



Approved: September 24, 2026

LIABILITY PROGRAM COMMITTEE MEETING

Sheraton Grand Sacramento Hotel
1230 J Street
Sacramento, CA 95814
(916) 447-1700

May 4, 2026

MEMBERS PRESENT

Chair: Scott Ratterman, Calaveras County Water District
Vice Chair: David Wheaton, Citrus Heights Water District
Brenda Dennstedt, Western Municipal Water District
Peter Kuchinsky, Vista Irrigation District
Sunny Lee, South Coast Water District
Marc Limas, Tulare Irrigation District
Kevin Phillips, Paradise Irrigation District

MEMBERS ABSENT

Dennis Gambs, Zone 7 Water Agency
Jace Schwarm, San Dieguito Water District

STAFF PRESENT

Chief Executive Officer: Adrienne Beatty
Amber Anderson, Member Services Representative II
Erin Bowles, Workers' Compensation Claims Manager
Matt Bunder, Lead Risk Control Advisor
Chimene Camacho, Senior Executive Assistant to the CEO
Paula Christy, Claims Adjuster III
Sara Clonce, Workers' Compensation Examiner I
Sarah Crawford, Member Education Manager
Brian Davis, Claims Adjuster III
Laura Davis, Communication and Event Specialist
David deBernardi, Director of Finance
Adam Dedmon, Employee Benefits Manager
Tyler Dietz, Cost Estimator / Valuation Consultant
Michele Dye, Employee Benefits Specialist
Robin Flint, Risk Control Manager
Julia Griffin, Communication Specialist II
Jennifer Jobe, Deputy Executive Officer
Erik Kowalewski, Lead Information Technology Analyst
Paul Myers, Risk Control Advisor II
Joe Rumenapp, Information Technology Manager
Jeremy Sadler, Risk Control Advisor II
Heidi Sander, Claims Adjuster II
Jillian Sciancalepore, Administrative Assistant III (*Recording Secretary*)

Judy Shiu, Liability and Property Claims Manager
Kristin Smith, Workers' Compensation Examiner II
Heather Spain, Senior Workers' Compensation Examiner
Dan Steele, Finance Manager
Shelley Tippit, Claims Adjuster I
Kayla Villa, Litigation Manager
Lisa Waltman, Claims Adjuster III
Tony Waterford, Director of People and Culture
Nidia Watkins, Member Services Representative II

OTHERS IN ATTENDANCE

Melody McDonald, San Bernardino Valley Water Conservation District
J. Bruce Rupp, Humboldt Bay Municipal Water District
Carol Lee Gonzales-Brady, Rancho California Water District
Brent Hastey, Reclamation District 784
Chris Kapheim, Kings River Conservation District
Randall Reed, Cucamonga Valley Water District
Jennifer Hetzel, Aon, West Coast AB Leader
Kellie Murphy, Johnson Schachter & Lewis, A Professional Law Corporation, Interim General Counsel
Fred Bockmiller, Mesa Water District
Gary Bradford, Yuba County Water Agency
Anthony Cline, Rio Linda/Elverta Community Water District
Andrea Beth Damsky, Helix Water District
Anne DeJarnatt, North Coast County Water District
Debbie Dino, Palmdale Water District
Laurene Green, Zone 7 Water Agency
Viridiana Iguaran, Palmdale Water District
Scott Kellerman, Palmdale Water District
Jeff Kerns, Tuolumne Utilities District
Bob Kuhn, Chino Basin Watermaster and San Gabriel Basin Water Quality Authority
Kathy Mac Laren-Gomez, Antelope Valley State Water Contractors Association
Olivia Mann, Clearlake Oaks County Water District
Dan McMillan, Helix Water District
Natalie Ouwersloot, Foothill Municipal Water District
Wilson Orvis, Friant Water Authority
Elliott Prest, Paradise Irrigation District
Vera Robles DeWitt, Water Replenishment District of Southern California
Susan Saechao, San Luis Water District
Laures Stiles, San Luis & Delta-Mendota Water Authority
John Weed, Alameda County Water District and Bay Area Water Supply & Conservation Agency
Inki Welch, Rincon Del Diablo Municipal Water District
Robert Wichert, Sacramento Suburban Water District
Charles Wulff, Kern County Water Agency

WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS

Chair Ratterman welcomed everyone in attendance and called the meeting to order at 8:19 AM. Chair Ratterman then announced there was a quorum. He requested the Liability Program Committee, staff, and others in attendance introduce themselves.

