

Workers' Compensation Program Committee Meeting



YOUR BEST PROTECTION

ACWA JPIA
2100 Professional Drive
Roseville, CA 95661

Thursday
June 26, 2025
1:00 p.m.

Chair: Vacant

Vice-Chair: David Wheaton, Citrus Heights Water District

Fred Bockmiller, Mesa Water District

Cathy Green, Orange County Water District

Liz Kauffman, South Tahoe Public Utility District

Robert Kunde, Wheeler Ridge-Maricopa Water Storage District

Stacey Lollar, Calaveras County Water District

Lenet Pacheco, Valley County Water District

Scott Quady, Calleguas Municipal Water District



WORKERS' COMPENSATION PROGRAM COMMITTEE MEETING

AGENDA

ACWA JPIA
Executive Conference Room
2100 Professional Drive
Roseville, CA 95661

Thursday, June 26, 2025 – 1:00 p.m.

Zoom Link Meeting ID: 230 407 0027; Password: 5742; Telephone No.: 1 (669) 900-6833

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

- Green – 6151 Kimberly Drive, Huntington Beach
- Kauffman – 1275 Meadow Crest Drive, South Lake Tahoe

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

PLEDGE OF ALLEGIANCE

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 Workers' Compensation 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.

HYBRID PARTICIPATION GUIDELINES (See back page of the packet)

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter

Page #

I. CONSENT AGENDA

- * A. Approve the Minutes of the June 20, 2024, Meeting

4

B. Approve an Excused Absence for Any Committee Member

II. ADMINISTRATION

A. Report on Meetings Attended on Behalf of the JPIA

III. PROGRAM UPDATES

Jobe	* A. Membership Report	10
Bowles	* B. Workers' Compensation Claims Audits	16
Bowles	* C. Claims Department Update and Trends	43

IV. COVERAGE AND CONTRIBUTIONS

Jobe	* A. Review and Provide Recommendation Regarding the 2025-26 Workers' Compensation Memorandum of Coverage (MOC)	67
Jobe	* B. Review and Provide Recommendation Regarding the 2025-26 Workers' Compensation Program Reinsurance Renewal	83
Fleck	* C. Actuarial Update	97
Steele	* D. Review and Provide Recommendation Regarding the 2025-26 Member Contributions	117

V. STAFF UPDATES

Jobe	* A. Director of Pooled Programs Update	131
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VI. UPCOMING MEETINGS

Chair	* A. There are no additional meetings scheduled for the remainder of the year.	132
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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 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)

Written materials relating to an item on this Agenda that are distributed to the JPIA's Workers' Compensation 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 a.m. to 4:30 p.m.



**WORKERS' COMPENSATION PROGRAM COMMITTEE
MEETING**

ACWA JPIA
2100 Professional Drive
Roseville, CA 95661

June 20, 2024

MEMBERS PRESENT

Chair: David Drake, Rincon del Diablo Municipal Water District
Vice-Chair: David Wheaton, Citrus Heights Water District
Fred Bockmiller, Mesa Water District
Cathy Green, Orange County Water District (*via Zoom*)
Robert Kunde, Wheeler Ridge-Maricopa Water Storage District
Stacey Lollar, Calaveras County Water District
Lenet Pacheco, Valley County Water District (*arrived at 1:20 p.m. via phone*)
Scott Quady, Calleguas Municipal Water District

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer: Adrienne Beatty
Erin Bowles, Workers' Compensation Manager
Chimene Camacho, Executive Assistant to the CEO
Sarah Crawford, Training Manager (*via Zoom*)
Debbie Cruz, Lead Member Services Representative
David deBernardi, Director of Finance
Adam Dedmon, Employee Benefits Manager (*via Zoom*)
Robert Greenfield, General Counsel
Jennifer Jobe, Director of Pooled Programs
Jennifer Nogosek, Liability/Property Claims Manager
Kevin Phillips, Director of Member Outreach
Jillian Sciancalepore, Administrative Assistant III (*Recording Secretary*)
Dan Steele, Finance Manager
Kayla Villa, Litigation Manager
Tony Waterford, Human Resources Manager
Nidia Watkins, Member Services Representative II
Mike Whitright, IT Support Specialist

OTHERS IN ATTENDANCE

Chris Kapheim, Kings River Conservation District
Szu Pei Lu-Yang, Rowland Water District (*via Zoom*)
Melody McDonald, San Bernardino Valley Water Conservation District
Scott Ratterman, Calaveras County Water District
Randall Reed, Cucamonga Valley Water District

WELCOME

Chair Drake welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair Drake called the meeting to order at 1:04 p.m. He announced there was a quorum.

PLEDGE OF ALLEGIANCE

Chair Drake instructed Director Bockmiller to lead the Pledge of Allegiance.

EVACUATION PROCEDURES

Ms. Beatty gave the evacuation procedure instructions.

ANNOUNCEMENT OF RECORDING OF MEETING

Chair Drake 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

Chair Drake noted that, as the agenda stated, members of the public would be allowed to address the Workers' Compensation 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.

INTRODUCTIONS

Chair Drake introduced the Workers' Compensation Program Committee, Executive Committee, staff, and others in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

I. CONSENT AGENDA

Chair Drake called for approval of the Consent Agenda:

M/S/C (Bockmiller/Green) (Quady-Yes; Lollar-Yes; Kunde-Yes; Green-Yes; Bockmiller-Yes; Wheaton-Yes; Drake-Yes): That the Workers' Compensation Program Committee approve the minutes of the June 20, 2023, meeting, as presented.

II. ADMINISTRATION

Report on Meetings Attended on Behalf of the JPIA
None.

III. PROGRAM UPDATES

Membership Report

Ms. Jobe shared that there are 208 members participating in the Program. Reclamation District # 784 will be joining the Program on July 1, 2024. Las Virgenes Municipal Water

District has withdrawn from the Program, effective July 1, 2024, in order to diversify their insurance coverage. Grassland Basin Water Authority has provided notice of intent to withdraw and may withdraw at the end of the 2024-25 program year.

Claims Department Update and Trends

Ms. Bowles shared that over the past year significant advancements in automating our claims processes and integration of new technologies have been implemented including automation enhancements, technological integration, and vendor partnerships. These advancements have not only streamlined our operations but have also positioned us to better manage and control claims costs. Our enhanced data analytics capabilities are now providing us with actionable insights that support informed decision-making and strategic planning. These advancements have not only benefited the Workers' Compensation Program and department but are also providing the Risk Management department with data to create more safety programs and identify those who are at higher risk, in an effort to reduce claims costs for our members.

Ms. Bowles reviewed the average total costs incurred per claim from 2019 through 05/15/2024, and factors, such as the pandemic and claimants' access to care, that have influenced these trends. The industry projects that costs should plateau in 2025 with a moderate increase.

Based on trends, Ms. Bowles identified that the most likely claimant would be a person between the ages of 36-45 years old with an occupation in Waterworks Operations for 0-5 years of employment suffering a strain or sprain of their back. Knowing this information will help us focus on training and preventative measures that can be implemented, especially for this group of employees, to reduce our claims exposure and emphasize a safer work environment.

Additional topics discussed included the relationship between the Workers' Compensation and Risk Management departments, an ergonomic pilot program for field workers, and the lifespans of claims.

The Committee requested that a pie chart be provided to convey the percentages of Claims by Body Part Groups. The Committee also requested a visual for total claim loss in dollars respective to Body Part Groups to better understand where additional training may need to occur to control claims costs. The Committee also requested that when graphs or visual aids are provided, repeated colors are not used to more easily distinguish data.

Risk Management Update

Mr. Phillips reiterated that as a successful result of the Risk Management pilot program that focused on specific members with higher claims severity and how to mitigate losses, phase two of the strains/sprains program has been implemented. Current members interested include Clearlake Oaks County Water District, Crescenta Valley Water District, Otay Water District, and Rainbow Municipal Water District.

Mr. Phillips reviewed the Back School two-day course provided to employees from our member districts. Once completed, the employee becomes a Certified Ergonomic

Assessment Specialist, which then allows them to perform on-site ergonomic assessments for their district staff.

Additional topics presented included mention of service plans for six members in the Program, a brief review of the 99 classes that have been held at member districts, ergonomic evaluations conducted for several members, and a review of the HR La Bounty Safety Award nominations. The Risk Control Grant Program winners included Centerville Community Services District, Elsinore Valley Municipal Water District, Orchard Dale Water District, Rio Alto Water District, Sweetwater Authority, and Three Valleys Municipal Water District.

IV. COVERAGE AND CONTRIBUTIONS

Review and Provide Recommendation Regarding the 2024-25 Memorandum of Coverage (MOC)

Ms. Jobe reviewed the proposed language staff recommended for approval to further clarify the dispute resolution process and bring the process across the liability, property, and workers' compensation programs into alignment.

M/S/C (Bockmiller/Pacheco) (Quady-Yes; Pacheco-Yes; Lollar-Yes; Kunde-Yes; Green-Yes; Bockmiller-Yes; Wheaton-Yes; Drake-Yes): That the Workers' Compensation Program Committee recommend that the Executive Committee approve the Workers' Compensation Program Memorandum of Coverage, effective July 1, 2024, to include adding "...and reasonable arbitrator costs..." to Section VIII – Dispute Resolution, Item 1 – Review by Executive Committee and Arbitration, paragraph 5, 2nd sentence, after, "...including reasonable attorneys' fees..."

Review and Provide Recommendation Regarding the 2024-25 Workers' Compensation Program Excess Insurance Renewal

Ms. Jobe provided a brief overview of the last eight years of Safety National historical rates. Safety National reinsures the entirety of the JPIA Workers' Compensation Program in excess of the pool's \$2M retained limit. Safety National continues to demonstrate that the JPIA is one of their preferred clients and for 2024-25, they have offered a \$0.0796 per \$100 of payroll rate, equating to a 3% rate decrease. They have also included a rate for the 2025-26 program year committing to a 3% decrease from expiring, subject to the conditions noted in the Program Committee Agreement.

M/S/C (Wheaton/Green) (Quady-Yes; Pacheco-Yes; Lollar-Yes; Kunde-Yes; Green-Yes; Bockmiller-Yes; Wheaton-Yes; Drake-Yes): That the Workers' Compensation Program Committee recommend that the Executive Committee approve Safety National's excess renewal terms, as presented, with an effective date of July 1, 2024.

Review and Provide Recommendation Regarding the 2024-25 Member Contributions

Mr. deBernardi began by reviewing the actual historical rates over the last ten years to present the Program's low volatility. He then presented the Workers' Compensation Program Expected Revenue/Expense & Funding Requirement Report which provides a breakdown for the expected revenues and expenses for the 2024-25 program year. The

total estimated funding with no pricing changes is approximately \$16.3 million based on \$840 million in estimated payrolls.

Mr. DeBernardi provided four rate options for consideration and listed them as follows:

Option 1 shows budgeted numbers with no price change. If all estimates are correct under this pricing, members would receive \$6.9 million in refunds (line 2). The reason for such a favorable dollar amount is due to the reduced loss rate obtained from the JPIA third party actuary. The estimated loss rate per \$100 of payroll went from \$1.11 in program year 2023-2024 to \$1.01 for program year 2024-2025. This amounts to nearly a 10% decrease.

Option 2 displays pricing with a 10% decrease in all class code rates. Under this pricing scenario members would potentially have \$4.8 million in refunds to them (line 2).

Option 3 presents pricing with a 20% decrease. Under this pricing members would be returned \$2.7 million in refunds.

Option 4 (additional handout) presents pricing with a 5% decrease. Under this pricing members would be returned \$5.9 million in refunds.

Mr. deBernardi and Mr. Greenfield discussed how State legislation could be the biggest factor in potentially adversely affecting future costs. Mr. deBernardi also stated that additional factors for the Committee to consider are the members' Property and Liability Programs deficits (for those members that also participate in these other Programs), and the comparison of percent of losses to percent of contributions for individual class codes regarding the \$840 million in estimated payrolls. Mr. deBernardi and Ms. Beatty reviewed how the Rate Stabilization Fund can assist the Committee in its decision on how to proceed with the staff recommended 5% decrease.

M/S/C (Bockmiller/Green) (Quady-Yes; Pacheco-Yes; Lollar-Yes; Kunde-Yes; Green-Yes; Bockmiller-Yes; Wheaton-Yes; Drake-Yes): That the Executive Committee accept the recommendation of the Workers' Compensation Program Committee to approve the 5% decrease in member contributions, effective July 1, 2024.

V. STAFF UPDATES

Director of Pooled Programs Update

Ms. Jobe presented that multiple programs are going through rate renewal at this time, and members will be updated about the new rates respective to the Executive Committee's decisions.

Ms. Jobe stated that the new Cost Estimator position has been filled by Tyler Dietz, and he will begin on June 24, 2024.

In addition, Ms. Jobe stated that Liability rate renewal is currently being reviewed and will be presented to the Liability Program and Executive Committees in late September, for the Program year starting on October 1, 2024.

VI. UPCOMING MEETINGS

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

The Workers' Compensation Program Committee requested that they be advised of the Executive Committee's decisions with regard to this Committee's recommendations after the conclusion of the June 21, 2024, Executive Committee meeting.

The Workers' Compensation Program Committee meeting adjourned at 2:38 p.m.

ACWA JPIA
Membership Report
June 26, 2025

BACKGROUND

In order to review the membership progress, a list of new and prospective members is provided annually to the Workers' Compensation Program Committee.

CURRENT SITUATION

Union Public Utility District joined the Workers' Compensation Program in January 2025. Del Paso Manor Water District is expected to be acquired by Sacramento Suburban Water District, effective July 1, 2025.

Current Program Membership Status as of June 1, 2025:

Total number of program members:	209
Total number of employees covered:	8,201
Total estimated annual payroll:	\$911,847,651

Prospective New Members:

The Workers' Compensation Program remains stable; staff is in discussions with prospective new members and expect applications to be forthcoming within the next six months.

Notices of Withdrawal:

In accordance with the Joint Powers Agreement, Article 22 (c) (2), a Member may withdraw only at the end of the program year following receipt of a 12-month notice of intent to withdraw. Last year, Grassland Basin Water Authority provided a notice of intent to withdraw; in March 2025 the Authority rescinded its notice and will renew its participation for the 2025-26 program year.

RECOMMENDATION

None, information only.

ACWA JPIA
2025-26 Workers' Compensation Program
Estimated Payroll
June 26, 2025

MEMBER	EST. PAYROLL
Alameda County Water District	\$ 32,626,074.14
Orange County Water District	\$ 30,187,267.76
Santa Clarita Valley Water Agency	\$ 29,744,930.32
Moulton Niguel Water District	\$ 26,785,367.52
El Dorado Irrigation District	\$ 25,305,577.24
Western Municipal Water District	\$ 24,300,800.89
Santa Margarita Water District	\$ 23,597,040.16
Water Employee Services Authority	\$ 22,056,423.25
Merced Irrigation District	\$ 19,891,225.89
Helix Water District	\$ 19,141,490.04
Rancho California Water District	\$ 19,029,292.84
Yuba County Water Agency	\$ 17,452,344.54
Otay Water District	\$ 16,936,504.44
Cucamonga Valley Water District	\$ 16,145,203.22
South Tahoe Public Utility District	\$ 14,360,264.99
Sweetwater Authority	\$ 14,317,515.19
San Luis & Delta-Mendota Water Authority	\$ 12,885,697.21
South Coast Water District	\$ 12,517,670.40
Calleguas Municipal Water District	\$ 12,191,513.87
Truckee Donner Public Utility District	\$ 11,752,329.09
Vallecitos Water District	\$ 11,656,375.43
Desert Water Agency	\$ 10,879,636.27
Palmdale Water District	\$ 10,867,383.83
Goleta Water District	\$ 9,905,400.38
Solano Irrigation District	\$ 9,614,532.01
Yorba Linda Water District	\$ 9,597,263.93
Vista Irrigation District	\$ 9,521,516.63
Tahoe City Public Utility District	\$ 8,781,116.64
Sacramento Suburban Water District	\$ 8,754,360.53
Association of California Water Agencies Joint Powers Insurance Authority	\$ 8,739,520.27
Valley Center Municipal Water District	\$ 8,444,416.38
Mesa Water District	\$ 8,155,845.90
Fallbrook Public Utility District	\$ 7,823,909.05
Antelope Valley-East Kern Water Agency	\$ 7,751,003.88
Calaveras County Water District	\$ 7,717,216.42
Water Replenishment District of Southern California	\$ 7,695,780.80
El Toro Water District	\$ 7,649,315.00
Kern County Water Agency	\$ 7,528,780.20
Tuolumne Utilities District	\$ 7,518,931.92
Fresno Metropolitan Flood Control District	\$ 7,220,001.07
Rainbow Municipal Water District	\$ 7,201,988.74
Walnut Valley Water District	\$ 7,137,806.55
South Feather Water & Power Agency	\$ 7,003,487.78
San Juan Water District	\$ 6,624,100.93

ACWA JPIA
2025-26 Workers' Compensation Program
Estimated Payroll
June 26, 2025

MEMBER	EST. PAYROLL
San Bernardino Valley Municipal Water District	\$ 6,593,549.79
Lake Arrowhead Community Services District	\$ 6,492,556.52
Soquel Creek Water District	\$ 6,230,003.46
Glenn-Colusa Irrigation District	\$ 6,212,603.08
Laguna Beach County Water District	\$ 6,155,089.87
Marina Coast Water District	\$ 6,124,138.36
Mission Springs Water District	\$ 5,746,385.60
Santa Fe Irrigation District	\$ 5,736,070.16
Ramona Municipal Water District	\$ 5,439,325.91
Stockton East Water District	\$ 5,422,175.17
Mammoth Community Water District	\$ 5,225,704.47
Kings River Conservation District	\$ 5,006,878.18
Citrus Heights Water District	\$ 4,847,568.98
Amador Water Agency	\$ 4,794,369.23
Monte Vista Water District	\$ 4,599,357.16
Rowland Water District	\$ 4,477,931.86
Beaumont-Cherry Valley Water District	\$ 4,279,738.11
Three Valleys Municipal Water District	\$ 4,178,944.84
Wheeler Ridge-Maricopa Water Storage District	\$ 4,171,255.44
Central Coast Water Authority	\$ 4,133,543.97
Solano County Water Agency	\$ 4,002,577.62
Valley County Water District	\$ 3,929,106.40
Diablo Water District	\$ 3,866,124.07
Paradise Irrigation District	\$ 3,830,046.79
Montecito Water District	\$ 3,806,435.45
Florin Resource Conservation District - Elk Grove Water District	\$ 3,789,729.85
Crescenta Valley Water District	\$ 3,711,591.17
Camrosa Water District	\$ 3,547,987.67
Westside Water Authority	\$ 3,330,525.69
Coastside County Water District	\$ 3,323,121.78
Trabuco Canyon Water District	\$ 3,124,662.79
Carmichael Water District	\$ 3,095,570.89
Rincon Del Diablo Municipal Water District	\$ 3,053,536.28
Humboldt Bay Municipal Water District	\$ 3,030,224.69
Reclamation District No. 108	\$ 2,971,366.26
Fair Oaks Water District	\$ 2,939,227.84
Joshua Basin Water District	\$ 2,713,004.83
Mid-Peninsula Water District	\$ 2,676,867.30
San Dieguito Water District	\$ 2,666,160.80
Sunnyslope County Water District	\$ 2,655,516.45
Kaweah Delta Water Conservation District	\$ 2,553,198.14
Carpinteria Valley Water District	\$ 2,546,105.23
North Coast County Water District	\$ 2,533,006.30
Yolo County Flood Control & Water Conservation District	\$ 2,463,826.13

ACWA JPIA
2025-26 Workers' Compensation Program
Estimated Payroll
June 26, 2025

MEMBER	EST. PAYROLL
East Contra Costa Irrigation District	\$ 2,333,147.37
Georgetown Divide Public Utility District	\$ 2,296,990.54
East Orange County Water District	\$ 2,286,563.37
Scotts Valley Water District	\$ 2,156,855.63
Tulare Irrigation District	\$ 2,154,108.01
Pebble Beach Community Services District	\$ 2,148,986.76
San Benito County Water District	\$ 2,147,513.22
Chowchilla Water District	\$ 2,104,798.93
Santa Ynez River Water Conservation District Improvement District No. 1	\$ 2,037,240.63
Tehachapi-Cummings County Water District	\$ 2,029,737.35
San Gabriel County Water District	\$ 1,994,393.61
Bella Vista Water District	\$ 1,992,248.64
Buena Vista Water Storage District	\$ 1,980,218.94
Valley of the Moon Water District	\$ 1,915,595.62
Cachuma Operation and Maintenance Board	\$ 1,886,919.06
Byron-Bethany Irrigation District	\$ 1,884,737.71
La Puente Valley County Water District	\$ 1,867,428.85
Woodbridge Irrigation District	\$ 1,824,096.39
Twentynine Palms Water District	\$ 1,820,515.14
Consolidated Irrigation District	\$ 1,813,858.98
Upper San Gabriel Valley Municipal Water District	\$ 1,788,090.19
Humboldt Community Services District	\$ 1,761,066.68
Pajaro Valley Water Management Agency	\$ 1,685,656.24
Chino Basin Water Conservation District	\$ 1,669,599.70
San Bernardino Valley Water Conservation District	\$ 1,617,588.59
Regional Water Authority	\$ 1,614,890.21
Panoche Water District	\$ 1,552,730.06
Rosedale-Rio Bravo Water Storage District	\$ 1,552,443.45
Banta Carbona Irrigation District	\$ 1,483,250.17
San Luis Water District	\$ 1,477,227.33
Foothill Municipal Water District	\$ 1,445,134.41
Main San Gabriel Basin Watermaster	\$ 1,436,691.60
Clearlake Oaks County Water District	\$ 1,413,499.63
Borrego Water District	\$ 1,387,666.78
Orchard Dale Water District	\$ 1,381,689.72
Kern Water Bank Authority	\$ 1,380,766.44
Thermalito Water and Sewer District	\$ 1,378,431.11
Quartz Hill Water District	\$ 1,364,447.94
Pico Water District	\$ 1,293,496.87
Lakeside Water District	\$ 1,292,631.02
Patterson Irrigation District	\$ 1,290,946.81
San Geronio Pass Water Agency	\$ 1,273,406.85
Serrano Water District	\$ 1,259,768.76
West Stanislaus Irrigation District	\$ 1,256,306.90

ACWA JPIA
2025-26 Workers' Compensation Program
Estimated Payroll
June 26, 2025

MEMBER	EST. PAYROLL
Terra Bella Irrigation District	\$ 1,234,451.76
Bard Water District	\$ 1,185,465.74
Stinson Beach County Water District	\$ 1,170,485.64
La Habra Heights County Water District	\$ 1,166,207.33
Browns Valley Irrigation District	\$ 1,153,675.95
Montara Water and Sanitary District	\$ 1,149,186.06
Kern-Tulare Water District	\$ 1,139,102.45
Purissima Hills Water District	\$ 1,117,577.86
Alta Irrigation District	\$ 1,093,037.62
San Gabriel Basin Water Quality Authority	\$ 1,086,488.79
Western Canal Water District	\$ 1,057,773.91
Shafter-Wasco Irrigation District	\$ 1,047,680.55
Westborough Water District	\$ 1,042,791.80
Calaveras Public Utility District	\$ 1,042,216.94
American River Flood Control District	\$ 1,034,058.05
La Canada Irrigation District	\$ 1,018,895.95
Del Puerto Water District	\$ 1,003,417.31
Yuima Municipal Water District	\$ 964,121.03
Pajaro/Sunny Mesa Community Services District	\$ 944,320.10
South Sutter Water District	\$ 912,342.40
South Montebello Irrigation District	\$ 902,030.58
Tulare Lake Basin Water Storage District	\$ 899,295.65
Butte Water District	\$ 872,045.90
Rio Linda/Elverta Community Water District	\$ 869,346.25
Vandenberg Village Community Services District	\$ 835,124.63
Channel Islands Beach Community Services District	\$ 832,183.92
Mission Hills Community Services District	\$ 831,470.25
Chino Basin Desalter Authority	\$ 819,106.94
Bodega Bay Public Utility District	\$ 811,506.60
Mojave Public Utility District	\$ 802,364.86
San Joaquin River Exchange Contractors Water Authority	\$ 785,448.72
Bolinas Community Public Utility District	\$ 759,344.75
Idyllwild Water District	\$ 729,510.89
Richvale Irrigation District	\$ 728,878.67
San Andreas Sanitary District	\$ 721,810.22
Littlerock Creek Irrigation District	\$ 711,299.19
Kinneloa Irrigation District	\$ 706,025.28
Union Public Utility District	\$ 695,154.00
Forestville Water District	\$ 641,802.73
Reclamation District No. 784	\$ 632,573.50
Rio Alto Water District	\$ 626,946.30
Los Alamos Community Services District	\$ 594,613.05
Reclamation District No. 2068	\$ 586,569.62
Clear Creek Community Services District	\$ 575,376.39

ACWA JPIA
2025-26 Workers' Compensation Program
Estimated Payroll
June 26, 2025

MEMBER	EST. PAYROLL
Sutter Extension Water District	\$ 570,111.52
Corcoran Irrigation District	\$ 568,104.38
Grassland Basin Authority	\$ 537,033.12
Reclamation District No. 1004	\$ 527,601.64
Centerville Community Services District	\$ 485,273.11
Pleasant Valley County Water District	\$ 457,472.38
Palm Ranch Irrigation District	\$ 443,165.74
Kings County Water District	\$ 430,723.83
Porterville Irrigation District	\$ 400,495.09
Alpaugh Irrigation District	\$ 399,702.48
Sierra Lakes County Water District	\$ 391,446.73
Angiola Water District	\$ 372,912.58
Weaverville Community Services District	\$ 353,812.33
Fall River Valley Community Services District	\$ 339,955.95
Midway Heights County Water District	\$ 326,509.87
Kanawha Water District	\$ 300,995.52
Tri-District Water Authority	\$ 293,376.61
Saucelito Irrigation District	\$ 272,582.67
Berrenda Mesa Water District	\$ 235,915.16
Majestic Pines Community Services District	\$ 215,969.74
Tri-County Water Authority	\$ 202,280.93
Mariana Ranchos County Water District	\$ 200,256.99
Montague Water Conservation District	\$ 176,572.29
Orosi Public Utility District	\$ 166,654.64
Madera Water District	\$ 149,222.33
Elsinore Valley Municipal Water District	\$ 92,443.85
Dunnigan Water District	\$ 67,369.64
Sonoma Mountain County Water District	\$ 49,186.35
Belridge Water Storage District	\$ 10,000.00
Lost Hills Water District	\$ 10,000.00
South Bay Water	\$ 10,000.00
Total Payroll	\$ 911,364,589.93

ACWA JPIA
Workers' Compensation Claims Audits
June 26, 2025

BACKGROUND

As a self-insured, self-administered program, ACWA JPIA's Workers' Compensation claims handling operations are subject to oversight by both state regulators and independent auditors. In Fall 2024, the program underwent **three formal audits**, each focused on a different area of claims operations – compliance with California law, medical review processes, and overall program performance.

These audits serve as critical evaluations to confirm that the JPIA is meeting its legal obligations, maintaining the authority to self-administer claims, and delivering timely, effective service to injured workers and member districts.

CURRENT SITUATION

1. Profile Audit Review (PAR) – State Compliance

Conducted every 3-5 years by the Division of Workers' Compensation, the PAR audit examines a sample of claims for compliance with benefit delivery timelines, required notices, and applicable state regulations.

- **Passing Score:** Below 1.54500
- **JPIA Score:** 0.45364

This strong result confirms that the organization is operating well within compliance standards, supporting the continued authority to self-administer claims.

2. Utilization Review (UR) Audit – Medical Review Standards

This audit evaluates compliance with California's UR regulations for reviewing treatment requests.

- **Score:** 98.9%

This score reflects timely and accurate medical review practices.

3. Independent Audit – Program Performance

This third-party review, conducted every two years as required for Accreditation by the California Association of Joint Powers Authorities (CAJPA) and for Recognition by the Association of Governmental Risk Pools (AGRiP), evaluates overall claims handling, documentation, and service delivery.

- **Score:** 93%

This score indicates consistent, high-quality performance throughout the Workers' Compensation program. The results of this audit have been attached for the Committee's reference.

RECOMMENDATION

None, information only.

Prepared by: Erin Bowles, Workers' Comp Claims Manager

Date prepared: June 23, 2025

CUSTOMIZED CONSULTING

Workers' Compensation

Strategic Approach
Innovative Solutions
Outstanding Outcomes

Audit Report

ACWA JPIA

December 23rd, 2024

Table of Contents

Introduction		Page 1
Claim System		Page 1
Workers' Compensation		Page 1
File Selection	Pg 2	
Audit Methodology	Pg 2	
Executive Summary	Pg 3	
Findings by Category	Pg 4	
Investigation	Pg 4	
Medical Management	Pg 5	
Disability Management	Pg 5	
Indemnity	Pg 5	
Benefit Notice	Pg 6	
Litigation Management	Pg 7	
Subrogation	Pg 7	
Reserving	Pg 7	
Documentation	Pg 7	
Claims Resolution	Pg 7	
Diary Management	Pg 8	
Trending	Pg 9	
Recommendations	Pg 12	
Conclusion	Pg 12	
Property & Liability		Page 13
File Selection	Pg 13	
Audit Methodology	Pg 13	
Executive Summary	Pg 14	
Findings by Category	Pg 15	
Coverage	Pg 15	
Investigation	Pg 15	
Medical Information	Pg 16	
Independent Adjuster	Pg 16	
Litigation	Pg 16	

Subrogation	Pg 16
Documentation	Pg 17
Claim Resolution	Pg 17
Diary Management	Pg 17
Supervision	Pg 17
Excess	Pg 17
Trending	Pg 18
Recommendations	Pg 23
Conclusion	Pg 23

Appendix

Audit Sheets for Workers Compensation & Property/Liability

INTRODUCTION

The Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) contracted Alta Claims and Insurance Services to conduct an audit regarding the handling of workers' compensation, property and liability claims.

Based on a discovery call, 100 files were randomly selected and reviewed. Within this set of 100 files included 50 workers' claims and 50 property/liability claims.

The audit comprised of reviewing areas in Investigation, Coverage, Medical Management, Disability Management, Indemnity, Benefit Notices, Litigation Management, Subrogation, Reserving, Cost Containment, Documentation, Diary Management and Claims Resolution.

When applicable these categories included questions customized to measure compliance with requirements of CAJPA and AGRIP as well as Industry Best Practices. The customized audit sheets were reviewed and approved by ACWA JPIA prior to the commencement of the audit.

CLAIM SYSTEM

Providing Examiners with effective systems and tools is tantamount in supporting the team in securing great outcomes for ACWA JPIA Members. ACWA JPIA has made continued investments to provide their team with a newer version of IVOS (release # IVOS 5.5.6.10).

This latest version of IVOS helps Examiners to secure better outcomes, comply with regulatory requirements and finalize the resolution of the claim.

