

Property Program Committee Meeting



YOUR BEST PROTECTION

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

Tuesday
June 20, 2023
2:30 p.m.

Chairman: Chris Kapheim, Kings River Conservation District
Vice-Chair: Scott Ratterman, Calaveras County Water District
Tom Coleman, Rowland Water District
Mark A. Gilkey, Berrenda Mesa Water District
Shawn Huckaby, Fair Oaks Water District
Theresa Lee, Walnut Valley Water District
Oliver Smith, Valley Center Municipal Water District
Eugene F. West, Camrosa Water District



PROPERTY PROGRAM COMMITTEE MEETING

AGENDA

JPIA Executive Conference Room
2100 Professional Drive,
Roseville, CA 95661
(800) 231-5742 - WWW.ACWAJPIA.COM

Tuesday - June 20, 2023 - 2:30 p.m.

Zoom Link Meeting ID: 661 516 2566; Password: 1234; 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:

- Huckaby - 10326 Fair Oaks Boulevard, Fair Oaks
- Lee - 1300 Valley Vista Drive # 100, Diamond Bar

WELCOME

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

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

EVACUATION PROCEDURES

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

INTRODUCTIONS

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter

Page#

I. CONSENT AGENDA

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Kapheim * A. Approve the minutes of the meeting of March 22, 2023.

Kapheim B. Report on meetings attended on behalf of the JPIA.

<u>Presenter</u>		<u>Page#</u>
	II. <u>LOSS REPORTS</u>	
Greenfield	* A. Review claims data.	8
	III. <u>MEMBERSHIP</u>	
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	IV. <u>NEW BUSINESS</u>	
Beatty	* A. Review and make recommendation on the 2023-2024 Memorandum of Property Coverage (MOPC).	21
Aon	* B. Review state of the property market.	28
Beatty	* C. Review and make recommendation on the 2023-2024 Property Program reinsurance renewal.	29
deBernardi	* D. Review and make recommendation on the July 1, 2023 renewal pricing.	30
Nogosek	* E. Claims Department update.	37
Sells	* F. CEO update.	38
	V. <u>UPCOMING MEETING</u>	
Kapheim	A. There are no additional meetings scheduled for the remainder of the year.	

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: Kristan Brown, Administrative Assistant II, ACWA JPIA, PO Box 619082, Roseville, CA 95661-9082; telephone (916) 786-5742. The JPIA's normal business hours are Monday – Friday, 7:30 a.m. to 4:30 p.m. (Government Code Section 54954.2, subdivision. (a)(1).)

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



Property Program Committee Meeting

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

March 22, 2023

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

MEMBERS PRESENT

Chair: Chris Kapheim, Kings River Conservation District
Vice-Chair: Randall Reed, Cucamonga Valley Water District
Tom Coleman, Rowland Water District
Mark A. Gilkey, Berrenda Mesa Water District (via Zoom)
Theresa Lee, Walnut Valley Water District (via Zoom)
Scott Ratterman, Calaveras County Water District
Oliver Smith, Valley Center Municipal Water District

MEMBERS ABSENT

Shawn Huckaby, Fair Oaks Water District
Eugene West, Camrosa Water District

STAFF PRESENT

Chief Executive Officer/Secretary: Walter “Andy” Sells
Adrienne Beatty, Assistant Executive Officer
Kristan Brown, Administrative Assistant II (Recording Secretary)
Chimene Camacho, Executive Assistant to the CEO
Debbie Cruz, Lead Member Services Representative
David deBernardi, Director of Finance
Robin Flint, Risk Control Manager
Robert Greenfield, General Counsel
Chris Light, Business Data Analyst
Jennifer Nogosek, Liability/Property Claims Manager
Kevin Phillips, Director of Member Outreach
Olivia Sayad, Administrative Assistant II
Sandra Smith, Employee Benefits Manager
Dan Steele, Finance Manager
Shelley Tippit, Claims Assistant
Melody Tucker, Workers’ Compensation Claims Manager
Chuck Wagenseller, Cost Estimator/Risk Control Advisor
Tony Waterford, Human Resources Manager
Nidia Watkins, Member Services Representative II
Mike Whitright, IT Support Specialist

Cece Wuchter, Lead Senior Claims Adjuster

OTHERS IN ATTENDANCE

Melody A. McDonald, San Bernardino Valley Water Conservation District
David Drake, Rincon del Diablo Municipal Water District
Fred R. Bockmiller, Mesa Water District
Cathy Green, ACWA Vice President
J. Bruce Rupp, Humboldt Bay Municipal Water District
Alex Tokar, Aon Risk and Insurance Services

WELCOME

Chair Kapheim welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair Kapheim called the meeting to order at 3:02 p.m. He announced there was a quorum.

ANNOUNCEMENT RECORDING OF MINUTES

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

PUBLIC COMMENT

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

INTRODUCTIONS

Chair Kapheim welcomed all in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Chair Kapheim asked for any additions to, or deletions from, the agenda; none requested.

CONSENT AGENDA

Approval of the minutes

Chair Kapheim called for approval of the minutes of the November 28, 2022 meeting.

M/S/C (Coleman/Ratterman) (Coleman-Yes; Gilkey-Yes; Lee-Abstain; Ratterman-Yes; Smith-Abstain; Reed-Yes; Kapheim-Yes): That the Property Program Committee approve the minutes of the November 28, 2022 meeting, as presented.

Meetings attended on behalf of the JPIA.

Ms. Nogosek spoke about a recent visit to Paradise Irrigation District and the

devastation caused by the Camp Fire. She was saddened by the lasting impacts of the 2018 wildfire still affecting the town in a significant way.

LOSS REPORTS

Property Claims Data

Mr. Greenfield reviewed the claims data in which JPIA had suffered higher than typical, historical losses, specifically for the 2018-19 and 2021-2022 policy years due to the Paradise and Caldor wildfires. Even with the historical wildfire losses, since 2008 the JPIA had only a few policy years that JPIA's total incurred losses exceeded \$2.5 million. Currently, the Property Program insures approximately \$11.4 billion in property values.

After reviewing the claims data, Mr. Greenfield asked the Committee Members what information they would like to see going forward. A question was posed as to why JPIA does not show open claims on the reports. Mr. Greenfield reported that providing this information could impede and negatively impact settlement negotiations on an open claim. The Committee discussed and agreed that the claims' reports had no deficiencies and were adequate. The Committee requested future reports include subrogation recoveries and annual premiums paid.

NEW BUSINESS

Property Program Update and Renewal Strategy

Recap of the 2022-23 Renewal

Ms. Beatty reminded the Committee that the 2022-23 renewal was extremely challenging and that with the JPIA's losses and hardening market, the purchase of excess coverage at the pool's existing retention was substantially cost prohibitive. As such, in June 2022, the Property Program Committee recommended, and the Executive Committee approved, an increase in JPIA's retention from \$100,000 (plus a \$1M aggregate deductible) to \$10 million. Even with the pool's retention significantly increasing, premiums for excess coverage still increased by approximately 16%. Additionally, in June 2022, the Property Program Committee recommended, and the Executive Committee approved, a 20% rate increase for the 2022-23 Program Year and member assets were trended by 7.5% for real property and 5% for personal property.

Renewal Strategy

Ms. Beatty stated that over the past year, JPIA has been diligently and strategically working towards the identification of alternative program structures, broker and carrier relationships, and other resources that might position JPIA more favorably for the 2023-2024 renewal. In light of the 2022-2023 program renewal and some of its undesirable results, JPIA's Property Program will be transitioning from our existing broker, Alliant, back to its prior broker, AON. Ms. Beatty introduced Alex Tokar, Account Executive Managing Director, with AON.

Mr. Tokar explained the new renewal strategy that emphasized a focus on utility risk carriers. Since JPIA does not have the same risks as other public entities, such as

schools and municipalities, it is important to differentiate JPIA as not carrying the same risk exposures. In addition, Mr. Tokar revealed there would be fewer excess carriers in the tower, which would simplify the process and provide more substantial participation among carriers. He would aim to provide the JPIA with a \$2.5 million retention, rather than JPIA's current retention of \$10 million. Ms. Beatty stated that the transition would, at the very least, save the JPIA significant dollars going from a commission-based contract to a flat fee arrangement. Furthermore, the contract would offer incentive fees which allows AON to earn additional fees as a percentage of premiums saved or refund fees to the JPIA if premiums exceed industry averages.

