

California Sanitation Risk Management Authority

2023 ANNUAL REPORT



CSRMA  California Sanitation
Risk Management Authority

We provide excellent coverage and comprehensive risk management services in a reliable and cost-effective manner.

What's Inside

President's Message [4](#)

Financial Summary [5](#)

Shared Risk Programs [6](#)

Group Purchase Programs [8](#)

Risk Control Services [10](#)

What the Future Holds [13](#)

Member Agencies [14](#)

CSRMA Program Administrators [15](#)

As an industry leader in risk management innovation, CSRMA is committed to developing best-practices tools, services and resources to ensure our members have robust and highly effective safety and loss control programs.

Disclaimer: All information is correct to the best of our knowledge.
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President's Message

Dear Members and Friends of CSRMA:

Since CSRMA's formation in 1986, our member agencies, committees, staff and Board have worked together to consistently provide superior insurance and risk management solutions. Maintaining and improving upon the quality of these services takes a great deal of strategic planning and commitment to a visionary outlook.

The launch of Clean Water Insurance Captive (CWIC) in 2023 was a landmark moment for CSRMA, demonstrating the commitment this group has to continuously seeking new and creative ways to assure the financial viability and longevity of our organization. Several years ago, CSRMA embarked on the process of creating a captive insurance company in order to expand our options for excess and reinsurance coverage to CSRMA's programs and to enhance our investment earnings. With a captive insurance company, CSRMA could look beyond the existing commercial insurance marketplace, and allow for greater opportunities to manage the financial risk it assumes on behalf of its members. CSRMA's Board of Directors approved the funding and launch of CWIC, enabling the captive to go live this past July. CWIC currently reinsures portions of both the Pooled Workers' Compensation and Pooled Liability Programs, and will continue to evaluate other coverage programs in the years to come.

We look forward to rolling out several more initiatives in 2024 to enhance the already robust Risk Control offerings and overall member experience. Expanded cyber security services and resources, an automated renewal application process for our various coverage programs, and even more training and educational opportunities for our members are just some of the new initiatives that CSRMA members can look forward to in the coming year.



I continue to be impressed by the accomplishments of our 59 member agencies and our collective achievements in 2023. I am grateful to serve an organization willing to make such innovative decisions as CSRMA, and I look forward to another successful year in 2024.

