A dynamic splash of clear water against a white background, with various droplets and ripples. The water is captured in mid-air, creating a sense of movement and freshness. The splash is most prominent on the right side of the image, curving downwards.

# ACWA JPIA MEMBERSHIP SUMMIT

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**Spring 2024**

**Celebrating a  
Commitment to  
Excellence**

Sheraton Grand Sacramento Hotel  
Grand Nave Ballroom- Lower Level  
1230 J St., Sacramento, CA 95814

(800) 231-5742  
[www.acwajpia.com](http://www.acwajpia.com)





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## WELCOME FROM THE BOARD PRESIDENT

**Dear Board Members and Friends:**

It is with great pleasure and enthusiasm that I extend a warm welcome to each and every one of you, to the newly named JPIA Spring Membership Summit, Monday, May 6 – Tuesday, May 7, 2024, in Sacramento, California at the Sheraton Grand Sacramento Hotel. As we gather here for this great event, we have the opportunity for networking and knowledge sharing that promises to be both insightful and rewarding.

I always look forward to reuniting, catching up, in our gathering of water professionals, who come from all areas of our beautiful State to participate. Your presence here underscores your dedication to advancing our shared goals and a desire to learn and grow. This year, we celebrate the Tenth Anniversary of our Commitment to Excellence Program (C2E). JPIA has taken an active role by helping membership reduce the frequency and severity of claims in all our programs. The C2E Program provides resources to member agencies to help them establish policies and protocols to maximize safety on the job. Join us in celebrating and if you have questions about C2E, JPIA staff can assist you with additional information. We will be celebrating throughout the Summit, so come prepared to have fun, learn, and to be appreciated. In our world here at the JPIA, it IS all about you, our members.

Our programming for the Membership Summit has been tailored specifically to our member agencies. Monday morning, the Employee Benefits Committee Meeting will start the day, followed by the Executive Committee Meeting. Lunch time provides a great opportunity to socialize with your peers at the Pre-Board Meeting Luncheon and hear from our newest employee, Adam Dedmon, Employee Benefits Manager, and Tom Sher, Alliant's Senior Vice President, on relevant benefits information in a Q&A platform. Plan your day accordingly and attend the 1:45p.m. Board of Directors' Meeting which will include a CWIF (California Water Insurance Fund) Board of Directors election. Before Monday concludes, join us at the JPIA Reception starting at 5:00p.m. The JPIA Reception will be hosted in the Foyer just outside the Grand Nave Ballrooms on the lower level of the Sheraton.

Tuesday morning starts with a full, hot breakfast, followed by our Keynote speaker, Ann Gergen, Executive Director of the Association of Governmental Risk Pools (AGRiP), who will be discussing international risk pool trends. Ann will provide valuable insights on the most prevalent and costly loss trends impacting local public entities and their risk pooling partners and will dive into the related issues that influence the operations of your own authority and the JPIA. You won't want to miss this keynote. Back by popular demand, stick around and attend the Sexual Harassment Prevention Training, instructed by JPIA's Robert Greenfield, General Counsel. This is a two-hour course and to receive credit for AB 1825 compliance, attendance for the entirety of the class is required.

As we continue to serve our members, the organization remains steady, strong, and well-funded. We are proud to continue to offer our members unparalleled rate stability, broad coverage, and expanded benefits and services. To all of our members, thank you for your support and confidence in the JPIA. As always, I welcome your thoughts on how to better serve our membership and improve the organization.

Lastly, I would like to express my heartfelt gratitude to our organizing committee, sponsors, and all those who have worked tirelessly to make this Membership Summit possible. Their commitment and dedication have been instrumental in shaping this event into what it is today.

Sincerely,

Melody McDonald, Board President



## CONTACT US

### Departments

Claims

Communications

Employee Benefits

Member Services

Training

Employee Hotline

**Phone: (800) 231-JPIA**

[claims@acwajpia.com](mailto:claims@acwajpia.com)

[communications@acwajpia.com](mailto:communications@acwajpia.com)

[benefits@acwajpia.com](mailto:benefits@acwajpia.com)

[member@acwajpia.com](mailto:member@acwajpia.com)

[training@acwajpia.com](mailto:training@acwajpia.com)

(888) 715 - EPLH

### Leadership

Chief Executive Officer

Adrienne Beatty –

[abeatty@acwajpia.com](mailto:abeatty@acwajpia.com)