JPIA staff and Property Program Committee Members were pleased with the projected renewal options presented by Mr. Tokar. Mr. Sells thanked Ms. Beatty and Mr. Tokar for their dedication to finding favorable alternatives to the current Property Program structure.

Review of the Property Claims Audit

Mr. Greenfield informed the Committee that every two years the JPIA retains an independent auditor to review the claim files of the Liability and Property Programs. He reviewed JPIA's audit results and read the concluding statement to the audit, which was the following: "The ACWA JPIA claims team demonstrated the technical expertise and sophistication necessary to properly handle the Authority's liability and property claim exposures to proper resolution."

Mr. Greenfield stated that the Property Program received a well-deserved, excellent evaluation. He commended the collaboration and dedication between JPIA members and staff in the Claims, Risk Management, and Training Departments. Committee Members agreed that the JPIA has a committed staff who believe in service.

CEO Update

Mr. Sells remarked on the numerous upcoming retirements and the changes that will be occurring at the JPIA as we onboard new staff members.

In addition, Mr. Sells discussed the Property Program and Cyber Liability renewals and how there has been dramatic changes within each program due to the volatility in the marketplace with environmental catastrophic events and an enormous uptick in cyber-crimes globally.

Mr. Sells also reminded the Committee that the Employee Benefits rates for 2023 decreased by 10%; however, the rates are expected to increase for 2024.

UPCOMING MEETING

Availability for Upcoming Meeting(s)

There will be a Property Program Committee meeting held on June 20, 2023.

The Property Program Committee meeting adjourned at 4:12 p.m.

ACWA JPIA
Property Claims Data
June 20, 2023

BACKGROUND

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

CURRENT SITUATION

The three-year period between 2016 and 2019 suffered higher than historical losses. The 2016-17 policy year currently has projected losses near \$6 million which includes two large flood losses. The 2017-18 and the 2018-19 policy years have sustained combined losses that may exceed \$18 million as a result of wildfires losses in both Northern and Southern California. The 2021-22 policy year includes the Caldor fire, estimated at approximately \$32 million.

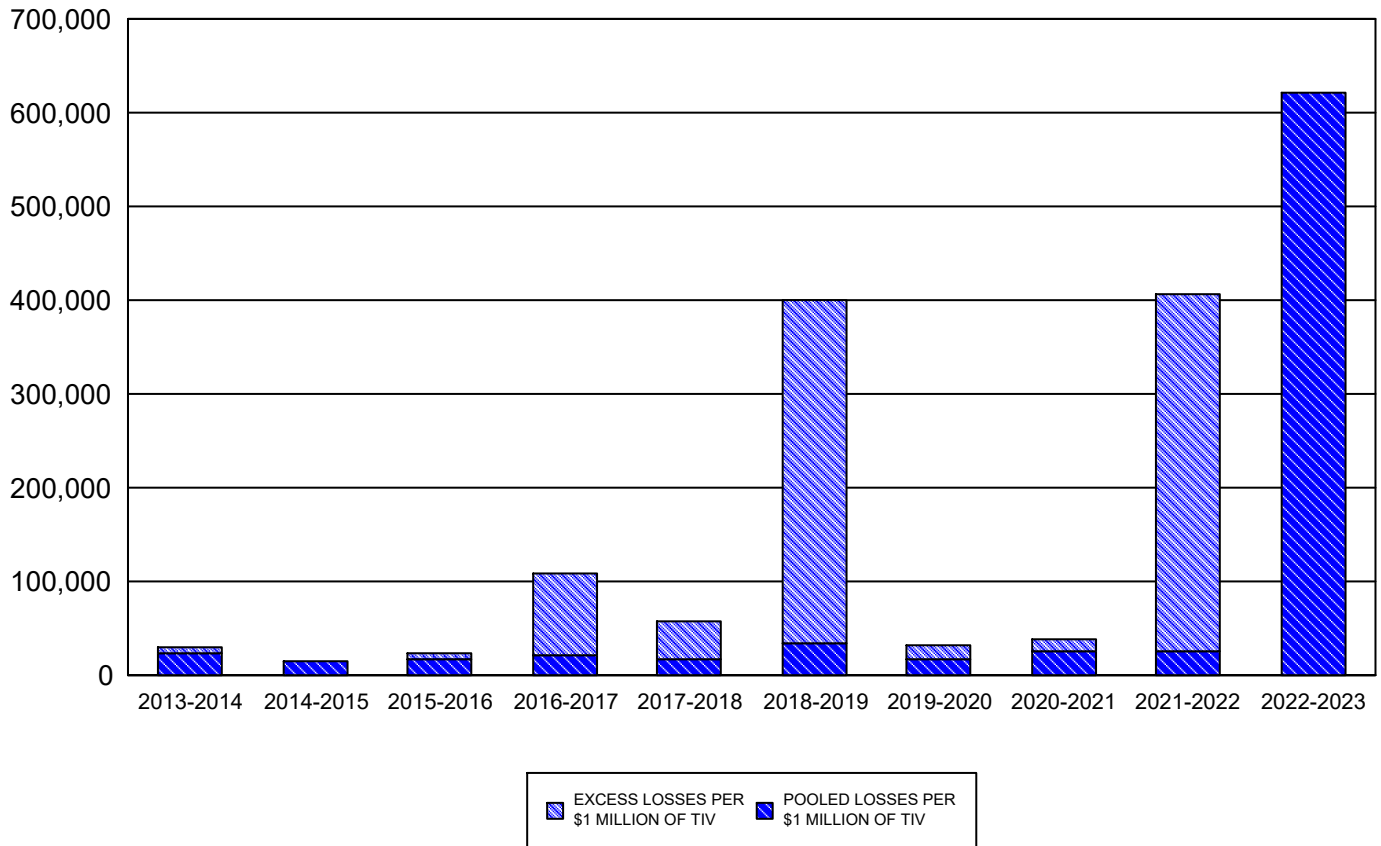
The Program insures approximately \$11.8 billion in property values.

The claims department has been pursuing subrogation of claims and has achieved excellent results. In the same time period as referenced above they have recovered approximately \$5,700,000.00

RECOMMENDATION

None, informational only.