Craig Murray | CSRMA President

EXECUTIVE BOARD AND OFFICERS

Craig Murray
President
Carpinteria Sanitary District

Sandeep Karkal
Vice President
Novato Sanitary District

Jason Dow
Treasurer-Auditor
Central Marin Sanitation Agency

Roland Williams
Secretary
Castro Valley Sanitary District

Melissa Morton
Vallejo Flood & Wastewater District

Michelle Gallardo
Dublin San Ramon Services District

Teresa Herrera
Silicon Valley Clean Water

Steve Wagner
Goleta Sanitary District

Michael Thornton
San Elijo JPA

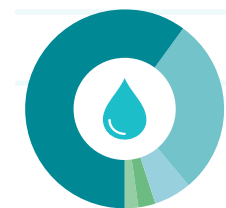
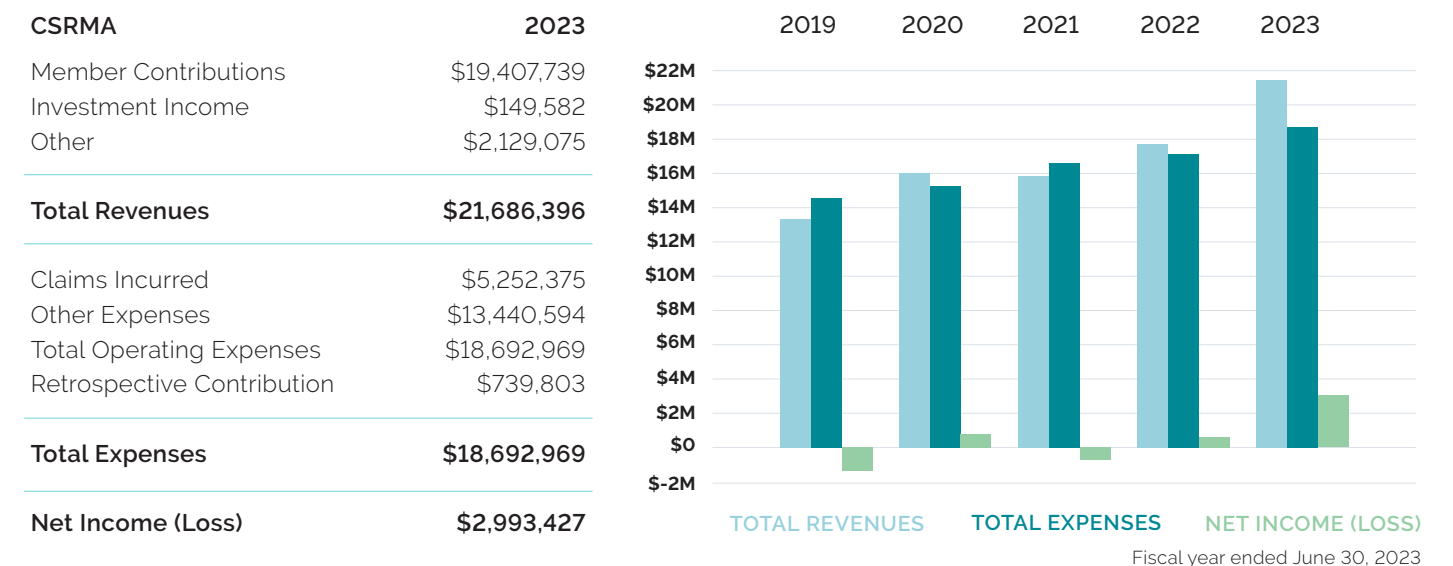
Financial Summary

The CSRMA Joint Powers Authority keeps its financial records in accordance with Government Accounting Standards Board (GASB) recommendations and produces an annual comprehensive financial report each year.

The financial data represented in this report is as of June 30, 2023. CSRMA has been awarded the Government Finance Officers Association's Certificate of Excellence in Financial Reporting for its ACFR annually since 2010.

Investments are governed by a Board-approved policy and procedure. Cash beyond short-term needs is invested with California's Local Agency Investment Fund, the California Asset Management Program and Public Financial Management (PFM) Portfolios.

