

# Property Program Committee Meeting



YOUR BEST PROTECTION

Thursday  
June 11, 2020  
10:00 a.m.

Chairman: Thomas A. Cuquet, South Sutter Water District  
Vice-chair: Randall Reed, Cucamonga Valley Water District  
Tom Coleman, Rowland Water District  
Mark A. Gilkey, Tulare Lake Basin Water Storage District  
Shawn Huckaby, Fair Oaks Water District  
Theresa Lee, Walnut Valley Water District  
Ed Muzik, Hi-Desert Water District  
Scott Ratterman, Calaveras County Water District  
Eugene F. West, Camrosa Water District



## PROPERTY PROGRAM COMMITTEE MEETING

### AGENDA

ACWA Joint Powers Insurance Authority  
2100 Professional Drive, Roseville CA 95661  
(800) 231-5742

**Thursday – June 11, 2020 - 10:00 a.m.**

**Zoom meeting information: 661-516-2566; Password: 1234**

This meeting shall consist of a simultaneous Zoom teleconference call at the ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661 and remote sites.

### **WELCOME**

### **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

**ANNOUNCEMENT RECORDING OF MEETING** This meeting may be recorded to assist in preparation of minutes. Recordings will only be kept 30 days following the meeting, as mandated by the California Brown Act.

**PUBLIC COMMENT** Members of the public will be allowed to address the Property Program Committee on any agenda item prior to the Committee's decision on the item. They will also be allowed to comment on any issues that they wish which may or may not be on the agenda. If anyone present wishes to be heard, please let the Chairman know.

### **INTRODUCTIONS**

### **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

<u>Presenter</u>		<u>Page#</u>
	<b>I. <u>CONSENT AGENDA</u></b>	
Cuquet	* A. Approve the minutes of the meeting of May 6, 2019.	<b>1</b>
Cuquet	B. Report on meetings attended on behalf of the JPIA.	
	<b>II. <u>LOSS REPORTS</u></b>	
Sells	* A. Review claims data.	<b>8</b>

<u>Presenter</u>		<u>Page</u>
	<b>III. <u>MEMBERSHIP</u></b>	
Thesing	* A. Membership Report.	<b>17</b>
	<b>IV. <u>NEW BUSINESS</u></b>	
Alliant	A. Review State of the Property market.	
Thesing	* B. Review and make recommendation on the 2020-2021 on the Memorandum of Property Coverage.	<b>18</b>
Thesing	* C. Review and make recommendation on the 2020-2021 Property Program reinsurance renewal.	<b>24</b>
deBernardi	* D. Review and make recommendation on the July 1, 2020 renewal pricing.	<b>25</b>
Thesing	* E. Review of Energy Program – Property Program enhancement.	<b>34</b>
	<b>V. <u>UPCOMING MEETING</u></b>	
Cuquet	* A. There are no additional meetings scheduled for the remainder of the year.	<b>36</b>

## **ADJOURN**

\*Related items enclosed.

***Americans with Disabilities Act*** – The JPIA conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the Federal Rules and Regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the JPIA, shall be made to: Bobbette Wells, Executive Assistant to the CEO, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)

*Written materials relating to an item on this Agenda that are distributed to the JPIA's Property Program Committee within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m.*



*Unapproved Minutes*

## **Property Program Committee Meeting**

Monterey Marriott  
350 Calle Principal  
Monterey, CA 93940  
(831) 649-4234

**May 6, 2019**

### **MEMBERS PRESENT**

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Chairman: Thomas A. Cuquet, South Sutter Water District  
Vice-chair: Kathleen J. Tiegs, Cucamonga Valley Water District  
Tom Coleman, Rowland Water District  
Theresa Lee, Walnut Valley Water District  
Eugene West, Camrosa Water District

### **MEMBERS ABSENT**

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Mark A. Gilkey, Tulare Lake Basin WSD  
Shawn Huckaby, Fair Oaks Water District  
Ed Muzik, High-Desert Water District

### **STAFF PRESENT**

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See attendance sheet.

### **OTHERS IN ATTENDANCE**

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See attendance sheet.

### **WELCOME**

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Chairman Cuquet welcomed everyone in attendance.

### **CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

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Chairman Cuquet called the meeting to order at 8:00 a.m. He announced there was a quorum.

### **PLEDGE OF ALLEGIANCE/EVACUATION PROCEDURES**

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Chairman Cuquet led the Pledge of Allegiance. Mr. Sells gave the evacuation procedure instructions.

### **ANNOUNCEMENT RECORDING OF MINUTES**

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Chairman Cuquet announced that the meeting would be recorded to assist in preparation of minutes. Recordings are only kept 30 days following the meeting, as mandated by the California Brown Act.

## **PUBLIC COMMENT**

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Chairman Cuquet noted that, as the agenda stated, members of the public would be allowed to address the Property Program Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcomed. No comments were brought forward.

## **INTRODUCTIONS**

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Chairman Cuquet requested that Committee members and JPIA staff introduce themselves.

## **ADDITIONS TO OR DELETIONS FROM THE AGENDA**

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Chairman Cuquet asked for any additions to, or deletions from, the agenda; none requested.

## **CONSENT AGENDA**

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### Approval of the minutes

Chairman Cuquet called for approval of the minutes of the January 1, 2018 meeting.

M/S/C (Coleman/West) (Coleman-Yes; Cuquet-Yes; Lee-Yes; Tiegs-Yes; West-Yes): That the Property Program Committee approve the minutes of the January 1, 2018 meeting, as presented.

### Meetings attended on behalf of the JPIA

None reported.

## **LOSS REPORTS**

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### Review Claims Data

Mr. Sells noted that over several years, the JPIA's Property Program claims history had been favorable. He proceeded by presenting the graphs that represented the recent history of the Property Program. The last few policy years have suffered higher than historical losses. Due to two large flood losses, the 2016-17 policy year currently has projected losses in excess of \$6 million. The 2017-18 and the 2018-19 policy years have sustained combined losses that may exceed \$14 million as a result of wildfire losses in both Northern and Southern California. As a reminder, Mr. Sells stated that the Program maintains a \$100,000 retention and insures approximately \$8 billion in property values.

## **MEMBERSHIP**

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### Membership Report

Ms. Thesing reported on the new members that joined the Property Program during the 2018-19 coverage year: Fresno Slough Water District; South Tahoe Public Utility District; Chino Basin Desalter Authority; Monte Vista Water District; Sites Project Authority; Sierra County Waterworks; and El Dorado Irrigation District. For the 2019-20 coverage year, Alameda County Water District will be joining the Property Program on July 1, 2019, and Zone 7 Water Agency will join March 2020. Ramirez Water District reported an intent to withdraw for the July 1, 2020 renewal, but has since rescinded.

The Committee thanked the JPIA, specifically the Member Services Department, for their continued diligence in supporting the members.

## **NEW BUSINESS**

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### State of the Property Market

Mr. Cole of Alliant Insurance Services provided the State of the Market Address and what the JPIA may expect for the upcoming renewal on July 1, 2019. He reported on the unprecedented large losses in the United States, particularly California, and its impact to the insurance market and to the JPIA's Property Program renewal efforts. He reported that due to natural catastrophes in 2017 and 2018, which included the three hurricanes: Harvey, Irma and Maria, the property marketplace overall is unsettled. 2018 is the third worst year for the U.S. with insured catastrophic losses of around \$80 billion. The total loss for the Camp Fire and Woolsey Fire total between \$15 billion to \$19 billion. Currently, accounts that have losses with catastrophic exposures are looking at a 30% or more increase in rates and the JPIA falls within this pricing bracket. Also to be expected in the coming renewal is a possible wildfire deductible.

### Energy Program – Property Program Enhancement

In order to better serve the needs of our Property Program participants, last year the JPIA began exploratory conversations with members that own large scale hydroelectric facilities that resulted in Alliant Insurance Services and Lloyd's of London building a JPIA Energy Program to be effective July 1, 2019. The Energy Program will have limits of \$500 million and perils covered are under an All-Risk form which includes Boiler and Machinery. Flood coverage is also included with an annual aggregate sublimit of \$100 million. The Energy Program will be a pass through program in that the JPIA's self-insured layer will not be exposed to any losses. Any deductibles will be the member's responsibility. Over the next several months, JPIA will reach out to those members with large power operations to provide them underwriting data needed in order to provide quotes.

### 2019-20 Memorandum of Property Coverage

Ms. Thesing stated that JPIA's Property Program will renew on July 1, 2019. Included in the Property Program is the JPIA's Cyber Liability coverage.

Staff proposed the following changes to the Memorandum of Property Coverage:

- 1) Add to Section VI – Exclusions 5. All properties that are not scheduled prior to a loss;
- 2) Add a definition of Cyber Liability;
- 3) Change the deductible range so that it will be based on members' revenue rather than the deductible being the same as their All-Risk coverage. Revenue < \$5,000,000 = \$10,000 deductible; Revenue >\$5,000,000 to \$25,000,000 = \$25,000 deductible; and Revenue > \$25,000,000 = \$50,000 deductible. By establishing a tiered deductible system, the JPIA's pooled exposure will be no more than \$40,000 per occurrence.

