebble Beach Community Services District*	Santiago Aqueduct Commission
Pescadero Reclamation District No. 2058	Saucelito Irrigation District*
Pico Water District*	Scott Valley Irrigation District
Pinyon Pines County Water District	Scotts Valley Water District
Pixley Irrigation District	Semitropic Water Storage District
Pleasant Valley County Water District*	Sierra Cedars Community Services District
Pomona-Walnut-Rowland Joint Water Line Commission	

Liability Program President's Award – November 28, 2022

Sierra County Waterworks District No. 1 (Calpine)	Western Municipal Water District
Sierra Highlands Community Services District	Wheeler Crest Community Services District
Sierra Lakes County Water District	Wheeler Ridge-Maricopa Water Storage District
Sites Project Joint Powers Authority	Wynola Water District
Solano County Water Agency	Yolo Subbasin Groundwater Agency
Solano Subbasin Groundwater Sustainability Agency	Yuba County Water Agency*
Sonoma Mountain County Water District*	
Sonoma Valley Groundwater Sustainability Agency	
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*	
Suisun-Solano Water Authority	
Sweetwater Authority	
Tahoe City Public Utility District	
Tehachapi-Cummings County Water District	
Terra Bella Irrigation District	
Thermalito Water and Sewer District*	
Three Valleys Municipal Water District*	
Trabuco Canyon Water District*	
Tranquillity Irrigation District	
Tri-County Water Authority	
Tri-Valley Water 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	
Vallecitos Water District	
Valley Center Municipal Water District	
Valley County Water District*	
Valley of the Moon Water District	
Vandenberg Village Community Services District*	
W.H. Wilbur Reclamation District No. 825	
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*	
West Valley Water District	
Western Canal Water District*	

Property Program President's Award – November 28, 2022

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

Property Program President's Award – November 28, 2022

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
Provident Irrigation District
Puente Basin Water Agency
Purissima Hills Water District*
Quartz Hill Water District
Ramona Municipal Water District
Rancho California Water District
Reclamation District No. 2068
Reclamation District No. 744
Reclamation District No. 999
Redwood Valley County Water District
Richvale Irrigation District*
Rincon Del Diablo Municipal Water District*
Rio Linda/Elverta Community Water District
Root Creek Water District
Sacramento Groundwater Authority
Sacramento Suburban Water District
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 Luis 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
Serrano Water District
Shafter-Wasco Irrigation District
Sierra Cedars Community Services District
Sierra Lakes County Water District
Solano Irrigation District
Sonoma Mountain County Water District*
Soquel Creek Water District

South Coast Water District
South Coast Water District-Joint Regional Water Supply
Southern San Joaquin Municipal Utility District
Stinson Beach County Water District*
Stockton East Water District
Sweetwater Authority
Thermalito Water and Sewer District*
Three Valleys Municipal Water District*
Trabuco Canyon 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*
West Valley Water District
Westborough Water District
Western Canal Water District*
Western Municipal Water District
Woodbridge Irrigation District
Wynola Water District
Yorba Linda Water District
Yuba County Water Agency*
Yuima Municipal Water District

Workers' Compensation Program President's Award – November 28, 2022

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

Workers' Compensation Program President's Award – November 28, 2022

San Gabriel County Water District*
San Geronio Pass Water Agency*
San Joaquin River Exchange Contractors Water
Authority*
San Juan Water District
Santa Clarita Valley Water Agency
Santa Ynez River Water Conservation District
Improvement District No. 1*
Saucelito Irrigation District*
Serrano Water District
Shafter-Wasco Irrigation District
Solano County Water Agency
Solano Irrigation District
Sonoma Mountain County Water District*
South Feather Water & Power Agency
South Montebello Irrigation District
South Sutter Water District
Stinson Beach County Water District*
Sunnyslope County 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*
Tulare Lake Basin Water Storage District*
Upper San Gabriel Valley Municipal Water
District*
Valley County Water District*
Vandenberg Village Community Services
District*
Water Replenishment District of Southern
California*
West Stanislaus Irrigation District*
Western Canal Water District*
Yolo County Flood Control & Water Conservation
District
Yuba County Water Agency*
Yuima Municipal Water District

ACWA JPIA
CWIF Update
November 28, 2022

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 and provides reinsurance for the \$10 million excess of \$10 million layer in the Liability Program Tower.