This version provides a very robust claimant search capability. The additional search criteria allow for Examiners, Claim Assistants, Supervisors, Managers and other stakeholders an efficient ability to easily find needed claims for review. The notepad provides common sense coding for the type of note with a brief overview. The document image screen provides for easy document type coding, document status, priority and description. All fields can be sorted by date or alphabetically. The Medicare screen allows the Examiner to know real time if the employee is Medicare eligible allowing them to determine the best possible resolution option which could include a Medicare Set Aside. The Correspondence provides a very easy tool to find benefit notices, work status, EAMS forms and other important documents. The Reserve screen is compliant with OSIP requirements concerning itemizing the type of reserve transaction. Upon highlighting a reserve category, reporting is available allowing the reviewer the ability to determine amounts placed in each category, why and when. The payment screen allows for valuable sorting for various categories such as the payment date, payee, amounts, etc. What is very valuable to the ACWA JPIA colleagues, when reserving claims concerning compliance with Regulation § 15300, is the ability to export payments to excel. Once in excel, payments can be sorted, unneeded dates or amounts removed. The remaining amounts can be auto summed so the Examiner can easily get to the average medical spend. This amount is multiplied by the Employee's lifetime when the claim involves the need for future medical care.

WORKERS' COMPENSATION

FILE SELECTION

After conducting a discovery call with ACWA JPIA Leadership, it was decided that 50 workers' compensation claim should be reviewed. Among the 50 files, 28 included lost time indemnity claims, 7 medical only files, 10 future medical care claims and 5 denied. The lost time claims were randomly selected from claims reported in 2021, 2022 and 2023. The selection was conducted and provided to ACWA JPIA ahead of the audit commencing.

AUDIT METHODOLOGY | WORKERS' COMPENSATION

After conducting a discovery call, it was concluded the audit would measure compliance with ACWA JPIA's CPJA/AGRIP standards, industry best practices as well as regulatory and statutory compliance.

The audit comprised of the below 13 categories:

- Investigation
- Medical Management
- Disability Management
- Indemnity Benefits
- Benefit Notices
- Subrogation
- Reserving
- Cost Containment
- Documentation
- Claim Resolution
- Diary Management
- Supervision

Each category is scored on a percentage basis based on the total number of answers receiving a positive finding divided by the total number of answers receiving a positive finding added to the total number of answers receiving a negative finding. Those areas found non-applicable are not factored in the percentage score. The total file score is adding the total yes and no scores from each category into a grand percentage score. Each individual category will be discussed in more detail.

All completed audit sheets were supplied to the ACWA JPIA Team for review. The Team was very engaged providing thoughts for rebuttals. All rebuttals were considered. If the rebuttal could not be granted the reasoning as to why was provided to the Team.

A copy of the audit sheet utilized is included in the Appendix.

EXECUTIVE SUMMARY | WORKERS' COMPENSATION

Please find the below tables of the overall results per category, number of audits conducted per claim type and audits conducted by colleague.

Audit Category	Score
Investigation	87%
Medical Management	96%
Disability Management	95%
Indemnity	88%
Benefit Notices	87%
Litigation Management	88%
Subrogation	87%
Reserving	97%
Cost Containment	100%
Documentation	100%
Claims Resolution	95%
Diary Management	100%
Audit Score	93%

Claim Type	Number of Audits
Indemnity	28
Denied	5
Medical Only	7
Future Med	10
Total	50

ACWA JPIA Colleague	Number of Audits	Claim Type	Audit Score
Monica Sisco	23	IN 14 FM 5 DN 3 MO 1	95%
Patti Rider	15	IN 10 FM 2 DN 1 MO 2	92%
Tandra Vaughan	9	IN 4 FM 3 MO 2	93%
Gino Caruso	3	DN 1 MO 2	90%

The Team did a great job with an overall audit score of 93%.

The cases were investigated with claim decisions made timely. Claim acknowledgment letters were sent consistently and within 48 hours. The correct protocols and procedures were followed in questionable claims. In the event of the assertion of a “serious claim” the correct processes were initiated. An area of opportunity exists by securing the claimed mechanism of injury and parts of the body injured with the location and injured worker.

Medical care was managed very well. It was clear in all cases that the injured employee was directed for appropriate care. The claim documentation was kept current with the diagnosis, prognosis and course of

care. It was apparent when the employee was discharged or had a follow up appointment. Medical mileage was paid properly.

In the event the employee was off work, the Team did a great job of communicating with the location regarding the work status and accommodation. The Team kept in regular contact as the claim progressed tracking disability and the ability of the location to accommodate restrictions. In the event the employee was discharged from care with permanent work restrictions, the Examiner made sure the location was aware of the restrictions in coordinating permanent accommodation or the need for the supplemental job displacement voucher.

Lost-time and permanent impairment benefits were paid correctly in many of the claims reviewed. In a small subset of cases benefits were paid late initially or subsequently.

Benefit notices were sent timely and accurately in most of the claims reviewed. In a small subset of cases some notices were issued late or did not include necessary medical reports as enclosures.

Litigation was managed well by the Team. It was evident by the documentation that the Team has a good grasp on the status of the litigation and directing the defense attorney in what is needed to get the case to the best possible outcome. In a small subset of cases, IVOS was not updated to show the case was litigated, the litigation transmittal not sent and/or the defense counsel not providing their budget.

Subrogation was identified and pursued in accordance with the facts of the case. There were only two instances in which subrogation might have been applicable. The first case dealt with an injury because of tree roots, and it was questioned if the City or County may have been responsible. The second dealt with the potential ability to pursue a manufacturer defect.

The team reserved cases timely, accurately with good reserve rationales.

Cost Containment measures the Team leveraging items such as Utilization Review and Bill Review. The team scores 100% in this category. They did a fantastic job.

Documentation and Diary Management also earned a score of 100%.

Claims were resolved timely and correctly. ACWA JPIA is self-insured and thus claims must be closed in accordance with California Regulations. Claims were not closed prematurely.

In conclusion, the ACWA JPIA Team is doing a great job in adjusting workers' compensation claims for their members.

FINDINGS IN EACH AUDIT CATEGORY

INVESTIGATION | 87%

This category measures 18 different categories dealing with investigating the assertion of a work-related claim. This encompasses elements such as the initial contact with the injured worker and location to making claim decisions timely and adherence to AGRIP and CAJPA requirements such as conducting serious claims investigations when the claim involves stress, heart or a fatality.

Overall, the team is performing well in making decisions timely and reaching out to the various stakeholders. When an outside investigation was required, it was conducted. The protocols regarding serious claim investigations were also completed.

This score is being driven by the elements covered by the Team once reaching the location and/or examiner during voice-to-voice contact. The Team did an excellent job of consistently discussing work status and accommodation. Additionally, documenting that they explained how benefits are provided in a workers' compensation claim with the injured worker. An area of opportunity is for the Team to ask specific questions regarding how the injury occurred, what parts of the body were injured, any history of prior injury and the injured workers' prediction regarding recovery.

MEDICAL MANAGEMENT | 96%

This category measures 7 different categories dealing with medical management. The team did well in this category regarding medical management. Contacts with the applicable medical provider were conducted in a timely manner on a majority of the claims. In a small subset of claims, the contacts with the physician were conducted late. In most of the cases, the Examiner noted the last medical appointment, next appointment and the prognosis, diagnosis and treatment plan. Most of the cases mileage was reimbursed correctly.

This audit found 7 instances of noncompliance out of the 350 items measured.

As noted above there were only a few instances in which the team was late contacting the initial provider or did not note the current medical status or next medical appointment. But this was not the norm in most cases reviewed.

DISABILITY MANAGEMENT | 95%

The team did a good job regarding disability management. This category measures how the Examiner is working with the location and physician to secure restrictions and return the employee back to work. In the event the employee is found MMI, this category looks at how the Examiner is communicating any relevant permanent work restrictions to the location to enable an interactive discussion.

The Examiner's and internal resources communicated with the locations regularly concerning work status and changes in status. In the instances in which the employee was found with permanent work restrictions, the Examiners immediately reached out communicating the restrictions asking the location regarding permanent accommodation, along with a date in which the interactive process should be completed.

Out of the 50 claims that involved disability management, only 4 claims were found with an issue regarding this category.

INDEMNITY | 88%

The team did a good job of calculating and documenting wage statements. In addition, a large majority of the cases reviewed demonstrated that the team is calculating and paying indemnity

benefits timely and accurately. This includes coordinating Salary Continuation timely with the Location.

Below are some statistics around payment of indemnity benefits.

35 Claims Reviewed with SC/Temporary Disability Benefits Owed
37 Claims Reviewed with Indemnity Benefits Owed
29 Claims Reviewed with Subsequent Indemnity Benefits Owed
14 Claims Reviewed with Permanent Disability Benefits Owed

- Unpaid/Uncontested Compensation
 - 1 case out of 37 cases was found with unpaid/uncontested compensation
 - Unpaid compensation totaled \$58.00
- Late First Payment of Temporary Disability or Notice of Salary Continuation
 - 4 cases were found with a late first payment of TD or Notice of Salary Continuation out of 35 cases requiring the payment of TD benefits.
- Late First Payment of Permanent Disability Benefits
 - 5 cases were found with late first payment of PD benefits out 14 cases in which PD benefits were owed.
- Late Subsequent Payment of Indemnity Benefits
 - 4 cases were found with late subsequent payment of indemnity benefits out of 29 cases in which subsequent payments were owed.

BENEFIT NOTICE | 87%

Acceptance, delay and denial notices were consistently sent timely. In addition, first notice of TD, change and resumption notices were consistently issued timely and correctly.

An area of opportunity exists with sending benefit notices that inform that employee of their right to a medical-legal report. This includes, ending notice of SC/TD, denial of the claim or benefit, delay of the claim or benefit and notice of the extent or existence of PD.

These notices require that the Examiner include, as an enclosure, the medical report used in making the decision.

When dealing with notices measured as part of a routine audit or the Profile Audit Review, the below was found.

Late First Notice of Salary Continuation	2
Issues with Notice of PD Advice	8
Issues with Denial of PD	3
Issues with Ending TD/SC Notice	4

LITIGATION MANAGEMENT | 88%

The team did a good job regarding litigation management. This category measures whether the claim is flagged in IVOS as litigated, if the examiner provided an initial litigation transmittal with instructions. In addition, the assigned attorney provided their initial plan and budget. Did the Examiner and attorney work together to execute an agreed upon plan to secure the best possible outcome. Finally, was the Examiner managing the legal process.

The claims contained good documentation of interactions with legal counsel in defending the ACWA JPIA location and securing claim resolution.

This score was driven by a small subset of cases in which the litigation transmittal was not sent, litigation was not documented in IVOS, and the assigned attorney did not provide their budget.

SUBROGATION | 88%

The team did a great job in correctly determining whether subrogation should be pursued.

In all instances, in which subrogation was a factor it was recognized. Cases reviewed were in various stages of the process

This score is being driven by two factors and only a few cases had legitimate subrogation potential. In two cases, the Examiner may not have correctly identified subrogation potential and/or followed up with the location on ruling it out.

RESERVING | 97%

Reserving is much of an art as it is a science. Many factors are at play when the Examiner is evaluating and placing a proper reserve on the file. This can be complicated by the requirements set forth in Regulation 15300 combined with handling a public entity.

Much of the time, the team did a good job of setting the initial reserve, reviewing periodically and updating when something occurred.

COST CONTAINMENT | 100% | GRADE A

The team did a great job concerning timely authorizing medical care, conducting utilization review and paying medical bills timely. Great work.

DOCUMENTATION | 100%

The team did a great job of documenting the claims, updating action plans and justifying actions. The claims were easy to follow with the most needed details contained on the notes screen.

CLAIMS RESOLUTION | 95%

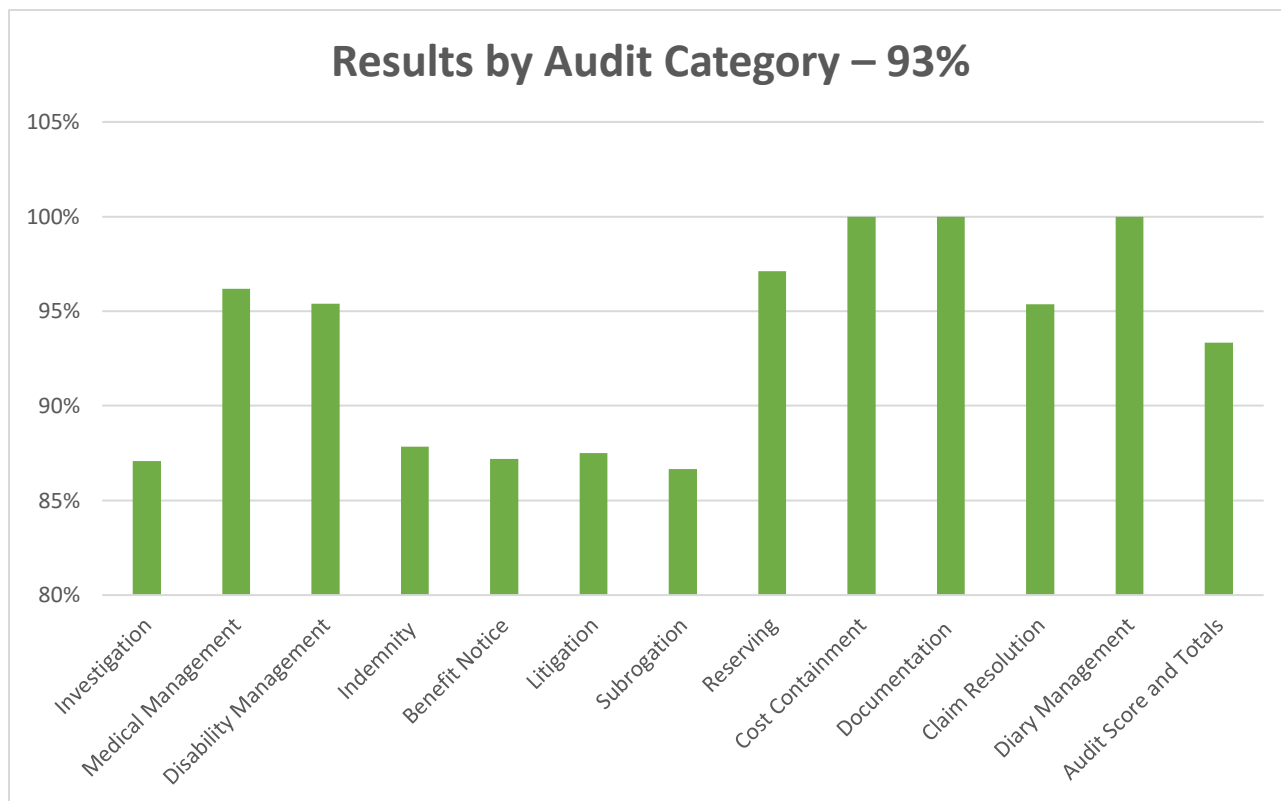
Claims were closed timely and when the facts allowed. No instances were discovered in which the claims were closed early.

DIARY MANAGEMENT | 100%

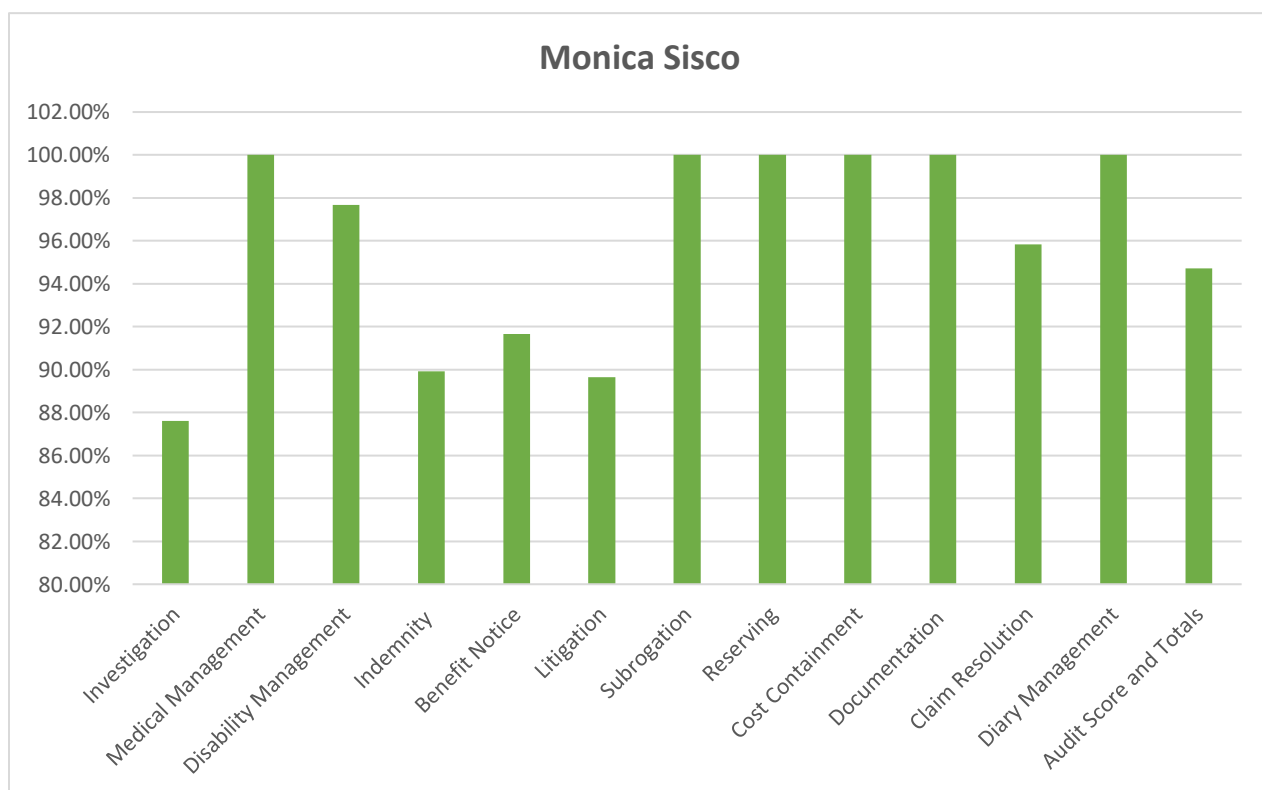
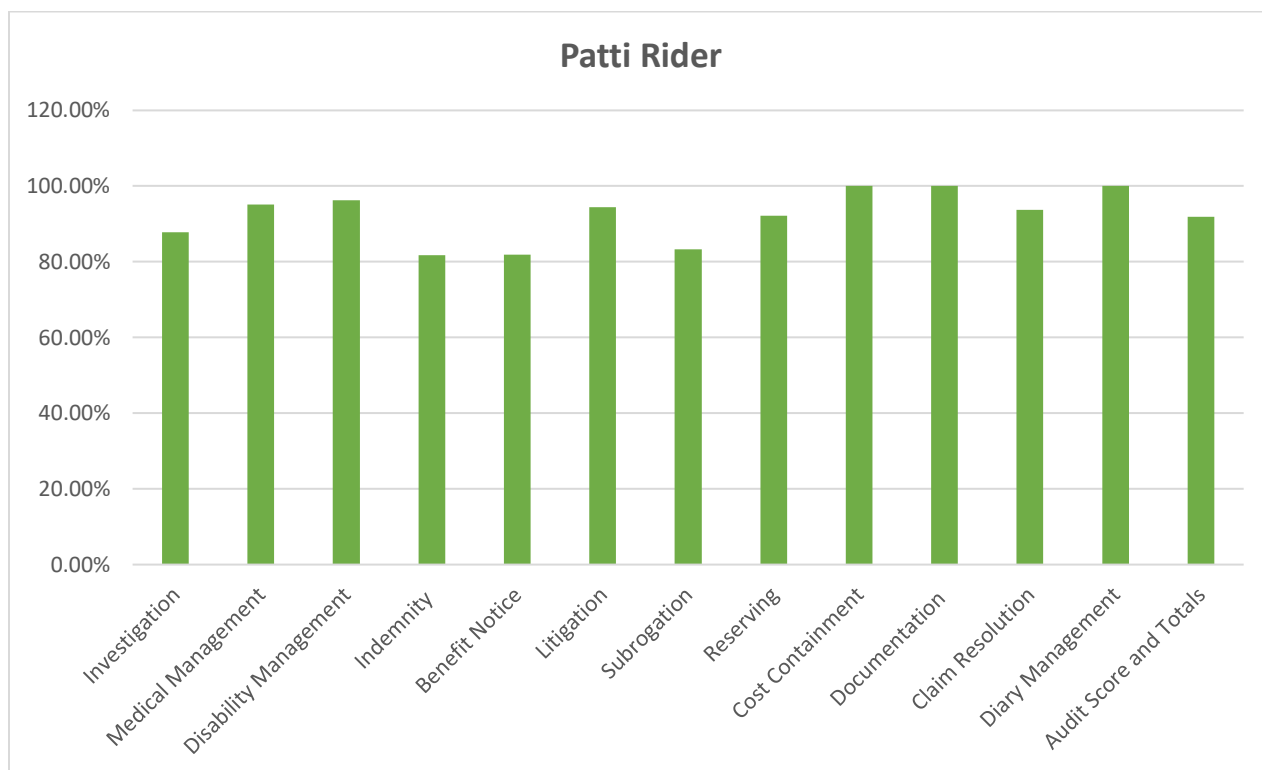
No concerns regarding diary management. Diary was set on claims to comply with statutory requirements as well as best practices.

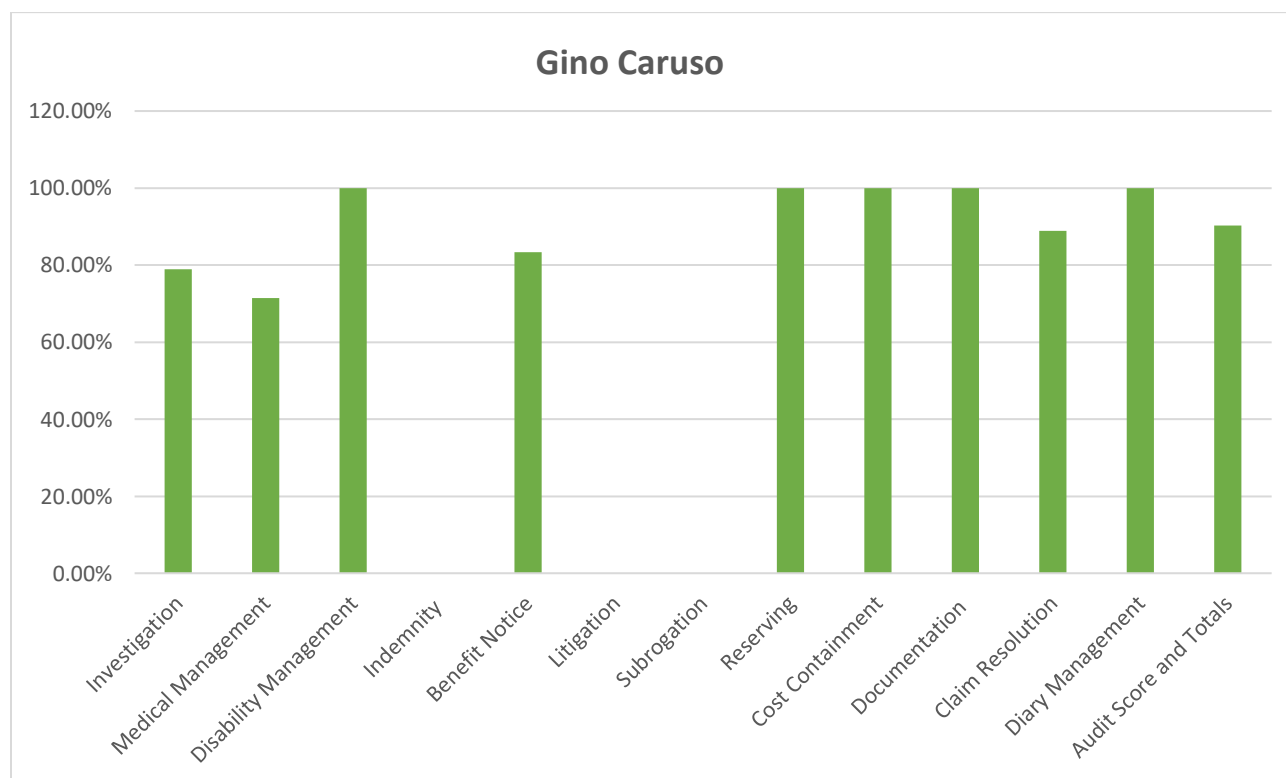
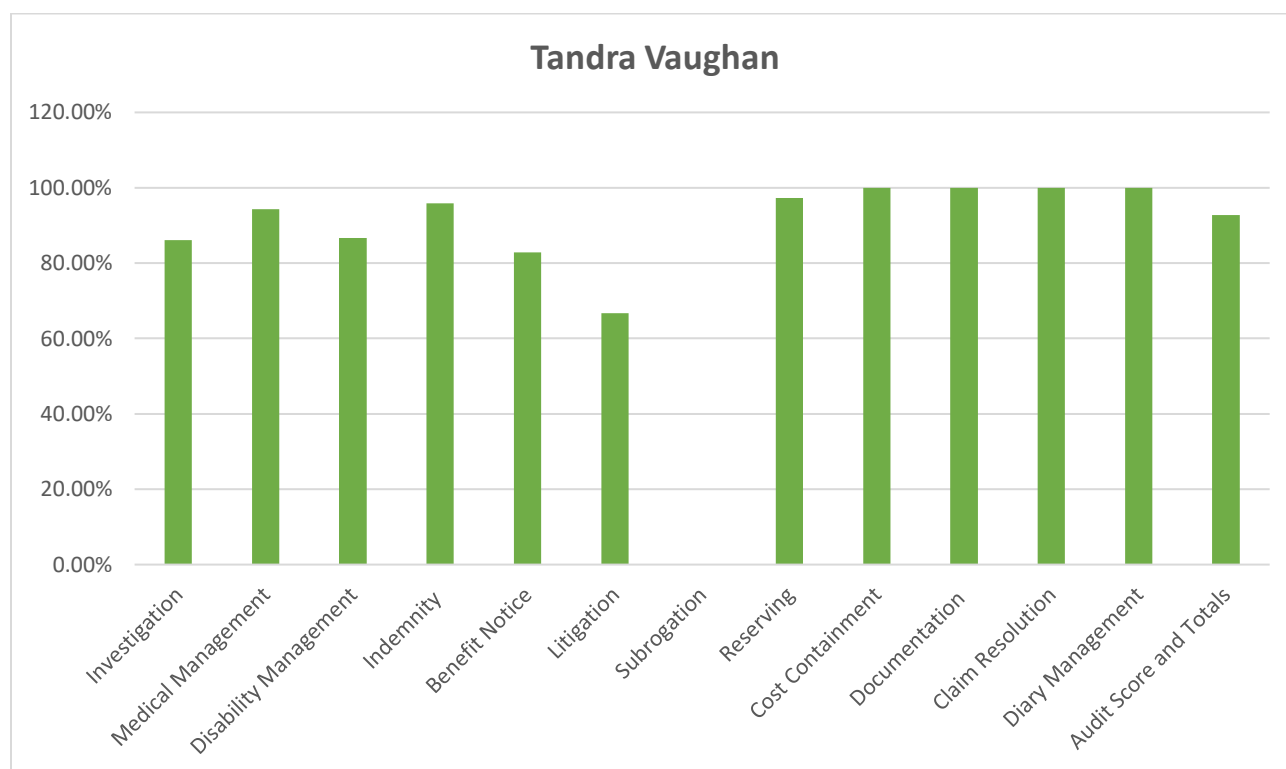
TRENDING

All Audit Results by Category



Results by Colleague





RECOMMENDATIONS

In the area of investigation, it is recommended the Team receive some training regarding what items to cover with the injured employee and location concerning how the injury occurred, part of the body injured and predictions regarding recovery and return to work.

Regarding payment of indemnity benefits it is recommended the Team receive training in payment of permanent impairment and deferral of permanent disability when applicable.

As an Industry, we struggle with benefits notices and complying with the 2016 benefit notices manual. Recommend the Team receive training regarding notices measured by the State of California Audit Unit during the Profile Audit Review. Especially the need to note the medical report used to deny, end or modify a benefit as an enclosure in the applicable notice. Also, when to properly delay permanent disability versus defer payment until an award is issued.

The last area regarding recommendations deals with subrogation. Subrogation should be explored and noted in every case, even if it is glaring that it is not an issue. This thought process is critical to make sure that no claim is missed when a third party could be liable to pay the claim. Recommend the Team receive some training regarding identification and pursuit of third parties, especially public entities, given the work ACWA JPIA members conduct.

Alta Claims & Insurance Services is happy to provide any training the Team deems necessary at no additional cost.

CONCLUSION

It was a pleasure conducting this review for ACWA JPIA regarding the handling of Workers' Compensation claims for your member Districts. The Team is doing a great job of handling these claims and securing good outcomes. California Workers' Compensation is interpreted in the favor of the injured employee. This can sometimes make it difficult to secure good outcomes. The Team is thinking critically about how to overcome these challenges to bring the case to conclusion. Thanks for trusting Alta Claims & Insurance Services with this need.

PROPERTY & LIABILITY

FILE SELECTION

After conducting a discovery call with ACWA JPIA Leadership, it was decided that 50 property/liability claims should be reviewed. Claims were randomly selected from claims reported in 2021, 2022 and 2023. The selection was conducted and provided to ACWA JPIA ahead of the audit commencing.

AUDIT METHODOLOGY | PROPERTY & LIABILITY

After conducting a discovery call, it was concluded the audit would measure compliance with ACWA JPIA'S compliance to industry best practices including AGRIP and CAJPA standards.

The audit comprised of the below 11 categories:

- Coverage
- Investigation
- Medical Information
- Independent Adjusters
- Litigation
- Subrogation
- Documentation
- Claim Resolution
- Diary Management
- Supervision
- Excess

Each category is scored on a percentage basis based on the total number of answers receiving a positive finding divided by the total number of answers receiving a positive finding added to the total number of answers receiving a negative finding. Those areas found non-applicable are not factored in the percentage score. The total file score is adding the total yes and no scores from each category into a grand percentage score. Each individual category will be discussed in more detail.

All completed audit sheets were supplied to the ACWA JPIA Team for review. The Team was very engaged providing thoughts for rebuttals. All rebuttals were considered. If the rebuttal could not be granted the reasoning as to why was provided to the Team.

A copy of the audit sheet utilized is included in the Appendix.

EXECUTIVE SUMMARY | LIABILITY & PROPERTY

Please find below tables of the overall results per category, number of audits conducted per claim colleague and their individual scores.