General Counsel

Robert Greenfield –

[rgreenfield@acwajpia.com](mailto:rgreenfield@acwajpia.com)

Director of Finance

David deBernardi –

[ddebernardi@acwajpia.com](mailto:ddebernardi@acwajpia.com)

Director of Pooled Programs

Jennifer Jobe –

[jjobe@acwajpia.com](mailto:jjobe@acwajpia.com)

Director of Member Outreach

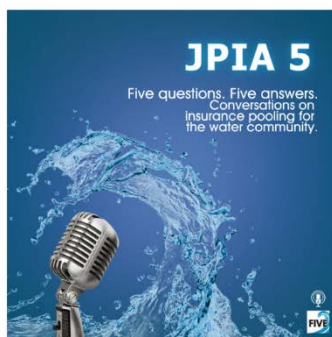
Kevin Phillips –

[kphillips@acwajpia.com](mailto:kphillips@acwajpia.com)

## Check out Podcasts here!



ACWAJPIA.COM



ITUNES





## TUESDAY KEYNOTE & EDUCATIONAL SESSIONS

### Public Entity Pooling Trends

*Presenter: Ann Gergen, Executive Director, Association of Governmental Risk Pools (AGRiP)*



Ann Gergen oversees operations, governance functions and member service delivery for AGRiP. Ann routinely communicates and collaborates with more than 200 pools that participate in AGRiP and their service providers. Ann has 30 years of public sector experience in local government management, emergency services, risk management, primary and reinsurance claims, and pooled insurance services.

Ann has worked in multiple local government and public pooling environments. At the league of Minnesota Cities (LMC) and League of Minnesota Cities Insurance Trust (LMCIT), she served as Associate Pool Administrator for property/casualty and workers' compensation coverage, program manager for the employee benefits pool, and director of technology. She also served as director of the Arizona Municipal Risk Retention Pool (AMRRP) and director of the Social Services Contractors Insurance Pool (SSCIP), also in Arizona.

Ann's background includes reinsurance and commercial industry experience. She was vice president of claims and loss control at NLC Mutual and was the first director of NLC-RISC in a combined staffing structure with NLC Mutual. Ann was managing director of the Alternative Markets Division of Berkley Risk, a W.R. Berkley company, where she served a variety of public and not-for-profit pools and self-insured groups.

Ann is a nationally recognized resource in strategic management and operations of public sector pools. She has served on several boards of directors including the Public Entity Risk Institute and the Upper Midwest Community Policing Institute, and she taught risk management to public safety graduate students. Ann is an attorney licensed in the State of Minnesota, holds a Master's Degree in Public Administration, and is a former EMT who worked at Hennepin County Medical Center in Minneapolis.

### Sexual Harassment Prevention for Board Members & Managers (AB1825, 1661, & 2053)

*Presenter: Robert Greenfield, JPIA General Counsel*



Robert H. Greenfield is a distinguished legal professional renowned for his expertise in governmental law and employment matters. Serving as the General Counsel for JPIA since December 2013, Robert exemplifies a commitment to legal excellence and community service throughout his career. Robert's tenure at JPIA is marked by his adept oversight of legal compliance with State and Federal laws, ensuring the organization's adherence to regulations. He directs outside counsel navigating litigated claims, providing invaluable coverage analysis for JPIA members. Additionally, Robert spearheads employment practices training initiatives, facilitating state-mandated programs for supervisors and elected officials. His dedication extends to aiding members through the Employee Practices Hotline, particularly in intricate legal matters.

Robert's commitment to excellence, educational background, and over 30 years of private practice representing public agencies, is underscored by his recognition in the legal community. Robert graduated from Fordham College and the University of Pacific School of Law with honors. He has received the highest possible rating in Legal Ability and Ethical Standards by Martindale-Hub-bell, particularly in Governmental Law and Employment Law. Active in the State Bar of California, Robert is an esteemed member of its Employment and Labor Law Section. Furthermore, his leadership extends to past roles as president of the local County Bar Association and as an elected member of the Gold Trail Unified School District Board of Trustees. Robert H. Greenfield's career embodies a steadfast dedication to legal proficiency and community engagement. His status as a respected figure in the legal profession and a valued advocate for the communities he serves.