FINANCIAL POSITION



Total: \$35,837,500

60%

Investments — Noncurrent
\$21,440,961

29%

Cash and Cash Equivalents
\$10,463,935

6%

Prepaid Expenses
\$2,245,558

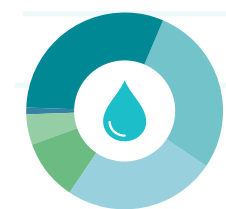
3%

Investments — Current
\$887,108

2%

Accounts Receivable
\$799,938

ASSETS



Total: \$35,837,500

31%

Claims Incurred but not Reported
\$11,082,684

28%

Net Position
\$10,034,083

25%

Claims Reserves
\$8,972,421

10%

Unearned Revenue
\$3,750,749

5%

Unallocated Loss Adjustment Expenses
\$1,802,269

1%

Accounts Payable
\$195,294

LIABILITIES AND RETAINED EARNINGS

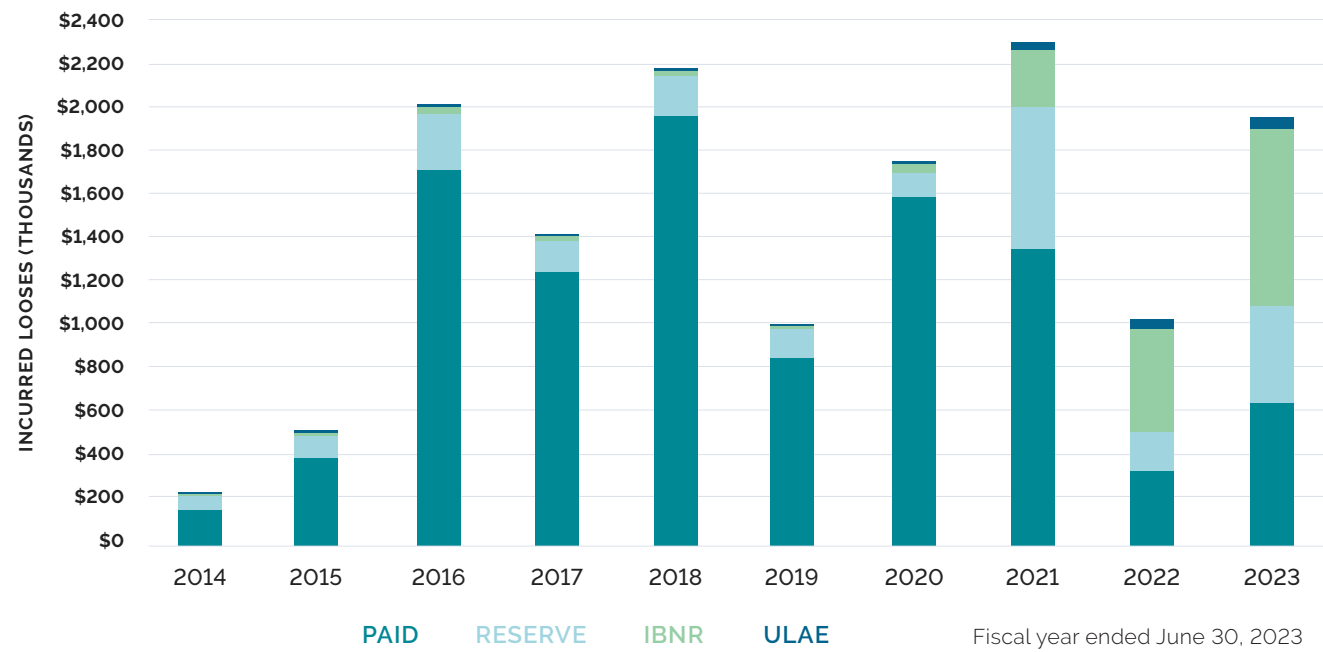
Shared Risk Programs

CSRMA Members can choose to participate in the JPA's "pooling" programs: The Pooled Liability Program and the Workers' Compensation Program.

These programs are an alternative to traditional commercial insurance, in that they are member-owned and operated. Interest-earning funds are placed on deposit with the Authority where they are used to pay members' claims and related expenses. Funds not spent or reserved are refunded to members through retrospective rating adjustments and dividend payments.

