

# *JPIA*Source

WINTER 2023

VOLUME 5 ISSUE 1

ACWA JPIA Risk Management for the Water Industry

Revised March 2024

## Recreational Activities and Special Events

Three Steps to  
Protecting Your Agency





Outdoor recreational areas, activities, and special events are highly desirable in nearly all communities served by JPIA members. The fact that recreational areas can provide physical, mental, and societal benefits to a community is well documented (Parks, 2005). A special event can be an agency’s hosted holiday party, annual picnic or an agency’s facility rental for public assembly.

As stewards of public resources, we strive to improve the quality of living in our communities. Providing outdoor recreational areas and special events is how many JPIA members do that; however, this can also open the door to liability claims. As good stewards, we can work to reduce the likelihood of costly liability claims. This can be done with recreational activities and special events by following three simple steps: classify the recreational activity or special event’s risk potential, manage the risks, and conduct periodic inspections.

### Three Steps to Protecting Your Agency

#### Step 1: Classifying Recreation/Special Events

Classify all recreational activities or special events before they are offered. This will assist in determining if the activity is covered by the agency’s General Liability Coverage or if additional steps and coverage are needed. JPIA classifies recreational activities into three categories: Class 1, Class 2, and Class 3, with JPIA Staff and/or Executive Committee approval.

#### Class 1 Activities/Events

Class 1 activities do not include alcohol and are less than 250 participants. This class has little participant physical activity and no anticipated exposure to spectators and are considered lower risk. Based on the type of event, an agency needs to ensure one or more of the following: facility rental process, participant waiver form, or assumption of risk public posting.

Examples of Class 1 Activities			
Auctions	Charity Benefit	Health Fair	Job Fair
Luncheons	Nature Hikes	Parks (No Equipment)	Picnic Areas





**Class 2 Activities/Events**

Class 2 activities do not include alcohol, have moderate physical activity, minimal moderate spectator exposure, and are considered moderate risk. Class 1 activities with crowds in the 251 - 1,500 range would be considered Class 2. Based on the type of event, an agency should ensure one or more of the following: facility rental process, participant waiver form, or assumption of risk public posting.

Examples of Class 2 Activities			
Dog Park	Sports Field	On-shore Fishing Event	Food and Beverage Concessions
Parades	Runs/Walks	Steet Fairs	Non-motorized Watercraft Use

**Class 3 Activities/Events**

Class 3 activities that include one or more of the following risks and are considered high risk:

- Moderate to high physical activity
- The potential for significant spectator exposure
- Crowds in excess of 1,500 people
- Anticipated use of alcohol

Class 1 or 2 activities with more than 1,500 participants would also be considered Class 3. Based on the type of event, an agency should ensure one or more of the following: facility rental process, participant waiver form, or assumption of risk public posting.

Examples of Class 3 Activities			
Alcohol (use anticipated)	Concerts	Fireworks	Trails: Bike, Horseback, Hiking
Motorized Activities	Playgrounds	Rentals (boating etc.)	Non-motorized Watercraft Use

Class 3 activities/events must be reviewed with JPIA staff in advance (and possibly the JPIA's excess liability carrier), require the concurrence of the JPIA for liability coverage to be afforded and require special risk management efforts. Some Class 3 events/activities may require an onsite JPIA Risk Assessment and are subject to approval by the JPIA's Chief Executive Officer. For activities/events being held by an outside entity, special risk transfer provisions may be required.

**JPIA Executive Committee Approval Required Activities**

Coverage for the following types of events/activities will not be granted by the JPIA unless approved by the Executive Committee.

JPIA Executive Board Approval Required			
Swimming Pools	Water Parks	Water Playgrounds	Water Slides

After classifying the activity/event, a risk assessment must always be completed to identify the risks that need to be managed.



## Step 2: Managing the Risk

**Assessment Phase:** An assessment must be completed to manage recreational activity risks properly. Consider the following:

- Review activity with management, engineering, and field staff to identify potential risks.
- Reach out to other public agencies that have similar activities to assist in identifying risks.
- Review activity with ACWA JPIA Risk Control Staff for recommendations on all classes of activities. For class 3 or higher activities a JPIA risk assessment is required to ensure coverage, contact your local risk advisor for a site visit.
- Review with district counsel.

## Planning and Design Phase

It is typically much easier to determine how to best control risks in this phase. During the design phase utilize industry best practices to protect users. Also, the ease of use and periodic maintenance activities should be reviewed in this phase. Take the extra time to design in safety measures and ensure appropriate warning signs are always used. Spending a little time up front gathering information to address the risks proactively will save a lot of time, effort, and money in the long run.

## Implementation and Opening Phase

Before opening the activity or event, be sure that all the identified risks have been addressed and appropriate risk transfer is put in place, including contracts, insurance requirements, waivers, warning signs, and required inspections.

- **Risk Transfer** - Sample contracts along with recommended insurance requirements & indemnification clauses are available on [JPIA's Risk Transfer webpage](#). Member Services is available to provide assistance and/or review contracts as needed.
- **Special Events** - The JPIA can facilitate a [Special Events](#) Program through its brokerage relationships to assist members with a method for transferring risk to individuals or groups using public facilities for events such as weddings, athletic events, fairs or parades. The program provides up to \$3 million aggregate limits and includes coverage for both public and private events. Coverage options include Lessees, instructors, event holders as named insured, volunteers, vendors, exhibitors, concessionaires, and liquor liability. For more information contact Member Services.



### Step 3: Periodic Inspections

The best thing an agency can do for permanent recreational facilities/facility rentals once it is open is to perform and document regular inspections. Ensure warning signs are intact and legible, equipment is inspected according to manufacturer recommendations, and facilities are maintained within industry standards. If something is found deficient, apply a warning and/or take it out of service immediately until it can be corrected. The JPIA has sample inspection checklists in the [Risk Control Manual](#) that can be modified to your district's specific needs.

Take this opportunity to review and inspect your agencies recreational facilities to ensure your agency is properly protected. If you have questions or concerns about recreational facilities, reach out to your JPIA Risk Advisor to discuss best practices.


Answers	
Class 1	(1)
Class 3	(2)
Class 1	(3)
Class 2	(4)
Class 3	(5)
Board Approval	(6)
Class 2	(7)
Class 3	(8)

### Test Your Knowledge

Classify the following activities into Class 1, Class 2, or Class 3 Activities:

1. Charity Benefit
2. Playground
3. Picnic Area
4. Sports Field
5. Dances and Parties
6. Water Playground
7. On-shore Fishing Event
8. Any event with alcohol

## JPIASource



The *JPIASource* is not intended to be exhaustive. The discussion and best practices suggested herein should not be regarded as legal advice. Readers should pursue legal counsel or contact their insurance providers to gain more exhaustive advice.

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