CURRENT SITUATION

Paid in Equity	\$96.9 million
Prepaid Claims and Expenses	\$53.9 million
Realized Investment Income	<u>\$8.2 million</u>
Book Value 9/30/2022	\$159 million
Market Value 9/30/2022	<u>\$133.9 million</u>
Unrealized Loss	(\$24.9) million
Rate of return since inception (as of June 30, 2022)	<u>3.8%</u>

As of September 30, 2022, the book value of the CWIF portfolio was \$158,764,563 vs. a market value of \$133,937,652. The (realized) rate of return since inception is approximately 3.8% vs. a rate of return on the JPIA fixed income portfolio of approximately 1.2%.

Other CWIF news:

- CWIF Statement of Intention was created: *"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."*
- Bruce Rupp elected Chair and Andrew Morris elected Vice-Chair. Company officers re-appointed: Walter "Andy" Sells as President; Robert Greenfield as Vice President; David deBernardi as Treasurer; and Brent Andrews as Secretary.
- The Board approved the Dividend Declaration of \$3,747,820 for fiscal year ended September 30, 2022.

RECOMMENDATION

None, informational only.

Prepared by: Walter "Andy" Sells, CEO

Date prepared: November 10, 2022

CALIFORNIA WATER INSURANCE FUND

FLOW OF CASH BY PROGRAM CUMULATIVE FROM INCEPTION THROUGH SEPTEMBER 30, 2022

ALL PROGRAMS

		LIABILITY	WORKERS' COMP	EMPLOYEE BENEFITS	Total
1 REVENUE					
2	Deposit Premiums Earned (SIR)	\$ 60,877,000	\$ 16,770,734	\$ 0	\$ 77,647,734
3	Deposit Premiums Earned (10x10)	2,807,846	0	0	2,807,846
4	Net Investment/Other Income	5,852,488	1,709,942	620,864	8,183,294
5 Total Revenue		69,537,334	18,480,676	620,864	88,638,874
6 EXPENSES					
7	Paid Claims	9,148,616	1,798,823	0	10,947,438
8	Admin fees paid to JPIA	6,289,787	5,169,533	0	11,459,320
9	Dividends paid to JPIA	3,129,059	1,038,483	0	4,167,542
10 Total Expenses		18,567,461	8,006,840	0	26,574,301
11	Paid in capital	22,249,990	14,700,000	60,000,000	96,949,990
12 Book balance		\$ 73,219,862	\$ 25,173,836	\$ 60,620,864	\$ 159,014,563

ACWA JPIA
H.R. LaBounty Safety Award Winners – Fall 2022
November 28, 2022

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 16 nominations submitted from members for Fall 2022. Twenty-three member employees 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 2022

Employee's Name	District's Name
<i>Mike Kidd</i>	<i>Calleguas Municipal Water District</i>
<i>Jaysen Ortega</i>	<i>Crescenta Valley Water District</i>
<i>Jessica Zaragoza</i>	<i>Elsinore Valley Municipal Water District</i>
<i>Juliana Luengas</i>	<i>Fallbrook Public Utility District</i>
<i>Isabel Casteran</i>	<i>Fallbrook Public Utility District</i>
<i>Kolton Gustafson</i>	<i>Helix Water District</i>
<i>Manny Barron</i>	<i>Helix Water District</i>
<i>Charles Contreras</i>	<i>Madera Irrigation District</i>
<i>Kandyce Delgado</i>	<i>Moulton Niguel Water District</i>
<i>Paul Johnson</i>	<i>Sacramento Suburban Water District</i>
<i>Manuel Colinga</i>	<i>San Bernardino Valley WCD</i>
<i>Tommy Purvis</i>	<i>San Bernardino Valley WCD</i>
<i>Michael Guizar</i>	<i>San Bernardino Valley WCD</i>
<i>Ryan Carlson</i>	<i>Vista Irrigation District</i>
<i>Nick Nazaroff</i>	<i>Walnut Valley Water District</i>
<i>David Lias</i>	<i>Walnut Valley Water District</i>
<i>Alex Cabrera</i>	<i>Walnut Valley Water District</i>
<i>Carmen Fleming</i>	<i>Walnut Valley Water District</i>
<i>Tom Getman</i>	<i>Western Municipal Water District</i>
<i>Nick Barnes</i>	<i>Western Municipal Water District</i>
<i>Jesse Mobley</i>	<i>Western Municipal Water District</i>
<i>Steve Clayton</i>	<i>Yorba Linda Water District</i>
<i>Miguel Rameriez</i>	<i>Yorba Linda Water District</i>

ACWA JPIA
Training Update
November 28, 2022

BACKGROUND

At the Fall Board Meeting, the Training department will provide update.