After a short discussion on staff's recommended changes, the Committee requested that an exception for newly acquired properties be added to Section VI – Exclusions, 5. That section should now read as follows: All properties that are not scheduled prior to a loss, except any acquisition under \$100 million will be automatically covered for up to 90 days.

M/S/C (Coleman/West) (Coleman-Yes; Cuquet-Yes; Lee-Yes; Tiegs-Yes; West-Yes): That the Property Program Committee recommends that the Executive Committee approve the amended 2019-2020 Memorandum of Property Coverage to exclude losses to all properties that are not scheduled prior to a loss except any acquisition under \$100 million will be automatically covered for up to 90 days, to add a definition of Cyber Liability, and limit the JPIA's pooled Cyber Liability exposure to a maximum of \$40,000 per occurrence, as presented.

#### 2019-2020 Property Insurance Renewal

Ms. Thesing informed attendees that JPIA's Property Program Insurance renews on July 1, 2019. JPIA experienced significant catastrophic losses over the past year, and coupled with the catastrophic losses throughout the world and United States all of which has made this renewal challenging. Due to a volatile property market, reinsurers and insurers alike are currently not able to provide a set rate for the July 1, 2019 renewal. The JPIA should have final rates in June 2019. Since renewal negotiations are still underway, staff requested that the Committee recommend that the JPIA be authorized to negotiate the 2019-2020 property insurance renewal pricing not to exceed a 30% rate increase over expiring rates.

Much discussion was held regarding staff's request. Some Committee members proposed that they meet again after the final rates are obtained; others, including some members of the audience, proposed to provide JPIA complete authority to negotiate the best possible rate without limits. After an extended discussion, the Committee decided to recommend that the JPIA be authorized to renew pricing with a not to exceed a 50% rate increase over expiring rates.

M/S/C (Coleman/Lee) (Coleman-Yes; Cuquet-Yes; Lee-Yes; Tiegs-Yes; West-Yes): That the Property Program Committee recommends that the Executive Committee approve the 2019-2020 Renewal Terms and Pricing include a "Not to Exceed" a 50% rate increase, or as presented.

#### Renewal Pricing

Mr. deBernardi stated that deposit premiums for the 7/1/19-20 policy year are to be mailed to the members in June. Premium rates were reduced by 10% for the 4/1/18-19 policy year. The JPIA changed the policy from March 31 policy year-end to June 30 policy year-end to accommodate the excess carrier. The Property Program Expected Revenue/Expense & Funding Requirement report provides a breakdown for the expected revenues and expenses for the 7/1/19-20 policy year. The total estimated premium with no pricing changes is approximately \$6.6 million based on \$7.9 billion in

TIVs. The premium is based on an estimated excess insurance cost of \$3 million and claims expense of approximately \$1.6 million. The 2018 actuary report projects a \$.02052, per \$100 of value, loss rate for the 4/1/19-20 policy year. The recommended renewal for excess insurance is anticipated to increase. Three different scenarios were provided for the Committee's review. A lengthy discussion was held regarding the options presented with the Committee ultimately deciding on staff's recommendation that there will be no changes to the renewal pricing from last year's policy year. The Committee also decided to exclude the Natural Disaster Fund from the budget for this year.

M/S/C (West/Lee) (Coleman-Yes; Cuquet-Yes; Lee-Yes; Tiegs-Yes; West-Yes): That the Property Program Committee recommends that the Executive Committee approve no change in rates for the Property Program policy year July 1, 2019-20, and to exclude contributions to the Natural Disaster Fund from 2019-20 policy year budget. Rates will remain the same as follows:

- Real and Personal Property                      \$0.081
- Mobile Equipment                                      \$0.122
- Automobiles    \$0.689

## **UPCOMING MEETING**

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### Availability for Upcoming Meeting(s)

There are no meetings scheduled for the remainder of the year.

The Property Program Committee meeting adjourned at 9:33 a.m.



## Property Program Committee Meeting Attendance List

### May 6, 2019

<b>District</b>	<b>First Name</b>	<b>Last Name</b>	<b>Title</b>
ACWA	Brent	Hastey	President
ACWA JPIA	Thor	Benzing	Sr. Risk Control Advisor
ACWA JPIA	Mathew	Bunde	Sr. Risk Control Advisor
ACWA JPIA	Chimene	Camacho	HR Coordinator (Recording Secretary)
ACWA JPIA	David	deBernardi	Director of Finance
ACWA JPIA	Robert	Greenfield	General Counsel
ACWA JPIA	Peter	Kuchinsky	Lead Risk Control Advisor
ACWA JPIA	Debbie	Kyburz	Lead Member Services Representative
ACWA JPIA	Ethan	Larson	Administrative Assistant I
ACWA JPIA	Jennifer	Nogosek	Liability/Property Claims Manager
ACWA JPIA	Sylvia	Robinson	Publications & Web Editor
ACWA JPIA	Andy	Sells	Chief Executive Officer
ACWA JPIA	Patricia	Slaven	Director of HR/Administration
ACWA JPIA	Dianna	Sutton	Finance Manager
ACWA JPIA	Karen	Thesing	Director of Insurance Services
ACWA JPIA	Melody	Tucker	Workers' Comp Claims Manager
ACWA JPIA	Bobbette	Wells	Executive Assistant to the CEO
Antelope Valley State Water Contractors	Kathy	Mac Laren	Director
Antelope Valley-East Kern Water Agency	Patti	Rose	HR Manager
Bard Water District	Ron	Derma	General Manager
Calleguas Municipal Water District	Scott	Quady	Director
Calleguas Municipal Water District	Thomas	Slosson	Alternate Director
Chino Basin Desalter Authority	Betty	Anderson	Director
Chino Basin Watermaster	Bob	Kuhn	Director
Clear Creek Community Services District	Mark	Engel	Director
El Dorado Irrigation District	Jacqui	Noel	Risk Analyst
El Toro Water District	Kathryn	Freshley	Director
El Toro Water District	Mike	Gaskins	Alternate Director
Elsinore Valley Municipal Water District	Phil	Williams	Director
Florin Resource CD/Elk Grove WD	Mark	Madison	General Manager
Fresno Irrigation District	George	Porter	Director
Fresno Metropolitan Flood Control District	Ken	Groom	Director
Fresno Metropolitan Flood Control District	Alan	Hofmann	Alternate Director
Friant Power Authority	Carl	Janzen	Director
Humboldt Bay Municipal Water District	John	Friedenbach	General Manager/Alternate Director
Humboldt Bay Municipal Water District	Bruce	Rupp	Director
Irvine Ranch Water District	Steven	LaMar	Director
Joshua Basin Water District	Sarah	Johnson	HR Manager
Kern County Water Agency	Charles	Wulff, Jr.	Director
Madera Irrigation District	Carl	Janzen	Director
Madera-Chowchilla W&P Authority	Carl	Janzen	Director

## Property Program Committee Meeting Attendance List

May 6, 2019

North Coast County Water District	Jack	Burgett	Director
Orange County Water District	Cathy	Green	Board Member
Orchard Dale Water District	Edward	Castaneda	General Manager/Alternate Director
Palmdale Water District	Dennis	Lamoreaux	General Manager
Puente Basin Water Agency	Theresa	Lee	Director
Rancho California Water District	Carol Lee	Brady	Alternate Director
Rancho California Water District	Eva	Plajzer	Asst. General Manager/Alt. Director
Rankin Stock Heaberlin Oneal	Jeff	Oneal	Attorney
Rincon Del Diablo Municipal Water District	Greg	Thomas	General Manager/Alternate Director
Rincon del Diablo Municipal Water District	David	Drake	Director
Rio Alto Water District	Craig	Weaver	Director
Rowland Water District	John	Bellah	Board Member
Rowland Water District	Robert	Lewis	Director
San Bernardino Valley Municipal Water District	Milford	Harrison	Director
San Bernardino Valley Water Conservation District	Melody	McDonald	Director
San Dieguito Water District	Jace	Schwarm	Alternate Director
San Gabriel Basin Water Quality Authority	Bob	Kuhn	Director
San Luis & Delta-Mendota Water Authority	Rick	Gilmore	Director
Santa Clarita Valley Water Agency	Jerry	Gladbach	Director
Santa Clarita Valley Water Agency	R.J.	Kelly	Board Member
Santa Rosa Regional Resources Authority	S.R. Al	Lopez	Alternate Director
South Tahoe Public Utilities District	Nancy	Hussmann	HR Director/Alternate Director
Sunnyslope County Water District	Judi	Johnson	Director
Three Valleys Municipal Water District	Brian	Bowcock	Director
Three Valleys Municipal Water District	Bob	Kuhn	Director
Tulare Irrigation District	Kathi	Artis	Controller/Alternate Director
Upper San Gabriel Valley MWD	Alfonso	Contreras	Director
Vallecitos Water District	Hal	Martin	Director
Valley County Water District	Jazmin	Lopez	Board Member
Vandenberg Village CSD	Joe	Barget	General Manager
Vandenberg Village CSD	Christopher	Brooks	Director
Vandenberg Village CSD	Katherine	Stewart	Board Member
Vista Irrigation District	Paul	Dorey	Director
Westborough Water District	Darryl	Barrow	General Manager
Wheeler Ridge-Maricopa WSD	James	Smith	Controller/Alternate Director
Yorba Linda Water District	Brooke	Jones	Director
Yuba County Water Agency	Terri	Daly	Administrative Services Manager
Yuba County Water Agency	Lynne	Ludwig	Risk Analyst

**ACWA JPIA**  
**Property Claims Data**  
**June 11, 2020**

**BACKGROUND**

The claims history for the JPIA Property Program prior to the past few years had been very favorable. The graphs represent recent history in the Property Program.