**ACWA/JPIA - PROPERTY PROGRAM
REPORTED LOSSES PER \$100 MILLION OF INSURED VALUES
FOR MONTH ENDING 5/31/2023**

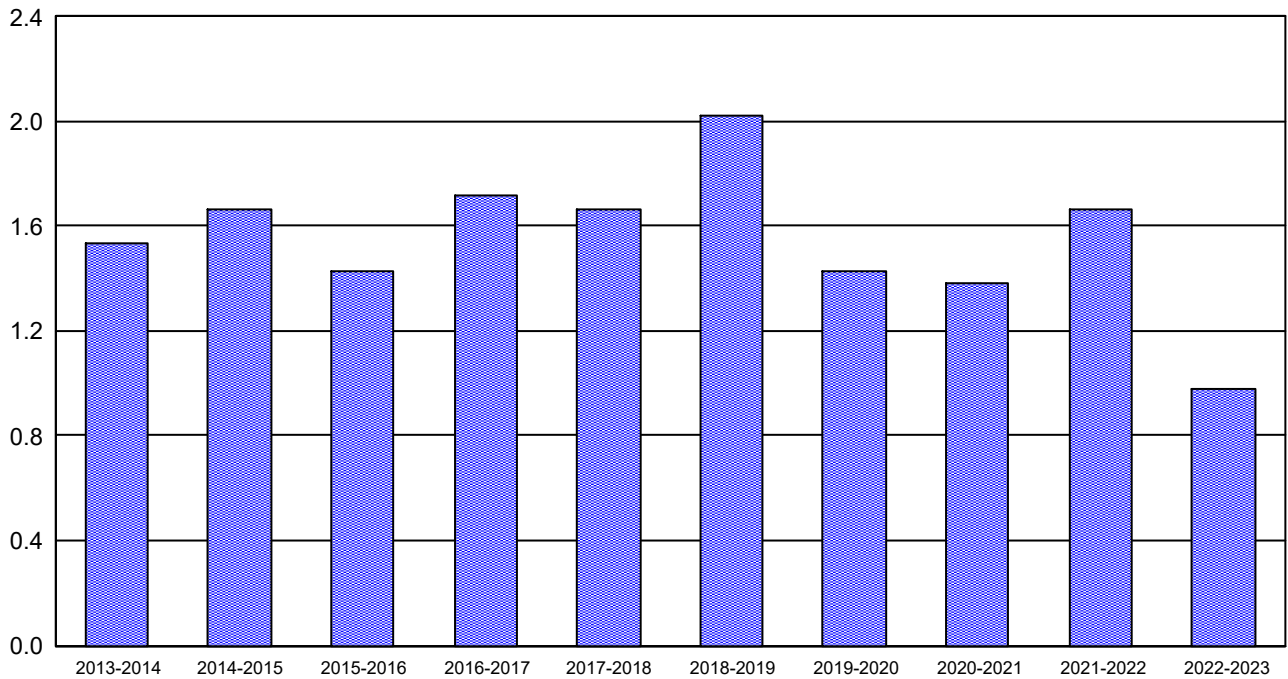


<u>POLICY YEAR (4/1)</u>	<u>TOTAL INSURED VALUES</u>	<u>SELF INSURED RETENTION</u>	<u>POOLED LOSSES</u>	<u>EXCESS LOSSES</u>	<u>INCURRED LOSSES</u>	<u>POOLED LOSSES PER \$100 MILLION OF VALUES</u>	<u>TOTAL LOSSES PER \$100 MILLION OF VALUES</u>
2008-2009	3,463,027,227	50,000	512,340	189,526	701,866	14,795	20,267
2009-2010	3,717,578,379	50,000	665,281	2,355,173	3,020,454	17,896	81,248
2010-2011	4,011,604,591	50,000	801,074	1,693,574	2,494,649	19,969	62,186
2011-2012	4,231,903,723	50,000	922,930	1,585,784	2,508,715	21,809	59,281
2012-2013	4,485,928,834	50,000	615,618	657,678	1,273,296	13,723	28,384
2013-2014	4,737,610,119	100,000	1,105,398	342,512	1,447,910	23,332	30,562
2014-2015	4,992,740,567	100,000	759,655	0	759,655	15,215	15,215
2015-2016	5,245,004,171	100,000	870,882	398,104	1,268,986	16,604	24,194
2016-2017	5,473,946,519	100,000	1,128,746	4,770,189	5,898,936	20,620	107,764
2017-2018	6,129,714,513	100,000	1,054,236	2,529,516	3,583,751	17,199	58,465
2018-2019	7,097,455,423	100,000	2,391,637	25,932,268	28,323,905	33,697	399,071
2019-2020	7,825,713,447	100,000	1,359,524	1,080,000	2,439,524	17,373	31,173
2020-2021	8,471,518,212	100,000	2,223,572	1,089,500	3,313,072	26,248	39,108
2021-2022	8,766,681,782	100,000	2,256,951	33,348,138	35,605,089	25,745	406,141
2022-2023	1,000,000,000	10,000,000	5,703,097	0	5,703,097	622,156	622,156

- Latest Policy Year's 'Losses' include partial activity.

- Latest Policy Year's 'Losses Per \$100 Million of Values' has been annualized using 11 months data

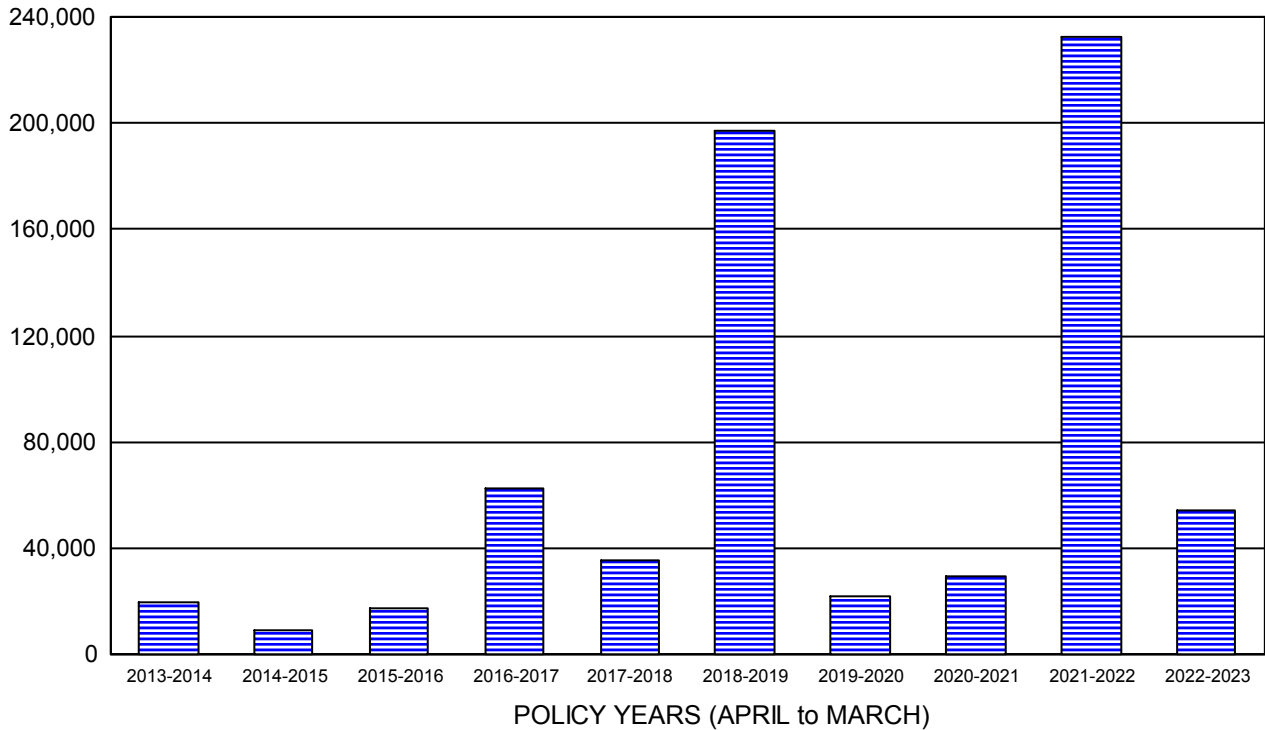
**ACWA/JPIA - PROPERTY PROGRAM
OCCURRENCES PER \$100 MILLION OF INSURED VALUES
FOR MONTH ENDING 5/31/2023**



PROGRAM YEAR (4/1)	NUMBER OF OCCUR	TOTAL INSURED VALUES (TIV)	INFLATION ADJUSTMENT ANNUAL %	INFLATION ADJUSTMENT FACTOR	INFLATION ADJUSTED TIV	# OF OCCURRENCES PER \$100 MILLION OF INFLATION ADJUSTED TOTAL INSURED VALUES
2008-2009	79	3,463,027,227	0.00	1.323	4,582,035,291	1.7241
2009-2010	100	3,717,578,379	1.50	1.323	4,918,839,562	2.0330
2010-2011	86	4,011,604,591	3.00	1.304	5,229,432,976	1.6445
2011-2012	102	4,231,903,723	2.10	1.266	5,355,931,767	1.9044
2012-2013	95	4,485,928,834	1.30	1.240	5,560,654,274	1.7084
2013-2014	89	4,737,610,119	1.80	1.224	5,797,268,124	1.5352
2014-2015	100	4,992,740,567	1.00	1.202	6,001,437,549	1.6663
2015-2016	89	5,245,004,171	1.80	1.190	6,242,244,214	1.4258
2016-2017	110	5,473,946,519	2.90	1.169	6,399,524,257	1.7189
2017-2018	116	6,129,714,513	3.20	1.136	6,964,212,476	1.6657
2018-2019	158	7,097,455,423	0.00	1.101	7,813,664,164	2.0221
2019-2020	123	7,825,713,447	2.90	1.101	8,615,411,168	1.4277
2020-2021	121	9,560,434,709	1.70	1.070	9,560,434,709	1.3807
2021-2022	161	10,570,123,529	5.20	1.052	10,570,123,529	1.6616
2022-2023	106	11,783,897,974	8.30	1.000	11,783,897,974	0.9813

- Latest Policy Year's 'Number of Occur' include partial activity.
- Latest Policy Year's '# of Occurrences Per \$100 Million of Inflation Adjusted Total Insured Values' has been annualized using 11 months data.

