



Approved 08.25.20

Executive Committee Meeting

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

July 23, 2020

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: E.G. "Jerry" Gladbach, Santa Clarita Valley Water Agency
Thomas A. Cuquet, South Sutter Water District
Fred R. Bockmiller, Mesa Water District
David Drake, Rincon del Diablo Municipal Water District
Brent Hasteley, Yuba Water Agency
Melody A. McDonald, San Bernardino Valley Water Conservation District
Randall J. Reed, Cucamonga Valley Water District
J. Bruce Rupp, Humboldt Bay Municipal Water District
Pamela Tobin, San Juan Water District, ACWA VP

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer/Secretary: Walter "Andy" Sells
Sarah Crawford, Training Specialist
David deBernardi, Director of Finance
Robert Greenfield, General Counsel
Jennifer Nogosek, Liability/Property Claims Manager
Jillian Sciancalepore, Administrative Assistant I
Patricia Slaven, Director of Human Resources and Administration
Sandra Smith, Employee Benefits Manager
Dan Steele, Finance Manager
Min Su, Lead Accountant
Dianna Sutton, Special Projects Manager
Karen Thesing, Director of Insurance Service
Bobbette Wells, Executive Assistant to the CEO (*Recording Secretary*)

OTHERS IN ATTENDANCE

Dave Eggerton, ACWA, Executive Director
Tiffany Giammona, ACWA, Director of Member Outreach & Engagement

James Linthicum, Three Valleys Municipal Water District
Al Lopez, Western Municipal Water District
Kevin Phillips, Paradise Irrigation District, Finance Chairman

WELCOME/CALL TO ORDER AND ANNOUNCEMENT OF QUORUM/INTRODUCTIONS

Chairman Gladbach called the meeting to order at 1:33 p.m. Chairman Gladbach announced that there was a quorum. Mr. Sells reported on the attendance in the Zoom meeting.

PUBLIC COMMENT

There were no members of the public in attendance.

CONSENT AGENDA

Chairman Gladbach called for approval of the Consent Agenda:

M/S/C (Tobin/Drake) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve the minutes of the July 14, 2020 meeting.

ADMINISTRATION

Meetings attended on behalf of the JPIA
None stated.

Organizational Goals and Objectives for 2020-2021

Mr. Sells explained that at the Executive Committee meeting of July 14, 2020, the Executive Committee reviewed and approved the Organizational Appraisal. During the process, the Committee identified and approved four goals for the 10/1/20-21 fiscal year. Staff was looking for verification of the verbiage of the goals.

1. Develop and deliver workshops to the Executive Committee to enhance knowledge of JPIA financial processes. This goal ties to our core values of Integrity, Operating with Transparency, Honesty and Fairness.
2. Prepare and present proposal for a member survey to assess member awareness of JPIA resources and gain understanding of how the JPIA can better serve the membership. This goal represents our core value of Service.
3. Convene internal task force to review employee engagement survey results and determine next steps to address areas of concern. The survey was conducted to reinforce our core values of People and Service. This goal represents the commitment to our core values of People and Service.

4. Prepare and present proposal to retain a futurist to work with the Executive Committee and staff to identify future scenarios for JPIA opportunities and challenges. This is in alignment with our core values of Innovation and Service. Looking to identify future opportunities and challenges allows the JPIA to examine new practices and procedures to enhance the partnership with our members.

The language of the Goals and Objectives was agreed upon. There was discussion of the ability to accomplish these goals with the ongoing COVID situation going into the next year.

PROGRAMS

Employee Benefits Program Committee

Director Rupp reported on the recommendations of the Employee Benefits Program Committee's meeting on July 22, 2020. The following action items were presented to the Executive Committee for approval:

M/S/C (Rupp/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve no aggregate change to rates for the Anthem Blue Cross self-funded PPO plans and to approve the proposed plan design changes including Rx Post Check, High Cost Generics, Copay Assistance Program, Safe Harbor Program, and setting the cost of the Advantage PPO Program to 12% less than the Classic PPO Program, effective January 1, 2021.