**CURRENT SITUATION**

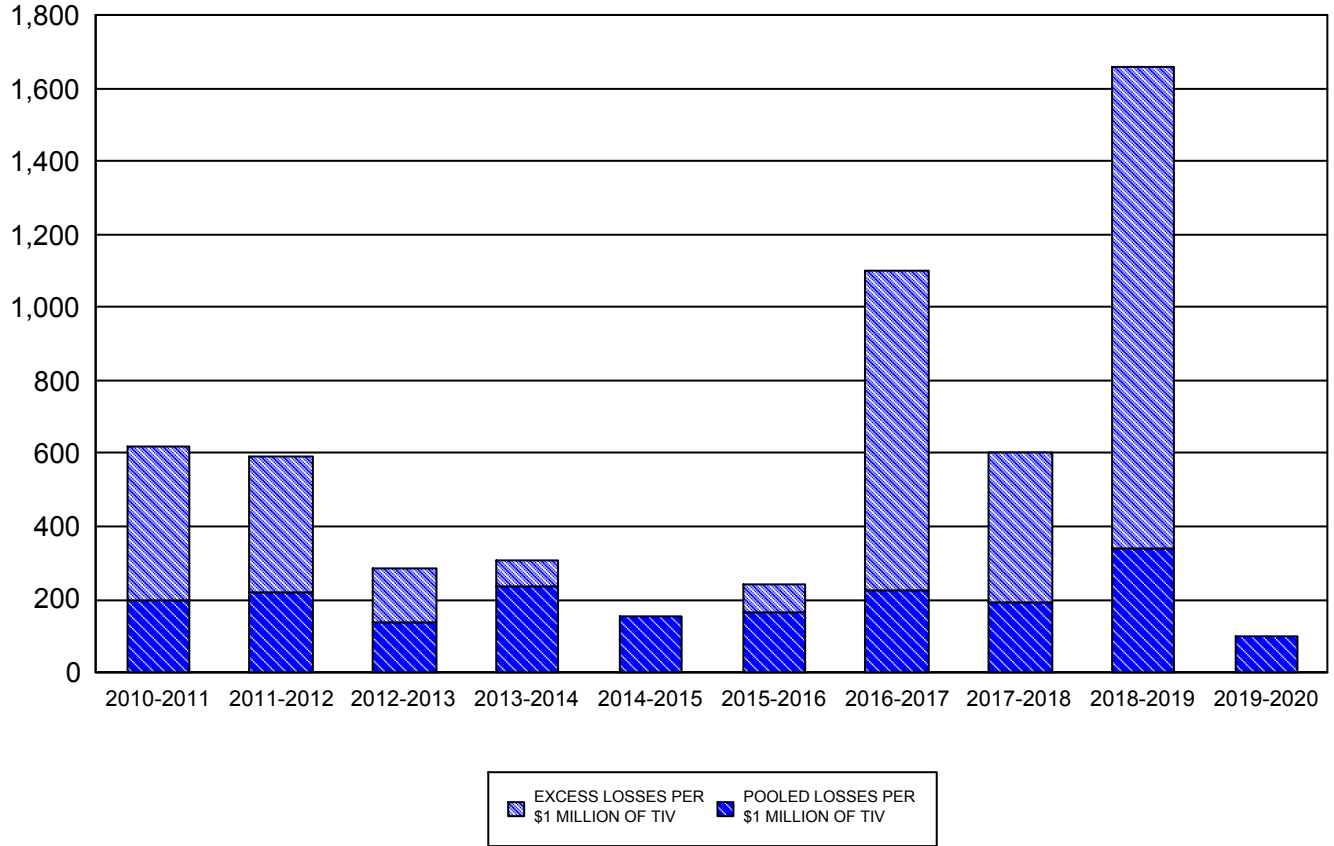
The last few policy years have suffered higher than historical losses. The 2016-17 policy year currently has projected losses in excess of \$6 million which includes two large flood losses. The 2017-18 and the 2018-19 policy years have sustained combined losses that may exceed \$14 million as a result of wildfires losses in both Northern and Southern California

The Program maintains a \$100,000 retention and insures approximately \$8 billion in property values.

**RECOMMENDATION**

None, informational only.

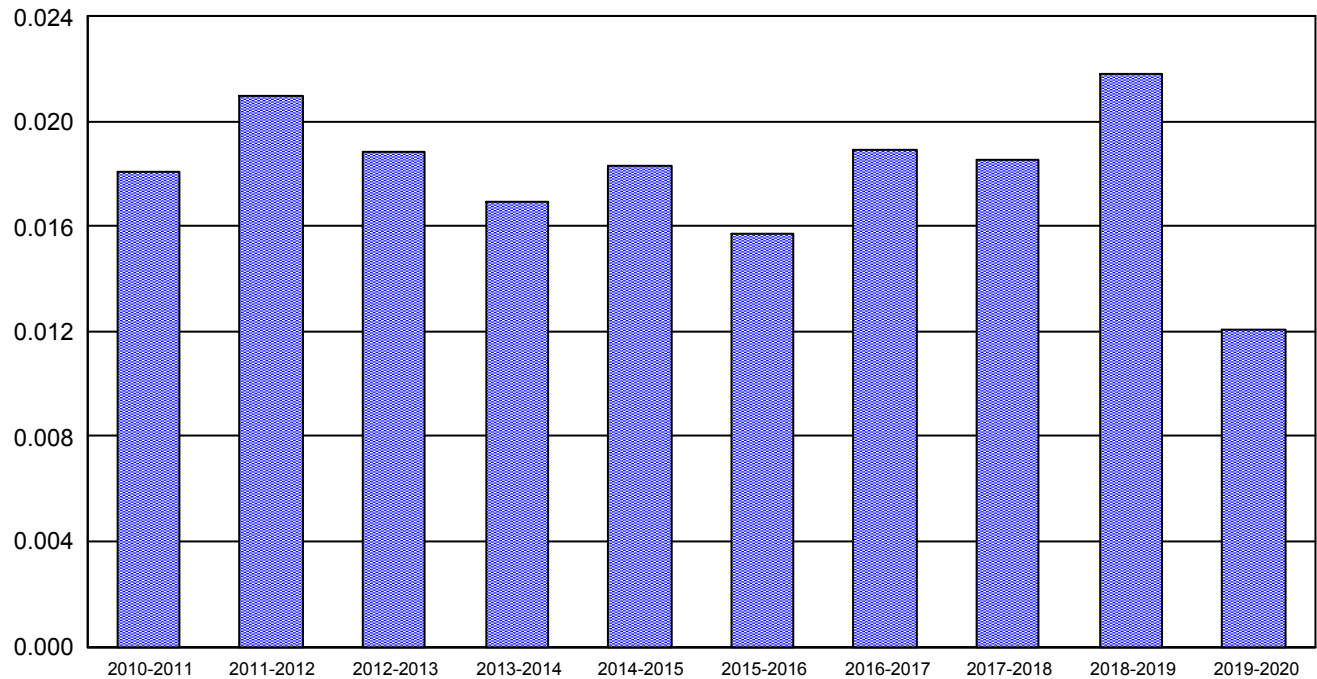
## ACWA/JPIA - PROPERTY PROGRAM REPORTED LOSSES PER \$1 MILLION OF INSURED VALUES FOR MONTH ENDING 5/31/2020



<u>POLICY YEAR (4/1)</u>	<u>TOTAL INSURED VALUES</u>	<u>SELF INSURED RETENTION</u>	<u>POOLED LOSSES</u>	<u>EXCESS LOSSES</u>	<u>INCURRED LOSSES</u>	<u>POOLED LOSSES PER \$1 MILLION OF VALUES</u>	<u>TOTAL LOSSES PER \$1 MILLION OF VALUES</u>
2005-2006	2,574,024,280	50,000	553,692	364,480	918,173	215	357
2006-2007	2,770,872,903	50,000	734,498	1,864,119	2,598,617	265	938
2007-2008	3,264,446,672	50,000	696,768	1,375,733	2,072,501	213	635
2008-2009	3,463,023,445	50,000	512,340	189,526	701,866	148	203
2009-2010	3,717,574,597	50,000	677,081	2,355,173	3,032,254	182	816
2010-2011	4,011,600,738	50,000	801,074	1,693,574	2,494,649	200	622
2011-2012	4,231,899,808	50,000	922,930	1,585,784	2,508,715	218	593
2012-2013	4,485,924,245	50,000	615,618	657,678	1,273,296	137	284
2013-2014	4,737,605,530	100,000	1,105,398	342,512	1,447,910	233	306
2014-2015	4,992,735,978	100,000	759,655	0	759,655	152	152
2015-2016	5,244,999,582	100,000	871,272	398,104	1,269,376	166	242
2016-2017	5,473,941,930	100,000	1,243,920	4,785,283	6,029,203	227	1,101
2017-2018	6,129,709,924	100,000	1,177,090	2,506,116	3,683,206	192	601
2018-2019	7,097,436,992	100,000	2,429,064	9,336,478	11,765,541	342	1,658
2019-2020	7,950,157,426	100,000	715,801	0	715,801	98	98

- Latest Policy Year's 'Losses' include partial activity.  
 - Latest Policy Year's 'Losses Per \$1 Million of Values' has been annualized using 11 months data.

