



c/o ALLIANT INSURANCE SERVICES  
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**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  
2552 Stanwell Drive, Concord, CA 94520

Date/Time: Monday, December 2, 2024  
10:00 AM

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

Phone One-Tap: [+16699006833,99573390379#](tel:+16699006833,99573390379#),...\*366916#

Meeting URL: <https://alliantinsurance.zoom.us/j/99573390379?pwd=dUY0aXU3Y1I0UGZncDN0Y1FqMDhtdz09>

A.	CALL TO ORDER	A: ACTION
B.	PUBLIC & BOARD MEMBER COMMENTS	I: INFORMATION V: VERBAL S: SEPARATE
C.	CONSENT CALENDAR	H: HANDOUT
1.	<b>Meeting Minutes - October 7, 2024</b> <i>Recommendation: Approve minutes from the last meeting.</i>	A p. 8
2.	<b>Demands as of: October 1 &amp; 15 and November 1 &amp; 15, 2024</b> <i>Recommendation: Approve demands issued for payment.</i>	A p. 15
3.	<b>CSRMA Investment Performance Review</b> <i>Recommendation: Receive an update on CSRMA's Investment Portfolio from PFM.</i>	I/S p. 19
4.	<b>Pooled Liability Program Actuarial Study</b> <i>Recommendation: Receive the actuarial study results as presented by Aon.</i>	I/S p. 20
5.	<b>Long Range Action Plan 2024/25 Update</b> <i>Recommendation: Receive an update on the Long Range Action Plan.</i>	A p. 21
6.	<b>Captive Insurance Company Update</b> <i>Recommendation: Receive an update on the CWIC Captive.</i>	I p. 35
D.	<b>CLOSED SESSION TO DISCUSS PENDING CLAIMS</b> Action may be taken per Government Code Section 54956.95. See Reverse for Full Listing of Claims to be Discussed	A
E.	<b>GENERAL ADMINISTRATION</b>	
1.	<b>Reporting and Ratification of Claims Settlements</b> <i>Recommendation: Recieve report and ratify claims settlements approved in closed session.</i>	A/V
2.	<b>Trustees E &amp; O Renewal</b> <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A p. 50
3.	<b>2023-24 Fiscal Year Audit</b> <i>Recommendation: Review and approve the 2023-24 Fiscal Year Audit.</i>	A/S p. 51
F.	<b>OFFICER/PROGRAM DIRECTOR/COMMITTEE REPORTS</b>	
1.	<b>LRP Discussion Topics &amp; Hotel</b> <i>Recommendation: Review discussion topics and hotels for the 2025 LRP Session.</i>	A/H p. 75

2.	<b>2025 Proposed Meeting Calendar</b> <i>Recommendation: Review and approve the proposed 2025 Meeting Calendar.</i>	A	p. 77
3.	<b>CSRMA Rebranding</b> <i>Recommendation: Receive a report from the CSRMA Rebranding Ad-Hoc Committee.</i>	I	p. 79
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<b>G.</b>	<b>POOLED LIABILITY PROGRAM</b>		
1.	<b>Deductible Selection Policy &amp; Procedure</b> <i>Recommendation: Receive an update on the Deductible Selection Policy and Procedure results.</i>	I	p. 82
2.	<b>Retrospective Rating Calculation Policy &amp; Procedure Recommendations</b> <i>Recommendation: Approve proposed amendments to the Retrospective Rating P&amp;P.</i>	A	p. 87
3.	<b>Retrospective Rating Calculation at 6/30/24</b> <i>Recommendation: Review and approve the retrospective rating calculation.</i>	A	p. 96
4.	<b>Program Year 39 (2024/25) Renewal</b> <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 98
5.	<b>Dividend Calculation as of 6/30/24</b> <i>Recommendation: Discuss the dividend calculation.</i>	I	p. 100
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<b>H.</b>	<b>PROPERTY PROGRAM</b> None.		
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<b>I.</b>	<b>WORKERS' COMPENSATION PROGRAM</b>		
1.	<b>Workers' Compensation Excellence Award</b> <i>Recommendation: Review and approve the Workers Compensation Excellence Award results.</i>	A	p. 103
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<b>J.</b>	<b>PRIMARY INSURANCE PROGRAM</b>		
1.	<b>Program Renewal</b> <i>Recommendation: Review and approve the upcoming renewal costs.</i>	A	p. 112
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<b>K.</b>	<b>LOSS CONTROL</b> None.		
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<b>L.</b>	<b>INFORMATION ITEMS</b>		
1.	<i>Poem of the Day</i>	I	p. 113
2.	<i>Article - Don't Hold Down The Ctrl Key - New Warning As Cyber Attacks Confirmed - forbes.com</i>	I	p. 114
3.	<i>Article - Hot and cold days drive 10% uptick in work comp claims</i>	I	p. 120
4.	<i>Article - 4 LA-area people arrested for using a bear suit in alleged insurance fraud - npr.org</i>	I	p. 122
5.	<b>CSRMA 2024 Meeting Calendar</b>	I	p. 126
6.	<b>CSRMA Organizational Chart</b>	I	p. 127
7.	<b>CSRMA Service Team</b>	I	p. 128
	<i>Recommendation: Review the presented Information Items.</i>		
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<b>M.</b>	<b>ADJOURNMENT</b> <i>The next meeting will be held on January 28, 2025 at 4:00 PM in conjunction with the CASA Conference</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: 102 | Report Run: 11/11/2024 04:32 AM

Table with 7 columns: Member District, Claim Number, Claimant Name, Coverage, Claimant Number, Date Of Loss, Claim Date Reported. Contains 102 rows of claim data.



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: 102 | Report Run: 11/11/2024 04:32 AM

Member District	Claim Number	Claimant Name	Coverage	Claimant Number	Date Of Loss	Claim Date Reported
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	3065754	Trinity Church	PROPERTY DAMAGE	1	12/22/2023	02/14/2024
WEST BAY SANITARY DISTRICT	3066314	Ricci, Nicole	PROPERTY DAMAGE	1	10/25/2023	03/06/2024
WEST BAY SANITARY DISTRICT	3066947	Toaiva , Fanaufou - A Minor Faamalele.	BODILY INJURY	1	03/22/2024	03/25/2024
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	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 COUNTY WASTEWATER DISTRICT	3071849	Rollins, Ashley	BODILY INJURY	2	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	BODILY INJURY	2	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, 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	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	3075320	Stoffer , Katie	PROPERTY DAMAGE	1	09/09/2024	09/11/2024
WEST VALLEY SANITATION DISTRICT	3075653	Carnico Tools and Provisions	PROPERTY DAMAGE	1	09/20/2024	09/23/2024

**CSRMA WORKERS' COMPENSATION PROGRAM**  
**CLAIMS INCURRED AS OF 11.22.24**

**INDEMNITY**

Claimant Name	Account Name	Loss Date
Acosta, Gilbert	Lake Arrowhead Community Services District	05/12/2022
Alejos, Sylvia	Silicon Valley Clean Water	08/17/2021
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
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
Fontaine, Tyrell	Dublin San Ramon Services District	08/29/2024
Gaetano, Anthony	Santa Margarita Water District	02/12/2020
Gallagher, 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
Golshani, Sahar	Las Gallinas Valley Sanitation District	10/30/2023
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
Hill, Nathan	Central Contra Costa Sanitary District	11/6/2024
Hughes, Tim	Union Sanitary District	02/03/2024
Hunsaker, James	Victor Valley Wastewater Reclamation Authority	07/13/2022
Kupel, Nora	West Valley Sanitation District	10/21/2013
Lucia, Jesse	Central Contra Costa Sanitary District	01/18/2024
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
Pimm, Michael	Central Marin Sanitation Agency	03/16/2022
Prentice, Robert	Santa Margarita Water District	10/14/2022
Ray, Steven	Fairfield/Suisun Sewer District	05/16/2019
Stiltner, Brian	Contra Costa Sanitary District	11/23/2020
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
Walker, Michael	Silicon Valley Clean Water	08/06/2022
Wright, Robert	Delta Diablo	09/01/2018

**FUTURE MEDICAL**

Alsbury, Jay	South Tahoe Public Utility District	04/23/1999
Anderson, Frederick	Silicon Valley Clean Water	11/21/2021
Armstrong, Albert	West Valley Sanitation District	11/10/1998
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

**CSRMA WORKERS' COMPENSATION PROGRAM**  
**CLAIMS INCURRED AS OF 11.22.24**

Claimant Name	Account Name	Loss Date
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
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
Freitas, Ronald	Dublin San Ramon Services District	11/09/2015
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
Jannings, Andrew	Vallejo Flood and Wastewater District	10/27/2010
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
Lawhon, Lance	Carpinteria Sanitary District	09/09/2022
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 Pimbo, Gretchen	Central Marin Sanitation Agency	02/07/2017
Myers, Charles	West County Wastewater District	06/14/2016
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
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
Rojo, Jamie	Union Sanitary District	09/24/2020
Smith, Anthony	Central Marin Sanitation Agency	08/16/2017
Smith, David	Ironhouse Sanitary District	04/09/2012
Solari, Tom	Union Sanitary District	08/24/2020
Stanovich, Danilo	Vallejo Flood and Wastewater District	06/09/2021

**CSRMA WORKERS' COMPENSATION PROGRAM**  
**CLAIMS INCURRED AS OF 11.22.24**

<b>Claimant Name</b>	<b>Account Name</b>	<b>Loss Date</b>
Synsteby, Eric	Monterey Water One	09/21/2000
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
Whitman, Joshua	Central Contra Costa Sanitary District	07/19/2017
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 TELECONFERENCE  
SAN FRANCISCO, CA  
OCTOBER 7, 2024**

**MEMBERS & OFFICERS PRESENT**

Mr. Craig Murray, President, Carpinteria Sanitary District  
Mr. Sandeep Karkal, Vice-President, Novato Sanitary District (joined 11:02 a.m.)  
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. Tyson Zimmerman, Ironhouse Sanitary District

**MEMBERS & OFFICERS ABSENT**

Mr. Patrick Ostly, North of River Sanitary District  
Mr. Roland Williams, Secretary, Castro Valley Sanitary District

**GUESTS & CONSULTANTS**

Mr. Dennis Mulqueeney, 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.  
Mr. Steve Davidson, Alliant Insurance Services, Inc.  
Mr. David Patzer, Patzer Risk Control Services  
Mr. Byrne Conley, Gibbons & Conley  
Mr. Alan Dialon, Carl Warren & Company  
Ms. Beth Tavares, Carl Warren & Company

**A. CALL TO ORDER**

The meeting was called to order by President Craig Murray at 10:01 AM.

**B. PUBLIC COMMENTS**

None

**C. BOARD MEMBER COMMENTS**

None

**D. CONSENT CALENDAR**



**D.1. Meeting Minutes – July 30, 2024**

The minutes of the meeting on July 30, 2024 were reviewed.

**D.2. Demands as of: August 1 & 15; and September 1 & 15, 2024**

The Executive Board reviewed the demands as of August 1 & 15; and September 1 & 15, 2024.

**D.3. Long Range Action Plan 2024/25 Update**

The Executive Board reviewed the Long Range Action Plan.

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

**MOTION:** Michael Thornton            **SECOND:** Teresa Herrera            **MOTION CARRIED**

**AYES:** De Lange, Dow, Gallardo, Herrera, Karkal, Murray, Thornton, Zimmerman

**NAYS:** None

**ABSTAIN:** None

**ABSENT:** Ostly, Williams

**E. CLOSED SESSION TO DISCUSS PENDING CLAIMS**

The Board entered Closed Session at 10:03 AM. pursuant to Government Code Section 54956.95. The Board left Closed Session at 10:39 AM., 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.

**F. GENERAL ADMINISTRATION**

**F.1. Reporting and Ratification of Claims Settlements**

None

**F.2. Executive Board Elections – Nominating Committee Formation**

P.J. Skarlanic reviewed the table on page 29 of the agenda packet depicting the current Executive Board membership and the eligibility of members whose terms are expiring and explained that a nominating committee needs to be formed to administer the election process and recommend a slate of candidates for the open positions. A Nominating Committee was formed consisting of Jason Dow, Michelle Gallardo, and Tyson Zimmerman.

The Program Administrators were directed to prepare the Executive Board Elections letters for distribution to the membership.

A motion was made to form a Nominating Committee consisting of Jason Dow, Michelle Gallardo, and Tyson Zimmerman.

**MOTION:** Teresa Herrera                      **SECOND:** Michael Thornton                      **MOTION CARRIED**

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

### **F.3. Board Meeting Quorum Requirements**

Seth Cole noted that over the years achieving a quorum at the Board meetings has been a challenge at times, however, attendance has improved the last couple of meetings. Achieving a quorum does not appear to be a problem at this time, however, if that were to change, the Program Administrators will bring this item back to the Executive Board to consider changes to the governing documents to make achieving a quorum easier to accomplish.

### **F.4. CSRMA 2025 Preliminary Calendar Review**

Seth Cole reviewed the 2025 Preliminary Calendar with the Executive Board. On a cursory review, the Executive Board members found no conflicting meeting dates. There was discussion on meeting format, in-person or virtual, or continuing with a blend of in-person and virtual meetings.

The Executive Board members were asked to check their calendars and to advise the Program Administrators of any conflicts. The proposed calendar will be brought back to the Executive Board for final adoption at their December 2024 meeting after it has been circulated to the other Committees.

### **F.5. Identity Theft Coverage**

Seth Cole reviewed the item for the Executive Board. Identity Theft coverage for agency employees and their family members and agency board members is scheduled to renew on October 13, 2024. Seth advised that the coverage does get some utilization and has been quoted for renewal at \$16,848 for a three-year term, or \$5,616 annually plus applicable taxes and fees. This renewal is roughly a 5.3% decrease over the expiring policy, largely driven by a decrease in member employee count.

A motion was made to purchase the quoted Identity Theft Coverage as presented.

**MOTION:** Sandeep Karkal                      **SECOND:** Tyson Zimmerman                      **MOTION CARRIED**

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

## **G. OFFICER/PROGRAM DIRECTORS/COMMITTEE REPORTS**

### **G.1. Clean Water Insurance Captive (CWIC) Update**

P.J. Skarlanic provided an update to the Executive Board. CWIC's Board met for the annual in-person meeting on September 20<sup>th</sup> at the offices of Smart Schofield Shorter in Murray, Utah. The State of Utah requires at least one meeting per year to be held in the State. P.J. provided an overview of the meeting's agenda for the Board. A copy of the Table of Contents from the CWIC Annual Meeting Agenda was included in the agenda packet.

Dennis Mulqueeny added that CWIC's financial performance thus far has been successful, and there is interest in expanding its coverage to CSRMA in the future. Currently, CWIC reinsures the pooled layers of CSRMA's Workers' Compensation & Pooled Liability Programs.

### **G.2. CSRMA Program Director Performance Standards 2023-24**

Seth Cole explained that per Alliant's contract with CSRMA, Alliant is to report on accomplishment on the Performance Standards to the Executive Board annual and reviewed the CSRMA Performance Standards grading sheet for the 2023-24 contract year with the Executive Board. In most areas of performance examined, Alliant met its commitment to CSRMA, and some areas of improvement were highlighted for the Executive Board's consideration. The Executive Board had no concerns.

### **G.3. Cyber Security Advisory Committee/KYND Liaison**

Dennis Mulqueeny and David Patzer reviewed the item with the Executive Board. Beginning July 1, 2024, CSRMA has engaged KYND for cybersecurity monitoring services for CSRMA members. They reported that the Program Administrators received an inquiry from a member suggesting that CSRMA may want to consider forming a cyber-security advisory committee comprised of member employees that may advise CSRMA and its members on cyber related security matters or create a volunteer liaison position to work with both David and KYND to assist in bringing cyber security initiatives to the membership. The consensus was to create a volunteer liaison position. Teresa Herrera volunteered her agency's IT analyst Robert Chapman for the position. David will schedule a meeting with Robert to kick off this initiative.

## **H. POOLED LIABILITY PROGRAM**

### **H.1. PY 39 (2024-25) Renewal Update**

Seth Cole reported that the Pooled Liability Program is due to renew on December 31, 2024. Members' renewal applications have been received and submitted to the carriers. Seth provided an update to the Executive Board in a couple of key areas.

1. The draft actuarial work for CSRMA has been completed and the CWIC actuarial study to determine the gross renewal premium is in process.

2. Effective 12/31/23, the risk for the pooled layer was transferred to CWIC and it is anticipated we will do the same for the renewal.
3. The liability insurance market continues to be challenging. Munich Re, CSRMA's longtime reinsurance partner, is expected to maintain their current capacity at \$10 million and to continue at the \$750,000 self-insured retention. The Program Administrators will be looking at potentially bringing in new reinsurance carriers for the layers above Munich Re.

Overall, it is anticipated that there will be a total cost increase in the 10-20% range. The renewal will be presented at the December 2, 2024 Executive Board Meeting.

## **H.2. Pooled Liability Program Deductible Selection Policy and Procedure**

Seth Cole reviewed the item with the Executive Board and explained that each year prior to the renewal of the Program, the Program Administrators perform a review of the members loss history to determine appropriate deductible levels. If a member agency's loss history constitutes "Adverse Loss Experience" as defined in the Deductible Selection Policy & Procedure, a risk management audit is triggered and the member agency's General Liability and/or Employment Practices Liability deductible will be established as provided in the Policy and Procedure.

Seth reported that based on loss data as of June 30, 2024, four members (Sewer Authority Mid-Coastside, Oro Loma Sanitary District, Santa Margarita Water District and West County Wastewater District) qualify as having adverse General Liability loss experience.

Seth reported that based on loss data as of June 30, 2024, three members (Encina Wastewater Authority, Santa Margarita Water District, and West County Wastewater Authority) qualify as having adverse Employment Practices Liability loss experience with two or more claims in the five most recent program years.

Based on the claims activity for two of the members, the Committee directed the Program Administrators to schedule meetings with Santa Margarita Water District and West County Wastewater District to discuss their claims activity and risk control efforts to address the root causes of the claims.

The Program Administrator will report back to the Pooled Liability Committee in November, and to the Executive Board in December.

## **K. PRIMARY INSURANCE PROGRAM**

### **K.1. Program Renewal Update**

Seth Cole reported that the Primary Insurance Program will be renewing on December 31, 2024. The carrier for the Program is looking for an average rate increase of 8% plus applicable taxes and fees, down from an initial indication of 11%. This will be on top of any changes in exposure and members with claims activity may see a larger increase. The renewal will be presented at the December 2, 2024 Executive Board Meeting.

## **L. LOSS CONTROL**

## L.1. Fall/Winter 2024 Area Training Update

David Patzer reviewed the training scheduled with the Executive Board.

<b>Topic</b>	<b>Tentative Dates</b>	<b>Tentative Locations</b>
<b>Sewer Summit</b>	October 10	Virtual conference
<b>Webinars:</b>	Sep-Dec	Webinars
Underground Utility Locator	9/3/24	Webinar
Navigating FEMA Assistance: An Insider's Guide To Effectively Obtaining FEMA Assistance Following a Declared Disaster	9/10/24	Webinar
Understanding Your Agency's CalOSHA Training Requirements	9/12/24	Webinar
Staying Cool and Stay Indoors: Navigating Cal/OSHA's New Heat Illness Regulation	9/17/24	Webinar
Jarvis: Your Virtual Claims Assistant	9/24/24	Webinar
From Ground to Sky: Scaffolding Safety for Public Works Professionals	9/25/24	Webinar
Sewer Backups: Does Your SERP Address This? Best Practices and Risk Management for 1st Responders	9/26/24	Webinar
Are You Prepared for Bypass Pumping	10/1/24	Webinar
The Art of Risk Management, How to Implement an Effective Risk Management Program	10/3/24	Webinar
Cybersecurity Basics for Employees	10/8/24	Webinar
KnowledgeVine- Leveraging Technology to Create a Sustainable Safety Culture.	10/16/24	Webinar
Returning a Waterline to Service	10/17/24	Webinar
SOPs: Cornerstone of Safety and Reliable Operations	10/22/24	Webinar
CalOSHA Inspections: Survival Planning and Tips	10/24/24	Webinar
Understanding your JPA Insurance Pool	11/7/24	Webinar
Effective Tailgate Safety Meetings/Trainings	11/13/24	Webinar
NFPA 70E Electrical Safety for Water and Wastewater Workers	11/14/24	Webinar
Lift Station Inspection & Condition Assessment	11/19/24	Webinar
Claims Management, the Key to Effectively Managing Claims from Cradle to Grave	12/12/24	Webinar

Contracts, Contracts, Contracts, How to Effectively Manage a Program!	1/9/25	Webinar
Is Your Sewer Spill Emergency Response Plan in Compliance?	1/14/25	Webinar
Insurance Requirements in Contracts	2/6/25	Webinar
Pump Station Emergency Response Plans: A Commonly Overlooked SSMP Requirement	2/12/25	Webinar
Unlocking the Training Power of Your Treatment Plant O/M Manual	2/19/25	Webinar
CSRMA/CASA Risk Mgt Seminar <ul style="list-style-type: none"> <li>• Verbal Judo</li> <li>• Fireline Wildfire Risk Assessment Service</li> <li>• Turning O/M Manuals into Training Tools for the Next Generation Operator</li> </ul>	Jan CASA	Seminar

**M. INFORMATION ITEMS**

**M.1. *Poem of the Day***

**M.2. *Article – Public employees cannot use labor law to sue employers California Supreme Court Rules***

**M.3. *Article – Teen cries foul over plans to auction home-run ball***

**M.4. *Article – Appeals court says happy hour injury compensable***

**M.5. *CSRMA 2024 Meeting Calendar***

**M.6. *CSRMA Organizational Chart***

**M.7. *CSRMA Service Team***

The Executive Board reviewed the information items.

**N. ADJOURNMENT**

The meeting was adjourned at 12:31 p.m. The next meeting is scheduled for December 2, 2024 via teleconference.