**ACWA/JPIA - PROPERTY PROGRAM
AVERAGE CLAIM SIZE REPORT
FOR MONTH ENDING 5/31/2023**



PROGRAM YEAR (4/1)	MONTHS AFTER INCEPTION	AVERAGE LOSS	INFLATION ADJUSTMENT FACTOR	INFLATION ADJUSTED AVERAGE LOSS
2008-2009	179	12,158	1.32	\$16,086.43
2009-2010	167	30,205	1.32	\$39,964.54
2010-2011	155	29,103	1.30	\$37,938.59
2011-2012	143	24,595	1.27	\$31,127.94
2012-2013	131	13,697	1.24	\$16,979.05
2013-2014	119	16,269	1.22	\$19,907.45
2014-2015	107	7,597	1.20	\$9,131.30
2015-2016	95	14,258	1.19	\$16,969.22
2016-2017	83	53,627	1.17	\$62,694.31
2017-2018	71	30,894	1.14	\$35,100.37
2018-2019	59	179,265	1.10	\$197,354.99
2019-2020	47	19,834	1.10	\$21,834.94
2020-2021	35	27,381	1.07	\$29,294.24
2021-2022	23	221,150	1.05	\$232,649.40
2022-2023	11	53,803	1.00	\$53,802.80

- Latest Policy Year's 'Inflation Adjusted Average Loss' have been annualized using 11 months data.
- Factor based on CPI for West Coast from US Dept of Labor

**ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000
FOR MONTH ENDING 5/31/2023**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>
POLICY YEAR 1987-1988					
87011	08/11/1987	Glenn-Colusa Irrigation District	Fire destroyed shop building	Closed	100,592
87020	10/22/1987	Yuima Municipal Water District	Mudslide damaged building	Closed	145,322
TOTAL					245,914
POLICY YEAR 1989-1990					
89011	07/14/1989	Central California Irrigation District	Fire destroyed building	Closed	100,259
TOTAL					100,259
POLICY YEAR 1991-1992					
91035	06/10/1991	Oakdale Irrigation District	Vandals damaged canal	Closed	85,250
TOTAL					85,250
POLICY YEAR 1992-1993					
92017	08/22/1992	Ramona Municipal Water District	Seam on water tank cover split	Closed	260,474
92015	08/17/1992	South Coast Water District	Garage and shop destroyed by fire	Closed	223,359
TOTAL					483,833
POLICY YEAR 1995-1996					
95006	05/24/1995	San Diego County Water Authority	Mudslide damaged control room.	Closed	94,729
TOTAL					94,729
POLICY YEAR 1996-1997					
96057	11/26/1996	East Orange County Water District	Wind damaged reservoir roof	Closed	113,898
96072	02/15/1997	Lower Tule River Irrigation District	Capacitor fire resulted in business interruption claim	Closed	75,860
96032	08/11/1996	Semitropic Water Storage District	Turbine flooded during power outage	Closed	75,495
96028	08/06/1996	Valley Center Municipal Water District	Power surge damaged electrical panel	Closed	127,265
TOTAL					392,518
POLICY YEAR 1997-1998					
97001	04/02/1997	East Orange County Water District	Wind damaged reservoir roof	Closed	85,535
97015	07/03/1997	Elsinore Valley Municipal Water District	Fire damaged building	Closed	94,483
97050	10/04/1997	Orange County Water District	Power surge damaged electrical panel	Closed	89,851
97035	08/31/1997	Reclamation District #108	Fire damaged building	Closed	263,928
TOTAL					533,798

**ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000
FOR MONTH ENDING 5/31/2023**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>
POLICY YEAR 1998-1999					
99-1633	01/15/1999	Madera-Chowchilla Water and Power Authority	Hydro generator down	Closed	181,786
98002	04/09/1998	Palmdale Water District	Water backed up into water treatment plant	Closed	176,027
98008	04/22/1998	Wheeler Ridge-Maricopa Water Storage District	Fire damaged building	Closed	149,666
TOTAL					507,478
POLICY YEAR 1999-2000					
99-1771	06/13/1999	Madera-Chowchilla Water and Power Authority	Hydro-electric plant turbine sustained damage of unknown origin.	Closed	155,095
00-2212	12/29/1999	Rancho California Water District	Fire damaged building and contents	Closed	80,822
TOTAL					235,916
POLICY YEAR 2000-2001					
01-2850	10/10/2000	Arvin-Edison Water Storage District	Fire damaged a pump motor	Closed	151,567
01-2747	09/01/2000	Bella Vista Water District	Lightning strike damaged transformer	Closed	123,113
01-3162	02/26/2001	Santa Clarita Valley Water Agency	Water leaked into ozone output line, flooding 2 ozone generator units.	Closed	202,400
01-2770	09/11/2000	Yorba Linda Water District	Toilet backed up in District office	Closed	146,176
TOTAL					623,256
POLICY YEAR 2002-2003					
02-4208	04/25/2002	Kern Water Bank Authority	Lightning strike damaged 3 recovery wells and pump station	Closed	81,348
03-4395	08/02/2002	Madera-Chowchilla Water and Power Authority	Plant shutdown - cause - unknown.	Closed	1,321,842
TOTAL					1,403,190
POLICY YEAR 2003-2004					
03-5189	05/22/2003	Berrenda Mesa Water District	2000 HP motor & control switch was damaged due to PG&E interruption	Closed	76,488
04-5514	08/01/2003	Friant Power Authority	Fire damaged electrical panel and resulted in business interruption claim	Closed	386,149
04-5662	10/28/2003	Helix Water District	Fire damaged residential building and garage	Closed	380,036
04-6013	02/26/2004	Mountain Gate Community Services District	Hail damaged the District office	Closed	79,895
TOTAL					922,568
POLICY YEAR 2004-2005					
05-6526	09/04/2004	Calaveras County Water District	Fire damaged District's "602" tank	Closed	205,341
05-6805	12/20/2004	Cucamonga Valley Water District	Fire damaged control panel	Closed	107,938
05-6398	07/21/2004	Merced Irrigation District	Vandalism to heavy equipment	Closed	111,928

**ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000
FOR MONTH ENDING 5/31/2023**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>
POLICY YEAR 2004-2005					
05-6378	07/16/2004	Serrano Water District	District pump failed - damage to pump and control panel.	Closed	111,340
04-6239	06/11/2004	Stockton-East Water District	Fire damaged control panel	Closed	153,314
05-6797	12/19/2004	Western Canal Water District	Water/sewage backed up into ice maker drain - flooded office	Closed	77,337
TOTAL					767,198
POLICY YEAR 2005-2006					
07-8600	03/01/2006	American River Flood Control District	District employee embezzled funds from District.	Closed	104,221
06-7661	11/15/2005	Mission Hills Community Services District	Fire damaged building	Closed	235,885
06-7741	12/22/2005	North Coast County Water District	Fire damaged vector truck	Closed	124,057
06-7777	12/22/2005	Reclamation District #108	Electrical short damaged pump motor	Closed	82,134
TOTAL					546,297
POLICY YEAR 2006-2007					
07-8416	09/07/2006	Arvin-Edison Water Storage District	Fire damaged building	Closed	194,849
07-8725	01/14/2007	Golden Hills Community Services District	Fire sprinkler line broke & flooded office	Closed	145,348
07-8891	03/19/2007	San Diego County Water Authority	Flood damaged hydroelectric plant where two water supply lines ruptured	Closed	1,575,000
TOTAL					1,915,197
POLICY YEAR 2007-2008					
08-9455	10/22/2007	Fallbrook Public Utility District	Rice Canyon Fire burned 2 chlorine stations	Closed	968,918
08-9450	10/26/2007	Helix Water District	Fire destroyed caretaker's residence @ diversion dam.	Closed	180,404
07-9107	06/05/2007	San Luis Water District	Fire damaged residence	Closed	104,129
08-9424	10/12/2007	Yolo County Flood Control & Water Conservation District	Fire destroyed Hunting Lodge rental	Closed	145,809
TOTAL					1,399,260
POLICY YEAR 2008-2009					
09-0508	10/01/2008	Merced Irrigation District	Rented boomlift rolled	Closed	98,959
TOTAL					98,959
POLICY YEAR 2009-2010					
10-0956	05/07/2009	Cachuma Operation and Maintenance Board	Fire damaged Core Shed	Closed	312,035
10-1202	05/28/2009	Calleguas Municipal Water District	Boiler & Machinery - Well #12	Closed	90,084
13-0295	10/30/2009	Calleguas Municipal Water District	B&M - Well #10	Closed	135,715

**ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000
FOR MONTH ENDING 5/31/2023**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>
POLICY YEAR 2009-2010					
13-0307	09/04/2009	Calleguas Municipal Water District	B&M - Well 9	Closed	198,902
13-0309	08/31/2009	Calleguas Municipal Water District	B&M - Well 16	Closed	122,111
10-1458	02/15/2010	Kanawha Water District	Fire damaged shop	Closed	440,577
10-1495	11/07/2009	Merced Irrigation District	Contractor dropped washer into 100 MV transformer	Closed	1,032,000
10-1143	09/20/2009	West Basin Municipal Water District	Water damaged building due to pump failure	Closed	108,275
TOTAL					2,439,699
POLICY YEAR 2010-2011					
11-0352	09/02/2010	Beaumont-Cherry Valley Water District	Diesel spill near Well 21	Closed	160,682
13-0308	05/31/2010	Calleguas Municipal Water District	B&M Well 14	Closed	171,458
10-1581	04/12/2010	Friant Power Authority	Lightening strike hit KV line and shorted out circuit breaker starting fire that burned for 45 minutes.	Closed	1,244,845
11-0409	12/21/2010	Mammoth Community Water District	Quonset hut #1 collapsed	Closed	109,349
11-0413	12/16/2010	Serrano Water District	PLD failed causing overflow in filtration tank into gallery	Closed	75,959
TOTAL					1,762,294
POLICY YEAR 2011-2012					
12-0495	09/10/2011	Arvin-Edison Water Storage District	Lightning strike damage 3 - 5,500 HP motors @ Forest Frick Pump Station	Closed	616,557
14-0508	12/27/2011	Bard Water District	Employee dishonesty	Closed	100,000
12-0101	08/12/2011	Fresno Irrigation District	Kitchen fire @ 9451 E. Olive	Closed	139,653
12-0049	07/13/2011	Helix Water District	Explosion in Ozone Destruct Unit #2	Closed	224,117
12-0190	09/10/2011	Kern County Water Agency	Switch gear @ 2B & 4B melted	Closed	164,802
12-0112	07/07/2011	Lower Tule River Irrigation District	Bearing damage @ LakeSuccess Turbin	Closed	293,739
12-0171	09/07/2011	Mission Springs Water District	Sprinkler system went off sending 3" of water into building	Closed	214,319
TOTAL					1,753,186
POLICY YEAR 2012-2013					
12-0769	05/07/2012	Banta Carbona Irrigation District	B&M - Pumping Station #1	Closed	207,856
13-0393	12/11/2012	Del Puerto Water District	Unknowns stole 200K generator/utility trailer	Closed	88,000
12-0681	05/01/2012	Palmdale Water District	Hydro-electric generator burned.	Closed	292,341
13-0336	12/02/2012	South Feather Water and Power Agency	Tree fell into shop building	Closed	127,212
TOTAL					715,409

**ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000
FOR MONTH ENDING 5/31/2023**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>
POLICY YEAR 2013-2014					
13-0658	04/25/2013	Bella Vista Water District	1,000 HP pump/motor @ Wintu failed	Closed	149,736
14-0396	01/22/2014	Coastside County Water District	Fire in District's server room	Closed	277,915
13-0644	04/20/2013	Fresno Metropolitan Flood Control District	Theft of copper wire	Closed	77,400
14-0548	03/24/2014	Oakdale Irrigation District	Excavator caught fire & burn	Closed	162,003
14-0320	12/03/2013	Twentynine Palms Water District	Generator at flouride removal treatment plant failed.	Closed	119,755
TOTAL					786,808
POLICY YEAR 2014-2015					
15-0454	02/06/2015	Wheeler Crest Community Services District	Wildfire burned District's building & contents @ Rimrock Regulation Station	Closed	80,123
TOTAL					80,123
POLICY YEAR 2015-2016					
16-0100	07/09/2015	Orange County Water District	Vandalism/fire damaged HDPE pipe @ Santiago Basin	Closed	416,000
16-0230	10/06/2015	Thermalito Water & Sewer District	Fire @ District office	Closed	152,104
TOTAL					568,104
POLICY YEAR 2016-2017					
17-0499	02/09/2017	Clearlake Oaks County Water District	District reports flood damage to lift stations due to Clearlake reaching flood stages during storm.	Closed	768,770
16-0591	04/07/2016	Placer County Water Agency	During a planned outage, water backed up into electrical area of Foothill Treatment Plant because a valve wasn't opened.	Closed	678,179
16-0693	04/17/2016	Reclamation District #2068	Circuit breaker failure resulted in control cabinet fire	Closed	101,198
17-0474	02/10/2017	South Feather Water and Power Agency	Debris from Oroville's damaged spillway caused water to back up and flood the Kelly Ridge Powerhouse.	Closed	3,337,906
17-0583	03/07/2017	Water Replenishment District of Southern California	Field Office & Storage Annex burglarized and vandalized.	Closed	150,157
17-0505	02/17/2017	West Valley Water District	Recent storms washed out box culvert at tank site 2-2/2-3.	Closed	79,454
TOTAL					5,115,663
POLICY YEAR 2017-2018					
18-0131	08/14/2017	Arvin-Edison Water Storage District	Damage to 5500 HP motor @ Forest Frick Plant	Closed	129,545
18-0348	12/10/2017	Montecito Water District	Thomas Fire damaged/burned District property and later caused mud/debris flow on 1/9/18.	Closed	2,125,434
18-0222	10/09/2017	Redwood Valley County Water District	Wildfire damaged District's Tomki Booster Pump Station	Closed	421,571

**ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000
FOR MONTH ENDING 5/31/2023**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>
TOTAL					2,676,550
POLICY YEAR 2018-2019					
18-0688	06/11/2018	Glenn-Colusa Irrigation District	Trailer carrying a backhoe fell off the road and overturned	Closed	116,577
19-0237	10/14/2018	Mesa Water District	Pipe burst in District's Water Ops building - approx. 1 foot of water in building when discovered	Closed	113,790
19-0464	02/03/2019	Montecito Water District	Heavy rainfall to areas damaged by the Thomas Fire (12/10/17) caused mud & debris flows onto MWD roads and damage to culvert.	Closed	531,060
20-0104	12/17/2018	San Juan Water District	Engine that powers generator blew a head gasket after being serviced	Closed	97,457
19-0644	04/26/2019	Semitropic Water Storage District	Fire @ P-384	Closed	110,480
19-0244	10/15/2018	Solano County Water Agency	Agency's Excavator caught fire	Closed	95,181
18-0726	06/25/2018	South Feather Water and Power Agency	Boulder (5 ft. diameter) fell from 100 ft up hillside onto penstock.	Closed	549,536
19-0088	08/06/2018	Terra Bella Irrigation District	Fire @ empty residence	Closed	92,374
TOTAL					1,706,455
POLICY YEAR 2019-2020					
21-0163	02/27/2020	Arvin-Edison Water Storage District	5,500 HP motor failed to start, when examined for repair, bobcat was found in the motor causing it to short and caused damage	Closed	386,443
TOTAL					386,443
POLICY YEAR 2020-2021					
21-0614	08/06/2020	Diablo Water District	Pump shaft failure	Closed	86,005
21-0210	09/21/2020	El Dorado Irrigation District	Broken piece of ceiling plaster fell into and damaged generator also resulting in loss of revenue.	Closed	93,572
22-0117	05/14/2021	Placer County Water Agency District	sent EFT payment to non-valid account of vendor	Closed	78,377
21-0151	08/18/2020	Rural North Vacaville Water District	LNU Lightning Complex fire destroyed property	Closed	342,148
21-0183	09/03/2020	Tehachapi-Cummings County Water District	Engine #3 suffered a catastrophic failure from a broken connecting rod in cylinder #6, which exited the engine through an inspection cover & damaged the cast engine block.	Closed	346,413
TOTAL					946,514
POLICY YEAR 2021-2022					
22-0554	01/21/2022	Rosedale-Rio Bravo Water Storage District	High winds in the area caused severe damage to the roof on two buildings at the headquarters.	Closed	80,418
TOTAL					80,418