**ACWA/JPIA - PROPERTY PROGRAM  
OCCURRENCES PER \$1 MILLION OF INSURED VALUES  
FOR MONTH ENDING 5/31/2020**



<b>PROGRAM YEAR (4/1)</b>	<b>NUMBER OF OCCUR</b>	<b>TOTAL INSURED VALUES (TIV)</b>	<b>INFLATION ADJUSTMENT ANNUAL %</b>	<b>INFLATION ADJUSTMENT FACTOR</b>	<b>INFLATION ADJUSTED TIV</b>	<b># OF OCCURRENCES PER \$1 MILLION OF INFLATION ADJUSTED TOTAL INSURED VALUES</b>
2005-2006	83	2,574,024,280	3.40	1.329	3,419,985,821	0.0243
2006-2007	90	2,770,872,903	3.30	1.285	3,560,473,299	0.0253
2007-2008	117	3,264,446,672	3.50	1.244	4,060,695,128	0.0288
2008-2009	79	3,463,023,445	0.00	1.202	4,162,036,533	0.0190
2009-2010	100	3,717,574,597	1.50	1.202	4,467,968,968	0.0224
2010-2011	86	4,011,600,738	3.00	1.184	4,750,093,043	0.0181
2011-2012	102	4,231,899,808	2.10	1.150	4,864,996,883	0.0210
2012-2013	95	4,485,924,245	1.30	1.126	5,050,953,641	0.0188
2013-2014	89	4,737,605,530	1.80	1.112	5,265,879,281	0.0169
2014-2015	100	4,992,735,978	1.00	1.092	5,451,334,410	0.0183
2015-2016	89	5,244,999,582	1.80	1.081	5,670,068,531	0.0157
2016-2017	110	5,473,941,930	2.90	1.062	5,812,932,206	0.0189
2017-2018	117	6,129,709,924	3.20	1.032	6,325,860,642	0.0185
2018-2019	155	7,097,436,992	0.00	1.000	7,097,436,992	0.0218
2019-2020	88	7,950,157,426	2.90	1.000	7,950,157,426	0.0121

- Latest Policy Year's 'Number of Occur' include partial activity.
- Latest Policy Year's '# of Occurrences Per \$1 Million of Inflation Adjusted Total Insured Values' has been annualized using 11 months data.

**ACWA/JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000  
FOR MONTH ENDING 5/31/2020**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>	
<b>POLICY YEAR 1987-1988</b>							
87011	08/11/1987	Glenn-Colusa Irrigation District	Fire destroyed shop building	Closed	100,592		
87020	10/22/1987	Yuima Municipal Water District	Mudslide damaged building	Closed	145,322		
					<b>POLICY YEAR 1987-1988</b>	<b>245,914</b>	<b>505,530</b>
<b>POLICY YEAR 1989-1990</b>							
89011	07/14/1989	Central California Irrigation District	Fire destroyed building	Closed	100,259		
					<b>POLICY YEAR 1989-1990</b>	<b>100,259</b>	<b>292,058</b>
<b>POLICY YEAR 1991-1992</b>							
91035	06/10/1991	Oakdale Irrigation District	Vandals damaged canal	Closed	85,250		
					<b>POLICY YEAR 1991-1992</b>	<b>85,250</b>	<b>237,995</b>
<b>POLICY YEAR 1992-1993</b>							
92017	08/22/1992	Ramona Municipal Water District	Seam on water tank cover split	Closed	260,474		
92015	08/17/1992	South Coast Water District	Garage and shop destroyed by fire	Closed	223,359		
					<b>POLICY YEAR 1992-1993</b>	<b>483,833</b>	<b>687,046</b>
<b>POLICY YEAR 1995-1996</b>							
95006	05/24/1995	San Diego County Water Authority	Mudslide damaged control room.	Closed	94,729		
					<b>POLICY YEAR 1995-1996</b>	<b>94,729</b>	<b>262,843</b>
<b>POLICY YEAR 1996-1997</b>							
96057	11/26/1996	East Orange County Water District	Wind damaged reservoir roof	Closed	113,898		
96072	02/15/1997	Lower Tule River Irrigation District	Capacitor fire resulted in business interruption claim	Closed	75,860		
96032	08/11/1996	Semitropic Water Storage District	Turbine flooded during power outage	Closed	75,495		
96028	08/06/1996	Valley Center Municipal Water District	Power surge damaged electrical panel	Closed	127,265		
					<b>POLICY YEAR 1996-1997</b>	<b>392,518</b>	<b>591,187</b>
<b>POLICY YEAR 1997-1998</b>							
97001	04/02/1997	East Orange County Water District	Wind damaged reservoir roof	Closed	85,535		

**ACWA/JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000  
FOR MONTH ENDING 5/31/2020**

**12**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR 1997-1998</b>						
97015	07/03/1997	Elsinore Valley Municipal Water District	Fire damaged building	Closed	94,483	
97050	10/04/1997	Orange County Water District	Power surge damaged electrical panel	Closed	89,851	
97035	08/31/1997	Reclamation District #108	Fire damaged building	Closed	263,928	
					<b>533,798</b>	<b>1,067,247</b>
<b>POLICY YEAR 1998-1999</b>						
99-1633	01/15/1999	Madera-Chowchilla Water and Power Authority	Hydro generator down	Closed	181,786	
98002	04/09/1998	Palmdale Water District	Water backed up into water treatment plant	Closed	176,027	
98008	04/22/1998	Wheeler Ridge-Maricopa Water Storage District	Fire damaged building	Closed	149,666	
					<b>507,478</b>	<b>959,743</b>
<b>POLICY YEAR 1999-2000</b>						
99-1771	06/13/1999	Madera-Chowchilla Water and Power Authority	Hydro-electric plant turbine sustained damage of unknown origin.	Closed	155,095	
00-2212	12/29/1999	Rancho California Water District	Fire damaged building and contents	Closed	80,822	
					<b>235,916</b>	<b>623,868</b>
<b>POLICY YEAR 2000-2001</b>						
01-2850	10/10/2000	Arvin-Edison Water Storage District	Fire damaged a pump motor	Closed	151,567	
01-2747	09/01/2000	Bella Vista Water District	Lightning strike damaged transformer	Closed	123,113	
01-3162	02/26/2001	Santa Clarita Valley Water Agency	Water leaked into ozone output line, flooding 2 ozone generator units.	Closed	202,400	
01-2770	09/11/2000	Yorba Linda Water District	Toilet backed up in District office	Closed	146,176	
					<b>623,256</b>	<b>1,203,199</b>
<b>POLICY YEAR 2002-2003</b>						
02-4208	04/25/2002	Kern Water Bank Authority	Lightning strike damaged 3 recovery wells and pump station	Closed	81,348	
03-4395	08/02/2002	Madera-Chowchilla Water and Power Authority	Plant shutdown - cause - unknown.	Closed	1,321,842	
					<b>1,403,190</b>	<b>2,050,667</b>

**ACWA/JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000  
FOR MONTH ENDING 5/31/2020**

**13**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>	
<b>POLICY YEAR 2003-2004</b>							
03-5189	05/22/2003	Berrenda Mesa Water District	2000 HP motor & control switch was damaged due to PG&E interruption	Closed	76,488		
04-5514	08/01/2003	Friant Power Authority	Fire damaged electrical panel and resulted in business interruption claim	Closed	386,149		
04-5662	10/28/2003	Helix Water District	Fire damaged residential building and garage	Closed	380,036		
04-6013	02/26/2004	Mountain Gate Community Services District	Hail damaged the District office	Closed	79,895		
					<b>POLICY YEAR 2003-2004</b>	<b>922,568</b>	<b>1,574,462</b>
<b>POLICY YEAR 2004-2005</b>							
05-6526	09/04/2004	Calaveras County Water District	Fire damaged District's "602" tank	Closed	205,341		
05-6805	12/20/2004	Cucamonga Valley Water District	Fire damaged control panel	Closed	107,938		
05-6398	07/21/2004	Merced Irrigation District	Vandalism to heavy equipment	Closed	111,928		
05-6378	07/16/2004	Serrano Water District	District pump failed - damage to pump and control panel.	Closed	111,340		
04-6239	06/11/2004	Stockton-East Water District	Fire damaged control panel	Closed	153,314		
05-6797	12/19/2004	Western Canal Water District	Water/sewage backed up into ice maker drain - flooded office	Closed	77,337		
					<b>POLICY YEAR 2004-2005</b>	<b>767,198</b>	<b>1,292,254</b>
<b>POLICY YEAR 2005-2006</b>							
07-8600	03/01/2006	American River Flood Control District	District employee embezzled funds from District.	Closed	104,221		
06-7661	11/15/2005	Mission Hills Community Services District	Fire damaged building	Closed	235,885		
06-7741	12/22/2005	North Coast County Water District	Fire damaged vector truck	Closed	124,057		
06-7777	12/22/2005	Reclamation District #108	Electrical short damaged pump motor	Closed	82,134		
					<b>POLICY YEAR 2005-2006</b>	<b>546,297</b>	<b>918,173</b>
<b>POLICY YEAR 2006-2007</b>							
07-8416	09/07/2006	Arvin-Edison Water Storage District	Fire damaged building	Closed	194,849		
07-8725	01/14/2007	Golden Hills Community Services District	Fire sprinkler line broke & flooded office	Closed	145,348		
07-8891	03/19/2007	San Diego County Water Authority	Flood damaged hydroelectric plant when two water supply lines ruptured	Closed	1,575,000		
					<b>POLICY YEAR 2006-2007</b>	<b>1,915,197</b>	<b>2,598,617</b>