CURRENT SITUATION

This fiscal year, JPIA Training was focused on the safe return to delivery of in-person instructor-led training following the COVID-19 pandemic, while also continuing to deliver its robust online training catalog for members. The following graphs show the renewal of in-person training attendance as well as continued higher than average online training completions throughout FY 2021-2022.

In March 2022, JPIA members began hosting onsite courses again after a two-year hiatus during the pandemic. Members cautiously hosted onsite training with JPIA instructors delivering an average of 12 classes per month over the 7 months remaining in the fiscal year.

Live virtual training participation continued strong with new courses offered via WebEx webinars and the number of online courses completed on the VectorSolutions platform and eLearning modules developed or purchased by JPIA remained higher than pre-pandemic levels.





Participants in the JPIA Professional Development Program (PDP) persevered in their pursuit for JPIA-related certifications this fiscal year, resulting in 32 specialty program completions by 22 employees from 11 member agencies. Over 60 employees from 31 member agencies also participated in the much-anticipated return of the JPIA Training Conference in October 2022 providing additional networking and learning opportunities.

The JPIA is well positioned to meet changing demands in member education, as demonstrated during the pandemic, because of ongoing investments made in varying learning modalities over the years. JPIA plans to continue to offer in-house training and potentially identify additional contract trainers to provide additional in-person training opportunities throughout the state, plus develop training internally and/or partner with vendors as needed to purchase updated online courses, and to expand virtual offerings via additional live, instructor-led courses and eLearning into 2023.

RECOMMENDATION

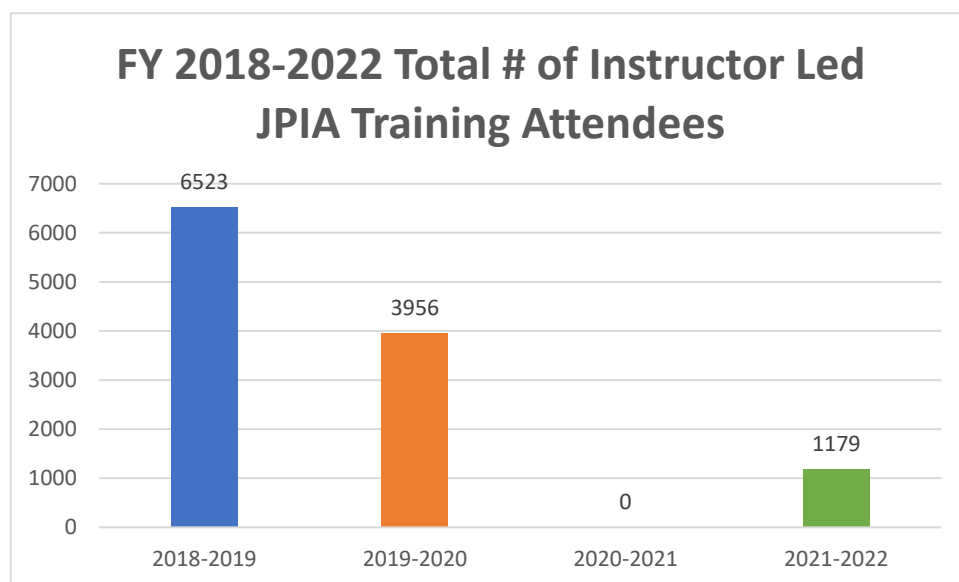
None, informational only.

