California Sanitation
Risk Management Authority

CSRMA
California Sanitation
Risk Management Authority

Our Mission

WE PROVIDE EXCELLENT COVERAGE AND COMPREHENSIVE RISK MANAGEMENT SERVICES IN A RELIABLE AND COST-EFFECTIVE MANNER.

Our Vision

TO BE AN INDUSTRY LEADER THROUGH THE EFFECTIVE MITIGATION OF ALL RISK AND EXPOSURE THROUGH INNOVATIVE SOLUTIONS.

CSRMA California Sanitation Risk Management Authority

csrma.org | CSRMA c/o Alliant Insurance Services, Inc. | 560 Mission Street, 6th Floor, San Francisco, CA 94105 | (415) 403-1400

President's Message

Dear Members and Friends of CSRMA,

We are pleased to present the 2024 Annual Report, detailing CSRMA's financial highlights and accomplishments from this past year. 2024 was the first full calendar year in which Clean Water Insurance Captive (CWIC), CSRMA's wholly owned insurance company, reinsured the Pooled Workers' Compensation and Pooled Liability Programs. By all measures CWIC has been a successful venture, and to date the investments have yielded strong returns which are being actively reinvested back into CSRMA's financial health and longevity. Going forward, CSRMA's Staff and Executive Board will explore additional opportunities for CWIC.

As we begin 2025, CSRMA will continue to expand and evaluate our Risk Control efforts to prevent and reduce the impact of claims, with particular focus on cyber threats and employment-related matters. Enhanced training and resources in these areas consistently prove to be beneficial to the membership, and drive favorable outcomes for the pool.

CSRMA's long-term strategic outlook and specialized services are what sets us apart from other risk pools. This has helped us to experience strong member retention and attract new members in a sustainable fashion. In May we welcomed Lincoln-Sewer Maintenance District 1 Wastewater Authority (LiSWA) as CSRMA's newest member. CSRMA now stands at an impressive 60 members strong!

Serving as CSRMA's President for the past four plus years has been an honor and a pleasure. It has been a distinct privilege to have a hand in the growth and evolution of CSRMA, working alongside fellow Board members and the always amazing Alliant team. As I pass the gavel to our next President, I can do so knowing that CSRMA is in very good hands and that my own agency will continue to benefit immensely from membership in CSRMA.

CRAIG MURRAY
CSRMA President

Executive Board and Officers

CRAIG MURRAY
President
Carpinteria Sanitary District

SANDEEP KARKAL
Vice President
Novato Sanitary District

ROLAND WILLIAMS
Secretary
Castro Valley Sanitary District

JASON DOW
Treasurer-Auditor
Central Marin
Sanitation Agency

MICHAEL THORNTON
San Elijo JPA

VINCE DE LANGE
Delta Diablo

MICHELLE GALLARDO
Dublin San Ramon
Services District

TERESA HERRERA
Silicon Valley Clean Water

PATRICK OSTLY
North of River Sanitary District

TYSON ZIMMERMAN
Ironhouse Sanitary District

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 consolidates CSRMA and Clean Water Insurance Captive (CWIC), CSRMA's wholly owned subsidiary, as of June 30, 2024. 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

