

# 2026 SPRING MEMBERSHIP SUMMIT

Charting the Future of Risk Management:  
Smarter Tools, Stronger Pools





Dear Friends and Fellow Water Professionals,

It is my pleasure to welcome you to the **2026 ACWA JPIA Spring Membership Summit**, to be held **May 4–5, 2026**, at the **Sheraton Grand Sacramento Hotel**. Each Summit offers a meaningful opportunity to come together as colleagues, partners, and friends – and this Spring will be no exception. Our time together will celebrate the strength of the JPIA community and the shared commitment we all bring to supporting California’s water agencies through sound governance, thoughtful leadership, and effective risk management. In the water industry, we are people of fierce resolve. To quote one of our agencies, “Really hard does not equal impossible.”

On **Monday**, we will begin with a warm welcome and a full day of opportunities to connect and engage. Following the **Liability Program Committee Meeting** and an update on the **ACWA JPIA Strategic Plan**, attendees will have the opportunity to participate in one of our most popular and engaging sessions, **Ask ACWA JPIA Anything**. This session will offer a valuable behind-the-scenes look at the work of JPIA leadership and staff and allow you to gain practical insights into how our programs, services, and expertise support your agency.

Following lunch, we will convene for the **ACWA JPIA Board of Directors Meeting**, where important governance decisions – including the **CWIF Board election** – will help shape the future of our organization. We will then close the day with the **ACWA JPIA Reception**—always a highlight of the Summit—where conversations, laughter, and connection will continue in a more informal setting.

On **Tuesday**, our educational programming will highlight timely and relevant topics that will help members think strategically about both present and emerging challenges. During **Insights on Hazard Mitigation & Federal Funding Pathways**, your peers will share real-world experiences navigating FEMA’s Hazard Mitigation Grant Program, providing practical strategies for securing funding and investing in resilience. In **What Board Members Need to Know About AI**, we will explore the evolving role of artificial intelligence and the importance of informed, thoughtful governance as these tools continue to shape the way organizations operate.

This Spring Summit includes **Sexual Harassment Prevention Training** – reinforcing our commitment to maintaining professional, accountable, and respectful workplaces. We will also celebrate continued connection and growth through the **Leadership Essentials Program Alumni Mixer** - open to graduates, participants, and applicants - which reflects JPIA’s investment in developing strong, capable leaders across the water industry.

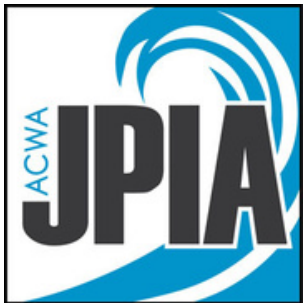
I would like to extend a heartfelt **thank you to our sponsors and partners**, whose support helps make gatherings like this possible. We hope this Summit will leave you feeling informed, energized, and even more connected to the broader JPIA community. We are grateful for your engagement, your leadership, and the many ways you contribute to the strength of this organization and the water community we are proud to serve.

Sincerely,

**Melody McDonald**  
Board President

20  
26

# SPRING MEMBERSHIP SUMMIT PACKET



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**Sheraton Grand Sacramento Hotel  
1230 J St, Sacramento, CA 95814**

<b>Monday, May 4th</b>	<b>Event</b>	<b>Location</b>
7:30 AM	Check-in <i>Hot Breakfast Available</i>	Grand Nave Foyer
8:00 AM	Welcome	Magnolia & Camellia
8:15 AM	Liability Program Committee Meeting	Magnolia & Camellia
9:45 AM	Strategic Planning Session Update	Magnolia & Camellia
10:00 AM	Coffee Break	Grand Nave Foyer
10:30 AM	Ask ACWA JPIA Anything	Magnolia & Camellia
12:00 PM	Pre-Board Meeting Lunch <i>RSVP Required</i>	Gardenia
1:30 PM	Board Registration	Grand Nave Foyer
2:00 PM	Board of Directors Meeting with CWIF Election	Magnolia & Camellia
4:30 PM	ACWA JPIA Reception	Grand Nave Foyer



**Sheraton Grand Sacramento Hotel,  
1230 J St, Sacramento, CA 95814**

<b>Tuesday, May 5th</b>	<b>Event</b>	<b>Location</b>
7:30 AM	Wellness Breakfast	Magnolia & Camellia
8:30 AM	Educational Session: Insights on Hazard Mitigation & Federal Funding Pathways	Magnolia & Camellia
10:00 AM	Educational Session: What Board Members Need to Know About AI	Magnolia & Camellia
1:00 PM	Educational Session: Sexual Harassment Prevention Training for Board Members and Managers (AB 1825)	Sacramento Convention Center - Meeting Room 3 & 4
3:00 PM	Alumni Leadership Essentials Program Mixer <i>RSVP Required</i>	Hyatt Regency Sacramento

**Don't Miss This ACWA Session!**

**SAFE Credit Union Convention Center  
1400 J St, Sacramento, CA 95814**

<b>Thursday, May 7th</b>	<b>Event</b>	<b>Location</b>
12:00 PM	Anatomy of a Cyber Breach: What Happened, What Changed, What's Next <i>Featuring ACWA JPIA's Hunter Sargent, Cybersecurity Risk Specialist</i>	Ballroom A 2-3



**Monday, May 4th:** Magnolia & Camellia

**Title:** Ask ACWA JPIA Anything

**Time:** 10:30 AM - 12:00 PM

## OUR SPEAKERS



*From left to right:* **Robin Flint**, Risk Control Manager; **Kayla Villa**, Litigation Manager; **Sarah Crawford**, Member Education Manager; **Erin Bowles**, Workers' Comp Claims Manager; **Judy Shiu**, Liability and Property Claims Manager; **Tony Waterford**, Director of People and Culture; **Dan Steele**, Finance Manager; **Adam Dedmon**, Employee Benefits Manager. *Not pictured:* **Jennifer Jobe**, Deputy Executive Officer; **Joe Rumennapp**, IT Manager

Get ready for an interactive “Ask ACWA JPIA Anything” session with JPIA department managers. Gain a behind-the-scenes look at the services, tools, and best practices that support our members every day. This open forum invites your questions and offers valuable insight into how each department contributes to the strength and success of the pool. Don't miss this opportunity to connect, learn, and deepen your understanding of JPIA's member-focused resources.



**Tuesday, May 5th:** Magnolia & Camellia

**Title:** Insights on Hazard Mitigation & Federal Funding Pathways

**Time:** 8:30 AM - 9:45 AM



**OUR SPEAKERS**



**CAROLINE ABELLAR**  
Emergency & Security Services Planner  
Alameda County Water District



**BOBBY YOUNG**  
Engineering Manager  
East Orange County Water District



**MICHAEL MINKLER**  
General Manager  
Calaveras County Water District



**FACILITATOR**  
**ROBIN FLINT**  
Risk Control Manager  
ACWA JPIA

This educational session will feature members who have successfully applied for and received FEMA’s Hazard Mitigation Grant Program (HMGP) funding, with panelists sharing insights on eligibility, the application process, and securing funds.



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## PANELIST BIOGRAPHIES

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### **CAROLINE ABELLAR**

Emergency & Security Services Planner  
Alameda County Water District

As an Emergency and Security Services Planner at Alameda County Water District, Caroline coordinates across internal departments and external agencies to strengthen preparedness, response, and recovery efforts. She's updating the District's emergency response plan and dam emergency action plans while developing new training programs to help employees prepare for many types of emergencies. She is also strengthening partnerships with local cities, the county, and other agencies so all are ready to respond together when emergencies happen.

### **MICHAEL MINKLER**

General Manager  
Calaveras County Water District

Michael Minkler is the General Manager of the Calaveras County Water District (CCWD), which provides water and wastewater services to more than 18,000 connections across rural Calaveras County. The District also operates hydropower facilities and oversees countywide water resources planning, including forest management efforts in the Mokelumne, North Fork Stanislaus, and Calaveras River watersheds.

Before joining CCWD, Minkler served as General Manager of the Utica Water and Power Authority and previously worked as a land-use attorney, serving as general or special counsel to multiple public agencies.

### **BOBBY YOUNG**

Engineering Manager  
East Orange County Water District

Bobby Young has been in the water industry for over 20 years and currently holds the role of Engineering Manager at East Orange County Water District. He previously led engineering efforts at Laguna Beach County Water District and served as Project Engineer at El Toro Water District and South Coast Water District. Prior to the public sector engagements, he worked as a consultant in Orange County on a variety of water and wastewater projects from planning through design to construction inspection. He maintains involvement with industry organizations and currently serves on the Board of Directors of CWEA's Santa Ana River Basin Section as Secretary and previously served as Treasurer of the Orange County Water Association.



**Tuesday, May 5th:** Magnolia & Camellia

**Title:** What Board Members Need to Know About AI

**Time:** 10:00 AM - 11:30 AM



**OUR SPEAKERS**



**DAN STEELE**  
Finance Manager  
ACWA JPIA



**KAYLA VILLA**  
Litigation Manager  
ACWA JPIA



**ERIN BOWLES**  
Workers' Compensation  
Claims Manager  
ACWA JPIA

An overview of AI governance best practices for water agency board members, focused on five key questions every board member should be asking of their general managers. This session highlights the board’s role in setting expectations for responsible AI use, while providing practical guidance to navigate implementation, risks, and oversight across varying agency operations.



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## PANELIST BIOGRAPHIES

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### **DAN STEELE**

Finance Manager  
ACWA JPIA

Dan Steele is the Finance Manager at ACWA JPIA, where he has served for twelve years and advanced from Lead Accountant to his current role in 2020. He oversees accounting staff and directs financial operations across accounts payable, receivable, and payroll, including the preparation of JPIA's Annual Comprehensive Financial Report. Dan serves on the Finance Committee for the California Association of Joint Powers Authorities (CAJPA) and has presented for both CAJPA and the Association of Governmental Risk Pools (AGRiP) on financial benchmarking and ratio analysis. He holds a bachelor's degree in Business Administration (Finance) from Sacramento State, a master's certification in Accounting from DeVry University, and is a certified Association AI Professional (AAiP).

### **KAYLA VILLA**

Litigation Manager  
ACWA JPIA

Kayla Villa joined the ACWA JPIA in January 2024 and serves as the Litigation Manager. In this role, she oversees and directs outside counsel retained to defend member agencies in litigated claims and manages complex liability matters. Kayla earned her undergraduate degree from California Polytechnic State University, San Luis Obispo, her Juris Doctor from the University of the Pacific McGeorge School of Law, and is an active member of the State Bar of California. Prior to joining ACWA JPIA, she spent more than 15 years in private practice representing public agencies throughout California in a wide range of litigated matters, including complex liability claims, dangerous conditions of public property, inverse condemnation, personal injury, and employment litigation. Kayla is a frequent presenter at industry conferences, including ACWA Conferences, ACWA JPIA Summits, and California Association of Joint Powers Authorities (CAJPA) Conferences. Her presentations focus on emerging issues impacting public agencies, including the use of AI, litigation trends, and the critical role of implementing various strategies to manage potential exposure.

### **ERIN BOWLES**

Workers' Compensation Claims Manager  
ACWA JPIA

Erin Bowles is the Workers' Compensation Claims Manager at ACWA JPIA, where she has served since April 2023. She provides strategic oversight of the Workers' Compensation program, including claims operations, member relations, compliance, and overall program performance within a public entity environment. Erin brings over 30 years of experience in the insurance industry, with deep expertise in workers' compensation claims management, financial and reserving practices, and litigation oversight. She is responsible for guiding claim strategy, evaluating complex exposures, and ensuring compliance with statutory and regulatory requirements. Erin partners closely with members, defense counsel, and vendors to drive effective outcomes and maintain high-performing claims operations. She holds a Bachelor of Science in Business Administration and a Master of Business Administration, as well as a California Self-Insurance Administrator's Certificate and multiple California broker-agent licenses.

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**Tuesday, May 5th:** Sacramento Convention Center

**Title:** Sexual Harassment Prevention Training for Board Members and Managers (AB 1825)

**Time:** 1:00 PM - 3:00 PM



## INSTRUCTOR



**ERIC GLASSMAN**

Training Practice

Leader Senior

Investigator

Shaw Law Group, PC

To receive credit for this class, attendees must arrive on time and attend the entire two-hour session. This course meets the Discrimination and Harassment topic requirement for the JPIA Professional Development Program, HR and Supervisor Basics specialties, and complies with AB 1825, 1661, & 2053 sexual harassment prevention training requirements for California-based supervisors, managers, and elected officials.



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**PANELIST BIOGRAPHY**

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**ERIC GLASSMAN**

Training Practice Leader and Senior Investigator  
Shaw Law Group, PC

Eric Glassman has more than 25 years of experience advising private companies, non-profits, and public agencies on employment law matters. He has conducted thousands of training seminars nationwide and is known for his clear, relatable teaching style. A respected independent workplace investigator and member of the Association of Workplace Investigators, Eric specializes in managing complex investigations with discretion and accuracy. He is also an experienced litigator with more than 40 arbitrations completed, and a frequent author on employment law topics. Outside of work, Eric enjoys exploring Northern California, watching college football, and attending rock concerts and music festivals.



Leadership	Name	Email
Chief Executive Officer	Adrienne Beatty	abeatty@acwajpia.com
Deputy Executive Officer	Jennifer Jobe	jjobe@acwajpia.com
Director of Finance	David deBernardi	ddebernardi@acwajpia.com
Director of People and Culture	Tony Waterford	twaterford@acwajpia.com

Contact Us	
Agency Phone Number	(800) 231-JPIA (5742)
Website	acwajpia.com
Property & Liability Claims	claimslp@acwajpia.com
Communications	communications@acwajpia.com
Employee Benefits	benefits@acwajpia.com
Member Services	member@acwajpia.com
Member Education	training@acwajpia.com
Workers' Compensation Claims	claimswc@acwajpia.com
Employment Practices Liability Hotline	(888) 715-3754



# Connect with ACWA JPIA

ACWA JPIA shares program updates, educational resources, event information, and member tools across multiple platforms. Scan the QR codes below to connect and stay informed throughout the year.



Follow us on LinkedIn for agency networking, legislative updates, and industry highlights.

[www.linkedin.com/company/acwa-jpia](http://www.linkedin.com/company/acwa-jpia)



Connect with us on Facebook for agency networking, legislative updates, and industry highlights.

[www.facebook.com/ACWAJPIA](http://www.facebook.com/ACWAJPIA)



Check out the JPIA Five podcast for practical tools, expert insight, and real-world protection strategies.

*Scan the QR code to listen on Apple Podcasts*



# Thank You to Our Sponsors



## GOLD SPONSORS

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## SILVER SPONSORS

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# Liability Program Committee Meeting



YOUR BEST PROTECTION

Sheraton Grand Sacramento Hotel  
230 J Street  
Sacramento, CA 95814

Monday  
May 4, 2026  
8:15 AM

Chair: Scott Rattermann, Calaveras County Water District

Vice Chair: David Wheaton, Citrus Heights Water District

Brenda Dennstedt, Western Municipal Water District

Dennis Gambs, Zone 7 Water Agency

Peter Kuchinsky, Vista Irrigation District

Sunny Lee, South Coast Water District

Marc Limas, Tulare Irrigation District

Kevin Phillips, Paradise Irrigation District

Jace Schwarm, San Dieguito Water District



YOUR BEST PROTECTION

# LIABILITY PROGRAM COMMITTEE MEETING

## AGENDA

Sheraton Grand Sacramento Hotel  
1230 J Street, Sacramento, CA 95814  
(916) 447-1700

**Monday, May 4, 2026 – 8:15 AM**

### **WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS**

### **PLEDGE OF ALLEGIANCE**

### **EVACUATION PROCEDURES**

**ANNOUNCE 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 Ralph M. Brown Act.

**PUBLIC COMMENT** Members of the public will be allowed to address the Liability 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 Chair know.

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

Presenter

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#### **I. CONSENT AGENDA**

- \* A. Approve the Minutes of the September 29, 2025, Meeting **19**
- B. Approve an Excused Absence for Any Committee Member
- \* C. Group Purchase Programs Update **25**
- \* D. Membership Report **26**

#### **II. ADMINISTRATION**

- A. Report on Meetings Attended on Behalf of the JPIA

**III. LOSS REPORTS**

Jobe/Shiu/ Villa	* A. Introduction of New Liability Claims Manager and Review of General Liability Claims Trends	<b>37</b>
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**IV. COVERAGE AND CONTRIBUTIONS**

Aon	* A. State of the Market	<b>44</b>
Jobe	* B. Liability Program Update and Renewal Strategy	<b>52</b>
deBernardi	* C. General Liability Retro Update	<b>54</b>
deBernardi	* D. Experience Modifier (E-mod) Calculation Discussion	<b>55</b>

**V. UPCOMING MEETING**

Ratterman	* A. Review Availability of Committee Members for the Next Liability Program Committee Meeting on September 24, 2026, at 3:00 PM	<b>56</b>
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**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: Jillian Sciancalepore, Administrative Assistant III, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-JPIA. The JPIA’s normal business hours are Monday – Friday, 7:30 AM to 4:30 PM (Government Code Section 54954.2, subdivision. (a)(1).)

Written materials relating to an item on this Agenda that are distributed to the JPIA’s Liability 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-JPIA. The JPIA’s normal business hours are Monday – Friday, 7:30 AM to 4:30 PM.



**LIABILITY PROGRAM COMMITTEE MEETING**

ACWA JPIA  
2100 Professional Drive  
Roseville, CA 95661  
(800) 231-5742

**September 29, 2025**

**MEMBERS PRESENT**

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Chair: Scott Ratterman, Calaveras County Water District  
Vice-Chair: David Wheaton, Citrus Heights Water District  
Brenda Dennstedt, Western Municipal Water District (*via Zoom*)  
Dennis Gambs, Zone 7 Water Agency  
Marc Limas, Alta Irrigation District  
Kevin Phillips, Paradise Irrigation District  
Jace Schwarm, San Dieguito Water District (*via Zoom*)

**MEMBERS ABSENT**

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Peter Kuchinsky, Vista Irrigation District

**STAFF PRESENT**

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Chief Executive Officer: Adrienne Beatty  
Amber Anderson, Member Services Representative II (*via Zoom*)  
Chimene Camacho, Senior Executive Assistant to the CEO  
Paula Christy, Senior Claims Adjuster  
David deBernardi, Director of Finance  
Robin Flint, Risk Control Manager  
Robert Greenfield, General Counsel  
Jennifer Jobe, Director of Pooled Programs  
Erik Kowalewski, Information Technology Manager  
Kenzie Lundy, Administrative Assistant II  
Jill Martin, Member Services Representative II  
Heidi Sander, Claims Adjuster II  
Jillian Sciancalepore, Administrative Assistant III (*Recording Secretary*)  
Judy Shiu, Liability and Property Claims Manager  
Dan Steele, Finance Manager  
Shelley Tippit, Claims Adjuster I  
Kayla Villa, Litigation Manager  
Lisa Waltman, Claims Adjuster III  
Tony Waterford, Human Resources Manager  
Nidia Watkins, Member Services Representative II

**OTHERS IN ATTENDANCE**

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Ernie Avila, Contra Costa Water District, ACWA VP (*via Zoom*)

Brent Hasteley, Reclamation District 784  
Chris Kapheim, Kings River Conservation District  
Szu Pei Lu-Yang, Rowland Water District  
Melody McDonald, San Bernardino Valley Water Conservation District  
Randall Reed, Cucamonga Valley Water District  
J. Bruce Rupp, Humboldt Bay Municipal Water District  
Joe Davis, Yuba County Water Agency (*via Zoom*)  
Tracy Fleck, Aon  
Jennifer Hetzel, Aon (*via Zoom*)  
Krishna Shirodkar, Aon (*via Zoom; arrived at 3:12 PM*)  
Alex Tokar, Aon (*via Zoom; arrived in person at 3:14 PM*)  
(415) 314-1806 (*via Zoom*)

## **WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS**

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Chair Ratterman welcomed everyone in attendance and called the meeting to order at 3:01 PM. He announced there was a quorum. He requested the Liability Program Committee, Executive Committee, staff, and others in attendance introduce themselves.

## **PLEDGE OF ALLEGIANCE**

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Chair Ratterman led the Pledge of Allegiance.

## **ANNOUNCEMENT OF RECORDING OF MEETING**

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Chair Ratterman announced that the meeting would be recorded to assist in preparation of minutes. Recordings are kept 30 days following the meeting, as mandated by the Ralph M. Brown Act.

## **PUBLIC COMMENT**

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Chair Ratterman noted that, as the agenda stated, members of the public would be allowed to address the Liability 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 welcome. None were noted.

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

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Chair Ratterman asked for any additions to, or deletions from, the agenda. None were noted.

## **I. CONSENT AGENDA**

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Chair Ratterman called for approval of the Consent Agenda:

M/S/C (Phillips/Wheaton) (Schwarm-Yes; Phillips-Yes; Limas-Yes; Gambs-Abstain; Dennstedt-Yes; Wheaton-Yes; Ratterman-Yes): That the Liability Program Committee approve the minutes of the March 27, 2025, meeting, as presented; and approve an excused absence for any Committee member.

## **II. ADMINISTRATION**

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### Report on Meetings Attended on Behalf of the JPIA

None.

## **III. LOSS REPORTS**

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### Review of CAJPA Liability Claims Data

Mr. Greenfield emphasized proactive legislative and market engagement to address rising claims costs and tort reform under the “Protecting Public Funds” California Association of Joint Powers Authorities (CAJPA) initiative. The CAJPA data shows a statewide surge in large claims over \$1 million, projected to approach \$2 billion in taxpayer payouts by 2026-27, diverting funds from infrastructure and staffing. 40% of claim payouts go to plaintiff attorneys, who are increasingly consolidated under national firms with large advertising budgets, intensifying claims pressure. Counties with frequent multimillion-dollar settlements show negative social impacts including higher child poverty, unemployment, and housing vacancies, underscoring the broader fiscal harm. Proposed legislative actions include increasing minimum auto insurance limits, capping public entity liability exposure, reining in statute of limitations, and mandating jury disclosure of attorney fee percentages to reduce excessive awards.

Furthermore, coalition building includes cities, counties, chambers of commerce, and some labor unions to support reform efforts despite opposition from plaintiff attorney interests and political pushbacks. Members are encouraged to participate in CAJPA’s Legislative Action Day to advocate effectively with legislators, leveraging local elected officials’ influence.

### Review of ACWA JPIA Claims Data

Ms. Shiu and Ms. Villa reviewed with the Committee detailed liability claims data showing steady overall claim volumes, but rising complexity and costs due to litigation and systemic delays. Over the past ten program years, total claims increased by 17%, with over 3,400 occurrences and over 6,300 claimants, indicating growing exposure but manageable inflow. Despite 43% payroll increase from \$705 million in 2025 to \$1.01 billion this year, the claims occurrence rate per \$1 million payroll remained stable at 0.26, reflecting effective risk management. The 2022-23 spike in claims was attributed to major rain events, confirming weather as the biggest predictor of claims. Claims over \$100,000 remain rare but demand focused oversight. In addition, major losses above \$500,000 are very rare, but are monitored closely. The claims team successfully closes many claims before litigation, reducing costs and delays. However, litigation timelines extend up to 4-5 years due to court backlogs and prioritization of criminal cases, plaintiff incentives to prolong, and COVID-related delays, increasing costs and complexity.

Additional conversation amongst the Committee and staff centered around employment practice claims, infrastructure claims, and recent wildfire-related claims.

## **IV. COVERAGE AND CONTRIBUTIONS**

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### **State of the Market**

Jennifer Hetzel, Assistant Vice President/Senior Broker, Aon, informed the Committee that the insurance marketplace remains challenging with rate increases and capacity reductions, but the ACWA JPIA renewal outperformed market trends due to strong program performance and strategic relationships. Excess liability rates increased across Q1-Q3 2025, with carriers pulling back on aggregated limits and coverage, especially for pools, leading to coverage tightening. Mandatory PFAS coverage and litigation funding pressures also contribute to rate increases and capacity constraints. The JPIA program benefits from a unique aggregate limit up to \$45 million per occurrence without depletion, unlike typical public risks capped at policy limits, making it more attractive to carriers. Lastly, the London market participation is emerging as a future capacity source, with eight London markets showing interest but requiring higher attachment points initially.

### **Review and Provide Recommendation Regarding the 2025-26 General Liability Memorandum of Coverage (MOC)**

Ms. Jobe reviewed the proposed language staff recommended for approval to further clarify the necessary programmatic updates, along with the new changes identified by JPIA's reinsurance partners during their review of the proposed amendments.

M/S/C (Phillips/Limas) (Schwarm-Yes; Phillips-Yes; Limas-Yes; Gambs-Yes; Dennstedt-Yes; Wheaton-Yes; Ratterman-Yes): That the Liability Program Committee recommends that the Executive Committee approve the revisions to the 2025-26 General Liability Memorandum of Coverage, as presented.

### **Review and Provide Recommendation Regarding the 2025-26 Liability Program Reinsurance Renewal and Excess Policies**

Ms. Jobe informed the Committee that the 2025-26 renewal tower retained all eight incumbent markets with rate increase between 2.6% and 3.5%, significantly lower than the 5-15% increases seen broadly in public agency markets. Carrier feedback credited strong program performance and underwriting engagement, including in-person tours and direct presentations, as key factors in favorable renewal terms. Last year, ACWA JPIA was the only client Everest increased capacity with, reinforcing the program's reputation as a preferred risk. The relationship-building efforts JPIA has put in place with London-based reinsurers position JPIA as a credible and desirable partner in future cycles. Lastly, the use of CWIF coverage in the \$10M excess of \$10M layer remains cost-effective, with a 7% increase to \$3.1M, but still less costly than commercial quotes at \$4.3M.

M/S/C (Phillips/Schwarm) (Schwarm-Yes; Phillips-Yes; Limas-Yes; Gambs-Yes; Dennstedt-Yes; Wheaton-Yes; Ratterman-Yes): That the Liability Program Committee recommends that the Executive Committee approve the reinsurance and excess terms, conditions, and premiums as presented, effective October 1, 2025.

### Actuarial Update

Tracy Fleck, Aon Senior Consultant and Actuary, provided an overview of the Liability Program Actuarial Study, as of June 30, 2025. This study confirmed the program's financial stability with manageable liability growth and flat funding rates, despite increasing payroll exposure and claim variability. Estimated outstanding losses and allocated loss adjustment expenses (ALAE) as of September 30, 2025, total \$57.2M, up 14% or \$7M from \$49.9M a year prior, driven by new claims and slower payouts. The program's high self-insured retention (SIR) of \$5M increases year-to-year variability, as a few large claims can heavily impact results. Claims frequency remains steady at around 250 per year, with most claims under \$25,000, but 23% of claims account for 94% of dollars paid, highlighting concentration risk. The program benefits from a long history of data allowing actuarial projections based solely on internal experience, enhancing accuracy and confidence.

### Review and Provide Recommendation Regarding the 2025-26 Member Contributions

Mr. deBernardi presented two rate options for consideration and listed them as follows:

The 1st option presents pricing with no change. In this scenario the Rate of Deposit Contribution to Payroll (line 16) remains unchanged. Under this option, Retrospective Contribution Adjustments (line 3) would result in \$1.06 million additional funds being refunded to members.

The 2nd option is presented with a 5% increase to the Rate of Deposit Contribution to Payroll (line 16). Under this option, Retrospective Contribution Adjustments (line 3) would result in \$3.38 million in funds returned to members; however, it would also allow for more flexibility in reserves to supplement potential adverse loss development.

M/S/C (Schwarm/Limas) (Schwarm-Yes; Phillips-Yes; Limas-Yes; Gambs-Yes; Dennstedt-Yes; Wheaton-Yes; Ratterman-Yes): That the Liability Program Committee recommends that the Executive Committee approve a 5% rate increase for the 2025-26 Program Year.

## **V. STAFF UPDATES**

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### Liability Claims Department Update

Ms. Shiu highlighted successful claims reduction trends and ongoing investments in claims management technology to improve efficiency and data insights. A new contract with Spear claims management software will leverage AI and predictive analytics to enhance claims handling capacity, speed, and decision-making. Positive staff reception to the new system was noted, anticipating cross-departmental benefits including Finance and IT automation.

Staff turnover included one retirement after 34 years of service, the hiring of a new Claims Adjuster III, and the promotion of an existing employee to the Liability and Property Claims Manager position.

### Director of Pooled Programs Update

Ms. Jobe informed the Committee that the Member Services department is fully staffed with new hires bringing deep industry experience, supporting the Liability, Property, Workers' Compensation, and Ancillary programs. The team is piloting a new property asset management platform (RiskStar) with the intent to roll out membership-wide the week of October 27, 2025. Summit preparation is underway with a focus on risk transfer. Regarding Employee Benefits, open enrollment is active and ends on November 7, 2025. Lastly, a succession plan is in place for the Benefits Analyst role.

### **VI. UPCOMING MEETINGS**

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The Liability Program Committee is scheduled to meet next on Monday, May 4, 2026, at 8:00 AM. during the 2026 ACWA JPIA Spring Membership Summit at the Sheraton Grand Sacramento Hotel.

The Liability Program Committee meeting adjourned at 4:54 PM.

**ACWA JPIA**  
**Group Purchase Programs Update**  
**May 4, 2026**

**BACKGROUND**

As a complement to the JPIA's pooled Liability Program, a range of group-purchased coverage options are available to member agencies.

**CURRENT SITUATION**

For the 2025-26 program year, the JPIA provides the following group purchase programs:

<b>COVERAGE</b>	<b>POLICY PERIOD</b>	<b># OF PARTICIPANTS</b>
Cyber Liability	7/1 – 6/30	284
Dam Failure Liability	10/1 – 9/30	17
Fiduciary Liability	Various Policy Dates	7
Underground Storage Tank Liability	7/1 – 6/30	9
Environmental Pollution Liability	4/17-4/16	1

**Prospective New Members:**

Staff routinely provides guidance to members in assessing the need for, and procuring, ancillary coverages that enhance and support the pooled liability program.

**RECOMMENDATION**

None, information only.

**ACWA JPIA**  
**Membership Report**  
**May 4, 2026**

**BACKGROUND**

To keep abreast of the Program membership and participation, a list of any new or prospective members, along with any members who have provided a Notice of Intent to Withdraw, is provided annually to the Liability Program Committee for review.

**CURRENT SITUATION**

Program Membership Status as of April 1, 2026:

Total number of program members: 349  
Total estimated annual payroll: \$1,071,962,647

New Members:

For the 2025-26 Program Year, the following agency was approved by the Executive Committee for participation in the Liability Program at the September 30, 2025, meeting:

Member	Payroll	Effective Date
Orange Cove Water District	\$1,061,258	12/1/2025

Prospective Members:

The following agencies have expressed interest in participation in the Liability Program:

Member	Payroll	Effective Date
Jurupa Community Services District	\$19,701,591	TBD
Westlands Water District	\$ 9,500,000	TBD
Monterey County Regional Water Authority	\$ 4,564,000	7/1/2026
Mariposa Public Utility District	TBD	TBD

Notices of Intent to Withdraw:

In accordance with the Joint Powers Agreement, Article 22 (c) (2), a Member may withdraw only upon completion of the program year following receipt of a 12-month Notice of Intent to Withdraw.

Olivenhain Municipal Water District submitted and rescinded its Notice of Intent to Withdraw for the 2026-27 Program Year. North Delta Water Agency submitted a Notice of Intent to Withdraw for the 2026-27 Program Year.

**RECOMMENDATION**

None, information only.

<b>Current Liability Program Members</b>	<b>2025-26 Estimated Payroll</b>
Alameda County Water District	\$ 38,033,473.00
Santa Clarita Valley Water Agency	\$ 35,701,598.15
Orange County Water District	\$ 33,199,828.00
Western Municipal Water District	\$ 26,147,974.86
Moulton Niguel Water District	\$ 25,982,974.00
El Dorado Irrigation District	\$ 25,862,351.00
Water Employee Services Authority	\$ 21,856,650.21
Rancho California Water District	\$ 21,761,353.35
Merced Irrigation District	\$ 20,340,670.20
Helix Water District	\$ 19,294,433.00
Otay Water District	\$ 18,552,911.33
Alameda County Flood Control & WCD, Zone 7 Water Agency	\$ 18,237,438.00
Cucamonga Valley Water District	\$ 17,059,019.86
Sweetwater Authority	\$ 16,630,349.40
Yuba County Water Agency	\$ 15,107,110.55
South Coast Water District	\$ 14,424,449.20
South Tahoe Public Utility District	\$ 13,763,379.59
Vallecitos Water District	\$ 13,429,000.00
Calleguas Municipal Water District	\$ 13,383,080.00
Truckee Donner Public Utility District	\$ 13,144,087.00
San Luis & Delta-Mendota Water Authority	\$ 12,290,743.32
Desert Water Agency	\$ 11,686,898.17
Goleta Water District	\$ 11,037,830.00
Palmdale Water District	\$ 11,010,044.00
Yorba Linda Water District	\$ 11,007,181.13
West Valley Water District	\$ 10,686,541.04
Vista Irrigation District	\$ 10,541,831.00
Olivenhain Municipal Water District	\$ 9,621,756.00
Solano Irrigation District	\$ 9,317,000.00
Valley Center Municipal Water District	\$ 9,064,066.00
Sacramento Suburban Water District	\$ 8,884,000.00
Calaveras County Water District	\$ 8,695,973.00
Water Replenishment District of Southern California	\$ 8,588,000.00
Tahoe City Public Utility District	\$ 8,511,500.00
Tuolumne Utilities District	\$ 8,464,354.53
Mesa Water District	\$ 8,337,768.58

Current Liability Program Members	2025-26 Estimated Payroll
Oakdale Irrigation District	\$ 8,136,300.00
Fresno Irrigation District	\$ 8,058,432.98
San Juan Water District	\$ 7,941,000.00
Kern County Water Agency	\$ 7,939,937.00
Fallbrook Public Utility District	\$ 7,914,381.49
Walnut Valley Water District	\$ 7,710,200.00
West Basin Municipal Water District	\$ 7,634,893.65
Mojave Water Agency	\$ 7,508,972.00
Antelope Valley-East Kern Water Agency	\$ 7,463,579.99
Fresno Metropolitan Flood Control District	\$ 7,452,404.00
El Toro Water District	\$ 7,339,122.00
Marina Coast Water District	\$ 7,230,494.42
Rainbow Municipal Water District	\$ 7,123,187.88
South Feather Water & Power Agency	\$ 6,999,069.53
San Bernardino Valley Municipal Water District	\$ 6,905,700.00
Soquel Creek Water District	\$ 6,587,519.00
Arvin-Edison Water Storage District	\$ 6,451,779.00
Municipal Water District of Orange County	\$ 6,374,597.00
Santa Fe Irrigation District	\$ 6,242,039.00
Stockton East Water District	\$ 6,189,033.00
Laguna Beach County Water District	\$ 6,096,520.00
Mission Springs Water District	\$ 6,070,563.14
Glenn-Colusa Irrigation District	\$ 5,958,000.00
Ramona Municipal Water District	\$ 5,586,736.77
Mammoth Community Water District	\$ 5,429,501.00
Beaumont-Cherry Valley Water District	\$ 5,341,920.64
Hi-Desert Water District	\$ 5,273,279.00
Citrus Heights Water District	\$ 5,263,546.02
Monte Vista Water District	\$ 5,258,389.00
Friant Water Authority	\$ 5,039,317.89
Amador Water Agency	\$ 5,039,229.00
Kings River Conservation District	\$ 4,992,731.00
Central California Irrigation District	\$ 4,988,750.00
Solano County Water Agency	\$ 4,782,426.00
Madera Irrigation District	\$ 4,699,313.00
Three Valleys Municipal Water District	\$ 4,693,179.67

<b>Current Liability Program Members</b>	<b>2025-26 Estimated Payroll</b>
Rowland Water District	\$ 4,639,294.00
Central Coast Water Authority	\$ 4,609,191.00
Diablo Water District	\$ 4,568,962.00
Palo Verde Irrigation District	\$ 4,539,201.00
Wheeler Ridge-Maricopa Water Storage District	\$ 4,319,186.51
Montecito Water District	\$ 4,223,628.45
Valley County Water District	\$ 4,119,566.58
Semitropic Water Storage District	\$ 3,911,945.28
Florin Resource Conservation District-Elk Grove Water District	\$ 3,705,414.00
Coastside County Water District	\$ 3,704,959.00
Paradise Irrigation District	\$ 3,617,183.95
Camrosa Water District	\$ 3,589,967.00
Fair Oaks Water District	\$ 3,517,600.00
Crescenta Valley Water District	\$ 3,471,680.14
Trabuco Canyon Water District	\$ 3,448,827.47
Westside Water Authority	\$ 3,416,000.00
Carmichael Water District	\$ 3,409,140.00
Carpinteria Valley Water District	\$ 3,253,215.00
Humboldt Bay Municipal Water District	\$ 3,243,677.00
Reclamation District No. 108	\$ 3,192,813.00
Kern Delta Water District	\$ 3,089,972.00
North Coast County Water District	\$ 2,935,800.00
Joshua Basin Water District	\$ 2,895,953.00
Rincon Del Diablo Municipal Water District	\$ 2,890,245.00
Mid-Peninsula Water District	\$ 2,812,000.00
Lower Tule River Irrigation District	\$ 2,726,025.00
San Dieguito Water District	\$ 2,700,230.00
Kaweah Delta Water Conservation District	\$ 2,581,767.00
East Contra Costa Irrigation District	\$ 2,541,500.21
Yolo County Flood Control & Water Conservation District	\$ 2,514,065.00
North Kern Water Storage District	\$ 2,504,000.00
San Benito County Water District	\$ 2,470,186.92
Georgetown Divide Public Utility District	\$ 2,359,402.70
Byron-Bethany Irrigation District	\$ 2,310,000.00
East Orange County Water District	\$ 2,305,600.00
Scotts Valley Water District	\$ 2,251,216.00

<b>Current Liability Program Members</b>	<b>2025-26 Estimated Payroll</b>
Pebble Beach Community Services District	\$ 2,210,016.00
Big Bear Municipal Water District	\$ 2,193,707.00
Bella Vista Water District	\$ 2,189,897.00
San Bernardino Valley Water Conservation District	\$ 2,176,362.40
Consolidated Irrigation District	\$ 2,139,107.00
Cachuma Operation and Maintenance Board	\$ 2,101,845.00
Pajaro Valley Water Management Agency	\$ 2,058,880.00
Valley of the Moon Water District	\$ 2,043,035.44
Chowchilla Water District	\$ 2,039,889.74
Chino Basin Water Conservation District	\$ 2,037,729.87
San Gabriel County Water District	\$ 2,030,630.58
Santa Ynez River Water Conservation District Improvement District No. 1	\$ 2,030,000.00
Buena Vista Water Storage District	\$ 1,994,457.94
Tehachapi-Cummings County Water District	\$ 1,990,681.60
Twentynine Palms Water District	\$ 1,980,000.00
Humboldt Community Services District	\$ 1,972,255.00
La Puente Valley County Water District	\$ 1,971,582.94
Upper San Gabriel Valley Municipal Water District	\$ 1,934,200.00
Kirkwood Meadows Public Utility District	\$ 1,892,000.00
Tulare Irrigation District	\$ 1,836,362.00
San Geronio Pass Water Agency	\$ 1,719,012.00
Regional Water Authority	\$ 1,690,086.00
Woodbridge Irrigation District	\$ 1,668,073.36
Rosedale-Rio Bravo Water Storage District	\$ 1,655,000.00
Banta Carbona Irrigation District	\$ 1,618,375.01
Foothill Municipal Water District	\$ 1,603,204.00
Stinson Beach County Water District	\$ 1,538,537.56
Panoche Water District	\$ 1,537,027.32
Southern San Joaquin Municipal Utility District	\$ 1,519,959.00
Orchard Dale Water District	\$ 1,467,000.00
Borrego Water District	\$ 1,446,445.00
San Gabriel Valley Municipal Water District	\$ 1,445,484.02
San Luis Water District	\$ 1,405,338.27
Thermalito Water and Sewer District	\$ 1,401,321.98
Patterson Irrigation District	\$ 1,375,125.48

<b>Current Liability Program Members</b>	<b>2025-26 Estimated Payroll</b>
Quartz Hill Water District	\$ 1,360,000.00
Pico Water District	\$ 1,339,329.64
Delano-Earlimart Irrigation District	\$ 1,330,984.53
Alta Irrigation District	\$ 1,314,400.00
Lakeside Water District	\$ 1,306,150.00
Kern Water Bank Authority	\$ 1,303,000.00
West Stanislaus Irrigation District	\$ 1,278,466.14
Lindsay-Strathmore Irrigation District	\$ 1,268,065.79
James Irrigation District	\$ 1,251,506.41
Bard Water District	\$ 1,241,250.00
Terra Bella Irrigation District	\$ 1,233,674.28
Crestline-Lake Arrowhead Water Agency	\$ 1,212,000.00
Crestline Village Water District	\$ 1,209,780.98
Purissima Hills Water District	\$ 1,194,700.00
La Habra Heights County Water District	\$ 1,194,251.00
Main San Gabriel Basin Watermaster	\$ 1,173,350.00
Kern-Tulare Water District	\$ 1,160,000.00
Browns Valley Irrigation District	\$ 1,151,823.45
Tranquillity Irrigation District	\$ 1,133,858.00
San Gabriel Basin Water Quality Authority	\$ 1,118,802.00
Idyllwild Water District	\$ 1,103,600.00
Westborough Water District	\$ 1,077,066.64
Western Canal Water District	\$ 1,045,400.00
Shafter-Wasco Irrigation District	\$ 1,042,000.00
Pajaro/Sunny Mesa Community Services District	\$ 1,039,170.00
South Sutter Water District	\$ 1,036,663.07
Clearlake Oaks County Water District	\$ 1,030,964.27
American River Flood Control District	\$ 1,030,929.00
Golden Hills Community Services District	\$ 1,020,963.14
Orange Cove Irrigation District	\$ 1,016,258.00
La Canada Irrigation District	\$ 981,705.00
Vandenberg Village Community Services District	\$ 972,600.00
Clear Creek Community Services District	\$ 970,040.00
Del Puerto Water District	\$ 968,000.00
Mission Hills Community Services District	\$ 964,887.00
North Yuba Water District	\$ 947,715.50

Current Liability Program Members	2025-26 Estimated Payroll
Tulare Lake Basin Water Storage District	\$ 943,413.70
Yuima Municipal Water District	\$ 943,375.00
South Montebello Irrigation District	\$ 926,453.31
Rio Linda/Elverta Community Water District	\$ 922,197.00
Channel Islands Beach Community Services District	\$ 912,113.00
Calaveras Public Utility District	\$ 901,608.66
Serrano Water District	\$ 877,000.00
Bodega Bay Public Utility District	\$ 836,000.00
Butte Water District	\$ 823,000.00
San Mateo County Flood and Sea Level Rise Resiliency District	\$ 786,804.00
Utica Water & Power Authority	\$ 784,887.00
Richvale Irrigation District	\$ 762,524.77
Castroville Community Services District	\$ 760,851.00
Friant Power Authority	\$ 760,656.16
Bolinas Community Public Utility District	\$ 753,737.00
Mojave Public Utility District	\$ 749,633.20
Laguna Irrigation District	\$ 749,000.00
San Andreas Sanitary District	\$ 747,681.00
San Joaquin River Exchange Contractors Water Authority	\$ 745,837.55
Chino Basin Desalter Authority	\$ 731,000.00
Kinneloa Irrigation District	\$ 711,987.01
Union Public Utility District	\$ 695,153.86
Corcoran Irrigation District	\$ 685,502.00
Rio Alto Water District	\$ 648,934.00
Grassland Basin Authority	\$ 645,000.00
Reclamation District #784	\$ 632,714.80
Madera-Chowchilla Water & Power Authority	\$ 627,000.00
Littlerock Creek Irrigation District	\$ 622,700.00
Sutter Extension Water District	\$ 596,641.66
Reclamation District No. 2068	\$ 591,200.00
Los Alamos Community Services District	\$ 587,669.00
Reclamation District No. 1004	\$ 533,000.00
Sierra Lakes County Water District	\$ 531,200.00
Central Water District	\$ 529,431.00
Aromas Water District	\$ 522,102.00
Forestville Water District	\$ 521,793.88