## JPIA 2024 SPRING MEMBERSHIP SUMMIT SCHEDULE

Location: Sheraton Grand Sacramento Hotel  
1230 J Street, Sacramento, CA 95814

Date: Monday, May 6 - Tuesday, May 7, 2024

### Monday, May 6, 2024

		Location
8:30 a.m. – 9:00 a.m.	Check-in & Hot Breakfast Available	Grand Nave Foyer
9:00 a.m. – 10:15 a.m.	Employee Benefits Program Committee Meeting	Camellia/Gardenia
10:30 a.m. – 12:00 p.m.	Executive Committee Meeting	Camellia/Gardenia
12:00 p.m. – 1:15 p.m.	Pre-Board Meeting Lunch <i>RSVP by April 22 required</i>	Magnolia
1:45 p.m. – 4:45 p.m.	Board of Directors' Meeting	Camellia/Gardenia
5:00 p.m. – 6:30 p.m.	ACWA JPIA Reception <i>Commitment to Excellence (C2E)</i> <i>10<sup>th</sup> Anniversary Celebration</i>	Grand Nave Foyer

### Tuesday, May 7, 2024

8:00 a.m. – 8:30 a.m.	Check-in & Hot Breakfast Available	Grand Nave Foyer
8:30 a.m. – 9:45 a.m.	Keynote Presentation: Public Entity Pooling Trends  <i>Presenter: Ann Gergen, Executive Director, Association of Governmental Risk Pools (AGRiP)</i>	Gardenia
10:00 a.m. – 12:00 p.m.	Sexual Harassment Prevention Training for Board Members & Managers (AB 1825, 1661, & 2053)  <i>Presenter: Robert Greenfield, General Counsel, ACWA JPIA</i>	Gardenia



# 2024 SPRING MEMBERSHIP SUMMIT

## OUR SPONSORS

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**WLG** WENDELSTEIN LAW GROUP, PC

**OCCU-MED**

**J|U** JACOBSON URBANJC

# Employee Benefits Program Committee Meeting



YOUR BEST PROTECTION

Sheraton Grand Sacramento Hotel  
1230 J Street  
Sacramento, CA 95814

Monday  
May 6, 2024  
9:00 a.m.

Chair: J. Bruce Rupp, Humboldt Bay Municipal Water District

Vice-Chair: Szu Pei Lu-Yang, Rowland Water District

Stephanie Dosier, Orange County Water District

Karen Gish, Amador Water Agency

Brent Hastey, Reclamation District # 784

Roberta Perez, Cucamonga Valley Water District

Anjanette Shadley, Western Canal Water District

Laures Stiles, San Luis & Delta-Mendota Water Authority



# EMPLOYEE BENEFITS PROGRAM COMMITTEE MEETING

## AGENDA

Sheraton Grand Sacramento Hotel  
Camellia/Gardenia Rooms  
1230 J Street, Sacramento, CA, 95814

**Monday, May 6, 2024, 9:00 a.m.**

**WELCOME**

**CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

**PLEDGE OF ALLEGIANCE**

**EVACUATION PROCEDURES**

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

**PUBLIC COMMENT** Members of the public will be allowed to address the Employee Benefits 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.

**INTRODUCTIONS**

**ADDITIONS TO OR DELETIONS FROM THE AGENDA**

<u>Presenter</u>			<u>Page#</u>
	<b>I.</b>	<b><u>CONSENT CALENDAR</u></b>	
Rupp	*	<b>A. Approve Minutes of the Meeting of July 26, 2023</b>	<b>11</b>
Rupp		<b>B. Approve an Excused Absence for Any Committee Member</b>	
	<b>II.</b>	<b><u>ADMINISTRATION</u></b>	
All		<b>A. Report on Meetings Attended on Behalf of JPIA</b>	







Unapproved Minutes

## Employee Benefits Program Committee Meeting

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

**July 26, 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: J. Bruce Rupp, Humboldt Bay Municipal Water District  
Stephanie Dosier, Orange County Water District (*via Zoom*)  
Karen Gish, Amador Water Agency (*via Zoom*)  
Brent Hastey, Reclamation District #784 (*via Zoom*)  
Roberta Perez, Cucamonga Valley Water District (*via Zoom*)  
Laures Stiles, San Luis & Delta Mendota Water Authority

### MEMBERS ABSENT

---

Vice-chair: Szu Pei Lu-Yang, Rowland Water District  
Anjanette Shadley, Western Canal Water District