CSRMA	2024
Member Contributions	$16,909,949
Investment Income	$1,756,065
Other	$6,213,922
TOTAL REVENUES	**$24,879,936**
Claims Incurred	$6,329,804
Other Expenses	$16,565,784
Total Operating Expenses	$22,895,588
Retrospective Contribution	$-812,801
TOTAL EXPENSES	**$22,895,588**
NET INCOME (LOSS)	**$1,984,348**
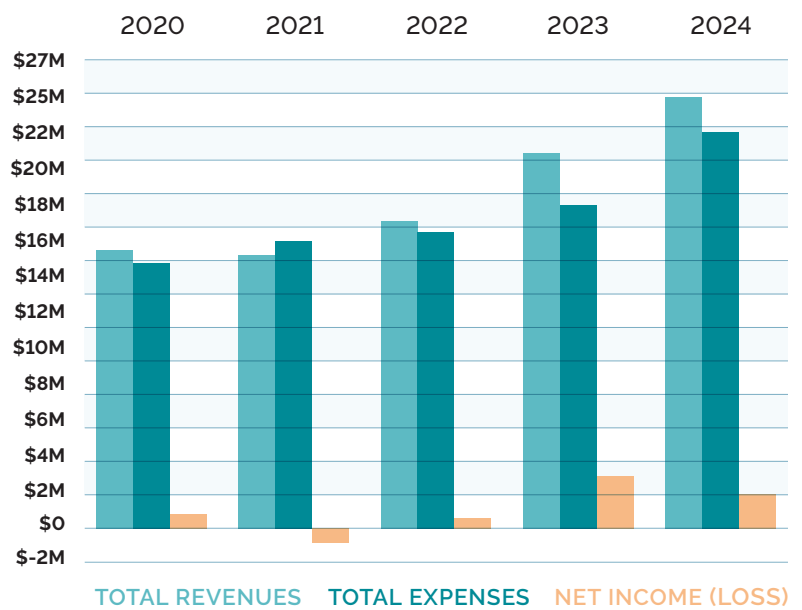
Fiscal year ended June 30, 2024

ASSETS

TOTAL: $39,433,497

78%
Investments —
Noncurrent
$30,876,373

6%
Prepaid
Expenses
$2,533,002

6%
Investments —
Current
$2,207,140

5%
Cash and
Cash Equivalents
$1,996,412

5%
Accounts
Receivable
$1,820,570

LIABILITIES AND RETAINED EARNINGS
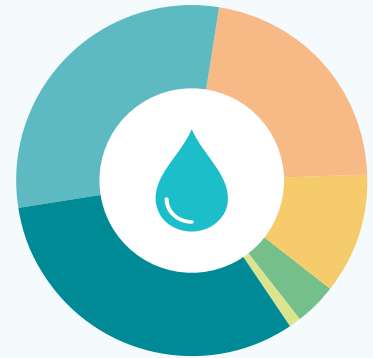
32%
Claims Incurred
but not Reported
$12,539,209

