

ACWA/JOINT POWERS INSURANCE AUTHORITY

Unapproved 5/3/10
Approved 7/16/10

EXECUTIVE COMMITTEE MEETING

ACWA/Joint Powers Insurance Authority
Monterey Marriott
Monterey, CA 93940

Monday, May 3, 2010

MEMBERS PRESENT

Vice Chair: Joan C. Finnegan, Municipal Water District of Orange County
Merle Aleshire, Valley Center Municipal Water District
Tom Cuquet, South Sutter Water District
Joe Dion, Citrus Heights Water District
Melody McDonald, San Bernardino Valley Water Conservation District
E. G. "Jerry" Gladbach, Castaic Lake Water Agency
Randy Record, ACWA Vice President
W. D. "Bill" Knutson, Yuima Municipal Water District
Lou Reinkens, Tahoe City Public Utility District

STAFF PRESENT

Chief Executive Officer/Secretary: Daniel N. Klaff
Chief Financial & Operations Officer: Walter "Andy" Sells
Dick Damon, Liability/Property Claims Manager
David deBernardi, Director of Finance
John Gilstrap, Director of Member Services
John Haaf, Sr. Risk Management Consultant
Peter Kuchinsky, Sr. Risk Management Consultant
Sylvia Robinson, Publications & Web Editor
Nancy Stangel, Director of Administration
Jeanette Waterstradt, Executive Assistant to the CEO

OTHERS PRESENT

See List of Attendees.

WELCOME AND INTRODUCTION OF GUESTS

Vice Chair Finnegan called the meeting to order at 9 a.m. and welcomed everyone to Monterey. She introduced the Executive Committee members and also recognized Edward J. Tiedemann and Robin Stewart, JPIA Legal Counsel of Kronick, Moskovitz, Tiedemann & Girard; and Barbara Duggen and Randy Record of ACWA. She also announced to those who did not know that Wes Bannister, JPIA President, had passed away last December, and that former Executive Committee member Mary Gibson, of Mission Springs Water District, had passed away on Wednesday, April 28, 2010.

EVACUATION PROCEDURES

Mr. Sells briefly reviewed the building evacuation procedures.

PUBLIC COMMENT

Vice Chair Finnegan further 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 which may or may not be on the agenda were also welcome. None were noted. In addition, she requested that all cell phones be silenced.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Mr. Klaff requested the deletion of Madera Irrigation District's application for participation in the JPIA's Workers' Compensation Program.

M/S/C (McDonald/Knutson) (Yes – 8, No – 0): That the Executive Committee approve the agenda with the deletion of Madera Irrigation District's application for participation in the JPIA's Workers' Compensation Program.

CONSENT CALENDAR

Vice Chair Finnegan called for approval of the Consent Calendar.

M/S/C (Knutson/McDonald) (Yes – 8, No – 0): That the Executive Committee approve the minutes of the March 30, 2010, Executive Committee meeting as presented; approve the claims disbursements of March 4 – 23 and March 23 – April 7, 2010; approve the ACH & Wire Disbursements of March 4 – 31 and March 23 – April 15, 2010; approve the regular disbursements of March 31 and April 15, 2010; and approve the payroll disbursements of March 26, April 9, and April 23, 2010.

ADMINISTRATION

Meetings Attended on Behalf of the JPIA

Vice Chair Finnegan asked if any of the Executive Committee members had attended meetings on behalf of the JPIA. She added that she had attended the ACWA Board meetings of March 25-26, 2010.

Availability for Upcoming Meetings

Vice Chair Finnegan stated that the next Executive Committee meeting is scheduled for Friday, July 16, 2010. No conflicts were noted.

JPIA Office Facilities

Mr. Gladbach, Chair of the Building and Property Ad Hoc Committee, reported on the status of the new office facilities for the JPIA. He stated that escrow had closed for the new Roseville building on November 21, 2009. The building was purchased for \$2,780,000 or approximately \$175 per square foot.

He added that the Building & Property Ad Hoc Committee (Vice Chair Tom Cuquet, Joseph Dion, Melody McDonald, and Lou Reinkens), working in conjunction with the

architects, project manager, and staff, completed plans for the interior layout and exterior modifications. Construction and design drawings were being submitted to the City of Roseville and the Douglas Professional Owners Association for approval. Bid packages are being prepared in order to request competitive bids in all the various categories of work from qualified contractors and subcontractors. The building will be Leadership in Energy and Environmental Design (LEED) certified.