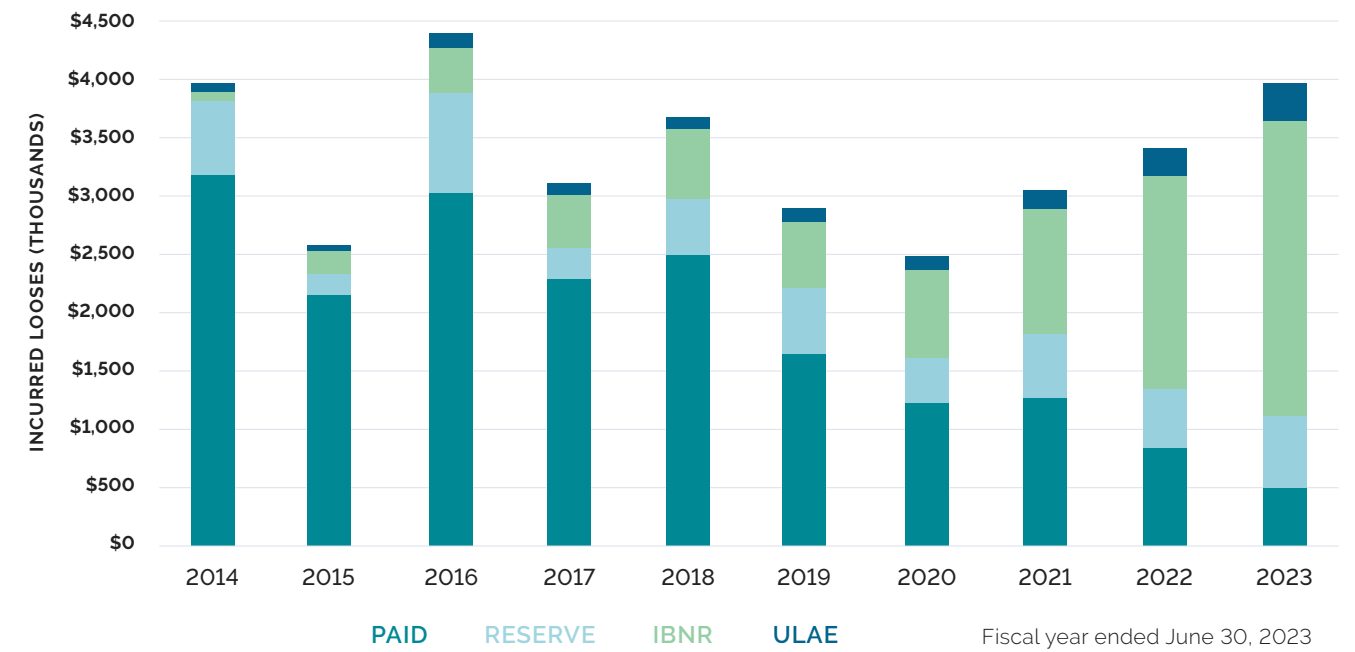
POOLED LIABILITY PROGRAM

The Pooled Liability Program provides its members with third-party liability coverage specifically designed to meet the exposures faced by the wastewater industry. Members are provided with coverage for General Liability, Automobile Liability, Employment Practices Liability and Public Entity Errors and Omissions Liability.



POOLED WORKERS' COMPENSATION PROGRAM

The Workers' Compensation Program provides State-mandated benefits to employees of member agencies. The Program enables its members to retain control of the cost and delivery of services to participating members.



2023 Accomplishments

The pooled layer of the program is now reinsured by CSRMA's new captive insurance company, Clean Water Insurance Captive (CWIC).

A claims audit was performed this year. The claims adjusting firm, Carl Warren & Company, continues to provide efficient and cost-effective claims administration services.

The Board-approved Employment Practices Incentive Program was implemented.

2023 Accomplishments

CSRMA hired a new claims adjusting firm, Athens Administrators. Athens has been fully on-boarded, conducted a series of introductory webinars and attended the August Board meeting.

The Program's claims frequency continues to be below historical averages.

The pooled layer of the program is now reinsured by CSRMA's new captive insurance company, Clean Water Insurance Captive (CWIC).

Group Purchase Programs

CSRMA Group Purchase Programs provide members the benefit of buying power while assuring that special needs will be addressed.

PRIMARY INSURANCE PROGRAM (PIP)

The PIP increases the buying power of members through group purchase of insurance, offering competitive pricing to its members that is otherwise hard to achieve. The Program continues to provide coverage for General Liability, Automobile Liability, Employment Practices Liability, Public Entity Errors & Omissions and Auto Physical Damage to members that do not wish to pool their risk with other members.

PROPERTY INSURANCE PROGRAM

The Property Program provides the benefit of a group purchase program offering its members "All-Risk" Property and Boiler & Machinery insurance. This includes Terrorism, Pollution Legal Liability specific to a member's schedule of values, and Cyber Liability. In 2021 a new Pooled Layer was implemented in an effort to reduce some of the year-to-year market volatility.

OTHER PROGRAMS

CSRMA members have access to an array of group purchase programs made available by the Program Administrators, including but not limited to:

Crime/Bond Programs: The Commercial Crime Program affords its members public employee dishonesty coverage. Additional coverages available include forgery or alteration, theft, disappearance and destruction of money and securities and computer fraud. The Public Official Bond Program provides its members with coverage for dishonest acts of public officials.

Cyber Liability: The Cyber Liability Program provides third-party coverage for information security and privacy liability, privacy notification costs, regulatory defense and website media content liability. First-party coverage is provided for cyber extortion, data protection and business interruption loss.

Public Entity Vehicle & Mobile Equipment Physical Damage Program: This Program provides "All-Risk" property (physical damage) coverage for private passenger vehicles, light trucks and high value specialized vehicles with limited "over-the-road" exposures.