Audit Category	Score
Coverage	100%
Investigation	93%
Medical Information	100%
Independent Adjusters	97%
Litigation Management	95%
Subrogation	88%
Documentation	94%
Claims Resolution	99%
Diary Management	99%
Excess	100%
Audit Score	95%

ACWA JPIA Colleague	Number of Audits	Audit Score
Cece Wuchter	13	91%
Heidi Sander	13	96%
Paula Christy	8	96%
Shelley Tippit	7	98%
Kayla Villa	2	96%
Judy Shiu	2	99%
Justin Wall	1	100%

The Team did a great job with an overall audit score of 95%.

All categories scored over 90% except for subrogation, with three categories achieving a score of 100%. Excellent work.

Coverage decisions were made quickly, accurately, based in fact and immediately communicated to the District.

Claims were investigated with, when needed, rejection letters sent timely. The only area of opportunity with investigation deals with the Examiner consistently contacting the claimant and third party (when applicable) at the onset of the claim. These contacts seem to occur more organically through the case development.

As noted, claims were selected at random. In this random selection there were two cases that involved personal injury. The team did an great job of securing medical records and reports to assist in valuing the case settlement. The personal injury claims were handled very well and in a difficult liability environment.

When needed, the Examiners enlisted the help of outside Independent Adjusters (IA). It was evident through the documentation that the Examiner was managing the IA, holding them accountable to timely reporting and valuation to assist in the District's rebuilding process.

Litigation was managed well on the part of the Examiners. Cases involving litigation were resolved timely and equitably.

Subrogation was handled well. There were two cases that drove this score in which the negligent third party was identified, recovery pursued, but when the third party did not respond, the claim was closed without documentation the District was notified and agreed.

The claims were documented well. The claims read like a story with a beginning, middle and end. It was always obvious as to what was occurring, why and what was being done to secure resolution. The only area of opportunity deals with the Examiner consistently documenting a Status with their future actions noted.

Claims were resolved timely and with great outcomes.

Diary was set correctly and managed well.

Only one claim through this random selection dealt with Excess. This case was handled very well.

In conclusion, the Team is doing terrific work in adjusting property and liability claims for ACWA JPIA's District members. Keep up the great work.

FINDINGS IN EACH AUDIT CATEGORY

COVERAGE | 100 %

This category measures two categories dealing with assessing the peril, cause, loss, date of loss and coverage periods.

The Team did an excellent job of consistently making correct coverage decisions after assessing the above factors but also documenting their thought process.

The team sent out rejection letters timely, after correctly determining a lack of coverage.

INVESTIGATION | 93%

This category measures 16 different aspects of investigating a claim. This includes contacts with the location, claimant and third party (if applicable). The score of 93% is a testament to the Team complying with most of the items measured in most cases.

In addition to contacts with the various stakeholders this category also measures the Examiner securing and summarizing the initial investigation report, preserving evidence, securing video/photos of the loss claimed.

The only area of opportunity in this category includes the Examiners making sure they are contacting the claimant and if applicable the third party.

MEDICAL INFORMATION | 100%

As noted in the methodology, the audit sample was selected at random. In this random sample two cases involved personal injury. In both cases, the Examiners did an excellent job of securing the prior medical records in order to ascertain the value of medical treatment secured. This diligent work resulted in optimal results in both cases.

INDEPENDENT ADJUSTERS | 97%

Some of the claims evaluated included losses caused by fire and water intrusion. When needed the Examiner enlisted the assistance of an Independent Adjuster. In a majority of cases the Examiner held the IA accountable for delivering a loss analysis and working alongside contractors and other necessary stakeholders in making the ACWA JPIA Member whole. The IAs correctly valued the loss valuation at ACV or RV depending on the coverage and circumstance. The claim was documented with accurate and detailed itemization of losses justifying the ultimate amount paid to the ACWA JPIA Member.

LITIGATION | 95%

What was very refreshing reviewing this sample was some of the best outcomes resulted from the Examiner not securing representation and instead negotiating directly with Plaintiff's Attorney. Kudos to the Team in doing so. However, when claims were referred to Defense Counsel, the Examiner provided clear direction on the issues and actions. Most of the cases reviewed were resolved quickly and equitably. Great job!

SUBROGATION | 88%

Subrogation is the only category in this review that scored below 90%. The score of 88% is still a great outcome but there were a few cases that drove this score. These cases may be outliers but should be reviewed and considered in handling future cases.

In case 22-0775, a negligent third party was identified in a parking lot automobile accident. After the third party did not respond to several notices, the case was closed, without recovery.

Similarly in case 22-0468, after the negligent third party did not response to reimbursement requests, the case was closed.

In the case of 22-0065, two teenagers were found responsible for damaging a sign. The parents admitted liability and agreed to reimburse the District for the costs. After enlisting the help of an outside party and making several attempts, with no response from the parents, it was decided to end recovery efforts.

Approval of the District in all above examples to end the pursuit of third-party liability could not be located. It could be that the amount did not justify further efforts, but no documentation was found that the District agreed with this determination.

DOCUMENTATION | 94%

The Team did a great job of documenting the cases. The claims were easy to follow, and the status and actions were apparent and noted.

There was a very small subset of cases that did not have a Status/Plan noted or not noted within in a reasonable timeframe based on the case events.

CLAIM RESOLUTION | 99%

This is a fantastic outcome. The claims were handled well with great resolutions. In a few cases in which resolution was delayed it was largely caused by the District not repairing damaged items allowing for payment and claim closure. It is obvious the Team is working to get claims to closure as quickly as it can be allowed.

DIARY MANAGEMENT | 99%

Great score regarding how the Team managed their diary to hold all stakeholders accountable and securing a great outcome for the District.

SUPERVISION | 95%

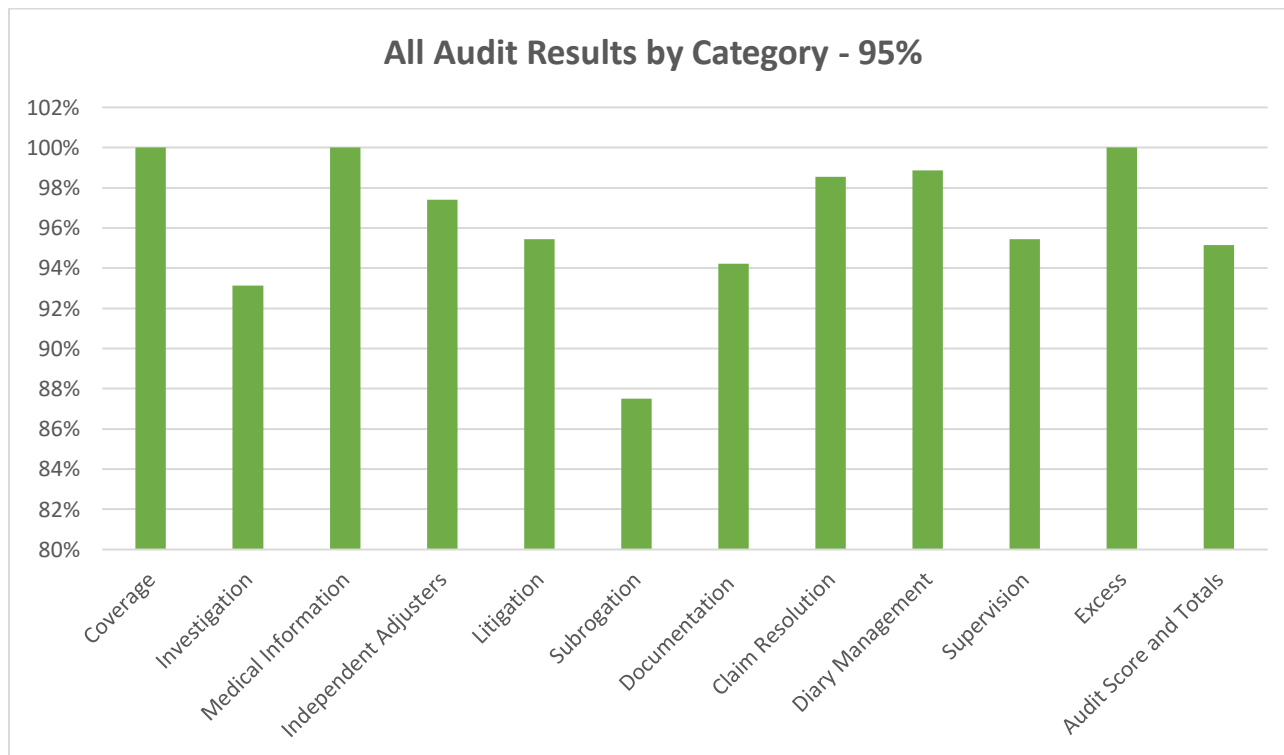
It was evident that the Supervisor is involved with the actions taken in the claims.

EXCESS | 100%

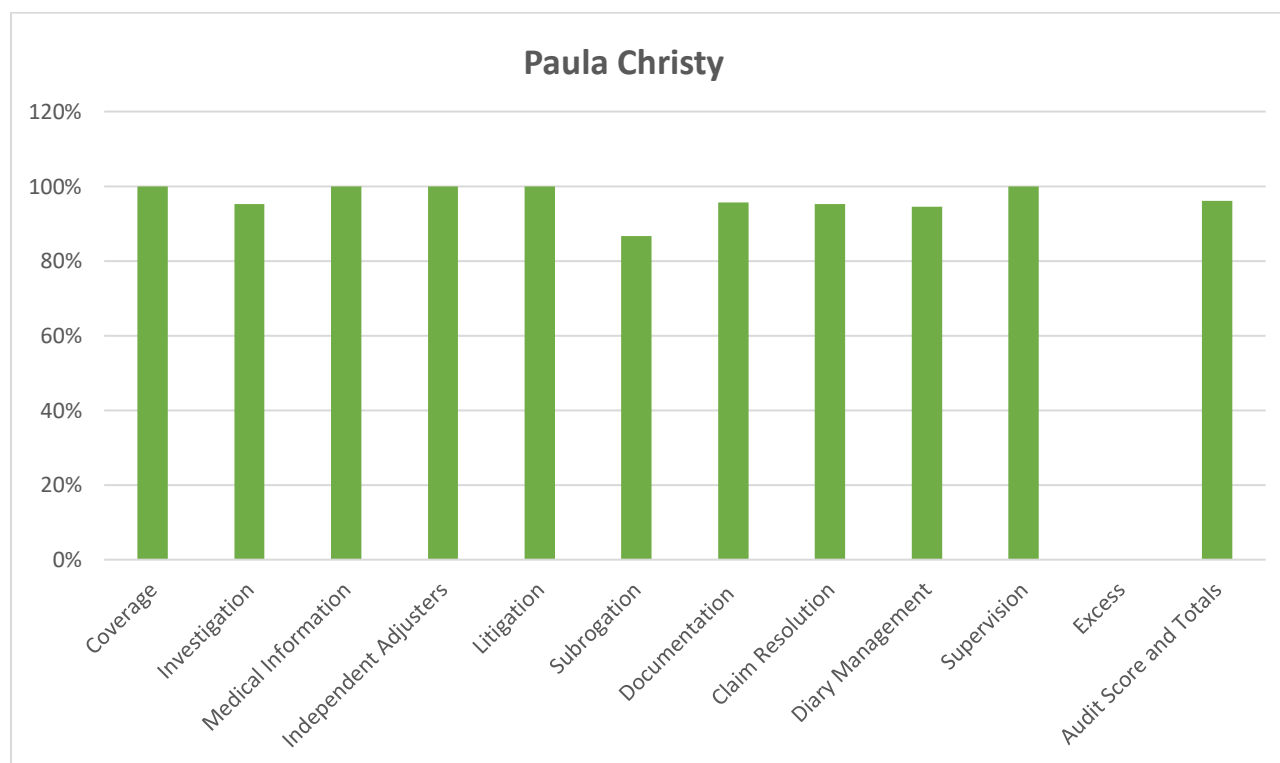
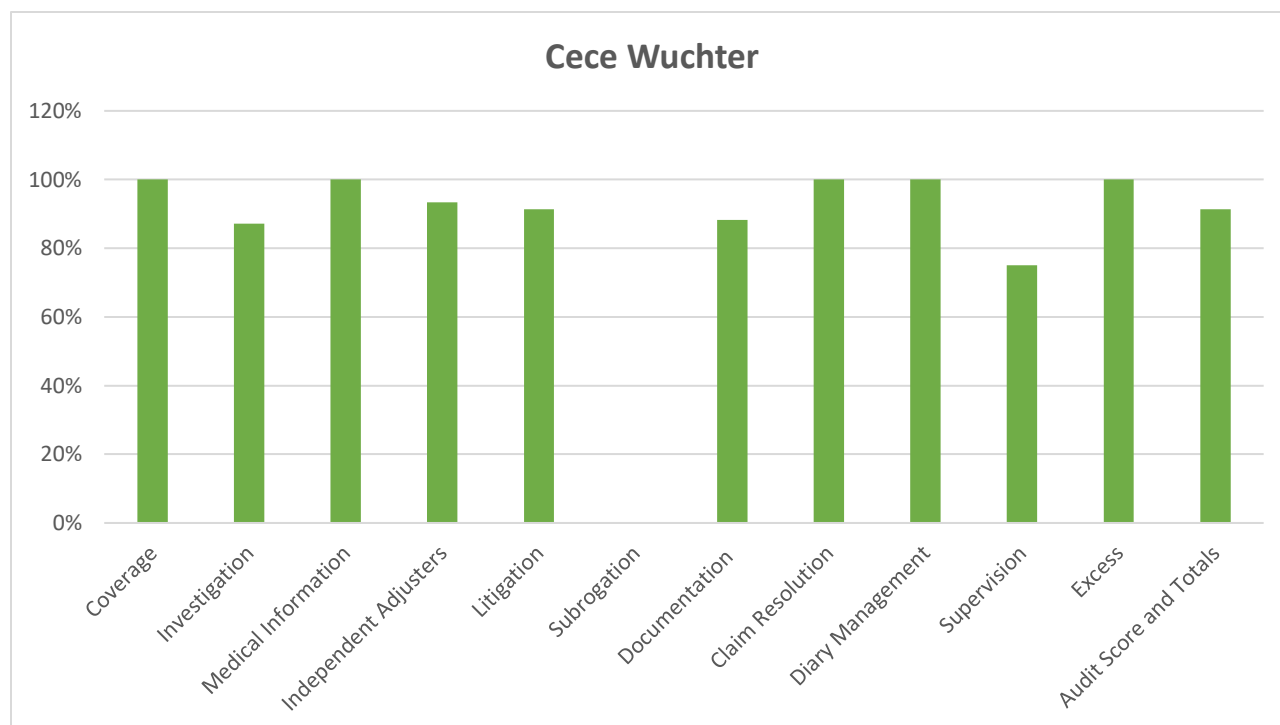
There was only one claim in which Excess was an issue. The case was handled very well in placing Excess on notice. The Excess layer was not penetrated and as a result the Carrier closed their file. Great work in notifying the carrier and keeping them updated.

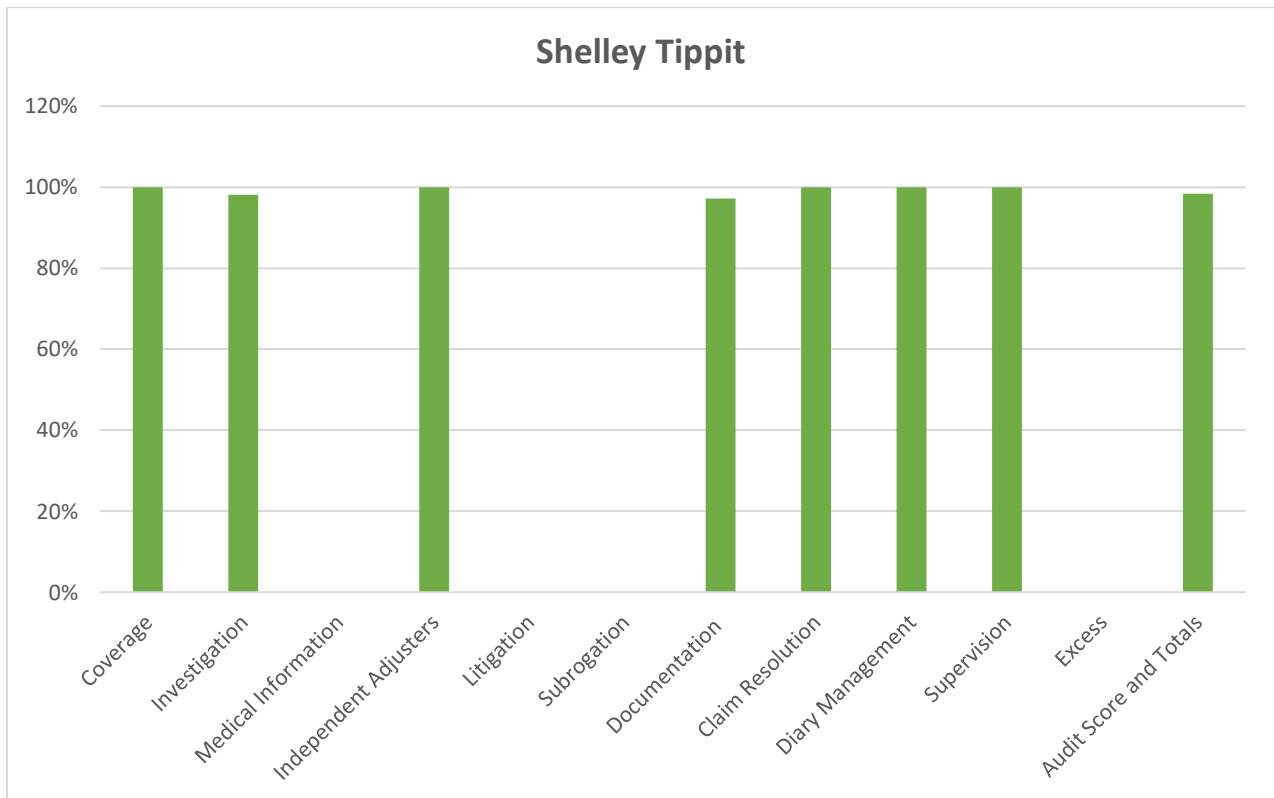
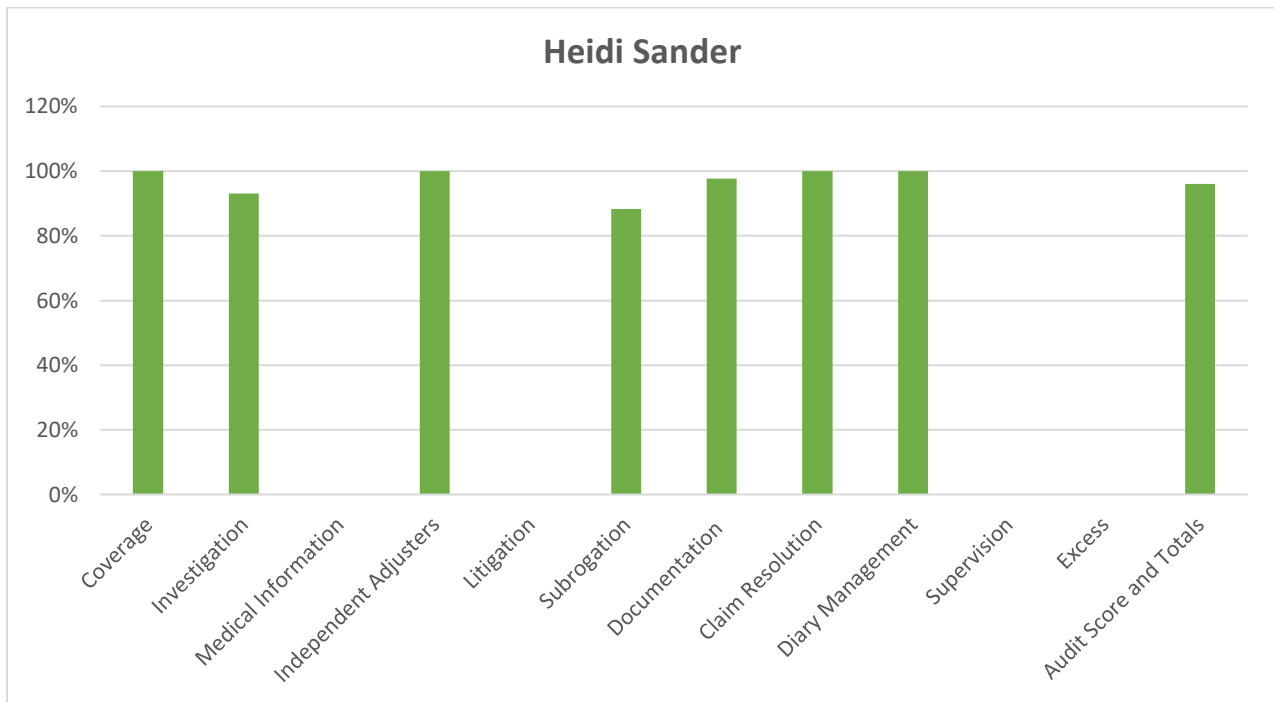
TRENDING

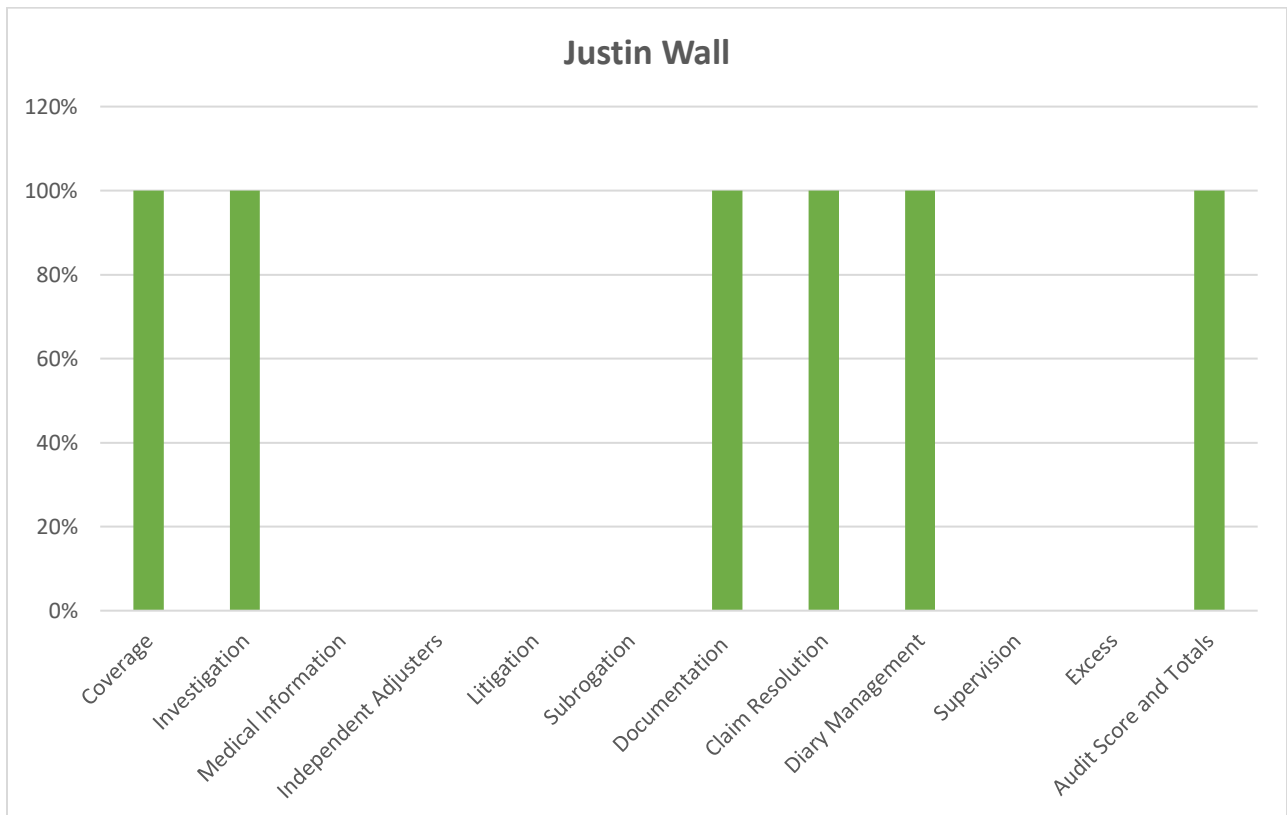
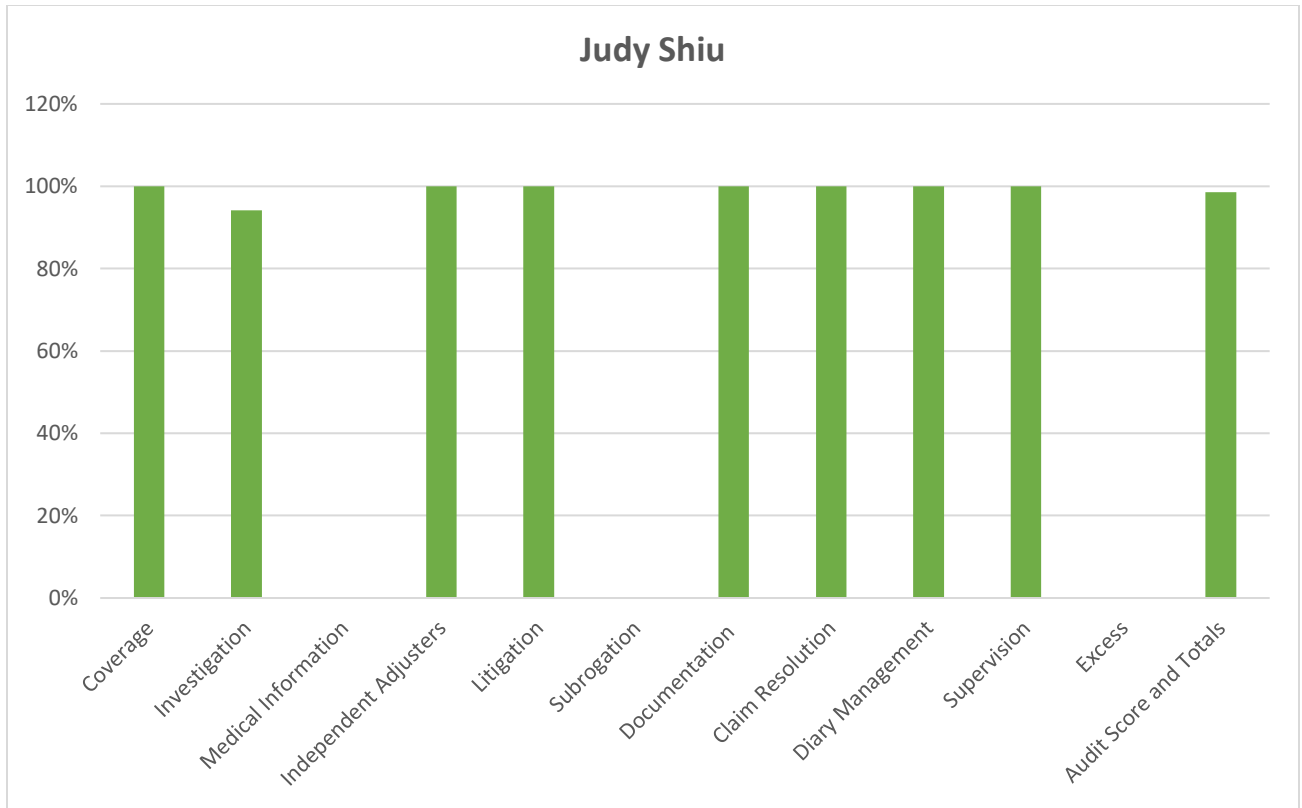
All Audit Results by Category

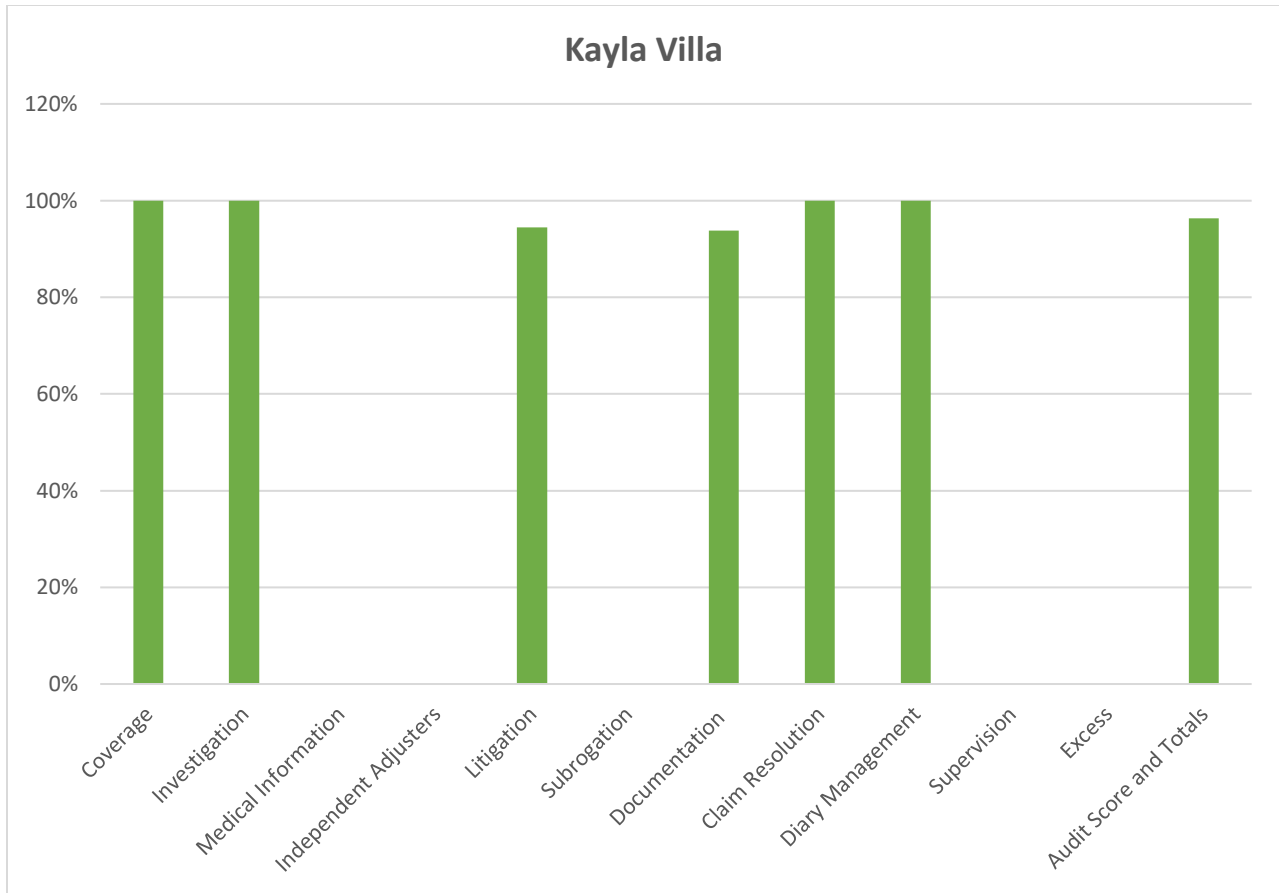


Results by Colleague









RECOMMENDATIONS

It is evident through the results of this audit that the Team is doing a great job in properly adjusting and resolving liability and property claims.