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

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	ALLIANT INSURANCE SERVICES - CCD				
ACH - 697	Total for ALLIANT INSURANCE SERVICES - CCD AON RISK CONSULTANTS, INC. - CCD	10/01/2024	2834212	1,419.00	23/24 Crockett addition
				<u>\$ 1,419.00</u>	
ACH - 698	Total for AON RISK CONSULTANTS, INC. - CCD ATHENS INSURANCE SERVICE, INC. - CCD	09/23/2024	940000004370	13,500.00	Actuarial Study
				<u>\$ 13,500.00</u>	
ACH - 699	Total for ATHENS INSURANCE SERVICE, INC. - CCD DKF SOLUTIONS GROUP, LLC - CCD	09/23/2024	ivc0000000037119	31,999.00	Claim Admin
				<u>\$ 31,999.00</u>	
ACH - 700	Total for DKF SOLUTIONS GROUP, LLC - CCD JAMES MARTA & CO. - CCD	10/01/2024	22473	2,000.00	Vector
				<u>\$ 2,000.00</u>	
ACH - 701	Total for JAMES MARTA & CO. - CCD DELUXE	09/30/2024	4694	2,000.00	FEE/audit
				<u>\$ 2,000.00</u>	
25131	Total for DELUXE WEST COUNTY WASTEWATER DISTRICT	09/04/2024	9005676364	86.88	endorsement
				<u>\$ 86.88</u>	
25132	Total for WEST COUNTY WASTEWATER DISTRICT TOTAL	09/30/2024	Property West County	33,087.44	Property Claim
				<u>\$ 33,087.44</u>	
				<u>\$ 84,092.32</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 October 15, 2024

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	CARL WARREN & CO. - CCD				
ACH - 702	Total for CARL WARREN & CO. - CCD FREDERIC DESCHAMPS - CCD	09/30/2024	9/30/2024	10,889.57	Monthly Claims Admin & Billings
				<u>\$ 10,889.57</u>	
ACH - 703	Total for FREDERIC DESCHAMPS - CCD GIBBONS & CONLEY - CCD	08/15/2024	250730720032	1,115.45	seminar
				<u>\$ 1,115.45</u>	
ACH - 704	Total for GIBBONS & CONLEY - CCD MCLARENS LLC - CCD	10/07/2024	24 Sep 4469	3,221.68	Program/Gen Fees & Exp
				<u>\$ 3,221.68</u>	
ACH - 705	Total for MCLARENS LLC - CCD ARCLIGHT MEDIA	10/11/2024	90016620	399.00	Professional Services
				<u>\$ 399.00</u>	
25134	Total for ARCLIGHT MEDIA AUSTIN CLEAN WATER ADVISORS, INC.	10/01/2024	11894	675.00	RCO Web Hosting/Consulting
				<u>\$ 675.00</u>	
25135	Total for AUSTIN CLEAN WATER ADVISORS, INC. CASTRO VALLEY SANITARY DISTRICT	10/07/2024	102235	726.54	seminar
				<u>\$ 726.54</u>	
25133	Total for CASTRO VALLEY SANITARY DISTRICT VENTURA REGIONAL SANITATION DISTRICT	09/13/2024	2024 09 Castro Valley	1,436.12	meeting expense
				<u>\$ 1,436.12</u>	
25136	Total for VENTURA REGIONAL SANITATION DISTRICT WEST BAY SANITARY DIST.	09/30/2024	Wellness/Safety	1,400.00	WC Audit PY33
				<u>\$ 1,400.00</u>	
25137	Total for WEST BAY SANITARY DIST. TOTAL	09/30/2024	Wellness/Safety	699.99	Safety/Wellness
				<u>\$ 699.99</u>	
				<u>\$ 20,563.35</u>	

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Jason Dow, Treasurer-Auditor

Roland Williams, Secretary



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

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	ATHENS INSURANCE SERVICE, INC. - CCD				
ACH - 706	Total for ATHENS INSURANCE SERVICE, INC. - CCD BRIAN BIEHLE - CCD	11/01/2024	ivc0000000037747	31,999.00	Claim Admin
				<u>\$ 31,999.00</u>	
ACH - 707	Total for BRIAN BIEHLE - CCD DKF SOLUTIONS GROUP, LLC - CCD	10/01/2024	761	400.00	CSRMA Website Maint
				<u>\$ 400.00</u>	
ACH - 708	Total for DKF SOLUTIONS GROUP, LLC - CCD HEATHER TRURO - CCD	11/01/2024	22523	2,000.00	Vector
				<u>\$ 2,000.00</u>	
ACH - 709	Total for HEATHER TRURO - CCD MYRON D. LEAVELL - CCD	10/20/2024	05987 05991	3,641.25	Consulting/Printing
				<u>\$ 3,641.25</u>	
ACH - 710	Total for MYRON D. LEAVELL - CCD	10/16/2024	2024 10 Leavell	468.00	Survey Monkey
		10/30/2024	2024 10 30 Leavell	980.00	accessiBe subscription
	TOTAL			<u>\$ 1,448.00</u>	
				<u>\$ 39,488.25</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 November 15, 2024**

DISB. #	VENDOR	INVOICE DATE	INVOICE NUMBER	AMOUNT	DESCRIPTION
	BRIAN BIEHLE - CCD				
ACH - 711	Total for BRIAN BIEHLE - CCD CARL WARREN & CO. - CCD	11/01/2024	762	400.00 <u>\$ 400.00</u>	CSRMA Website Maint
ACH - 712	Total for CARL WARREN & CO. - CCD DKF SOLUTIONS GROUP, LLC - CCD	10/31/2024	October 2024	7,310.46 <u>\$ 7,310.46</u>	Monthly Claims Admin & Billings
ACH - 713	Total for DKF SOLUTIONS GROUP, LLC - CCD GIBBONS & CONLEY - CCD	11/13/2024	22565	321.83 <u>\$ 321.83</u>	Summit adj.
ACH - 714	Total for GIBBONS & CONLEY - CCD JAMES MARTA & CO. - CCD	11/05/2024	24 Oct 4537	1,568.25 <u>\$ 1,568.25</u>	Program/Gen Fees & Exp
ACH - 715	Total for JAMES MARTA & CO. - CCD LIEBERT CASSIDY WHITMORE - CCD	10/31/2024	4759	3,000.00 <u>\$ 3,000.00</u>	FEE/audit
ACH - 716	Total for LIEBERT CASSIDY WHITMORE - CCD MCLARENS LLC - CCD	09/30/2024	279570	1,925.00 <u>\$ 1,925.00</u>	training & program consulting
ACH - 717	Total for MCLARENS LLC - CCD MYRON D. LEAVELL - CCD	11/08/2024	90023068 9690 9306	2,369.50 <u>\$ 2,369.50</u>	Professional Services
ACH - 718	Total for MYRON D. LEAVELL - CCD ARCLIGHT MEDIA	11/15/2024	2024 11 15 Leavell	294.72 <u>\$ 294.72</u>	Hostek subscription
25143	Total for ARCLIGHT MEDIA CALIFORNIA ASSOC. OF SANITATION AGENCIES	11/01/2024	11950	675.00 <u>\$ 675.00</u>	RCO Web Hosting/Consulting
25138	Total for CALIFORNIA ASSOC. OF SANITATION DAVID CLOVIS	11/05/2024	8735	1,305.00 <u>\$ 1,305.00</u>	Membership
25140	Total for DAVID CLOVIS TONY LIPKA, CONSULTANT AND TRAINER	11/15/2024	24-06 24-07	800.00 <u>\$ 800.00</u>	Webinar
25139	Total for TONY LIPKA, CONSULTANT AND TRAINER WEST VALLEY SANITATION DISTRICT	11/14/2024	CSRM2402	400.00 <u>\$ 400.00</u>	Webinar
25141	Total for WEST VALLEY SANITATION DISTRICT TOTAL	11/04/2024	Property West Valley	31,114.09 <u>\$ 31,114.09</u> <u>\$ 51,483.85</u>	Property Claim

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Jason Dow, Treasurer-Auditor

Roland Williams, Secretary

## **CSRMA Investment Performance Review**

**ISSUE:** Mr. Mike Kronbetter of PFM presented a review of CSRMA's current investments and provided a market outlook to the Finance Committee at their November meeting. PFM's presentation is included in the agenda packet for the Executive Board's review.

CSRMA's current investments are summarized on page 18 of the presentation. The portfolio's performance is highlighted on page 21.

**RECOMMENDATION:** None at this time.

**FISCAL IMPACT:** As depicted in Mr. Kronbetter's presentation.

**BACKGROUND:** None.

**ATTACHMENT:** Investment Performance Review for the Quarter Ended September 30, 2024 (Separate)

### **Pooled Liability Program Actuarial Study**

**ISSUE:** An Actuarial Study for the Pooled Liability Program was performed to re-evaluate past General Liability, Auto Liability and Employment Practices Liability projections using current loss data and to project future payment patterns. CSRMA's actuary prepared a summary presentation highlighting the results of the study, included as an attachment to this item.

**RECOMMENDATION:** None at this time. Information only.

**FISCAL IMPACT:** The cost of the annual review is \$13,500. This amount is budgeted for FY 2024/25.

**BACKGROUND:** Aon performed the Actuarial study last year.

Effective December 31, 2023, CSRMA began transferring the risk for the Pooled Layer (Member Deductible to \$750,000) to the Clean Water Insurance Captive (CWIC). CWIC uses an actuary to develop the go forward gross premium to reinsure the Pooled Layer. CSRMA's actuary re-evaluates past General Liability, Auto Liability and Employment Practices Liability projections using current loss data for the Program Years prior to CWIC, which is separate from the actuarial study performed for CWIC to develop the gross premium for the Program renewal.

**ATTACHMENTS:** Aon Presentation



**California Sanitation Risk Management Authority**

## **Long-Range Action Plan**

**2024/25**



*Alliant Insurance Services, Inc.*

560 Mission St, 6<sup>th</sup> Floor  
San Francisco, CA 94105  
(415) 403-1400

As of: November 25, 2024

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**DELAYED**

## 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:** As of July 22, 2024, this project is on target. The Program Administrators have identified key vendors and service providers that they believe warrant succession plans for their respective personnel assigned to CSRMA. This topic is agendaized for discussion at the July 30<sup>th</sup> Executive Board meeting.

As of September 26, 2024, this project is on target. Based on discussions at the July Executive Board meeting, the following vendors were identified as warranting succession plans: Carl Warren and Company, Athens Administrators, and Gibbons and Conley. The Program Administrators are working with each vendor to establish a succession plan. The respective succession plans will be presented to the Executive Board at their December meeting.

As of November 25, 2024, this project is delayed. Carl Warren and Company and Athens Administrators have prepared succession plans. The respective succession plans have been reviewed by the Pooled Liability and Workers' Compensation Committees and are attached to Long Range Action Plan for the Executive Board's review. The Program Administrators are working with Gibbons and Conley on their succession plan.



**ON TARGET**

## 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:** As of November 25, 2024, this project is on target. The Program Administrators have begun gathering ideas for items to include in the value proposition.

**ON TARGET**

### **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:** As of September 26, 2024, this project is on target. The Pooled Liability Committee discussed opportunities to provide enhanced/expanded EPL trainings to the membership at their September meeting. The ideas discussed at the meeting will be reviewed with the Risk Control Work Plan subcommittee when they meet. The Committee also discussed Employment Practices Coverage and related Policies & Procedures (i.e. Deductible Selection) provided in the Pooled Liability Program at their meeting and concluded that EPL coverage in the Memorandum of Coverage is in keeping with coverage provided by other JPAs.

As of November 25, 2024, this project is on target. The ideas to provide enhanced/expanded EPL trainings to the membership will be reviewed with the Risk Control Work Plan subcommittee when they meet in December.

#### **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:** As of July 22, 2024, this project is on target. Creation of an ad-hoc committee is agendized for discussion at the July 30<sup>th</sup> Executive Board meeting.

As of September 26, 2024, this project is delayed. An ad-hoc committee was appointed at the July Executive Board meeting, however, the ad-hoc committee has not met. The Program Administrators are in the process of scheduling a meeting and expect that they will be able to report out to the Executive Board at their December meeting.

As of November 25, 2024, this project is back on target to share the outcome of this action plan item with the Board of Directors in January. The ad-hoc committee met twice and will be making a recommendation to the Executive Board to amend the Vision Statement and create a tag line. This topic is agendized for the Executive Board meeting on December 2<sup>nd</sup>.

September 5, 2024

California Sanitation Risk Management Authority  
C/o Alliant Insurance Services  
Attn: Seth Cole  
100 Pine St., 11<sup>th</sup> Floor  
San Francisco, CA 94111

**Re: Carl Warren & Company Succession Plan for CSRMA**

Dear Mr. Cole:

As the Third-Party Liability Claims Administrator for the California Sanitation Risk Management Authority (CSRMA), we have been asked to prepare a succession plan as it relates to CSRMA's claims team, specifically Beth Taveres and Alan Dialon.

Alan Dialon currently manages the property and bodily injury claims. Beth Taveres will handle the employment practices claims and manage the program. Kelly Carter is the Director of Client Services and will oversee administration functions. Angelique King, the Executive Vice President has oversight of the company.

If Beth and/or Alan are suddenly unable to continue to handle CSRMA claims, we have established a plan and a bench that is ready to take over. In this regard, we have identified backups Dianna Wheeler and Wesley Larsen. Dianna is a seasoned manager with extensive claims and litigation experience and could step in to Beth's role. Wesley currently has a bodily injury and property damage adjuster role and could take the place of Alan. Both would need a limited amount of training to assimilate to CSRMA policies and procedures.

In case a transition is necessary, our leadership team will step in to ensure a smooth process.

Below is the summary of our plan with the backup person(s) identified in parenthesis.

Sr Adjuster: Alan Dialon (Wesley Larsen)  
Manager: Beth Tavares (Dianna Wheeler)

The above information serves as an outline of the succession plan in place should any sort of emergency or change occur. It positions us for a smooth transition, seamless to the rate payers and district members. Should you have any questions, please contact me at your convenience.



Sincerely,

CARL WARREN & COMPANY

*Kelly Carter*

Kelly Carter  
Director of Client Services  
[kcarter@carlwarren.com](mailto:kcarter@carlwarren.com)  
Tel: (818) 265-6712 | Fax: (866) 254-4423



September 18, 2024

California Sanitation Risk Management Authority  
C/O Alliant Insurance Services  
Attn: Seth Cole  
560 Mission Street, 6<sup>th</sup> Floor  
San Francisco, CA 94105

RE: Athens Administrators Succession Plan for CSRMA

Dear Mr. Cole,

Athens Administrators is the Third-party Workers' Compensation Claims Administrator on behalf of the California Sanitation Risk Management Authority. Please find the following succession plan as requested and outlined for the current claims team.

Douglas Gibb is the Executive Vice President responsible for the workers' compensation department and oversight. Sunny White is the Division Manager who manages the CSRMA program and claims functions. Manuel Berumen is the Client Services Manager who oversees administrative functions on the program.

The claims team consists of Erika Alvarado, Claims Supervisor. Stella Sebastiani, Lead Senior Claims Examiners responsible for the indemnity claims. Kimberly Moreno, Future Medical Claims Examiner who handles cases in which indemnity has been resolved and open only for future medical care. Ingrid Tenas Lack is the Assistant Claims Examiner who handles the medical-only claims and assists both Stella and Kimberly in administrative duties.

In the event that anyone on the claims team is unable to continue handling the CSRMA claims, we have outlined the following back up plan for immediate implementation:

- Erika Alvarado – Andrew Morehead, Claims Supervisor and Sunny White, Division Manager
- Stella Sebastiani – Michelle Stone, Senior Claims Examiner
- Kimberly Moreno – Stella Sebastiani, Senior Claims Examiner
- Ingrid Tenas Lack – Both Kimberly Moreno and Stella Sebastiani

Please rest assured that the Athens leadership team will help ensure a seamless transition should these changes be necessary. Any change would also be communicated promptly with CSRMA and its members.

Should you have any questions or concerns, please contact me anytime to discuss.

Sincerely,

*Manuel Berumen*

Manuel Berumen  
Client Services Manager  
[mberumen@athensadmin.com](mailto:mberumen@athensadmin.com)  
Phone: 925-826-1224

## **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:** Below is an update since the last Executive Board meeting.

- 1) **Investment Performance Update** – CWIC’s Investment manger PFM has provided the attached Investment Performance Report for the quarter ending 9/30/24. The year-to-date return on investments is 9.37%. PFM presented their report to CSRMA’s Finance Committee at their November meeting.
  
- 2) **CSRMA Pooled Liability Renewal** - Every year prior to the renewal of the coverage provided to CSRMA’s Pooled Liability Program CWIC’s actuary will perform a premium calculation analysis to determine an appropriate premium to charge for the coverage provided. CWIC’s actuary has completed the analysis for the upcoming 12/31/24 renewal, and a summary of the analysis is attached to this item for the Executive Board’s review.

The renewal premium for CWIC to reinsure the pooled layer (\$0 - \$750K) of CSRMA’s Pooled Liability Program is \$3,764,684. This represents an approximate 28% increase over the expiring premium for the same layer of coverage. This increase is due to poor development of claims in older years of CSRMA’s program, and thus impacting the actuary’s view of what future claims may cost. While CWIC is only insuring the “go-forward” claims from 12/31/23 forward, the actuary reviews data from older years to help project losses/premium for future years.

This premium proposal was presented to CSRMA’s Pooled Liability Committee at their November meeting and will also be discussed in more detail in the renewal item #G.3 later in this agenda.

The next CWIC Board meeting is tentatively scheduled for December 2024.

**ATTACHMENTS:**

1. PFM’s Investment Performance Report 9/30/24
2. CWIC’s Annual Premium Forecast Actuarial Summary

# Clean Water Insurance Captive

**Performance Report**

**Quarter Ending September 30, 2024**

November 4, 2024

512.364.4007

**pfmam.com**

Mallory Sampson CFP®, Director

Allison Kaune, Senior Analyst

*PFM Asset Management LLC*

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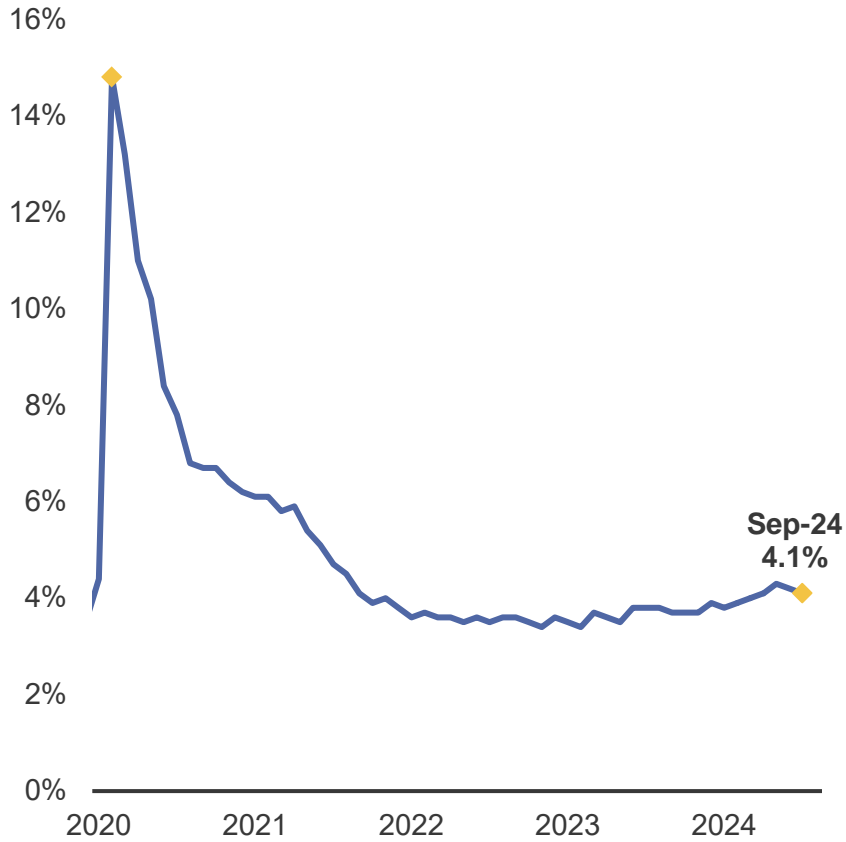
**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**

# Major Equity and Fixed Income Market Indices

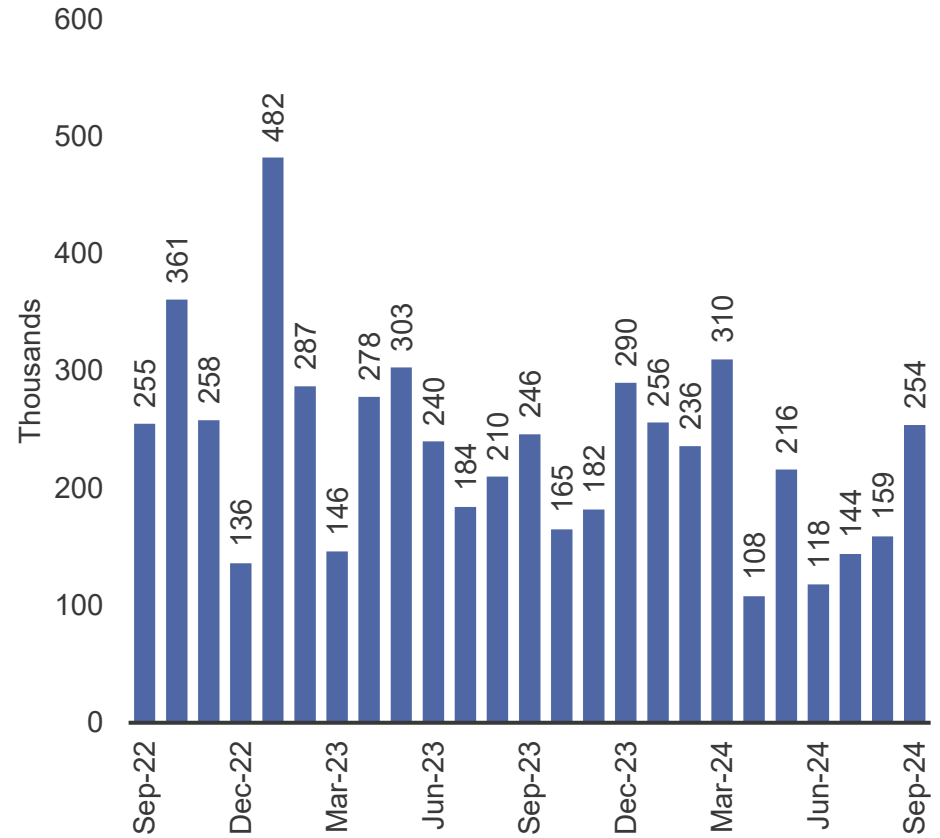
Market Indices as of 09/30/2024					
<b>Domestic Equity</b>	<b>QTD</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 years</b>
S&P 500	5.89%	22.08%	36.33%	11.88%	15.94%
Russell 3000	6.23%	20.63%	35.18%	10.26%	15.23%
Russell 2000	9.27%	11.16%	26.74%	1.81%	9.34%
Russell 1000	6.08%	21.18%	35.66%	10.80%	15.61%
<b>International Equity</b>	<b>QTD</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 years</b>
MSCI ACWI ex US (net)	8.06%	14.21%	25.35%	4.13%	7.58%
MSCI EAFE (net)	7.26%	12.99%	24.77%	5.48%	8.19%
MSCI Emerging Markets (net)	8.72%	16.86%	26.05%	0.40%	5.74%
<b>Fixed Income</b>	<b>QTD</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 years</b>
Bloomberg Aggregate	5.20%	4.45%	11.57%	-1.39%	0.33%
Bloomberg Global Agg	6.98%	3.60%	11.99%	-3.05%	-0.83%
<b>High Yield Fixed Income</b>	<b>QTD</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 years</b>
ICE BoFA HY Index	5.28%	8.03%	15.66%	3.08%	4.54%
<b>Alternatives</b>	<b>QTD</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 years</b>
MSCI US REIT Index	16.12%	15.84%	34.38%	4.98%	5.48%
MSCI World Core Infrastructure	14.19%	12.84%	28.08%	5.58%	5.40%
Bloomberg Commodity Index Total Return	0.68%	5.86%	0.96%	3.66%	7.78%