PLEDGE OF ALLEGIANCE

Chair Ratterman led the Pledge of Allegiance.

EVACUATION PROCEDURES

Ms. Beatty gave the evacuation procedure instructions.

ANNOUNCEMENT OF RECORDING OF MEETING

Chair Ratterman 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 Ralph M. Brown Act.

PUBLIC COMMENT

Chair Ratterman noted that, as the agenda stated, members of the public would be allowed to address the Liability 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 welcome. None were noted.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair Ratterman asked for any additions to, or deletions from, the agenda. None were noted.

I. CONSENT AGENDA

Chair Ratterman called for approval of the Consent Agenda:

M/S/C (Phillips/Wheaton) (Dennstedt-Yes; Kuchinsky-Yes; Lee-Yes; Limas-Yes; Phillips-Yes; Wheaton-Yes; Ratterman-Yes): That the Liability Program Committee approve the minutes of the September 29, 2025, meeting, as presented; Approve an Excused Absence for Any Committee Member; Group Purchase Programs Update; and Membership Report.

II. ADMINISTRATION

Report on Meetings Attended on Behalf of the JPIA
None.

III. LOSS REPORTS

Introduction of New Liability Claims Manager and Review of General Liability Claims Trends

Ms. Jobe introduced Ms. Shiu, who was promoted to the Liability and Property Claims Manager in July 2025, and Ms. Villa to the Liability Program Committee and other attendees. Ms. Shiu then introduced her team in attendance.

Ms. Shiu presented data on non-litigated liability claims from 2016 through the current year, highlighting that both the 2022-23 and 2023-24 program years experienced a significant increase in claims volume, largely driven by heavy rainfall and storm events. She further explained that claim volume is like water moving through a controlled system. The pipeline functions well when each stage, from incident to intake of claim/reporting, to investigation/evaluation, and lastly resolution, is managed; however, delays, missing information, and disputes are the blockages that force claims off course. Over the last ten program years, roughly 92% of claims have been resolved pre-litigation, about 8% have escalated to litigation, and about 1% of those have proceeded to trial.

In addition, Ms. Shiu explained that risk increases when claims are reported late, investigations are incomplete, documentation is lacking, and liability/damages are disputed. Not all claims are preventable; however, many outcomes are influenceable. Categorizing litigated claims into preventable, mitigatable, and unavoidable reveals where intervention changes results.

Ms. Villa reviewed litigated claims over the past ten program years, noting that 283 have been closed and 78 are currently open; however, there are additional cases in which the defense panel is proactively providing support to the program's members. She noted that litigated claims routinely cost five to ten times more than non-litigated claim equivalents when defense fees and expert costs are included.

Ms. Villa informed the Committee that infrastructure failure claims, particularly those involving trips and falls over meter lids, continue to lead litigation. A contributing factor is that technology has replaced meter readers who previously identified damaged lids while walking through neighborhoods, and now there is heavy reliance on community members/ratepayers to inform our member agencies of these issues. Employment practices claims were found to be the second-highest claim type, rarely occurring, but almost always resulting in litigation. Lastly, auto liability claims are mostly resolved in the early stages by department staff; however, those with more catastrophic injuries and disputed liability over the bodily injuries do occur and have required litigation.

Ms. Shiu and Ms. Villa informed the Committee how to reduce risk by explaining that system strength comes from alignment of claims handling (faster reporting protocols, stronger investigation standards, and data-driven risk identification), litigation strategy (early collaboration with Counsel), and member agency practices (prompt agency response and documentation).

Additional conversation among the Committee centered on claims reporting timelines, required documentation, dashcams/telematics, wildfires, inverse claims, and business interruption losses.

IV. COVERAGE AND CONTRIBUTIONS

State of the Market

Jennifer Hetzel, West Coast AB Leader, Aon, informed the Committee that the casualty insurance market remains difficult due to rising losses, large nuclear verdicts, and litigation trends, with municipalities particularly impacted by reopened sexual abuse claims and more cases moving to federal court. This is driving higher insurance rates, reduced capacity for higher-risk entities, and increased reliance on international markets. Underwriters are becoming more cautious and asking more detailed questions, placing increased emphasis on JPIA's ability to demonstrate strong risk mitigation. There is growing scrutiny of risks such as PFAS, wildfire exposure, and microplastics, and without a solid risk management narrative, insurers are more likely to exclude coverage, often mandating PFAS exclusions. At the same time, municipal insurance capacity is tightening, with \$10 million limits now rare and \$5 million or less becoming the norm. Proactive communication, strong long-term carrier relationships, and a solid industry reputation have helped position the program favorably with underwriters. Strategic coverage structuring and the use of analytics and AI have further supported efforts to control and reduce insurance rate increases.