**ACWA JPIA - PROPERTY PROGRAM
SIGNIFICANT LARGE CLOSED CLAIMS OVER \$75,000
FOR MONTH ENDING 5/31/2023**

<u>CLAIM NUMBER</u>	<u>LOSS DATE</u>	<u>DISTRICT</u>	<u>DESCRIPTION</u>	<u>STATUS</u>	<u>LOSS AMOUNT</u>
POLICY YEAR 2022-2023					
23-0330	11/13/2022	Marina Coast Water District	Cat Generator was stolen by unknowns	Closed	95,240
23-0016	07/06/2022	Moulton Niguel Water District	MNWD received fraudulent email from vendor Pac Hydro with payment instructions and paid fraudulent account twice - CRIME	Closed	94,669
23-0072	07/13/2022	Moulton Niguel Water District	MNWD rec'd fraudulent email from vendor w/ pymt instructions & paid fraudulent account 3 times - CRIME	Closed	99,000
TOTAL					288,909
GRAND TOTAL					29,662,195

ACWA JPIA
Membership Report
June 20, 2023

BACKGROUND

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

CURRENT SITUATION

During the 2022-23 coverage year, the following agencies joined the Property Program:

<u>Member</u>	<u>Total Insured Value (TIV)</u>	<u>Join Date</u>
Rainbow Municipal Water District	\$27,420,445	7/1/2022
San Mateo County Flood Sea Level Rise Resiliency District	\$1,184,992	7/1/2022

Current Program Membership Status as of May 26, 2023:

Total number of program members: 287
 Total annual TIV: \$11,709,457

New Members:

For the 2023-24 coverage year, the following agency was approved for membership in the JPIA Property Program at the May 8, 2023, Executive Committee meeting:

<u>New Member</u>	<u>Total Insured Value (TIV)</u>	<u>Join Date</u>
Olivenhain Municipal Water District	\$92,802,301	7/1/2023

Potential New Members:

For the 2023-24 coverage year, the following agency has been fully underwritten and will be recommended to the Executive Committee for membership approval on June 21, 2023:

<u>Potential New Member</u>	<u>Total Insured Value (TIV)</u>	<u>Join Date (Status)</u>
San Diego County Water Authority	\$376,006,333	7/1/2023 (In Progress)

Notices of Withdraw:

Grassland Basin Water Authority has reported an intent to withdraw for the July 1, 2024, program renewal.

Rio Linda/Elverta Community Water District has rescinded their intent to withdraw for the July 1, 2023, Property Program renewal.

RECOMMENDATION

None, informational only.

ACWA JPIA
2023-24 Memorandum of
Property Coverage
June 20, 2023

BACKGROUND

The Property Committee meets annually to discuss the overall program and any required adjustments. Staff is bringing forward the Memorandum of Property Coverage (MOPC) for the program year July 1, 2023 – June 30, 2024.

CURRENT SITUATION

Staff is recommending only one change to the MOPC this year; to add Section VIII – DISPUTE RESOLUTION. Staff has reviewed the dispute resolution sections for the liability, property, and workers' compensation memoranda of coverage and is universally recommending this language be approved to simplify the dispute resolution process and bring the process across programs into alignment.

RECOMMENDATION

That the Property Program Committee recommend that the Executive Committee approve the Memorandum of Property Coverage, as revised, to be effective July 1, 2023.

MEMORANDUM OF PROPERTY COVERAGE

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

MEMORANDUM OF PROPERTY COVERAGE

FORM NO. MOPC-07012~~32~~

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

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

SECTION I – DEFINITIONS

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

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

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

7. **Extra Expense** is defined as the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the Covered Party's business, over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred. Any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any **loss** hereunder.

SECTION II – COVERAGE AGREEMENT

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

SECTION III – LIMIT OF LIABILITY

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

SECTION IV – DEDUCTIBLE

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

SECTION V – COVERAGE PERIOD

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

SECTION VI – EXCLUSIONS

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

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

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

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

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

2. War, whether or not declared, insurrection, rebellion, terrorism, or revolution. Terrorism is defined as an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any

- organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.
3. Nuclear contamination.
 4. Damage intentionally caused by or on behalf of a **Covered Party**.
 5. Liability arising out of any claim for **Cyber Liability** or by any name by which it is called.
 6. All properties that are not scheduled prior to a **loss**, except new acquisitions are covered for up to 90 days.
 7. **Extra Expense** does not include the regular salaries and fringe benefits of any employee of a **Covered Party** as well as use of **Covered Party's** vehicles/equipment, materials and supplies used which are regularly kept in supply at the **Covered Party**. **Extra Expense** does not include overhead/profit or admin fees incurred by the **Covered Party**.

SECTION VII - CONDITIONS

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

SECTION VIII – DISPUTE RESOLUTION

1. Review by Executive Committee and Arbitration

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 District 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.

If a Member District disagrees with the written decision of the Executive Committee, then the Member District 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. -There shall be three arbitrators, the Member District 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) 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.

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
State of the Property Market
June 20, 2023

BACKGROUND

It has been now multiple years whereby reports have shown the United States and countries around the globe have experienced unprecedented catastrophic losses. When the world has year over year tragedies, the market responds.

CURRENT SITUATION

AON will provide the Property Program Committee a State of the Market presentation and how it is affecting renewals across the market.

RECOMMENDATION

None, informational only.

ACWA JPIA
2023-2024 Property Program Reinsurance Renewal
June 20, 2023

BACKGROUND

The JPIA's Property Program renews on July 1, 2023. Wildfire losses continue to be among the most costly catastrophic losses impacting the property insurance markets. The JPIA experienced significant catastrophic wildfire losses over the past several years. JPIA losses, coupled with catastrophic losses throughout the world and United States, made last year's renewal particularly challenging.

The 2022-2023 renewal required the JPIA to assume significantly more cost per loss than the prior structure with JPIA's per occurrence deductible increasing from \$100,000 (with a \$1,000,000 aggregate deductible) to \$10,000,000. Despite assuming significantly more cost per occurrence, JPIA's excess rates also increased by approximately 16%. For reference, the JPIA currently purchases reinsurance coverage up to \$500M in total limits.

CURRENT SITUATION

At the time of this writing, renewal terms are being discussed and more definitive information will be presented at the meeting.

RECOMMENDATION

That the Property Program Committee recommends that the Executive Committee approve the 2023-2024 Renewal Terms and Pricing as presented.

ACWA JPIA
Renewal Pricing for the Property Program
June 20, 2023

BACKGROUND

Deposit premiums for the 7/1/23-24 policy year are to be sent to the members at the end of June. The last member premium rate change was for the 7/1/22-23 policy year, where the premium rates were increased by 20%.

CURRENT SITUATION

The Property Program Expected Revenue/Expense & Funding Requirement report provides a breakdown for the expected revenues and expenses for the 7/1/23-24 policy year. The total estimated premium with no pricing changes is approximately \$13.9 million based on \$11.709 billion in TIVs. The premium is based on an estimated excess insurance cost of \$8.6 million and claims expense of approximately \$5.9 million. The 2023 actuary report projects a \$.05071, per \$100 of value, loss rate for the 7/1/23-24 policy year. Different scenarios (options 1,2, and 3) are provided and show different member pricing.