### STAFF PRESENT

---

Chief Executive Officer/Secretary: Walter "Andy" Sells  
Sonya Baker, Benefits System Analyst II  
Adrienne Beatty, Assistant Executive Officer  
Erin Bowles, Workers Compensation Claims Manager  
Chimene Camacho, Executive Assistant to the CEO  
Veronica Cobian, Senior Benefits Administrator (*via Zoom*)  
David deBernardi, Director of Finance  
Robert Greenfield, General Counsel  
Ben Hayden, Lead Benefits Analyst (*via Zoom*)  
Erik Kowalewski, System/Network Administrator  
Jackie Rech, Employee Benefits Specialist  
Olivia Sayad, Administrative Assistant II (*Recording Secretary*)  
Sandra Smith, Employee Benefits Manager  
Dan Steele, Finance Manager  
Michelle Stites, Benefits Administrator II  
Tony Waterford, Human Resources Manager

### OTHERS IN ATTENDANCE

---

David A. Drake, Rincon Del Diablo Municipal Water District

Cathy Green, ACWA VP, Orange County Water District  
Joelle Jaramillo, Anthem Blue Cross (via Zoom)  
Chris Kapheim, Kings River Conservation District  
Peter Kuchinsky, Vista Irrigation District  
Melody McDonald, San Bernardino Valley Water Conservation District  
Kimberly Miller, Alliant Insurance Services (via Zoom)  
Kristyn Nelms, Anthem Blue Cross (via Zoom)  
Natalie Potter, Lake Arrowhead Community Services District (via Zoom)  
Scott Ratterman, Calaveras County Water District  
Randall Reed, Cucamonga Valley Water District  
Rochelle Ravert, Western Canal Water District (via Zoom)  
Thomas Sher, Alliant Insurance Services

## **WELCOME**

---

Chairman Rupp welcomed everyone in attendance.

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

---

Chairman Rupp called the meeting to order at 2:08 p.m. He announced there was a quorum.

## **ANNOUNCEMENT RECORDING OF MEETING**

---

Chairman Rupp 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**

---

Chairman Rupp noted that, as the agenda stated, members of the public would be allowed to address the Employee Benefits 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**

---

Chairman Rupp asked that the Employee Benefits Program Committee introduce themselves. Executive Committee members introduced themselves as did ACWA JPIA staff and guests present.

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

---

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

## **CONSENT AGENDA**

---

Chairman Rupp called for approval of the minutes of the April 26, 2023.

M/S/C (Hastey/Stiles) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee approve the minutes of the April 26, 2023, meeting, as presented.

## **MEETINGS ATTENDED ON BEHALF OF JPIA**

---

None.

## **OVERVIEW OF PROGRAM HISTORY AND CURRENT STATUS**

---

Ms. Smith provided an overview of JPIA medical plans and enrollment information covering a history of plan savings and current stable conditions in rate history.

Ms. Smith discussed plan changes made to the PPO medical plans that have accomplished significant savings from 2015 to date, resulting in an exceptional rate history in the PPO plans offered.

Additionally, enrollment in medical plans has grown although notably the PPO plan enrollments are growing faster due to increased benefit options and lower plan costs.

## **MARKET UPDATE AND UTILIZATION**

---

Mr. Sher shared an overview of the state of the market, and the factors impacting rates and healthcare costs. The Federal Government is going to pay the Medi-care Advantage HMOs less in 2024 than they have in the previous years. The impacts of reduced Federal payouts will result in cost shifting to private payers, ongoing medical facility closures, and a reduction of available medical health professionals.

Mr. Sher noted challenges with labor shortages due to lower than average birth rates and the ongoing lack of interest in medical professions. It was also noted that hospital consolidations have resulted in increased rates.

JPIA's rates are 15% lower than six years ago but are projected to correct back to the long-term trend line reported as 7%. Mr. Sells emphasized the goal of funding at a level closer to trend projections.

No motion was made, this was for information only.

## **CDHP DEDUCTIBLES**

---

Ms. Smith stated the Consumer Driven Health Plan (CDHP) allows for participants to have access to a health savings account (HSA). The IRS governs the minimum deductible, for CDHPs. Employers must offer deductibles at least as high as the IRS minimum in order to qualify a participant to open an HSA and to make pre-tax health savings account contributions.

In 2024, the minimum qualifying deductible will increase beyond the current JPIA CDHP deductibles. These minimums are adjusted annually.

Staff recommended increasing the CDHP deductible amount in order to remain compliant with the IRS and maintain participants' eligibility to contribute to an HSA.

M/S/C (Hastey/Dosier) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee

recommend that the Executive Committee approve increasing the deductible for Anthem and Kaiser CDHP plans to \$1,600 for a single and \$3,200 for a family, effective January 1, 2024.