# Labor Market: Unemployment and Nonfarm Payrolls

## Unemployment Rate

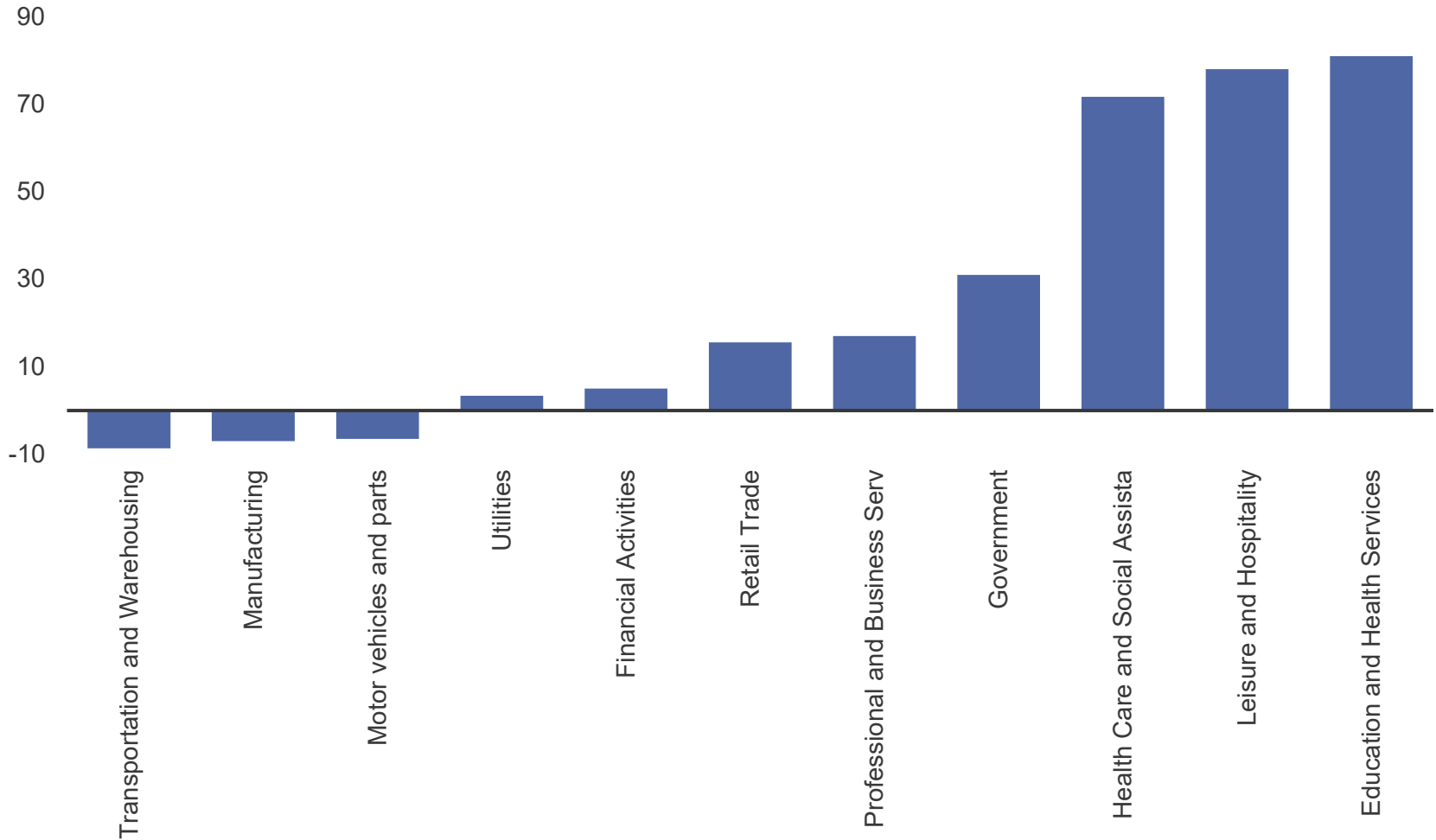


## Monthly Change In Nonfarm Payrolls



# Nonfarm Payrolls Employment Report

## Change in Nonfarm Payrolls September 2024



# Wage Growth and Inflation





# Factors to Consider for 6-12 Months

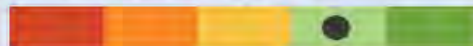
## Factors to Consider Over the Next 6-12 Months

### Monetary Policy (Global):



- The Fed has begun its easing cycle with a 50 basis point (bp) cut with expectation of an additional 50 bps in rate cuts by year end.
- The global easing cycle is underway with nearly all major central banks (excluding BoJ) completing multiple rate cuts.

### Economic Growth (Global):



- U.S. economic growth remains strong reflecting a consumer who continues to spend at elevated levels.
- Economic growth outside the U.S. remains mixed. China recent stimulus measures are aimed to boost growth, which is conducive to global growth.

### Inflation (U.S.):



- Inflation continues its trend lower but has been buoyed by stubborn housing costs. We expect this inflation to further trend lower.
- The broad-based inflation cooling helped fuel the Fed's decision to cut by 50 bps but policy makers note they are not declaring victory on price stability.

### Financial Conditions (U.S.):



- The continuation of stable market measures, such as narrow corporate yield spreads, record equity index levels and low volatility, reflect economic confidence.
- We remain focused on the cooling labor market and effects this might have on the consumer as potential catalysts for a broader slow down.

### Consumer Spending (U.S.):



- The consumer continues to spend and support economic strength. Upward revisions to the personal savings rate paint the consumer in better light.
- Moderation in the pace of overall spending is expected given slowing wage growth and labor market conditions.

### Labor Markets:



- The labor market continues to moderate from extremely strong levels seen in prior quarters. The recent downward revisions to nonfarm payrolls further emphasized the cooling.
- Other labor metrics remain well positioned such as the layoffs and discharge rate pointing towards moderation rather than deterioration.

### Corporate Fundamentals:



- Fed rate cuts are a positive for economic growth and corporate earnings, but any tax/tariff changes need to be closely monitored for any impact on profit margins.
- Higher cash levels especially across S&P 500 companies along with broad based earnings growth are positive.

### Valuations:



- U.S. equity and credit markets have experienced a run up in valuations. Any negative shock relating to economic growth could lead to sell-off.
- International equities look attractive, but continued economic and geopolitical uncertainty is leading to increased volatility.

### Political Risks:



- Geopolitical risks continue to remain elevated. Broadening of middle east conflict, U.S. and China trade and tariff tensions, China's moves in South China Sea and Taiwan Strait further add to risks.
- Policy uncertainty related to US elections outcome is also expected to increase short term volatility.

● Current outlook    ○ Outlook one quarter ago

Stance Unfavorable to Risk Assets



Stance Favorable to Risk Assets

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 at the time of distribution (September 30, 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 cannot guarantee its accuracy, completeness, or suitability.

# Factors to Consider for 6-12 Months

## Investment Strategy Overview

Asset Class	Our Q4 2024 Investment Outlook	Comments
<b>U.S. Equities</b>  Large-Caps  Small-Caps		<ul style="list-style-type: none"> <li>Moderate economic growth coupled with Fed easing should result in continued positive performance for US equities. We are concerned about the high valuations, but believe that soft landing economic scenario and earnings growth strength will provide tailwinds.</li> <li>Equity markets experienced a period of volatility during Q3 which we expect to continue amidst slowing growth, geopolitical tensions and election related uncertainty.</li> <li>Small-caps have lagged large caps since the sell off in first week of August pointing to lack of fundamental support to rally in July, but we expect fundamentals to improve as rate cuts take hold. Worries from the Banking Crisis on regional banks seems to be in our rearview mirror.</li> </ul>
<b>Non-U.S. Equities</b>  Developed Markets  Emerging Markets		<ul style="list-style-type: none"> <li>International equities continue to trade at a discount to U.S. and have been recently helped by ECB rate cuts and weakening dollar. BoJ continues to tighten while other central banks are embarking on rate cuts.</li> <li>EM equity performance is reliant on Indian and Chinese equities, which constitute roughly 45% of the MSCI Emerging Market Index. Indian equities are trading at expensive valuations, and we don't expect a sustained recovery in Chinese equities due to stimulus unless there are structural/geopolitical changes addressing debt overhang and geopolitical stability.</li> </ul>
<b>Fixed Income</b>  Core Bonds Investment Grade Credit High Yield Credit		<ul style="list-style-type: none"> <li>Slowing inflation and softening labor markets led to Fed cutting by 50 bps at their September meeting. Further rate cuts are expected which is positive for fixed income investors.</li> <li>About \$6.3 trillion is sitting in money market funds which could flow into fixed income as the rates becomes more attractive.</li> <li>Credit markets remain attractive due to strong corporate fundamentals. We remain positive on investment grade but are staying closer to targets on high yield given tighter spreads. We continue to closely watch for signs for any distress in the corporate credit space.</li> </ul>
<b>Diversifying Assets</b>  Listed Real Estate Listed Global Infrastructure		<ul style="list-style-type: none"> <li>Continued economic growth, falling rates, strengthening fundamentals along with attractive valuations relative to equities are tailwinds to listed real estate performance leading us to overweight the exposure.</li> <li>Transition to renewable energy and increase in AI led data center infrastructure spend are tailwinds for listed infrastructure. Utilities which make up about ~50% of the universe have been performing well recently due to lower rates.</li> </ul>

● Current outlook    ○ Outlook one quarter ago

Negative
Slightly Negative
Neutral
Slightly Positive
Positive

The view expressed within this material constitute the perspective and judgment of PFM Asset Management at the time of distribution (September 30, 2024) and are subject to change.

# Performance as of September 30, 2024



# Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>13,346,948</b>	<b>100.00</b>	<b>5.00</b>	<b>9.37</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>13.79</b>	<b>12/01/2023</b>
<i>Blended Benchmark</i>			5.86	9.88	N/A	N/A	N/A	14.69	
<b>Domestic Equity</b>	<b>3,492,055</b>	<b>26.16</b>							
PFM Multi-Manager Domestic Equity Fund	3,492,055	26.16	5.46	18.49	32.70	8.49	14.02	25.10	12/01/2023
<i>Russell 3000 Index</i>			6.23	20.63	35.19	10.29	15.26	27.03	
Schwab US Large-Cap ETF - 74.3%			5.93	21.50	36.02	10.92	15.71	9.58	06/01/2024
<i>Russell 1000 Index</i>			6.08	21.18	35.68	10.83	15.64	9.59	
Vaughan Nelson Select - 10.1% (^)			3.48	11.09	23.33	9.22	15.67	16.18	12/01/2023
<i>Russell 1000 Index (since 8/1/24, Russell 3000 prior)</i>			6.50	20.94	35.54	10.38	15.32	27.36	
Aristotle Atlantic Core Equity - 10.1% (^)			3.80	22.71	38.40	N/A	N/A	30.26	12/01/2023
<i>Russell 1000 Index (since 8/1/24, Russell 3000 prior)</i>			6.50	20.94	35.54	10.38	15.32	27.36	
Jacobs Levy Small Cap - 5.1% (^)			8.97	5.43	18.96	3.82	12.71	17.99	12/01/2023
<i>Russell 2000 Index (since 8/1/24, S&amp;P 600 prior)</i>			9.90	9.11	25.60	3.92	10.16	23.07	
<b>International Equity</b>	<b>1,898,886</b>	<b>14.23</b>							
PFM Multi-Manager International Equity Fund	1,898,886	14.23	6.51	13.03	25.04	1.78	6.71	19.11	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			8.06	14.21	25.35	4.14	7.59	19.95	
WCM Focused Growth International - 14.8% (^)			5.04	16.99	31.08	1.60	N/A	23.01	12/01/2023
Ninety One Int'l Dynamic Equity - 15.0% (^)			4.35	14.82	26.25	N/A	N/A	20.92	12/01/2023
Acadian Non-U.S. Equity - 7.2% (^)			6.88	15.46	29.18	6.61	N/A	22.07	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			8.06	14.21	25.35	4.14	7.59	19.95	
Aristotle International Equity - 7.5% (^)			10.82	13.87	25.69	4.23	8.28	19.89	12/01/2023
<i>MSCI EAFE (net)</i>			7.26	12.99	24.77	5.48	8.20	18.99	
Schwab International Equity ETF - 32.2%			7.43	12.32	24.41	5.10	8.41	1.07	09/01/2024
<i>MSCI EAFE (net)</i>			7.26	12.99	24.77	5.48	8.20	0.92	
Kayne Anderson International Small Cap - 0.9% (^)			10.66	10.07	25.02	-1.09	N/A	19.69	12/01/2023
<i>MSCI AC World ex USA Small Cap (Net)</i>			8.90	11.93	23.25	1.39	8.21	19.03	
Schroders Global Emerging Markets - 10.1% (^)			5.85	15.63	25.57	-1.02	N/A	19.33	12/01/2023
<i>MSCI EM (net)</i>			8.72	16.86	26.05	0.40	5.75	21.43	
Schwab Emerging Markets Equity ETF - 12.0%			10.40	19.03	26.42	1.78	6.28	8.15	09/01/2024
<i>MSCI EM (net)</i>			8.72	16.86	26.05	0.40	5.75	6.68	

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

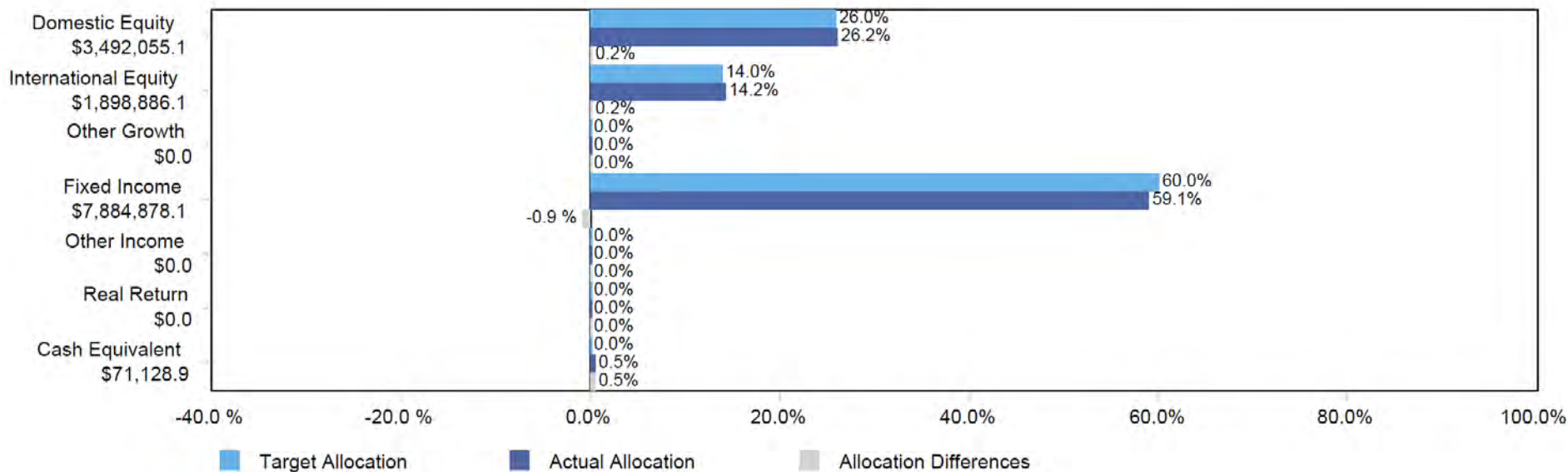
	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Fixed Income</b>	<b>7,884,878</b>	<b>59.08</b>							
PFM Multi-Manager Fixed-Income Fund	7,884,878	59.08	5.05	5.31	12.23	-0.82	0.96	9.15	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			5.20	4.45	11.57	-1.39	0.33	8.45	
PGIM Core Fixed - 32.7% (^)			5.32	5.27	12.91	-1.02	0.94	9.64	12/01/2023
TIAA Core Fixed - 32.8% (^)			5.34	5.71	12.90	-1.22	1.08	9.72	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			5.20	4.45	11.57	-1.39	0.33	8.45	
Penn Mutual Core Plus - 8.9% (^)			N/A	N/A	N/A	N/A	N/A	2.81	08/01/2024
<i>Blmbg. U.S. Aggregate</i>			5.20	4.45	11.57	-1.39	0.33	2.80	
iShares Core U.S. Aggregate Bond ETF - 6.4%			5.21	4.56	11.55	-1.39	0.31	8.44	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			5.20	4.45	11.57	-1.39	0.33	8.45	
iShares 10-20 Year Treasury Bond ETF - 1.2%			7.58	3.94	15.66	-6.47	-3.40	7.70	03/01/2024
<i>ICE U.S. Treasury 10-20 Year Bond Index</i>			7.61	3.99	15.74	-6.39	-3.39	7.76	
PineBridge IG Credit - 4.9% (^)			5.86	5.61	14.65	-1.14	2.29	10.33	12/01/2023
<i>Blmbg. U.S. Credit Index</i>			5.71	5.23	13.81	-1.12	1.07	9.64	
Brown Bros. Harriman Structured - 6.6% (^)			3.32	7.38	10.97	3.72	3.61	8.93	12/01/2023
<i>ICE BofA ABS Fxd &amp; Fltng Rate AA-BBB Idx</i>			3.25	6.99	10.64	2.61	2.82	8.97	
Brandywine Global High Yield - 4.0%			4.06	8.04	15.73	4.35	6.91	11.80	12/01/2023
<i>Blmbg. Ba to B U.S. High Yield</i>			4.37	6.92	14.63	2.74	4.48	10.57	
NYLI MacKay High Yield Corp Bond Fund - 2.3%			3.70	6.94	13.16	3.45	4.67	10.16	12/01/2023
<i>ICE BofA US High Yield Index</i>			5.28	8.03	15.66	3.08	4.55	12.02	
<b>Cash Equivalent</b>	<b>71,129</b>	<b>0.53</b>							
First American Government Obligation - Z	71,129	0.53	1.30	3.94	5.32	3.46	2.22	4.41	12/01/2023
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.37	4.03	5.46	3.49	2.32	4.52	

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

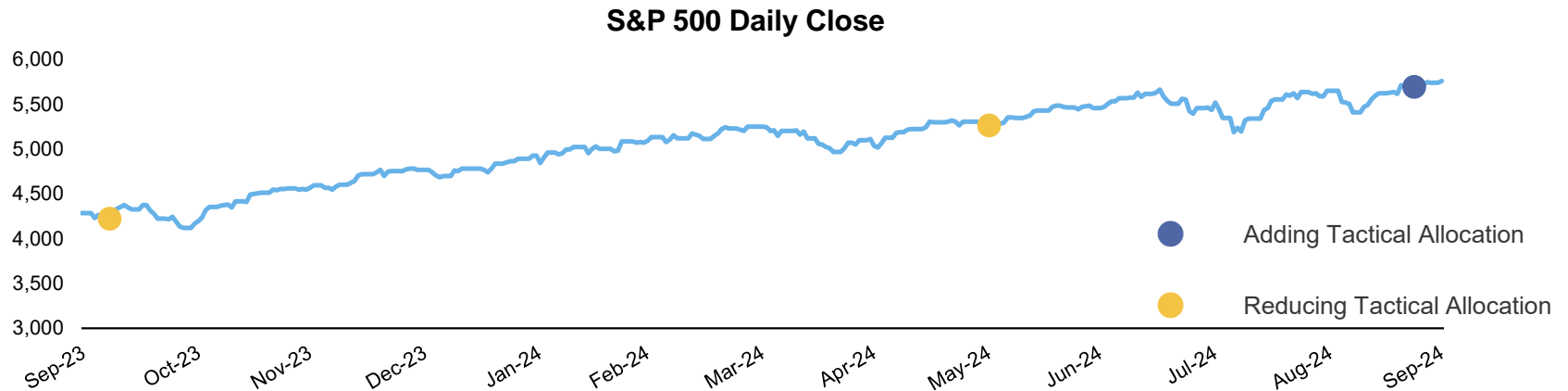
(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

# Asset Allocation Summary

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
<b>Total Fund</b>	<b>100.0</b>	<b>100.0</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0</b>
Domestic Equity	26.2	26.0	6.0	46.0	0.2
International Equity	14.2	14.0	0.0	34.0	0.2
Other Growth	0.0	0.0	0.0	10.0	0.0
Fixed Income	59.1	60.0	40.0	80.0	-0.9
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	0.5	0.0	0.0	20.0	0.5



# Investment Committee Tactical Decision Timeline in the Past Year



- ▶ **October:** Reduced the Domestic Equity allocation to its strategic target, allocating the assets to Fixed Income, increasing it to its strategic target
- ▶ **May:** Removed tactical allocation to EM Ex China
- ▶ **September:** Added tactical allocation to REITs

# Disclaimer

*The views expressed within this material constitute the perspective and judgment of U.S. Bancorp Asset Management, Inc. at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon current opinion as of the date of issue and are also subject to change. Opinions and data presented are not necessarily indicative of future events or expected performance. Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. No representation is made as to its accuracy or completeness.*

*PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.*

*NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE*



## CSRMA

### Captive Feasibility Analysis

#### Annual Premium - Forecasted Total

Domicile: Utah

Captive Structure: Reinsurance is Outside Captive

#### Premiums

<b>Liability</b>		
Line Item	\$750K SIR	\$1M SIR
Expected Limited Incurred Losses	3,349,314	3,675,868
Variable Expenses (%)	3.6%	3.6%
Specific Reinsurance (% of Loss)	0.0%	0.0%
Specific Reinsurance (\$)	0	0
Risk Margin (%)	4.98%	4.15%
Risk Margin (\$)	187,481	169,557
Fixed Expenses	101,029	101,029
Premium Before Claims Administration	3,764,684	4,085,709
Claims Administration	0	0
<i>Premium + Claims Administration</i>	<i>3,764,684</i>	<i>4,085,709</i>

#### Expenses

Fixed Expenses	101,029	101,029
License and Fees	3,750	3,750
Actuarial Fees	7,500	7,500
Investment Advisory Fee	10,000	10,000
Insurance Expense	5,909	5,909
Bank Service Charges	5,370	5,370
Captive Management Fee	25,000	25,000
Financial Audit	6,000	6,000
Board of Directors Meetings/Travel	5,000	5,000
Legal Fees	2,500	2,500
Alliant Program Fee	30,000	30,000

Variable Expenses	3.6%	3.6%
Procurement Tax	3.6%	3.6%
State Premium Tax	0.0%	0.0%
Fronting Fee	0.0%	0.0%
Aggregate Insurance Charge	0.0%	0.0%
Broker Commission	0.0%	0.0%
Claims Administration (% of Retained Losses)	0.00%	0.00%

### **Trustees E&O Renewal**

**ISSUE:** CSRMA’s Trustees Errors & Omissions coverage is due to renew on December 31, 2024. The current limit of liability is \$5,000,000 per claim and in the aggregate. The incumbent carrier is Lloyd’s of London. The expiring annual premium is \$36,895, plus an additional \$369 for terrorism coverage. Taxes and fees are in addition to the premium. Historically, the optional TRIA coverage has been purchased.

**RECOMMENDATION:** The Program Administrators recommend that the Executive Board elect to renew the Trustees E&O coverage at the expiring limit and deductible option, as shown under “Option 2A” in the table below.

