



**Mike Scheafer, Board President**

**Sandy Seifert-Raffelson, Vice President**  
**Bob Swan, Secretary**  
**David Aranda, CSDM**

**Jean Bracy, CSDM**  
**Tim Unruh, CSDM**  
**Jesse Claypool**

**Special District Risk Management Authority**  
**Regular Board Meeting**

**Wednesday, March 24, 2021**  
**8:00 a.m. - 12:00 p.m.**

**Held Remotely Via Zoom**

**Phone: (669) 900-9128**  
**Meeting ID: 562 012 1037**  
**Password: 875411**

**This Virtual Meeting is held pursuant to Executive Order N-29-20 issued by Governor Newsom on March 17, 2020.**

*Note: Pursuant to the Brown Act, Section 54953(b)(2). Section (b) (2) requires that all votes taken during a teleconference meeting shall be by roll call. Any agenda item may be discussed in a different order, if necessary. The Board may take action whether items are listed as action, information or discussion. The meeting is being held solely by remote means and will be made accessible to members of the public seeking to attend and address the Board solely through the phone number set forth above, except that members of the public seeking to attend and to address the Board who require reasonable accommodations to access the meeting, based on disability or other reasons, should contact the following person at least forty-eight (48) hours in advance of a Regular meeting to make arrangements for such reasonable accommodations: Ashley Flores, Board Clerk, (916) 231-4132 or [aflores@sdrma.org](mailto:aflores@sdrma.org)*

## AGENDA

### 1.0 CALL MEETING TO ORDER

- 1.1 Roll Call
- 1.2 Approval of Agenda (Board President)

### 2.0 PUBLIC COMMENT

*At this time, members of the public may speak on any item not on the agenda with comments limited to 5 minutes per person. A maximum time limit of 20 minutes for all public testimony is permitted under this agenda item. The Board reserves the right to waive the foregoing time limits by a majority vote.*

### 3.0 ADMINISTRATIVE ITEMS AND PRESENTATIONS

- 3.1 Recognition Staff Anniversaries (Board President)
- 3.2 Review Meeting, Conference, and Educational Schedules (Chief Executive Officer)
- 3.3 Review communication and correspondence (Chief Executive Officer)
- 3.4 Review of Executive Summary of Training (Board President)

### 4.0 CONSENT CALENDAR – Items expected to be routine and non-controversial

- 4.1 **Approve** draft minutes for the February 10-11, 2021 Board Meeting; February 11, 2021 Ad Hoc Committee meeting; and March 3, 2021 Annual Membership Meeting (Board Clerk)
- 4.2 **Review** recent marketing activities (Chief Member Services Officer)
- 4.3 **Ratify** payment of bills paid for the months of January and February 2021 (Finance Manager)
- 4.4 **Receive and file** financial reports presented for the Property/Liability, Workers' Compensation, Health Benefits Programs and Joint/Common Allocated Operations (Finance Manager)

- 4.5 **Approve** Board Policy 2021-03 Regarding Guidelines for the Loss Prevention Fund (Finance Manager)

## 5.0 CSDA-RELATED ITEMS

- 5.1 **Review and discuss** CSDA business and activity (CSDA Chief Executive Officer)
- 5.2 **Review and discuss** Alliance Executive Council business and activity (CSDA Chief Executive Officer; Chief Executive Officer; AEC Members)
- 5.3 **Review and discuss** Special Leadership Foundation business and activity (CSDA Chief Executive Officer; Chief Executive Officer; SDLF Members)
- 5.4 **Review** of CSDA Committees Updates (Board President)

## 6.0 BOARD ITEMS

- 6.1 **Subject: Approval of Prospective Members into SDRMA Workers' Compensation and Property/Liability Programs**

Presenter: Ellen Doughty, Chief Member Services Officer

Recommendation: **Approve** admission of new members into the Property/Liability program: San Diego County Air Pollution Control District

- 6.2 **Subject: Potential Member Notices of Intent to Withdraw**

Presenter: Ellen Doughty, Chief Member Services Officer

Recommendation: **Receive and file** the report concerning notices received from members for potential withdrawal effective July 1, 2021

- 6.3 **Subject: Board Policy 2021-04 Guidelines for Longevity Distribution**

Presenter: Jennifer Chilton, Finance Manager

Recommendation: **Approve** Board Policy 2021-04 Establishing Guidelines for Longevity Distributions

6.4 **Subject: 2020-21 Member Longevity Distributions**

Presenter: Jennifer Chilton, Finance Manager

Recommendation: **Approve** a Longevity Distribution for Program Year 2020-21 to be applied to members' renewal invoices for 2021-22 using the Total Return Rate for the Workers' Compensation Program

6.5 **Subject: Credit Incentive Program Criteria for Program Year 2021-22**

Presenter: Debbie Yokota, Chief Risk Officer

Recommendation: **Approve** the Credit Incentive Program criteria for Property/Liability and Workers' Compensation Programs for Program Year 2021-22