## **ANTHEM HEALTH GUIDE**

---

Ms. Smith informed the Committee of the current communication challenges faced as a result of the multiple points of contacts JPIA staff need to reach for each benefit offered outside of the traditional Anthem health plan.

To improve communication and provide a concierge level of customer service, staff recommends the Anthem Health Guide be added to the PPO plan.

Anthem Health Guide is a smaller pool of customer service representatives that are trained and knowledgeable in JPIA's group benefit plans and point solutions such as Hinge Health Virtual Physical Therapy, Modern Health mental health wellness benefit, Carrum surgical and oncology benefit, and Progyny family building benefit. Representatives will refer patients to not only Anthem program benefits, but also JPIA's own point solutions, of which they may not be aware.

Ms. Smith stated this change will be communicated during open enrollment via webinars and email blasts, along with providing letter templates to districts for distribution to their employees. Anthem Health Guide will become the customer service number listed on the back of each participants' medical ID cards.

Ms. Smith noted the annual cost is \$1.40 per employee per month (PEPM), which equates to approximately \$68,000 per year.

M/S/C (Hastey/Gish) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve adding Anthem Health Guide benefit to the self-funded Anthem PPO plan benefits, effective January 1, 2024.

## **ANTHEM'S CARELON PHARMACY BENEFIT MANAGER**

---

Ms. Smith presented a number of factors to the Committee that prompted the proposal to transition the current Pharmacy Benefit Manager (PBM) from MedImpact to Anthem's internal PBM, Anthem CarelonRx. This change would result in a \$4M plan savings.

Switching PBMs can cause short term disruptions to participants such as copay increases, and medication changes including the use of generic alternatives. In addition, some medications will no longer be covered, but therapeutic alternatives will be available for non-covered prescriptions.

Anthem CarelonRx will follow the same mail order and retail pharmacy options for medications. Prescriptions previously covered will be grandfathered for up to 90 days



following January 1, 2024. Additionally, outreach letters will be sent out to participants if certain necessary medications are changed or no longer covered.

Ms. Smith will ensure a detailed drug formulary list is provided to participants prior to the plan change.

Despite the disruption switching PBMs may initially cause, having medical and pharmacy benefits through the same vendor should increase the efficiency of customer service and streamline benefits.

M/S/C (Hastey/Siles) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve changing the Pharmacy Benefit Manager to Anthem's CarelonRx, effective January 1, 2024.

## **2024 ANTHEM PPO MEDICAL PLANS**

---

Ms. Smith provided rate history, shared actuarial projections from Dave Turner and Alliant Insurance Services, and discussed with the Committee the potential options to subsidize rates for the Anthem self-funded PPO medical plans.

Mr. Sells reminded the Committee of JPIA's ongoing goal to decrease the reserve fund balance to \$34 million, as actuarially recommended. Staff recommends an incremental approach to returning premiums to match expenses. The recommended 12% increase to rates subsidized by \$5 million in reserve funds will provide a soft landing for premium rates projected in the next 7-8 years.

M/S/C (Dosier/Perez) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve an increase in rate of 12% for the Anthem self-funded PPO plans, effective January 1, 2024.

## **2024 ANTHEM HMO MEDICAL PLANS**

---

Ms. Smith provided historic rates and utilization in Anthem's fully insured HMO plans. Anthem's renewal pricing will result in a 5.48% increase in costs. JPIA will take that rate and blend it throughout five different regions, considering the standard rate and 4% decreased incentive rates for each eligible district.

M/S/C (Hastey/Dosier) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve an increase of 5.48% for the Anthem HMO plans, effective January 1, 2024.

## **2024 KAISER MEDICAL PLANS**

---

Ms. Smith provided the historical benefit of blending Kaiser's north and south regions together, resulting in rate stability for members throughout the State.

Kaiser provided JPIA with renewal pricing that will result in a 9.87% aggregate increase in costs. Due to CDHP plan design changes, that plan will increase 9.03% while the rest of the plans will increase 9.94%.

M/S/C (Stiles/Gish) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve an aggregate increase of 9.87% to Kaiser rates, effective January 1, 2024.

## **2024 KAISER SENIOR ADVANTAGE**

---

Ms. Smith presented an overview of the fully-insured Kaiser Senior Advantage plan for retirees with Medicare. Kaiser's renewal pricing will result in a 14.68% aggregate increase in costs.