<b>Current Liability Program Members</b>	<b>2025-26 Estimated Payroll</b>
Pinedale County Water District	\$ 468,750.00
Centerville Community Services District	\$ 465,447.45
Pleasant Valley County Water District	\$ 446,068.36
Palm Ranch Irrigation District	\$ 440,814.00
Mountain Gate Community Services District	\$ 437,043.00
Alpaugh Irrigation District	\$ 412,846.04
Kings County Water District	\$ 398,001.00
Frazier Park Public Utility District	\$ 397,018.00
Fall River Valley Community Services District	\$ 375,000.00
Angiola Water District	\$ 362,500.00
Princeton-Codora-Glenn Irrigation District	\$ 354,500.00
Ivanhoe Irrigation District	\$ 351,505.00
Weaverville Community Services District	\$ 351,013.05
Kanawha Water District	\$ 334,700.00
Porterville Irrigation District	\$ 331,406.57
Tri-District Water Authority	\$ 328,317.50
Bear Valley Water District	\$ 325,221.27
Midway Heights County Water District	\$ 321,472.00
Boron Community Services District	\$ 303,515.60
Saucelito Irrigation District	\$ 298,758.00
Berrenda Mesa Water District	\$ 290,000.00
Provident Irrigation District	\$ 289,500.00
Reclamation District No. 999	\$ 270,000.00
Cottonwood Water District	\$ 260,002.00
Maine Prairie Water District	\$ 249,724.00
Laton Community Services District	\$ 240,007.82
Tri-County Water Authority	\$ 235,000.00
Pixley Irrigation District	\$ 221,732.80
Pescadero Reclamation District No. 2058	\$ 218,000.00
Feather Water District	\$ 217,900.00
Mariana Ranchos County Water District	\$ 208,331.00
Majestic Pines Community Services District	\$ 205,000.00
Central San Joaquin Water Conservation District	\$ 201,000.00
Corning Water District	\$ 196,110.00
Riverdale Irrigation District	\$ 180,647.00
Laytonville County Water District	\$ 175,000.00

Current Liability Program Members	2025-26 Estimated Payroll
Montague Water Conservation District	\$ 165,500.00
Orosi Public Utility District	\$ 159,394.00
Apple Valley Heights County Water District	\$ 149,000.00
Circle Oaks County Water District	\$ 148,800.00
Madera Water District	\$ 146,000.00
Alpaugh Community Services District	\$ 144,000.00
North Delta Water Agency	\$ 138,845.00
Elsinore Valley Municipal Water District	\$ 129,293.99
Kings River Water District	\$ 115,680.00
Rand Communities Water District	\$ 94,006.25
Dunnigan Water District	\$ 68,755.00
Gravelly Ford Water District	\$ 67,002.00
Sierra Highlands Community Services District	\$ 66,000.00
Apple Valley Foothill County Water District	\$ 63,932.00
Sierra Cedars Community Services District	\$ 34,600.00
Sonoma Mountain County Water District	\$ 30,000.00
Free Water County Water District	\$ 27,700.00
Pinyon Pines County Water District	\$ 26,000.00
Wynola Water District	\$ 19,475.75
Scott Valley Irrigation District	\$ 16,780.00
Suisun-Solano Water Authority	\$ 14,400.00
Belridge Water Storage District	\$ 10,000.00
Lost Hills Water District	\$ 10,000.00
South Bay Water	\$ 8,500.00
Root Creek Water District	\$ 8,400.00
Brophy Water District	\$ 6,000.00
Omochumne-Hartnell Water District	\$ 3,501.00
Reclamation District No. 2047	\$ 3,300.00
Calpella County Water District	\$ 1,440.00
Reclamation District No. 1606	\$ 560.00
El Rico Groundwater Sustainability Agency	\$ 3.00
Antelope Valley State Water Contractors Association	\$ 1.00
Arroyo Santa Rosa Basin Groundwater Sustainability Agency	\$ 1.00
Antelope Valley Watermaster	\$ 1.00
Atwell Island Water District	\$ 1.00
Bedford-Coldwater Groundwater Sustainability Agency	\$ 1.00

Current Liability Program Members	2025-26 Estimated Payroll
Bear Valley Basin Groundwater Sustainability Agency	\$ 1.00
Camp Far West Irrigation District	\$ 1.00
Dudley Ridge Water District	\$ 1.00
Ducor Community Services District	\$ 1.00
Devil's Den Water District	\$ 1.00
Deer Creek Storm Water District	\$ 1.00
Delano-Earlimart Irrigation District - Groundwater Sustainability Agency	\$ 1.00
Empire West Side Irrigation District	\$ 1.00
East Turlock Subbasin Groundwater Sustainability Agency	\$ 1.00
Eastside Water District	\$ 1.00
Fresno Slough Water District	\$ 1.00
Glide Water District	\$ 1.00
Green Valley Water District	\$ 1.00
Groundwater Banking Joint Powers Authority	\$ 1.00
Knights Landing Ridge Drainage District	\$ 1.00
Kings River East Groundwater Sustainability Agency	\$ 1.00
Le Grand-Athlone Water District	\$ 1.00
Lower Tule River Irrigation District Groundwater Sustainability Agency	\$ 1.00
Millview County Water District	\$ 1.00
Mid-Kaweah Groundwater Subbasin Joint Powers Authority	\$ 1.00
Merced Integrated Regional Water Management Authority	\$ 1.00
Mid-Valley Water District	\$ 1.00
McMullin Area Groundwater Sustainability Agency	\$ 1.00
Monroeville Water District	\$ 1.00
Merced Irrigation-Urban Groundwater Sustainability Agency	\$ 1.00
Merced Subbasin Groundwater Sustainability Agency	\$ 1.00
North San Joaquin Water Conservation District	\$ 1.00
North Kings Groundwater Sustainability Agency	\$ 1.00
Pomona-Walnut-Rowland Joint Water Line Commission	\$ 1.00
Pacheco Water District	\$ 1.00
Panoche Drainage District	\$ 1.00
Puente Basin Water Agency	\$ 1.00
Pixley Irrigation District Groundwater Sustainability Agency	\$ 1.00
Reclamation District No. 307	\$ 1.00
Reclamation District No. 744	\$ 1.00

Current Liability Program Members	2025-26 Estimated Payroll
Redwood Valley County Water District	\$ 1.00
Ramirez Water District	\$ 1.00
Reclamation District No. 1500	\$ 1.00
Rural North Vacaville Water District	\$ 1.00
South Yuba Water District	\$ 1.00
Sacramento River West Side Levee District	\$ 1.00
San Juan Ridge County Water District	\$ 1.00
Sacramento Groundwater Authority	\$ 1.00
Santiago Aqueduct Commission	\$ 1.00
Sierra County Waterworks District No. 1 (Calpine)	\$ 1.00
Southern California Water Bank Authority	\$ 1.00
Sites Project Joint Powers Authority	\$ 1.00
Santa Rosa Regional Resources Authority	\$ 1.00
Santa Cruz Mid-County Groundwater Agency	\$ 1.00
Santa Margarita Groundwater Agency	\$ 1.00
San Joaquin River Exchange Contractors Groundwater Sustainability Agency	\$ 1.00
Solano Subbasin Groundwater Sustainability Agency	\$ 1.00
Santa Clarita Valley Groundwater Sustainability Agency	\$ 1.00
Southwest Kings Groundwater Sustainability Agency	\$ 1.00
South Valley Water Resources Authority	\$ 1.00
Tri-Valley Water District	\$ 1.00
Upper Santa Clara Valley Joint Powers Authority	\$ 1.00
Upper San Luis Rey Groundwater Management Authority	\$ 1.00
W.H. Wilbur Reclamation District No. 825	\$ 1.00
Wheeler Crest Community Services District	\$ 1.00
West Orange County Water Board	\$ 1.00
Yolo Subbasin Groundwater Agency	\$ 1.00

**ACWA JPIA**  
**Introduction of New Liability Claims Manager and**  
**Review of General Liability Claims Trends**  
**May 4, 2026**

**BACKGROUND**

The ACWA JPIA continues to monitor the trends of incoming claims, total net incurred, and closure rates in comparison to year-over-year averages. We are also continuing to monitor and analyze the overall costs of claims that proceed to litigation.

**CURRENT SITUATION**

Over the past 10 program years, from program years 2016-17 through 2025-26, the ACWA JPIA Liability Program has closed 3,081 unique liability claims. Many claims involve multiple claimants tied to a single event, such as infrastructure failures or roadway incidents, placing added pressure on the system. From a severity perspective, most closed claims remain low value. Of these closed claims, 1,261 closed with no payment, and 1,342 closed between \$1 and \$15,000. In total, 84.5% of closed claims were resolved at \$15,000 or less, reinforcing that most issues entering the system remain manageable when identified and addressed early.

When looking more broadly at claim resolution, 2,860 closed claims, or approximately 92.8%, were resolved within \$50,000. This includes all claims with no payment and those paid up to \$50,000, indicating that most liability exposure is controlled well before reaching higher cost thresholds. Higher severity claims represent a much smaller portion of activity. Across all program years, 143 closed claims exceeded \$100,000, accounting for 4.6% of closed claims, and only 31 claims exceeded \$500,000, representing 1.0%.

While most liability claims do not escalate, a smaller number require extended handling and closer oversight, particularly when infrastructure damage, multiple claimants, or legal issues are involved. Similar to pressure building in a water system, unresolved issues can intensify over time if left unaddressed. These claim patterns highlight why close coordination with the Litigation Manager is critical, as a small number of claims move into higher-pressure litigation stages.

Managing the rising cost of litigation remains a key challenge. Although litigated claims represent only about 8% of total claim volume, they account for a disproportionately high share of total costs – much like a small number of system failures can strain an entire water distribution network. Over the past 10 program years, ACWA JPIA incurred approximately \$2.9 million in expense-related costs to resolve more than 1,330 non-litigated occurrences, compared to over \$13.3 million in defense costs for just 293 litigated matters. Notably, \$2.7 million of those defense costs relate to a single catastrophic mudslide case that ultimately resulted in dismissal with no indemnity payment by ACWA JPIA. While the average cost to defend a lawsuit is approximately

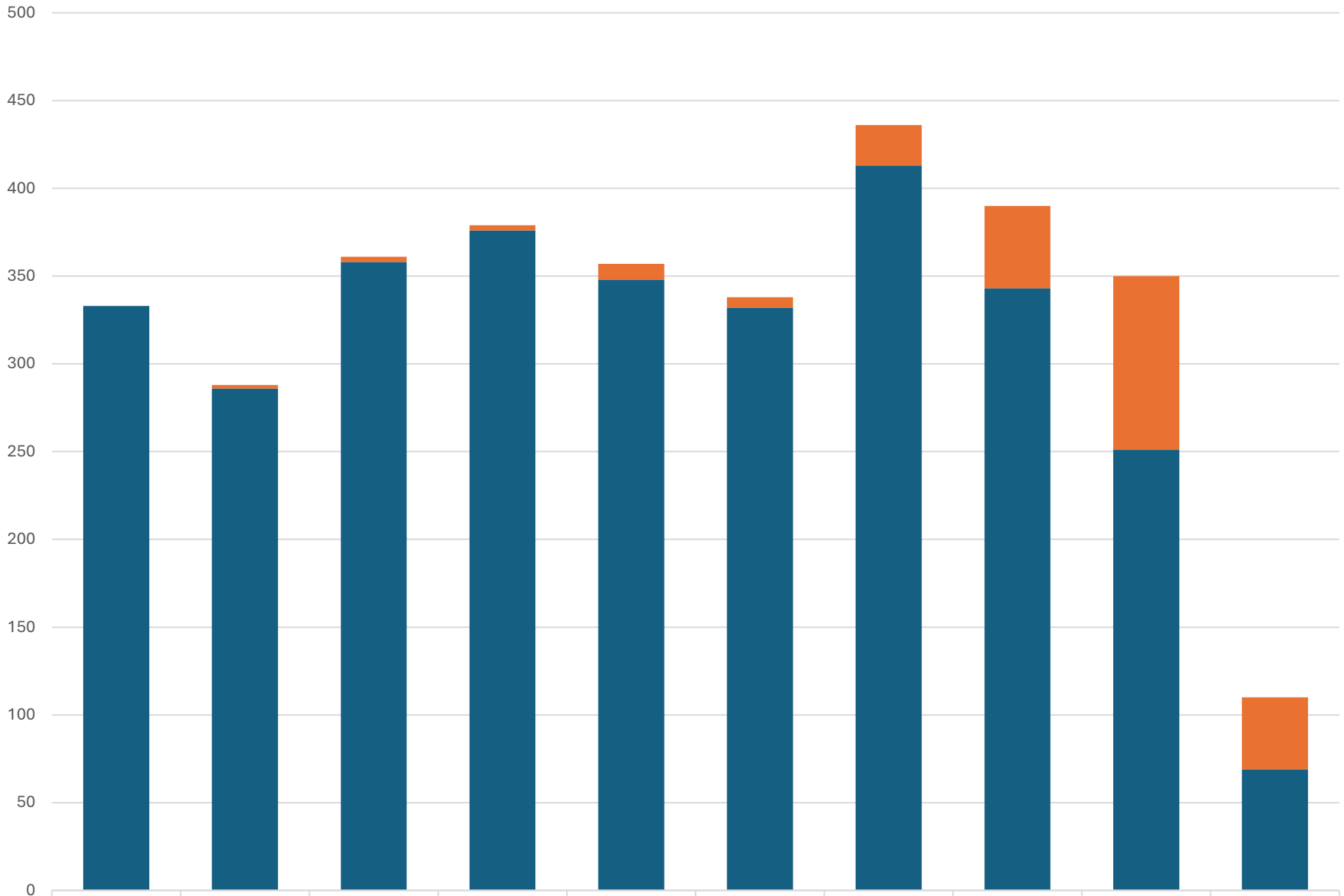
\$45,500, costs can range from as little as \$100 to as high as \$2.7 million, underscoring the financial volatility associated with litigation.

Although lawsuits arising from property damage tied to infrastructure failures (127 cases), construction activities (38 cases), and other property-related matters (39 cases) comprise nearly 70% of all lawsuits filed, bodily injury claims – including personal injury and employment practices – drive most of the indemnity exposure. Over the same period, bodily injury indemnity payments have exceeded property damage payments by nearly 2:1, totaling approximately \$39.9 million compared to \$19 million. This disparity highlights the importance of early claim evaluation and resolution – addressing issues at the “pressure-management” stage before they escalate into costly litigation events.

**RECOMMENDATION**

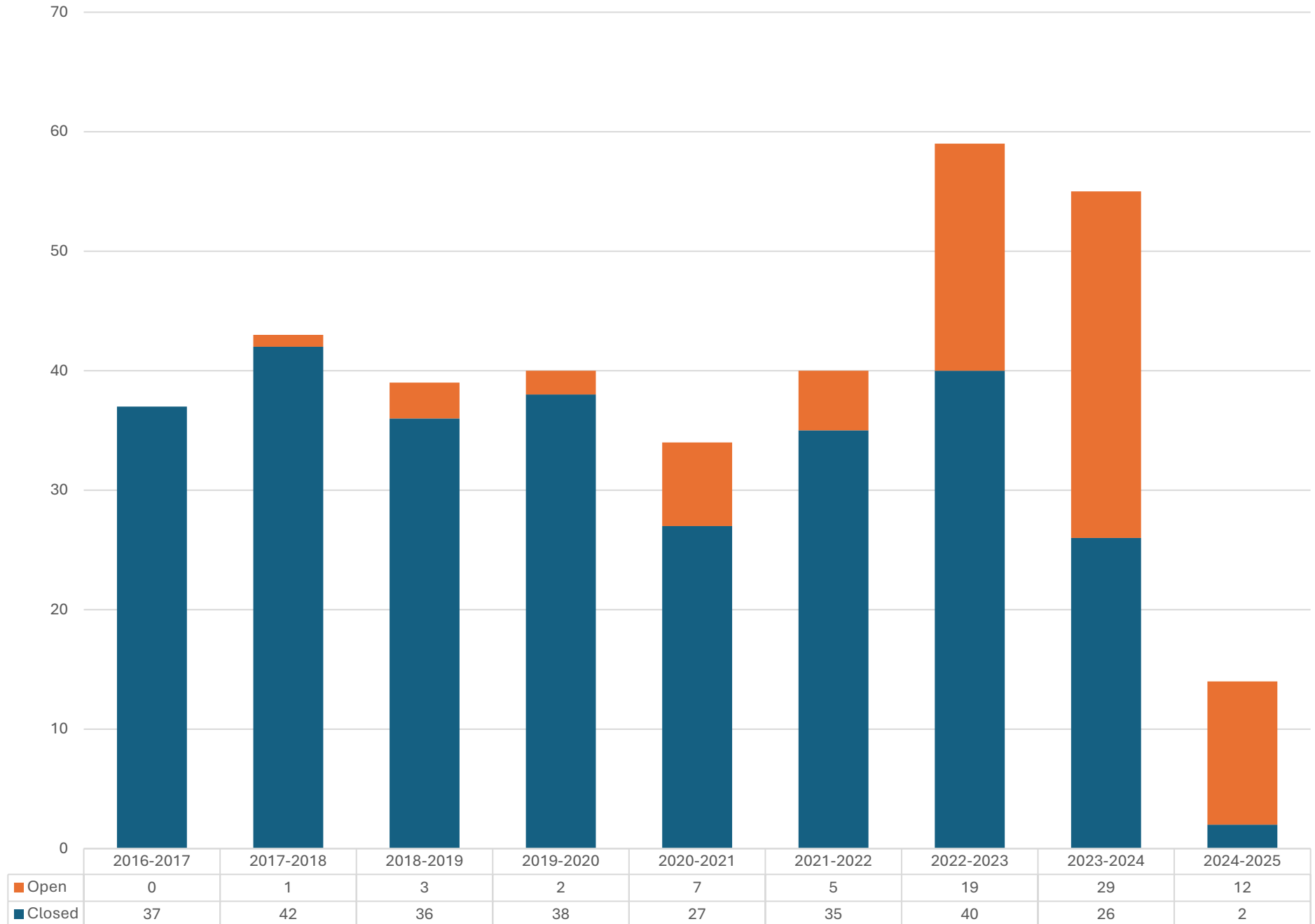
None, information only.

# Claims Open v. Closed - 10 Year History



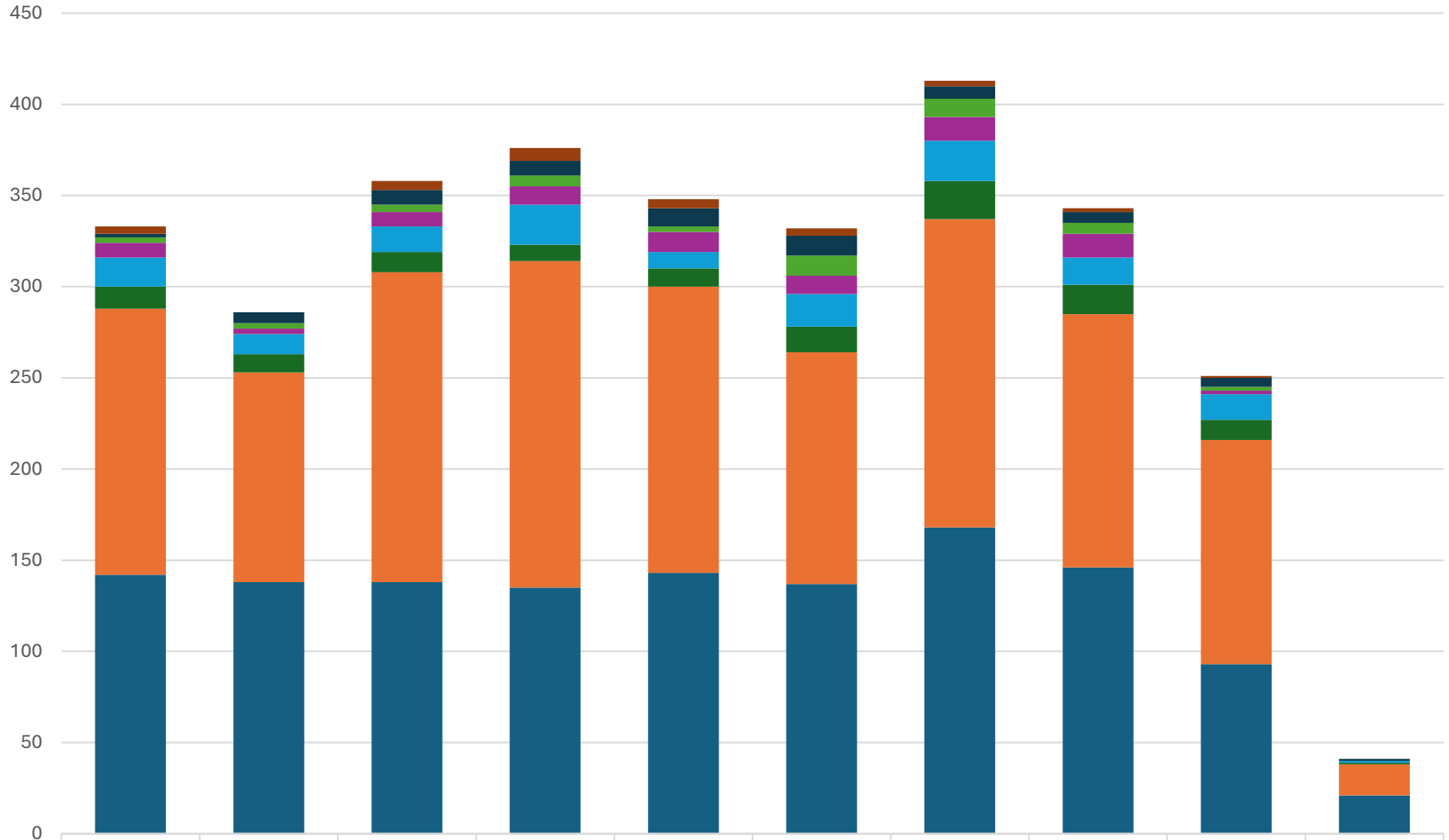
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Open	0	2	3	3	9	6	23	47	99	41
Closed	333	286	358	376	348	332	413	343	251	69

# Litigated Claims Open v. Closed - 10 Year History



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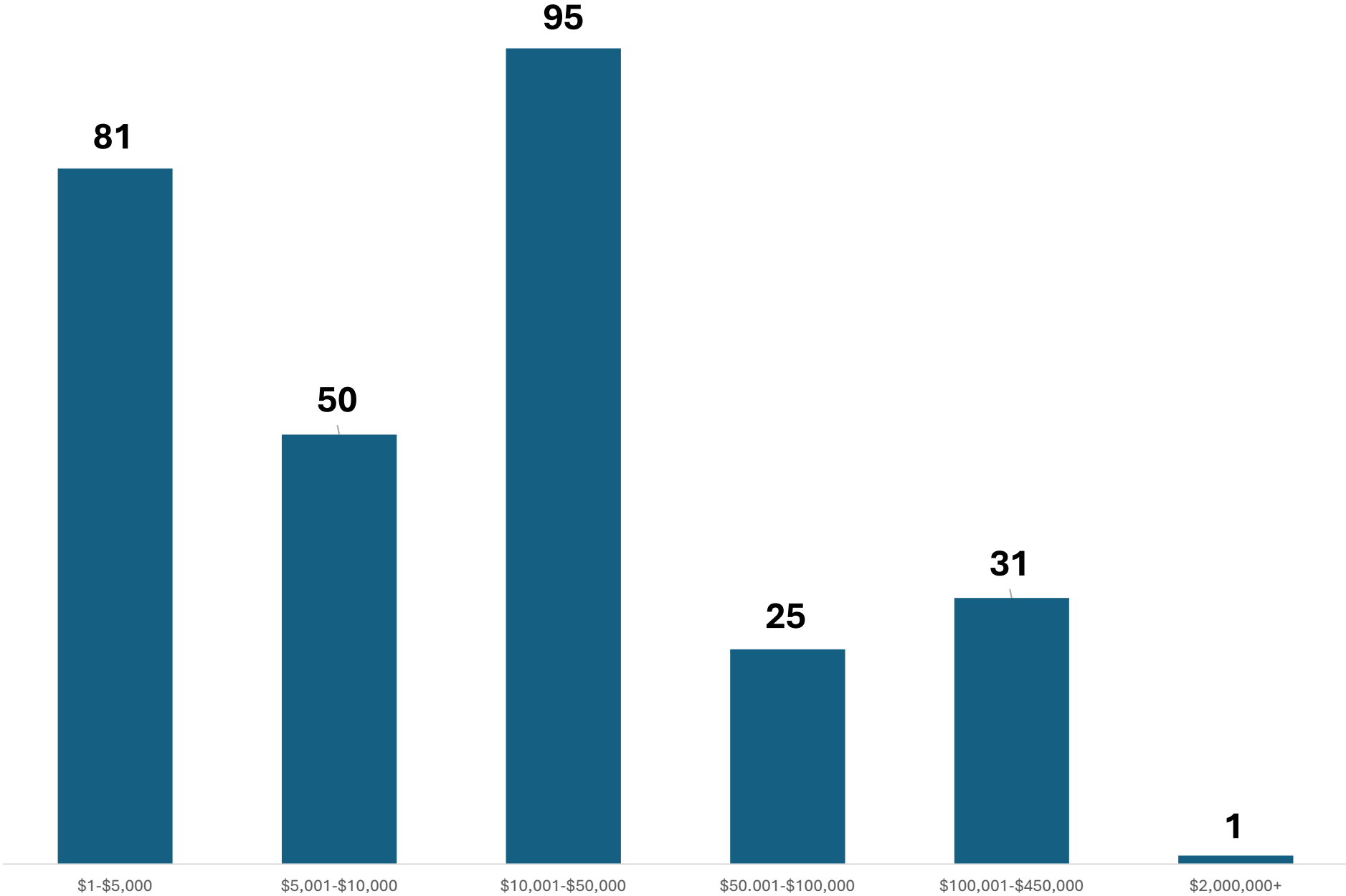
# Closed Claims - 10 Year History - Total Net Incurred



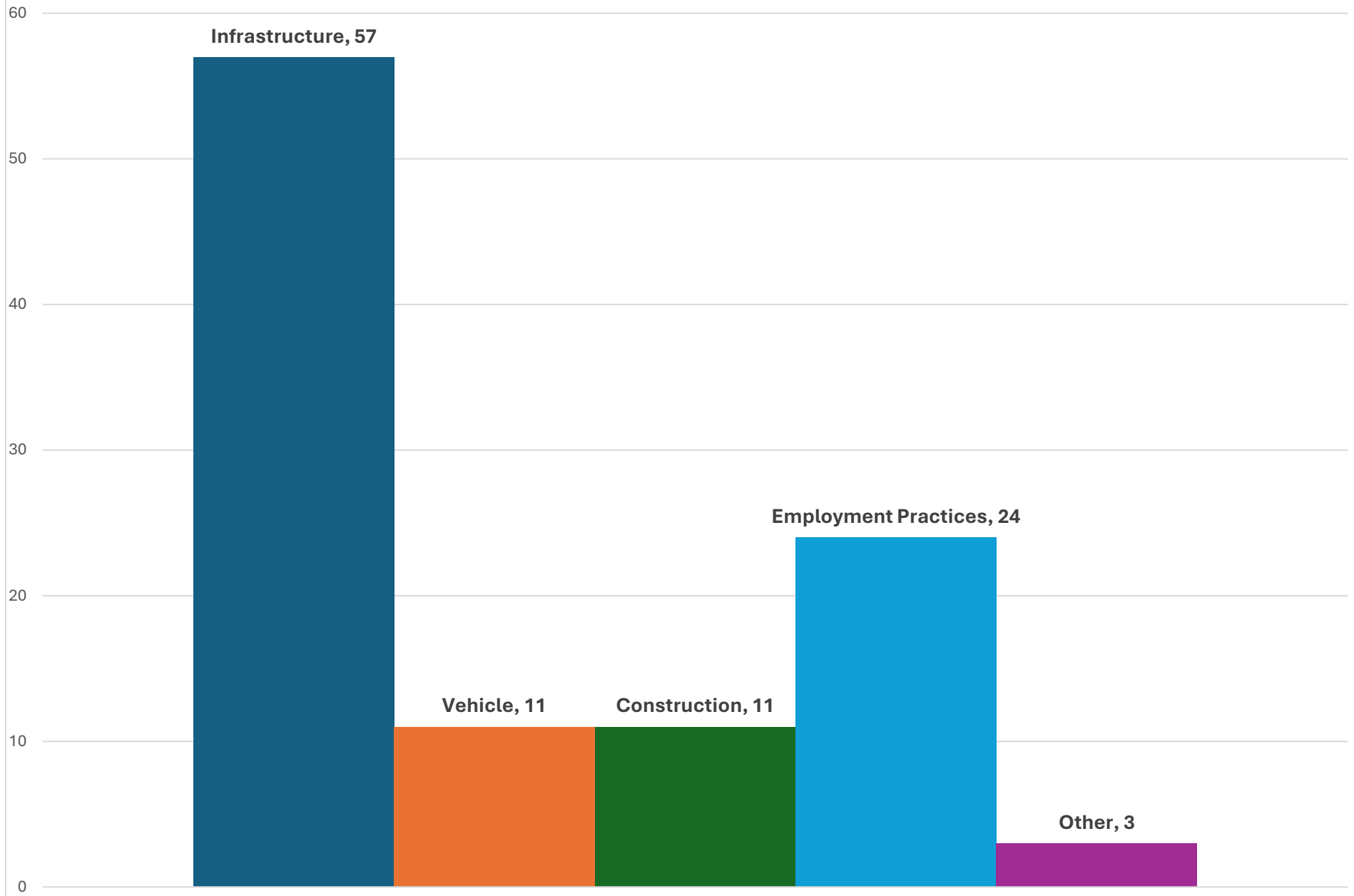
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
\$500,001+	4	0	5	7	5	4	3	2	1	0
\$150,001-\$500,000	2	6	8	8	10	11	7	6	5	1
\$100,001-\$150,000	3	3	4	6	3	11	10	6	2	0
\$50,001-\$100,000	8	3	8	10	11	10	13	13	2	0
\$25,001-\$50,000	16	11	14	22	9	18	22	15	14	1
\$15,001-\$25,000	12	10	11	9	10	14	21	16	11	1
\$1-\$15,000	146	115	170	179	157	127	169	139	123	17
\$0	142	138	138	135	143	137	168	146	93	21

# Litigation Defense Costs - 10 Year History (Closed Cases)

■ Number of Cases



## Assignments to Defense Counsel by Type



43

**ACWA JPIA**  
**State of the Market**  
**May 4, 2026**

**BACKGROUND**

Aon has served as JPIA's General Liability broker since May 2014.

**CURRENT SITUATION**

A representative from Aon will provide the Liability Program Committee with a State of the Market update, highlighting key trends and their expected impact on the upcoming renewal strategy.

**RECOMMENDATION**

None, information only.

**AON**

# National Casualty Market Update

Q4 2025 Rate Results



# National Casualty Market Overview – Q4 2025

As 2025 concluded, the casualty marketplace remained challenged by adverse loss activity, rising loss costs, and unfavorable litigation trends, but liability pricing began to stabilize. Looking ahead to 1H 2026, conditions are expected to stay broadly consistent, supported by positive U.S. casualty treaty reinsurance renewals at 1/1.

Line of Coverage	Q1 2025	Q2 2025	Q3 2025	Q4 2025	H1 2026 Forecast*
General Liability	6.90%	7.70%	6.68%	5.60%	3% to 9%
Automobile Liability	7.50%	9.40%	9.58%	9.20%	7% to 15%
Workers' Compensation	-2.80 %	-2.70%	-2.93%	-1.80%	-3% to 3%
Lead Umbrella	12.00%	9.20%	8.81%	8.10%	6% to 15%
Total Umbrella / Excess Liability	15.90%	9.80%	11.26%	8.30%	6% to 15%

## General Liability:

- Average rates continued they're trend of mid-single digits, however, challenged classes or poor loss histories typically saw higher than average increases.
- Key underwriting concerns remained PFAS and other "forever chemicals," sexual abuse/misconduct, privacy/biometric risk higher hazard operations or complex products.
- Insurers were still challenged with maintaining profitability against the impact of increased loss costs due to social inflation/legal system abuse.

## Auto Liability:

- Rates generally stayed in the upper single-digit increase range in 2025 and auto remained the firmest of the primary casualty lines.
- Larger increases fell on buyers with adverse losses, large or growing fleets, higher facultative costs, limits increases, or less efficient program structures.
- Profitability for insurers remained a concern due to continued frequency of severe loss.

## Workers' Compensation:

- The median rate was flat, and while the average remained slightly negative, it tightened versus prior quarters; carriers still use workers' compensation for competitive rate cuts but stay focused on pricing adequacy.
- Larger decreases were mainly driven by marketing, exposure growth offsets, or higher deductibles, while increases were largely tied to adverse loss experience.

## Umbrella/Excess Liability:

- Rates remained firm in the upper-single-digit range, with underwriters focused on attachment adequacy, auto exposure, venue, loss history, and limits deployed.
- Lead umbrella capacity and competition—supported or unsupported—remained limited.
- New and growth-oriented excess markets competed for higher layers, helping temper rate changes for insureds with favorable loss history and strong risk management controls.

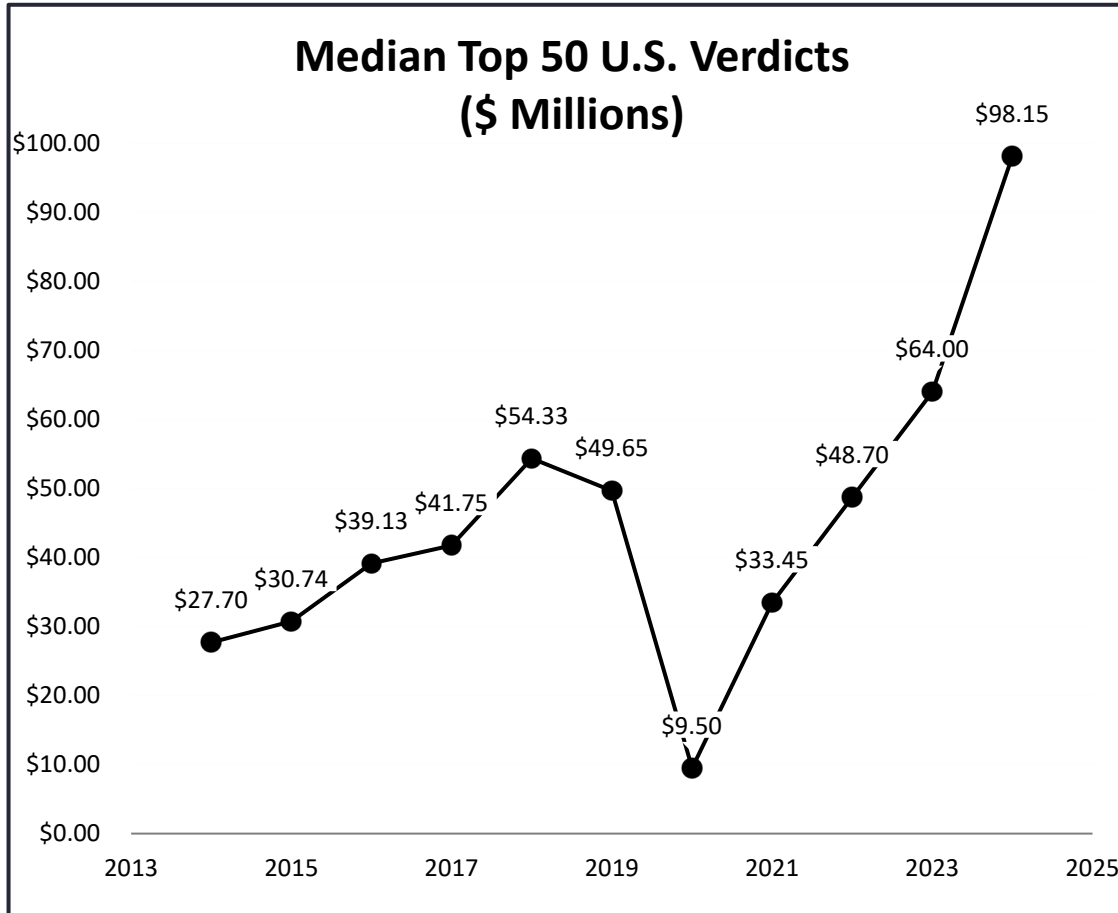
The casualty market remains a "two-tiered" primary and umbrella/excess market where it is important to note that challenged risk classes, adverse loss experience, programs with low deductibles or attachment points or programs with above average carrier limit deployments may experience greater rate increases than the maximum of the forecasted ranges noted above.



### \*Notes:

1. Rate forecasts do not contemplate year over year exposure changes or adverse historical loss development.
2. Please refer to our methodology section for further details.

# Top 50 U.S. Verdicts 2014-2024



### 2025 Verdict Highlights

- \$2.065B verdict against Roundup
- \$3B verdict against bottled water company Real Water

### Litigation in 2025\*

- Awards exceeding \$100M have risen 400% in last decade
- Tort costs amount to \$529B per year or 2.1% of GDP
- In 2024 plaintiff lawyers spent \$2.5B on advertising



\*From WSJ "End the Tax Break for Litigation Funders" By Evan Greenberg and John Doyle  
<https://www.wsj.com/opinion/end-the-tax-break-for-litigation-funders-policy-law-dec9b610>

# National Casualty- Overall Market Dynamics – Q4 2025

Underwriting	Coverage	Capacity	Carrier Partner Concerns
<p>Remains disciplined.</p> <p>Carriers continue seek details on loss prevention policies and procedures.</p> <p>Extensive questions around biometric data, cyber and PFAS exposure.</p> <p>Extensive questions around of 3rd party hauling and hired and non-owned auto exposures.</p> <p>Emerging scrutiny around utilization of social media influencers in advertising.</p>	<p>Markets continue to review coverage grants associated with critical and leading emerging risks, including but not limited to:</p> <ul style="list-style-type: none"> <li>▪ Forever Chemicals (PFAS)</li> <li>▪ Wildfire</li> <li>▪ Abuse &amp; Molestation</li> <li>▪ Human Trafficking</li> <li>▪ Biometric Data</li> <li>▪ Cyber (BI/PD)</li> <li>▪ Violation of Data Privacy Laws</li> <li>▪ Traumatic Brain Injury (TBI)</li> <li>▪ Microplastics</li> <li>▪ Copyright Infringement</li> </ul>	<p>Primary capacity remains robust with carriers aggressively competing on those opportunities that enter the marketplace.</p> <p>Overall umbrella and excess liability net deployed capacity remains lower year over year as insurers seek to protect portfolios from adverse loss trends and preserve profitability. At the same time, carriers that can bundle with primary programs, along with new and growth-oriented markets, are actively competing for upper layers and new business, helping to moderate pricing and improve terms. Higher attachments, corridor structures, and other structured solutions are increasingly used to support long-term program sustainability.</p>	<ul style="list-style-type: none"> <li>▪ Hired and non-owned and 3rd party hauling exposures</li> <li>▪ Impact of inflation on claims</li> <li>▪ Nuclear verdicts</li> <li>▪ Adequate attachment points for lead umbrellas</li> <li>▪ Economic uncertainties and the geopolitical landscape</li> <li>▪ Product innovation and new technologies</li> <li>▪ Social media/copyright infringement</li> <li>▪ Artificial Intelligence</li> </ul>

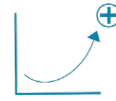
# Umbrella/Excess Liability Casualty Market Headlines – Q4 2025



Average lead limit deployed by umbrella carriers is **~\$10MM vs. a ~\$20MM** average deployment in 2019 before the hard umbrella market.



To help mitigate increased rates and/or create sustainable lead umbrella programs, insureds have explored **increased attachments** or utilized **corridor deductibles** on lead umbrella programs, especially for risks with large fleets or tougher products.



79% of Lead and 77% of Total Umbrella/Excess Liability renewals **experienced a rate increase** in Q4 2025, however, volatility in average rate increases have begun to stabilize.



**Excess capacity reductions** have slowed in Q4, with new carriers helping to replace lost capacity or create some competition on more desirable risks.



Increased use of **structured and other ART & captive solutions**, especially for risks with large fleets, extensive 3<sup>rd</sup> party hauling or significant hired & non-owned exposure, to help support increased attachment points of lead umbrella programs.



**Median verdict** increased from \$21MM to \$51MM from 2020 to 2024. The **median verdict** for top US casualty verdicts doubled pre-Covid, going from \$49.7MM in 2019 to \$98.2MM in 2024.



Carriers continue to be focused on securing greater details pertaining to critical and emerging risks, including, but not limited to, **biometric privacy, cyber (BI/PD), “forever” chemicals (PFAS), microplastics, abuse & molestation, wildfire, traumatic brain injury (TBI), lithium batteries, etc.**



**Awards exceeding \$100M** have risen **400%** in the last decade, and as of 2022 **tort costs** amounted to **\$529Bn** per year or 2.1% of GDP.

# National Casualty Considerations

## Communication:

Off-cycle stakeholder (client, Aon, incumbent and alternative carrier partners, etc.) meetings remain paramount. Additionally, furnishing underwriters with timely and complete submissions, providing our clients with regular updates on available capacity, rate environment, coverage grants and restrictions, carrier concerns will ensure expectations are being managed.



## Carrier Selection:

Coordination with Account Executives to gain a clear understanding of overall “premium spends” of other product lines to help identify and leverage key market relationships.



## Differentiating Clients & Prospects:

Distinguishing risk profiles, loss experience and risk mitigation tools and processes for underwriters will help ensure optimal results.



## Budgeting:

Prospective budget estimates and potential renewal structures should be reviewed and recalibrated accordingly.



## Proprietary Products:

Aon Client Treaty (ACT), London Lead Excess Aon Facility (LLEAF) and Liability Facility Top-Up (LIFT), offer options for increased capacity and is an Aon differentiator.

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## Analytics:

Leveraging Aon’s proprietary casualty analytical tools allows us to identify and quantify risk appetite and potential structure amendments, while also helping us best position programs in the marketplace.



## Structure:

Explore and quantify alternative structure options, inclusive of various retention thresholds and Alternative Risk Transfer (ART) solutions (Captives, “buffer” programs, 2nd loss coverage, etc.) to ensure optimal results.