**ACWA/JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000  
FOR MONTH ENDING 5/31/2020**

**14**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR 2007-2008</b>						
08-9455	10/22/2007	Fallbrook Public Utility District	Rice Canyon Fire burned 2 chlorine stations	Closed	968,918	
08-9450	10/26/2007	Helix Water District	Fire destroyed caretaker's residence @ diversion dam.	Closed	180,404	
07-9107	06/05/2007	San Luis Water District	Fire damaged residence	Closed	104,129	
08-9424	10/12/2007	Yolo County Flood Control & Water Conservation District	Fire destroyed Hunting Lodge rental	Closed	145,809	
					<b>1,399,260</b>	<b>2,072,501</b>
<b>POLICY YEAR 2008-2009</b>						
09-0508	10/01/2008	Merced Irrigation District	Rented boomlift rolled	Closed	98,959	
					<b>98,959</b>	<b>701,866</b>
<b>POLICY YEAR 2009-2010</b>						
10-0956	05/07/2009	Cachuma Operation and Maintenance Board	Fire damaged Core Shed	Closed	312,035	
10-1202	05/28/2009	Calleguas Municipal Water District	Boiler & Machinery - Well #12	Closed	90,084	
13-0295	10/30/2009	Calleguas Municipal Water District	B&M - Well #10	Closed	135,715	
13-0307	09/04/2009	Calleguas Municipal Water District	B&M - Well 9	Closed	198,902	
13-0309	08/31/2009	Calleguas Municipal Water District	B&M - Well 16	Closed	122,111	
10-1458	02/15/2010	Kanawha Water District	Fire damaged shop	Closed	440,577	
10-1495	11/07/2009	Merced Irrigation District	Contractor dropped washer into 100 MVA transformer	Closed	1,032,000	
10-1143	09/20/2009	West Basin Municipal Water District	Water damaged building due to pump failure	Closed	108,275	
					<b>2,439,699</b>	<b>3,032,254</b>
<b>POLICY YEAR 2010-2011</b>						
11-0352	09/02/2010	Beaumont-Cherry Valley Water District	Diesel spill near Well 21	Closed	160,682	
13-0308	05/31/2010	Calleguas Municipal Water District	B&M Well 14	Closed	171,458	
10-1581	04/12/2010	Friant Power Authority	Lightening strike hit KV line and shorted out circuit breaker starting fire that burned for 45 minutes.	Closed	1,244,845	
11-0409	12/21/2010	Mammoth Community Water District	Quonset hut #1 collapsed	Closed	109,349	
11-0413	12/16/2010	Serrano Water District	PLD failed causing overflow in filtration tank into gallery	Closed	75,959	

**ACWA/JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000  
FOR MONTH ENDING 5/31/2020**

**15**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>
<b>POLICY YEAR 2010-2011</b>					<b>1,762,294</b>	<b>2,494,649</b>
<b>POLICY YEAR 2011-2012</b>						
12-0495	09/10/2011	Arvin-Edison Water Storage District	Lightning strike damage 3 - 5,500 HP motors @ Forest Frick Pump Station	Closed	616,557	
14-0508	12/27/2011	Bard Water District	Employee dishonesty	Closed	100,000	
12-0101	08/12/2011	Fresno Irrigation District	Kitchen fire @ 9451 E. Olive	Closed	139,653	
12-0049	07/13/2011	Helix Water District	Explosion in Ozone Destruct Unit #2	Closed	224,117	
12-0190	09/10/2011	Kern County Water Agency	Switch gear @ 2B & 4B melted	Closed	164,802	
12-0112	07/07/2011	Lower Tule River Irrigation District	Bearing damage @ LakeSuccess Turbine	Closed	293,739	
12-0171	09/07/2011	Mission Springs Water District	Sprinkler system went off sending 3" of water into building	Closed	214,319	
<b>POLICY YEAR 2011-2012</b>					<b>1,753,186</b>	<b>2,508,715</b>
<b>POLICY YEAR 2012-2013</b>						
12-0769	05/07/2012	Banta Carbona Irrigation District	B&M - Pumping Station #1	Closed	207,856	
13-0393	12/11/2012	Del Puerto Water District	Unknowns stole 200K generator/utility trailer	Closed	88,000	
12-0681	05/01/2012	Palmdale Water District	Hydro-electric generator burned.	Closed	292,341	
13-0336	12/02/2012	South Feather Water and Power Agency	Tree fell into shop building	Closed	127,212	
<b>POLICY YEAR 2012-2013</b>					<b>715,409</b>	<b>1,273,296</b>
<b>POLICY YEAR 2013-2014</b>						
13-0658	04/25/2013	Bella Vista Water District	1,000 HP pump/motor @ Wintu failed	Closed	149,736	
14-0396	01/22/2014	Coastside County Water District	Fire in District's server room	Closed	277,915	
13-0644	04/20/2013	Fresno Metropolitan Flood Control District	Theft of copper wire	Closed	77,400	
14-0548	03/24/2014	Oakdale Irrigation District	Excavator caught fire & burn	Closed	162,003	
14-0320	12/03/2013	Twentynine Palms Water District	Generator at flouride removal treatment plant failed.	Closed	119,755	
<b>POLICY YEAR 2013-2014</b>					<b>786,808</b>	<b>1,447,910</b>
<b>POLICY YEAR 2014-2015</b>						
15-0454	02/06/2015	Wheeler Crest Community Services District	Wildfire burned District's building & contents @ Rimrock Regulation Station	Closed	80,123	
<b>POLICY YEAR 2014-2015</b>					<b>80,123</b>	<b>759,655</b>
<b>POLICY YEAR 2015-2016</b>						

**ACWA/JPIA - PROPERTY PROGRAM  
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000  
FOR MONTH ENDING 5/31/2020**

**16**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>	<u>POLICY YEAR TOTAL</u>	
<b>POLICY YEAR 2015-2016</b>							
16-0100	07/09/2015	Orange County Water District	Vandalism/fire damaged HDPE pipe @ Santiago Basin	Closed	416,000		
16-0230	10/06/2015	Thermalito Water & Sewer District	Fire @ District office	Closed	152,104		
					<b>POLICY YEAR 2015-2016</b>	<b>568,104</b>	<b>1,269,376</b>
<b>POLICY YEAR 2016-2017</b>							
17-0499	02/09/2017	Clearlake Oaks County Water District	District reports flood damage to lift stations due to Clearlake reaching flood stages during storm.	Closed	768,770		
16-0591	04/07/2016	Placer County Water Agency	During a planned outage, water backed up into electrical area of Foothill Treatment Plant because a valve wasn't opened.	Closed	678,179		
16-0693	04/17/2016	Reclamation District #2068	Circuit breaker failure resulted in control cabinet fire	Closed	101,198		
17-0583	03/07/2017	Water Replenishment District of Southern California	Field Office & Storage Annex burglarized and vandalized.	Closed	150,157		
17-0505	02/17/2017	West Valley Water District	Recent storms washed out box culvert at tank site 2-2/2-3.	Closed	79,454		
					<b>POLICY YEAR 2016-2017</b>	<b>1,777,757</b>	<b>6,029,203</b>
<b>POLICY YEAR 2017-2018</b>							
18-0131	08/14/2017	Arvin-Edison Water Storage District	Damage to 5500 HP motor @ Forest Frick Plant	Closed	129,545		
18-0222	10/09/2017	Redwood Valley County Water District	Wildfire damaged District's Tomki Booster Pump Station	Closed	421,571		
					<b>POLICY YEAR 2017-2018</b>	<b>551,116</b>	<b>3,683,206</b>
<b>POLICY YEAR 2018-2019</b>							
18-0688	06/11/2018	Glenn-Colusa Irrigation District	Trailer carrying a backhoe fell off the road and overturned	Closed	116,577		
19-0464	02/03/2019	Montecito Water District	Heavy rainfall to areas damaged by the Thomas Fire (12/10/17) caused mud & debris flows onto MWD roads and damage to culvert.	Closed	531,060		
19-0244	10/15/2018	Solano County Water Agency	Agency's Excavator caught fire	Closed	95,181		
18-0726	06/25/2018	South Feather Water and Power Agency	Boulder (5 ft. diameter) fell from 100 ft up hillside onto penstock.	Closed	549,536		
19-0088	08/06/2018	Terra Bella Irrigation District	Fire @ empty residence	Closed	92,374		
					<b>POLICY YEAR 2018-2019</b>	<b>1,384,728</b>	<b>11,765,541</b>
					<b>GRAND TOTAL</b>	<b>22,174,845</b>	

**ACWA JPIA**  
**Membership Report**  
June 11, 2020

**BACKGROUND**

In order to review the membership progress, a list of new and potential members is provided at each Property Program Committee meeting.