Mr. Sher noted that Kaiser's renewal rates are being impacted due to decreases in CMS reimbursement rates across the industry.

M/S/C (Dosier/Perez) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve an aggregate increase of 14.68% for the Kaiser Senior Advantage plan, effective January 1, 2024.

## **2024 UNITED HEALTHCARE MEDICARE ADVANTAGE PPO**

---

Ms. Smith provided information regarding the United Healthcare (UHC) Medicare Advantage PPO plan for retirees with Medicare. In 2022, UHC's initial contract included a two-year rate guarantee. 2024 will be JPIA's third year with UHC.

UHC provided the JPIA with 2024 renewal pricing that will result in a 1.9% increase in costs. UHC noted that decreases in CMS reimbursement rates across the industry may lead to higher increases in future years.

M/S/C (Hastey/Dosier) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve an increase of 1.9% for the UHC Medicare Advantage PPO plan, effective January 1, 2024.

## **2024 DELTA DENTAL PLANS**

---

Ms. Smith shared that the Delta Dental plans continue to perform well, highlighting that the Executive Committee approved new PPO plan designs in April, including a \$3,000 annual maximum benefit option, effective January 1, 2024.

Delta Dental PPO costs are projected to increase .71% in 2024. DeltaCare HMO costs are projected to remain the same with no rate changes. Staff recommends no change in rates, due to the dental plan reserves that have accrued over recent years.

M/S/C (Stiles/Dosier) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal of Delta Dental PPO and DeltaCare HMO plans, with no change in rates, effective January 1, 2024.

## **2024 VSP VISION PLANS**

---

Ms. Smith reviewed the Executive Committee, in April, approved enhancements to the VSP vision plans that will take effect in 2024, most notably, adding coverage for prescription safety glasses.

Projections for the vision plans show an increase of 2.47% to meet expenses in 2024. Staff recommends no change in rates, due to the vision plan reserves that have accrued over recent years.

M/S/C (Hastey/Gish) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve renewing the VSP plans with no change in rates, effective January 1, 2024.

## **2024 EMPLOYEE ASSISTANCE PROGRAM**

---

Ms. Smith reviewed the Employee Assistance Program. In 2024, Anthem has provided a renewal that calls for no changes in rates.

M/S/C (Dosier/Perez) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal with no change in rates for the Employee Assistance Program, effective January 1, 2024.

## **2024 LIFE AND DISABILITY PLANS**

---

Ms. Smith gave an overview of JPIA's fully insured life and disability plans offered through the Standard.

Staff recommends renewing rates at no change in accordance with the Standard's premiums.

M/S/C (Hastey/Stiles) (Dosier-Yes; Gish-Yes; Hastey-Yes; Perez-Yes; Rupp-Yes; Stiles-Yes): That the Employee Benefits Program Committee recommend that the Executive Committee approve renewal of life and disability benefits with no change in rates, effective January 1, 2024.

## **2024 WELLNESS GRANTS**

---

Ms. Rech reported on the Wellness Grant Program. In 2015, ACWA JPIA established its Wellness Grant Program through annual funding from Anthem Blue Cross. This

Program has continued to allow agencies who participate in Anthem medical plans to apply for a grant to support their employee wellness programs.

In 2023, JPIA is proud to announce that 88 member agencies were awarded Wellness Grants. The funds awarded to these agencies have been used in creative ways such as purchasing water bottle filling stations, wellness checks for employees, fitness campaigns, and fitness stipends.

Ms. Rech reported that due to the continued popularity and number of applications exceeding Anthem's contribution to the Wellness Grant Program, Anthem will increase the annual funding to \$200,000 beginning in 2024.

Anthem's contribution to JPIA Wellness Grants will have no impact on future pricing calculations for JPIA's medical plans.

No motion was made, this was for information only.

### **NEXT MEETING DATE**

---

#### Availability for Upcoming Meeting(s)

The next Employee Benefits Program Committee meeting was not discussed as there are no further meetings scheduled for the remainder of the year.

The Employee Benefits Program Committee meeting adjourned at 3:39 p.m.

**ACWA JPIA**  
**Introduction of New Employee Benefits Manager**  
**May 6, 2024**

**BACKGROUND**

The Employee Benefits Manager oversees the daily administrative and operational activities of the ACWA JPIA's group benefit plans. Following the December 2023 vacancy, a comprehensive search for a replacement took place and a new Employee Benefits Manager joined ACWA JPIA on February 12, 2024.

