



Approved 9.21.20

Executive Committee Meeting

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

August 25, 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 Haste, 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
David deBernardi, Director of Finance
Robin Flint, Risk Control Manager
Robert Greenfield, General Counsel
Debbie Kyburz, Lead Member Services Representative
Jennifer Nogosek, Liability/Property Claims Manager
Jackie Rech, Employee Benefits Account Manager
Patricia Slaven, Director of Human Resources and Administration
Sandra Smith, Employee Benefits Manager
Dan Steele, Finance Manager
Dianna Sutton, Special Projects Manager
Karen Thesing, Director of Insurance Service
Nidia Watkins, Member Services Representative II
Bobbette Wells, Executive Assistant to the CEO (*Recording Secretary*)

OTHERS IN ATTENDANCE

Catherine Cerri, Lake Arrowhead Community Services District
Tiffany Giammona, ACWA, Director of Member Outreach & Engagement

Kevin Phillips, Paradise Irrigation District, Finance Chairman
Natalie Potter, Lake Arrowhead Community Services District

WELCOME/CALL TO ORDER AND ANNOUNCEMENT OF QUORUM/INTRODUCTIONS

Chairman Gladbach called the meeting to order at 10:04 a.m. Chairman Gladbach announced that there was a quorum.

PUBLIC COMMENT

There was no public comment.

PLEDGE OF ALLEGIANCE

Chairman Gladbach asked all to join him in the pledge of allegiance.

CONSENT AGENDA

Chairman Gladbach called for approval of the Consent Agenda:

M/S/C (McDonald/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 23, 2020 meeting; and 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: May 16-31, 2020; June 1-15, 2020; June 16-30, 2020; July 1-15, 2020; and July 16-31, 2020.

MEMBERSHIP

Lake Arrowhead Community Services District

Ms. Smith presented Lake Arrowhead Community Services District's application for participation in the Employee Benefits Program.

M/S/C (McDonald/Rupp) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve Lake Arrowhead Community Services District's application for participation in the Employee Benefits Program.

ADMINISTRATION

Meetings attended on behalf of the JPIA

Chairman Gladbach and many other Executive Committee members stated that they had attended the virtual ACWA Conference. It was agreed by all that attended it was well presented and very informative. Ms. McDonald stated that she attended virtually the State Legislative Committee meeting.

Meeting Calendar for 2021

Mr. Sells explained that traditionally, a meeting calendar for the upcoming year would be prepared and submitted for approval by the Executive Committee at this meeting. However, with the COVID-19 pandemic lingering, it would be difficult to set a meeting schedule for the 2021 calendar year at this time.

Director Rupp requested that an Employee Benefits Program Committee be scheduled for late March or early April 2021 to evaluate the reserves and get an early feel for the upcoming policy year of 2022.

Captive Board Meeting Update

Vice-chair Cuquet gave a brief overview of the meeting of the California Water Insurance Fund's meeting of August 4, 2020.

Ceding Additional Premiums to CWIF

Mr. Sells reported that beginning with the Liability Program policy year 2019-20, the JPIA ceded approximately \$19 million in projected losses and expense to the California Water Insurance Fund (CWIF). Over the life of the policy year, CWIF will reimburse the JPIA for claims paid and expenses incurred.

Staff recommended that funds for projected losses and expenses for the Liability Program policy year 2020-21 and funds for the Workers' Compensation Program policy year 2020-21 be ceded to CWIF.

M/S/C (Drake/McDonald) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hasteley-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee approve that the JPIA ceded funds into the California Water Insurance Fund (deposit premium, less direct payout for excess insurance) for the Liability Program and Workers' Compensation Programs for the 2020-21 policy years.

Idyllwild Water District

Mr. Sells relayed that there has recently been a great deal of turnover in management at the Idyllwild Water District in the management level. This has resulted in three Employment Practices Liability claims. One has resolved, and two are pending. In addition, there has been an increase in negative media reports regarding the District. While attending the mediation in two of these matters, concern has been raised that there are additional claims coming.