The below recommendations are based on what was discovered during this audit.

It is recommended a discussion be held with the Team concerning the need and value in contacting the claimant and third party, or their attorney if represented to discuss the case. These contacts were not attempted in most of the cases until it was needed down the line to resolve the matter.

Regarding subrogation, the Team may want to review the claims presented and determine if the District should have been advised that Subrogation was not being pursued due to a lack of response from the negligent third party. It is understandable that pursuing these cases further may not have been cost effective and it is more of a business decision to end pursuit. But the District should be a part of that decision-making process and documentation could not be found regarding securing their thoughts on the matter.

The Team did a great job taking actions needed to get the claims to a resolution. It is recommended that a discussion be held regarding the need to document the claims with a regular status update and actions being taken to secure resolution.

One case dealing with Cyber may have been able to resolve without engaging all the stakeholders brought in. In this case, it was obvious that the perpetrators did not have control over the District system and appeared to be a bit amateurish. ACWA JPIA may want to consider authoring best practices around Cyber claims. Alta Claims and Insurance Services is here to help in working with ACWA JPIA to publish and train on these guidelines.

CONCLUSION

It was a pleasure conducting this review for ACWA JPIA regarding the handling of property and liability claims for your member Districts. The claims are being handled very well with great outcomes in what is currently a difficult environment for liability. Thanks for trusting Alta Claims & Insurance Services with this need.

ACWA JPIA
Claims Department Update and Trends
June 26, 2025

BACKGROUND

Over the past year, claim volume at ACWA JPIA continued to rise. In response, the Claims Department focused on improving efficiency to allow examiners to spend less time on manual tasks and more time supporting water agencies and injured workers.

CURRENT SITUATION

Process Improvements

The department streamlined internal workflows by reducing scanning, faxing, and manual data entry. These updates improved turnaround times and allowed staff to focus on higher-value work.

System Integration

System connections with vendors were enhanced to eliminate manual tasks – such as scanning medical records or bills – enabling documents to upload securely and attach to claims automatically.

Vendor Collaboration

Claims staff worked closely with key vendors to renegotiate contracts, improve service delivery, and better manage costs. These efforts have supported reinvestment in tools and resources that benefit both staff and member districts.

Together, these improvements have made the claims process more efficient. Staff now spends less time on routine tasks and more time assisting injured workers and maintaining communications with water agencies. These changes have helped reduce delays and supported timely claim resolution. The department remains actively engaged with members while continuing to improve internal workflows, build trust, and reinforce the long-term strength of the Program.

Looking ahead to 2026, ACWA JPIA plans to expand reporting tools so member agencies can better track claims data and outcomes. The department also intends to continue streamlining operations and equipping staff to meet increasing demand.

Statewide Cost Trends and Assessments

Although ACWA JPIA is self-insured and not subject to commercial workers' compensation rates, broader statewide trends continue to inform planning.

In 2024, insurers are projected to spend \$1.23 for every \$1 collected, driven by increasing claims volume, medical and legal costs, and stagnant premium rates.

The Workers' Compensation Insurance Rating Bureau (WCIRB) has proposed an 11.2% rate increase for private insurers:

- This does not directly apply to JPIA's self-insured layer.
- However, the cost trends driving that proposal – such as increased claim frequency and rising treatment costs – affect the entire system and remain relevant to our budgeting and planning.

These industry trends guide planning, reserve management, and long-term financial strategy.

The Claims Department also monitors annual assessments from the California Department of Industrial Relations (DIR), which fund oversight of the workers' compensation system:

- 2024: \$184,468
- 2023: \$237,942
- 2022: \$272,364
- 2021: \$209,055
- 2020: \$221,860

The California Association of Joint Powers Authorities (CAJPA) recommends planning for a 10-15% increase in assessments this year, largely due to growth in the state's Subsequent Injury Benefits Trust Fund.

RECOMMENDATION

None, information only.

CLAIMS MANAGER UPDATE

Workers' Compensation Department | Erin Bowles



A Year with ANDY:

What our claims tell us about workplace risk

1

ANDY's Story

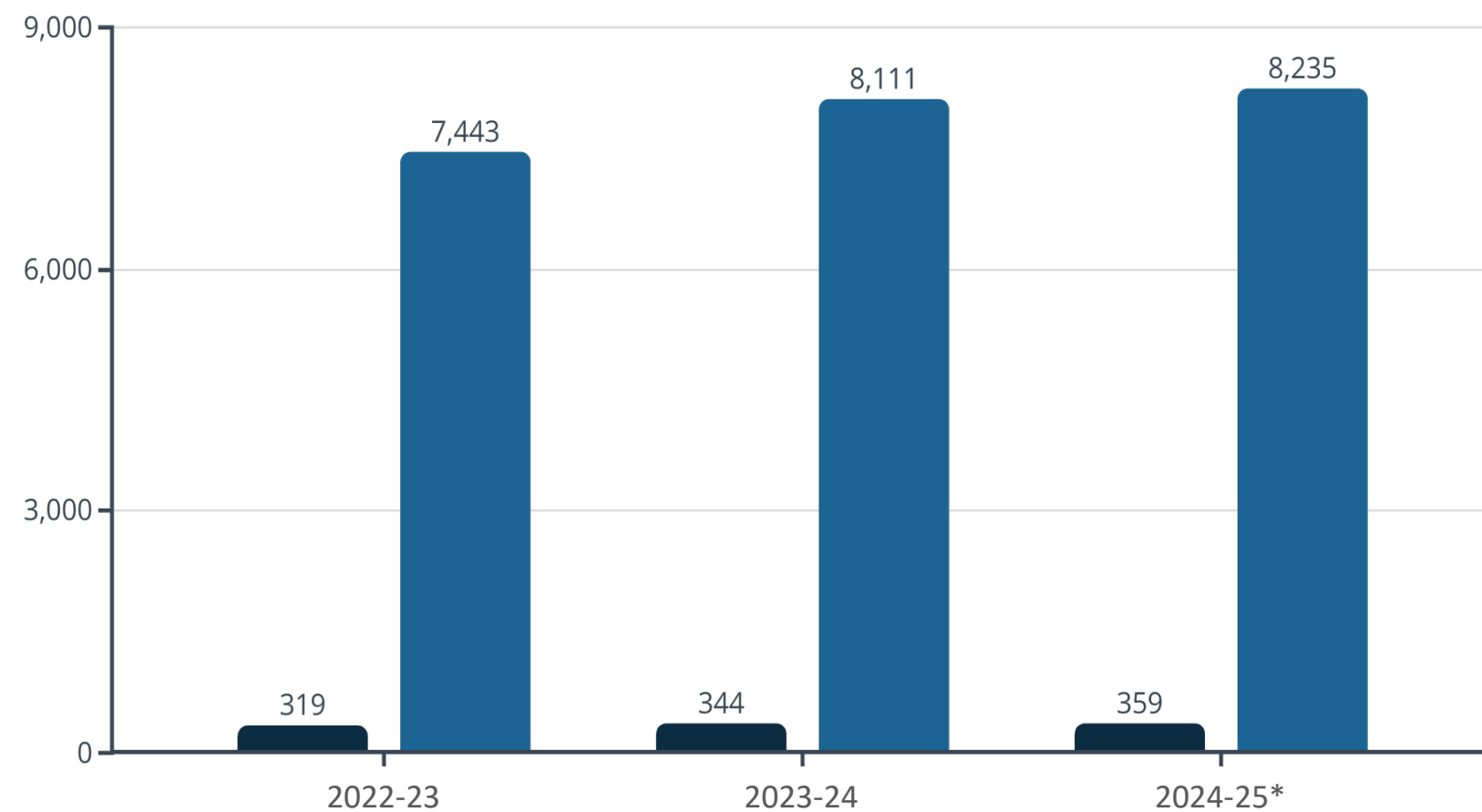
Bringing our data to life

2

Injury Insights

Exploring who gets hurt, how, and our response

Why We're Focusing on 2024-25



Bouncing Back

Our workforce is growing post-COVID, from 7,443 to 8,235 employees.



Claim Trends

As our workforce has expanded, we've seen a corresponding increase in claims.



***ANDY represents real people
in our 209 member agencies**

ANDY*: Our Most Common Injured Worker

Job & Demographics

- Waterworks Operator
- Age: 45-55
- Tenure: <5 years

Injury Profile

Type: Strain

Body Part: Multiple
Body Parts

Claim Details

Type: Indemnity

Cost: \$21,355.00



What ANDY's Injury Costs Us

Total Cost: \$21,355

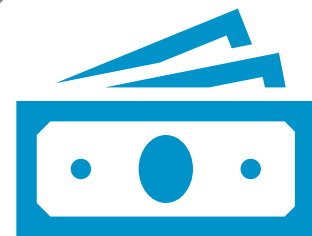
Mirrors pattern in complex claims across pool



Medical Expenses

\$13,739.70

64.34% of total cost.



Wage Replacement

\$3,681.28 (Temporary Disability)

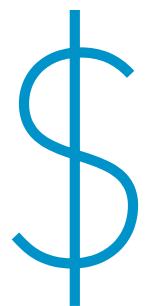
17.24% of total cost



Permanent Disability

\$1,434.02

6.72% of total cost



Expense

\$2,500.00

11.7% of total cost

How ANDY Compares to Our Program and the Industry

JPIA 3-Year Average = \$14,087

Shows our program effectiveness

ANDY's Claim = \$21,355

About our average, but below industry

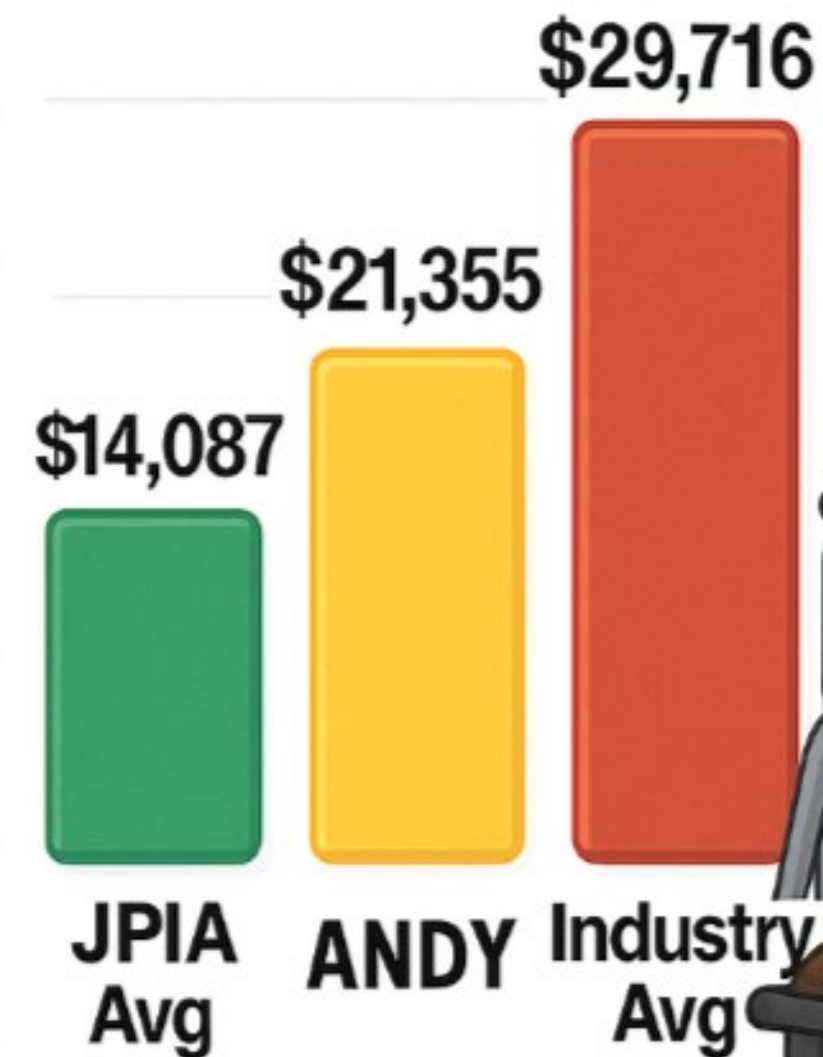
Industry Average = \$29,716

Higher costs, longer duration

Early reporting and return-to-work programs make a difference

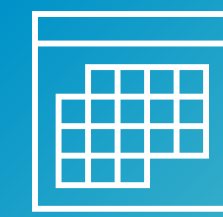
Member Agency safety culture drives results

Cost Benchmarks



How ANDY is Changing

- Shift to older, less tenured workers
- Need for onboarding and physical task awareness



Age Shift

From 35-45 to 45-55 yrs old



Tenure

Still <5 years but trending up



Job Class

Waterworks continues to dominate

What We're Seeing This Year (2024-25)

- **Claims up slightly, but so is workforce**
- **Indemnity claims growing faster than medical-only**

359
total

Claims YTD



Claim Types

- Indemnity: 207
- Medical : 152

\$4.19M

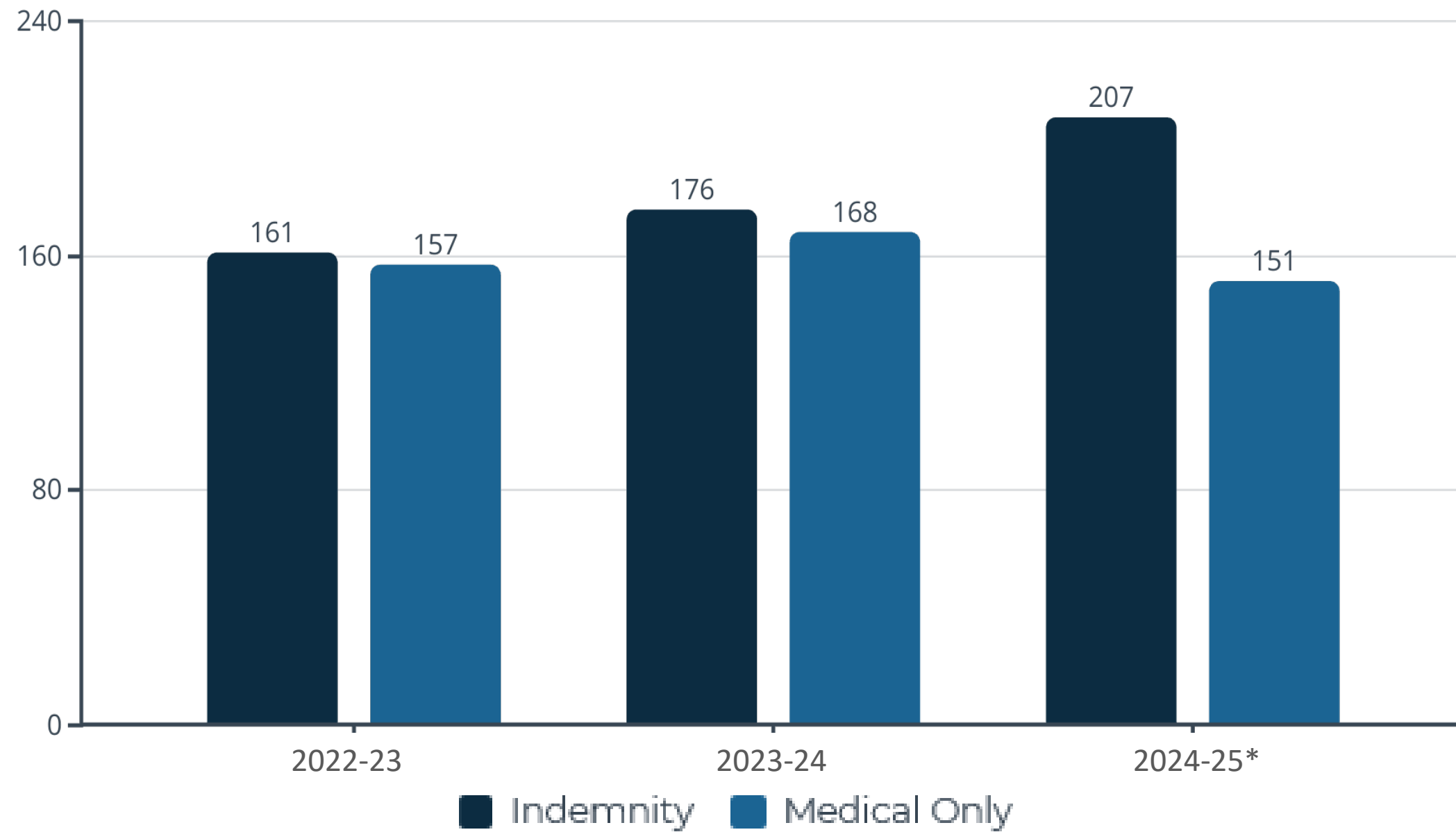
Total
Incurred

8,235

Employee Count
Up from 8,111 in 2023



Claim Volume by Program Year (2022-25)



Steady increase: 319 → 344 → 359 claims

Where the Cost Lives: Body Part & Injury Type



Strains

Top cost driver



Torso Injuries

High impact on costs

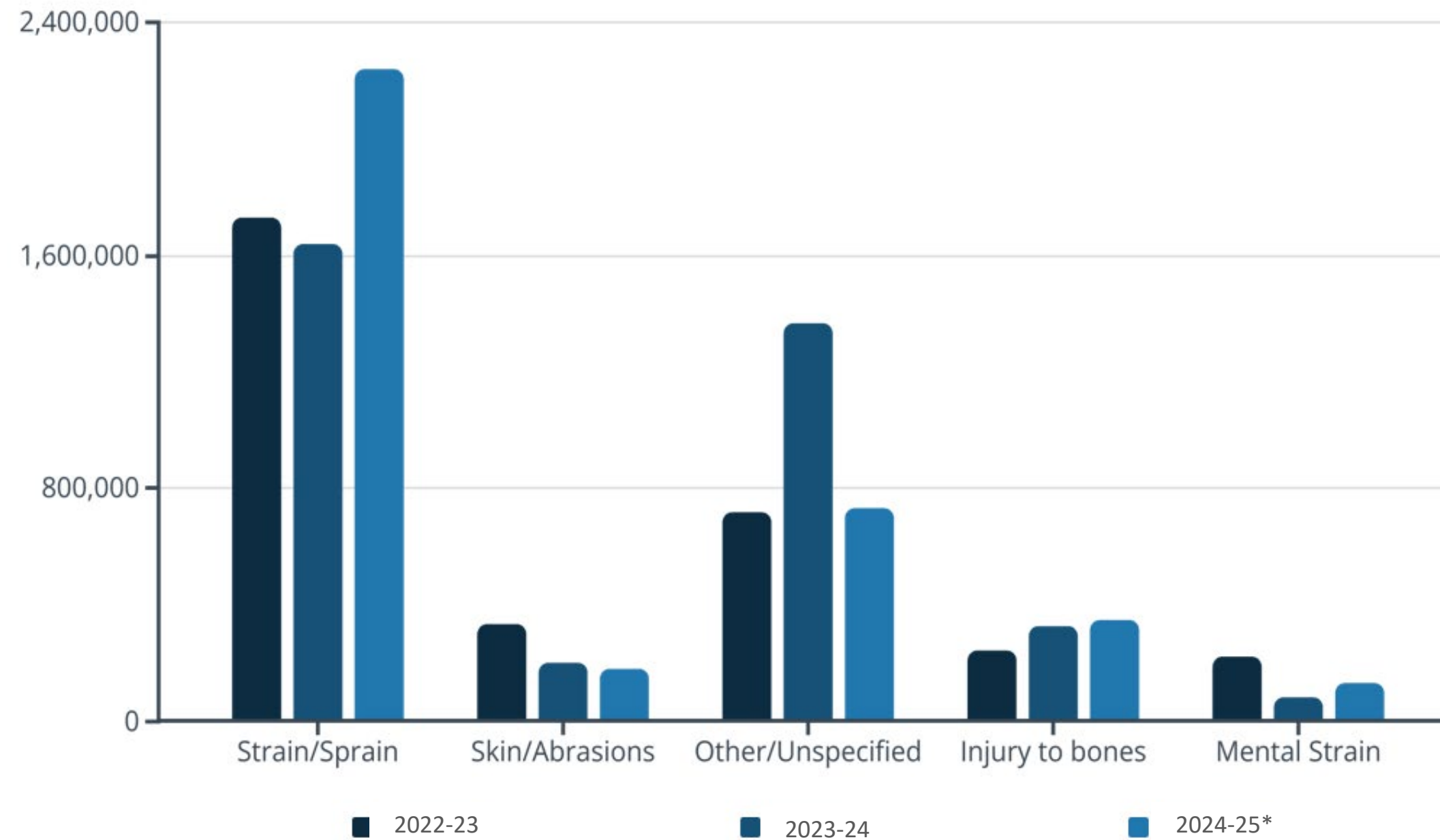


Multiple Body Parts

Longer recovery time

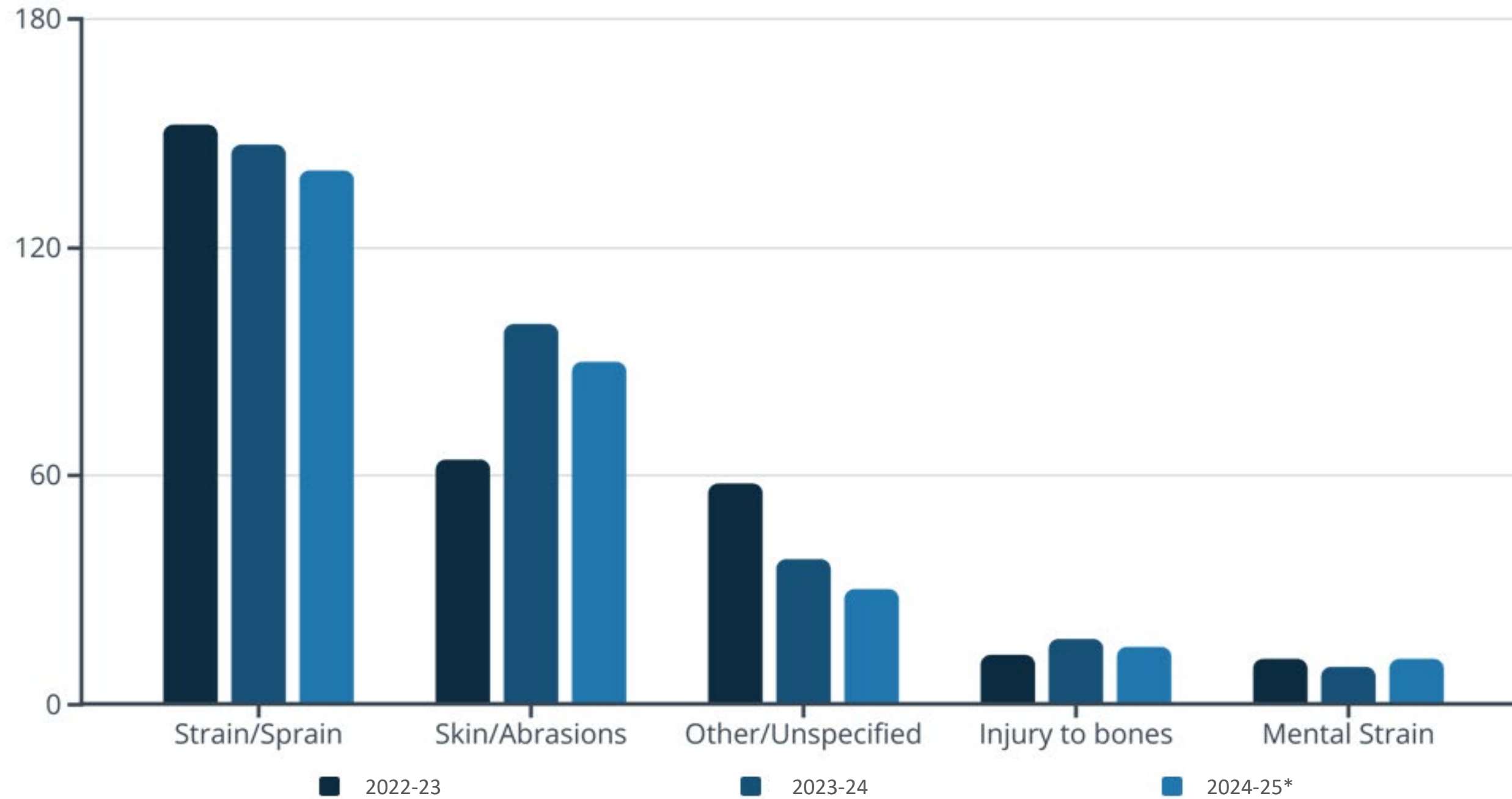
- These injuries linger and impact return-to-work
- Not always traumatic but consistently costly

Top 5 Nature of Injury by Total Incurred Cost (2022-25)



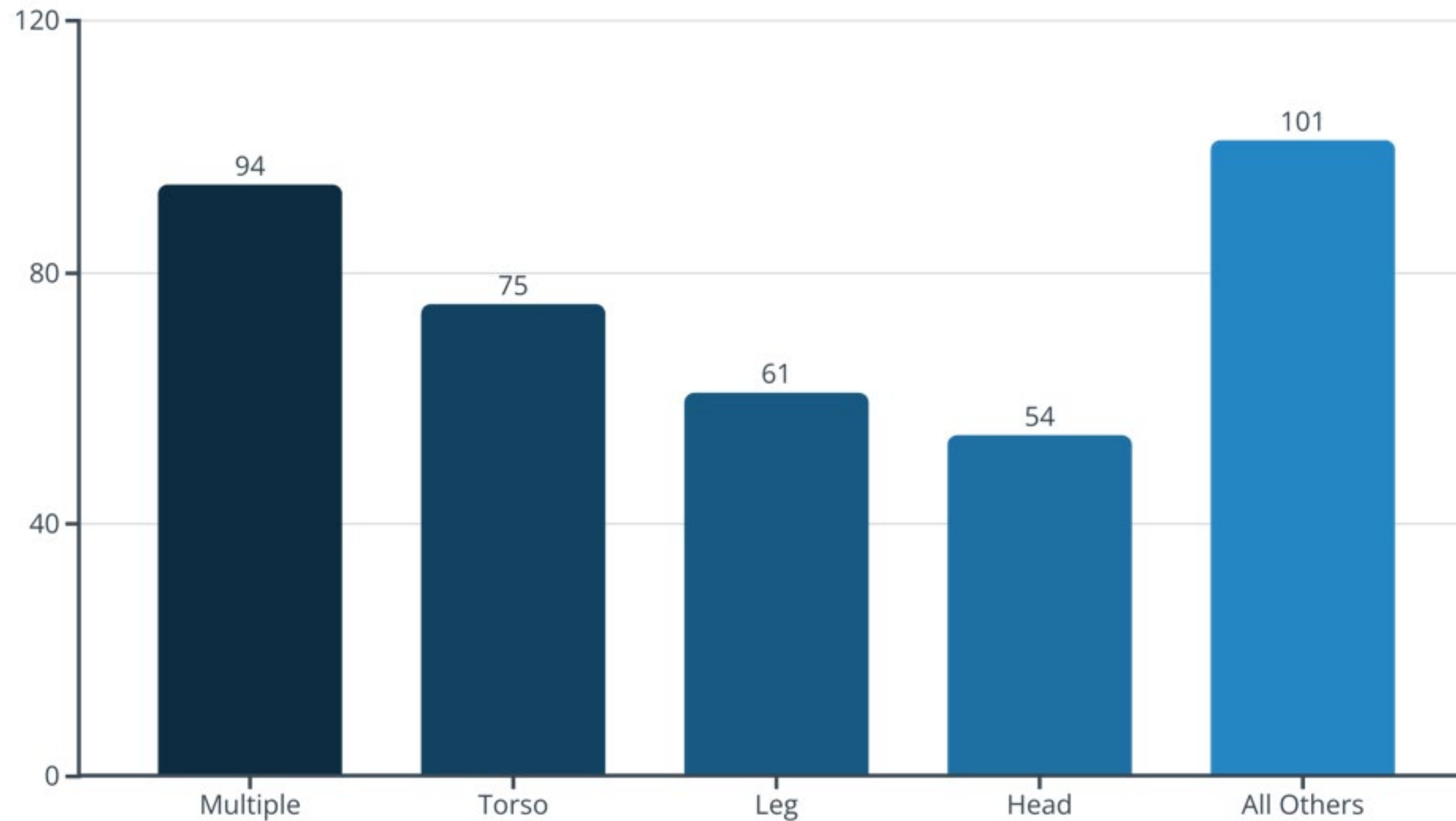
2024-25* data reflects claims reported through April 30, 2025.