Johan Otto of Carson Development has been retained as the project manager and will be using ANOVA Architects for the design.

The project is estimated to be completed late in 2010. More details will be presented at the Board of Directors meeting.

RESOURCES

Ms. Stangel reported on the value added resources available to the JPIA members. Specifically she discussed training, Occu-Med, Inc., and the Employment Practices Hotline.

Training at the JPIA continues to expand with 241 classes presented during the first six months of the fiscal year. Training conferences and regional venues were also provided. The Professional Development Program currently has 866 participants, with 364 completions. Monthly webinars were kicked off in January and regional Human Resource Groups are in full swing. PreventionLink, a suite of on-line training and resources, continues to grow with 132 member sites. The Lending Library also continues to grow with 683 videos, and updates are a continual process. The JPIA website now accommodates on-line registration for most training classes, as well as links to valuable resources and other current water district information.

Ms. Stangel continued with a review of the Occu-Med System, which the JPIA first implemented for members in its Workers' Compensation pool in January 2004.

The following report outlines activities for 2009. Basic information includes:

- 254 pre-employment physicals
 - 40% (101) applicants affected by exam
 - 60 "Conditionally Qualified", placed
 - 41 "Recommendation Delayed for Qualification"
 - 26 later reclassified and placed
 - 15 non-qualified, not placed
- 32 fitness-for-duty/intensive return to work evaluations

The report discusses many aspects of the Occu-Med service. In general, Occu-Med has proven highly effective for many members, saving them time and money by protecting them from making the mistake of hiring an unqualified employee.

The next resource addressed by Ms. Stangel was the Employment Practices Hotline. JPIA introduced the Employment Practices Hotline in January 2008. The Hotline continues to be a valuable resource for JPIA members. Since inception, there have been 51 referrals, at a cost of \$7,929. The good news is that members have recognized and utilized this service. We believe that potential claims and lawsuits are being avoided, and that members are successfully handling workplace problems before they become impossible to solve.

Mr. Sells added that this report, like a similar one that will be given at the Board meeting, is being made in order to encourage Directors and staff members present to take the information back to their district and determine whether they are taking full advantage of these services. Mr. Sells noted that the members' use of services such as Occu-Med and the Employment Practices Hotline can help reduce claims and premiums.

MEMBERSHIP

Alta Irrigation District

Mr. Gilstrap reviewed the application of Alta Irrigation District (AID) for participation in the JPIA's Workers' Compensation Program. AID was formed in 1888 and became one of the founding members of ACWA in 1910. AID became a participant in the JPIA's Liability Program in 1980 and a participant in its Property Program in 1983. By joining the Workers' Compensation Program, AID will save an additional \$1,883 on its Liability Program deposit premium and \$274 on its Property Program premium.

AID has 35 employees including part-time positions; employees are union with the exception of the office staff, the superintendent, and three supervisors. The District utilizes part-time or seasonal employees. AID has passed a volunteer resolution, and does not cover board members. The JPIA 2010-11 experience modification factor is 231%.

The Risk Management assessment of April, 2009 resulted in twelve recommendations. Mr. Gilstrap added that Keith Forbes, Sr. Risk Management Consultant for AID, had put the District on a service plan for the past year and that as of March 23, 2010, all recommendations have been completed and there are no new recommendations. It is staff's recommendation that the Executive Committee approve the application of Alta Irrigation District for participation in the JPIA's Workers' Compensation Program

Given that the District had completed the JPIA's service plan, some questions followed on what the follow-up procedures were, or the possibility of admitting the District to the Workers' Compensation Program on a probationary basis. Mr. Gilstrap noted that the District will be visited more than two times a year by the Risk Management consultant to confirm that it stays on track. It was requested that a discussion on provisional or probationary admission of a district be added to a future Executive Committee agenda. It was so noted.

M/S/C (Knutson/Cuquet) (Yes – 8, No – 0): That the Executive Committee approve the application of Alta Irrigation District for participation in the JPIA's Workers' Compensation Program.