6.6 **Subject: Policy No. 2021-05 Rates and Charges for Program Year 2021-22**

Presenter: Jennifer Chilton, Finance Manager

Recommendation: **Approve** Policy No. 2021-05 Establishing Rates and Charges for the 2021-22 Program Year

6.7 **Subject: 2021-22 Rates – Workers' Compensation and Property/Liability**

Presenter: Jennifer Chilton, Finance Manager

Recommendation: **Approve** the proposed Workers' Compensation rates for program year 2021-22; and **Receive and file** the Property/Liability preliminary rate estimates for program year 2021-22

6.8 **Subject: Accounts Receivable Carry-Overs**

Presenter: C. Paul Frydendal, Chief Operating Officer

Recommendation: **Provide direction** staff regarding the Board's prior operating precedent to not allow members to carry over accounts receivable into the following program year

6.9 **Subject: Workers' Compensation Program Claims Audit**

Presenter: Debbie Yokota, Chief Risk Officer  
Dorienne Zumwalt, Client Service Director, Sedgwick

Recommendation: **Receive and file** 2021 Workers' Compensation Program Claims Audit and the results of the Plan of Action provided by Sedgwick Claims Management Services dated March 10, 2021

7.0 **TIMED ITEMS - Begins at 11:00 a.m.**  
**(This section will include presentations with a specific day and time for specific speakers: consultants, brokers, legislative director, coverage counsel, etc.)**

7.1 **Subject: Ad Hoc Captive Committee - Captive Formation Recap**

Presenter: C. Paul Frydendal, Chief Operating Officer

Recommendation: **Ratify** the following recommendations of the Ad-Hoc Captive Sub-Committee:

1. **Designate** SDRMA staff as the management staff for the SDRG captive;
2. **Receive and file** the update from Dick Huntington and Mike Harrington regarding various captive formation checklist items;
3. **Receive and file** the PFM presentation concerning potential investment options for the captive investment portfolio; and
4. **Reconfirm** the directions provided to PFM for development of an investment policy for the SDRG captive.

7.2 **Subject: Captive Formation Items – Special District Reinsurance Group (SDRG)**

Presenter: C. Paul Frydendal, Chief Operating Officer

Recommendations:

1. **Appoint** the five board members of the SDRG Board;
2. **Appoint** the Chairperson, Vice President, Treasurer and Secretary of the SDRG Board, subject to ratification by the SDRG Board;
3. **Appoint** Laura Gill as President of the SDRG Board, subject to ratification by the SDRG Board;
4. **Receive and file** the draft investment policy and investment management between the captive and SDRG; and
5. **Receive and file** documents prepared and submitted by Bickmore Actuarial, including the Summary of the Captive Feasibility Study (Phase I and Phase II),

Captive Business Plan, Captive Reinsurance Agreement, Pro-Forma Financials  
for Expected and Adverse Loss Scenarios

**8.0 OPPORTUNITY FOR PUBLIC TO ADDRESS CLOSED SESSION MATTERS**

**9.0 CLOSED SESSION - *Begins at 8:00 a.m.***

**9.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Gov't. Code Sec. 54956.8)**

**Property: 1112 I St., Sacramento, California**

**Agency Negotiator: Laura Gill**

**Negotiating parties: SDRMA, California Special Districts Association (CSDA)**

**Under negotiation: Price and Terms of Payment**

**9.2 LIABILITY CLAIMS (Gov't. Code Sec. 54956.95)**

**Claimant: Bralley, Steven**

**Agency claimed against: Cosumnes Community Services District**

**10.0 ANNOUNCEMENT OF REPORTABLE ACTION IN CLOSED SESSION**

**11.0 REPORTS/COMMENTS/OTHER BUSINESS**

11.1 Staff Reports and Updates

11.2 Board Director Reports, Comments, Future Agenda Items, Recommendations, and Questions

**12.0 ADJOURNMENT**

The next Board meeting will be held May 5-6, 2021 at the SDRMA Administration Building, 1112 I Street, 3rd Floor, Earl Sayre Board Room Sacramento, CA 95814. Items to be discussed at this meeting include:

- FY 2021-22 Preliminary Budget
- Sedgewick Contract Renewal
- Potential Member Withdrawal Update
- Quarterly Reports
  - Underwriting
  - Claims/Loss Prevention
  - Strategic Plan
  - Treasurer's Report

**Posted on March 18, 2021**



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Ashley Flores, Clerk of the Board

**ADA Compliance:** *In compliance with the Americans with Disabilities Act, if you are a disabled person and need a disability-related modification or accommodation to participate in this meeting, please contact Ashley Flores, Clerk of the Board, at (800) 537-7790 or at [aflores@sdrma.org](mailto:aflores@sdrma.org). Request must be made as early as possible.*