**FISCAL IMPACT:** The table below depicts the quoted renewal options.

	<b>Limit</b>	<b>Deductible</b>	<b>Premium</b>	<b>Optional TRIA Premium</b>
<b>Option 1A</b>	\$3,000,000 per claim \$3,000,000 aggregate	\$15,000 per claim \$60,000 aggregate	\$31,265 plus taxes and fees	\$313
<b>Option 1B</b>	\$3,000,000 per claim \$3,000,000 aggregate	\$25,000 per claim \$100,000 aggregate	\$29,744 plus taxes and fees	\$297
<b>Option 1C</b>	\$3,000,000 per claim \$3,000,000 aggregate	\$50,000 per claim \$200,000 aggregate	\$27,669 plus taxes and fees	\$277
<b>Option 2A</b> <i>Expiring Option</i>	\$5,000,000 per claim \$5,000,000 aggregate	\$15,000 per claim \$60,000 aggregate	\$38,736 plus taxes and fees	\$387
<b>Option 2B</b>	\$5,000,000 per claim \$5,000,000 aggregate	\$25,000 per claim \$100,000 aggregate	\$37,214 plus taxes and fees	\$372
<b>Option 2C</b>	\$5,000,000 per claim \$5,000,000 aggregate	\$50,000 per claim \$200,000 aggregate	\$35,139 plus taxes and fees	\$351

**BACKGROUND:** Trustees E&O insurance provides professional liability coverage for the trustees of self-insurance funds for claims made against the trustees following any actual or alleged act, error or omission committed in the scope of managing the funds.

The rating basis for this policy is total member contributions. Estimated total member contributions (pool deposit, insurance premium, JPA charge, etc.) are projected to increase approximately 9% for the upcoming policy term.

**ATTACHMENTS:** None

## **2023-2024 Fiscal Year Audit**

**ISSUE:** Annually, CSRMA engages an independent auditor to audit the accounting records of CSRMA. The Audit of fiscal year 2023/24 is complete.

Jim Marta of James Marta & Company presented the draft Audit findings at the November Finance Committee meeting and is scheduled to present the Audit to the Board of Directors at their January 2025 meeting. A copy of Mr. Marta's presentation is included in the agenda packet for the Executive Board's review.

The Finance Committee reviewed the draft Annual Comprehensive Financial Report (ACFR) (formerly Comprehensive Annual Financial Report (CAFR)) and is recommending that the Executive Board submit it to the Board of Directors for review and acceptance. A copy of the ACFR with the Finance Committee's suggested revisions is included in the agenda packet for the Executive Board's review.

**RECOMMENDATION:** Review the report. The Finance Committee recommends that the Executive Board submit the Audit to the Board of Directors at their January meeting for review and acceptance.

**FISCAL IMPACT:** The total cost of the audit was \$22,945.

**BACKGROUND:** Jim Marta of James Marta & Company performed the financial audit for the year ended June 30, 2023.

With the formation of the Clean Water Insurance Captive (CWIC) effective 7/1/23, the financial audit is presented as a consolidated report including CWIC. CWIC's finances are broken out in the Supplementary Information section.

CSRMA was awarded the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year Ended June 30, 2023. Comments and suggestions for improvement were provided by the Government Finance Officers Association. The comments and suggestions have been addressed and incorporated into the attached draft ACFR as of June 30, 2024.

**ATTACHMENTS:**

1. James Marta & Company LLP Presentation
2. 2023/24 Annual Comprehensive Financial Report (separate)

CALIFORNIA SANITATION RISK MANAGEMENT  
AUTHORITY  
SUMMARY OF AUDIT RESULTS  
JUNE 30, 2024

Presented by

James Marta, CPA, CGMA, ARPM



# Agenda

- Communications with Those Charged with Governance
- June 30, 2024, CSRMA Financial Information and Auditor's Report

# COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE



Professional standards require that we provide you with information related to our audit of CSRMA. This information is summarized as follows:

- Responsibilities and Opinion
  - Financial statements are the responsibility of management
  - Our responsibility is to express an audit opinion
  - We issued an unmodified opinion (the best an auditor can give)



# REPORT TO YOU - INTERACTIONS WITH MANAGEMENT



Management Consultations with Other Independent Accountants:

✓ None



Disagreements with Management of Difficulties Encountered:

✓ None



Management Representations:

✓ Will Receive before issuance



# REPORT TO YOU

## QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

- Significant Accounting Policies and Changes in Those Policies - No changes
- Management Judgments and Accounting Estimates
  - Claims liabilities
  - Appropriate and in-line with standards



# AUDIT PROCEDURES

- An Audit is more than just assurance regarding the fairness of presenting financial statements. An Audit involves gaining an understanding of the organization's systems and controls.
  - Understanding; systems, policies and procedures
  - Gathering other audit evidence, review of details, performing test calculations.
  - Review of accounting methods and reporting

# RESULTS OF THE AUDIT

Consideration Area	Result
Planned Scope and Timing	Scope and timing as anticipated
Findings Identified in Performing the Audit	None
Significant Adjustments or Disclosures Not Reflected in the Financial Statements	None

FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT

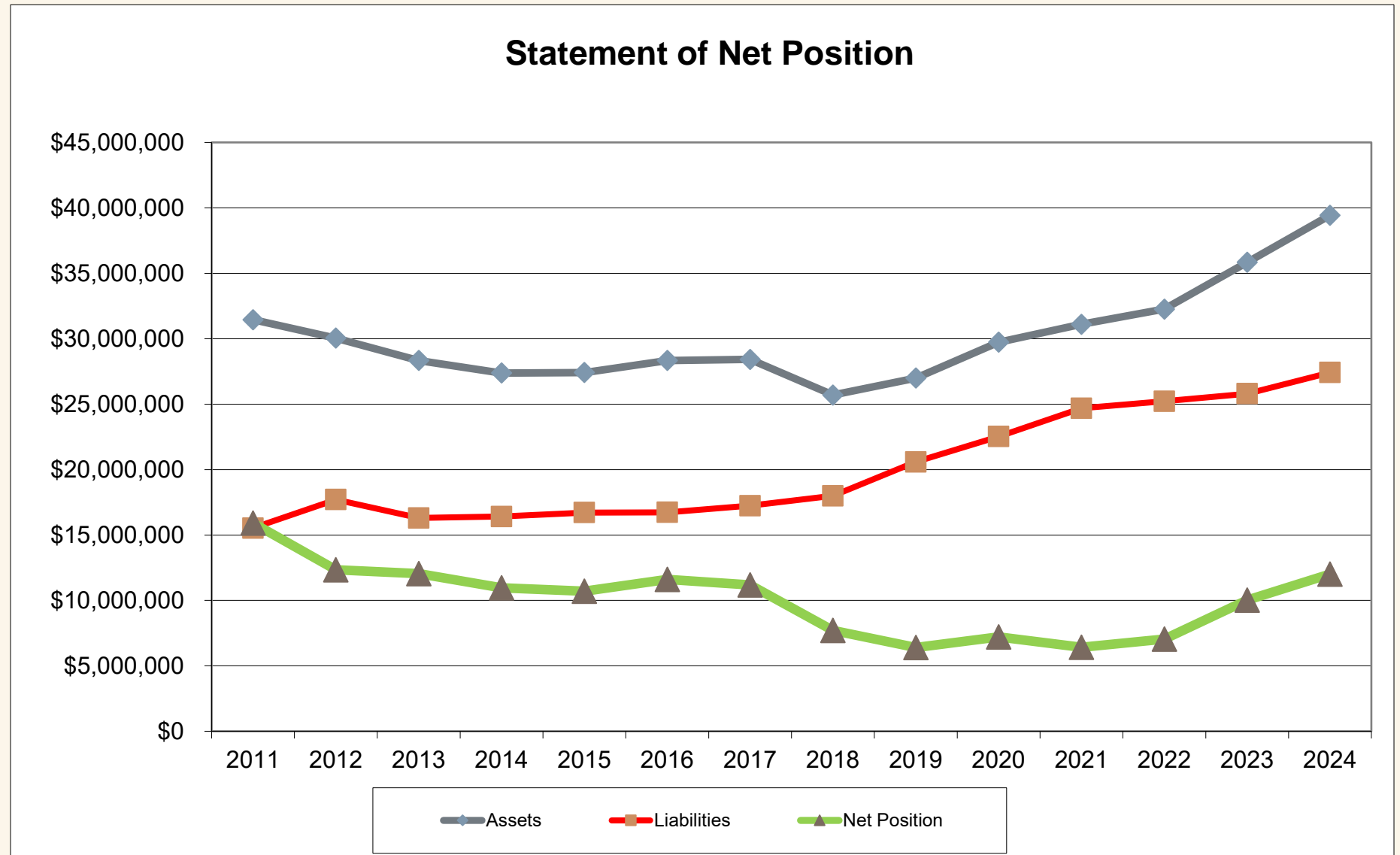


# INDEPENDENT AUDITOR'S REPORT

- Pages 1-3 of the Audited Financial Statements
- Unmodified opinion (Page 1), the best opinion that we can provide



# STATEMENT OF FINANCIAL POSITION



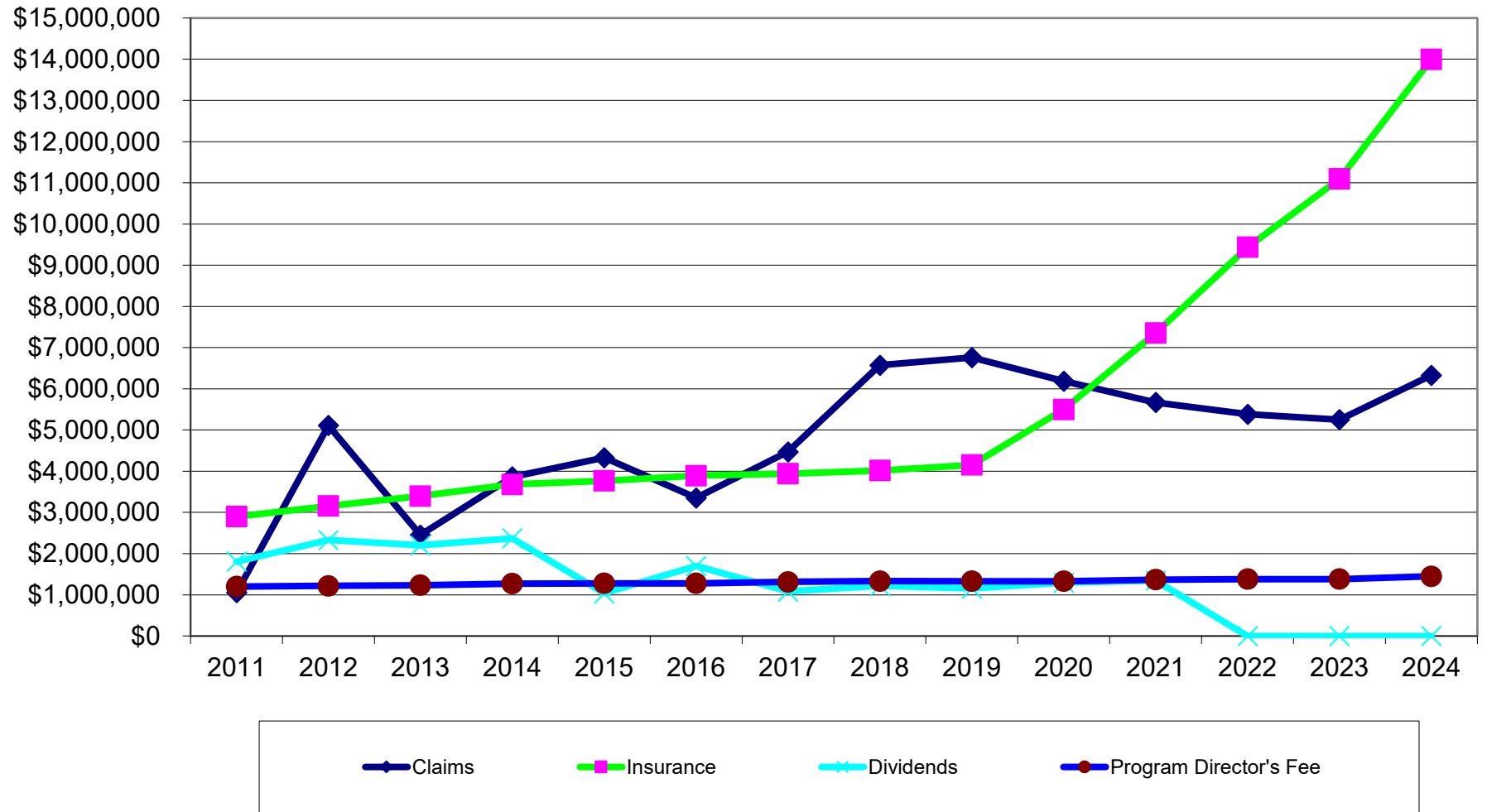
# Combining Statement of Net Position

	<b>Workers'</b>	<b>Liability</b>	<b>Property</b>	<b>Primary</b>	<b>CWIC</b>	<b>Eliminations</b>	<b>Total</b>
	<b>Compensation</b>			<b>Insurance</b>			
<b>ASSETS</b>							
Current Assets							
Cash and cash equivalents	\$ 1,216,155	\$ 561,909	\$ 65,452	\$ 12,911	\$ 139,984	\$ -	\$ 1,996,412
Investments	1,445,909	668,064	77,817	15,350	-	-	2,207,140
Accounts receivable:							
General	229,905	1,234,505	-	-	172,094	-	1,636,504
Interest	104,603	78,038	680	515	230	-	184,066
From subsidiary	261,928	51,030	-	-	-	(312,958)	-
Prepaid expenses	7,530	3,536,112	2,151	456,883	3,939	(1,473,613)	2,533,002
	<u>3,266,029</u>	<u>6,129,659</u>	<u>146,101</u>	<u>485,659</u>	<u>316,247</u>	<u>(1,786,571)</u>	<u>8,557,124</u>
Noncurrent Assets							
Investments	14,037,504	6,485,854	755,485	149,024	9,448,507	-	30,876,373
Investment in subsidiary	750,000	615,000	-	-	-	(1,365,000)	-
	<u>18,053,533</u>	<u>13,230,513</u>	<u>901,586</u>	<u>634,683</u>	<u>9,764,754</u>	<u>(3,151,571)</u>	<u>39,433,497</u>
<b>LIABILITIES</b>							
Current Liabilities							
Accounts payable	92,983	58,310	99,863	2,341	363,434	(312,958)	303,973
Unearned revenue	-	3,719,844	-	492,671	1,473,613	(1,473,613)	4,212,515
Current portion of unpaid claims and claim adjustment expense	3,500,000	1,500,000	100,000	-	1,500,000	-	6,600,000
	<u>3,592,983</u>	<u>5,278,154</u>	<u>199,863</u>	<u>495,012</u>	<u>3,337,047</u>	<u>(1,786,571)</u>	<u>11,116,488</u>
Noncurrent Liabilities							
Unpaid claims and claim adjustment expense	9,368,185	3,373,957	749,659	-	2,806,777	-	16,298,578
	<u>12,961,168</u>	<u>8,652,111</u>	<u>949,522</u>	<u>495,012</u>	<u>6,143,824</u>	<u>(1,786,571)</u>	<u>27,415,066</u>
<b>NET POSITION</b>							
Unrestricted	\$ 5,092,365	\$ 4,578,402	\$ (47,936)	\$ 139,671	\$ 3,620,930	\$ (1,365,000)	\$12,018,431

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# STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

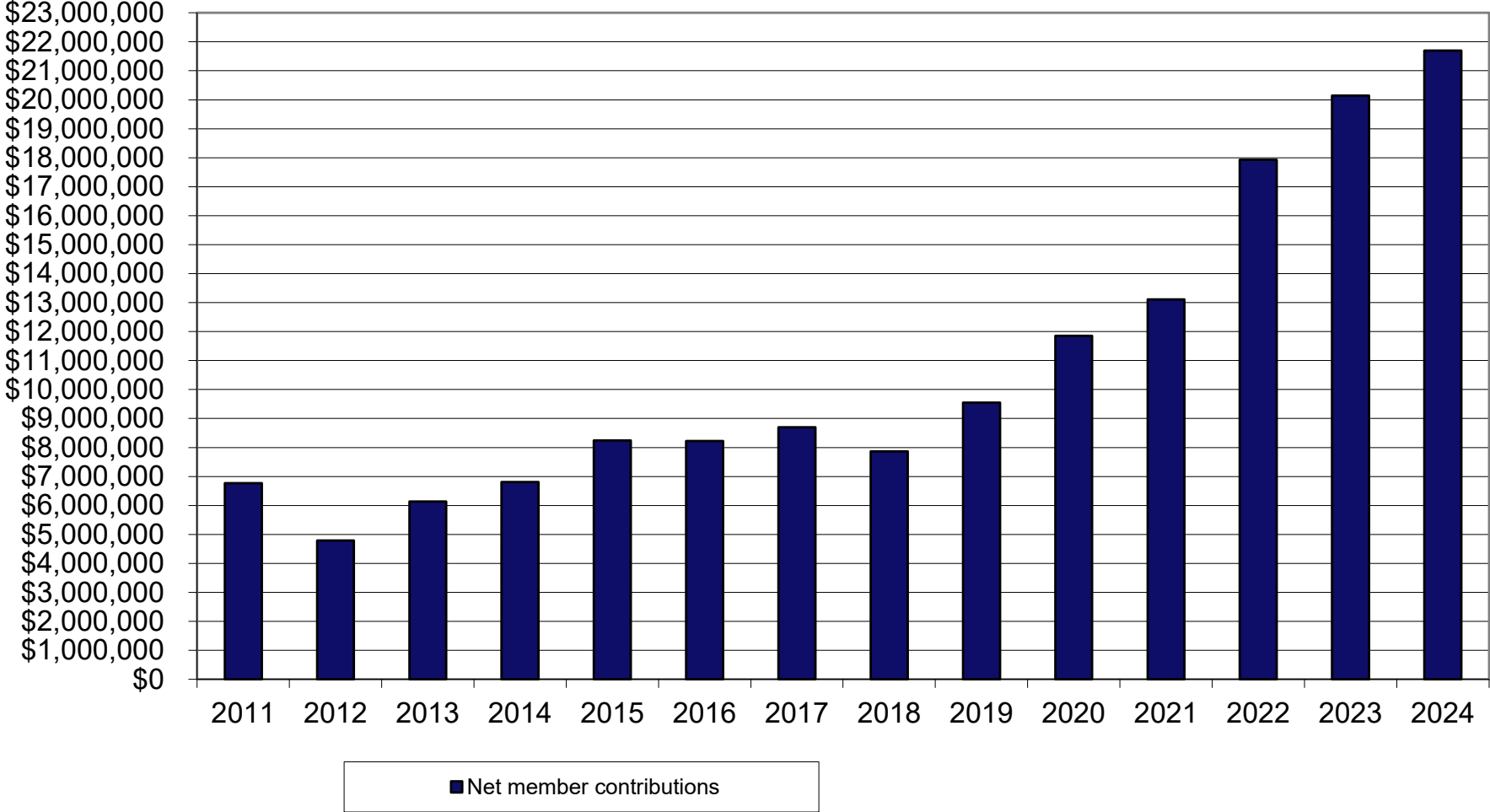
## Key Expenses





STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Member Contributions Net of Retro and Dividends



# Combining Statement of Revenues, Expenses and Changes in Net Position

	<b>Workers' Compensation</b>	<b>Liability</b>	<b>Property</b>	<b>Primary Insurance</b>	<b>CWIC</b>	<b>Eliminations</b>	<b>Total</b>
<b>REVENUES</b>							
Member contributions	\$ 6,245,325	\$ 6,399,292	\$ 9,089,427	\$ 760,960	\$ 6,220,990	\$ (6,220,993)	\$ 22,495,000
Retrospective contributions	(812,801)	10,634	-	-	-	-	(802,167)
Member fees	435,000	669,746	192,000	134,292	-	-	1,431,038
	<u>5,867,524</u>	<u>7,079,672</u>	<u>9,281,427</u>	<u>895,252</u>	<u>6,220,990</u>	<u>(6,220,993)</u>	<u>23,123,871</u>
<b>OPERATING EXPENSES</b>							
Program expenses:							
Provision for unpaid claims and claim adjustment expenses	(1,253,157)	2,561,070	581,799	-	4,440,092	-	6,329,804
Insurance expense	6,367,175	4,692,769	8,429,163	717,821	11,818	(6,220,993)	13,997,753
Management consultants	225,434	143,310	26,370	26,370	117,764	-	539,248
Program directors fee	435,000	669,748	207,805	134,540	-	-	1,447,093
Other program expenses	200,433	113,290	13,093	7,845	25,870	-	360,531
	<u>5,974,885</u>	<u>8,180,187</u>	<u>9,258,230</u>	<u>886,576</u>	<u>4,595,544</u>	<u>(6,220,993)</u>	<u>22,674,429</u>
General and administrative expenses	<u>63,896</u>	<u>93,613</u>	<u>18,055</u>	<u>18,048</u>	<u>27,547</u>	<u>-</u>	<u>221,159</u>
	<u>6,038,781</u>	<u>8,273,800</u>	<u>9,276,285</u>	<u>904,624</u>	<u>4,623,091</u>	<u>(6,220,993)</u>	<u>22,895,588</u>
Operating income (loss)	(171,257)	(1,194,129)	5,142	(9,372)	1,597,899	-	228,283
<b>NONOPERATING REVENUES</b>							
Investment income	<u>694,109</u>	<u>375,027</u>	<u>23,229</u>	<u>5,669</u>	<u>658,031</u>	<u>-</u>	<u>1,756,065</u>
<b>Change in Net Position</b>	522,852	(819,101)	28,371	(3,703)	2,255,930	-	1,984,348
Net Position, Beginning of year	<u>4,569,513</u>	<u>5,397,503</u>	<u>(76,307)</u>	<u>143,374</u>	<u>1,365,000</u>	<u>(1,365,000)</u>	<u>10,034,083</u>
Net Position, End of year	<u>\$ 5,092,365</u>	<u>\$ 4,578,402</u>	<u>\$ (47,936)</u>	<u>\$ 139,671</u>	<u>\$ 3,620,930</u>	<u>\$ (1,365,000)</u>	<u>\$ 12,018,431</u>