**CURRENT SITUATION**

During the 2019-20 coverage year, the following agencies joined the Property Program:

<u>Member</u>	<u>Total Insured Value (TIV)</u>	<u>Join Date</u>
Truckee Donner Public Utility District	\$ 101,549,106	6/12/2019
Alameda County Water District	\$ 101,497,761	7/1/2019
Diablo Water District	\$ 23,941,346	12/1/2019
Alameda County Flood Control and Water Conservation District, Zone 7	\$ 114,450,936	4/1/2020

Current Program Membership Status as of June 3, 2020:

Total number of program members:	279
Total annual TIV:	\$8,536,424,862

For the 2020-21 coverage year, the following agencies will be joining the Property Program:

<u>Member</u>	<u>Total Insured Value (TIV)</u>	<u>Join Date</u>
Tuolumne Utilities District	\$ 50,900,397	7/1/2020
Otay Water District	\$ 409,803,600	7/1/2020
Sierra Highlands Community Services District	\$ 500,000	7/1/2020

There are no reported intents to withdraw for the July 1, 2020 Property Program renewal.

**RECOMMENDATION**

None, informational only.

**ACWA JPIA**  
**2020-2021 Memorandum of Property Coverage**  
**June 11, 2020**

**BACKGROUND**

The JPIA member services staff has reviewed the Memorandum of Property Coverage (MOPC) for revisions to the MOPC for the 2020-21 Property Program renewal on July 1, 2020.

**CURRENT SITUATION**

JPIA found an inconsistency in Memorandum of Property Coverage document. For the 2019-20 Property Program renewal, Section V - Exclusion 5 was added to the MOPC. It states the following:

All properties that are not scheduled prior to a **loss**, except any acquisition under \$100 million will be automatically covered for up to **90** days.

However, Section II - Coverage Agreement states the following:

The **Authority** will reimburse the **Covered Party** named on the Declarations for **losses** to scheduled property that is insured by the terms and conditions of the **purchased insurance or reinsurance**, less any applicable **Covered Party** deductible. All property must be scheduled prior to **loss** or within **120** days of acquisition in order for coverages and limits under the MOPC, or **purchased insurance or reinsurance**, to apply.

JPIA staff discovered this contradiction and is proposing that Section II of the Coverage Agreement be changed to 90 days.

**RECOMMENDATION**

That the Property Program Committee recommends that the Executive Committee approve the amended 2020-2021 Memorandum of Property Coverage, Section II - Coverage Agreement to read as "All property must be scheduled prior to **loss** or within **90** days of acquisition in order for coverages and limits under the MOPC, or **purchased insurance or reinsurance**, to apply."

**MEMORANDUM OF PROPERTY COVERAGE**

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DRAFT

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
JOINT POWERS INSURANCE AUTHORITY (ACWA JPIA)**

**MEMORANDUM OF PROPERTY COVERAGE**

**FORM NO. MOPC-070120**

This Memorandum of Property Coverage (MOPC) sets forth the terms, conditions, and limitations of coverage provided to a **Member Agency** under the MOPC. The terms of this MOPC may not be changed or waived except by amendment made a part of this MOPC.

Throughout this MOPC, words and phrases that appear in **bold** have special meaning. They are defined in Section I, "Definitions".

**SECTION I – DEFINITIONS**

In addition to the definitions provided in the **purchased insurance or reinsurance**, the following additional definitions apply to the MOPC:

1. **Authority** shall mean the Association of California Water Agencies Joint Powers Insurance Authority.
2. **Loss** shall have the same meaning as in the **purchased insurance or reinsurance**.
3. **Member Agency** means the local public agency, designated in the DECLARATIONS, which is a party signatory to the Joint Powers Agreement creating the Association of California Water Agencies Joint Powers Insurance Authority and is a participant in its Property Program.
4. **Covered Party** shall mean a **Member Agency** who has sustained a loss which is covered under this MOPC.
5. **Purchased insurance or reinsurance** shall mean insurance or reinsurance purchased by the **Authority** for the benefit of the **Authority** and the **Covered Party** and specifically identified in the Declarations.
6. **Cyber liability** shall mean damage or **loss** arising from or related to electronic media or technology errors and omissions, including, but not limited to, property damage, data loss, alteration, corruption, destruction, deletion or damage to or inability to access or transmit data, transmission or failure

prevent transmission of malicious code or virus, damage to electronic data or other property from malicious code or virus, unauthorized access to or distribution of private or confidential information, cyber extortion, data protection, business interruption loss, privacy notification expenses and costs, penalties for regulatory defense or other penalties, or any other **loss**, cost, or damage arising out of or related to the acquisition, storage, security, use, misuse, disclosure, or transmission of electronic data of any kind.

## **SECTION II – COVERAGE AGREEMENT**

1. The **Authority** will reimburse the **Covered Party** named on the Declarations for **losses** to scheduled property that is insured by the terms and conditions of the **purchased insurance or reinsurance**, less any applicable **Covered Party** deductible. All property must be scheduled prior to **loss** or within ~~120~~ 90 days of acquisition in order for coverages and limits under the MOPC, or **purchased insurance or reinsurance**, to apply.
2. This MOPC incorporates the terms, provisions, and conditions of the **purchased insurance or reinsurance** except with regard to that portion of any **loss** which is the subject of this MOPC.

## **SECTION III – LIMIT OF LIABILITY**

The limit of liability of the **Authority** for each **loss** shall be the amount of the deductible as specified under the **purchased insurance or reinsurance**, less the applicable **Covered Party** deductible under this MOPC, but in no event more than the amount stated in the Declarations.

The **Authority** will be liable for no more than \$40,000 per occurrence for any **Cyber liability loss**. The **Covered Party** will be liable for the stated deductible found in the Declarations.

## **SECTION IV – DEDUCTIBLE**

The **Authority's** liability under Section III above shall be reduced by any applicable **Covered Party** deductible.

## **SECTION V – COVERAGE PERIOD**

This MOPC applies to **losses** occurring during the coverage period defined in the Declarations.



## SECTION VI – EXCLUSIONS

In addition to any exclusions set forth in the **purchased insurance or reinsurance**, this MOPC does not apply to:

1. Contamination by “pollutants” introduced at any time, into, under or upon land, water, or the atmosphere, or any watercourse or body of water or aquifer. This exclusion applies whether or not the contamination is introduced intentionally or accidentally or gradually or suddenly and whether or not the **Covered Party** or any other person or organization is responsible for the contamination.

“Contamination” includes any unclean, unsafe, or unhealthful condition, either actual or potential, which arises out of the presence in the environment of any “pollutant” whether permanent or transient.

“Environment” includes land, bodies of water, underground water or water table or aquifer, the atmosphere, and any other natural feature of the earth, whether or not altered, developed or cultivated. “Pollutant” means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke vapor, soot, fumes, acids, alkalis, chemicals, airborne particles or fibers, molds and/or fungus, and waste, including materials to be discarded or to be recycled, reconditioned, or reclaimed.

This exclusion does not apply to contamination or dispersal of “pollutants” which is itself caused by fire, lightning, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems.

2. War, whether or not declared, insurrection, rebellion, terrorism, or revolution. Terrorism is defined as an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
3. Nuclear contamination.
4. Damage intentionally caused by or on behalf of a **Covered Party**.
5. All properties that are not scheduled prior to a **loss**, except any acquisition under \$100 million will be automatically covered for up to 90 days.

## SECTION VII - CONDITIONS

1. The **Authority** shall have the same rights as provided to the insurer by the **purchased insurance or reinsurance**.
2. If there is insurance other than the **purchased insurance or reinsurance** applicable to the **loss** incurred, such insurance, unless it specifically states that it is excess of this coverage, shall reduce the liability of this **Authority** by the amount that insurance is liable for such **loss**.
3. In the event of loss covered under this MOPC, the Covered Party shall give immediate notice thereof to the **Authority** of such **loss**.
4. If the **Authority** pursues subrogation of a **loss**, the funds from any recovery shall first be allocated to payment of the expenses of the subrogation and then to reimbursement in full for payment of the claim and adjusting expenses. The **Covered Party** shall be reimbursed its deductible from any remaining funds.

**ACWA JPIA**  
**2020-2021 Property Insurance Renewal**  
**June 11, 2020**

**BACKGROUND**

The JPIA's Property Program renews on July 1, 2020. At the time of this writing, renewal terms are being discussed.

**CURRENT SITUATION**

As shared in an earlier presentation, the JPIA experienced significant catastrophic losses over the past year. Losses, coupled with the catastrophic losses throughout the world and United States, has made this renewal challenging.