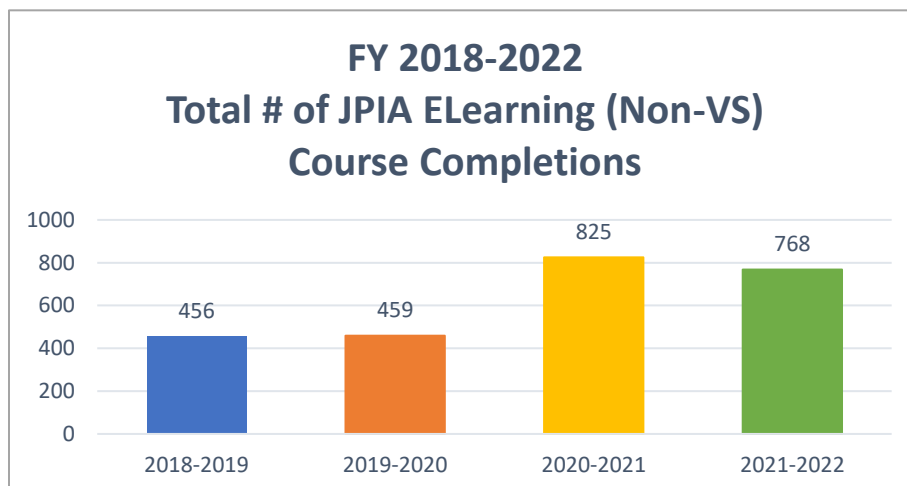
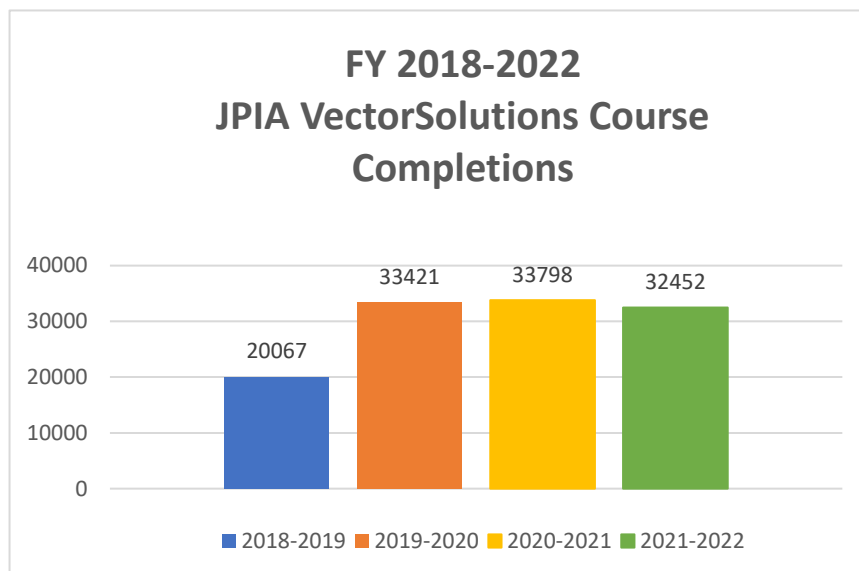
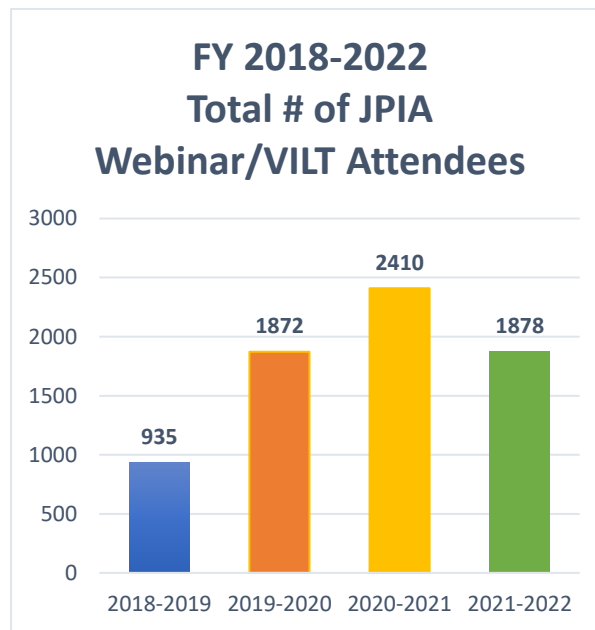
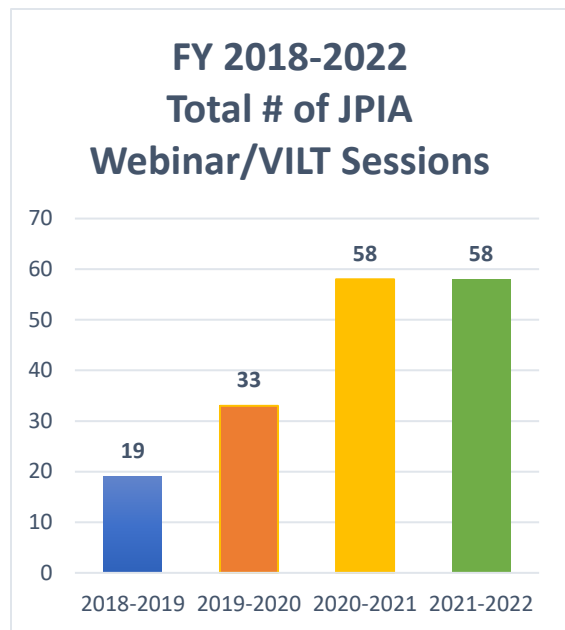
JPIA Training Attendees and Course Completions FY 2018 to 2022

