



c/o ALLIANT INSURANCE SERVICES, INC.
560 Mission Street, 6th Floor, San Francisco, CA 94105

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Tel: 415.403.1400 Fax: 415.874-4813

OFFICERS:

Craig Murray, President
805.684.7214
Sandeep Karkal, Vice President
415.892.1694

PAST PRESIDENTS:

Greg Baatrup
2018-2020
Paul Bushee
2014-2018

EXECUTIVE BOARD MEETING AGENDA

Meeting Via Teleconference at the Following Location(s):

5300 Sixth Street, Carpinteria, CA 93013
500 Davidson Street, Novato, CA 94945
1301 Andersen Dr, San Rafael, CA 94901
21040 Marshall Street, Castro Valley, CA 94546
2695 Manchester Avenue, Cardiff by the Sea, CA 92007
2500 Pittsburg-Antioch Hwy, Antioch, CA 94509
7051 Dublin Blvd, Dublin, CA 94580

1400 Radio Road, Redwood City, CA 94065
204 Universe Avenue, Bakersfield, CA 93308
450 Walnut Meadows Drive, Oakley, CA 94561
170 Dogwood Lane, Vallejo, CA 94591
3480 Buskirk Avenue, Suite 200, Pleasant Hill, CA 94523
17862 E. 17th Street, Suite 111, Tustin, CA 92780
1950 S. Sunwest Lane, San Bernardino, CA 92408

Date/Time: Monday, June 10, 2024
10:00 AM

LOCATION: Alliant Offices
560 Mission Street, 6th Floor
San Francisco, CA 94105

Phone One-Tap: [+16699006833.95556721231#.****488840#](tel:+16699006833.95556721231#.****488840#)

Meeting URL: <https://alliantinsurance.zoom.us/j/95556721231?pwd=M1ZwVmNpWTVFM0JOaWlClzdZHFQdz09>

A. CALL TO ORDER **A: Action**

B. PUBLIC COMMENTS **S: Separate**

C. EXECUTIVE BOARD MEMBER COMMENTS **V: Verbal**

D. CONSENT CALENDAR **I: Information**

- | | | | |
|----|--|---|-------|
| 1. | Meeting Minutes: March 5, 2024
<i>Recommendation: Approve minutes from their last meeting.</i> | A | p. 8 |
| 2. | Demands as of March 1 & 15, April 1 & 15, May 1 & 15, 2024
<i>Recommendation: Approve demands issued for payment.</i> | A | p. 13 |
| 3. | Budget to Date Report as of March 31, 2024
<i>Recommendation: Review the budget to date report.</i> | I | p. 19 |

E. CLOSED SESSION TO DISCUSS PENDING CLAIMS A
Action may be taken per Government Code Section 54956.95
See Reverse for Full Listing of Claims that may be Discussed

F. GENERAL ADMINISTRATION

- | | | | |
|----|--|-----|-------|
| 1. | Reporting and Ratification of Claim Settlements
<i>Recommendation: Receive report and ratify claims settlements approved in closed session.</i> | A/V | |
| 2. | Captive Update
<i>Recommendation: Receive an update on CWIC captive insurance company.</i> | I | p. 27 |
| 3. | Estimated Actual 23/24 Budget & Proposed 24/25 Budget
<i>Recommendation: Review and approve the proposed FY 24/25 Budget.</i> | A/S | p. 87 |
| 4. | LRP Action Plan 2024-25
<i>Recommendation: Review and approve the 2024/25 Long Range Action Plan.</i> | A | p. 90 |

G. OFFICER/PROGRAM DIRECTORS/COMMITTEE REPORTS

None

H. POOLED LIABILITY PROGRAM			
1.	Primary Endorsement <i>Recommendation: Review proposed endorsement and recommend to Board of Directors.</i>	A	p. 100
I. WORKERS' COMPENSATION PROGRAM			
1.	Program Renewal		
a.	Actuarial Study <i>Recommendation: Receive the actuarial study from Willis Towers Watson.</i>	I	p. 103
b.	Retrospective Rating Calculation as of June 30, 2023 <i>Recommendation: Review and approve the retrospective rating calculation.</i>	A	p. 140
c.	PY 35 (2024-25) Renewal Costs <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 143
2.	Dividend Calculation as of December 31, 2023 <i>Recommendation: Discuss the dividend calculation.</i>	I	p. 145
J. PROPERTY PROGRAM			
1.	Property Program Renewal <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 146
a.	Cyber Liability Coverage Renewal <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 158
2.	Deadly Weapons Response Coverage Renewal <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 168
K. PRIMARY INSURANCE PROGRAM			
	None		
L. LOSS CONTROL			
1.	Spring/Summer/Fall 2024 Area Training Update <i>Recommendation: Receive an update on upcoming area trainings.</i>	I	p. 183
M. INFORMATION ITEMS			
1.	Poem of the Day	I	p. 185
2.	Article - Drinking water rule sparks litigation fears	I	p. 187
3.	Article - At least \$630 billion needed for wastewater & stormwater over next 20 years	I	p. 188
4.	Article - EPA Issues Alert After Finding Critical Vulnerabilities in Drinking Water Systems	I	p. 191
5.	Article - FBI Releases Internet Crime Report	I	p. 194
6.	CSRMA 2024 Meeting Calendar	I	p. 196
7.	CSRMA Organizational Chart	I	p. 197
8.	CSRMA Service Team <i>Recommendation: Review the presented Information Items.</i>	I	p. 198
N. ADJOURNMENT			
<i>The next meeting is scheduled for July 30, 2024 in conjunction with the CASA Conference in Monterey.</i>			

Per Government Code section 54954.2, persons requesting disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, are requested to contact Alliant at (415) 403-1400 twenty-four hours in advance of the meeting. Entrance to the meeting location requires routine provision of identification to building security. However, CSRMA does not require any member of the public to register his or her name, or to provide other information, as a condition to attendance at any public meeting and will not inquire of building security concerning information so provided. See Government Code section 54953.3.



Report Criteria: Feature Status <> C And Tier 1 = CAL SANITATION RMA And As-Of Transaction Begin Date = And As-Of Transaction End Date = And Loss Run? = Yes | Row Count: 111 | Report Run: 6/1/2024 04:32 AM

Member District	Claim Number	Claimant Name	Coverage	Claimant Number	Date Of Loss	Claim Date Reported
CARPINTERIA SANITARY DISTRICT	3019758	Casitas Village HOA	SUBROGATION	6	08/23/2021	08/25/2021
CARPINTERIA SANITARY DISTRICT	3064382	English, Vanessa	PROPERTY DAMAGE	1	08/12/2022	12/20/2023
DUBLIN SAN RAMON SERVICES DISTRICT	3064369	Ring, Kevin	PROPERTY DAMAGE	1	08/01/2023	12/20/2023
ENCINA WASTEWATER AUTHORITY	3035218	[REDACTED]	EMPLOYMENT PRACTICES	1	11/08/2021	07/29/2022
ENCINA WASTEWATER AUTHORITY	3072543	[REDACTED]	EMPLOYMENT PRACTICES	1	05/06/2024	05/31/2024
FAIRFIELD/SUISUN SEWER DISTRICT	3063039	Karchesky, Wayne	BODILY INJURY	1	02/12/2022	10/30/2023
IRONHOUSE SANITARY DISTRICT	3071581	[REDACTED]	EMPLOYMENT PRACTICES	1	05/26/2023	04/26/2024
LAS GALLINAS VALLEY SANITARY DISTRICT	3006388	MENON, RAJU	PROPERTY DAMAGE	1	11/04/2020	11/04/2020
LAS GALLINAS VALLEY SANITARY DISTRICT	3043418	Ferguson, Teresa	PROPERTY DAMAGE	1	01/13/2023	02/14/2023
LAS GALLINAS VALLEY SANITARY DISTRICT	3056762	California River Watch	PROPERTY DAMAGE	1	01/14/2022	08/22/2023
MID-COASTSIDE	3042504	Sorfleet, Bill	PROPERTY DAMAGE	1	01/02/2023	01/17/2023
MID-COASTSIDE	3042504	Love, Bobbie Sue	PROPERTY DAMAGE	2	01/02/2023	01/17/2023
MID-COASTSIDE	3042504	Reiken, Chris & Beth	PROPERTY DAMAGE	3	01/02/2023	01/17/2023
MID-COASTSIDE	3066061	Sorfleet, William	PROPERTY DAMAGE	1	02/04/2024	02/24/2024
MONTARA	3028986	Blum, Gonul & Mitch	PROPERTY DAMAGE	1	12/24/2021	01/11/2022
MONTARA	3028986	Kaplan/Pettigrew-Kap, Jerry/Michelle	PROPERTY DAMAGE	2	12/24/2021	01/11/2022
MONTARA	3028986	Moehring/Trieselmann, Janet/Erich	PROPERTY DAMAGE	3	12/24/2021	01/11/2022
MONTARA WATER AND SANITARY DISTRICT	3039571	Kleckner, Ashley	PROPERTY DAMAGE	1	10/31/2022	10/31/2022
MONTECITO SANITARY DISTRICT	3066345	Withers, Cynthia	PROPERTY DAMAGE	1	02/19/2024	03/06/2024
MT. VIEW SANITARY DISTRICT	2003745	GUTIERREZ, ARTURO	PROPERTY DAMAGE	1	10/23/2019	10/23/2019
NEVADA COUNTY WASTEWATER	3062589	[REDACTED]	EMPLOYMENT PRACTICES	1	11/16/2022	10/11/2023
NORTH OF RIVER SANITARY DISTRICT	3049847	Munoz, Salvador	BODILY INJURY	1	04/10/2023	08/03/2023
NORTH OF RIVER SANITARY DISTRICT	3049847	Munoz, Salvador	PROPERTY DAMAGE	1	04/10/2023	08/03/2023
NORTH OF RIVER SANITARY DISTRICT	3049847	Arisemendiz, Nancy	BODILY INJURY	2	04/10/2023	08/03/2023
NOVATO SANITARY DISTRICT	3065528	Gallardo, Len	PROPERTY DAMAGE	1	01/30/2024	02/06/2024
NOVATO SANITARY DISTRICT	3066603	Waters, Chris	PROPERTY DAMAGE	1	02/04/2024	03/14/2024
ORO LOMA SANITARY DISTRICT	3049147	Burns, Marilyn	PROPERTY DAMAGE	1	03/01/2023	07/04/2023
ORO LOMA SANITARY DISTRICT	3049970	Cooper, Melody	BODILY INJURY	1	02/21/2019	08/11/2023
ORO LOMA SANITARY DISTRICT	3049970	Nand, Ajish	BODILY INJURY	2	02/21/2019	08/11/2023
ORO LOMA SANITARY DISTRICT	3049970	Nand, Lalita	BODILY INJURY	3	02/21/2019	08/11/2023
ORO LOMA SANITARY DISTRICT	3063149	Rodriguez, Eva	PROPERTY DAMAGE	1	09/30/2023	11/03/2023
ORO LOMA SANITARY DISTRICT	3065955	Daniels, Deidra	BODILY INJURY	1	11/16/2023	02/20/2024
ORO LOMA SANITARY DISTRICT	3065955	Daniels, Deidra	PROPERTY DAMAGE	1	11/16/2023	02/20/2024
ROSS VALLEY SANITARY DISTRICT	3026209	Glassman, Jennifer	PROPERTY DAMAGE	1	10/24/2021	10/24/2021
ROSS VALLEY SANITARY DISTRICT	3028517	Reyes, Carol	PROPERTY DAMAGE	1	12/27/2021	12/29/2021
ROSS VALLEY SANITARY DISTRICT	3032249	Parkin, Leah	PROPERTY DAMAGE	1	10/24/2021	11/02/2021
ROSS VALLEY SANITARY DISTRICT	3061908	Rice, Sheri	PROPERTY DAMAGE	1	09/08/2023	09/15/2023
ROSS VALLEY SANITARY DISTRICT	3063524	Eichar, James	AUTO COLLISION	1	11/13/2023	11/16/2023
ROSS VALLEY SANITARY DISTRICT	3064837	Vannucci II, Robert	PROPERTY DAMAGE	1	12/01/2023	01/10/2024
ROSS VALLEY SANITARY DISTRICT	3065354	O'Dwyer, Wendie	PROPERTY DAMAGE	1	01/12/2024	01/31/2024
ROSS VALLEY SANITARY DISTRICT	3065766	Ferris, Brian	PROPERTY DAMAGE	1	01/31/2024	02/14/2024
SAN ELIJO JOINT POWERS AUTHORITY	3066442	Cordato, Tom	PROPERTY DAMAGE	1	12/01/2023	03/08/2024
SAN ELIJO JOINT POWERS AUTHORITY	3068999	City of Escondido	PROPERTY DAMAGE	1	04/15/2024	04/22/2024
SANITARY DISTRICT NO. 5 OF MARIN COUNTY	3066146	Boboc, Mihael	PROPERTY DAMAGE	1	02/27/2024	02/27/2024
SANTA MARGARITA WATER DISTRICT	3032924	[REDACTED]	EMPLOYMENT PRACTICES	1	11/10/2021	05/12/2022
SANTA MARGARITA WATER DISTRICT	3032924	Osorio, Mauricio	PROPERTY DAMAGE	1	11/10/2021	05/12/2022
SANTA MARGARITA WATER DISTRICT	3032924	[REDACTED]	EMPLOYMENT PRACTICES	2	11/10/2021	05/12/2022
SANTA MARGARITA WATER DISTRICT	3038480	Browning, Dan	PROPERTY DAMAGE	1	08/04/2022	09/23/2022
SANTA MARGARITA WATER DISTRICT	3038480	Collins, Rachelle (Ricki)	PROPERTY DAMAGE	2	08/04/2022	09/23/2022
SANTA MARGARITA WATER DISTRICT	3041926	Mobasherifar, Najmeh	BODILY INJURY	1	12/13/2022	01/12/2023
SANTA MARGARITA WATER DISTRICT	3041926	Mobasherifar, Najmeh	PROPERTY DAMAGE	1	12/13/2022	01/12/2023
SANTA MARGARITA WATER DISTRICT	3042107	Khan, Samrah	PROPERTY DAMAGE	1	01/16/2023	01/17/2023
SANTA MARGARITA WATER DISTRICT	3042107	Davis, Danny	PROPERTY DAMAGE	2	01/16/2023	01/17/2023
SANTA MARGARITA WATER DISTRICT	3063490	Lopez Jr., David	BODILY INJURY	1	12/22/2022	11/15/2023
SANTA MARGARITA WATER DISTRICT	3068531	McConneaughey, Christopher	PROPERTY DAMAGE	1	03/13/2024	04/05/2024
SANTA MARGARITA WATER DISTRICT	3069123	CAESAR A. GUYOT and IRENE K. GUYOT	PROPERTY DAMAGE	1	04/20/2022	04/24/2024
SANTA MARGARITA WATER DISTRICT	3072545	[REDACTED]	EMPLOYMENT PRACTICES	1	05/15/2024	05/31/2024
SEWER AUTHORITY MID-COASTSIDE (SBU)	3061621	Ball, Emma	PROPERTY DAMAGE	1	09/01/2023	09/06/2023
SEWER AUTHORITY MID-COASTSIDE (SBU)	3061621	Kitz, Madison	PROPERTY DAMAGE	2	09/01/2023	09/06/2023
SEWER AUTHORITY MID-COASTSIDE (SBU)	3061621	Whiting, Shane	PROPERTY DAMAGE	3	09/01/2023	09/06/2023
STEGE SANITARY DISTRICT	3007397	JONES, BILL	PROPERTY DAMAGE	1	12/13/2020	12/14/2020
STEGE SANITARY DISTRICT	3061761	Guzman De Leon, Manuel I.	PROPERTY DAMAGE	1	08/04/2023	09/11/2023
STEGE SANITARY DISTRICT	3062453	Ivry, Richard	BODILY INJURY	1	03/01/2023	10/06/2023
STEGE SANITARY DISTRICT	3066967	Wolter, Jonathon and Lynn	PROPERTY DAMAGE	1	02/25/2024	03/25/2024
STEGE SANITARY DISTRICT	3068849	Wong, Jacob	PROPERTY DAMAGE	1	04/16/2024	04/17/2024
TRIUNFO SANITATION DISTRICT	3028042	Sevack, Brendan	BODILY INJURY	1	07/03/2021	12/10/2021
UNION SANITARY DISTRICT	3045849	Lopez Jr, Sergio	BODILY INJURY	1	06/22/2022	04/19/2023
UNION SANITARY DISTRICT	3045849	Lopez Jr, Sergio	PROPERTY DAMAGE	1	06/22/2022	04/19/2023
UNION SANITARY DISTRICT	3045849	Lopez, Ava	BODILY INJURY	2	06/22/2022	04/19/2023
UNION SANITARY DISTRICT	3049241	Johnson, Davina	BODILY INJURY	1	01/10/2023	07/10/2023
UNION SANITARY DISTRICT	3056915	Chen, Chung-Ho	BODILY INJURY	1	02/07/2023	08/28/2023
VALLEJO FLOOD AND WASTE WATER DISTRICT	3042794	Martinez, Andrea	BODILY INJURY	1	08/05/2022	01/31/2023
VALLEJO FLOOD AND WASTE WATER DISTRICT	3045772	Cabrera, Trever-James F.	BODILY INJURY	1	08/03/2022	04/14/2023
VALLEJO FLOOD AND WASTE WATER DISTRICT	3064127	Stewart, Brian	PROPERTY DAMAGE	1	12/06/2023	12/11/2023
VALLEJO FLOOD AND WASTE WATER DISTRICT	3064127	Ni, Wen	PROPERTY DAMAGE	2	12/06/2023	12/11/2023



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Member District	Claim Number	Claimant Name	Coverage	Claimant Number	Date Of Loss	Claim Date Reported
VALLEJO FLOOD AND WASTE WATER DISTRICT	3064128	Ricafrente, Epifania D.	PROPERTY DAMAGE	2	12/06/2023	12/11/2023
VENTURA REGIONAL SANITATION DISTRICT	3028388	Sevack, Brendan	BODILY INJURY	1	07/03/2021	12/09/2021
VENTURA REGIONAL SANITATION DISTRICT	3049351	Portera, Julianne	PROPERTY DAMAGE	1	04/07/2023	07/27/2023
VENTURA REGIONAL SANITATION DISTRICT	3049351	Hanover Insurance Group	PROPERTY DAMAGE	2	04/07/2023	07/27/2023
VICTOR VALLEY WASTEWATER RECLAMATION AUT	1980783	[REDACTED]	EMPLOYMENT PRACTICES	1	05/21/2018	05/21/2018
VICTOR VALLEY WASTEWATER RECLAMATION AUT	2005386	[REDACTED]	EMPLOYMENT PRACTICES	1	01/01/2014	12/17/2019
VICTOR VALLEY WASTEWATER RECLAMATION AUT	3009200	[REDACTED]	EMPLOYMENT PRACTICES	1	08/19/2020	02/17/2021
WEST BAY SANITARY DISTRICT	1973920	CHAN, TONY	PROPERTY DAMAGE	1	07/01/2016	12/07/2017
WEST BAY SANITARY DISTRICT	1973920	ODEN, PEBBLES	PROPERTY DAMAGE	2	07/01/2016	12/07/2017
WEST BAY SANITARY DISTRICT	1973920	VESTRYS, CHRISTOPHER	PROPERTY DAMAGE	3	07/01/2016	12/07/2017
WEST BAY SANITARY DISTRICT	1973920	MORENO, JULIO	PROPERTY DAMAGE	4	07/01/2016	12/07/2017
WEST BAY SANITARY DISTRICT	1982103	1740 OAK AVE LP, .	PROPERTY DAMAGE	1	08/18/2015	06/20/2018
WEST BAY SANITARY DISTRICT	3065754	Trinity Church	PROPERTY DAMAGE	1	12/22/2023	02/14/2024
WEST BAY SANITARY DISTRICT	3066947	Unknown, Unknown	BODILY INJURY	1	03/22/2024	03/25/2024
WEST COUNTY WASTEWATER DISTRICT	1960263	INSALCO, ROBERT AND, LOMAX, LESLIE	PROPERTY DAMAGE	1	02/16/2017	04/19/2017
WEST COUNTY WASTEWATER DISTRICT	1960263	WONG/DU, MARY & LUCAS	PROPERTY DAMAGE	2	02/16/2017	04/19/2017
WEST COUNTY WASTEWATER DISTRICT	3039920	[REDACTED]	EMPLOYMENT PRACTICES	1	11/09/2022	11/09/2022
WEST COUNTY WASTEWATER DISTRICT	3045201	Williams, Maurice & Mohania	PROPERTY DAMAGE	1	03/28/2023	03/30/2023
WEST COUNTY WASTEWATER DISTRICT	3045201	McKneely, Wilford & Gwendolyn	PROPERTY DAMAGE	2	03/28/2023	03/30/2023
WEST COUNTY WASTEWATER DISTRICT	3045328	[REDACTED]	EMPLOYMENT PRACTICES	1	04/22/2022	08/15/2022
WEST COUNTY WASTEWATER DISTRICT	3056801	[REDACTED]	EMPLOYMENT PRACTICES	1	07/25/2023	08/21/2023
WEST COUNTY WASTEWATER DISTRICT	3061610	Cummings, Veronica	LIABILITY PERSONAL INJURY	1	09/01/2023	09/05/2023
WEST COUNTY WASTEWATER DISTRICT	3061610	[REDACTED]	EMPLOYMENT PRACTICES	1	09/01/2023	09/05/2023
WEST COUNTY WASTEWATER DISTRICT	3063620	Stowell, Samuel	PROPERTY DAMAGE	1	12/01/2022	11/17/2023
WEST COUNTY WASTEWATER DISTRICT	3064771	Hutton, Angelita	PROPERTY DAMAGE	1	08/15/2023	01/09/2024
WEST COUNTY WASTEWATER DISTRICT	3065343	Angelita	PROPERTY DAMAGE	1	11/22/2023	01/30/2024
WEST COUNTY WASTEWATER DISTRICT	3071849	Ashley Rollins C/O AAA Insurance	PROPERTY DAMAGE	1	04/10/2024	05/08/2024
WEST VALLEY SANITATION DISTRICT	1992584	YOUNGBLOOD, FRANKIE & DORIS	PROPERTY DAMAGE	1	03/17/2019	03/19/2019
WEST VALLEY SANITATION DISTRICT	1992584	RAMACCIOTTI, MARIA	PROPERTY DAMAGE	2	03/17/2019	03/19/2019
WEST VALLEY SANITATION DISTRICT	1992584	RAMACCIOTTI, MARIA	BODILY INJURY	2	03/17/2019	03/19/2019
WEST VALLEY SANITATION DISTRICT	1992584	RAMACCIOTTI, SOPHIA	BODILY INJURY	4	03/17/2019	03/19/2019
WEST VALLEY SANITATION DISTRICT	1992584	RAMACCIOTTI, GIULIANA	BODILY INJURY	5	03/17/2019	03/19/2019
WEST VALLEY SANITATION DISTRICT	3047315	Studzinski, Wanda	PROPERTY DAMAGE	1	05/29/2023	05/30/2023
WEST VALLEY SANITATION DISTRICT	3047315	Rhodes, Paul	PROPERTY DAMAGE	2	05/29/2023	05/30/2023
WEST VALLEY SANITATION DISTRICT	3064952	Fawcett, John	PROPERTY DAMAGE	1	12/21/2023	01/12/2024
WEST VALLEY SANITATION DISTRICT	3066980	Rahbar, Mahnaz	PROPERTY DAMAGE	1	03/23/2024	03/25/2024

**CSRMA WORKERS' COMPENSATION PROGRAM
CLAIMS INCURRED AS OF 05.31.24**

Claimant Name	Account Name	Loss Date
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INDEMNITY

Acosta, Gilbert	Lake Arrowhead Community Services District	05/12/2022
Alejos, Sylvia	Silicon Valley Clean Water	08/17/2021
Anderson, Frederick	Silicon Valley Clean Water	11/21/2021
Baggerly, Russ	Ojai Valley Sanitary District	12/17/2018
Bailey, David	Dublin San Ramon Services District	08/25/2023
Banuelos, Martin	Oro Loma Sanitary District	09/12/2017
Baxter, Kenneth	Dublin San Ramon Services District	03/01/2021
Book, Kevin	Vallejo Flood and Wastewater District	06/12/2023
Carrera, Benjamin	Victor Valley Wastewater Reclamation Authority	11/04/2019
Chavarela, Jesse	Santa Margarita Water District	02/21/2023
Cordova, Joana	Santa Margarita Water District	05/04/2021
Corral, Cesar	Santa Margarita Water District	07/13/2020
Derrick, DeWayne	Central Contra Costa Sanitary District	06/01/2021
Egan, Mark	Napa Sanitation District	04/10/2021
Espinoza, Julio	Victor Valley Wastewater Reclamation Authority	10/21/2019
Ford, Thomas	Central Contra Costa Sanitary District	08/13/2019
GALLAHER, RAYMOND	Ventura Regional Sanitation District	02/24/2019
Gamble Holley, Robin	Napa Sanitation District	12/30/2021
Gamble Holley, Robin	Napa Sanitation District	09/22/2021
Gray, Mark	South Tahoe Public Utility District	02/06/2015
Griewe, Adam	Santa Margarita Water District	10/05/2020
Herrera, Jason	Silicon Valley Clean Water	04/21/2021
Hunsaker, James	Victor Valley Wastewater Reclamation Authority	07/13/2022
Kupel, Nora	West Valley Sanitation District	10/21/2013
Lawhon, Lance	Carpinteria Sanitary District	09/09/2022
Mayor, Joseph	Ross Valley Sanitary District	12/08/2013
McDuffie, Jacqueline	Delta Diablo	07/22/2022
Morales, Hugo	Monterey Water One	11/16/2022
Mosing, James	Fairfield/Suisun Sewer District	07/20/2021
Pearson, Derrick	Dublin San Ramon Services District	05/16/2022
Pettit, Bob	Ventura Regional Sanitation District	12/30/2014
Pimm, Michael	Central Marin Sanitation Agency	03/16/2022
Prentice, Robert	Santa Margarita Water District	10/14/2022
Pretzinger, Richard	Lake Arrowhead Community Services District	05/08/2022
Rojo, Jamie	Union Sanitary District	09/24/2020
Solari, Tom	Union Sanitary District	08/24/2020
Steinhauer, Karen	Selma Kingsbury Fowler County Sanitation District	11/29/2017
Tarnowski, Allen	Union Sanitary District	11/07/2016
Tarnowski, Allen	Union Sanitary District	10/03/2018
Valdez, Ivan	Santa Margarita Water District	02/06/2023
VALDEZ, MICHAEL	Ventura Regional Sanitation District	12/18/2018
Walker, Michael	Silicon Valley Clean Water	08/06/2022
Wright, Robert	Delta Diablo	09/01/2018

FUTURE MEDICAL

Acosta, Victor	Ventura Regional Sanitation District	03/11/2014
Alsbury, Jay	South Tahoe Public Utility District	04/23/1999
Armstrong, Albert	West Valley Sanitation District	11/10/1998

**CSRMA WORKERS' COMPENSATION PROGRAM
CLAIMS INCURRED AS OF 05.31.24**

Claimant Name	Account Name	Loss Date
Ayers, James	Vallejo Flood and Wastewater District	09/11/2002
Bailey, David	Dublin San Ramon Services District	06/08/2004
Baker, Jacob	Lake Arrowhead Community Services District	01/06/2005
Bally, Robert	Central Marin Sanitation Agency	08/20/2020
Becker, Louis	Carpinteria Sanitary District	06/20/1994
Benitez, Victor	Ironhouse Sanitary District	03/31/2016
Bish, Mark	West County Wastewater District	05/12/2015
Brough, Robert	Dublin San Ramon Services District	07/28/2016
Comito, Anthony	Montecito Sanitary District	11/16/1995
Culbertson, Robert	Union Sanitary District	09/24/2017
Dincau, Dustin	Ventura Regional Sanitation District	01/10/2018
Dugan, Jodey	Santa Margarita Water District	03/28/2007
Eastland, Jerry	Delta Diablo	05/15/2015
Fiore, Alan	Central Marin Sanitation Agency	05/24/2016
Flanders, Dolores	Central Contra Costa Sanitary District	04/16/2009
Ford Sr, Thomas	Central Contra Costa Sanitary District	06/22/2009
Godinez, Ignacio	Ventura Regional Sanitation District	09/06/2010
Gonzales, Frank	Carpinteria Sanitary District	06/19/2001
Grabowski, Mathew	Union Sanitary District	11/09/2015
Gregory, Leonard	Union Sanitary District	09/10/1993
Hernandez, Ralph	Delta Diablo	04/17/1997
Hofteig, Thomas	Ojai Valley Sanitary District	11/27/2019
Inman, Erin	Ventura Regional Sanitation District	05/06/2014
James, Gregory	South Tahoe Public Utility District	08/18/2015
Jones, Lorine	Silicon Valley Clean Water	10/05/2005
Keeton, Bonnie	Central Contra Costa Sanitary District	05/17/2014
Kurz, Charles	Dublin San Ramon Services District	01/17/2001
Lofgren, Russell	Delta Diablo	11/25/1997
Lucia, Jesse	Central Contra Costa Sanitary District	06/10/2020
Lynskey, Andrew	Vallejo Flood and Wastewater District	11/30/2016
Marin, James	Union Sanitary District	11/01/1990
Martinez, David	Central Contra Costa Sanitary District	10/10/2015
McCleave, Georgiana	Central Contra Costa Sanitary District	04/12/2006
Moore, James	Ironhouse Sanitary District	11/25/2015
Moore, Paul	Vallejo Flood and Wastewater District	04/23/2007
Mueller Piombo, Gretchen	Central Marin Sanitation Agency	02/07/2017
Myers, Charles	West County Wastewater District	06/14/2016
Pagliarulo, Daniel	Santa Margarita Water District	02/04/2022
Papp, Steven	Lake Arrowhead Community Services District	02/01/2006
Pelupessy, Louis	Ventura Regional Sanitation District	05/11/2016
Pelupessy, Louis	Ventura Regional Sanitation District	07/19/2019
Petagara, Dulce	Central Contra Costa Sanitary District	11/14/2016
Plascencia, Jose	Central Contra Costa Sanitary District	04/19/2022
Potter, Timothy	Central Contra Costa Sanitary District	02/27/2007
Potter, Timothy	Central Contra Costa Sanitary District	04/11/2018
Prieto, Tony	South Tahoe Public Utility District	10/12/2004
Rabago, Francine	Ventura Regional Sanitation District	03/01/2010
Raphael, Zandra	Delta Diablo	02/11/2010

**CSRMA WORKERS' COMPENSATION PROGRAM
CLAIMS INCURRED AS OF 05.31.24**

Claimant Name	Account Name	Loss Date
Rutherford, Jeremy	South Tahoe Public Utility District	08/05/2008
Smith, Anthony	Central Marin Sanitation Agency	08/16/2017
Smith, David	Ironhouse Sanitary District	04/09/2012
Stanovich, Danilo	Vallejo Flood and Wastewater District	06/09/2021
Synsteby, Eric	Monterey Water One	09/21/2000
Tyler, Alan	Santa Margarita Water District	04/24/2019
Tyler, Alan	Santa Margarita Water District	04/24/2019
Van Horn, James	Carmel Area Wastewater District	08/04/2011
Vasut, Victor	Union Sanitary District	11/26/2011
Wesson, Lawrence	Ventura Regional Sanitation District	10/13/2017
Wilkinson, Edward	South Tahoe Public Utility District	01/24/2014
Wright, Robert	Delta Diablo	04/09/2013

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
EXECUTIVE BOARD MEETING
NAPA, CA
March 5, 2024**

MEMBERS & OFFICERS PRESENT

Mr. Craig Murray, President, Carpinteria Sanitary District
Mr. Sandeep Karkal, Vice-President, Novato Sanitary District, joined at 10:25 a.m.
Mr. Roland Williams, Secretary, Castro Valley Sanitary District
Mr. Jason Dow, Treasurer-Auditor, Central Marin Sanitation Agency
Mr. Vince De Lange, Delta Diablo
Ms. Michelle Gallardo, Dublin-San Ramon Services District
Mx. Teresa Herrera, Silicon Valley Clean Water
Mr. Michael Thornton, San Elijo Joint Powers Authority
Mr. Patrick Ostly, North of River Sanitary District

MEMBERS & OFFICERS ABSENT

None

GUESTS & CONSULTANTS

Mr. Dennis Mulqueeny, Alliant Insurance Services, Inc.
Mr. Seth Cole, Alliant Insurance Services, Inc.
Mr. P.J. Skarlanic, Alliant Insurance Services, Inc.
Mr. Myron Leavell, Alliant Insurance Services, Inc., via teleconference
Mr. Steve Davidson, Alliant Insurance Services, Inc.
Mr. David Patzer, DKF Solutions Group
Mr. Byrne Conley, Gibbons & Conley
Mr. Alan Dialon Carl Warren & Company, left at 10:26 a.m.

A. CALL TO ORDER

The meeting was called to order by President Craig Murray at 10:10 a.m.

B. PUBLIC & BOARD MEMBER COMMENTS

None.

C. CONSENT CALENDAR

C.1. Meeting Minutes – January 24, 2024

The minutes of the meetings on January 24, 2024 were reviewed.

C.2. Demands as of January 15, February 1 & 15, 2024

The Executive Board reviewed the demands as of January 15, February 1 & 15, 2024.

C.3. CWIC Investment Report

Seth Cole reviewed the item for the Executive Board. PFM’s summary report of the Clean Water Insurance Captive’s (CWIC) investment performance for the quarter ended December 31, 2023 was attached to the item.

C.4. Long Range Action Plan 2023/24 Update

Seth Cole reviewed CSRMA’s progress on the Long Range Action Plan set forth during the last LRP in March, 2023. As of this meeting, establishment and development of CWIC, automation of renewal applications, and insurance messaging & education efforts were on target. Development and implementation of Cyber Security Services & Resources were in process, and implementation of Enterprise Risk Management (ERM) was delayed. A draft continuity of services and succession plan for the program administration and brokerage services primary account service team will be presented later in today’s meeting.

A motion was made to approve the Consent Calendar as presented above.

MOTION: Roland Williams **SECOND:** Jason Dow **MOTION CARRIED**

AYES: De Lange, Dow, Gallardo, Herrera, Murray, Ostly, Thornton, Zimmerman
NAYS: None
ABSTAIN: None
ABSENT: Karkal

D. CLOSED SESSION TO DISCUSS PENDING CLAIMS

The Board entered Closed Session at 10:12 a.m. pursuant to Government Code Section 54956.95. The Board left Closed Session at 10:26 a.m., at which time it was announced that legal counsel was provided direction concerning the disposition of certain claims, however no final settlements were approved, nor was any action taken.

E. GENERAL ADMINISTRATION

E.1. Reporting and Ratification of Claims Settlements

None.

E.2. WeTip Contract Renewal

Seth Cole reported that CSRMA’s employee fraud hotline service contract, currently provided by WeTip, will expire on July 1, 2024. CSRMA first contracted WeTip in 2015..

Seth and Myron Leavell described the life cycle of a tip when someone uses the reporting function, highlighting the anonymity of the reporting party, and how the Program Administrator notifies member agencies when a tip comes in concerning them.

A motion was made to recommend renewing CSRMA's engagement of WeTip for 12 additional months, and direction was given to the Program Administrators to evaluate WeTip's value to CSRMA and potential alternatives to WeTip in the coming year.

MOTION: Roland Williams **SECOND:** Tyson Zimmerman **MOTION CARRIED**

AYES: De Lange, Dow, Gallardo, Herrera, Karkal, Murray, Ostly, Thornton, Zimmerman
NAYS: None
ABSTAIN: None
ABSENT: None

E.3. Business Continuity and Succession Plan

Seth Cole reviewed a draft continuity of services and succession plan for the primary account service team (Dennis Mulqueeny, Seth Cole, P.J. Skarlanic) addressing program administration and insurance brokerage. Alliant Insurance Services, as CSRMA's Program Administrators, maintains succession plans that includes several senior Alliant employees, and has sufficient resources in place to maintain business continuity should members of their staff become unavailable to perform their roles for CSRMA. Separately, the Program Administrators (Alliant) have a robust Business Continuity and Disaster Recovery Plan (BCP), which would also be relied upon to provide continuity of services to CSRMA and its members. An outline of Alliant's BCP is included below:

- Alliant Emergency Hotline
- Disaster Criteria
- Roles and Responsibilities
- Emergency Response Steps
- Office Closure Guidelines
- BCP for each Alliant office

Risk Control is the other key service provided to the JPA. David Patzer reviewed DKF Solutions' succession plan and current Risk Control Provider structure.

The Executive Board was in agreement with the continuity of services and succession plan presented.

E.4. Automation of Renewal Applications

Dennis Mulqueeny described the Program Administrator's vision for future automation and streamlining of various renewal applications. The Program Administrator's Public Entity Cyber team currently uses an in-house managed application portal, and there are plans to expand portal functionality to include General Liability, Property, and other coverages.

There are plans to use information already available to the Program Administrators to pre-populate the applications, reducing the administrative burden of completing applications year-over-year.

The estimated cost to build out the General Liability application on the portal is \$20,000. There are funds available in the current fiscal year budget to pay for a portion of the development costs. The Executive Board directed the Program Administrators to include funds in the proposed FY 24/25 budget for any additional funds needed to customize the portal for CSRMA's needs not to exceed the total estimated cost of \$20,000.

E.5. CAJPA Conference Attendance 2024

Seth Cole announced to the Executive Board that the Annual CAJPA Conference will be held in South Lake Tahoe, September 10-13, 2024. CSRMA budgets to send representatives to the conference each year, covering conference registration and reasonable travel expenses. Mike Thornton attended in 2023. Roland Williams expressed interest in attending on behalf of CSRMA this year, and the Program Administrators advised they would make arrangements with him separately.

F. OFFICER/PROGRAM DIRECTORS/COMMITTEE REPORTS

None.

G. POOLED LIABILITY PROGRAM

None.

H. PROPERTY PROGRAM

None.

I. WORKERS' COMPENSATION PROGRAM

I.1. Workers' Compensation Excellence Award Criteria

David Patzer reviewed the item with the Committee. The award criteria have not changed for two program years and the Workers' Compensation Committee is recommending continuing items 1 – 12 on the application and making the following changes to the criteria:

- New Item 13. Develop and submit your written accident/near miss investigation program that includes a root cause analysis and senior management review/sign off.
- New Item 14. Submit documentation that the individual(s) responsible for managing your agency's workers' compensation and making return to work decisions have received online training from Don Freeman on the Sentinel Return to Work online portal.
- New Item 15. Submit documentation that your agency's staff received training in 2024 on interpersonal skills/conflict resolution skills.

- New Item 16. Submit your Workplace Violence Policy that meets the requirements of SB533 Workplace Violence and submit evidence that staff training was provided by 7/1/24.

A motion was made to adopt the proposed changes to the Workers' Compensation Program Excellence Award Criteria for 2023-2024 as presented.

MOTION: Teresa Herrera **SECOND:** Sandeep Karkal **MOTION CARRIED**

AYES: De Lange, Dow, Gallardo, Herrera, Karkal, Murray, Ostly, Zimmerman
NAYS: None
ABSTAIN: None
ABSENT: Thornton

J. PRIMARY INSURANCE PROGRAM

None.

K. LOSS CONTROL

None.

L. INFORMATION ITEMS

L.1. *Poem of the Day*

L.2. *Article – The City of Tomorrow Will Run on Your Toilet Water*

L.3. *Article – First ever iOS trojan discovered and it's stealing facial recognition data to break into bank accounts.*

L.4. *Article - Parking lot law expected to bring surge in work injury claims*

L.5. *CSRMA 2023 Meeting Calendar*

L.6. *CSRMA Organizational Chart*

L.7. *CSRMA Service Team*

The Executive Board reviewed the information items.

M. ADJOURNMENT

The meeting was adjourned at 11:21 a.m. The next meeting is scheduled for June 10, 2024 via teleconference.

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488
DEMANDS AS OF March 01, 2024**

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	ATHENS INSURANCE SERVICE, INC. - CCD	03/01/2024	ivc00000000034790	29,850.33	Claim Admin
ACH - 615	Total for ATHENS INSURANCE SERVICE, INC. - CCD CLEAN WATER INSURANCE CAPTIVE - CCD			\$ 29,850.33	
		03/01/2024	Premium	1,781,112.50	Liab - Premium - Investment Account
ACH - 616	Total for CLEAN WATER INSURANCE CAPTIVE - CCD DKF SOLUTIONS GROUP, LLC - CCD			\$ 1,781,112.50	
		03/01/2024	22035	2,000.00	Vector Solutions Management
ACH - 617	Total for DKF SOLUTIONS GROUP, LLC - CCD LIEBERT CASSIDY WHITMORE - CCD			\$ 2,000.00	
		01/01/2024	259494	2,425.00	training & program consulting
ACH - 618	Total for LIEBERT CASSIDY WHITMORE - CCD MCLARENS LLC - CCD			\$ 2,425.00	
		02/14/2024	1201170	771.98	Professional Services
ACH - 619	Total for MCLARENS LLC - CCD MYRON D. LEAVELL - CCD			\$ 771.98	
		02/13/2024	2024 02 Leavell	4,997.01	lrp deposit
ACH - 620	Total for MYRON D. LEAVELL - CCD PATZER RISK CONTROL SERVICES LLC - CCD			\$ 4,997.01	
		02/21/2024	1088	1,144.20	WC excellence items
ACH - 621	Total for PATZER RISK CONTROL SERVICES LLC - CCD US Bank - CCD			\$ 1,144.20	
		03/01/2024	WC Awards	49,999.92	WC Awards
ACH - 622	Total for US Bank - CCD LAS GALLINAS VALLEY S.D.			\$ 49,999.92	
25067	Total for LAS GALLINAS VALLEY S.D. THE BARRITT GROUP			\$ 16,248.45	Property Claim
		03/01/2024	Property - Las Gallin	16,248.45	Property Claim
25066	Total for THE BARRITT GROUP WEST COUNTY WASTEWATER DISTRICT			\$ 400.00	Webinar
		11/01/2023	1226	400.00	Webinar
25068	Total for WEST COUNTY WASTEWATER DISTRICT TOTAL			\$ 90,000.00	Property Claim
		03/01/2024	Property - West Count	90,000.00	Property Claim
				\$ 1,978,949.39	

I HEREBY CERTIFY THAT THE ABOVE LISTED DISBURSEMENTS ARE FOR CORRECT AND JUST SERVICES OR MATERIALS RECEIVED THAT PAYMENT HAS NOT BEEN PREVIOUSLY MADE, AND THAT FUNDS ARE AVAILABLE TO COVER THESE PAYMENTS.

Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488
DEMANDS AS OF March 15, 2024**

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	BRIAN BIEHLE - CCD				
ACH - 623	Total for BRIAN BIEHLE - CCD CARL WARREN & CO. - CCD	03/01/2024	754	400.00 <u>\$ 400.00</u>	Website Maint
ACH - 624	Total for CARL WARREN & CO. - CCD GIBBONS & CONLEY - CCD	02/29/2024	February 2024	13,687.81 <u>\$ 13,687.81</u>	Monthly Claims Admin & Billings
ACH - 625	Total for GIBBONS & CONLEY - CCD MCLARENS LLC - CCD	03/06/2024	24 Feb 4015	530.42 <u>\$ 530.42</u>	General CSRMA Matters: Program/Gen Fees & Exp
ACH - 626	Total for MCLARENS LLC - CCD MYRON D. LEAVELL - CCD	03/04/2024	1209427	147.83 <u>\$ 147.83</u>	Professional Services
ACH - 627	Total for MYRON D. LEAVELL - CCD PATZER RISK CONTROL SERVICES LLC - CCD	03/15/2024	2024 03 Leavell	9,928.05 <u>\$ 9,928.05</u>	Irp deposit
		11/22/2023	1087	210.00	WELCOA membership
ACH - 628	Total for PATZER RISK CONTROL SERVICES LLC - CCD STEVE DAVIDSON - CCD			<u>\$ 210.00</u>	
ACH - 629	Total for STEVE DAVIDSON - CCD ARCLIGHT MEDIA	02/15/2024		4,838.82 <u>\$ 4,838.82</u>	dinner
25073	Total for ARCLIGHT MEDIA CRAIG MURRAY P.E.	03/02/2024	11534	175.00 <u>\$ 175.00</u>	Web Hosting/Consulting
25074	Total for CRAIG MURRAY P.E. DAVID CLOVIS	03/06/2024	2024 03 Murray	485.93 <u>\$ 485.93</u>	EB
25075	Total for DAVID CLOVIS DAVID HARROLD	03/06/2024	24-02	800.00 <u>\$ 800.00</u>	Webinar
25069	Total for DAVID HARROLD DAVID K. TABLIT	02/14/2023	Replace stale check	257.73 <u>\$ 257.73</u>	2022 WC Excellence Award
25070	Total for DAVID K. TABLIT ENCINA WASTEWATER AUTH.	02/14/2023	Replace stale check	257.73 <u>\$ 257.73</u>	2022 WC Excellence Award
25072	Total for ENCINA WASTEWATER AUTH. LAKE ARROWHEAD C.S.D.	02/15/2024	2024 02 Encina	169.90 <u>\$ 169.90</u>	WC meeting expense
25071	Total for LAKE ARROWHEAD C.S.D. MICHAEL THORNTON	02/14/2023	Replace stale check	257.73	2022 WC Excellence Award - replace lost check to Harich
		02/14/2023	Replace stale check	257.73	2022 WC Excellence Award - replace lost check to Holmes
25076	Total for MICHAEL THORNTON SEWERAGE AGENCY OF SO. MARIN	03/15/2024		594.76 <u>\$ 594.76</u>	Irp
25077	Total for SEWERAGE AGENCY OF SO. MARIN TOTAL	03/15/2024	Property Claim	85,875.83 <u>\$ 85,875.83</u> <u>\$ 118,875.27</u>	Property Claim

I HEREBY CERTIFY THAT THE ABOVE LISTED DISBURSEMENTS ARE FOR CORRECT AND JUST SERVICES OR MATERIALS RECEIVED THAT PAYMENT HAS NOT BEEN PREVIOUSLY MADE, AND THAT FUNDS ARE AVAILABLE TO COVER THESE PAYMENTS.

Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488
DEMANDS AS OF April 1, 2024**

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	ATHENS INSURANCE SERVICE, INC. - CCD	04/01/2024	ivc0000000035121	29,850.33	Claim Admin
ACH - 630	Total for ATHENS INSURANCE SERVICE, INC. - CCD BRIAN BIEHLE - CCD			\$ 29,850.33	
		04/01/2024	755	400.00	Website Maint
ACH - 631	Total for BRIAN BIEHLE - CCD DKF SOLUTIONS GROUP, LLC - CCD			\$ 400.00	
		04/01/2024	22105	2,000.00	Vector Solutions Management
ACH - 632	Total for DKF SOLUTIONS GROUP, LLC - CCD HEATHER TRURO - CCD			\$ 2,000.00	
		03/20/2024	05957 05961	7,271.25	Consulting/Printing
ACH - 633	Total for HEATHER TRURO - CCD KBF COLLABORATIVE SERVICES - CCD			\$ 7,271.25	
		03/31/2024	CSR-181 184	2,287.50	program update
ACH - 634	Total for KBF COLLABORATIVE SERVICES - CCD LIEBERT CASSIDY WHITMORE - CCD			\$ 2,287.50	
		02/29/2024	263709	2,425.00	training & program consulting
ACH - 635	Total for LIEBERT CASSIDY WHITMORE - CCD MCLARENS LLC - CCD			\$ 2,425.00	
		03/24/2024	1219683	168.00	Professional Services
ACH - 636	Total for MCLARENS LLC - CCD MYRON D. LEAVELL - CCD			\$ 168.00	
		04/01/2024	2024 04 01 Leavell	350.00	CAJPA fee
ACH - 637	Total for MYRON D. LEAVELL - CCD POLLACK PEACEBUILDING SYSTEMS, INC. - CCD			\$ 350.00	
		03/22/2024	1615	2,995.00	Seminar
ACH - 638	Total for POLLACK PEACEBUILDING SYSTEMS, INC. - CCD ARCLIGHT MEDIA			\$ 2,995.00	
		04/01/2024	11550	675.00	Web Hosting/Consulting
25079	Total for ARCLIGHT MEDIA VALLEJO FLOOD AND WASTEWATER DIST.			\$ 675.00	
		04/01/2024	Property Claim	26,044.31	Property Claim
25078	Total for VALLEJO FLOOD AND WASTEWATER DIST. TOTAL			\$ 26,044.31 \$ 74,466.39	

I HEREBY CERTIFY THAT THE ABOVE LISTED DISBURSEMENTS ARE FOR CORRECT AND JUST SERVICES OR MATERIALS RECEIVED THAT PAYMENT HAS NOT BEEN PREVIOUSLY MADE, AND THAT FUNDS ARE AVAILABLE TO COVER THESE PAYMENTS.

Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488
DEMANDS AS OF April 15, 2024

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	CARL WARREN & CO. - CCD	03/31/2024	March 2024	9,014.45	Monthly Claims Admin & Billings
ACH - 639	Total for CARL WARREN & CO. - CCD			<u>\$ 9,014.45</u>	
	GIBBONS & CONLEY - CCD	04/09/2024	24Mar4080	3,390.18	General CSRMA Matters: Program/Gen Fees & Exp
ACH - 640	Total for GIBBONS & CONLEY - CCD			<u>\$ 3,390.18</u>	
	TOTAL			<u>\$ 12,404.63</u>	

I HEREBY CERTIFY THAT THE ABOVE LISTED DISBURSEMENTS ARE FOR CORRECT AND JUST SERVICES OR MATERIALS RECEIVED THAT PAYMENT HAS NOT BEEN PREVIOUSLY MADE, AND THAT FUNDS ARE AVAILABLE TO COVER THESE PAYMENTS.

Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY
DISBURSEMENT REGISTER GENERAL ACCOUNT NO. xxxxxx2488
DEMANDS AS OF May 1, 2024

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	AON RISK CONSULTANTS, INC. - CCD				
ACH - 641	Total for AON RISK CONSULTANTS, INC. - CCD	04/19/2024	94000000004253	5,250.00	Actuarial Study
	ATHENS INSURANCE SERVICE, INC. - CCD			<u>\$ 5,250.00</u>	
		05/01/2024	ivc00000000035473	29,850.33	Claim Admin
ACH - 642	Total for ATHENS INSURANCE SERVICE, INC. - CCD			<u>\$ 29,850.33</u>	
	DKF SOLUTIONS GROUP, LLC - CCD				
ACH - 643	Total for DKF SOLUTIONS GROUP, LLC - CCD	05/01/2024	22158	2,000.00	Vector Solutions Management
	LIEBERT CASSIDY WHITMORE - CCD			<u>\$ 2,000.00</u>	
ACH - 644	Total for LIEBERT CASSIDY WHITMORE - CCD	03/31/2024	2644079	4,150.00	training & program consulting
	CENTRAL MARIN SANITARY			<u>\$ 4,150.00</u>	
25083	Total for CENTRAL MARIN SANITARY	05/01/2024	Wellness/Safety	1,428.51	Wellness/Safety
	MONTECITO SANITARY DIST.			<u>\$ 1,428.51</u>	
25084	Total for MONTECITO SANITARY DIST.	04/24/2024	Property - Montecito	17,604.39	Property Claim
	MONTEREY ONE WATER DIST.			<u>\$ 17,604.39</u>	
25082	Total for MONTEREY ONE WATER DIST.	05/01/2024	Wellness/Safety	3,900.00	Wellness/Safety
	OJAI SANITARY DISTRICT			<u>\$ 3,900.00</u>	
25081	Total for OJAI SANITARY DISTRICT	05/01/2024	Wellness/Safety	3,900.00	Wellness/Safety
	WEST COUNTY WASTEWATER DISTRICT			<u>\$ 3,900.00</u>	
25080	Total for WEST COUNTY WASTEWATER DISTRICT	05/01/2024	Property - West Count	40,016.96	Property Claim
	TOTAL			<u>\$ 40,016.96</u>	
				<u>\$ 108,100.19</u>	

I HEREBY CERTIFY THAT THE ABOVE LISTED DISBURSEMENTS ARE FOR CORRECT AND JUST SERVICES OR MATERIALS RECEIVED THAT PAYMENT HAS NOT BEEN PREVIOUSLY MADE, AND THAT FUNDS ARE AVAILABLE TO COVER THESE PAYMENTS.

Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

Budget to Date Report as of March 31, 2024

ISSUE: Attached is the budget to date report as of March 31, 2024, and corresponding balance sheet. A variance report highlighting notable variances in the actual year to date figures versus what was budgeted is included.

There are no major concerns about CSRMA's finances at this writing.

RECOMMENDATION: None at this time.

FISCAL IMPACT: As depicted in the attached document.

BACKGROUND: None.

ATTACHMENTS:

1. Profit & Loss Budget to Actual
2. Variance Report
3. Balance Sheet

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	TOTAL			
	Actual	Budget	over Budget	% of Budget
Income				
4100 JPA Charge	753,556.08	1,037,630.00	-284,073.92	72.62%
4110 Program Directors' Fee	1,068,344.22	1,451,000.00	-382,655.78	73.63%
4220 Pooled Deposit	1,794,239.28	7,471,949.00	-5,677,709.72	24.01%
4300 Retro Adjustment	-802,166.75	-500,000.00	-302,166.75	160.43%
4400 Insurance Premium (Net)	10,315,180.69	13,997,015.00	-3,681,834.31	73.70%
4450 Affiliate Insurance Premium Rev	3,820,385.14	0.00	3,820,385.14	
4500 Deductible Recoveries	340,349.82	400,000.00	-59,650.18	85.09%
Total 4660 Investment Earnings	\$ 397,405.73	\$ 532,430.00	-\$ 135,024.27	74.64%
Total Income	\$ 17,687,294.21	\$ 24,390,024.00	-\$ 6,702,729.79	72.52%
Gross Profit	\$ 17,687,294.21	\$ 24,390,024.00	-\$ 6,702,729.79	72.52%
Expenses				
5201 Claims Expense	4,298,706.04	5,493,907.00	-1,195,200.96	78.24%
6330 Program Directors' Fee Exp.	1,068,538.00	1,451,000.00	-382,462.00	73.64%
6432 Net Insurance Premium	10,393,089.35	13,997,015.00	-3,603,925.65	74.25%
6435 Affiliate Insurance Premium Exp	4,297,341.25	0.00	4,297,341.25	
6464 User/Fraud Fund Assessment	118,456.18	103,289.00	15,167.18	114.68%
6506 Actuarial	12,500.00	66,250.00	-53,750.00	18.87%
6510 Claims Audit	5,900.00	5,900.00	0.00	100.00%
6512 Claims Admin. Annual Fee	17,800.00	24,480.00	-6,680.00	72.71%
6516 Coverage Counsel	0.00	5,500.00	-5,500.00	0.00%
6523 Outside Safety Consultant	323,486.03	455,300.00	-131,813.97	71.05%
6650 Program Legal	17,640.00	26,500.00	-8,860.00	66.57%
6652 Program Committee	169.90	3,850.00	-3,680.10	4.41%
6660 Program Consulting	15,271.00	35,000.00	-19,729.00	43.63%
6667 CSRMA Provided Seminars	68,748.71	85,000.00	-16,251.29	80.88%
7808 Financial Audit	18,670.00	22,171.00	-3,501.00	84.21%
7822 Board Counsel	13,661.88	20,700.00	-7,038.12	66.00%
8944 Printing/Promotion	283.59	6,500.00	-6,216.41	4.36%
8945 Computer Software/Programming	20,640.25	34,900.00	-14,259.75	59.14%
8946 Memberships/Other	3,940.00	4,307.00	-367.00	91.48%
8948 Banking Service Charges	3,407.05	13,137.00	-9,729.95	25.93%
8954 Executive/Officers Committee	32,316.00	30,000.00	2,316.00	107.72%
8956 Board of Directors	5,278.59	13,800.00	-8,521.41	38.25%
8960 JPA Insurance	57,626.37	75,049.00	-17,422.63	76.78%
8990 General Contingency	300.00	6,000.00	-5,700.00	5.00%
9120 Dividends	0.00	500,000.00	-500,000.00	0.00%
Total Expenses	\$ 20,793,770.19	\$ 22,479,555.00	-\$ 1,685,784.81	92.50%
Net Operating Income	-\$ 3,106,475.98	\$ 1,910,469.00	-\$ 5,016,944.98	-162.60%
Net Income	-\$ 3,106,475.98	\$ 1,910,469.00	-\$ 5,016,944.98	-162.60%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	.021 - PIP			% of Budget
	Actual	Budget	over Budget	
Income				
4100 JPA Charge	43,072.58	59,856.00	-16,783.42	71.96%
4110 Program Directors' Fee	99,847.22	138,000.00	-38,152.78	72.35%
4220 Pooled Deposit			0.00	
4300 Retro Adjustment			0.00	
4400 Insurance Premium (Net)	486,323.80	651,874.00	-165,550.20	74.60%
4450 Affiliate Insurance Premium Rev			0.00	
4500 Deductible Recoveries			0.00	
Total 4660 Investment Earnings	\$ 2,004.66	\$ 2,846.00	-\$ 841.34	70.44%
Total Income	\$ 631,248.26	\$ 852,576.00	-\$ 221,327.74	74.04%
Gross Profit	\$ 631,248.26	\$ 852,576.00	-\$ 221,327.74	74.04%
Expenses				
5201 Claims Expense			0.00	
6330 Program Directors' Fee Exp.	100,040.50	138,000.00	-37,959.50	72.49%
6432 Net Insurance Premium	490,528.71	651,874.00	-161,345.29	75.25%
6435 Affiliate Insurance Premium Exp			0.00	
6464 User/Fraud Fund Assessment			0.00	
6506 Actuarial			0.00	
6510 Claims Audit			0.00	
6512 Claims Admin. Annual Fee			0.00	
6516 Coverage Counsel			0.00	
6523 Outside Safety Consultant	24,930.00	27,830.00	-2,900.00	89.58%
6650 Program Legal			0.00	
6652 Program Committee			0.00	
6660 Program Consulting	438.75	1,500.00	-1,061.25	29.25%
6667 CSRMA Provided Seminars	6,345.24	8,500.00	-2,154.76	74.65%
7808 Financial Audit	1,867.00	2,217.00	-350.00	84.21%
7822 Board Counsel	1,366.19	2,070.00	-703.81	66.00%
8944 Printing/Promotion	28.36		28.36	
8945 Computer Software/Programming	1,176.77	3,490.00	-2,313.23	33.72%
8946 Memberships/Other	394.00	431.00	-37.00	91.42%
8948 Banking Service Charges	227.58	1,314.00	-1,086.42	17.32%
8954 Executive/Officers Committee	3,218.87	3,000.00	218.87	107.30%
8956 Board of Directors	527.85	1,400.00	-872.15	37.70%
8960 JPA Insurance	5,762.63	7,505.00	-1,742.37	76.78%
8990 General Contingency	30.00	600.00	-570.00	5.00%
9120 Dividends			0.00	
Total Expenses	\$ 636,882.45	\$ 849,731.00	-\$ 212,848.55	74.95%
Net Operating Income	-\$ 5,634.19	\$ 2,845.00	-\$ 8,479.19	-198.04%
Net Income	-\$ 5,634.19	\$ 2,845.00	-\$ 8,479.19	-198.04%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	.023 - Property			% of Budget
	Actual	Budget	over Budget	
Income				
4100 JPA Charge	49,767.00	66,356.00	-16,589.00	75.00%
4110 Program Directors' Fee	144,000.00	192,000.00	-48,000.00	75.00%
4220 Pooled Deposit	445,430.28	593,907.00	-148,476.72	75.00%
4300 Retro Adjustment			0.00	
4400 Insurance Premium (Net)	6,262,329.00	8,356,902.00	-2,094,573.00	74.94%
4450 Affiliate Insurance Premium Rev			0.00	
4500 Deductible Recoveries			0.00	
Total 4660 Investment Earnings	\$ 3,967.49	\$ 10,730.00	-\$ 6,762.51	36.98%
Total Income	\$ 6,905,493.77	\$ 9,219,895.00	-\$ 2,314,401.23	74.90%
Gross Profit	\$ 6,905,493.77	\$ 9,219,895.00	-\$ 2,314,401.23	74.90%
Expenses				
5201 Claims Expense	255,554.64	593,907.00	-338,352.36	43.03%
6330 Program Directors' Fee Exp.	144,000.00	192,000.00	-48,000.00	75.00%
6432 Net Insurance Premium	6,323,468.07	8,356,902.00	-2,033,433.93	75.67%
6435 Affiliate Insurance Premium Exp			0.00	
6464 User/Fraud Fund Assessment			0.00	
6506 Actuarial		5,000.00	-5,000.00	0.00%
6510 Claims Audit			0.00	
6512 Claims Admin. Annual Fee			0.00	
6516 Coverage Counsel			0.00	
6523 Outside Safety Consultant	24,930.00	27,830.00	-2,900.00	89.58%
6650 Program Legal	0.00	1,500.00	-1,500.00	0.00%
6652 Program Committee			0.00	
6660 Program Consulting	438.75	1,500.00	-1,061.25	29.25%
6667 CSRMA Provided Seminars	6,345.24	8,500.00	-2,154.76	74.65%
7808 Financial Audit	1,867.00	2,217.00	-350.00	84.21%
7822 Board Counsel	1,366.19	2,070.00	-703.81	66.00%
8944 Printing/Promotion	28.36		28.36	
8945 Computer Software/Programming	1,049.30	3,490.00	-2,440.70	30.07%
8946 Memberships/Other	394.00	431.00	-37.00	91.42%
8948 Banking Service Charges	235.26	1,314.00	-1,078.74	17.90%
8954 Executive/Officers Committee	3,346.34	3,000.00	346.34	111.54%
8956 Board of Directors	527.85	1,400.00	-872.15	37.70%
8960 JPA Insurance	5,762.63	7,505.00	-1,742.37	76.78%
8990 General Contingency	30.00	600.00	-570.00	5.00%
9120 Dividends			0.00	
Total Expenses	\$ 6,769,343.63	\$ 9,209,166.00	-\$ 2,439,822.37	73.51%
Net Operating Income	\$ 136,150.14	\$ 10,729.00	\$ 125,421.14	1268.99%
Net Income	\$ 136,150.14	\$ 10,729.00	\$ 125,421.14	1268.99%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	.024 - Liability			% of Budget
	Actual	Budget	over Budget	
Income				
4100 JPA Charge	267,315.25	386,883.00	-119,567.75	69.09%
4110 Program Directors' Fee	498,247.00	686,000.00	-187,753.00	72.63%
4220 Pooled Deposit	1,342,500.00	2,796,200.00	-1,453,700.00	48.01%
4300 Retro Adjustment	10,634.00	-250,000.00	260,634.00	-4.25%
4400 Insurance Premium (Net)	2,364,246.75	3,338,777.00	-974,530.25	70.81%
4450 Affiliate Insurance Premium Rev	736,806.25	0.00	736,806.25	0.00%
4500 Deductible Recoveries	340,349.82	400,000.00	-59,650.18	85.09%
Total 4660 Investment Earnings	\$ 148,477.45	\$ 182,592.00	-\$ 34,114.55	81.32%
Total Income	\$ 5,708,576.52	\$ 7,540,452.00	-\$ 1,831,875.48	75.71%
Gross Profit	\$ 5,708,576.52	\$ 7,540,452.00	-\$ 1,831,875.48	75.71%
Expenses				
5201 Claims Expense	1,968,137.52	2,400,000.00	-431,862.48	82.01%
6330 Program Directors' Fee Exp.	498,247.50	686,000.00	-187,752.50	72.63%
6432 Net Insurance Premium	2,364,246.68	3,338,777.00	-974,530.32	70.81%
6435 Affiliate Insurance Premium Exp	736,806.25	0.00	736,806.25	0.00%
6464 User/Fraud Fund Assessment			0.00	
6506 Actuarial	12,500.00	14,000.00	-1,500.00	89.29%
6510 Claims Audit	5,900.00	5,900.00	0.00	100.00%
6512 Claims Admin. Annual Fee	11,800.00	18,480.00	-6,680.00	63.85%
6516 Coverage Counsel		5,500.00	-5,500.00	0.00%
6523 Outside Safety Consultant	112,925.00	162,735.00	-49,810.00	69.39%
6650 Program Legal	17,392.50	23,500.00	-6,107.50	74.01%
6652 Program Committee		2,750.00	-2,750.00	0.00%
6660 Program Consulting	12,857.87	16,750.00	-3,892.13	76.76%
6667 CSRMA Provided Seminars	28,953.57	38,250.00	-9,296.43	75.70%
7808 Financial Audit	8,401.50	9,977.00	-1,575.50	84.21%
7822 Board Counsel	6,147.83	9,315.00	-3,167.17	66.00%
8944 Printing/Promotion	127.61		127.61	
8945 Computer Software/Programming	14,295.48	15,705.00	-1,409.52	91.03%
8946 Memberships/Other	1,773.00	1,938.00	-165.00	91.49%
8948 Banking Service Charges	1,420.18	5,911.00	-4,490.82	24.03%
8954 Executive/Officers Committee	14,484.80	13,500.00	984.80	107.29%
8956 Board of Directors	2,375.38	6,200.00	-3,824.62	38.31%
8960 JPA Insurance	25,931.88	33,772.00	-7,840.12	76.79%
8990 General Contingency	135.00	2,700.00	-2,565.00	5.00%
9120 Dividends		500,000.00	-500,000.00	0.00%
Total Expenses	\$ 5,844,859.55	\$ 7,311,660.00	-\$ 1,466,800.45	79.94%
Net Operating Income	-\$ 136,283.03	\$ 228,792.00	-\$ 365,075.03	-59.57%
Net Income	-\$ 136,283.03	\$ 228,792.00	-\$ 365,075.03	-59.57%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Income Statement
July 2023 - March 2024
Unaudited & Preliminary *

	.025 - WC			% of Budget
	Actual	Budget	over Budget	
Income				
4100 JPA Charge	393,401.25	524,535.00	-131,133.75	75.00%
4110 Program Directors' Fee	326,250.00	435,000.00	-108,750.00	75.00%
4220 Pooled Deposit	6,309.00	4,081,842.00	-4,075,533.00	0.15%
4300 Retro Adjustment	-812,800.75	-250,000.00	-562,800.75	325.12%
4400 Insurance Premium (Net)	1,202,281.14	1,649,462.00	-447,180.86	72.89%
4450 Affiliate Insurance Premium Rev	3,083,578.89	0.00	3,083,578.89	
4500 Deductible Recoveries			0.00	
Total 4660 Investment Earnings	\$ 242,956.13	\$ 336,262.00	-\$ 93,305.87	72.25%
Total Income	\$ 4,441,975.66	\$ 6,777,101.00	-\$ 2,335,125.34	65.54%
Gross Profit	\$ 4,441,975.66	\$ 6,777,101.00	-\$ 2,335,125.34	65.54%
Expenses				
5201 Claims Expense	2,075,013.88	2,500,000.00	-424,986.12	83.00%
6330 Program Directors' Fee Exp.	326,250.00	435,000.00	-108,750.00	75.00%
6432 Net Insurance Premium	1,214,845.89	1,649,462.00	-434,616.11	73.65%
6435 Affiliate Insurance Premium Exp	3,560,535.00		3,560,535.00	
6464 User/Fraud Fund Assessment	118,456.18	103,289.00	15,167.18	114.68%
6506 Actuarial		47,250.00	-47,250.00	0.00%
6510 Claims Audit			0.00	
6512 Claims Admin. Annual Fee	6,000.00	6,000.00	0.00	100.00%
6516 Coverage Counsel			0.00	
6523 Outside Safety Consultant	160,701.03	236,905.00	-76,203.97	67.83%
6650 Program Legal	247.50	1,500.00	-1,252.50	16.50%
6652 Program Committee	169.90	1,100.00	-930.10	15.45%
6660 Program Consulting	1,535.63	15,250.00	-13,714.37	10.07%
6667 CSRMA Provided Seminars	27,104.66	29,750.00	-2,645.34	91.11%
7808 Financial Audit	6,534.50	7,760.00	-1,225.50	84.21%
7822 Board Counsel	4,781.67	7,245.00	-2,463.33	66.00%
8944 Printing/Promotion	99.26	6,500.00	-6,400.74	1.53%
8945 Computer Software/Programming	4,118.70	12,215.00	-8,096.30	33.72%
8946 Memberships/Other	1,379.00	1,507.00	-128.00	91.51%
8948 Banking Service Charges	1,524.03	4,598.00	-3,073.97	33.15%
8954 Executive/Officers Committee	11,265.99	10,500.00	765.99	107.30%
8956 Board of Directors	1,847.51	4,800.00	-2,952.49	38.49%
8960 JPA Insurance	20,169.23	26,267.00	-6,097.77	76.79%
8990 General Contingency	105.00	2,100.00	-1,995.00	5.00%
9120 Dividends			0.00	
Total Expenses	\$ 7,542,684.56	\$ 5,108,998.00	\$ 2,433,686.56	147.64%
Net Operating Income	-\$ 3,100,708.90	\$ 1,668,103.00	-\$ 4,768,811.90	-185.88%
Net Income	-\$ 3,100,708.90	\$ 1,668,103.00	-\$ 4,768,811.90	-185.88%

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority Income Statement

July 2023 - March 2024

Unaudited & Preliminary *

	TOTAL			% of Budget	
	Actual	Budget	over Budget		
Income					
4100 JPA Charge	753,556.08	1,037,630.00	-284,073.92	72.62%	Three quarters of amortized revenue
4110 Program Directors' Fee	1,068,344.22	1,451,000.00	-382,655.78	73.63%	Three quarters of amortized revenue
4220 Pooled Deposit	1,794,239.28	7,471,949.00	-5,677,709.72	24.01%	WC and PL Pooled Layer Risk transferred to CWIC
4300 Retro Adjustment	-802,166.75	-500,000.00	-302,166.75	160.43%	Workers' Compensation Program
4400 Insurance Premium (Net)	10,315,180.69	13,997,015.00	-3,681,834.31	73.70%	Three quarters of amortized revenue
4450 Affiliate Insurance Premium Rev	3,820,385.14	0.00	3,820,385.14		Premium paid to CWIC; 3 quarters WC, 1 quarter Liability
4500 Deductible Recoveries	340,349.82	400,000.00	-59,650.18	85.09%	
Total 4660 Investment Earnings	\$ 397,405.73	\$ 532,430.00	-\$ 135,024.27	74.64%	
Total Income	\$ 17,687,294.21	\$ 24,390,024.00	-\$ 6,702,729.79	72.52%	
Gross Profit	\$ 17,687,294.21	\$ 24,390,024.00	-\$ 6,702,729.79	72.52%	
Expenses					
5201 Claims Expense	4,298,706.04	5,493,907.00	-1,195,200.96	78.24%	
6330 Program Directors' Fee Exp.	1,068,538.00	1,451,000.00	-382,462.00	73.64%	Three quarters of amortized expense
6432 Net Insurance Premium	10,393,089.35	13,997,015.00	-3,603,925.65	74.25%	Three quarters of amortized expense less affiliate revenue
6435 Affiliate Insurance Premium Exp	4,297,341.25	0.00	4,297,341.25		Premium paid to CWIC; 3 quarters WC, 1 quarter liability
6464 User/Fraud Fund Assessment	118,456.18	103,289.00	15,167.18	114.68%	
6506 Actuarial	12,500.00	66,250.00	-53,750.00	18.87%	WC to be paid in Q4
6510 Claims Audit	5,900.00	5,900.00	0.00	100.00%	
6512 Claims Admin. Annual Fee	17,800.00	24,480.00	-6,680.00	72.71%	
6516 Coverage Counsel	0.00	5,500.00	-5,500.00	0.00%	
6523 Outside Safety Consultant	323,486.03	455,300.00	-131,813.97	71.05%	
6650 Program Legal	17,640.00	26,500.00	-8,860.00	66.57%	
6652 Program Committee	169.90	3,850.00	-3,680.10	4.41%	Committee travel reimbursements less than planned
6660 Program Consulting	15,271.00	35,000.00	-19,729.00	43.63%	
6667 CSRMA Provided Seminars	68,748.71	85,000.00	-16,251.29	80.88%	
7808 Financial Audit	18,670.00	22,171.00	-3,501.00	84.21%	
7822 Board Counsel	13,661.88	20,700.00	-7,038.12	66.00%	
8944 Printing/Promotion	283.59	6,500.00	-6,216.41	4.36%	
8945 Computer Software/Programming	20,640.25	34,900.00	-14,259.75	59.14%	
8946 Memberships/Other	3,940.00	4,307.00	-367.00	91.48%	
8948 Banking Service Charges	3,407.05	13,137.00	-9,729.95	25.93%	
8954 Executive/Officers Committee	32,316.00	30,000.00	2,316.00	107.72%	
8956 Board of Directors	5,278.59	13,800.00	-8,521.41	38.25%	
8960 JPA Insurance	57,626.37	75,049.00	-17,422.63	76.78%	Three quarters of amortized expense
8990 General Contingency	300.00	6,000.00	-5,700.00	5.00%	
9120 Dividends	0.00	500,000.00	-500,000.00	0.00%	Dividends not declared
Total Expenses	\$ 20,793,770.19	\$ 22,479,555.00	-\$ 1,685,784.81	92.50%	
Net Operating Income	-\$ 3,106,475.98	\$ 1,910,469.00	-\$ 5,016,944.98	-162.60%	
Net Income	-\$ 3,106,475.98	\$ 1,910,469.00	-\$ 5,016,944.98	-162.60%	

*Excludes unrealized investment earnings, 3Q LAIF earnings and updates to long term liabilities for the fiscal year.

California Sanitation Risk Management Authority
Balance Sheet
As of March 31, 2024
Preliminary and Unaudited *

ASSETS

Current Assets	
Bank Accounts	
1002 LAIF	2,959,238.84
1005 Checking - US Bank	159,915.22
1006 WC Trust - US Bank 280	150,000.00
1007 Liability Trust - US Bank 272	100,000.00
1008 PFM/CA Asset Mgmt Program	22,960,176.26
1009 PFM-CAMP Cash Reserve	144,867.71
Total Bank Accounts	\$ 26,474,198.03
Accounts Receivable	
1100 Accounts Receivable	752,384.90
Total Accounts Receivable	\$ 752,384.90
Other Current Assets	
1150 Due from/to Subsidiary	172,064.56
1200 Interest Receivable	222,334.39
1300 Other Current Assets	296,544.75
1540 Prepaid Insurance Premium	9,029,762.52
1550 Prepaid Program Directors' Fee	774,749.99
1575 Prepaid Other	3,000.00
Total Other Current Assets	\$ 10,498,456.21
Total Current Assets	\$ 37,725,039.14
Other Assets	
1700 Investment in Subsidiary	1,365,000.00
Total Other Assets	\$ 1,365,000.00
TOTAL ASSETS	\$ 39,090,039.14
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	15,146.75
Total Accounts Payable	\$ 15,146.75
Other Current Liabilities	
2200 Deferred JPA Charge	482,571.26
2210 Deferred Program Directors' Fee	774,580.60
2220 Deferred Pooled Deposits	3,386,755.10
2240 Deferred Insurance Premium	5,646,002.55
Total Other Current Liabilities	\$ 10,289,909.51
Total Current Liabilities	\$ 10,305,056.26
Long-Term Liabilities	
2300 Claims Reserves	8,972,421.00
2500 Claims IBNR	11,082,684.00
2600 Claims ULAE	1,802,269.00
Total Long-Term Liabilities	\$ 21,857,374.00
Total Liabilities	\$ 32,162,430.26
Equity	
3900 Retained Earnings	10,034,084.86
Net Income	-3,106,475.98
Total Equity	\$ 6,927,608.88
TOTAL LIABILITIES AND EQUITY	\$ 39,090,039.14

*Excludes unrealized investment earnings, 3Q LAIF earnings and long term liability updates for this fiscal year.

Clean Water Insurance Captive Update

ISSUE: The Program Administrators will provide the Executive Board with an update on the Clean Water Insurance Captive (CWIC).

RECOMMENDATION: None. Information Only.

FISCAL IMPACT: None.

BACKGROUND: The CWIC Board met virtually on May 22nd. The following items were discussed at that meeting.

1. **Financial Statements** – Davies Captive Management presented the attached Financial Statements for the period ending March 31, 2024. CWIC is financially sound, and meeting or exceeding all of the Key Captive Insurance Company Ratios as outlined in the report.
2. **Investment Performance Report** - PFM presented the attached report detailing CWIC’s Investment Performance for the quarter ended March 31, 2024. CWIC’s investments outperformed the benchmark for the quarter.
3. **Workers’ Compensation Actuarial Report Review** - Alliant Actuarial presented their report detailing their analysis of CSRMA’s retained risk in the Workers’ Compensation Program and the recommended premium CWIC should collect from CSRMA to fund for losses in the \$0-\$250K layer of that Program. The CWIC “Gross Premium” is \$3,823,534 and is represented in Agenda Item I.1.c. FY 35 Renewal Costs. This includes the cost to fund losses in the \$0 - \$250K layer and CWIC’s administrative expenses. This represents a year-over-year decrease in funding as a result of favorable loss development. The CWIC Board approved the recommended funding level.

The actuarial analysis included an evaluation on the feasibility of adding a LPT for the Workers’ Compensation Program Years effective prior to 7/1/2022 into the captive. The premium charge to CSRMA for an LPT would be \$5.9M, in addition to a capital surplus amount of \$1.25M required by the State of Utah. This level of premium would require CSRMA to liquidate assets, which the CSRMA Program Administrators and the Workers’ Compensation Committee are not recommending at this time.

4. **CWIC Annual Meeting** - The CWIC Board discussed planning and logistics for their annual in-person meeting, to be held September 12, 2024 at the offices of Smart Schofield Shorter in Murray, Utah. The State of Utah requires that at least one in-person meeting be held in the State each year.

The next CWIC Board meeting is tentatively scheduled in July, with the main topics being a review of the financial performance and planning for the annual meeting to be held in September.

ATTACHMENTS:

1. CWIC's Financial Statements as of 3/31/2024, prepared by Davies Captive Management
2. CWIC's Investment Performance Report as of 3/31/24, prepared by PFM

Clean Water Insurance Captive

FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED
March 31, 2024**



**Prepared by:
Davies Captive Management**

Regulatory Compliance Report, as of 03/31/2024

Description		
Financial Reports & Examinations	Requirement / Due	Completed
File Annual Report (2 months after FYE)	31-Aug	
File Actuarial Certification of Loss Reserves (2 months after FYE)	31-Aug	
File Audited Financial Statements (6 months after FYE)	31-Dec	
Examination	every 5 years	n/a
Taxes & Fees		
\$7500 License Renewal Fee	1-Jun	
Corporate Governance		
Notify changes of Directors and Officers - Notify within 30 days and submit biographical affidavits for any new individuals		
Approval is required for business plan changes including changes in insurance programs (coverage, limits, reinsurers)		
Insurance policies and reinsurance agreements - Insurance documentation must be on file in principal office		
Intercompany loans require prior approval		
Annual Meeting of Directors must be held annually in UT		
Other Filings		
Business plan change filed on 12/12/23 adding Liability Coverage approved by Department 12/18/23		



Captive Management Report

Clean Water Insurance Company

For the period ended: March 31, 2024

Prepared by Anthony Coleman, anthony.coleman@Davies-Group.com

Reviewed by Caitlin Gibson, caitlin.gibson@Davies-Group.com

Active Policies during period

Reinsurance Ceded

Line of business	Policy Period	Ceded Premium	Ceded Earned Premium
CSRMA - Worker's Compensation	7/1/2023 - 6/30/2024	4,747,378.00	3,576,791.64
CSRMA - Liability Coverage	12/31/2023 - 12/30/2024	2,947,225.00	742,862.19
Total		7,694,603.00	4,319,653.84

Key Captive Insurance Company Ratios

Premium to Surplus	5.6:1
Net Written Premium / Capital and Surplus	563.7%
Loss Ratio (Loss Expense + LAE Expense) / Net Earned Premium	3.8%
Expense ratio Other Expenses/Net Written Premium	7.9%
Combined ratio Loss ratio + Expense ratio	11.7%
Operating Ratio Combined Ratio - Investment Income/Net Earned premium	-1.7%
Full limit occurrence loss impact Maximum per occurrence retentions / Total Capital and Surplus	54.9%

Notes:

Clean Water Insurance Captive

BALANCE SHEET

As of March 31, 2024

Assets

Cash & Cash Equivalents	\$ 151,132
Investments - Mutual Funds/Stocks	9,355,234
Prepays	22,879
Accrued Interest Income	1,258
Total Assets	<u>\$ 9,530,502</u>

Liabilities & Member's Equity

Liabilities

Unearned Premium	\$ 3,374,949
Claims Reserve	296,532
Due To Affiliate	172,015
Accounts Payable	140
Accrued Expenses	29,258
Total Liabilities	<u>3,872,895</u>

Equity

Contributed Capital	1,365,002
Net Income	4,292,605
Total Equity	<u>5,657,607</u>

Total Liabilities & Member's Equity	<u>\$ 9,530,502</u>
--	----------------------------

Clean Water Insurance Captive
STATEMENTS OF OPERATIONS
Year to Date
July 1, 2023 - March 31, 2024

Underwriting Income

Insurance Premium (Net)	4,319,654
Total Underwriting Income	<u>4,319,654</u>

Underwriting Expense

Claims Expense	461,048
Total Underwriting Expenses	<u>461,048</u>
Net Underwriting Income	<u>3,858,606</u>

General & Administrative Expenses

Captive Management Fees	37,500
Actuarial	11,250
Financial Audit	8,153
Investment Advisory Fees	11,250
Program Consulting	45,000
Bank Service Charges	8,217
Insurance Expense	7,879
License and Fees	7,700
Program Legal	7,764
Office Supplies	321
Total General & Administrative Expenses	<u>145,034</u>

Investment Income

Dividend Income	84,567
Interest Income	35,815
Change in Accrued Income	1,258
Realized Gain	107
Unrealized Gain	457,285
Total Investment Income	<u>579,032</u>

Net Income	<u><u>\$ 4,292,605</u></u>
-------------------	----------------------------

Clean Water Insurance Captive
Budget Variance
YTD

	Workers Compensation				Liability			
	Actual	Budget	Over/(Under) Budget	% of Expected	Actual	Budget	Over/(Under) Budget	% of Expected
Underwriting Income								
Written Premium	4,747,378.00	4,747,378.00	-	100.00%	2,947,225.00	2,947,225.00	-	100.00%
Change in Unearned Premium	(1,170,586.36)	(1,170,586.36)	-	100.00%	(2,204,362.81)	(2,204,362.81)	-	100.00%
Insurance Premium (Net)	3,576,791.64	3,576,791.64	-	100.00%	742,862.19	742,862.19	-	100.00%
Total Underwriting Income	3,576,791.64	3,576,791.64	-	100.00%	742,862.19	742,862.19	-	100.00%
Underwriting Expense								
Claims Expense*	381,447.66	2,861,433.31	(2,479,985.65)	13.33%	79,600.00	683,433.21	(603,833.21)	11.65%
Total Underwriting Expense	381,447.66	2,861,433.31	(2,479,985.65)	13.33%	79,600.00	683,433.21	(603,833.21)	11.65%
Net Underwriting Income	3,195,343.98	715,358.33	2,479,985.65	446.68%	663,262.19	59,428.98	603,833.21	1116.06%
General and Administrative Expense								
Actuarial	10,125.00	10,125.00	-	100.00%	1,125.00	1,125.00	-	100.00%
Financial Audit	7,337.25	10,125.00	(2,787.75)	72.47%	815.25	815.25	-	100.00%
Bank Service Charges	7,015.56	-	7,015.56	0.00%	1,201.44	-	1,201.44	0.00%
License and Fees	7,700.00	7,700.00	-	100.00%	-	-	-	0.00%
Captive Management Fees	33,750.00	33,750.00	-	100.00%	3,750.00	3,750.00	-	100.00%
Investment Advisory Fee	10,125.00	10,125.00	-	100.00%	1,125.00	1,125.00	-	100.00%
Program Consulting	40,500.00	40,500.00	-	100.00%	4,500.00	4,500.00	-	100.00%
Insurance Expense	6,697.61	-	6,697.61	0.00%	1,182.11	-	1,182.11	0.00%
Program Legal	7,722.16	5,000.00	2,722.16	154.44%	42.00	-	42.00	0.00%
Office Supplies	224.47	-	224.47	0.00%	96.20	-	96.20	0.00%
Total General and Administrative Expenses	131,197.05	117,325.00	13,872.05	111.82%	13,837.00	11,315.25	2,521.75	122.29%
Investment Income								
Dividend/Investment Income	511,201.82	24,806.25	486,395.57	2060.78%	67,830.18	2,756.25	65,073.93	2460.96%
Total Investment Income	511,201.82	24,806.25	486,395.57	2060.78%	67,830.18	2,756.25	65,073.93	2460.96%
Net Income	3,575,348.75	622,839.58	2,952,509.17	574.04%	717,255.37	50,869.98	666,385.39	1409.98%

*Claims expense projections for the budget column include IBNR, IBNR will only be reported annually on the Captive Financials



Clean Water Insurance Captive

Investment Performance Review For the Quarter Ended March 31, 2024

Client Management Team

PFM Asset Management LLC

Mallory Sampson, Director

1 California Street
Suite 1000
San Francisco, CA 94111

1735 Market Street
43rd Floor
Philadelphia, PA 19103

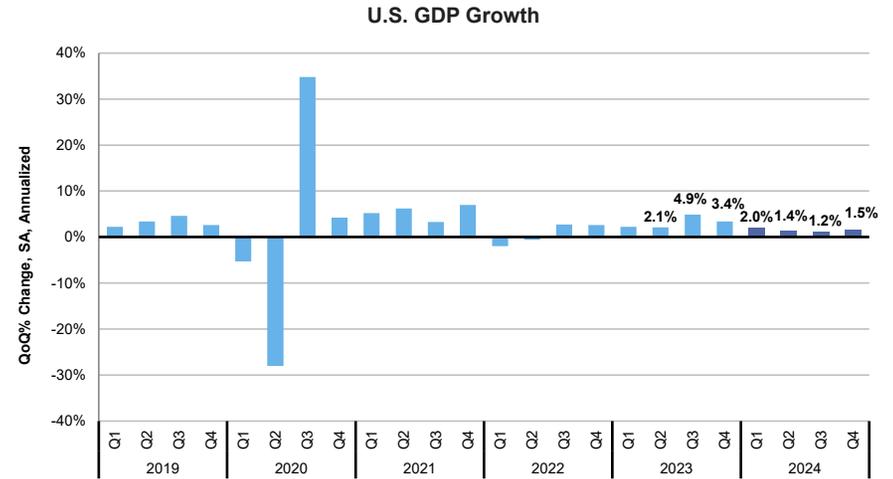
Financial Markets & Investment Strategy Review

	QTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
DOMESTIC EQUITY							
S&P 500	10.56%	10.56%	29.88%	11.49%	15.05%	14.09%	12.96%
Russell 3000 Index	10.02%	10.02%	29.29%	9.78%	14.34%	13.45%	12.33%
Russell 1000 Value Index	8.99%	8.99%	20.27%	8.11%	10.31%	9.16%	9.01%
Russell 1000 Index	10.30%	10.30%	29.87%	10.45%	14.76%	13.85%	12.68%
Russell 1000 Growth Index	11.41%	11.41%	39.00%	12.50%	18.52%	18.06%	15.98%
Russell Midcap Index	8.60%	8.60%	22.35%	6.07%	11.10%	10.58%	9.95%
Russell 2000 Value Index	2.90%	2.90%	18.75%	2.22%	8.17%	6.55%	6.87%
Russell 2000 Index	5.18%	5.18%	19.71%	-0.10%	8.10%	7.73%	7.58%
Russell 2000 Growth Index	7.58%	7.58%	20.35%	-2.68%	7.38%	8.40%	7.89%
INTERNATIONAL EQUITY							
MSCI EAFE (Net)	5.78%	5.78%	15.32%	4.78%	7.33%	6.70%	4.80%
MSCI AC World Index (Net)	8.20%	8.20%	23.22%	6.96%	10.92%	10.23%	8.66%
MSCI AC World ex USA (Net)	4.69%	4.69%	13.26%	1.94%	5.97%	5.88%	4.25%
MSCI AC World ex USA Small Cap (Net)	2.11%	2.11%	12.80%	0.38%	6.24%	5.74%	4.74%
MSCI EM (Net)	2.37%	2.37%	8.15%	-5.05%	2.22%	3.72%	2.95%
ALTERNATIVES							
FTSE NAREIT Equity REIT Index	-0.20%	-0.20%	10.54%	4.14%	4.15%	5.08%	6.61%
FTSE EPRA/NAREIT Developed Index	-1.05%	-1.05%	8.57%	-0.19%	0.75%	3.08%	4.00%
FTSE Global Core Infrastructure 50/50 Index (Net)	1.55%	1.55%	3.22%	2.91%	3.78%	5.27%	5.60%
Bloomberg Commodity Index Total Return	2.19%	2.19%	-0.56%	9.11%	6.38%	4.26%	-1.56%
FIXED INCOME							
Blmbg. U.S. Aggregate	-0.78%	-0.78%	1.70%	-2.46%	0.36%	1.06%	1.54%
Blmbg. U.S. Government/Credit	-0.72%	-0.72%	1.74%	-2.35%	0.62%	1.27%	1.70%
Blmbg. Intermed. U.S. Government/Credit	-0.15%	-0.15%	2.69%	-1.06%	1.09%	1.43%	1.61%
Blmbg. U.S. Treasury: 1-3 Year	0.28%	0.28%	2.94%	0.01%	1.13%	1.20%	1.06%
ICE BofAML Global High Yield Constrained (USD)	1.47%	1.47%	11.09%	0.43%	3.12%	3.63%	3.52%
Blmbg. Global Aggregate Ex USD	-3.21%	-3.21%	-0.71%	-6.53%	-2.50%	-0.82%	-1.38%
JPM EMBI Global Diversified	2.04%	2.04%	11.28%	-1.39%	0.71%	1.71%	3.05%
CASH EQUIVALENT							
90 Day U.S. Treasury Bill	1.30%	1.30%	5.35%	2.65%	2.06%	1.94%	1.41%

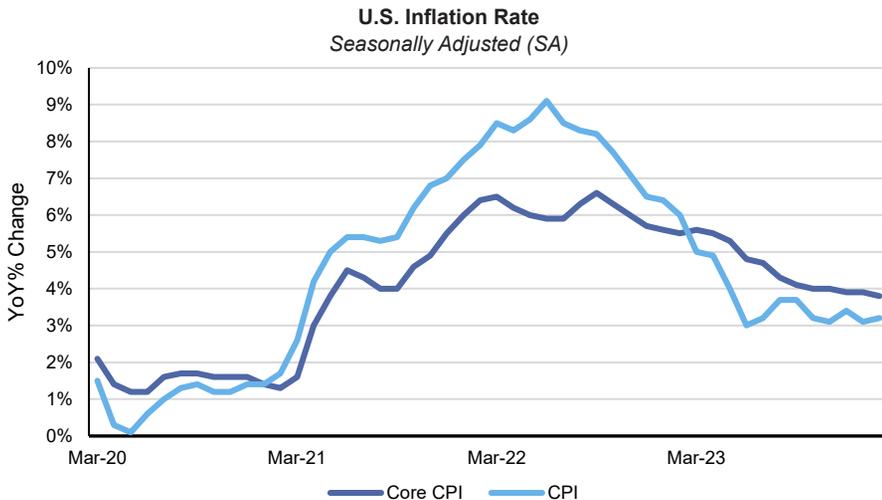
Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

THE ECONOMY

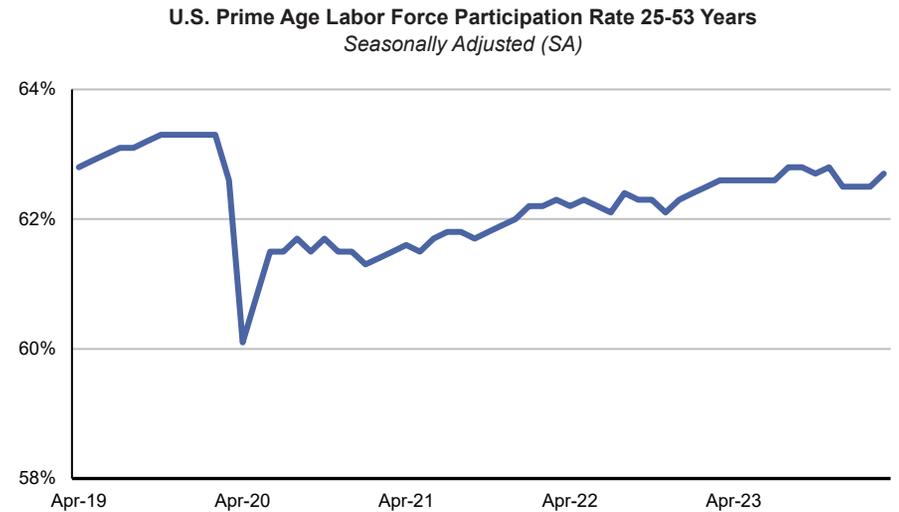
- ▶ In the fourth quarter, U.S. gross domestic product (GDP) grew at an annualized rate of 3.4%, cooling somewhat from the third quarter’s 4.9% growth. This growth was supported by both non-residential business investment and consumer spending. Consumer spending added 2.2% and was the largest contributing sector to GDP growth. The continued strength of the U.S. economy is a sharp contrast to other developed markets such as the euro area which stagnated at 0.1% growth and Japan which expanded just 0.4% during the quarter.
- ▶ The U.S. labor market remains strong. While the unemployment rate ticked up slightly it remains at historical lows, ending the quarter at 3.8%. The labor participation rate rose slightly to 62.7%, while average hourly earnings year-over-year (YoY) growth cooled to 4.1%, which bodes well for easing wage pressures on inflation without a large increase in unemployment.
- ▶ Inflation remains somewhat “sticky” as headline inflation (CPI) grew at a YoY rate of 3.2% in February, down from the 3.4% growth at the end of the fourth quarter, but up slightly from January. Core CPI, which excludes volatile food and energy, eased to a near three year low of 3.8%. Both readings remain well above the Fed target of 2%, likely reinforcing the Federal Reserve’s (Fed) wait and see approach to rate cuts.



Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.



Source: Bureau of Labor Statistics.

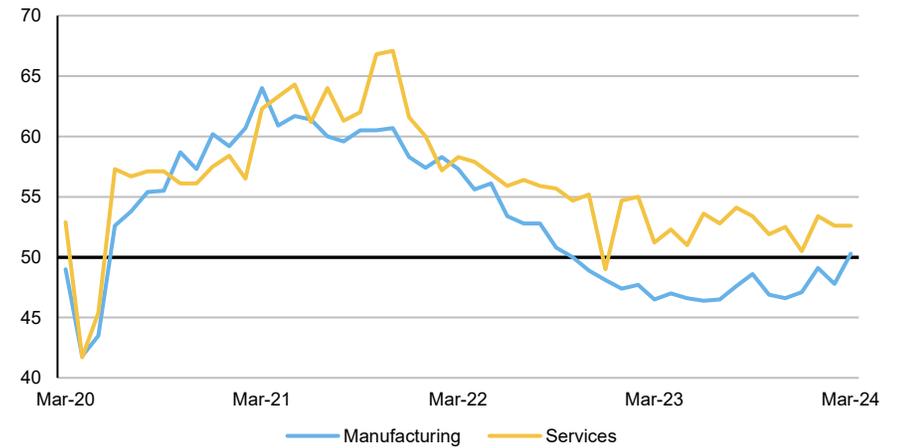


Source: Bureau of Labor Statistics.

WHAT WE'RE WATCHING

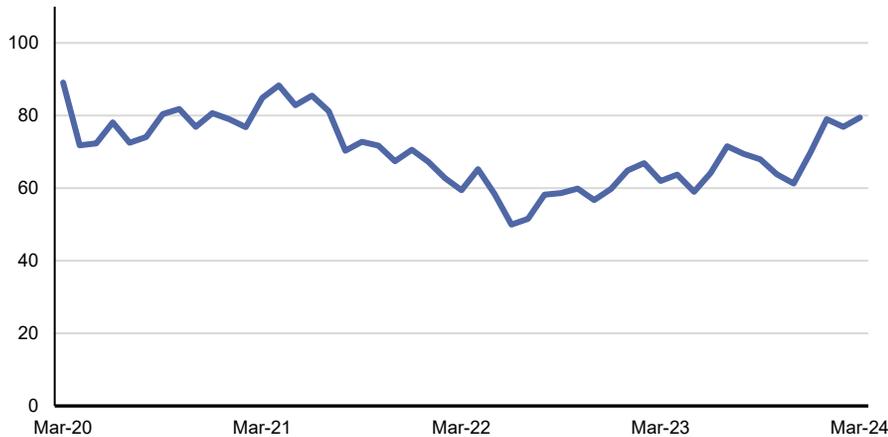
- ▶ The Federal Open Market Committee (FOMC) continued to hold rates steady in the first quarter at 5.50% as Fed officials need “greater confidence” that inflation is slowing sustainably to 2%. Looking forward, while the committee revised both their projections for growth and inflation slightly higher, three rate cuts are still expected for 2024. Globally, most major central banks also held rates steady, with the European Central Bank (ECB) and the Bank of England (BOE) both pausing despite increasing pressure from poor economic growth. The Central Bank of Japan bucked this trend, raising its key interest rate for the first time in 17 years in March.
- ▶ The U.S. saw manufacturing conditions improve during the quarter as U.S. ISM Manufacturing Index turned expansionary with a reading of 50.3 in March, the first non-contractionary result in over a year, as demand increased. The service sector continued to expand through the quarter, though at a slowing pace with a March reading of 51.4.
- ▶ The Michigan Consumer Sentiment survey ended the quarter at 79.4, the highest reading since July 2021 as consumer assessments of both current conditions and the economic outlook brightened. This positive outlook suggests continued strength in consumer spending though at what rate is to be determined. The personal savings rate fell in February to 3.6% while consumer debt and delinquency rates steadily increased in the fourth quarter, though overall delinquency rates remain lower than pre-COVID rates.

U.S. ISM Manufacturing & Services PMI



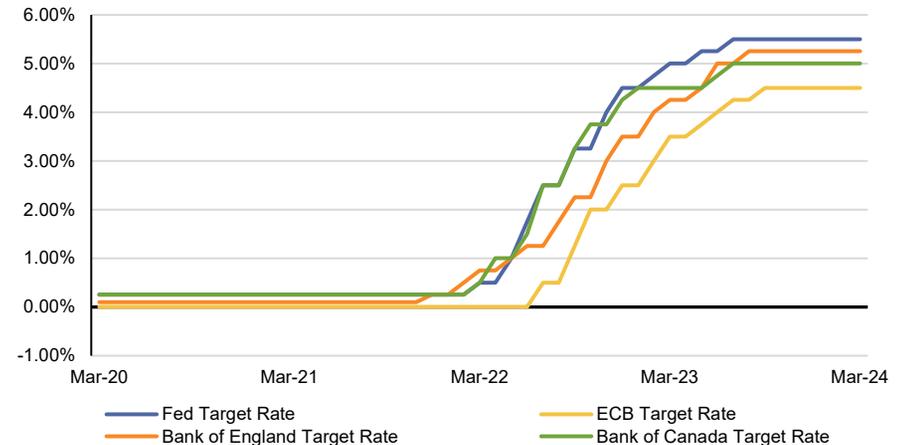
Source: Bloomberg.

University of Michigan Consumer Sentiment



Source: Bloomberg.

Global Central Bank Rates



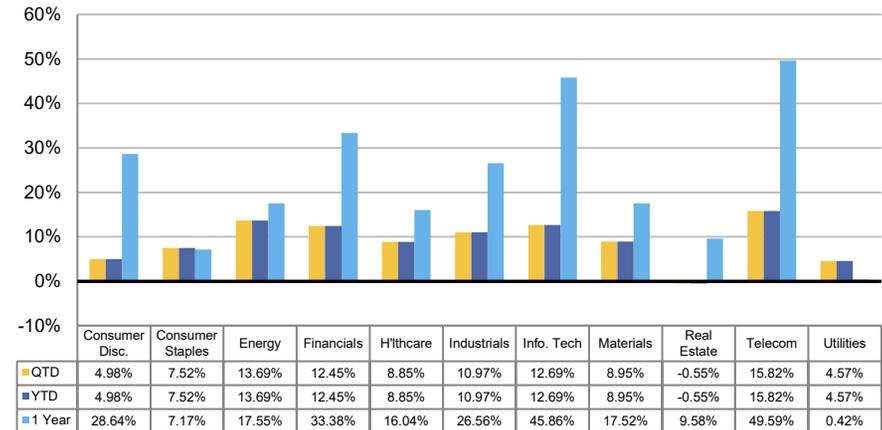
Source: Bloomberg.

DOMESTIC EQUITY

- ▶ The S&P 500 Index (S&P) posted a 10.56% return for the first quarter of 2024. As of March 31, 2024, the trailing 1-year return for the index was 29.88%.
- ▶ The market capitalization-weighted S&P 500 continued its outperformance over the equal-weighted S&P 500 Index, though the difference was not as wide as we saw in 2023. During the quarter, there were periods of broadening in performance outside of the Magnificent Seven names, but they started to see cracks as Apple and Tesla posted negative returns. Additionally, mid-caps outperformed large-caps in February and March but finished the quarter behind large-caps.
- ▶ Within S&P 500, the only GICS sector to post a negative return for the quarter was Real Estate (-0.55%). The next worst performers were Utilities (4.57%), Consumer Discretionary (4.98%) and Healthcare (8.85%). The sectors that led performance over the quarter were Communication Services (15.82%), Energy (13.69%) and Information Technology (12.69%).
- ▶ Small-caps, as represented by the Russell 2000 Index, returned 5.2% during the quarter and underperformed mid- and large-caps. The Russell Midcap and Russell 1000 indices returned 8.60% and 10.30%, respectively.
- ▶ According to FactSet Earnings Insight (as of March 28, 2024), the expected YoY earnings growth rate for the S&P for the first quarter of 2024 is 3.6%, a slight decline from the December 31, 2023 estimate. For calendar year 2024, analysts are calling for YoY earnings growth of 11.0%.
- ▶ As of the end of the quarter, the forward S&P 500 P/E ratio was 23.3, above its 5-year average of 22.2. By comparison the forward S&P 500 P/E ratio was 20.3 in March 2023.