Special Events Liability Program: The Special Events Liability Program grants its members with protection against third-party liability for bodily injury, personal/advertising injury and property damage resulting from a covered special event. Special events include receptions, tours and parties.

Pollution and Remediation Legal Liability Program: The Pollution and Remediation Legal Liability Program provides coverage for environmental exposures unique to the wastewater industry.

Storage Tank Program: The Storage Tank Program furnishes its members with third party pollution legal liability and clean-up for above and below ground storage tank exposures.

Travel Accident Program: Travel Accident Insurance provides coverage for employees who travel domestically and internationally. Some of the benefits include 24/7 travel assistance, medical network, and emergency evacuation and repatriation expense.

Vendors/Contractors General Liability Program: The Vendors/Contractors General Liability Program furnishes general liability coverage for a wide range of vendors and contractors.

Deadly Weapons Response Program: The Deadly Weapons Response Program provides third-party liability, first-party property damage, business interruption and crisis management for deadly weapon events.



Risk Control Services

In 2023 CSRMA continued its tradition of providing leading edge risk control services for its members by expanding the range of web-based consulting and services available to its members.

RISK CONTROL CONSULTING

We are proud to offer flexible access to the Risk Control Advisor. CSRMA members can arrange Risk Control consulting virtually through Zoom and other meeting platforms, as well as on-site in an office, in the field, or in a plant.

VECTOR SOLUTIONS®

CSRMA members now enjoy expanded access to a variety of training options introduced and improved upon in 2023, including our premier virtual service, Vector Solutions. As of September 2023, members had over 2,800 registered users in the Vector Solutions online training service, with members having completed over 23,000 online courses! In 2023, CSRMA updated 15 CSRMA-developed online training modules and added ten new modules to their existing library of over 100 online learning courses. For over 18 years now, CSRMA has remained committed to creating new content and updating existing content that address the current risks that members face.

TRAININGLINK® BIWEEKLY LIVE SAFETY TAILGATE TRAININGS

Following the positive reception of biweekly live safety tailgate trainings on TrainingLink in 2022, CSRMA members have been able to access even more of such sessions in 2023. Each session targets a topic applicable to wastewater workers, runs for 30 minutes (15-20 minutes of content and 10-15 minutes of Q/A for those with questions) and is taught by a Certified Safety Professional (CSP). The sessions are recorded and available to view on demand, with the current library containing over 70 short, targeted safety training videos.

OCCUMETRIC

As they have done for several years running, Don Freeman and the OCCUMetric team worked with several CSRMA members again this year. OCCUMetric uses their Physical Demand Assessment software to identify tasks that put employees at risk of back injury, so that prevention or task redesign measures can be taken.

RISK CONTROL ONLINE

Risk Control Online continues to serve as the hub for all of CSRMA's online risk control services and web applications, including the Contractor Safety Program Builder, the Job Competencies Builder, Employment Law Resources Hub, Cyber Security and more. Updated in 2023, Risk Control Online offers increased security, functionality, and has undergone other changes to enhance the overall member experience.

RISK CONTROL SEMINARS AND WEBINARS

CSRMA conducted over 35 live Risk Control seminars and webinars. These were recorded for members to access on-demand on Risk Control Online. The broad range of topics provided — employment law, contract management, insurance, safety, technical job skills, emergency preparedness and response — ensures CSRMA is reaching all levels of member organization.



RISK CONTROL AND SAFETY PROGRAM REIMBURSEMENT INCENTIVE

CSRMA's reimbursement incentives were increased this year from \$2,000 to \$2,500 annually for members who participate in both the Pooled Liability and Workers' Compensation Programs, and from \$1,200 to \$1,400 for members of the Workers' Compensation Program. These popular programs are fully utilized each year by members to pursue risk control and health promotion initiatives designed to reduce losses.

