



Approved: March 22, 2023

Property Program Committee Meeting

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

November 28, 2022

MEMBERS PRESENT

Chair: Brent Hastey, Yuba Water Agency

Vice-Chair: Randall Reed, Cucamonga Valley Water District

Scott Ratterman, Calaveras County Water District

Tom Coleman, Rowland Water District

Oliver Smith, Valley Center Municipal Water District

Eugene West, Camrosa Water District

MEMBERS ABSENT

Mark A. Gilkey, Berrenda Mesa Water District

Shawn Huckaby, Fair Oaks Water District

Theresa Lee, Walnut Valley Water District

STAFF PRESENT

See attendance list.

OTHERS IN ATTENDANCE

See attendance list.

WELCOME

Chair Hastey welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

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

PLEDGE OF ALLEGIANCE/EVACUATION PROCEDURES

Chair Hastey led the Pledge of Allegiance and Mr. Sells gave the evacuation procedure instructions.

ANNOUNCEMENT RECORDING OF MEETING

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

EVACUATION PROCEDURES

Mr. Sells gave the evacuation procedure instructions.

PUBLIC COMMENT

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

INTRODUCTIONS

Chair Hastey introduced the Property Program Committee, staff, and others in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair Hastey asked for any additions to, or deletions from, the agenda. There were none from staff.

CONSENT AGENDA

Chair Hastey called for approval of the Consent Agenda:

M/S/C (West/Ratterman) (Coleman-Yes; Ratterman-Yes; Smith-Yes; West-Yes; Reed-Yes; Hastey-Yes) : That the Property Program Committee approve the minutes of the June 20, 2022 meeting.

ADMINISTRATION

Meetings attended on behalf of the JPIA
None reported.

Review Property Program Updates

Ms. Beatty stated that the Property Program has experienced some significant changes in the past year and market conditions remain challenging and volatile. She provided a recap of the major changes implemented as of July 1 that were recommended by this Committee and approved by the Executive Committee. Among them, an increase in JPIA's retention from \$100,000 (plus a \$1M aggregate deductible) to \$10,000,000 and excess carrier rate increases of approximately 16%. Minimum member deductibles based on Total Insured Values (TIV) were established 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. Additionally, for the 2022-23 Program Year, a 20% rate increase was approved, and a 7.5% real property and 5% personal property inflationary trend was applied to member assets.

Looking forward, in light of self-insuring to a higher limit and sharply increased excess costs, it is likely that the Property Program will 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. Additionally, in light of the significant increase to the pooled retention 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. At a future meeting, staff intends to discuss with the Executive Committee how annual funding of this important Fund can be resumed.

Review State of the Property Market

Mr. Cole from Alliant Insurance Services presented an overview of current property market conditions. The property market continues to face emerging challenges from significant and increasing catastrophic events. Most catastrophic losses not only include wildfires, but also flooding, hurricanes, and the drought that has affected the lower 48 states. Catastrophic losses are what drives the insurance market. In 2021, there were 20 separate billion-dollar weather and climate disasters in the US and in 2022, there were 15 (through September 2022). Looking into the future, the economy/inflation, supply chain issues, and continued/increasing frequency of catastrophic weather events will continue to contribute to high premiums in the coming years.

Availability for next meeting: There are no additional Property Program Committee meeting scheduled for 2022.

The Property Program Committee meeting adjourned at 9:56 a.m.

ATTENDEES & JPIA STAFF IN ATTENDANCE – NOVEMBER 28, 2022

<u>District / Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Position</u>
ACWA JPIA	Laura	Baryak	Administrative Assistant II
ACWA JPIA	Adrienne	Beatty	Assistant Executive Officer
ACWA JPIA	Chimene	Camacho	Executive Assistant (Recording Secretary)
ACWA JPIA	Sarah	Crawford	Training Manager
ACWA JPIA	David	deBernardi	Director of Finance
ACWA JPIA	Robin	Flint	Risk Control Manager
ACWA JPIA	Robert	Greenfield	General Counsel
ACWA JPIA	Molly	Quirk	Communications/Outreach Specialist
ACWA JPIA	Andy	Sells	Chief Executive Officer
ACWA JPIA	Patricia	Slaven	Director of HR/Admin.
ACWA JPIA	Sandra	Smith	Employee Benefits Manager
ACWA JPIA	Dan	Steele	Finance Manager
ACWA	David	Eggerton	Executive Director
ACWA	Tiffany	Giammona	Director of Member Outreach
Alliant Insurance Services, Inc.	Seth	Cole	Senior Vice President
Rowland Water District	Vanessa	Hsu	Director