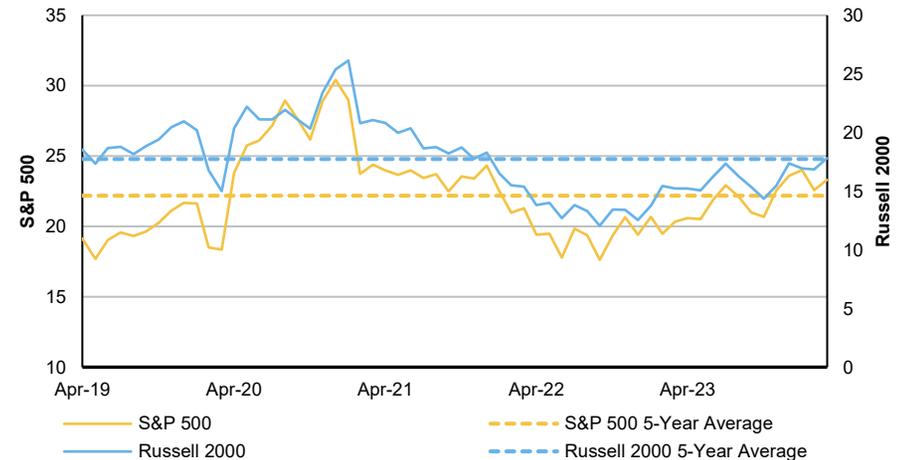
S&P 500 Index Performance by Sector

Periods Ended March 31, 2024



Source: Bloomberg.

P/E Ratios of Major Stock Indices*



Source: Bloomberg.

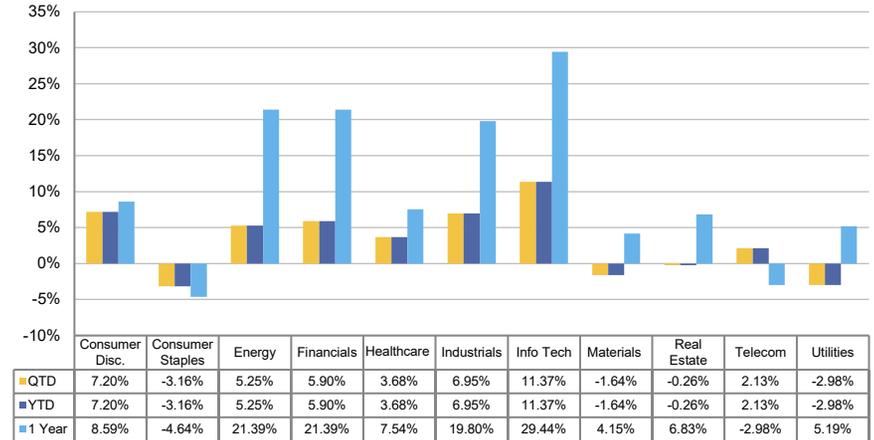
*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

NON-U.S. EQUITY

- ▶ Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, underperformed their U.S. counterparts, returning 4.69% for the quarter.
- ▶ Seven of the 11 sectors posted strong positive returns for the quarter, with Information Technology (11.37%) leading the way, followed by Consumer Discretionary (7.20%) and Industrials (6.95%). Consumer Staples (-3.16%) was the worst performer followed by Utilities (-2.98%) and Materials (-1.64%) for the quarter.
- ▶ Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, outperformed emerging markets (EM), represented by the MSCI Emerging Market Index, returning 5.78% versus 2.37% for the quarter.
- ▶ MSCI Japan (11.01%) outperformed the MSCI EAFE Index. Japanese equities rose as better corporate governance practices, strong corporate earnings, and the Bank of Japan accommodative policy stance reinforced positive investor sentiment. Switzerland (-1.24%) was the worst performer of the five largest-weighted countries in the index. The country's strong currency dampened exports, resulting in a drag on many large Swiss firms' earnings.
- ▶ Within EM, MSCI Taiwan outperformed the index, soaring 12.50% during the quarter. TSMC and other semiconductor names within the country fared well, bolstered by strong demand for artificial intelligence-enabling processors. Conversely, MSCI China (-0.63%) lagged the index. Despite the rebound in February and the Chinese government's willingness to unleash more stimulus in the economy, investor sentiment remains negative and challenges in the property sector persist.
- ▶ Value stocks underperformed growth stocks for the quarter as represented by the broad benchmark. MSCI AC World ex-USA Value returned 3.40% while MSCI AC World ex-USA Growth returned 5.91%.
- ▶ Small-caps, as represented by MSCI ACWI ex-U.S. Small Cap Index, underperformed within the international equity markets, returning 2.11% for the quarter.
- ▶ Non-US equities valuations have moved closer to their long-term average across international equity markets. As of March 31, 2024, MSCI EAFE's forward P/E stood at 15.61 versus a five-year average of 15.96. MSCI EM ended the year with a forward P/E ratio of 12.63, slightly lower than its five-year average of 13.26.

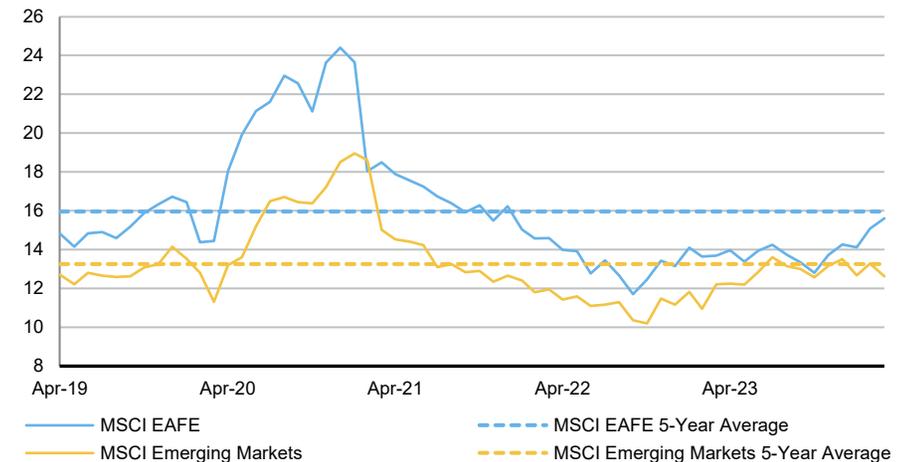
MSCI ACWI ex-U.S. Sectors

Periods Ended March 31, 2024



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



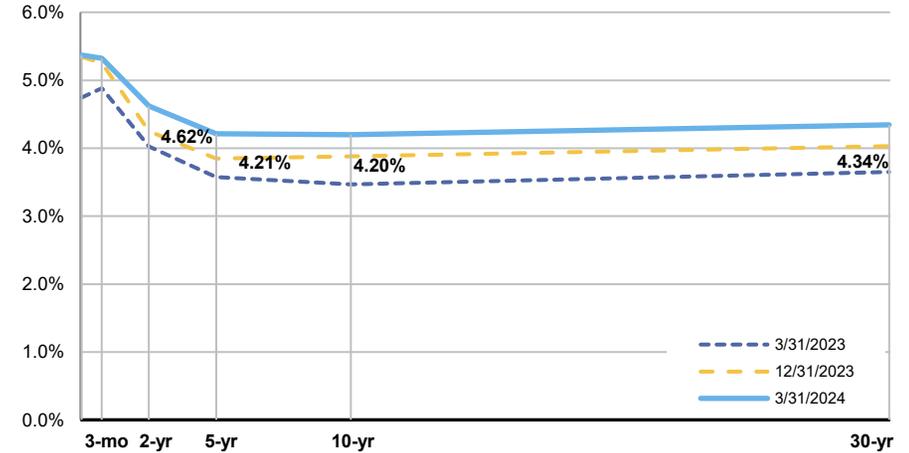
Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

FIXED INCOME

- ▶ The U.S. bond market represented by the Bloomberg U.S. Aggregate (Aggregate) Index was down -0.78% in the quarter. The trailing one-year period return is 1.69%.
- ▶ The Bloomberg U.S. Treasury Index closed the quarter with a loss of -96%. During the period, the FOMC maintained interest rate levels and continued to signal fewer cuts for 2024 than the market anticipated on the back of some stickier inflationary data. All rates beyond one year rose with the largest increases in intermediate maturities. The curve remains inverted as the Fed Funds rate remains targeted at 5.5%. The 10-year rose to 4.2%, while the 2-year ended at 4.6%.
- ▶ Corporate credit had positive relative results for the quarter on the rising rates. The investment-grade (IG) Bloomberg U.S. Corporate (IG Corp) Index lost 0.40% while high yield bonds, as represented by the Bloomberg U.S. Corporate High Yield (HY) Index, gained 1.47%, continuing strong performance from 2023. Spreads declined across all quality buckets with the lowest quality high yield performing best.
- ▶ The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index, lost 1.04%, on rates rising with much of the market being in lower coupons with higher duration. On the commercial side, the Bloomberg U.S. Agency CMBS Index was relatively better, down 0.29%.
- ▶ EM USD sovereign bonds, as represented by the JP Morgan EMBI Global Diversified index, gained 2.04% supported by strong returns in select high yield rated countries.

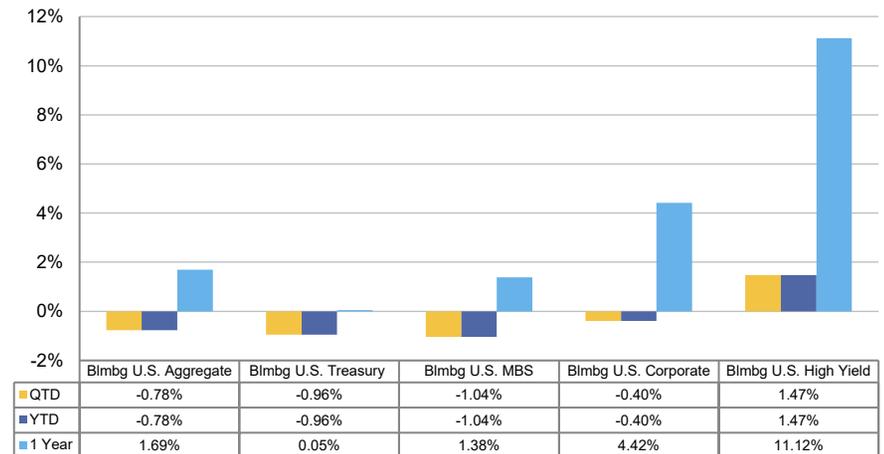
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended March 31, 2024



Source: Bloomberg.

ALTERNATIVES

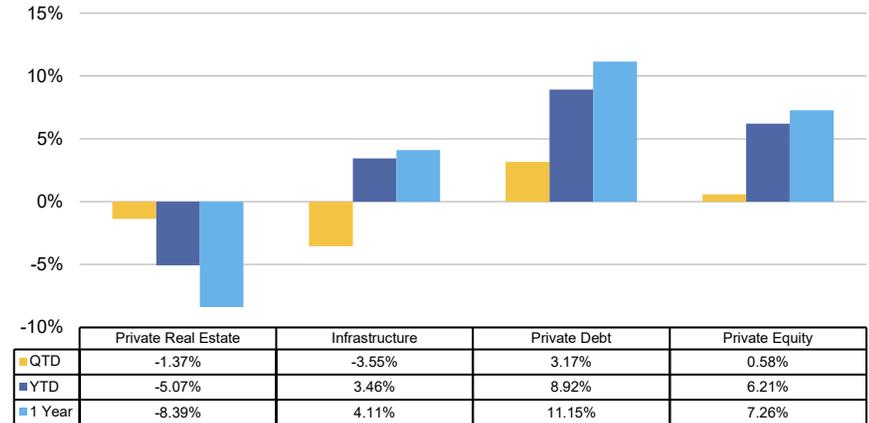
▶ Public REITs, as measured by the FTSE NAREIT Equity REITs Index, returned -0.20% in the first quarter of 2024, compared to a 16.22% return in the prior quarter while private real estate, as measured by the NCREIF Property Index, fell -3.02% in the fourth quarter of 2023, resulting in a -7.90% return over the twelve-month period ended December 2023. This was the fifth consecutive quarter of negative returns for the index. Weak performance has been driven by property value declines across sectors.

▶ Listed infrastructure, as measured by the FTSE Global Core Infrastructure 50/50 Index, gained 1.75% in the first quarter of 2024, compared to a 11.11% increase in the prior quarter with mixed performance across the major sectors. In 2023, private infrastructure funds raised \$65.36 billion, a sharp decline from the \$110.91 billion raised in the prior year. The asset class has received attention from investors in recent years due to expectations of stable returns in uncertain market environments, inflation hedging potential, and secular demand tailwinds such as decarbonization and digitization. According to PitchBook, private infrastructure funds posted a return of -3.55% in Q3 2023. The asset class has generated an annualized return of 8.45% for the five years ended Q3 2023.

▶ In 2023, private debt funds raised \$190.93 billion but experienced a sharp slowdown in fundraising during the second half of the year. The asset class has performed well relative to public fixed income over the long-term and may see more opportunities emerge as tightening lending standards continue to push banks out of the private lending space. According to Cliffwater Direct Lending Index, U.S. middle market loans, a proxy for private debt, posted a return of 2.95% in Q4 2023. The asset class has also generated an annualized return of 9.09% for the five years ended Q4 2023.

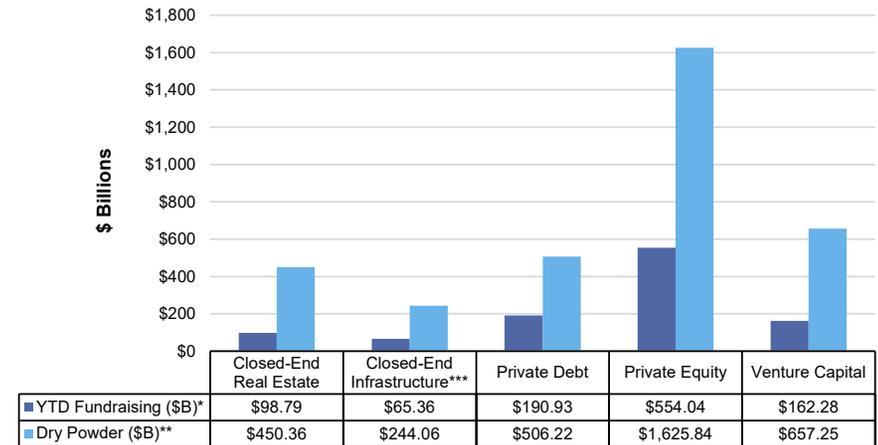
▶ In 2023, private equity funds raised \$554.04 billion, with a majority of the total raised in the second half of the year as inflation eased and monetary tightening flattened. Recent private equity performance has weakened due to increasing leverage costs, slow deal flow and macroeconomic uncertainty. However, longer term performance relative to public equities remains strong. According to Cambridge Associates, U.S. private equity posted a return of 0.58% in Q3 2023. The asset class has generated an annualized return of 16.98% for the five years ended Q3 2023.

Returns for Private Capital Assets



Source: NCREIF, PitchBook, Cliffwater, Cambridge Associates.
As of September 30, 2023, the most recent period for which all index data is available.

Private Capital Fundraising & Dry Powder



Sources: Pitchbook.

* Total capital raised in 2023 as of December 31, 2023 - most recent period for which ALL fundraising data is available.

** Cumulative dry powder as of June 30, 2023, unless specified otherwise.

*** Closed-End Infrastructure dry powder as of March 31, 2023.

Investment Strategy Overview

Asset Class	Our Q2 2024 Investment Outlook	Comments
U.S. Equities		<ul style="list-style-type: none"> Fed's guidance of higher economic growth and moderating inflation a positive but recent uptick in inflation data warrants attention. Markets reacted positively to March Fed projections with S&P hitting all time high. Rising valuations are supported by improving earnings growth expectations but any negative news could lead to a pullback. Mid- and small-cap valuations are attractive and would benefit as investor sentiment/earnings growth expectations improve. Exposure to interest rate sensitive sectors such as regional banks remains a concern.
Large-Caps		
Mid-Caps		
Small-Caps		
Non-U.S. Equities		<ul style="list-style-type: none"> International equities continue to trade at a discount to U.S. equities but slowing economic growth in Europe and China is a headwind. EM equities trade at attractive valuations relative to developed market equities. We remain cautious on China and are closely monitoring the recent change in investor sentiment towards Chinese equities. International small-caps provide exposure to foreign local economies, but uneven economic growth and geopolitical tensions leads us to be at neutral positioning. Overall, we maintain neutral exposure to international equities.
Developed Markets		
Emerging Markets		
International Small-Caps		
Fixed Income		<ul style="list-style-type: none"> The Fed's recent guidance points towards soft-landing scenario with three expected rate cuts in 2024. Yields at short-end of the curve look attractive even as long-term yields fell back from the recent highs. We expect a further fall in yields as inflation continues to moderate. Credit markets remain attractive due to strong corporate fundamentals. We continue to seek diversified credit exposure and are closely watching signs for any distress in the corporate credit space.
Long-Duration, Interest Rate-Sensitive Sectors		
Credit-Sensitive Sectors		
Alternatives		<ul style="list-style-type: none"> Higher interest rates and rising foreclosure for office buildings are headwinds for private real estate returns. Public REITs have recovered from the lows in 2023. We expect this trend to continue helped by falling rates and economic soft landing. Private equity is facing headwinds from higher leverage costs and falling valuations. Debt strategies may benefit from banks' tighter lending standards as long as default rates remain low. Increased infrastructure investment in the U.S. post the passing of Jobs Act and Chips Act a positive for infrastructure. Transition to renewable energy is another tailwind for both private and listed infrastructure while higher interest rates are headwinds.
Real Estate		
Private Equity		
Private Debt		
Infrastructure		

● Current outlook ○ Outlook one quarter ago



The view expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (March 31, 2024) and are subject to change.

Factors to Consider Over the Next 6-12 Months

<p>Monetary Policy:</p>  <ul style="list-style-type: none"> Recent Fed guidance implies three rate cuts in 2024 and points to an economic soft landing but path of rate cuts remains uncertain. Globally, central banks are nearing the start of rate cutting cycle in reaction to moderating inflation with the Swiss central bank being the first to cut. 	<p>Economic Growth:</p>  <ul style="list-style-type: none"> U.S. economic growth is led by consumers and supported by a robust labor market. Recent recovery in manufacturing activity along with continued strength in services a tailwind. Economic growth outside U.S. remain mixed with slower growth projected in Eurozone. 	<p>Inflation:</p>  <ul style="list-style-type: none"> Inflation continues to moderate but has proven to be stickier than expected, predominantly in housing and service sectors. Globally, inflation has continued to moderate. Recent upside surprises in the U.S. warrants closer attention but expect moderating trend to continue.
<p>Financial Conditions:</p>  <ul style="list-style-type: none"> Financial conditions continue to ease as the Fed pivot remains in play alongside strength in various economic indicators. With interest rates remaining elevated, we continue to focus on identifying pockets of stress within financial markets. 	<p>Consumer Spending (U.S.):</p>  <ul style="list-style-type: none"> Consumer confidence reached a multi-year high following strong wage growth, a resilient labor market, and moderating inflation. Hiring, wage growth, and increased hours worked have all played a role in boosting personal income and spending and we expect consumer strength to continue as labor markets remain healthy. 	<p>Labor Markets:</p>  <ul style="list-style-type: none"> The labor market remains strong, but we have seen cooling conditions from the extreme levels of 2022. Strong wage increases reflect a competitive labor market and is a key focus for monetary policy moving forward.
<p>Corporate Fundamentals:</p>  <ul style="list-style-type: none"> Earnings growth expectations are improving while profit margins are stabilizing at pre-pandemic levels. Higher cash levels especially across S&P 500 companies, increasing stock buybacks and lower credit default rates are positives. 	<p>Valuations:</p>  <ul style="list-style-type: none"> U.S. equity and credit markets have experienced a run up in valuations amid strong corporate fundamentals and continued economic growth. International equities look attractive but continued economic and geopolitical uncertainty is leading to increased volatility. 	<p>Political Risks:</p>  <ul style="list-style-type: none"> Geopolitical risks continue to remain elevated. U.S./China tensions, Russia/Ukraine war, Israel/Hamas conflict, China's moves in South China Sea and Taiwan Strait further add to risks. Elections across the globe could also lead to short-term volatility.



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (March 31, 2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

Plan Performance Summary

Clean Water Insurance Captive

As of March 31, 2024

Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Total Fund	9,430,982	100.00	3.08	3.08	N/A	N/A	N/A	7.24	12/01/2023
Blended Benchmark			2.75	2.75	N/A	N/A	N/A	7.24	12/01/2023
Domestic Equity	2,502,852	26.54							
PFM Multi-Manager Domestic Equity Fund	2,502,852	26.54	9.66	9.66	26.00	8.48	13.40	15.77	12/01/2023
<i>Russell 3000 Index</i>			10.02	10.02	29.29	9.78	14.34	15.86	12/01/2023
Vanguard Total Stock Market ETF - 76.2%			10.01	10.01	29.38	9.65	14.25	15.86	12/01/2023
Vaughan Nelson Select - 10.8% (^)			10.39	10.39	24.16	13.76	17.20	15.45	12/01/2023
Aristotle Atlantic Core Equity - 7.6% (^)			12.05	12.05	31.36	N/A	N/A	18.94	12/01/2023
<i>Russell 3000 Index</i>			10.02	10.02	29.29	9.78	14.34	15.86	12/01/2023
Jacobs Levy Small Cap - 5.0% (^)			3.28	3.28	13.91	4.15	N/A	15.58	12/01/2023
<i>S&P SmallCap 600</i>			2.46	2.46	15.93	2.28	9.15	15.57	12/01/2023
International Equity	1,314,663	13.94							
PFM Multi-Manager International Equity Fund	1,314,663	13.94	5.06	5.06	12.87	0.45	5.54	10.70	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			4.69	4.69	13.26	1.94	5.97	9.95	12/01/2023
iShares Core MSCI Total Int'l Stock ETF - 39.9%			4.40	4.40	12.93	1.81	6.10	9.79	12/01/2023
WCM Focused Growth International - 10.5% (^)			12.11	12.11	19.59	4.04	N/A	17.88	12/01/2023
Ninety One Int'l Dynamic Equity - 16.1% (^)			7.86	7.86	14.57	N/A	N/A	13.59	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			4.69	4.69	13.26	1.94	5.97	9.95	12/01/2023
Acadian Non-U.S. Equity - 6.4% (^)			8.10	8.10	20.01	5.87	N/A	14.30	12/01/2023
Aristotle International Equity - 12.2% (^)			3.74	3.74	14.81	3.45	7.47	9.23	12/01/2023
<i>MSCI EAFE (net)</i>			5.78	5.78	15.32	4.78	7.33	11.41	12/01/2023
Kayne Anderson International Small Cap - 4.9% (^)			-0.52	-0.52	15.94	N/A	N/A	8.18	12/01/2023
<i>MSCI AC World ex USA Small Cap (Net)</i>			2.11	2.11	12.80	0.38	6.24	8.59	12/01/2023
Schroders Global Emerging Markets - 5.0% (^)			2.84	2.84	7.09	-6.19	N/A	6.13	12/01/2023
iShares MSCI Emerging Markets ex China ETF - 5.0%			3.83	3.83	18.68	1.34	5.84	9.96	12/01/2023
<i>MSCI EM (net)</i>			2.37	2.37	8.15	-5.05	2.22	6.37	12/01/2023

Returns are net of mutual fund fees and are expressed as percentages.

(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
Fixed Income	5,556,252	58.91							
PFM Multi-Manager Fixed-Income Fund	5,556,252	58.91	-0.15	-0.15	3.34	-1.86	0.91	3.49	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			-0.78	-0.78	1.70	-2.46	0.36	3.02	12/01/2023
PGIM Core Fixed - 32.2% (^)			-0.28	-0.28	3.19	-1.98	1.00	3.85	12/01/2023
TIAA Core Fixed - 32.2% (^)			-0.04	-0.04	2.74	-2.26	1.09	3.76	12/01/2023
iShares Core U.S. Aggregate Bond ETF - 15.7%			-0.75	-0.75	1.61	-2.48	0.32	2.94	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			-0.78	-0.78	1.70	-2.46	0.36	3.02	12/01/2023
iShares 10-20 Year Treasury Bond ETF - 1.2%			-2.26	-2.26	-4.29	-6.63	-2.74	1.28	03/01/2024
<i>ICE U.S. Treasury 10-20 Year Bond Index</i>			-2.22	-2.22	-4.23	-6.53	-2.72	1.32	03/01/2024
PineBridge IG Credit - 5.0% (^)			-0.22	-0.22	5.21	-1.84	2.68	4.24	12/01/2023
<i>Blmbg. U.S. Credit Index</i>			-0.41	-0.41	4.15	-1.86	1.39	3.77	12/01/2023
Brown Bros. Harriman Structured - 7.2% (^)			2.01	2.01	7.54	2.59	3.13	3.48	12/01/2023
<i>ICE BofA Asset-Bckd Fxd & Flting Rate AA-BBB Idx</i>			2.05	2.05	7.23	1.44	2.40	3.93	12/01/2023
Brandywine Global High Yield - 2.8%			2.54	2.54	14.62	3.60	6.91	6.11	12/01/2023
<i>Blmbg. Ba to B U.S. High Yield</i>			1.24	1.24	10.18	2.06	4.32	4.69	12/01/2023
MainStay MacKay High Yield Corp Bond Fund - 3.4%			1.68	1.68	9.56	3.00	4.40	4.75	12/01/2023
<i>ICE BofA High Yield Master II</i>			1.51	1.51	11.04	2.21	4.03	5.25	12/01/2023
Cash Equivalent	57,215	0.61							
First American Government Obligation - Z	57,215	0.61	1.30	1.30	5.23	2.58	1.92	1.75	12/01/2023
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.29	1.29	5.24	2.58	2.02	1.76	12/01/2023

Returns are net of mutual fund fees and are expressed as percentages.

(^*) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

Comparative Performance - Calendar Year

	2023	2022	2021	2020	2019
Total Fund	N/A	N/A	N/A	N/A	N/A
Blended Benchmark	N/A	N/A	N/A	N/A	N/A
Domestic Equity					
PFM Multi-Manager Domestic Equity Fund	22.05	-18.97	26.28	20.05	29.70
Russell 3000 Index	25.96	-19.21	25.66	20.89	31.02
Vanguard Total Stock Market ETF - 76.2%	26.02	-19.50	25.72	20.95	30.80
Vaughan Nelson Select - 10.8% (^)	22.81	-15.79	41.05	20.01	29.17
Aristotle Atlantic Core Equity - 7.6% (^)	23.37	-21.43	N/A	N/A	N/A
Russell 3000 Index	25.96	-19.21	25.66	20.89	31.02
Jacobs Levy Small Cap - 5.0% (^)	13.86	-15.58	39.61	18.81	N/A
S&P SmallCap 600	16.05	-16.10	26.82	11.29	22.78
International Equity					
PFM Multi-Manager International Equity Fund	14.63	-20.79	9.38	13.74	21.23
MSCI AC World ex USA (Net)	15.62	-16.00	7.82	10.65	21.51
iShares Core MSCI Total Int'l Stock ETF - 39.9%	15.62	-16.35	8.52	11.14	21.85
WCM Focused Growth International - 10.5% (^)	18.14	-28.14	18.78	32.21	N/A
Ninety One Int'l Dynamic Equity - 16.1% (^)	13.61	-19.77	N/A	N/A	N/A
MSCI AC World ex USA (Net)	15.62	-16.00	7.82	10.65	21.51
Acadian Non-U.S. Equity - 6.4% (^)	15.37	-12.37	14.31	11.10	N/A
Aristotle International Equity - 12.2% (^)	18.54	-20.52	17.21	10.14	25.45
MSCI EAFE (net)	18.24	-14.45	11.26	7.82	22.01
Kayne Anderson International Small Cap - 4.9% (^)	25.96	-31.47	N/A	N/A	N/A
MSCI AC World ex USA Small Cap (Net)	15.66	-19.97	12.93	14.24	22.42
Schroders Global Emerging Markets - 5.0% (^)	8.32	-21.44	-4.65	26.16	N/A
iShares MSCI Emerging Markets ex China ETF - 5.0%	18.71	-19.32	8.67	12.81	15.65
MSCI EM (net)	9.83	-20.09	-2.54	18.31	18.42

Returns are net of mutual fund fees and are expressed as percentages.

(*) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

Comparative Performance - Calendar Year

	2023	2022	2021	2020	2019
Fixed Income					
PFM Multi-Manager Fixed-Income Fund	6.70	-13.06	-0.85	7.86	9.56
Blmbg. U.S. Aggregate	5.53	-13.01	-1.55	7.51	8.72
PGIM Core Fixed - 32.2% (^)	6.70	-13.76	-0.98	9.01	9.65
TIAA Core Fixed - 32.2% (^)	6.35	-14.23	-0.64	9.76	9.59
iShares Core U.S. Aggregate Bond ETF - 15.7%	5.59	-13.06	-1.67	7.42	8.68
Blmbg. U.S. Aggregate	5.53	-13.01	-1.55	7.51	8.72
iShares 10-20 Year Treasury Bond ETF - 1.2%	3.97	-25.44	-5.33	13.60	10.83
ICE U.S. Treasury 10-20 Year Bond Index	3.32	-25.20	-5.00	13.56	N/A
PineBridge IG Credit - 5.0% (^)	8.40	-15.83	0.02	14.54	15.48
Blmbg. U.S. Credit Index	8.18	-15.26	-1.08	9.35	13.80
Brown Bros. Harriman Structured - 7.2% (^)	7.90	-3.87	3.01	3.42	5.07
ICE BofA Asset-Bckd Fxd & Flting Rate AA-BBB Idx	8.23	-6.33	1.77	3.94	4.31
Brandywine Global High Yield - 2.8%	15.27	-9.38	5.52	13.92	15.56
Blmbg. Ba to B U.S. High Yield	12.57	-10.59	4.71	7.78	15.18
MainStay MacKay High Yield Corp Bond Fund - 3.4%	11.97	-7.81	5.35	5.28	13.03
ICE BofA High Yield Master II	13.46	-11.22	5.36	6.17	14.41
Cash Equivalent					
First American Government Obligation - Z	4.96	1.51	0.02	0.37	2.08
ICE BofA 3 Month U.S. T-Bill	5.02	1.46	0.05	0.67	2.28

Returns are net of mutual fund fees and are expressed as percentages.

(*) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

Account Reconciliation

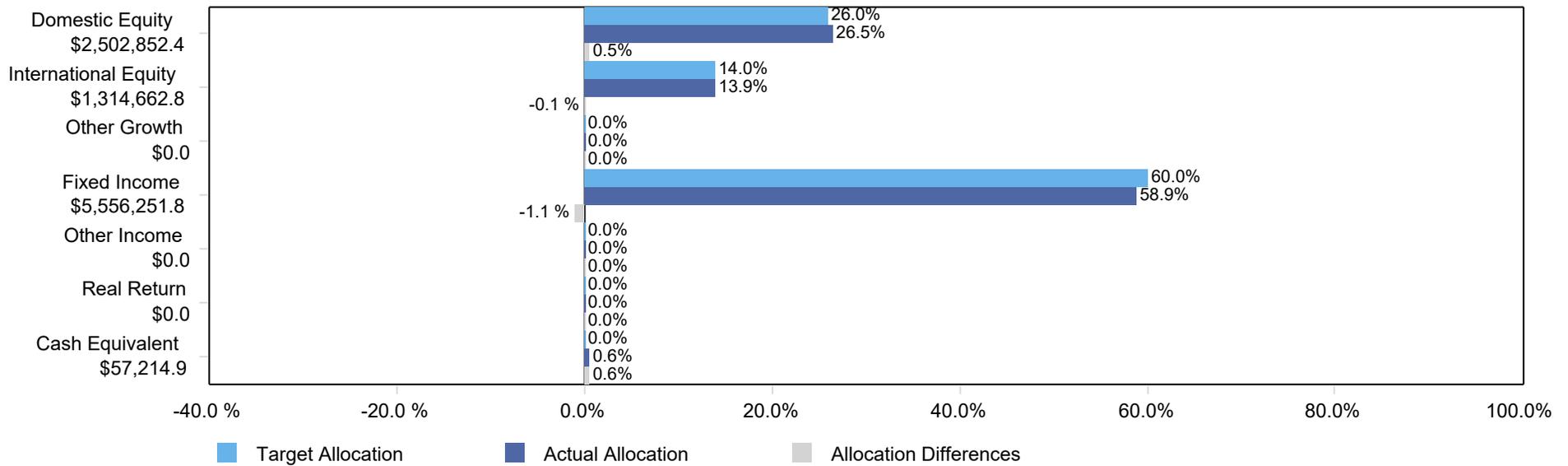
QTR				
	Market Value As of 01/01/2024	Net Flows	Return On Investment	Market Value As of 03/31/2024
Total Fund	5,630,373	3,557,831	242,778	9,430,982

YTD				
	Market Value As of 01/01/2024	Net Flows	Return On Investment	Market Value As of 03/31/2024
Total Fund	5,630,373	3,557,831	242,778	9,430,982

1 Year				
	Market Value As of 04/01/2023	Net Flows	Return On Investment	Market Value As of 03/31/2024
Total Fund	-	8,869,585	561,397	9,430,982

Asset Allocation Compliance - Total Fund

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
Total Fund	100.0	100.0	N/A	N/A	0.0
Domestic Equity	26.5	26.0	6.0	46.0	0.5
International Equity	13.9	14.0	0.0	34.0	-0.1
Other Growth	0.0	0.0	0.0	10.0	0.0
Fixed Income	58.9	60.0	40.0	80.0	-1.1
Other Income	0.0	0.0	0.0	10.0	0.0
Real Return	0.0	0.0	0.0	10.0	0.0
Cash Equivalent	0.6	0.0	0.0	20.0	0.6



Historical Hybrid Composition - Blended Benchmark

Allocation Mandate	Weight (%)
Dec-2023	
Russell 3000 Index	26.0
MSCI AC World ex USA (Net)	14.0
Blmbg. U.S. Aggregate	60.0

Investment Manager Review

◆ Vanguard Total Stock Market Index

- **Management:** Gerard C. O'Reilly has managed the Fund since its inception in 1994. Walter Nejman has been co-portfolio manager for the fund since 2016. Michelle Louie was added as a co-portfolio manager in 2023. They have been in the investment management industry since 1992, 2008, and 2011, respectively.
- **Objective:** The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.
- **Strategy:** The Fund employs a “passive management” – or indexing – investment approach designed to track the performance of the CRSP US Total Market Index. These key characteristics include industry weightings and market capitalization, as well as certain financial measures, such as price/earnings ratio and dividend yield.

◆ Vaughan Nelson Select

- **Management:** Scott Weber, CFA is the lead portfolio manager and final decision maker. He is the lead PM on the strategy since inception. Chris Wallis, co-portfolio manager, serves as the CIO of the firm.
- **Objective:** The sub-advisor seeks to invest in companies that are trading at a discount to fair value with the potential to generate above-average rates of returns over time.
- **Strategy:** Typical characteristics of an investment in the Select strategy are:
 - Undervalued Growth: companies with attractive ROIC that are trading at an attractive valuation
 - Undervalued Assets: companies where the market is under appreciating the value of underlying assets
 - Undervalued Dividends: companies with attractive dividend yields or return to shareholders

◆ Aristotle Atlantic Core Equity

- **Management:** The strategy is managed by a team of three Portfolio Managers. Owen Fitzpatrick, CFA, is the lead portfolio manager and is ultimately responsible for all portfolio decisions. Thomas Hynes and Brendan O'Neill share in portfolio management responsibilities and serve as research analysts.
- **Objective:** The strategy seeks to maximize long-term capital appreciation relative to the Russell 3000 Index over a full business cycle utilizing a risk-controlled investment approach.
- **Strategy:** The sub-advisor invests in high quality stocks with a focus on long term sustainable growth identified through both bottom-up fundamental analysis and top-down themes approach. This strategy tends to be concentrated in 45-60 companies. The benchmark for this strategy is the Russell 3000 Index.

● Jacobs Levy Small Cap Equity

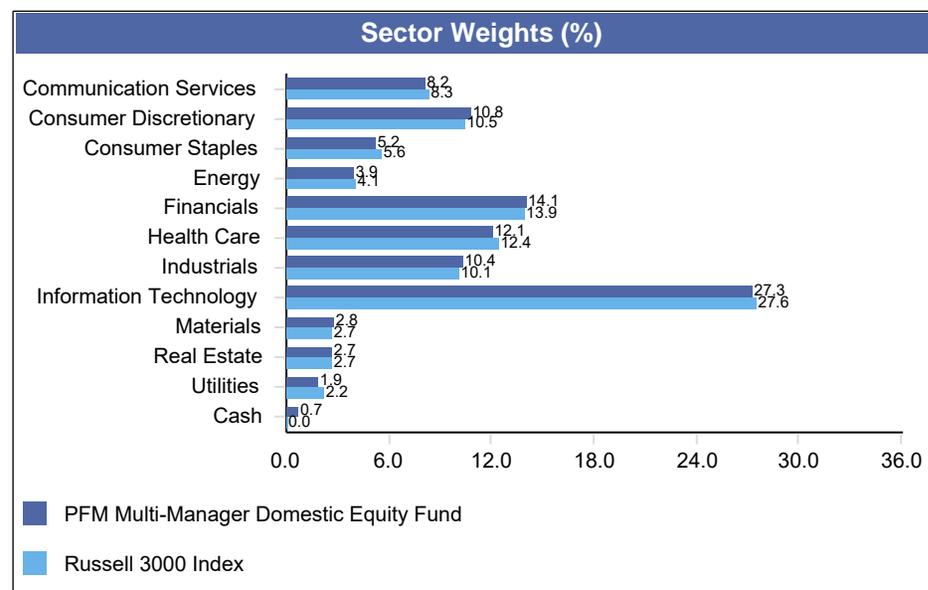
- **Management:** Dr. Bruce I. Jacobs and Mr. Kenneth N. Levy co-founded Jacobs Levy in 1986. The two individuals own 100% of the firm and are the portfolio managers responsible for the day-to-day management of firm assets. The two individuals are backed by a team of over 50 investment professionals.
- **Objective:** Through a quantitative approach, the strategy seeks outperformance relative to the S&P Small Cap Index.
- **Strategy:** The strategy employs an actively managed approach designed to outperform the S&P 600 over a full market cycle. The team uses a multi factor quantitative approach with over 80 factors, about half are fundamental factors and the other half are industry factors. Stock selection is determined based on an optimizer run for expected alpha.

Portfolio Characteristics

As of March 31, 2024

PFM Multi-Manager Domestic Equity vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	659,990	689,318
Median Mkt. Cap (\$M)	1,162	2,222
Price/Earnings ratio	24.98	24.80
Price/Book ratio	4.32	4.38
5 Yr. EPS Growth Rate (%)	15.51	15.05
Current Yield (%)	1.26	1.38
Number of Stocks	3,678	2,949



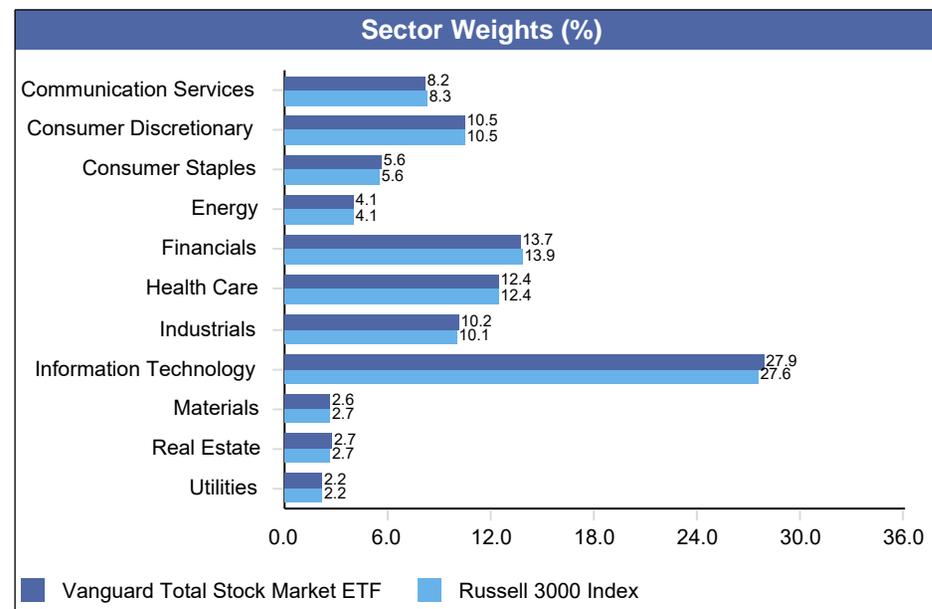
Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	5.98	6.17	-0.19	12.09
NVIDIA Corporation	4.31	4.23	0.08	82.47
Apple Inc	4.11	4.93	-0.82	-10.82
Amazon.com Inc	3.49	3.20	0.29	18.72
Alphabet Inc	2.27	1.77	0.50	8.05
Meta Platforms Inc	1.86	2.12	-0.26	37.33
JPMorgan Chase & Co	1.57	1.14	0.43	18.47
Berkshire Hathaway Inc	1.52	1.52	0.00	17.91
Broadcom Inc	1.18	1.13	0.05	19.23
Alphabet Inc	1.10	1.51	-0.41	8.04
% of Portfolio	27.39	27.72	-0.33	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Elevation Oncology Inc	0.00	0.00	0.00	855.31
Corbus Pharmaceuticals Holdings Inc	0.00	0.00	0.00	549.67
Root Inc	0.00	0.00	0.00	482.82
Ocean Biomedical Inc	0.00	0.00	0.00	473.49
Dave Inc	0.00	0.00	0.00	342.93
Viking Therapeutics Inc	0.01	0.02	-0.01	340.62
Vincerx Pharma Inc	0.00	0.00	0.00	328.81
Sezzle Inc	0.00	0.00	0.00	311.74
Jasper Therapeutics Inc	0.00	0.00	0.00	272.12
Cardiff Oncology Inc	0.00	0.00	0.00	260.81
% of Portfolio	0.01	0.02	-0.01	

The fund characteristics and top holdings shown above are based on a look-through of any underlying mutual funds or ETFs held within the Fund. ETF holdings are available daily, while mutual fund holdings are only published on a monthly or quarterly basis. As a result, holdings used for the look-through of third-party mutual funds may be as of the prior month or quarter end depending on the most recent information available at the time this report was published.

Vanguard Total Stock Market ETF vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	690,845	689,318
Median Mkt. Cap (\$M)	1,165	2,222
Price/Earnings ratio	24.93	24.80
Price/Book ratio	4.40	4.38
5 Yr. EPS Growth Rate (%)	15.06	15.05
Current Yield (%)	1.37	1.38
Number of Stocks	3,674	2,949

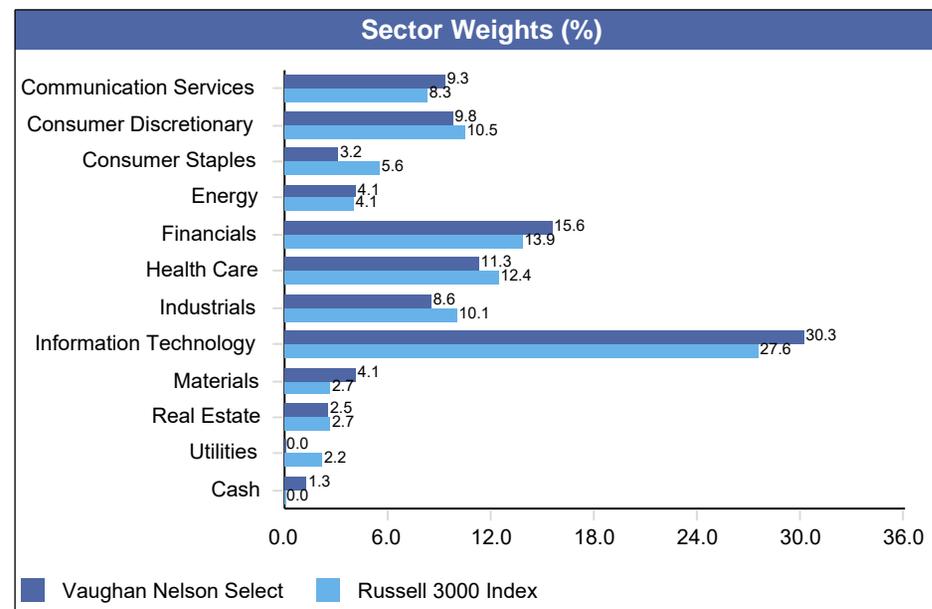


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	6.16	6.17	-0.01	12.09
Apple Inc	4.96	4.93	0.03	-10.82
NVIDIA Corporation	4.23	4.23	0.00	82.47
Amazon.com Inc	3.32	3.20	0.12	18.72
Meta Platforms Inc	2.10	2.12	-0.02	37.33
Alphabet Inc	1.75	1.77	-0.02	8.05
Berkshire Hathaway Inc	1.47	1.52	-0.05	17.91
Alphabet Inc	1.44	1.51	-0.07	8.04
Eli Lilly and Co	1.31	1.30	0.01	33.69
Broadcom Inc	1.22	1.13	0.09	19.23
% of Portfolio	27.96	27.88	0.08	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Elevation Oncology Inc	0.00	0.00	0.00	855.31
Corbus Pharmaceuticals Holdings Inc	0.00	0.00	0.00	549.67
Root Inc	0.00	0.00	0.00	482.82
Ocean Biomedical Inc	0.00	0.00	0.00	473.49
Dave Inc	0.00	0.00	0.00	342.93
Viking Therapeutics Inc	0.02	0.02	0.00	340.62
Vincerox Pharma Inc	0.00	0.00	0.00	328.81
Sezzle Inc	0.00	0.00	0.00	311.74
Jasper Therapeutics Inc	0.00	0.00	0.00	272.12
Cardiff Oncology Inc	0.00	0.00	0.00	260.81
% of Portfolio	0.02	0.02	0.00	

Vaughan Nelson Select vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	661,348	689,318
Median Mkt. Cap (\$M)	88,256	2,222
Price/Earnings ratio	31.44	24.80
Price/Book ratio	5.27	4.38
5 Yr. EPS Growth Rate (%)	20.77	15.05
Current Yield (%)	0.67	1.38
Number of Stocks	26	2,949

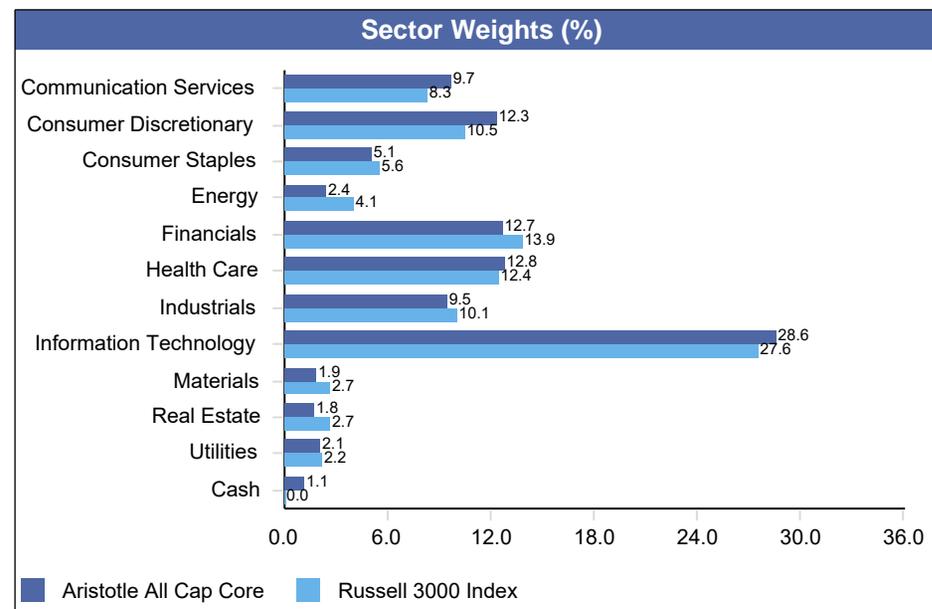


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	6.88	6.17	0.71	12.09
NVIDIA Corporation	5.71	4.23	1.48	82.47
Amazon.com Inc	5.58	3.20	2.38	18.72
Saia Inc	5.34	0.03	5.31	33.49
Alphabet Inc	5.03	1.77	3.26	8.05
Monolithic Power Systems Inc	4.57	0.06	4.51	7.59
JPMorgan Chase & Co	4.47	1.14	3.33	18.47
Walt Disney Co (The)	4.30	0.44	3.86	35.52
O'Reilly Automotive Inc	4.17	0.13	4.04	18.82
Sherwin-Williams Co (The)	4.14	0.16	3.98	11.61
% of Portfolio	50.19	17.33	32.86	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NVIDIA Corporation	5.71	4.23	1.48	82.47
Kinsale Capital Group Inc	3.43	0.02	3.41	56.73
Walt Disney Co (The)	4.30	0.44	3.86	35.52
Saia Inc	5.34	0.03	5.31	33.49
O'Reilly Automotive Inc	4.17	0.13	4.04	18.82
Amazon.com Inc	5.58	3.20	2.38	18.72
JPMorgan Chase & Co	4.47	1.14	3.33	18.47
Berkshire Hathaway Inc	3.75	1.52	2.23	17.91
SALESFORCE INC	3.21	0.56	2.65	14.61
Microsoft Corp	6.88	6.17	0.71	12.09
% of Portfolio	46.84	17.44	29.40	

Aristotle All Cap Core vs. Russell 3000 Index

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	820,521	689,318
Median Mkt. Cap (\$M)	105,144	2,222
Price/Earnings ratio	28.26	24.80
Price/Book ratio	5.14	4.38
5 Yr. EPS Growth Rate (%)	15.15	15.05
Current Yield (%)	0.90	1.38
Number of Stocks	52	2,949

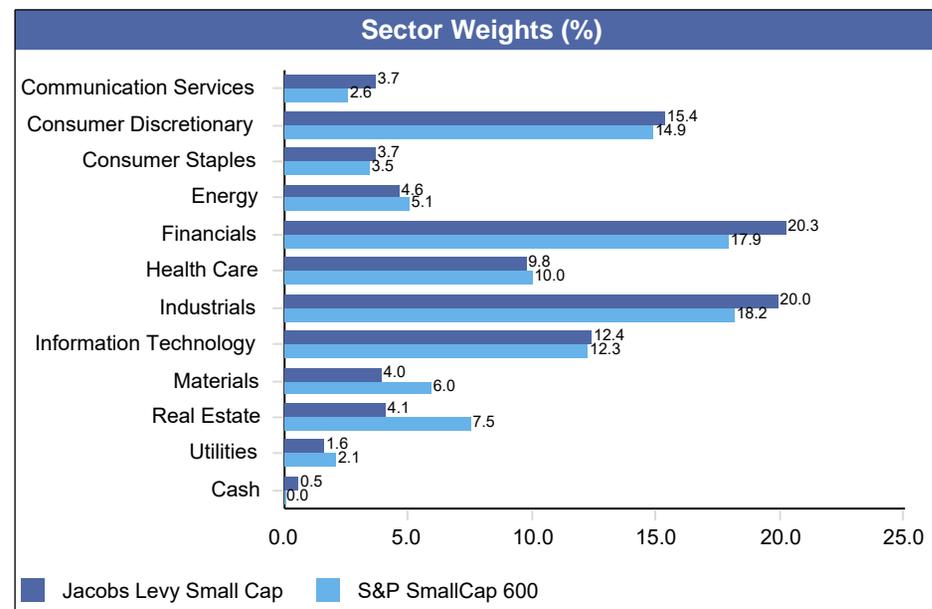


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsoft Corp	7.16	6.17	0.99	12.09
NVIDIA Corporation	6.30	4.23	2.07	82.47
Alphabet Inc	5.20	1.77	3.43	8.05
Amazon.com Inc	4.74	3.20	1.54	18.72
Apple Inc	4.41	4.93	-0.52	-10.82
Meta Platforms Inc	3.39	2.12	1.27	37.33
Broadcom Inc	3.31	1.13	2.18	19.23
JPMorgan Chase & Co	2.97	1.14	1.83	18.47
Costco Wholesale Corp	2.61	0.64	1.97	11.15
AMETEK Inc	2.43	0.08	2.35	11.09
% of Portfolio	42.52	25.41	17.11	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NVIDIA Corporation	6.30	4.23	2.07	82.47
Meta Platforms Inc	3.39	2.12	1.27	37.33
Eli Lilly and Co	0.77	1.30	-0.53	33.69
Antero Resources Corporation	0.92	0.02	0.90	27.87
Applied Materials Inc	1.88	0.34	1.54	27.46
General Motors Co	1.23	0.10	1.13	26.62
Netflix Inc	1.13	0.51	0.62	24.74
Trane Technologies plc	1.91	0.13	1.78	23.45
The Cigna Group	1.94	0.21	1.73	21.80
Chart Industries Inc	1.12	0.01	1.11	20.82
% of Portfolio	20.59	8.97	11.62	

Jacobs Levy Small Cap vs. S&P SmallCap 600

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	2,392	3,020
Median Mkt. Cap (\$M)	1,161	1,869
Price/Earnings ratio	14.49	15.59
Price/Book ratio	2.02	2.20
5 Yr. EPS Growth Rate (%)	10.47	10.13
Current Yield (%)	1.48	1.83
Number of Stocks	201	602



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Meritage Homes Corp	1.88	0.54	1.34	1.21
Boise Cascade Co	1.84	0.51	1.33	18.75
Advance Auto Parts Inc.	1.56	0.42	1.14	39.98
ArcBest Corp	1.56	0.28	1.28	18.64
ScanSource Inc	1.55	0.09	1.46	11.18
Tri Pointe Homes Inc	1.54	0.32	1.22	9.21
GMS Inc	1.51	0.33	1.18	18.09
Box Inc	1.49	0.34	1.15	10.58
DoubleVerify Holdings Inc	1.45	0.41	1.04	-4.40
PHINIA Inc	1.45	0.15	1.30	27.78
% of Portfolio	15.83	3.39	12.44	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
FibroGen Inc	0.04	0.00	0.04	165.15
Enanta Pharmaceuticals Inc	0.03	0.00	0.03	85.55
Powell Industries Inc	0.94	0.11	0.83	61.26
American Public Education Inc	0.10	0.00	0.10	47.15
PubMatic Inc	0.04	0.00	0.04	45.43
WK Kellogg Co	0.17	0.10	0.07	44.64
REV Group	0.13	0.00	0.13	43.93
Advance Auto Parts Inc.	1.56	0.42	1.14	39.98
LendingTree Inc	0.48	0.00	0.48	39.64
Mercury General Corp	0.86	0.12	0.74	39.23
% of Portfolio	4.35	0.75	3.60	

● **iShares Core MSCI Total International Stock**

- **Management:** BlackRock Fund Advisors is the investment adviser for the fund. The three portfolio managers responsible for managing the fund include Jennifer Hsui, Greg Savage, and Paul Whitehead.
- **Objective:** The strategy seeks to track the performance of a benchmark index that measures the investment return of the overall stock market.
- **Strategy:** The strategy employs an index replication strategy designed to track the performance of the MSCI All Country World ex-US IMI Index. The strategy uses a representative sampling approach. Representative sampling gives the Fund characteristics similar to the underlying index.