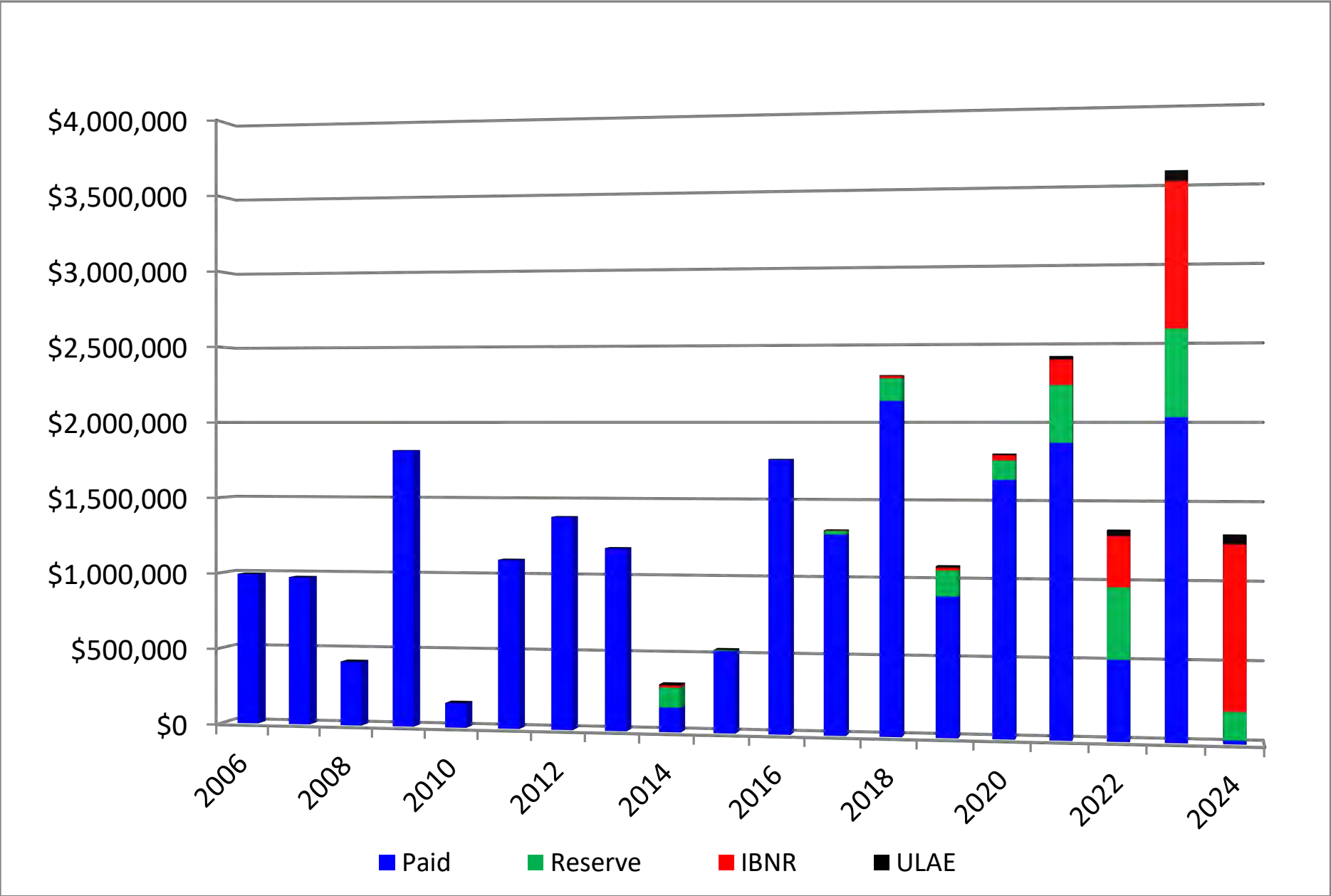
# Claims Reconciliation

WC covered by CWIC  
starting 7/1/23

Liability covered by  
CWIC 12/31/23

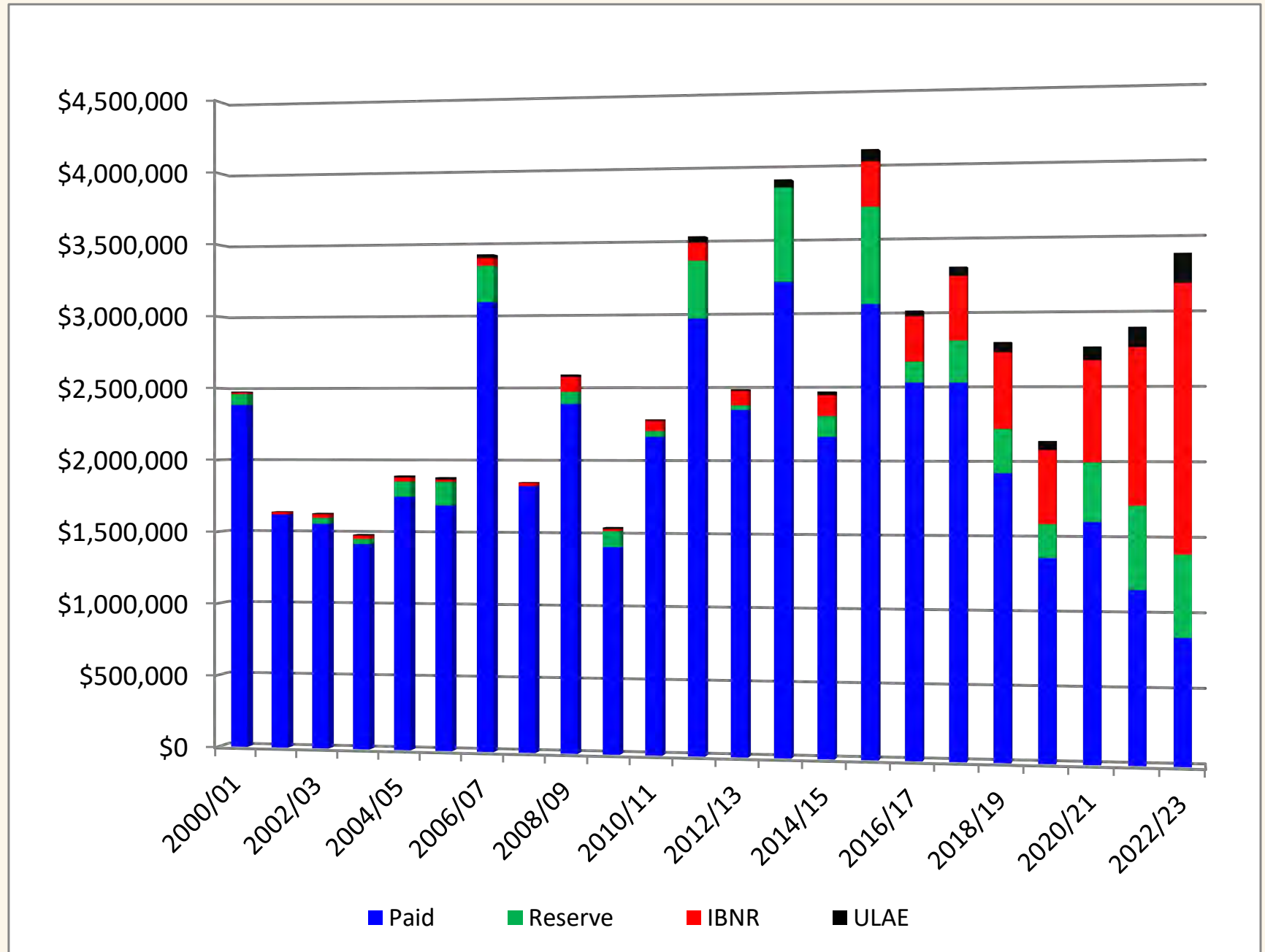
	Workers Compensation		Liability		Property		CWIC		Totals	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Unpaid claims and claim adjustment expenses at beginning of year	\$ 16,610,904	\$ 17,127,613	\$ 4,384,944	\$ 4,273,953	\$ 861,526	\$ 229,014	\$ -	\$ -	\$ 21,857,374	\$ 21,630,580
Incurred claims and claim adjustment expenses:										
Provision for insured events of the current year	-	3,869,050	1,297,550	1,950,594	357,797	383,594	4,440,092	-	6,095,439	6,203,238
Increase/(decrease) in provision of insured events of prior years	(1,253,157)	(1,572,158)	1,263,520	277,777	224,002	343,518	-	-	234,365	(950,863)
Total incurred claims and claim adjustment expenses	(1,253,157)	2,296,892	2,561,070	2,228,371	581,799	727,112	4,440,092	-	6,329,804	5,252,375
Payments:										
Claim and claim adjustment expenses attributable to insured events of the current year	-	336,341	22,994	650,976	34,325	88,103	133,315	-	190,634	1,075,420
Claim and claim adjustment expenses attributable to insured events of the prior years	2,489,562	2,477,260	2,049,063	1,466,404	559,341	6,497	-	-	5,097,966	3,950,161
Total Payments	2,489,562	2,813,601	2,072,057	2,117,380	593,666	94,600	133,315	-	5,288,600	5,025,581
Total unpaid claims and claims adjustment expenses	\$ 12,868,185	\$ 16,610,904	\$ 4,873,957	\$ 4,384,944	\$ 849,659	\$ 861,526	\$ 4,306,777	\$ -	\$ 22,898,578	\$ 21,857,374
Claims reserves	\$ 5,374,510	\$ 5,971,800	\$ 2,139,499	\$ 2,249,298	\$ 750,977	\$ 751,323	\$ 593,908	\$ -	\$ 8,858,894	\$ 8,972,421
Claims incurred but not reported (IBNR)	6,243,553	9,066,685	2,524,575	1,946,821	58,222	69,178	3,712,869	-	12,539,219	11,082,684
Unallocated loss adjustment expenses (ULAE)	1,250,122	1,572,419	209,883	188,825	40,460	41,025	-	-	1,500,465	1,802,269
	12,868,185	16,610,904	4,873,957	4,384,944	849,659	861,526	4,306,777	-	22,898,578	21,857,374
Current portion	(3,500,000)	(3,500,000)	(1,500,000)	(1,500,000)	(100,000)	(100,000)	(1,500,000)	-	(6,600,000)	(5,100,000)
Non-current portion	\$ 9,368,185	\$ 13,110,904	\$ 3,373,957	\$ 2,884,944	\$ 749,659	\$ 761,526	\$ 2,806,777	\$ -	\$ 16,298,578	\$ 16,757,374

# Claims Graph – Liability.

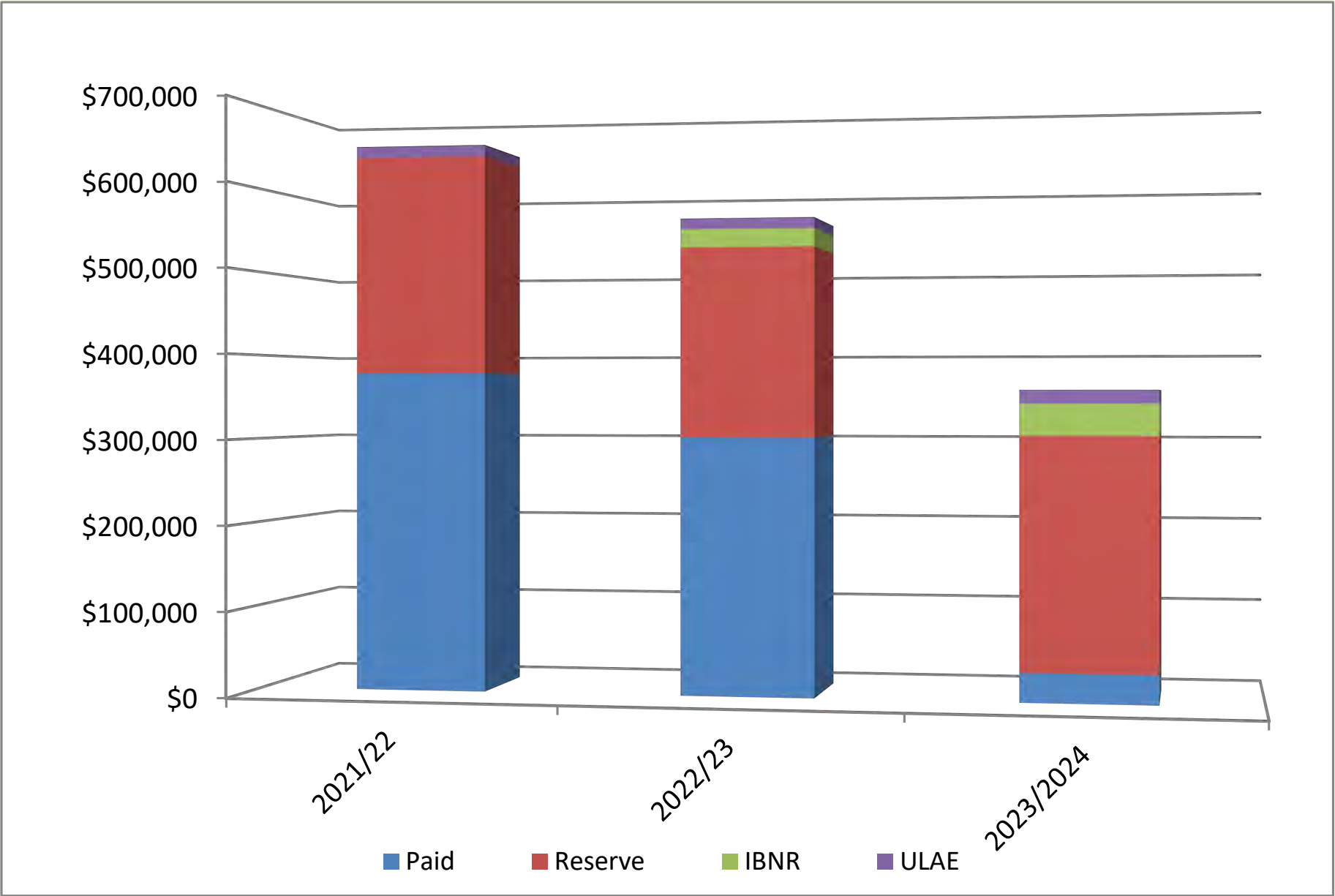


# Claims Graph – Workers Compensation

2024 Covered by  
CWIC



# Claims Graph – Property



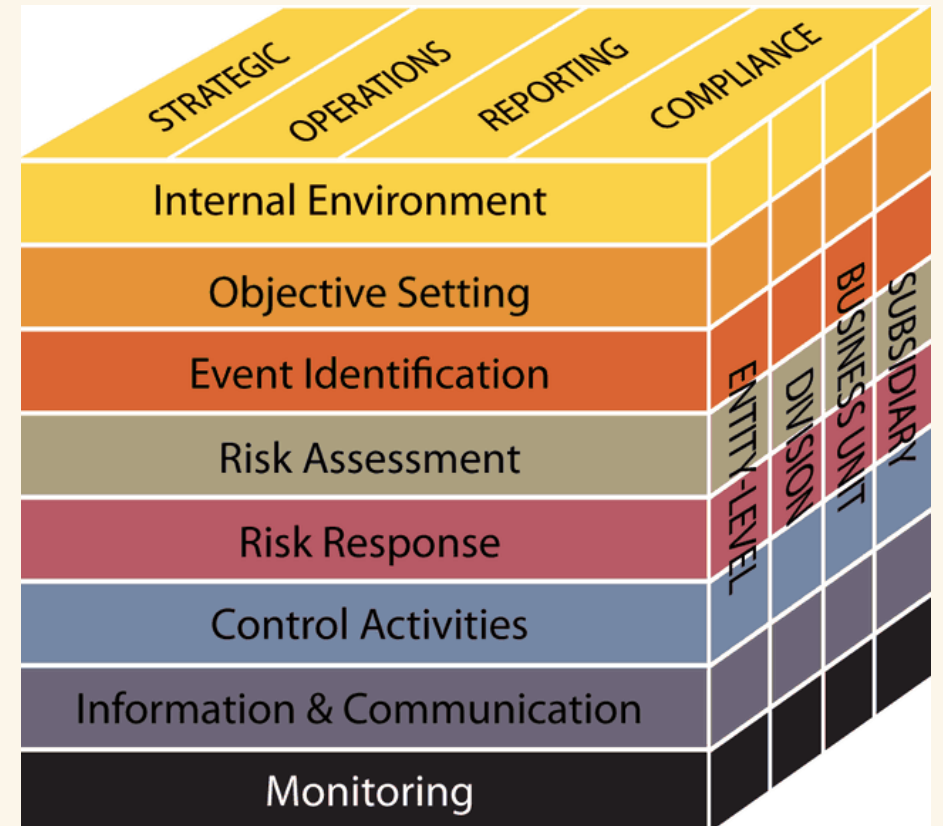
## Industry under stress

- Public Entity Exposures
  - Liability claims costing more
  - Employment practices
  - Molestation claims
  - Special education related claims
  - Property claims; Wildfire, Flood
  - Cyber
- Impact:
  - Increase in insurance costs
  - Carriers may require you to retain more
  - This may put more demands on your capital



# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE

- No Material Weaknesses identified
- No instances of noncompliance identified





## Conclusion

- We would like to thank the Alliant staff for their efforts to make this a successful audit.
  - Tami Giovanni
  - Seth Cole
  - Myron Leavell

# QUESTIONS?

James Marta CPA, CGMA, ARPM



## **LRP Discussion Topics & Hotel**

**ISSUE:** Every year the Program Administrators arrange an off-site Long-Range Planning Session as directed by the Executive Board. 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.

The Program Administrators have begun initial inquiries for a Central Coast hotel property for pricing proposals, as below:

- Montecito Inn
- Courtyard Santa Barbara
- Hilton Beachfront Santa Barbara

The selected hotels are available at this time. The proposed cost estimates & brochures for the above hotels are attached for the Executive Board's review.

The draft agenda and discussion topics based on feedback received from the Executive Board is also attached to this item for review and discussion.

**RECOMMENDATION:** The Program Administrators recommend that the Executive Board discuss the options presented and provide direction for the 2025 Long Range Planning Session.

**FISCAL IMPACT:** The CSRMA Executive Board/OC expense budget for the March 2025 LRP Session is \$20,000. In 2024, the cost of the hotel accommodations and catering was \$16,476.19. The proposed cost estimates for the 2025 LRP Session will be finalized after the venue has been selected.

**BACKGROUND:** In March 2024, the Long - Range Planning Session was held at the Hotel Andaz.

In the past, the Executive Board has utilized the services of a facilitator during the Long-Range Planning Sessions. Rick Brush provided facilitation services for the LRP sessions since 2020. He is available for the 2025 session.

**ATTACHMENTS:** 1) LRP Agenda & Discussion Topics – Draft  
2) Hotel Proposed Cost Estimates & Brochures (Handout)

***DRAFT***

**2025 Long-Range Planning Session**

11/24/24

Kick Off Activity - TBD

Potential Discussion Items

- A. Risk Control Work Plan
- B. Growth Goals
  - a. Consider Providing Access to Cities with Sanitation Districts
  - b. Growth Feasibility Study
- C. Clean Water Insurance Captive (CWIC)
  - a. Additional Lines of Coverage
  - b. Premiums Retrospectively Rated
  - c. Future Dividends to CSRMA
- D. Climate Change and Flood Risk (Floodbase)
- E. Pooling Option (PLP) for PIP Members
- F. Member Education and Engagement

Appendix

- A. Member Survey Results
- B. State of the Insurance Market
- C. Mission Statement
- D. JPA Agreement
- E. Bylaws
- F. List of Members and Programs
- G. Pooled Liability Program Memorandum of Coverage (MOC)
- H. Workers' Compensation Program Memorandum of Coverage (MOC)
- I. CSRMA Annual Liability Loss Analysis 2024
- J. CSRMA Annual Workers' Compensation Loss Analysis 2024
- K. CSRMA 2024 Annual Report
- L. Annual Comprehensive Financial Report as of June 30, 2024
- M. CSRMA FY 24-25 Budget
- N. CSRMA Organizational Chart

Executive Board Meeting Agenda

Sent Under Separate Cover

## **Proposed 2024 Meeting Calendar**

**ISSUE:** The Executive Board reviewed a preliminary calendar at their last meeting, deciding on two virtual and four in-person meetings for the year with direction given to look at alternative dates to accommodate the Executive Board members who have known conflicts, if any.

The Executive Board should review the final proposed meeting dates and approve a calendar for the upcoming year.

**RECOMMENDATION:** The Program Administrators recommend that the Executive Board approve their dates on the 2025 meeting calendar.

**FISCAL IMPACT:** None.

**BACKGROUND:** Every year the Executive Board adopts a meeting calendar. The Executive Board Meetings are included in that calendar.

**ATTACHMENTS:** Proposed 2025 Meeting Calendar

## CSRMA MEETING CALENDAR 2025

JANUARY	FEBRUARY	MARCH	APRIL
<b>CSRMA EB - TUE - 28</b>	CSRMA LIAB (TC) - TUE - 18	<b>CSRMA LRP - SUN - TUE - 16, 17, 18</b>	<b>CSRMA FIN - TUE - 15 (SFO)</b>
<b>CSRMA BD - WED - 29</b>	<b>CSRMA WC - THUR - 20 (SFO)</b>		
<i>CASA January 29 - 31 Palm Springs</i>	<i>PARMA February 23 - 26 Anaheim</i>		
MAY	JUNE	JULY	AUGUST
<b>CSRMA LIAB - MON - 5 (WC OFFICE)</b>	CSRMA EB (TC) - MON - 9		<b>CSRMA EB - TUE - 12</b>
CSRMA OC (TC) - TUES - 6	CSRMA BOD (TC) - WED - 18		<b>CSRMA BD - WED - 13</b>
CSRMA WC (TC) - THUR - 15	CSRMA OC (TC) - WED - 25		
			<i>CASA August 13 - 15 San Diego</i>
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<b>CSRMA LIAB - MON - 8 (WC OFFICE)</b>	<b>CSRMA EB - MON - 6 (SFO)</b>	CSRMA FIN (TC) - MON - 3	CSRMA EB (TC) - MON - 8
CSRMA OC (TC) - FRI - 12	CSRMA WC (TC) - WED - 15	<b>CSRMA LIAB - MON - 17 (WC OFFICE)</b>	CSRMA OC (TC) - THUR - 11
	CSRMA OC (TC) - FRI - 31		
<i>CAJPA September 16 - 19 Monterey</i>			

**Meetings in RED are IN-PERSON**

## **CSRMA Rebranding**

**ISSUE:** The Ad-Hoc Committee for the CSRMA Rebranding initiative met on October 31<sup>st</sup> and November 19<sup>th</sup>. At these meetings the Committee developed a list of recommendations for the Executive Board’s consideration.

### **Ad-Hoc Committee Recommendations**

- 1) The Committee decided that a full renaming and rebranding of CSRMA is not something that should be the focus at this time, given the cost and administrative undertaking this would involve.
- 2) In its review of the *Mission, Vision & Values* statement the Committee is recommending reaffirming the current Mission and Values, and updating the Vision portion only to be more forward looking as follows:

**Proposed New Vision Statement** – *CSRMA will actively engage with member agencies to achieve sustained organizational excellence through strategic, proactive, and innovative risk management solutions.*

**Current Vision Statement** – *To be an industry leader through the effective mitigation of all risk and exposure through innovative solutions.*

- 3) The Committee is recommending the creation of a tag line. The tag line can be used on the website, letterhead and with the value proposition being developed.

**Recommended Tag Line** - *Insuring the Future of Clean Water*

**RECOMMENDATION:** Review the recommendations from the Ad-Hoc Committee and provide direction.

**FISCAL IMPACT:** None.

**BACKGROUND:** At the July Executive Board meeting an Ad-Hoc Committee was formed to undertake a review of CSRMA’s current Mission, Vision & Values statement. The Committee members are Roland Williams, Teresa Herrera, Michelle Gallardo and Vince De Lange.

The original CSRMA Mission was adopted in 1988 and 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. Several CSRMA members have rebranded themselves along these lines, and we suspect others are considering the change as well.

**ATTACHMENTS:** CSRMA Mission, Vision and Values – adopted 2020



## **CSRMA MISSION STATEMENT**

### **OUR MISSION**

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

### **OUR VISION**

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

### **OUR VALUES**

*We are a member-owned organization working together for the benefit of all members to:*

- *Reduce risk of loss;*
- *Maintain fiscal stability;*
- *Ensure employee safety; and*
- *Protect public resources;*

*Through innovative risk management solutions and knowledge transfer.*

**Pooled Liability Program**  
**Deductible Selection Policy and Procedure**

**ISSUE:** Based on a review of the deductible selection worksheet as of 6/30/24, the Pooled Liability Committee directed the Program Administrators to schedule meetings with two member agencies who met the threshold of having adverse loss experience. The Program Administrators met with Santa Margarita Water District and West County Wastewater District to discuss claims activity at the respective agencies and risk control efforts to address the root causes of those claims. The Program Administrators discussed their findings with the Pooled Liability Committee at their November meeting and the consensus was to take no action at this time. The Program Administrators will brief the Executive Board at their meeting.