# National Casualty – London Marketplace

- The London and European Market for US Casualty saw Carriers continuing to push for rate to keep pace with claims, social and medical inflation. Trend continues to be between 5%-20% based upon industry class, loss profile and how much limit is purchased.
- Insureds continue to explore the tradeoff between taking higher retentions and their premium spend. Additionally, insureds are making more use of captives both for retained risk and to quota share with carriers to keep premiums stable.
- Q4 saw continued activity in the acquisition space. Apollo was acquired by Skyward Specialty and Inigo by Radian. There is no anticipated change to insurer operations, but this provides them both strong capital backing for the future.
- Insureds continue to explore structured, aggregated and multi-year placements, and Aon continues to work with its London markets to create innovative ART Solutions for both general liability and auto. These alternative structures can assist those Insureds that are struggling to obtain traditional risk transfer options due to market appetite, pricing or risk profile.
- Canopus has announced that effective 1/1/2026 they will be able to attach excess of \$5MM. Their previous minimum attachment was \$10MM. This additional capacity will be offered on a case-by-case basis for accounts with minimal auto exposure.
- Aon London will start accessing First Specialty for construction projects, a new development in the space which will see them participate on London construction polices going forward.
- Liberty London will be closing their book Effective 1/1/2026. Going forward, excess layers below a \$100MM attachment point will be underwritten in the US and layers above \$100MM will be underwritten in Bermuda.
- Aon's London facilities - LLEAF/LIFT/FLEX and most recently US ELF continue to be well utilized with a steady flow of inquiries from Aon's network offices as to how these facilities can support clients.
- Aon London continues to work on 3 new Facilities which they hope to launch in 2026 : An auto buffer facility, a middle market facility and an SML facility.



**ACWA JPIA**  
**Liability Program Update and Renewal Strategy**  
**May 4, 2026**

**BACKGROUND**

JPIA's Liability Program is scheduled for renewal on October 1, 2026, with its overall structure remaining consistent. The California Water Insurance Fund (CWIF), JPIA's captive, continues to reinsure the program's \$5 million self-insured retention and maintains a \$10 million excess of \$10 million layer within the coverage tower, subject to a \$30 million aggregate limit. To complete the program, JPIA supplements this structure with reinsurance and excess insurance purchased from external carriers, filling the layer between \$5 million and \$10 million and extending coverage from \$20 million up to the current \$55 million limit.

**CURRENT SITUATION**

**Recap of the 2025-26 Renewal**

The Liability Program renewed effective October 1, 2025, inclusive of all reinsurance and excess insuring agreements. CWIF continued to reinsure the \$5 million self-insured retention and provided a \$10 million excess layer (\$10 million – \$20 million) with a \$30 million aggregate limit. Reinsurance and excess coverage through eight carriers extends total program limits to \$55 million.

All eight incumbent carriers renewed – a clear sign of continued confidence in the program's structure and performance. Despite ongoing hardening in the liability market, JPIA outperformed broader market trends. Rate adjustments ranged from 2.61% to 3.57%, well below the 5 – 10% increases recognized by many public entities.

The total cost for reinsurance and excess coverage, including CWIF, was \$11.5 million, a 9.5% increase over the previous program year. The increase was driven primarily by a 6.5% growth in members' payroll.

**Program Funding**

The Liability Program Committee recommended and the Executive Committee approved a 5% rate increase for the 2025-26 Program Year. While payrolls rose by 6.5%, improved loss experience and more competitive reinsurance rates continued to support a downward trend in rate increases.

**Renewal Strategy**

Staff, in partnership with Aon, are approaching the upcoming renewal from a position of strengthening market leverage. While underwriting of California public entities remains selective, recent market softening and sustained engagement have improved carrier sentiment toward JPIA's program.

The April 2, 2026, carrier tour generated positive feedback and attracted two new markets that have not previously participated, reflecting growing interest in JPIA's operations and risk profile and signaling expanding capacity.

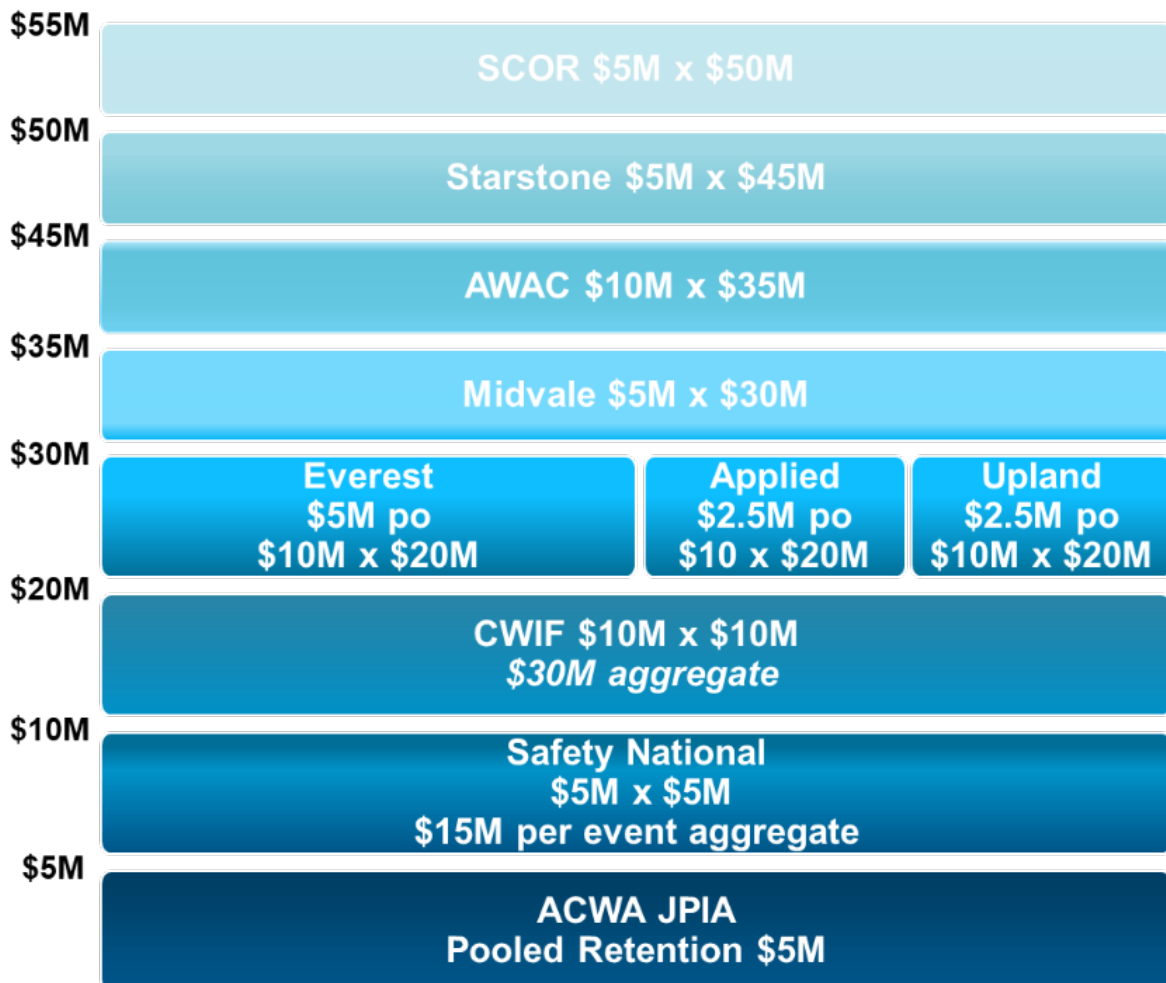
Building on this momentum, staff and Aon will drive a competitive renewal process aimed at enhancing terms, increasing capacity, and improving program flexibility. At the same time, maintaining strong relationships with incumbent carriers remains a priority, recognizing their long-term partnership and continued importance to program stability.

This balanced approach is designed to leverage increased competition while preserving key relationships, positioning JPIA for optimal renewal outcomes.

**RECOMMENDATION**

None, information only.

**2025-26 Liability Program**



**ACWA JPIA**  
**General Liability Retro Update**  
**May 4, 2026**

**BACKGROUND**

Annually the JPIA bills its members of the Liability Program based on approved funding from the Executive Committee. The finances of each program year for the Liability Program are tracked internally. After approximately 6 years, the revenues collected from a program year are compared to the expenses. The differences in such amounts are then calculated to determine each member's pro-rata share. In some cases, this means funds going into the members' rate stabilization account; in others, funds going out.

**CURRENT SITUATION**

The recent program years have had significant differences in the revenues versus expenses. Staff will update the committee on the funded status of all open program years for the Liability Program and its potential impact on the membership looking ahead.

**RECOMMENDATION**

None, information only.

**ACWA JPIA**  
**Experience Modifier (E-mod) Calculation Discussion**  
**May 4, 2026**

**BACKGROUND**

As part of the annual billing process, each member is determined an experience modifier (“e-mod”). The e-mod adjusts each member’s billed amount, either increasing or decreasing it based on claims experience. The e-mod is intended to incentivize strong risk management practices and reduce claims that could negatively impact future billing.

**CURRENT SITUATION**

The current e-mod formula has been used for more than 20 years. It is good practice to periodically revisit the e-mod formula to assess whether it continues to meet its intended purpose. Staff will present the background, historical context, and key considerations, including the potential advantages and disadvantages of modifying the current formula.

**RECOMMENDATION**

Staff is seeking direction from the Liability Committee on whether to:

- Maintain the current e-mod formula, or
- Direct staff to further evaluate and develop potential changes for future consideration.

# ACWA JPIA MEETINGS CALENDAR – 2026

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
JAN 16		8:00 AM*								
JAN 21			3:00 PM							
JAN 22		10:30 AM							8:00 AM	
FEB 11							11:00 AM*			
FEBRUARY 19-20 STRATEGIC PLANNING SESSION - SAN DIEGO										
MARCH 1-4 AGRIP GOVERNANCE CONFERENCE - NASHVILLE										
MARCH 8-10 CICA CONFERENCE - PALM DESERT										
MAR 26				1:00 PM			3:00 PM			
MAR 27		8:00 AM								
APRIL 27		4:00 PM*								
APRIL 30					9:00 AM*					
MAY 4-7 ACWA JPIA SPRING MEMBERSHIP SUMMIT AND ACWA CONFERENCE - SACRAMENTO										
MAY 4	2:00 PM					8:15 AM				
MAY 29										9:00 AM (UTAH)
JUNE 3			10:00 AM *							
JUNE 25								3:00 PM		
JUNE 26		8:00 AM								10:30 AM
JULY 29		3:00 PM			1:00 PM					
SEPTEMBER 15-18 CAJPA ANNUAL CONFERENCE – SOUTH LAKE TAHOE										
SEPT 11			9:00 AM *							
SEPT 24				1:00 PM		3:00 PM	10:00 AM			
SEPT 25		8:00 AM								11:00 AM
OCT 22		10:00 AM*								
NOVEMBER 30-DECEMBER 3 ACWA JPIA FALL MEMBERSHIP SUMMIT AND ACWA FALL CONFERENCE - ANAHEIM										
Nov 30	2:00 PM									8:00 AM

\*Virtual Meeting

# Board of Directors Meeting



YOUR BEST PROTECTION

Sheraton Grand Sacramento Hotel  
1230 J Street  
Sacramento, CA 95814

Monday  
May 4, 2026  
2:00 PM

**BOARD PRESIDENT:**  
Melody A. McDonald, San Bernardino Valley Water Conservation District

**BOARD VICE PRESIDENT:**  
J. Bruce Rupp, Humboldt Bay Municipal Water District



YOUR BEST PROTECTION

## **BOARD OF DIRECTORS MEETING**

### **AGENDA**

**SHERATON GRAND SACRAMENTO HOTEL  
1230 J STREET, SACRAMENTO, CA 95814  
(916) 447-1700**

**Monday – May 4, 2026 – 2:00 PM**

#### **WELCOME, CALL TO ORDER, ANNOUNCEMENT OF QUORUM, AND INTRODUCTIONS**

#### **TUESDAY SEMINARS**

- Insights on Hazard Mitigation & Federal Funding Pathways
- What Board Members Need to Know About AI
- Sexual Harassment Prevention Training for Board Members & Managers

#### **PLEDGE OF ALLEGIANCE**

#### **EVACUATION PROCEDURES**

**ANNOUNCE 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 Ralph M. Brown Act.

**PUBLIC COMMENT** Members of the public will be allowed to address the Board of Directors on any agenda item prior to the Board'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 Chair know.

#### **MEETING PARTICIPATION GUIDELINES**

#### **VOTING SYSTEM INSTRUCTIONS - SAMPLE ELECTION AND QUESTION**

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

Page #

##### **I. CONSENT AGENDA**

- \* A. Approve the Meeting Minutes of December 1, 2025 **62**
- \* B. Ancillary Programs Update **73**

**II. CALIFORNIA WATER INSURANCE FUND ELECTION**

McDonald	* A. Review Voting Procedures and Qualified Candidates	<b>76</b>
McDonald	B. Candidates to Address Membership Prior to Voting	
McDonald	C. Direct Membership to Vote	

**III. ACWA UPDATE**

Khalifa	* A. ACWA Update	<b>81</b>
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**IV. RECOGNITION**

Flint	* A. H.R. LaBounty Safety Award	<b>82</b>
Flint	* B. Walter “Andy” Sells Commitment to Excellence in Water Safety Award Recognition	<b>84</b>
Rupp	* C. Presentation of Government Finance Officers Association (GFOA) Award	<b>85</b>
Crawford	* D. Leadership Essentials for the Water Industry Program Update	<b>87</b>

**V. FINANCIAL**

deBernardi	* A. Review and Approve Annual Comprehensive Financial Report (ACFR) for Year Ended September 30, 2025	<b>89</b>
deBernardi	* B. Review and Approve the Proposed Operating Budget for the Fiscal Year October 1, 2026-27	<b>175</b>

**VI. PROGRAMS**

Jobe	* A. Pooled Programs Update	<b>178</b>
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**VII. CWIF UPDATE**

Beatty	* A. California Water Insurance Fund Update	<b>180</b>
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**VIII. CEO UPDATE**

Beatty	* A. ACWA JPIA CEO Update	<b>181</b>
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**IX. OTHER BUSINESS**

Murphy

A. Review Pending Lawsuits Directly Involving the JPIA

**X. PRESIDENT’S UPDATE**

McDonald

\* A. Review of Board Meeting, Events, and Announcements

**182**

**ADJOURNMENT**

\*Related items enclosed

**MISSION STATEMENT:** ACWA JPIA is dedicated to consistently and cost effectively providing the broadest possible affordable insurance coverages and related services to its member agencies.

***Americans with Disabilities Act*** – ACWA 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: Chimene Camacho, Sr. Executive Assistant, ACWA JPIA, P. O. Box 619082, Roseville, CA 95661-9082; telephone (916) 786-5742. The JPIA’s normal business hours are Monday – Friday, 7:30 AM to 4:30 PM (Government Code Section 54954.2, subdivision. (a)(1).)

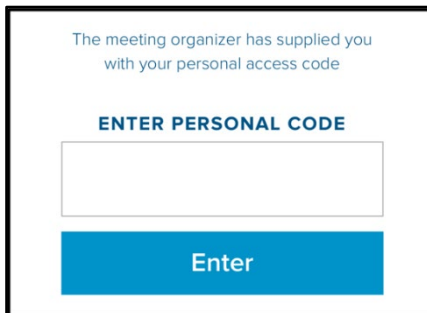
*Written materials relating to an item on this Agenda that are distributed to the JPIA within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-5742.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

## DIGITAL VOTING PROCEDURES

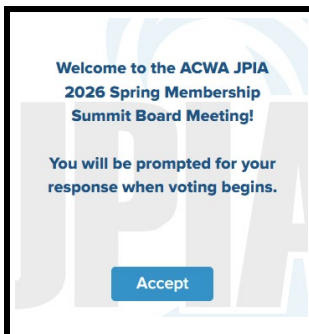
### INSTRUCTIONS FOR USING YOUR MOBILE DEVICE TO VOTE

Each voting member will receive a Voting Card containing a QR code for accessing the Meeting Pulse voting system. The card also includes a Personal Code, which serves as your unique voter ID.

1. Pick up your Voting Card at the registration desk.
2. Scan the QR Code on your Voting Card.\*
3. Enter your Personal Code when prompted.

A screenshot of a mobile application screen. At the top, it says "The meeting organizer has supplied you with your personal access code". Below that is the instruction "ENTER PERSONAL CODE" in blue. There is a white text input field. At the bottom is a blue button labeled "Enter".

4. When you see the Welcome page, click "Accept" and you are now connected to the ACWA JPIA Meeting Pulse voting system.



5. When voting begins, you will see a prompt to submit your response.
6. You may change your response any time before voting closes. To update your choice, simply select your new response and click "Submit."

**WHAT IF THE QR CODE DOES NOT WORK?** Open your web browser and manually enter the website <https://meet.ps/jpiaspring2026> and enter your Personal Code.

*\*If you encounter connectivity issues using your cellular service, please connect to Wi-Fi.*



YOUR BEST PROTECTION

*Unapproved Minutes*

**Board of Directors Meeting**

Sheraton San Diego Resort  
1380 Harbor Island Drive  
San Diego, CA 92101  
(619) 291-2900

**December 1, 2025**

**VOTING REPORT**

---

See the voting report following the minutes.

**NON-VOTING PARTICIPANTS**

---

See the list of attendees.

**STAFF PRESENT**

---

See attendance list.

**WELCOME, CALL TO ORDER, AND ANNOUNCEMENT OF QUORUM**

---

President McDonald welcomed everyone in attendance, called the meeting to order at 2:00- PM, and announced that a quorum was present.

**PLEDGE OF ALLEGIANCE**

---

The Pledge of Allegiance was led by President McDonald.

**EVACUATION PROCEDURES**

---

Ms. Beatty reviewed the building evacuation procedures.

**ANNOUNCEMENT RECORDING OF MEETING**

---

President McDonald announced that the meeting was being recorded to assist in preparation of minutes and that the recording would only be kept 30 days following the meeting, as mandated by the Ralph M. Brown Act.

**PUBLIC COMMENT**

---

As stated in the agenda, members of the public would be allowed to address the Board of Directors on any agenda item prior to the Board’s decision on that item. Comments on any issues which may or may not be on the agenda were also welcome. No comments were brought forward.

## **INTRODUCTION OF GUESTS**

---

President McDonald introduced the Executive Committee members, JPIA, and ACWA staff in attendance.

## **MEETING PARTICIPATION GUIDELINES**

---

President McDonald reviewed the meeting participation guidelines with everyone in attendance.

## **NEW VOTING SYSTEM INSTRUCTIONS AND SAMPLE QUESTION**

---

Ms. Camacho and Ms. Sciancalepore reviewed the JPIA Voting Procedures, using a sample question to illustrate the process.

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

---

President McDonald asked for any additions to or deletions from the agenda. There were none from staff.

## **I. CONSENT AGENDA**

---

President McDonald called for approval of the Consent Agenda.

**Motion:** That the Board of Directors approve the minutes of the May 12, 2025, meeting; the Ancillary Program Update, and the Transition of Fiscal Year to 7/1-6/30, as presented.

*Motioner:* Fred Bockmiller, Mesa Water District

*Seconder:* Jayce Schwarm, San Dieguito Water District

(94-Yes; 0-No; 3-Abstain)

*\*See voting report following the minutes.*

## **II. ADMINISTRATION**

---

### Meetings Attended on Behalf of the JPIA

Director Rupp shared that he attended ACWA Board of Directors meetings on behalf of the JPIA.

### ACWA Presentation

Mr. Khalifa, ACWA Interim Executive Director, provided an overview of ACWA's key accomplishments and initiatives and emphasized the strong and collaborative partnership between ACWA and JPIA in addressing members' needs.

### Review and Approve the JPIA Conflict of Interest Code

Ms. Camacho noted that the Conflict of Interest Code was last approved by the Board of Directors in November of 2023. Changes to the JPIA's current Conflict of Interest Code, as presented, has been approved by the Fair Political Practices Commission (FPPC) in April 2025.

**Motion:** That the Board of Directors approve the changes to the Conflict of Interest Code, as presented.

*Motioner:* Brent Hastey, Reclamation District 784

Seconded: Larry McKenney, Amador Water Agency  
(92-Yes; 0-No; 0-Abstain)

*\*See voting report following the minutes.*

### Review and Take Action on the Proposed Changes to Bylaws

Ms. Beatty reported that in June, July, and September 2025, the Executive Committee considered – and ultimately approved – changes to the Bylaws with regard to the Executive Committee election process and Advisory Committee eligibility, participation, and appointment processes. As defined in the Bylaws, “Article VII – Amendments, Section 2. Power of Executive Committee,” amendments to the Bylaws, other than amendments changing the authorized number of members of the Executive Committee, may be adopted by the Executive Committee and shall be on the agenda of the next meeting of the Board of Directors for ratification.

Since the Board of Directors Manual (Manual) is a procedural document and not a governing document, the “Election Rules” have been removed from the Manual and incorporated into the Bylaws. A redline draft, included in the packet, reflects proposed revisions to *Article II, Board of Directors*. Specifically, “Section 9. Voting” and “Section 10. Inspectors of Election” (renumbered Section 11) have been updated per the Executive Committee’s July direction, and a new “Section 10. Election Rules” has been added. Additional revisions have been made to include: (1) a provision for an alternative voting method if electronic voting is unavailable, with backup procedures to be memorialized in an internal policy, and (2) language retaining the requirement for election inspectors from the Board, while clarifying which responsibilities rest with inspectors versus staff.

The Bylaws have also been updated with regard to the Standing Advisory Committees to further define eligibility requirements and add participation requirements and appointment procedures.

**Motion:** That the Board of Directors ratify the Executive Committee’s approval of the revisions to the Bylaws, as presented.

**Motioner:** Pam Tobin, San Juan Water District

**Seconded:** Chris Kapheim, Kings River Conservation District  
(79-Yes; 7-No; 4-Abstain)

*\*See voting report following the minutes.*

### **III. FINANCIAL**

---

#### Review and Take Action on the Investment Policy

Mr. deBernardi reported that the JPIA Bylaws require annual Board approval of the Investment Policy. He noted that the Finance & Audit Committee and the Executive Committee have both reviewed the proposed changes and recommended the Investment Policy for approval by the Board, as presented.

**Motion:** That the Board of Directors approve the proposed changes to the Investment Policy, as presented.

*Motioner: Pam Tobin, San Juan Water District*  
*Seconded: Scott Quady, Calleguas Municipal Water District*  
(88-Yes; 1-No; 0-Abstain)  
*\*See voting report following the minutes.*

#### **IV. PROGRAMS**

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##### Pooled Programs Update

Ms. Jobe reported that JPIA continues to provide its members with stability through a strong financial foundation, experienced leadership, and steady growth in member participation. She noted that each pooled program operates independently, with separate funding and management, and varying levels of member involvement, as not all members participate in every program. In recent years, gaps in member participation have narrowed, driven by competitive pricing, expanded coverage options, improved outreach efforts, and a dedicated focus on exceptional customer service.

Ms. Jobe reviewed the current highlights for each program.

- The Liability Program currently has 349 members. Due to a hardened market and increasing large losses, the 2025-26 program year rates increased by 5%
- The Property Program currently has 292 members. A hardened market due to global catastrophic events continues to impact pricing for this program. As such, the 2025-26 program year rates increased by 10%.
- The Workers' Compensation Program has 207 members with very stable pricing. The 2025-26 program year rate was inclusive of a two-year rate guarantee for the reinsurance layer and renewed as expiring. Potential challenges for this program include future legislative changes which may affect the rates.
- The Employee Benefits Program has approximately 269 members. For the 2026 program year, rates for the self-funded Anthem PPO plan increased by +10%, the Dental self-insured program plan options were expanded – specifically to support rural district needs – and rates increased by 3%, and the Vision self-insured program rate renewal was flat.

#### **V. AWARDS AND GRANTS**

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##### E.G. "Jerry" Gladbach Leadership Grant

Ms. Crawford shared that in November 2022, the E.G. "Jerry" Gladbach Leadership Program Grant was approved by the JPIA Board of Directors to cover tuition and to reimburse travel expenses for one selected member applicant in each of the Northern and Southern CA program cohorts in honor of Mr. Gladbach's 20+ year service as a JPIA Director and the Board President.

For the 2025-26 year, only three grant applications were received and rated by agency size (with priority given to smaller agencies), leadership experience, stated aspirations, financial concern, and benefit/impact of participation to the member agency.

The two recipients were selected for 2025-26: Shinehah Bingham, Operations & Maintenance Manager, Pajaro Valley Water Management Agency, and Tom Majich, General Manager, Kinneloa Irrigation District.

Registration for the 2027 Leadership Essentials for the Water Industry (LEWI) program and grants will open by May 2026.

#### Employee Benefits Wellness Grant

Mr. Dedmon reported that 99 members received Wellness Grants this year. Beginning in 2026, to ensure a fair and accurate distribution of grant funds, Wellness Grants will be awarded on a first-come, first-served basis, allowing approved agencies to receive the maximum amount based on their size and avoiding issues with last-minute applications.

He also noted that the remaining \$100,000 was allocated to cover Wellhub administrative fees for employees enrolled in an Anthem medical plan. Wellhub provides access to a range of gyms, fitness studios, and classes—both in person and virtually—with participating employees paying their monthly membership fees directly to Wellhub after enrollment.

#### Risk Control Grant

Ms. Flint stated that the Risk Control Grant Program incentivizes members to renew their Commitment to Excellence (C2E) efforts to prevent or mitigate losses in the JPIA's Workers' Compensation, Liability, and Property Programs. The JPIA received 15 applications for 2024. The recipients and winning projects/programs were announced and are posted on the JPIA's website at: <https://www.acwajpia.com/grant-program/>

#### H.R. LaBounty Safety Award

Ms. Flint noted that results of the Safety Awards Program are announced each Spring and Fall at the JPIA Membership Summits recognizing nominees demonstrating proactive safety contributions. For Fall 2025, there were 24 nominations. The winners of the awards were noted in the packet, and a few examples of the winning safety contributions were presented. Winning submissions are also posted on the JPIA's website under Safety Awards at <https://www.acwajpia.com/safety-risk-control/#safety-awards>. Risk Control Advisors continually promote the H.R. LaBounty Safety Awards Program during site visits and training classes to encourage members to engage their staff and continuously improve their safety programs.

#### President's Special Recognition Awards Recipients for the Liability, Property, and Workers' Compensation Programs

Mr. deBernardi stated that each year at Fall Summit, the JPIA recognizes those members that have a Loss Ratio of 20% or less in the Liability, Property, or Workers' Compensation Programs. There were 24 nominations submitted from 17 member agencies for Fall 2025. Those members receive the "President's Special Recognition Award." The data for this calculation is for a three-year period, 2021-2024, as of September 30, 2025. The Board packet lists all the districts receiving this special recognition and printed awards will be mailed directly to members.

## **VI. CEO UPDATE**

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Ms. Beatty's CEO update highlighted two key areas: the upcoming Executive Committee Strategic Planning Process and the status of the renovation of the new building. Both topics were presented to provide members with a deeper understanding of the overarching goals and operations of the ACWA JPIA.

In July 2025, staff sought direction from the Executive Committee on a new facilitated Strategic Planning session, which was approved and incorporated into the 2026 Governance Calendar. Beginning in September 2025 and continuing through February 2026, staff and the Committee will engage in a series of pre-work activities designed to ensure a thoughtful and effective planning process. This includes work completed in October 2025, when the consultant gathered data on water and risk pooling industry macro trends and the insurance market outlook through interviews with a range of industry experts. In December 2025, staff and Committee members will also conduct thought-leader, influencer, and partner interviews, each selecting one to three interviewees. Committee members may reach out to the membership – and fellow JPIA Board Directors - as part of this effort.

Following the completion of this pre-work, an in-person planning session will be held on February 19–20, 2026, in San Diego, after which a draft Strategic Plan will be developed in early March 2026. A second session will then be held on April 9–10, 2026, exclusively with the JPIA internal Leadership Team—including the CEO, Directors, and Managers—to develop objectives and KPIs that complement the goals established by the Committee.

Regarding the new building update, Ms. Beatty provided a brief background on the current facility, noting that shortly after moving in, JPIA experienced significant growth, including the acquisition of Health Benefits Authority (HBA) from ACWA. Over the past decade, membership has increased by 10–20%, and program exposures have grown substantially. As a result of ongoing space constraints, JPIA has maximized its existing footprint by converting all available areas, including meeting and training rooms, into employee workspaces.

In January 2025, the Building and Property Ad Hoc Committee was formed to address JPIA's office space needs. After touring available properties, an offer was made and accepted, with escrow closing on July 29, 2025. A Project Manager was subsequently selected, a Space Plan developed, and final plans shared with staff in November 2025. Ms. Beatty outlined next steps for the new building, including converting the Space Plan to schematic designs and construction blueprints, selecting a construction company, and purchasing furnishings. The estimated move-in date is late 2026 or early 2027.

## **VII. OTHER BUSINESS**

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### Review Pending Lawsuits Directly Involving the JPIA

Mr. Beatty reported that there is one claim in active litigation and no other pending lawsuits against the JPIA.

**VIII. PRESIDENT’S UPDATE**

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President McDonald highlighted the significant time and effort the Executive Committee has devoted to key initiatives, including regular governance meetings, strategic planning retreats, participation in the Spring and Fall Summits and ACWA Conferences, and virtual meetings focused on governance planning and leadership discussions. She also noted the formation of several Ad Hoc Committees, with Executive Committee members contributing substantial hours on behalf of the membership. In addition, she recognized the critical role of the Advisory Committees in making important program, service, and funding decisions and welcomed new Advisory Committee participants. She advised that upcoming Committee vacancies will be announced through JPIA member communication channels.

President McDonald also expressed sincere appreciation to the Fall Summit sponsors, announced the morning seminars scheduled for Tuesday, December 2, and invited all attendees to join the JPIA reception immediately following the Board meeting.

President McDonald called for adjournment of the Board of Directors’ meeting at 4:08 PM.

Attest:

X

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Melody McDonald  
Chair

X

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Adrienne Beatty  
Secretary

**ACWA JPIA BOARD OF DIRECTORS MEETING – DECEMBER 1, 2025**  
**NON-VOTING ATTENDEES & JPIA STAFF IN ATTENDANCE**

<u>District / Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Position</u>
ACWA JPIA	Laura	Baryak	Events and Communications Specialist
ACWA JPIA	Adrienne	Beatty	Chief Executive Officer
ACWA JPIA	Erin	Bowles	Workers' Compensation Manager Senior Executive Assistant (Recording Secretary)
ACWA JPIA	Chimene	Camacho	Sr. Risk Control Advisor
ACWA JPIA	Diego	Casillas	Sr. Risk Control Advisor
ACWA JPIA	Andrew	Corral	Member Education Manager
ACWA JPIA	Sarah	Crawford	Director of Finance
ACWA JPIA	David	deBernardi	Employee Benefits Manager
ACWA JPIA	Adam	Dedmon	Training Specialist
ACWA JPIA	Aileen	Dizon	Risk Control Manager
ACWA JPIA	Robin	Flint	Director of Pooled Programs
ACWA JPIA	Jennifer	Jobe	Administrative Assistant II
ACWA JPIA	Olivia	Sayad	Cybersecurity Risk Specialist
ACWA JPIA	Hunter	Sargent	Administrative Assistant III
ACWA JPIA	Jillian	Sciancalepore	Property and Liability Claims Manager
ACWA JPIA	Judy	Shiu	Finance Manager
ACWA JPIA	Dan	Steele	Litigation Manager
ACWA JPIA	Kayla	Villa	HR Manager
ACWA JPIA	Tony	Waterford	Member Services Rep. II
ACWA JPIA	Nidia	Watkins	System/Network Administrator
ACWA JPIA	Mike	Whitright	Interim General Counsel
ACWA JPIA/Johnson Schachter & Lewis	Kellie	Murphy	Interim Executive Director
ACWA	Marwan	Khalifa	Senior Director of Operations and Member Engagement
ACWA	Tiffany	Giammona	President
ACWA	Cathy	Green	General Manager
Amador Water Agency	Larry	McKenney	General Manager
Hidden Valley Lake Community Services Division	Paul	Kelley	Board Member
North Coast County Water District	Anne	De Jarnatt	Director
Oakdale Irrigation District	Tom	Orvis	Interim General Manager
Purissima Hills Water District	Tammy	Ruddock	Director
Santa Clarita Valley Water Agency	Bill	Cooper	Director
Scotts Valley Water District	Chris	Perri	Director
Sierra Highlands Community Services District	Fred	Finkbeiner	Board Member
Tuolumne Utilities District	Jeff	Kerns	Alternate Director
Valley Center Municipal Water District	Jim	Pugh	Director
Western Municipal Water District	Laura	Roughton	

**ACWA JPIA Board of Directors Meeting - Voting Report - December 1, 2025**

Member	Voter Name	Voting Code	Consent Agenda	Conflict of Interest Code	Revisions to Bylaws	Investment Policy
Alameda County Water District	John Weed	69419	Yes	Yes	Yes	Yes
Alta Irrigation District	Marc Limas	32709	Yes	Yes	Yes	Yes
Amador Water Agency	Larry McKenney	18529	Yes	Yes	Yes	Yes
Antelope Valley State Water Contractors Association	Kathy Mac Laren-Gomez	94589	Yes	Yes	Yes	Yes
Arroyo Santa Rosa Basin Groundwater Sustainability Agency	Eugene West	50609	Yes	Yes	Yes	Yes
Bedford-Coldwater Groundwater Sustainability Agency	Matthew Dobler	53652	Yes	Yes	Yes	Yes
Cachuma Operation and Maintenance Board	Kristen Sneddon	50164	Yes	No response	No response	No response
Calaveras County Water District	Scott Ratterman	62748	Yes	Yes	Yes	Yes
Calleguas Municipal Water District	Scott Quady	86413	Yes	Yes	Yes	Yes
Camrosa Water District	Eugene West	72583	Yes	Yes	Yes	Yes
Carmichael Water District	Mark Emmerson	48428	Yes	Yes	Yes	Yes
Central Coast Water Authority	Ed Andrisek	41993	Yes	No response	No response	No response
Citrus Heights Water District	David Wheaton	35558	Yes	Yes	Yes	Yes
Contra Costa WD	Ernie Avila	80024	Yes	Yes	Yes	Yes
Crestline Village Water District	Steven Farrell	92752	Yes	Yes	No	Yes
Cucamonga Valley Water District	Randall J. Reed	46143	Yes	Yes	Yes	Yes
Desert Water Agency	Kristin Bloomer	80660	Yes	Yes	Yes	Yes
Diablo Water District	Conan Moats	26849	Yes	Yes	No	Yes
East Bay Municipal Utility District	Lisa Sorani	70967	Yes	Yes	Yes	No response
East Orange County Water District	Marilyn Thomes	69910	Yes	No response	Yes	No response
El Dorado Irrigation District	Paul Penn	47537	Yes	Yes	No	No
El Toro Water District	Kathryn Freshley	70042	Abstain	Yes	Yes	Yes
Elsinore Valley Municipal Water District	Andy Morris	64609	Yes	Yes	Yes	Yes
Exeter Irrigation District	Gene Kilgore	67513	Yes	Yes	No	Yes
Fallbrook Public Utility District	Jennifer DeMeo	14592	Yes	Yes	Yes	Yes
Florin Resource Conservation District-Elk Grove Water District	Tom Nelson	41096	Yes	Yes	Yes	Yes
Fresno Metropolitan Flood Control District	Sargeant Green	38001	Yes	Yes	Yes	Yes
Friant Water Authority	Cliff Loeffler	36969	Yes	Yes	Yes	Yes
Georgetown Divide Public Utility District	Robert Stovall	30706	Yes	Yes	No	Yes
Helix Water District	Kathleen Hedberg	31715	Yes	Yes	Abstain	Yes
Hidden Valley Lake CSD	Paul Kelley	18658	Yes	Yes	Yes	Yes
Humboldt Bay Municipal Water District	J. Bruce Rupp	13190	Yes	Yes	Yes	Yes
Ivanhoe Irrigation District	Gene Kilgore	36316	Yes	Yes	No	Yes
Joshua Basin Water District	Stacy Doolittle	29458	Abstain	Yes	Yes	Yes
Kings River Conservation District	Chris Kapheim	16893	Yes	Yes	Yes	Yes
Kings River East Groundwater Sustainability Agency	Marc Limas	26864	Yes	Yes	Yes	Yes

Member	Voter Name	Voting Code	Consent Agenda	Conflict of Interest Code	Revisions to Bylaws	Investment Policy
La Habra Heights County Water District	Karen Baroldi	65692	Yes	Yes	Yes	Yes
Laguna Beach County Water District	Deborah Neev	49433	Yes	Yes	Yes	Yes
Lindsay-Strathmore Irrigation District	Cliff Loeffler	49396	Yes	Yes	Yes	Yes
Madera Irrigation District	Carl Janzen	74826	Yes	Yes	Yes	Yes
Madera-Chowchilla Water & Power Authority	Carl Janzen	21622	Yes	Yes	Yes	Yes
Main San Gabriel Basin Watermaster	Kelly Gardner	51354	Yes	Yes	Yes	No response
Mesa Water District	Fred Bockmiller	46373	Yes	Yes	Yes	Yes
Montecito Water District	Floyd Wicks	30312	Yes	No response	No response	No response
Moulton Niguel Water District	Sherry Wanninger	57989	Yes	Yes	Yes	Yes
North Coast County Water District	Anne DeJarnatt	97971	Yes	Yes	Yes	Yes
Oakdale Irrigation District	Thomas Orvis	48546	Yes	Yes	Yes	Yes
Olivenhain Municipal Water District	Ebin Lanfried	99851	Yes	Yes	No response	Yes
Orange County Water District	Cathy Green	13423	Yes	Yes	Yes	Yes
Otay Water District	Mark Robak	18286	Yes	Yes	Yes	Yes
Palmdale Water District	Debbie Dino	71826	Yes	Yes	Yes	Yes
Paradise Irrigation District	Kevin Phillips	91810	Yes	Yes	Yes	Yes
Pomona-Walnut-Rowland Joint Water Line Commission	Thomas Coleman	45522	Yes	Yes	Yes	Yes
Puente Basin Water Agency	Tom Coleman	65726	Yes	Yes	Yes	Yes
Rainbow Municipal Water District	Michael Mack	70329	Yes	Yes	Abstain	Yes
Rancho California Water District	William E Plummer	13589	Yes	Yes	Yes	Yes
Reclamation District #784	Brent Hastey	35609	Yes	Yes	Yes	Yes
Regional Water Authority	Pam Tobin	32196	Yes	Yes	Yes	Yes
Rowland Water District	Szu Pei Lu-Yang	87399	Yes	Yes	Yes	Yes
Sacramento Groundwater Authority	Pam Tobin	25023	Yes	Yes	Yes	Yes
Sacramento Suburban Water District	Jay Boatwright	55918	Yes	Yes	Yes	Yes
San Benito County Water District	John Freeman	54155	Yes	Yes	No response	Yes
San Bernardino Valley Municipal Water District	T. Milford Harrison	77452	Yes	Yes	Yes	Yes
San Bernardino Valley Water Conservation District	Melody A. McDonald	12092	Yes	Yes	Yes	Yes
San Dieguito Water District	Jace Schwarm	52548	Yes	Yes	Yes	Yes
San Gabriel Basin Water Quality Authority	Bob Kuhn	43282	Yes	Yes	Yes	Yes
San Juan Water District	Pam Tobin	38064	Yes	Yes	Yes	Yes
San Luis & Delta-Mendota Water Authority	Laures Stiles	14909	Yes	Yes	Yes	Yes
San Luis Water District	Janet Roy	50868	Yes	Yes	Yes	Yes
Santa Clarita Valley Groundwater Sustainability Agency	Gary Martin	76390	Yes	Yes	Yes	Yes
Santa Clarita Valley Water Agency	William Cooper	22693	Yes	Yes	Yes	Yes
Santa Fe Irrigation District	Al Lau	61587	Abstain	Yes	Yes	Yes
Santa Margarita Water District	Saundra Jacobs	10552	Yes	Yes	Abstain	Yes
Santa Rosa Regional Resources Authority	Andy Morris	35861	Yes	Yes	Yes	Yes
Scotts Valley Water District	Chris Perri	29620	Yes	Yes	Yes	Yes

Member	Voter Name	Voting Code	Consent Agenda	Conflict of Interest Code	Revisions to Bylaws	Investment Policy
Serrano Water District	Gregory Mills	67058	Yes	No response	Yes	Yes
Sierra Highlands Community Services District	Fred Finkbeiner	52203	Yes	Yes	Yes	Yes
Solano Irrigation District	Cary Keaten	67778	Yes	Yes	No response	No response
South Bay Water	Manny Delgado	75702	Yes	Yes	Yes	Yes
South San Joaquin Irrigation District	Glenn Spysma	66861	Yes	Yes	Yes	Yes
Suisun-Solano Water Authority	Cary Keaten	17365	Yes	Yes	No response	No response
Sweetwater Authority	Steve Castaneda	47957	Yes	Yes	Yes	Yes
Tahoe City Public Utility District	John Pang	81694	Yes	Yes	Yes	Yes
Tehachapi-Cummings County Water District	Jonathan Hall	48603	Yes	Yes	Yes	Yes
Three Valleys Municipal Water District	David De Jesus	29517	Yes	Yes	Yes	Yes
Tri-Dam Project	Glenn Spysma	19512	Yes	Yes	Yes	Yes
Tri-District Water Authority	Gene Kilgore	48146	Yes	Yes	No	Yes
Tuolumne Utilities District	Jeff Kerns	50835	Yes	Yes	Yes	Yes
Valley Center Municipal Water District	Jim Pugh	89368	Yes	Yes	Yes	Yes
Valley County Water District	Lenet Pacheco	45969	Yes	Yes	Yes	Yes
Vista Irrigation District	Patrick Sanchez	99536	Yes	Yes	Yes	Yes
Water Employee Services Authority	Andy Morris	62106	Yes	Yes	Yes	Yes
Water Replenishment District of Southern California	Elvira Robles-DeWitt	84609	Yes	Yes	Yes	Yes
Westborough Water District	Don Amuzie	75803	Yes	Yes	Yes	Yes
Western Municipal Water District	Laura Roughton	92790	Yes	Yes	Abstain	Yes
Yolo Subbasin Groundwater Agency	Tom Barth	90271	Yes	Yes	Yes	Yes
Yuba County Water Agency	Gary Bradford	18578	Yes	Yes	Yes	Yes

**Total Votes**

Yes	94	92	79	88
No	0	0	7	1
Abstain	3	0	4	0
No response	0	5	7	8
<b>Total # of Voters</b>	<b>97</b>	<b>97</b>	<b>97</b>	<b>97</b>

**ACWA JPIA**  
**Ancillary Programs Update**  
**May 4, 2026**

**BACKGROUND**

Ancillary programs enhance ACWA JPIA's core pooled coverage by providing members access to specialized protections that address a broader range of operational risks. These offerings allow members to align coverage with their unique exposures while maintaining the efficiencies of the pooled model.

The JPIA currently provides Cyber Liability, Excess Crime, Dam Failure Liability, Public Officials Bond, Underground Storage Tank (UST) Pollution Liability, Fiduciary Liability, Difference in Conditions, Basic and Supplemental Life, Employee Assistance Program, and Disability.

Beginning July 1, 2025, the pooled UST Pollution Liability Program was dissolved and transitioned to a group purchase program. Equity from the former pool was returned to participating members in February 2026. This shift reflects a strategic realignment of the program's structure while preserving access to coverage for agencies in need.