WORKERS' COMPENSATION CONSULTING SERVICES

CSRMA continued to benefit from the services of Heather Truro at HT Consulting. She is a Workers' Compensation claims management specialist who has been retained by CSRMA to provide assistance to our members with Workers' Compensation issues; in particular, by implementing the Workers' Compensation Claims Management and Return to Work Programs. Heather played a key role in ensuring a smooth transition to Athens claims administration services this year, working with individual members and providing training and other outreach to members.

SEWER AND STORMWATER SUMMIT 2023

Partnering and cost sharing with three other public entity risk pools, the 2023 Summit was held as a virtual conference again allowing more members to attend than would have been possible with an in-person conference. The 18th annual Summit was attended by 70 public agencies and over 225 employees. The virtual Summit stayed true to its historical format of offering attendees four tracks with five sessions each for a total of 20 different 1-hour classes on Regulatory Compliance and Engineering, Collections Worker Safety, Operations and Management and Storm Water Compliance. All the sessions were recorded and are available to members until Spring 2024 on the virtual conference platform. After that, the 20 sessions will be moved to the Webinar Library section on Risk Control Online.



CSRMA WORKERS' COMPENSATION EXCELLENCE AWARD

CSRMA is pleased to announce the winners of the Workers' Compensation Excellence Award! This award program is designed to recognize those members who have successfully implemented soft tissue/strain related injury prevention efforts.

Members meeting the award criteria shared in a financial reward honoring the employees who work so hard to maintain safe work environments. This effort directly impacts Workers' Compensation Program costs, benefitting CSRMA and its membership.



2023 WORKERS' COMPENSATION EXCELLENCE AWARD WINNERS

CASTRO VALLEY SANITARY DISTRICT

ENCINA WASTEWATER AUTHORITY

SAN ELIJO JOINT POWERS AUTHORITY

SEWER AUTHORITY MID-COASTSIDE

SMART SOP

SMART SOP, the mobile app CSRMA created for its members to make creating photo-based lockout/tagout and free-form photo- and video-based SOP's underwent a complete overhaul designed to expand features, functionality, and ease of use. Anticipated to roll out early 2024, the redesigned app will allow members to create compliance and best practice SOPs in the field on smart phones, tablets, or at your desk on laptops and desktops. Incorporating features such as speech to text, inclusion of videos in SOPs, and multi-user editing, Smart SOP will provide members a one-of-a-kind tool to make development of SOPs, the cornerstone of staff training, easier and faster than ever.

EMPLOYMENT LAW TRAINING

While generally infrequent, employment law claims are among the most expensive type of claim CSRMA experiences. CSRMA provided ten virtual seminars on labor law issues most commonly resulting in employment law claims. Provided virtually, members from across the State can attend. Members who are unable to attend a live session can view a recording for up to three months after each training.

What the Future Holds

News headlines remind us daily of emerging and developing risks — cyber security, climate change, changing regulatory environment, and many more. CSRMA looks forward to meeting these challenges head on in 2024 and beyond. Just some of what we are addressing in 2024 are:

Workers' Compensation: Soft tissue injuries remain the leading cause of lost time injury claims, but we have new tools now we can bring to bear. Physical demand assessments allow us to identify the physical requirements for the tasks our employees perform. Comparing these to established limits (safe levels for the average person) allow for clearly seeing tasks that are putting our employees at elevated risk of injury. Armed with this information, we can modify these tasks creating a safer work environment. We can conduct these quickly and efficiently via virtual meetings with members. 2024 and beyond will see these tools brought to more members.

Sewer Backups remain as our most frequent type of claim. Now that the State Water Resources Control Board has implemented revisions to the regulation governing sewer collection system operation, CSRMA will be providing even more training opportunities on sewer system operation, maintenance, and regulatory compliance — all made more accessible to members through remote learning.

Smart SOP v.2.0 will enable more members to create and roll out standard operating procedures to help train staff and provide resources to employees needing to reference key information for tasks with which they may be unfamiliar, a leading cause of injury and property damage. SOPs, once confined to binders on shelves, are now available in interactive formats on smart phones and tablets on Smart SOP. Giving staff the information when they need it, where they need it, eliminates the need to for guesswork. CSRMA will be pushing these tools out to members via the mobile app Smart SOP in 2024 and beyond.