30%
Net
Position
$12,018,431

22%
Claims
Reserves
$8,858,894

11%
Unearned
Revenue
$4,212,515

4%
Unallocated Loss
Adjustment Expenses
$1,500,465

1%
Accounts
Payable
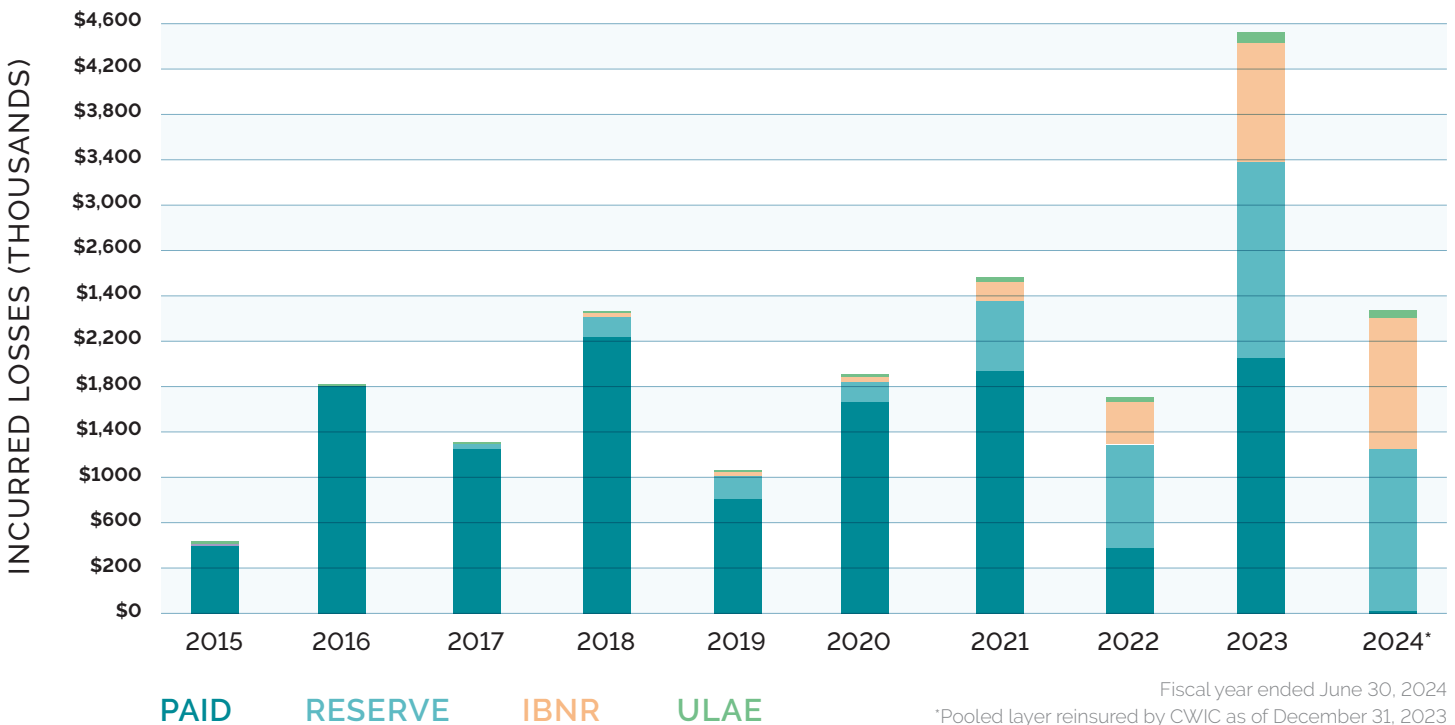**$303,973**

TOTAL: $39,433,487

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 alternatives 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 & Omissions Liability.

PAID   RESERVE   IBNR   ULAE

Fiscal year ended June 30, 2024
*Pooled layer reinsured by CWIC as of December 31, 2023

2024 ACCOMPLISHMENTS

The Pooled Liability Program's claims activity was down in 2024, with paid claims well below historical averages.