Through these programs, members are better positioned to protect their assets, support their workforce, and sustain uninterrupted service to their communities.

**CURRENT SITUATION**

The continued growth of JPIA's ancillary programs, in both participation and scope, reflects strong demand for targeted coverage solutions that are competitively priced and operationally relevant. By leveraging JPIA's economies of scale, we can secure favorable terms that individual agencies may not achieve independently.

The transition of the UST program from a pooled structure to a group purchase model illustrates JPIA's willingness to recalibrate program design in response to market conditions, risk profile shifts, and long-term financial sustainability considerations.

As the portfolio expands, members benefit from increased flexibility to align coverage with their specific risk profiles and operational needs.

Staff will provide an overview of key program highlights follows.

**RECOMMENDATION**

None, information only.

## **ANCILLARY PROGRAM HIGHLIGHTS**

### **Excess Crime – renews April 1**

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- Provides coverage for losses related to monetary crimes related to operations (such as theft and embezzlement) that exceed the limits of the primary coverage.
- 73 members
- \$1 million limit / \$100,000 deductible
- \$83,370 total revenue

### **Difference in Conditions – renews April 1**

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- Provides coverage for catastrophic risks such as earthquake that are excluded or limited under standard property coverage.
- 7 members
- \$25 - \$30 million limit / \$25,000 - \$100,000 deductible
- \$247,632 total revenue

### **Cyber Liability – renews July 1**

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- Provides coverage from financial losses resulting from data breaches and other cyber events. Includes both first-party and third-party coverage.
- 284 members
- \$3 million per member limit / \$5 million aggregate
- \$1.3 million total revenue

### **Underground Storage Tank Pollution Liability – renews July 1**

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- Provides coverage for third-party claims arising from bodily injury and property damage caused by environmental incidents resulting from an underground storage tank. It also includes coverage for government mandated clean-up costs.
- 9 members
- \$3 million limit / \$10,000 deductible
- \$33,581 total revenue

### **Dam Failure Liability – renews October 1**

---

- Provides coverage for third-party bodily injury or property damage arising out of the partial or complete structural failure of any scheduled dam.
- 17 members
- \$4 million limit / \$1 million deductible
- \$820,001 total revenue

### **Public Officials Bond – renews October 1**

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- Provides coverage for the Agency’s public official’s failure to perform their duties faithfully and honestly.
- 12 members
- \$100,000 limit
- \$9,975 total revenue

### **Fiduciary Liability – renews October 1**

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- Provides coverage for claims alleging mismanagement or breaches of fiduciary duty in the oversight of a member’s financial assets or obligations.
- 8 members
- \$1 - \$3 million limit / \$10,000 - \$50,000 deductible
- \$40,228 total revenue

### **Basic & Supplemental Life – renews January 1**

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- Provides coverage for death benefits to an employee’s beneficiary, with optional supplemental coverage available to purchase additional protection for themselves or their family.
- 135 members
- \$847,989 total revenue

### **Employee Assistance Program – renews January 1**

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- Provides coverage for confidential support services, including counseling, legal, and financial resources to help employees manage personal or work-related challenges.
- 122 members
- \$102,327 total revenue

### **Long and Short-Term Disability – renews January 1**

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- Provides coverage for income replacement when an employee is unable to work due to a qualifying short-term or long-term illness or injury. Member agencies contract directly with the provider.
- 63 members

**ACWA JPIA**  
**Qualified Candidates for the California Water Insurance Fund (CWIF)**  
**Election**  
**May 4, 2026**

**BACKGROUND**

The seven-member California Water Insurance Fund (CWIF) Board of Directors is made up of four current Executive Committee members, a resident of Utah (a Utah State requirement), and two members who are elected at large from the JPIA's Board of Directors. The election of the two (2) at large members occurs every even year at the Spring Membership Summit. To qualify, candidates must be their entity's appointed Director and the member must participate in the Liability Program and one other pooled program.

**CURRENT SITUATION**

This election is intended to fill two CWIF Board member positions for a term of two years each. A total of four Statement of Qualifications have been received.

The qualified candidates are:

- Andrew Morris – Elsinore Valley Municipal Water District (*incumbent*)
- John Pang – Tahoe City Public Utility District (*incumbent*)
- Scott Quady – Calleguas Municipal Water District
- John Weed – Alameda County Water District

The Statement of Qualifications for each candidate follows.

**RECOMMENDATION**

The Board members will be asked to vote on the qualified candidate.



Andrew Morris

Statement of Candidacy  
**California Water Insurance Fund (CWIF)**

I am honored to serve as the current Chair of the California Water Insurance Fund (CWIF) and as an at-large elected member since its inception. CWIF was created to advance and support the insurance and risk management needs of ACWA JPIA members, and I am proud to have helped guide it in fulfilling that mission.

My extensive experience in both the financial services and water management sectors provides the foundation for strong, informed leadership. As a licensed Series 6 & 63 financial services professional and owner of the Andrew Morris Insurance Agency for more than 34 years, I have an established record in risk management, asset protection, and long-term financial planning—skills directly relevant to CWIF’s oversight and stewardship responsibilities.

In addition to my work with CWIF, I currently serve as Board President of the Elsinore Valley Municipal Water District (EVMWD), which provides water, wastewater, and recycled water services to more than 100,000 customers.

I also chair the Santa Rosa Regional Resources Authority (SRRRA), a Joint Powers Authority formed to operate and administer regional water reclamation facilities in Southwest Riverside County.

Through these roles, I have maintained a consistent focus on accountability, collaboration, and responsible resource management. I remain committed to ensuring CWIF continues to protect and strengthen JPIA’s insurance and risk management programs and to uphold the fund’s purpose of advancing the interests of California’s water agencies.

I appreciate your continued trust and support, and I look forward to building on CWIF’s solid foundation for years to come.



## Contact: John Pang



Phone

530-448-6460



Email

jpang@tcpud.org



Address

221 Fairway Dr., Tahoe City CA



**Tahoe City Public Utility District**

*Building a healthy mountain  
community through our passion  
for public service.*

## **Candidate Statement of Qualifications for California Water Insurance Fund Board**

John Pang was first elected to the TCPUD Board in 2014 and successfully re-elected twice, in 2018 and 2022. John was appointed by the TCPUD Board to serve as a member of the ACWA JPIA Board of Directors in January 2015 in recognition of his experience in risk management and safety. John has been an actively engaged ACWA JPIA board member since his appointment in 2015, attending the spring and fall conferences each year and participating in the ACWA Headwaters Workgroup. In 2025 John was appointed to serve a vacated seat on the California Water Insurance Board and he would like to continue to serve in the role. He will work hard to serve your interests.

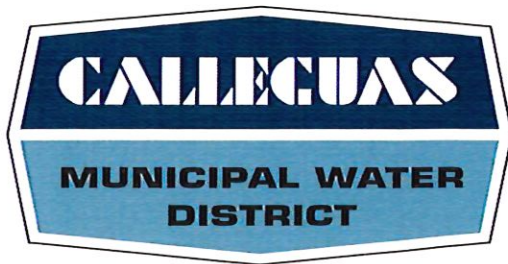
- Elected TCPUD Board Director – 2014, 2018, 2022
  - Past Board President (2018 and 2022)
  - Current Chair, TCPUD Finance Committee
  - Member, TCPUD Ad-Hoc Long-Term Financial Planning Committee
  - Past Chair, TCPUD Sewer and Water Committee
- Board Director – ACWA / JPIA (2015-Present)
- Member – ACWA Headwaters Workgroup

## Experience

- Retired Fire Chief – Meeks Bay Fire Protection District (19 years)
  - Prioritized employee and public safety, and wildfire prevention
- Active Volunteer – Tahoe Nordic Search and Rescue Team (since 1995)
- Active Volunteer – Loyalton Fire (since 2015)
- Former Vice President – Talmont Resort Improvement District (7 years)
- Former Director – Olympic Valley Public Service District (7 years)
- Former Director – Sierra Watershed Education Partnership (7 years)
- Former Member – Lake Tahoe Federal Advisory Committee
- Former Member – El Dorado County “Fire Advisory Board” (10 years)
- Former Founding Chair – Tahoe Fire and Fuels Team (addressing forest health)

## Education

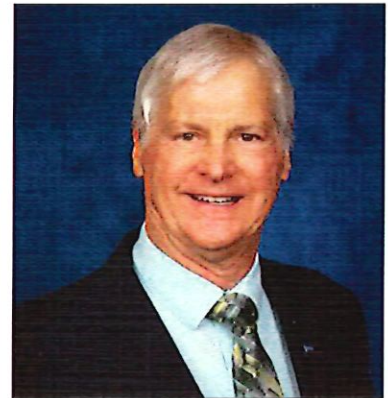
- Certified Chief Officer for the State of California (Fire Chief Certification)
- Certificate in Special District Management from Special District Management Institute
- Graduate California Special District Governance Academy
- Numerous classes including District Advanced Finance, Leadership, Infrastructure Security, Public Governance, etc.
- Graduate University of California, Davis



2100 OLSEN ROAD, THOUSAND OAKS, CA 91360 • (805) 526-9323 • CALLEGUAS.COM

To: ACWA-JPIA Board of Directors

Thank you for considering my candidacy; it is an honor to request your vote and to have the opportunity to serve once again as an at-large Board Member of the California Water Insurance Fund (CWIF). My involvement with CWIF began at its inception, and I was re-elected to the Board in 2022. These experiences have deepened my understanding of our organization's mission and strengthened my commitment to its continued success.



To provide CWIF with the benefit of fresh perspectives, I made the decision not to seek re-election in 2024, allowing new at-large directors to contribute their insights. However, the evolving challenges in the current investment environment have renewed my dedication to applying perspective and adaptive strategies that can contribute toward CWIF goals.

Since 2012, I have represented Calleguas Municipal Water District (Calleguas) as a Director on the ACWA JPIA, with Calleguas participating in the Property, Liability, and Workers' Compensation programs. Since 2018, I have served on the ACWA JPIA Workers' Compensation Committee, where I remain dedicated to expanding affordable insurance coverage and essential services for all members.

With over forty years of experience in the water and wastewater sector—which includes more than ten years each in private industry, municipal agencies, and nonprofits—I have held leadership roles such as President, Treasurer, and Chair of the Finance Committee on the Calleguas Board and have participated in various other committees. I am currently the ACWA Region 8 Vice-Chair for 2026–2027 and serve on the ACWA Energy and Water Quality Committees.

In addition, I serve as an advocate and co-benefactor for Emmett R. Quady Foundation – Cal Poly Scholars, a scholarship program under the Cal Poly Foundation/Bailey School of Science & Mathematics at California Polytechnic State University, San Luis Obispo.

I hope that my broad and sustained experience demonstrates my ongoing interest, dedication, and optimism for the continued success of CWIF. I respectfully ask for your vote of support.

Sincerely,

A handwritten signature in blue ink, appearing to read "Scott H. Quady".

Scott H. Quady, Director

## **John H. Weed**

### **Biography**

**Mr. John H. Weed** is a Board Member of the Alameda County Water District (ACWD) and has served on the ACWD Board since 1995. Mr. Weed has a Bachelor of Science degree in Civil Engineering, and Juris Doctor degree from the University of Santa Clara. He has a Master of Business Administration degree in Finance from Eastern New Mexico University. He conducted doctoral-level graduate studies in Water Resource Administration, and Graduate Research Associate in Agricultural Economics at the University of Arizona.

He is an attorney, member of California Bar, and also works in property development as President of Niles Properties, Inc. He was previously employed as an Engineer Technician with the Santa Clara Valley Water District and was the Special Assistant to the Division Manager of Ordinance Engineering at FMC Corporation. Mr. Weed formerly served as an elected Trustee of the Ohlone Community College District from 1977 to 2010.

Since 2003 he has served on the Board of Directors of the Bay Area Water Supply and Conservation Agency, for the past fourteen years he has been an appointed member of the Alameda County Property Tax Assessment Appeals Board for both valuation and legal issues. Mr. Weed serves on the Federal Affairs Committee of the Association of California Water Agencies (ACWA) and is a member and past Chair of the ACWA Region 5 Council. He is a Director on the Board of the California Delta Conveyance Design and Construction Authority, a member of the Risk Management Committee of Joint Power Insurance Authority of ACWA, past President of the Washington Township Historical Society, and member of the Newark Rotary.

Mr. Weed is a Vietnam veteran, serving his three years of active-duty service as a Munitions Maintenance Officer and Explosive Ordnance Disposal Officer. He served in the U.S. Air Force Reserves as a Civil Engineer for 28 years, retiring with the rank of Colonel. His highest award was the Legion of Merit. His service as a Civil Engineer was focused on Readiness with certifications in Fire Protection, Explosive Ordnance Disposal, and Disaster Preparedness. He served as an Individual Mobilization Augmentee [IMA] to the Air Force Fire Marshal with functional management of 13,000 Fire Fighting Personnel at 162 locations from 1992-1995. From 1995 to his retirement in 2000, Colonel Weed was the IMA to the Civil Engineer of the Pacific Air Forces with functional management of 6,400 Military personnel, with an annual budget of \$1-billion for Operations and Maintenance, and \$500-million in capital construction. His primary focus was Readiness for U.S. Air Force Assets on the Korean Peninsula, which was identified as the highest risk location in the world.

**ACWA JPIA**  
**ACWA Update**  
**May 4, 2026**

**BACKGROUND**

This is a standing item on the Board of Directors agendas.

**CURRENT SITUATION**

ACWA Interim Executive Director, Marwan Khalifa, will update JPIA's Board of Directors on ACWA's relevant current issues and events.

**RECOMMENDATION**

None, information only.

**ACWA JPIA**  
**H.R. LaBounty Safety Awards Program**  
**Winners for Spring 2026**  
**May 4, 2026**

**BACKGROUND**

The JPIA's H.R. LaBounty Safety Awards Program was established in 1999 to promote safe workplace behaviors and effective operational practices among member agencies. The program recognizes and rewards employees and departments that demonstrate exemplary safety performance, engage in proactive safety initiatives, or implement actions that reduce risk and prevent losses.

To support continuous improvement and knowledge-sharing, summaries of award-winning nominations—including identified hazards and the corrective actions taken—are made available to all members through the [Risk Control](#) section of the JPIA website.

**CURRENT SITUATION**

Results of the H.R. LaBounty Safety Awards Program are announced each Spring and Fall at the JPIA Membership Summits. For Spring 2026, 10 nominations were submitted by 8 member agencies. As a result, 17 member employees and four member departments will receive monetary awards in recognition of their safety improvements and engineering solutions.

The award-winning submissions selected for presentation at the Spring Membership Summit were evaluated using the following criteria:

- Clear documentation of the identified hazard or exposure and the controls implemented to reduce or eliminate risk, including tools, forms, or programs.
- Demonstrated employee participation at all organizational levels, supported by documented communication and training efforts.
- Implementation of a best practice aligned with the Commitment to Excellence category and informed by JPIA loss data.
- Applicability to small, medium, and large JPIA member agencies.
- Provision of a sustainable, long-term solution that eliminates, substitutes, or engineers out the hazard.

Winning submissions will be posted on the JPIA website under Safety Awards – Award-Winning Submissions.

**RECOMMENDATION**

None, information only.



## **H.R. LA BOUNTY SAFETY AWARD WINNERS – SPRING 2026**

### **Calaveras County Water District**

**Jenny Lind Water Treatment Plant Operations Team**

### **Clearlake Oaks County Water District**

**Jesse Seth  
James Simmons  
Dianna Mann  
Olivia Mann  
Bailey Anderson**

### **Crescenta Valley Water District**

**Armine Sargsyan  
Peter Hilke  
Morgen Durose**

### **Moulton Niguel Water District**

**Charles Dunahee**

### **Orchard Dale Water District**

**Leo Gomez**

### **Rainbow Municipal Water District**

**Luke Johnson**

### **Walnut Valley Water District**

**Jazmin Noble  
Andy Chan  
John Shute**

### **Zone 7 Water Agency**

**Tony Peterson  
Arash Farsaei**

**ACWA JPIA**  
**Walter “Andy” Sells Commitment to Excellence in Water Safety**  
**Award Recognition**  
**May 4, 2026**

**BACKGROUND**

Walter “Andy” Sells, former JPIA Chief Executive Officer, retired from the JPIA in September 2023 following 33 years of dedicated service. Widely recognized for his innovative leadership, Mr. Sells championed the JPIA’s award-winning Commitment to Excellence (C2E) Program and later strengthened its impact by developing and supporting the Risk Control Grant Program.

In recognition of Mr. Sells’ longstanding commitment to advancing risk management practices and supporting JPIA members in reducing the frequency and severity of liability, property, and workers’ compensation losses, the JPIA annually recognizes two member agencies that exemplify the principles of the C2E Program at each Spring Membership Summit.

Recognition Categories:

- Agency with an employee count of 29 or fewer
- Agency with an employee count of 30 or more

**CURRENT SITUATION**

Two member agencies will receive the **Walter “Andy” Sells Commitment to Excellence in Water Safety Award**. The awards highlighted for presentation at the ACWA JPIA Spring Membership Summit were selected based on the following demonstrated achievements:

- Active participation in all three JPIA coverage programs: Liability, Property, and Workers’ Compensation.
- Recipient of the President’s Special Recognition Award in at least two coverage programs—Liability, Property, and Workers’ Compensation, announced at the most recent Fall Membership Summit.
- A signed Commitment to Excellence (C2E) Agreement on file with the JPIA.
- Demonstrated support of the C2E Program through participation in three or more defined activities within the last three years of the current recognition cycle.

**RECOMMENDATION**

None, information only.

**ACWA JPIA**  
**Presentation of Government Finance Officers Association (GFOA)**  
**Award**  
**May 4, 2026**

**BACKGROUND**

JPIA membership with the Government Finance Officers Association (GFOA) aims to educate staff on current trends and best practices in public-sector financial and accounting fields. The JPIA Finance Department has proudly earned this award for excellence in financial reporting each year since 2014.

**CURRENT SITUATION**

Bruce Rupp, Chair of the JPIA Finance and Audit Committee, will present the most recent GFOA 2024 award to the JPIA Finance Department.

**RECOMMENDATION**

None, information only.



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Association of California Water Agencies  
Joint Powers Insurance Authority**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO

**ACWA JPIA**  
**Leadership Essentials for the Water Industry Program Update**  
**May 4, 2026**

**BACKGROUND**

Since 2015, the **Leadership Essentials for the Water Industry program** has developed 269 water agency leaders from 95 member agencies — building the next generation of leadership across California's water sector. Facilitated by ACWA JPIA for general managers and senior-level employees, the program requires four in-person two-day sessions throughout the year, offered in both Northern and Southern California, plus monthly webinars.

Tuition for member participants in 2026/2027 will be \$2,595, with a \$400 discount offered to members in the JPIA Liability Program; additional travel expenses are covered by participating agencies. The **E.G. "Jerry" Gladbach Leadership Program Grant** is available to cover tuition and reimburse travel expenses for one selected member applicant in each Northern and Southern CA program cohort per year.

**CURRENT SITUATION**

Applications are now open for General Managers and other senior leaders for the two available 2026/2027 cohorts, as well as the program grant, one each in Roseville, CA and Costa Mesa, CA. Selected participants will be notified by July 31, with the sessions beginning in October and November 2026.

This year's application process is paperless — available as an online form. Non-GM applicants are now required to submit GM and supervisory approval as part of the application, to support and validate program commitment. To encourage greater participation by General Managers, GMs will receive priority enrollment and a new \$200 tuition discount, in addition to the Liability Program discount, if applicable. Space is limited to 16 participants per cohort, so early application is encouraged.

The program and grant application forms, a synopsis of program objectives, and cohort session schedules are available on the ACWA JPIA Training website at <https://www.acwajpia.com/training-2/#leadership-program>. Applications for both the program and grant close on June 26, 2026.

**RECOMMENDATION**

None, information only.



# LEADERSHIP ESSENTIALS

## FOR THE WATER INDUSTRY

### ABOUT OUR PROGRAM

Today's water agencies require strong, adaptive leadership to build the skills needed to guide their organizations now and into the future. This unique leadership development program is designed specifically for senior water and wastewater agency leaders.

### WHAT WE OFFER

This exciting year-long program with 240+ graduates offers water agency general managers and other senior leaders a robust education experience to develop leadership skills and facilitate growth in three spectrums: self, team, and agency leadership.

The success of this program is due to its unique structure:

- Small Class Sizes
- Personalized Assessments
- Interaction with Water Industry Peers
- Practical, On-the-Job Application of Concepts

### DETAILS

Two cohorts will be offered in 2026-2027:

<p><b>GM's and Senior Leaders</b> Costa Mesa, CA Begins September 30, 2026</p>	<p><b>GM's and Senior Leaders</b> Sacramento, CA Begins Nov 4, 2026</p>
--	---

Program investment includes 80+ hours of instruction, all materials, assessments, and meals. One-year commitment with four required in-person sessions (two days each) and monthly webinars:

- \$2,595 JPIA members or \$2,195 JPIA Liability Program members  
(Plus an additional \$200 discount for General Managers)
- \$2,795 Non-members

Overnight stays are recommended for the in-person sessions and are not included in the tuition pricing above. JPIA offers a grant available to cover fees and expenses for one participant per cohort. See the website for program and grant applications:

Apply by June 26, 2026

<https://acwajpia.info/jpialeaddev>

**SPACE IS LIMITED - Apply by June 26, 2026.** Priority given to ACWA JPIA members and GM/AGM roles. Waitlists will be utilized with participants notified of their acceptance by July 31, 2026.



training@acwajpia.com



1.833.456.JPIA (5742)

**ACWA JPIA**  
**Annual Comprehensive Financial Report (ACFR) for Year Ended**  
**September 30, 2025**  
**May 4, 2026**

**BACKGROUND**

Every fiscal year, the JPIA provides for an independent audit of the annual financial statements. Gilbert CPAs executed a successful audit covering the period October 1, 2024, through September 30, 2025.

**CURRENT SITUATION**

Gilbert CPAs issued an unmodified opinion that states that the financial statements present fairly and accurately, in all material respects, the financial position of ACWA JPIA as of September 30, 2025, and the results of its operations and cash flows for the year finalized in conformity with generally accepted accounting principles (GAAP) in the United States of America.

As in the year prior, JPIA prepared an Annual Comprehensive Financial Report (ACFR) in accordance with the Government Finance Officers Association (GFOA) standards. Consequently, the ACFR includes additional reports and schedules therein to meet these lofty standards.

**RECOMMENDATION**

That the Board of Directors approve the 2024-25 Audited Financial Statements, as presented.



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Year Ended September 30, 2025**

**Presented by  
THE ACWA JPIA FINANCE DEPARTMENT  
Roseville, California**

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

Year Ended September 30, 2025

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YOUR BEST PROTECTION

March 27, 2026

Members, Board of Directors  
Association of California Water Agencies  
Joint Powers Insurance Authority

Ladies and Gentlemen:

The Comprehensive Report of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) for the year ended September 30, 2025, is hereby respectfully submitted. The JPIA Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with JPIA. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the JPIA as measured by the financial activity of its various programs and policy periods; and that all disclosures necessary to enable the reader to gain the maximum understanding of the JPIA's financial affairs have been included.

Gilbert CPAs, a firm of licensed certified public accountants, has audited the JPIA's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the JPIA for the fiscal year ended September 30, 2025, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Also included is an assessment of the accounting principles used, significant estimates made by management, and an evaluation of the overall financial statement presentation. The auditor concluded, based upon audit, that there was a reasonable basis for rendering an unmodified opinion that the JPIA's financial statements for the fiscal year ended September 30, 2025, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

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

The JPIA is a public entity formed in 1979 by 83 California water agencies. It is a special district in the state of California, and its formation and operation are subject to the provisions of the California Government Code.

The JPIA is dedicated to consistently and cost effectively providing the broadest possible affordable insurance coverage and related services to its member agencies. The JPIA provides risk-sharing pools to meet the needs of its members for Liability, Property, Workers' Compensation, Employee Benefits coverage and other member risk needs. Besides handling covered claims for its members, it provides risk management services and training programs. Additionally, the JPIA continues to provide members with a training library to help prevent losses.

As of September 30, 2025, the JPIA had 400 members. Each member selects one representative to serve as a director on the ACWA JPIA Board of Directors. From this body, eight members are elected to serve with staggered terms as members of ACWA JPIA's Executive Committee. The current vice president of the Association of California Water Agencies also serves as a voting member on the Executive Committee.

JPIA's reporting entity includes all activities of the Board of Directors and staff considered part of and controlled by the JPIA. This includes financial activities relating to all programs and insurance pools of the JPIA.

### **LOCAL ECONOMY**

The economy stabilized last year, with unemployment rising from 4.1% to 4.4% between October 2024 and September 2025. In the State of California, the unemployment rate exhibited minimal fluctuation, increasing slightly from 5.5% in October 2024 to 5.6% by the end of September 2025. The national inflation rate increased from 2.4% in September 2024 to 3% in September 2025. This data suggests the economy is moving towards less confidence, but the changes are not significant enough to draw major concerns. Although steps are attempting to be made to quell the rise in inflation, inflation will continue to play some part in our economic concerns. The UCLA Anderson Forecast has suggested the State will continue to see unemployment rates above 5% and that inflation will hover around 3%. The state's economy is anticipated to be driven by sectors such as technology, construction, education, government, and health care. In the City of Roseville, where the JPIA office resides, the unemployment rate has moved from 5.6% in September 2024 to 5.2% in September 2025. This change contradicts the overall change in the State suggesting that the local economy is more stable than statewide. Investments represent the segment of JPIA's operations that is most significantly influenced by broader economic conditions.

Staffing has been growing within the JPIA. The number of JPIA employees has increased by approximately 15% in the last couple of years alone. The JPIA continues to experience

employees retiring as the employment force ages. Market conditions for both the Liability and Property Programs have been less than ideal. The JPIA implemented a 5% rate increase in the Liability Program. For the Property Program the JPIA increased rates by 10% to keep up with increased costs. The Workers' Compensation Program has continued to see favorable loss experience and accordingly rates were to remain the same as 2025 with no increase or decrease. The Employee Benefits Program experienced a record high in losses for the year signaling an aging population and proposed a 10% increase as well.

## **LONG-TERM FINANCIAL PLANNING**

In April of 2023, the ACWA JPIA Executive Committee approved a new goal for reserves in the Employee Benefits Program. This goal was set using an actuary estimate of incurred but not reported losses using a 99% confidence level. Confidence level refers to the degree of certainty the actuary has those losses will be equal to or less than the estimate provided. The board recently approved to increase the targeted Employee Benefits Reserve Fund, from \$34 million to \$39 million based on the most recent actuarial reports. The JPIA is significantly above this goal on September 30, 2025. The JPIA management intends to budget the program in future years to bring the current reserves to the stated goal.

The JPIA regularly conducts strategic and long-term financial planning. Key meetings included a SWOT analysis in March 2020, program review and funding discussions in June 2022, and a focus on organizational values in January 2024. In July 2025, management held onboard training to align committee members' vision and objectives. Most recently, in February 2026, senior management and the Executive Committee mapped out priorities for the next decade.

In September 2012, the ACWA JPIA Executive Committee approved a monetary policy to cover funding for the Liability and Workers' Compensation Programs. The policy is two-fold, covering both the Rate Stabilization Fund and the Catastrophic Reserve Fund. The Rate Stabilization Fund is used to add and subtract monies from individual members' accounts as needed to true up policy years annually based on new actuarial estimates of losses. This process commences when a policy year reaches five years of history. The monies in these individual accounts, kept on behalf of the members, are capped at 70% of their basic deposit premium, or approximately \$17 million in total.

The Catastrophic Reserve Fund consists of funds set aside to be used in time of need. Such funds are subject to ACWA JPIA Executive Committee approval and are most likely to be used when the JPIA experiences adverse claims experience. The Catastrophic Reserve Fund is targeted using the ultimate losses estimated by the actuary for all open policy years using a 99% confidence level as a guide. The Catastrophic Fund goals are \$29 million for the Liability Program and \$12 million for the Workers' Compensation Program. In September 2024, the JPIA Executive Committee approval a CAT Fund goal of \$14 million for the Property Program.

Management believes the above funding policy covers a great deal of scenarios that the future could hold and thus is confident these goals are best for the organization.

The JPIA owns its building. The JPIA recently purchased a new building as well located just 4 miles away from the existing location. The move from current location will be a meticulous process that will span multiple years to ensure a smooth operational transition. Currently, financial plans for the current building are still undetermined in terms of leasing or selling.

The JPIA created a fully owned captive in the State of Utah for purposes of housing strategically selected self-insured risks. Management believes placing certain risks within the new captive will allow long-term investments to be leveraged more effectively over time.

## **INTERNAL ACCOUNTING CONTROLS**

JPIA's accounting system is organized so that each program can be accounted for and evaluated independently. Policy periods are also accounted for separately within each program. The assets, liabilities, revenues, and expenses of each year are reported on a full accrual basis. All transactions are accounted for in an enterprise fund.

JPIA management is responsible for establishing and maintaining internal controls designed to ensure that assets are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles, and the activities and reporting of the JPIA are following relevant laws and regulations. Internal accounting controls are designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits requires estimates and judgments by management.

All internal control decisions are made within the above guidelines. Management believes that the JPIA's internal accounting controls adequately safeguard assets and provides reasonable assurance of proper recording of financial transactions.

## **AWARDS & ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the JPIA for its comprehensive report for the fiscal year ended September 30, 2025. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The JPIA is a member of the California Association of Joint Powers Authorities (CAJPA). CAJPA sponsors the nation's first risk management accreditation program. This program establishes a model of professional standards, which serves as a guideline for all risk management pools regardless of size, scope of operation or membership structure. The accreditation process entails a detailed examination of legal and operational documents, risk management, loss control and claims programs, and statutory compliance by an independent examiner.

The JPIA has received CAJPA's "Accreditation with Excellence," the highest form of accreditation, for a three-year period ending in May 2027. The JPIA is also a member of the Association of Governmental Risk Pools (AGRiP). AGRiP provides training, resources, and operational best practices to risk pools throughout the world. AGRiP provides members with Advisory Standards for its Recognition Program which also provides a model of professional standards its member pools are encouraged to follow. AGRiP recognition took place in 2024 and was presented this award at the 2025 Spring Summit.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report.

Our sincere appreciation is expressed to the members of ACWA JPIA's Finance & Audit Committee and Executive Committee for their support in maintaining the highest standards of professionalism in the management of JPIA finances.

Our appreciation is also extended to each director and alternate director of the Board of Directors and to all Committee members for their commitment to JPIA.

We stand ready to answer any questions you may have regarding the contents of this report.

Respectfully Submitted,

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---

Adrienne Beatty  
Chief Executive Officer



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David deBernardi  
Director of Finance

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025**

**EXECUTIVE COMMITTEE**

<u>Name</u>	<u>Office</u>	<u>District</u>
Melody A. McDonald	President	San Bernardino Valley WCD
J. Bruce Rupp	Vice-President	Humboldt Bay Municipal WD
Ernesto Avila	Director	Contra Costa County WD
Brent Hasty	Director	Reclamation District 784
Chris Kapheim	Director	Kings River CD
Szu Pei Lu-Yang	Director	Rowland WD
Scott Ratterman	Director	Calaveras County WD
Randall Reed	Director	Cucamonga Valley WD
David Wheaton	Director	Citrus Heights WD
Adrienne Beatty	Chief Executive Officer	ACWA JPIA

Office Address

2100 Professional Drive  
Roseville, California 95661

Report Prepared by the  
JPIA Finance Department

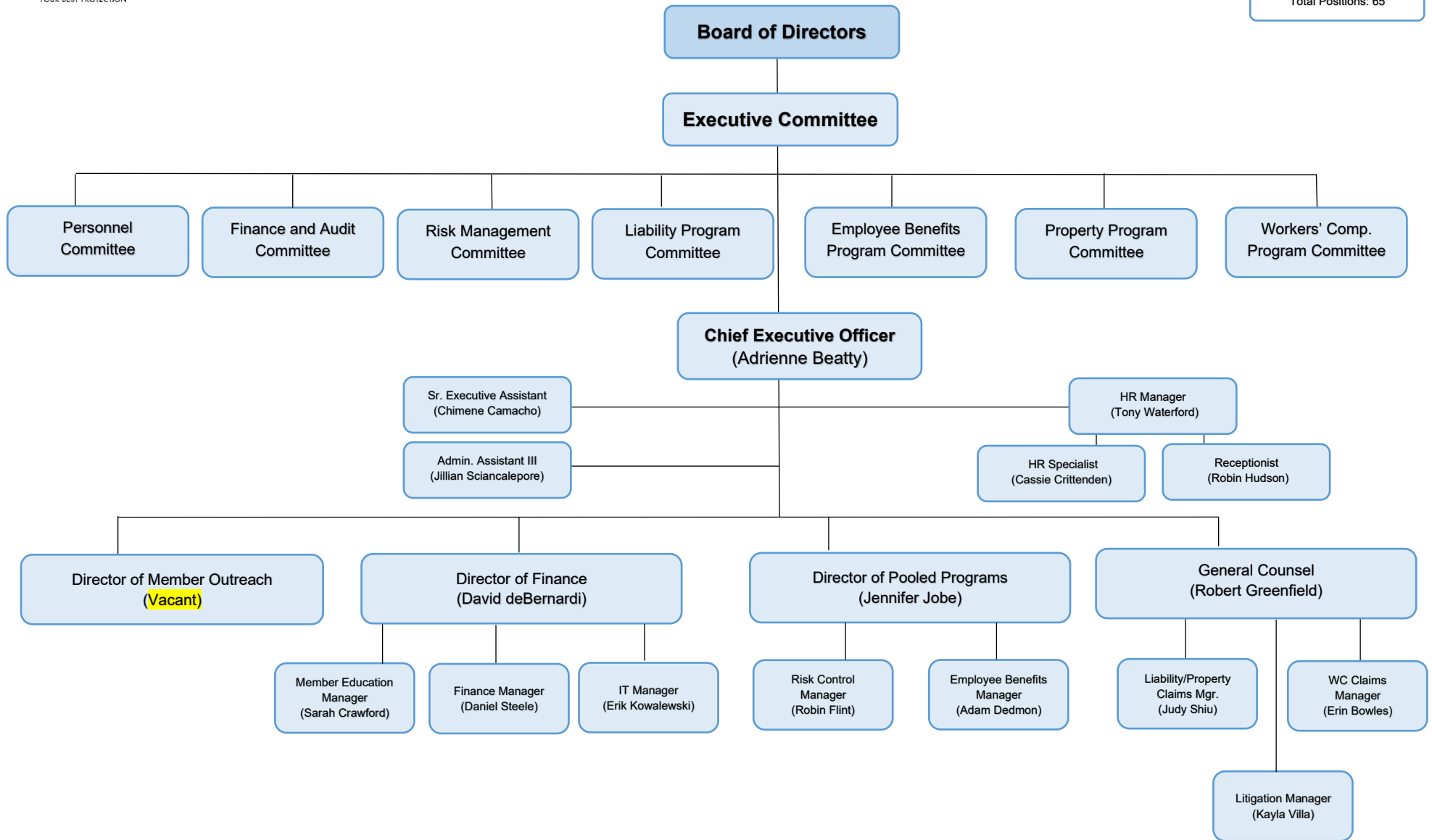
David deBernardi, CPA, Director of Finance  
Dan Steele, Finance Manager  
Kyle Hutchings, Senior Accountant  
Dalisay Matias, Accountant III  
Cynthia Buschmann, Accountant III  
Heidi Singer, Accountant III



# Organizational Chart

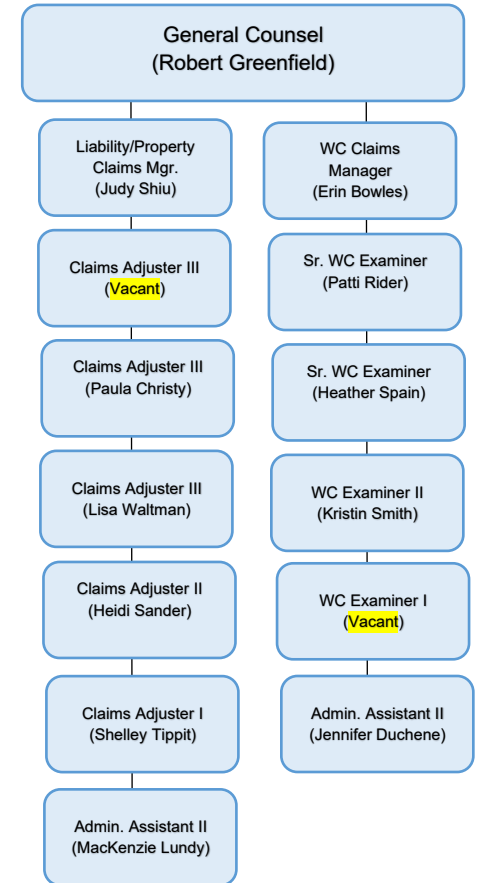
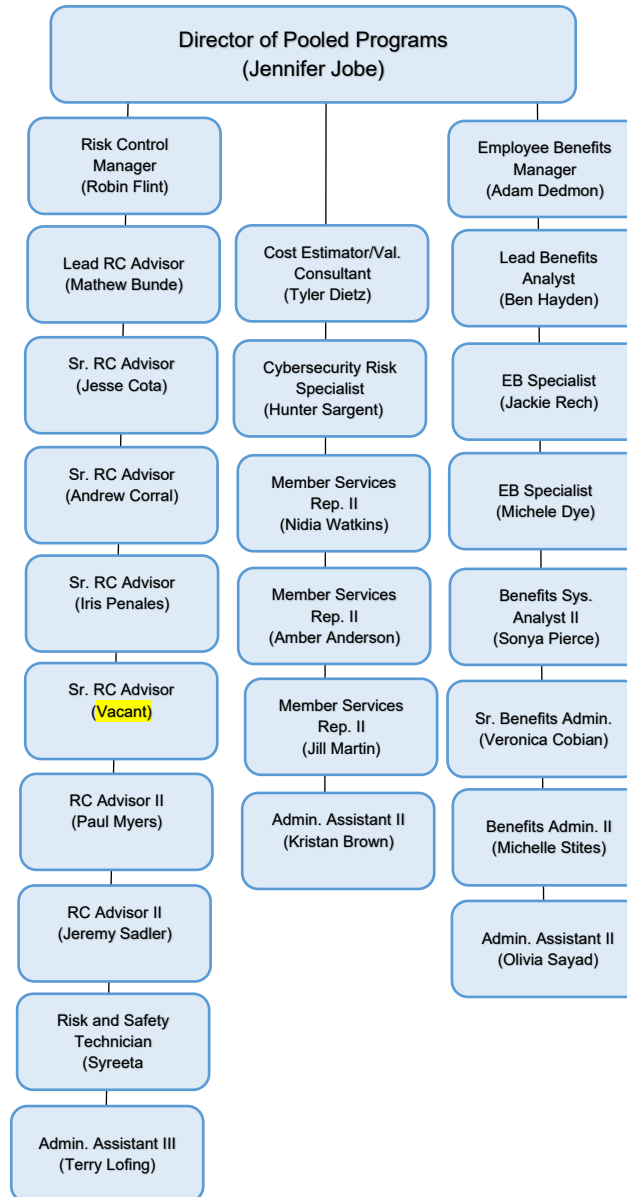
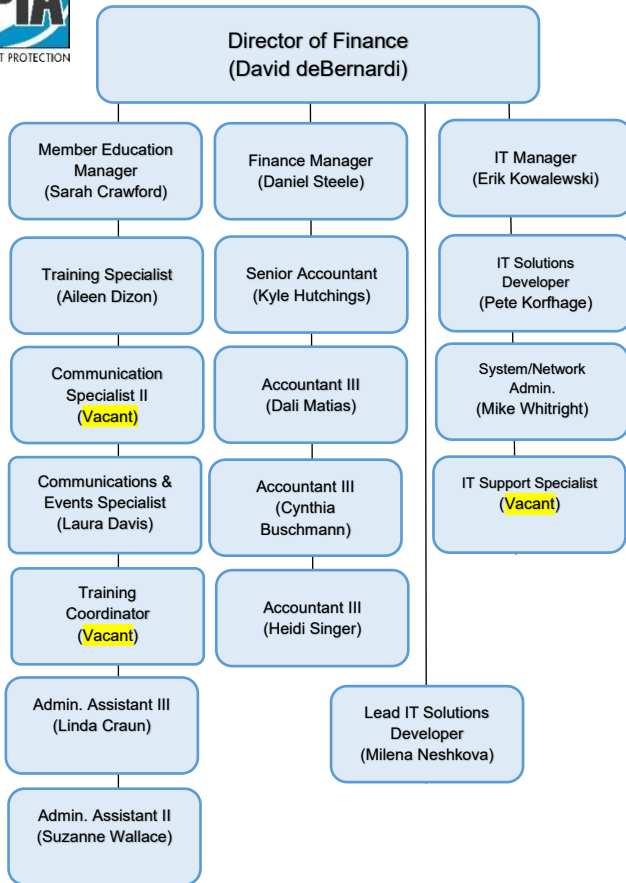
Effective October 27, 2025

Full time employees: 58  
Total Positions: 65





# Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Association of California Water Agencies  
Joint Powers Insurance Authority**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2024

*Christopher P. Morill*

Executive Director/CEO



**CAJPA**  
**California Association of  
 Joint Powers Authorities**

*Trusted Leadership  
 for California's Public  
 Risk Sharing Pools*

*It is the purpose of this organization to give professional recognition  
 to properly qualified self-insurance pools.*

*THEREFORE, the Board of Directors of the  
 California Association of Joint Powers Authorities,  
 has conferred upon*

***Association of California Water Agencies JPIA***

*This*

***CERTIFICATE OF ACCREDITATION WITH EXCELLENCE***

*having fulfilled the conditions of eligibility as prescribed by the Association for Accreditation.*



*Accreditation Period: May 19, 2024 – May 19, 2027*

*Marinda Griese  
 President*

*James P. Marta  
 Accreditation Program Manager*

*David deBernardi  
 Chair, Accreditation Committee*

**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

**Board of Directors**  
**Association of California Water Agencies**  
**Joint Powers Insurance Authority**  
**Roseville, California**

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise ACWA JPIA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACWA JPIA as of September 30, 2024, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ACWA JPIA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ACWA JPIA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee

that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACWA JPIA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ACWA JPIA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, reconciliation of claims liabilities by type of contract, ten-year claims development information, schedule of changes in the net OPEB asset and related ratios, schedule of OPEB contributions, schedule of the proportionate share of the net pension liability (NPL), and schedule of contributions to the defined benefit pension plan on pages 17-31 and 61-70 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise ACWA JPIA’s basic financial statements. The accompanying schedule of revenues, expenses, and change in net position by program, CWIF statement of net position, and CWIF statement of cash flows (collectively, supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections and the “comparative totals” column in the basic financial statements but does not include the basic financial statements and our auditor’s report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2025, on our consideration of ACWA JPIA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ACWA JPIA’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ACWA JPIA’s internal control over financial reporting and compliance.

  
**GILBERT CPAs**  
Sacramento, California

**March 27, 2025**



## MANAGEMENT’S DISCUSSION AND ANALYSIS

On behalf of management at the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA or JPIA), this section provides readers with a summary and analysis of JPIA's financial activities for the fiscal year ending September 30, 2025. It is recommended that readers review the contents of this report in conjunction with the supplementary details provided in the letter of transmittal, located on page 3 of this document.