**CURRENT SITUATION**

Adam Dedmon is a SHRM Certified Human Resources Professional, joining ACWA JPIA having served most recently as the Executive Director of Human Resources with Douglas County School District in Minden, Nevada. In that capacity, Adam oversaw the Health Advisory Committee and was the executive in charge of administering a self-funded plan for 500+ district employees and their dependents.

Adam has extensive experience in various school leadership positions including his time as the principal of Pau Wa Lu Middle School in Douglas County.

**RECOMMENDATION**

None, information only.



**ACWA JPIA**  
**Membership Report**  
**May 6, 2024**

**BACKGROUND**

The JPIA began administering Employee Benefit plans July 1, 2012. Plans renew January 1 of each year, with plan design and pricing determined the preceding July. Each year, plan status and options for program renewal undergo a thorough evaluation with the goal of providing the most comprehensive coverage at the most competitive price.

**CURRENT SITUATION**

Program Membership Status as of May 6, 2024:

Total number of Program members: 267  
Total number of covered employees 9,435

<b>PROGRAM</b>	<b># OF MEMBERS</b>	<b>TOTAL # COVERED LIVES</b>
<b>Medical</b>		20,300
Anthem	205	13,192
Kaiser	116	5,004
UHC	114	2,104
<b>Dental</b>	213	21,229
<b>Vision</b>	198	21,911
<b>EAP</b>	118	4,260
<b>Life</b>	134	3,730

**RECOMMENDATION**

None, information only.





Member Name	Total # of Employees
Contra Costa Water District	300
Orange County Water District	254
Santa Clarita Valley Water Agency	243
Alameda County Water District	230
East Bay Municipal Utilities District	201
Santa Margarita Water District	197
Helix Water District	177
Nevada Id	174
Rancho California Water District	173
Western Municipal Water District	167
South Tahoe Public Utility District	138
Cucamonga Valley Water District	131
Las Virgenes Municipal Water District	123
Tahoe City Public Utility District	116
San Luis & Delta-Mendota Water Authority	107
Vallecitos Water District	107
South San Joaquin Irrigation District	100
Yuba County Water Agency	100
South Coast Water District	99
Monterey One Water	93
Vista Irrigation District	93
Palmdale Water District	92
Solano Irrigation District	91
Tuolumne Utilities District	89
Desert Water Agency	87
Olivenhain Municipal Water District	85
Calleguas Municipal Water District	83
Yorba Linda Water District	83
Sacramento Suburban Water District	81
Calaveras County Water District	80
Glenn-Colusa Irrigation District	80
Valley Center Municipal Water District	78
Fallbrook Public Utility District	76
Central California Irrigation District	75
Fresno Metropolitan Flood Control District	75
Goleta Water District	69
El Toro Water District	65
Association of California Water Agencies JPIA	64
Water Replenishment District of Southern California	64



Member Name	Total # of Employees
Kern County Water Agency	62
Lake Arrowhead Community Services District	62
Mesa Water District	62
Oakdale Irrigation District	62
Walnut Valley Water District	62
Big Bear City Community Services District	61
South Feather Water and Power Agency	61
Rainbow Municipal Water District	60
United Water Conservation District	60
Mission Springs Water District	59
Ramona Municipal Water District	58
Casitas Municipal Water District	56
Mojave Water Agency	56
Antelope Valley-East Kern Water Agency	55
Friant Water Authority	55
San Juan Water District	55
Stockton-East Water District	55
West Valley Water District	55
Wheeler Ridge-Maricopa Water Storage District	55
Arvin-Edison Water Storage District	53
Soquel Creek Water District	53
City of Tehachapi	52
Kings River Conservation District	50
Amador Water Agency	48
Marina Coast Water District	48
Laguna Beach County Water District	45
Hi-Desert Water District	44
Valley County Water District	44
Solano County Water Agency	43
Citrus Heights Water District	42
Mammoth Community Water District	42
Paradise Irrigation District	42
San Bernardino Valley Municipal Water District	42
West Basin Municipal Water District	42
Madera Irrigation District	41
Humboldt Bay Municipal Water District	40
Semitropic Water Storage District	40
Chowchilla Water District	36
ACWA	35