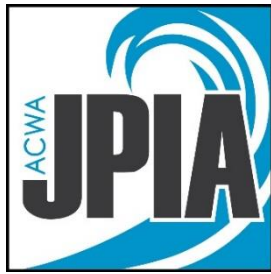
Mode of Training	In Person (Classroom)	WebEx Training (Webinar/Virtual Instructor-Led)	VectorSolutions (eLearning)	JPIA Prosperity (eLearning)
				
Oct to Sept 2018- 2019	6,523 attendees	935 attendees	20,067 course completions	456 course completions
Oct to Sept 2019-2020	3,956 attendees*	1,872 attendees	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

*COVID-19 Pandemic Lockdown impact to in-person instruction

Printed as of November 1, 2022







Congratulations

JPIA Professional Development Program (PDP) 2022 Graduates!

(January - October 2022)

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 (OPS), 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
Chad Wodarczyk	Fallbrook PUD	SB
Mitchell Avalos	Laguna Beach CWD	SB, HR
Kathy Pham	Mesa WD	HR
Andrew Bedford	Moulton Niguel WD	SB, OP, HR
Anna Lam	Moulton Niguel WD	SB
Samantha Bedford	Moulton Niguel WD	HR, SB
Tim Lake	Moulton Niguel WD	SB
Ann Bradford	Sacramento Suburban WD	HR
Cody Scott	Sacramento Suburban WD	SB, OP
Lizbet Heredia	San Luis & Delta Mendota WA	HR
Bonnie Lytle	Santa Clarita Valley WA	HR
Terri Bell	Santa Clarita Valley WA	HR

Name	District	Specialties
Jaime Gomez	South Coast WD	SB
Alex Cabrera	Walnut Valley WD	OP
David Lias	Walnut Valley WD	OP
Debby Chu	Walnut Valley WD	SB, HR
Donna DeLaura	Walnut Valley WD	OP, HR, SB
Jillian Keller	Walnut Valley WD	OP
Ron Woodruff	Walnut Valley WD	SB, OP, HR
Shawna Seals	Walnut Valley WD	OP
Joel Bravo	Western MWD	OP
Jessica Traynor	Zone 7 Water Authority	SB

ACWA JPIA
Human Resources Update
November 28, 2022

BACKGROUND

The JPIA regularly supports districts with human resource assistance and training. This support reduces employment-related issues and claims and therefore, reduces costs to the pool. This is accomplished by conducting regional Human Resource meetings and for those in the Liability Program, providing direct access to JPIA staff with Human Resource expertise. Training classes are also offered.

CURRENT SITUATION

It finally began to feel like getting back to the “new normal” this year with the opportunity to gather in-person for regional and local Human Resource meetings. Spring meetings in Rancho Cucamonga and Roseville focused on recruitment and branding with a guest speaker from CPS-HR, a public entity HR consulting firm, who specializes in helping public entities create a recruitment brand. This information was then brought to five smaller local meetings in San Diego, Bakersfield area, Santa Barbara, Monterey, and Redding by Patricia Slaven, JPIA Director of Human Resources and Administration, and Cassie Crittenden, JPIA HR Specialist. At these local meetings, strategies for succession planning were also presented.

The fall meeting in Yorba Linda hosted mental health professionals that presented on Mental Health Awareness at Work which offered methods to recognize signs and symptoms of potential mental health challenges. Nationwide, mental health in the workplace has become an issue with the pandemic, prolonged isolation, and health challenges. This topic was timely and relevant for human resource professionals. Combined, all the meetings for the year had over 125 attendees.