### DESCRIPTION OF BASIC FINANCIAL STATEMENTS

The JPIA operates as an enterprise fund and utilizes an accrual basis of accounting. The report includes the basic financial statements for the JPIA in accordance with Generally Accepted Accounting Principles (GAAP). The Statement of Net Position presents a snapshot of JPIA's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of September 30, 2025. The Statement of Revenues, Expenses, and Changes in Net Position reports the revenues and expenses for the fiscal year resulting in the changes to net position. The Statement of Cash Flows reports changes in net position and income accounts that affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities. The Notes to the Financial Statements present the reader with additional information to enhance and complement understanding of the financial statements.

Comparative financial data is shown with the current year's figures to highlight changes from the previous year. The tables below present 2024 balances as reported in the financial statements.

## CAPTIVE

In September 2019, the Executive Committee authorized the establishment of a captive insurance agency. California Water Insurance Fund (CWIF), which is domiciled in Utah and regulated by the Utah Department of Insurance, subsequently commenced operations.

CWIF enables the JPIA to transfer risk cost-effectively, aiming to optimize premium investment for members. Its governing body includes the Executive Committee, at-large members, and Utah counsel. The following is a blended JPIA Statement of Net Position.

<b>CONDENSED STATEMENTS OF NET POSITION</b>			
	9/30/2025	9/30/2024	Variance
<b>ASSETS</b>			
Other Assets	\$ 306,049,560	\$ 304,662,779	\$ 1,386,781
Capital Assets	11,414,199	3,481,687	7,932,512
Total Assets	317,463,759	308,144,466	9,319,293
<b>DEFERRED OUTFLOWS</b>			
Related to Pensions	1,243,185	2,186,450	(943,265)
Related to OPEB	1,622,762	912,660	710,102
Total Deferred Outflows	2,865,947	3,099,110	(233,163)
<b>LIABILITIES</b>			
Current Liabilities	64,684,055	73,022,867	(8,338,812)
Noncurrent Liabilities	128,311,055	104,683,243	23,627,812
Total Liabilities	192,995,110	177,706,110	15,289,000
<b>DEFERRED INFLOWS</b>			
Related to Pensions	1,471,047	1,350,001	121,046
Related to OPEB	2,541,508	3,007,740	(466,232)
Total Deferred Inflows	4,012,555	4,357,741	(345,186)
<b>NET POSITION</b>			
Net Investment in Capital Assets	11,414,199	3,481,687	7,932,512
Restricted	4,078,282	4,713,366	(635,084)
Unrestricted	107,829,560	120,984,672	(13,155,112)
<b>TOTAL NET POSITION</b>	\$ 123,322,041	\$ 129,179,725	\$ (5,857,684)

## ASSETS

ACWA JPIA's assets include cash and cash equivalents, a variety of receivables, investments, prepaid expenses, as well as physical assets such as buildings, equipment, and hardware (capital assets). Currently, JPIA's Other Post-Employment Benefits (OPEB) fiduciary net position exceeds the agency's liability, creating a Net OPEB Asset. This asset is reported as restricted net position.

## CASH, CASH EQUIVALENTS, AND INVESTMENTS

ACWA JPIA's cash and investments blend various bank accounts used for operations, Local Group Investment Pools (LGIP) like Local Area Investment Fund (LAIF) and California Asset Management Program (CAMP), along with the blended equity and fixed income portfolio held at CWIF.

At the end of September 2025, CAMP and LAIF made up about \$16.2 million of total cash and investments, compared to \$18.4 million the year before. JPIA staff maintain liquidity for claims and contributions, while earning short-term returns. CAMP's average yields ranged from 4% to 4.5% in fiscal year 2024-2025.

CWIF's mutual fund portfolio ended last year with a fair value of \$196.2 million. Throughout the fiscal year, PFM Asset Management, LLC purchased \$200.5 million in equities and fixed income assets, while \$163.3 million worth of assets were sold. This brought total assets to subtotal of \$233.4 million. By September 30, 2025, the fair value of these assets had decreased by \$8.1 million from the previous year, closing at \$225.3 million.

## CAPITAL ASSETS

Early in the 2024–2025 fiscal year, JPIA staff communicated to the Executive Committee the pressing need for additional employee workspace to accommodate organizational growth. New positions were added in the Risk Management, Member Services, and Claims departments.

These roles, such as the newly created Cybersecurity Risk Specialist, were designed to address the increased workload associated with a growing membership, higher total payroll exposures, expanded claims activity, and an overall increase in risk management demands.

For example, in the Liability Program, the total covered payroll of the risk pool was approximately \$484 million in program year 2013–2014. Ten years later, that figure had nearly doubled to \$965 million, representing an increase of almost 100%. Despite this growth, staffing levels within these member-facing departments remained relatively unchanged, resulting in steadily rising workloads for existing employees.

The current JPIA headquarters at 2100 Professional Drive in Roseville, California, has served the organization reliably since its purchase in 2011. However, the building's original design, with storage areas configured for paper files and limited open workspace, now constrains JPIA's ability to accommodate modern operations and necessary staffing increases. As a result, the Executive Committee authorized staff to pursue a more suitable facility.

In July 2025, JPIA completed the purchase of a building located at 532 Gibson Drive in Roseville, California, for \$8,078,400. The facility encompasses approximately 50,000 square feet—sufficient to meet current and anticipated needs while also offering the potential for future sublease income from unused space.

This Gibson Drive acquisition accounts for the majority of the 2024–2025 capital asset variance. Depreciation expense for the fiscal year totaled \$184,343.

## RETROSPECTIVE CONTRIBUTION ADJUSTMENTS

Retrospective contribution adjustments (RCAs) represent program year reconciliations between member contributions and ultimate program costs as actuarially determined for each policy year. As of September 30, 2024, total RCA adjustments were approximately \$46.8 million, reflecting the ongoing application of the JPIA's retrospective rating plan and consistent with prior year-end reconciliation practices.

For the fiscal year ended 2025, RCA receivables (amounts due from members) decreased to \$31.7 million, while RCA liabilities (amounts payable to members) rose from \$42.0 million to \$55.1 million. This movement from a net receivable to an increased net payable is primarily attributable to the \$21.7 million dividend declared and distributed by the California Water Insurance Fund (CWIF), of which \$13.8 million was allocated to the Liability, Property, and Workers' Compensation programs in accordance with the allocation model approved by the JPIA's Executive Committee.

According to GASB guidelines, JPIA reports CWIF dividends as investment income in its own financial statements but completely removes them from the inter-agency transactions section of blended statements. This ensures that the net position is not distorted and prevents revenue from being counted twice within the consolidated entity. These adjustments affect RCA balances, which are shown in JPIA's final net position and member equity. This process supports JPIA's commitment to fairly returning excess surplus, maintaining actuarial integrity, and ensuring transparent program funding.

## LIABILITIES

ACWA JPIA's liabilities include claims reserves (reported and unreported), short-term accounts payable, unearned contributions, and retrospective contribution adjustments payable.

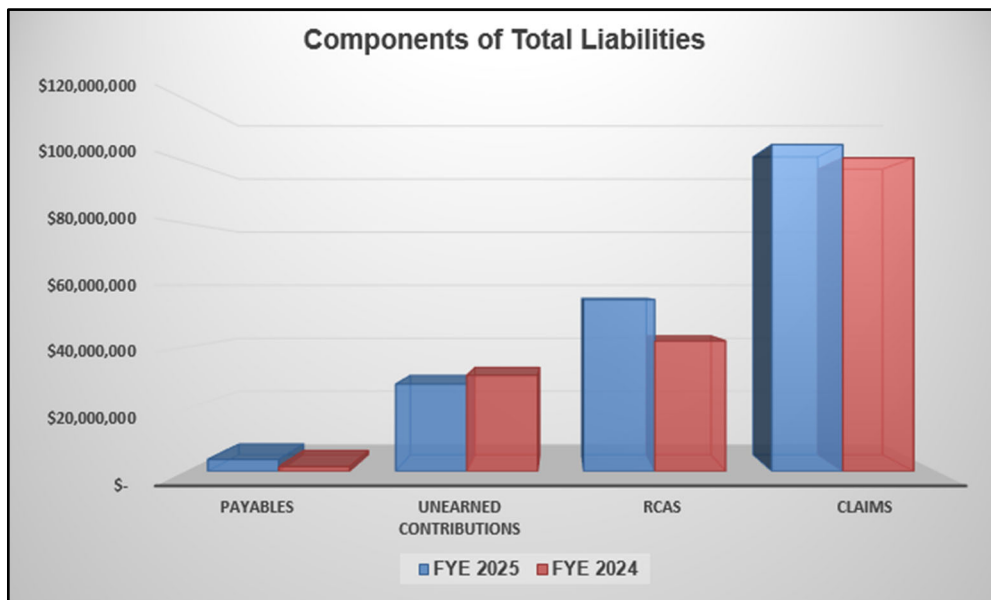
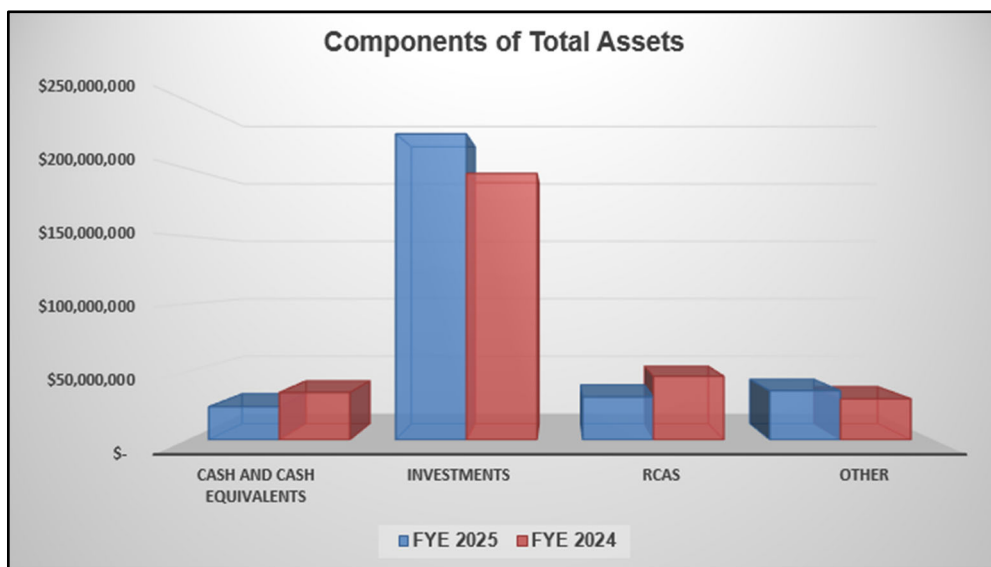
## CLAIMS DEVELOPMENT

The JPIA monitors claims development by evaluating year-over-year changes in total claims reserves, including adjustments to reported claims and incurred but not reported ("IBNR") liabilities, as well as unallocated loss adjustment expenses ("ULAE"). Actuarial analyses are performed annually to discount reserves and IBNRs to reflect their net present value, representing management's best estimate of ultimate losses attributable to each program year. For the fiscal year ended 2025, JPIA experienced a measured increase in total claims liabilities of slightly more than \$4.3 million, with most of the growth concentrated in IBNR balances across

the Liability, Property, and Workers' Compensation programs. The development of claims liabilities, including IBNR and ULAE components, remains inherently variable, influenced by timing and outcomes of independent actuarial valuations and evolving program experience. JPIA's accounting staff promptly records all changes in ultimate loss projections to ensure financial statements reflect the most current cost estimates available.

## ASSETS AND LIABILITIES (CONTINUED)

These comparative charts display the major components of JPIA's reported assets and liabilities as of September 30, 2025, and September 30, 2024.

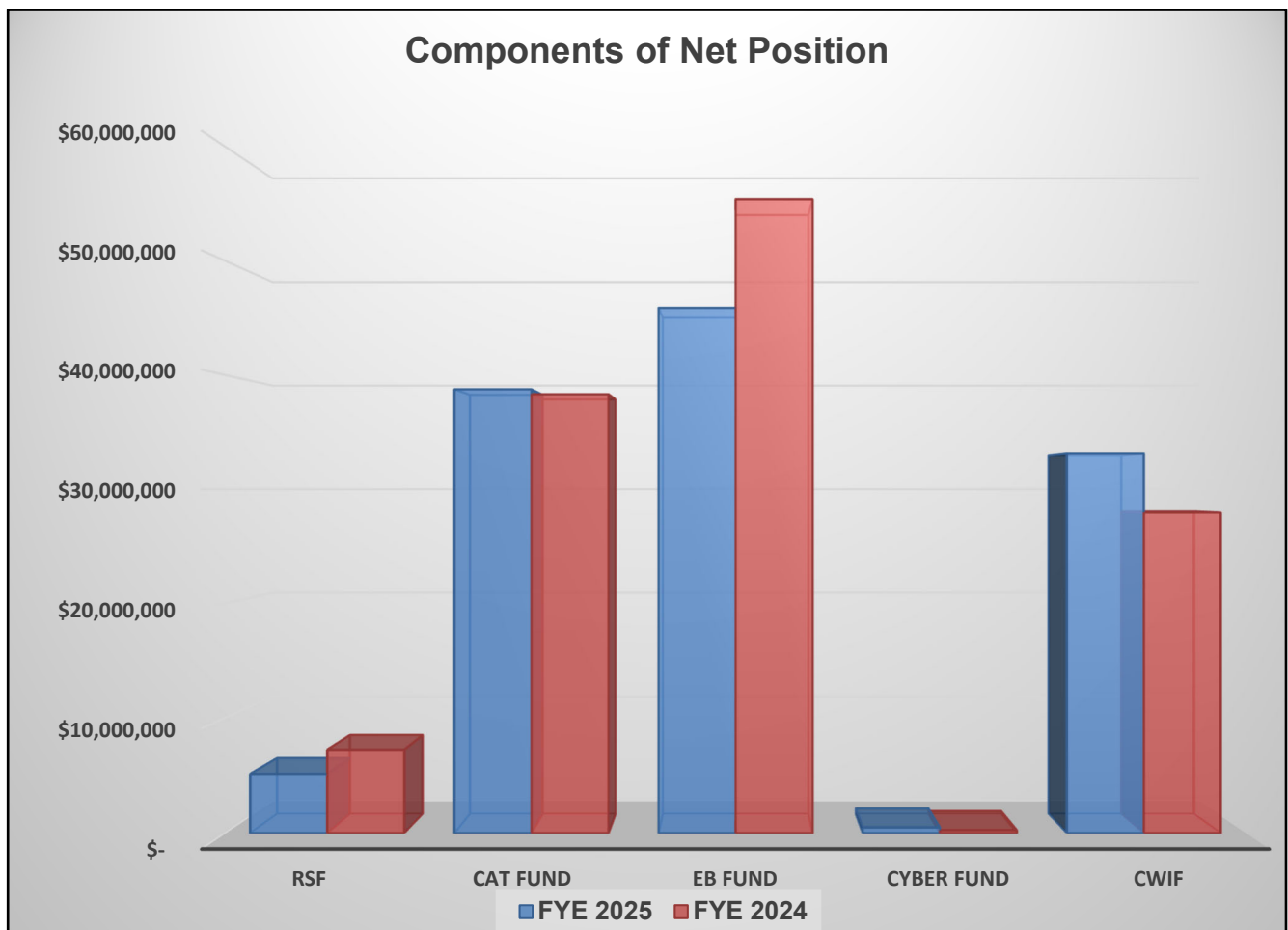


## PROGRAM EQUITY

Program equity and rate stabilization remain key components of JPIA's long-term financial strategy. The movement in RCA balances and the distribution of surplus dividends contribute to maintaining appropriate program equity levels, ensuring the risk pool is adequately funded for future obligations while equitably returning excess contributions to members. These practices support ongoing fiscal sustainability, transparency in member transactions, and compliance with GASB standards for governmental risk pools.

The graph below shows year-to-year changes in JPIA's surplus funds from 2024 to 2025, with the Property Program's Natural Disaster Fund grouped under the Catastrophic Fund. The Employee Benefits (EB) Fund includes equity carried over from the Health Benefits Authority in 2012 and tracks annual program performance.

Starting in fiscal year 2022-2023, the Cyber Liability Fund sets aside reserves from excess revenue after direct costs for cyber liability coverage. This reserve can help offset future carrier cost increases, like the EB Fund.



## REFUNDS TO MEMBERS

Refunds to member agencies have decreased as JPIA addresses recent program year revenue shortfalls. In 2025, staff distributed just over \$260,000 to qualifying members with positive RSF balances, up from \$116,000 last year. JPIA leadership delayed retrospective contribution adjustments (RCAs) to future fiscal years to offset underperforming liability and property programs. RCAs typically have the greatest effect on the RSF annually.

## CATASTROPHIC FUND

The Catastrophic (CAT) Fund experienced a reduction of slightly more than \$571,000 during the fiscal year, attributed to revised workers' compensation target equity. This adjustment involved decreasing the threshold from \$15 million to \$12 million while maintaining a 99% confidence level.

In contrast, the Liability target equity increased, with the threshold rising from \$25 million to \$29 million. This change accounts for a greater number of members and heightened inflationary risks, ensuring alignment with program cost projections at the same confidence level.

## EMPLOYEE BENEFITS FUND

JPIA's Employee Benefits surplus comes from Health Benefits Authority (HBA) equity (purchased in 2011) and operational income from its three self-insured benefit programs. This surplus provides pricing flexibility and coverage options beyond those of competitors.

Medical claims have risen, amounting to \$101 million in 2024 and expected to surpass \$100 million again in 2025, making these the highest annual expenditures since the program began. This fund assists the pool in addressing increasing costs related to hospitalizations, prescription drug benefits, and surgeries for employees and their dependents.

## CAPTIVE

The retained earnings associated with JPIA's captive insurance company, California Water Insurance Fund (CWIF), form the final part of JPIA's net position. In 2021, the CWIF Board approved a dividend policy to set procedures for returning funds to JPIA based on three main events:

1. Favorable actuarial adjustments
2. Realized investment income
3. Other factors

Realized investment income includes interest or dividends earned during the fiscal year, less broker fees, and is recognized as dividends payable or receivable between JPIA and CWIF. This approach gives JPIA members an immediate advantage from the CWIF portfolio through income allocations that directly affect RCAs each year.

Favorable actuarial adjustments arise when claim projections become more accurate over time. If initial estimates reveal claims liabilities are lower than anticipated, CWIF can provide dividends to reimburse JPIA for these net gains after five years—the benchmark when JPIA starts the RCA process.

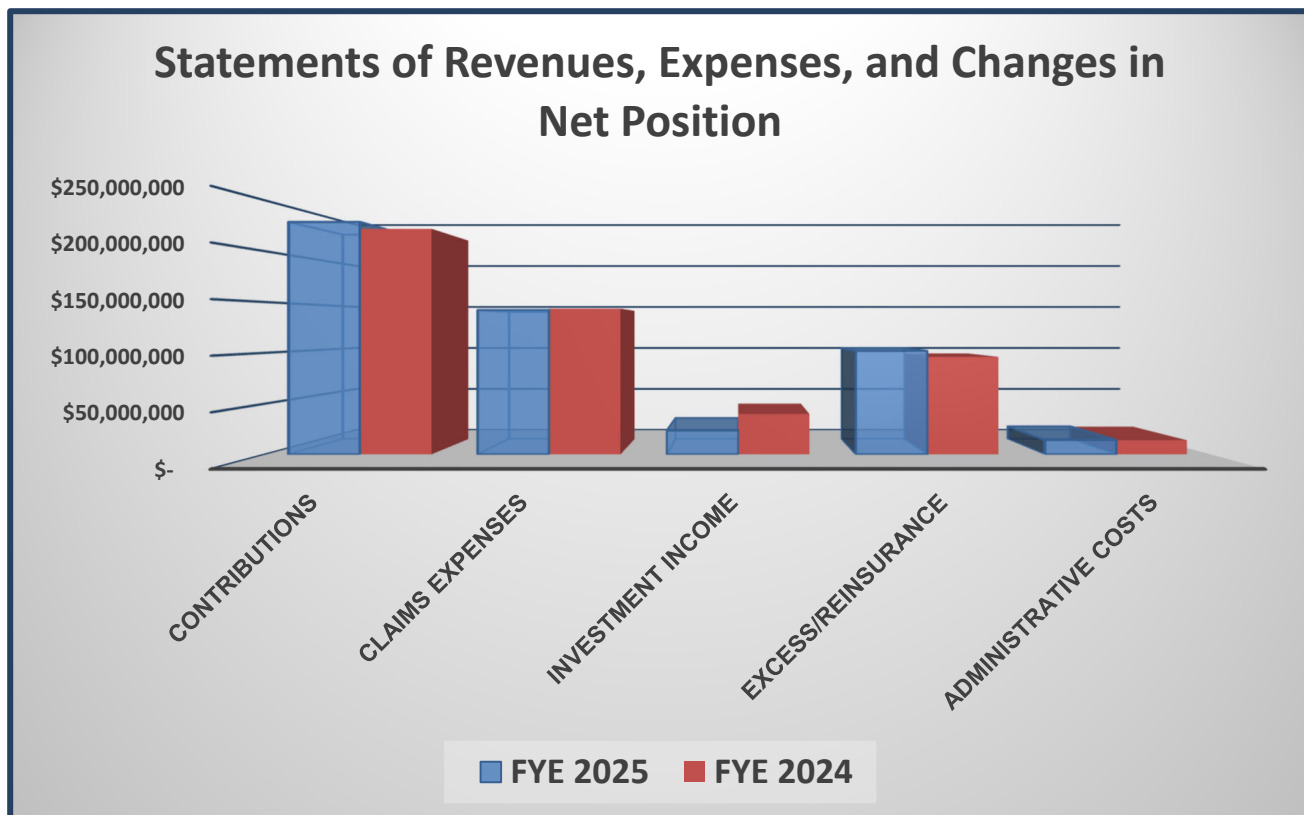
Reporting investments at market value had the greatest effect on CWIF's net earnings at the end of the year. With investment income totaling \$30.4 million and subtracting an \$8.1 million fair value adjustment, CWIF posted nonoperating revenues exceeding \$22.2 million.

This sum helped mitigate some of the \$21.7 million dividend's impact on net position. As a result, CWIF's net position rose from \$137.2 million at the end of last year to \$144.1 million, marking an \$6.9 million surplus gain.

## REVENUES, EXPENSES, & CHANGES IN NET POSITION

<b>CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>	9/30/2025	9/30/2024	Variance
<b>OPERATING REVENUES</b>			
Member contributions	\$257,539,389	\$232,269,685	\$25,269,704
Retrospective contribution adjustments	(29,237,765)	(10,045,692)	(19,192,073)
Total operating revenues	228,301,624	222,223,993	6,077,631
<b>OPERATING EXPENSES</b>			
Provision for claims	142,186,223	143,546,824	(1,360,601)
Excess insurance	20,775,642	19,617,548	1,158,094
Benefit premiums	81,083,793	76,381,396	4,702,397
Pension expense	285,105	1,922,557	(1,637,452)
General & administrative	13,400,848	11,960,792	1,440,056
Total operating expenses	257,731,611	253,429,117	4,302,494
<b>OPERATING LOSS</b>	(29,429,987)	(31,205,124)	1,775,137
<b>NON-OPERATING REVENUES</b>			
Investment income	23,572,303	39,671,937	(16,099,634)
<b>CHANGE IN NET POSITION</b>	(5,857,684)	8,466,813	(14,324,497)
<b>NET POSITION, BEGINNING</b>	129,179,725	120,712,912	8,466,813
<b>NET POSITION, ENDING</b>	\$123,322,041	\$129,179,725	\$(5,857,684)

The following comparative chart displays the major components of JPIA's reported revenues, expenses, and changes in net position as of September 30, 2025, and September 30, 2024.



## MEMBER CONTRIBUTIONS

### GENERAL LIABILITY PROGRAM

JPIA bases its annual Liability Program contributions on each member's estimated payroll for the upcoming program year. This approach ensures that contributions reflect the relative exposure and proportionate share of the actuarially determined funding needed to meet projected claims obligations.

Each member's contribution is adjusted by a unique e-mod factor reflecting their loss experience compared to the pool. The rate also covers expected rises in excess coverage costs and administrative expenses.

In September 2024, the Liability Committee recommended, and the Executive Committee approved, a 7.5 percent increase in the contribution rate for the 2024–2025 program year. The adopted budget projects total deposit contributions of approximately \$33.9 million. Based on current projections, a retrospective adjustment of about \$1.5 million would be required to align

actual contributions with total program costs. Overall, claims and related costs for 2024–2025 are expected to increase by more than 10 percent compared to the prior year.

After Liability Program years conclude, actual payroll is acquired from members to “true-up” the contribution collected for the year. This can be an adjustment up or down, depending on how well members estimate their payroll for the upcoming year. Rather than assess additional invoices or rebates, the dollar amount adjustment is incorporated into the member’s rate stabilization fund yearend calculations.

## PROPERTY PROGRAM

The Property Program determines each member’s share of expected pooling costs using total insured value (TIV) as the primary risk metric, rather than estimated payroll. TIV captures the full scope of covered assets—including buildings, equipment (fixed and mobile), personal property, business interruption exposures, and licensed vehicles.

The excess property insurance marketplace has seen persistent cost escalation in recent years, driven by factors such as inflationary pressures, rising property replacement costs, and increased frequency and severity of natural catastrophes impacting California and beyond. Reflecting these conditions, the Executive Committee approved a 15 percent rate increase for the 2024–2025 program year.

For this period, the pooled layer funding requirement—measured as the loss rate per \$100 of TIV—rose by 19.3 percent. This increase is attributable not only to market-wide premium adjustments, but also to higher claims activity and an expanding appetite for coverage among members.

Additionally, the pool’s total insured value has grown significantly from \$11.3 billion to \$12.7 billion over the past two years, due in part to members’ acquisition of new assets, property value reassessments, and ongoing inflation in construction and replacement costs.

## WORKERS’ COMPENSATION

For the 2024–2025 program year, the Workers’ Compensation Program’s total pool contribution requirement decreased by 5 percent compared to the previous year. This reduction reflects improved loss experience and stable program management. JPIA’s excess carrier, Safety National, continues to recognize the program’s favorable loss profile; for 2024–2025, Safety National offered a rate of \$0.0796 per \$100 of payroll, representing a 3 percent reduction from the prior year’s excess rate.

The program’s strong recent performance is further evidenced by nearly \$27 million in retrospective contribution adjustments returned to member rate stabilization fund (RSF) balances for program years 2014–2018. If current projections hold, the 2024–2025 plan year is expected to generate an additional refund of approximately \$6 million to member RSF balances.

## EMPLOYEE BENEFITS

Pricing of JPIA's medical plans remains volatile following the COVID-19 pandemic, with actuarial projections indicating a 16.8 percent increase in pool contributions for the 2025 plan year. These projections are driven primarily by rising costs in hospitalization, increased demand for surgical solutions, and significant pharmacy cost inflation. In response to ongoing market volatility, staff have recommended the continued incremental use of Employee Benefits reserve funds to help stabilize member rates and mitigate the fiscal impact of rising healthcare expenses.

While the direct effects of COVID-19 on the system have diminished, contract negotiations and evolving government regulations, especially those affecting Medicare drug benefits, continue to introduce uncertainty, notably with pending changes to Medicare Advantage rates. General inflationary trends persist, fueling higher medical professional wage demands and compounding shortages in healthcare staffing, particularly in primary care. Notably, the increasing utilization and excessive costs of newer weight loss medications have emerged as significant drivers behind rising pharmacy expenses. Members continue to face access challenges, especially in remote areas where the supply of healthcare professionals is limited.

To address premium volatility and gradually reduce the Program's reserve balance—approximately \$73 million—staff has recommended a measured approach to aligning future premium returns with actual expenses. Committee deliberations considered multiple rate increase options (10%, 12%, and 16.8%) with careful attention to the budgetary impact on smaller member agencies.

Within the dental program, Delta Dental maintains the largest PPO network in California; however, some member agencies, especially in rural communities, have reported difficulty locating in-network providers. In response, JPIA issued a Request for Proposal (RFP) to assess alternative dental plan options. The RFP process revealed that switching carriers would not substantially improve network access for most members. Nevertheless, as a direct outcome of the RFP, Delta Dental reduced administrative service fees from 8.95 percent to 8.00 percent, effective January 1, 2025, through December 31, 2027.

After reviewing overall claims experience, staff determined that, instead of lowering rates, maintaining costs at current levels while enhancing benefits would provide greater value to members. Two PPO plan enhancements were adopted: the addition of a third annual cleaning and implementation of a Diagnostic/Preventative Max Waiver, allowing diagnostic and preventive services without impacting the annual benefit maximum.

## RETROSPECTIVE CONTRIBUTION ADJUSTMENTS (RCAs)

Every year, changes in the RCAs are treated as adjustments to member contributions and shown under operating revenues in the Statement of Revenues, Expenses, and Changes in Net Position. The key factors to these changes are indicated below:

- \$26.5 million net excess of collected contributions and investment income over pool expenses for the fiscal year 2024-2025 versus a \$9 million change in RCAs in the previous year.
- \$2.1 million adjustment for net changes in the member Rate Stabilization Fund (RSF) to the RCAs applied.
- \$571K change to member's catastrophic funds versus a \$900,000 change in the opposite direction last year.

These retrospective adjustments to contributions help smooth the financial impact on members over time, curbing volatility and preventing a constant need to exchange checks between members and their risk pool. Total RCAs recorded for the year were over \$29 million, and reduced the JPIA's operating revenues to \$228 million total, compared to \$222 million the year before.

### PROVISION FOR CLAIMS

The following table shows changes related to the provision for claims by program (these figures include paid claims, primary reserve changes incurred but not reported changes, and changes to unallocated loss adjustment expenses) from 2024 to 2025:

PROGRAM	2025	2024	VARIANCE
Liability	\$19,596,378	\$15,023,802	\$4,572,576
Property	3,852,980	8,621,545	(4,768,565)
Workers Comp.	9,015,516	11,508,384	(2,492,868)
Employee Benefits	109,721,349	108,393,093	1,328,256
Totals:	\$142,186,223	\$143,546,824	\$(1,360,601)

### GENERAL AND ADMINISTRATIVE

The most significant changes to the General and Administrative Budget for fiscal year 2024–2025 were observed in the line items for staff salaries and office building expenses. The primary reason behind the increase in staff salaries was a 5 percent provision to account for potential pay increases and promotions, as well as the inclusion of contingency funds for staff additions related to the previous budget.

Office building costs are projected to rise due to anticipated need for additional workspace to support planned staff expansion. Executive Committee member expenses were budgeted to increase by over 50 percent from the prior year, reflecting a return to more frequent in-person meetings and participation compared to the previous budget periods, when COVID-19 restricted such activities.

Overall, these factors contributed to a 10.2 percent increase in the Operating Budget for fiscal year 2024–2025.

## INVESTMENT INCOME

Investment income reported on JPIA's Statement of Revenues, Expenses, and Changes in Net Position represents all nonoperating revenue related to investments. This includes realized gains and dividends, as well as changes in fair market value from the prior fiscal year.

The California Water Insurance Fund (CWIF) portfolio is a blended investment comprised of both open-end and closed-end mutual funds. The CWIF Committee set a target allocation of 65% equity and 35% fixed income, with an allowable variance of 5%. This allocation mix forms the basis of the CWIF investment policy.

During fiscal year 2024–2025, CWIF generated most of the investment income, recording realized gains exceeding \$25 million from asset sales throughout the year. The portfolio also earned \$5.6 million in dividends credited back to the fund.

JPIA's California Asset Management Program (CAMP) contributed an additional \$1.1 million in realized income. CAMP's returns ranged between approximately 4 and 4.5 percent during the year and served as a key source of liquidity to meet JPIA's cash flow needs.

Overall, the portfolio experienced a net decrease in fair value that reduced investment income by \$8.1 million compared to the prior year. Despite this, the CWIF portfolio increased in value from \$196 million on June 30, 2024, to \$225 million on June 30, 2025.

The following table summarizes the blended cash and investment balances at year-end, reported at fair market value:

TYPE	<b>2025</b>	<b>2024</b>	VARIANCE
JPIA Cash/Equivalents	\$ 22,755,643	\$ 33,667,982	\$ (10,912,339)
CWIF Cash/Equivalents	1,658,883	1,236,297	422,586
CWIF Mutual Funds	225,274,632	196,228,421	29,046,211
<b>Totals:</b>	<b>\$ 249,689,158</b>	<b>\$ 231,132,700</b>	<b>\$ 18,556,458</b>

## FACTS OR CONDITIONS THAT ARE EXPECTED TO HAVE A SIGNIFICANT EFFECT ON THE FINANCIAL POSITION OR RESULT OF OPERATIONS

ACWA JPIA maintains a proactive approach to addressing both external and internal factors impacting its membership. For fiscal year 2025–2026, several economic trends are projected to influence JPIA's financial position and operational outcomes:

- **California Economic Climate:** Slower statewide economic growth is projected, with GDP and employment gains moderating compared to prior years. California's real GDP is forecast to increase by just 1.4 percent in 2025, below long-term averages. Unemployment rates are expected to remain elevated, potentially reaching 5.5–5.8 percent. Persistent inflation—including rising costs for insurance, labor, healthcare, and building maintenance—will pressure operating budgets, while higher interest rates increase financing costs for capital improvements and can limit portfolio returns.
- **Impact of External Events:** More frequent and severe wildfires and floods increase claims exposure and can strain risk pool resources, driving up program costs and requiring careful reserve management. These disasters also create volatility around insured losses and can disrupt member operations and revenue streams.
- **Membership & Infrastructure Changes:** The acquisition and planned renovation of the new Gibson Drive building, classified as a capital investment, will necessitate significant upfront funding, with long-term impacts on depreciation and operating expenses. Labor market pressures and inflation continue to affect staffing costs as members and JPIA adapt to a competitive wage environment and ongoing shortages.
- **Insurance and Investment Market Shifts:** Market volatility and higher inflation rates may impact both insurance program costs (through higher reinsurance premiums and increased loss monitoring portfolio allocations and investment strategies to maintain adequate liquidity and income.frequency/severity) and investment returns.
- **ACWA JPIA intends to change its fiscal year end from September 30 to June 30 beginning next year. Fiscal year 2025-2026 will run September 30, 2025 through June 30, 2026. This decision was made in part to align with CalPERS' fiscal year for more accurate OPEB and pension reporting that uses June 30 measurement dates in**

actuarial studies. Having a June 30<sup>th</sup> fiscal year end also provides for better timing related to the board's approval of the budget with the beginning of the fiscal year.

These combined economic factors are expected to materially impact both future financial position and operational results, requiring ongoing strategic planning, rate setting, and risk management.

## CONCLUSION

This financial report is intended to provide a comprehensive overview of ACWA JPIA's financial position and results of operations for fiscal year 2024–2025. It demonstrates JPIA's continued commitment to transparency, accountability, and prudent stewardship of member resources. Through rigorous and independent auditing processes, members and stakeholders are assured of the integrity and reliability of the financial information presented.

For additional details, including the most current approved and independently audited financial reports, please visit ACWA JPIA's website at [www.acwajpia.com](http://www.acwajpia.com).

ACWA JPIA remains dedicated to continuous improvement in financial management and reporting to best serve its membership and maintain public trust. Questions or requests for further information regarding this report may be directed to:

**ACWA JPIA**  
**Attn: Finance Department**  
**2100 Professional Drive**  
**Roseville, CA 95661-3700**

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

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2025

	<b>2025</b>	<b>Comparative Totals 2024</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 24,414,526	\$ 34,904,279
Member contributions receivable	10,323,018	9,418,140
Investment income and other receivables	1,375	7,597
Excess insurance proceeds receivable	4,002,989	3,718,401
Retrospective contribution adjustment receivables	16,202,104	14,986,201
Prepaid expenses	6,270,925	8,885,232
<b>TOTAL CURRENT ASSETS</b>	<b>61,214,937</b>	<b>71,919,850</b>
<b>NONCURRENT ASSETS</b>		
Investments	225,274,632	196,228,421
Retrospective contribution adjustment receivables	15,481,709	31,801,142
Net OPEB asset	4,078,282	4,713,366
Capital assets - net	11,414,199	3,481,687
<b>TOTAL NONCURRENT ASSETS</b>	<b>256,248,822</b>	<b>236,224,616</b>
<b>TOTAL ASSETS</b>	<b>317,463,759</b>	<b>308,144,466</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	1,243,185	2,186,450
Deferred outflows of resources related to OPEB	1,622,762	912,660
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>2,865,947</b>	<b>3,099,110</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	3,823,932	1,510,292
Unearned member contributions	28,105,391	30,914,140
Retrospective contribution adjustment payables	7,698,611	15,725,437
Claims reserves	25,056,121	24,872,998
<b>TOTAL CURRENT LIABILITIES</b>	<b>64,684,055</b>	<b>73,022,867</b>
<b>NONCURRENT LIABILITIES</b>		
Retrospective contribution adjustment payables	47,397,744	26,317,801
Claims reserves	22,039,525	22,101,178
Claims incurred but not reported	54,720,918	50,692,792
Net pension liability	608,857	2,181,258
Unallocated loss adjustment liability	3,544,011	3,390,214
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>128,311,055</b>	<b>104,683,243</b>
<b>TOTAL LIABILITIES</b>	<b>192,995,110</b>	<b>177,706,110</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	1,471,047	1,350,001
Deferred inflows of resources related to OPEB	2,541,508	3,007,740
<b>TOTAL DEFERRED INFLOWS</b>	<b>4,012,555</b>	<b>4,357,741</b>
<b>NET POSITION</b>		
Net investment in capital assets	11,414,199	3,481,687
Restricted for OPEB	4,078,282	4,713,366
Unrestricted	107,829,560	120,984,672
<b>TOTAL NET POSITION</b>	<b>\$ 123,322,041</b>	<b>\$ 129,179,725</b>

See accompanying notes to financial statements.

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2025

	<b>2025</b>	<b>Comparative Totals 2024</b>
<b>OPERATING REVENUES</b>		
Member contributions	\$ 257,539,389	\$ 232,269,685
Retrospective contribution adjustments	(29,237,765)	(10,045,692)
<b>TOTAL OPERATING REVENUES</b>	<b>228,301,624</b>	<b>222,223,993</b>
<b>OPERATING EXPENSES</b>		
Claims expense:		
Claims paid	137,882,832	143,775,652
Change in claims reserves	121,475	(18,682,345)
Change in claims incurred but not reported	4,028,119	18,021,834
Change in unallocated loss adjustment expense	153,797	431,683
<b>Total claims expense</b>	<b>142,186,223</b>	<b>143,546,824</b>
Excess insurance	20,775,642	19,617,548
Benefit premiums	81,083,793	76,381,396
Pension expense	285,105	1,922,557
General and administrative	13,216,505	11,752,222
Depreciation	184,343	208,570
<b>TOTAL OPERATING EXPENSES</b>	<b>257,731,611</b>	<b>253,429,117</b>
<b>OPERATING LOSS</b>	<b>(29,429,987)</b>	<b>(31,205,124)</b>
<b>NONOPERATING REVENUES</b>		
Investment income	31,721,259	4,873,679
Net increase (decrease) in investment fair value	(8,148,956)	34,798,258
<b>TOTAL NONOPERATING REVENUES</b>	<b>23,572,303</b>	<b>39,671,937</b>
<b>CHANGE IN NET POSITION</b>	<b>(5,857,684)</b>	<b>8,466,813</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>129,179,725</b>	<b>120,712,912</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 123,322,041</b>	<b>\$ 129,179,725</b>

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2025

	<u>2025</u>	<u>Comparative Totals 2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from members	\$ 255,685,204	\$ 229,639,270
Cash received from excess/aggregate insurance	1,792,703	2,632,373
Payments for claims	(137,882,830)	(143,775,652)
Payments for excess/aggregate claims	(1,529,792)	(6,065,512)
Payments for excess insurance	(20,775,642)	(19,617,548)
Payments for benefit premiums	(81,083,793)	(76,381,396)
Payments for billings & RSF fund	(262,335)	(116,351)
Payments to vendors	(2,838,639)	(3,112,345)
Payments to employees	(10,377,866)	(9,619,280)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>2,727,010</u>	<u>(26,416,441)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(8,116,854)	0
NET CASH USED BY FINANCING ACTIVITIES	<u>(8,116,854)</u>	<u>0</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of securities	(200,543,667)	(24,942,365)
Proceeds from sales of investments	163,348,500	25,434,011
Investment earnings	32,482,372	44,649,625
Investment expenses	(387,113)	(314,152)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(5,099,908)</u>	<u>44,827,119</u>
Increase (decrease) in cash and cash equivalents	(10,489,752)	18,410,678
Cash and cash equivalents, beginning of year	34,904,279	16,493,601
Cash and cash equivalents, end of year	<u>\$ 24,414,526</u>	<u>\$ 34,904,279</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (29,429,987)	\$ (31,205,124)
Adjustments to net cash used by operating activities:		
Change in member contributions receivable	(904,878)	(1,073,591)
Change in excess insurance proceeds receivable	(284,588)	(3,688,076)
Change in retrospective contribution adjustment receivable	15,103,530	20,658
Change in other receivables and prepaids	2,620,078	(519,602)
Change in net OPEB asset	635,084	50,988
Depreciation of capital assets	184,343	208,570
Changes in accounts payable and other accrued expenses	1,716,045	(1,353,754)
Change in unearned member contributions	(2,808,749)	3,995,817
Change in retrospective contribution adjustment payables	13,053,117	8,185,867
Change in claims liabilities	4,303,393	(228,828)
Change in net pension liability	(1,572,401)	(96,659)
Changes in deferred outflows/inflows related to net pension and OPEB	112,023	(712,707)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 2,727,010</u>	<u>\$ (26,416,441)</u>
<b>NON CASH ITEMS</b>		
Change in unrealized fair value of investments	\$ (8,148,956)	\$ 34,798,258

See accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2025**

**(1) General Information**

**Organization and Operations** – The Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA or JPIA) was created effective July 5, 1979, by a joint powers agreement among member water districts and agencies organized and operating under the laws of the State of California. The JPIA was organized pursuant to provisions of the California Government Code for the purpose of providing insurance coverage for its member districts.

The JPIA currently offers six joint protection programs:

- Public Auto and General Liability
- Workers' Compensation
- Property Insurance
- Cyber Insurance
- Underground Storage Tank Liability
- Employee Benefits (Medical, Dental, Vision, Other)

The JPIA also purchases group insurance for dam failure, pass through insurance (including employee fidelity bonding, difference in condition, boiler and machinery stand alone, and crime), and for the period of July 1, 1995, through June 30, 1998, workers' compensation for electing member districts.

Starting in fiscal year 2022-2023, the cyber liability program was moved out of the liability program and became its own pass-through. In fiscal year 2024-2025 the program was no longer a pass-through but a joint protection program. This program year begins July 1 and ends June 30.

The JPIA provides joint protection coverage for losses more than the member districts' individually specified self-insurance retention levels.

**Reporting Entity** – The reporting entity includes all activities (operations of the administrative staff, officers, executive board, and board of directors) as they relate to the JPIA considered to be part of (controlled by or dependent on) the JPIA. This includes financial activity relating to all the membership years.

In determining its reporting entity, the JPIA considered all governmental units that were members since inception. The criteria did not require the inclusion of these entities in these financial statements principally because the JPIA is not financially accountable for any members.