CSRMA enhanced and expanded its offerings of Employment Practices Liability Trainings.
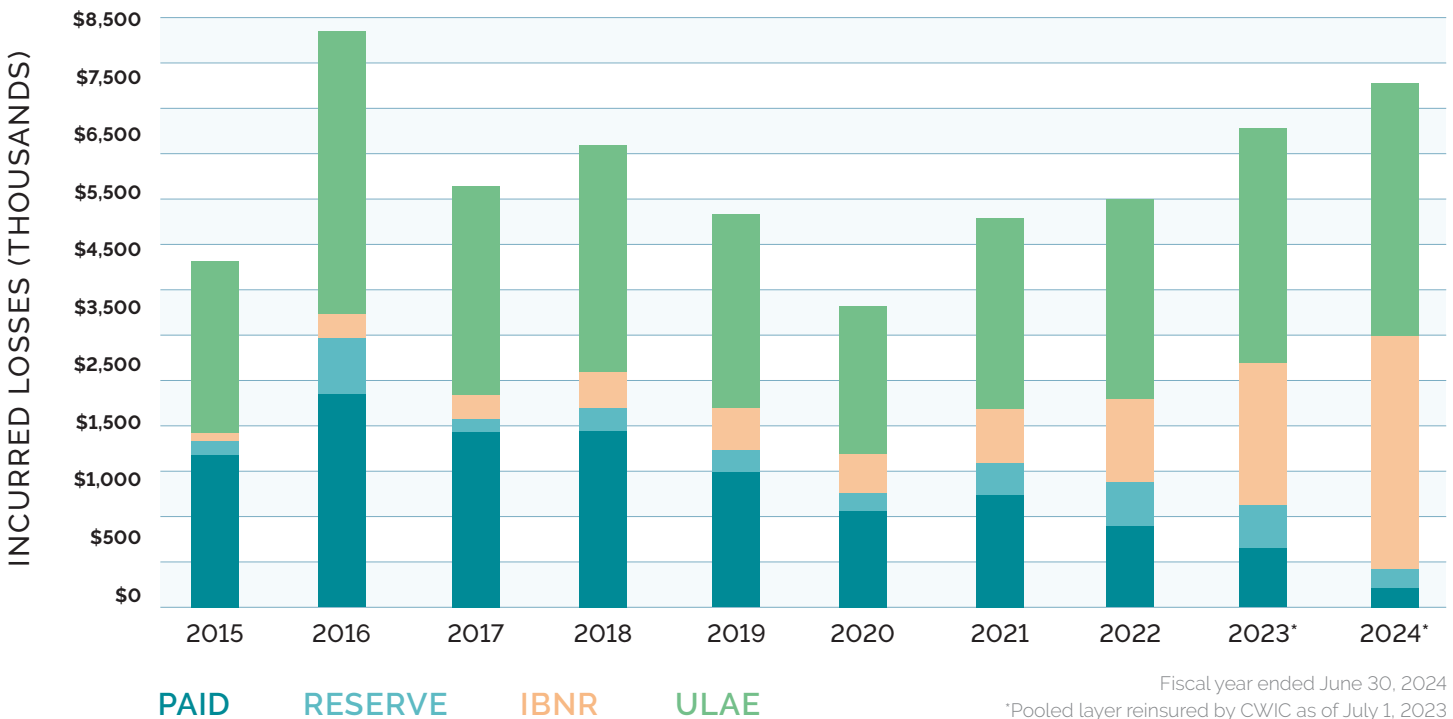
Ten new modules were added to Vector Solutions online training.

Shared Risk Programs

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.

INCURRED LOSSES (THOUSANDS)

PAID   **RESERVE**   **IBNR**   **ULAE**

Fiscal year ended June 30, 2024
*Pooled layer reinsured by CWIC as of July 1, 2023

2024 ACCOMPLISHMENTS

A claims audit was performed this year. CSRMA's third-party claims administrator, Athens, provided efficient and cost-effective claims administration services.

Workers' Compensation losses in the recent Program Year were well below historical averages.

CSRMA's return-to-work portal, Sentinel, was expanded to better ensure smooth transitions for injured employees back to their positions as they recover.

Group Purchase Programs

CSRMA's Group Purchase Programs provide members the benefit of buying power while assuring that members' individual needs are 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 Insurance 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 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 & 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: The Travel Accident Program 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

Throughout 2024, CSRMA continued its tradition of providing customized risk control services for its members, with a focus on expanding its range of web-based consulting and other services.

RISK CONTROL CONSULTING

We are proud to continue offering 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 continued to embrace the flexibility and breadth of virtual training in 2024. As of September 2024, members had over 2,800 registered users in the Vector Solutions online training service, with members having completed over 19,000 online courses. In 2024, CSRMA updated 15 CSRMA-developed online training modules and added 10 new modules to their existing library of over 130 online learning courses. These can now be viewed on Vector Solutions in addition to the large library of courses already available from Vector. For its 19th year in a row, CSRMA has demonstrated its commitment to creating new, relevant content while updating existing content that addresses as many of its members concerns as possible.

TRAININGLINK® BIWEEKLY LIVE SAFETY TAILGATE TRAININGS

Continuing this year is access to biweekly live safety tailgate trainings on TrainingLink. Each session targets a topic applicable to wastewater workers, runs for 30 minutes (15-20 minutes of content and 10-15 minutes of discussion) and is taught by a Certified Safety Professional (CSP). Each session is also recorded and available to view on demand from a library now boasting over 90 short, targeted safety training videos.