**RECOMMENDATION:** None.

**FISCAL IMPACT:** Unknown.

**BACKGROUND:** Each year prior to the renewal of the Pooled Liability Program, the Program Administrators perform a review of member agency loss history to determine appropriate deductible levels. If a member agency's loss history constitutes "Adverse Loss Experience" as defined in the Deductible Selection Policy and Procedure, a risk management audit is triggered and the member agency's General Liability and or Employment Practices Liability deductible will be established as provided for in Procedure Sections 3 and 5 of the Policy and Procedure.

The Board of Directors approved the attached Deductible Selection Policy and Procedure. The Policy and Procedure incorporates a member agency's loss experience into the deductible selection process. General Liability deductible levels range from \$2,500 to \$500,000 with a minimum deductible for sewer overflows set at \$25,000. Effective December 31, 2023, CSRMA will increase the EPL deductible to \$50,000 from the current level of \$25,000 for all members and hold 10 virtual management level training courses annually on topics recommended by Liebert Cassidy Whitmore (LCW). Members who meet the criteria annually will have their EPL deductible reduced to \$25,000.

General Liability "adverse loss experience" is defined as a) Three or more losses incurred by the members in any one of the two most recent program years where each loss exceeds the member's General Liability deductible for that year; or b) Total incurred losses by the member in any one of the two most recent program years equal to \$100,000 or more in excess of the member's General Liability deductible for that year.

Employment Practices Liability "adverse loss experience" is defined as "Two or more losses incurred by the member in five of the most recent program years".

**ATTACHMENTS:** Deductible Selection Policy & Procedure #8-L

## **CSRMA - Pooled Liability Program Manual**

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### **CSRMA POLICY & PROCEDURE MEMORANDUM # 8-L**

**EFFECTIVE:**       **May 2, 2003**  
                          **Revised August 6, 2004**  
                          **Revised January 18, 2017**

**SUBJECT:**         **Deductible Selection**

#### **PURPOSE**

This Policy & Procedure Memorandum (P&P) governs the manner in which a member's annual deductible will be selected for purposes of the coverage provided by CSRMA's Pooled Liability Program (PLP).

#### **APPLICATION; EXCEPTIONS**

This P&P applies to the selection of annual deductibles for all CSRMA members participating in the PLP. However, if the PLP Memorandum of Coverage (MOC) specifies a minimum deductible for any coverage, the amount of which is greater than the deductible selected pursuant to this P&P, then in that case the minimum deductible established by the MOC controls. Nothing in this P&P is intended to, nor does it, preclude CSRMA from exercising other available remedies for a members' unsatisfactory claims history, such as removal of a member from participation in a program or removal from membership in CSRMA.

#### **POLICIES**

The following are policies of CSRMA:

1. Subject to the provisions of this P&P, each member participating in the PLP may select a General Liability deductible that will be applicable to the member during each annual coverage period. The Employment Practices Liability deductible for all members is \$25,000.
2. A member may not select a General Liability deductible that is less than the Recommended Minimum General Liability Deductible set forth in the Table below, unless the smaller deductible amount is approved by CSRMA.

Participant' s Pool Deposit Amount*		Recommended Minimum General Liability Deductible
From	To	
\$20,000 or Less		\$2,500
\$20,001	\$30,000	\$5,000
\$30,001	\$50,000	\$10,000
\$50,001	\$70,000	\$25,000
\$70,001	90,000	\$50,000
\$90,001	\$110,000	\$100,000
\$110,001	\$135,000	\$250,000
\$135,000 or More		\$500,000

3. A member may select a General Liability deductible that is greater than the Recommended Minimum General Liability Deductible amount, except that the maximum deductible amount may not exceed \$500,000.

4. Unless precluded by Adverse Loss Experience, a member may select a General Liability deductible that is less than the recommended minimum General Liability deductible shown in the Table if the member' s selection is approved as provided in this P&P.

5. If a member' s General Liability loss history constitutes Adverse Loss Experience, the member' s General Liability deductible will be established as provided in Procedure Section 3, below, of this P&P.

6. General Liability Adverse Loss Experience is defined as follows:

(a) Three or more losses incurred by the member in any one of the two most recent program years where each loss exceeds the member' s General Liability deductible for that year; or

(b) Total incurred losses by the member in any one of the two most recent program years equal to \$100,000 or more in excess of

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\*For the purposes of this Table, a member' s Pool Deposit Amount is the premium deposit payable by the member exclusive of the deposit required for Public Officials Errors and Omissions Coverage and before allowance is made for any deductible credits.

the member's General Liability deductible for that year.

For these purposes, the phrase two most recent program years means the PLP program year then in effect and the program year preceding it.

7. If a member's Employment Practices Liability loss history constitutes Adverse Loss Experience, the member's Employment Practices Liability deductible will be established as provided in Procedure Section 5, below, of this P&P.

8. Employment Practices Liability Adverse Loss Experience is defined as follows:

(a) Two or more losses incurred by the member in the five most recent program years.

## **PROCEDURES**

1. Unless (a) the member selects another General Liability deductible amount, or (b) other provisions of this P&P allow or require a different selection, a member is deemed to have selected the Recommended Minimum General Liability Deductible indicated in the Table above.

2. If a member wishes to select a General Liability deductible other than the Recommended Minimum General Liability Deductible, the member must notify CSRMA's Program Administrators of the member's selection not later than 90 days before the commencement of the program year.

- (a) Subject to the provisions of this P&P concerning Adverse Loss Experience, selection of a deductible greater than the Recommended Minimum General Liability Deductible will be approved without further action.
- (b) In the case of any PLP Participant that, as of the effective date of this P&P, has a General Liability deductible which is less than the Recommended Minimum General Liability Deductible, the participant is entitled to select and retain that lesser deductible amount so long as the PLP participant's loss history does not reflect Adverse Loss Experience, as defined in Policy Section 6 above.
- (c) In cases not covered by Subsection (b) above, if the member wishes to select a deductible that is lower than the Recommended Minimum General Liability Deductible, the selection shall be referred to the PLP Committee for determination. The PLP Committee shall review the member's selection in relation to relevant underwriting considerations including, especially, the member's loss experience. The requested General Liability deductible selection may be approved by the Committee if the Committee believes:

- i. It is more probable than not that the member will not experience more than one loss during the next coverage period that would exceed the member's selected General Liability deductible amount, and
- ii. Other pertinent underwriting considerations do not favor selection of a larger amount.

3. During any interval that a PLP participant's General Liability loss history reflects Adverse Loss Experience, as defined in Policy Section 6 above, the member's minimum General Liability deductible shall be established by CSRMA as follows:

(a) A Risk Management Audit will be triggered. The Risk Management Audit will be performed by CSRMA's Risk Control Advisor.

(b) CSRMA's Program Administrators will make a recommendation to the PLP Committee on an appropriate General Liability deductible level for the member, based on the results of the risk management audit and an analysis of the member's loss history.

4. At such time as a PLP participant's loss history no longer reflects Adverse Loss Experience, as defined in Policy Section 6 above, the provisions of Procedure Section 3, above, shall no longer apply.

5. During any interval that a PLP participant's Employment Practices Liability loss history reflects Adverse Loss Experience, as defined in Policy Section 8 above, the member's Employment Practices Liability deductible shall be established by CSRMA as follows:

(a) A Risk Management Audit will be triggered to determine the root cause of the adverse loss experience. The Risk Management Audit will be performed by CSRMA's Risk Control Advisor.

(b) CSRMA's Program Administrators will make a recommendation to the PLP Committee on an appropriate CSRMA provided training program targeted at the root cause of the adverse loss experience and an appropriate Employment Practices Liability deductible level for the member based on an analysis of the member's loss history. The training program will be mandatory.

6. Any decision or determination by the PLP Committee may be appealed by the affected member or any other member of the PLP to CSRMA's Executive Board, who shall hear and determine the appeal as promptly as possible. The decision of the Executive Board is final.

**Pooled Liability Program**  
**Retrospective Rating Calculation Policy & Procedure**  
**Recommendations**

**ISSUE:** The Pooled Liability Committee directed the Program Administrators to amend the Retrospective Rating Plan Policy & Procedure based on recommendations made in the Bickmore Actuarial report. The changes are summarized below and incorporated into the proposed redline strikeout version of the Retrospective Rating Plan Policy & Procedure attached to this item.

- The Retro calculation should be performed three and a half years following the expiration date of a program year.
- Discontinue the retro for program years older than ten (10) years.

**RECOMMENDATION:** The Pooled Liability Committee recommends that the Executive Board recommend to the Board of Directors approval of the proposed amendments to the Retrospective Rating Plan Policy & Procedure.

**FISCAL IMPACT:** The Program can avoid trading dollars with the membership in the near term stabilizing the distribution of the retrospective premiums over time by delaying the first retro calculation.

**BACKGROUND:** The Program Administrators had engaged Bickmore Actuarial to rebuild the Pooled Liability Program Retrospective Rating Plan and Matrix databases with technology more suited to handling large amounts of data requiring significant calculative power. This project presented opportunities to create efficiencies and improve the administrative components of the Program. Bickmore Actuarial's observations are summarized below.

1. Continue to perform calculations of retrospective premiums based on data valued at June 30 of each year. The data for retro calculation should be reconciled to financial statements at the same valuation.
2. Include outstanding liabilities for claims administration fees in the retro formula.
3. Stabilize the distribution of retrospective premiums by delaying eligibility for the first retro distribution or contribution. For liability program, we recommend a three and a half year gap between policy expiration date and retro eligibility.
4. Produce summary exhibits that display equity balances by member and equity balances by policy year. The total equity balance should be reconciled to financial statements.
5. Add exhibits that display ultimate loss and LAE rates and/or ratios by policy year. Such addition will allow Alliant's staff to better monitor overall profitability and loss trends.

6. Consider closing any policy year with no loss and LAE liability.

Recommendations considered by the Pooled Liability Committee to improve the operation of the Retrospective Rating Plan are summarized below.

- Timing of the calculation. Currently the retro calculation is performed 6 months after expiration of the program year. This generally results in an immediate retro *return* to the membership as recent program years have not developed, making the program year look healthier than it actually is, and often, losses develop, the retro will later need to recollect monies that it had earlier returned. The Program Administrators recommend a three-and-a-half-year gap between policy expiration date and retro eligibility.
- Discontinue the retro for program years older than 10 years. These older program years are mature and generally, there is little to no claims activity that moves the financial position in any meaningful way. Bickmore had identified 27 years with an annual balance of less than \$50 (years 2012-13 and prior) and recommended that these years to be closed for any subsequent calculation of retrospective premium. The Program Administrators envision continuing to track equity balances for these years but no longer run the retro calculation, thus saving time and complexity for both the Program Administrators and the membership.

**ATTACHMENTS:** Redline Strikeout Version of the Retrospective Rating Plan Policy & Procedure.



**CSRMA  
POLICY & PROCEDURE  
#6-L**

**SUBJECT: Retrospective Rating Plan**

**EFFECTIVE: January 19, 2001**  
**Revised TBD**

**Purpose:**

This policy and procedure is written to describe the process by which the Pooled Liability Program's (PLP) retrospective rating calculations are performed for Program Years less than ten (10) years old. Prior Program Years are deemed closed for any subsequent calculation of retrospective premium. Terms and phrases with special meaning are defined in the "Definitions" section of this policy and procedure.

**Policy:**

In order to provide an incentive for members to control losses and to maintain a prudently funded pool, the Board of Directors adopted a "Retrospective Rating Plan" ("the retro") in 1988 for calculating final member deposit amounts into the pool for each Program Year. While the plan has operated according to the wishes of the Board, the Board desires this policy and procedure to be written to more clearly describe the detailed operation of the plan. This document therefore supercedes the original document adopted by the Board.

In principle, retrospective rating works to adjust a member's initial deposit subsequent to the expiration of a rating period (Program Year) on the basis of actual losses during that period. Such a rating program allows a member to more directly determine risk transfer costs through control of its own loss experience. This concept of individual cost determination on the basis of a member's actual incurred losses is significant in that:

- A member that controls losses is allowed the opportunity to generate a final deposit lower than premium developed by a typical insurance program;
- A member who has historically not controlled losses, is provided with incentive to do so; and
- Each member has the opportunity to earn a reasonable final deposit based upon its own actual loss experience. Retrospective rating provides more immediate recognition of favorable (or unfavorable) loss experience.

To accomplish these objectives, the basic plan design was formulated to include a retrospective rating feature.

The retrospective rating adjustment process evaluates each member's claims and expenses for each Program Year to determine:

1. If the total of member pool deposit amounts (initial and subsequent adjustments) plus investment income, is adequate to cover losses and expenses; and
2. The degree to which individual member pool deposit amounts either contributed to the financial success of a given Program Year.

Upon determination of these two issues, members are subject to a "retrospective rating adjustment" (an "adjustment") to their initial deposit, either positive or negative, subject to the formula utilized. The adjustment for each applicable Program Year appears on the member's annual Pooled Liability Program invoices. The first adjustment (credit or debit) is applied to the invoice for the following Program Year. Subsequent adjustments are applied to the invoices of subsequent Program Years.

Retrospective rating adjustments for the Pooled Liability Program are calculated three and half years (42 ~~six~~ months) after the conclusion of each Program Year, and annually thereafter until the Program Year is declared "closed" by the Board of Directors. In addition, the Board of Directors may declare special assessments, above and beyond retro adjustments, calculated at any time if in the Board's opinion, it becomes advisable to do so. The results of each retro calculation are communicated to the membership after review by the Executive Board. Any special assessment authorized by the Board shall be due as specified by the Board.

**Procedure:**

Three and a half years (42 ~~six~~ months) after the expiration of each Program Year, and annually thereafter, (currently June 30th of each year), unless otherwise directed by CSRMA, the Program Administrators are to start collection of the data needed to perform the retro calculation for that year. Data required includes:

1. Complete Pooled Liability Program Loss Runs valued as of June 30th showing paid and reserve amounts by member for the "pooled layer" (i.e. claim amounts between the members' deductibles and the excess attachment point).
2. Initial Pool Deposit amounts for each Program Year.
3. Incurred But Not Reported (IBNR) amounts for each Program Year as of June 30<sup>th</sup>.
4. Investment Income allocated to each Program Year as of June 30th.

Using the above data, the Program Administrators are to calculate the retrospective rating adjustment utilizing IBNR values representative of a “70% confidence level” for each Program Year. The results are to be presented to the Pooled Liability Program Committee and the Executive Board no later than the last regularly scheduled meeting of each in the calendar year. The Committee is to review the results and make a recommendation to the Executive Board concerning the appropriateness of implementing the results of the calculation.

With respect to initial Program Year Deposits, the Executive Board is granted authority to utilize an actuarial degree of confidence other than that noted above when it is appropriate to do so based upon evaluation of the following criteria:

1. Insurance market conditions that impact the viability of the Program;
2. Legislative issues expected to impact the workers’ compensation environment;
3. Either favorable or unfavorable program funding issues that need to be addressed; and
4. Risk exposures that impact the viability of the Program.

Upon acceptance of the results by the Executive Board, with or without modification, the Program Administrators are to credit or debit annual member invoices accordingly.

#### Calculation

The retrospective adjustment amount for each Program Year shall be calculated for each member by adding the sums of (A) and (B) below, adjusted for previously calculated and adjusted deposits, provided, however, that such amount shall not be greater than 150% of the Deposit, nor less than 75% of the Deposit:

- A. An amount equal to the individual members incurred losses, plus its pro-rata share of expenses;
- B. Each member’s proportionate share (based upon the amounts determined pursuant to (A) above) of the difference between the sum of the individual amounts calculated pursuant to (A) above, and the total of all incurred losses, reserves, expenses, and interest income for the Program as a whole.

#### **Column #1 – ~~Self-Funded~~ Deposit Amounts:**

This column is the initial deposit paid to the Authority by the member.

#### **Column #2 – Administrative Costs:**

The retro allows for the insertion of Administrative costs.

#### **Column #3 – Pooled Losses Paid:**

This column includes actual losses paid in the pooled layer excess of the members’ deductible. It includes all losses up to the excess insurance attachment point.

**Column #4 – Investment Income Earned To Date:**

Commulative investment earnings for the program year to date.

**Column #5 - Average Investment Funds:**

This is an estimate of each member's funds available for investment.

**Column #6 – Interest Allocation Factor:**

This is the factor to allocate the investment earnings.

**Column #7~~5~~ – Allocated Investment Earnings:**

This is each member's "share" of the investment income available for the Program Year.

**Column #8 – Total Investment Earnings:**

This is the sum of Investment Income Earned to date and Allocated Investment Earnings.

**Column #9~~6~~ – Pooled Case Loss Reserves:**

This column indicates the loss reserves for each member in the pooled layer.

**Column #10~~7~~ – Allocated IBNR and Loss Development Reserves:**

This column allocates the Incurred But Not Reported (IBNR) claims and loss development of the Program Year.

**Column #8-11 – Net Pool Costs:**

The pool costs amount to losses, IBNR, and administrative costs, less interest.

**Column #9-12 – Maximum Deposit:**

This column is the maximum amount assessable against an individual member for poor experience. It is equal to the product of the member's initial deposit and 1.50.

**Column #10-13 – Minimum Deposit:**

This is the minimum amount the Authority will retain for a member through the retro. It is the product of the member's initial deposit and .75.

**Column #11-14 – Formula Deposit:**

The Formula Deposit determines the amount the member will pay. It is equal to Net Pool Costs as shown in Column #811, unless these are more than the maximum, or less than the minimum.

**Column #152 - Allocation of Overage:**

If the total of Formula Deposit is insufficient to cover the losses of the pool, the “overage” (the difference between funds available and funds needed) is allocated by this formula.

**Column #16 – Indicated Retro Adjustment**

This is the difference between the Formula Deposit and the Deposit Amount + Admin. Costs.

**Column #17 – Indicated Retro Adjustment for Overage**

This is the sum of the Allocation of Overage and Indicated Retro Adjustment.

**Column #18 – Retro Adjustment Paid to Date**

This column shows the previous Retro Adjustments for the program year being calculated.

**Column #19 – Prior Overage**

This column shows a member’s previous Allocation of Overage for the program year being calculated.

**Column #20 – This Year Retro Adjustment**

This is the Indicated Retro Adjustment for Overage less previous Retro Adjustments and Allocation of Overage for the program year being calculated.

**Initial Deposit**

The Initial Deposit is equal to the amount shown in Column #1, Self Funded Deposits.

**(Year) Retro Adjustment:**

This is the Formula Deposit plus the Allocation of Overage less the Initial Deposit.

**Final Pool to Date:**

This is the Initial Deposit less the (Year) Retro Adjustment.

**DEFINITIONS:**

***1. Calculation Date***

The retrospective rating calculation dates are established at three and a half years (42 ~~six~~ months) following the conclusion of each Program Year (Currently December 31<sup>st</sup>) and annually thereafter for each Program Year until closed.

## **2. *Allocated Losses***

“Allocated Losses” includes each member’s actual losses (“paid and reserved”) as depicted in the JPA’s official loss runs **and** that members’ proportionate share of IBNR for that Program Year. Loss amounts below the members’ deductible, or above the Program’s excess attachment point are not counted in the calculation.

## **3. *Pool Deposits (Deposits)***

"Deposit", or “pool deposit,” term refers to the amount charged either individually or collectively to the pool members to cover the expected losses and expenses of a given Program Year.

## **4. *Claim Reserves***

“Claim Reserves” is an estimate of the funds needed to be set aside for **known** events (reported) that have given rise to a claim against a member. Each claim made against a member is “reserved” by the Program’s claims adjusting firm in accordance with the intrinsic dollar value of that claim. The aggregate value of all claims reserved make up the Authority's total “claims reserves”.

## **5. *Loss Adjustment Expenses***

“Loss Adjustment Expenses” refers to expenses incurred in the course of investigating and settling claims. Allocated loss adjustment expenses (ALAE) include costs, or expected costs, associated directly with specific claims paid or in the process of settlement, such as legal and adjusters' fees. Unallocated loss adjustment expenses (ULAE) include other costs, or expected other costs, that cannot be associated with specific claims but are related to claims paid or in the process of settlement, such as salaries and other internal costs of the pool's claims administrator.

## **6. *Incurred But Not Reported (IBNR)***

Claims for covered events that have occurred but have not yet been reported to the member or pool as of the date of the financial statement preparation or evaluation. IBNR claims include (a) known loss events that are expected to later be presented as claims, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported.

## **7. *Ultimate Net Loss***

“Ultimate Net Loss” is the sum of claims paid to date, claim reserves and IBNR; all within the program’s pooled layer. Because it is composed of two estimates, Ultimate Net Loss is also an estimate. The term is used to capture the total value of all claims that will ultimately be made against members for which the Authority is responsible. The Authority attempts to fund its programs such that member deposits for each period (Program Year) will equal the estimated ultimate net loss for that year plus program expenses and other general and administrative costs.

#### **8. *Confidence Level***

“Confidence Level” is a statistical term used to express the degree to which an actuarial projection (usually “Ultimate Net Loss” or “IBNR”) will be an accurate prediction of what the dollars losses will eventually be for a Program Year. The higher a confidence level, the greater surety one has that losses will not exceed the dollar value determined to attain that confidence level.

#### **9. *Contingency Margin***

“Contingency margin” refers to program equity in excess of that which is needed to maintain an “expected” confidence level.

**Pooled Liability Program**  
**Retrospective Rating Calculation at 6/30/24**

**ISSUE:** Each year the Program Administrators perform the Retrospective Rating Calculation for prior program years based on the formula adopted by the Board of Directors. The calculation grants either a monetary return, or an assessment to members based on their individual experience and the experience of the group as a whole. Retro adjustments appear as a debit or credit on member's December 31, 2024 renewal invoices.

The Retrospective Rating Calculation based on updated loss information and financial data as of June 30, 2024 has been completed. The calculation results in an adjustment of \$275,885 to be collected from the membership for all years being calculated, in total.

**RECOMMENDATION:** The Program Administrators recommends to the Executive Board that a total of \$275,885 for Program Years 2013-14 through 2019-20 be collected from the membership based on the attached schedule.

**FISCAL IMPACT:** \$275,885 to be collected from the members. Based on the draft audited financials as of 6/30/24, the retained funds in the Program were \$4,578,402.