**Captive** – In September 2019, the JPIA Executive Committee approved the formation of a captive insurance company entitled California Water Insurance Fund (CWIF). CWIF incorporated as a nonprofit organization, domiciled in the state of Utah, and satisfies the requirements as a pure captive insurance company under the Captive Insurance Companies Act, Chapter 37 of Title 31A of the Utah Code of 1953, as amended.

CWIF's primary function serves as a risk financing tool for the JPIA and its member districts, designed to benefit risk pool members through a modest discount of the actuarial risk JPIA programs are assuming. Ceded risk to the captive depends on the levels of risk determined by the Executive Committee per program and may differ from program year to program year.

For financial reporting purposes, CWIF is a blended component unit and the schedules presented in this report include combined figures for both the JPIA and CWIF. CWIF prepares its own separate annual financial statements, which can be obtained by submitting a formal request in writing to ACWA JPIA, Attn: Finance Department, 2100 Professional Drive, Roseville, CA 95661.

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

NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2025

**Insurance Coverage and Deductibles** – The JPIA provides the following major insurance coverage and deductibles:

- a) **Liability Program** – The Liability Program was established to account for the payment of liability claims and administrative costs. Funding is based upon rates established by ACWA JPIA’s Executive Committee. The JPIA administers claims in-house on behalf of participating members.

The JPIA provides the following insurance coverage and self-insured retention (SIR):  
Member District Retrospective Allocation Point (RAP): \$2,500 to \$100,000  
The SIRs for the Liability program by program year are as follows:

<u>Years</u>	<u>SIR Amount</u>
10/1/79 - 9/30/86	\$ 500,000
10/1/86 - 9/30/87	1,000,000
10/1/87 - 9/30/05	500,000
10/1/05 - 9/30/11	1,000,000
10/1/11 - 9/30/16	2,000,000
10/1/16 - 9/30/19	5,000,000
10/1/19 - 9/30/25*	5,000,000

- \*Excess: \$1 to a total of \$5,000,000 coverage by captive insurance company, California Water Insurance Fund (CWIF). CWIF is also responsible for the 10X of 10 layer (\$10,000,000 – 20,000,000) for the last four policy years covering 10/1/20 - 9/30/25.
- \$5,000,000 to a total of \$60,000,000 coverage through various carriers. Policy Year: October 1 through September 30.

- b) **Property Program** – The Property Program was established to account for the payment of property claims and administrative costs. Funding is based upon rates established by ACWA JPIA’s Executive Committee. The JPIA administers claims in-house on behalf of participating members.

The JPIA provides the following insurance coverage, deductibles, and SIR:  
Member District Deductible: \$500 to \$50,000  
The SIRs for the Property program by program year are as follows:

<u>Years</u>	<u>SIR Amount</u>
1/1/83 - 3/31/85	Various
4/1/85 - 3/31/86	\$5,000
4/1/86 - 3/31/88	50,000
4/1/88 - 3/31/01	10,000
4/1/01 - 3/31/13	50,000
4/1/13 - 6/30/19*	100,000
7/1/19 - 6/30/22**	100,000
7/1/22 - 6/30/25	10,000,000

- Excess: currently \$10,000,000 up to a total of \$500,000,000 coverage with various sub limits based.

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

NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2025

- \*Program Year 2018-2019: April 1 through June 30 of 2019. Property Program changed policy year format to better align with excess carrier (APIP - Alliant Property Insurance Program) recommended coverage schedule. From that point on, the Property Program policy year would run from July 1 through June 30.
- \*\*Program years 2019-2020 through 2021-2022: Included a \$1 million aggregate claims requirement before excess applied.

c) **Workers' Compensation Program** – The Workers' Compensation Program was established to account for the payment of workers' compensation claims and administrative costs. Funding is based upon rates established by JPIA's Executive Committee. The JPIA administers claims in-house on behalf of participating members.

JPIA provides the following insurance coverage and SIR:

Member District RAP: \$250 to \$25,000

The SIRs for the Workers' Compensation program by program year are as follows:

<u>Years</u>	<u>SIR Amount</u>
7/1/86 - 6/30/87	\$125,000
7/1/87 - 6/30/88	150,000
7/1/88 - 6/30/89	175,000
7/1/89 - 6/30/91	200,000
7/1/91 - 6/30/92	225,000
7/1/92 - 6/30/01*	250,000
7/1/01 - 6/30/02	350,000
7/1/02 - 6/30/03	650,000
7/1/03 - 6/30/20	2,000,000
7/1/20 - 6/30/25**	2,000,000

- \*From July 1, 1995, through June 30, 1998, the Workers' Compensation Program functioned as a group purchase program.
- \*\*Excess of \$1 to a total of \$2,000,000 per occurrence by captive insurance company, CWIF. Policy Year: July 1 through June 30

d) **Employee Benefits Program** – In January 2012, both ACWA JPIA's Executive Committee and the Health Benefits Authority (HBA) approved the transition of the HBA program into the JPIA. In March 2012, the HBA Board of Directors voted to dissolve the HBA programs. As a result, the JPIA's Employee Benefits Program was established on July 1, 2012, to provide medical, dental and vision coverage for members' employees and dependents. The preferred provider organization plans offered in the medical and dental coverage are self-insured. The vision program also converted to self-insured starting with plan year January 1, 2015. Funding is based upon rates established by JPIA's Executive Committee. The JPIA utilizes a third party to administer these claims on behalf of participating members.

The JPIA carried reinsurance through Sun Life Financial, administered by Stealth Partner Group, LLC for coverage losses in excess of the self-insured retention of \$750,000 per beneficiary incurred during the policy period January 1<sup>st</sup> through December 31<sup>st</sup>, 2022, and paid during the policy period and six-month period immediately following the end of the policy period in 2023. JPIA currently self-insures all claims from January 1<sup>st</sup>, 2023, going forward.

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

**NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2025**

**(2) Significant Accounting Policies**

**Basis of Accounting** – The accounting records of the JPIA are kept on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Cash and Cash Equivalents** – With regards to the statement of cash flows, the JPIA considers cash in banks, all money market funds, cash in Local Government Investment Pools (LGIP), and Local Agency Investment Funds (LAIF) to be cash equivalents. Investments maturing within three months from the date of purchase are also considered to be cash equivalents.

**Investments** in equities and fixed income securities are recorded at fair value. For purposes of these financial statements, fair value is equivalent to investment market value on September 30, 2025. Changes in the fair value of investments, both realized and unrealized, are included in the Statement of Revenues, Expenses, and Changes in Net Position as a component of non-operating revenues.

**Prepaid Expenses** – Payments for the portions of excess insurance and other costs that extend into future accounting periods have been recorded as prepaid expenses.

**Capital Assets** are stated at cost and depreciated using the straight-line method over the estimated useful lives of three years for computer equipment, five years for office equipment and building improvements, and 30 years for the JPIA main office building in Roseville, CA.

**Unearned Member Contributions** – The JPIA bills its members in advance for certain programs. The amount billed represents unearned member contribution revenue until earned. Any contributions collected from members before the respective program years, are recorded in the Unearned Member Contribution general ledger accounts until the appropriate period, at which time contributions are then recognized as earned and allocated to the specific revenue accounts.

**Member Contributions Receivable** – These amounts represent unpaid invoices for policies written during the JPIA's fiscal year. A significant portion of contributions receivable are also recognized as unearned member contributions for those policies extending into the subsequent year.

**Claims Liabilities** – The JPIA establishes liabilities for claims based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverage such as general liability and workers' compensation. Claims liabilities are recomputed annually using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation is implicit in the calculation of estimated future claims costs because reliance is placed both on actual historical data that reflects past inflation and on other factors that are considered appropriate modifiers of experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**Unallocated Loss Adjustment Expenses (ULAE)** – Amounts have been estimated for the cost of administering current and future claims. An independent actuary, in connection with other loss development information, determined these amounts.

**Member Contributions (previously referred to as premiums)** are calculated based upon each member district's respective payroll (or insured values for the Property Program) and loss history. For the Employee Benefits Program, premiums are calculated based upon approved rates by the ACWA JPIA Executive Committee

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

**NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2025**

Member contributions are recognized as revenue over the periods covered by the policies. For the liability, property and workers' compensation policies, a retrospective contribution adjustment for each policy year is made annually, five years after a policy year ends.

**Operating and Non-operating Revenues** – Operating revenues include all member contributions, which include related fees and assessments that are integral to the financing of the insurance programs. Investment income is classified as non-operating revenue.

**Allocation of Indirect Expenses** – Indirect expenses are allocated among insurance programs based on an internal employee survey for estimated time spent on each of the JPIA programs. In May of 2017, staff leadership conducted a new survey to update the allocation percentages for each program based on more current workflow estimates. The Liability program allocation is 30%, the Workers' Compensation program is 36%, Employee Benefits is 20%, and the Property program is 14%.

**Income Taxes** – As a public agency under the State of California, the JPIA is exempt from federal and state income taxes under Internal Revenue Code Section 115 and California Revenue and Taxation Code Section 17131, respectively.

**Deferred Outflows/Inflows of Resources** – In addition to assets, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to the JPIA's pension and OPEB plans after the measurement date but before the fiscal year-end are recorded as deferred outflows of resources and will reduce the net pension and total OPEB liabilities in the next fiscal year.

Additional factors involved in the calculation of the JPIA's pension and OPEB expenses and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the JPIA's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 9 for further details related to pension deferred outflows and inflows. See Note 10 for details related to the OPEB deferred outflows and inflows.

**Pensions** – For purposes of measuring the net pension asset and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the JPIA's portion of the California Public Employees' Retirement System (CalPERS) Miscellaneous plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**OPEB** – For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the JPIA's OPEB Plan and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2025

**(3) Cash and Investments**

**Investments Authorized by the JPIA's Investment Policy** – The following table identifies the investment types authorized for the JPIA by the California Government Code Section 53601 (or the JPIA's investment policy where more restrictive). Also following are tables identifying certain provisions of the California Government Code (or the JPIA's investment policy where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

INVESTMENT TYPE	% OF PORTFOLIO	% OF ISSUER	MAX MATURITY	MINIMUM RATING
US Treasury	100%	100%	5 Years	-
Federal Agency	100%	50%	5 Years	-
California State Obligations	100%	5%	5 Years	A
California Local Obligations	100%	5%	5 Years	A
Other State Obligations	100%	5%	5 Years	A
Bankers' Acceptances	20%	5%	180 Days	Highest by NRSRO
Commercial Paper	40% / 25%*	5%	270 Days	Highest by NRSRO
Medium Term Notes	30%	5%	5 Years	A
Negotiable CD's	30%	5%	5 Years	A
Time CD's	30%	FDIC / NCUA	5 Years	Banks / S&I / CU Insured
LGIP	50%	N/A	-	AAAm
LAIF	50%	N/A	Daily	N/A
Money Market Funds	20%	20%	-	Treasury / Agency
Repurchase Agreements	20%	20%	92 Days	Primary Dealer
Supranationals	20%	20%	5 Years	AAA
Asset-backed Securities	20%	5%	5 Years	AAA

\* The limit is 25% if the Authority has less than \$100 million of investment assets

**CWIF Investment Policy**

CWIF's investment policy identifies procedures that will foster a prudent and systematic investment program designed to seek CWIF's objectives through a diversified investment portfolio. An appropriate level of risk shall be maintained by purchasing investments within the context of a well-diversified portfolio. Adequate diversification between equities and fixed income securities shall be applied to prevent an undue amount of investment risk with any one area. CWIF strives to achieve returns and control risk by meeting certain asset allocation targets set forth in CWIF's investment policy. The classes of investments that most adequately meet the above-mentioned criteria shall be allowed for purchase. They are equities and fixed income investments of U.S. and non-U.S. issuers, and real estate investment trusts. The investment policy also lists out some prohibited transactions such as letter stock and other unregistered securities, direct commodities, derivatives, options, and futures.

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**Investment Credit Risk** - CWIF's investments on September 30, 2025, are summarized in the following table and are broken out by mutual fund type with the appropriate portfolio representation:

INVESTMENTS	FAIR VALUE	PORTFOLIO %	CREDIT QUALITY RATING
Mutual Funds – Equity	\$ 112,621,529	50%	None
Mutual Funds – Fixed Income	35,695,825	16%	None
Mutual Funds – Other*	76,957,278	34%	None
Total Investments	\$225,274,632	100%	

*\*Mutual funds classified as “other” cannot be classified as strictly “equity” or “fixed income” securities.*

**Concentration of Credit Risk** – As of September 30, 2025, no investments in any one issuer, other than U.S. Treasury Securities, LAIF and LGIP, represent 5% or more of the total ACWA JPIA portfolio.

**Custodial Credit Risk** is the risk that in the event of a bank failure, the JPIA's deposits may not be returned. California Law requires banks and savings and loan institutions to pledge government securities with a fair value of 110% of the JPIA's cash on deposit, or first trust deed mortgage notes with a fair value of 150% of the deposit, as collateral for these deposits. Under California Law, this collateral is held in a separate investment pool by another institution in the JPIA's name and places it ahead of general creditors of the institution.

**Interest Rate Risk** is the possibility that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of highlighting exposure to interest rate risk, the fair value of all securities is calculated and reported monthly to the two oversight committees of the JPIA for investments. Investment fair value of these are shown above and none of these investments have an effective duration.

**Local Agency Investment Funds (LAIF)** – The JPIA is a participant in LAIF that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the JPIA's investment in this pool is reported in the accompanying financial statements at amounts based upon the JPIA's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. Financial information can be obtained from the LAIF website: [treasurer.ca.gov](http://treasurer.ca.gov).

**Local Government Investment Pools** are managed pool accounts in which the JPIA participates. The California Asset Management Program (CAMP) invests available cash under California Government Code Section 53601 and 53635. CAMP is a joint powers authority organized under California law and is managed by participant elected trustees. The fair value of the JPIA's investment in this pool is reported in the accompanying financial statements at amounts based on JPIA's pro-rata share of the fair value. Financial information can be obtained from 50 California Street, Suite 2300, San Francisco, CA 94111.

**Investment Credit Risk** – JPIA and CWIF investment securities are summarized in the following table by respective fair values as of September 30, 2025. JPIA reports credit quality ratings by Moody's, a nationally recognized rating agency.

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**Disclosures Relating to Credit Risk**

<u>Authorized Investment</u>	<u>Amount</u>	<u>Aaa/P-1</u>	<u>Aa (1-3)</u>	<u>A (1-3)</u>	<u>Not Rated</u>
Deposits with Financial Institutions	\$ 8,202,157				\$ 8,202,157
LGIP (Managed Pool Account) *	16,024,864				16,024,864
LAIF	187,505				187,505
Mutual Funds – Equity**	112,621,529				112,621,529
Mutual Funds – Fixed Income**	35,695,825				35,695,825
Mutual Funds – Other**	76,957,278				76,957,278
<b>Totals</b>	<b><u>\$ 249,689,158</u></b>				<b><u>\$249,689,158</u></b>

Information about the risk that an issuer or other counterparty to an investment will not fulfill its obligations is provided by the table above.

*\*The managed pool account (LGIP) is comprised of \$16,024,864 in California Asset Management Program (CAMP). This investment is not rated by Moody's but is, however, rated AAAM by Standard and Poor's.*

*\*\*California Water Insurance Fund (CWIF), a captive insurance company and blended component of ACWA JPIA. Investment fund managed by PFM Asset Management LLC, with custodian services provided by Bank of New York Mellon.*

**Fair Value** - GASB Statement No. 72 (GASB 72), *Fair Value Measurement and Application*, requires the JPIA to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or an income approach. Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. The fair value hierarchy levels are summarized below (*Source = U.S. Bank's Summary of Methodology for Assigning Fair Value to Client Assets*):

- Level 1 Inputs – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. An active market for the asset is one in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 Inputs – Inputs to the valuation methodology that are observable for an asset/liability either directly or indirectly (other than quoted prices included within Level 1). They include quoted prices for similar assets/liabilities in active markets and quoted prices for identical or similar assets/liabilities in markets that are NOT active.
- Level 3 Inputs – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the assumptions that market participants would use in pricing the asset/liability, including assumptions about risk.

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The following schedule classifies the JPIA's security assets at fair value based on hierarchy level as of September 30, 2025:

Investments by Fair Value Level		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt Securities:			
Mutual Funds – Equity	\$112,621,529	\$112,621,529	
Mutual Funds – Fixed Income	35,695,825	35,695,825	
Mutual Funds – Other	76,957,278	76,957,278	
<b>Totals</b>	<b>\$225,274,632</b>	<b>\$225,274,632</b>	<b>\$0</b>

Pooled investment funds, such as CAMP and LAIF, are subject to fair value measurement, but not to the fair value hierarchy. For the statement of cash flows, the JPIA considers cash in banks and deposits in LAIF and CAMP to be *cash equivalents* and are not presented within the fair value disclosures.

**(4) Capital Assets**

The following is a schedule of changes in capital assets for the year ending September 30, 2025:

	<u>9/30/2024</u>	<u>Additions</u>	<u>Deductions</u>	<u>9/30/2025</u>
<b><u>NON-DEPRECIABLE ASSETS:</u></b>				
Land	\$ 590,545	\$ 0	\$ 0	\$ 590,545
*New Roseville Building	0	8,116,855	0	8,116,855
Total Non-Depreciable Assets:	590,545	8,116,855	0	8,707,400
<b><u>DEPRECIABLE ASSETS:</u></b>				
Building & Improvements	5,336,035	0	0	5,336,035
Furniture & Equipment	766,610	0	(550,737)	215,873
Software	497,983	0	(193,936)	304,047
Total Depreciable Assets	6,600,628	0	(744,673)	5,855,955
<b><u>LESS ACCUMULATED DEPRECIATION:</u></b>				
Building & Improvements	(2,455,471)	(177,266)	0	(2,632,737)
Furniture & Equipment	(756,032)	(7,077)	550,737	(212,372)
Software	(497,983)	0	193,936	(304,047)
Total Accumulated Depreciation	(3,709,486)	(184,343)	744,673	(3,149,156)
Capital Assets - Net	\$3,481,687	\$7,932,512	\$0	\$ 11,414,199

\*New Gibson Drive, Roseville building considered work in progress for JPIA expansion. Estimated completion 2026-2027 fiscal year.

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**(5) Retrospective Contribution Adjustments**

Retrospective contribution adjustments are determined for each policy year as the sum of the following:

- a) Direct charge for the portion of each loss incurred within the members' allocation level.
- b) Losses more than a member's allocation level are shared by the members in the same and greater allocation levels, based on each member's premiums as a percentage of all members' premiums in each allocation level.
- c) Other costs, net of investment income, including unallocated claims expense, excess insurance premiums, and administrative expense are charged to each member, based on premiums.
- d) The allocation for contributions to that portion of designated equity for catastrophic losses and the reserve for claims incurred but not reported is based on each member's premiums as a percentage of all members' premiums.

The retrospective contribution adjustments (RCA) for all applicable policy years have been estimated based on losses and other costs, net of investment income, incurred through September 30, 2025. RCAs are subject to change as the ultimate cost of claims becomes known, investment income is realized, and JPIA's indirect costs are allocated to each policy year. RCA's do not apply to the Employee Benefits Programs.

The initial RCA is made at the end of the fourth full year of operations of each the JPIA programs. After that, RCAs represent annual cumulative adjustments to the original premiums (net of prior RCAs, if any) previously billed and held at the JPIA. Although accrued RCA payables and receivables to/from program members are calculated monthly, the accrual billing/refunding process takes place only once per year. RCAs are calculated separately for each policy and program year.

Beginning with fiscal year 1998-99, the JPIA established a Rate Stabilization Fund for the Liability Program to help stabilize future RCAs. The JPIA maintains a separate Rate Stabilization Fund for each member and future RCAs are to flow through the member's individual Rate Stabilization Fund. When the balance of a member's fund exceeds 70% of the current year's basic liability premium, any member that has a balance over this amount receives a refund for the difference. During the fiscal year 2002-03 the Rate Stabilization Fund was expanded to include the Property and Workers' Compensation Programs.

**(6) Reconciliation of Claims Liabilities**

As of September 30, 2025, unpaid losses of \$108,516,289 are presented at the net present value of \$105,360,575. These losses are discounted at a rate of approximately 1% for Liability, 1.5% for Workers' Compensation, 0.5% for Property and 0% for Employee Benefits.

The following schedule represents changes in the aggregate liabilities for all programs during the past year ended September 30:

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<b>Discounted Unpaid Claims and Claim Adjustment</b>	<b>2025</b>	<b>2024</b>
<b>Expenses at Beginning of Fiscal Year</b>	<b>\$101,057,182</b>	<b>\$101,286,010</b>
Incurring Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Fiscal Year	129,976,543	129,831,548
Increase in Provision of Insured Events of Prior Fiscal Years	12,209,680	13,715,276
<b>Total Incurred Claims and Claim Adjustment Expenses</b>	<b>142,186,223</b>	<b>143,546,824</b>
<b>PAYMENTS:</b>		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	95,008,875	95,183,228
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	42,873,955	48,592,424
<b>Total Payments</b>	<b>137,882,830</b>	<b>143,775,652</b>
<b>Discounted Unpaid Claims and Claim Adjustment Expenses at End of Fiscal Year</b>	<b>\$105,360,575</b>	<b>\$101,057,182</b>
<u>Components of Claims Liability:</u>		
Claims Reserves (Current)	\$25,056,121	\$24,872,998
Claims Reserves (Noncurrent)	22,039,525	22,101,178
Claims Incurred but Not Reported	54,720,918	50,692,792
Unallocated Loss Adjustment Liability	3,544,011	3,390,214
<b>Total Claims Liability</b>	<b>\$105,360,575</b>	<b>\$101,057,182</b>

**(7) Net Position Designations**

There are five categories that make up net position: the Catastrophic Reserve (CAT) Fund (includes the Natural Disaster Fund for the property program), Employee Benefits Fund, the Rate Stabilization Fund, Cyber Liability Fund, and the retained earnings of the captive insurance company.

The CAT Fund is established to protect members from excessive losses, shared by all members in a given policy year. Contributions to the CAT Fund are typically calculated as 10% of premiums earned. Beginning with the fiscal year 2012-2013, the Liability and Workers' Compensation Programs limited the CAT Fund to 99% of the current year's actuarially determined Gross Liability for Unpaid Losses. If a member has over 99%, a refund is transferred into their Rate Stabilization Fund. If the CAT fund is underfunded, collections can be transferred from the Rate Stabilization Fund if the funds are available.

The Rate Stabilization Fund is used to smooth the member's premium billing and refund process. The Employee Benefits Fund can be used to help reduce premium increases of only that Program when approved by the Executive Committee. CWIF reported an excess of earnings over expenses in the amount of \$6,916,349 for fiscal year 2024-25.

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Net position is designated in the following manner:

September 30, 2025:	
Rate Stabilization Fund (RSF)	\$ 5,131,072
Catastrophic (CAT)/Natural Disaster Fund	38,755,295
Employee Benefits Fund	45,833,171
Cyber Liability Fund	499,493
Captive's Retained Earnings (CWIF)*	33,103,010
Net Position	\$ 123,322,041

*\*Difference of retained earnings reported on this schedule varies by \$15,456,467 with the CWIF Annual Financial Report due to a portion of CWIF's retained earnings rolling into the RSF and/or the CAT fund.*

**(8) Pension Plan**

Plan Description

ACWA JPIA provides pension benefits to its employees through ACWA JPIA's Miscellaneous Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan maintained by CalPERS, an agency of the State of California. ACWA JPIA had less than 100 active members as of the June 30, 2025, actuarial valuation. As a result, qualified employees are covered under the Miscellaneous 2% at 55 Risk Pool. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The California Legislature passed, and the Governor signed the "Public Employees' Pension Reform Act of 2013" (PEPRA) on September 12, 2012. PEPRA contained several provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions and other requirements are established by State statute.

Benefits Provided

The benefits for the Plan are established by contract with CalPERS, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. To be eligible for service retirement, members must be at least 50 years of age and have a minimum of five years of CalPERS-credited service. Members after December 2012 must be at least 52 to be eligible for service retirement.

Contributions

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on July 1 following notice of a change in the rate. The contributions are determined

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through CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. ACWA JPIA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. ACWA JPIA's required contribution rate on covered payroll for the measurement period ended June 30, 2025 (the measurement date) was 11.49% and 8.18% of annual pay for Classic and PEPRAs employees, respectively. Employer contributions rates may change if plan contracts are amended. For the year ended September 30, 2025, the employer contributions to the plan were \$650,957, plus an additional \$142,238 in elective contributions billed from PERS using actuarial valuations calculating additional unfunded liability payments in this fiscal year.

Pension Liabilities/Assets, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

ACWA JPIA's Net Pension Liability (NPL) for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2025, for the year ended September 30, 2025. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2024, rolled forward to June 30, 2025, using standard update procedures. As of September 30, 2025, ACWA JPIA's proportionate share of the Plan's net pension liability (NPL) was \$608,857.

Using ACWA JPIA's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for ACWA JPIA by the actuary. ACWA JPIA's proportionate share of the net pension liability for the Plan as of June 30, 2024, and 2025 were as follows:

	<b>Plan</b>
Proportion - June 30, 2024	.045099%
Proportion - June 30, 2025	.015263%
Change	(.029836)%

For the year ended September 30, 2025, ACWA JPIA recognized a pension expense of 285,105. Reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 72,956	\$ 0
Changes of assumptions		
Net difference between projected and actual earnings on pension plan investments		82,385
Changes in proportions	1,016,482	
Changes in proportionate share of contributions		1,388,662
Contributions subsequent to the measurement date	153,747	
Total	\$ 1,243,185	\$ 1,471,047

As of September 30, 2025, the \$153,747 reported as deferred outflows of resources related to employer contributions

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subsequent to the measurement date will be recognized as an adjustment to the net pension liability in the year ending September 30, 2026. As of September 30, 2025, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense (benefit) as follows:

<b>Year Ended September 30</b>	
2026	\$ (149,211)
2027	(118,144)
2028	(82,806)
2029	(31,448)

**Actuarial Methods and Assumptions**

The collective TPL for the June 30, 2025, measurement period was determined by an actuarial valuation as of June 30, 2024, with update procedures used to roll forward the TPL to June 30, 2025. The collective TPL was based on the following assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Investment Rate of Return	<b>6.90%</b>
Inflation	<b>2.30%</b>
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' Membership data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

<sup>(1)</sup> *The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.*

**Changes of Assumptions**

There were no assumption changes in 2025.

**Discount Rate**

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to

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discount liabilities was informed by the long-term projected portfolio return.

The table below reflects the long-term expected real rate of return by asset class.

<u>Asset Class <sup>(1)</sup></u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 – 10<sup>(1,2)</sup></u>
Public Equity	37.00%	4.56%
Private Equity	17.00%	5.56%
Fixed Income	28.00%	2.53%
Real Assets	15.00%	3.03%
Private Debt	8.00%	4.93%
Leverage	(5.00%)	(1.40)%
Total	100.00%	

*(1) An expected inflation of 2.30% used for this period.*

*(2) Figures are based on the 2024 Asset Liability Management mid-cycle review.*

**Sensitivity of ACWA JPIA’s Proportional Share of the NPL/NPA to Changes in the Discount Rate**

The following presents ACWA JPIA’s Proportional Share of the NPL of the Plan as of the June 30, 2025, measurement date, calculated using the discount rate of 6.90%, as well as what ACWA JPIA’s Proportional Share of the NPL would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	<u>Discount Rate – 1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate + 1% (7.90%)</u>
ACWA JPIA’s Proportionate Share of Plan’s NPL (NPA)	\$ 6,643,401	\$ 608,857	\$ (4,357,509)

**(9) OPEB**

Plan Description

The JPIA has established a retiree healthcare plan that provides other postemployment health benefits for eligible retired employees, their spouses, surviving spouses, and dependents, through the ACWA Joint Powers Insurance Authority OPEB Plan (the Plan). The JPIA, through the authorization of their Board of Directors, elected to establish an irrevocable trust for the Plan through the California Employers’ Retiree Benefit Trust (CERBT) Fund, an agent multiple-employer plan, administered by CalPERS. CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance

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with the terms of the participating employers' plans. CERBT offers three investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by the JPIA.

Benefits Provided

ACWA JPIA employees who retire at age 55 or older with a minimum of ten years of service with the organization are eligible to receive lifetime medical benefits. Benefits are also provided to spouses, surviving spouses and dependent children (up to age 26) of participating retirees. For employees hired after January 31, 2018, an allowance of up to \$500 (up to \$1,000 with spouse or domestic partner coverage; no coverage for dependent children) will be provided for use towards medical premium using the same matrix below.

The amount of benefit a retiree receives is based on the following schedule. ACWA JPIA contributes 100% of the cost of coverage for employees who retire with age plus years of service equal to 75 or more.

<b>Age plus Years of Service</b>	<b>ACWA JPIA Percentage of Premium Payment</b>
65	55%
66	55%
67	60%
68	65%
69	70%
70	75%
71	80%
72	85%
73	90%
74	95%
75+	100%

Employees Covered

As of the June 30, 2025, actuarial valuation, the following inactive and active employees were covered by the benefit terms under the OPEB Plan using a measurement date of June 30, 2025:

<b>Inactive employees receiving benefits</b>	0
<b>Retired members and beneficiaries</b>	27
<b>Participating active employees</b>	62
<b>Total</b>	89

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Contributions

The JPIA provides benefits on a pay-as-you-go basis and makes contributions to the OPEB Trust. The JPIA's policy is to prefund their benefits by contributing the full actuarially determined contribution to the CERBT each year. The JPIA's employees are not required to contribute to the Plan.

As of the measurement date June 30, 2025, the actuarially determined contribution has been zero. Plan assets cover 120% of the Present Value of Future Benefits (PVFB). This means that if all assumptions are exactly realized, assets are sufficient to cover all future benefits for current employees and retirees. Contributions may again be recommended in future years if the funding status falls below 100% PVFB due to Plan changes, adverse experience, assumption changes or future hires.

In August of 2025, the trust reimbursed JPIA \$221,256 of pay as you go premiums paid out over PERS fiscal year 2024-25. Since this amount was received in August, it will be classified as a deferred inflow for JPIA in fiscal year 2024-25 and recognized as a reduction in OPEB expense in the following fiscal year 2025-26.

Net OPEB Asset

The JPIA's net OPEB asset was measured as of June 30, 2025, and was determined by an actuarial valuation based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	6.40%
Inflation	2.30%
Salary Increases <sup>(1)</sup>	2.80%
Investment Rate of Return <sup>(2)</sup>	6.40%
Mortality <sup>(3)</sup>	CalPERS' Membership Data
Health care cost trend rates	6.22 percent for 2026, 6.07 percent 2027, 5.84 percent 2028, 5.55 percent 2029, 5.25 percent 2030, 4.96 percent 2031, 4.66 percent 2032, 4.37 percent 2033, 4.16 percent 2034, 4.14 percent 2035 to 2075, and 3.94 percent from 2076 and beyond.

(1) Since benefits do not depend on salary, using an aggregate payroll assumption for purposes of calculating the service costs results in negligible error.

(2) Net of OPEB plan investment expense; includes inflation.

(3) Mortality rates were based on the most recent experience study for CalPERS members.  
**Pre-Retirement:** CalPERS Public Agency Miscellaneous and Schools Pre-Retirement Mortality, with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)  
**Post-Retirement:** CalPERS Public Agency Post-Retirement Mortality with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)

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Assumption Changes

The discount rate did not change during the measurement date June 30, 2025.

The following are assumption changes from June 30, 2024, to June 30, 2025:

1. Inflation was reduced from 2.50% to 2.30%
2. Trend updated to blend in SOA 2025 Getzen Model of Long-Run Medical Costs Trend
3. Salary growth was reduced to 2.80%

Discount Rate

Accounting standards for OPEB require a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

JPIA has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used to measure the total OPEB liability is equal to the long-term expected rate of return.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Investment Class</u>	<u>Target Allocation</u>	<u>Long-Term * Expected Real Rate of Return</u>
Global ex-U.S. Equity	49.00%	6.80%
U.S. Fixed Income	23.00%	3.70%
Real Estate	20.00%	6.00%
TIPS & Commodities	8.00%	2.80%
Total	<u>100.00%</u>	

\*JPMorgan arithmetic Long-Term Capital Market assumptions and expected inflation of 3.50%.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
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NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2025

Changes in the Net OPEB Asset

The changes in the Net OPEB Asset for the OPEB Plan are as follows:

	<u>Increase (Decrease)</u>		
	<b>Total OPEB Liability (TOL) (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (Asset) (a)-(b)</b>
Balance as of September 30, 2024 (Measurement date June 30, 2024)	\$ 6,200,060	\$ 10,913,426	\$ (4,713,366)
Changes recognized for the measurement period:			
Service cost	256,992		256,992
Interest	405,052		405,052
Contributions—employer		13,092	(13,092)
Net investment income		1,337,736	(1,337,736)
Differences between expected and actual experience	857,426		857,426
Change of assumptions	462,718		462,718
Benefit payments	(260,257) <sup>a</sup>	(260,257) <sup>b</sup>	0
Administrative expense		(3,724)	3,724
Net changes	<u>1,721,931</u>	<u>1,086,847</u>	<u>635,084</u>
Balance as of September 30, 2025 (Measurement date June 30, 2025)	<u>\$ 7,921,991</u>	<u>\$ 12,000,273</u>	<u>\$ (4,078,282)</u>

a) Current year benefit payments

b) Sum of current year benefit payments and 23/24 benefit payment reimbursement

Sensitivity of the JPIA's Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the JPIA, as well as what the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<b>Discount Rate -1% (5.40%)</b>	<b>Current Discount Rate (6.40%)</b>	<b>Discount Rate +1% (7.40%)</b>
Net OPEB Liability (Asset)	\$ (3,003,950)	\$ (4,078,282)	\$ (4,971,733)

Sensitivity of the JPIA's Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB asset of the JPIA, as well as what the net OPEB asset would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	<b>Trend Rate -1%</b>	<b>Health Care Trend Rate</b>	<b>Trend Rate +1%</b>
Net OPEB Liability (Asset)	\$ (5,085,529)	\$ (4,078,282)	\$ (2,841,406)

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Year Ended September 30, 2025

OPEB plan fiduciary net position

Detailed information about the Plan’s fiduciary net position is available on CalPERS’ website in an annual report titled “California Employers’ Retiree Benefit Trust, Agent Multiple-Employer Other Postemployment Benefits Plan, and Schedule of Changes in Fiduciary Net Position by Employer.” Additionally, CalPERS annually issues an Annual Comprehensive Financial Report which includes the CERBT fund’s financial information.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. Net differences between projected and actual earnings on OPEB Trust investments is 5 years.

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ending September 30, 2025, the JPIA recognized an OPEB credit of \$528,157, and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions after the measurement date*	\$ 46,962	\$ 0
Changes in assumptions	801,886	781,334
Distributions from the OPEB trust subsequent to the measurement date**		221,256
Differences between expected and actual experience	773,914	1,289,421
Net difference between projected and actual earnings on OPEB plan investments		249,497
Total	\$ 1,622,762	\$ 2,541,508

\*The \$46,962 reported as deferred outflows of resources related to contributions after the June 30, 2025, measurement date will be recognized as an increase in the net OPEB asset during the fiscal year ending June 30, 2026.

\*\*Reimbursed funds from the trust to pay JPIA for pay as you go premiums paid over PERS fiscal year 2024-25, recognized as deferred inflow due to the timing of the receipt of funds in August 2025. This amount will be recognized as a reduction in the net OPEB asset during the fiscal year ending June 30, 2026.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
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**NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2025**

Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Fiscal Year Ended September 30</b>	<b>Recognized Deferred Outflows/(Inflows) of Resources</b>
2026	\$(98,319)
2027	(516,566)
2028	(429,402)
2029	(94,861)
2030	239,386
Thereafter	155,310
Total Deferred Resources:	\$(744,452)

**(10) Deferred Compensation Plan**

The JPIA employees may defer a portion of their compensation under an employer sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457 and administered by CalPERS and Lincoln Financial Group. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these new plans are not JPIA's property and are not subject to its control, they have been excluded from these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
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Notes to Required Supplementary Information  
For The Year Ended September 30, 2025

**(1) Reconciliation of Claims Liabilities by Type of Contract**

These schedules represent the changes in claims liabilities in the past year for the Liability, and Workers' Compensation Programs.

**(2) Claims Development Information**

The table illustrates how earned revenue (net of reinsurance) and investment income compare to related costs of loss (net of loss assumed by reinsurers) and other expenses as of the end of each of the past ten years.

The rows of the table are defined as follows:

1. This line shows the total of each fiscal year's gross earned contribution revenue and investment revenue, contribution revenue ceded to reinsurers, and net earned contribution revenue and reported investment revenue.
2. This line shows each fiscal year's other operating costs including overhead and claims expense not allocable to individual claims.
3. This line shows the gross incurred claims and allocated claim adjustment expense (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred.
4. This section of ten rows shows the cumulative net amounts paid as of the net of successive years for each policy year.
5. This line shows the latest re-estimated number of claims assumed by reinsurers as of the end of the current year for each accident year.
6. This section shows the annually re-estimated results from new information received on known claims, reevaluation of existing information on known claims, and emergence of new claims not previously known.
7. This line compares the latest re-estimated net incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of net claims cost is greater or less than originally thought.

As data for individual policy years mature, the correlation between original estimates and re-estimated amounts commonly is used to evaluate the accuracy of net incurred claims currently recognized in less mature policy years. The columns of the table show data for successive policy years.