● **WCM Focused Growth**

- **Management:** The strategy is managed by Paul R. Black, Michael Trigg, Sanjay Ayer, and Jon Tringale. Paul and Michael have been with the fund since its inception in 2011. Sanjay and Jon were promoted to portfolio managers in 2020 and 2022, respectively.
- **Objective:** The strategy seeks to outperform the MSCI ACWI ex U.S. by using bottom-up security selection.
- **Strategy:** A concentrated, high-quality, growth-oriented international equity strategy, based purely on deep bottom-up fundamental research.

● **Ninety-One International Dynamic Equity**

- **Management:** The fund is co-managed by Greg Kuhnert and Adam Child. Mr. Kuhnert joined the firm in 1999 and Mr. Child joined in 2012. They have been in the investment industry for 28 and 14 years, respectively.
- **Objective:** The Strategy seeks long-term capital growth primarily through investments in compelling companies across sectors and geographies, excluding the United States.
- **Strategy:** The strategy utilizes a 4-factor front end screen (strategy, earnings, value, technicals) followed by fundamental analysis to identify companies with sustainable returns of capital and strong business growth drivers. This strategy tends to be concentrated in 50-70 companies. The benchmark for this strategy is the MSCI AC World ex U.S. Index.

● **Acadian Non-U.S. Equity**

- **Management:** The investment team is overseen by CIO, Brendan Bradley, who has been with the firm since 2004. Also leading the investment team are Ryan Taliaferro, Malcolm Baker, Alexandre Voitenok.
- **Objective:** The strategy seeks to provide long term growth by investing in global securities outside of the U.S.
- **Strategy:** Systematic, quantitatively managed strategy with an all-cap approach utilizing value, quality, growth, and technical factors for security selection.

◆ Aristotle International Equity

- **Management:** The strategy is managed by a team of three Portfolio Managers, Howard Gleicher, CFA, Geoffrey Stewart, CFA, and Sean Thorpe, with all decisions made by unanimous approval. The three PMs are supported by a 10-member global sector analyst team.
- **Objective:** The strategy's focus is on identifying high quality stocks, selling at attractive valuations, and with some compelling catalyst for future growth.
- **Strategy:** Aristotle's "value equity" strategies are based on a uniform investment philosophy of investing in high quality businesses trading at discounts to their estimates of intrinsic value. Valuation is looked at through different lens: relative valuation, strategic value for a buyer, discounted cash flows, and attractive company fundamentals relative to peers. Quality, Valuation, and Catalysts are the basis for all of their investment decisions.

◆ Virtus Kayne Anderson International Small Cap Equity

- **Management:** The fund is co-managed by Craig Thrasher and Hyung Kim. Mr. Kim became co-PM in January 2019 when the prior portfolio manager stepped back. Both are supported by five research analysts who oversee the small cap product. All seven members on the team are generalists with dedicated stock coverage.
- **Objective:** The Fund seeks to invest in international small-cap companies with durable business models and high profitability at attractive prices.
- **Strategy:** The Fund combines quantitative screens with fundamental analysis to identify high-quality companies with a sustainable competitive advantage. Fundamental analysis includes reviewing industry data, regulatory filings, and comprehensive meetings with company management. The team has a specific focus on capital efficiency, growth profile, capital structure, and business resiliency. The quantitative assessment includes searching for a high sustainable rate on capital, low debt, and high free cash flow. The team conducts valuation analysis, primarily using EV/EBIT multiples, to determine the entry point.

◆ Schroders Emerging Markets Equity

- **Management:** The fund is managed by a team of six portfolio managers led by Tom Wilson, Schroders' Head of Emerging Markets Equity. He has worked at Schroders since 2001 and has been involved with emerging markets equities at Schroders since 2004.
- **Objective:** The Fund seeks capital appreciation.
- **Strategy:** The Fund employs an actively managed approach that combines fundamental, bottom-up stock research with a quantitative country allocation process. Country rankings are prepared through evaluation of valuation, growth, currency, momentum, and interest rates. Stock level research targets a core universe of the most liquid stocks in the emerging markets universe, utilizing a relative value approach for stocks across the growth/value spectrum without any systematic style bias. Comprehensive risk controls are employed to keep factor exposures in check and constrain strategy-level tracking error to moderate levels.

◆ iShares MSCI Emerging Markets ex China

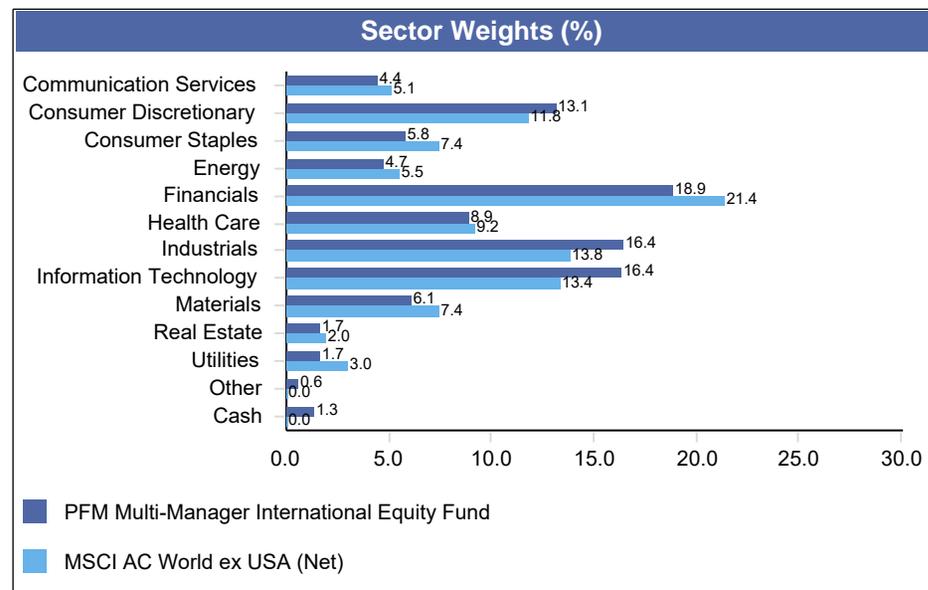
- **Management:** BlackRock Fund Advisors is the investment adviser for the Fund. The three portfolio managers responsible for the Fund include Jennifer Hsui, Greg Savage, and Paul Whitehead.
- **Objective:** The strategy seeks to track the performance of a benchmark index that measures the investment return of stocks of large- and mid-capitalization emerging markets equities, excluding China.
- **Strategy:** The strategy employs an index replication strategy designed to track the performance of the MSCI Emerging Markets ex China Index. The strategy uses a representative sampling approach. Representative sampling gives the Fund characteristics similar to the underlying index.

Portfolio Characteristics

As of March 31, 2024

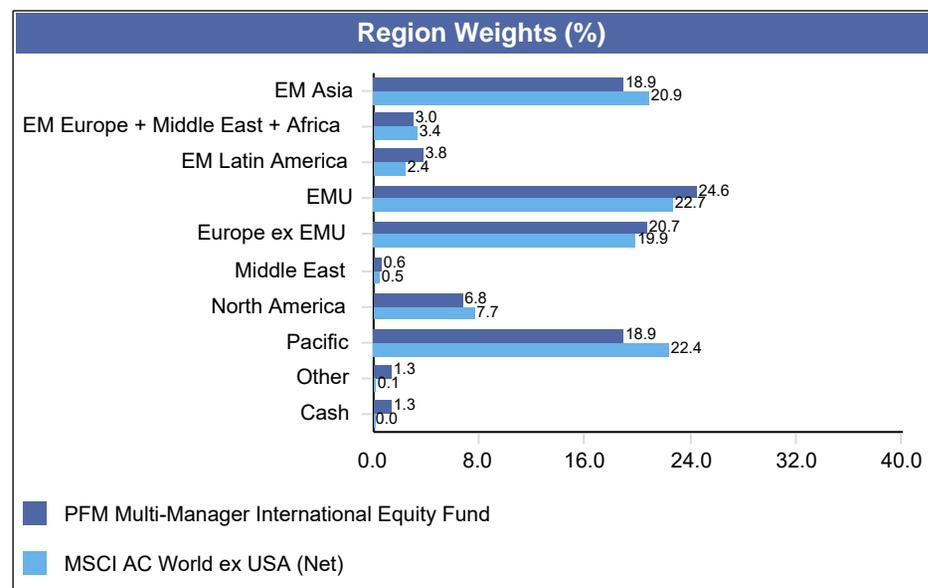
PFM Multi-Manager International Equity vs. MSCI AC World ex USA (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	95,655	102,127
Median Mkt. Cap (\$M)	2,977	10,144
Price/Earnings ratio	16.85	15.55
Price/Book ratio	2.91	2.58
5 Yr. EPS Growth Rate (%)	11.98	9.41
Current Yield (%)	2.58	3.07
Number of Stocks	4,579	2,231



Top Ten Equity Holdings

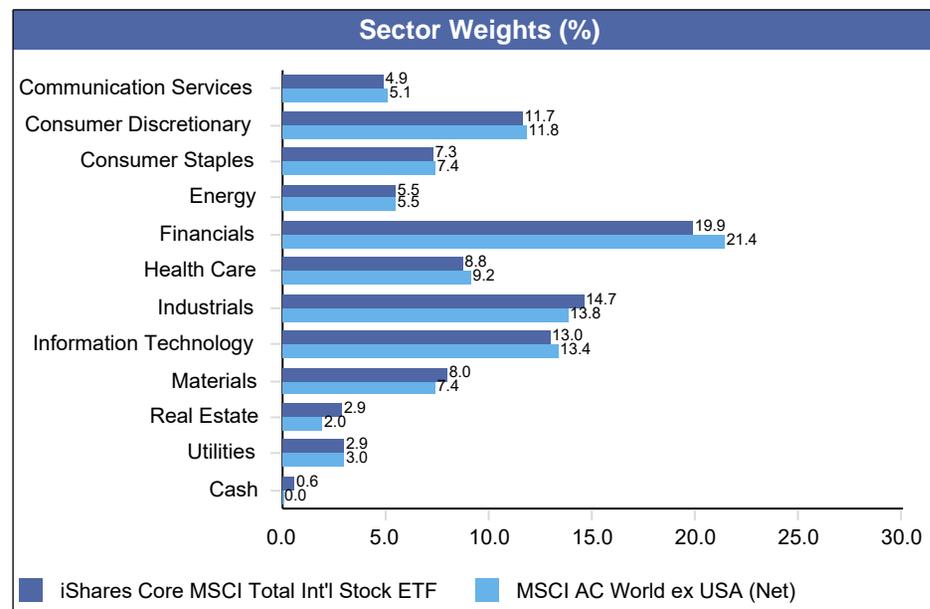
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novo Nordisk A/S	2.16	1.59	0.57	24.24
Taiwan Semicon Manu Co	1.74	2.30	-0.56	26.55
LVMH Moet Hennessy Louis Vui	1.44	0.95	0.49	11.11
Samsung Electronics Co Ltd	1.39	1.12	0.27	0.42
ASML Holding NV	1.18	1.49	-0.31	28.18
Astrazeneca PLC	0.93	0.80	0.13	1.38
Safran SA	0.88	0.30	0.58	28.79
Ferrari NV	0.85	0.21	0.64	29.42
Sony Group Corporation	0.83	0.41	0.42	-9.49
Accenture PLC	0.80	0.00	0.80	-0.87
% of Portfolio	12.20	9.17	3.03	



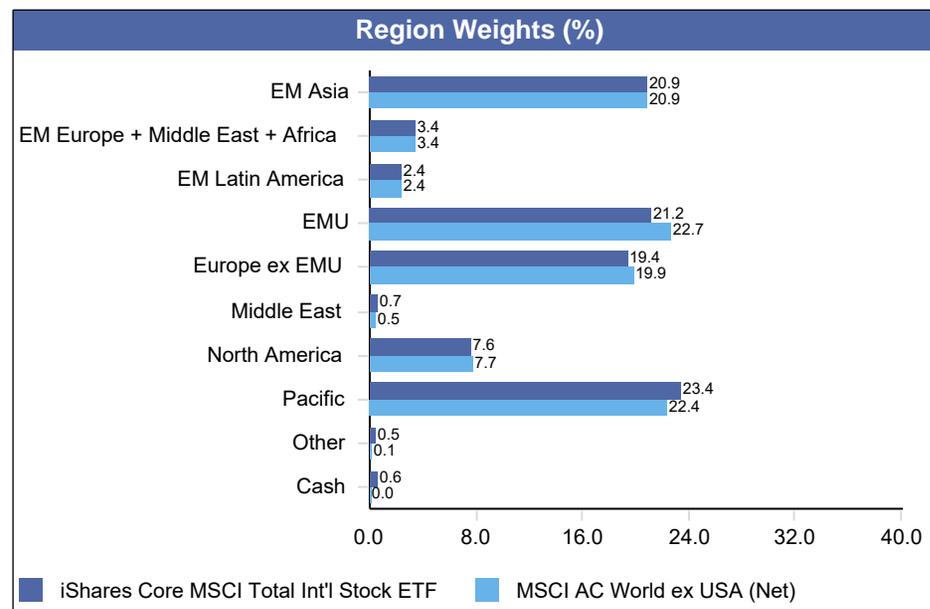
The fund characteristics and top holdings shown above are based on a look-through of any underlying mutual funds or ETFs held within the Fund. ETF holdings are available daily, while mutual fund holdings are only published on a monthly or quarterly basis. As a result, holdings used for the look-through of third-party mutual funds may be as of the prior month or quarter end depending on the most recent information available at the time this report was published.

iShares Core MSCI Total Int'l Stock ETF vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	87,448	102,127
Median Mkt. Cap (\$M)	3,118	10,144
Price/Earnings ratio	15.39	15.55
Price/Book ratio	2.54	2.58
5 Yr. EPS Growth Rate (%)	9.49	9.41
Current Yield (%)	3.08	3.07
Number of Stocks	4,364	2,231

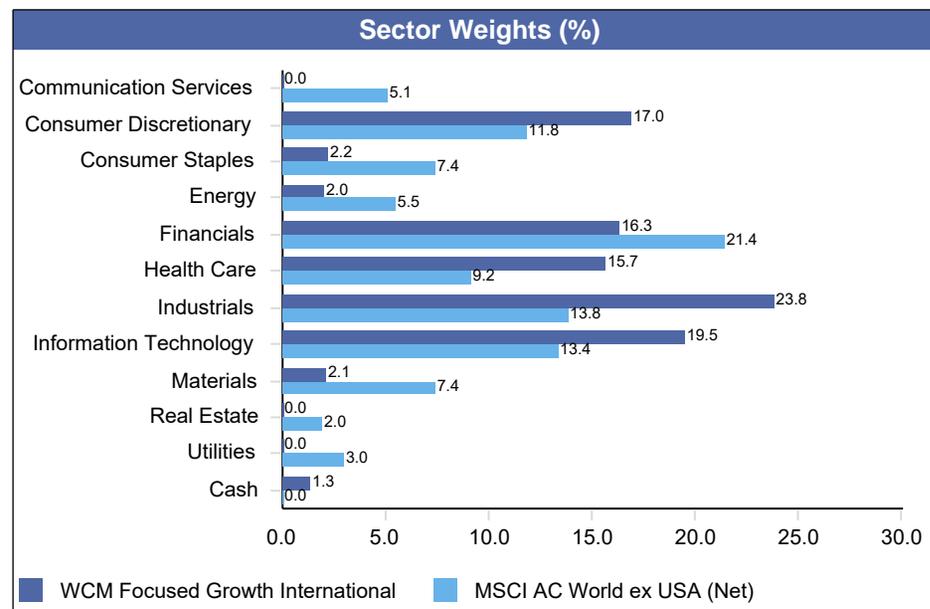


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	1.95	2.30	-0.35	26.55
Novo Nordisk A/S	1.36	1.59	-0.23	24.24
ASML Holding NV	1.27	1.49	-0.22	28.18
Samsung Electronics Co Ltd	0.95	1.12	-0.17	0.42
Nestle SA, Cham Und Vevey	0.92	1.09	-0.17	-8.24
Toyota Motor Corp	0.87	1.02	-0.15	36.36
Tencent Holdings LTD	0.84	0.98	-0.14	3.24
LVMH Moet Hennessy Louis Vui	0.81	0.95	-0.14	11.11
Shell Plc	0.70	0.83	-0.13	2.28
Astrazeneca PLC	0.68	0.80	-0.12	1.38
% of Portfolio	10.35	12.17	-1.82	

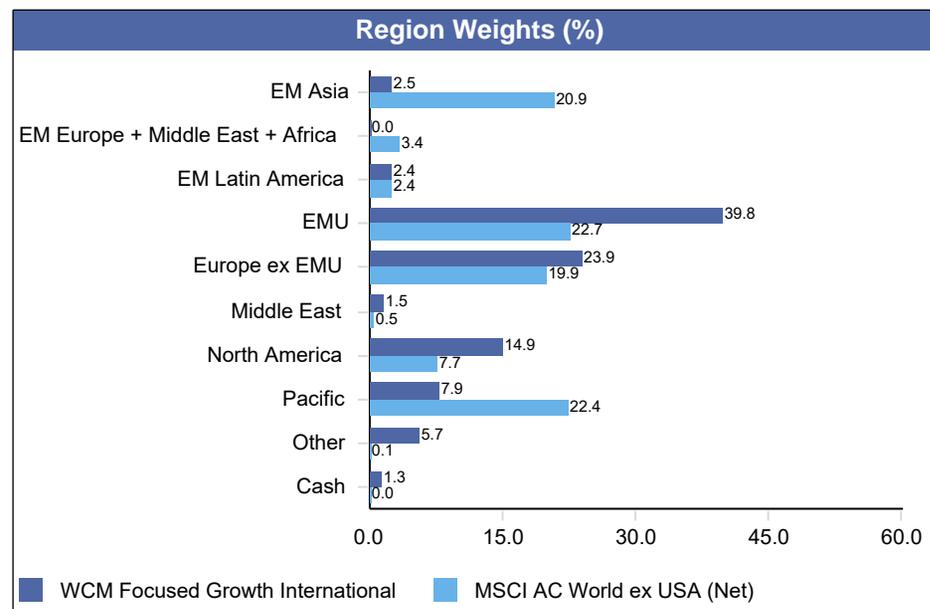


WCM Focused Growth International vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	130,381	102,127
Median Mkt. Cap (\$M)	66,176	10,144
Price/Earnings ratio	30.74	15.55
Price/Book ratio	6.03	2.58
5 Yr. EPS Growth Rate (%)	24.69	9.41
Current Yield (%)	0.87	3.07
Number of Stocks	36	2,231

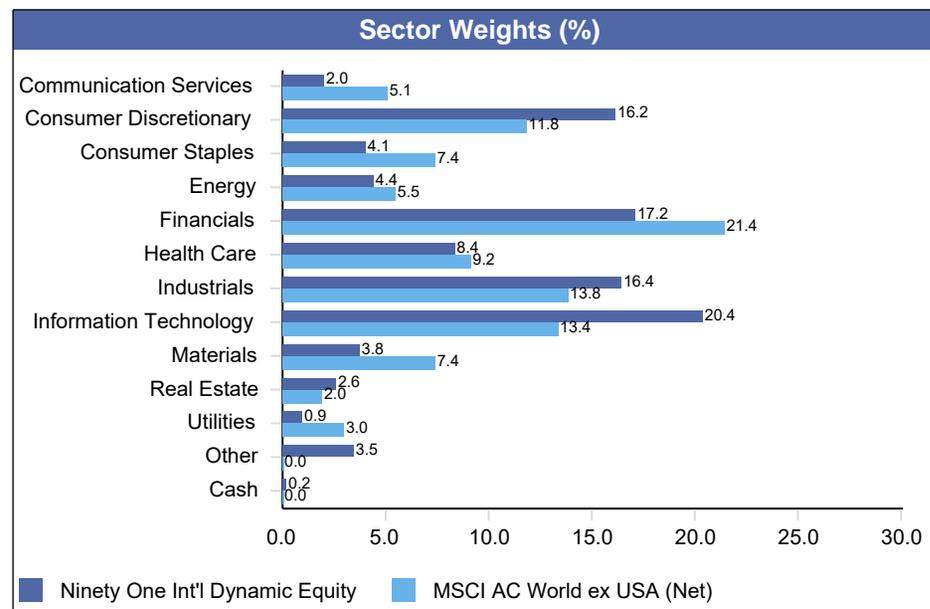


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novo Nordisk A/S	6.28	1.59	4.69	24.24
Canadian Pacific Kansas City Ltd	5.16	0.31	4.85	11.70
Ferrari NV	5.01	0.21	4.80	29.42
Icon PLC	4.77	0.00	4.77	18.68
BAE Systems PLC	3.52	0.20	3.32	20.42
Adyen N.V	3.48	0.14	3.34	31.41
ASML Holding NV	3.34	1.49	1.85	28.44
Safran SA	3.32	0.30	3.02	28.79
ASM International NV	3.27	0.11	3.16	17.73
Atlassian Corp	3.18	0.00	3.18	-17.97
% of Portfolio	41.33	4.35	36.98	

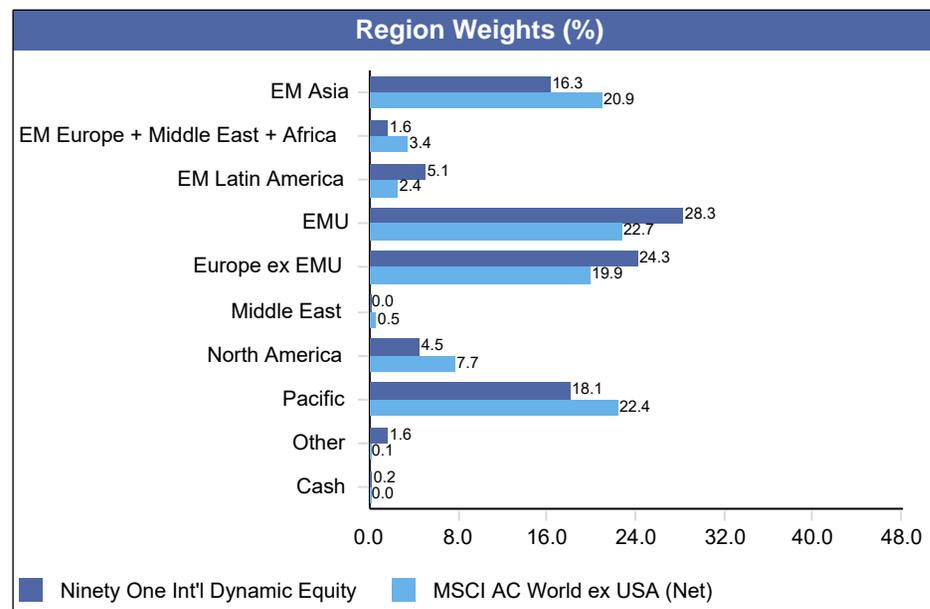


Ninety One Int'l Dynamic Equity vs. MSCI AC World ex USA (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	133,963	102,127
Median Mkt. Cap (\$M)	41,895	10,144
Price/Earnings ratio	16.91	15.55
Price/Book ratio	3.28	2.58
5 Yr. EPS Growth Rate (%)	12.46	9.41
Current Yield (%)	2.14	3.07
Number of Stocks	60	2,231

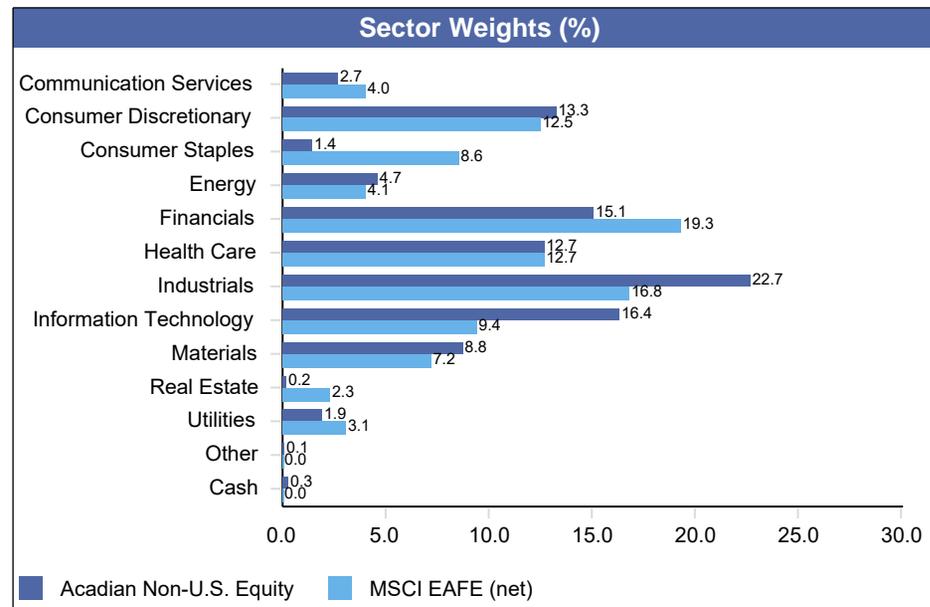


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novo Nordisk A/S	4.26	1.59	2.67	24.24
ASML Holding NV	4.26	1.49	2.77	28.18
Taiwan Semicon Manu Co ADR	3.66	2.30	1.36	31.35
iShares Trust - MSCI India ETF	3.47	0.00	3.47	5.70
SAP SE	3.05	0.78	2.27	26.49
LVMH Moet Hennessy Louis Vui	2.79	0.95	1.84	11.11
Samsung Electronics Co Ltd	2.63	1.12	1.51	0.42
Chiba Bank Ltd	2.59	0.02	2.57	16.94
Astrazeneca PLC	2.59	0.80	1.79	1.38
Keyence Corp	2.49	0.34	2.15	4.50
% of Portfolio	31.79	9.39	22.40	

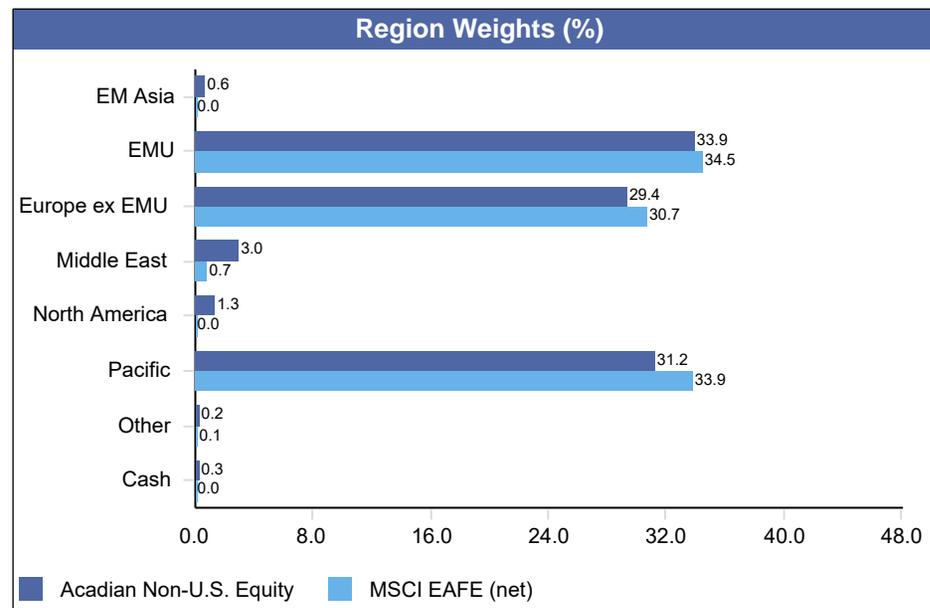


Acadian Non-U.S. Equity vs. MSCI EAFE (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	67,863	99,234
Median Mkt. Cap (\$M)	1,671	13,873
Price/Earnings ratio	12.33	15.64
Price/Book ratio	2.80	2.68
5 Yr. EPS Growth Rate (%)	11.67	8.53
Current Yield (%)	3.23	3.15
Number of Stocks	306	768

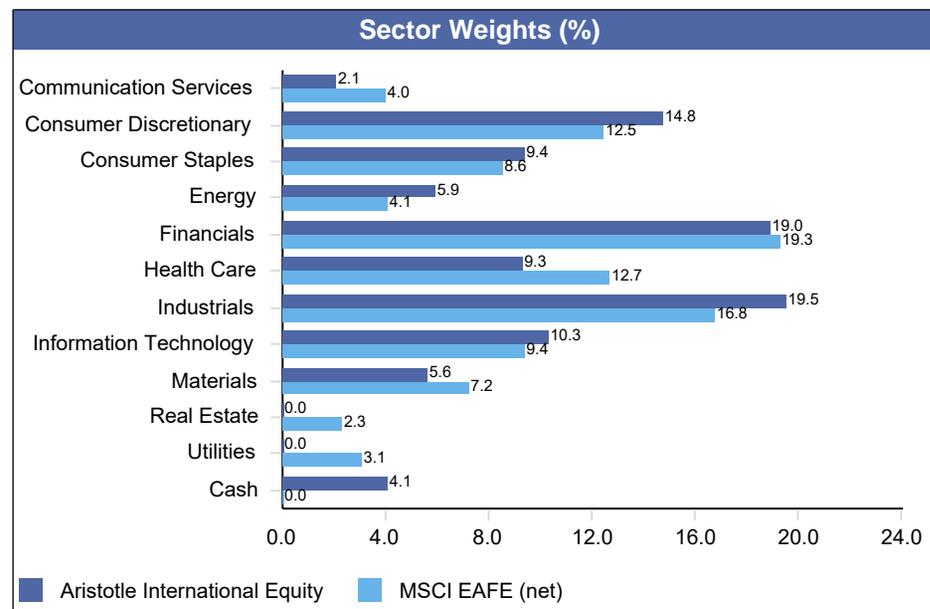


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Novo Nordisk A/S	4.37	2.46	1.91	24.24
Roche Holding AG	3.37	1.06	2.31	-8.59
Industria De Diseno Textil Inditex SA	2.60	0.32	2.28	15.72
Stellantis NV	2.58	0.37	2.21	21.78
ABB Ltd	2.08	0.44	1.64	7.13
Wolters Kluwer NV	2.04	0.23	1.81	10.30
Hermes International SA	1.79	0.48	1.31	20.75
Leonardo SPA	1.78	0.06	1.72	52.40
Holcim Ltd	1.73	0.28	1.45	15.58
Aristocrat Leisure Ltd	1.57	0.10	1.47	0.72
% of Portfolio	23.91	5.80	18.11	

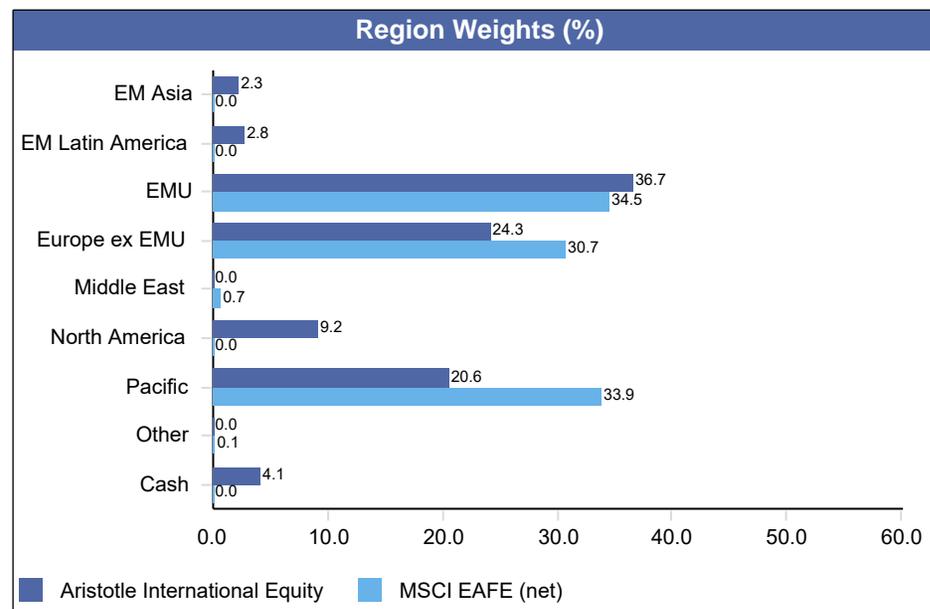


Aristotle International Equity vs. MSCI EAFE (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	67,939	99,234
Median Mkt. Cap (\$M)	31,629	13,873
Price/Earnings ratio	18.95	15.64
Price/Book ratio	2.59	2.68
5 Yr. EPS Growth Rate (%)	8.37	8.53
Current Yield (%)	2.24	3.15
Number of Stocks	39	768

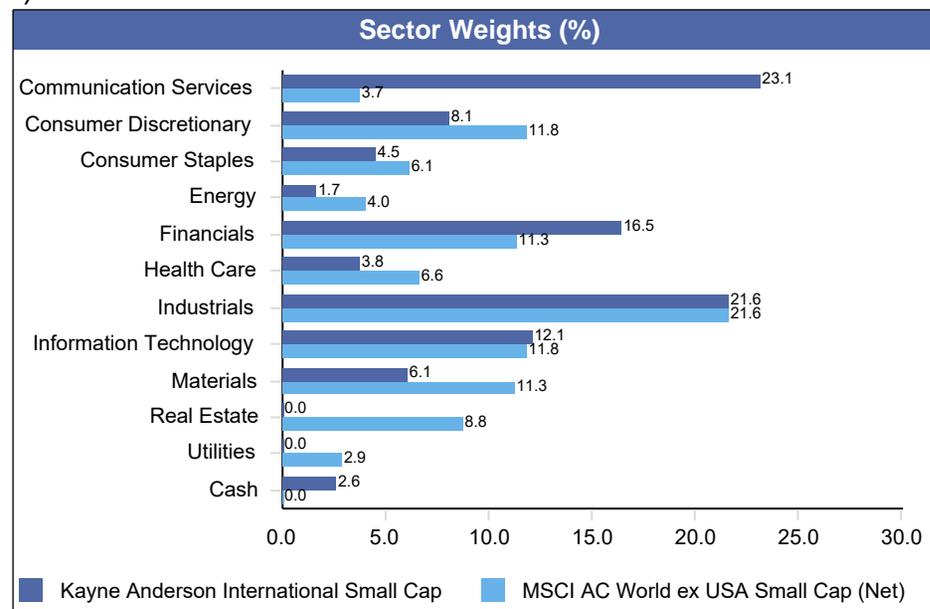


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Accenture PLC	4.69	0.00	4.69	-0.87
Muenchener Rueck-Geslft Aktgslht	4.42	0.39	4.03	17.89
CASH	4.10	0.00	4.10	N/A
Brookfield Corp	3.98	0.00	3.98	4.11
Pan Pacific International Holdings	3.62	0.06	3.56	11.95
Ashtead Group PLC	3.58	0.18	3.40	2.58
Safran SA	3.49	0.46	3.03	28.79
Nemetschek SE	3.30	0.03	3.27	14.26
Cameco Corp	3.25	0.00	3.25	0.01
LVMH Moet Hennessy Louis Vui	3.24	1.47	1.77	11.11
% of Portfolio	37.67	2.59	35.08	

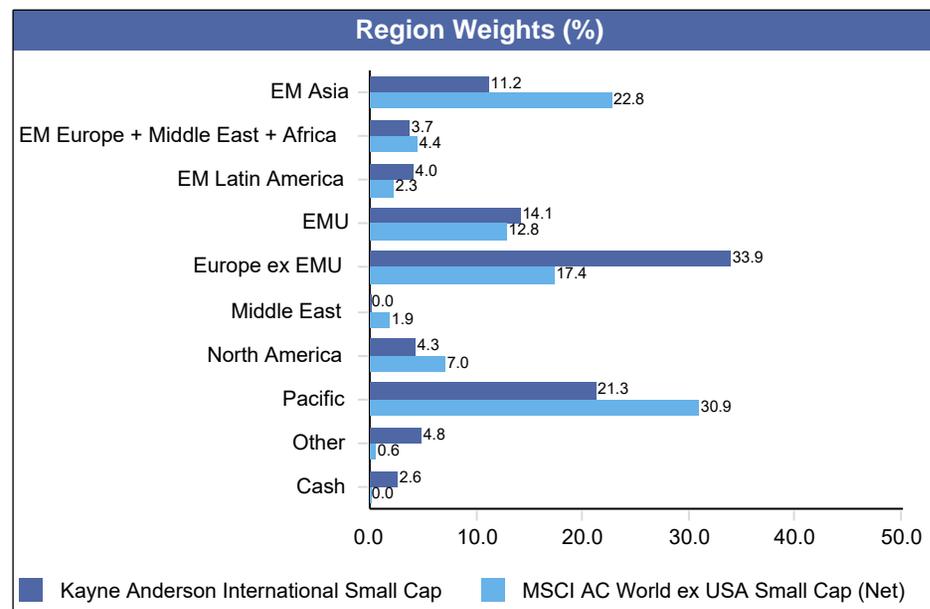


Kayne Anderson International Small Cap vs. MSCI AC World ex USA Small Cap (Net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	2,820	2,653
Median Mkt. Cap (\$M)	1,488	1,098
Price/Earnings ratio	20.09	14.76
Price/Book ratio	3.76	2.25
5 Yr. EPS Growth Rate (%)	6.11	9.67
Current Yield (%)	2.83	2.92
Number of Stocks	40	4,424

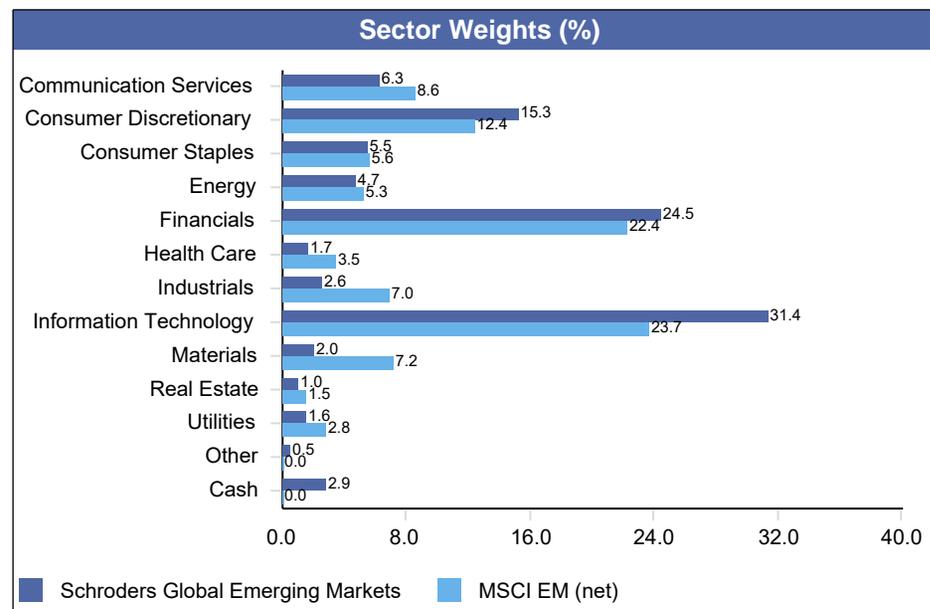


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Baltic Classifieds Group PLC	4.77	0.00	4.77	-5.52
Rightmove PLC	4.49	0.13	4.36	-5.38
Auto Trader Group plc	4.14	0.00	4.14	-3.37
oOh Media Ltd	4.09	0.01	4.08	4.79
Corporacion Moctezuma SAB	4.02	0.00	4.02	1.20
Heineken Malaysia Bhd	3.90	0.02	3.88	-6.21
Alten, Boulogne-Billancourt	3.89	0.10	3.79	-1.80
Haw Par Corp Ltd	3.76	0.00	3.76	-2.96
Grupa Pracuj S.A	3.75	0.00	3.75	7.20
Bouvet ASA	3.71	0.00	3.71	-4.85
% of Portfolio	40.52	0.26	40.26	

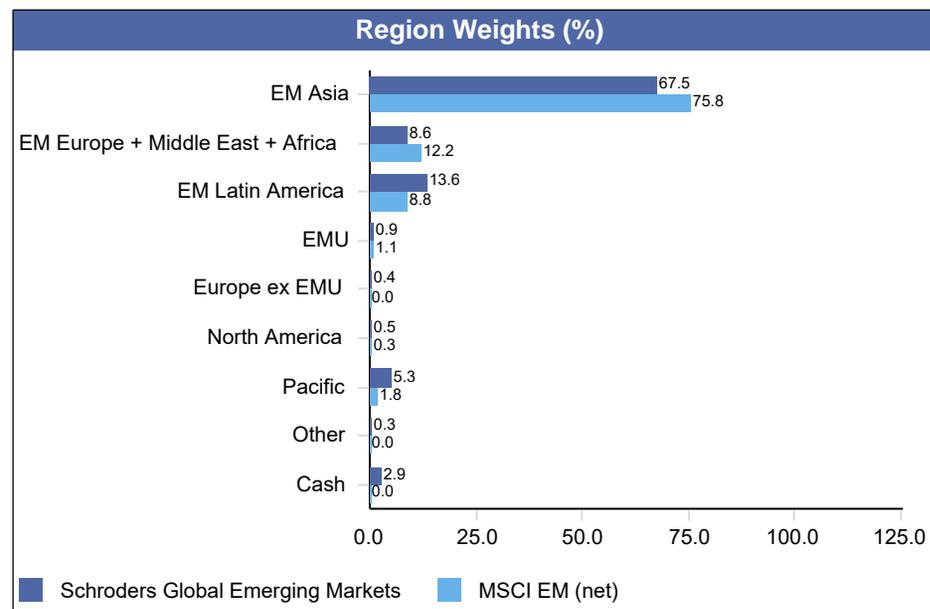


Schroders Global Emerging Markets vs. MSCI EM (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	131,963	121,494
Median Mkt. Cap (\$M)	14,232	7,229
Price/Earnings ratio	14.08	14.82
Price/Book ratio	2.34	2.59
5 Yr. EPS Growth Rate (%)	15.42	11.78
Current Yield (%)	2.90	2.86
Number of Stocks	104	1,376

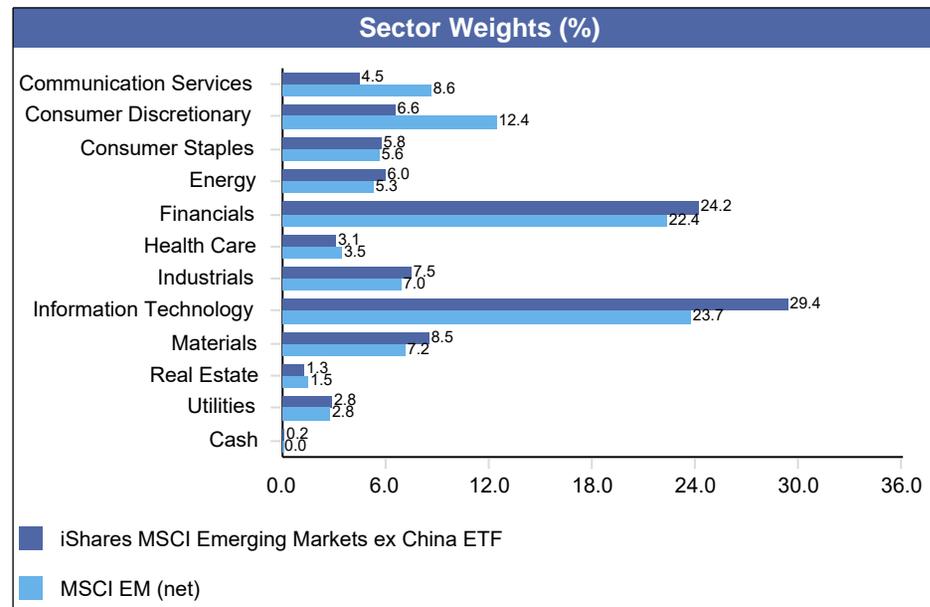


Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	8.44	8.33	0.11	26.55
Samsung Electronics Co Ltd	6.78	4.06	2.72	0.42
Tencent Holdings LTD	5.44	3.57	1.87	3.24
Alibaba Group Holding Ltd	3.16	2.03	1.13	-7.29
CASH	2.88	0.00	2.88	N/A
SK Hynix Inc	2.36	1.03	1.33	23.72
Infosys Ltd	2.27	0.83	1.44	-2.45
Mediatek Incorporation	2.20	0.79	1.41	15.90
Axis Bank Ltd	2.11	0.40	1.71	-3.95
Icici Bank Ltd	1.82	0.94	0.88	10.78
% of Portfolio	37.46	21.98	15.48	

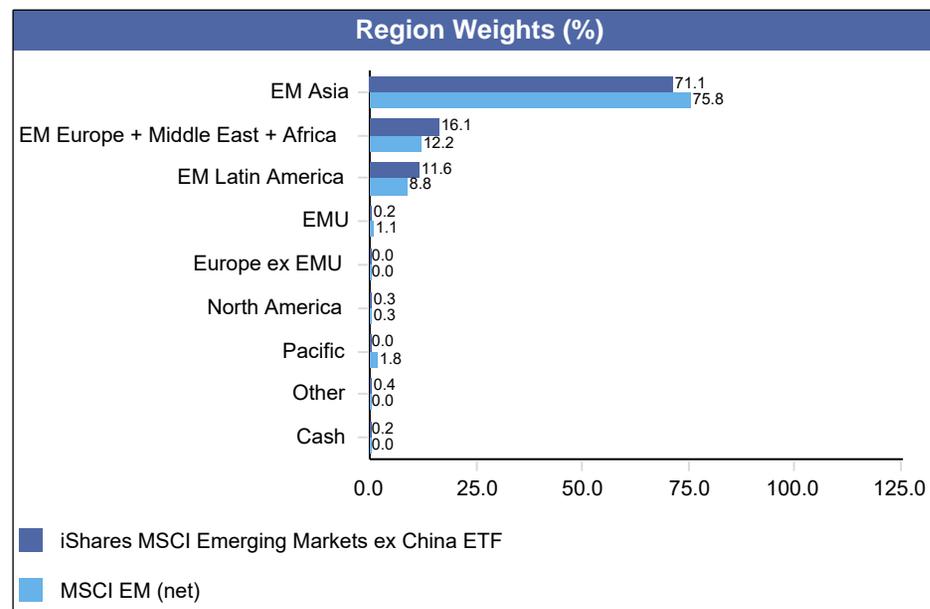


iShares MSCI Emerging Markets ex China ETF vs. MSCI EM (net)

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	132,522	121,494
Median Mkt. Cap (\$M)	8,090	7,229
Price/Earnings ratio	16.49	14.82
Price/Book ratio	2.63	2.59
5 Yr. EPS Growth Rate (%)	12.25	11.78
Current Yield (%)	2.88	2.86
Number of Stocks	699	1,376



Top Ten Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Taiwan Semicon Manu Co	11.05	8.33	2.72	26.55
Samsung Electronics Co Ltd	5.39	4.06	1.33	0.42
Reliance Industries Ltd	2.00	1.51	0.49	14.70
SK Hynix Inc	1.37	1.03	0.34	23.72
Icici Bank Ltd	1.24	0.94	0.30	9.45
Infosys Ltd	1.10	0.83	0.27	-3.13
Hon Hai Precision Industry Co Ltd	1.08	0.81	0.27	37.65
Mediatek Incorporation	1.04	0.79	0.25	15.90
H D F C Bank Ltd	0.90	0.68	0.22	-15.48
AI Rajhi Bank	0.80	0.60	0.20	-2.65
% of Portfolio	25.97	19.58	6.39	



● PGIM - Core Fixed Income

- **Management:** Richard Piccirillo (2012) and Gregory Peters (2014) are Senior Portfolio Managers. Michael Collins moved to an advisory role in 1q24.
- **Objective:** The strategy seeks to outperform the Bloomberg US Aggregate Index over full market cycles.
- **Strategy:** The strategy invests in a broad range of fixed income securities, including U.S. government securities, corporate bonds, taxable municipal securities and mortgage-backed or other asset-backed securities. The strategy may also invest in a limited amount of non-investment grade securities.