**BACKGROUND:** The Retro plan was adopted in 1987 as the mechanism to spread equitably losses amongst members. Implementing the recommended changes outlined in Item E.2. and consistent with last year's retro calculation, each program year will be evaluated beginning three and a half years (42) months after expiration and annually thereafter. The retro calculation is performed based on financial data as of June 30. 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:** June 30, 2024 Retrospective Rating Adjustment Schedule



**CSRMA Liability Program**  
**Calculation of Retro Adjustments - Losses valued at June 30, 2024**

Member Name	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total Selected Years
Aliso Water Management Agency								-
Bolinas Comm. P.U.D.								-
Capistrano Beach S.D.								-
Carmel S.D.	-	-	-	-	2,622	-	3,921	6,543
Carpinteria S.D.	-	-	(2,274)	-	2,257	-	3,353	3,336
Central Marin S.A.	-	-	(2,802)	-	3,384	-	5,409	5,991
Dana Point S.D.								-
Delta Diablo S.D.	-	-	(6,330)	-	6,510	-	8,954	9,134
Dublin San Ramon Services Dist	-	-	(8,204)	-	9,790	-	14,844	16,430
East Bay Discharges Authority	-	-	(1,545)	-	1,905	-	-	360
East Palo Alto S.D.								-
Encina Admin. Agency	-	-	(8,073)	-	6,987	-	13,136	12,050
Fairfield/Suisun S.D.	-	-	(5,202)	-	4,897	-	7,276	6,971
Fallbrook S.D.								-
Goleta S.D.	-	-	(4,264)	-	4,485	-	6,914	7,135
Ironhouse S.D.	-	-	(4,293)	-	4,141	-	6,444	6,292
Lake Arrowhead C.S.D.	-	-	(4,988)	-	5,310	-	7,729	8,051
Las Gallinas Valley S.D.	-	-	(3,413)	-	3,421	-	-	8
Leucadia County W.D.	-	-	(3,944)	-	3,878	-	5,781	5,715
Montecito S.D.	-	-	(2,115)	-	2,123	-	3,043	3,051
Monterey Regional W.P.C.A.	-	-	(7,763)	-	8,564	-	12,438	13,239
Mt. View Sanitary District	-	-	(3,506)	-	2,060	-	3,153	1,707
Nevada County SD								-
North of River S.D.	-	-	(5,286)	-	5,348	-	-	62
Novato S.D.	-	-	(8,523)	-	5,465	-	8,301	5,243
Ojai Valley S.D.	-	-	(3,236)	-	3,209	-	4,797	4,770
Oro Loma S.D.	-	-	(3,434)	-	3,518	-	4,652	4,736
San Elijo JPA	-	-	(1,765)	-	1,947	-	2,771	2,953
Sanitary Dist. No. 1 of Marin	-	-	-	(251)	4,264	-	6,107	10,120
Sanitary Dist. No. 5 of Marin	-	-	(1,638)	-	1,807	-	2,571	2,740
Santa Margarita WD	-	-	(19,780)	-	-	-	30,179	10,399
Sausalito Marin City S.D.	-	-	(1,655)	-	1,812	-	2,575	2,732
Selma-Kingsburg-Fowler S.D.	-	-	(4,567)	-	-	-	-	(4,567)
Sewer Authority of Mid-Coastside	-	(237)	(1,896)	-	3,843	-	-	1,710
S.A.S.M.	-	-	(2,424)	-	2,557	-	4,063	4,196
South Bayside S.A.	-	-	(6,150)	-	-	-	10,183	4,033
S.E.R.R.A.								-
South Orange County Wastewater Authority	-	-	(7,798)	-	8,153	-	11,558	11,913
South Tahoe Public Utility District	-	-	-	-	-	-	-	-
Stege S.D.	-	-	(4,980)	-	-	-	-	(4,980)
Tahoe-Truckee S.A.	-	-	(3,094)	-	-	-	4,551	1,457
Truinfo County S.D.	-	-	(3,562)	-	3,296	-	5,314	5,048
Union Sanitary Distirct	-	-	(3,054)	-	3,350	-	4,799	5,095
Vallejo Sanitation & Flood	-	-	(2,213)	-	2,405	-	5,260	5,452
Ventura Regional S.D.	-	-	(2,703)	-	3,137	-	3,975	4,409
Victor Valley W.R.A.	55,967	-	(7,075)	-	-	-	15,147	64,039
West Bay S.D.	-	-	-	-	4,306	-	6,198	10,504
West Contra Costa S.D.	-	-	(4,237)	-	4,622	-	6,579	6,964
West Valley S.D.	-	-	(7,225)	-	7,092	-	10,977	10,844
Windsor W.D.								-
<b>Total All Members</b>	<b>55,967</b>	<b>(237)</b>	<b>(175,011)</b>	<b>(251)</b>	<b>142,465</b>	<b>-</b>	<b>252,952</b>	<b>275,885</b>

**Pooled Liability Program  
Program Year 39 (2024-25) Renewal**

**ISSUE:** The Pooled Liability Program will be renewing December 31, 2024. The Executive Board should consider a recommendation for the renewal.

**RECOMMENDATION:** The Pooled Liability Committee is recommending that the Executive Board renew the Program at a total cost not to exceed \$8,753,445 at the expiring program structure transferring the Pooled Layer risk (Member Deductible - \$750,000) to the Clean Water Insurance Captive (CWIC).

**FISCAL IMPACT:** The chart below depicts the Program Administrators’ expectation of the Program’s renewal costs based on the expiring program structure.

Expense Item	PY 38	PY 39	Change	
	2023/24	2024/25		
	\$25.75 mil- lion limit	\$25.75 mil- lion limit		
Pool Deposits / CWIC Gross Premium	2,947,225	3,764,684	817,459	27.74%
Est. Reinsurance/Excess Costs (Net)	3,419,637	3,864,474	444,837	13.01%
Est. Fixed Expense (JPA Charge)	386,833	438,287	51,454	13.30%
Pool Deposit Fees	<u>686,000</u>	<u>686,000</u>	<u>0</u>	<u>0.00%</u>
<b>Total Expected Costs</b>	<b>7,439,695</b>	<b>8,753,445</b>	<b>1,313,750</b>	<b>17.66%</b>

**BACKGROUND:** A description of each line item in the above chart follows, as well as a discussion of other issues:

1. Pool Deposits / CWIC Gross Premium: This is CWIC’s actuary’s suggested “Gross Premium” to fund losses in the pooled layer (member deductible – \$750K + administrative expenses).
2. Reinsurance / Excess Cost: This is an estimate of the reinsurance / excess cost net of commission.
3. Fixed Expenses: Estimated expenses to operate the program which include an allocation of overall JPA expenses.

4. Pool Deposit Fees: Fees paid to the program administrator per its contract and CSRMA's budget. Alliant is also paid a commission on the reinsurance/excess insurance placement, which offsets the pool deposit fee.

There are three components of this year's renewal that merit further discussion. They are Pool Deposits / CWIC Gross Premium, Reinsurance / Excess Insurance Costs, and Fixed Expense (JPA Charge).

Alliant's actuarial team performed the actuarial analysis to develop the "CWIC gross premium". The analysis includes the costs to fund losses in the Member - \$750K layer, underwriting margin and CWIC's administrative expenses. The actuary is projecting a substantial year-over-year increase in funding as a result of unfavorable loss development in older program years.

The premium for the "estimated excess insurance expense" increased approximately 13%. Renewal terms have been received from the incumbent markets. Munich Re is the reinsurer currently providing coverage excess of the pooled layer (\$10M x \$750K). Berkley Public Entity provides the next layer of reinsurance (\$5M x \$10M). AWAC provides the top layer of coverage (\$10M x \$15M) for a total of \$25M in limits excess of the pooled layer.

The Fixed Expense (JPA Charge) is expected to increase by approximately 13.30% (\$51,454), largely due to an increase in the approved Risk Control Work Plan.

## **Other Factors for Discussion**

### Stop Loss Aggregate

Stop Loss Aggregate coverage is designed to protect pool (CWIC) assets against a series of catastrophic events in the pooled layer (member deductible - \$750K) in a single Program Year. Based on historical loss experience in the Program and the pricing/structure to secure Stop Loss Aggregate coverage, CSRMA has elected not to purchase this coverage in the past. Should the loss experience in the Program change such that Stop Loss Aggregate coverage warrants consideration, the Program Administrators will bring this item back to the Committee for further discussion.

### Employment Practices Liability (EPL) Deductible Reduction Incentive Program Update

The Program Administrators have sent regular reminders to the members regarding the Board adopted EPL Deductible Reduction Incentive Program that became effective 12/31/23. Members who did not meet the eligibility requirements had their EPL deductible increased from \$25,000 to \$50,000. Member eligibility is reviewed annually.

**ATTACHMENTS:** None.

**Pooled Liability Program**  
**Dividend Calculation as of 6/30/24**

**ISSUE:** The Pooled Liability Program Policy & Procedure No. 5-L allows for dividends to be declared from completed program years if the following requirements are met:

- Dividends can be declared only if, on an aggregate basis, all eligible program years are fully funded at the confidence level established in the procedure, and the retained fund amount is in excess of seven (7) times the pooled layer program's 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.*
- 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.

As of June 30, 2024, the Pooled Liability Program retained funds were \$4,578,402, and therefore dividends are not eligible for declaration.

**RECOMMENDATION:** None. Information only.

**FISCAL IMPACT:** As of June 30, 2024, the retained funds in the program were \$4,578,402.

**BACKGROUND:** The Authority has two mechanisms with which to return retained earnings to members. The retrospective rating plan does not generally return all retained funds to members. Therefore, the authority adopted Policy & Procedure No. 5-L in order to distribute the balance of retained funds to members. Unlike the retro plan, all members are eligible to receive dividends even if a member has had a poor loss experience in the program year for which a dividend is being declared.

The dividend is calculated using the liability program matrix as of June 30, and the retrospective rating plan calculation as of June 30.

**ATTACHMENTS:** 1) CSRMA PLP Manual P & P #5L: Pooled Liability Program Dividend from Retained Funds.

**Pooled Liability Program Manual**

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**CSRMA  
POLICY AND PROCEDURE  
#5-L**

**SUBJECT: Pooled Liability Program Dividend from Retained Funds**

**EFFECTIVE: January 19, 2001  
Revised January 28, 2021**

**Policy:**

Participants in the Pooled Liability Program will receive dividends from funds that are no longer required by the Authority, and in a manner which supports the following goals:

- ) Protect the overall program from catastrophic loss
- ) Reduce reliance on non cost-effective insurance
- ) Stabilize future years' loss rates for payment of expected claims and expenses

An actuarial study will be relied upon to develop the funding necessary on prior program years; to assure that adequate funds are held for incurred liabilities. Funding in excess of the Program's liabilities is categorized as either designated or undesignated retained funds. Retained Funds not returned automatically through the Retrospective Rating Plan (RRP) are eligible to be paid to members participating in that program year in the form of a dividend declared by the Board of Directors.

Dividends can be declared only if, on an aggregate basis, all eligible program years are fully funded at the confidence level established in the procedure below, and the retained fund amount is in excess of seven (7) times the pooled layer program's 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 (catastrophic reserve).

**Eligibility:**

Dividends cannot be declared sooner than five (5) years after expiration of a Program Year.

Dividends will be paid from eligible Program Years with no more than 25% of any Program Year's retained funds being released as part of any declared dividend. All retained funds remaining will be returned to Program Year participants when that year is declared "closed" by the Board of Directors.

**Pooled Liability Program Manual**

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**Procedure:**

The Program Administrators will prepare a recommendation to be reviewed by the Executive Board prior to a regularly scheduled Board of Directors meeting. The purpose of the dividend will be stated, and the advantages and disadvantages of releasing the recommended amount will be addressed.

Members' share of declared dividends are *calculated as a percentage of the total dividends declared using the Retrospective Rating Plan results as a basis for the calculation.* The formula that calculates the percentage share of a program year dividend is:

$$DS = \left( \frac{\text{Individual MD-RA}}{\text{Total of all members (MD-RA)}} \right) \times AA$$

Where:

- DS = Dividend Share
- MD = Member Deposits
- RA = Retrospective Adjustments
- AA = Amount Available for Distribution

For example:

Amount available for distribution equals 25% of each Program Years' undesignated retained funds less any "catastrophic reserve" established by the Board of Directors, multiplied by each member's "percentage share" which is calculated as follows:

Member's deposit plus deposit adjustments minus member's updated Retrospective Rating Plan adjustment divided by the total of all members' deposits plus deposit adjustments minus the total of updated Retrospective Rating Plan adjustments.

**Confidence Level:**

70% discounted

**Workers' Compensation Program**  
**Workers' Compensation Excellence Award**

**ISSUE:** The CSRMA Workers' Compensation Excellence Award P&P #3-WC indicates the Workers' Compensation Committee will review applications submitted each year and provide recommendations to the Executive Board on the applications meeting the criteria set forth in the P&P.

The Program Administrators will present the applications submitted to the Executive Board and their recommendations.

Members submitting applications include:

- Goleta SD
- Oro Loma SD
- Silicon Valley Clean Water
- West Bay SD

**RECOMMENDATION:** Review and approve the results.

**FISCAL IMPACT:** \$50,000 – this is included in the FY 24/25 budget.

**BACKGROUND:** None.

**ATTACHMENTS:** 1. CSRMA Workers' Compensation Excellence Award Policy and Procedure #3-WC.  
2. Workers' Compensation Excellence Award Application 2024  
3. Member Applications (Handout)

**CSRMA  
POLICY AND PROCEDURE  
#3-WC**

**SUBJECT:** Workers' Compensation Program Award - Workers' Compensation Excellence Award Program

**EFFECTIVE:** August 6, 2004

**REVISED:** January 15, 2011  
January 22, 2015  
August 20, 2015  
January 24, 2018

**Policy:**

Soft tissue injuries due to strain and overexertion are CSRMA's most frequent workers' compensation claims. CSRMA wishes to recognize those members of the Workers' Compensation Program who meet criteria developed by the Workers' Compensation Committee and adopted by the Executive Board each year that are designed to target these types of claims.

The first year this policy and procedure is implemented the type of injury to be targeted are low back injuries due to strain and overexertion. Members meeting the following criteria will be recognized:

1. Have no low back lost time claims due to strain/overexertion for the program year being evaluated.
2. Provide evidence that the CSRMA Return to Work program, or equivalent, has been implemented in order help injured employees heal more quickly and reduce the indemnity portion of the workers' compensation claim.
3. Provide annual training on the ergonomic and biomechanical principles relevant to the work activities and risk factors present at their agency, by department.
4. Provide evidence that an employee health promotion program with specific activities designed to target employee health risk factors has been implemented.
5. Provide evidence that all job descriptions have identified the specific item or task that the upper lifting requirement is based on.
6. Rank tasks/equipment that, if operated/performed incorrectly, are likely to cause: (rank each 1-3, 3 = high probability)
  - a. injury to the operator
  - b. a coworker
  - c. damage to agency property
  - d. damage to private property
7. After adding the risk rankings for each item together from criteria #6, perform the following for the 10 tasks/equipment that have the highest risk score:
  - a. Job Hazard Evaluation
  - b. Ensure an SOP has been developed with the completed JHA incorporated
  - c. Have the completed SOP/JHA reviewed by affected staff
  - d. Schedule refresher reviews of each SOP/JHA every 12 months as a



8. ID all routinely lifted items that have a static weight of 75lbs or more and:
  - a. ID those items that, because of variables involved in the lift, pose elevated hazards (i.e. poor grip, awkward, carried over uneven ground, etc)
  - b. Where feasible, color code, label or otherwise communicate in a documented manner each as:
    - i. Requires a team lift
    - ii. Requires a mechanical lift
    - iii. Requires extra caution

### **Procedures:**

To qualify for the award members must submit an application explaining how each of the award criteria has been met, along with proof of completion. The Workers' Compensation Committee will review each application and make recommendations to the Executive Board for those members meeting the award criteria.

Applications are due September 30 of each year for the prior Workers' Compensation program year ended June 30. Applications will be evaluated and qualifying agencies announced at the following January Board of Directors meeting.

Members meeting the award criteria will share equally in a cash prize of \$50,000, or an amount otherwise agreed to by the Executive Board upon a recommendation of the Workers Compensation Committee. The cash prize will be paid directly to the employees of each qualifying member in an amount not to exceed \$499 per employee.

Additionally, each qualifying member will receive the following:

1. Wall Plaque
2. Lobby Banner

Each year the Workers' Compensation Committee shall review the prior years' losses and the number of members meeting the prior year's award criteria and recommend to the Executive Board that the award criteria remain the same or be updated to target a different type of injury. In the event of the latter, the Workers' Compensation Committee will provide the Executive Board with award criteria designed to reduce the frequency of the type of injury to be targeted.

California Sanitation Risk Management Authority (CSRMA)  
2024 Workers' Compensation Excellence Award Application (Due 9/30/24)

Name of Your Agency:	
If we have questions regarding your application, who should we contact at your agency?	
<ul style="list-style-type: none"> <li>• Name:</li> <li>• Phone: <span style="float: right;">Email:</span></li> </ul>	
Please Note: This award program is only available to members of the CSRMA pooled Workers' Compensation Program. If you are unsure if your agency is a member, please contact David Patzer at <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a> or Seth Cole at <a href="mailto:Scole@alliant.com">Scole@alliant.com</a>	
To qualify for the 2024 Workers' Compensation Excellence Award, please submit this application <u>and</u> support documentation <u>electronically</u> in pdf format following the directions below to David Patzer at <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a> by 9/30/24. Members submitting a qualifying application will be announced at the January 2025 Board of Directors meeting.	
NOTE: Applications are not considered submitted unless you receive an email confirmation of receipt from David Patzer.	
IMPORTANT NOTES:	
<ul style="list-style-type: none"> <li>• If your agency was a recipient of the 2023 Workers' Compensation Excellence award, you will need to select different tasks for application items 3-4 and 7-9 than your agency used for your 2023 application.</li> <li>• Application submittals must be submitted as a single pdf document with a table of contents and attachments/supporting documentation listed in the same order as the application.</li> <li>• Submittals are not deemed accepted unless notified via email by David Patzer the application was received.</li> </ul>	
REQUIRED QUALIFYING CRITERIA (must meet each)	SOURCES FOR HELP
1: Have no low back lost time claims due to strain/overexertion for the program year being evaluated. (Note: No need to provide anything on your application for this item - CSRMA will verify using your agency's workers' compensation claims data for the time period of 7/1/23-6/30/24).	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> </ul>
2: Provide evidence that the CSRMA Return to Work program, or equivalent, has been implemented in order help injured employees heal more quickly and reduce the indemnity portion of the workers' compensation claim. Specifically, provide evidence of the following:	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor, David Patzer: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> <li>• CSRMA Workers' Compensation Claims and Return to Work Advisor, Heather Truro: <a href="mailto:htruro@gmail.com">htruro@gmail.com</a></li> </ul>

<ul style="list-style-type: none"> <li>a. Copy of the form your agency uses when an employee reports an injury but declines medical treatment.</li> <li>b. Copy of the form your agency provides treating physicians to identify the physical activities the employee is able to perform to facilitate returning the injured employee to work when modified duty is necessary.</li> <li>c. Copy of the form your agency uses to document how an injured employee's job duties are being temporarily modified and the time period the modifications are valid.</li> <li>d. Copy of the form your agency uses to document the interactive process for permanently disabled employees.</li> </ul>	<ul style="list-style-type: none"> <li>• CSRMA's Workers' Compensation Claims Management and Return to Work Program available for download from <a href="#">Risk Control Online</a></li> </ul>
<p>3: For each work group at your agency, identify 15 <u>routine</u> and 10 <u>non-routine</u> tasks/equipment that, if operated/performed incorrectly, are <u>likely</u> to cause any of the following:</p> <ul style="list-style-type: none"> <li>a. Injury to the employee performing the task/operating the equipment</li> <li>b. Injury to a coworker</li> <li>c. Damage to agency property</li> <li>d. Damage to private property</li> </ul> <p>Once these have been identified, assign a risk score of 1-3 to each (3 being high probability) on each of the 4 criteria above and total the risk score for each task/equipment.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>• Task: Setting up lane closures on public streets <ul style="list-style-type: none"> <li>a. Injury to the employee performing the task/operating the equipment: Risk Score = 3</li> <li>b. Injury to a coworker: Risk Score = 3</li> <li>c. Damage to agency property: Risk Score = 3</li> <li>d. Damage to private property: Risk Score = 3</li> </ul> </li> <li>• Total Risk Score for this Task = 12</li> </ul> <p>Please submit a copy of this written analysis with your application.</p>	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> </ul>
<p>4: Perform the following for the 10 tasks/equipment that have the highest risk scores identified in item #3:</p>	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> </ul>

<p>a. Job Hazard Evaluation</p> <p>b. Develop an SOP with the completed JHA incorporated into the SOP (Note: The SOP must identify each step in the performance of the task or operation of the equipment so it can be used to train someone who has never performed the task or operated the equipment. Incomplete SOPs or SOPs without JHA's incorporated are not acceptable)</p> <p>Please submit copies of a and b, above with your application.</p>	<ul style="list-style-type: none"> <li>• CSRMA Smart SOP mobile app (free to CSRMA members) – contact <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> <li>• OSHA's "How to Perform a Job Hazard Evaluation": <a href="https://www.osha.gov/Publications/osh3071.pdf">https://www.osha.gov/Publications/osh3071.pdf</a></li> </ul>
<p>5: Provide evidence that annual training on the ergonomic and biomechanical principles relevant to the work activities and risk factors present at your agency, by department, is being provided.</p>	<ul style="list-style-type: none"> <li>• CSRMA Video Lending Library available from <a href="#">Risk Control Online</a></li> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> </ul>
<p>6: Provide evidence that an employee health promotion program with specific activities designed to target employee health risk factors has been implemented. The term "Program" does necessarily mean a written policy or procedure. Providing evidence of ongoing and regular efforts to reduce employee health risk factors will meet the definition of Program as used here. Examples:</p> <p>a. Onsite gym or gym memberships subsidies</p> <p>b. Brown bag lunch talks on wellness related topics</p> <p>c. Wellness incentive programs (i.e. 10,000 Steps A Day Program)</p> <p>d. Health Risk Factor Assessment programs or incentives</p>	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> <li>• <a href="#">Wellness Councils of America Free Wellness Resources</a></li> <li>• <a href="#">American Heart Association Workplace Wellness Resources</a></li> </ul>
<p>7. Working with staff from Operations, Collections and Maintenance (as applicable) identify at least 10 tasks per department staff feels are most physically strenuous in terms of lifting demands.</p>	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> <li>• Don Freeman: <a href="mailto:donfreeman@sentinelus.com">donfreeman@sentinelus.com</a></li> </ul>
<p>8. Using the Center for Disease Control's (CDC) NIOSH Lifting Equation app, calculate the Lifting Index for each task identified in Criteria 7.</p>	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> <li>• CDC's NIOSH Lifting Equation app: <a href="https://www.cdc.gov/niosh/topics/ergonomics/nlecalc.html">https://www.cdc.gov/niosh/topics/ergonomics/nlecalc.html</a></li> </ul>
<p>9. For any task in 8, above, that indicates a NIOSH Lifting Index of 2.5 or greater provide evidence of how the task was redesigned, reengineered or otherwise modified (i.e. team lift,</p>	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> <li>• Don Freeman: <a href="mailto:donfreeman@sentinelus.com">donfreeman@sentinelus.com</a></li> </ul>