Channel Islands Beach Community Services District

Next, Mr. Gilstrap reviewed the application of Channel Islands Beach Community Services District (CSD) for participation in the JPIA's Workers' Compensation Program. It is a small district that was formed in 1982, joined ACWA in 1982, and became a participant in the JPIA's Liability Program in 1983 and its Property Program in 1990. By joining the Workers' Compensation Program, Channel Islands Beach CSD will save an additional \$889 on its Liability Program premium, and \$56 on its Property Program premium.

The District has seven employees including one general manager, one operations manager, one office manager, two customer service representatives, and two community service workers who are responsible for lift station maintenance. Employees, except for management staff, are members of the Service Employees International Union, Local 721. The District's 2010-11 experience modification is 107%.

The Risk Management assessment resulted in four recommendations. It is staff's recommendation that Channel Islands Beach Community Services District be accepted into the Workers' Compensation Program, subject to compliance with the risk management recommendations.

M/S/C (Record/Knutson) (Yes – 8, No – 0): That the Executive Committee approve the application of Channel Islands Beach Community Services District for participation in the JPIA's Workers' Compensation Program, subject to compliance with the risk management recommendations.

Clearlake Oaks County Water District

Mr. Gilstrap noted that Clearlake Oaks County Water District (CWD) is applying for participation in all three of the JPIA's Programs, the Liability, Property, and Workers' Compensation Programs. Clearlake Oaks CWD was formed in 1961 and it joined ACWA in 2009.

Mr. Gilstrap added that Clearlake Oaks CWD's General Manager, Darin McCosker, had contacted the JPIA. He was the former General Manager of Laytonville County Water District and was familiar with the JPIA's programs and benefits (training and resources) made available to members, and he wanted Clearlake to have access to them.

A discussion followed on the requirement of ACWA membership in order to participate in the JPIA's programs. Sandy Kozlen, Director for Carmichael Water District, pointed out that this was an example of a District joining ACWA because it wanted the JPIA's benefits; thus JPIA became a source for ACWA membership.

Mr. Gilstrap continued his review by stating that the District is located in Lake County along the eastern shore of Clear Lake and was formed to provide water and wastewater services. The District has 14 employees and 5 Board Members.

The Risk Management assessment resulted in five recommendations. It is staff's recommendation that Clearlake Oaks County Water District be accepted into the Liability, Property and Workers' Compensation Programs, subject to compliance with the risk management recommendations.

M/S/C (Gladbach/Dion) (Yes – 8, No – 0): That the Executive Committee approve the application of Clearlake Oaks County Water District for participation in the JPIA's Liability, Property, and Workers' Compensation Programs, subject to compliance with the risk management recommendations.

Pico Water District

Mr. Gilstrap then reviewed the application of Pico Water District (PWD) for participation in the JPIA's Workers' Compensation Program. PWD was formed in 1926, joined ACWA in 1935, and became a member of the JPIA's Liability and Property Programs in 1985.

PWD has a total of 18 employees; its 2010-11 experience modification factor is 117%. Mr. Cunningham, Director for Goleta Water District, requested that, in the future the staff list the number of employees and the number of Board members separately. Staff noted this request.

Vice Chair Finnegan pointed out the advantage of membership in more than one of the JPIA's Programs. A member receives a 2% discount for participating in two programs and a 5% discount for participating in all three of the JPIA's Pooled Programs.

The Risk Management assessment resulted in three recommendations. It is staff's recommendation that the Executive Committee approve the application of Pico Water District for participation in the JPIA's Workers' Compensation Program, subject to the completion of, or concurrence with, the risk management recommendations.

M/S/C (McDonald/Gladbach) (Yes – 8, No – 0): That the Executive Committee approve the application of Pico Water District for participation in the JPIA's Workers' Compensation Program, subject to the completion of, or concurrence with, the risk management recommendations.

MISCELLANEOUS

Vice Chair Finnegan stated that in the past, the following had been appointed as official Ballot Inspectors:

Jack Cunningham, Goleta Water District;
Robert Noonan, Orchard Dale Water District;
Wayne Nygaard, Palm Ranch Irrigation District; and
Nancy Stangel, JPIA Director of Administration.

Since Mr. Nygaard is on the ballot for an Executive Committee member position, he will not be this year's Ballot Inspector, and she appointed Andy Rutledge of Antelope Valley-East Kern Water Authority to act as the temporary Ballot Inspector for this election.