The investment process for Core Fixed Income portfolios utilizes both top-down and bottom-up approaches. Sector allocation, duration, yield curve, and “industry bias” decisions are made using top-down research derived from a range of internal sources, including our global macroeconomic research team and heads of the sector investment teams, as well as external sources. Actual subsector and security selections are made by sector specialists after conducting bottom-up fundamental and quantitative research and relative value analysis.

● TIAA –Core Bond

- **Management:** Stephen Liberatore, CFA is a Managing Director and Lead Portfolio Manager (2010)
- **Objective:** The strategy seeks a favorable long-term total return through income and capital appreciation while giving special consideration to certain environmental, social, and governance (“ESG”) criteria.
- **Strategy:** The strategy invests in a broad range of fixed income securities, including U.S. government securities, corporate bonds, taxable municipal securities and mortgage-backed or other asset-backed securities. The strategy may also invest in a limited amount of non-investment grade securities. The strategy seeks to add value through duration and yield-curve positioning, sector allocation and security selection. The evaluation process favors companies with leadership in ESG performance relative to their peers.

● iShares Core U.S Aggregate Bond ETF

- **Management:** James Mauro and Karen Uyehara (the “Portfolio Managers”) are primarily responsible for the day-to-day management of the Fund. Mr. Mauro and Ms. Uyehara have been co-managing the Fund since 2011 and 2021, respectively.
- **Objective:** The Fund seeks to track the investment results of the Bloomberg U.S. Aggregate Bond Index.
- **Strategy:** BlackRock Fund Advisors (“BFA”) uses a “passive” or indexing approach to try to achieve the Fund’s investment objective. Unlike many investment companies, the Fund does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

● iShares 10-20 Year Treasury Bond ETF

- **Management:** James Mauro and Karen Uyehara (the “Portfolio Managers”) are primarily responsible for the day-to-day management of the Fund. Mr. Mauro and Ms. Uyehara have been co-managing the Fund since 2011 and 2021, respectively.
- **Objective:** The Fund seeks to track the investment results of the ICE U.S. 10-20 Year Treasury Bond Index.
- **Strategy:** BlackRock Fund Advisors (“BFA”) uses a “passive” or indexing approach to try to achieve the Fund’s investment objective. Unlike many investment companies, the Fund does not try to “beat” the index it tracks and does not seek temporary defensive positions when markets decline or appear overvalued.

● PineBridge – Investment Grade Credit

- **Management:** Robert Vanden Assem, CFA, Managing Director and Head of Developed Markets IG Fixed Income (2001) & Dana Burns, Sr. Portfolio Manager (2007)
- **Objective:** The total return strategy seeks strong returns by combining a top-down view with a bottom-up, credit intensive research process.
- **Strategy:** The strategy invests in USD-denominated investment grade credit, focused in the corporate sector. The portfolio is constructed combining views of fundamentals, valuations and market technicals affecting sector and individual securities.

● Brown Brothers Harriman – Structured Fixed Income

- **Management:** Neil Hohmann, PhD, Head of Structured Products (2006), Andrew Hofer, Head of Taxable Portfolio Management (2006) & Chris Ling (2020)
- **Objective:** To deliver attractive long-term results through capital preservation and taking advantage of differences between valuations and fundamentals through a bottom-up research process.
- **Strategy:** The strategy is an investment grade portfolio focused on asset-backed securities backed by assets other than real estate (also known as non-traditional asset-backed securities). These securities will include a mix of equipment leases, commercial royalty and insurance-linked, and broad consumer related including: credit card, auto loans, student loans and debt refinancing. The structured fixed-income strategy may also invest a limited amount in commercial mortgage-backed securities and municipal debt instruments that are secured by tangible asset collateral or revenue streams. The structured fixed-income strategies are constructed using either a bottom-up investment approach or a quantitative framework to assess valuation and long-term return potential.

◆ BrandywineGLOBAL High Yield

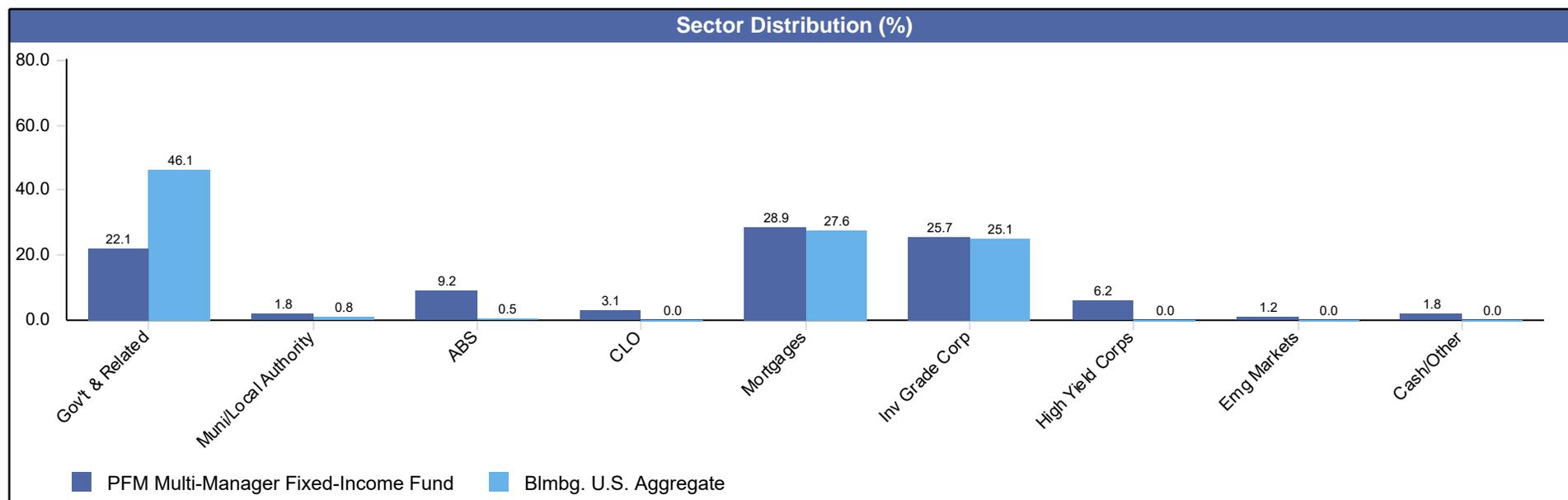
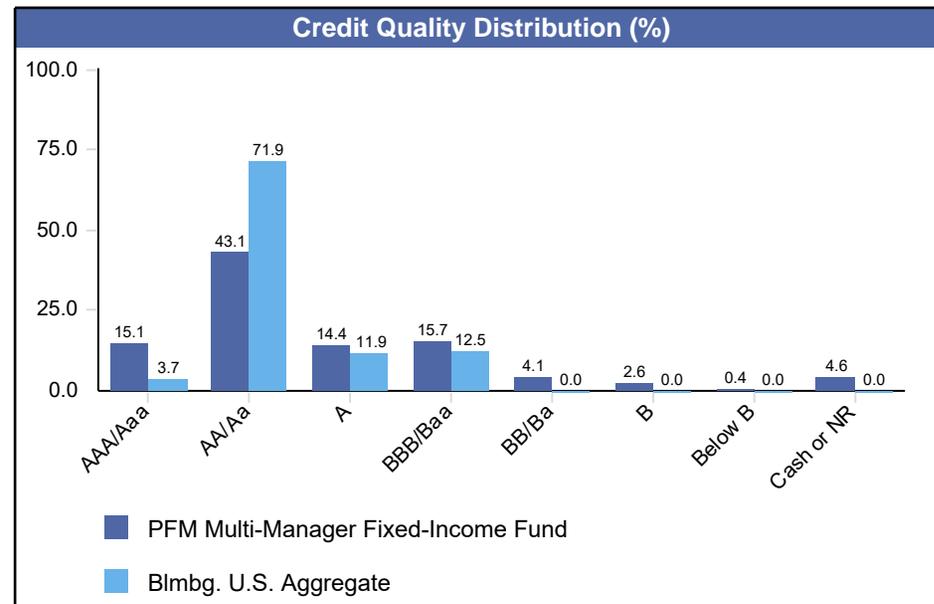
- **Management:** Bill Zox, CFA and John McClain, CFA have led the fund since its inception in 2014. Jack Parker, CFA was added as co-portfolio manager in 2023.
- **Objective:** Seeks high current income with the opportunity for capital appreciation.
- **Strategy:** The fund generally holds over 80% of its assets in corporate debt rated below investment grade. Securities are purchased when they believe the yield and total return potential are attractive relative to asset and interest coverage and comparable securities.

◆ Mainstay MacKay Shields High Yield Corporate

- **Management:** Andrew Susser is the lead portfolio manager (since 2013). Dohyun Cha, Won Choi and Nate Hudson were added as co-PMs in February 2024. They are supported by about a dozen analysts and traders..
- **Objective:** To outperform the high yield market over the long term through superior credit selection, while mitigating downside risks.
- **Strategy:** A bottom-up, value-oriented approach to investing in the high yield market. The team sets a minimum of 1.5x asset coverage on the universe of corporate bonds then breaks down the remainder into four risk groups with differing spread levels needed for potential inclusion. The result is a diversified portfolio that may include some exposure to loans or investment grade credits.

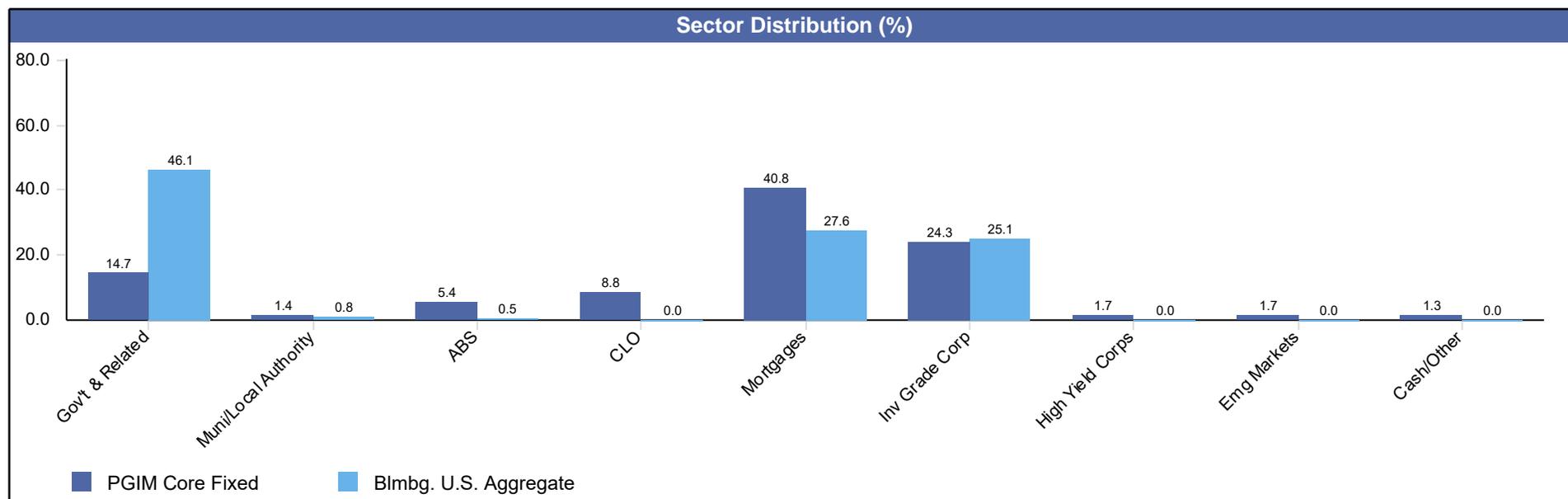
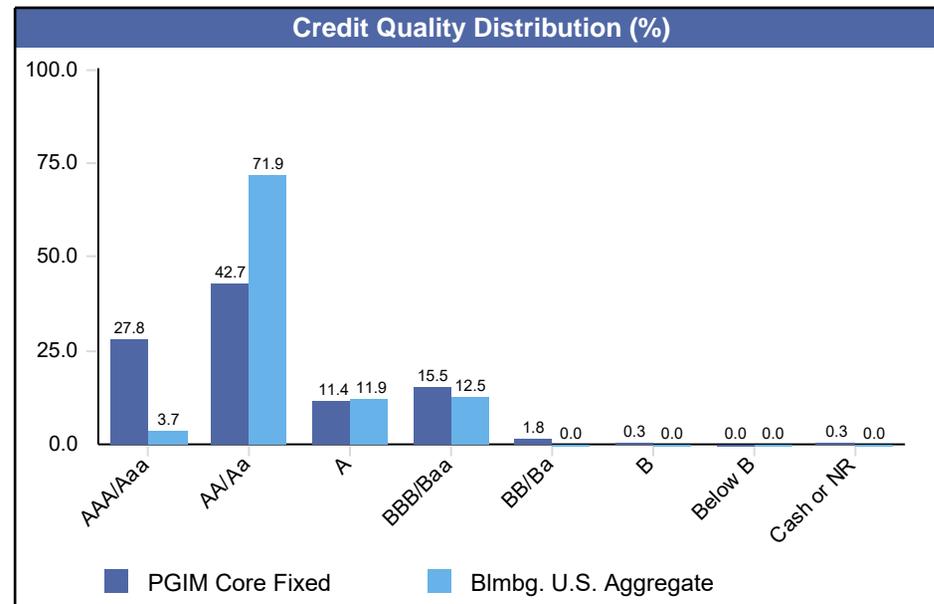
PFM Multi-Manager Fixed-Income Fund vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	5.80	6.15
Yield To Maturity (%)	5.58	4.85
Avg. Maturity	8.30	8.40
Avg. Quality	A	AA
Coupon Rate (%)	3.86	3.17



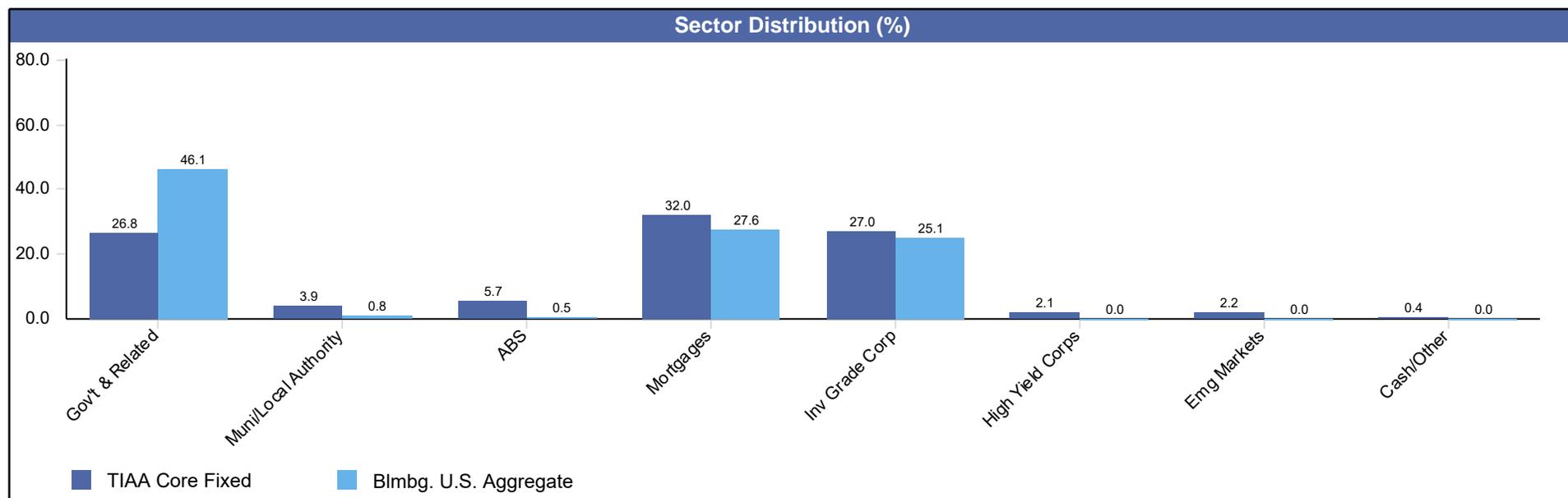
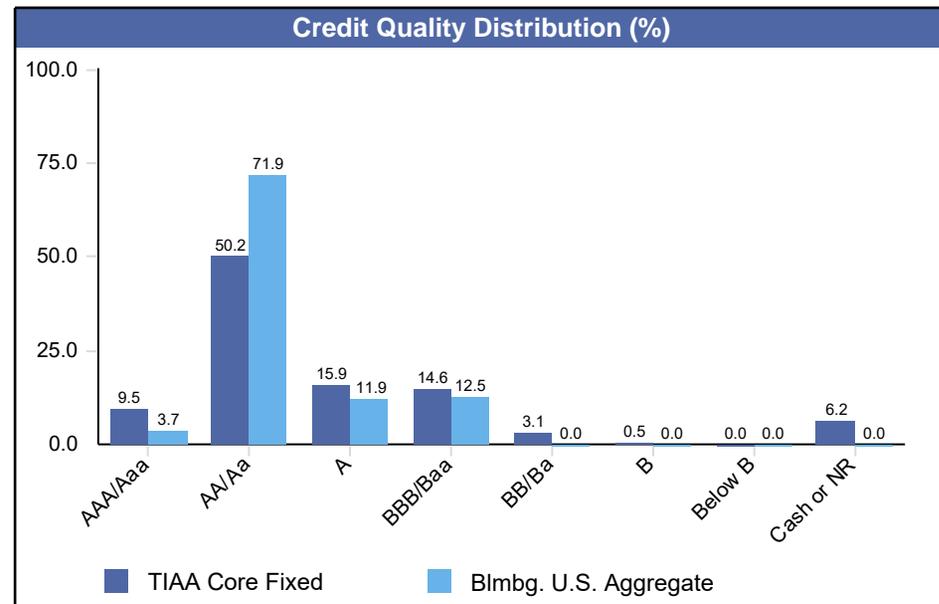
PGIM Core Fixed vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.15	6.15
Yield To Maturity (%)	5.42	4.85
Avg. Maturity	8.02	8.40
Avg. Quality	AA	AA
Coupon Rate (%)	3.52	3.17



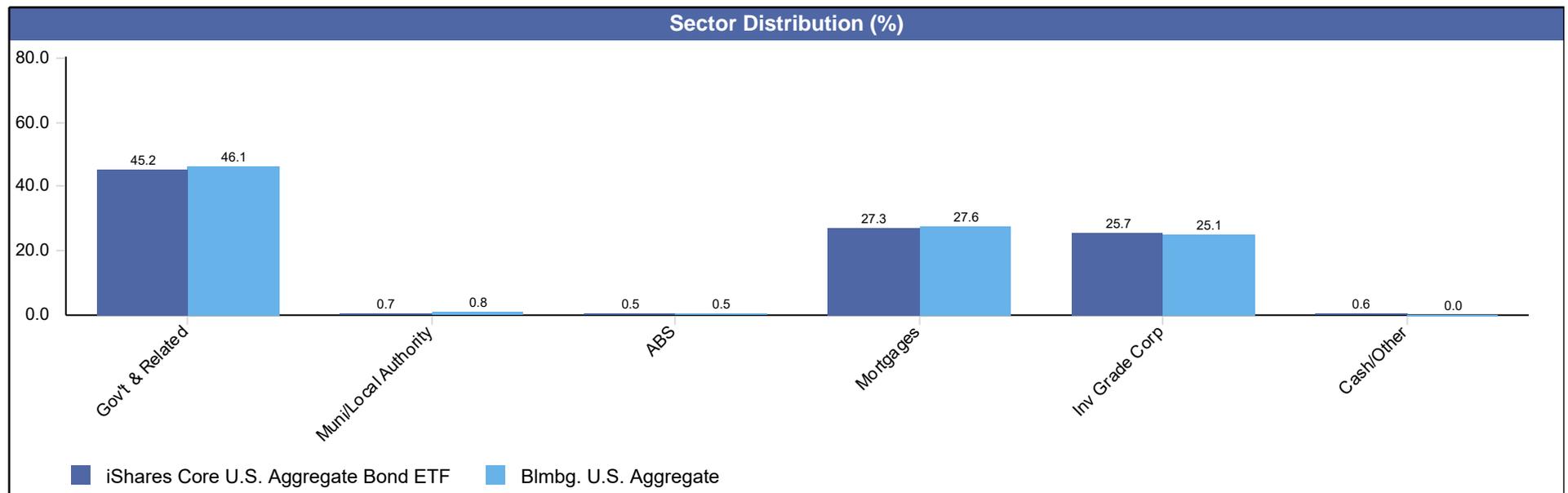
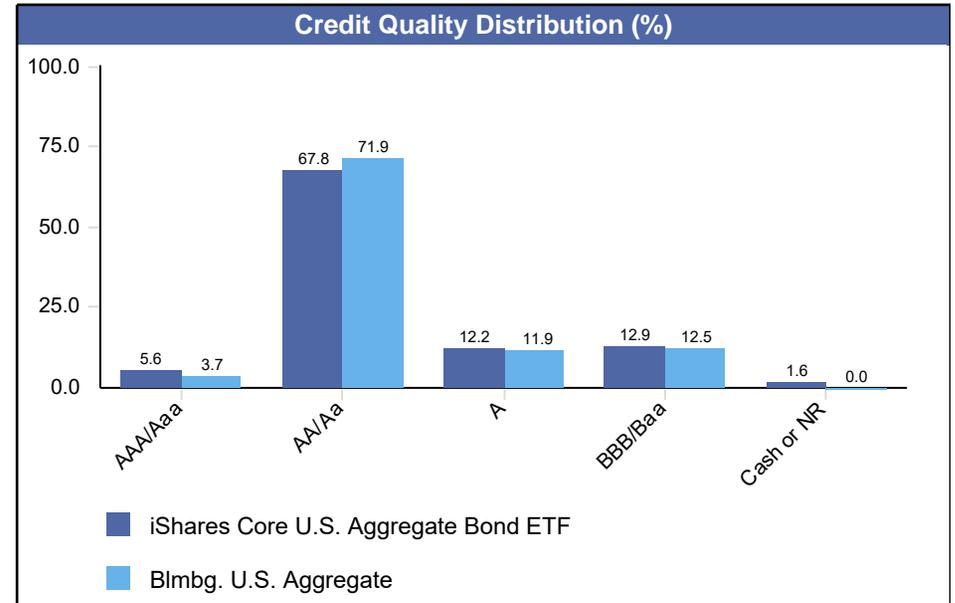
TIAA Core Fixed vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.23	6.15
Yield To Maturity (%)	5.50	4.85
Avg. Maturity	9.56	8.40
Avg. Quality	AA	AA
Coupon Rate (%)	3.77	3.17



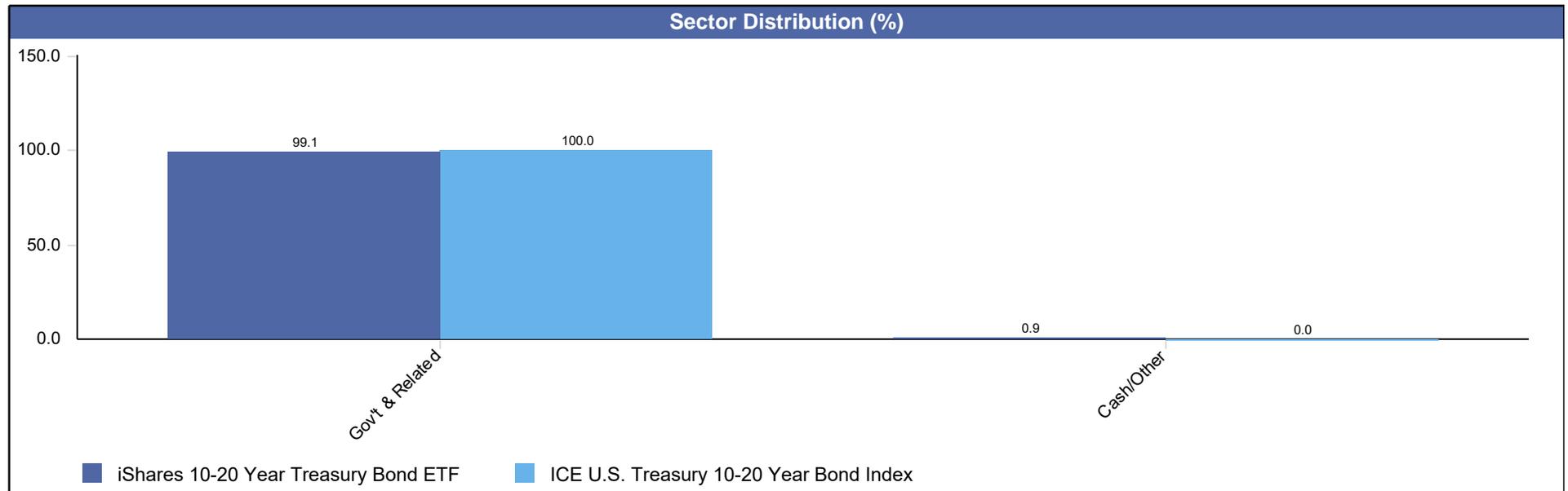
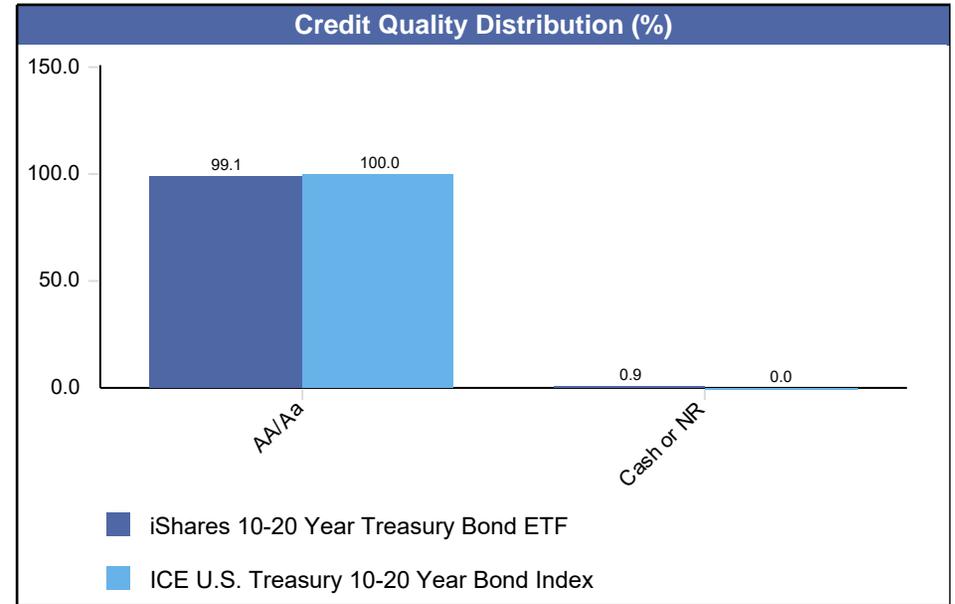
iShares Core U.S. Aggregate Bond ETF vs. Blmbg. U.S. Aggregate

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.15	6.15
Yield To Maturity (%)	4.85	4.85
Avg. Maturity	8.53	8.40
Avg. Quality	AA	AA
Coupon Rate (%)	3.26	3.17



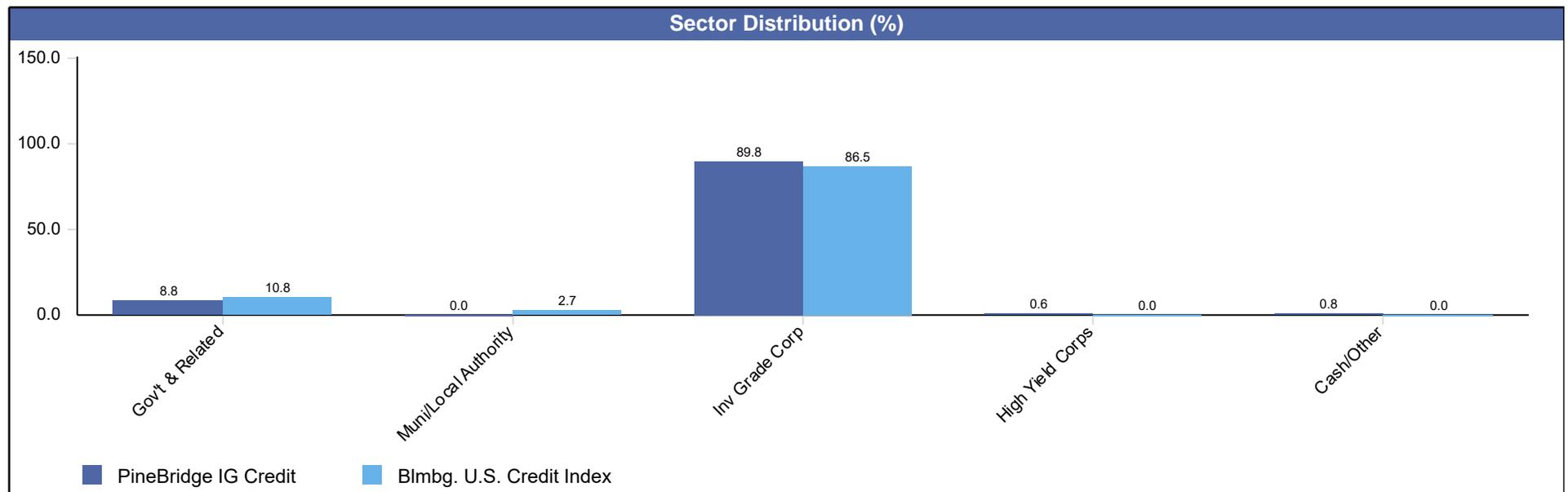
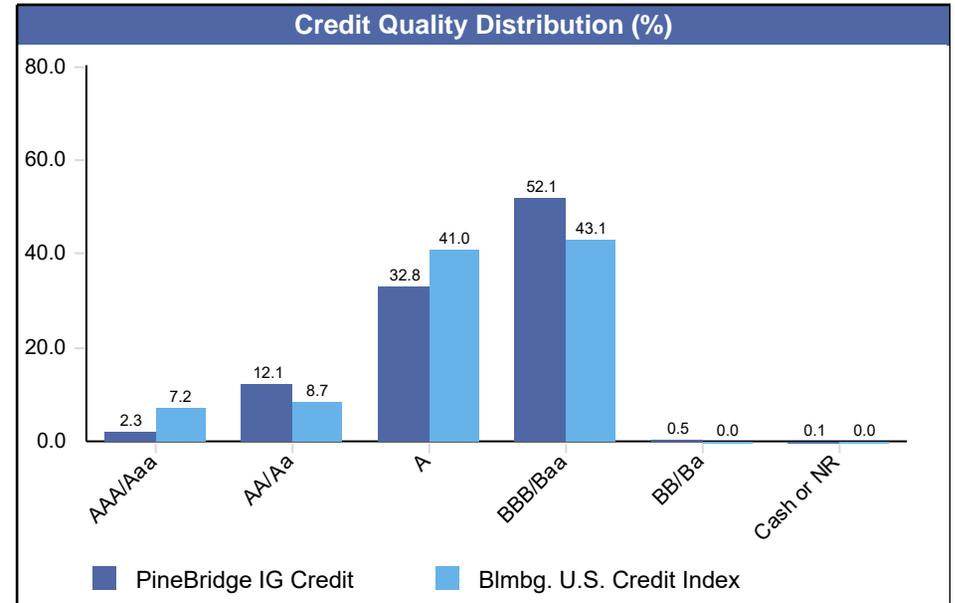
iShares 10-20 Year Treasury Bond ETF vs. ICE U.S. Treasury 10-20 Year Bond Index

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	12.87	13.08
Yield To Maturity (%)	4.44	4.43
Avg. Maturity	17.31	17.69
Avg. Quality	AA	AA
Coupon Rate (%)	2.74	3.18



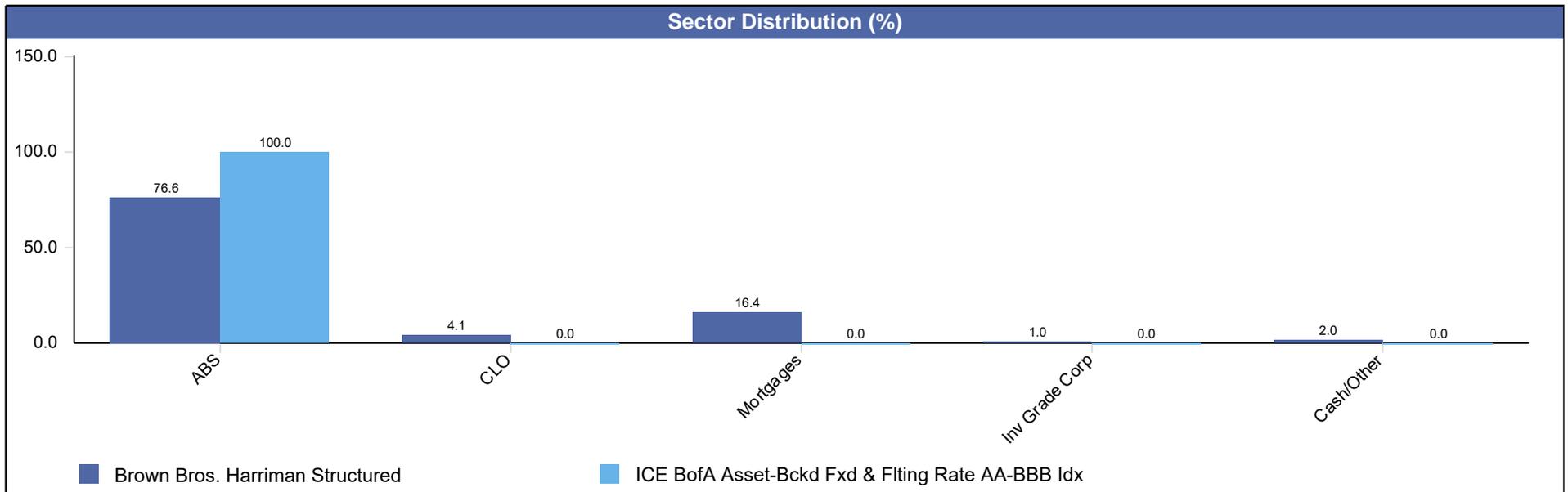
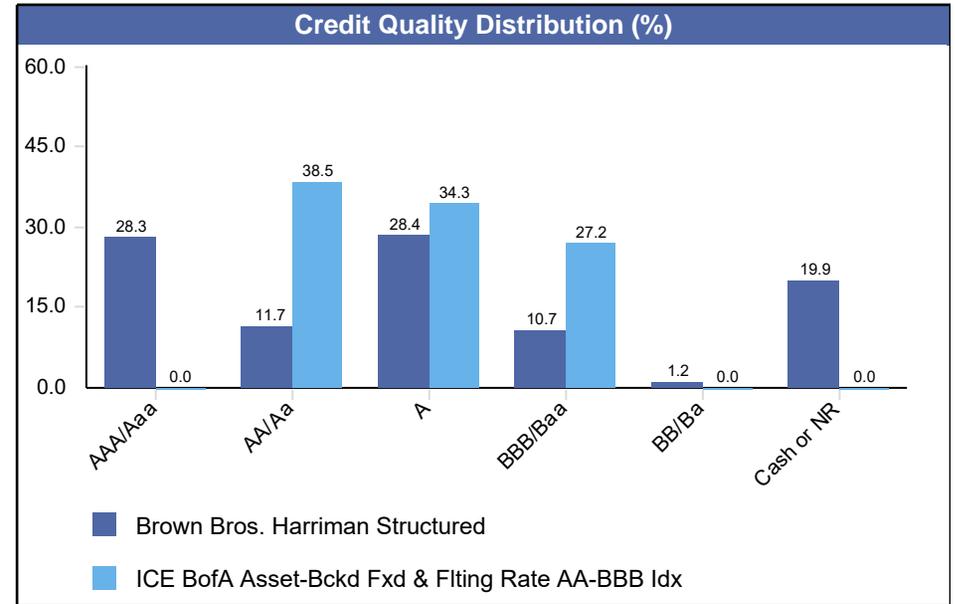
PineBridge IG Credit vs. Blmbg. U.S. Credit Index

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	7.04	6.73
Yield To Maturity (%)	5.46	5.26
Avg. Maturity	11.14	10.44
Avg. Quality	A	A
Coupon Rate (%)	4.15	4.02



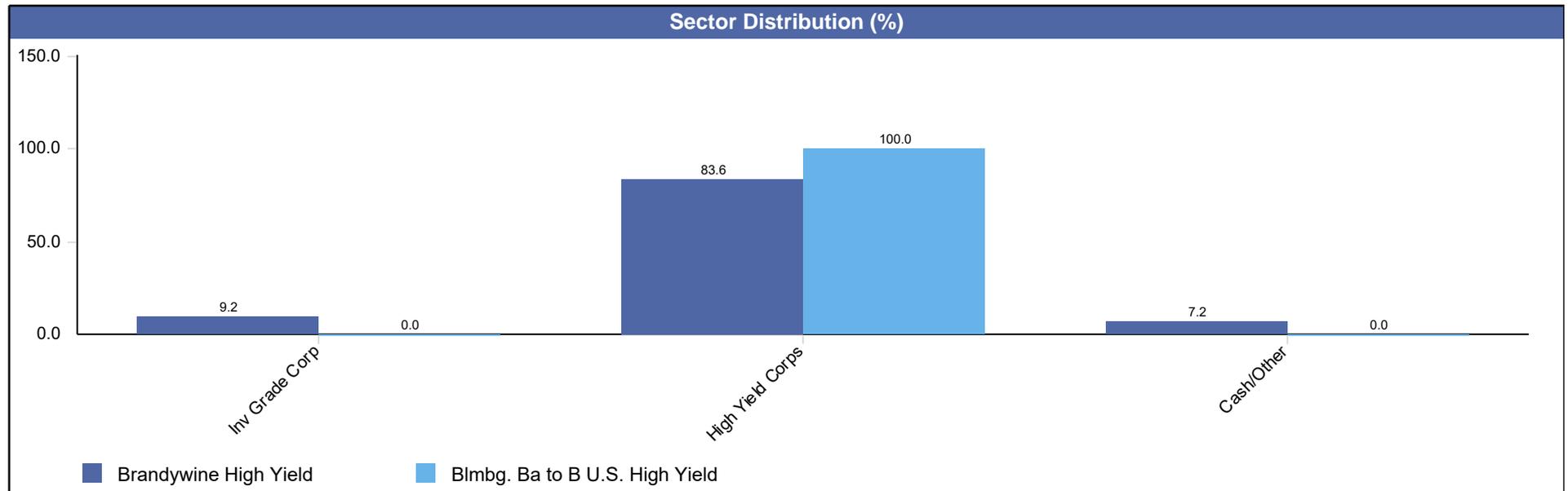
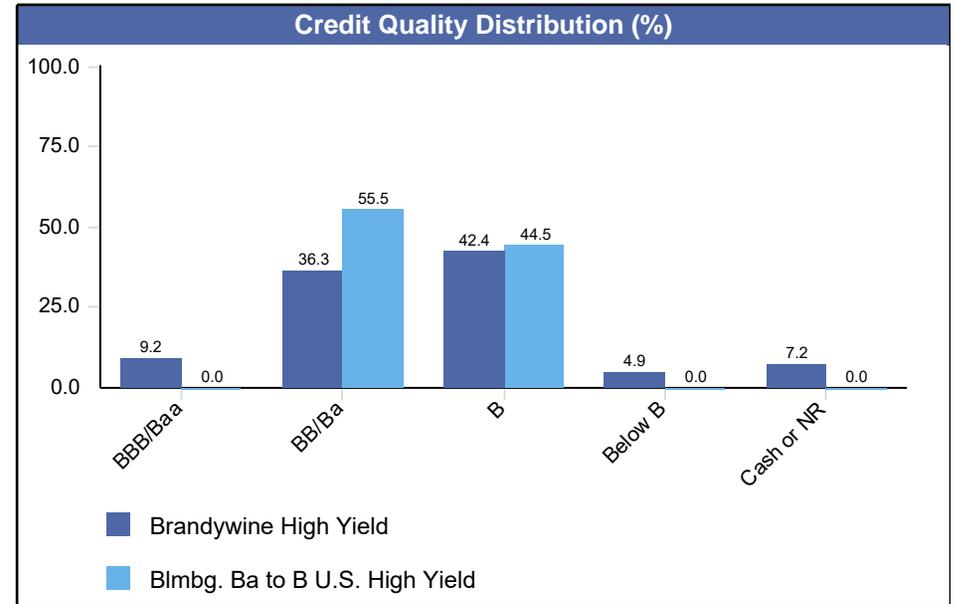
Brown Bros. Harriman Structured vs. ICE BofA Asset-Bckd Fxd & Fltng Rate AA-BBB Idx

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	2.17	2.59
Yield To Maturity (%)	7.15	6.43
Avg. Maturity	2.72	3.75
Avg. Quality	A	A
Coupon Rate (%)	4.86	4.75



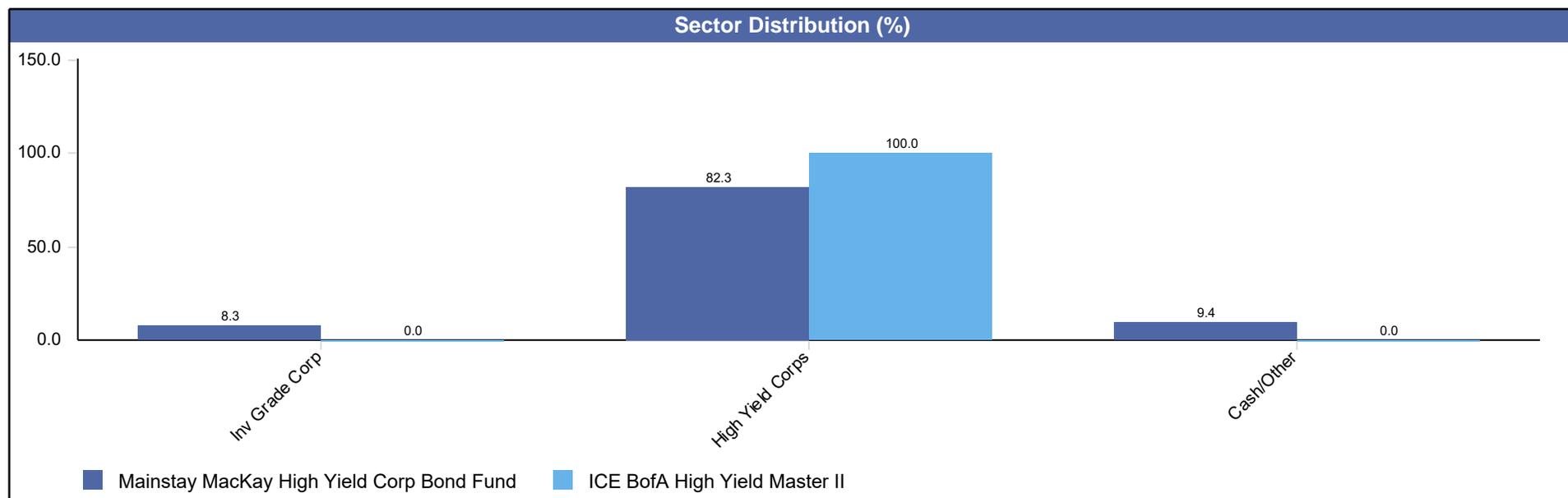
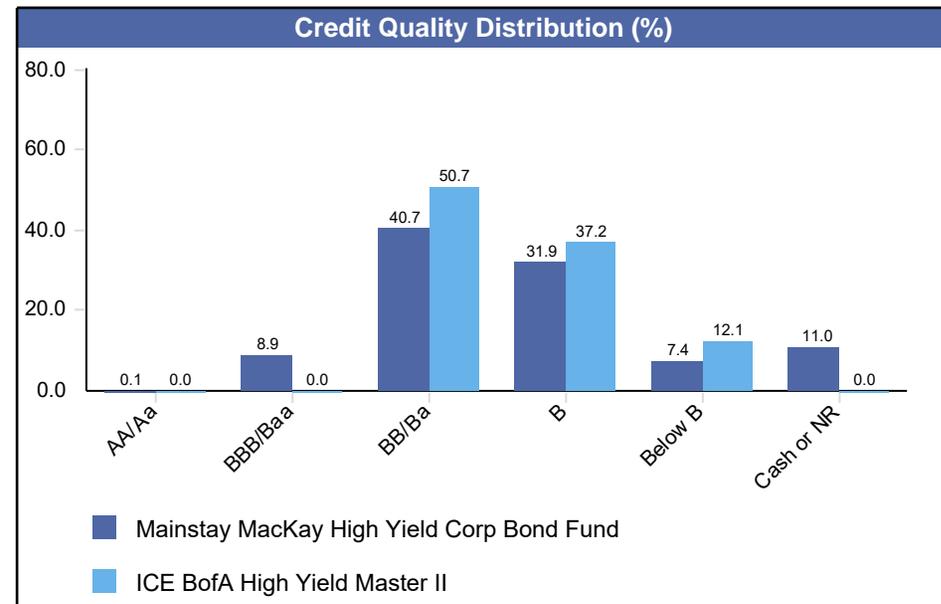
Brandywine High Yield vs. Blmbg. Ba to B U.S. High Yield

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	2.81	3.20
Yield To Maturity (%)	7.38	7.01
Yield To Worst	7.28	6.88
Avg. Maturity	5.07	4.96
Avg. Quality	BB	BB
Coupon Rate (%)	6.78	5.97



Mainstay MacKay High Yield Corp Bond Fund vs. ICE BofA High Yield Master II

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	2.96	3.28
Yield To Maturity (%)	7.25	7.90
Avg. Maturity	4.26	4.87
Avg. Quality	BB	B
Coupon Rate (%)	5.93	6.25



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Estimated Actual 23/24 Budget & Proposed 24/25 Budget

ISSUE: Review and discuss the budget for Fiscal Year 2024/25.

In FY 23/24 the Pooled Layer risk in both the Workers' Compensation and Pooled Liability Programs was transferred to the Clean Water Insurance Captive (CWIC). A new line item was added to the budget (Affiliate Insurance Premiums) to capture the premiums paid to CWIC. Additionally, new exhibits were created to show the consolidated budgets for CSRMA and CWIC, which are attached to this item for the Executive Board's review.

RECOMMENDATION: The Finance Committee recommends that the Executive Board recommend that the Board of Directors adopt the proposed budget for the 2024-2025 fiscal year as presented with any verbal changes that may be noted at the meeting.

FISCAL IMPACT: As depicted in the budget document.

BACKGROUND: The proposed budget is the result of a number of assumptions and the analysis of many disparate factors. Each Program of the JPA is analyzed individually with "general expenses" of the JPA allocated to each program on a percentage basis. The majority of expenses however, are program specific.

The Primary Insurance Program (PIP) is a group purchase program and is designed to "break even" each year as there is no risk sharing involved and monies generally do not need to be accrued beyond a single fiscal year.

The revenue and expenses of the pooling programs (liability, workers' comp. and property) however are driven heavily by actuarial projections and the underwriting results of prior Program Years as reflected through the retrospective rating and dividend calculations. For these reasons there is not necessarily a balance between revenue and expenses in any one year. A "pooled" layer was implemented for the Property Insurance Program in fiscal year 21-22. Losses between the program deductible (\$100,000) and member deductibles are retained by the program. The property program is driven more heavily by insurance premiums.

The Program Administrators have identified some items that the Executive Board may want to focus on, or review. These are described as follows:

1. Allocation percentages are used in the budget to calculate: JPA Expenses and Safety Expenses for each Program, as follows:

- A. JPA Expenses are allocated back to each program based on the total expenses for the JPA, *unless* an expense item is program specific. The percentages used are 10% PIP, 10% Property, 45% Liability, and 35% Workers' Compensation. The percentages are based on an estimate of how much time each Program takes as a percentage of overall JPA administration time.
 - B. Safety Expenses allocation percentages are 10% PIP, 10% Property, 45% Liability, and 35% Workers' Compensation *unless* an expense item is program specific. These percentages are based on the Risk Control Advisor's time and resources applied to each program.
2. Non-Member Revenue is expected to be nil in fiscal year 2024-25, as interest in subscriptions to access Risk Control Online/Vector Solutions has waned.
3. Interest Income. PFM provided CSRMA with an earnings projection for fiscal year 24-25. They used an average earnings rate of 2.89% for total projected earnings of \$730,503. Projected LAIF earnings are in addition to PFM's earnings projection. Of note, the CWIC earnings projections compare favorably to CSRMA's, as shown in the CSRMA/CWIC Consolidated Budget 24/25 Exhibit, given the size of the respective portfolios.
4. The Program Directors' Fee is program specific and is based on the annual hours worked on each program in accordance with the contract agreement between Alliant Insurance Services and CSRMA. No change to the Program Directors' Fee account is proposed for fiscal year 2024-25.
5. Dividends are not budgeted for the Workers' Compensation Program in fiscal year 24-25, as it is anticipated that dividends will not be eligible for declaration based on the Dividend Policy & Procedure. Dividends are conservatively budgeted for the Pooled Liability Program.
6. The Investment Policy is included in the Budget packet and is discussed in agenda item D.2. No changes are recommended by PFM.
7. Insurance Premium (Net) for all programs is budgeted to increase 14.2% (\$1,981,898) over the 23-24 'budget' amount. This is largely driven by insurance market conditions, changes in exposure (mainly total insured values and payroll) and the addition of a new member, the Lincoln-Sewer Maintenance District 1 Wastewater Authority (LiSWA) into the Property and PIP Programs effective 5/4/24.
8. Affiliate Insurance Premiums is a new item added to the budget this year. This line item accounts for the premiums paid to the CSRMA captive insurance company CWIC.
9. Retro Adjustments are unknown at the time the budget is formulated, and as it is difficult to budget these amounts because they are unknown, the retrospective

adjustments are budgeted conservatively. The amount of the actual Retro (credit or debit) can vary greatly from the budgeted amount as a result of claims activity.

10. Deductible Recoveries can fluctuate considerably given the uncertainty of claims activity for members with various deductible levels and can vary greatly from the budgeted amount because of this uncertainty.
11. The Risk Control expenses are budgeted to increase 20.7% (\$94,259) largely due to additional services included in the approved FY 24/25 Risk Control Work Plan. Cyber security services provided by KYND are included in the Work Plan.
12. The Admin (Legal, Board, Operations, etc.) expenses are budgeted to increase approximately 7.6% (\$44,082) largely due to increases in User Fraud/Assessment, Memberships/Other (CAJPA Accreditation fee) and CSRMA Provided Seminars line items.

- ATTACHMENTS:**
1. Estimated Actual 23/24 Budget & Proposed 24/25 Budget (Separate)
 2. CSRMA/CWIC Projected Consolidated Budget 23/24 Exhibit
 3. CSRMA/CWIC Consolidated Budget 24/25 Exhibit

Long Range Action Plan – 2024/25 - DRAFT

ISSUE: As a result of discussion at the Long Range Planning Session, the Program Administrators have drafted a Long Range Action Plan for 2024/25. The draft Action Plan is attached to this item for the Executive Board’s review and consideration.