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
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RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT

SEPTEMBER 30, 2025

	Liability Program	Property Program	Workers' Compensation Program	Employee Benefits Program	Total
Unpaid Claims and Claim Adjustment at Beginning of the Fiscal Year	\$ 50,575,745	\$ 12,635,828	\$ 27,982,619	\$ 9,862,990	\$ 101,057,182
Incurred Claims and Allocated Claim Adjustment Expense:					
Provisions for Insured Events of the Current Fiscal Year	25,839,711	5,542,275	7,102,042	91,492,515	129,976,543
Increase (Decrease) in Provision for Incurred Events of Prior Fiscal Years	(6,243,333)	(1,689,295)	1,913,474	18,228,834	12,209,680
Total Incurred Claims and Allocated Claim Adjustment Expenses	19,596,378	3,852,980	9,015,516	109,721,349	142,186,223
Payments					
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	3,174,380	1,134,342	1,686,579	89,013,574	95,008,875
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	13,502,460	3,485,044	4,817,576	21,068,875	42,873,955
Total Payments	16,676,840	4,619,386	6,504,155	110,082,449	137,882,830
Discounted Unpaid Claims and Allocated Claim Adjustment Expense at the End of the Fiscal Year	<u>\$ 53,495,283</u>	<u>\$ 11,869,422</u>	<u>\$ 30,493,980</u>	<u>\$ 9,501,890</u>	<u>\$ 105,360,575</u>
Components:					
Claims Reserves (Current)	\$ 14,295,266	\$ 4,302,895	\$ 6,457,960	\$ 0	\$ 25,056,121
Claims Reserves (Noncurrent)	14,782,483	0	7,257,042	0	22,039,525
Claims Incurred But Not Reported	23,524,983	6,941,814	14,752,231	9,501,890	54,720,918
Unallocated Loss Adjustment Liability	892,551	624,713	2,026,747	0	3,544,011
Total Claims Liability	<u>\$ 53,495,283</u>	<u>\$ 11,869,422</u>	<u>\$ 30,493,980</u>	<u>\$ 9,501,890</u>	<u>\$ 105,360,575</u>

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

TEN YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF SEPTEMBER 30, 2025

LIABILITY PROGRAM

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1. Required contribution and investment revenue:										
Earned	\$ 15,832,560	\$ 16,851,722	\$ 19,173,020	\$ 19,721,861	\$ 21,873,662	\$ 23,513,983	\$ 23,154,024	\$ 28,295,369	\$ 33,915,748	\$ 39,996,879
Ceded	3,875,750	2,758,676	3,014,553	3,196,277	5,504,597	5,693,446	7,337,241	7,948,641	9,149,052	10,046,222
Net earned	11,956,810	14,093,046	16,158,467	16,525,584	16,369,065	17,820,537	15,816,783	20,346,728	24,766,696	29,950,657
2. Unallocated expenses	2,225,344	2,926,018	3,939,111	3,880,737	4,713,774	2,215,707	2,542,867	2,638,770	2,446,624	1,232,341
3. Estimated claims and expenses end of policy year:										
Incurred	15,010,541	12,623,498	12,521,301	14,101,240	14,992,990	15,852,797	19,045,029	23,470,446	25,771,836	28,066,726
Ceded	3,489,316	949,000	860,000	1,025,000	1,155,000	1,222,000	1,810,000	2,868,000	2,366,000	2,625,000
Net incurred	11,521,225	11,674,498	11,661,301	13,076,240	13,837,990	14,630,797	17,235,029	20,602,446	23,405,836	25,441,726
4. Net paid (cumulative) as of :										
End of policy year	2,313,638	1,702,912	1,827,061	1,622,001	2,812,515	2,909,828	2,684,900	3,102,299	3,375,022	3,174,380
One year later	5,197,925	3,375,115	3,176,237	9,430,733	6,238,788	6,932,966	6,565,613	6,221,445	8,064,953	
Two years later	9,257,380	6,537,956	5,560,989	10,866,250	7,358,677	11,052,357	10,319,425	10,682,102		
Three years later	9,148,742	6,713,185	6,826,024	11,371,388	11,215,421	11,016,892	11,815,425			
Four years later	9,158,435	6,844,171	7,396,393	12,595,360	24,378,776	11,255,860				
Five years later	9,156,252	7,179,702	7,824,146	13,510,331	24,558,359					
Six years later	9,156,252	10,825,781	7,935,991	15,788,099						
Seven years later	9,156,252	10,828,188	7,954,413							
Eight years later	9,156,252	10,826,981								
Nine years later	9,156,252									
5. Reestimated claims and expenses:	3,000	0	55,000	9,665,000	6,339,000	221,000	399,000	889,000	1,805,000	2,625,000
6. Reestimated net incurred claims and expenses:										
End of policy year	11,521,225	11,674,498	11,661,301	13,076,240	13,837,990	14,630,797	17,235,029	20,602,446	23,405,836	25,441,726
One year later	10,817,319	10,717,162	10,791,082	15,836,297	13,526,276	13,992,690	17,446,683	18,611,322	23,364,231	
Two years later	10,800,508	9,064,480	10,205,529	17,077,914	16,359,364	13,318,819	15,682,331	17,705,794		
Three years later	9,960,435	7,428,404	10,999,841	17,849,788	28,251,878	13,873,596	14,857,671			
Four years later	9,353,029	7,366,721	10,879,814	20,086,765	26,093,651	13,363,402				
Five years later	9,156,253	10,850,607	11,354,126	18,956,169	24,919,718					
Six years later	9,156,253	10,858,535	8,452,664	17,769,862						
Seven years later	9,220,224	10,828,225	8,266,213							
Eight years later	9,224,451	10,828,178								
Nine years later	9,218,938									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	\$ (2,302,287)	\$ (846,320)	\$ (3,395,088)	\$ 4,693,622	\$ 11,081,728	\$ (1,267,395)	\$ (2,377,358)	\$ (2,896,652)	\$ (41,605)	\$ 0

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

TEN YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF SEPTEMBER 30, 2025

PROPERTY PROGRAM

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1. Required contribution and investment revenue:										
Earned	\$ 5,063,088	\$ 5,290,455	\$ 5,735,370	\$ 5,964,381	\$ 6,958,596	\$ 8,480,621	\$ 10,634,242	\$ 14,055,112	\$ 17,612,143	\$ 22,840,579
Ceded	1,527,000	1,523,521	1,657,369	3,042,615	4,831,663	6,464,344	8,109,461	7,103,652	8,716,812	9,651,482
Net earned	3,536,088	3,766,934	4,078,001	2,921,766	2,126,933	2,016,277	2,524,781	6,951,460	8,895,331	13,189,097
2. Unallocated expenses	1,669,072	1,978,078	1,275,499	1,710,461	2,243,285	1,100,033	919,762	3,114,556	1,179,928	1,202,523
3. Estimated claims and expenses end of policy year:										
Incurred	1,403,306	5,960,208	4,625,770	13,273,427	2,196,813	4,460,497	36,527,468	12,727,112	7,297,615	6,617,644
Ceded	531,733	4,226,383	3,316,000	10,419,000	455,000	1,326,000	34,019,000	425,000	421,000	381,000
Net incurred	871,573	1,733,825	1,309,770	2,854,427	1,741,813	3,134,497	2,508,468	12,302,112	6,876,615	6,236,644
4. Net paid (cumulative) as of :										
End of policy year	847,420	1,275,484	1,089,031	2,110,318	735,138	1,902,445	1,535,697	2,001,041	2,620,957	1,190,778
One year later	848,772	1,211,080	1,146,171	2,202,967	1,203,955	2,685,157	2,648,685	7,520,909	3,395,737	
Two years later	849,197	1,183,299	1,165,339	2,427,451	1,576,645	2,779,604	2,621,307	10,014,894		
Three years later	869,804	1,139,451	1,079,440	2,388,914	1,675,095	2,879,745	2,728,166			
Four years later	869,804	1,141,746	1,078,912	2,378,823	1,995,607	2,745,122				
Five years later	869,804	1,141,746	1,054,236	2,369,299	1,989,027					
Six years later	869,804	1,124,746	1,054,027	2,360,399						
Seven years later	869,264	1,112,746	1,046,323							
Eight years later	865,408	1,102,746								
Nine years later	865,408									
5. Reestimated claims and expenses:	398,104	4,771,209	2,529,516	26,329,096	1,406,443	1,618,000	33,170,000	705,000	177,000	381,000
6. Reestimated net incurred claims and expenses:										
End of policy year	871,573	1,733,825	1,309,770	2,854,427	1,741,813	3,134,497	2,508,468	12,302,112	6,876,615	6,236,644
One year later	870,772	1,512,876	1,148,440	2,582,914	2,318,206	3,331,348	2,826,590	13,280,171	4,074,956	
Two years later	871,272	1,259,393	1,167,503	2,459,948	2,439,874	2,782,378	2,711,449	13,724,931		
Three years later	871,272	1,253,000	1,079,441	2,397,909	1,675,769	2,879,930	2,737,591			
Four years later	871,272	1,153,356	1,078,913	2,386,750	1,996,281	2,745,122				
Five years later	871,272	1,153,356	1,054,236	2,377,225	1,989,701					
Six years later	871,272	1,142,726	1,054,027	2,368,326						
Seven years later	870,732	1,131,726	1,053,631							
Eight years later	866,876	1,119,726								
Nine years later	866,876									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	\$ (4,697)	\$ (614,099)	\$ (256,139)	\$ (486,101)	\$ 247,888	\$ (389,375)	\$ 229,123	\$ 1,422,819	\$ (2,801,659)	\$ 0

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

TEN YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF SEPTEMBER 30, 2025

WORKERS' COMPENSATION

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
1. Required contribution and investment revenue:										
Earned	\$ 12,656,026	\$ 13,109,272	\$ 13,327,145	\$ 14,095,759	\$ 15,604,696	\$ 14,922,956	\$ 14,931,747	\$ 16,361,975	\$ 18,025,786	\$ 18,605,707
Ceded	506,645	556,796	499,119	507,276	534,177	549,670	606,774	623,972	750,361	820,470
Net earned	12,149,381	12,552,476	12,828,026	13,588,483	15,070,519	14,373,286	14,324,973	15,738,003	17,275,425	17,785,237
2. Unallocated expenses:	2,366,134	2,994,409	3,012,753	3,033,544	3,564,705	3,644,488	3,503,390	3,248,173	2,667,013	1,700,733
3. Estimated claims and expenses end of policy year:										
Incurred	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494	7,650,224	8,228,660
Ceded	0	0	0	0	0	0	0	0	0	0
Net incurred	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494	7,650,224	8,228,660
4. Net paid (cumulative) as of :										
End of policy year	1,151,894	1,611,621	1,365,070	1,379,721	1,908,694	1,741,263	1,336,009	1,412,292	1,819,565	2,291,722
One year later	1,666,309	2,345,827	2,248,484	2,343,026	3,104,064	2,767,921	2,579,668	2,736,597	3,122,176	
Two years later	2,086,129	2,657,368	2,579,285	3,008,537	4,258,175	3,918,710	3,224,525	3,376,621		
Three years later	2,274,301	2,995,480	2,828,582	3,324,110	4,715,610	5,463,754	3,656,016			
Four years later	2,561,481	3,149,659	3,397,262	3,442,873	4,981,861	6,284,855				
Five years later	2,635,281	3,261,608	3,705,088	3,637,213	5,477,011					
Six years later	2,684,846	3,324,793	3,846,580	3,684,059						
Seven years later	2,704,005	3,369,418	3,895,675							
Eight years later	2,740,572	3,391,103								
Nine years later	2,750,605									
5. Reestimated claims and expenses:	0	0	0	0	0	0	0	0	0	0
6. Reestimated net incurred claims and expenses:										
End of policy year	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494	7,650,224	8,228,660
One year later	4,581,505	5,965,054	5,901,694	6,046,702	6,668,007	6,276,953	5,513,901	6,831,762	7,358,604	
Two years later	3,800,513	5,069,443	5,082,436	5,131,153	6,675,886	6,852,465	5,704,479	6,445,843		
Three years later	3,555,630	4,594,823	4,543,984	4,438,211	7,079,100	7,654,602	6,143,937			
Four years later	3,362,048	4,350,572	4,339,326	4,450,160	7,273,779	8,435,711				
Five years later	3,220,651	4,084,561	4,414,937	4,733,262	7,583,841					
Six years later	2,998,026	3,998,881	4,511,568	4,480,405						
Seven years later	3,038,512	4,266,622	4,249,433							
Eight years later	2,855,639	4,070,193								
Nine years later	2,854,021									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	\$ (2,844,518)	\$ (3,132,010)	\$ (2,396,303)	\$ (2,423,253)	\$ 70,225	\$ 1,625,263	\$ 622,846	\$ 214,349	\$ (291,620)	\$ 0

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

TEN YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF SEPTEMBER 30, 2025\*

EMPLOYEE BENEFITS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1. Required contribution and investment revenue:										
Earned	\$ 122,291,203	\$ 128,130,500	\$ 140,433,366	\$ 146,479,743	\$ 148,127,454	\$ 152,480,559	\$ 157,960,331	\$ 149,282,369	\$ 149,846,574	\$ 169,221,386
Ceded	1,276,428	1,538,801	1,636,443	2,107,541	2,847,451	3,042,473	2,135,657	2,086,039	0	0
Net earned	121,014,775	126,591,699	138,796,923	144,372,202	145,280,003	149,438,086	155,824,674	147,196,330	149,846,574	169,221,386
2. Unallocated expenses:	3,681,387	2,994,455	2,817,544	2,443,630	2,677,795	2,636,603	2,549,898	2,463,542	2,955,031	2,860,502
3. Estimated claims and expenses end of policy year:										
Incurred	81,097,989	86,200,856	82,300,575	77,042,190	74,922,732	69,713,938	79,489,644	81,814,475	82,608,248	111,326,835
Ceded	1,908,777	4,646,895	1,220,439	2,580,695	1,199,949	1,139,603	2,394,846	724,691	0	0
Net incurred	79,189,212	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798	81,089,784	82,608,248	111,326,835
4. Net paid (cumulative) as of :										
End of policy year	79,189,212	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798	81,089,784	82,608,248	111,326,835
One year later	79,155,502	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	76,521,368	81,078,400	82,608,248	
Two years later	78,652,326	81,295,992	80,840,759	73,346,741	71,802,750	67,436,016	76,520,799	81,078,400		
Three years later	78,661,126	81,297,624	80,840,661	73,346,741	71,802,750	67,436,016	76,520,799			
Four years later	78,661,126	81,297,624	80,840,661	73,346,741	71,803,152	67,436,016				
Five years later	78,661,126	81,297,624	80,840,661	73,346,741	71,803,152					
Six years later	78,661,126	81,297,624	80,841,532	73,346,741						
Seven years later	78,661,126	81,297,624	80,841,532							
Eight years later	78,661,126	81,297,624								
Nine years later	78,661,126									
5. Reestimated claims and expenses:	1,908,777	4,646,895	1,220,439	2,580,695	1,199,949	1,139,603	2,394,846	724,691	0	0
6. Reestimated net incurred claims and expenses:										
End of policy year	79,189,212	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798	81,089,784	82,608,248	111,326,835
One year later	79,155,502	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	76,521,368	81,078,400	82,608,248	
Two years later	78,652,326	81,295,992	80,840,759	73,346,741	71,802,750	67,436,016	76,520,799	81,078,400		
Three years later	78,661,126	81,297,624	80,840,661	73,346,741	71,802,750	67,436,016	76,520,799			
Four years later	78,661,126	81,297,624	80,840,661	73,346,741	71,803,152	67,436,016				
Five years later	78,661,126	81,297,624	80,840,661	73,346,741	71,803,152					
Six years later	78,661,126	81,297,624	80,841,532	73,346,741						
Seven years later	78,661,126	81,297,624	80,841,532							
Eight years later	78,661,126	81,297,624								
Nine years later	78,661,126									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	\$ (528,086)	\$ (256,337)	\$ (238,604)	\$ (1,114,754)	\$ (1,919,631)	\$ (1,138,319)	\$ (573,999)	\$ (11,384)	\$ 0	\$ 0

\* Policy year data is through December 31 of the previous calendar year

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

SCHEDULE OF OPEB CONTRIBUTIONS  
AS OF SEPTEMBER 30,  
LAST 10 YEARS\*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>**2024</u>	<u>2025</u>
Actuarial determined contribution	\$ 221,901	\$ 232,094	\$ 278,058	\$ 291,961	\$ 0	\$ 0	\$ 0	\$ 0
Contributions in relation to the actuarially determined contribution	(221,901)	(232,094)	(278,058)	(201,239)	0	0	0	0
Active implicit rate subsidy transferred to OPEB	0	0	0	0	(204,153)	(30,280)	(35,587)	(13,092)
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>90,722</u>	<u>(204,153)</u>	<u>(30,280)</u>	<u>(35,587)</u>	<u>(13,092)</u>
Covered payroll	4,524,319	4,837,414	5,158,992	5,354,008	5,594,705	6,365,520	6,616,656	6,878,248
Contributions as a percentage of covered payroll	4.90%	4.80%	5.39%	3.76%	3.65%	0.48%	0.54%	0.19%

**Notes to Schedule:**

Actuarial methods and assumptions used to set the actuarially determined contributions for all plan years were from June 30 actuarial valuations.

**Methods and assumptions used to determine contributions:**

Employers who set a discount rate based on the assumption that assets will cover all future benefit payments under the plan are assumed to make annual contributions equal to the ADC. Annual contributions that are substantially less than the ADC require additional justification for using a discount rate equal to the long-term expected return on trust assets.

Covered-Employee Payroll, as defined by GASB 75, is the total payroll of employees eligible for benefits under the OPEB plan.

\* Fiscal year 2018 was the 1st year of implementation, therefore only eight years are presented.

\*\* Fiscal year 2024 was originally reported with a covered payroll of \$5,050,817 in error.

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

SCHEDULE OF CHANGES IN THE NET OPEB ASSET  
AND RELATED RATIOS  
for the Measurement Periods Ended June 30,  
LAST 10 YEARS\*

	2018	2019	2020	2021	2022	2023	2024	2025
<b>TOTAL OPEB LIABILITY</b>								
Service cost	\$ 269,165	\$ 282,624	\$ 259,189	\$ 272,149	\$ 242,007	\$ 254,108	\$ 203,570	\$ 256,992
Interest	476,950	518,285	510,671	551,507	543,802	582,243	387,774	405,052
Differences between expected and actual experience	(11)	(178,909)	(31,073)	150,000	(67,937)	(2,308,540)	0	857,426
Changes of assumptions	0	(516,365)	0	(846,669)	0	(944,478)	588,199	462,718
Benefit payments	(190,988)	(192,597)	(180,755)	(201,239)	(204,153)	(199,661)	(204,968)	(260,257)
<b>NET CHANGE IN TOTAL OPEB LIABILITY</b>	555,116	(86,962)	558,032	(74,252)	513,719	(2,616,328)	974,575	1,721,931
<b>TOTAL OPEB LIABILITY, Beginning</b>	6,376,160	6,931,276	6,844,314	7,402,346	7,328,094	7,841,813	5,225,485	6,200,060
<b>TOTAL OPEB LIABILITY, Ending (a)</b>	6,931,276	6,844,314	7,402,346	7,328,094	7,841,813	5,225,485	6,200,060	7,921,991
<b>PLAN FIDUCIARY NET POSITION</b>								
Contributions—employer	319,185	232,094	278,058	201,239	204,153	30,280	35,587	13,092
Net investment income (loss)	483,241	488,951	297,577	2,421,291	(1,502,948)	613,677	1,101,771	1,337,736
Benefit payments	(190,988)	(192,597)	(180,755)	(201,239)	(204,153)	(374,550)	(204,968)	(260,257)
Administrative expense	(3,795)	(3,890)	(4,190)	(3,335)	(5,459)	(4,770)	(8,803)	(3,724)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	607,643	524,558	390,690	2,417,956	(1,508,407)	264,637	923,587	1,086,847
<b>PLAN FIDUCIARY NET POSITION, Beginning</b>	7,292,762	7,900,405	8,424,963	8,815,653	11,233,609	9,725,202	9,989,839	10,913,426
<b>PLAN FIDUCIARY NET POSITION, Ending (b)</b>	7,900,405	8,424,963	8,815,653	11,233,609	9,725,202	9,989,839	10,913,426	12,000,273
<b>NET OPEB LIABILITY (ASSET), Ending (a) - (b)</b>	\$ (969,129)	\$ (1,580,649)	\$ (1,413,307)	\$ (3,905,515)	\$ (1,883,389)	\$ (4,764,354)	\$ (4,713,366)	\$ (4,078,282)
Plan fiduciary net position as a percentage of the total OPEB liability	113.98%	123.09%	119.09%	153.30%	124.02%	191.18%	176.02%	151.48%
Covered payroll	\$ 4,470,013	\$ 5,092,412	\$ 5,063,961	\$ 5,346,015	\$ 5,496,891	\$ 6,365,520	\$ 5,050,817	\$ 6,878,248
Net OPEB asset as a percentage of covered payroll	-21.68%	-31.04%	-27.91%	-73.05%	-34.26%	-74.85%	-93.32%	-59.29%

**Notes to Schedule:**

During the measurement period ended June 30, 2018, the plan was amended to provide the coverage to surviving spouses.

**Assumption Changes:**

1. Inflation was reduced from 2.5% to 2.3%
2. Trend updated to blend in SOA 2025 Getzen Model of Long-Run Medical Costs Trend
3. Salary growth was reduced to 2.8%

\* Fiscal year 2018 was the 1st year of implementation, therefore only eight years are presented.

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

SCHEDULE OF THE PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
As Of September 30, 2025  
Last 10 Years

	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2025</u>
The JPIA's Proportion of the Net Pension Liability (Asset)	0.038815%	0.013959%	(0.023017%)	(0.008359%)	(0.003275%)	(0.25097%)	0.030884%	0.045555%	0.045099%	0.015263%
The JPIA's Proportionate Share of the Net Pension Liability (Asset)	\$1,348,385	\$550,282	(\$867,450)	(\$334,731)	(\$138,133)	(\$4,765,400)	\$1,445,119	\$2,277,917	\$2,181,258	\$608,857
The JPIA's Covered Payroll	\$4,240,054	\$4,411,665	\$4,470,013	\$4,759,677	\$5,063,961	\$5,549,223	\$5,496,891	\$5,961,012	\$6,557,369	\$6,878,248
The JPIA's Proportionate Share of the Net Pension Liability/Asset as a Percentage of its Covered Payroll	31.80%	12.47%	(19.41%)	(7.03%)	(2.73%)	(85.88%)	26.29%	38.21%	33.26%	8.85%
The JPIA's Proportionate Share of the Fiduciary Net Position as a Percentage of the JPIA's Total Pension Liability	78.40%	73.31%	75.26%	75.26%	75.10%	88.29%	76.68%	76.21%	78.08%	82.43%

**Notes to Schedule:**

**Change of benefit terms** - There were no changes to benefit terms.

**Changes in assumptions** - There were no assumption changes in 2023 through 2025. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the account discount rate was reduced from 7.15% to 6.9%. In determining the long-term expected rate of return, CalPERS took into account the long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The account discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement date June 30, 2016.

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

Miscellaneous Plan, a Cost Sharing-Employer Defined Benefit Pension Plan  
As of fiscal year ending September 30, 2025  
Last 10 Years

SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Actuarially determined contribution (actuarially determined)	\$ 352,666	\$ 349,738	\$ 361,115	\$ 401,175	\$ 437,050	\$ 478,790	\$ 498,192	\$ 556,198	\$ 615,173	\$ 650,957
Contributions in relation to the actuarially determined contributions	<u>352,666</u>	<u>1,698,126</u>	<u>1,431,686</u>	<u>410,030</u>	<u>850,357</u>	<u>482,809</u>	<u>557,530</u>	<u>556,198</u>	<u>642,818</u>	<u>793,196</u>
Contribution deficiency (excess)	<u>0</u>	<u>(1,348,388)</u>	<u>(1,070,571)</u>	<u>(8,855)</u>	<u>(413,307)</u>	<u>(4,019)</u>	<u>(59,338)</u>	<u>0</u>	<u>(27,645)</u>	<u>(142,239)</u>
Covered payroll	\$4,519,745	\$4,428,325	\$4,524,319	\$4,837,414	\$5,158,992	\$5,354,008	\$5,594,705	\$6,189,694	\$6,616,656	\$6,975,295
Contributions as a percentage of covered payroll	7.80%	38.35%	31.64%	8.48%	16.48%	9.02%	9.97%	8.99%	9.72%	11.37%

**SUPPLEMENTARY INFORMATION**

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

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM  
YEAR ENDED SEPTEMBER 30, 2025

	LIABILITY	DAM FAILURE	PROPERTY	PASS - THROUGHS	WORKERS' COMP	STORAGE TANKS	EMPLOYEE BENEFITS	CYBER LIABILITY	RSF ADJUSTMENTS	CWIF	INTER-FUND ELIMINATIONS	TOTALS
<b>OPERATING REVENUES</b>												
Member contributions	\$ 37,408,552	\$ 744,100	\$ 22,395,872	\$ 1,183,253	\$ 16,472,246	\$ 53,077	\$ 177,946,618	\$ 1,335,671	\$ 0	\$ 38,783,416	\$ (38,783,416)	\$ 257,539,389
Retrospective contribution adjustments	(9,686,937)	0	(8,143,014)	0	(8,706,507)	(19,966)	0	0	(2,681,341)	0	0	(29,237,765)
<b>TOTAL OPERATING REVENUES</b>	<b>27,721,615</b>	<b>744,100</b>	<b>14,252,858</b>	<b>1,183,253</b>	<b>7,765,739</b>	<b>33,111</b>	<b>177,946,618</b>	<b>1,335,671</b>	<b>(2,681,341)</b>	<b>38,783,416</b>	<b>(38,783,416)</b>	<b>228,301,624</b>
<b>OPERATING EXPENSES</b>												
Claims expense:												
Claims paid	16,676,840	0	4,619,388	0	6,504,155	0	110,082,449	0	0	19,468,624	(19,468,624)	137,882,832
Change in claims reserves	2,376,060	0	(2,479,597)	0	225,012	0	0	0	0	8,158,247	(8,158,247)	121,475
Change in claims incurred but not reported	495,455	0	1,744,631	0	2,149,133	0	(361,100)	0	0	4,842,286	(4,842,286)	4,028,119
Change in unallocated loss adjustment expense	48,023	0	(31,442)	0	137,216	0	0	0	0	0	0	153,797
Total claims expense	19,596,378	0	3,852,980	0	9,015,516	0	109,721,349	0	0	32,469,157	(32,469,157)	142,186,223
Excess insurance	10,046,222	674,100	9,582,306	1,322,062	836,627	29,496	60,000	1,090,771	0	0	(2,865,942)	20,775,642
Benefit premiums	0	0	0	0	0	0	81,083,793	0	0	0	0	81,083,793
Pension expense	85,531	0	39,915	0	102,638	0	57,021	0	0	0	0	285,105
General, Administrative & Depreciation	3,799,270	70,000	1,900,566	(138,809)	4,771,242	2,400	2,996,179	0	0	21,686,003	(21,686,003)	13,400,848
<b>TOTAL OPERATING EXPENSES</b>	<b>33,527,401</b>	<b>744,100</b>	<b>15,375,767</b>	<b>1,183,253</b>	<b>14,726,023</b>	<b>31,896</b>	<b>193,918,342</b>	<b>1,090,771</b>	<b>0</b>	<b>54,155,160</b>	<b>(57,021,102)</b>	<b>257,731,611</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(5,805,786)</b>	<b>0</b>	<b>(1,122,909)</b>	<b>0</b>	<b>(6,960,284)</b>	<b>1,215</b>	<b>(15,971,724)</b>	<b>244,900</b>	<b>(2,681,341)</b>	<b>(15,371,744)</b>	<b>18,237,686</b>	<b>(29,429,987)</b>
<b>NONOPERATING REVENUES</b>												
Investment income	5,805,786	0	2,122,909	0	6,960,284	4,094	6,391,137	0	0	30,437,049	(20,000,000)	31,721,259
Net decrease in investment fair value	0	0	0	0	0	0	0	0	0	(8,148,956)	0	(8,148,956)
<b>TOTAL NONOPERATING REVENUES</b>	<b>5,805,786</b>	<b>0</b>	<b>2,122,909</b>	<b>0</b>	<b>6,960,284</b>	<b>4,094</b>	<b>6,391,137</b>	<b>0</b>	<b>0</b>	<b>22,288,093</b>	<b>(20,000,000)</b>	<b>23,572,303</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,000,000</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,309</b>	<b>\$ (9,580,587)</b>	<b>\$ 244,900</b>	<b>\$ (2,681,341)</b>	<b>\$ 6,916,349</b>	<b>\$ (1,762,314)</b>	<b>\$ (5,857,684)</b>

## CALIFORNIA WATER INSURANCE FUND

### SCHEDULE OF NET POSITION SEPTEMBER 30, 2025

	<u>2025</u>	<u>Comparative Totals 2024</u>
<b>ASSETS:</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,658,883	\$ 1,236,297
Premiums receivable	9,756,800	14,922,525
<b>TOTAL CURRENT ASSETS</b>	<u>11,415,683</u>	<u>16,158,822</u>
<b>NONCURRENT ASSETS</b>		
Investments	<u>225,274,632</u>	<u>196,228,421</u>
<b>TOTAL ASSETS</b>	<u>236,690,315</u>	<u>212,387,243</u>
<b>LIABILITIES:</b>		
<b>CURRENT LIABILITIES</b>		
Claim reimbursements payable	11,598,316	9,787,929
Dividends payable	1,686,003	0
Unearned premiums	7,317,600	6,427,800
Claims reserves	18,741,451	14,812,065
<b>TOTAL CURRENT LIABILITIES</b>	<u>39,343,370</u>	<u>31,027,794</u>
<b>NONCURRENT LIABILITIES</b>		
Claims reserves	17,354,711	13,125,850
Claims incurred but not reported	35,894,312	31,052,026
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>53,249,023</u>	<u>44,177,876</u>
<b>TOTAL LIABILITIES</b>	<u>92,592,393</u>	<u>75,205,670</u>
<b>NET POSITION:</b>		
Capital stock	250,000	250,000
Paid-in capital	95,288,445	95,288,445
Unrestricted	48,559,477	41,643,128
<b>TOTAL NET POSITION</b>	<u>\$ 144,097,922</u>	<u>\$ 137,181,573</u>

See accompanying notes to financial statements.

**CALIFORNIA WATER INSURANCE FUND**

SCHEDULE OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2025

	<u>2025</u>	<u>Comparative Totals 2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for premiums	\$ 44,838,941	\$ 35,734,100
Dividends paid back to JPIA	(20,000,000)	(9,271,065)
Payments for claims	(19,468,624)	(29,711,513)
Other claims-related receipts	1,810,387	0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>7,180,704</u>	<u>(3,248,478)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of securities	(200,543,667)	(24,942,365)
Proceeds from sales of investments	163,348,500	24,038,234
Investment earnings	30,818,192	4,812,405
Investment expenses	(381,143)	(279,570)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(6,758,118)</u>	<u>3,628,704</u>
Increase in cash and cash equivalents	422,586	380,226
Cash and cash equivalents, beginning	1,236,297	856,071
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,658,883</u>	<u>\$ 1,236,297</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (15,371,744)	\$ (5,064,872)
Adjustments to net cash provided (used) by operating activities:		
Change in member premiums receivable	5,165,725	150,425
Change in claims reimbursements payable	1,810,387	(9,020,276)
Change in dividends payable	1,686,003	(678,677)
Change in unearned member premiums	889,800	75,675
Change in claims liabilities	13,000,533	11,289,247
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 7,180,704</u>	<u>\$ (3,248,478)</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Change in unrealized fair value of investments	\$ (8,148,956)	\$ 32,933,309

**STATISTICAL SECTION**

# STATISTICAL SECTION

This following section of the financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about ACWA JPIA's overall financial position.

## Financial Trends

These schedules contain trend information to help explain ACWA JPIA's financial performance over time. They highlight how revenues, expenses, and changes in the net position have developed over the years.

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## Demographic and Economic Information

These schedules offer demographic and economic information indicators to explain the environment to which ACWA JPIA's financial activities take place. The number of liability, property and workers' compensation claims are indicators of claims expenses.

Payroll totals for liability and workers' compensation, along with claims experience, are the main indicators for premium revenue. Property "totally insured values" are used as indicators for property program premiums.

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Schedules showing trends for property tax rates and revenues along with corresponding assessed valuations are not presented since ACWA JPIA does not levy such taxes.

Schedules showing bonded debt and related legal debt ratios are also not applicable.

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

STATEMENTS OF NET POSITION  
Last Ten Fiscal Years

	Fiscal Year September 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Assets</b>										
Current assets	\$ 64,697,698	\$ 67,511,963	\$ 60,182,304	\$ 75,977,556	\$ 90,574,861	\$ 55,041,382	\$ 62,751,382	\$ 44,388,883	\$ 71,919,850	\$ 61,214,937
Noncurrent assets	124,869,063	131,853,381	128,161,913	136,122,295	146,950,212	216,728,977	183,863,832	244,073,620	236,224,616	256,248,822
TOTAL ASSETS	189,566,761	199,365,344	188,344,217	212,099,851	237,525,073	271,770,359	246,615,214	288,462,503	308,144,466	317,463,759
<b>DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS</b>	1,065,779	1,404,974	1,063,032	480,729	741,645	1,027,236	5,034,164	3,716,126	2,186,450	1,243,185
<b>OTHER POST EMPLOYMENT BENEFITS</b>			35,283	73,061	313,105	161,906	1,074,398	938,785	912,660	1,622,762
<b>Liabilities</b>										
Current liabilities	63,978,099	65,377,439	44,238,468	49,702,296	55,629,664	49,931,094	54,139,990	61,493,533	73,022,867	66,159,505
Noncurrent liabilities	57,496,224	58,494,030	56,582,233	62,344,624	57,445,500	73,627,596	82,986,616	105,710,134	104,683,243	126,835,605
TOTAL LIABILITIES	121,474,323	123,871,469	100,820,701	112,046,920	113,075,164	123,558,690	137,126,606	167,203,667	177,706,110	192,995,110
<b>DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS</b>	1,802,985	1,576,175	2,117,303	1,070,024	1,281,433	(2,780,885)	1,634,493	1,503,278	1,350,001	1,471,047
<b>OTHER POST EMPLOYMENT BENEFITS</b>			38,924	602,195	536,019	2,371,164	1,178,756	3,697,557	3,007,740	2,541,508
<b>Net Position</b>										
Net investment in capital assets	5,072,656	4,839,789	4,641,581	4,539,034	4,310,372	4,104,251	3,910,782	3,690,257	3,481,687	11,414,199
Restricted								4,764,354	4,713,366	4,078,282
Unrestricted	63,630,961	70,482,885	81,824,023	94,395,468	119,376,835	145,706,281	108,873,139	112,258,301	120,984,672	107,829,560
TOTAL NET POSITION	\$ 68,703,617	\$ 75,322,674	\$ 86,465,604	\$ 98,934,502	\$ 123,687,207	\$ 149,810,532	\$ 112,783,921	\$ 120,712,912	\$ 129,179,725	\$ 123,322,041

1- Beginning in the fiscal year ended September 30, 2018, GASB 75 required the recognition of net other postemployment benefits (OPEB) liability, the related deferred outflows and inflows of resources, and OPEB expenses.

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
Last Ten Fiscal Years  
Fiscal Year Ended September 30,

	2016	2017	2018	2019	2020	2021*	2022*	2023	2024	2025
<b>REVENUES</b>										
Member premiums	\$ 159,008,617	\$ 171,496,710	\$ 179,425,274	\$ 183,179,723	\$ 194,507,327	\$ 200,775,298	\$ 198,914,797	\$ 207,897,962	\$ 232,269,685	\$ 257,539,389
Retrospective premium adjustments	(12,017,219)	(1,504,527)	(3,380,970)	(9,532,430)	(5,377,009)	(11,457,566)	10,775,431	21,946,181	(10,045,692)	(29,237,765)
<b>TOTAL OPERATING REVENUES</b>	<b>146,991,398</b>	<b>169,992,183</b>	<b>176,044,304</b>	<b>173,647,293</b>	<b>189,130,318</b>	<b>189,317,732</b>	<b>209,690,228</b>	<b>229,844,143</b>	<b>222,223,993</b>	<b>228,301,624</b>
<b>EXPENSES</b>										
Claims paid	97,258,190	92,556,531	93,668,325	87,791,048	90,772,703	85,905,737	96,142,905	111,260,343	143,775,652	137,882,832
Change in claim reserves	(1,008,442)	(255,677)	3,187,095	3,253,830	(103,945)	4,749,782	8,863,387	24,773,057	(18,682,345)	121,475
Change in claims incurred but not reported	(3)	3,832,135	(6,123,633)	172,859	(4,252,240)	2,807,404	3,498,215	(469,404)	18,021,834	4,028,119
Change in unallocated loss (gain) adjustment expenses	277,793	165,446	(304,308)	51,335	(686,050)	1,301,398	(806,973)	224,653	431,683	153,797
<b>TOTAL CLAIMS EXPENSE</b>	<b>96,527,538</b>	<b>96,298,435</b>	<b>90,427,479</b>	<b>91,269,072</b>	<b>85,730,468</b>	<b>94,764,321</b>	<b>107,697,534</b>	<b>135,788,649</b>	<b>143,546,824</b>	<b>142,186,223</b>
Excess insurance and premium payments	54,164,327	56,875,871	63,658,940	68,238,635	76,240,115	79,743,790	87,558,006	89,688,165	95,998,944	101,859,435
General and administrative	10,642,018	10,741,391	10,865,359	9,630,392	10,687,493	28,733	17,171,910	14,387,334	13,674,779	13,501,610
Depreciation	268,088	254,843	244,521	218,147	228,662	223,612	218,578	220,525	208,570	184,343
<b>TOTAL OPERATING EXPENSES</b>	<b>161,601,971</b>	<b>164,170,540</b>	<b>165,196,299</b>	<b>169,356,246</b>	<b>172,886,738</b>	<b>174,760,456</b>	<b>212,646,028</b>	<b>240,084,673</b>	<b>253,429,117</b>	<b>257,731,611</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(14,610,573)</b>	<b>5,821,643</b>	<b>10,848,005</b>	<b>4,291,047</b>	<b>16,243,580</b>	<b>14,557,276</b>	<b>(2,955,800)</b>	<b>(10,240,530)</b>	<b>(31,205,124)</b>	<b>(29,429,987)</b>
<b>NONOPERATING REVENUES AND EXPENSES</b>										
Net investment income (loss)	2,380,372	797,414	294,925	8,177,851	8,509,125	11,566,049	(34,070,811)	18,169,521	39,671,937	23,572,303
<b>CHANGE IN NET POSITION</b>	<b>\$ (12,230,201)</b>	<b>\$ 6,619,057</b>	<b>\$ 11,142,930</b>	<b>\$ 12,468,898</b>	<b>\$ 24,752,705</b>	<b>\$ 26,123,325</b>	<b>\$ (37,026,611)</b>	<b>\$ 7,928,991</b>	<b>\$ 8,466,813</b>	<b>\$ (5,857,684)</b>

\*General and administrative expenses reflect significant pension expense adjustments in accordance with GASB 68 (see MD&A for details)

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

REVENUES BY PROGRAM (NET OF RETROSPECTIVE CONTRIBUTION ADJUSTMENTS)  
For the Fiscal Year Ending September 30,

Fiscal Year	Liability	Dam	Property	Pass- Thru	Workers' Compensation	Underground Storage Tanks	Employee Benefits	Cyber Liability*	CWIF	Interfund Eliminations	Change in Rate	Totals
											Fund & GASB Adj's Stabilization	
2015-16	7,064,155	255,500	5,321,990	262,220	13,040,835	12,680	126,441,388				(3,026,998)	149,371,770
	4.73%	0.17%	3.56%	0.18%	8.73%	0.01%	84.65%				-2.03%	
2016-17	14,594,442	257,403	4,628,900	305,519	9,642,153	16,650	137,343,585				4,000,945	170,789,597
	8.55%	0.15%	2.71%	0.18%	5.65%	0.01%	80.42%				2.34%	
2017-18	17,147,781	261,024	5,259,036	372,025	7,709,196	14,079	143,957,698				1,618,390	176,339,229
	9.72%	0.15%	2.98%	0.21%	4.37%	0.01%	81.64%				0.92%	
2018-19	15,072,798	279,607	6,963,310	614,451	9,716,581	16,289	149,417,400				(255,292)	181,825,144
	8.29%	0.15%	3.83%	0.34%	5.34%	0.01%	82.18%				-0.14%	
2019-20	24,523,703	403,325	8,769,309	1,263,183	7,310,250	21,015	154,805,758		25,831,640	(22,756,563)	(2,532,177)	197,639,443
	12.41%	0.20%	4.44%	0.64%	3.70%	0.01%	78.33%		13.07%	-11.51%	-1.28%	
2020-21	18,330,243	439,753	10,659,051	680,693	4,534,361	20,603	155,652,807		45,812,966	(38,636,413)	3,389,717	200,883,781
	9.12%	0.22%	5.31%	0.34%	2.26%	0.01%	77.48%		22.81%	-19.23%	1.69%	
2021-22	37,537,627	512,250	12,657,851	1,139,584	9,389,928	22,479	148,397,136		3,007,072	(37,825,867)	781,357	175,619,417
	21.37%	0.29%	7.21%	0.65%	5.35%	0.01%	84.50%		1.71%	-21.54%	0.44%	
2022-23	45,670,224	559,975	21,242,469	1,885,786	13,317,613	24,671	148,591,866	1,079,906	30,879,810	(30,879,810)	(2,528,367)	229,844,143
	19.87%	0.24%	9.24%	0.82%	5.79%	0.01%	64.65%	0.47%	13.44%	-13.44%	-1.10%	
2023-24	26,252,954	682,818	18,262,971	1,174,200	14,519,318	11,396	161,981,733	1,177,770	35,508,000	(35,508,000)	(1,839,167)	222,223,993
	11.81%	0.31%	8.22%	0.53%	6.53%	0.01%	72.89%	0.53%	15.98%	-15.98%	-0.83%	
2024-25	27,721,615	744,100	14,252,858	1,183,253	7,765,739	33,111	177,946,618	1,335,671	38,783,416	(38,783,416)	(2,681,341)	228,301,624
	12.47%	0.33%	6.41%	0.53%	3.49%	0.01%	80.08%	0.60%	17.45%	-17.45%	-1.21%	

\*New to fiscal year 2022-2023

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

EXPENSES BY PROGRAM  
For the Fiscal Year Ending September 30,

Fiscal Year	Liability	Dam	Property	Pass- Thru	Workers' Compensation	Underground Storage Tanks	Employee Benefits	Cyber Liability*	CWIF	Interfund Eliminations	Totals
2015-16	7,064,155 4.37%	255,500 0.16%	4,821,990 2.98%	262,220 0.16%	13,040,834 8.07%	10,564 0.01%	136,146,708 84.25%				161,601,971
2016-17	14,594,442 8.89%	257,403 0.16%	4,128,900 2.52%	305,519 0.19%	9,642,153 5.87%	14,243 0.01%	135,227,880 82.37%				164,170,540
2017-18	17,147,781 10.38%	261,024 0.16%	4,759,037 2.88%	372,025 0.23%	7,709,196 4.67%	11,720 0.01%	134,935,516 81.68%				165,196,299
2018-19	15,072,798 8.90%	279,607 0.17%	6,713,310 3.96%	614,451 0.36%	9,716,581 5.74%	13,464 0.01%	136,946,035 80.86%				169,356,246
2019-20	24,523,703 14.18%	403,325 0.23%	8,769,309 5.07%	1,263,183 0.73%	7,310,250 4.23%	17,587 0.01%	133,129,193 77.00%		20,226,751 11.70%	(22,756,563) -13%	172,886,738
2020-21	18,330,243 10.49%	439,753 0.25%	10,659,051 6.10%	680,693 0.39%	4,534,361 2.59%	17,053 0.01%	137,569,489 78.72%		32,200,683 18.43%	(29,670,870) -17%	174,760,456
2021-22	37,537,627 17.65%	512,250 0.24%	12,657,851 5.95%	1,139,584 0.54%	9,389,928 4.42%	18,605 0.01%	154,198,029 72.51%		34,866,736 16.40%	(37,674,582) -17.72%	212,646,028
2022-23	47,416,815 19.75%	559,975 0.23%	21,295,164 8.87%	1,885,786 0.79%	13,598,843 5.66%	22,229 0.01%	156,462,236 65.17%	924,523 0.39%	28,794,565 11.99%	(30,875,463) -12.86%	240,084,673
2023-24	28,246,277 11.15%	682,818 0.27%	19,465,205 7.68%	1,174,200 0.46%	17,352,825 6.85%	27,414 0.01%	187,925,817 74.15%	1,078,561 0.43%	40,572,872 16.01%	(43,096,872) -17.01%	253,429,117
2024-25	33,527,401 13.01%	744,100 0.29%	15,375,767 5.97%	1,183,253 0.46%	14,726,023 5.71%	31,896 0.01%	193,918,342 75.24%	1,090,771 0.42%	54,155,160 21.01%	(57,021,102) -22.12%	257,731,611

\*New to fiscal year 2022-2023

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

SCHEDULE OF RATE STABILIZATION FUND ACTIVITY  
For the Fiscal Years Ending September 30,

<b>Fiscal Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Liability</b>										
Payroll Adjustments	* \$ (21,465)	\$ (54,358)	\$ 63,818	\$ (169,042)	\$ (447,382)	\$ (238,047)	\$ 90,827	\$ 88,520	\$ (593,804)	\$ (819,222)
RCA's	* (707,907)	9,489,820	2,488,066	1,891,742	242,260	4,299,266	(15,516)	(1,739,374)	0	(4,387,228)
10% Program	* (1,041,835)	(1,493,572)	0	(1,017,753)	(1,648,316)	(1,633,975)	(839,995)	(1,354,816)	(1,129,007)	0
Cat Funds	* 896,656	(603,846)	351,039	(146,026)	1,907,767	121,757	(295,422)	166,257	(1,115,937)	(2,277,084)
<b>Property</b>										
RCA's	* 324,287	699,465	891,754	431,317	531,326	0	0	158,557	0	(402,905)
<b>Workers' Comp</b>										
RCA's	* (487,746)	75,039	5,013,647	3,184,330	4,749,199	7,233,304	5,445,202	484,238	0	3,189,909
Cat Funds	(631,586)	(872,242)	456,049	(138,797)	(209,062)	230,896	229,437	42,350	214,518	2,848,823
<b>Underground - Storage Tanks</b>										
RCA's	* 0	0	0	7,555	0	0	0	0	0	0
Cat Funds	* 0	0	0	0	0	0	0	0	0	0
<b>UTEL</b>										
RCA's	* 0	0	0	0	0	0	0	0	0	0
Cat Funds	* 0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>\$ (1,669,596)</b>	<b>\$ 7,240,306</b>	<b>\$ 9,264,373</b>	<b>\$ 4,043,326</b>	<b>\$ 5,125,792</b>	<b>\$ 10,013,201</b>	<b>\$ 4,614,533</b>	<b>\$ (2,154,268)</b>	<b>\$ (2,624,230)</b>	<b>\$ (1,847,707)</b>
<b>Cash Flow</b>										
Members Billed	0	0	0	6,530	0	0	366,541	106,973	0	438
Self Insured Fund into RSF	0	0	0	0	0	0	0	0	0	0
Refunds to Members	(1,077,368)	(4,713,370)	(6,840,987)	(4,569,107)	(5,905,812)	(6,210,994)	(4,265,700)	(268,823)	(116,351)	(262,334)
<b>Net Total</b>	<b>\$ (2,746,964)</b>	<b>\$ 2,526,936</b>	<b>\$ 2,423,386</b>	<b>\$ (519,251)</b>	<b>\$ (780,020)</b>	<b>\$ 3,802,207</b>	<b>\$ 715,374</b>	<b>\$ (2,316,118)</b>	<b>\$ (2,740,581)</b>	<b>\$ (2,109,603)</b>

\* The Rate Stabilization Fund (RSF) contains the Retrospective Premium Adjustments (RPA's), Liability Payroll Adjustments, and closed Catastrophic Funds. For qualifying members of the 10% Liability Program, the RSF is used to reduce current Liability Premiums. Where noted "" a bracketed number "( )" means the members owed the JPIA funds and it reduces the RSF account while a positive amount increases the account. Each September 30th members' accounts are reconciled. Active members' with accounts over 60% of their current basic Liability Program Premium receive a refund.