M/S/C (Rupp/Tobin) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve an aggregate increase of 7.6% for the Anthem Blue Cross HMO plans, effective January 1, 2021.

M/S/C (Rupp/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve an aggregate rate increase of 8.84% for the Kaiser plans, effective January 1, 2021.

M/S/C (Rupp/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve renewal of the Delta Dental PPO, DeltaCare HMO, VSP, and Standard Short-Term Disability programs with no change in rates, effective January 1, 2021.

M/S/C (Rupp/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve the renewal of the Standard Long-Term Disability, Basic Life and Supplemental Life programs with a 5% decrease in rates, effective January 1, 2021.

M/S/C (Rupp/Drake) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve Anthem EAP to replace MHN EAP with a 7% decrease in rates, effective January 1, 2021.

M/S/C (Rupp/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve requirement of financial responsibility, shared residence, and primary parenting responsibilities in order to cover a grandchild in the JPIA health plans, effective January 1, 2021.

M/S/C (Rupp/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve amending the Retirement Policy Requirements to require a minimum of five years of service for retiree benefits eligibility, grandfathering current retirees if any conflict arises, effective January 1, 2021.

M/S/C (Rupp/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve amending the Retirement Policy Requirements to permit enrollment in Retiree coverage, so long as the employee has remained employed and enrolled.

Santa Clarita Valley Water Agency

Mr. Sells explained that during the last 12 months, Santa Clarita Valley Water Agency has experienced five water main breaks. The average claim cost for these breaks is estimated to be in excess of \$200,000 each. The majority of the failures are connected to two water mains that were part of the infrastructure of Valencia Water Company a private water company acquired by the agency in 2018.

Staff has been working with Santa Clarita Valley Water Agency to identify the size, type, location and possible defects in the pipe or installation process of the suspected pipe. Staff is also working with the agency on possible solutions including reducing pressures and potentially self-insuring future breaks/failures.

Santa Clarita Valley Water Agency has prepared an analysis and potential options to reduce the exposure to loss and additional claims. The agency's staff analysis confirmed the pipes involved in the recent failures were part of the acquired Valencia

Water Company. Immediate steps to reduce the risk of future failures include shutting down certain booster stations and supplemented use of a newly constructed interconnection. They have identified approximately 1700' of PVC pipe to be replaced or repaired scheduled for 2021. There is an additional 1000' of PVC identified to repaired or replaced later in 2021.

JPIA staff believes the recently instituted procedure changes will help reduce exposures in the future. But, the question of the quality of PVC pipe and the installation standards used when the pipe was installed is still questionable. The JPIA believes there continues to be a significant exposure to additional losses related to the infrastructure acquired from the Valencia Water Company.

Staff recommended that the Executive Committee approve increasing the self-insured retention for Santa Clarita Valley Water Agency's losses related to the infrastructure acquired from the Valencia Water Company from \$50,000 to \$100,000.

M/S/C (Cuquet/Hastey) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve increasing the self-insured retention for Santa Clarita Valley Water Agency's losses related to the infrastructure acquired from the Valencia Water Company from \$50,000 to \$100,000, effective immediately.

MISCELLANEOUS

Future agenda items

None stated.

CEO update

Mr. Sells updated the Executive Committee on relevant current issues, progress on the current Goals & Objectives, and potential future opportunities and challenges. Ms. Thesing, Mr. deBernardi, Ms. Slaven, and Mr. Greenfield each presented updates to their departments as well. Mr. Eggerton and Ms. Giammona from ACWA also gave an update. Ms. Smith presented a COVID update.

Availability for next Zoom meeting on August 25, 2020 at 8:30 a.m.

No conflicts noted.

The Executive Committee meeting adjourned at 3:12 p.m.

Attest:

X

E.G. "Jerry" Gladbach
Chairman

X

Walter A. Sells
Secretary