JPIA has continued the monthly Hot Java and Hot HR topics attracting hundreds of participants throughout the year and plans three webinars regarding New Laws for 2023 in the coming months.

RECOMMENDATION

None, informational only.

Hot Java and Hot HR Live Webinars 2022

Date	Attendees	Topic
1/5/22	33	New Laws for 2022
2/17/22	29	Building an Inclusive Culture
3/17/22	42	Stay Interviews
4/21/22	43	Tour of Training Resources
5/19/22	33	Heat Illness Prevention
6/16/22	32	Wellness for the Win!
7/21/22	50	HR Checklists, Templates and How-to-Guides, Oh My!
8/18/22	27	Remote Workers and Workers' Compensation
9/15/22	28	Preparing for the Next Generation and Beyond
10/20/22	25	Background Checks: The Why and How

ACWA JPIA
Leadership Essentials Program Update
November 28, 2022

BACKGROUND

The JPIA developed a leadership program for members in 2015. After gaining input from dozens of districts and water industry leaders, the Leadership Essential for the Water Industry Program was developed to support effective leadership in water agencies which results in reducing employment issues and costly claims. To date, close to 200 leaders have graduated from the program.

CURRENT SITUATION

After a hiatus due to the pandemic, the Leadership Essentials Program was able to resume classes in fall of 2021, with a new cohort in both northern and southern California beginning the yearlong program. The content for the program was updated this year with the addition of a module on Strengths-Based Leadership and revision of the Team Leadership module. Changing work dynamics and theories of leadership require JPIA to stay abreast of trends and adapt the program accordingly.

This year, 13 participants in southern California graduated from the program along with 14 from northern California. See list on following page. These individuals are to be congratulated for their tireless efforts at improving themselves and their organizations. The agencies funding their attendance should also be congratulated for investing in the future of their leaders and their organizations.

The 2022/2023 cohorts began last month with 17 participants in each group.

RECOMMENDATION

None, informational only.

Program Graduates Southern California

Name	Title	District
Haydee Sainz	HR/Risk Manager	West Valley WD
Sheridan Nicholas	Engineer-Manager	Wheeler Ridge-Maricopa WSD
Jon Curry	Operations Manager	Tehachapi-Cummings CWD
Christina Henry	Community Relations Manager	Elsinore Valley MWD
Jessica Clabaugh	Finance Officer	Borrego WD
Danielle Logsdon	Principal Engineer	Yorba Linda WD
Alison Martin	Public Affairs Manager	Yorba Linda WD
James Gumpel	District Engineer	Vallecitos WD
Josh Byerum	Director of Finance	Walnut Valley WD
Sheryl Shaw	Director of Engineering	Walnut Valley WD
Tyson Heine	Customer and Support Services Manager	Rancho Water
Patricia Butler	Chief Engineer	Santa Margarita WD
Scott L. Rogers	Engineering Manager	Palmdale WD

Program Graduates Northern California

Name	Title	District
Jeremy Cox	Utilities Administrator	City of Vacaville
Jeffery Stephen Ott	Director of Finance and Administration	Sacramento Suburban WD
Susan Schinnerer	Human Resources Administrator	Sacramento Suburban WD
Amy Mueller	Regulatory Compliance Supervisor	Calleguas MWD
Amparo Flores	Principal Engineer	Zone 7 Water Agency
Phil Witt	General Manager	Purissima Hills WD
Adam Claes	Asst. General Manager	Fresno ID
David Burrow	Assistant Watermaster	Fresno ID
David Higaes	Maintenance Supervisor	Stockton East WD
Manuel Verduzco	Senior Engineer	Stockton East WD
Brandon Tomlinson	General Manager	Chowchilla WD
Rob Greenfield	General Counsel	JPIA
Brittney Moore	Sr. Management Analyst	Citrus Heights WD
Rebecca Scott	Director of Operations	Citrus Heights WD

ACWA JPIA
Current Events at the JPIA
November 28, 2022

BACKGROUND

The JPIA's fiscal year ends annually on September 30.

CURRENT SITUATION

The JPIA's Chief Executive Officer, Andy Sells, will update the Board of Directors on the current events happening at the JPIA.

RECOMMENDATION

None, informational only.

ACWA JPIA
President's Update
November 28, 2022

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.