The pricing projections will continue to assume the JPIA will retain the first \$100,000 per occurrence; thereafter, the insured portion will cover amounts over \$100,000 following the provisions of the insuring policies.

In addition to the volatile property market, reinsurers and insurers alike are currently not able to provide a set rate for a July 1, 2020 renewal. The JPIA should have final rates mid-June 2020. The excess rate in the current policy year is .0624 per \$100 of insured value. Thus, at this time, staff recommends that the Committee approve the 2020-2021 property insurance renewal with pricing not to exceed a rate of .0811 (30% increase).

**RECOMMENDATION**

That the Property Program Committee discuss the options presented and make a recommendation to the Executive Committee that the 2020-2021 Renewal Terms and Pricing include a "Not to Exceed" a rate of .0811 per \$100 of insured value, or as presented.

**ACWA JPIA**  
**Renewal Pricing for the Property Program (revised)**  
June 11, 2020

**BACKGROUND**

Deposit premiums for the 7/1/20-21 policy year are to be mailed to the members at the end of June. The last member premium rate change was for the 4/1/18-19 policy year, where the premium rates were reduced by 10%.

**CURRENT SITUATION**

The Property Program Expected Revenue/Expense & Funding Requirement report provides a breakdown for the expected revenues and expenses for the 7/1/20-21 policy year. The total estimated premium with no pricing changes is approximately \$6.767 million based on \$8.14 billion in TIVs. The premium is based on an estimated excess insurance cost of \$6 million and claims expense of approximately \$1.7 million. The 2019 actuary report projects a \$.02048, per \$100 of total insured value, loss rate for the 7/1/20-21 policy year. Different scenarios (options 1,2 and 3) are provided shown different member pricing.

**RECOMMENDATION**

That the Property Program Committee recommends that the Executive Committee approve Option 2, 10% increase to the pricing with the rates as follows:

Real and Personal Property	\$.089
Mobile Equipment	\$.134
Automobiles	\$.757

**ASSOCIATION OF CALIFORNIA WATER AGENCIES**  
**JOINT POWERS INSURANCE AUTHORITY**

**PROPERTY PROGRAM**

**EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON**

**OPTION 1 - No price change**

As of December 31, 2019

	Policy Year 4/1/2018-19 Actual	Policy Year 4/1/2018-19 Budget	Policy Year 7/1/2019-20 Projection	Policy Year 7/1/2020-21 Budget	% Change 7/1/2019-20 to 7/1/2020-21
<b>1 REVENUE:</b>					
2 Deposit Premiums Earned (Note 1)	\$ 5,872,480	\$ 5,211,338	\$ 6,887,427	\$ <b>6,766,805</b>	-1.75%
3 Net Investment Income	82,445	104,227	132,163	<b>135,336</b>	2.40%
4 Total Revenue	<u>\$ 5,954,925</u>	<u>\$ 5,315,565</u>	<u>\$ 7,019,590</u>	<u>\$ <b>6,902,141</b></u>	-1.67%
<b>5 EXPENSE:</b>					
6 Paid Claims and Reserves	\$ 2,622,042	\$ 1,195,568	\$ 1,628,272	\$ <b>1,667,183</b>	2.39%
7 Purchased Excess Insurance	3,042,615	2,150,000	4,824,025	<b>5,999,288</b>	24.36%
8 Natural Disaster Fund	500,000	500,000	-	-	0.00%
9 General & Admin. Expenses	1,337,456	1,377,760	1,527,133	<b>1,577,081</b>	3.27%
10 Total Expenses	<u>7,502,113</u>	<u>5,223,328</u>	<u>7,979,430</u>	<u><b>9,243,553</b></u>	15.84%
<b>11 RETROSPECTIVE PREMIUM ADJ</b>	<u><b>\$ (1,547,188)</b></u>	<u><b>\$ 92,237</b></u>	<u><b>\$ (959,840)</b></u>	<u><b>\$ (2,341,412)</b></u>	143.94%
12 Number of Program Members	277	268	277	<b>279</b>	0.72%
13 Insured Values (000's omitted)	\$ 7,097,437	\$ 6,093,000	\$ 7,950,157	\$ <b>8,140,147</b>	2.39%
14 Net Premium Cost / \$100 of Value	<b>\$ 0.1045</b>	<b>\$ 0.0840</b>	<b>\$ 0.0987</b>	<b>\$ 0.1119</b>	13.36%
15 Premium Rate					
Real and Personal Property	\$ 0.081	\$ 0.081	\$ 0.081	\$ <b>0.081</b>	0.00%
Mobile Equipment	\$ 0.122	\$ 0.122	\$ 0.122	\$ <b>0.122</b>	0.00%
Automobiles	\$ 0.689	\$ 0.689	\$ 0.689	\$ <b>0.689</b>	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	<b>\$500 - 25,000</b>	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$100,000	Ded. to \$1,000,00	<b>Ded. to \$1M</b>	
18 Program Limit	\$150,000,000	\$ 150,000,000	\$ 500,000,000	<b>\$ 500,000,000</b>	

CALCULATIONS

Line #

2 Deposit Premium - See Note 1 following page

3 Interest Income - 2.0% of Deposit Premium

6 Claims Expense - Actuarially generated Loss Rate times insured values / 100

7 Excess Insurance - Excess Rate times Total Insured Values / 100

9 G&A Expenses - 14% of Budgeted G&A (\$11,264,865)

11 RPA - Calculated to balance budget

	CURRENT PROJECTION	BUDGET
<u>VARIABLES</u>	<u>2019/20</u>	<u>2020/21</u>
TOTAL INSURED VALUES	\$ 7,950,157	\$ 8,140,147
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0624	\$0.0737
LOSS RATE PER \$100 OF INSURED VALUES:	0.02048	0.02048

**ASSOCIATION OF CALIFORNIA WATER AGENCIES**  
**JOINT POWERS INSURANCE AUTHORITY**

**PROPERTY PROGRAM**

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

**OPTION 2 - 10% rate increase**

As of December 31, 2019

	Policy Year 4/1/2018-19 Actual	Policy Year 4/1/2018-19 Budget	Policy Year 7/1/2019-20 Projection	Policy Year 7/1/2020-21 Budget	% Change 7/1/2019-20 to 7/1/2020-21
<b>1 REVENUE:</b>					
2 Deposit Premiums Earned (Note 1)	\$ 5,872,480	\$ 5,211,338	\$ 6,887,427	\$ <b>7,443,486</b>	8.07%
3 Net Investment Income	82,445	104,227	132,163	<b>148,870</b>	12.64%
4 Total Revenue	<u>\$ 5,954,925</u>	<u>\$ 5,315,565</u>	<u>\$ 7,019,590</u>	<u>\$ <b>7,592,355</b></u>	8.16%
<b>5 EXPENSE:</b>					
6 Paid Claims and Reserves	\$ 2,622,042	\$ 1,195,568	\$ 1,628,272	\$ <b>1,667,183</b>	2.39%
7 Purchased Excess Insurance	3,042,615	2,150,000	4,824,025	<b>5,999,288</b>	24.36%
8 Natural Disaster Fund	500,000	500,000	-	-	0.00%
9 General & Admin. Expenses	1,337,456	1,377,760	1,527,133	<b>1,577,081</b>	3.27%
10 Total Expenses	<u>7,502,113</u>	<u>5,223,328</u>	<u>7,979,430</u>	<u><b>9,243,553</b></u>	15.84%
<b>11 RETROSPECTIVE PREMIUM ADJ</b>	<u><b>\$ (1,547,188)</b></u>	<u><b>\$ 92,237</b></u>	<u><b>\$ (959,840)</b></u>	<u><b>\$ (1,651,198)</b></u>	72.03%
12 Number of Program Members	277	268	277	<b>279</b>	0.72%
13 Insured Values (000's omitted)	\$ 7,097,437	\$ 6,093,000	\$ 7,950,157	\$ <b>8,140,147</b>	2.39%
14 Net Premium Cost / \$100 of Value	<b>\$ 0.1045</b>	<b>\$ 0.0840</b>	<b>\$ 0.0987</b>	<b>\$ 0.1117</b>	13.19%
15 Premium Rate					
Real and Personal Property	\$ 0.081	\$ 0.081	\$ 0.081	<b>\$ 0.089</b>	10.00%
Mobile Equipment	\$ 0.122	\$ 0.122	\$ 0.122	<b>\$ 0.134</b>	10.00%
Automobiles	\$ 0.689	\$ 0.689	\$ 0.689	<b>\$ 0.757</b>	10.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	<b>\$500 - 25,000</b>	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$100,000	Ded. to \$1,000,00	<b>Ded. to \$1M</b>	
18 Program Limit	\$150,000,000	\$ 150,000,000	\$ 500,000,000	<b>\$ 500,000,000</b>	

CALCULATIONS

Line #

- 2 Deposit Premium - See Note 1 following page
- 3 Interest Income - 2.0% of Deposit Premium
- 6 Claims Expense - Actuarially generated Loss Rate times insured values / 100
- 7 Excess Insurance - Excess Rate times Total Insured Values / 100
- 9 G&A Expenses - 14% of Budgeted G&A (\$11,264,865)
- 11 RPA - Calculated to balance budget