Staff will discuss the various options and ramifications.

RECOMMENDATION

That the Property Program Committee recommends that the Executive Committee approve the 2023-2024 Renewal Pricing as presented.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

PROPERTY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

OPTION 1 - No price change

As of March 31, 2023

	Policy Year 4/1/2021-22 <u>Actual</u>	Policy Year 4/1/2021-22 <u>Budget</u>	Policy Year 7/1/2022-23 <u>Projection</u>	Policy Year 7/1/2023-24 <u>Budget</u>	% Change 7/1/2022-23 to 7/1/2023-24
1 REVENUE:					
2 Deposit Premiums Earned (Note 1)	\$ 10,375,501	\$ 9,030,535	\$ 13,377,276	\$ 13,941,986	4.22%
3 Net Investment Income	228,764	180,611	174,575	160,066	-8.31%
4 Total Revenue	<u>\$ 10,604,265</u>	<u>\$ 9,211,146</u>	<u>\$ 13,551,851</u>	<u>\$ 14,102,052</u>	4.06%
5 EXPENSE:					
6 Paid Claims and Reserves	\$ 2,549,000	\$ 1,846,104	\$ 5,073,000	\$ 5,937,514	17.04%
7 Purchased Excess Insurance	8,109,461	7,526,047	7,103,652	8,606,451	21.16%
8 Natural Disaster Fund	-	-	-	-	0.00%
9 General & Admin. Expenses	849,153	1,733,175	1,717,937	1,887,620	9.88%
10 Total Expenses	<u>11,507,614</u>	<u>11,105,326</u>	<u>13,894,589</u>	<u>16,431,585</u>	18.26%
11 RETROSPECTIVE PREMIUM ADJ	<u>\$ (903,349)</u>	<u>\$ (1,894,180)</u>	<u>\$ (342,738)</u>	<u>\$ (2,329,533)</u>	579.68%
12 Number of Program Members	285	285	287	290	1.05%
13 Insured Values (000's omitted)	\$ 10,570,124	\$ 8,879,767	\$ 10,664,370	\$ 11,709,457	9.80%
14 Net Premium Cost / \$100 of Value	\$ 0.1067	\$ 0.1230	\$ 0.1287	\$ 0.1390	8.01%
15 Premium Rate					
Real and Personal Property	\$ 0.102	\$ 0.102	\$ 0.122	\$ 0.122	0.00%
Mobile Equipment	\$ 0.154	\$ 0.154	\$ 0.185	\$ 0.185	0.00%
Automobiles	\$ 0.871	\$ 0.871	\$ 1.045	\$ 1.045	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$1M	Ded. to \$10M	Ded. to \$10M	
18 Program Limit	\$500,000,000	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	

CALCULATIONS

Line #

- 2 Deposit Premium - See Note 1 following page
- 3 Interest Income - 3.0% of Deposit Premium
- 6 Claims Expense - Actuarially generated Loss Rate times insured values / 100
- 7 Excess Insurance - Excess Rate times Total Insured Values / 100
- 9 G&A Expenses - 14% of Budgeted G&A (\$13,483,000)
- 11 RPA - Calculated to balance budget

<u>VARIABLES</u>	CURRENT PROJECTION	BUDGET
	<u>2022/23</u>	<u>2023/24</u>
TOTAL INSURED VALUES	\$ 10,664,370	\$ 11,709,457
EXCESS RATE per \$100 OF INSURED VALUES	\$0.0735	\$0.0735
LOSS RATE PER \$100 OF INSURED VALUES:	0.04779	0.05071

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

PROPERTY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

OPTION 2 - 20% increase

As of March 31, 2023

	Policy Year 4/1/2021-22 Actual	Policy Year 4/1/2021-22 Budget	Policy Year 7/1/2022-23 Projection	Policy Year 7/1/2023-24 Budget	% Change 7/1/2022-23 to 7/1/2023-24
1 REVENUE:					
2 Deposit Premiums Earned (Note 1)	\$ 10,375,501	\$ 9,030,535	\$ 13,377,276	\$ 16,730,384	25.07%
3 Net Investment Income	228,764	180,611	174,575	243,718	39.61%
4 Total Revenue	<u>\$ 10,604,265</u>	<u>\$ 9,211,146</u>	<u>\$ 13,551,851</u>	<u>\$ 16,974,102</u>	25.25%
5 EXPENSE:					
6 Paid Claims and Reserves	\$ 2,549,000	\$ 1,846,104	\$ 5,073,000	\$ 5,937,514	17.04%
7 Purchased Excess Insurance	8,109,461	7,526,047	7,103,652	8,606,451	21.16%
8 Natural Disaster Fund	-	-	-	-	0.00%
9 General & Admin. Expenses	849,153	1,733,175	1,717,937	1,887,620	9.88%
10 Total Expenses	<u>11,507,614</u>	<u>11,105,326</u>	<u>13,894,589</u>	<u>16,431,585</u>	18.26%
11 RETROSPECTIVE PREMIUM ADJ	<u>\$ (903,349)</u>	<u>\$ (1,894,180)</u>	<u>\$ (342,738)</u>	<u>\$ 542,516</u>	<u>-258.29%</u>
12 Number of Program Members	285	285	287	290	1.05%
13 Insured Values (000's omitted)	\$ 10,570,124	\$ 8,879,767	\$ 10,664,370	\$ 11,709,457	9.80%
14 Net Premium Cost / \$100 of Value	\$ 0.1067	\$ 0.1230	\$ 0.1287	\$ 0.1382	7.46%
15 Premium Rate					
Real and Personal Property	\$ 0.102	\$ 0.102	\$ 0.122	\$ 0.122	0.00%
Mobile Equipment	\$ 0.154	\$ 0.154	\$ 0.185	\$ 0.185	0.00%
Automobiles	\$ 0.871	\$ 0.871	\$ 1.045	\$ 1.045	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$1M	Ded. to \$10M	Ded. to \$10M	
18 Program Limit	\$500,000,000	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