Claim Trends by Nature of Injury (3-Year Trend)



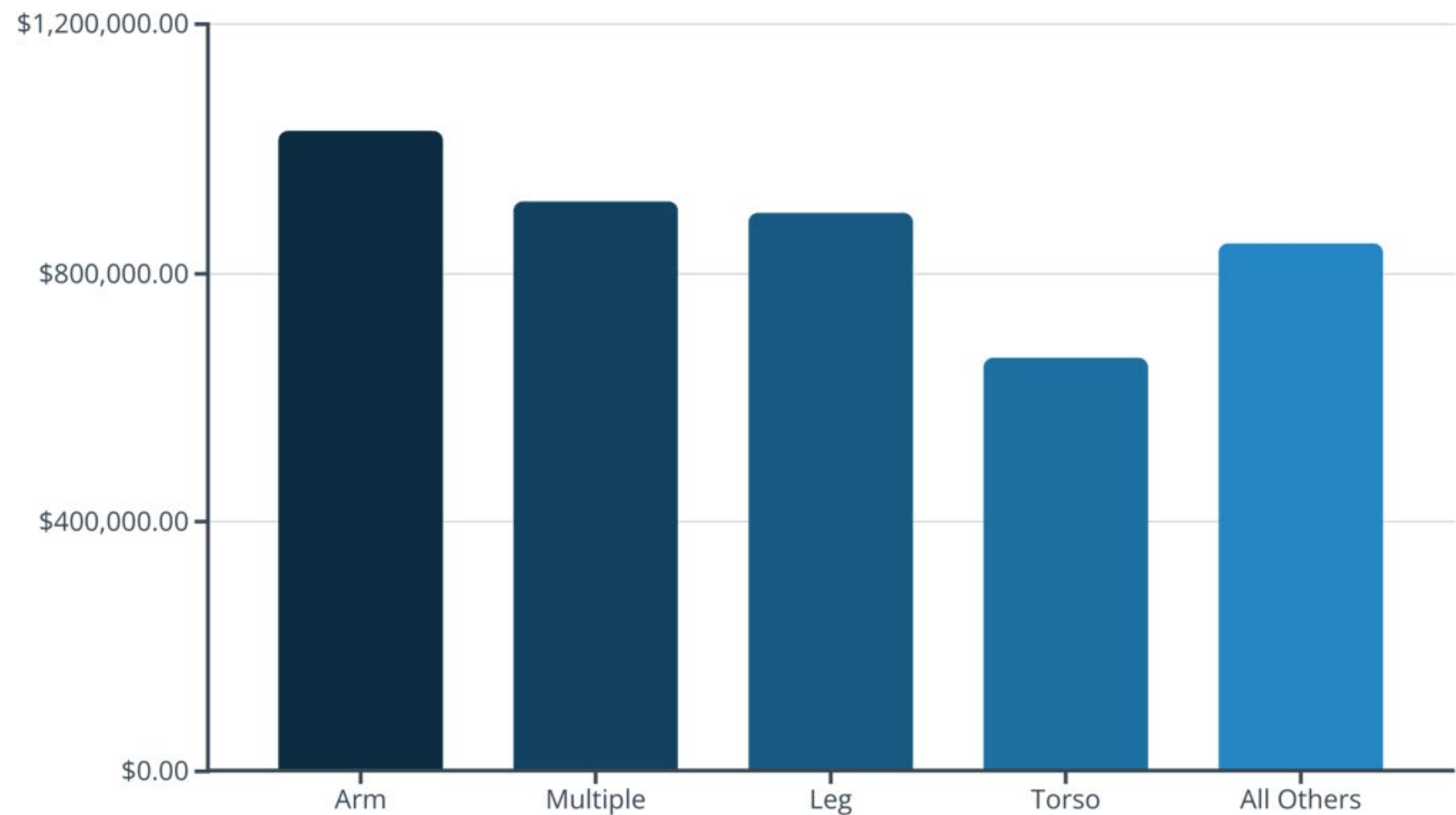
2024-25 data reflects claims reported through April 30, 2025.*

Top 4 Body Part Injuries by Frequency (2024-25)



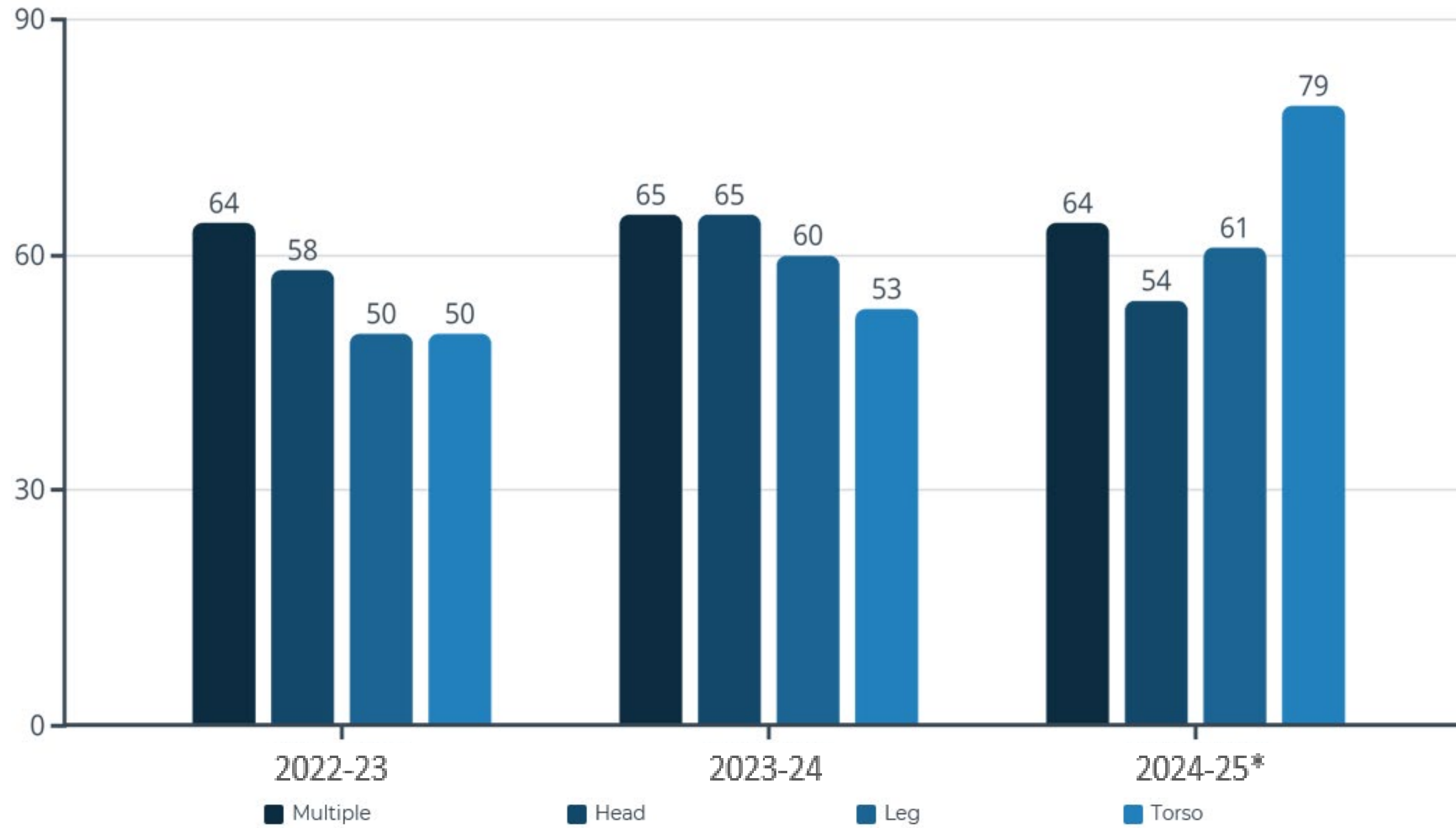
2024-25 data reflects claims reported through April 30, 2025.*

Claims and Cost by Body Part (2024-25)



2024-25* data reflects claims reported through April 30, 2025.

Top 4 Body Part Injuries by Frequency (3 – Year Trend)



2024-25 data reflects claims reported through April 30, 2025.*



Complex Claims

Both volume and severity are elevated

Consistent Leader

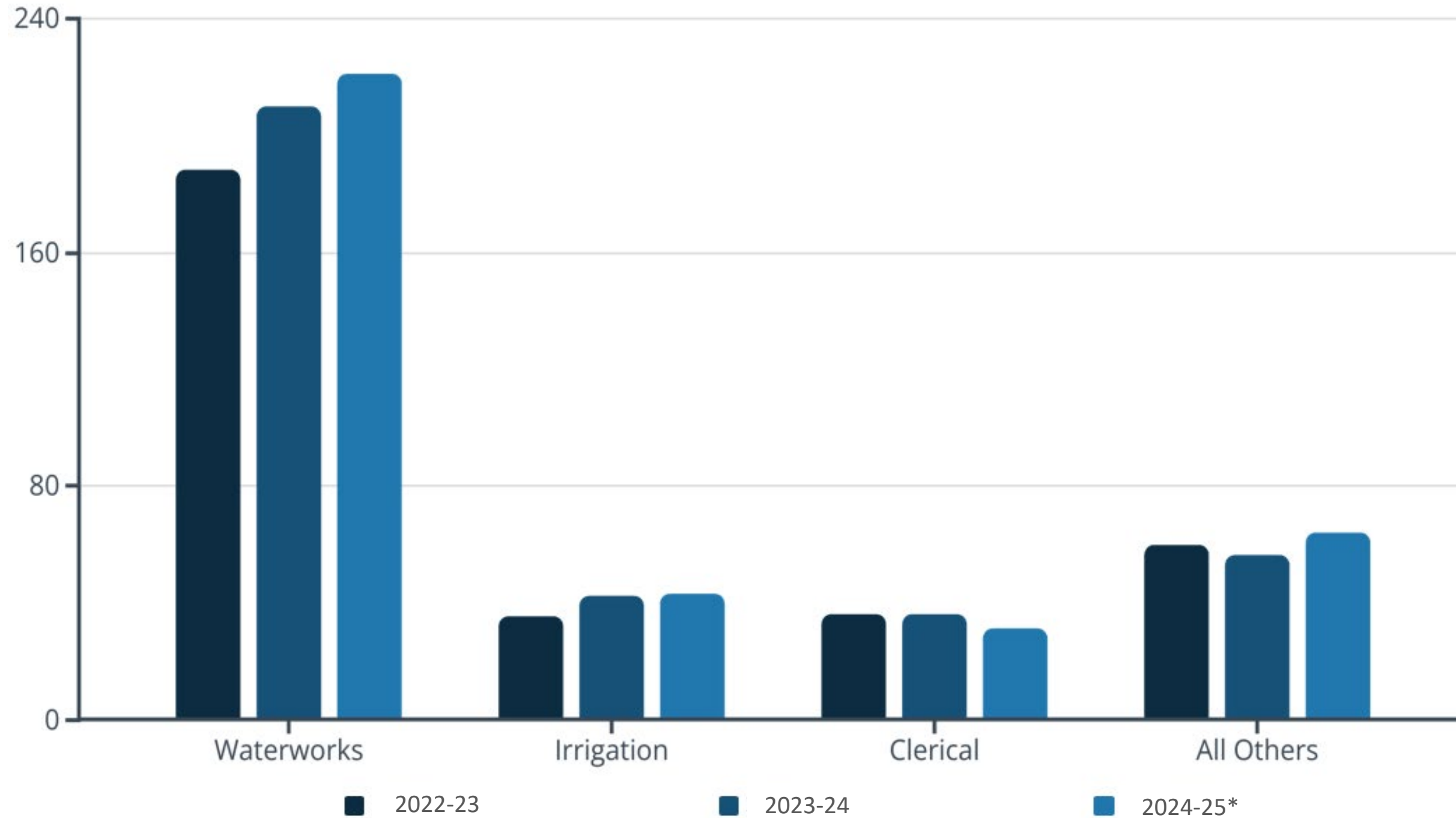
Waterworks has highest claim frequency year after year

Growing Trend

Gap widening between waterworks and other job classes

Physical demands of water operations create unique risks

Top 4 Occupations by Workers' Comp Claims (2022-25)



2024-25 data reflects claims reported through April 30, 2025.*

Strain Injuries Dominate Costs (2024-25)

Strains

- Most frequent & highest cost
 - 48% of claims (172 of 139)
 - 53% of total incurred (\$2.24M of \$4.19M)

Multiple Injuries (NOC)

- Moderate frequency, high cost per claim
 - 16% of claims (58 of 359)
 - 18% of total incurred (\$773K)

Skin Abrasions & Abnormalities

- Common but low-cost
 - 24% of claims (86 of 359)
 - Only 4% of total incurred (\$177K)



Ergonomic Support

Targeted assessments & equipment

Onboarding Safety Reviews

Focus on new employees

RTW Planning

Early intervention protocols

Shared Member Resources

Collaborative safety programs



Real People

ANDY represents employees across 209 agencies

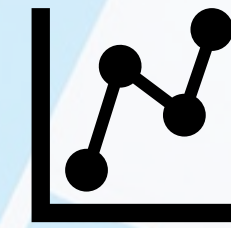


Program Health

Maintaining financial stability

Our Shared Success

Success driven by district efforts and JPIA support



Data Driven

Insights help prioritize safety efforts



Collaboration

District efforts supported by ACWA JPIA

Questions?



The background is a collage of various business-related graphics. It includes several bar charts with blue bars, a pie chart with orange and blue segments, and a line graph with a blue line and circular markers. There are also some documents or reports visible, one of which has the text 'Workers' Compensation' on it. The overall color scheme is dominated by blues, oranges, and greys.

Thank you for your time and attention

Workers' Compensation Department | Erin Bowles

ACWA JPIA
2025-26 Workers' Compensation Memorandum of Coverage (MOC)
June 26, 2025

BACKGROUND

The Workers' Compensation Program Committee meets annually to discuss the overall program and any required adjustments. Staff is bringing forward the Memorandum of Coverage (MOC) for the July 1, 2025 – June 30, 2026, program year.

CURRENT SITUATION

Staff recommends several changes to the MOC for the upcoming program year to more clearly define exclusions and member responsibilities, including provisions related to volunteer coverage, waiver of subrogation, and payments stemming from serious and willful misconduct or statutory penalties. Following is a summary of staff's proposed changes:

1. Section III.B: Clarifies that defense under Labor Code 132a and 4553/4553.1 requires use of approved panel counsel; expenses for unapproved counsel will not be reimbursed.
2. Section III.D: Revised this language to align with language in the Liability Memorandum of Coverage.
3. Section III.F: Adds exclusion for volunteer coverage unless liability is assumed by Board resolution in accordance with Labor Code 3363.5.
4. Section III.H: Expands language confirming the Authority's full subrogation rights; Members must cooperate and obtain prior written approval before waiving any recovery rights. This change ensures consistency across the Liability, Property, and Workers' Compensation Memoranda of Coverage with regard to the Authority's subrogation rights.

RECOMMENDATION

That the Workers' Compensation Program Committee recommend that the Executive Committee approve the Memorandum of Coverage, as presented, effective July 1, 2025.

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

**MEMORANDUM OF WORKERS' COMPENSATION &
EMPLOYER'S LIABILITY COVERAGE**

FORM NO. MOWC&EL-07012~~5~~4

This is a **Memorandum** of understanding between all of the **Member Agencies** of the Association of California Water Agencies Joint Powers Insurance Authority (**Authority**), a California public entities risk pool operating under Sections 990.4 and 990.8 of the California Government Code and other provisions of law. The purpose of this **Memorandum** is to set forth the terms on which the **Authority's Member Agencies** have agreed to pool certain Workers' Compensation risks among their membership and have agreed to purchase excess insurance (or reinsurance) above the limit of coverage provided by the **Member Agencies'** pooled funds. This **Memorandum** shall be applied according to the principles of contract law, giving full effect to the intent of the **Member Agencies** of the **Authority** in adopting this **Memorandum**. None of the parties to the **Memorandum** are entitled to rely on any contract interpretation principle which would require the interpretation of ambiguous language against the drafter of an agreement. The **Member Agencies** participating in the pool understand and acknowledge that their risk-pooling arrangement governed by this **Memorandum** is not insurance nor is it subject to regulation under the Insurance Code.

Throughout this **Memorandum**, words and phrases that are shown in **bold** type have special meaning and are defined in SECTION I - DEFINITIONS. Words that appear in CAPITAL LETTERS have reference to the like titled section in the **Memorandum**.

INTRODUCTION

In return for the payment of the premium and subject to all terms and conditions of this **Memorandum**, we (the **Authority**) agree with you (the **Member Agency** named in the **Declarations**) as follows:

SECTION I - DEFINITIONS

Authority means the Association of California Water Agencies Joint Powers Insurance Authority.

Bodily injury shall have the meaning as provided by the applicable **Workers' Compensation Law**, and include death resulting therefrom, but shall not include **occupational disease**.

Communicable disease means a disease caused by an infectious organism, which is transmissible from one source to another, directly or indirectly.

Coverage Period means the period of time in which an accident or exposure to disease must occur in order for this **Memorandum** to provide coverage.

Declarations means the statements made on page one of this **Memorandum** and presumed to be true and accurate.

Deposit Premium means the initial premium which a **Member Agency** must pay for coverage. This premium may be later adjusted as a result of any audit by the **Authority** or its agent.

Employee means any person performing work which renders the **Member Agency** legally liable under the Workers' Compensation Act of the State of California, or under the common law of the State of California.

Member Agency means the local public agency, designated in the **Declarations**, which is a party signatory to the **Authority**, a participant in its Workers' Compensation Program.

Memorandum means this document, the **Memorandum Of Workers' Compensation & Employer's Liability Coverage**.

Occupational disease shall have the same meaning as provided by the applicable **Workers' Compensation Law** and include (1) death resulting therefrom and (2) related cumulative trauma injuries or illnesses.

Occurrence means an injury or disease of an **employee** arising out of and in the course of employment, **Bodily Injury**, illness, or disease sustained by one or more **employees** as a result of a single accident, incident or exposure, shall be deemed to arise from a single **occurrence**. The **occurrence** shall be deemed to take place for the earlier of (a) the last day of the last exposure, in the employment of the **Member Agency**, to conditions causing or aggravating the disease, or (b) the date upon which the **employee** first suffered disability and either knew, or in the exercise of reasonable diligence should have known, that such disability was caused by employment with the **Member Agency**. All **occupational disease** sustained by one or more **employees** as result of an outbreak of the same **communicable disease** shall be deemed to arise from a single **occurrence**. An outbreak of the same **communicable disease** that spans more than one **coverage period** shall be deemed to take place during the first such **coverage period**.

Volunteers means any person while acting within the course and scope of his or her duties of the **Member Agency**, provided that, prior to the **occurrence**, the governing Board of the **Member Agency** has adopted a resolution as provided in ~~Division 4, Part 1, Chapter 2, Article 2, of the California~~ Labor Code 3363.5, declaring such volunteer workers to be **employees** of the **Member Agency** for purposes of the Workers' Compensation Act; or provided that such volunteer workers are statutorily deemed by the Workers' Compensation Act to be **employees** for the purposes of workers' compensation. **Volunteers** shall include, but are not limited to, inmates and work release and community service program workers.

Workers' Compensation Law means the **Workers' Compensation Laws** of the State of California and includes injury by both accidents and diseases. It includes any amendments to those laws which are in effect during the **coverage period**. It does not include the provisions of any law that provides non-occupational disability benefits.

SECTION II - GENERAL

A. The Memorandum

This **Memorandum** includes the **Declarations** and all addenda and schedules attached to it. It is a contract of coverage between you and us. The only agreements relating to this coverage are stated in this **Memorandum**.

Neither the terms nor conditions of this **Memorandum** may be changed, except by addendum issued by us to become part of this **Memorandum**. You are responsible for telling us at once when the information contained in the **Memorandum** is no longer accurate for your operations.

B. Who Is Covered

You are covered for your liability to your **employees** if you are the **Member Agency** named in the **Declarations**, subject to the provisions of this **Memorandum**.

This **Memorandum** does not cover the liability of any employer other than the **Member Agency** named in the **Declarations**.

C. Locations

This **Memorandum** covers all of your workplaces in the United States of America, its territories or possessions, or while **employees** are working temporarily outside the country.

D. Qualified Self Insurer

The **Member Agency** represents that it is a duly qualified self-insured under the **Workers' Compensation Law** of the State of California, with a current and valid certificate of self-insurance, and will continue to maintain such qualifications during the term this **Memorandum** is in effect. If the **Member Agency** should fail to qualify or fail to maintain such qualifications, the coverage provided under this **Memorandum** may be terminated the first date of such failure.

SECTION III - COVERAGE PROVISIONS

PART ONE – WORKERS' COMPENSATION COVERAGE

This workers' compensation coverage applies to **bodily injury** by accident or **bodily injury** by disease, includes resulting death, subject to the following conditions:

1. **Bodily injury** by accident must occur during the **coverage period**. A disease is not **bodily injury** by accident unless it results directly from **bodily injury** by accident.
2. **Bodily injury** by disease must be caused or aggravated by the conditions of your employment. Your **employee's** last day of last exposure to those conditions causing or aggravating such **bodily injury** by disease must occur during the **coverage period**. **Bodily injury** by disease does not include disease that results directly from **bodily injury** by accident.

PART TWO - EMPLOYER'S LIABILITY COVERAGE

This employer's liability coverage applies to **bodily injury** by accident or **bodily injury** by disease.

1. The **bodily injury** must arise out of and in the course of the covered **employee's** employment by you.

2. The employment must be necessary or incidental to your work in California.
3. **Bodily injury** by accident must occur during the **coverage period**.
4. **Bodily injury** by disease must be caused or aggravated by the conditions of your employment. The **employee's** last day of last exposure to the conditions causing or aggravating such **bodily injury** by disease must occur during the **coverage period**.
5. If you are sued, the original suit and any related legal actions for damages for **bodily injury** by accident or by disease must be brought in the United States of America, its territories or possessions.

A. We Will Pay

We will pay promptly when due, the benefits required by the **Workers' Compensation Law**, to those eligible under PART ONE - Workers' Compensation Coverage.

We will also pay all sums you legally must pay as damages because of **bodily injury** to your **employees** eligible for benefits under this coverage, provided that the **bodily injury** is covered by the PART TWO - Employers Liability Coverage.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your **employee**;
2. For care and loss of services;
3. For consequential **bodily injury** to a spouse, child, parent, brother or sister of the injured **employee**;

Provided that these damages are the direct consequence of **bodily injury** that arises out of and in the course of the injured **employee's** employment by you; and

4. Because of **bodily injury** to your **employee** that arises out of and in the course of employment claimed against you in a capacity other than as employer.

B. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this coverage. We also have the right to investigate and settle any such claim, proceeding or suit.

We have no duty to defend a claim, proceeding or suit that is not covered by this **Memorandum** except we hereby assume the duty of defending against claims, proceedings or suits brought under Labor Code Section 132(a) and Serious or Willful Misconduct, Labor Code Sections 4553 and 4553.1.

Our duty to defend under Labor Code Sections 132a and 4553/4553.1 is conditioned upon your use of legal counsel approved by the Authority. If you select legal counsel outside of our approved panel without prior written approval, we shall have no obligation to defend or reimburse legal expenses for such representation. The procedures and requirements for selecting approved legal counsel under this Section are further described in the Authority's Defense Panel Policy, which is incorporated by reference into this Memorandum.

However, even if the defense is unsuccessful, we shall not be obligated to pay any related judgment or award entered on such claims, proceedings or suits nor shall we be obligated to pay any settlement that is either proposed or accepted. We have no duty to defend or continue defending after we have paid our limit of liability under this **Memorandum**.

C. We Will Also Pay

We will pay the following costs, in addition to other amounts payable under this coverage, as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in amounts up to twice the amount payable under this coverage;
3. Litigation costs taxed against you;
4. Interest on an award or judgment as required by law; and
5. Expenses we incur.

D. Other Coverage Or Insurance

The coverage afforded in this Memorandum shall be excess of, and shall not contribute with, any valid and collectible insurance or self-insurance or other coverage, other than any excess, or umbrella insurance, or reinsurance procured by the Authority or the Member Agency.
~~If there is any other indemnity, insurance or reinsurance protecting against benefits, damages or expenses covered by this Memorandum, the coverage afforded by this Memorandum shall apply in excess of such other indemnity, insurance or reinsurance unless such other indemnity, insurance or reinsurance specifically applies to this coverage.~~

E. Limit Of Liability

Our liability to pay for claims is limited.

With regards to PART ONE - Workers' Compensation Coverage: Our limit is shown in the **Declarations**. It is the most we will pay for claims covered by this **Memorandum** because of any one accident or **occurrence**, or series of accidents or **occurrences** arising out of any one event to one or more **employees**.

With regards to PART TWO - Employers Liability Coverage: Our limit is shown in the **Declarations**. It is the most we will pay for all damages covered by this **Memorandum** because of **bodily injury** to one or more **employees** in any one accident or **occurrence**, or series of accidents or **occurrences** arising out of any one event or for disease to any one **employee**.

We will not pay any claims for damages after we have paid the limit of our liability under this **Memorandum** as explained above.

F. Exclusions

This Memorandum shall not apply to:

1. Liability to any volunteer of the Member, unless the Member has assumed liability pursuant to California Labor Code sections 3363.5, et seq., by resolution before the date of the injury.

G. Exclusions—Payments You Must Make

1. PART ONE - Workers' Compensation Coverage

You are responsible for any payments in excess of the benefits regularly provided by the **Workers' Compensation Law**, including but not limited to those required because:

- a. Of your serious and willful misconduct;
- b. Of knowingly employing an **employee** in violation of law;
- c. Of knowingly failing to comply with a health or safety law or regulation;
- d. Of discharging, coercing, criticism, evaluation, reassignment, discipline, harassment, discriminating against or termination of any **employee** or any personnel policies, practices, omissions or acts in violation of the law; or
- e. Of fines, penalties, punitive damage or exemplary damages of any kind or imposed for violation of law whether state or federal.

2. PART TWO - Employers Liability Coverage

This Coverage Does Not Apply to:

- a. Liability assumed under a contract;
- b. Punitive or exemplary damages where coverage for such liability is prohibited by law or contrary to public policy;
- c. **Bodily injury** to an **employee** while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
- d. Any obligation imposed by a Workers' Compensation, **Occupational Disease**, Unemployment Compensation or Disability Benefits law, or any similar law;
- e. **Bodily injury** intentionally caused or aggravated by you;
- f. **Bodily injury** occurring outside of the United States of America, or its territories. This exclusion does not apply to **bodily injury** to a citizen or resident of the United States of America who is temporarily outside these countries;

- g. Damages arising out of the discharge of, coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any **employee**, or any personnel practices, policies, acts or omissions; or
- h. Fines or Penalties imposed for violation of law whether state or federal.

3. Waiver of Subrogation

This **Memorandum** shall not apply to claims involving a waiver of subrogation approved by a **Member Agency** after the date of injury or illness that resulted in the claim. This exclusion does not apply to a waiver of subrogation in an agreement or contract that was approved by the **Member Agency** prior to the date of injury or illness that resulted in a claim. This exclusion applies to PART ONE and PART TWO as described in SECTION III - COVERAGE PROVISIONS.

GH. Subrogation - Recovery From Others

The Authority shall have and retain all rights of subrogation and recovery arising under the California Labor Code, including but not limited to Labor Code Sections 3850 through 3865. This includes the right to enforce the rights of the Member Agency and of any employee, dependent, or other beneficiary to recover payments made under this Memorandum from any third party legally responsible for the injury.

The Member Agency agrees to cooperate fully with the Authority in protecting and pursuing these rights, including executing necessary documents, preserving evidence, and refraining from any action that would impair the Authority's recovery.

No Member Agency shall waive, release, or compromise any subrogation or recovery rights without the prior written approval of the Authority. This includes entering into agreements that limit or release the liability of contractors, vendors, or others who may be responsible for an employee's injury.

Any recovery obtained shall be applied first to reimburse the Authority for payments made under this Memorandum and for costs incurred in pursuing the recovery. Any remaining balance shall be distributed in accordance with applicable law.

~~We may enforce your rights, and the rights of persons entitled to the benefits of this coverage, to recover our payments from anyone liable for injury. You will do everything necessary to protect these rights for us and to help us enforce them.~~

HI. Statutory Provisions

These statements apply where they are required by law:

1. Your default or bankruptcy or insolvency will not relieve us of our duties under this coverage after an injury occurs.
2. Terms of this coverage that conflict with the **Workers' Compensation Law** are changed by this statement to conform to that Law.

IJ. Action Against Us

There will be no right of action against us under this coverage unless:

1. You have complied with all the terms of this **Memorandum**; and
2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This coverage does not give anyone the right to add us as a defendant in an action against you to determine your liability.

SECTION IV – YOUR DUTIES IF INJURY OCCURS

A. Reporting Duties

The **Member Agency** agrees to give us written notice, immediately if an injury to your **employee** occurs involving:

1. Quadriplegia;
2. Paraplegia;
3. A fatality;
4. A major extremity or multiple minor extremity amputation;
5. Partial or total blindness;

6. Any serious head injury including but not limited to brain stem injury, or unconsciousness exceeding 24 hours;
7. Asbestos, mesothelioma, silicosis or any other disease or condition;
8. Second or third degree burns over 25 percent or more of the body;
9. Any accident which causes serious injury to two or more **employees**.

The **Member Agency** agrees to report every occupational injury or illness which results in medical treatment, beyond the definition of First Aid, or any claim by an **employee** for workers' compensation benefits, to the **Authority**, but in no instance to cause the delay of such report of injury, illness or claim more than five (5) days after date of knowledge or as otherwise required by Labor Code Section 6409.1. The **Member Agency** agrees to give every **employee** a claim form pursuant to Labor Code Section 5401 within one (1) working day of receiving notice or knowledge of a claim or potential claim. Your other duties are listed below:

1. Provide for immediate medical and other services required by the **Workers' Compensation Law**.
2. Give us or our representative the names and addresses of the injured persons and witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us, assist us, and give us any information we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after any injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

SECTION V – PREMIUM

A. Premium Payments

You will pay all premiums when due.

|

|

B. Records

You will keep records of information needed to compute your **deposit premium**. You will provide us with copies of those records when we ask for them.

C. Audit

You will let us examine and audit all your records that relate to the coverage provided by this **Memorandum**. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records and programs for storing and retrieving data. We may conduct the audits during regular business hours during the **coverage period** and within three years after the **coverage period** ends. Information developed by the audit will be used to determine the final **deposit premium**.

SECTION VI – CONDITIONS

A. Inspection

We have the right, but are not obligated, to inspect your workplaces at any reasonable time. Our inspections help us determine whether to accept the risk of covering your **employees** in their workplaces. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your **employees** or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards.

B. Transfer Of Your Rights And Duties

Your rights or duties under this coverage may not be transferred without our written consent.

C. Our Notice To You

Mailing documents that relate to this coverage to you at the mailing address shown in the **Declarations** or by electronic address on file will be sufficient to prove notice to you of the document.

D. Privacy and Confidentiality of Claim Records

All claim records, including claim files, examiners notes, medical reports, subpoenaed records, correspondence, tapes and films, and whether electronic or hard files, are the property of the **Authority**. Because these records may contain confidential or private medical and/or psychological information related to workers' compensation claims administered by or on behalf of the **Authority**, access to claim files and the information contained therein is restricted to the **Authority** and its agents and assignees, with the exception that the **Member Agency** is entitled to medical information limited to the diagnosis of the mental or physical condition for which workers' compensation is being claimed and the treatment provided for this condition, or what is necessary for the **Member Agency** to have in order to provide temporary or permanent modification or accommodation of the **employee's** work duties.

SECTION VII – DISPUTE RESOLUTION

A. Review by Executive Committee and Arbitration

This shall be the sole and exclusive method of review of the Memorandum of Coverage and any decisions based thereon.

Any claim, dispute or controversy arising out of or relating to this Coverage Agreement shall first be submitted to ACWA JPIA to be reviewed by the Executive Committee of ACWA JPIA. The Executive Committee shall consider all written submissions by either party, and, if requested by either party, provide both parties equal opportunity for oral argument. Unless otherwise agreed by the parties and ACWA JPIA, the Executive Committee shall determine if ACWA JPIA's position should be upheld or if the **Member Agency** should be granted coverage according to its position, and the Executive Committee shall issue its decision in writing within thirty (30) days of submission of such claim, dispute or controversy to the Executive Committee. Such written opinion shall briefly state the reasons for its decision and the basis for such decision, including but not limited to the documents, witness statements, and oral presentations made to the Executive Committee.

If a **Member Agency** disagrees with the written decision of the Executive Committee, then the **Member Agency** may submit, in writing, such claim, dispute or controversy to arbitration to be held in Placer County, California or such other location as the parties may agree upon, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The review by the arbitrators shall be limited to a determination of the sufficiency of the basis of the decision of the Executive Committee and may not include any documents, testimony,

legal theories, oral evidence, or other materials that was not previously presented to the Executive Committee when rendering its written opinion.