<u>VARIABLES</u>	CURRENT PROJECTION		BUDGET	
	2019/20		2020/21	
TOTAL INSURED VALUES	\$	7,950,157	\$	8,140,147
EXCESS RATE per \$100 OF INSURED VALUES		\$0.0624		\$0.0737
LOSS RATE PER \$100 OF INSURED VALUES:		0.02048		0.02048

2,634,952,181  
 4,826,873,006  
 338,578,721  
 353,155,641  
 141,627,346  
 208,256,681  
 8,503,443,576  
 8,150,287,935



**ASSOCIATION OF CALIFORNIA WATER AGENCIES**  
**JOINT POWERS INSURANCE AUTHORITY**

**PROPERTY PROGRAM**

**EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON**

**OPTION 3 - Break Even**

As of December 31, 2019

	Policy Year 4/1/2018-19 Actual	Policy Year 4/1/2018-19 Budget	Policy Year 7/1/2019-20 Projection	Policy Year 7/1/2020-21 Budget	% Change 7/1/2019-20 to 7/1/2020-21
<b>1 REVENUE:</b>					
2 Deposit Premiums Earned (Note 1)	\$ 5,872,480	\$ 5,211,338	\$ 6,887,427	\$ 9,062,307	31.58%
3 Net Investment Income	82,445	104,227	132,163	181,246	37.14%
4 Total Revenue	<u>\$ 5,954,925</u>	<u>\$ 5,315,565</u>	<u>\$ 7,019,590</u>	<u>\$ 9,243,553</u>	31.68%
<b>5 EXPENSE:</b>					
6 Paid Claims and Reserves	\$ 2,622,042	\$ 1,195,568	\$ 1,628,272	\$ 1,667,183	2.39%
7 Purchased Excess Insurance	3,042,615	2,150,000	4,824,025	5,999,288	24.36%
8 Natural Disaster Fund	500,000	500,000	-	-	0.00%
9 General & Admin. Expenses	1,337,456	1,377,760	1,527,133	1,577,081	3.27%
10 Total Expenses	<u>7,502,113</u>	<u>5,223,328</u>	<u>7,979,430</u>	<u>9,243,553</u>	15.84%
<b>11 RETROSPECTIVE PREMIUM ADJ</b>	<u><b>\$ (1,547,188)</b></u>	<u><b>\$ 92,237</b></u>	<u><b>\$ (959,840)</b></u>	<u><b>\$ 0</b></u>	<u>-100.00%</u>
12 Number of Program Members	277	268	277	279	0.72%
13 Insured Values (000's omitted)	\$ 7,097,437	\$ 6,093,000	\$ 7,950,157	\$ 8,140,147	2.39%
14 Net Premium Cost / \$100 of Value	<b>\$ 0.1045</b>	<b>\$ 0.0840</b>	<b>\$ 0.0987</b>	<b>\$ 0.1113</b>	12.79%
15 Premium Rate					
Real and Personal Property	\$ 0.081	\$ 0.081	\$ 0.081	\$ 0.108	33.92%
Mobile Equipment	\$ 0.122	\$ 0.122	\$ 0.122	\$ 0.163	33.92%
Automobiles	\$ 0.689	\$ 0.689	\$ 0.689	\$ 0.922	33.92%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	<b>\$500 - 25,000</b>	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$100,000	Ded. to \$1,000,00	<b>Ded. to \$1M</b>	
18 Program Limit	\$150,000,000	\$ 150,000,000	\$ 500,000,000	<b>\$ 500,000,000</b>	

CALCULATIONS

Line #

2 Deposit Premium - See Note 1 following page

3 Interest Income - 2.0% of Deposit Premium

6 Claims Expense - Actuarially generated Loss Rate times insured values / 100

7 Excess Insurance - Excess Rate times Total Insured Values / 100

9 G&A Expenses - 14% of Budgeted G&A (\$11,264,865)

11 RPA - Calculated to balance budget

	CURRENT PROJECTION	BUDGET
<u>VARIABLES</u>	<u>2019/20</u>	<u>2020/21</u>
TOTAL INSURED VALUES	\$ 7,950,157	\$ 8,150,288
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0624	\$0.0749
LOSS RATE PER \$100 OF INSURED VALUES:	0.02048	0.02048



**2020/21 Policy Year**

Total Insured Values \$ 8,150,287,935

		<u>Real and Personal Property</u>	<u>Mobile Equipment</u>	<u>Automobile</u>	<u>Total</u>	
TIV	\$	7,800,403,908	\$ 141,627,346	\$ 208,256,681	\$ 8,150,287,935	
<b>OPTION 2</b>	Prem Rate (10% increase)	\$ 0.0891	\$ 0.1337	\$ 0.7574	\$ 0.0914	
	<b>Deposit Premium (10% increase)</b>	<b>\$ 5,942,387</b>	<b>\$ 161,839</b>	<b>\$ 1,348,533</b>	<b>\$ 7,452,759</b>	
Excess Rate	\$	0.0749	\$ 0.0749	\$ 0.0749	\$ 0.0749	
<b>Excess Premium</b>	<b>\$</b>	<b>5,840,942</b>	<b>\$ 106,051</b>	<b>\$ 155,943</b>	<b>\$ 6,102,936</b>	
<b>OPTION 1</b>	Prem Rate - No Change	\$ 0.0810	\$ 0.1215	\$ 0.6885	\$ 0.0914	
	<b>Deposit Premium - No Change</b>	<b>\$ 5,402,170</b>	<b>\$ 147,126</b>	<b>\$ 1,225,939</b>	<b>\$ 6,775,235</b>	
<b>OPTION 3</b>	Prem Rate - Break Even	\$ 0.1096	\$ 0.1644	\$ 0.9314	\$ 0.0914	Factor 1
	<b>Deposit Premium - Break Even</b>	<b>\$ 7,308,390</b>	<b>\$ 199,041</b>	<b>\$ 1,658,527</b>	<b>\$ 9,165,958</b>	

**ACWA JPIA**  
**Energy Program**  
**Property Program Enhancement**  
**June 11, 2020**

**BACKGROUND**

In order to better serve the needs of our Property Program participants, in 2018 the JPIA began conversations with members that own large scale hydroelectric facilities. As a result of those exploratory conversations, Alliant Insurance Services and Lloyd's of London built a JPIA Energy Program that became effective July 1, 2019.

**CURRENT SITUATION**

Since the inception of the JPIA's Power Program in 2019, two JPIA members have joined the Energy Program – El Dorado Irrigation District and Placer County Water Agency. The program is being explored by a potential new member who is considering joining next fiscal year. The Energy Program has limits of \$500 million, similar to our standard Property Program. The perils covered are under an All Risk form and includes Boiler and Machinery. Flood coverage is also included with a sublimit of \$100 million.

The Energy Program will be a pass-through program in that the JPIA's self-insured layer will not be exposed to any losses. Any deductibles will be the member's responsibility.

From a member perspective, the appeal of this group purchase program is it will be less expensive than if a member were to buy coverage on their own, and with multiple coverage features.

For interested members the following is a sample of underwriting data needed in order to provide quotes:

- Five-year loss runs
- Plant information including:
  - Commercial operations date of each plant
  - EOH (Equivalent Operating Hours)
  - Starts/stops
  - Last major outage
  - Head of dam size
  - Type of turbine (e.g. Pelton/Francis/Kaplan)
  - Operating regime
  - Fire protection including: transformer, lube oil reservoir, and generator. A broad question would be, is the site NFPA compliant?

- Monitoring and controls – details on infrared monitoring/inspection, dissolved gas analysis, battery storage, hot works plan, over speed and vibration controls, emergency shut down controls, SCADA controls, remote monitoring, housekeeping, and security
- Any long term agreements or lease pool agreements in place with original equipment manufactures
- CAPEX (Capital Expenditures) and OPEX costs (Operating Expenditures) – both past and future amounts
- Subsidence mitigations/controls for example pinning of slopes
- Dam - monitoring cracks, interiors only needed if dams are to be included
- Dam inlets/tunnels - netting/silt removal/control, again if dams are to be included
- Growth plans or upgrades

Over the next several months, staff will reach out to those members with large power operations.

**RECOMMENDATION**

None, informational only.

# JPIA MEETING & CONFERENCE CALENDAR – 2020

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT
					Emp. Benefits	Liability	Property	Work Comp	
JAN 15			11:00 AM ONTARIO						
JAN 22		8:30 AM							
APRIL 10		10:00 AM ZOOM							
MAY 1		10:00 AM ZOOM							
MAY 14				10:00 AM ZOOM					
MAY 15		10:00 AM ZOOM							
MAY 28								10:00 AM ZOOM	
JUN 1		2:00 PM ZOOM							
JUN 11							10:00 AM ZOOM		
JUN 12		10:00 AM ZOOM							
JUL 22		1:00 PM			9:00 AM				
JUL 27	1:30 PM	10:15 AM							
AUG 24				1:00 PM		3:00 PM			
AUG 25		8:30 AM							
OCT 7			11:00 AM ONTARIO						
OCT 22		8:30 AM							
Nov 30	1:30 PM	10:15 AM							

\*\*DATES AND TIMES SUBJECT TO CHANGE