RECOMMENDATION: The Program Administrators recommend that the Executive Board review and approve the 2024/25 Long Range Action Plan document with any necessary changes made at the meeting.

FISCAL IMPACT: None.

BACKGROUND: Every year the Executive Board meets in an off-site LRP Session. These sessions allow the Executive Board to review last year’s accomplishments as well as project future goals and concepts for the JPA and its members.

Additionally, through discussions at the LRP Session this year, the Program Administrators have created a separate “to-do” list not discussed in the Draft Long Range Action Plan document and will be working through these items in a timely fashion.

ATTACHMENTS: Long Range Action Plan – 2024/25 - DRAFT



California Sanitation Risk Management Authority

Long-Range Action Plan

2024/25

DRAFT



Alliant Insurance Services, Inc.
560 Mission St, 6th Floor
San Francisco, CA 94105
(415) 403-1400

As of: May 7, 2024

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I. Key Vendor Succession Planning

Description: The Executive Board directed the Program Administrators to work with CSRMA’s key vendors and service providers on their respective succession plans for personnel assigned to CSRMA.

Objective: To ensure that all vendors and service providers key to CSRMA have a plan to provide continuity of services should there be a disruption to their service teams.

Action(s):

- 1. Identify key vendors and service providers
- 2. Present list of key vendors to the Executive Board for review
- 3. Work with those key vendors to establish a succession plan for each
- 4. Present succession plans to the Executive Board

Responsibility:

- 1. Alliant Insurance Services
- 2. Alliant Insurance Services and Executive Board
- 3. Alliant Insurance Services and Key Vendors
- 4. Alliant Insurance Services and Executive Board

Deadlines:

- 1. July 2024
- 2. August 2024
- 3. September – November 2024
- 4. December 2024

Fiscal Impact: None.

Background: At the March 2024 Executive Board meeting, the Program Administrators provided the Executive Board with their Business Continuity and Succession Plan Documents. The document provided a detailed succession plan for the Insurance Brokerage, Program Administration and Risk Control duties provided. Review of this plan prompted the Executive Board to discuss succession plans for other vendors and service providers key to CSRMA.

Status: None.

II. CSRMA Value Proposition

Description: Develop a written value proposition for CSRMA.

Objective: To establish a document that outlines what sets CSRMA apart from other risk pools, insurance and risk management solutions. To ultimately be used for both marketing of new members and retention/recruitment of member agency's employees.

Action(s):

1. Gather ideas for items to include, and the format for the value proposition
2. Draft value proposition document
3. Review draft document with the Executive Board
4. Share final document with the Board of Directors
5. Implement and update as necessary

Responsibility:

1. Alliant Insurance Services and Risk Control Advisor
2. Alliant Insurance Services
3. Alliant Insurance Services and Executive Board
4. Alliant Insurance Services and Board of Directors
5. Alliant Insurance Services

Deadlines:

1. November – December 2024
2. January - February 2025
3. March 2024
4. June 2025
5. June 2025 – ongoing updates as necessary

Fiscal Impact: Unknown at this time.

Background: At the March 2024 Long Range Planning Session the Executive Board provided direction to the Program Administrators to develop a Value Proposition for CSRMA. The goal is to have a quick-reference document that explains the benefits of CSRMA membership and be used as marketing collateral.

Status: None.

III. Employment Practices

Description: The Executive Board directed the Program Administrators to continue CSRMA's efforts in reducing the impact of Employment related matters on CSRMA, by addressing the issue from two tracks:

1. Enhanced training for the membership
2. Evaluation of the coverage provided in the Pooled Liability Program

Objective: To reduce both the frequency and severity of Employment Practices Liability claims on the membership, and ultimately reduce the impact of these claims on the Pool.

Track 1: Enhanced Training for Membership

Action(s):

1. Review current training opportunities provided to the membership
2. Share and solicit ideas for enhanced/expanded offerings with the PLP Committee
3. Review ideas with Risk Control Work Plan Sub-Committee
4. Review with Workers' Compensation Committee as part of Draft Risk Control Work Plan
5. Review with Pooled Liability Committee as part of Draft Risk Control Work Plan
6. Review with Executive Board as part of Risk Control Work Plan
7. Implement as part of Risk Control Work Plan

Responsibility:

1. Alliant Insurance Services and Risk Control Advisor
2. Alliant Insurance Services, Risk Control Advisor and PLP Committee
3. Alliant Insurance Services, Risk Control Advisor and Risk Control Work Plan Sub-Committee
4. Alliant Insurance Services, Risk Control Advisor and WC Committee
5. Alliant Insurance Services, Risk Control Advisor and PLP Committee
6. Alliant Insurance Services, Risk Control Advisor and Executive Board
7. Alliant Insurance Services and Risk Control Advisor

Deadlines:

1. August 2024
2. September 2024
3. September - October 2024
4. October 2024
5. November 2024
6. March 2025
7. March – Ongoing 2025

Track 2: Evaluation of Coverage Provided in Pooled Liability Program

Action(s):

1. Review Employment Practices Coverage, and related Policies & Procedures (i.e. Deductible Selection) provided in PLP
2. Develop ideas for potential coverage and/or deductible changes
3. Draft language for changes as necessary
4. Review draft language with PLP Committee
5. Review draft language with Executive Board
6. Review draft language with Board of Directors
7. Adopt and implement as necessary

Responsibility:

1. Alliant Insurance Services
2. Alliant Insurance Services, PLP Committee
3. Alliant Insurance Services and CSRMA Legal Counsel
4. Alliant Insurance Services, CSRMA Legal Counsel and PLP Committee
5. Alliant Insurance Services, CSRMA Legal Counsel and Executive Board
6. Alliant Insurance Services, CSRMA Legal Counsel and Board of Directors
7. Alliant Insurance Services, CSRMA Legal Counsel and Board of Directors

Deadlines:

1. July 2024
2. September 2024
3. October 2024
4. November 2024
5. December 2024
6. January 2025
7. January 2025 – retroactive to December 31, 2024 if necessary

Fiscal Impact: Unknown at this time.

Background: The Executive Board discussed the ongoing concern surrounding Employment Practices Liability (EPL) claims at their March 2024 Long Range Planning Session. EPL claims, while not the most frequent cause of loss for CSRMA, are among the costliest. Over the years CSRMA has dedicated resources to the membership in an effort to prevent and minimize these types of claims. The Pooled Liability Committee and Executive Board regularly discuss this topic, and at the 2020 Long Range Planning Session an item was included to develop ideas and potential strategies to address the issue. From this conversation the EPL Deductible Reduction Incentive Program was developed and made effective at the December 31, 2023 Program Renewal.

Below is a sampling of items CSRMA has instituted to address the issue.

- EPL Deductible Reduction Incentive Program
- CSRMA Provided 10 virtual seminars on labor law issues in calendar year 2023
- Liebert Cassidy Whitmore (LCW) provides 20+ hours of EPL Instruction Annually
- LCW Employment Hotline

- Focused CASA Trainings
- Email Communications – EPL Law Changes and Updates
- EPL related questions on Risk Control Survey

Status: None.

IV. CSRMA Rebranding

Description: The Executive Board directed the Program Administrators to explore a potential rebranding of CSRMA, beginning with a review of the current *Mission, Vision & Values* statement.

Objective: To ensure the *Mission, Vision & Values* represents the current message and direction desired.

Action(s):

1. Create an Ad-Hoc Committee
2. Ad-Hoc Committee meets
3. Report out to Executive Board, and share any suggested changes
4. Share with Board of Directors and adopt changes if necessary
5. Take on any other rebranding initiatives as suggested by Ad-Hoc Committee, if necessary

Responsibility:

1. Alliant Insurance Services and Executive Board
2. Alliant Insurance Services and Ad-Hoc Committee
3. Alliant Insurance Services, Ad-Hoc Committee and Executive Board
4. Alliant Insurance Services, Ad-Hoc Committee and Board of Directors
5. Alliant Insurance Services and Ad-Hoc Committee

Deadlines:

1. August 2024
2. September 2024
3. October 2024
4. January 2025
5. January 2025 – Ongoing

Fiscal Impact: Unknown.

Background: The original CSRMA Mission was adopted in 1988, it has been rewritten and evolved over time. Every year at the Long Range Planning Session the Executive Board reviews the Mission Statement to guide their thinking and work efforts for the Authority. In 2019 a special Task Force was assembled from members of the Executive Board to review the Statement and make any suggested changes. The most current Statement comes from the suggestions made by this task force in 2019, and ultimately adopted by the Board of Directors in January 2020.

At their March 2024 Long Range Planning Session, the Executive Board suggested that CSRMA may be due for a rebranding. More specifically, undertaking a detailed review of the current *Mission, Vision & Values* statement of CSRMA to ensure the message represents the current goals and direction of CSRMA. For the same reason, the Executive Board also discussed potentially renaming CSRMA. The wastewater industry at large has begun to move away from the “wastewater” terminology and instead rebranding with

a “clean water” focus. A number of CSRMA members have rebranded themselves along these lines, and we suspect others are considering the change as well.

Status: None.

Pooled Liability Program **Primary Endorsement**

ISSUE: Many vendors and other jurisdictions require an entity’s coverage be “primary and non-contributory” before approving contracts and or granting annual permits. This standard practice presents a problem for CSRMA member agencies as the CSRMA Pooled Liability Memorandum of Coverage (MOC) contains an “Other Coverage or Insurance” clause.

F. Other Coverage or Insurance

If a COVERED PARTY has insurance or coverage provided to it by any insurer or other source, there shall be no obligation under this MEMORANDUM to pay a LOSS or portion thereof until all other such insurance or coverage has been exhausted.

In no case shall any of the ENTITY’S funds, which have been set aside in reserves or contingency accounts for purposes of self-insurance or responses to potential, contingent, catastrophic or incurred but not reported claims, be deemed to be other collectible coverage under this CONDITION F.

To remedy this, the Program Administrators drafted the language below to be added to the Additional Covered Party Endorsement. The Pooled Liability Committee reviewed the proposed language at their May meeting and is recommending the language be added to the Endorsement.

Coverage afforded by this Endorsement shall be Primary and Noncontributory with respect to any other valid and collectible insurance or coverage to an Additional Covered Party as its principal covered party, including any self-insured retention the Additional Covered Party may have, and where Primary and Noncontributory status is required by contract between a CSRMA MEMBER ENTITY and the Additional Covered Party.

A redlined strikeout version of the Additional Covered Party Endorsement is attached to this item for the Executive Board’s review.

RECOMMENDATION: The Pooled Liability Committee recommends that the Executive Board recommend to the Board of Directors approval of the proposed amendment to Additional Covered Party Endorsement.

FISCAL IMPACT: Unknown.

BACKGROUND: Insurance policies contain an “other insurance” clause, similar to the “other coverage or insurance” clause in the Memorandum of Coverage referenced above, which essentially states that if other valid or collectible insurance is available to an additional insured, the insurance policy is excess of that other insurance, which effectively defeats the purpose of requiring the other party to have insurance.

Below is an excerpt from the Insurance Requirements in Contracts Manual addressing this issue:

Require that the Other Party's Insurance be Primary

To simplify loss adjustment and to eliminate the possibility that the other party's insurer will seek contribution from your Entity, your Entity's standard requirements should state that the other party's insurance is to provide primary coverage, and that your Entity's insurance or self-insurance program will not be called upon to contribute to a loss that should otherwise be paid by the other party's insurer. You should require coverage at least as broad as ISO CG 20 01 04 13. If the agreement on primary insurance is merely stated in your contract with the other party and is not included in the policy, the condition is not binding on the insurer.

This is in line with the Program Administrators recommendation that CSRMA member agencies require insurance be 'primary and non-contributory' for all contracts and agreements that they have with third parties who are performing a service for the member agency.

ATTACHMENTS: Redline strikeout version of the Additional Covered Party Endorsement

ADDITIONAL COVERED PARTY ENDORSEMENT

This Endorsement forms a part of the Memorandum of Coverage issued by the CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY.

ADDITIONAL COVERED PARTY:

CSRMA MEMBER ENTITY:

DESCRIPTION OF ACTIVITY:

DATE(S) OF ACTIVITY:

LOCATION OF ACTIVITY:

MAXIMUM COVERAGE LIMIT:

DEDUCTIBLE:

The person or organization first named above is added as an ADDITIONAL COVERED PARTY pursuant to Section III(A), "Definitions" and Section VII, "Covered Parties." Coverage is provided through participation in a risk sharing joint powers authority, for general and automobile liability as defined in the Memorandum of Coverage.

The coverage being provided by this Endorsement is limited to "occurrences" arising out of the activity or location described, and the time period indicated herein, and is subject to all the terms, conditions and exclusions of the Memorandum of Coverage. Pursuant to Section III (A), the person or entity named above is only an Additional Covered Party with respect to operations performed by or on behalf of the CSRMA MEMBER ENTITY, or facilities owned or used by the CSRMA MEMBER ENTITY.

Coverage afforded by this Endorsement shall be Primary and Noncontributory with respect to any other valid and collectible insurance or coverage to an Additional Covered Party as its principal covered party, including any self-insured retention the Additional Covered Party may have, and where Primary and Noncontributory status is required by contract between a CSRMA MEMBER ENTITY and the Additional Covered Party.

Coverage is in effect for the DATE(S) OF ACTIVITY indicated above and will not be cancelled or allowed to expire at a date other than the last date indicated except upon 30 days' written notice to the Additional Covered Party.

Date issued:



Authorized Representative

Workers' Compensation Actuarial Study Presentation

ISSUE: Every year, CSRMA has an Actuarial Study performed with the results presented to the Workers' Compensation Committee. The actuary, Maureen Stazinski of Willis Towers Watson presented the results of the Actuarial Study to the Committee at their May meeting.

The actuary's presentation is included in the agenda packet for the Executive Board's review. The Program Administrators will review the results of the Actuarial Study with the Executive Board at the meeting.

RECOMMENDATION: Information only.

FISCAL IMPACT: The cost of the actuarial study was \$41,750.

BACKGROUND: The actuarial report is used to re-evaluate past projections with current loss data and to project future payment patterns to determine rates for the upcoming renewal. Included in the presentation the actuary provided an overview of California's workers' compensation environment and examined CSRMA's experience in relation to the industry's experience. Willis Towers Watson (WTW) conducted the last actuarial study in 2023.

In FY 23/24, CSRMA transferred the pooled layer risk to the captive, however, we still need to update/restate the outstanding liabilities for the program years prior to the captive and we use the funding projections in the WTW study to compare to the captive's funding numbers on an annual basis to determine whether to retain the risk or transfer it to CWIC.

ATTACHMENTS: Willis Towers Watson Presentation

California Sanitation Risk Management Authority

Self-Funded Workers' Compensation Program

By: Maureen Stazinski, FCAS, MAAA
Trevor Herzig, ACAS, MAAA

May 16, 2024

Agenda

- Purpose and Scope
- Summary of Findings
- Changes from Prior Analysis
 - Actual vs. Expected
 - Changes in Selected Ultimate Loss and ALAE
 - Changes in Funding Assumptions
- Comparison to California Workers' Compensation Industry
- CA WC Industry: Looking Ahead
- Appendix

Purpose and Scope

Purpose and Scope

- Estimate the unpaid loss and loss adjustment expense (LAE)
 - As of February 29, 2024; June 30, 2024; December 31, 2024 and June 30, 2025
 - At expected level, and 70%, 80% and 90% confidence levels
 - Undiscounted and discounted at 2.5% annual interest rate
- Compare estimated unpaid loss and LAE with CSRMA's estimated fund balance as of June 30, 2024 to determine the adequacy of funds held to pay claims
- Project funding estimates for the amount of loss and LAE to be incurred in fiscal periods 7/1/2024-2025 and 7/1/2025-2026 assuming self-insured retention limits of:
 - \$250,000, \$500,000, \$750,000 and \$1 million per claim

Summary of Findings

Estimated Unpaid Loss and LAE*

As of February 29, 2024, June 30, 2024, and June 30, 2025

Including Accident Periods 7/1/23-24 and Subsequent

Interest Rate of 2.5%

(In \$000's)	Undiscounted Unpaid as of			Discounted Unpaid as of		
	2/29/2024	6/30/2024	6/30/2025	2/29/2024	6/30/2024	6/30/2025
Expected Level	\$18,093	\$18,211	\$18,478	\$15,501	\$15,607	\$15,830
70% Confidence Level	19,603	19,731	19,985	16,778	16,893	17,106
80% Confidence Level	21,081	21,219	21,421	18,029	18,153	18,321
90% Confidence Level	23,590	23,745	23,686	20,152	20,292	20,238

* LAE = Loss Adjustment Expense; includes Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE). Loss and ALAE are discounted, and ULAE is not discounted.

Estimated Unpaid Loss and LAE*

As of February 29, 2024, June 30, 2024, and June 30, 2025

Excluding Accident Periods 7/1/23-24 and Subsequent

Interest Rate of 2.5%

(In \$000's)	Undiscounted Unpaid as of			Discounted Unpaid as of		
	2/29/2024	6/30/2024	6/30/2025	2/29/2024	6/30/2024	6/30/2025
Expected Level	\$15,698	\$14,756	\$12,460	\$13,368	\$12,527	\$10,485
70% Confidence Level	16,993	15,966	13,441	14,454	13,538	11,294
80% Confidence Level	18,261	17,151	14,376	15,518	14,528	12,064
90% Confidence Level	20,413	19,163	15,851	17,323	16,207	13,280

* LAE = Loss Adjustment Expense; includes Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE). Loss and ALAE are discounted, and ULAE is not discounted.

Unpaid Loss and LAE and Funding Position

As of June 30, 2024

CSRMA assets available to pay claims (est.) – Including Accident Periods 7/1/23-24 and Subsequent		\$22.7M
Estimated unpaid loss and LAE*		\$15.6M
CSRMA's workers' compensation program assets exceed unpaid loss & LAE		\$7.1M
CSRMA assets available to pay claims (est.) – Excluding Accident Periods 7/1/23-24 and Subsequent		\$17.2M**
Estimated unpaid loss and LAE*		\$12.5M
CSRMA's workers' compensation program assets exceed unpaid loss & LAE		\$4.7M

- LAE = Loss Adjustment Expense; includes Allocated Loss Adjustment Expense (ALAE) and Unallocated Loss Adjustment Expense (ULAE). Unpaid loss and LAE are at the expected level, loss and ALAE are discounted, and ULAE is not discounted.
- Calculated by reducing available assets by \$5.5M for captive premium and capitalization.

Estimated Ultimate Loss and ALAE for Upcoming Fiscal Years

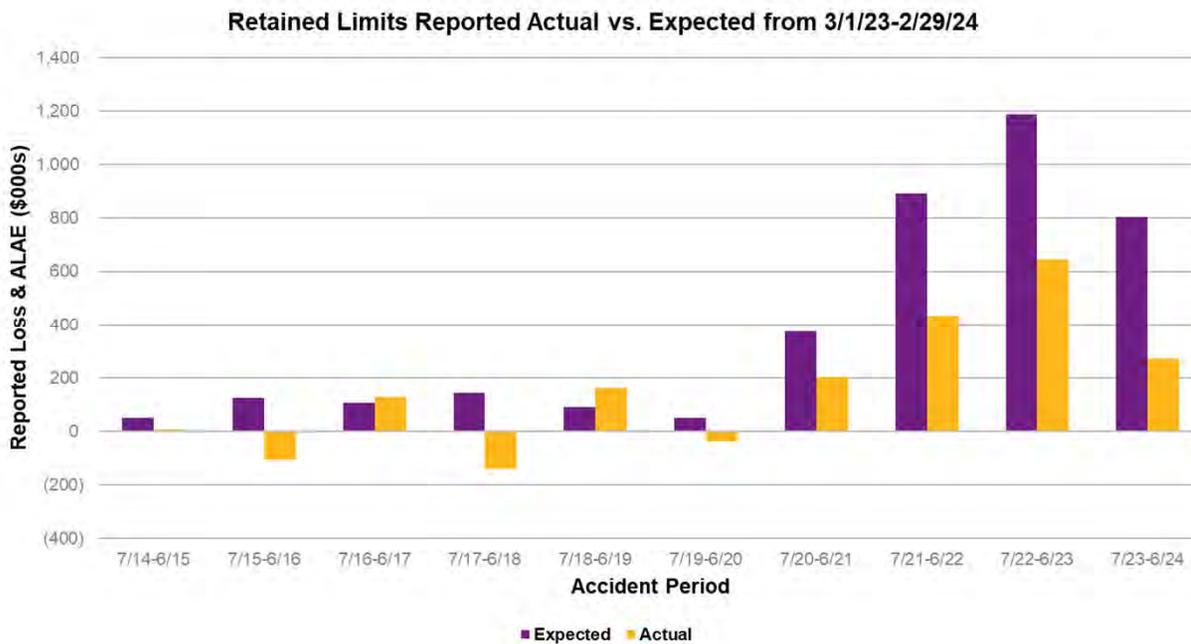
At \$250,000 Self-Insured Retention

In \$000's	2024-2025	2025-2026
Discounted Pure Premium "Rate" (per \$100 payroll)	\$1.27	\$1.29
70% Confidence Level	1.46	1.48
80% Confidence Level	1.73	1.75
90% Confidence Level	2.18	2.19
Payroll (\$ millions)	\$273.8	\$282.0
Expected Level (Undiscounted)	\$3,911	\$4,089
Expected Level (Discounted)	3,466	3,624
70% Confidence Level	3,997	4,172
80% Confidence Level	4,738	4,928
90% Confidence Level	5,972	6,177

- Assumes a \$250,000 self-insured retention (SIR) and discount rate of 2.5%. Alternate estimates at \$500,000, \$750,000, and \$1 million SIRs available in the WTW report; payroll is estimated by CSRMA

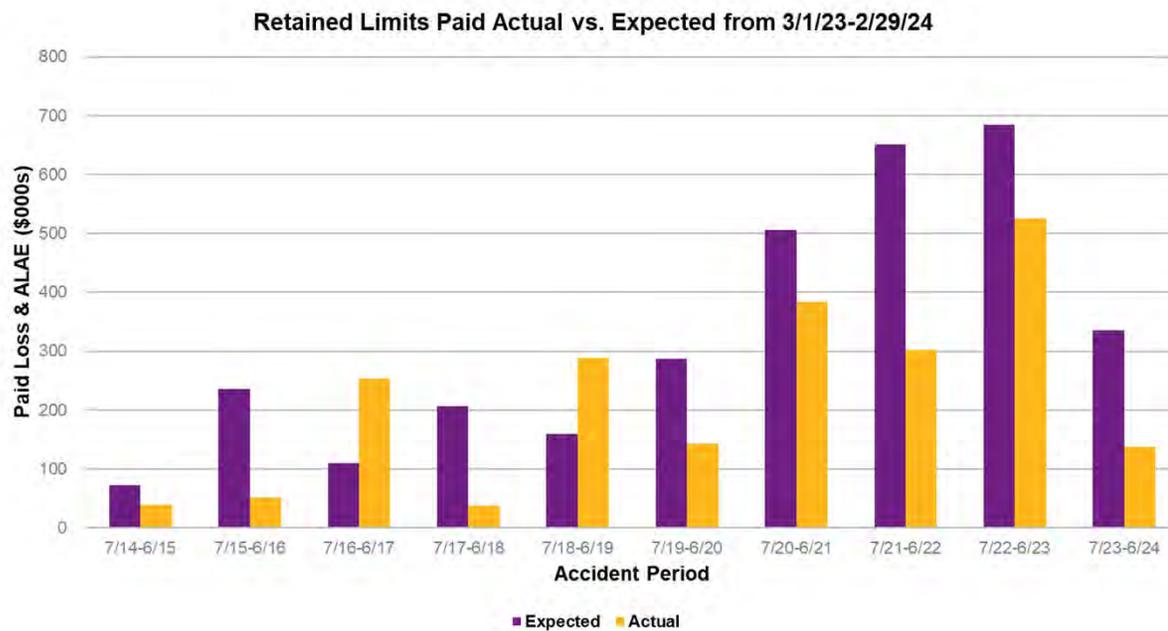
Changes from Prior Analysis

Actual reported losses have been significantly lower than expected



- Expected reported losses for all years (1990/1991 through 2023/2024) in the 12-month period were \$4.0M
- Actual reported losses during the same period were \$2.0M; \$2.0M lower than expected

Actual paid losses have been lower than expected for most years



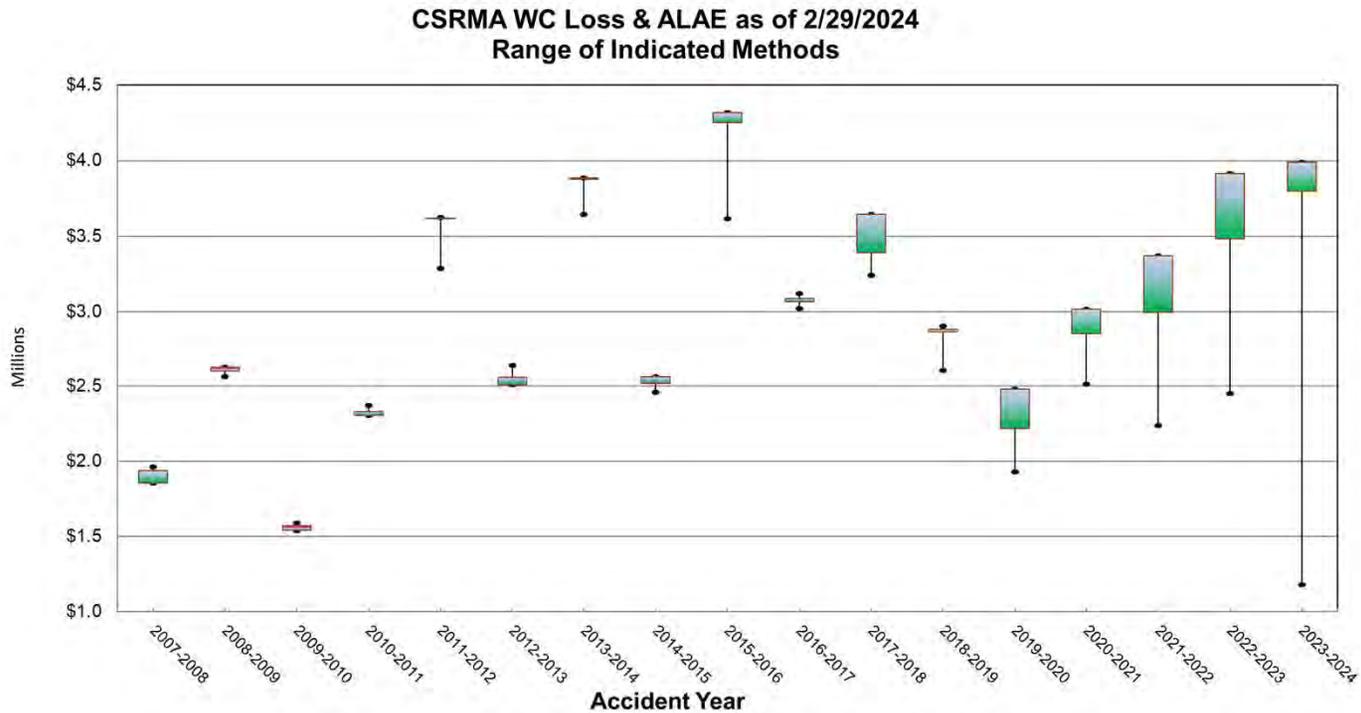
- Expected paid losses for all years (1990/1991 through 2023/2024) in the 12-month period were \$3.6M
- Actual paid losses during the same period were \$2.5M; \$1.1M lower than expected

Estimates of ultimate loss & ALAE have been reduced to reflect favorable experience

Comparison of Estimates - Ultimate Loss & ALAE (\$000s)				
Based on Data as of				
Accident Year	02/29/2024	02/28/2023	\$ Difference	% Difference
2004 - 2005 and Prior	\$23,103	\$23,237	(\$134)	-0.6%
2005 - 2006	1,916	1,780	136	7.6%
2006 - 2007	3,472	3,295	177	5.4%
2007 - 2008	1,856	1,937	(81)	-4.2%
2008 - 2009	2,624	2,598	26	1.0%
2009 - 2010	1,570	1,543	27	1.7%
2010 - 2011	2,305	2,331	(26)	-1.1%
2011 - 2012	3,620	3,620	0	0.0%
2012 - 2013	2,509	2,558	(49)	-1.9%
2013 - 2014	3,878	3,887	(9)	-0.2%
2014 - 2015	2,518	2,563	(45)	-1.8%
2015 - 2016	4,250	4,320	(70)	-1.6%
2016 - 2017	3,067	3,086	(19)	-0.6%
2017 - 2018	3,392	3,643	(251)	-6.9%
2018 - 2019	2,884	2,864	20	0.7%
2019 - 2020	2,215	2,479	(264)	-10.6%
2020 - 2021	2,854	3,015	(161)	-5.3%
2021 - 2022	2,996	3,370	(374)	-11.1%
2022 - 2023	3,483	3,916	(433)	-11.1%
2023 - 2024	3,798	3,988	(190)	-4.8%
Total	\$78,310	\$80,030	(\$1,720)	-2.1%

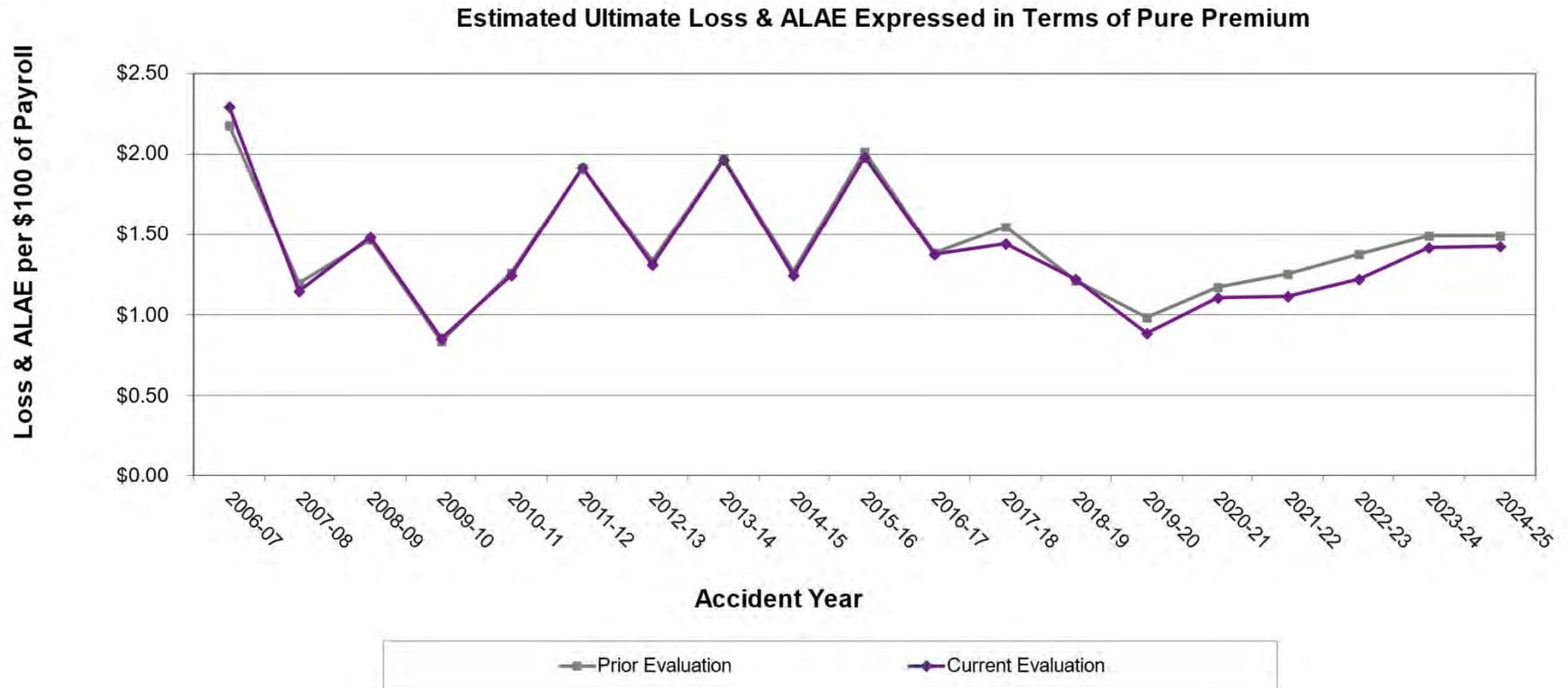
- 2023-2024 prior ultimate is restated to reflect updated payroll

Method Comparison and Selected Ultimate Losses



- High is the highest method and low is the lowest method. Green represents a decrease from prior and red represents an increase from prior.
- Reference materials regarding methodology for estimating ultimate losses can be found in the Appendix section.

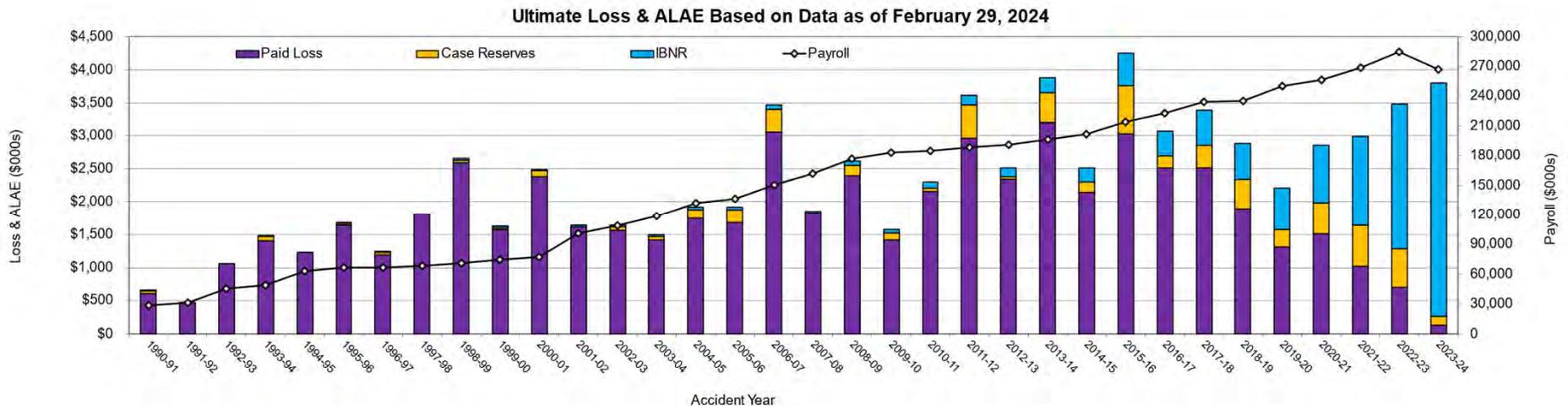
Pure premium view of reduced estimates of ultimate loss & ALAE



Ultimate Loss & ALAE

Paid Loss & ALAE + Case Reserves + IBNR

- The older the accident year, typically the higher proportion of loss that has been paid.
- Total unpaid loss & ALAE = the sum of case reserves (yellow bar) and IBNR (blue bar).
- The less mature the accident year, the greater proportion of IBNR in the unpaid amounts.
- Ultimate losses can be higher or lower each year depending on many factors including:
 - Payroll (exposure)
 - SIR Retention Limits
 - WC benefit levels
 - Large losses
 - Favorable/adverse AvE



Observations of Changes in Claims Experience

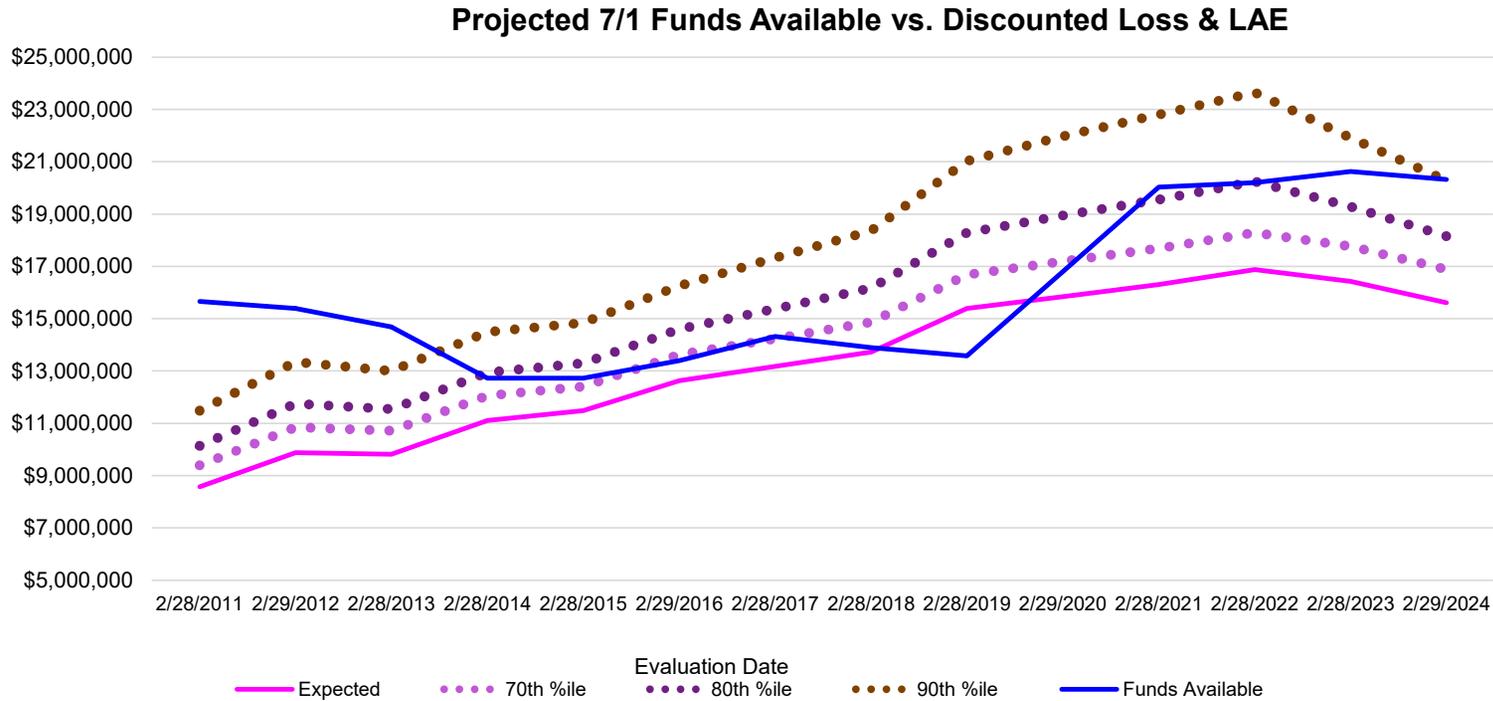
Comments from 2023 Analysis:

- Average case reserve on open claims has continued to decrease significantly
 - A decrease of 21% from \$35,122 as of 2/28/2022 to \$27,818 as of 2/28/2023
- Increase in large claims activity

Current Analysis:

- Average case reserve on open claims has increased
 - An increase of 24% from \$27,818 as of 2/28/2023 to \$34,557 as of 2/29/2024
 - Number of open claims decreased 25% from 245 to 183 year-over-year
 - Total case reserve amount decreased 7% from \$6.8M to \$6.3M year-over-year
- 7 claims with an increase in reported losses > \$75K since last year contribute \$0.7M
 - In 2023 study, 4 claims with \$0.4M increase in reported losses
 - In 2022 study, 9 claims with \$1.0M increase in reported losses
- Slight increase in large claims activity
 - 100 claims with reported loss & ALAE > \$100K from fiscal years 2008-2009 and subsequent
 - In 2023 study, 93 claims for the same period (94 in the 2022 study, 86 in the 2021 study)
 - 4 claims breached SIR on a reported basis (3 claims in the 2023 study, 4 claims in the 2022 study)

Funding position is adequate to the 90th Percentile of discounted unpaid loss and LAE as of June 30th, 2024 after reflecting estimated captive amounts in 2023/24



Projected Funding Amount for Upcoming Fiscal Year

Discounted Funding Estimates for Upcoming Fiscal year at 70% Confidence Level			
	FY 2023-2024 at 2023 Analysis	FY 2024-2025 at 2024 Analysis	% Change
Discounted Pure Premium Rate ¹	\$1.52	\$1.49	-1.9%
FY 2023-2024 Estimated Exposure ²	2.682M		
FY 2024-2025 Estimated Exposure ²		2.738M	
Projected Funding Amount	4.082M	4.086M	+0.1%

Note:

1) Pure premium rate per \$100 payroll

2) Exposure basis is \$100 payroll

- Assumes a discount rate of 2.5% and \$250,000 SIR.
- Values in 2023 Analysis account for removal of Santa Margarita Water District and Lake Arrowhead CSD.

Projected Funding Amount for Fiscal Year 2024-2025

Discounted Funding Estimates FY 2024-2025 at 70% Confidence Level			
	2023 Analysis	2024 Analysis	% Change
Discounted Pure Premium Rate ¹	\$1.54	\$1.49	-3.1%
2024-2025 Estimated Exposure ²	2.763M	2.738M	-0.9%
Projected Funding Amount	4.257M	4.086M	-4.0%

Note:

1) Pure premium rate per \$100 payroll

2) Exposure basis is \$100 payroll

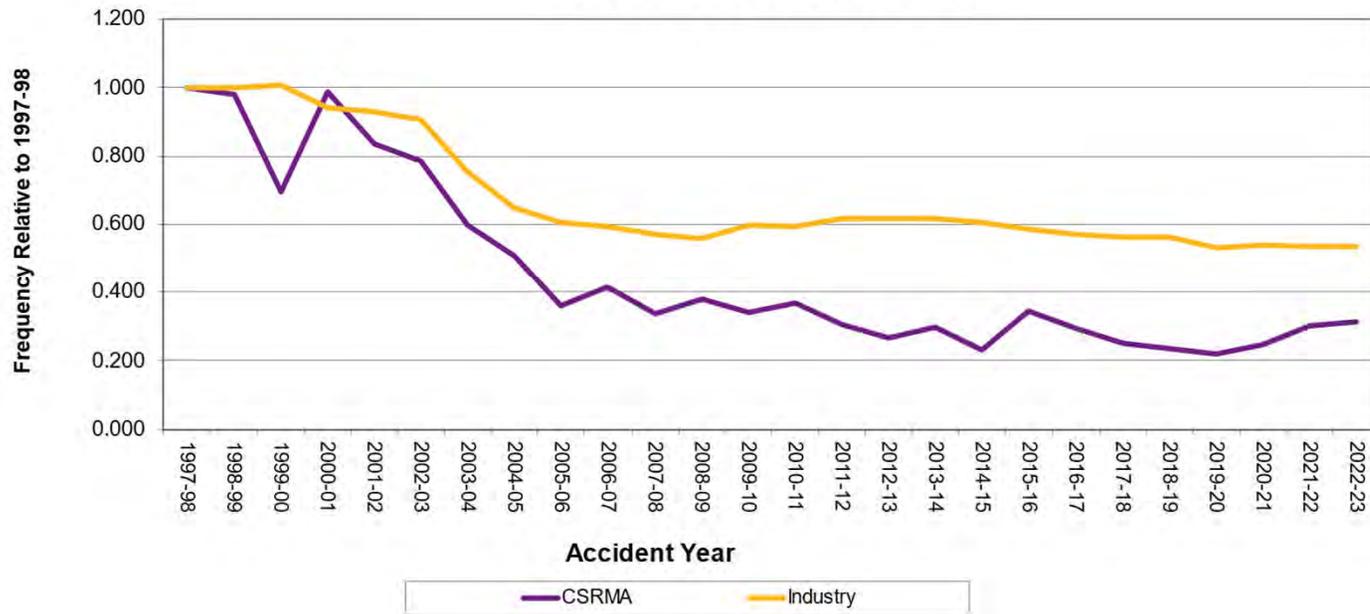
- Assumes a discount rate of 2.5% and \$250,000 SIR.
- Values in 2023 Analysis account for removal of Santa Margarita Water District and Lake Arrowhead CSD.

Comparison to CA WC Industry

CSRMA vs. Industry

Claim Frequency

Lost Time Frequency Index



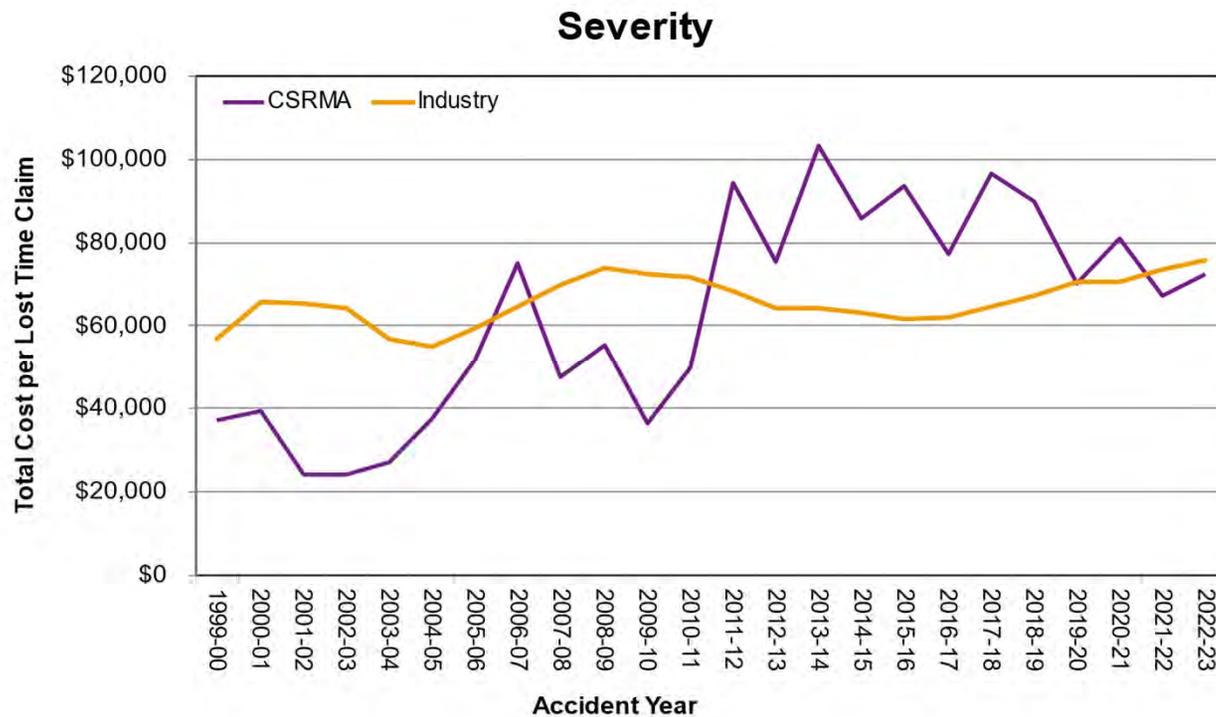
Claim frequencies for Industry have remained steady in the latest four years.

Claim frequencies for CSRMA have increased slightly in the latest four years.

Note: Industry data from WCIRB as of 12/31/2023. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period. Frequencies are adjusted to a common wage basis.

CSRMA vs. Industry

Claim Severity



Industry unlimited severity has shown a gradual increase since AY 2015.

CSRMA severity, retained at the limits below, has had more volatility but has shown a gradual decrease over the past decade.

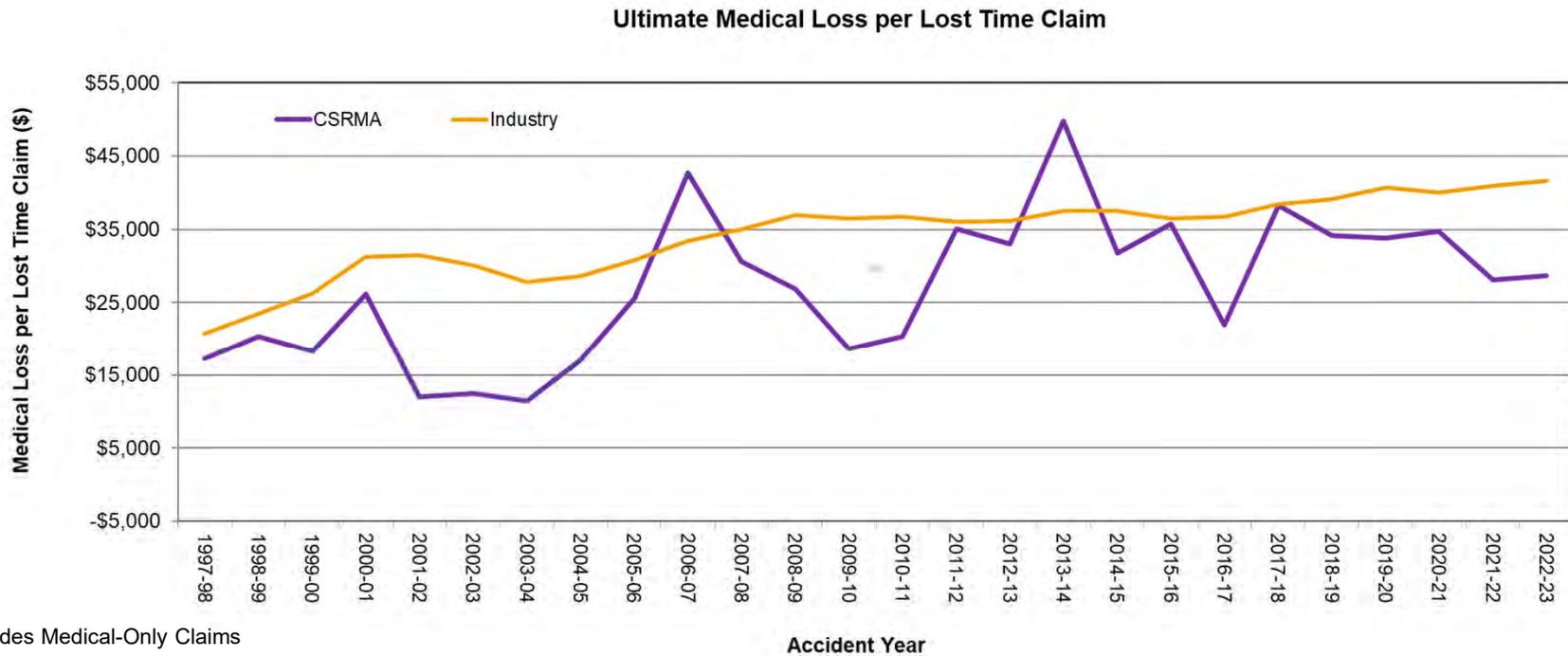
Period	CSRMA Per Occurrence Retention
1996 – 2002	\$300,000
2002 – 2003	500,000
2003 – 2019	750,000
2019 – 2025	250,000

Notes:

1. CSRMA Severity data has been restated based on new claim type definitions from Athens 2/29/2024 loss run: "Indemnity – No Lost Time" claim types are now excluded.
2. Industry data from WCIRB as of 12/31/2023. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period.