There shall be three arbitrators, the **Member Agency** and ACWA JPIA each selecting one arbitrator; the third arbitrator shall be selected by the two previously appointed arbitrators. The party demanding arbitration shall name its arbitrator in the demand for arbitration. The responding party shall name its arbitrator within fifteen (15) days after receipt of demand for arbitration. The third arbitrator shall be named within fifteen (15) days after the appointment of the second arbitrator. A Commissioner or Judge in the Placer County Superior Court shall be empowered to appoint any arbitrator not named in accordance with the procedure herein. The decision of the arbitrators shall be final and binding upon the parties.

Any award rendered by the arbitrators shall be final and judgment thereon may be entered by any court having jurisdiction thereof. The panel of arbitrators shall have the discretion to apportion the costs and expenses of the arbitration (including reasonable attorneys' fees and reasonable arbitrator's costs) in accordance with the merits of the arbitration. The panel must render its decision by a majority of the panel within ninety (90) days of the appointment of the third arbitrator, following reasonable opportunities for presentation of evidence, law and argument.

The parties to this agreement hereby waive any right to a jury trial.

These arbitration provisions are intended to bind only the **Authority** and its **Member Agencies**. They are not intended to be binding upon any of the **Authority's** re-insurers or excess carriers.

ACWA JPIA
2025-26 Workers' Compensation Program
Reinsurance Renewal
June 26, 2025

BACKGROUND

The Workers' Compensation Program renews on July 1, 2025. This renewal encompasses both the pooled and reinsurance layers of coverage. Reinsurance coverage is currently provided by Safety National, attaching at ACWA JPIA's \$2 million retention and extending to statutory limits.

Safety National has served as the JPIA's reinsurance provider since the 2017-18 program year and has consistently demonstrated a strong commitment to the partnership. The following summarizes the historical rate activity, based on cost per \$100 of payroll, since program inception:

- For four consecutive program years (2017-18 through 2020-21), rates either remained flat or decreased.
- In 2021-22, following the onset of the COVID-19 pandemic, Safety National discontinued its multi-year rate guarantees and offered a one-year renewal with a 7% rate increase. This adjustment reflected broader market conditions rather than any adverse change in JPIA's loss performance.
- As the JPIA's claims experience continued to remain favorable and COVID-related impacts did not materialize as projected, Safety National offered a flat renewal for the 2022-23 program year. That renewal also included a preliminary rate range of 0-2.5% for the following 2023-24 program year.
- For the 2023-24 program year, Safety National extended a 5% rate decrease, reducing the rate to \$0.0821 per \$100 of payroll.
- Based on continued strong loss experience, Safety National provided JPIA with a multi-year proposal for the 2024-25 program year renewal that included a rate falling between a 3% reduction and a flat renewal, subject to the conditions outlined in the Program Commitment Agreement.

The partnership with Safety National continues to provide cost stability and strategic value to JPIA's Workers' Compensation Program. Staff and the Aon broker team continue to work collaboratively to foster this relationship, ensuring alignment on program goals and strengthening long-term support for the membership.

CURRENT SITUATION

In accordance with the 2024-25 program year agreement, Safety National is extending a 3% rate decrease for the upcoming 2025-26 program year. The renewal offer includes a rate of \$0.0772 per \$100 of payroll, reflecting this agreed-upon reduction from the expiring rate. This offer is subject to the terms and conditions outlined in the Program Commitment Agreement.

In addition to honoring the 3% rate decrease for the 2024-25 program year, as outlined in the current agreement, Safety National has also offered a rate pass for the 2026-27 program year, subject to the terms of the agreement. Given ACWA JPIA's long-standing and successful partnership with Safety National across both the Workers' Compensation and General Liability programs, staff believes that executing this agreement is a prudent and strategic decision. It also demonstrates our continued commitment to a stable, long-term, and collaborative relationship.

RECOMMENDATION

That the Workers' Compensation Program Committee recommend that the Executive Committee approve Safety National's reinsurance renewal terms, as presented, with an effective date of July 1, 2025.



Association of California Water Agencies

Renewal Proposal

6/13/2025



Contents

- Insured’s Acknowledgement and Instruction to Bind..... 03
- Excess Workers’ Compensation..... 04
- Renewal Premium Comparison..... 06
- Comparing Year-over-Year (TCOR)..... 08
- Appendix..... 12
 - Compensation for the Value We Deliver..... 13
 - Quote..... 14

This insurance document is furnished to you as a matter of information for your convenience. It only summarizes the listed proposed policy(ies) and is not intended to reflect all the terms and conditions or exclusions of such proposed policy(ies). Moreover, the information contained in this document reflects proposed coverage as of the effective date(s) of the proposed policy(ies) and does not include subsequent changes. This document is not an insurance policy and does not amend, alter or extend the coverage afforded by the listed proposed policy(ies). The insurance afforded by the listed proposed policy(ies) is subject to all the terms, exclusions and conditions of such policy(ies).

The services and placements outlined in this proposal will be provided in accordance with the terms of the notices and policies set forth in our Compensation Agreement or Engagement Letter.

Insured's Acknowledgement and Instruction to Bind

We hereby acknowledge receipt and review of the information presented in the Renewal Proposal ("Proposal") dated 06/13/2025 for Excess Workers Compensation and provided in the Compensation for the Value We Deliver disclosure. We hereby instruct Aon Risk Services Southwest, Inc. ("Aon"; "Commercial Risk Solutions") to bind the insurance program(s) selected by Us and understand that Our instruction to bind constitutes an acceptance of the terms and conditions and payments described in this Renewal Proposal.

Date:_____

On behalf of Association of California Water Agencies:

Signature

Carrier	Limit/SIR	Premium	Bind
Safety National	Statutory / 2mm SIR	\$703,946 Annual Premium \$0.0772 Rate per \$100 of Payroll	

1

Excess Workers' Compensation

Anna Nurse

AON



Renewal Highlights

2025

We worked with Safety National due to the Program Commitment in place for 2025.

Results

As part of Safety's renewal offering for 2024, they put a Program Agreement in place for 2025. The program agreement provided a 3% rate reduction, subject to the caveats listed.

Safety has honored the 2025 program commitment and reduced the rate by 3%, with all other terms as expiring. Total annual premium \$703,946, \$0.0772 rate per \$100 of payroll.

They will also be offering a Program Agreement that will keep the rate flat for 2026.

We also informally approached our other markets and were advised by the following markets that they would like the opportunity to quote this account in the future:

Midwest Employers, Liberty Mutual, Chubb

Carrier Services

Safety National has multiple services available to you at no charge, please visit the link below for additional information and to register.

- [Claims Expertise, MAP Client Services, Risk Control Services \(safetynational.com\)](https://safetynational.com)

Subjectivities

Final payroll by member by class prior to policy issuance.

Your insurance premium can be paid as invoiced, premium is due upon receipt.

Quote Comparison

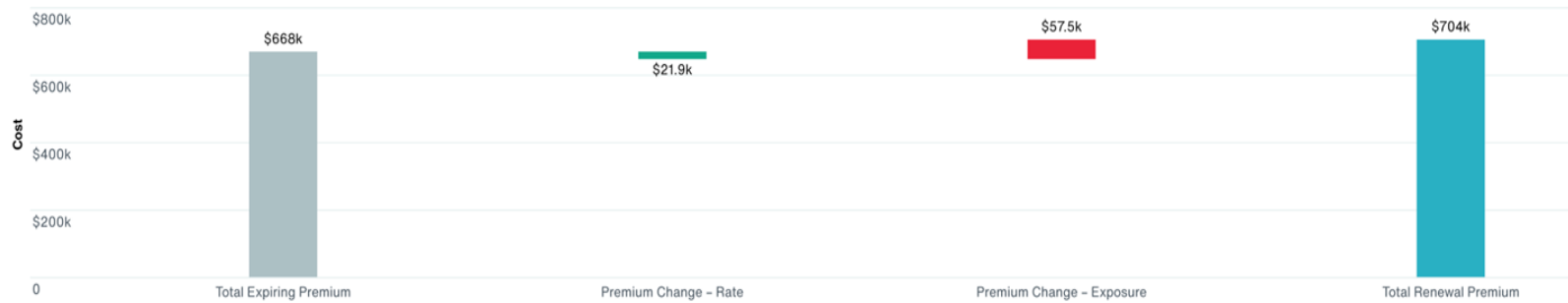
Excess Workers' Compensation

Effective Date: 7/1/2025	(Expiring)	(Scaled)	(Lead)	yr-yr
Excess Workers Compensation				
Carrier	Safety National	Safety National	Safety National	
Effective Date	7/1/2024	7/1/2024	7/1/2025	
Status	Expiring	Expiring (Scaled)	Quoted	
Program Structure				
Program Type	Incurred	Incurred	Incurred	
SIR	2,000,000	2,000,000	2,000,000	
Minimum Premium (%)	90	90	90	
Limits				
Workers Compensation	Statutory	Statutory	Statutory	
Employers Liability	2,000,000	2,000,000	1,000,000	
Exposures and Losses				
Payroll	839,638,098	911,847,705	911,847,705	8.6%
Premium/Cost Components				
Premium	668,352	725,831	703,946	
per 100 Payroll	0.0796	0.0796	0.0772	-3.0%
Total Premium	668,352	725,831	703,946	5.3%
per 100 Payroll	0.0796	0.0796	0.0772	-3.0%
Total Estimated Cost	668,352	725,831	703,946	5.3%
per 100 Payroll	0.0796	0.0796	0.0772	-3.0%
Total Claims Handling	0	0	0	0.0%

Premium Change Chart

Excess Workers' Compensation

Expiring Premium	Renewal Premium	Renewal Premium Change
\$668K	\$704K	↑ \$35.6K



2

Total Cost of Risk YoY

AON



Retained Loss

Excess Workers Compensation Program

Expiring

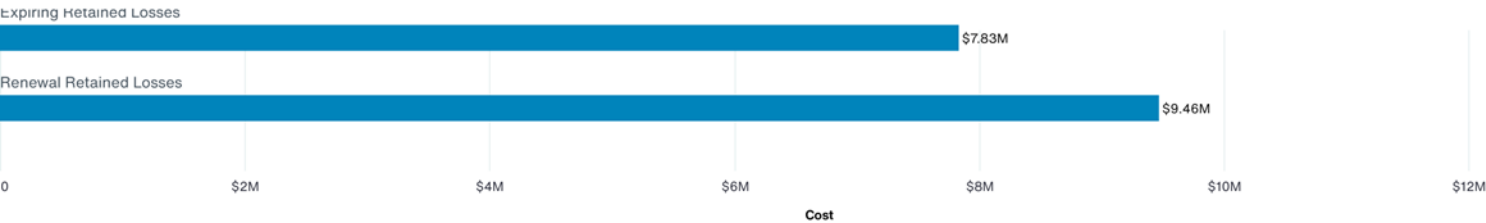
Renewal

Renewal Change

\$7.83M

\$9.46M

↑ \$1.63M



	Expiring	Renewal
Retained Losses		
Excess Workers Compensation	\$7.83M	+20.82% \$9.46M
Total Retained Losses	\$7.83M	+20.82% \$9.46M

Total Cost of Risk

Excess Workers Compensation

Expiring TCOR Renewal TCOR Total Renewal TCOR Change
 \$8.5M \$10.2M ↑ \$1.67M



	Expiring	Renewal
Premium	\$668K	+5.33% \$704K ▼
Retained Losses	\$7.83M	+20.82% \$9.46M ▼
Cost of Collateral	-	-
Total Cost of Risk ①	\$8.5M	+19.60% \$10.2M

Large Losses

Occurrence ID ▾	Policy Year ▾	Date of Loss ▾	Incurred as of 4/1/2025 ▾
● 21-0352	2020	11/16/2020	1,031,453
● 17-0674	2016	5/8/2017	874,529
● 21-0121	2020	8/11/2020	533,794
● 20-0067	2019	7/23/2019	515,767
● 21-0396	2020	11/30/2020	438,223
● 21-0159	2020	7/30/2020	403,353
● 18-0107	2017	8/17/2017	369,845
● 19-0501	2018	2/4/2019	321,748
● 24-0569	2023	1/29/2024	313,254
● 24-0332	2023	9/26/2023	312,767

About Aon

Aon plc (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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www.aon.com

ACWA JPIA
Actuarial Update
June 26, 2025

BACKGROUND

Aon annually performs an actuarial study for the JPIA to value outstanding claims liabilities, project future losses, and provide analysis of the JPIA claims data.

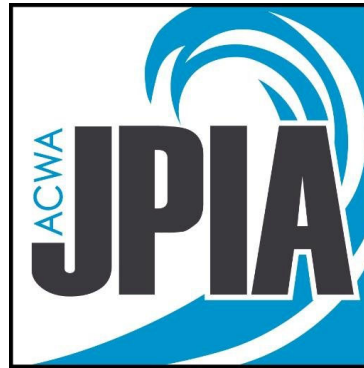
CURRENT SITUATION

Aon recently provided the JPIA with a drafted report of the Workers' Compensation Program from data as of 06/30/2024. Tracy Fleck, ACAS, MAAA, Senior Consultant and Actuary, will present the report to the Committee highlighting key points.

RECOMMENDATION

None, information only.

Association of California Water Agencies Joint Powers Insurance Authority



Workers Compensation Program Actuarial Overview as of June 30, 2024

Tracy Fleck, ACAS, MAAA

Senior Consultant and Actuary

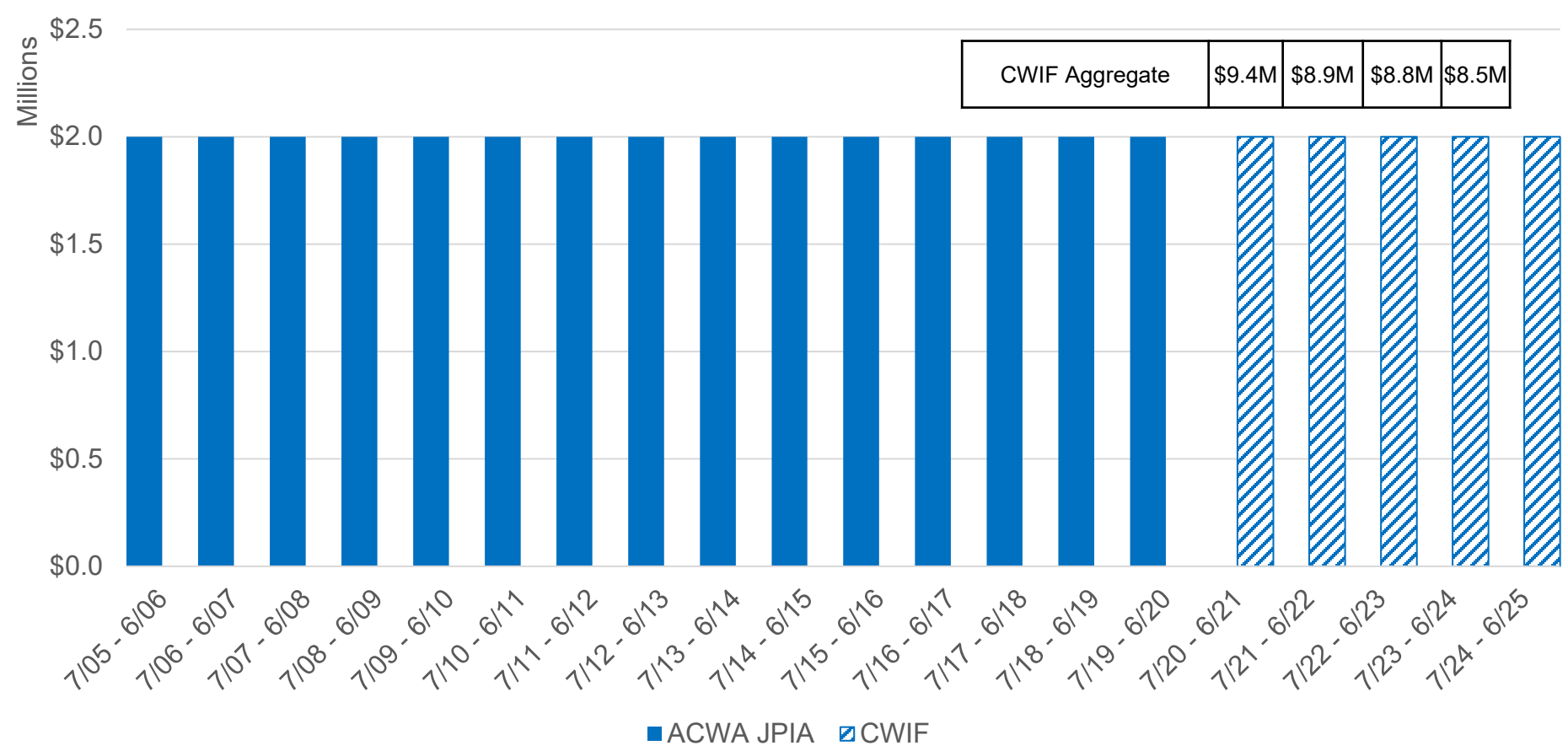
June 26, 2025

AON

Discussion Points

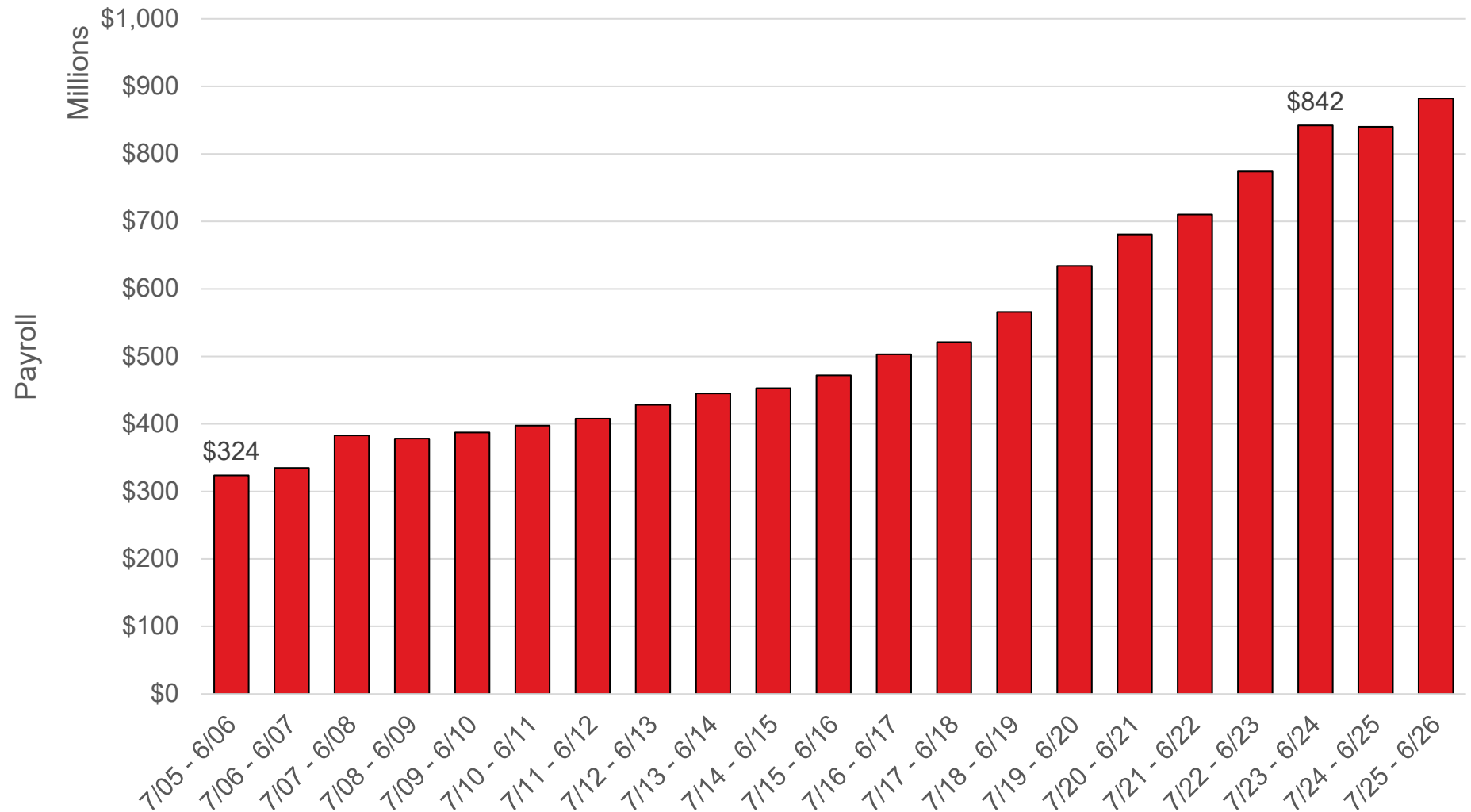
- Program background
- Conclusions from the actuarial report
- Historical perspective

Self-Insured Retention History



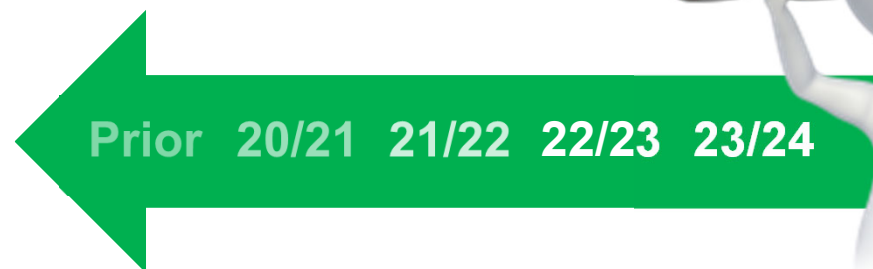
Notes: Amounts above CWIF's per occurrence and aggregate retentions revert to ACWA JPIA.

Program Payroll History



Actuarial Study Conclusions

Outstanding losses



September 30, 2024



Projected funding

Net Outstanding Losses & ALAE

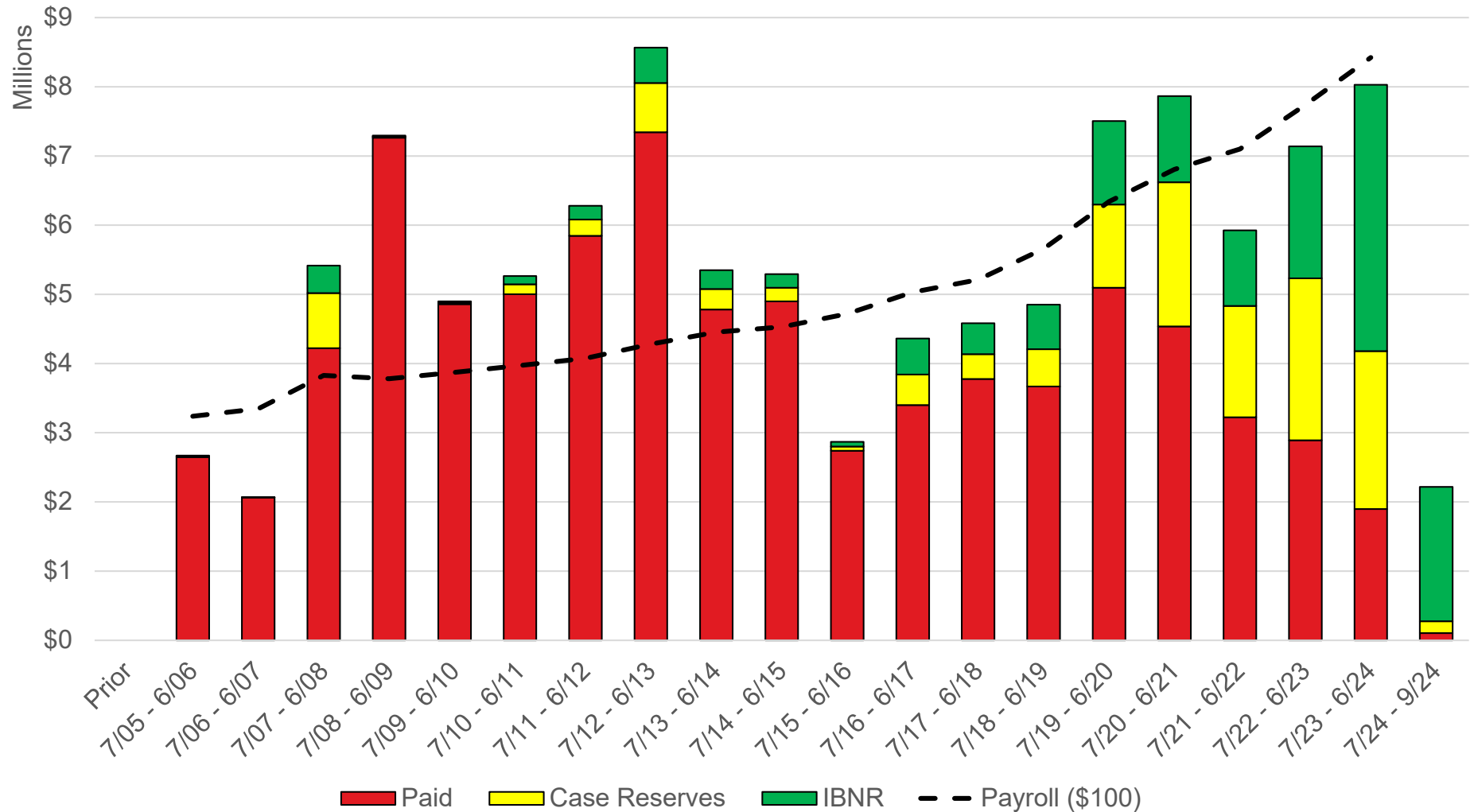
\$Millions

Program	As of September 30, 2023 (Prior)	As of September 30, 2024 (Current)	Change	
ACWA JPIA	\$9.7	\$10.5	+\$0.7	
CWIF	13.7	18.5	+\$4.8	
Total	\$23.5	\$29.0	+\$5.5	+23%

Notes: Amounts are undiscounted, at the expected confidence level, exclude unallocated adjustment expenses (ULAE), and reflect projected payments during 7/1-9/30.
ACWA JPIA amounts include losses excess of CWIF's retention.

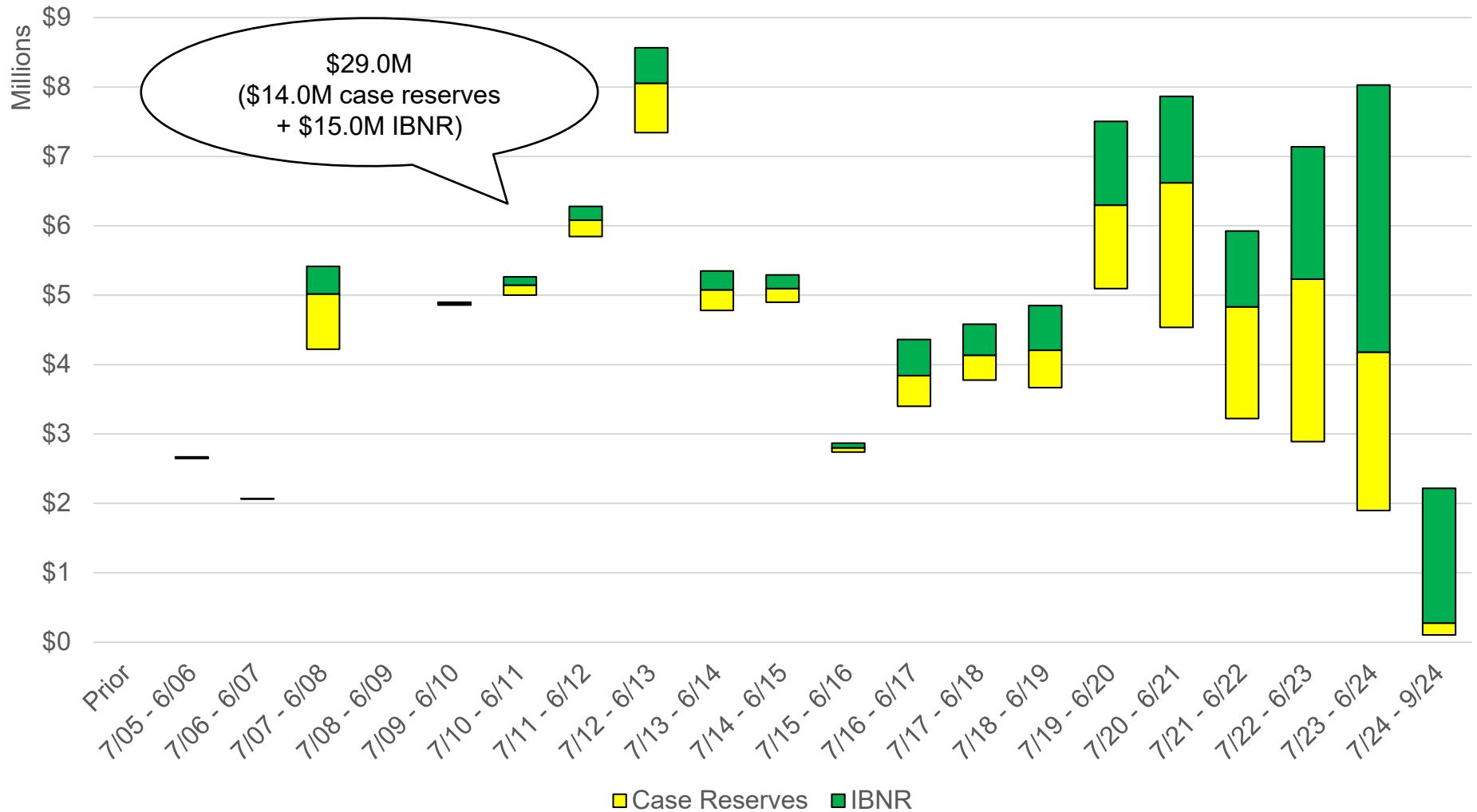
Components of Projected Ultimate Limited Losses & ALAE

Projected to September 30, 2024



Outstanding Losses & ALAE = Case Reserves + IBNR

Projected to September 30, 2024



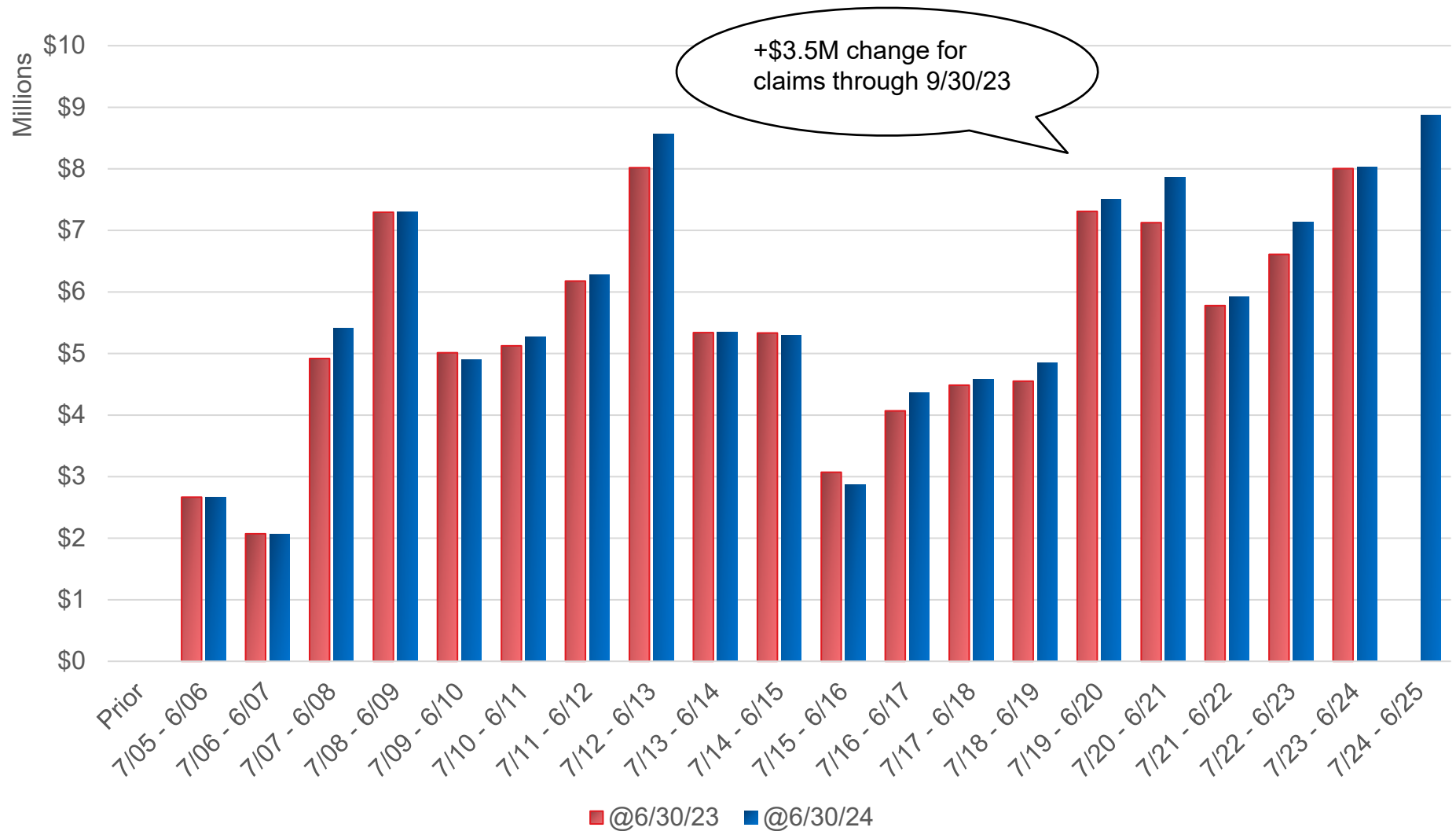
Reconciliation of Outstanding Losses & ALAE

Change from September 30, 2023 to 2024; \$Millions

	Estimated outstanding losses & ALAE 9/30/23	\$23.5
Activities during FY 10/1/23-9/30/24	Additional claim period (10/1/23-9/30/24)	+\$8.2
	Projected losses & ALAE paid during 10/1/23-9/30/24	-\$6.2
	Change in projected ultimate losses & ALAE through 9/30/23	+\$3.5
	Estimated outstanding losses & ALAE 9/30/24	\$29.0

Notes: Amounts are undiscounted, at expected level, and exclude ULAE.