<p>mechanical assist, a material change, etc)to reduce the NIOSH score to less than 2.5 (please provide the report from the PDA software after the task was modified).</p>	
<p>10. Provide training to staff on human error and error prevention methods using the U.S. Dept of Energy’s Human Performance Improvement Handbook Vol. 1, CSRMA Human Error webinar or equivalent.</p>	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> <li>• U.S. DOE Standards Human Performance Improvement Handbook Volume 1: Concepts and Principles: <a href="https://www.standards.doe.gov/standards-documents/1000/1028-BHdbk-2009-v1/@images/file">https://www.standards.doe.gov/standards-documents/1000/1028-BHdbk-2009-v1/@images/file</a></li> </ul>
<p>11. For Collections, Operations and Maintenance (as applicable), have each group evaluate 5 <u>non-routine</u> and 5 <u>routine</u> tasks with a high risk score from Step 3 for error precursors as described on Attachment 1.</p>	<ul style="list-style-type: none"> <li>• Attachment 1 – Error Precursors (Short List)</li> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> </ul>
<p>12. For each of the 10 tasks identified above, identify at least 2 error reduction tools (sample list provided below – you are not limited to these tools) your agency can provide training and/or implement to reduce the likelihood of an error occurring when performing the task.</p> <ul style="list-style-type: none"> <li>• Sample Error Reduction Tools: <ul style="list-style-type: none"> <li>○ Pre-job briefing</li> <li>○ Trouble-shooting decision guide</li> <li>○ Verification practices (i.e. Peer check, peer review, concurrent verification, independent verification, post job review)</li> <li>○ Task review, Validate assumptions</li> <li>○ Procedure use and adherence</li> <li>○ Do not disturb signs</li> <li>○ 2-way communication verification of understanding</li> <li>○ Division of duties</li> <li>○ Use of SAFER (Summarize steps, Anticipate errors, Foresee probable and worst case consequences at each step, Evaluate controls at each step to prevent, catch and recover from errors, Review relevant previous experience and lessons learned)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> <li>• U.S. DOE Standards Human Performance Improvement Handbook Volume 1: Concepts and Principles: <a href="https://www.standards.doe.gov/standards-documents/1000/1028-BHdbk-2009-v1/@images/file">https://www.standards.doe.gov/standards-documents/1000/1028-BHdbk-2009-v1/@images/file</a></li> <li>• U.S. DOE Standards Human Performance Improvement Handbook Volume 2: Human Performance Tools for Individuals, Work Teams and Management: <a href="https://www.standards.doe.gov/files/doe-hdbk-1028-2009-human-performance-improvement-handbook-volume-2-human-performance-tools-for-individuals-work-teams-and-management">https://www.standards.doe.gov/files/doe-hdbk-1028-2009-human-performance-improvement-handbook-volume-2-human-performance-tools-for-individuals-work-teams-and-management</a></li> </ul>
<p>13. Develop and submit your written accident/near miss investigation program that includes a root cause analysis and senior management review/sign off.</p>	<ul style="list-style-type: none"> <li>• Risk Control Online recorded webinar: “Incident Investigation – Getting to the Root Cause for Accident Prevention”</li> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> </ul>

<p>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.</p>	<ul style="list-style-type: none"> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> <li>• Don Freeman: <a href="mailto:donfreeman@sentinelus.com">donfreeman@sentinelus.com</a></li> </ul>
<p>15. Submit documentation that your agency's staff received training in 2024 on interpersonal skills/conflict resolution skills.</p>	<ul style="list-style-type: none"> <li>• Recorded webinar coming July, 2024 to Risk Control Online</li> </ul>
<p>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.</p>	<ul style="list-style-type: none"> <li>• <a href="https://www.employers.org/blog/2024/03/05/default/special-alert-finally-the-wvpp-template-is-here/">https://www.employers.org/blog/2024/03/05/default/special-alert-finally-the-wvpp-template-is-here/</a></li> <li>• CSRMA Risk Control Advisor: <a href="mailto:dpatzer@dkfsolutions.com">dpatzer@dkfsolutions.com</a></li> </ul>

## ***Error Precursors (short list)***



<b>Task Demands</b>	<b>Individual Capabilities</b>
<input type="checkbox"/> Time pressure (in a hurry)	<input type="checkbox"/> Unfamiliarity w/task / First time
<input type="checkbox"/> High Workload (memory requirements)	<input type="checkbox"/> Lack of knowledge (mental mode)
<input type="checkbox"/> Simultaneous, multiple tasks	<input type="checkbox"/> New technique not used before
<input type="checkbox"/> Repetitive actions, monotonous	<input type="checkbox"/> Imprecise communication habits
<input type="checkbox"/> Irrecoverable acts	<input type="checkbox"/> Lack of proficiency / Inexperience
<input type="checkbox"/> Interpretation requirement	<input type="checkbox"/> Indistinct problem-solving skills
<input type="checkbox"/> Unclear goals, roles, and responsibilities	<input type="checkbox"/> "Hazardous" attitude for critical task
<input type="checkbox"/> Lack of or unclear standards	<input type="checkbox"/> Illness / Fatigue
<b>Work Environment</b>	<b>Human Nature</b>
<input type="checkbox"/> Distractions / Interruptions	<input type="checkbox"/> Stress (limits attention)
<input type="checkbox"/> Changes / Departures from routine	<input type="checkbox"/> Habit patterns
<input type="checkbox"/> Confusing displays or controls	<input type="checkbox"/> Assumptions (inaccurate mental picture)
<input type="checkbox"/> Workarounds / OOS instruments	<input type="checkbox"/> Complacency / Overconfidence
<input type="checkbox"/> Hidden system response	<input type="checkbox"/> Mindset ("tuned" to see)
<input type="checkbox"/> Unexpected equipment conditions	<input type="checkbox"/> Inaccurate risk perception (Pollyanna)
<input type="checkbox"/> Lack of alternative indication	<input type="checkbox"/> Mental shortcuts (biases)
<input type="checkbox"/> Personality conflicts	<input type="checkbox"/> Limited short-term memory

**Primary Insurance Program**  
**Program Renewal**

**ISSUE:** The Primary Insurance Program (PIP) will be renewing December 31, 2024, with the WaterPlus Insurance Program. The Program will be changing carriers from Homesite Insurance Company to Munich Re Specialty Insurance (AM Best Rated A+ XV). The Program will continue to be administered by Allied Public Risk and claims handling will remain unchanged. The policy terms and conditions will remain the same as expiring except for the Employment Practices Liability (EPL) deductible. The EPL deductible will be increased to \$25,000 for all members.

**RECOMMENDATION:** The Program Administrators recommend that the Executive Board approve renewal of the Primary Insurance Program at an annual cost not to exceed \$1,147,934 which represents a 11.13% overall increase for all members participating in the Program.

The percentage change in total cost for individual members varied based on changes in exposure and loss history.

**FISCAL IMPACT:** The table below shows expected renewal costs compared to last year including percentage impact.

	<b>2023/24</b>	<b>2024/25</b>	<b>% Change</b>
Est. Insurance Premium (Net)*	835,121	937,452	12.25%
Program Directors Fee	138,000	138,000	0.00%
JPA Charge	59,856	72,482	21.09%
<b>Total Cost</b>	<b>1,032,977</b>	<b>1,147,934</b>	<b>11.13%</b>

\*A new member (LiSWA) joined 5/1/24. LiSWA's 23/24 Est. Ins. premium annualized.

The increase in Estimated Insurance Premium (Net) is the result of an average rate increase of about 8% + surplus lines taxes and fees, changes in the exposure (i.e. budget, number of vehicles) and losses for individual member agencies.

The Program Directors Fee and JPA Charge come from the Board approved budget.

**BACKGROUND:** The PIP provides general liability, auto liability, errors and omissions liability, cyber liability, auto physical damage, and excess liability insurance coverages.

**ATTACHMENTS:** None.





## ODE TO TSD

*IN THE BOWELS OF THE TOWN, WHERE DARKNESS RESIDES,  
TSD WORKERS TOIL, WHERE THE WASTE SLIPS AND SLIDES.  
THROUGH MANHOLES AND PIPES, THEY NAVIGATE WITH CARE,  
UNSEEN HEROES, WITH A HEAVY BURDEN TO BEAR.*

*IN THE MUCK AND THE GRIME, THEY FIND THEIR WAY,  
FACING WEIGHTY CHALLENGES, DAY AFTER DAY.  
WITH RUBBER GLOVES AND TOOLS IN HAND,  
THEY WORK TIRELESSLY TO STAY UP WITH THE DEMAND.*

*GRATITUDE FLOWS FROM CUSTOMERS UNSEEN,  
TO THOSE WHO DWELL IN THE SUBTERRANEAN STREAM.  
THEY TACKLE THE MESS, WITHOUT A FROWN,  
DONNING THEIR HARDHAT LIKE A SILENT CROWN.*

*THROUGH THE SEWER'S LABYRINTH, THEY STRAY,  
ENSURING TRUCKEE'S HOMES HAVE A CLEAN WAY TO T-TSA.  
THEIR EFFORTS UNNOTICED, THEIR WORK OFTEN UNSEEN,  
YET THE TOWN OWES ITS HEALTH TO TSD'S UNDERGROUND  
TEAM.*

*SO HERE'S TO THE SEWER WORKERS, BENEATH OUR FEET,  
WITH GRATITUDE AND RESPECT, OUR PRAISES REPEAT.  
FOR IN THE SHADOWS, WHERE FEW EYES MAY GLEAN,  
TSD KEEPS IT FLOWING, ENSURING OUR TOWN STAYS CLEAN.*

# Don't Hold Down The Ctrl Key—New Warning As Cyber Attacks Confirmed

**F** [forbes.com/sites/daveywinder/2024/11/19/security-warning-as-new-2sp-cyber-attacks-emerge-why-2fa-is-your-friend](https://forbes.com/sites/daveywinder/2024/11/19/security-warning-as-new-2sp-cyber-attacks-emerge-why-2fa-is-your-friend)

Davey Winder

November 19, 2024





Two-step phishing attacks aren't going away  
getty

*Update, Nov. 19, 2024: This story, originally published Nov. 17 now includes new reports of other tactics that are increasingly being used by threat actors in phishing cyber attacks.*

Just as security professionals will tell you that layered defensive strategies are the best when it comes to staving off successful attacks, so attackers will often look to precisely the same when executing their cyber attacks. Two-step phishing attacks have, in the words of security researchers from Perception Point, “become a cornerstone of modern cybercrime,” leveraging trusted platforms “to deliver malicious content in layers to evade detection.” Everything changes, but everything stays the same. Those same researchers have warned of a new attack methodology employing such 2SP tactics but involving Microsoft Visio files as a new evasion tactic. Here’s what you need to look out for and what steps you can take to mitigate the risk of falling victim to these new 2SP cyber attacks, and why you shouldn’t hold down the Ctrl key when asked.

## Two-Step Cyber Attacks Are The Pinnacle Of Phishing By Design

A new analysis published by Peleg Cabra, the product marketing manager at Perception Point, has revealed how security researcher Ariel Davidpurworking for the vendor found threat actors increasingly turning to the use of Microsoft Visio .vsdx format files to evade detection during credential stealing cyber attacks.

Because Visio is a commonly used tool employed in the workplace to help visualize complex data or workflows, the use of .vsdx format files fits nicely into the threat actor strategy of “harmless familiarity” being at the heart of many a phishing attack. Now, the Perception Point researchers said, the exact same files are being weaponized in the delivery of malicious URLs as part of a two-step phishing attack scenario: drop the lure, set the trap.

Describing what they referred to as a “dramatic increase in two-step phishing attacks leveraging .vsdx files,” the security researchers explained how the cyber attacks represented “a sophistication of two-step phishing tactics, targeting hundreds of organizations worldwide with a new layer of deception designed to evade detection and exploit user trust.”

Forbes New Google Chrome Warning As ‘No 0-Day’ Drive-By Cyber Attack Confirmed By Davey Winder

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## **Evolution Of The Two-Step Phishing Cyber Attacks**

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If such a warning were necessary, here it comes: email account security is vital if cyber attacks such as these latest two-step phishing ones are to be stopped. Why so? Because, the researchers said, they started with threat actors leveraging breached email accounts in order to send emails that pass basic authentication checks as they come from genuine domains.

These emails will contain a common phishing component designed to lure the recipient into the trap: a business proposal or a purchase order, accompanied by an urgent request to view and respond to. Of course, when the victim does just that, and click the URL, they get led to the trap itself: an often-compromised Microsoft SharePoint page itself, but whatever one that is hosting a .vsdx Visio file. The layers of the cyber attack start unraveling at this point, with another URL embedded in that file and behind what the researchers described as a clickable call-to-action, most commonly a “view document” button.

## **Please Hold Down The Ctrl Key Is An Instruction In These Newly Uncovered 2SP Cyber Attacks**

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This is where these 2SP cyber attacks get really clever, although I hate applying that word to cybercriminals. “To access the embedded URL, victims are instructed to hold down the Ctrl key and click,” the Perception Point researchers said, “a subtle yet highly effective action

designed to evade email security scanners and automated detection tools.” By asking for this human interaction, the attackers hope to bypass automated systems that don’t expect such a behavior in an attack.

The victim is now redirected to another fake page, this time one that looks for all intents and purposes to be a Microsoft 365 portal login page which is designed, of course, to steal user credentials. There is no mention in the Perception Point report of this step including a [session cookie compromise](#) tactic, which means that one way to stop it from being successful would be to have robust two-factor authentication in place for the account that is being targeted in such cyber attacks.

## Scalable Vector Graphics Are Deployed In New Cyber Attacks—Here’s How

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A new report by Lawrence Abrams, the editor-in-chief at Bleeping Computer, threat actors are increasingly using another clever tactic involving the use of scalable vector graphics as attachments during the deployment of phishing cyber attacks. This technique is designed to either display malicious forms to the victim, or deploy malware directly, both while evading detection by security software. The tactic relies on the fact that unlike pixel-constructed images, scalable vector graphics are created using a mathematical formula that instructs how lines, shapes and text should be displayed on the screen. [Security researcher MalwareHunterTeam](#), [told Bleeping Computer](#) how threat actors are using the fact that SVG attachments can display HTML and execute JavaScript when the image itself is being loaded. The clever bit is that these are used to create credential-stealing forms. Abrams demonstrated how such a technique could display an Excel spreadsheet that comes complete with an embedded login form to send credentials to the threat actor deploying the cyber attacks. It has been noted, however, that other cyber attacks employ JavaScript embedded within the SVG attachments to redirect browsers to sites hosted by the threat actors when opening the image itself.

## Mitigating SVG Attachment Cyber Attacks

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“The problem is that since these files are mostly just textual representations of images,” Abrams said, “they tend not to be detected by security software that often.” This means that the last line of defense is the same as the first: you, the human being. Ask yourself why you would be getting an attachment in scalable vector graphics format in the first place, if these are not commonplace within your workflow. If you are a developer or someone else who is used to seeing SVG attachments, then ask yourself who is sending them and whether this is normal behavior for them. Treat all emails that come with an SVG attachment as suspicious, and that way, you might just save yourself and your organization from falling victim to these phishing cyber attacks.

## Tackling Cyber Attacks During International Fraud Week 2024

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International Fraud Awareness Week is taking place this year between Nov. 17 and 23, with the aim to promote anti-fraud awareness and education globally. There is no doubt that technology provides both a powerful weapon and equally has the potential to mitigate fraud which is often the ultimate payload of many cyber attacks. With that in mind, what better time to examine the new forms of fraud facing businesses from the cyber side of the threat fence. The instruction to hold down the Ctrl key when clicking on a link during the two-step phishing attack detailed above is one such example, but there are many more.

As Muhammad Yahya Patel, lead security engineer at Check Point Software, pointed out, the advancement of technology has empowered both legitimate industries and cybercriminals alike, which makes fraud prevention simultaneously more critical and complex. “From cyber fraud and internal fraud to increasingly sophisticated scams like CEO fraud and AI-driven schemes,” Patel said, “the landscape of business fraud is both diverse and evolving.”

While the trajectory of cyber fraud has undoubtedly evolved alongside advancements in technology, some might even say it has overtaken the technological trend line, understanding what the main fraud categories, the most prevalent cyber attacks, are is essential in being able to defend against their impact.

Patel suggests the following six categories need to be on your awareness list:

1. Cyber Fraud: The use of phishing, malware, and ransomware remains prevalent. Cybercriminals target sensitive data and disrupt business operations.
2. Internal Fraud: A significant threat from within, internal fraud involves fraudulent actions by employees, including document falsification, embezzlement, and theft.
3. Invoice Fraud: Fraudsters send fake invoices to businesses, hoping they'll be processed without scrutiny.
4. CEO Fraud: Often referred to as business email compromise (BEC), fraudsters pose as high-ranking executives to trick employees into transferring funds or sharing sensitive information
5. Return Fraud: Especially common in retail, return fraud occurs when customers exploit return policies for financial gain.
6. Payroll Fraud: When employees manipulate payroll systems for personal gain, it can lead to unexpected financial losses.

## A Shift Away From Generic To Targeted Cyber Attacks

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Ransomware is an excellent example of how a threat evolves over time and, as a result, becomes much more dangerous. Ransomware started as a totally untargeted type of cyber attack that took a scattergun approach to malware distribution. By sending as many “infected” emails to as wide an audience as possible, regardless of ability to pay or value of

data held, the threat actors hoped enough victims would bite to make it profitable. Almost inevitably, the attackers making the most money were the ones who realized that strategic targeting of those with the most to lose and the biggest bank balances rose to the top. This ended up changing the entire ransomware landscape to one where sophisticated reconnaissance methods, infiltrating systems over extended periods and extracting sensitive data to leverage against individuals or companies in double-extortion schemes became the norm. "This heightened level of personalization makes it harder to detect and often more devastating," Patel said, "as cyber fraud grows in sophistication, our defenses must evolve accordingly. With AI enhancing the reach and impact of fraud, organisations must adopt security that is equally dynamic, leveraging AI-powered solutions to outpace and outsmart attackers." There can be little arguing that building a resilient defense against cyber attacks not only prevents fraud but, as Patel concludes, "fosters a safer, more trusted environment for all."

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Davey Winder is a technology journalist who covers cybersecurity news and research. He's covered everything from the true story behind [the](#)

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Zywave Professional Front Page News - Thursday, October 24, 2024

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# Hot and cold days drive 10% uptick in workers compensation claims: NCCI

By Karla Tecson, Front Page News

Adverse weather can be linked to more injuries in the workplace, with workers compensation claim frequency showing a 10% increase on hot and cold days, according to the latest report from the National Council on Compensation Insurance (NCCI).

“We find that injury frequency increases modestly but consistently with daily high temperatures all the way from about 50 degrees to 100 or more degrees Fahrenheit, with approximately a 1% increase in injuries for every five degrees of temperature,” the authors of the report said. NCCI found that while worker injuries are typically associated with heat, data also revealed that on days with precipitation and a high temperature between 25 and 40°F, there are 7% to 10% more injuries than a baseline of 60 to 65°F dry days.

Injury claims tend to increase on days when temperatures hover around freezing, NCCI reported. Claims are least frequent on the coldest days and when temperatures range between 40 and 60°F.



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The effects vary across sectors. Outdoor workers, especially those in the construction, natural resources, and landscaping fields experience the highest frequency of injuries during hot days compared to their counterparts who have indoor jobs in climate-controlled environments.

The transportation and warehousing sectors tend to see higher claim frequency on cold, wet days, with more workers suffering slip-and-fall injuries, as well as motor vehicle accidents. This type of weather also affects the office, healthcare, and upkeep sectors.

In terms of the cause of injury, heat-related factors increase workers compensation claims regardless of cause, but the “contact” injuries see a significant impact. These include reports of being “caught on,” “cut by,” “struck by,” and “rubbed against.” Slip-and-fall injuries and strains see the smallest impact from heat, but the “other” category which includes burns and direct heat exposure sees an even larger increase than contact injuries, NCCI found. Overall, workplace injury frequency has significantly declined over the last 20 years because of automation, safety technology, and loss prevention efforts. Data also showed a decrease in claim frequency since the onset of the COVID-19 pandemic, which may be related to the rise of remote and hybrid work. However, the impact of weather on worker compensation claims has remained relatively the same over the last two decades, according to NCCI.

“Adverse weather can lead to noticeably more claims, especially in areas with particularly hot summers or icy winters. This suggests that improved mitigation of hazards related to adverse weather has room to make an impact for employers and workers, especially for outdoor workers in the heat and for slip and fall injuries on cold and wet days,” the report concluded.



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2024 INSURTECH 100

# 4 LA-area people arrested for using a bear suit in alleged insurance fraud : NPR

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 [npr.org/2024/11/14/nx-s1-5191741/bear-costume-insurance-fraud](https://www.npr.org/2024/11/14/nx-s1-5191741/bear-costume-insurance-fraud)

## Strange News

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### **They told insurers a bear damaged their car. But it was actually a person in a costume**

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November 14, 2024 2:46 PM ET

By

[Rachel Treisman](#)



The California Department of Insurance says detectives found this bear costume at the home of the suspects accused of orchestrating fake bear attacks on their vehicles.

California Department of Insurance

Four residents from the Los Angeles area were arrested this week after an investigation by the California Department of Insurance revealed that they allegedly used a life-sized bear costume to stage attacks on their vehicles in an attempt to secure a six-figure payout.

The suspects — Ruben Tamrazian, 26; Ararat Chirkinian, 39; Vahe Muradkhanyan, 32; and Alfiya Zuckerman, 39— have been charged with insurance fraud and conspiracy, according to an [announcement made by the department on Wednesday](#). Their alleged scam cost three insurance companies a total of \$141,839.

"Operation Bear Claw" began earlier this year after one of their claims gave an insurance company pause (or should we say, paws).



## **National**

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### **A man told 911 a bear chased him off a cliff. Weeks later, he was arrested for murder**

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In January, the suspects claimed that a bear had entered their 2010 Rolls Royce Ghost and caused interior damage while it was parked in Lake Arrowhead, a region in the San Bernardino Mountains known for its large [black bear population](#).

The suspects provided [video footage](#) of the alleged incident to their unnamed insurance company, which the department has since posted online. The video shows a furry figure entering through the side door, climbing around the backseat and crawling out, leaving scratch marks on the leather seats and door.

"Upon further scrutiny of the video, the investigation determined the bear was actually a person in a bear costume," officials said.

Detectives found two more claims involving the same suspects, from the same date and location, but involving different cars: a 2015 Mercedes G63 AMG and a 2022 Mercedes E350.

The suspects also provided video footage of these alleged incidents, which followed a similar pattern to the first. But suspicious authorities didn't rely solely on their animal instincts; They took additional steps to sniff out the truth.

"The Department had a biologist from the California Department of Fish and Wildlife review the three alleged bear videos and they also opined it was clearly a human in a bear suit," it said.

Detectives executed a search warrant and found the bear costume — complete with a furry snouted head, paws and metal tools in the shape of claws — in the suspects' home.

The fur of the costume is a light brown color. The California Department of Fish and Wildlife says black bears are the only wild bears in the state, although they can be found in various shades including brown and tan. (California grizzly bears became extinct in the 1920s, except for the one depicted on the state flag.)

The insurance department says the Glendale Police Department and the California Highway Patrol helped investigate the case, which has been referred to the San Bernardino County District Attorney's Office for prosecution.

The district attorney's office informed NPR via email on Thursday that the case is currently under review for a filing determination — essentially, the decision to charge suspects with a crime. Once that decision is made, court dates and appearances will be scheduled.

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

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*Sandeep Karkal, Novato SD (Vice President)*  
*Michael Thornton, San Elijo JPA*  
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*Michelle Gallardo, Dublin San Ramon SD*  
*Teresa Herrera, Silicon Valley Clean Water*  
*Patrick Ostly, North of River SD*  
*Tyson Zimmerman, Ironhouse SD (Alternate)*

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Alliant Insurance Services, Inc.  
JPA Administration & Insurance**  
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*Seth Cole*  
*Myron Leavell*  
*Marilyn Schley*  
*P.J. Skarlanic*  
*Steve Davidson*  
*Thary Ou*  
*Tevea Him*  
*Phuntsok Gaphel*  
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*CSRMA Risk Control Advisor*  
*Heather Truro, HT Consulting*  
*Return to Work Consultant*  
**Accounting**  
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