CSRMA vs. Industry

Estimated Ultimate Medical* Losses Per Lost Time Claim



*Excludes Medical-Only Claims

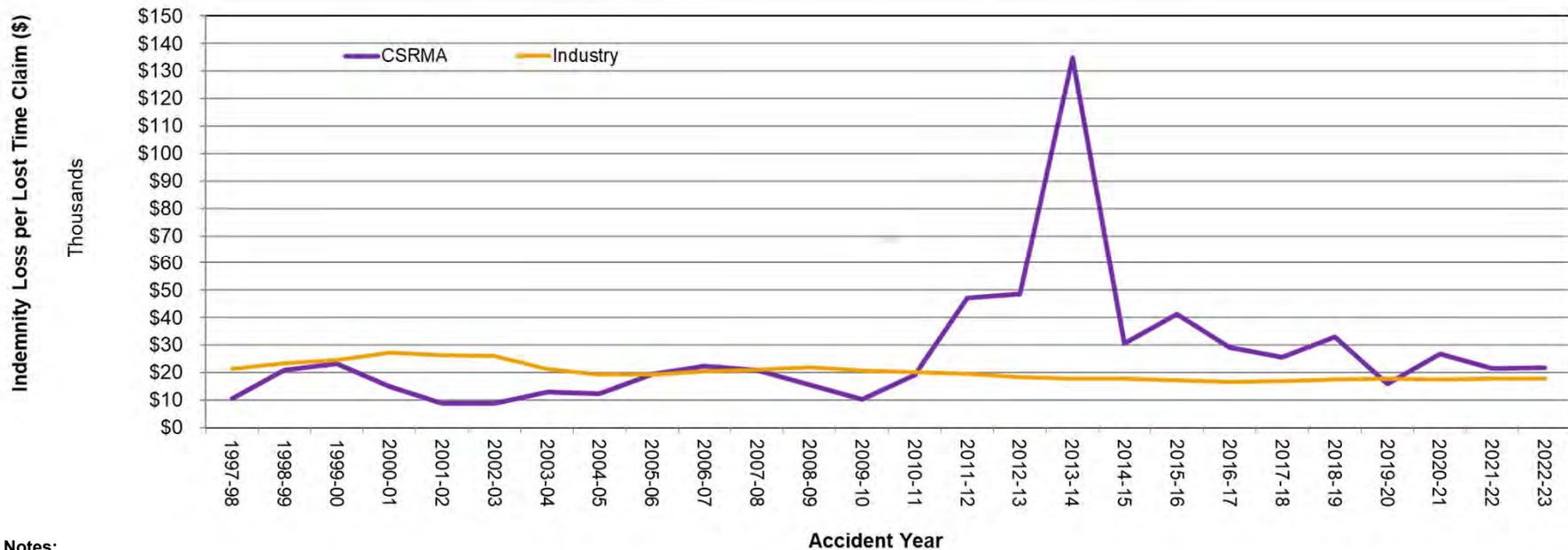
Notes:

1. Industry data from WCIRB as of 12/31/2023. CSRMA data evaluated as of 2/29/2024. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period.
2. CSRMA Medical IBNR allocated to claim based on IBNR to case ratios.

CSRMA vs. Industry

Ultimate Indemnity Loss per Lost Time Claim

Ultimate Indemnity Loss per Lost Time Claim



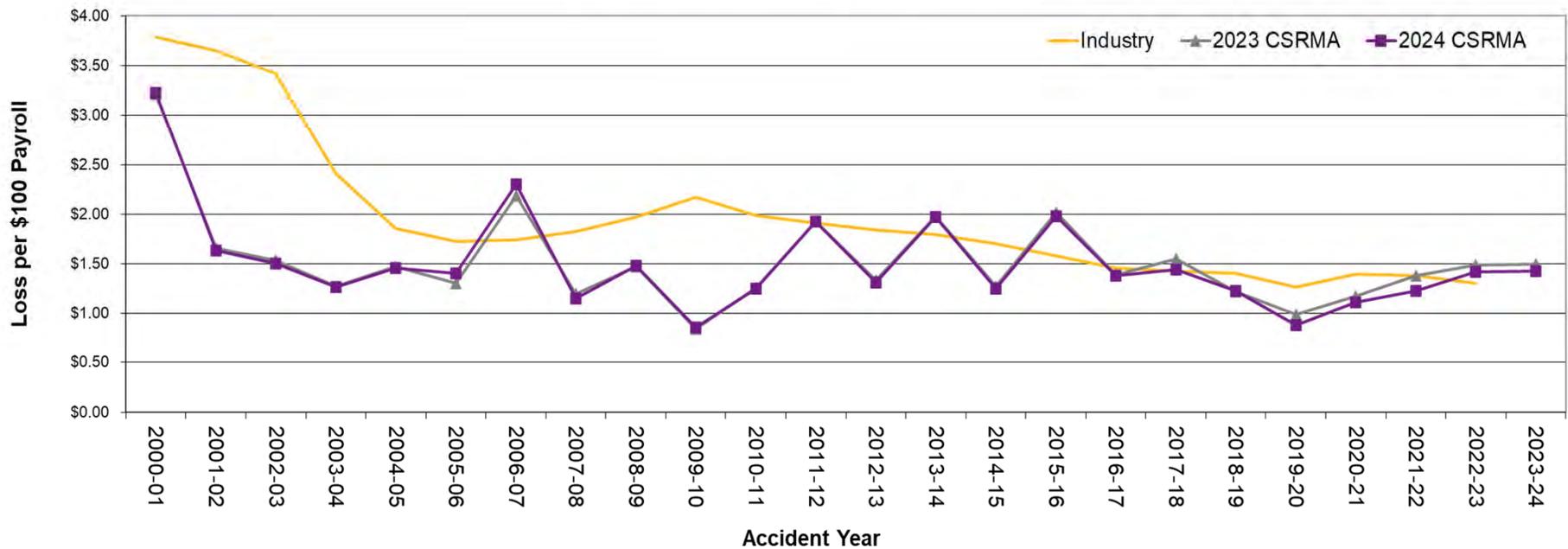
Notes:

1. Indemnity Loss in Accident Year 2013-14 includes large claim CSNC-548160. Claim is open as of 2/29/2024 loss run; incurred loss is 3.6M.
2. Industry data from WCIRB as of 12/31/2023. CSRMA data evaluated as of 2/29/2024. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period.
3. CSRMA indemnity IBNR allocated to claim based on IBNR to case ratios.
4. The CSRMA data is gross of retention.

CSRMA vs. Industry

Pure Premium

Estimated Ultimate Pure Premiums

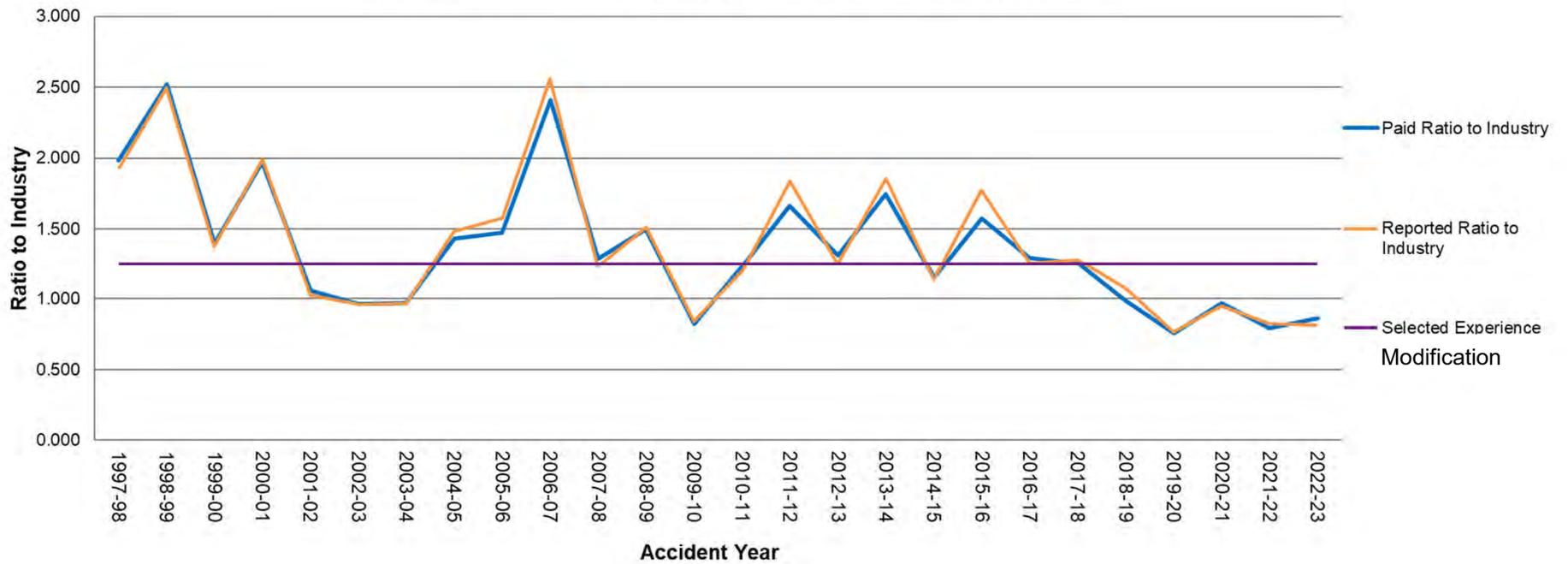


Note: Industry pure premium derived using WCIRB data as of 12/31/2023. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period.

CSRMA vs. Industry

Ratio to Industry Benchmark

CSRMA Retained Losses - Ratio to Industry Benchmark



Note: Industry data from WCIRB as of 12/31/2023. CSRMA data evaluated as of 2/29/2024. WCIRB data based on calendar accident year, while CSRMA data based upon 7/1/YYYY – 6/30/YYYY+1 accident period.



CA WC Industry: Looking Ahead

The Current CA WC Environment

Notes from the April 11, 2024 WCIRB Meeting

Effects of the changes to the Medical-Legal (ML) Fee Schedules effective April 1, 2021

- Background:
 - Adopted by the Division of Workers' Compensation (DWC)
 - Intended to increase the reimbursement allowance for medical-legal reports while eliminating complexity factor overlays onto reimbursement allowances
- Effects at April 2023 Retrospective:
 - Actual payments in 2022 led to a 50% increase in the average ML payment per claim compared to 2019
 - This was higher than the initial projected increase of 22%
 - Higher than expected increase driven by:
 - Higher-than-projected costs for reviewing additional pages of records
 - Higher number of ML services per claim
 - Results included in September 1, 2023 Pure Premium Rate Filing

Workers' Compensation benefits are adjusted annually to account for changes in the cost of living.

Effective January 1, 2024, California WC benefits have not increased

- State Average Weekly Wage (SAWW) in the state of California decreased from \$1,651 to \$1,642 between 2022 and 2023, a decrease of 0.55%.
- As a result, rates will not be adjusted for temporary total disability (TTD) benefits and permanent total disability (PTD) benefits effective January 1, 2024.
- Historical increases to benefit levels in California are as follows:

Effective Date	Annual Benefit Level Increase
January 1, 2021	4.38%
January 1, 2022	13.52%
January 1, 2023	5.16%
January 1, 2024	0.00%

Appendix

Terminology

CSRMA's Workers' Compensation Unpaid Loss & ALAE are the Sum of:

- Reserves estimated on a case-by-case basis ("Case Reserves") by CSRMA's claims examiners at Athens
- Reserves estimated on an aggregate basis ("Incurred But Not Reported" or "IBNR") by CSRMA's actuary at WTW; IBNR provides dollars in reserve for:
 - Claims which have occurred but haven't been reported yet
 - Value increases ("development") on known claims that cannot be foreseen by the examiner given the known facts of the case

Unpaid Loss & ALAE are expected to cover all future payments for:

- Medical benefits
- Indemnity benefits
- Adjustment costs that can be attributed/allocated to specific claims
 - "Allocated loss adjustment expense" or ALAE
- Adjustment costs that cannot be allocated to individual claims
 - "Unallocated loss adjustment expense" or ULAE

Terminology (continued)

CSRMA's Self-Insured Retention (SIR)

- The maximum amount of each occurrence for which CSRMA is responsible
- Any amounts above the SIR are paid by the insurer
- The SIR was lowered from \$750,000 to \$250,000 effective 7/1/2019
- CSRMA annually evaluates whether to self-fund the risk under the SIR layer or transfer the risk to Clean Water Insurance Captive (CWIC) to reinsure the layer.

“Accident Year” = Fiscal year during which the workers’ injury occurred

For each accident year, we measure the following quantities:

- “Exposure” = an objective quantity that measures the potential for workers’ compensation losses, usually measured in units of \$100 of payroll
- “Pure Premium” = the cost of workers’ compensation losses per exposure in an accident year
 - Frequency x Severity = Pure Premium
- “Frequency” = the number of claims per year, usually stated relative to exposure
- “Severity” = the (average) cost of a claim
- “Reported Losses” = Paid Losses + Case Reserves
- “Ultimate Losses” = Paid Losses + Case Reserves + IBNR

Methodology for Unpaid Loss & ALAE

Loss Development Method – For paid and reported losses

- Extrapolate and apply the growth (“development”) patterns of older accident years to more recent accident years.

Bornhuetter-Ferguson Method – For paid and reported losses

- Knowing the average “height” of an accident year you would expect, and given the “height” of the accident year to date, estimate its remaining growth
- Replaces future expected losses with actual losses as they unfold

Select ultimate losses based on the results from various methods

Subtract paid losses as of an evaluation date from ultimate losses to determine unpaid loss and ALAE at the evaluation date

Methodology for Estimating Funding for Upcoming Years

Adjust ultimate loss & ALAE for all years so that they are all at next year's level ("on-level")

- Changes in benefit levels
- Change in trend
 - Medical costs
 - Payroll trend
- Changes in CSRMA's retention levels

Divide by historical payroll to estimate projected workers' compensation cost per \$100 of payroll (i.e., pure premium)

Multiply selected pure premium by proposed future payroll to get future dollar costs

Questions?

Workers' Compensation
Retrospective Rating Calculation as of June 30, 2023

ISSUE: The Retrospective Rating Calculation based on updated loss information and financial data as of June 30, 2023 has been completed. The calculation results in an adjustment of \$275,001 to be returned to the membership for all years under review, in total.

RECOMMENDATION: The Program Administrators recommend that the Executive Board approve the Retrospective Rating Calculation results as of June 30, 2023 in the amount of \$275,001 for all years under review.

FISCAL IMPACT: \$275,001 to be returned to the members. Willis Towers Watson's May 2, 2024 draft Actuarial Report indicates that the Program will have estimated surplus of \$4,684,450 as of June 30, 2024, *before* consideration of the retro adjustments.

Individual member results are as shown on the attachment with some members owing, and others getting a return based on their size and loss history.

BACKGROUND: The Retro plan was adopted in 1990 as the mechanism to spread equitably losses amongst members. Each program year is evaluated beginning 36 months after expiration, and annually thereafter to either return or collect money to the membership according to their level of contribution to the success of the pool. Since the program year begins on July 1, the retro calculation is performed based on financial data at June 30 of the prior year. Major components of the retrospective rating plan include:

- Paid Losses
- Claims Reserves
- Incurred but not reported (IBNR) losses
- Administrative Costs
- Investment Income

After the calculation is run, retro deposit (premium) adjustments appear as a debit or credit on member's renewal invoices. The calculation is performed by a computer program, which applies the retro formula adopted by the Board of Directors.

ATTACHMENTS: Retrospective Rating Results as of June 30, 2023 for Program Years Eleven through Thirty.

California Sanitation Risk Management Authority
Workers' Compensation Program
Summary of Retrospective Rating Adjustments at 6/30/2023

Member	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Aliso Water Mgmt.	-	-	-	-	-	-	-	-	-	-
Carmel Area Wastewater District	-	(154)	-	-	-	-	4,076	(445)	230	-
Carpinteria S.D.	-	(91)	-	-	-	-	1	(723)	183	-
Castro Valley SD	-	-	-	-	-	-	-	-	-	(16)
Central Contra Costa Sanitary District	-	(314)	-	-	-	-	-	(16,041)	-	-
Central Marin Sanitation Agency	-	-	-	-	-	-	7,286	(611)	375	-
Delta Diablo	-	(1,037)	-	-	-	3,089	6,236	(1,466)	246	-
Dublin San Ramon Services District	-	(753)	-	-	-	-	9,154	(1,450)	183	-
Encina Wastewater Authority	-	(404)	-	-	-	-	9,314	(1,021)	159	-
Fairfield-Suisun Sewer District	-	(65)	-	-	-	-	54	(693)	-	-
Fallbrook Sanitary District	-	-	-	-	-	-	-	-	-	-
Goleta Sanitary District	-	(240)	(807)	-	-	-	6,112	(566)	327	-
Goleta West Sanitary District	-	-	-	-	-	-	-	(275)	-	-
Ironhouse Sanitary District	-	(155)	-	-	-	-	4,334	-	184	-
Lake Arrowhead C.S.D.	-	(1,511)	-	-	(7,477)	-	8,005	(1,061)	-	-
Las Gallinas Valley Sanitary District	-	(151)	-	-	-	-	315	(648)	-	-
Leucadia County W.D.	-	(74)	-	-	-	-	2,568	(623)	137	(232)
Montecito Sanitary District	-	(82)	-	-	-	-	-	-	163	-
Monterey One Water	-	(621)	-	-	-	-	15,341	(4,655)	578	-
Mt. View Sanitary District	-	-	-	-	-	-	1,765	(572)	-	-
Napa Sanitation District	-	(474)	-	-	-	-	6,437	(719)	325	-
North of River Sanitary District	-	-	-	-	-	-	-	-	-	-
Novato Sanitary District	-	(164)	-	-	-	-	1,267	-	-	-
Ojai Valley Sanitary District	-	-	-	-	-	-	2,768	(716)	-	(179)
Oro Loma Sanitary District	-	(351)	(1,598)	-	-	-	5,861	(1,762)	310	-
San Elijo Joint Powers Authority	-	-	-	-	-	-	2,541	(695)	152	-
Ross Valley Sanitary District	-	(368)	-	-	121	-	5,823	(730)	146	(624)
Sanitary District No. 5 of Marin County	-	-	-	-	-	-	1	(570)	-	-
Santa Margarita Water District	-	-	-	-	-	-	-	(1,838)	194	-
Sausalito-Marin City Sanitary District	-	(81)	-	-	-	-	-	(525)	-	-
Selma-Kingsburg-Fowler CSD	-	(243)	(719)	-	-	-	4,261	(671)	198	-
Sewer Authority of Mid-Coastside	-	(93)	-	-	-	-	-	(633)	142	-
Silicon Valley Clean Water	-	-	-	-	-	-	6,803	(5,264)	804	-
South East Regional Reclamation Authority	-	-	-	-	-	-	-	-	-	-
South Orange County Wastewater Authority	-	(483)	-	-	-	-	9,030	(1,000)	131	-
South Tahoe P.U.D.	-	-	-	-	-	-	22,332	(7,791)	4,379	-
Stege Sanitary District	-	(16)	-	-	-	-	-	(330)	-	(15)
Tahoe Truckee Sanitation Agency	-	-	-	-	-	-	14,212	(1,130)	147	-
Truckee Sanitary District	-	-	-	-	-	-	5,345	(547)	288	-
Union Sanitary District	-	(1,159)	(3,823)	-	-	-	-	(2,186)	1,077	-
Vallejo Flood and Wastewater District	-	(1,025)	(3,405)	-	-	-	10,364	(6,499)	555	-
Valley Sanitary District	-	(115)	(426)	-	-	-	4,133	(933)	195	-
Ventura Regional Sanitation District	-	(821)	-	-	-	-	7,224	(1,769)	-	-
Victor Valley W.R.A.	-	-	-	-	-	-	4,355	(628)	-	-
West Bay Sanitary District	-	-	-	-	-	-	4,134	(401)	227	-
West County Wastewater District	-	(510)	-	-	-	-	7,011	(831)	357	-
West Valley Sanitation District	-	(224)	-	(147)	-	-	3,924	(943)	161	-
Windsor Water District	-	-	-	-	-	-	-	-	-	-
Total	-	(11,779)	(10,741)	of (198)	(7,356)	3,089	202,387	(69,961)	12,553	(1,066)

**California Sanitation Risk Management Authority
Workers' Compensation Program
Summary of Retrospective Rating Adjustments at 6/30/2023**

Member	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Aliso Water Mgmt.	-	-	-	-	-	-	-	-	-	-	-
Carmel Area Wastewater District	(16)	-	-	-	(779)	(832)	(4,418)	(2,977)	-	(4,695)	(10,010)
Carpinteria S.D.	(343)	-	-	-	-	(832)	(1,849)	(2,247)	-	-	(5,901)
Castro Valley SD	(242)	-	(147)	-	-	(12)	-	(1,831)	(261)	-	(2,509)
Central Contra Costa Sanitary District	-	(2,615)	-	-	-	-	-	(11,527)	-	-	(30,497)
Central Marin Sanitation Agency	-	-	-	-	-	-	(5,089)	(11,307)	-	-	(9,346)
Delta Diablo	-	(870)	2,197	3,445	-	-	-	(5,993)	(8,979)	-	(3,132)
Dublin San Ramon Services District	(1,789)	-	-	1	-	-	(6,325)	(20,166)	-	-	(21,145)
Encina Wastewater Authority	(1,700)	-	-	93	-	(1,143)	-	(5,272)	-	(1,022)	(996)
Fairfield-Suisun Sewer District	-	(605)	-	-	-	(757)	-	(3,669)	-	-	(5,735)
Fallbrook Sanitary District	-	-	-	-	-	-	-	-	-	-	-
Goleta Sanitary District	-	-	-	1	-	(627)	-	(2,663)	-	-	1,537
Goleta West Sanitary District	(160)	-	(93)	-	-	(118)	-	-	-	-	(646)
Ironhouse Sanitary District	(809)	-	-	-	-	-	(2,737)	(2,786)	-	-	(1,969)
Lake Arrowhead C.S.D.	-	1	-	-	-	(698)	-	(5,846)	-	-	(8,587)
Las Gallinas Valley Sanitary District	(354)	1	-	-	-	(408)	-	(1,883)	-	(13,265)	(16,393)
Leucadia County W.D.	(297)	-	-	(1)	-	(283)	-	(2,132)	(1,052)	-	(1,989)
Montecito Sanitary District	-	-	-	-	-	(117)	-	(2,074)	-	-	(2,110)
Monterey One Water	-	1	(1,955)	3,926	-	-	-	(4,210)	-	-	8,405
Mt. View Sanitary District	(293)	-	(151)	-	-	-	(1,049)	(1,959)	-	-	(2,259)
Napa Sanitation District	(766)	(567)	-	-	-	(1,096)	-	(4,128)	-	-	(988)
North of River Sanitary District	-	-	-	-	-	-	-	(1,755)	-	-	(1,755)
Novato Sanitary District	-	(437)	-	-	-	-	-	(1,986)	-	-	(1,320)
Ojai Valley Sanitary District	(296)	-	-	671	-	-	-	(1,555)	-	(3,528)	(2,835)
Oro Loma Sanitary District	-	(260)	-	1,969	-	(678)	-	-	-	-	3,491
San Elijo Joint Powers Authority	(378)	1	(7)	-	-	(329)	-	(2,194)	-	-	(909)
Ross Valley Sanitary District	-	-	-	-	(2,708)	(864)	(5,114)	(10,370)	-	-	(14,688)
Sanitary District No. 5 of Marin County	(214)	-	(133)	-	-	(1)	-	(1,593)	-	-	(2,510)
Santa Margarita Water District	(3,165)	(1,012)	-	4,767	-	(1,216)	(8,297)	-	(8,205)	-	(18,772)
Sausalito-Marin City Sanitary District	-	-	(381)	-	-	(373)	-	(1,948)	-	-	(3,308)
Selma-Kingsburg-Fowler CSD	(691)	-	245	1	-	1	-	-	(2,102)	-	280
Sewer Authority of Mid-Coastside	-	-	(175)	-	-	-	-	(2,054)	(737)	-	(3,550)
Silicon Valley Clean Water	-	(1,254)	-	4,406	-	-	-	(9,037)	-	-	(3,542)
South East Regional Reclamation Authority	-	-	-	-	-	-	-	-	-	-	-
South Orange County Wastewater Authority	-	(774)	-	3,194	-	-	-	(5,461)	-	(8,876)	(4,239)
South Tahoe P.U.D.	-	-	-	-	(2,415)	(1,370)	(27,493)	(6,653)	-	-	(19,011)
Stege Sanitary District	(141)	-	(78)	-	-	(116)	-	(1,107)	-	-	(1,803)
Tahoe Truckee Sanitation Agency	-	-	-	2,538	-	(897)	-	(2,517)	-	-	12,353
Truckee Sanitary District	-	-	-	1	(655)	-	(3,300)	(2,907)	-	-	(1,775)
Union Sanitary District	(5,286)	-	-	2,982	-	-	(13,634)	(7,402)	-	-	(29,431)
Vallejo Flood and Wastewater District	-	(1)	-	(1)	-	-	1,571	(7,733)	-	-	(6,174)
Valley Sanitary District	(426)	1	(233)	(1)	-	(442)	-	(3,019)	-	-	(1,266)
Ventura Regional Sanitation District	-	-	-	-	1,501	-	(11,970)	(18,213)	(8,414)	(21,712)	(54,174)
Victor Valley W.R.A.	(1,636)	(1)	(1,720)	2,045	-	(1,055)	-	(3,514)	(1,303)	-	(3,457)
West Bay Sanitary District	(265)	-	-	2,404	-	(898)	(4,152)	(2,689)	-	-	(1,640)
West County Wastewater District	-	-	-	1,199	-	-	-	(4,766)	-	-	2,460
West Valley Sanitation District	(371)	-	-	-	(514)	(490)	-	(3,063)	(1,489)	-	(3,156)
Windsor Water District	-	-	-	-	-	-	-	-	-	-	-
Total	(19,638)	(8,391)	(2,631)	142 of 198	34,640	(15,651)	(93,856)	(194,206)	(32,542)	(53,098)	(275,001)

Workers’ Compensation Program
PY 35 (2024-25) Renewal Costs

ISSUE: The Workers’ Compensation Program will be renewing July 1, 2024. The Executive Board should consider a recommendation for the upcoming renewal from the Workers’ Compensation Committee.

RECOMMENDATION: The Workers’ Compensation Committee is recommending that the Executive Board approve the renewal at the expiring program structure transferring the Pooled Layer risk (\$0 - \$250,000) to the Clean Water Insurance Captive (CWIC).

FISCAL IMPACT: The following table outlines the fiscal impact for Program Year 35 at the expiring program structure.

Expense Item	PY	PY	Change	
	2023/24	2024/25		
Ult. Net Loss/ CWIC Gross Premium	4,081,842	3,823,534	-258,308	-6.33%
Est. XS Insurance Exp. (Net)	724,462	782,326	57,864	7.99%
Buy Down Insurance Exp.	908,176	913,420	5,244	0.58%
Estimated Program Expense	<u>959,535</u>	<u>988,308</u>	<u>28,773</u>	<u>3.00%</u>
Total Expected Costs	6,674,015	6,507,588	-166,427	-2.49%

BACKGROUND: The cost of the renewal can be summarized in three major categories: CWIC Gross Premium / Ultimate Net Loss, Estimated Excess/Reinsurance Insurance Expense and Estimated Program Expense.

Alliant’s actuarial team performed the actuarial analysis to develop the “CWIC gross premium”. The analysis includes the costs to fund losses in the \$0 - \$250K layer and CWIC’s administrative expenses. The actuary projected a year-over-year decrease in funding as a result of favorable loss development. The Willis Towers Watson (WTW) actuarial study also projected funding for the \$0 - \$250K layer (ultimate net loss) should CSRMA wish to retain the risk in lieu of transferring it to CWIC. WTW’s projected funding to retain the risk is approximately 5% more than the cost to transfer the risk to CWIC (gross premium) at the 70% confidence level.

The premium for the “estimated excess insurance expense” increased approximately 8%, mainly due to an increase in member exposure (payroll). Safety National provides Statutory Limits excess of \$1,000,000.

The premium for the “buy down insurance expense” (reinsurance) remained essentially flat. State National Insurance Company provides a buffer layer (\$750,000 x \$250,000) between the pooled layer (CWIC) and Safety National.

The “Estimated Program Expense” comes from the Board approved budget. The 3% increase is mainly due to an increase in the Outside Safety line item.

ATTACHMENTS: None.

Workers' Compensation Program
Dividend Calculation as of December 31, 2023

ISSUE: Each year, the Board of Directors evaluates declaring a dividend from retained funds held in the Workers' Compensation Program. Declaration of dividends is governed by Policy & Procedure No. 4-WC, which allows for dividends to be declared from completed program years if the following requirements are met:

- The Program, on an aggregate basis, is funded to a 70% confidence level with retained funds in excess of the pooled layer per occurrence limit currently in force.
- Dividends cannot be declared sooner than five years after expiration of a program year.
- No more than 25% of any years' retained earnings will be declared as dividends.
- The retained funds amount is in excess of seven (7) times the pooled layer per occurrence limit currently in force prior to the dividend calculation, subject to a minimum retained fund balance in the program after the dividend is calculated in the amount of \$5,000,000.

As of June 30, 2023, the Workers' Compensation Program audited net equity figure was \$4,569,513 and therefore dividends are not eligible for declaration.

RECOMMENDATION: None. Information only.

FISCAL IMPACT: None.

BACKGROUND: The Retrospective Rating Plan (RRP) limits retrospective returns to 25% of the members' original deposits. This means that additional funds are left in the pool; which are not necessary to pay claims. The Board of Directors adopted Policy & Procedure No. 4-WC to govern calculation and declaration of dividends. The Dividend Policy & Procedure allows that up to 25% of the retained funds of an eligible program year may be returned to members in the form of a dividend. Unlike the RRP, which assesses members with poor loss performance, dividends are shared among all members, although the share of members with poor loss performance is reduced.

ATTACHMENTS: None.

Property Program Renewal FY 2024/25

ISSUE: The Property Insurance Program renews July 1, 2024. Currently, CSRMA participates in the Alliant Property Insurance Program (APIP), a group purchase program that has historically offered extensive coverage and competitive rates. The Program also includes coverage for Cyber Liability and Pollution Liability insurance.

The Pooled Liability Committee reviewed this item at their May 6th meeting, at which time the renewal quotes had not yet been received. Therefore, an estimated Total Expected Cost of \$1,621,803 (17.62% higher than expiring) was presented to the Committee. Their recommendation to the Executive Board was based on this being a “not to exceed” total cost. As depicted in the table below, the actual quote is less than the estimate provided to the Committee.

RECOMMENDATION: The Pooled Liability Committee recommends that the Executive Board approve renewing the Property Program.

FISCAL IMPACT: The total cost of the Program is up by 12.71% compared to the expiring year. This is largely based on an 8.33% increase in TIV and 4.01% increase in the rate charged by underwriters on the Insurance Costs. A detailed breakout of all the renewal costs is shown below.

Expense Item	2023-24	Estimated 2024-25	Estimated Cost Change	
	\$1 Billion Limit Excess of \$100K Pooled Layer	\$1 Billion Limit Excess of \$100K Pooled Layer		
Est. Pool Deposits (70% CL, Discounted at 2%)	593,907	658,863	64,956	11%
Est. Insurance Costs (Net)	8,349,771	9,408,555	1,058,783	13%
Est. Fixed Expense (JPA Charge)	66,356	111,894	45,538	69%
Program Director Fees	192,000	192,000	0	0%
Total Expected Costs	9,202,034	10,371,312	1,169,278	12.71%

*Insurance Cost includes Property, B&M, Cyber, Pollution
Increase in JPA Charge due to expense for KYND Cyber Risk Services*

BACKGROUND: For the past several years global catastrophic events have driven the property insurance market into a hard cycle. 2023 was the ninth consecutive year where the U.S. experienced at least 10 catastrophes causing over \$1B in losses. Total losses for 2023 exceeded \$100B, marking the fourth consecutive year with global losses topping that mark.

These industry and CSRMA specific losses coupled with unprecedented inflation and increases in the cost to rebuild/replace damaged structures, results in continued upward rate pressure from property insurers. However, there is more optimism in the market this year, and all signs point

towards a stabilizing market. The result for CSRMA is a smaller rate increase than we have experienced in recent years.

We are still in a challenging but stabilizing cyber insurance market. Abrupt pricing corrections experienced in the previous renewal cycles were a result of the uptick in severity of claims and pressure mounted to increase retentions from the market. The industry loss ratios and combined ratios saw improvements in 2022-23, but have moved back upward in recent months along with an increase in ransomware activity. Carriers have concerns over systemic type events that could be catastrophic for the industry and are addressing these concerns through coverage restrictions. Insureds can expect some stability in pricing, terms, and conditions for 2024, especially those with good cyber hygiene.

The table in this item provides renewal pricing for CSRMA's "All Risk" Property Insurance Program, including Terrorism, Boiler & Machinery, Cyber Liability and Pollution Liability coverage, at the current deductible and limit structure. The Program Administrators evaluated the cost benefit of increasing the current program deductible (the 'Pooled Layer') from \$100K up to \$250K. There was no meaningful premium savings to the Insurance Costs to warrant an increase in deductible, and therefore the Program Administrators are not recommending a change at this time. This will continue to be evaluated in future years.

The costs shown in the table are subject to change if member's reported values change between now and July 1.

ATTACHMENTS: APIP Executive Summary and Description of Coverage Changes for
24-25

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)

July 1, 2024 – July 1, 2025

EXECUTIVE SUMMARY

Attached please find the annual renewal summary of the Alliant Property Insurance Program (APIP) for the 7/1/2024 renewal. An overview of the most significant issues is discussed here.

After multiple years of a difficult property market with double digit rate increases, the property market is significantly improving as we approach the 7/1/2024 APIP renewal. While the market is much better this year, we do expect most insureds in the APIP program to have single digit rate increases at renewal. Generally, Insured's that are loss free and/or non-Catastrophe (CAT) exposed will have lower than average rate increases while insured's that are loss challenged and/or CAT exposed will have higher than average rate increases.

For the 2024/25 renewal, Berkshire Hathaway Specialty Insurance (BHSI) will lead the first \$30,000,000 of the program. Maximum program limits are \$1,000,000,000 and will be placed with worldwide markets rated at A.M. Best A- VII or higher. Insureds should note several key highlights for this year's renewal:

- Boiler & Machinery cover for participating insureds of the APIP Boiler Program will be maintained with Hartford Steam Boiler (HSB), who will also continue to perform required jurisdictional inspections.
- Cyber (Privacy Liability) Coverage for both 1st and 3rd parties will be provided by Beazley Syndicate at Lloyd's, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal which includes a summary of proposed changes for this renewal. Additional excess options are available, if requested for insureds with good security controls in place. The Cyber market has stabilized somewhat after being extremely volatile in the past few years due to a pronounced increase in ransomware claims and worldwide unrest. Due to the difficulty of even maintaining Cyber coverage for many public entities, we believe the Cyber coverage provided by APIP represents one of the best values in the marketplace. **Please note claims reporting timeframe limitations for this coverage**
- Pollution Coverage for both 1st and 3rd parties will be provided by Ironshore Specialty Insurance Company, A.M. Best Rated A XV, (for those eligible insureds) with coverage as outlined on the following proposal which includes a summary of proposed changes for this renewal. **Please note claims reporting timeframe limitations for this coverage**
- Vehicles/Contractor's Equipment – please note on the attached proposal whether the vehicle/contractors equipment valuation is Replacement Cost (new) or Actual Cash Value (ACV). If Replacement Cost (new) valuation is needed, the insured must submit a schedule of vehicles or a vehicle valuation reporting form (provided in the pre-renewal packet) and vehicles must be valued at today's Replacement Cost (new). If values are not reported at Replacement Cost (new), the vehicle/contractor's equipment valuation basis will be ACV

Alliant Business Services (ABS) continues to play a significant role not only in providing various types of loss control services, but also in providing appraisal services, business interruption values consultation, and infrared testing. Please see inserts for further details on ABS services provided. For the program, property valuations continue to be a key focus. As a reminder, it is underwriters' intent to have all buildings with a scheduled value of \$5,000,000 or more appraised once every seven to ten years. This service is included in the total program cost. Insureds may also choose to have lower valued buildings appraised. The cost to have all, or specific buildings appraised that are valued on an insureds schedule between \$25,000 and \$5,000,000 will be quoted at the time the request is made.

Additionally, Alliant as a company is excited to introduce our Cyber Resilience Services Subscription Bundle available to APIP clients. The Alliant Cyber Consulting Practice helps clients identify, evaluate, remediate, transfer, and respond to the cyber risks that matter most, driving better cyber risk management, resilience and insurability outcomes. Brochure is included, ask your Alliant representative for more details.

Please review important Disclosure and Loss Notification information included in your renewal materials. Your review and acknowledgement of these documents are required via your signature once you authorize a request to bind coverage with your Alliant representative. Although this proposal is as complete as possible, the program is being negotiated up to the 7/1/2024 effective date. We will endeavor to provide any known material changes prior to renewal. All coverage items currently under review with APIP markets to be effective on 7/1/2024, are listed at the end of each coverage proposal being quoted.

ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
July 1, 2024 – July 1, 2025
EXECUTIVE SUMMARY

The following table depicts key financial statistics relative to last year:

Year-over-Year Rate and Premium Comparison

<u>California Sanitation Risk Management Authority (CSRMA)</u>	<u>2023-2024</u> (at 11/06/2023)	<u>2024-2025</u>	<u>Variance</u>
Total Insurable Values (TIV):	\$ 7,730,374,824	\$ 8,374,637,502	8.33%
Earthquake TIV:	Not Applicable	Not Applicable	N/A
Earthquake Limit:	Not Covered	Not Covered	N/A
*Property Annual Cost:	\$ 8,081,736.49	\$ 9,104,777.39	12.66%
Cyber Liability Annual Cost:	\$ 199,471.70	\$ 218,357.77	9.47%
Pollution Liability Annual Cost:	\$ 68,563.11	\$ 85,419.63	24.59%
Total Account Rate (\$/100):	0.1080125	0.1123458	4.01%
**Total Annual Cost:	\$ 8,349,771.30	\$ 9,408,554.79	12.68%

*Property Annual Cost includes: all premiums, underwriting fees, commissions, loss control expenses, program administration charges, and applicable taxes

** Total Annual Cost includes the following: Property Annual Cost, Cyber and Pollution when purchased

Thank you for your continued support of APIP. We look forward to working with you this next year. Please let us know if you have any questions about your renewal.

APIP SUMMARY OF PROPOSED PROPERTY CHANGES

BELOW IS A SUMMARY OF PROPOSED CHANGES FOR THE 2024-2025 POLICY PERIOD

Coverage	2023-2024	2024-2025	Status
Sub-limit: Unscheduled Landscaping	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf <u>and further subject to \$25,000 / 25 gallon maximum per item</u> for existing Named Insureds excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.	Unscheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf; <u>however, replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed \$25,000 per item</u> for existing Named Insureds excluding Earthquake coverage for Alaska and California locations. If Flood coverage is purchased for scheduled locations, this extension includes Flood coverage for any location not situated in Flood Zones A or V.	Clarification
Sub-limit: Scheduled Landscaping	Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf; <u>and further subject to \$25,000 / 25 gallon maximum per item.</u>	Scheduled Landscaping, tees, sand traps, greens, athletic fields and artificial turf; <u>however, replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed \$25,000 per item.</u>	Clarification
Sub-limit: Scheduled Vacant Building	Vacant buildings sub-limited under Auto Acquisition	See Policy Provisions Scheduled Vacant Building per Conditions in Section IV., part 1.	Clarification
Sub-limit: Unscheduled Vacant Building	Vacant buildings sub-limited under Miscellaneous Unnamed Locations	\$2,500,000 Unscheduled Vacant Building per Policy Provisions Section IV., part 1.	Clarification
Policy Period	July 1, 2023 to July 1, 2024	July 1, 2024 to July 1, 2025	Update
USA Form No.	19	20	Update
Section I, E. 2 Sub-Limits of Liability	I. Prize Giveaways solely as respects Named Insured(s) that participate in this optional coverage;	Deleted in its entirety as it does not apply to majority of program insureds.	Update
Section I, E. 2 Sub-Limits of Liability		Breaking out sub-limits for Vacant Buildings from Miscellaneous Unnamed Locations and Auto Acquisition	Update
Section I, E. 2 Sub-Limits of Liability	Sequence a. – ag.	Sequence reduced to a. – ah.	Clarification
Section II, B. 2. a. Extensions of Coverage	Project involves only real property on new or existing locations (excluding dams, roads, and bridges).	Project involves only real property on new or existing locations (excluding dams, roads, <u>tunnels, piers, and bridges without prior underwriting approval</u>).	Update
Section II, D. 4	See Policy	See policy for details. Revision made to first sentence for clarity on intent.	Clarification
Section II, D. 6	Library contents	Library contents value increased per 22.3% inflation value	Enhancement
Section IV, H. Permits and Privileges, 5.	See Policy	See policy for details. Item H has been revised to breakout and define Vacant Buildings as item I. Vacant Buildings	Update
Section IV, AG. Definition, 1. b.	See Policy	See policy for details. The following wording has been revised to provide clarity on intent. <ol style="list-style-type: none"> 1. <u>tsunami, overflow of inland or tidal water;</u> 2. <u>unusual and rapid accumulation of run off if surface waters from any natural source;</u> <u>mudslide or mudflow, which is a river or flow of liquid mud caused by flooding.</u>	Clarification

SUMMARY OF CYBER INSURANCE CHANGES

THE FOLLOWING ITEMS ARE BOUND CHANGES FOR THE 2024-2025 POLICY TERM

Coverage	2023-2024	2024-2025 Proposed Changes	Status
Beazley Breach Response Endorsement	Coverage offered to new and existing Members – Underwriting required	Coverage offered to new and existing Members – Underwriting required	Notification
Retention Buy Down	Coverage is being offered to new and existing members; underwriting required	Coverage is being offered to new and existing members; underwriting required	Notification
New members to APIP Cyber Core- Mid Term Transactions	New this year; no underwriting, all members requesting core coverage are eligible. Ransomware application, statement of no losses, and AFB warranty required.	No underwriting, all members requesting core coverage are eligible. Ransomware application, statement of no losses, and AFB warranty required.	Notification
Beazley Core Coverage-Website Tracking Exclusion	Not included	Website Pixel Tracking Exclusion specific to Hospitals defined as a Health Facility with overall administrative and professional responsibility and organized medical staff that provides 24-hour inpatient care, including the following services: Medical, nursing, surgical, anesthesia, laboratory, pharmacy, and dietary services.	Exclusion
Beazley Core Coverage-New Boost offering	Not Included	By endorsement and included only with the BBR purchase. Open to all members. Provides full limit coverage for some First Party Limits; Business Interruption, Cyber Extortion, and Data Recovery.	Enhancement
Beazley Core Coverage-increased sublimit	Computer Hardware \$100,000 Reputational Loss \$100,000 Cryptojacking \$25,000	Increased Computer Hardware Replacement to \$200,000. Increased Reputational Loss Coverage to \$200,000 Increased Cryptojacking to \$50,000	Enhancement

Coverage	2023-2024	2024-2025 Proposed Changes	Status
APIP Program Aggregate Change	Program Aggregate \$45,000,000	Increased this year to \$55,000,000	Enhancement

SUMMARY OF POLLUTION LIABILITY CHANGES

THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2024-2025 POLICY TERM

Coverage	2023-2024	2024-2025 Pending Changes	Status
Pollution Liability Policy Term	July 1, 2023 to July 1, 2024	July 1, 2024 to July 1, 2025	Update
Retroactive Date	<p>This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later, except for the following coverages:</p> <ul style="list-style-type: none"> • July 1, 2023 for Products Pollution and Exposure Liability; • July 1, 2023 for Contractor's Pollution • July 1, 2023 for Mold Matter 	<p>This coverage shall only apply if the Pollution Incident or Disinfection Event giving rise to the Claim, Loss, Business Interruption Expenses or Extra Expenses commenced, in its entirety, on or after July 1, 2011, or the date that the Insured first joined the Alliant Property Insurance Program (APIP) for environmental or pollution insurance coverage, whichever is later, except for the following coverages:</p> <ul style="list-style-type: none"> • July 1, 2024 for Products Pollution and Exposure Liability; • July 1, 2024 for Contractor's Pollution • July 1, 2024 for Mold Matter 	Notification
A.M. Best Insurance Rating	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective July 27, 2022	A, Excellent, Financial Category XV (\$2 Billion or greater) Effective August 8, 2023	Notification
Covered Property	Covered locations include any real property owned, leased, rented, operated or occupied by the Insured at policy inception. New form automatically covers sewer and stormwater lines, no need to schedule.	Covered locations are defined as any location identified in one of the SOVs listed above, on file with the Insurer, as of Policy Inception, including, but not limited to, any subsurface potable water, wastewater or storm water pipelines to or from a Covered Location provided that such pipelines are located within a one thousand (1,000) foot radius of such Covered Location. Also includes any inadvertently omitted location and any location scheduled to this policy by endorsement.	Clarification
Sub-Limits	\$1,000,000 Mold Matter Restoration Costs Program Aggregate*	\$1,000,000 Mold Matter Restoration Costs, Business Interruption Expenses and Extra Expenses Program Aggregate*	Enhancement
	\$1,000,000 Sewer Backup or Overcharge Per Pollution Incident*	\$2,000,000 Sewer Backup and Overcharge Program Aggregate*	Update
	\$2,000,000 Lead or Lead Containing Materials Program Aggregate*	\$2,000,000 Lead or Lead Containing Materials Program Aggregate – All Claims*	Update

SUMMARY OF POLLUTION LIABILITY CHANGES

THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2024-2025 POLICY TERM

Coverage	2023-2024	2024-2025 Pending Changes	Status
	<i>New Sub-limit</i>	\$1,000,000 Inadvertently Omitted Location Per Named Insured Aggregate Sublimit*	Enhancement
Specific Coverage Provisions (Continued)	Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after 7/1/2023.	Supplemental coverage for Products Pollution and Exposure Liability is included. This coverage covers third-party claims arising out of product pollution, provided the claim is first made and reported during the policy period. The Products Pollution must have commenced on or after 7/1/2024.	Update
	<i>Not Previously Listed</i>	<p>Insured's Products are defined as:</p> <ul style="list-style-type: none"> • Potable water manufactured, sold, handled or distributed by the Insured or others trading under the Insured's name, and includes containers (other than automobiles, rolling stock, vessels or aircraft), materials, parts or equipment furnished in connection therewith, and includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use thereof, or the failure to provide warnings or instructions; or • Biosolid-derived fertilizers manufactured, sold, handled or distributed by the Insured or others trading under the Insured's name, and includes containers (other than automobiles, rolling stock, vessels or aircraft), materials, parts or equipment furnished in connection therewith, and includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use thereof, or the failure to provide warnings or instructions. 	Clarification
	<p>Automatic Acquisition - Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.</p> <p>Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a</p>	<p>Automatic Acquisition - Coverage for mid-term transactions for values that are less than \$25,000,000 shall be added as a covered location, upon the closing date of such acquisition, or the effective date of such lease, management, rental or occupation right or obligation, respectively, for no additional premium. An application and notification of title or occupancy must be provided to Ironshore within 180 days.</p> <p>Property valued at more than \$25,000,000 purchased, leased or otherwise acquired by the Insured needs to be reported to the Insurer within 180 days, along with a completed and signed Site Pollution</p>	Clarification

SUMMARY OF POLLUTION LIABILITY CHANGES

THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2024-2025 POLICY TERM

Coverage	2023-2024	2024-2025 Pending Changes	Status
	<p>completed and signed Site Pollution Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$0.008596 per \$1,000 of Total Insurable Values, pro-rated with a minimum premium of \$450. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.</p>	<p>Incident Legal Liability Select Application and shall be added as a covered location upon the closing date of such acquisition subject to an additional premium of \$0.009885 per \$1,000 of Total Insurable Values, pro-rated with a minimum premium of \$450. There will be no additional premium for any Covered Property with Total Insurable Values which are less than \$25,000,000.</p> <p>Coverage does not apply to any Remediation Expenses or Emergency Response Expenses incurred for the remediation of Mold Matter at such Acquired Real Property which is the result of any water intrusion or moisture condition prior to the Insured taking title or occupancy of such property. Any water-intrusion or moisture condition shall include, but not be limited to, any roof or building envelope leak, any heating, ventilation and air conditioning (HVAC) system improvement, replacement or upgrade or any plumbing or pipe leak.</p>	
Specific Coverage Provisions (Continued)	<i>Not Previously Listed</i>	<p>Coverage is limited for Coverages A, B and D to Sudden and Accidental only for any location with Current or Historic use as an Airport or any associated facility. The pollution incident giving rise to such Remediation Expenses or Business Interruption Expenses and Extra Expenses must be discovered by the Insured during the policy period and within seven (7) days of commencement, the Pollution Incident is demonstrable as commencing on a specific date, and must be reported to the Insurer in writing during the policy period and no later than twenty-one (21) days following the discovery of such Pollution Incident.</p>	Update
	<i>Not Previously Listed</i>	<p>Additional Insureds are as follows:</p> <ul style="list-style-type: none"> • Any Entity • If any Named Insured pursuant to this Policy is a Public Entity, the following entities are additional insureds: <ul style="list-style-type: none"> ○ A governmental agency or subdivision, department, municipal body, commission or board, or a not-for profit corporation which is owned or controlled by any Named Insured; ○ An individual while acting in the capacity as a director of, officer of, 	Clarification

SUMMARY OF POLLUTION LIABILITY CHANGES

THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2024-2025 POLICY TERM

Coverage	2023-2024	2024-2025 Pending Changes	Status
		<p>trustee of, employee of, temporary or leased worker of, or staff member of, any Named Insured;</p> <ul style="list-style-type: none"> ○ A volunteer, but solely while acting within the scope of such duties and at the direction of any Named Insured; ○ A paramedic or emergency technician, but solely while acting within the course and scope of employment or while acting as a volunteer pursuant to the direction of any Named Insured; ○ An elective or appointive officer or a member of any such commission, board or agency of any Named Insured but solely while acting within the scope of duties as such; or ○ A joint venture or partnership, including a mutual assistance pact, joint powers agreement or similar association, but only with respect to the conduct of the business of any named Insured on behalf of that entity or association and only to the extent of such Named Insured's participation or interest in that entity or association. 	
Specific Coverage Provisions (Continued)	<i>Not Previously Listed</i>	<p>Additional Insureds (Continued): If the Named Insured is an Educational Entity, the following persons or entities are additional insureds, individually and collectively, when acting solely within the scope of their duties, office, or employment for, and pursuant to the supervision of, any Named Insured:</p> <ul style="list-style-type: none"> • Members of the School Board; • Officers; • Employees; • Temporary or Leased Workers; • Authorized individual volunteers; <p style="text-align: center;">156 of 198 or</p>	Clarification

SUMMARY OF POLLUTION LIABILITY CHANGES

THE FOLLOWING ITEMS ARE PENDING CHANGES FOR THE 2024-2025 POLICY TERM

Coverage	2023-2024	2024-2025 Pending Changes	Status
		<ul style="list-style-type: none"> Student Body Organizations pursuant to the jurisdiction of the governing board, but only while pursuant to the supervision required by the governing board. 	
	Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of "your work", provided the claim is first made and reported during the policy period. The Contractor's Pollution must have commenced on or after 7/1/2023.	Supplemental coverage for Contractors Pollution is included. This coverage covers third-party claims arising out of "your work", provided the claim is first made and reported during the policy period. The Contractor's Pollution must have commenced on or after 7/1/2024.	Update
Exclusions	Oil and/or Gas Producing and Refining Facilities	Oil and/or Gas Operations – only applies to oil and/or gas producing and refining facilities	Clarification
	Non-Disclosure	Non-Disclosure – does not apply to any Inadvertently Omitted Locations	Clarification
	Firing Ranges	Firearms, Explosives or Military Weapons	Clarification
	Damage to Your Product (Product Pollution Only)	Damage to the Insured's Product (Product Pollution Only)	Clarification
	Landfill Closure, Post-Closure and Reclamation Costs	Landfill Closure, Post-Closure and Reclamation Costs – any closure, post closure or reclamation costs or obligations, including but not limited to any costs associated with landfill caps or gas or leachate systems. Does not apply to claims for Bodily Injury or Property Damage.	Update
	Prior Claims (prior to July 1, 2021)	<i>Deleted</i>	Clarification
Specific Deductibles	\$250,000 Mold Matter (*or \$50,000 per room impacted, whichever is greater – a room is considered equal to 250 sq ft of floor space, education, healthcare and hospitality locations only)	\$350,000 Mold Matter (*or \$50,000 per room impacted, whichever is greater – a room is considered equal to 250 sq ft of floor space, education, healthcare and hospitality locations only)	Update
	<i>Not Previously Listed</i>	5 Days Business Interruption Waiting Period	Update

Cyber Liability Coverage Renewal

ISSUE: Separate from the coverage purchased by the individual members, CSRMA purchases Cyber Liability coverage for the entity itself via an endorsement to the “core” Cyber Liability coverage purchased by the Property Program members. The Executive Board should consider renewing this coverage on July 1, 2024.