CSRMA has again partnered with Liebert Cassidy Whitmore to provide 20 hours of online seminars on employment law topics that reflect common causes of employment-related lawsuits each year. To help encourage members to provide the training necessary to avoid these types of claims, 2023 CSRMA saw the roll-out an incentive program designed to increase participation. Greater understanding of how to avoid these claims will result in fewer incidents.

Cyber liability will take a larger role in CSRMA's risk control offerings in 2024 and beyond. In addition to providing information on practices that will reduce member exposure to this growing threat, CSRMA will be rolling out services that will supplement member security efforts, such as remote domain monitoring and cyber incident emergency response planning.

IN 2024, CSRMA WILL CONTINUE TO PROVIDE MEMBERS WITH EFFECTIVE, LEADING-EDGE SERVICES DESIGNED TO HELP THEM IDENTIFY, ADDRESS, AND CONTROL RISKS.

Member Agencies

Bayshore Sanitary District

Byron Sanitary District

Carmel Area Wastewater District

Carpinteria Sanitary District

Castro Valley Sanitary District

Central Marin Sanitation Agency

County Sanitation District
No. 2-3 of Santa Clara County

Crockett Community
Services District

Cupertino Sanitary District

Delta Diablo

Dublin San Ramon
Services District

East Bay Dischargers Authority

Encina Wastewater Authority

Fairfield-Suisun Sewer District

Goleta Sanitary District

Goleta West Sanitary District

Inland Empire Utilities Agency

Ironhouse Sanitary District

Lake Arrowhead Community
Services District

Las Gallinas Valley
Sanitary District

Leucadia Wastewater District

Montara Water and
Sanitary District

Montecito Sanitary District

Monterey One Water

Mt. View Sanitary District

Napa Sanitation District

Nevada County
Sanitation District #1

North of River Sanitary District

Novato Sanitary District

Oceana Marin Sewer
Improvement District

Ojai Valley Sanitary District

Oro Loma Sanitary District

Richardson Bay Sanitary District

Rodeo Sanitary District

Ross Valley Sanitary District

San Elijo Joint Powers Authority

San Rafael Sanitation District

Sanitary District No. 5 of
Marin County

Santa Margarita Water District

Sausalito-Marin City
Sanitary District

Selma-Kingsburg-Fowler
County Sanitation District

Sewer Authority
Mid-Coastside

Sewerage Agency of
Southern Marin

Silicon Valley Clean Water

South Orange County
Wastewater Authority

Stege Sanitary District

Tahoe-Truckee Sanitation Agency

Triunfo Water & Sanitation District

Truckee Sanitary District

Union Sanitary District

Vallejo Flood and
Wastewater District

Valley Sanitary District

Ventura Regional
Sanitation District

Victor Valley Wastewater
Reclamation Authority

West Bay Sanitary District

West County Wastewater District

West Valley Sanitary District

Western Riverside County
Regional Wastewater Authority



CSRMA Program Administrators

Dennis Mulqueeny

JPA Manager
(415) 403-1421
dmulqueeny@alliant.com

Seth Cole

Assistant JPA Manager
(415) 403-1419
scole@alliant.com

P.J. Skarlanic

JPA/Insurance Administration
(415) 403-1455
pskarlanic@alliant.com

Myron Leavell

JPA/Insurance Administration
(415) 403-1404
mleavell@alliant.com

David Patzer

Risk Control Manager
(707) 373-9709
dpatzer@dkfsolutions.com

Marilyn Schley

Insurance Administrator
(415) 403-1432
mschley@alliant.com

Thary Ou

Account Support Services
(415) 403-1433
tou@alliant.com

Tami Giovanni

Accounting
(925) 963-0951
tgiovanni@alliant.com

Phuntsok Gaphel

Accounting Support Services
(415) 403-1447
pgaphel@alliant.com

Tevea Him

Administrative Support Services
(415) 403-1416
thim@alliant.com

Steve Davidson

Account Support Services
(415) 855-8563
steve.davidson@alliant.com

Our Vision

To be an industry leader through the effective mitigation of all risk and exposure through innovative solutions.