Projected Ultimate Limited Losses & ALAE



Claims with change in incurred > \$150,000

Incurred losses & ALAE limited to SIR

Claim Number	Claim Period	As of June 30, 2023	As of June 30, 2024	Change
09-0600	7/07 - 6/08	\$530,537	\$900,055	\$369,518
13-0125	7/12 - 6/13	521,468	691,091	169,623
21-0182	7/20 - 6/21	118,038	304,914	186,876
21-0396	7/20 - 6/21	99,559	438,223	338,664
21-0544	7/20 - 6/21	87,760	245,905	158,145
22-0767	7/21 - 6/22	67,500	276,079	208,579
23-0261	7/22 - 6/23	84,678	237,871	153,193
23-0792	7/22 - 6/23	30,000	216,509	186,509
23-0505	7/22 - 6/23	20,000	205,340	185,340
24-0091	7/23 - 6/24	N/A	252,883	252,883
24-0332	7/23 - 6/24	N/A	268,806	268,806
24-0687	7/23 - 6/24	N/A	228,743	228,743

Notes: N/A indicates claim was not reported as of June 30, 2023.

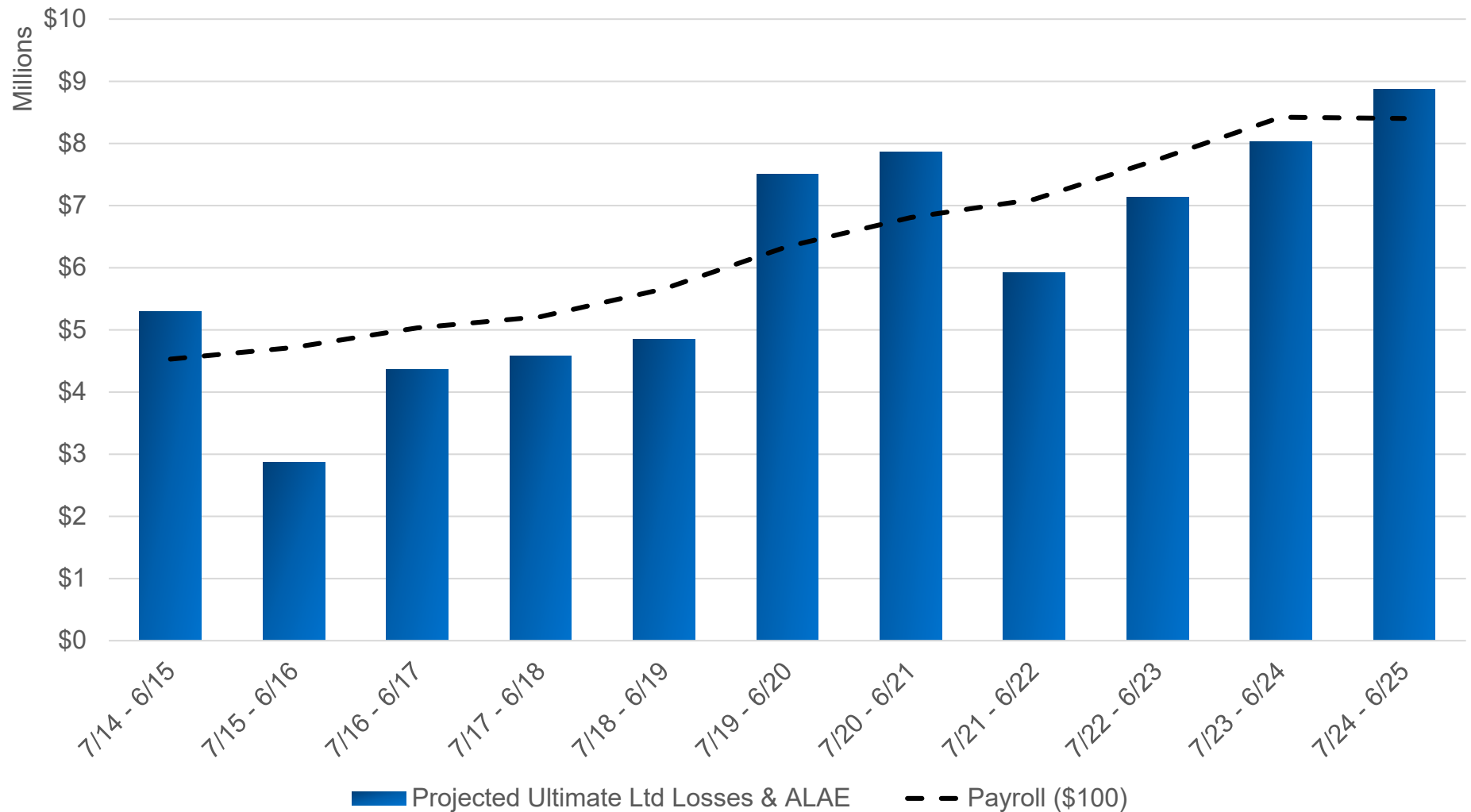
Projected Limited Losses & ALAE

\$Millions

	2024/25 (Prior)	2025/26 (Current)	Change	
Loss rate per \$100 payroll	\$1.02	\$1.07	+\$0.05	+4%
Payroll	\$815	\$882	+\$68	+8%
Projected losses & ALAE	\$8.3	\$9.4	+\$1.1	+13%

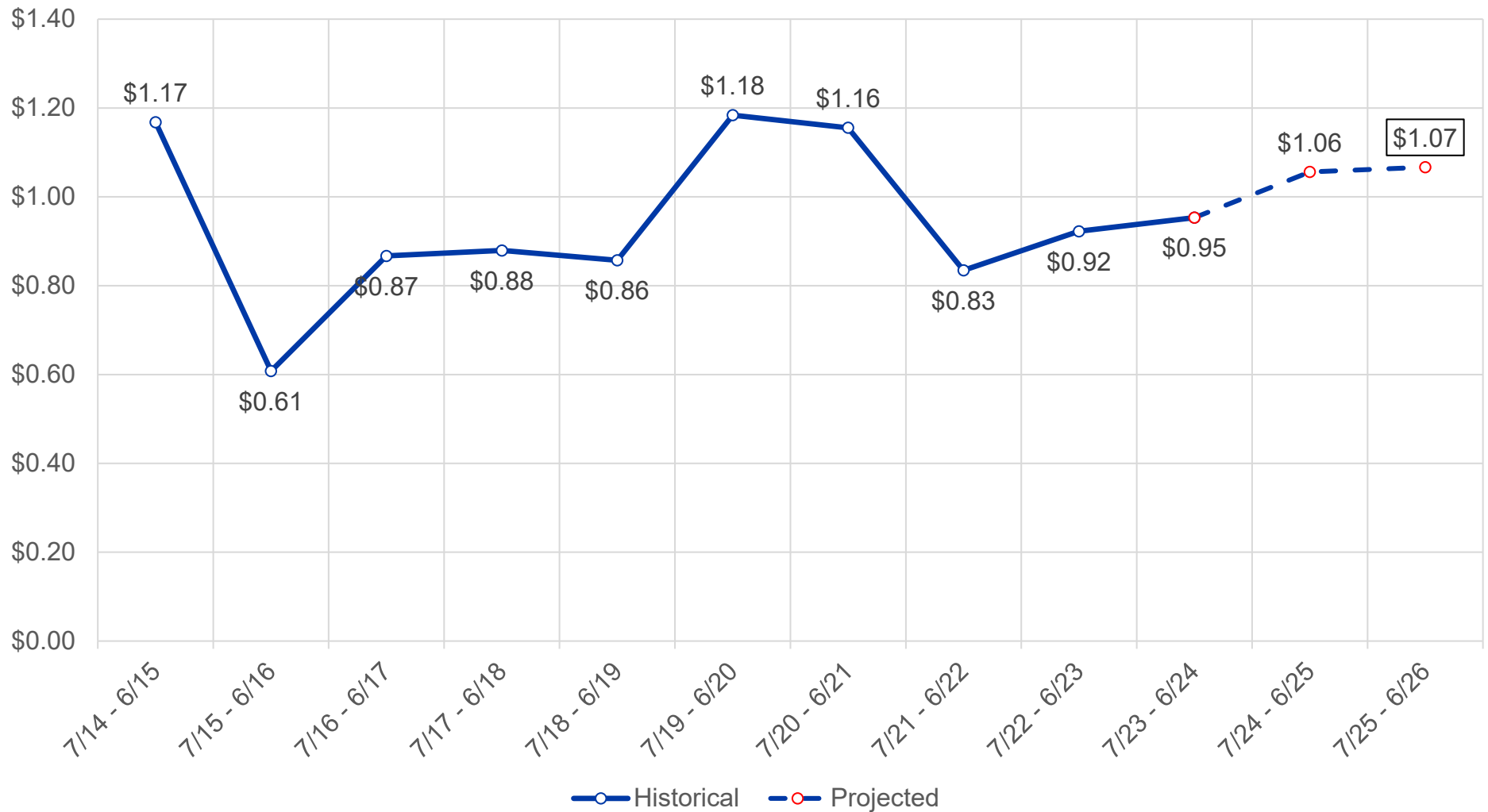
Notes: Amounts are undiscounted, at expected level, and exclude expenses for claims administration (ULAE), general administration, and excess insurance.

Projected Ultimate Limited Losses & ALAE and Payroll



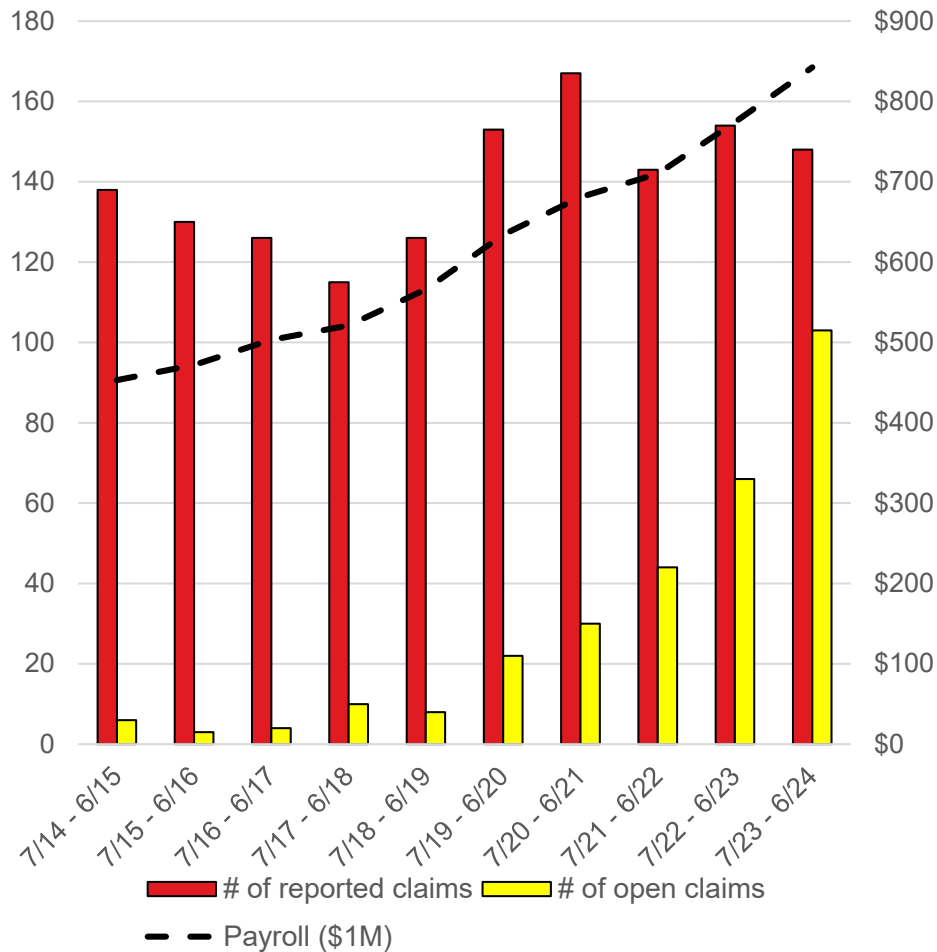
Loss Rate

Losses and ALAE per \$100 of payroll

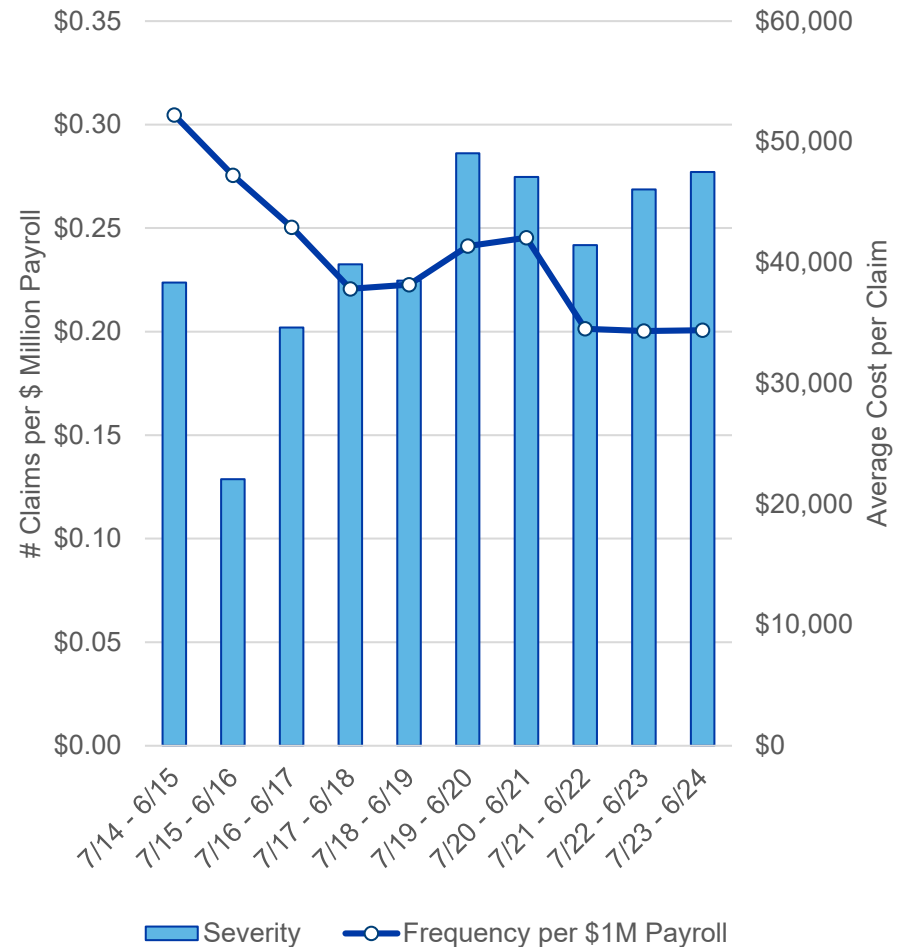


Frequency & Severity

of Claims as of June 30, 2024



Frequency & Severity

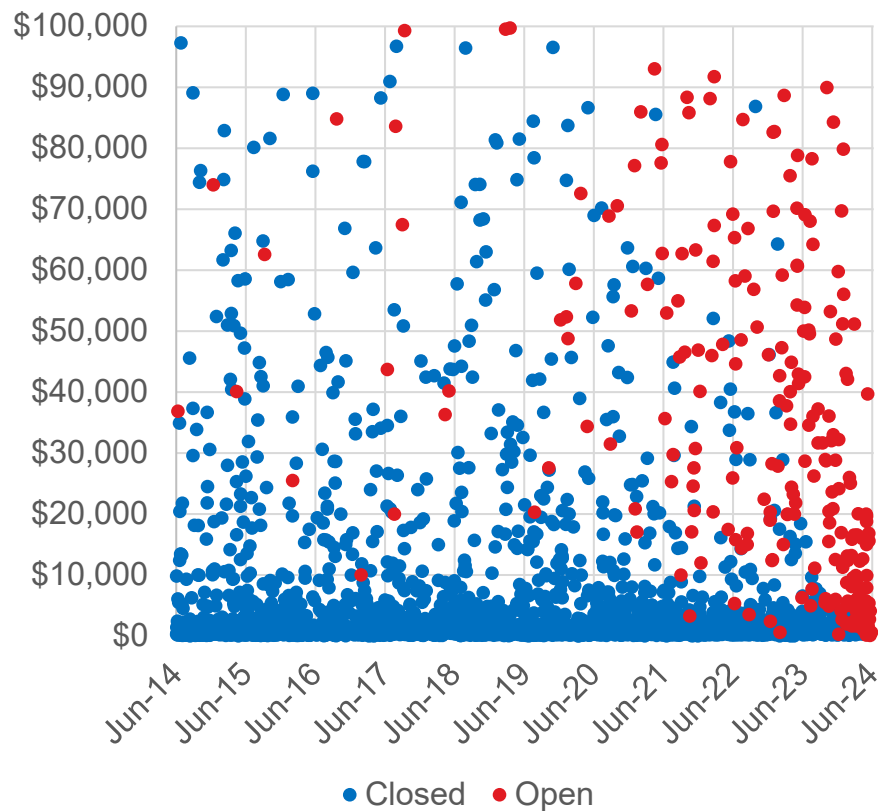


Notes: Counts, frequencies, and severities include non-zero indemnity and future-medical claims. Severities reflect losses and ALAE limited to SIR.

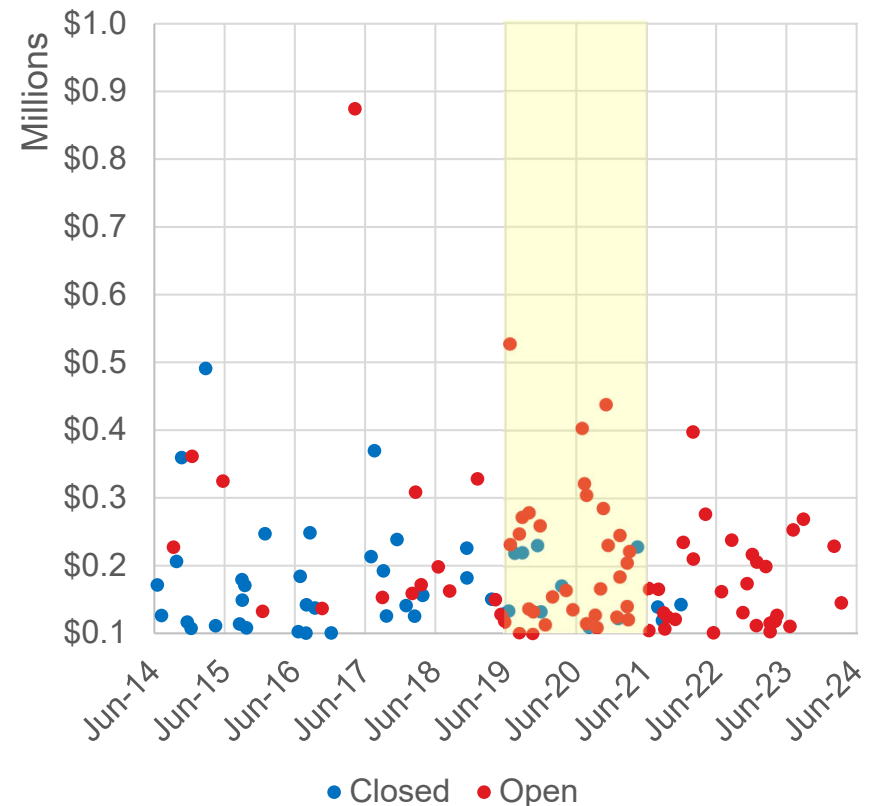
10-Year Distribution of Losses & ALAE

Incurred Losses and ALAE as of June 30, 2024

Below \$100,000



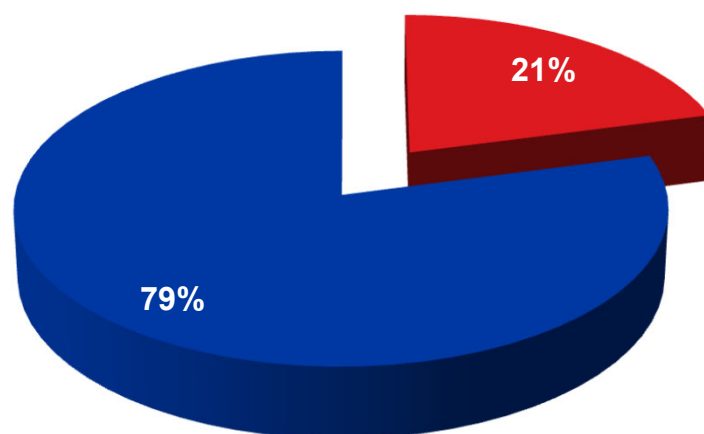
Above \$100,000



Claim Size Distribution

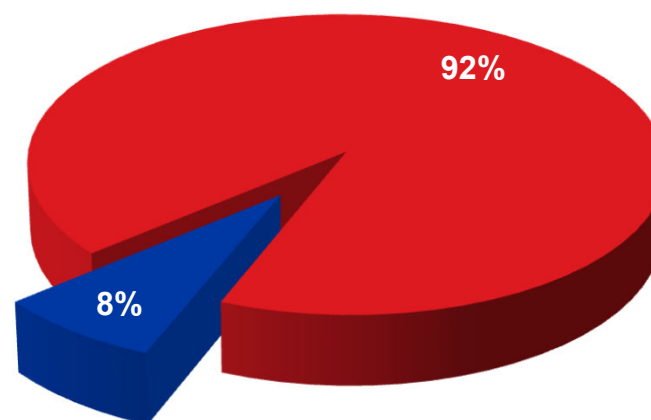
79% of claims < \$10,000 and cost 8%, remaining 21% cost 92%

Number of Claims



■ ≥\$10,000 ■ <\$10,000

Incurred Losses



■ ≥\$10,000 ■ <\$10,000

Notes: Based on reported losses & ALAE limited to \$2 million per occurrence as of June 30, 2024 for claims incurred July 1, 2014 and subsequent.

Summary

- Outstanding losses increased by \$5.5 million from 9/30/23 to 9/30/24
 - Adverse development on several large claims
 - Higher payroll in recent years → higher losses
- Funding loss rate: +4% change from 2024/25 (prior study) to 2025/26 (current study)
- Few claims drive majority of the losses

Questions?



Tracy Fleck, ACAS, MAAA

Senior Consultant and Actuary

Aon

(949) 608-6365

tracy.fleck@aon.com

ACWA JPIA
2025-26 Member Contributions
June 26, 2025

BACKGROUND

Rates charged to the members are reviewed prior to the beginning of a program year and may be adjusted at that time. Billing rates for the Workers' Compensation Program are based on projected costs for a given year. The largest factors affecting costs are estimated losses and covered payroll increases. Rates for each class code were last reduced by 5% across the board for program year 7/1/2024-25.

CURRENT SITUATION

Following this Summary are three options presented for consideration.

Option 1 - shows budgeted numbers with no rate change. If all estimates are correct under this pricing, members would receive \$5.7 million in retrospective contribution adjustments (RCAs) (line 2). The estimated loss rate per \$100 of payroll went from \$1.02 in program year 2024-25 to \$1.07 for program year 2025-26. This amounts to nearly a 5% increase.

Option 2 - displays rates with a **5% decrease** in all class code rates. Under this pricing, members would potentially see \$4.6 million in favorable RCAs to the Rate Stabilization Fund (line 2).

Option 3 - displays rates with a **10% decrease** in all class code rates. Under this pricing, members would potentially see \$3.5 million in favorable RCAs to the Rate Stabilization Fund (line 2).

State legislation continues to be the biggest factor in potentially adversely affecting future costs.

RECOMMENDATION

That the Workers' Compensation Program Committee recommends that the Executive Committee approve ***Option 1***, a flat renewal in all class code rates to the pricing for the Workers' Compensation Program starting on July 1, 2025.

