

**SPECIAL MEETING OF THE ADMINISTRATIVE COMMITTEE
OF THE BOARD OF DIRECTORS
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BOULEVARD, LAKEWOOD, CALIFORNIA 90712
2:00 P.M., TUESDAY, JULY 19, 2011**

AGENDA

Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "For information" or "For discussion" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

- 1. DETERMINATION OF QUORUM**
- 2. PUBLIC COMMENT**
- 3. ACWA JPIA INSURANCE COVERAGE**
Staff Recommendation: For discussion.
- 4. DIRECTOR'S REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF**
- 5. ADJOURNMENT**

Posted by Abigail C. Andom, Deputy Secretary, July 18, 2011.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the Board meeting, please contact Deputy Secretary Abigail Andom at (562) 921-5521 for assistance to enable the District to make reasonable accommodations.

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 4040 Paramount Boulevard, Lakewood, California 90712.

Agendas and minutes are available at the District's website, www.wrd.org.



MEMORANDUM

ITEM NO. 3

Prepared by: Scott M. Ota

Reviewed by: J.H. Shaunessy

Approved by: Robb Whitaker

DATE: JULY 19, 2011

TO: ADMINISTRATIVE COMMITTEE

FROM: ROBB WHITAKER, GENERAL MANAGER

SUBJECT: ACWA JPIA INSURANCE COVERAGE

SUMMARY

At the June 23, 2011 Special Meeting of the Board of Directors, President Calderon requested that the Administrative Committee review the District's Insurance Policies for Liability, Property and Workers' Compensation.

The District currently contracts with the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA). The agreement is entered into by Members pursuant to the provisions of the California Government Code §§ 990, 990.4, 990.8 and 6500 et seq., in order to provide comprehensive and economical public liability, workers' compensation, unemployment, health, accident and/or dental, and property coverage, or coverage for other risks to which the Board of Directors may agree.

The WRD utilizes the ACWA JPIA risk-sharing pools which are a cost-effective form of risk management available only to public entities, allowing them to bypass the high cost of commercial insurance. The coverages provided by this risk-sharing arrangement are unique to water agencies. Additionally, not all water agencies are accepted into the JPIA. Prospective members must demonstrate a commitment to effective risk management programs.

In a pooled insurance program, all members share premiums and losses. The quality of agency management, the control of losses, and sound safety programs are vitally important to every member of the Pool. Periodically, the JPIA has a formal assessment performed by a JPIA Risk Management Consultant. This assessment helps to ensure that members of the Pool are conforming to the JPIA's requirements which keeps premium and losses to a minimum. The WRD recently had an assessment of our policies and procedures which were deemed in compliance with JPIA's requirements.

Staff has contacted ACWA JPIA and notified them that WRD may review insurance coverage options from other vendors.

Article 22 of the JPIA Agreement ("the Agreement") states the following:

Article 22 — Withdrawal

- (a) A Member may withdraw as a party to this Agreement any time prior to its consenting in writing to enter the joint protection program.

- (b) A Member that does not consent in writing to enter the joint protection program must withdraw as a party to this Agreement prior to the effective date of the program, or it will be considered to have voluntarily withdrawn upon such effective date.
- (c) A Member that enters or has entered any pooled joint protection program may not withdraw as a participant of that program, as a party to this Agreement, or as a Member of the Authority, for a three-year period commencing on the Member's date of entry into said pooled joint protection program.
- (d) After the initial three-year non-cancellable commitment to each pooled joint protection program, a Member may withdraw only at the end of said program's Policy Year, provided it has given the Authority a twelve-month written notice of its intent to withdraw from said pooled joint protection program.
 - (1) No later than ninety (90) days prior to the end of said pooled joint protection program's policy Year, any Member having given an Article 22 (d) conditional notice shall make clear to the Authority its final decision on withdrawal. Final notice of actual withdrawal must be given instructed to rely on such final notice received on or before ninety (90) days prior to the end of the program's Policy Year, and no rescission of such final notice can be made after close of business ninety (90) days prior to the end of the program's Policy Year. If no such final notice is received by close of business on the required date, staff shall treat the original notice with all its conditions and ambiguities as final notice of withdrawal.
 - (2) Any participation by a former Member must be effected as a new Member. No benefits will be held over from the withdrawing Member's former status as a previous program participant.
- (e) Members may withdraw from any group purchase program at the conclusion of its Policy Year, without being required to give the twelve-month written notice required for withdrawal from pooled joint protection programs.
- (f) A Member may not withdraw as a party to this Agreement nor as a member of the Authority until it has withdrawn from all of the programs of the Authority.

The District's insurance coverage with ACWA JPIA ends on the following dates:

- Workers' Compensation – 7/1/12
- Liability Insurance – 10/1/12
- Property Insurance Program – 4/1/13

FISCAL IMPACT

None at this time.

STAFF RECOMMENDATION

For discussion.