SENTINEL

CSRMA has engaged the services of Sentinel to benchmark its Workers' Compensation claims in terms of cost and lost time against a nationwide database of over a million claims. This information helps CSRMA identify outlier claims that require further attention, further supporting CSRMA's goal of ensuring injured workers get the care they need.

Sentinel is also providing CSRMA members with a Return-to-Work portal. This powerful tool assists members with finding modified duty suitable for an injured employee with physician-prescribed work restrictions. Returning injured employees to work within their work restrictions almost always results in faster employee recovery times and less costly claims — a true win-win for all those involved.

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 2024, Risk Control Online offers increased security, functionality, content and other enhancements to the member experience.

RISK CONTROL SEMINARS AND WEBINARS

CSRMA elevated its webinar frequency to pre-pandemic levels, hosting over 35 live 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 two reimbursement program amounts per member, Safety and Health Promotion ($2,500 and $1,400 respectively) continue to be among CSRMA most popular programs, exceeding 95% utilization each year. These programs assist members who wish 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 aid 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 this past year in ensuring a smooth transition to Athens, CSRMA's new third-party claims administrator, working with individual members and providing training and other outreach to members.

SEWER AND STORMWATER SUMMIT 2024

Partnering and cost-sharing with three other public entity risk pools, the 2024 Summit was held as a virtual conference allowing more members to attend than an "in-person" conference. The 19th annual Summit was attended by 70 public agencies and over 225 employees. The virtual Summit expanded this year offering attendees 5 tracks with 5 sessions each for a total of 25 different 1-hour classes on topics ranging from 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 2025 on the virtual conference platform. After that, the 25 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 its Workers' Compensation Excellence Award! Soft tissue injuries due to strain and overexertion are the sources of CSRMA's most frequent workers' compensation claims. CSRMA wishes to recognize those members of the Workers' Compensation Program who submitted an application exhibiting that they meet the criteria developed by the Workers' Compensation Committee and adopted by the Executive Board that are designed to target these types of claims.

2024 WORKERS' COMPENSATION EXCELLENCE AWARD WINNERS

GOLETA SANITARY DISTRICT

ORO LOMA SANITARY DISTRICT

SILICON VALLEY CLEAN WATER

WEST BAY SANITARY DISTRICT

Members meeting the award criteria shared equally in a cash prize of $50,000. The cash prize will be paid directly to the employees of each qualifying member in an amount not to exceed $499 per employee.

SMART SOP

SMART SOP, the mobile app CSRMA created for it 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. Released in March 2024, the redesigned app now allows members to create compliance and best practice SOPs in the filed on a smartphones, tablets or at their desk on laptops and desktops. Incorporating features such as speech to text, inclusion of videos in SOPs, and multi-user editing, SMART SOP is a one-of-a-kind tool that now allows development of SOPs, the cornerstone of staff training, more easily and quickly than ever.

EMPLOYMENT LAW TRAINING

Though 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 California can attend and, for those members unable to attend the live session, are able to view a recording of each for three months following each class.

CYBER SECURITY

CSRMA engaged the services of KYND Cyber Risk Services this year. KYND's services provide 24/7/365 monitoring of members internet-facing domains looking for "open doors" that, when discovered, can be quickly communicated to the member so that they may be addressed, proactively guarding against network intrusion by bad actors. An ongoing effort between KYND and CSRMA is a comprehensive cyber risk survey, the results of which will be used to target common vulnerabilities.