PROPERTY PROGRAM

EXPECTED REVENUE/EXPENSE & FUNDING REQUIREMENTS COMPARISON

OPTION 3 - 15% increase

As of March 31, 2023

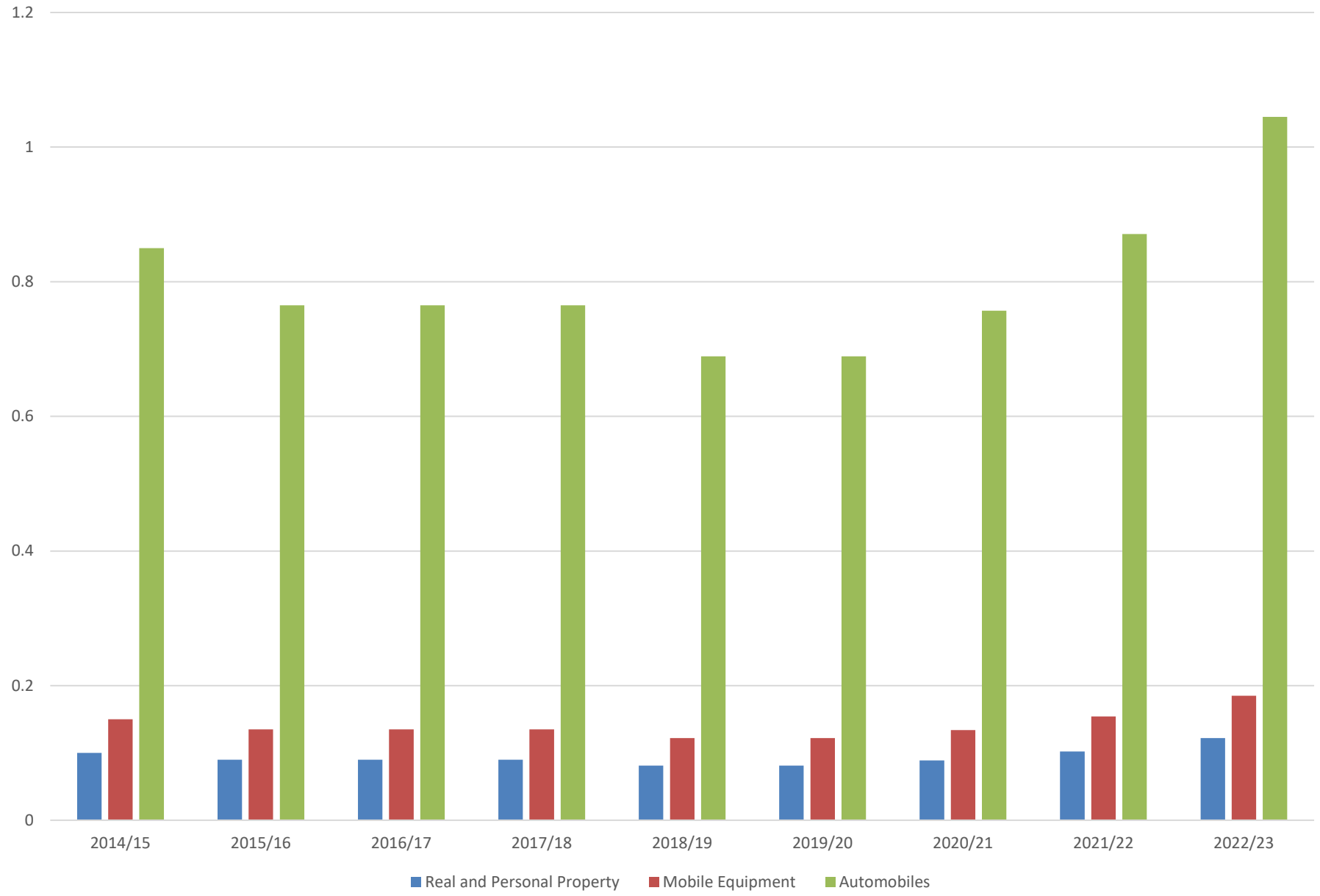
	Policy Year 4/1/2021-22 <u>Actual</u>	Policy Year 4/1/2021-22 <u>Budget</u>	Policy Year 7/1/2022-23 <u>Projection</u>	Policy Year 7/1/2023-24 <u>Budget</u>	% Change 7/1/2022-23 to 7/1/2023-24
1 REVENUE:					
2 Deposit Premiums Earned (Note 1)	\$ 10,375,501	\$ 9,030,535	\$ 13,377,276	\$ 16,033,284	19.85%
3 Net Investment Income	228,764	180,611	174,575	222,805	27.63%
4 Total Revenue	<u>\$ 10,604,265</u>	<u>\$ 9,211,146</u>	<u>\$ 13,551,851</u>	<u>\$ 16,256,089</u>	19.95%
5 EXPENSE:					
6 Paid Claims and Reserves	\$ 2,549,000	\$ 1,846,104	\$ 5,073,000	\$ 5,937,514	17.04%
7 Purchased Excess Insurance	8,109,461	7,526,047	7,103,652	8,606,451	21.16%
8 Natural Disaster Fund	-	-	-	-	0.00%
9 General & Admin. Expenses	849,153	1,733,175	1,717,937	1,887,620	9.88%
10 Total Expenses	<u>11,507,614</u>	<u>11,105,326</u>	<u>13,894,589</u>	<u>16,431,585</u>	18.26%
11 RETROSPECTIVE PREMIUM ADJ	<u>\$ (903,349)</u>	<u>\$ (1,894,180)</u>	<u>\$ (342,738)</u>	<u>\$ (175,496)</u>	<u>-48.80%</u>
12 Number of Program Members	285	285	287	290	1.05%
13 Insured Values (000's omitted)	\$ 10,570,124	\$ 8,879,767	\$ 10,664,370	\$ 11,709,457	9.80%
14 Net Premium Cost / \$100 of Value	\$ 0.1067	\$ 0.1230	\$ 0.1287	\$ 0.1384	7.60%
15 Premium Rate					
Real and Personal Property	\$ 0.102	\$ 0.102	\$ 0.122	\$ 0.122	0.00%
Mobile Equipment	\$ 0.154	\$ 0.154	\$ 0.185	\$ 0.185	0.00%
Automobiles	\$ 0.871	\$ 0.871	\$ 1.045	\$ 1.045	0.00%
16 District Deductibles	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	\$500 - 25,000	
17 Pooled Layer	Ded. to \$100,000	Ded. to \$1M	Ded. to \$10M	Ded. to \$10M	
18 Program Limit	\$500,000,000	\$ 500,000,000	\$ 500,000,000	\$ 500,000,000	

2023/24 Policy Year

Total Insured Values \$ 11,709,457,147

	Real and Personal Property	Mobile Equipment	Automobile	Total
TIV	\$ 11,323,384,211	\$ 179,369,084	\$ 206,703,852	\$ 11,709,457,147
OPTION 1 Prem Rate - No change	\$ 0.1220	\$ 0.1850	\$ 1.0450	\$ 0.1191
Deposit Premium - no price change	\$ 11,811,422	\$ 283,717	\$ 1,846,847	\$ 13,941,986
<input type="checkbox"/> 34% Excess Rate (40% increase)	\$ 0.0735	\$ 0.0735	\$ 0.0735	\$ 0.0735
Excess Premium	\$ 8,322,687	\$ 131,836	\$ 151,927	\$ 8,606,451
OPTION 2 Prem Rate - 20% increase	\$ 0.1464	\$ 0.2220	\$ 1.2540	\$ 0.1429
Deposit Premium - 20% increase	\$ 14,173,706	\$ 340,460	\$ 2,216,217	\$ 16,730,384
OPTION 3 Prem Rate - 15% increase	\$ 0.1403	\$ 0.2128	\$ 1.2018	\$ 0.14
Deposit Premium - 15% increase	\$ 13,583,135	\$ 326,275	\$ 2,123,874	\$ 16,033,284

Property Program Rates



ACWA JPIA
Property Claims Department Update
June 20, 2023

BACKGROUND

At the June 20, 2023, Property Program Committee Meeting, the Property Claims Department Manager, Jennifer Nogosek, will provide an update.

CURRENT SITUATION

Over the last 18 months, the Property Claims Department has added two additional positions - a Senior Claims Adjuster on January 31, 2022 and a Claims Adjuster on November 15, 2022. There are now a total of five (5) employees in the Property Claims Department.

We continue to see an increase in the claims received, due to the addition of new members, and the required handling, due to the large increase in our deductible from \$100,000 to \$10 million.

RECOMMENDATION

None, informational only.

ACWA JPIA
CEO Update
June 20, 2023

BACKGROUND

This will be a standing item on Committee agendas.

CURRENT SITUATION

The JPIA's Chief Executive Officer, Andy Sells, will update the Committee on relevant current issues, potential future opportunities and challenges.

RECOMMENDATION

None, informational only.

ACWA JPIA MEETINGS & CONFERENCE CALENDAR – 2023

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
JAN 23			2:00 PM COSTA MESA							
JAN 30								2:00 PM		
JAN 31		8:00 AM								
MAR 22				1:00 PM			3:00 PM			
MAR 23		8:00 AM								
APR 26					8:30 AM					
MAY 8	1:00 PM	9:45 AM						8:30 AM		
MAY 9-11 ACWA SPRING CONFERENCE – MONTEREY										
MAY 25										9:00 AM UTAH
JUNE 8			11:00 AM							
JUNE 14-15 EXECUTIVE COMMITTEE ONBOARDING MEETING										
JUNE 20							3:00 PM	1:00 PM		
JUNE 21		8:00 AM								1:00 PM
JULY 26					2:15 PM	12:30 PM				
JULY 27		8:00 AM								
SEPT 6			11:00 AM							
SEPT 27				3:00 PM		1:00 PM				
SEPT 28		8:00 AM								1:00 PM
OCT 25		8:30 AM								
NOV 27	1:30 PM	10:15 AM								
NOV 28										8:30 AM
ACWA FALL CONFERENCE – NOVEMBER 29 – DECEMBER 1 – INDIAN WELLS										

- CICA Conference, Rancho Mirage – March 5-7, 2023
- AGRiP Governance Conference, Orlando, FL – March 5-8, 2023
- CAJPA Conference, Lake Tahoe – September 12-14, 2023