

**POOLED LIABILITY ASSURANCE NETWORK JOINT
POWERS AUTHORITY
(PLAN JPA)**

**MINUTES OF THE EXECUTIVE COMMITTEE
MEETING OF MAY 14, 2020**

A regular meeting of the Executive Committee was held on May 14, 2020, via videoconference.

MEMBERS PRESENT: George Rodericks, Chair, Atherton
Julie Carter, Dublin
David Benoun, Newark
Suzanne Creekmore, Tiburon (*non-voting participant*)

MEMBERS ABSENT: Jeremy Dennis, Portola Valley

OTHERS PRESENT: Jon Paulsen, General Manager
Katie Sullivan, Analyst
Terrie Norris, Risk Control Manager
Joe Costamagna, CRT Manager (*Arrived during Agenda Item 6.C*)
Ritesh Sharma, Finance Manager
Sulaiman Arsala, Sedgwick
James Simmons, Sedgwick

1. CALL TO ORDER:

The Regular Meeting of the PLAN JPA Risk Management Committee meeting was called to order at 10:33 a.m.

2. INTRODUCTIONS:

Roll call was taken and it was determined there was a quorum present.

3. APPROVAL OF THE AGENDA AS POSTED (OR AMENDED):

David Benoun moved to approve the agenda as posted. Julie Carter seconded the motion. A roll call vote was taken and the motion passed unanimously by George Rodericks, David Benoun, and Julie Carter.

4. PUBLIC COMMENTS:

None.

5. CONSENT CALENDAR:

David Benoun moved to approve the following items: A) Minutes from the October 10, 2019, Risk Management Committee Meeting; and B) 2019/20 Risk Control Plan Update. Julie Carter seconded the motion. A roll call vote was taken and the motion passed unanimously by George Rodericks, David Benoun, and Julie Carter.

6. RISK CONTROL MATTERS:

A. Review of 2019 and Update on 2020 Sewer and Stormwater Summit

PLAN JPA hosts an annual Sewer Summit and contracts with DKF Solutions Group (DKF) for coordination of the event. The Summit takes places in October to provide education and training. For the 2019 Summit, DKF enhanced the training and education offerings to include stormwater and wastewater risk control.

The “2019 Sewer and Stormwater Summit” was held in Oakland, CA on October 17, 2019. Terrie Norris, Risk Control Manager, reminded the Committee she had sent out “Save the Date” flyers for the October 17th Sewer and Stormwater Summit. She noted a pre-registration period occurred for sponsoring members from July 4th – August 19th, and registration was open to the public on August 20th. Ms. Norris reported that the Sewer and Stormwater Summit had met max registrations with 59 PLAN JPA member agency employees attending.

Ms. Norris briefly discussed the varying educational opportunities offered at this year’s Summit. She stated the Summit has four tracks with five sessions each. She reviewed the tracks as follows:

- Track 1 – Collections Worker Safety & Leadership
- Track 2 – Operations Management
- Track 3 – Compliance, Engineering, and Management
- Track 4 – Stormwater

Ms. Norris reported to the Committee the final cost of the 2019 Summit to PLAN JPA was \$20,762.94

PLAN JPA has experienced 100 sewer related claims in the last five years with an average cost of the sewer related claims totaling \$6,830. The pool also experienced 76 stormwater related claims with an average cost of \$52,094.

B. PLAN JPA Grant Fund Program Update and Discussion

The PLAN JPA Grant Fund Program is available to members to fund expenditures that support their safety and risk management programs. Members funds that are not used by the end of each program year will roll into the member account in the new program year.

Ms. Norris informed the Committee during the 2019/20 program year, eight PLAN JPA members made use of their Grant Fund. A total of \$250,221.15 was reimbursed to members and the funds were used as follows:

- Conference attendance (CalGovHR, CALPERA, PARMA)
- Stormwater Inspection
- Safety Committee Refreshments
- Sidewalk Grinding
- Training (Maintenance personnel, miscellaneous, sewer system management program, waste water)

Annually, the PLAN JPA Board approves \$500,000 from equity to be used towards the Grant Fund. As of July 1, 2019, the Grant Fund has a carry-over of \$460,113 from the 18/19 program year and the \$500,000 from the 19/20 program year was allocated among the members. Combined, the individual balances ranged from \$3,670 to \$101,050.

Ritesh Sharma, Finance Manager, expressed concerned as the individual member balances are considered a liability to PLAN JPA. With the current structure and members not utilizing funds, balances will continue to rise.