FUTURE AGENDA ITEMS

Vice Chair Finnegan called for future agenda items from the Executive Committee. The two that had been noted during the meeting for future agenda items were District probation and the matter of confidentiality on Hotline issues. Another topic for future discussion was the matter of required membership in ACWA for participation in the JPIA's programs.

The Executive Committee meeting adjourned at 10:25 a.m.

JERRY GLADBACH, CHAIR

ATTEST:

DANIEL N. KLAFF, SECRETARY

List of Attendees

<u>District</u>	<u>Name</u>	<u>Title</u>
ACWA	Barbara Duggen	Director of Member Benefits
Antelope Valley-East Kern WA	Andy Rutledge	Director
Antelope Valley State WCA	Curtis Paxton	General Manager
Bella Vista WD	Jeff Steppat	Director
Byron-Bethany ID	Rick Gilmore	Alternate Director
Calaveras CWD	Phil McCartney	Director
Calleguas MWD	Don Hauser	Director
Carmichael WD	Sandy Kozlen	Director
Central Basin MWD	Ed Vasquez	Director
Cucamonga Valley WD	Kathy Tiegs	Director
Del Paso Manor WD	Debra Sedwick	Manager
Fallbrook PUD	Keith Lewinger	Alternate Director
Fresno Metropolitan FCD	Bob Van Wyk	Alternate Director
Friant Power Authority	Carl Janzen	Director
Georgetown Divide PUD	Bob Diekon	Director
Golden Hills CSD	Ernest "Bud" Sargent	Alternate Director
Goleta WD	Jack Cunningham	Director/ Vice President
Helix WD	John Linden	Alternate Director
Helix WD	Charles Muse	Director
Hi-Desert WD	Roger Mayes	Director
Humboldt Bay MWD	Barbara Hecathorn	Director
Humboldt CSD	Kevin McKenny	Director
Kern County WA	Terry Rogers	Director
Kronick, Moskovitz, Tiedemann & Girard	Robin Leslie Stewart	Legal Counsel
Kronick, Moskovitz, Tiedemann & Girard	Ed J. Tiedemann	Legal Counsel
La Habra Heights CWD	Robert Wilson	Director
Madera ID	Carl Janzen	Director
Madera-Chowchilla W&PA	Carl Janzen	Director
Merced ID	Tim Pellissier	Director
Orange County WD	Janice DeBay	Director
Orchard Dale WD	Tom Coleman	Manager/Alt. Director
Orchard Dale WD	Bob Noonan	Director
Palm Ranch ID	Wayne D. Nygaard	Director
Palmdale WD	Curtis Paxton	Asst. General Manager
Pico WD	Rick Mercado, Sr.	Alternate Director
Placer County WA	Lowell Jarvis	Director
Purissima Hills WD	Robert Anderson	Alternate Director
Purissima Hills WD	Ernest Solomon	Director
Rancho CA WD	John Hoagland	Director
Rancho CA WD	Dave Morrison	Safety Officer
Rincon Del Diablo MWD	Mitch Dion	General Manager
Rincon Del Diablo MWD	David Drake	Director
Rio Alto WD	Max Richman	Director
San Bernardino Valley WCD	Manny Aranda, Jr.	Alternate Director

<u>District</u>	<u>Name</u>	<u>Title</u>
San Dieguito WD	Jace Schwarm	Alternate Director
San Geronio Pass WA	John Jeter	Director
San Juan WD	Kenneth Miller	Director
Solano ID	Guido E. Colla	Director
Sweetwater Authority	James Smyth	Alternate Director
Three Valleys MWD	Brian Bowcock	Director
Twentynine Palms WD	Phil Cisneros	Director/President
Vallecitos WD	Tom Scaglione	Finance Manager
Valley Center MWD	Bill Jeffrey	Alternate Director
Vandenberg Village CSD	Anthony Fox	Alternate Director
Vista ID	Eldon Boone	JPIA Auditor/Controller
Vista ID	Paul Dorey	Director
Walnut Valley WD	Edwin Hilden	Director
Westborough WD	Janet Medina	Board Member
Wheeler Ridge-Maricopa WSD	Mark Gardner	Alternate Director