At this time, Idyllwild Water District's losses for the past two years have a total net incurred of \$275,000. During the same time period the District has premiums collected of \$38,641.

Staff had sent a letter to the District informing them that it was the intention to recommend to the Executive Committee at this meeting that the District be allowed to

continue participation in the Liability Program, but that coverage for future Employment Practice claims be excluded from coverage.

Mr. Sells informed the Committee that the District has requested additional time to prepare a response to this agenda item. Staff is working with the District and its counsel to make a presentation at the next scheduled meeting regarding the stability of the District.

Staff recommended moving this matter to the next meeting, thus no action was taken.

CEO Performance Appraisal Process

Ms. Slaven relayed that each year, the Executive Committee conducts a performance appraisal of the Chief Executive Officer (CEO). The results are reviewed and approved by the Executive Committee. The online survey will be available on August 28, 2020 and will close on September 11, 2020.

Ms. Slaven will coordinate the results and provide a copy to Chairman Gladbach. All results and recommendations will be reviewed with the Executive Committee at the September 21, 2020 meeting.

PROGRAMS

Liability Program

Chair McDonald reported on the recommendations of the Liability Program Committee's meeting on August 24, 2020. The following action items were presented to the Executive Committee for approval:

M/S/C (McDonald/Tobin) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee accept the recommendation of the Liability Program Committee to approve the proposed revisions to the Memorandum of Liability Coverage, to be effective October 1, 2020.

M/S/C (McDonald/Tobin) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee accept the recommendation of the Liability Program Committee to approve the reinsurance terms, conditions, and premiums presented with a "not to exceed" price of \$7,250,000; that the California Water Insurance Fund to cover the 10X10 layer of the tower; effective for the policy year beginning October 1, 2020.

M/S/C (McDonald/Rupp) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee accept the recommendation of the Liability Program Committee to approve no change in billing rate to members, effective October 1, 2020, as presented.

Significant Claims

Pursuant to Government Code 54956.95, Mr. Greenfield reported on claims that had been previously presented for authority:

- Lucero Farms vs. Semitropic Water Storage District
- Bennett vs. Rancho California Irrigation District
- Sten vs. Vallecitos Water District

FINANCE

Finance Chairman Phillips reported on the recommendations of the Finance & Audit Committee's meeting on August 24, 2020. The following action items were presented to the Executive Committee for approval:

M/S/C (Drake/Rupp) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee accept the recommendation of the Finance & Audit Committee to approve the Investment Policy, as presented, and forward to the Board of Directors for approval.

CLOSED SESSION

Before proceeding into closed session, General Counsel announced the items to be discussed.

M/S/C (McDonald/Drake) (Bockmiller-Yes; Cuquet-Yes; Drake-Yes; Gladbach-Yes; Hastey-Yes; McDonald-Yes; Reed-Yes; Rupp-Yes; Tobin-Yes): That the Executive Committee adjourn to closed session.

At approximately 11:45 a.m., the Executive Committee, upon advice of General Counsel, adjourned to closed session pursuant to Government Code(s) Section 54956.95 to discuss Liability and/or Workers' Compensation claims in:

1. Conger, et al vs. Montecito Water District
2. City of Santa Clarita vs. Santa Clarita Valley Water Agency

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 reconvene to open session.

The Committee returned to open session at approximately 11:58 a.m.

- Closed session item #1: No action was taken, instructions given to staff.
- Closed session item #2: No action was taken, instructions given to staff.

MISCELLANEOUS

Future agenda items

Director McDonald asked that an update on Santa Clarita Valley Water Agency be brought to the next meeting.

CEO update

Mr. Sells had each of the department heads report how their department has been keeping up with their workload with staff either working from home and/or minimal staff in office.

Availability for next Zoom meeting on September 21, 2020 at 10:00 a.m.

No conflicts.

The Executive Committee meeting adjourned at 12:09 p.m.

Attest:

X

E.G. "Jerry" Gladbach
Chairman

X

Walter A. Sells
Secretary