What the Future Holds

Addressing Emerging Risks in 2025 and Beyond

The ever-changing landscape of risks such as those relating to cyber security, climate change, and regulatory shifts is a constant reminder of the challenges CSRMA faces. We remain committed to confronting these issues head-on in 2025 and beyond. Here's a glimpse of CSRMA's key initiatives for the upcoming year:

Workers' Compensation: Soft tissue injuries continue to be the leading cause of lost time injury claims. To address this, we now have new tools at our disposal. Physical demand assessments enable us to pinpoint the physical requirements of the tasks our employees undertake. By comparing these to established safe levels, we can identify tasks that pose an elevated risk of injury to employees. With this information, we can modify these tasks to create a safer work environment. We can conduct these assessments swiftly and efficiently through web meetings with members. These tools will be extended to more members in 2025 and beyond.

Return-to-Work for Injured Workers: More than 50 years of study and results have proven the effectiveness and value of return-to-work program. With Sentinel, CSRMA's online return-to-work portal, members can easily:

• Quickly identify tasks that are within the physician-prescribed physical work restrictions and issue Temporary Transitional Assignment agreements between agencies and injured workers. This allows employees to work hand-in-hand with the physician to gradually return the employee to regular duties as they recover from their injuries.

• Have two-way communication with injured workers to help ensure they are getting the care they need and staying connected with their agency.

Liability Claims: Sewer backups continue to be our top liability claim. In light of the State Water Resources Control Board's revisions to the regulation governing sewer collection system operation, CSRMA will continue to offer enhanced training opportunities on sewer system operation, maintenance, and regulatory compliance. These training sessions are made more accessible to members through remote learning.

Smart SOP v.2.0: The latest version of Smart SOP has empowered more members to develop and implement standard operating procedures (SOPs) to train staff and provide crucial resources to employees. SOPs, previously confined to binders on shelves, are now available in interactive formats on smartphones and tablets. This provides staff with the information they need, precisely when and where they need it, eliminating potentially hazardous guesswork. CSRMA will continue to roll out these tools to members via the Smart SOP mobile app in 2025 and beyond.

Employment Law Training: CSRMA has partnered with Liebert Cassidy Whitmore to offer 20 hours of online seminars on employment law topics that reflect common causes of employment-related lawsuits. To encourage members to provide the necessary training to prevent such claims, CSRMA introduced an incentive program in 2023 to increase participation. Member awareness of this program grew in 2024, and CSRMA will continue to work with members in 2025 to leverage the deductible reduction incentive program. A greater understanding of how to avoid these claims will result in lower frequency and severity of claims.

Cyber Liability: Cyber liability will play a more significant role in CSRMA's risk control offerings in 2025 and beyond. In addition to partnering with KYND Cyber Risk Services, CSRMA is forming an advisory pool of member IT experts to shape and guide our cyber risk control service offerings. The constantly evolving cyber threat environment demands more expertise, and CSRMA is dedicated to addressing this critical risk.

Expanded online course offerings through Vector Solutions and the CSRMA-developed library of self-paced courses. CSRMA will continue to grow their online course offerings through Vector Solutions, CSRMA's online training provider. With more than 140 courses, the library will continue to grow alongside risks and regulatory pressure.

> WITH THESE INITIATIVES, CSRMA IS WELL PREPARED TO TACKLE THE EMERGING AND EVOLVING RISKS OF THE FUTURE, ENSURING A SAFER AND MORE SECURE ENVIRONMENT FOR ALL MEMBERS.

Member Agencies

Bayshore Sanitary District

Byron Sanitary District

Carmel Area Wastewater District

Carpinteria Sanitary District

Castro Valley Sanitary District

Central Contra Costa 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

Lincoln-Sewer Maintenance
District 1 Wastewater Authority

Montara Water & 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 & 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

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Our Values

WE ARE A MEMBER-OWNED ORGANIZATION WORKING
TOGETHER FOR THE BENEFIT OF ALL MEMBERS TO:

· REDUCE RISK OF LOSS
· MAINTAIN FISCAL STABILITY
· ENSURE EMPLOYEE SAFETY
· PROTECT PUBLIC RESOURCES

THROUGH INNOVATIVE RISK MANAGEMENT SOLUTIONS
AND KNOWLEDGE TRANSFER..

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