RECOMMENDATION: The Program Administrators recommend that the Executive Board renew the Cyber Liability entity coverage.

FISCAL IMPACT: The annual renewal cost is approximately \$760, compared to the expiring \$695 cost. Funds are included in the FY 24/25 Budget to cover this expenditure.

BACKGROUND: In July 2020 CSRMA began to purchase Cyber Liability insurance to cover the JPA. CSRMA’s potential exposure to a cyber-liability event is rather low, as CSRMA owns no assets and contracts out its administrative operations. This low exposure is reflected in the relatively low premium charged for the coverage, and therefore recommended to be renewed by the Program Administrators.

ATTACHMENTS: APIP Cyber Liability Proposal

California Sanitation Risk Management Authority
ALLIANT PROPERTY INSURANCE PROGRAM (APIP)
CYBER INSURANCE PROPOSAL
CORE COVERAGE

TYPE OF COVERAGE: Information Security & Privacy Insurance with Electronic Media Liability Coverage

PROGRAM: **Alliant Property Insurance Program (APIP) inclusive of Public Entity Property Insurance Program (PEPIP), and Hospital All Risk Property Program (HARPP)**

NAMED INSURED: APIP Cyber and Pollution Programs, Inc. which may include any member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s), attaching to each Declaration insured under the ALLIANT PROPERTY INSURANCE PROGRAM (APIP), inclusive of PUBLIC ENTITY PROPERTY INSURANCE PROGRAM (PEPIP) and HOSPITAL ALL RISK PROPERTY PROGRAM (HARPP) as their respective rights and interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern (all hereinafter referred to as Member(s) / Entity(ies)).

DECLARATION: Various Declarations as on file with Insurer

POLICY PERIOD: July 1, 2024 to July 1, 2025

TERRITORY: WORLD-WIDE

RETROACTIVE DATE: **APIP/PEPIP**
For new members – the retro active date will be the date of addition
 July 1, 2023 For existing members included on the July 1, 2023/24 policy
 July 1, 2022 For existing members included on the July 1, 2022/23 policy
 July 1, 2021 For existing members included on the July 1, 2021/22 policy
 July 1, 2020 For existing members included on the July 1, 2020/21 policy
 July 1, 2019 For existing members included on the July 1, 2019/20 policy
 July 1, 2018 For existing members included on the July 1, 2018/19 policy
 July 1, 2017 For existing members included on the July 1, 2017/18 policy
 July 1, 2016 For existing members included on the July 1, 2016/17 policy
 July 1, 2015 For existing members included on the July 1, 2015/16 policy
 July 1, 2014 For existing members included on the July 1, 2014/15 policy
 July 1, 2013 For existing members included on the July 1, 2013/14 policy
 July 1, 2012 For existing members included on the July 1, 2012/13 policy
 July 1, 2011 For existing members included on the July 1, 2011/12 policy
 July 1, 2010 For existing members included on the July 1, 2010/11 policy
 July 1, 2010 For existing insured's included on the July 1, 2010/11 policy

CSU
 July 1, 2008 California State University and CSU Auxiliary Organizations

INSURER: Lloyd's of London - Beazley Syndicate:
 Syndicates 2623 - 623 - 100%
 Liberty Surplus Insurance Corporation (Ironshore)
 Associated Industries Insurance Company, Inc. (AmTrust Financial)

COVERAGES & LIMITS:	Ai.	\$	55,000,000	Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverages combined, including Claims Expenses), subject to the following limits and sub-limits as noted.
	Aii.	\$	2,000,000	Insured/Member Annual Aggregate Limit of Liability (subject to policy exclusions) for each Insured/Member, within the Annual Policy and Program Aggregate Limit of Liability and JPA/Pool Annual Aggregate Limit of Liability (Aggregate for all coverages combined, including Claim Expenses) subject to the following limits and sub-limits as noted.

BREACH RESPONSE

Breach Response Costs:	\$	500,000	Aggregate Limit of Liability for each Insured/Member (Limit is increased to \$1,000,000 if Beazley Nominated Services Providers are used)
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FIRST PARTY LOSS

Business Interruption and Dependent Business Interruption Aggregate Sub-Limit:	\$	750,000	Aggregate Limit of Liability for each Insured/Member
Business Interruption Loss Resulting from Security Breach	\$	750,000	Aggregate Limit of Liability for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
Business Interruption Loss Resulting from System Failure:	\$	500,000	Aggregate Limit of Liability for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)

Dependent Business Loss Resulting from Security Breach:	\$	750,000	Aggregate Limit of Liability for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
Dependent Business Loss Resulting from System Failure:	\$	100,000	Aggregate Limit of Liability for each Insured/Member (Within the \$750,000 Business Interruption and Dependent Business Interruption Aggregate Sublimit)
Cyber Extortion Loss:	\$	750,000	Aggregate Limit of Liability for each Insured/Member
Data Recovery Costs:	\$	750,000	Aggregate Limit of Liability for each Insured/Member
Data & Network Liability:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses
Regulatory Defense & Penalties:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member
Payment Card Liabilities & Costs:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member
Media Liability:	\$	2,000,000	Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses
 eCRIME			
Fraudulent Instruction:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
Funds Transfer Fraud:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
Telephone Fraud:	\$	75,000	Aggregate Limit of Liability for each Insured/Member
 CRIMINAL REWARD			
Criminal Reward:	\$	25,000	Aggregate Limit of Liability for each Insured/Member
 COVERAGE ENDORSEMENT(S)			
Reputation Loss:	\$	200,000	Aggregate Limit of Liability for each Insured/Member
Claims Preparation Costs for Reputation Loss Claims Only:	\$	50,000	Aggregate Limit of Liability for each Insured/Member

Computer Hardware Replacement Costs:	\$	200,000	Aggregate Limit of Liability for each Insured/Member
Invoice Manipulation:	\$	100,000	Aggregate Limit of Liability for each Insured/Member
Cryptojacking:	\$	50,000	Aggregate Limit of Liability for each Insured/Member
 RETENTION:	 \$	 TBD	 CSU Auxiliary Organizations only
	\$	50,000	Per Claim for each Member/Insured with Total Insured Value (TIV) up to \$250,000,000 at the time of policy inception
			8 Hour waiting period for Dependent/Business Interruption Loss
	\$	100,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$250,000,000 and up to \$750,000,000 at the time of policy inception
			8 Hour waiting period for Dependent/Business Interruption Loss
	\$	250,000	Per Claim for each Member/Insured with Total Insured Value (TIV) greater than \$750,000,000 at the time of policy inception
			8 Hour waiting period for Dependent/Business Interruption Loss

NOTICES: Policy coverage of this policy provides coverage on a claims made and reported basis; except as otherwise provided, coverage under noted coverage schedule applies only to claims first made against the Insured/Member and reported to underwriters during the policy period. Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

This is a shared limit policy among the Named Insureds. The per Insured/Member policy limits are on a per claim or incident for each Insured/Member basis, sub-limits listed are aggregated per Insured/Member and are within the total Insured/Member aggregate limit. In the event of a claim/incident with multiple Insureds/Members exhausting the program aggregate limit provided by the Insurer to Insureds/Members, payment to all Insureds/Members for the claim/incident will be determined by the Insurer. Where coverages are aggregated, sub-limit and limits apply to all Insureds/Members for the entire Policy Period unless specifically stated otherwise. The policy aggregate limit is not a per Insured/Member maximum limit.

EXTENDED REPORTING PERIOD: For Named Insured - To be determined at the time of election (additional premium will apply)

SPECIFIC COVERAGE PROVISIONS:

- A. Breach Response** indemnifies the Insured/Member for Breach Response Costs incurred by the Insured/Member because of an actual or reasonably suspected Data Breach or Security Breach that the Insured first discovers during the Policy Period.
- B. First Party Loss**
- Business Interruption Loss* indemnifies the Insured/Member for a Business Interruption Loss sustained as a result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.
- Dependent Business Interruption Loss* indemnifies the Insured/Member for a Dependent Business Interruption Loss sustained as a result of a Security Breach or a System Failure that the Insured first discover during the Policy Period.
- Cyber Extortion Loss* indemnifies the Insured/Member for a Cyber Extortion Loss incurred as a result of an Extortion Threat first made against the Insured/Member during the Policy Period.
- Data Recovery Costs* indemnifies the Insured/Member for Data Recovery Costs incurred as a direct result of a Security Breach or System Failure that the Insured first discovers during the Policy Period.
- C. Liability**
- Data & Network Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for a Data Breach, a Security Breach, the Insured's failure to disclose a Data Breach or Security Breach, or failure of the Insured to comply with the part of a Privacy Policy that specifically is related to disclosure, access or procedures related to Personally Identifiable Information.
- Regulatory Defense & Penalties* pays Penalties and Claims Expenses, which the Insured is legally obligated to pay because of a Regulatory Proceeding first made against any Insured during the Policy Period for a Data Breach or a Security Breach.
- Payment Card Liabilities & Costs* indemnifies the Insured/Member for PCI Fines, Expenses and Costs which it is legally obligated to pay because of a Claim first made against any Insured during the Policy Period.
- Media Liability* pays Damages and Claims Expenses, which the Insured is legally obligated to pay because of any Claim first made against any Insured during the Policy Period for electronic Media Liability.
- D. eCrime** indemnifies the Insured/Member for any direct financial loss sustained resulting from:
- *Fraudulent Instruction*
 - *Funds Transfer Fraud*
 - *Telephone Fraud*
- That the Insured first discovers during the Policy Period.
- E. Criminal Reward** indemnifies the Insured/Member for Criminal Reward Funds.

**Coverage
Endorsement(s)**

Reputational Loss indemnifies the Insured Organization for Reputation Loss that the Insured Organization sustains solely as a result of an Adverse Media Event that occurs during the Policy Period, concerning: a Data Breach, Security Breach, or Extortion Threat that the Insured first discovers during the Policy Period

Computer Hardware Replacement Costs is part of the Extra Expense coverage. Extra Expense means reasonable and necessary expenses incurred by the Insured Organization during the Period of Restoration to minimize, reduce or avoid Income Loss, over and above those expenses the Insured Organization would have incurred had no Security Breach, System Failure, Dependent Security Breach or Dependent System Failure occurred; and includes reasonable and necessary expenses incurred by the Insured Organization to replace computers or any associated devices or equipment operated by, and either owned by or leased to, the Insured Organization that are unable to function as intended due to corruption or destruction of software or firmware directly resulting from a Security Breach

Invoice Manipulation indemnifies the Insured Organization for Direct Net Loss resulting directly from the Insured Organization's inability to collect Payment for any goods, products or services after such goods, products or services have been transferred to a third party, as a result of Invoice Manipulation that the Insured first discovers during the Policy Period. Invoice Manipulation means the release or distribution of any fraudulent invoice or fraudulent payment instruction to a third party as a direct result of a Security Breach or a Data Breach.

Cryptojacking indemnifies the Insured Organization for any direct financial loss sustained resulting from Cryptojacking that the Insured first discovers during the Policy Period. Cryptojacking means the Unauthorized Access or Use of Computer Systems to mine for Digital Currency that directly results in additional costs incurred by the Insured Organization for electricity, natural gas, oil, or internet.

EXCLUSIONS:
(Including but not limited to)

Coverage does not apply to any claim or loss from:

- Bodily Injury or Property Damage
- Trade Practices and Antitrust
- Gathering or Distribution of Information
- Prior Known Acts & Prior Noticed Claims
- Racketeering, Benefit Plans, Employment Liability & Discrimination
- Sale or Ownership of Securities & Violation of Securities Laws
- Criminal, Intentional or Fraudulent Acts
- Patent, Software Copyright, Misappropriation of Information
- Governmental Actions
- Other Insureds & Related Enterprises
- Trading Losses, Loss of Money & Discounts
- Media-Related Exposures – Contractual liability or obligation
- Nuclear Incident
- Radioactive Contamination
- Sanctions Limitation
- War and Civil War
- Asbestos, Pollution and Contamination
- First Party Loss – with respects: 1. seizure, nationalization, confiscation, or destruction of property or data by order of any governmental or public authority; 2. costs or expenses incurred by the Insured to identify or remediate software program errors or vulnerabilities or update, replace, restore, assemble, reproduce, recollect or enhance data or Computer Systems to a level beyond that which existed prior to a Security Breach, System Failure, Dependent Security Breach, Dependent System Failure or Extortion Threat; 3. failure or malfunction of satellites or of power, utility, mechanical or telecommunications (including internet) infrastructure or services that are not under the Insured Organization's direct operational control; or 4. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical event.
- Website Tracking Exclusion specific to hospitals as defined by: A health facility with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, including the following services: medical, nursing, surgical, anesthesia, laboratory, pharmacy, and dietary services.

NOTICE OF CLAIM:

- **IMMEDIATE NOTICE** must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)
- Claim notification under this policy is to:
 - Beazley Group
 - Attn: TMB Claims Group
 - 45 Rockefeller Plaza, 16th Floor
 - New York, NY 10111
 - bbr.claims@beazley.com

NOTICE OF CANCELLATION: 10 days for non-payment of premium

OTHER SERVICES Unlimited Access to Beazley Breach Solutions website

BROKER: ALLIANT INSURANCE SERVICES, INC.

License No. 0C36861

NOTES:

- **Some coverage, limits, sub-limits, terms and conditions will change, as negotiations are ongoing. Changes will be documented and accompany the Binder Confirmation for July 1, 2024 bound terms. Coverage outlined in this Proposal is subject to the terms and conditions being negotiated with the policy. To be finalized and presented at Program Inception.**
- **Please refer to Policy for specific terms, conditions and exclusions**
- **Change in Total Insurable Values will result in adjustment in premium**

SUMMARY OF CYBER INSURANCE CHANGES

THE FOLLOWING ITEMS ARE BOUND CHANGES FOR THE 2024-2025 POLICY TERM

Coverage	2023-2024	2024-2025 Proposed Changes
Beazley Breach Response Endorsement	Coverage offered to new and existing Members – Underwriting required	Coverage offered to new and existing Members – Underwriting required
Retention Buy Down	Coverage is being offered to new and existing members; underwriting required	Coverage is being offered to new and existing members; underwriting required
New members to APIP Cyber Core-Mid Term Transactions	New this year; no underwriting, all members requesting core coverage are eligible. Ransomware application, statement of no losses, and AFB warranty required.	No underwriting, all members requesting core coverage are eligible. Ransomware application, statement of no losses, and AFB warranty required.
Beazley Core Coverage-Website Tracking Exclusion	Not included	Website Pixel Tracking Exclusion specific to Hospitals defined as a Health Facility with overall administrative and professional responsibility and organized medical staff that provides 24-hour inpatient care, including the following services: Medical, nursing, surgical, anesthesia, laboratory, pharmacy, and dietary services.
Beazley Core Coverage-New Boost offering	Not Included	By endorsement and included only with the BBR purchase. Open to all members. Provides full limit coverage for some First Party Limits; Business Interruption, Cyber Extortion, and Data Recovery.
Beazley Core Coverage- increased sublimit	Computer Hardware \$100,000 Reputational Loss \$100,000 Cryptojacking \$25,000	Increased Computer Hardware Replacement to \$200,000. Increased Reputational Loss Coverage to \$200,000 Increased Cryptojacking to \$50,000
APIP Program Aggregate Change	Program Aggregate \$45,000,000	Increased this year to \$55,000,000

Deadly Weapons Response Coverage Renewal

ISSUE: CSRMA purchases Deadly Weapons Response (Active Assailant) coverage for members of the Property Program and those members who do not participate in the Property Program but provided a property schedule. The rating basis for coverage is Total Insured Values (TIV). Coverage is due to renew on July 1, 2024. The incumbent carrier is the Underwriters at Lloyds of London (Beazley).

RECOMMENDATION: The Program Administrators recommend that the Executive Board renew the Deadly Weapons Response coverage at a total cost of \$33,183.

FISCAL IMPACT: The annual renewal cost is \$33,183 compared to the expiring cost of \$33,216. Funds are included in the FY 24/25 Budget to cover this expenditure.

BACKGROUND: "Active Shooter" situations are unpredictable, develop quickly, and leave devastating personal and financial impact on those involved. They can involve random third-party shootings, or violent employee interactions. It is recognized that coverage for events with certain characteristics may already be provided by standard property and liability insurance programs, and as such, this coverage is designed to be primary to these programs and therefore would serve as a buffer to any deductible or retention of these programs. This cover is not intended to replace any other coverage that a member may already have for such incidents.

Improved market conditions helped CSRMA to achieve a favorable renewal with the incumbent carrier Beazley. With an increase in TIV of approximately 8% and a close to flat cost compared to expiring, a relative rate reduction of 8% was offered by Beazley.

ATTACHMENTS: 2024-25 Renewal Proposal



California Sanitation Risk Management Authority (CSRMA)

2024 - 2025

Alliant Deadly Weapon Response Program (ADWRP) Proposal

Issued on May 20, 2024

Alliant Insurance Services, Inc
18100 Von Karman Avenue 10th Floor
Irvine, CA 92612
O (949) 756-0271
CA License No. 0C36861

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www.alliant.com

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL

INSURED	California Sanitation Risk Management Authority (CSRMA)
INSURANCE COMPANY:	Underwriters at Lloyd's of London
LLOYD'S CONSORTIUM:	Deadly Weapon Protection Consortium 9779 Comprising 100%: 50.0000% Lloyd's Syndicate 2623 AFB 10.9800% Lloyd's Syndicate 0623 AFB 12.2000% Lloyd's Syndicate 4472 LIB 12.2000% Lloyd's Syndicate 1969 APL 07.3100% Lloyd's Syndicate 1301 IGO 07.3100% Lloyd's Syndicate 1686 AXS
A.M. BEST RATING:	A (Excellent) XV; Greater than \$2,000,000,000
STANDARD AND POOR'S RATING:	A+, Strong Financial Security
STATE LICENSE STATUS:	Non-Admitted
POLICY TERM:	July 1, 2024 – July 1, 2025
COVERAGE FORM: COVERAGE TYPE:	Claims Made & Reported Third Party Bodily Injury Liability, First Party Property Damage, Business Interruption & Crisis Management for events occurring at a location appearing on your Schedule of Values on file with Alliant Insurance Services, Inc.
LIMITS:	
Each and Every Deadly Weapon Event including Claim Expenses	\$ 500,000
Annual Aggregate (Shared by Members of Pool/JPA)	\$ 2,500,000
RETENTION:	\$10,000 Each and every Deadly Weapon Event including Claims Expenses
RETROACTIVE DATE:	7/1/2018
PRE-EVENT SERVICES (OPTIONAL):	<ul style="list-style-type: none">• Deadly Weapon Protection Webinars• Deadly Weapon Post-Underwriting Consultation

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

SUB-LIMITS:

(Each Sublimit is part of the Overall Limit of Liability and not in addition to it)

\$ 500,000	1 st Party Property Damage – Each and every event
\$ 250,000	Crisis Management Services - specified in endorsement
\$ 250,000	Crisis Management Services – unspecified
\$ 250,000	Counseling Services (\$15,000 per person maximum)
\$ 250,000	Funeral Expenses (\$15,000 per person maximum)
\$ 250,000	Business Interruption
\$ 250,000	Demo/Clearance/Memorialization
\$ 250,000	Extra Expense
\$ 250,000	Threat
\$ 500,000	Transit Extension – Bus, Coach, Train owned by insured and reported to Alliant
\$ 25,000	Per Person for Medical Expenses with a \$500,000 annual aggregate
\$ 50,000	Per Person Deadly Weapon Death and Dismemberment with a \$500,000 annual aggregate
Included	Circumstantial Costs for Prevention Services (\$0 Deductible)

ENDORSEMENTS: (Including But Not Limited To)

- Crisis Management Services
- Circumstance Extension
- Property Damage Extension
- Counselling Services
- Funeral Expenses
- Short Rate Cancellation Table
- Premium Payment Clause
- Reinsurers Liability Clause
- Lloyd’s Privacy Policy
- Sanction Limitation & Exclusion Clause
- Notice of Terrorism Insurance Coverage
- Business Interruption (*if applicable*)
- Automatic Acquisitions limit – locations up to \$25,000,000
- 90 day grace period for reporting of new locations
- **NEW 2024:** Events hosted on insured property with 2,500 people or more are excluded, unless approved by underwriting and additional premium may be charged

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ENDORSEMENTS - CONTINUED:

(Including But Not Limited To)

EXCLUSIONS:

(Including But Not Limited To)

- Offsite events coverage for K-12 School insureds (Field Trips) only – No Liability coverage applies.
- E&O clause – to cover locations not exceeding \$10,000,000 in value unintentionally not included in SOV provided to insurer
- Crisis Management/Event Responder Fees *do not erode policy limits*
- Crisis Services Provided by **CrisisRisk**:
<https://www.crisisrisk.com/>
- Confiscation, nationalization, requisition or destruction of or damage to property by government, public or local authority
- Loss of market, loss of use or any other consequential loss at property physically lost or damaged
- Euthanasia
- Fraudulent Claims
- Any actual or alleged negligent act, error, omission, misstatement, misleading statement, neglect or breach of duty by the Directors or Officers, in the discharge of their duties solely in their capacity as Directors or Officers of the Named Insured
- Any vehicle not defined as a road vehicle
- Any weapon mounted (or designed to be mounted) on a vehicle
- Any weapon, device or substance delivered by an airborne weapon delivery system including, but not limited to, fixed wing aircraft, helicopter or drone

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED:

(Including But Not Limited To)

- Injury or death to any employees of any third party whom the Named insured has contracted for services.
- Any claim or claims made by or on behalf of an Assailant.
- Use or operation as a means to inflict harm of any computer, computer system, computer software, malicious code, computer virus or any other electronic system.
- Workers Compensation
- Employment Practices
- Ionizing radiations or contamination by radioactivity from nuclear waste or fuel
- Radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, assembly or component
- Mercy Killing(s)
- Cross Suits
- Strikes, labor unrest, riots or civil commotion
- Suicide
- War, insurrection, civil commotion
- Mental injury or mental anguish related claim where no Bodily Injury occurred to claimant (Except as included by endorsement for counselling services)
- Any weapon or device employing atomic or nuclear fission, fusion or other like reaction or force or matter
- Loss, injury or damage caused by or resulting from Named Insured's recklessness or deliberate misconduct
- Chemical, biological, bio-chemical or electromagnetic weapon
- Nuclear reaction, radiation or contamination, however caused
- Any Pollutant or Contaminant however introduced or arisen
- **NEW 2024:** Swatting and any other fictitious event or hoax

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

EXCLUSIONS - CONTINUED:

(Including But Not Limited To)

ADDITIONAL EXCLUSIONS RELATING TO PROPERTY & BUSINESS INTERRUPTION:

(Including But Not Limited To)

- Property Damage in care, custody or control of Named Insured or person under contract (except as maybe provided by the 1st Party Property coverage)
- Punitive or exemplary damages, sanctions or additional damages
- COVID19
- Any Deadly Weapon Event that occurs at a Location(s) which has been specifically leased or loaned by the Named Insured to any other entity or individual to host a permitted event planned and ticketed for more than 500 attendees over the duration of the event, except with the prior written agreement of the Underwriters. Agreement to add any event as covered may incur additional premium.
- Land or land values
- Aircraft, watercraft or any vehicle licensed for highway use
- Animals
- Money, currency, checks, coins, stamps, securities, valuable papers, evidences of debt, precious stones, precious metals (unless forming an integral part of Insured Property), jewelry, furs, fine arts and antiques
- Electronic data
- Any property in Transit
- Increase in loss caused by suspension, lapse, cancellation of any lease, license, contract or order, unless loss results directly from the insured Interruption of Business
- Fines, penalties or damages incurred by or imposed upon the Named Insured at order of any Government Agency, Court or other Authority

ALLIANT DEADLY WEAPON RESPONSE PROGRAM (ADWRP) PROPOSAL – CONTINUED

ANNUAL PREMIUM:	\$ 32,160.00 Premium \$ 964.80 Surplus Lines Taxes \$ <u>57.89</u> Surplus Lines Fees \$ 33,182.69 Total Cost
DEFENSE INSIDE/OUTSIDE THE LIMITS:	Inside
MINIMUM EARNED PREMIUM:	25% Minimum Earned Premium
PROPOSAL VALID UNTIL:	No expiry date, however, insurers may withdraw it at any time without notice.
CLIENT SCHEDULE TOTAL:	\$8,364,143,502
SUBJECTIVITIES:	<ul style="list-style-type: none">• Completed and Signed Request to Bind Coverage Form (See last page)• Completed and Signed Surplus Lines Document(s) (If applicable)• Complete Schedule of Values on file to share with the carrier.<ul style="list-style-type: none">○ If the binding Schedule of Values fluctuates by 20% in either direction than what was quoted the premium may be adjusted.• No known or reported losses or incidents likely to give rise to a claim over the last 12 months.• Payment is required 20 days prior to the settlement due date of 60 days from inception to enable us to pay insurers in a timely manner. If payment is not received by insurers on this date they may issue notice of cancellation of coverage. In the event of cancellation for non payment of premium, the time on risk premium will be due and payable, calculated at pro rata from inception to the date cancellation is effective.

See Disclaimer Page for Important Notices and Acknowledgement

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

New York Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

Other Disclosures/Disclaimers

FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

NRRA

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. *If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.*

Other Disclosures / Disclaimers - Continued

Claims Reporting

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another state, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Permanent operations outside the United States, Canada or Puerto Rico.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Certificates / Evidence of Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy, nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a Certificate or Evident of Insurance, you may be required to name your landlord, client or customer on your policy as a loss payee on property insurance or as an additional insured on liability insurance. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides coverage automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

Optional Coverages

The following represents a list of insurance coverages that may not be included in this proposal but are optional and may be available with further underwriting information. This list is not inclusive of all coverages and if you have questions contact your Alliant representative. If you would like addition quotes please check Yes/No across from the coverage below, sign and return.

Servicer - Remove any coverage lines that are currently insured.

Target Coverages

	Yes	No
CRIME		
Employee Dishonesty	<input type="checkbox"/>	<input type="checkbox"/>
Computer Fraud	<input type="checkbox"/>	<input type="checkbox"/>
Social Engineering	<input type="checkbox"/>	<input type="checkbox"/>
Increased Limits	<input type="checkbox"/>	<input type="checkbox"/>
CYBER RISK	<input type="checkbox"/>	<input type="checkbox"/>
MANAGEMENT LIABILITY		
Directors & Officers Liability	<input type="checkbox"/>	<input type="checkbox"/>
Employment Practices Liability	<input type="checkbox"/>	<input type="checkbox"/>
Fiduciary Liability	<input type="checkbox"/>	<input type="checkbox"/>
UMBRELLA / EXCESS LIABILITY (Increased Liability Limits)	<input type="checkbox"/>	<input type="checkbox"/>
Selecting the "Reject All or Accept All" option will override any selections you have made above	<input type="checkbox"/> Reject All <input type="checkbox"/> Accept All for Consideration	

Signature of Authorized Insurance Representative

Date

Title

Printed / Typed Name

Other Coverage Options

Note some of these coverages may be included with limitations or insured elsewhere. This is a partial listing as you may have additional risks not contemplated here which are unique to your organization.

- Business Income/Extra Expense
- Earthquake
- Employed Lawyers
- Employee Benefits Liability
- Equipment Breakdown
- Food Borne Illness
- Foreign Insurance
- Garagekeepers Liability
- Hired Auto Physical Damage
- Kidnap & Ransom
- Law Enforcement Liability
- Media and Publishers Liability
- Network Security / Privacy Liability and Internet Media Liability
- Non-Owned & Hired Automobile Liability
- Pollution Liability
- Owned/Non-Owned Aircraft
- Owned Watercraft
- Professional Liability
- Property in Transit
- Property of Others (Clients, Employees, Other)
- Special Events Liability
- Spoilage
- Student Accident
- Volunteer Accidental Death & Dismemberment (AD&D)
- Workers Compensation & Employers Liability
- Workplace Violence

Glossary of Insurance Terms

Below are links to assist you in understanding the insurance terms you may find within your insurance policies:

<http://insurancecommunityuniversity.com/university-resources/insurance-glossary-free>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>

Request to Bind Coverage

California Sanitation Risk Management Authority (CSRMA)

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Annual Premium	Bind	Decline
DEADLY WEAPON RESPONSE PROGRAM			
Limit \$500,000 Annual Aggregate (Shared by Members of Pool/JPA) \$2,500,000	\$33,182.69	<input type="checkbox"/>	<input type="checkbox"/>

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

_____ Signature of Authorized Insurance Representative	_____ Date
_____ Title	
_____ Printed / Typed Name	

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. *The actual terms and conditions of the policy will prevail.*

Spring/Summer/Fall 2024 Area Training Update

ISSUE: As part of CSRMA’s ongoing risk control efforts, training is provided on topics of interest to the CSRMA membership at multiple locations throughout the year.

Topic	Tentative Dates	Tentative Locations
Sentinel Training Program for WC members	FY23/24	Zoom
Interpersonal Skills:		Webinars
<ul style="list-style-type: none"> • How to Have a Difficult Conversation • De-Escalation Skills 	<ul style="list-style-type: none"> • 5/30 • 6/20 	
August CSRMA/CASA Risk Mgt Seminar	July 31	Monterey
<ul style="list-style-type: none"> • Janice Litvin (Banish Burnout) • Bonnie Kolesar (Managing Risk) • Fred Deschamps (FitMe) • Tamarin Austin (Austin Clean Water) 		
Sewer Summit	October 12	Virtual conference
Webinars:	May-July	Webinars
4/23/24	Effective Tailgate Safety Meetings/Trainings	
4/24/24	Wrong Chemical into the Wrong Tank - Could an incident like this occur at your Water or Wastewater Treatment Plant?	
4/25/24	Insurance Requirements in Contracts	
4/30/24	Accident Investigation Reporting Roles and Responsibilities - Who, What, When, Where, Why and How	
5/7/24	Navigating FEMA Assistance: An Insider’s Guide To Effectively Obtaining FEMA Assistance Following a Declared Disaster	
5/7/24	Navigating FEMA Assistance: An Insider’s Guide To Effectively Obtaining FEMA Assistance Following a Declared Disaster	
5/9/24	SERP Services – Professional Support for Sewer Spill Response, Training and Compliance	
5/14/24	Water Distribution & Treatment Operator Math Workshop - Webinar	
5/15/24	Developing a Stormwater Emergency Response Plan	
5/16/24	Underground Service Alert	
5/21/24	Managing Sidewalk Liability- Sidewalk Best Practices	
5/22/24	What Supervisors Need to Know About Workers' Compensation to Avoid Legal Pitfalls	

5/22/24	Mastering FOG Management: Best Practices for an Effective Fats, Oils, and Grease Program
5/23/24	Finding Solutions to Drinking Water Treatment Scenarios
5/28/24	Understanding The ASTM F3445 Slip Resistant Footwear Standard
5/30/24	Change Management Leading Your Team Through Transformation
6/4/24	Developing Your Leadership Skills Webinar
6/5/24	Smooth Operations, Solid Safety: Harnessing Smart SOP for SOPs and LOTO
6/11/24	NFPA 70E Electrical Safety for Water and Wastewater Workers
6/13/24	CalOSHA Inspection and Serious Injury Reporting - Understanding and Knowing Your Responsibilities, Rights and Requirements
6/19/24	Soft Tissue Injury Risks and Solutions for Collection, Ops and Maintenance Workers
6/20/24	How To ID and Classify Confined Spaces for Wastewater Workers
6/25/24	Wildfire Property Risk Mitigation for Agencies that Own and/or Operate Exposed Facilities
6/27/24	Forklift Safety Awareness
7/11/24	Developing Condition Assessment Programs

RECOMMENDATION: None – information only.

FISCAL IMPACT: Approximately \$60,000. These training programs are part of the 23/24 and 24/25 risk control training budget.

BACKGROUND: As part of CSRMA’s ongoing risk control efforts, training is provided on topics of interest to the CSRMA membership at multiple locations throughout the year. Each training topic is selected based on timeliness and member need. Further, each training event has two goals:

- To provide information and training that is timely, useful, understandable and practical for the purposes of loss control and regulatory compliance;
- To reach the largest number of people for which the training was designed in the most cost-effective manner possible.

ATTACHMENTS: None



Today

BY BILLY COLLINS

If ever there were a spring day so perfect,
so uplifted by a warm intermittent breeze

that it made you want to throw
open all the windows in the house

and unlatch the door to the canary's cage,
indeed, rip the little door from its jamb,

a day when the cool brick paths
and the garden bursting with peonies

seemed so etched in sunlight
that you felt like taking

a hammer to the glass paperweight
on the living room end table,

releasing the inhabitants
from their snow-covered cottage

so they could walk out,
holding hands and squinting

into this larger dome of blue and white,
well, today is just that kind of day.

Source: *Poetry*

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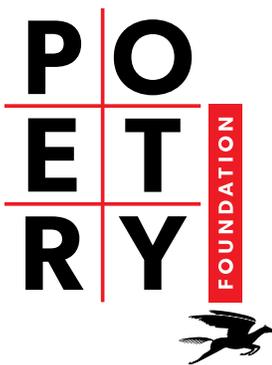
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Drinking water rule sparks litigation fears

BY SHANE DILWORTH

sdilworth@businessinsurance.com

The U.S. Environmental Protection Agency's recent establishment of safe levels of so-called forever chemicals in drinking water will likely lead to litigation between organizations and their insurers to potentially recover costs for updating municipal water supplies, experts say.

Lawsuits alleging personal injury and property damage caused by PFAS are also likely to increase, they say.

PFAS, an abbreviation for perfluoroalkyl and polyfluoroalkyl substances, are potentially harmful substances that have been found in numerous commercial and household products ranging from firefighting foam to nonstick cookware. They have also been found in drinking water and soil.

Under the EPA's drinking water regulation, finalized last month, the agency restricted PFAS to four parts per trillion in drinking water — “the lowest levels that are feasible for effective implementation,” according to the agency.

“Our greatest concern for many of our clients is the litigation risk, and, while they may have limited or little exposure, the costs of defense could be very material.”

Glynis Priester, USI

While municipal utilities will be most affected by the regulation, it will have a “trickle-down” effect that reaches wastewater treatment facilities and companies that are permitted to discharge wastewater containing forever chemicals, said Susanne Deegan, vice president of envi-



Samples of treated Lake Michigan water are collected. Federal rules on the levels of PFAS in drinking water could lead to more litigation and insurance claims, experts say.

ronmental services at Marsh McLennan Agency, a unit of Marsh LLC.

Although the federal Bipartisan Infrastructure Law, passed in 2021, made \$9 billion available to help communities affected by forever chemicals in drinking water and \$12 billion available for general drinking water improvements, the costs some municipalities face to remediate water systems could be three to four times more than what they can access through the law, she said.

“What’s going to happen is these utilities are going to look for responsible parties to help share the cost to remediate their systems and correct the infrastructure. They’re going to start looking for those polluters who introduced PFAS into the drinking water supply,” she said.

Although the EPA’s regulation ostensibly only applies to public drinking water suppliers, it will also affect agricultural companies, farmers, airports, private waste companies and any entity that is either actively putting PFAS in the water or has disposed of PFAS historically, said Lydia

Zaharia, an environmental marketing director at Marsh McLennan Agency.

Companies could face risks of reputational harm as well as potential liability for contamination, she said.

The regulation had been anticipated for some time, but the four-parts-per-trillion safety level is “momentous” and will have an “enormous” financial impact for insurers, said Washington-based Glynis Priester, national environmental practice leader at USI Insurance Services LLC. The regulation “will create a major uptick in litigation,” she said.

“Our greatest concern for many of our clients is the litigation risk, and, while they may have limited or little exposure, the costs of defense could be very material. The defense risk is a real financial consequence of this EPA regulation for many firms in the chain,” Ms. Priester said.

The costs of settling lawsuits for PFAS-related liabilities can reach billions of dollars. On April 1, St. Paul, Minnesota-based 3M Co. announced the final approval of its \$10.3 billion settlement

with U.S. public water suppliers by a federal judge in South Carolina. Johnson Controls International PLC also recently disclosed a \$750 million settlement between its subsidiary Tyco Fire Products and some U.S. public water organizations over PFAS. The settlement is expected to get preliminary approval in May.

The EPA’s announcement may later affect potential liability for companies because it increases awareness to the public and plaintiff’s bar of PFAS-related risks, said Michael Hamilton, Philadelphia-based insurance coverage attorney and a partner at Goldberg Segalla LLP.

Although commercial general liability policies routinely exclude pollution claims, some jurisdictions restrict the application of pollution exclusions to traditional environmental pollution, said John Ewell, a New York-based insurance coverage counsel at Cozen O’Connor P.C.

“Whether there has been a ‘discharge, dispersal, release or escape’ of PFAS will be litigated. This question in particular will be germane in suits against manufacturers using PFAS in their products,” he said.

Mr. Ewell also said a threshold question will arise on what level of exposure to PFAS will result in a “bodily injury” triggering coverage.

“While the EPA regulation addresses unsafe PFAS levels in drinking water, it does not expressly set a safe threshold or even address what blood levels are considered unsafe. We will need to hear from the medical community as to when exposure actually caused ‘bodily injury,’” he said.

Ms. Zaharia said some insurers had created manuscript exclusions to carve out coverage for PFAS, and, in May 2023, the Insurance Services Office officially introduced forms and endorsements carving out coverage for forever chemicals in commercial general liability, umbrella liability and business owners policies and policies for auto dealers.

HISTORIC POLICY LANGUAGE KEY IN COVERING ‘FOREVER CHEMICALS’ LIABILITIES

Words in historic and current liability insurance policies will likely determine where companies seek coverage for property damage and injury claims related to exposure to “forever chemicals,” experts say.

Companies will look to their insurers for coverage as suits related to perfluoroalkyl and polyfluoroalkyl substances, known as PFAS, reach the courthouse, said John Ewell, an insurance coverage attorney at Cozen O’Connor in New York.

Commercial general liability policies are most likely to respond to lawsuits alleging bodily injuries and property damage were caused by PFAS, said insurance recovery attorney Marc Ladd, a partner at New York-based Cohen Ziffer Frenchman & McKenna.

“They are occurrence-based policies that respond to long-tail, progressive injury claims covering multiple years, and they cover allegations of bodily injury caused by an insured’s products, and property damage that may require

costs and expenses to remediate and remove such chemicals,” he said.

Pollution exclusions promulgated in 1986 may not bar all PFAS-related injury claims if they resulted from an individual’s direct exposure to the chemicals as opposed to exposure to traditional environmental pollution, which is what the pollution exclusion is intended to exclude, Mr. Ladd said.

Although some general liability and excess insurers have already carved out coverage for forever chemicals,

companies can look to environmental markets for policies that cover the risk, said Fargo, North Dakota-based Lydia Zaharia, an environmental marketing director at Marsh McLennan Agency, a unit of Marsh LLC.

“Following the recent EPA national drinking water standards for PFAS, we believe many carriers will work to establish their position on PFAS coverage quickly if not done already,” she said.

Shane Dilworth

Report: At least \$630 billion needed for wastewater, stormwater over next 20 years

 waterfm.com/report-at-least-630-billion-needed-for-wastewater-stormwater-over-next-20-years

By WFM Staff

May 20, 2024



The U.S. Environmental Protection Agency recently transmitted a report to Congress outlining clean water infrastructure investments – including wastewater and stormwater system upgrades – that are needed over the next 20 years.

Through the Clean Watersheds Needs Survey, states and U.S. territories report on future capital costs or investment needs to maintain and modernize publicly owned wastewater treatment works, stormwater infrastructure, nonpoint source control, and decentralized wastewater treatment systems like septic tanks.

“Protecting our nations waterways is vital for healthy communities. They provide sources of drinking water, support farming, power economic opportunity and transport and allow for recreation and fishing,” said EPA’s Acting Assistant Administrator for Water Bruno Pigott. “This survey is an important estimate of needs that is based on information collected from

the communities themselves. President Biden has secured the largest investments in history for water infrastructure, putting America in a strong position to help local systems protect our nation's water quality."

//** advertisement **//

[Maximizing the Financial Value of Advanced Metering Projects – this eBook reviews traditional AMI benefits, smarter meter maintenance, risk mitigation, and more. Download for Free.](#)

The 2022 survey represents the most recent comprehensive and robust report on wastewater, stormwater, and other clean water infrastructure needs in the U.S., and shows that at least \$630 billion will be needed over the next 20 years to protect our nation's waterbodies. The National Association of Clean Water Agencies (NACWA) said this represents a 73 percent increase in total reported needs since the previous 2012 report a decade ago.

"[This] report to Congress confirms what public clean water utilities across America already know – that there is a massive gap between available funds and the dollars actually needed to invest in the country's clean water infrastructure, and that the gap is growing at a rapid and unsustainable pace," said Adam Krantz, NACWA CEO. "Local utilities and their ratepayers simply cannot continue to bear the full burden for these costs. While the \$50 billion in federal water investments provided by the Bipartisan Infrastructure Law (BIL) are important and much appreciated, this new report makes clear that amount will hardly make a dent in the overall need. Local ratepayers will continue to pay for the majority of investments, but the federal government must step up and come forward as a full and long-term partner to address the funding need."

According to NACWA, unlike the Drinking Water Needs Assessment, which is EPA is required by statute to complete every four years, there is no similar statutory requirement for EPA to complete the CWNS on a specific timeline. The last survey was in 2012, and NACWA advocated strongly to include language in the Bipartisan Infrastructure Law (BIL) requiring EPA to produce an updated CWNS.

//** advertisement **//

[Beyond Wire Breaks: Pipeline Monitoring to Prevent Failures and Advance Asset Management Sponsored by Pure Technologies, A Xylem Brand Tuesday, June 4th at 2pm EDT](#)

The BIL aims to provide a \$50 billion investment in upgrading critical water infrastructure – with almost \$13 billion going to wastewater and stormwater management. EPA's Clean Water State Revolving fund has supported over \$160 billion in infrastructure since its inception in 1987, and EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program has issued over \$43 billion in financing for water infrastructure projects since 2018.

Learn more about the [survey and access the interactive dashboard.](#)

Background

This is the 17th survey conducted since the passage of the Clean Water Act over 50 years ago. The last survey was conducted in 2012. Along with the needs data, the survey also collected technical data from all existing treatment facilities (e.g., flow, population served, effluent level, etc.). As of January 2022, there are 17,544 POTWs serving 270.4 million Americans, or 82% of the population. This information can be viewed and downloaded on the [CWNS website](#).

Sources: U.S. EPA, NACWA

Tags: [Clean Water](#), [Clean Water Act](#), [EPA](#), [investment](#), [NACWA](#), [stormwater](#), [water finance](#)

EPA Issues Alert After Finding Critical Vulnerabilities in Drinking Water Systems

securityweek.com/epa-issues-alert-after-finding-critical-vulnerabilities-in-drinking-water-systems

By Eduard Kovacs

May 21, 2024



The US Environmental Protection Agency (EPA) on Monday issued an enforcement alert to outline the measures needed to protect drinking water systems against cyber threats.

Inspections conducted by the EPA since September 2023 found that more than 70% of water systems do not fully comply with the Safe Drinking Water Act. The inspections found that some systems have critical cyber vulnerabilities, including ones introduced by the use of default passwords and authentication systems that can be easily compromised.

The agency has outlined the steps drinking water system operators need to take to secure their assets.

The top recommendations include reducing the internet exposure of systems, conducting regular assessments, changing default passwords, making inventories of IT and OT assets, developing and exercising incident response and recovery plans, backing up systems, addressing vulnerabilities, and conducting awareness training.

“The agency will increase the number of planned inspections and, where appropriate, will take civil and criminal enforcement actions, including in response to a situation that may present an imminent and substantial endangerment,” [the EPA said](#). “Inspections will ensure that water systems are meeting their requirements to regularly assess resilience vulnerabilities, including cybersecurity, and to develop emergency response plans.”

Following a series of potentially disruptive cyberattacks against the water sector in the United States, the government has been taking action to enhance the security of critical systems and respond to attacks. This includes publishing [cybersecurity guidance](#) and [sanctioning](#) state-sponsored threat actors believed to be behind attacks on water systems.

Recent incidents include [ransomware attacks](#), Iran-linked hackers [targeting industrial control systems \(ICS\)](#), and Russia-linked hackers [causing a water overflow](#) in a small Texas town.

Pete Nicoletti, global CISO at cybersecurity firm Check Point, told *SecurityWeek* that his company has been seeing attacks against the water sector.

“This situation will lead to more compromises by attackers located in China, Russia, and Iran,” Nicoletti said. “Security executives need to immediately reach out to their trusted advisors to ensure they have an updated security program in place.”

“Strategies will include: scan and find all IoT devices and categorize those risks, IoT devices relegated to a dedicated segment, and access to those IoT devices extremely managed. Protect those IoT devices by limiting their access for management and updates to whitelisted sites and IP addresses. Protection devices need to be ruggedized to support field deployments and since hardwired networks are costly and difficult to deploy, those security devices must have cellular connectivity,” the expert added.

For utilities with limited resources, Nicoletti recommends outsourcing their security program and using managed security services.

Related: [US Government Issues Guidance on Securing Water Systems](#)

Related: [States and Congress Wrestle With Cybersecurity After Iran Attacks Small Town Water Utilities](#)

Related: [Cyberattack on Irish Utility Cuts Off Water Supply for Two Days](#)

Written By [Eduard Kovacs](#)

Eduard Kovacs (@EduardKovacs) is a managing editor at SecurityWeek. He worked as a high school IT teacher for two years before starting a career in journalism as Softpedia’s security news reporter. Eduard holds a bachelor’s degree in industrial informatics and a master’s degree in computer techniques applied in electrical engineering.



FBI Releases Internet Crime Report

[fbi.gov/contact-us/field-offices/sanfrancisco/news/fbi-releases-internet-crime-report](https://www.fbi.gov/contact-us/field-offices/sanfrancisco/news/fbi-releases-internet-crime-report)

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April 4, 2024

California Received Highest Reported Monetary Losses and Complaints Nationwide

SAN FRANCISCO—The Federal Bureau of Investigation's Internet Crime Complaint Center (IC3) recently released its annual Internet Crime Report. The report offers critical insights into the cyber threat landscape based on aggregated data from complaints reported during the last calendar year. The 2023 report reveals alarming increases in both the frequency and financial impact of online fraud perpetrated by cybercriminals. In 2023, the IC3 received a record number of complaints from the American public: 880,418 complaints with potential losses exceeding \$12.5 billion, which is nearly a 10% increase in complaints and a 22% increase in losses compared to 2022. In the state-wide rankings, California received both the highest number of complaints and reported losses, with nearly 80,000 complaints and over \$2 billion in losses.

Nationwide, the highest reported losses from any crime were attributable to investment scams last year. An investment scam is a deceptive practice that induces investors to make purchases based on false information. These scams usually offer those targeted significant returns with minimal risk. Investment fraud losses rose to \$4.57 billion in 2023, a 38% increase from the previous year. Within these numbers, crypto-investment fraud losses rose to \$3.94 billion in 2023, an increase of 53% from the previous year. The report shows that nationally and locally, victims 30 to 49 years old were the most likely group to report losses from investment fraud. Victims within the FBI San Francisco division's territory lost nearly \$400 million to investment scams last year. The county with the highest victim reporting and losses to investment scams was Santa Clara County, with 446 reported victims and over \$152 million in losses.

The most frequently reported crime in 2023 was phishing schemes, which use unsolicited e-mail, text messages, and telephone calls purportedly from a legitimate company to request personal, financial, and/or login credentials. Over 298,000 complaints were filed about phishing schemes last year, which accounted for approximately 34% of all complaints reported. In the FBI San Francisco division's territory, 364 complaints were filed with almost \$1.5 million in losses. Santa Clara County filed the most complaints for this crime; however, Alameda County suffered the highest dollar amount for phishing schemes, with nearly \$500,000 in losses.

"IC3 is an important tool for the FBI to combat the rising tide of cyber threats," said FBI Special Agent in Charge Robert Tripp. "When the public reports incidents to the IC3, they provide valuable information that helps fill gaps crucial to advancing our investigations. It allows us to connect complaints, investigate reported crimes, identify trends, and share information with other FBI offices and law enforcement partners nationwide."

The FBI recommends that the public frequently review consumer and industry alerts published by IC3. If you or your business are a victim of an Internet crime, immediately notify all financial institutions involved in the relevant transactions, submit a complaint to www.ic3.gov, contact your nearest FBI field office, and contact local law enforcement.

The full 2023 Internet Crime Report can be found here:
https://www.ic3.gov/Media/PDF/AnnualReport/2023_IC3Report.pdf.

CSRMA MEETING CALENDAR 2024			
JANUARY	FEBRUARY	MARCH	APRIL
CSRMA EB - WED - 24	CSRMA LIAB (TC) - MON - 12	CSRMA LRP - SUN - TUE - 3, 4, 5	CSRMA FIN - MON - 15 (SFO)
CSRMA BD - WED - 24	CSRMA WC - THUR - 15		
<i>CASA January 24 - 26</i>	<i>PARMA February 20 - 23</i>		
<i>Palm Springs</i>	<i>Indian Wells</i>		
MAY	JUNE	JULY	AUGUST
CSRMA LIAB - MON - 6 (WC OFFICE)	CSRMA EB (TC) - MON - 10	CSRMA EB - TUE - 30	
CSRMA OC (TC) - TUES - 7	CSRMA BOD (TC) - THUR - 20	CSRMA BD - WED - 31	
CSRMA WC (TC) - THUR - 16	CSRMA OC (TC) - WED - 26		
		<i>CASA July 31 - August 2</i>	
		<i>Monterey</i>	
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
CSRMA LIAB - MON - 9 (WC OFFICE)	CSRMA EB - MON - 7 (SFO)	CSRMA OC (TC) - FRI - 1	CSRMA EB (TC) - MON - 2
CSRMA OC (TC) - FRI - 13	CSRMA WC (TC) - WED - 16	CSRMA FIN (TC) - MON - 4	CSRMA OC (TC) - THUR - 12
		CSRMA LIAB - MON - 18 (WC OFFICE)	
<i>CAJPA September 10 - 13</i>			
<i>South Lake Tahoe</i>			

Meetings in RED are IN-PERSON

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60 Members**

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Ryan Green

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