A discussion ensued around which option would be best to help manage the excess funds. A general consensus was established to still allow partial funds to be rolled over to each member's individual grant fund; as well as establish a cap on each member's balance for unused funds. Mr. Sharma agreed to provide the Board of Directors with some examples of how to accomplish this change and how it would affect the overall Grant Fund Program.

C. Self-Assessment Tool Update

During the October 10, 2019, Risk Management Committee meeting, the Committee discussed the status and need for the Ventiv risk management self-assessment tool, including the challenges of the tool and its on-going costs. Following the direction of the

Risk Management Committee, staff developed the alternative plan listed below to provide members with risk management assessment and guidance. The plan was presented at the Strategic Planning Session on February 21, 2020. Ms. Norris reviewed as follows:

Alternate Focused Assessment Plan:

- Staff will continue to conduct live focused assessments on a variety of risk management tasks.
- The questions asked in the focused assessments will be modified as needed to reflect recent changes in regulations and case law.
- Focused assessment questions will be posted on the Sedgwick Risk control Resources page to provide 24/7 availability to members who wish to conduct a self-assessment.
- Staff will review any self-assessments conducted at the invitation of the member as part of the on-going risk control services to PLAN JPA members.
- Staff will develop a peer-reviewed Risk Management Best Practices document for each of the assessment topics.
- A Risk Management Best Practices library will be posted on the Sedgwick Risk Control Resources page to provide 24/7 availability to members.
- Staff will continue to provide consultation to members on the risk management assessment topics on an as needed basis.

Staff recommended this alternative as it:

- Provides greater flexibility in the wording of the assessment questions to better reflect current risk factors, regulations and case law.
- Still provides members with the ability to conduct self-assessments.
- Provides a risk control/risk management peer-reviewed library of risk management best practices.
- Can be provided at no additional cost to PLAN JPA, as it would continue to be part of the risk control service plan.
- Allows PLAN JPA to redirect the funds set aside for Ventiv to other purposes.

The Board of Directors voiced their approval of this plan at the Strategic Planning Session; however, requested staff to bring it to the Risk Management Committee for final approval. The Committee agreed to move forward with focused assessment plan presented by staff.

D. Consideration of the 2020/21 Risk Control Plan

Ms. Norris informed the Committee the comments and guidance provided by the Risk Management Committee at its October 2019 meeting, the February Strategic Planning Session, and staff interactions with PLAN JPA members influenced the proposed risk control service plan for 2020/21. Staff recommends maintaining much of the current

service plan, as PLAN JPA members are still discovering the differences in how the risk control services are delivered under the contract between PLAN JPA and Sedgwick. Many members are still under the impression that they must pay for the risk control services that are included in the risk control service plan.

The proposed risk control service plan for 2020/21 includes:

- Focused Risk Assessments
- Development of Focused Self-Assessments Materials
- Risk Control Service Days on Request
- Driver Training
- Driver Ride-a-long Evaluations
- Resource Development
- Regional Training
- Oversight of the Risk Management Fund Reimbursements
- Unlimited Phone and Email Consultation
- Sedgwick Risk Control Website Resources

The Risk Management Committee unanimously agreed for staff to present the proposed 2020/21 Risk Control Plan to the Board of Directors for approval.

E. Contractual Risk Transfer Update

Contractual Risk Transfer (CRT) is the practice of shifting liability and defense responsibilities to another party via contractual obligation. The purpose of CRT is to minimize legal costs and general claim expenditures for the member by assigning the liability for a project to the party that is most in control of the risk factors that could lead to a claim. PLAN JPA strongly encourages its members to follow common CRT guidelines whenever entering into a contract or agreement with a new party, or when allowing another party access to a member's premises, property or personnel.

Joe Costamagna, CRT Manager, reminded the Committee he provides onsite risk transfer trainings and remote contracts and insurance consulting for PLAN JPA members. He reviewed the members who have received training so far this year in the following categories:

- 2 Key Elements of Risk Transfer
- Why Use Indemnity Clauses?
- Why Use Insurance Clauses?

- Certificates and Endorsements
- Waivers of Subrogation
- When Insurance Goes Wrong
- Contract Review Fundamentals
- Determining Limits

Mr. Costamagna informed he has provided over 60 hours of consulting services in the month of August to PLAN JPA members. He also provided a copy of the Risk Matrix & Insurance Language Guide to members to help determine appropriate limits and lines of coverage to require of contractors based on a project's level of risk.

7. CLOSING COMMENTS:

A. Risk Management Committee

None.

B. Staff

Mr. Paulsen thanked the Committee for their dedication to PLAN JPA.

8. ADJOURNMENT

The Regular Meeting of the PLAN JPA Risk Management Committee was adjourned at 11:28 a.m.



Katie Sullivan, Assistant Board Secretary