Liability Program Update and Renewal Strategy

Ms. Jobe provided an overview of the upcoming October 1 renewal, noting that the Liability Program remains stable with consistent participation of 350 members. JPIA continues to retain the first \$5 million of liability losses, deploys CWIF at the \$10M x \$10M layer, and maintains long-standing relationships with eight excess and reinsurance carriers.

In addition, Ms. Jobe noted that the broader liability insurance market remains selective, driven in part by rising litigation trends. The renewal strategy focuses on increasing market competition, differentiating the program from other public agencies, and preserving key insurer partnerships, even as some carriers reduce their presence in the public entity market. To address ongoing market reluctance, especially among insurers reluctant to underwrite California public entities, JPIA staff proactively engage with both current and prospective carriers. Tours of member water and wastewater facilities have previously been organized, providing carriers with a deeper understanding of JPIA's risk profile and demonstrating operational advantages as compared to other public entities. Ongoing relationship-building and education efforts aim to bolster carrier confidence, with the goal of securing better terms in the future, such as lower attachment points and greater coverage capacity.

Ms. Jobe and Ms. Beatty reported that the program is performing favorably compared to market trends. While the industry is experiencing double-digit rate increases, the program saw an approximate 3% increase in aggregate excess and reinsurance rates. This was viewed positively, particularly given a 6.5% increase in payroll exposure. Overall, the outlook for the upcoming renewal was described as positive.

General Liability Reto Update

Mr. deBernardi reviewed the Liability Program Funded Status chart, which compared program contributions to expenses over the last nine program years, noting that

differences are managed through the Retrospective Contribution Adjustment (RCA) process, which can result in additional charges or refunds. Most program years showed minimal variance due to prior adjustments, while other years showed larger gaps, particularly in 2019-20, when costs exceeded revenue due to multiple high-value claims. Overall, costs have trended upward, prompting corresponding increases in member contributions, with recent rate adjustments considered justified. A large, anticipated claim is also expected to affect program year 2025-26, though projections remain preliminary. Mr deBernardi noted that JPIA's captive, CWIF, is positively impacting negative loss development.

Ms. Beatty discussed the benefits of members who belong to multiple JPIA Programs, as it assists in their RCA process.

Further discussion amongst the Committee and attendees centered on the Liability CAT Fund, investment savings related to CWIF, and potential rate increases.

Experience Modifier (E-mod) Calculation Discussion

Mr. deBernardi outlined the purpose of the discussion: to gather Committee input on whether to explore alternative approaches to the e-mod formula. Mr. deBernardi explained that JPIA's current experience modification (e-mod) caps claim impact at \$75,000, meaning both a \$1 million claim and a \$75,000 claim have the same effect on calculations, while claims under \$15,000 are excluded. The formula uses three years of claims data and considers district size based on payroll, with larger members experiencing greater potential fluctuation in their modifier compared to smaller members. It was also noted that calculations are based on total incurred costs, which include both paid amounts and reserved funds set aside for claims.

Several adjustable variables were identified, including the number of claims used and the applicable time period, dollar-amount limits on claims (noting the current \$75,000 threshold has remained unchanged since the early 2000s), the potential implementation of minimum and maximum e-mod caps (floors and ceilings), and caps on year-over-year changes. He emphasized that any modification to the e-mod formula would redistribute costs among members rather than change the total amount collected; therefore, in the first year of the change some members could see significant positive or negative swings.

Additional discussion centered on reducing volatility, the anticipated effective date of any changes, providing potential floors and ceilings to the e-mod, and varying impact scenarios using real member data. The Committee also recommended phasing in any potential changes to minimize the impact on members.

V. UPCOMING MEETINGS

The Liability Program Committee is scheduled to meet next on Thursday, September 24, 2026, at 3:00 PM.

The Liability Program Committee meeting adjourned at 10:01 AM.