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

ECONOMIC STATISTICS  
(000's Omitted)  
For the Fiscal Year September 30,

<u>Fiscal Year</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
<u>Liability</u>										
Total Number of Claims (Cumulative)	11,294	11,586	11,908	12,200	12,555	12,842	13,183	13,948	13,749	14,163
Closed Claims (Cumulative)	11,127	11,373	11,612	11,867	12,169	12,461	12,770	13,109	13,485	13,786
Open Claims (at year end)	167	213	296	333	386	381	413	839	264	377
Covered Payroll (Cumulative)	\$ 9,952,261	\$ 10,461,457	\$ 11,045,237	\$ 11,738,353	\$ 12,502,652	\$ 13,267,403	\$ 14,055,164	\$ 14,942,451	\$ 15,904,501	\$ 169,396,675
<u>Property</u>										
Total Number of Claims (Cumulative)	2,463	2,589	2,693	2,816	2,950	3,072	3,229	3,349	3,468	3,576
Closed Claims (Cumulative)	2,417	2,532	2,645	2,759	2,875	3,004	3,139	3,248	3,369	3,501
Open Claims (at year end)	46	57	48	57	75	68	90	101	99	75
Total Insured Value (Cumulative)	\$ 74,533,519	\$ 80,656,971	\$ 87,762,361	\$ 95,702,609	\$ 104,858,066	\$ 95,702,608	\$ 112,816,437	\$ 138,373,313	\$ 152,328,893	\$ 166,549,637
<u>Workers' Compensation</u>										
Total Number of Claims (Cumulative)	10,145	10,453	10,750	11,070	11,363	11,676	11,955	12,257	12,618	13,004
Closed Claims (Cumulative)	9,712	10,046	10,336	10,670	10,983	11,270	11,576	11,875	12,163	12,562
Open Claims (at year end)	433	407	414	400	380	406	379	382	455	442
Covered Payroll (Cumulative)	\$ 6,720,301	\$ 7,222,206	\$ 7,743,749	\$ 8,309,485	\$ 8,944,051	\$ 9,624,663	\$ 10,334,448	\$ 11,107,574	\$ 11,971,587	\$ 12,879,288
Number of Employees	49	49	49	49	50	50	52	55	56	62
<u>Ratio of Premium to Payroll/TIV</u>										
Liability Program	2.94%	2.92%	3.00%	2.54%	2.71%	2.81%	2.75%	3.05%	3.38%	3.63%
Property Program	0.10%	0.10%	0.09%	0.08%	0.09%	0.12%	0.10%	0.12%	0.14%	0.17%
Workers' Comp. Program	2.59%	2.46%	2.39%	2.29%	2.19%	1.95%	0.17%	1.94%	2.09%	1.96%

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

Demographic Statistics by Employer

Employer	2024			2015	
	Number of Employees	Rank	Percentage of Total City Employees	Number of Employees	Rank
Kaiser Permanente Medical Group & Foundation Group	5,830	1	6.42%	3,231	1
Sutter Health Roseville Medical Group	5,080	2	5.59%	1,654	3
City of Roseville	1,730	3	1.91%	1,102	6
Adventist Health	1,620	4	1.78%	1,000	7
Roseville City School District	1,240	5	1.37%	1,000	8
Penumbra	1,100	6	1.21%		
Roseville Joint Union High School District	1,080	7	1.19%	1,434	4
Flexcare LLC	875	8	0.96%		
PRIDE	650	9	0.72%	550	9
Hewlett-Packard	630	10	0.69%	2,548	2
Union Pacific Railroad Company				1,180	5
Solar City				475	10
Subtotal	19,835		21.84%	14,174	
Total Employment	90,800 (a)			70,969	

(a) Total Employment (as used above) represents the estimated total employment of all employees located within the City of Roseville, which is the office location of ACWA JPIA.

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

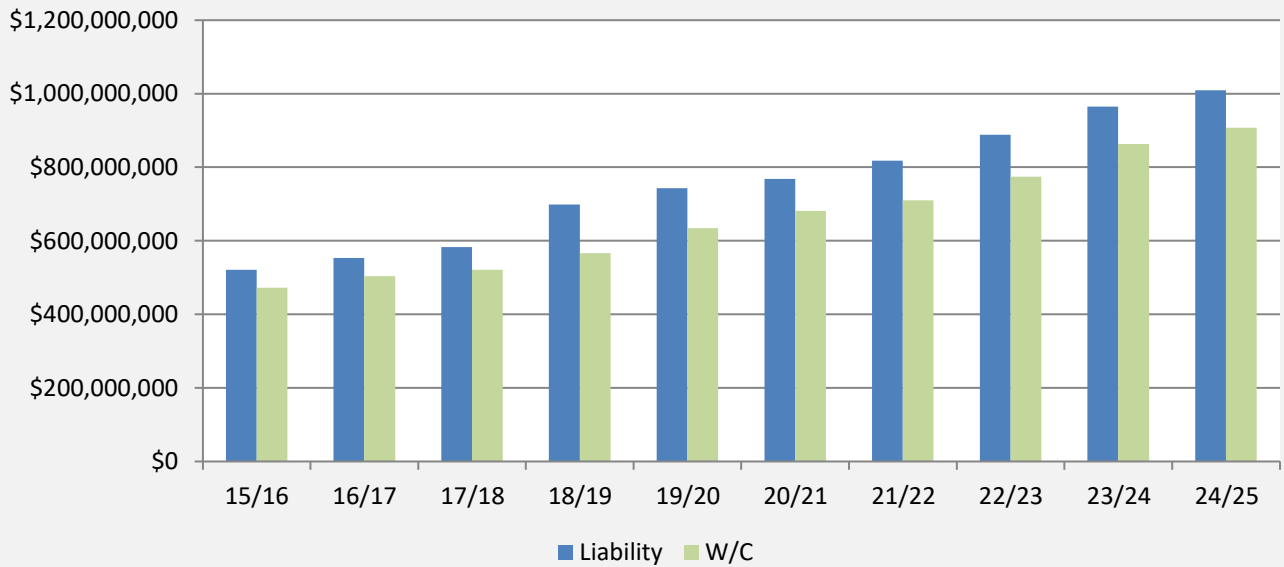
Demographic Statistics by Population

Fiscal Year	City of Roseville Population	County Total Personal Income (in thousands)	County Per Capita Personal Income	Unemployment Rate	Placer County Population	City Population % of County
2015	128,832	21,658,527	58,000	5.3%	369,454	34.87%
2016	134,073	22,741,453	59,000	4.5%	373,796	35.87%
2017	135,868	24,527,289	63,000	3.8%	382,837	35.49%
2018	137,213	26,223,081	67,000	3.0%	389,532	35.23%
2019	139,643	27,459,330	69,000	3.5%	396,691	35.20%
2020	145,163	29,124,683	72,000	3.0%	403,711	35.96%
2021	146,875	31,684,782	77,000	5.5%	404,994	36.27%
2022	151,034	34,170,169	82,000	2.8%	409,025	36.93%
2023	152,928	(a)	(a)	3.0%	410,305	37.27%
2024	154,329	(a)	(a)	3.8%	412,844	37.38%

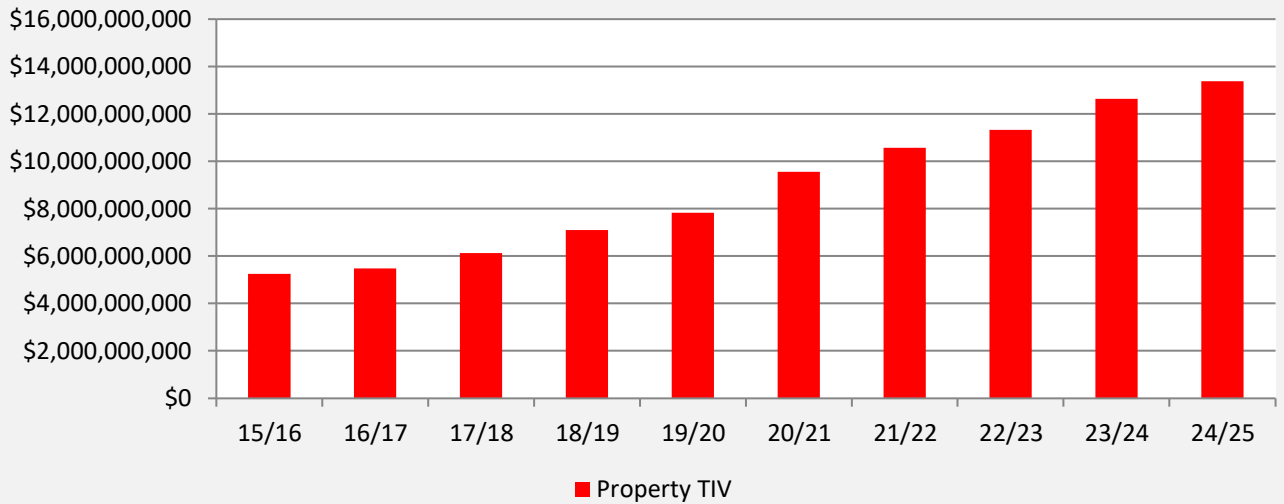
(a) Information not available

Note--The JPIA's office is located in the City of Roseville.

### ACWA JPIA LIABILITY & WORKERS' COMP COVERED PAYROLL September 30,



### ACWA JPIA PROPERTY TOTAL INSURED VALUES September 30,



**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

**Board of Directors  
Association of California Water Agencies  
Joint Powers Insurance Authority  
Roseville, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise ACWA JPIA’s basic financial statements, and have issued our report thereon dated March 27, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered ACWA JPIA’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ACWA JPIA’s internal control. Accordingly, we do not express an opinion on the effectiveness of ACWA JPIA’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether ACWA JPIA’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions

was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilbert CPAs

**GILBERT CPAs**  
**Sacramento, California**

**March 27, 2025**

**ACWA JPIA**  
**Proposed Operating Budget for Fiscal Year 2026-27**  
**May 4, 2026**

**BACKGROUND**

In March of each year, a proposed operating budget is submitted to the Finance and Audit Committee and then to the Executive Committee for review. At the ACWA JPIA Spring Membership Summit, the proposed operating budget is presented to the Board of Directors for approval. The budget covers General & Administrative (G&A) Expenses for the fiscal year ending June 30, 2027. This is the first budget presented for the new fiscal year, ending June 30.

**CURRENT SITUATION**

The most significant changes to the G&A budget for the fiscal year are Depreciation on Capital Assets, Computer Equipment Software, Office Furniture, and Staff Salaries (lines 13, 10, and 1, respectively).

Depreciation on Capital Assets budget has increased in anticipation of the JPIA's new building being put into operation. Since this is expected to happen halfway through the fiscal year, only half a year's depreciation was added to the budget. A full year's depreciation for the new building is estimated to be approximately \$600-700 thousand.

Computer Equipment and Software, Office Furniture are up \$110,000 from the current-year budget. This is due to new claims software included in the budget.

Staff Salaries primary increase is due to a Member Services Manager position being under budget for the first time. There are 64 full-time positions included in this budget compared to 65 in the prior year.

The overall increase in the Operating Budget is 6.6% (line 36). Salaries remain the largest line item in the budget.

**RECOMMENDATION**

That the Board of Directors approve the proposed Operating Budget for the fiscal year ending June 30, 2027, as presented.

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

**GENERAL & ADMINISTRATIVE EXPENSES**

	BUDGETED FYE 9/30/25	ACTUAL FYE 9/30/25	DIFFERENCE ACT - BUD	APPROVED BUDGET FYE 9/30/26	PROPOSED BUDGET FYE 6/30/27	DIFFERENCE 2026 vs. 2027	% OF CHANGE 26 vs. 27
<b><u>ACWA JPIA STAFF SERVICES</u></b>							
1 Staff Salaries & Temporary Services	\$ 7,780,000	\$ 7,566,733	\$ (213,267)	\$ 8,590,000	\$ 8,790,000	\$ 200,000	2.3%
2 Staff Employee Benefits (excluding pension)	3,400,000	2,244,134	(1,155,866)	3,010,000	2,120,000	(890,000)	-29.6%
3 Pension Expense	-	-	-	0	980,000	980,000	0.0%
4 Office Buildings	256,000	157,092	(98,908)	200,000	300,000	100,000	50.0%
5 Postage and Freight	53,000	53,623	623	54,000	55,000	1,000	1.9%
6 Telephone Service	50,000	70,838	20,838	66,000	70,000	4,000	6.1%
7 Outside Printing	16,000	16,744	744	22,000	23,000	1,000	4.5%
8 JPIA Office Insurance	26,000	26,882	882	28,000	50,000	22,000	78.6%
9 General Office Supplies	45,000	30,538	(14,462)	45,000	35,000	(10,000)	-22.2%
10 Computer Equipment Software, Office Furniture	920,000	1,502,871	582,871	1,260,000	1,370,000	110,000	8.7%
11 Dues, Subscriptions, & Misc. Publications	116,000	123,980	7,980	100,000	130,000	30,000	30.0%
12 Staff Ed/Training Seminars & Coursework Reimbs	120,000	234,765	114,765	240,000	240,000	-	0.0%
13 Depreciation on Capital Assets	190,000	184,343	(5,657)	190,000	500,000	310,000	163.2%
14 Staff Travel Related Expenses	143,000	156,208	13,208	143,000	160,000	17,000	11.9%
15 Staff Risk Assessment Travel Related Expenses	75,000	43,506	(31,494)	75,000	65,000	(10,000)	-13.3%
16 Member Informational Workshops	115,000	177,956	62,956	135,000	190,000	55,000	40.7%
17 Lending Library	1,000	495	(505)	1,000	1,000	0	0.0%
18 Member Safety & Loss Control Incentive Awards	110,000	105,588	(4,412)	110,000	210,000	100,000	90.9%
<b>19 Total ACWA/JPIA Staff Services</b>	<b>13,416,000</b>	<b>12,696,296</b>	<b>(719,704)</b>	<b>14,269,000</b>	<b>15,289,000</b>	<b>1,020,000</b>	<b>7.1%</b>
<b><u>COMMITTEES &amp; BD. OF DIRECTORS' SERVICES</u></b>							
20 Executive Committee Member Expenses	281,000	361,876	80,876	300,000	360,000	60,000	20.0%
21 Advisory Committee Expenses	32,000	31,869	(131)	33,000	33,000	-	0.0%
22 Membership Summit & ACWA Conf. Expense	200,000	286,717	86,717	230,000	290,000	60,000	26.1%
<b>23 Total Committees &amp; Board of Directors' Services</b>	<b>513,000</b>	<b>680,462</b>	<b>167,462</b>	<b>563,000</b>	<b>683,000</b>	<b>120,000</b>	<b>21.3%</b>
<b><u>EXTERNAL CONSULTING AND PROF. SERVICES</u></b>							
24 Insurance Program Actuarial Analysis	30,000	59,137	29,137	21,000	23,000	2,000	9.5%
25 Consulting Services	25,000	56,847	31,847	145,000	100,000	(45,000)	-31.0%
26 Occu-Med	105,000	107,537	2,537	110,000	180,000	70,000	63.6%
27 Vector Solutions	145,320	150,770	5,450	157,000	157,000	-	0.0%
28 General Legal/Attorney Services	15,000	23,514	8,514	20,000	25,000	5,000	25.0%
29 Specific Claims & Coverage Related Legal Fees	50,000	7,846	(42,154)	50,000	30,000	(20,000)	-40.0%
30 DIR Assessment & Other Mandated Fees (External Claims Admin)	310,000	274,397	(35,603)	370,000	290,000	(80,000)	-21.6%
31 Financial Audit	75,000	72,100	(2,900)	70,000	75,000	5,000	7.1%
32 Insurance Programs Claims Audits	12,000	30,400	18,400	-	14,000	14,000	0.0%
33 Personnel Consulting Services	15,000	34,738	19,738	20,000	30,000	10,000	0.0%
<b>34 Total External Consulting/Professional Services</b>	<b>782,320</b>	<b>817,286</b>	<b>34,966</b>	<b>963,000</b>	<b>924,000</b>	<b>(39,000)</b>	<b>-4.0%</b>
35 PROGRAM DEVELOPMENT/CONTINGENCIES	150,000	-	(150,000)	150,000	100,000	(50,000)	0.0%
<b>36 TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 14,861,320</b>	<b>\$ 14,194,044</b>	<b>\$ (667,276)</b>	<b>\$ 15,945,000</b>	<b>\$ 16,996,000</b>	<b>\$ 1,051,000</b>	<b>6.6%</b>

ACWA JPIA  
10+ YEAR HISTORY BUDGET INFORMATION

<u>Fiscal Year</u>	<u>G&amp;A Budget</u>	<u>Staff Salaries</u>	<u>Staff EE Benefits</u>	<u>Total Revenue*</u>	<u>Ratio Salaries + Benefits/G&amp;A Budget</u>	<u>Ratio Budget to Revenue</u>	<u>JPIA # Employees</u>	<u>Ratio of EE's to G&amp;A</u>
2014	7,271,880	3,576,076	1,719,204	152,994,168	72.8%	4.8%	56	129,855
2015	8,071,434	3,944,425	1,896,009	154,042,184	72.4%	5.2%	53	152,291
2016	9,029,188	4,351,144	1,968,044	159,008,617	70.0%	5.7%	56	161,236
2017	9,604,589	4,466,377	2,007,712	171,496,710	67.4%	5.6%	50	192,092
2018	9,841,140	4,647,237	2,074,603	179,425,274	68.3%	5.5%	52	189,253
2019	10,897,434	4,991,001	3,308,933	183,179,723	76.2%	5.9%	53	205,612
2020	10,908,091	5,301,425	2,891,166	194,507,327	75.1%	5.6%	53	205,813
2021	11,264,865	5,650,806	2,790,059	200,775,298	74.9%	5.6%	54	208,609
2022	12,379,819	5,830,533	3,605,286	198,914,797	76.2%	6.2%	54	229,256
2023	12,270,000	6,200,000	3,100,000	207,897,962	75.8%	5.9%	59	207,966
2024	13,483,000	6,840,000	3,410,000	234,110,000	76.0%	5.8%	59	228,525
2025	14,861,320	7,780,000	3,400,000	248,528,563	75.2%	6.0%	61	243,628
2026	15,945,000	8,590,000	3,010,000	268,410,848	72.8%	5.9%	65	245,308
2027	16,996,000	8,790,000	3,100,000	295,000,000	70.0%	5.8%	64	265,563

\* estimated based on recent funding by program

**ACWA JPIA**  
**Pooled Programs Update**  
**May 4, 2026**

**BACKGROUND**

The JPIA delivers four core pooled programs designed to meet the evolving risk management needs of its members. The Liability Program, established in 1979, remains the JPIA's longest-standing program and a cornerstone of member protection. The Property Program followed in 1982, with the Workers' Compensation Program added in 1984. In 2012, the JPIA further expanded its service model by assuming responsibility of the Employee Benefits Program, broadening its support for members' workforce needs.

Each program operates with independent funding and governance structures, allowing for financial integrity and targeted oversight. Member participation varies across programs, reflecting the differing operational profiles and risk strategies of individual members.

Supported by a strong financial position, experienced leadership, and a stable, engaged membership, the JPIA continues to provide responsive, high-quality risk management solutions tailored to California's public water agencies.

**CURRENT SITUATION**

In recent years, the JPIA has advanced a range of strategic initiatives to strengthen program value, with a particular focus on innovation in coverage design, risk management services, and member engagement. These efforts include the introduction of more flexible coverage options, enhanced data and analytics capabilities, and a continued investment in service delivery models that improve responsiveness and efficiency.

Through this ongoing focus on innovation, the JPIA is better positioned to anticipate emerging risks, adapt to changing member needs, and sustain long-term program stability.

The following materials provide the Board with a summary of current program highlights and key developments across each line of coverage.

**RECOMMENDATION**

None, information only.

## **POOLED PROGRAMS HIGHLIGHTS**

### **Property Program – renews April 1**

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- 292 members
- \$10 million retention; \$500/\$150 million coverage limit – depending on asset value
- 5% rate increase in 2026-27
- Competitive rates despite a challenging California public entity property market, driven by strong losses, disciplined underwriting, and carrier alignment

### **Liability Program – renews October 1**

---

- 350 members
- \$5 million retention; \$50 million coverage limit; CWIF reinsures the \$10M X \$10M layer
- 5% rate increase in 2025-26
- Improved loss experience and competitive reinsurance pricing reduced rate pressure

### **Workers' Compensation Program – renews July 1**

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- 207 members
- \$2 million retention, Statutory coverage limit
- Flat renewal in 2025-26; 2026-27 guaranteed rate pass
- Rates have remained flat or decreased in 15 years

### **Employee Benefits Program – renews January 1**

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- 269 members
- 2026 rates for the self-funded PPO program 10%; self-funded dental program = +3%; and vision program = flat
- Insured program rate changes range from -20% to 10%
- Medical costs continue to rise with inflation, likely contributing to future rate adjustments

**ACWA JPIA**  
**California Water Insurance Fund (CWIF) Update**  
May 4, 2026

**BACKGROUND**

At the November 26, 2018, meeting, the Board of Directors approved a resolution to proceed with the formation of a captive insurance company. The California Water Insurance Fund (CWIF) is a private company wholly owned by the JPIA, domiciled in the State of Utah. In addition to paid in equity, the JPIA also cedes losses at the primary level for the Liability and Workers' Compensation Programs. CWIF also provides a layer of reinsurance for JPIA's Liability Program at the \$10M excess of the \$10M layer.

**CURRENT SITUATION**

Paid in Equity	\$96.0 million
Prepaid Claims and Expenses	126.3 million
Realized Investment Income	48.4 million
Dividends Paid to JPIA	(39.2 million)
Book Value 3/31/2026	\$231.5 million
Market Value 3/31/2026	\$244.1 million
<b>Unrealized Gain</b>	<b>\$12.6 million</b>
<b>Rate of Return since inception (As of December 31, 2025)</b>	<b>8.11%</b>
<i>Blended Benchmark</i>	<i>8.57%</i>

As of March 31, 2026, the book value of the CWIF mixed-asset portfolio was \$231,548,876 vs. a market value of \$244,093,480. The rate of return since inception is approximately 8.11%, compared with CAMP's rate of return of 3.78% for the same period.

The President of the California Water Insurance Fund, Adrienne Beatty, will update the Board on the captive's status.

**RECOMMENDATION**

None, information only.

**ACWA JPIA**  
**CEO Update**  
**May 4, 2026**

**BACKGROUND**

This is a standing item on the Board of Directors agendas.

**CURRENT SITUATION**

The JPIA's Chief Executive Officer, Adrienne Beatty, will update the Board of Directors on relevant current issues and potential future opportunities and challenges.

**RECOMMENDATION**

None, information only.

**ACWA JPIA**  
**President's Update**  
**May 4, 2026**

**BACKGROUND**

This is a standing item on the Board of Directors meeting agenda.

**CURRENT SITUATION**

ACWA JPIA Board President, Melody McDonald, will address the Board of Directors on relevant items, events, and announcements.

**RECOMMENDATION**

None, information only.



# APPENDIX

## Glossary of Terms

## Section 12 — Glossary of Terms

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**ACA (Affordable Care Act)** – The federal statute signed into law in March 2010. Signed under the title of The Patient Protection and Affordable Care Act, the law includes multiple provisions that will take effect over a matter of years.

**ACOEM Guidelines (American College of Occupational and Environmental Medicine)** – A medical utilization review system of evidence-based, nationally recognized standards of medical care. Utilization of ACOEM Guidelines is intended to control over-utilization and end unreasonable medical care.

**ACV (Actual Cash Value)** – Value of property at the time of its loss or damage, determined by subtracting depreciation of the item from its replacement cost. Applies to vehicles and mobile (contractor's) equipment covered under the JPIA's MOPC, hypalon reservoir covers, hypalon bladder tanks, and other property subject to a higher rate of depreciation than the typical property types.

**AD&D (Accidental Death and Dismemberment)** – A life insurance benefit that pays a claim in the event of accidental death or loss physical functionality. Basic Life is often mirrored by an identical amount of AD&D, resulting in benefit doubling in the case of accidental death.

**Adverse Selection** – It is a term used in economics, insurance, risk management, and statistics. It refers to a market process in which undesired results occur when buyers and sellers have asymmetric information (access to different information); the "bad" products or services are more likely to be selected. For example, a bank that sets one price for all of its checking account customers runs the risk of being adversely selected against by its low-balance, high activity (and hence least profitable) customers. Two ways to model adverse selection are to employ signaling games and screening games.

**Aggregate** – The term used to describe the cumulative amount of all losses for a period of time.

**AGRIP (Association of Governmental Risk Pools)** – An international organization of public entity insurance risk pools formed for educational, information sharing, and networking purposes.

**AIS** – Associate in Insurance Services.

**ALCM** – Associate in Loss Control Management.

**ARM** – Associate in Risk Management.

**ARM-P** – Associate in Risk Management for Public Entities.

**ASO (Administrative Services Only)** – This refers to what self-funded plans pay to a medical claims administrator, which includes use of that claims administrator's network of providers. Providers have agreed to accept negotiated rates for services in exchange for participation in the network.

**ASP** – Associate Safety Professional.

**Attachment Point** – The dollar amount of a loss where the next layer of insurance begins to pay for the loss.

**Automobile Liability** – Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles.

**Automobile Physical Damage** – Usually a first party coverage; however, some entities have “Bailment” or “care, custody and control” liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots.

**BI** – Bodily injury.

**C&R (Compromise and Release)** – A final settlement in workers’ compensation.

**CAJPA (California Association of Joint Powers Authorities)** – It is pronounced ka jaup’ a. Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs.

**CAMP (California Asset Management Program)** – A California Joint Powers Authority (“JPA”) established in 1989 to provide California public agencies with professional investment services. JPIA sometimes uses it as a short term investment vehicle.

**Captive Insurance Company** – An insurance company that is owned and controlled by its insureds, and is primarily used to finance the risks of its owners. CWIF, a private corporation, is a captive wholly owned by the JPIA, that provides insurance services only to the JPIA.

**CAT Fund (Catastrophic Loss Reserve Fund)** – A separate JPIA reserve account designated to pay catastrophic losses incurred as a result of extraordinary events without additional contribution assessments to members.

**CDHP (Consumer Driven Health Plan)** – A health plan in which the full deductible applies to all medical and prescription services, with the only exception being preventive care. These plans must have a minimum deductible set by the IRS each year. The plans are designed to comply with IRS regulations governing Health Savings Accounts (HSAs), which allow participants to set aside tax-advantaged funds in a Health Savings Account to pay for medical expenses.

**CIGA (California Insurance Guarantee Association)** – A state agency that administers and pays claims on behalf of admitted insurance carriers that have been declared insolvent. Since the JPIA is not an insurance company, it does not participate in CIGA, which is funded by a surcharge on premiums. However, some of the carriers that provide excess coverage to the JPIA do participate in CIGA.

**CIH** – Certified Industrial Hygienist.

**Claim** – A demand of a right. In general a demand for compensatory damages resulting from the actions of another.

**Claims Made** – A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. (See “Occurrence”)

**CNP (Closed No Payment)** – Status of a claim that was closed out without any claim payments having been made.

**COB (Coordination of Benefits)** – When a participant is covered by two health plans, the manner in which benefits are determined. This determination includes which plan pays first, and how benefits are calculated once the primary plan has made payment.

**Coinsurance** – The percentage cost sharing split between a plan and participant, which takes effect once the Deductible is met. Typically part of a PPO plan benefit design.

**Copay** – The flat dollar amount owed by a participant for medical plan benefits. Typically part of an HMO plan design, but applicable to certain benefits in PPO plan designs, e.g. office visits.

**CPCU** – Chartered Property and Casualty Underwriter.

**CPRA (California Public Records Act)** – a law passed by the California State Legislature and signed by the governor in 1968 requiring inspection or disclosure of governmental records to the public upon request, unless exempted by law.

**CSP** – Certified Safety Professional.

**CWIF (California Water Insurance Fund)** – ACWA JPIA's Captive Insurance Company (see Captive).

**DDC** – Defensive Driving Class.

**Deductible (Employee Benefits)** – The amount a participant must pay in full before Co-Insurance cost sharing begins. Typically associated with PPO medical plans. Some services, like office visits, are often subject to Co-pays prior to the Deductible being met.

**Deductible** – It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid. Only the JPIA's Property Program uses a deductible.

**Defense** – A defendant's denial to a complaint or cause of action.

**Deposit Contribution** – Contribution required at the beginning of a policy period based on estimated costs.

**DIC (Difference In Conditions)** – A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses.

**Directors, Officers and Trustees Liability** – Intended to protect nonprofit board members, officers, and directors for faulty decisions which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrong-doers.

**EAP (Employee Assistance Program)** – A benefit that provides numerous services to covered employees and eligible members of their household and/or dependents (as determined by the plan). The programs are designed to help employees manage the health of their personal lives, allowing them to be productive and focused at work.

**EE** – Employee.

**EGWP “egg whip” (Employer Group Wavier Plan)** – A group purchase program for Medicare Part D prescription drugs for retirees.

**E-mod** – See Experience Modification.

**Employers’ Liability** – Included as part of a workers’ compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers’ compensation benefits.

**Employment Liability Hotline** – Contact for employment related issues.

**Environmental Impairment Liability (EIL)** – Also referred to as “Pollution” and “Pollution Legal” Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First-party (damage to owned property) and third-party (liability for damage to others) protection can often be combined.

**EOB (Explanation of Benefits)** – A statement issued by a PPO claims administrator for each claim that details costs for services, broken down by: full cost, network negotiated rate, ineligible amount (if any), plan responsibility and participant responsibility.

**EOC (Evidence of Coverage)** – The detailed document that describes a medical plan’s coverage provisions.

**EPL (Employment Practices Liability)** – Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc.

**ER** – Employer.

**Errors and Omissions Liability** – Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys.

**Excess Insurance** – Insurance that is purchased to provide higher limits than the primary coverage provides.

**Excess Loss** – The portion of a loss that is allocated to, or paid by, excess insurance. The JPIA Liability Program self-insures, through a pool, the first \$1 million of each occurrence. Losses in excess of that amount are paid by an excess liability insurance policy purchased by the JPIA on behalf the Program members.

**Experience Modification** – A mathematical factor used to modify a member’s premium in both the JPIA Liability Program and the Workers’ Compensation Program. It is based on a member’s previous actual loss experience compared to the average or expected loss experience. A calculated factor of greater than 1.0 is a debit and reflects higher than expected loss experience. Conversely, a factor of less than 1.0 is a credit and reflects more favorable loss experience. Also known as **E-mod**, **Ex-mod**, and **X-mod**.

**Experience Modifier** – A numerical factor developed by measuring the difference between a member’s actual loss experience and the expected losses of the payroll classifications (for workers’ compensation) or the average losses of the pool (for

liability). The experience period used is the earliest three of the last four years. The factor may increase or decrease a member's standard contribution in response to their past loss experience. Members with a favorable loss record will have a factor lower than 1.0 and will pay a lower contribution. Member with a poorer loss record will have a factor greater than 1.0 and will pay a higher contribution. Also known as **experience modification factor, e-mod, ex-mod, and X-mod**.

**FASB** – Financial Accounting Standards Board.

**Fidelity Bonds** – Written as financial guarantees of employees' honesty. Personnel with money-handling responsibilities are considered exposures to loss.

**Fiduciary Liability** – Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds.

**FLSA (Fair Labor Standards Act)** – The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

**FPPC** (Fair Political Practices Commission).

**FSA (Flexible Spending Account)** – An account to which an employee contributes a portion of earnings to pay for certain expenses such as medical or dependent care. Contributions are exempt from payroll taxes.

**FSC (Family Status Change)** – See Qualifying Event.

**Fully Insured Plan** – A plan for which premiums are paid to an insurance company, who in turn pays claims. These plans are referred to as pass through plans in associations, because premiums are collected and remitted directly to the insurer.

**Full Value** – A term used in the JPIA's MOPC to provide "guaranteed" replacement cost coverage, which will pay the full cost to replace damaged property regardless of the "limit" carried. Applies to buildings and personal property.

**G&A** – General & Administrative.

**GAAP** – Generally Accepted Accounting Principles.

**GASB** – Governmental Accounting Standards Board.

**General Liability** – Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties).

**GFOA (Government Finance Officers' Association)** – International association whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education. The GFOA is the organization that oversees the CAFR Program.

**HCR (Health Care Reform)** – See Affordable Care Act.

**HDHP (High Deductible Health Plan)** – See Consumer Driven Health Plan (CDHP).

**Health Plan** – May be used to reference a medical plan, but also often refers to medical, dental and vision plans.

**HIPAA (Health Insurance Portability and Accountability Act)** – Federal legislation that, among other things, establishes standards for electronic medical records, and protects the privacy of a patient's protected health information. See PHI.

**HMO (Health Maintenance Organization)** – A plan whose benefits are limited solely to a participating network of providers, for which capitation (per head) payment is made to the participant's assigned provider, regardless of whether the participant seeks services. Claims payments are also made for services exceeding those deemed to be covered by capitation. Deductibles are not often part of an HMO plan design, with the exception of ABHPs, which utilize the network and certain elements of plan design of traditional HMOs.

**HRCP (Human Resources Certification Program)** – One of the professional certification "tracks" within the JPIA's Professional Development Program (PDP).

**HSA (Health Savings Account)** – A triple tax-advantaged account that allows contributions, investment growth and withdrawals for medical, dental and vision expenses, free from Federal taxes. To contribute to an HSA, an individual must be enrolled in a Consumer Driven Health Plan (CDHP). An individual does not need to be enrolled in a CDHP to withdraw the funds. Before age 65 the withdrawals must be for health expenses to avoid penalties and taxation. Upon reaching age 65, funds can be withdrawn as taxable income free from penalty. These accounts are governed by IRS Publication 969.

**IBNR (Incurred But Not Reported)** – This is a claim term. It is that part of the total claims that is unknown at any point in time. When a claim is reported, its final value must be estimated. The JPIA tracks how accurately it estimates and knows that historically the average claims' value will grow over time. The JPIA also understands that at any point in time occurrences have taken place that will certainly generate claims that have not yet been reported.

**Incurred Loss** – This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves).

**Inverse Condemnation** – Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages.

**LAIF (Local Agency Investment Fund)** – It is part of the California State Pooled Money Investment Account (PMIA), sometimes used by JPIA as a short-term investment vehicle.

**LMS (Learning Management System)** - a software application for the administration, documentation, tracking, reporting and delivery of education courses or training programs.

**Lending Library** – Library of videos, tapes, DVDs, and booklets available for borrowing by members to use in their training efforts.

**Limit** – The most that will be paid in a loss.

**MOLC (Memorandum of Liability Coverage)** – The JPIA’s agreement providing liability coverage to Member Agencies.

**MOPC (Memorandum of Property Coverage)** – The JPIA’s agreement providing property coverage to Member Agencies.

**NRSRO** – Nationally Recognized Statistical Rating Organization.

**Occu-Med** – Providers of a service program for members in the JPIA’s Workers’ Compensation Program, which assists in facilitating pre-employment physicals, fit-for-duty exams, etc.

**Occurrence** – A) In order for the JPIA to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act, which results in "damages", "bodily injury", or "property damage" neither expected nor intended from the covered parties’ conduct. B) A provision of coverage that requires payment for a claim caused during the coverage period regardless of when it is presented. (See “claims made”)

**Open Enrollment** – The annual opportunity to make changes to benefits enrollment selections. JPIA health plans renew January 1. Each October through November, employees may choose to add or delete dependents, and/or switch between the available health plans. Retirees of members who choose to offer retiree open enrollment may also change plans during this period, but may not add dependents.

**OOPM (Out of Pocket Maximum)** – The maximum a participant will pay for covered services in a plan year.

**OPEB (Other Post-Employment Benefits)** – Refers to the benefits, other than pensions, that a state or local government employee receives as part of his or her package of retirement benefits. Typically, retiree medical insurance is the most significant OPEB offering, though other benefits such as life insurance are also covered by this umbrella term.

**PARMA (Public Agency Risk Managers Association)** – A state-wide association for risk managers in the public sector. Educational and lobbying activities.

**Parties** – The participants in any claim or suit are referred to as the "parties" to the action. When dealing with insurance claims, the following terms are used: **First Party** - This is the member district; **Second Party** - This is the JPIA; and **Third Party** - This is anyone other than the member or JPIA.

**PBM (Pharmacy Benefit Manager)** – A third-party administrator responsible for administration of pharmacy benefits and price negotiation for prescription drugs.

**PCORI (Patient Centered Outcomes Research Institute)** – A consortium put together by the Affordable Care Act to study health treatments and outcomes to identify cost effective treatments that result in long term health and savings. This is funded by fees charged to health plans.

**PD** – Property damage.

**PD (Permanent Disability)** – Results when an injury diminishes a worker's future earning capacity. Permanent disability is essentially the disability that remains once the employee's condition has become permanent and stationary. A worker's medical condition is considered permanent and stationary after it has reached maximum medical improvement.

**PDP (Professional Development Program)** – The framework for JPIA's training program, providing members' employees with opportunities to learn or refine job-related skills while pursuing certifications in their fields of interest.

**PE** – Registered Professional Engineer.

**PEPM (Per Employee Per Month)** – Refers to a cost based on the primary enrollee only in a health plan.

**PFAS** – Perfluorinated Compounds: Any and all liability, including, but not limited to, losses, costs or expenses related to, arising from, or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by Perfluorinated Compounds (PFCs), in whole or part, listed as part of State or Federal guidance or regulations, and county, state, or federal directives requiring PFCs to be investigated or cleaned up including, but not limited to, perfluoroalkyl substances (PFAS or any PFAS, PFOS and PFOA-related products and chemicals), including any constituents of, additives to, or daughter or degradation by-products thereof.

**PHI (Protected Health Information)** – Protected health information (PHI), as defined by HIPAA, is any individually identifiable information about health status, provision of health care, or payment for health care that can be linked to a specific individual. This is interpreted rather broadly and includes any part of a patient's medical record or payment history. This includes health information with data items which reasonably could be expected to allow individual identification. HIPAA applies to health information exchanged or stored electronically, to data transmitted or maintained in any other form or medium, which includes paper records, fax documents and oral communications.

**Plaintiff** – The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit.

**PMPM (Per Member Per Month)** – Refers to a cost based on each person enrolled in a health plan, including dependents.

**Pooled Loss** – The portion of a loss that is allocated to, or paid by, the self-insured pool. The JPIA Liability Program pools, or self-insures, the first \$1 million of each occurrence. Loss costs exceeding this amount are paid by excess insurance.

**PPACA (Patient Protection and Affordable Care Act)** – This is now commonly referred to as the Affordable Care Act. See Affordable Care Act.

**PPD (Permanent Partial Disability)** – A permanent disability rating from 1% to 99.75%. It is possible for the worker to be permanently partial disabled, even if the worker has returned to the previous job and is doing the same work as before the injury.

**PPO (Preferred Provider Organization)** – A type of plan design that utilizes a network of providers to provide significant discounts to participants, yet allows the participant to seek out of network services at a reduced benefit. These plans typically have a Deductible. Once the Deductible is met, Co-insurance applies, resulting in cost sharing between the plan and participant at a predetermined percentage.

**PRIMA (Public Risk Management Association)** – A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes.

**Property Insurance** – This covers the member for damage to its own property, sometimes called first-party coverage.

**PTD (Permanent Total Disability)** – A permanent disability rating of 100%.

**QE (Qualifying Event)** – An event like marriage, birth, adoption, that allows a mid-year change to benefits enrollment.

**QME (Qualified Medical Evaluator)** – A doctor selected from a State panel to address medical, disability, and compensability disputes between the parties.

**RAP (Retrospective Allocation Point)** – In the JPIA's liability and workers' compensation programs, it is that portion of each claim that the member will be responsible for when the RCA is made. The deposit contribution includes an estimate of the expected losses below the RAP. It is *not* a deductible; the member does not pay additional money at the time of loss. RAP losses are included in the RCA calculation. Members share in the pooled losses of other members only for losses above their RAP. The Liability Program offers RAPs of \$2,500; \$5,000; \$10,000; \$25,000; and \$50,000. Retentions above these amounts are treated differently; they are considered SIRs.

**RC (Replacement Cost)** – The cost to replace damaged property with like kind and quality, with no deduction for depreciation.

**RDP (Registered Domestic Partner)** – A couple registered with the State of California that is same gender of any age, or opposite gender and age 62 or above.

**REA** – Registered Environmental Assessor.

**REHS** – Registered Environmental Health Specialist.

**Reinsurance** – Insurance that is purchased by an insurance company (*insurer*) from another insurance company (*reinsurer*) as a means of risk management, to transfer risk from the *insurer* to the *reinsurer*. The JPIA uses a mix of both reinsurance and excess insurance in its pooled coverage programs.

**Reserve** – In order to budget for its expected costs, the JPIA estimates the ultimate expected total value of each claim and "reserves" part of the deposit contribution to pay for it. As moneys are paid out for a claim, the reserve amount is decreased.

**RIMS (Risk and Insurance Management Society)** – National professional organization to promote principles of risk management and assist risk managers in their daily activities.

**Risk Control** – Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others.

**Risk Financing** – Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques - retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses using an outside intermediary for a consideration (such as a payment of a premium). Each agency that participates in the JPIA practices these techniques. Losses are retained to the extent of an agency's RAP; they are transferred to the JPIA pool in excess of this amount.

**Risk Management** – One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.

**RCA (Retrospective Contribution Adjustment)** – At the beginning of each coverage period, the JPIA collects a deposit contribution representing the estimated costs for that year. The JPIA looks back at that estimate and determines how accurate it was and makes an RCA. If it collected too much, a refund is made. If it collected too little, the member is charged for the difference. The process is repeated annually for each coverage year until all claims for that year are closed out.

**RSF (Rate Stabilization Fund)** – A separate JPIA fund designed to stabilize the RCA process. A member's refunds from the Catastrophic Loss Fund and from the RCA process are credited to this fund. Any RCAs resulting in additional contributions due will be charged against this fund. When a member's Fund balance exceeds a predetermined amount, the excess money will be refunded.

**RTW** – Return to work.

**RX** – Prescription.

**SBC (Summary of Benefits and Coverage)** – A plan summary that utilizes a specific format, required and set forth by the Affordable Care Act. This allows apples to apples comparison of different medical plans, based on the standardized format. These must be distributed to participants becoming newly eligible for coverage and annually.

**SCIF (State Compensation Insurance Company)** – A state agency that provides workers' compensation insurance to California employers.

**SCP (Supervisor Certification Program)** – One of the professional certification "tracks" within the JPIA's Professional Development Program (PDP).

**Self-Funded Plan** – A plan which collects payment from participants and pays claims directly, often utilizing a third party claims administrator. Funds left over can be used to offset future rate increases. Costs for participation are directly tied to the claims cost for the specific group of participants' utilization.

**SIR (Self Insured Retention)** – A dollar amount that an insured must pay before an insurance policy will respond to a loss. In the JPIA’s Liability Program, the pool retains the first \$5 million of each loss.

**Special Events** – Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies’ loss integrity. Another type of special event coverage, known as a “tenants’ and users” policy, can be issued for third parties who rent or use your owned facilities.

**SPD (Summary Plan Description)** – The detailed document that describes a medical plan’s coverage provisions.

**Supranationals** - United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

**TD (Temporary Disability)** – An impairment of bodily function, or physical incapacity that is reasonably expected to be cured or materially improved with proper medical care. This is the healing period following an injury. Temporary disability benefits are intended to be a substitute for lost wages (subject to minimums and maximums) during a period of temporary incapacity.

**TIV (Total Insured Values)** – The values shown on a Member Agency’s schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss.

**UST (Underground Storage Tanks)** – Refers primarily to underground fuel tanks; used most often in reference to the JPIA’s Underground Storage Tank Pollution Liability Program. This program protects member agencies against third-party claims for bodily injury and property damage caused leaks from USTs. It also includes coverage for government mandated clean-up costs.

**Workers’ Compensation** – A statutory coverage designed as the “sole remedy” for workers injured in the course and scope of their duties.