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

WORKERS' COMPENSATION PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

As of March 31, 2025

OPTION 1 - NO RATE CHANGE

	Program Year 7/1/2023-24 Budget	Program Year 7/1/2023-24 Actual	Program Year 7/1/2024-25 Budget	Program Year 7/1/2025-26 Projection	% Change from 7/1/2024-25 to 7/1/2025-26
REVENUE:					
1 Deposit Contributions Earned (Note 1)	\$ 14,775,933	\$ 16,524,105	\$ 15,491,508	\$ 16,734,892	8.03%
2 Retrospective Contribution Adjustments	(5,625,857)	(6,535,552)	(5,901,041)	(5,737,198)	-2.78%
3 Net Investment Income	4,831,856	696,634	5,032,113	5,393,167	7.18%
4 Total Revenue	<u>\$ 13,981,932</u>	<u>\$ 10,685,187</u>	<u>\$ 14,622,580</u>	<u>\$ 16,390,861</u>	<u>12.09%</u>
EXPENSES:					
5 Paid Claims and Claims Reserves	\$ 8,469,500	\$ 8,029,001	\$ 8,570,400	\$ 9,756,800	13.84%
6 Purchased Excess Insurance	658,552	750,361	702,105	733,861	4.52%
7 General & Admin. Expenses	4,853,880	1,905,825	5,350,075	5,900,200	10.28%
8 Total Expenses	<u>13,981,932</u>	<u>10,685,187</u>	<u>14,622,580</u>	<u>16,390,861</u>	<u>12.09%</u>
9 CONT. TO CAT. RESERVES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>N/A</u>
10 Number of Program Members	204	204	208	208	0.00%
11 Payroll	\$ 763,019,596	\$ 791,161,000	\$ 840,238,099	\$ 911,847,657	8.52%
12 Ratio of Incurred Losses to Payroll	1.11	1.01	1.02	1.07	4.90%
13 Ratio of Deposit Premium to Payro	1.94	2.09	1.84	1.84	-0.46%
14 District RAPs	\$250 - \$25,000	\$250 - \$25,000	\$250 - \$25,000	\$250 - \$25,000	
15 Pooled Layer	RAP to \$2M	RAP to \$2M	RAP to \$2M	RAP to \$2M	
16 Program Limits	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
	Employer	Employer	Employer	Employer	
	Liability and	Liability and	Liability and	Liability and	
	Statutory Limit	Statutory Limit	Statutory Limit	Statutory Limit	
	on Work Comp	on Work Comp	on Work Comp	on Work Comp	

CALCULATIONS - Workers' Comp Program

Line #

1 Deposit Contribution - See (Note 1)

2 RCA - Calculated to balance budget

3 Interest Income - 5.0%

5 Claims Expense - Actuarially generated Loss Rate times payroll / 100

6 Excess Insurance - Excess Rate times payroll / 100

7 G&A Expenses - 36% of Annual Budget (\$15,945,000) plus \$250K DIR OSIP

<u>VARIABLES</u>	<u>PROJECTION</u> <u>7/1/2024-25</u>	<u>PROJECTION</u> <u>7/1/2025-26</u>
PAYROLL	\$840,238,099	\$911,847,657
LOSS RATE/\$100 OF P/R	\$1.0200	\$1.0700
EXCESS RATE/100 OF P/R	\$0.0800	\$0.0772

Interest Earning Calculations

7/1/2024-25

Claims	Unpaid	Annual	Future
Payment	Losses	Interest	Value
Pattern		Earnings	
		5.00%	
	14,789,403		12
19.4%	11,920,259	667,742	1,142,065 11
21.4%	8,755,327	516,890	841,959 10
13.6%	6,743,968	387,482	601,112 9
7.9%	5,575,605	307,989	455,040 8
7.5%	4,466,400	251,050	353,253 7
4.6%	3,786,087	206,312	276,478 6
4.0%	3,194,511	174,515	222,730 5
2.8%	2,780,408	149,373	181,564 4
2.4%	2,425,462	130,147	150,661 3
1.9%	2,144,463	114,248	125,959 2
14.5%	0	53,612	56,292 1
FV OF ANNUAL EARNINGS			4,407,113
CAT FUND CONTRIBUT		0	
Interest Earnings			0
CAT FUND		0	
Interest Earnings			625,000
TOTAL INTEREST EARNINGS			<u>5,032,113</u>

7/1/2025-26

Claims	Unpaid	Interest	Future
Payment	Losses	Earnings	Value
Pattern		5.00%	
	16,001,031		12
19.4%	12,896,831	722,447	1,235,629 11
21.4%	9,472,610	559,236	910,937 10
13.6%	7,296,470	419,227	650,359 9
7.9%	6,032,389	333,221	492,320 8
7.5%	4,832,311	271,617	382,193 7
4.6%	4,096,264	223,214	299,129 6
4.0%	3,456,223	188,812	240,977 5
2.8%	3,008,194	161,610	196,438 4
2.4%	2,624,169	140,809	163,004 3
1.9%	2,320,149	123,608	136,278 2
14.5%	0	58,004	60,904 1
FV OF ANNUAL EARNINGS			4,768,167
CAT FUND CONTRIB		0	
Interest Earnings			0
SIEF		0	
Interest from CAT Fund			625,000
TOTAL INTEREST EARNINGS			<u>5,393,167</u>

Workers' Comp. Estimated Deposit Premiums

7/1/2024-25

CLASS	CODE	CURRENT RATE	AVG RATE	PAYROLL	% of Payroll	PREMIUM	% of Premium
Irrigation Drainage	0251	\$6.22 -16.9%	\$4.89	\$58,358,380	187.5%	6.9%	\$2,853,246 18.4%
Analytical/Testing Laboratories	4511	1.43 -23.4%	1.12	5,205,976	143.7%	0.6%	58,289 0.4%
Sewer Construction (<\$21)	6307	10.02 -23.0%	7.87	2,153	-46.9%	0.0%	170 0.0%
Waterworks Operations	7520	3.86 -24.4%	3.03	279,254,321	239.2%	33.2%	8,462,928 54.6%
Electric Light & Power	7539	2.96 -23.2%	2.33	27,438,777	602.3%	3.3%	639,019 4.1%
Sanitation District	7580	2.59 -23.0%	2.04	36,512,551	361.1%	4.3%	744,046 4.8%
Salespersons-Meter Readers	8742	0.89 -23.0%	0.70	129,611,613	367.1%	15.4%	909,424 5.9%
Clerical	8810	0.73 -27.6%	0.57	298,323,869	279.9%	35.5%	1,714,642 11.1%
Parks & Recreation	9182	1.74 -22.7%	1.37	4,415,745	128.3%	0.5%	60,318 0.4%
Camp - Recreational/Education	9048	5.64 -23.0%	4.43	1,114,714	466.1%	0.1%	49,425 0.3%
		\$2.35 -23.3%		\$840,238,099	273.4%	100.0%	\$15,491,508 100.0%

7/1/2025-26

CLASS	CODE	PROPOSED NEW RATE	AVG RATE	PAYROLL	% of Payroll	PREMIUM	% of Premium
Irrigation Drainage	0251	\$6.22 0.0%	\$4.89	\$62,982,939	7.9%	6.9%	\$3,079,349 18.4%
Analytical/Testing Laboratories	4511	1.43 0.0%	1.12	5,434,105	4.4%	0.6%	60,843 0.4%
Sewer Construction (<\$21)	6307	10.02 0.0%	7.87	4,527	110.3%	0.0%	356 0.0%
Waterworks Operations	7520	3.86 0.0%	3.03	300,414,682	7.6%	32.9%	9,104,203 54.4%
Electric Light & Power	7539	2.96 0.0%	2.33	28,787,732	4.9%	3.2%	670,435 4.0%
Sanitation District	7580	2.59 0.0%	2.04	40,839,576	11.9%	4.5%	832,221 5.0%
Salespersons-Meter Readers	8742	0.89 0.0%	0.70	142,044,957	9.6%	15.6%	996,663 6.0%
Clerical	8810	0.73 0.0%	0.57	325,092,701	9.0%	35.7%	1,868,498 11.2%
Parks & Recreation	9182	1.74 0.0%	1.37	5,040,476	14.1%	0.6%	68,852 0.4%
Camp - Recreational/Education	9048	5.64 0.0%	4.43	1,205,962	8.2%	0.1%	53,471 0.3%
		\$2.34 0.0%		\$911,847,657	8.5%	100.0%	\$16,734,892 100.0%

% of Increase/Decrease

0.00%

Comparison - % of Losses to % of Premium

CLASS	CODE	25/26 PAYROLL	% of P/R	5 Yr. Loss 19/20 - 23/24	% of LOSSES	25/26 PREMIUM	% of Premium
Irrigation Drainage	0251	\$62,982,939	6.9%	\$2,977,604	14.8%	\$3,079,349	18.4%
Analytical/Testing Laboratories	4511	5,434,105	0.6%	12,193	0.1%	60,843	0.4%
Sewer Construction (<\$21)	6307	4,527	0.0%	-	0.0%	356	0.0%
Waterworks Operations	7520	300,414,682	32.9%	12,295,579	61.2%	9,104,203	54.4%
Electric Light & Power	7539	28,787,732	3.2%	321,435	1.6%	670,435	4.0%
Sanitation District	7580	40,839,576	4.5%	729,221	3.6%	832,221	5.0%
Salespersons-Meter Readers	8742	142,044,957	15.6%	1,440,923	7.2%	996,663	6.0%
Clerical	8810	325,092,701	35.7%	1,770,797	8.8%	1,868,498	11.2%
Parks & Recreation	9182	5,040,476	0.6%	509,162	2.5%	68,852	0.4%
Camp - Recreational/Education	9048	1,205,962	0.1%	30,030	0.1%	53,471	0.3%
		\$911,847,657	100.0%	\$20,086,943	100.0%	\$16,734,892	100.0%

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

WORKERS' COMPENSATION PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

As of March 31, 2025

OPTION 2 - 5% RATE REDUCTION

	Program Year 7/1/2023-24 Budget	Program Year 7/1/2023-24 Actual	Program Year 7/1/2024-25 Budget	Program Year 7/1/2025-26 Projection	% Change from 7/1/2024-25 to 7/1/2025-26
REVENUE:					
1 Deposit Contributions Earned (Note 1)	\$ 14,775,933	\$ 16,524,105	\$ 15,491,508	\$ 15,898,147	2.62%
2 Retrospective Contribution Adjustments	(5,625,857)	(6,535,552)	(5,901,041)	(4,651,111)	-21.18%
3 Net Investment Income	4,831,856	696,634	5,032,113	5,143,825	2.22%
4 Total Revenue	\$ 13,981,932	\$ 10,685,187	\$ 14,622,580	\$ 16,390,861	12.09%
EXPENSES:					
5 Paid Claims and Claims Reserves	\$ 8,469,500	\$ 8,029,001	\$ 8,570,400	\$ 9,756,800	13.84%
6 Purchased Excess Insurance	658,552	750,361	702,105	733,861	4.52%
7 General & Admin. Expenses	4,853,880	1,905,825	5,350,075	5,900,200	10.28%
8 Total Expenses	13,981,932	10,685,187	14,622,580	16,390,861	12.09%
9 CONT. TO CAT. RESERVES	\$ 0	\$ 0	\$ 0	\$ 0	N/A
10 Number of Program Members	204	204	208	208	0.00%
11 Payroll	\$ 763,019,596	\$791,161,000	\$840,238,099	\$911,847,657	8.52%
12 Ratio of Incurred Losses to Payroll	1.11	1.01	1.02	1.07	4.90%
13 Ratio of Deposit Premium to Payro	1.94	2.09	1.84	1.74	-5.43%
14 District RAPs	\$250 - \$25,000	\$250 - \$25,000	\$250 - \$25,000	\$250 - \$25,000	
15 Pooled Layer	RAP to \$2M	RAP to \$2M	RAP to \$2M	RAP to \$2M	
16 Program Limits	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
	Employer	Employer	Employer	Employer	
	Liability and	Liability and	Liability and	Liability and	
	Statutory Limit	Statutory Limit	Statutory Limit	Statutory Limit	
	on Work Comp	on Work Comp	on Work Comp	on Work Comp	

CALCULATIONS - Workers' Comp Program

Line #

- 1 Deposit Contribution - See (Note 1)
- 2 RCA - Calculated to balance budget
- 3 Interest Income - 5.0%
- 5 Claims Expense - Actuarially generated Loss Rate times payroll / 100
- 6 Excess Insurance - Excess Rate times payroll / 100
- 7 G&A Expenses - 36% of Annual Budget (\$15,945,000) plus \$250K DIR OSIP

<u>VARIABLES</u>	<u>PROJECTION</u> <u>7/1/2024-25</u>	<u>PROJECTION</u> <u>7/1/2025-26</u>
PAYROLL	\$840,238,099	\$911,847,657
LOSS RATE/\$100 OF P/R	\$1.0200	\$1.0700
EXCESS RATE/100 OF P/R	\$0.0800	\$0.0772

Interest Earning Calculations

7/1/2024-25

Claims Payment Pattern	Unpaid Losses	Annual Interest Earnings 5.00%	Future Value	
	14,789,403			12
19.4%	11,920,259	667,742	1,142,065	11
21.4%	8,755,327	516,890	841,959	10
13.6%	6,743,968	387,482	601,112	9
7.9%	5,575,605	307,989	455,040	8
7.5%	4,466,400	251,050	353,253	7
4.6%	3,786,087	206,312	276,478	6
4.0%	3,194,511	174,515	222,730	5
2.8%	2,780,408	149,373	181,564	4
2.4%	2,425,462	130,147	150,661	3
1.9%	2,144,463	114,248	125,959	2
14.5%	0	53,612	56,292	1
FV OF ANNUAL EARNINGS			4,407,113	
CAT FUND CONTRIBUT		0		
Interest Earnings			0	
CAT FUND		0		
Interest Earnings			625,000	
TOTAL INTEREST EARNINGS			<u>5,032,113</u>	

7/1/2025-26

Claims Payment Pattern	Unpaid Losses	Interest Earnings 5.00%	Future Value	
	15,164,286			12
19.4%	12,222,414	684,668	1,171,014	11
21.4%	8,977,257	529,992	863,301	10
13.6%	6,914,914	397,304	616,349	9
7.9%	5,716,936	315,796	466,575	8
7.5%	4,579,614	257,414	362,207	7
4.6%	3,882,057	211,542	283,486	6
4.0%	3,275,486	178,939	228,376	5
2.8%	2,850,886	153,159	186,166	4
2.4%	2,486,943	133,446	154,480	3
1.9%	2,198,821	117,144	129,151	2
14.5%	0	54,971	57,719	1
FV OF ANNUAL EARNINGS			4,518,825	
CAT FUND CONTRIB		0		
Interest Earnings			0	
SIEF		0		
Interest from CAT Fund			625,000	
TOTAL INTEREST EARNINGS			<u>5,143,825</u>	

Workers' Comp. Estimated Deposit Premiums

7/1/2024-25

CLASS	CODE	CURRENT RATE	AVG RATE	PAYROLL	% of Payroll	PREMIUM	% of Premium
Irrigation Drainage	0251	\$6.22 -16.9%	\$4.89	\$58,358,380	187.5%	\$2,853,246	18.4%
Analytical/Testing Laboratories	4511	1.43 -23.4%	1.12	5,205,976	143.7%	58,289	0.4%
Sewer Construction (<\$21)	6307	10.02 -23.0%	7.87	2,153	-46.9%	170	0.0%
Waterworks Operations	7520	3.86 -24.4%	3.03	279,254,321	239.2%	8,462,928	54.6%
Electric Light & Power	7539	2.96 -23.2%	2.33	27,438,777	602.3%	639,019	4.1%
Sanitation District	7580	2.59 -23.0%	2.04	36,512,551	361.1%	744,046	4.8%
Salespersons-Meter Readers	8742	0.89 -23.0%	0.70	129,611,613	367.1%	909,424	5.9%
Clerical	8810	0.73 -27.6%	0.57	298,323,869	279.9%	1,714,642	11.1%
Parks & Recreation	9182	1.74 -22.7%	1.37	4,415,745	128.3%	60,318	0.4%
Camp - Recreational/Education	9048	5.64 -23.0%	4.43	1,114,714	466.1%	49,425	0.3%
		\$2.35 -23.3%		\$840,238,099	273.4%	\$15,491,508	100.0%

7/1/2025-26

CLASS	CODE	PROPOSED NEW RATE	AVG RATE	PAYROLL	% of Payroll	PREMIUM	% of Premium
Irrigation Drainage	0251	\$5.91 -5.0%	\$4.64	\$62,982,939	7.9%	\$2,925,382	18.4%
Analytical/Testing Laboratories	4511	\$1.35 -5.0%	1.06	5,434,105	4.4%	57,801	0.4%
Sewer Construction (<\$21)	6307	\$9.52 -5.0%	7.48	4,527	110.3%	339	0.0%
Waterworks Operations	7520	\$3.66 -5.0%	2.88	300,414,682	7.6%	8,648,993	54.4%
Electric Light & Power	7539	\$2.82 -5.0%	2.21	28,787,732	4.9%	636,913	4.0%
Sanitation District	7580	\$2.46 -5.0%	1.94	40,839,576	11.9%	790,610	5.0%
Salespersons-Meter Readers	8742	\$0.85 -5.0%	0.67	142,044,957	9.6%	946,830	6.0%
Clerical	8810	\$0.69 -5.0%	0.55	325,092,701	9.0%	1,775,073	11.2%
Parks & Recreation	9182	\$1.65 -5.0%	1.30	5,040,476	14.1%	65,410	0.4%
Camp - Recreational/Education	9048	\$5.36 -5.0%	4.21	1,205,962	8.2%	50,797	0.3%
		\$2.22 -5.0%		\$911,847,657	8.5%	\$15,898,147	100.0%

% of Increase/Decrease

-5.00%

Comparison - % of Losses to % of Premium

CLASS	CODE	25/26 PAYROLL	% of P/R	5 Yr. Loss 19/20 - 23/24	% of LOSSES	25/26 PREMIUM	% of Premium
Irrigation Drainage	0251	\$62,982,939	6.9%	\$2,977,604	14.8%	\$2,925,382	18.4%
Analytical/Testing Laboratories	4511	5,434,105	0.6%	12,193	0.1%	57,801	0.4%
Sewer Construction (<\$21)	6307	4,527	0.0%	-	0.0%	339	0.0%
Waterworks Operations	7520	300,414,682	32.9%	12,295,579	61.2%	8,648,993	54.4%
Electric Light & Power	7539	28,787,732	3.2%	321,435	1.6%	636,913	4.0%
Sanitation District	7580	40,839,576	4.5%	729,221	3.6%	790,610	5.0%
Salespersons-Meter Readers	8742	142,044,957	15.6%	1,440,923	7.2%	946,830	6.0%
Clerical	8810	325,092,701	35.7%	1,770,797	8.8%	1,775,073	11.2%
Parks & Recreation	9182	5,040,476	0.6%	509,162	2.5%	65,410	0.4%
Camp - Recreational/Education	9048	1,205,962	0.1%	30,030	0.1%	50,797	0.3%
		\$911,847,657	100.0%	\$20,086,943	100.0%	\$15,898,147	100.0%

ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY

WORKERS' COMPENSATION PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

As of March 31, 2025

OPTION 3 - 10% RATE REDUCTION

	Program Year 7/1/2023-24 Budget	Program Year 7/1/2023-24 Actual	Program Year 7/1/2024-25 Budget	Program Year 7/1/2025-26 Projection	% Change from 7/1/2024-25 to 7/1/2025-26
REVENUE:					
1 Deposit Contributions Earned (Note 1)	\$ 14,775,933	\$ 16,524,105	\$ 15,491,508	\$ 15,061,403	-2.78%
2 Retrospective Contribution Adjustments	(5,625,857)	(6,535,552)	(5,901,041)	(3,565,023)	-39.59%
3 Net Investment Income	4,831,856	696,634	5,032,113	4,894,482	-2.74%
4 Total Revenue	\$ 13,981,932	\$ 10,685,187	\$ 14,622,580	\$ 16,390,861	12.09%
EXPENSES:					
5 Paid Claims and Claims Reserves	\$ 8,469,500	\$ 8,029,001	\$ 8,570,400	\$ 9,756,800	13.84%
6 Purchased Excess Insurance	658,552	750,361	702,105	733,861	4.52%
7 General & Admin. Expenses	4,853,880	1,905,825	5,350,075	5,900,200	10.28%
8 Total Expenses	13,981,932	10,685,187	14,622,580	16,390,861	12.09%
9 CONT. TO CAT. RESERVES:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>N/A</u>
10 Number of Program Members	204	204	208	208	0.00%
11 Payroll	\$ 763,019,596	\$791,161,000	\$840,238,099	\$911,847,657	8.52%
12 Ratio of Incurred Losses to Payroll	1.11	1.01	1.02	1.07	4.90%
13 Ratio of Deposit Premium to Payroll	1.94	2.09	1.84	1.65	-10.41%
14 District RAPs	\$250 - \$25,000	\$250 - \$25,000	\$250 - \$25,000	\$250 - \$25,000	
15 Pooled Layer	RAP to \$2M	RAP to \$2M	RAP to \$2M	RAP to \$2M	
16 Program Limits	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	
	Employer	Employer	Employer	Employer	
	Liability and	Liability and	Liability and	Liability and	
	Statutory Limit	Statutory Limit	Statutory Limit	Statutory Limit	
	on Work Comp	on Work Comp	on Work Comp	on Work Comp	

CALCULATIONS - Workers' Comp Program

Line #

- 1 Deposit Contribution - See (Note 1)
- 2 RCA - Calculated to balance budget
- 3 Interest Income - 5.0%
- 5 Claims Expense - Actuarially generated Loss Rate times payroll / 100
- 6 Excess Insurance - Excess Rate times payroll / 100
- 7 G&A Expenses - 36% of Annual Budget (\$15,945,000) plus \$250K DIR OSIP

<u>VARIABLES</u>	<u>PROJECTION</u> <u>7/1/2024-25</u>	<u>PROJECTION</u> <u>7/1/2025-26</u>
PAYROLL	\$840,238,099	\$911,847,657
LOSS RATE/\$100 OF P/R	\$1.0200	\$1.0700
EXCESS RATE/100 OF P/R	\$0.0800	\$0.0772

Interest Earning Calculations**7/1/2024-25**

Claims	Unpaid	Annual	Future
Payment	Losses	Interest	Value
Pattern		Earnings	
		5.00%	
	14,789,403		12
19.4%	11,920,259	667,742	1,142,065 11
21.4%	8,755,327	516,890	841,959 10
13.6%	6,743,968	387,482	601,112 9
7.9%	5,575,605	307,989	455,040 8
7.5%	4,466,400	251,050	353,253 7
4.6%	3,786,087	206,312	276,478 6
4.0%	3,194,511	174,515	222,730 5
2.8%	2,780,408	149,373	181,564 4
2.4%	2,425,462	130,147	150,661 3
1.9%	2,144,463	114,248	125,959 2
14.5%	0	53,612	56,292 1
FV OF ANNUAL EARNINGS			4,407,113
CAT FUND CONTRIBUT			0
Interest Earnings			0
CAT FUND			0
Interest Earnings			625,000
TOTAL INTEREST EARNINGS			<u>5,032,113</u>

7/1/2025-26

Claims	Unpaid	Interest	Future
Payment	Losses	Earnings	Value
Pattern		5.00%	
	14,327,541		12
19.4%	11,547,998	646,888	1,106,399 11
21.4%	8,481,904	500,748	815,665 10
13.6%	6,533,359	375,382	582,340 9
7.9%	5,401,483	298,371	440,830 8
7.5%	4,326,917	243,210	342,221 7
4.6%	3,667,851	199,869	267,844 6
4.0%	3,094,749	169,065	215,775 5
2.8%	2,693,578	144,708	175,894 4
2.4%	2,349,717	126,082	145,956 3
1.9%	2,077,493	110,680	122,025 2
14.5%	0	51,937	54,534 1
FV OF ANNUAL EARNINGS			4,269,482
CAT FUND CONTRIB			0
Interest Earnings			0
SIEF			0
Interest from CAT Fund			625,000
TOTAL INTEREST EARNINGS			<u>4,894,482</u>

Workers' Comp. Estimated Deposit Premiums

7/1/2024-25

CLASS	CODE	CURRENT RATE	AVG RATE	PAYROLL	% of Payroll	PREMIUM	% of Premium
Irrigation Drainage	0251	\$6.22 -16.9%	\$4.89	\$58,358,380	187.5%	\$2,853,246	18.4%
Analytical/Testing Laboratories	4511	1.43 -23.4%	1.12	5,205,976	143.7%	58,289	0.4%
Sewer Construction (<\$21)	6307	10.02 -23.0%	7.87	2,153	-46.9%	170	0.0%
Waterworks Operations	7520	3.86 -24.4%	3.03	279,254,321	239.2%	8,462,928	54.6%
Electric Light & Power	7539	2.96 -23.2%	2.33	27,438,777	602.3%	639,019	4.1%
Sanitation District	7580	2.59 -23.0%	2.04	36,512,551	361.1%	744,046	4.8%
Salespersons-Meter Readers	8742	0.89 -23.0%	0.70	129,611,613	367.1%	909,424	5.9%
Clerical	8810	0.73 -27.6%	0.57	298,323,869	279.9%	1,714,642	11.1%
Parks & Recreation	9182	1.74 -22.7%	1.37	4,415,745	128.3%	60,318	0.4%
Camp - Recreational/Education	9048	5.64 -23.0%	4.43	1,114,714	466.1%	49,425	0.3%
		\$2.35 -23.3%		\$840,238,099	273.4%	\$15,491,508	100.0%

7/1/2025-26

CLASS	CODE	PROPOSED NEW RATE	AVG RATE	PAYROLL	% of Payroll	PREMIUM	% of Premium
Irrigation Drainage	0251	\$5.60 -10.0%	\$4.40	\$62,982,939	7.9%	\$2,771,414	18.4%
Analytical/Testing Laboratories	4511	\$1.28 -10.0%	1.01	5,434,105	4.4%	54,759	0.4%
Sewer Construction (<\$21)	6307	\$9.02 -10.0%	7.09	4,527	110.3%	321	0.0%
Waterworks Operations	7520	\$3.47 -10.0%	2.73	300,414,682	7.6%	8,193,782	54.4%
Electric Light & Power	7539	\$2.67 -10.0%	2.10	28,787,732	4.9%	603,392	4.0%
Sanitation District	7580	\$2.33 -10.0%	1.83	40,839,576	11.9%	748,999	5.0%
Salespersons-Meter Readers	8742	\$0.80 -10.0%	0.63	142,044,957	9.6%	896,997	6.0%
Clerical	8810	\$0.66 -10.0%	0.52	325,092,701	9.0%	1,681,648	11.2%
Parks & Recreation	9182	\$1.56 -10.0%	1.23	5,040,476	14.1%	61,967	0.4%
Camp - Recreational/Education	9048	\$5.08 -10.0%	3.99	1,205,962	8.2%	48,124	0.3%
		\$2.10 -10.0%		\$911,847,657	8.5%	\$15,061,403	100.0%

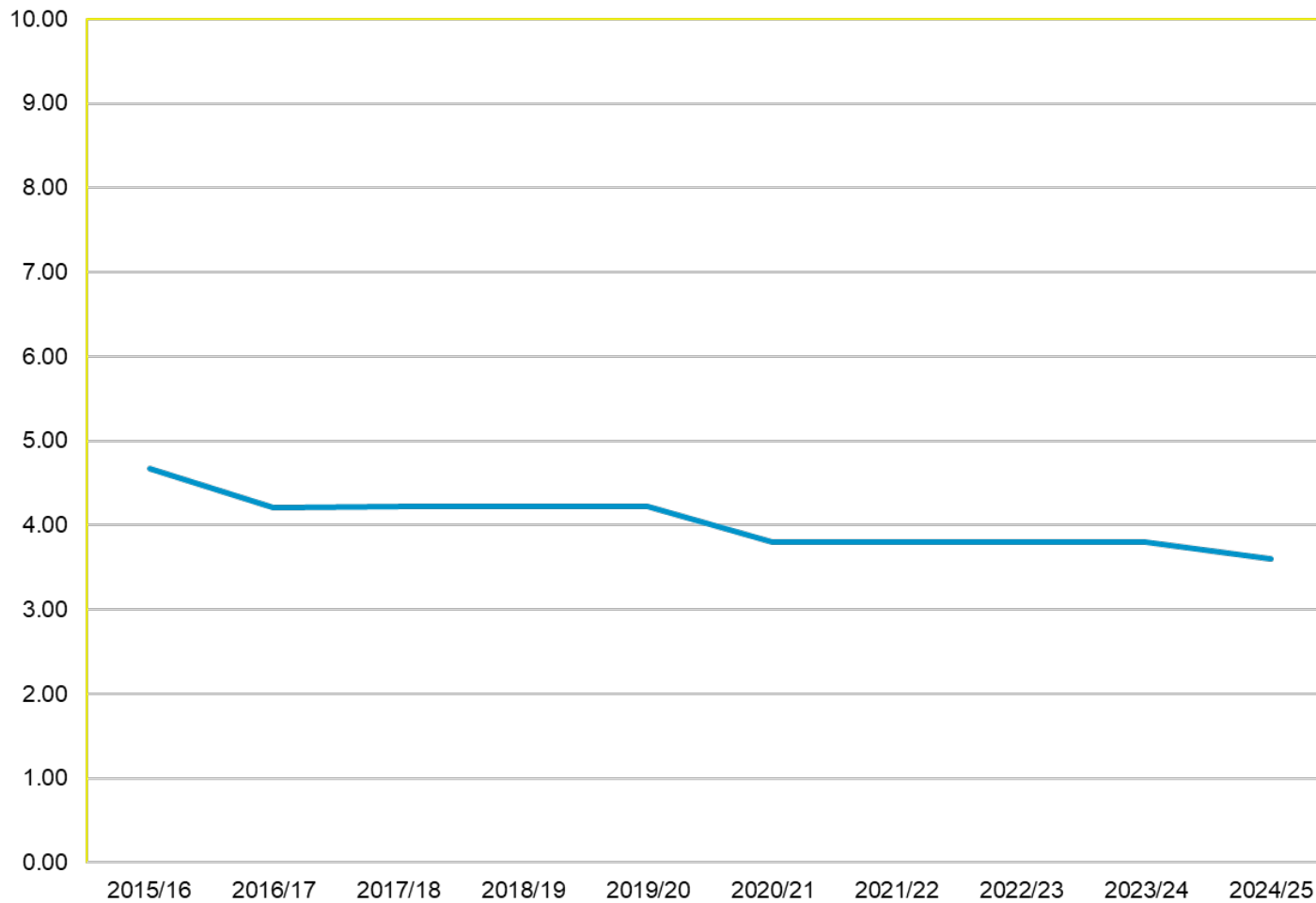
% of Increase/Decrease

-10.00%

Comparison - % of Losses to % of Premium

CLASS	CODE	25/26 PAYROLL	% of P/R	5 Yr. Loss 19/20 - 23/24	% of LOSSES	25/26 PREMIUM	% of Premium
Irrigation Drainage	0251	\$62,982,939	6.9%	\$2,977,604	14.8%	\$2,771,414	18.4%
Analytical/Testing Laboratories	4511	5,434,105	0.6%	12,193	0.1%	54,759	0.4%
Sewer Construction (<\$21)	6307	4,527	0.0%	-	0.0%	321	0.0%
Waterworks Operations	7520	300,414,682	32.9%	12,295,579	61.2%	8,193,782	54.4%
Electric Light & Power	7539	28,787,732	3.2%	321,435	1.6%	603,392	4.0%
Sanitation District	7580	40,839,576	4.5%	729,221	3.6%	748,999	5.0%
Salespersons-Meter Readers	8742	142,044,957	15.6%	1,440,923	7.2%	896,997	6.0%
Clerical	8810	325,092,701	35.7%	1,770,797	8.8%	1,681,648	11.2%
Parks & Recreation	9182	5,040,476	0.6%	509,162	2.5%	61,967	0.4%
Camp - Recreational/Education	9048	1,205,962	0.1%	30,030	0.1%	48,124	0.3%
		\$911,847,657	100.0%	\$20,086,943	100.0%	\$15,061,403	100.0%

Historical Rates



ACWA JPIA
Director of Pooled Programs Update
June 26, 2025

BACKGROUND

This is a standing item on Committee agendas.

CURRENT SITUATION

Jennifer Jobe, Director of Pooled Programs, will provide the Workers' Compensation Program Committee with an overview of relevant current matters, issues, and opportunities.

RECOMMENDATIONS

None, information only.

ACWA JPIA MEETINGS CALENDAR – 2025

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
JAN 15			9:00 AM *							
JAN 29		10:30 AM							8:00 AM	
MARCH 9-11 CICA CONFERENCE – TUCSON, AZ										
MARCH 16-19 AGRIP GOVERNANCE CONFERENCE – LAS VEGAS										
MAR 27				1:00 PM		3:00 PM				
MAR 28		8:00 AM								
MAR 31		3:00 PM *								
APRIL 30					9:00 AM *					
MAY 12-15 ACWA JPIA SPRING MEMBERSHIP SUMMIT/ACWA CONFERENCE – MONTEREY										
MAY 12	2:00 PM						8:15 AM			
JUNE 2			3:00 PM *							
JUNE 4										9:00 AM (UTAH)
JUNE 26							3:00 PM	1:00 PM		
JUNE 27		8:00 AM								11:00 AM
JULY 14-15 EXECUTIVE COMMITTEE ONBOARDING WORKSHOP – SAN DIEGO										
JULY 15		1:30 PM			10:30 AM					
SEPT 3			10:00 AM *							
SEPTEMBER 16-19 CAJPA ANNUAL CONFERENCE - MONTEREY										
SEPT 29				1:00 PM		3:00 PM				
SEPT 30		8:30 AM								11:00 AM
OCT 22		10:00 AM *								
DECEMBER 1-4 ACWA JPIA FALL MEMBERSHIP SUMMIT/ACWA FALL CONFERENCE – SAN DIEGO										
DEC 1	1:45 PM	10:30 AM								8:00 AM

*Virtual Meeting



Hybrid Meeting Participation Guidelines

For Remote Meeting Participants

Remember to mute yourself until you are ready to speak.

If you have a question or comment, raise your hand in Zoom.

To raise or lower your hand:

1. For PC users:
 - a. Press 'Alt-Y' on your keyboard
 - b. Or go to 'Reactions' on your Zoom screen
2. For IPAD users, go to 'More'.
3. For telephone (audio only) users, press * then 9.

For In-House Meeting Participants

Remember to use your microphone when speaking.

- Remote participants will not hear you if you don't.
- Before speaking, check that your mic is unmuted (green light).

For in-house participants that do not have a microphone, please wait for the mic runner before speaking.