Member Name	Total # of Employees
Henry Miller Reclamation District #2131	35
Montecito Water District	35
Rowland Water District	35
Westside Water Authority	35
Camrosa Water District	34
Crescenta Valley Water District	34
Indian Wells Valley Water District	34
Three Valleys Municipal Water District	34
Fair Oaks Water District	33
Tulelake Irrigation District	33
Carmichael Water District	32
Municipal Water District of Orange County	32
North Kern Water Storage District	32
Florin Resource Conservation District/Elk Grove Water District	31
Georgetown Divide Public Utility District	31
Diablo Water District	29
Joshua Basin Water District	29
Tulare Irrigation District	29
Chino Basin Water Conservation District	28
Kirkwood Meadows Public Utility District	28
Trabuco Canyon Water District	28
Coastside County Water District	27
Consolidated Irrigation District	27
San Benito County Water District	27
Scotts Valley Water District	27
East Contra Costa Irrigation District	26
Kaweah Delta Water Conservation District	26
Monterey Peninsula Water Management District	26
Alta Irrigation District	25
Bella Vista Water District	25
City of Buellton	25
Humboldt Community Services District	25
Yolo County Flood Control & Water Conservation District	25
Byron-Bethany Irrigation District	24
Central Basin Municipal Water District	24
La Puente Valley County Water District	24
North Coast County Water District	24
Rincon Del Diablo Municipal Water District	24
Tri-Dam Project	24



Member Name	Total # of Employees
Clearlake Oaks County Water District	23
McKinleyville CSD	23
Tehachapi-Cummings County Water District	23
Twentynine Palms Water District	23
Pajaro Valley Water Management Agency	22
Carpinteria Valley Water District	21
Panoche Water District	21
Patterson Irrigation District	21
San Bernardino Valley Water Conservation District	21
San Gabriel County Water District	21
Santa Ana Watershed Power Authority	21
Buena Vista Water Storage District	20
Mid-Peninsula Water District	20
Pebble Beach Community Services District	20
Banta Carbona Irrigation District	19
Browns Valley Irrigation District	19
Lakeside Water District	19
Thermalito Water & Sewer District	19
Borrego Water District	18
Rosamond Community Services	18
Bolinas Community Public Utility District	17
Cawelo Water District	17
James Irrigation District	17
Quartz Hill Water District	17
Santa Ynez River WCD Improvement District No. 1	17
Shafter-Wasco Irrigation District	16
Valley of the Moon Water District	16
Vandenberg Village Community Services District	16
American River Flood Control District	15
East Orange County Water District	15
Grassland Water District	15
La Habra Heights County Water District	15
Malaga County Water District	15
Mojave Public Utility District	15
Pico Water District	15
Rio Linda/Elverta Community Water District	15
West Kern Water District	15
West Stanislaus Irrigation District	15
Cachuma Operation and Maintenance Board	14





Member Name	Total # of Employees
Delano-Earlimart Irrigation District	14
Mission Hills Community Services District	14
Montecito Sanitary District	14
Orchard Dale Water District	14
Rosedale-Rio Bravo Water Storage District	14
South Sutter Water District	14
Butte Water District	13
Crestline Village Water District	13
Reclamation District #1000	13
San Geronio Pass Water Agency	13
Terra Bella Irrigation District	13
Calaveras Public Utility District	12
Channel Islands Beach Community Services District	12
Golden Hills Community Services District	12
Hidden Valley Lake Community Services District	12
Idyllwild Water District	12
Pajaro/Sunny Mesa Community Services District	12
Richvale Irrigation District	12
Rio Alto Water District	12
Weaverville Community Services District	12
Westborough Water District	12
Willow County Water District	12
Bodega Bay Public Utility District	11
Centerville Community Services District	11
Southern San Joaquin Municipal Utility District	11
Tulare Lake Basin Water Storage District	11
Western Canal Water District	11
Brooktrails Township Community Services District	10
Firebaugh Canal Water District	10
Kanawha Water District	10
Kern-Tulare Water District	10
Montara Water & Sanitary District	10
Porterville Irrigation District	10
Serrano Water District	10
Tranquillity Irrigation District	10
Upper San Gabriel Valley Municipal Water District	10
Big Bear Municipal Water District	9
Corcoran Irrigation District	9
Crestline-Lake Arrowhead Water Agency	9



Member Name	Total # of Employees
Del Paso Manor Water District	9
Foothill Municipal Water District	9
Kings County Water District	9
Kinneloa Irrigation District	9
North Yuba Water District	9
Pleasant Valley County Water District	9
Stone Corral Irrigation District	9
Sutter Extension Water District	9
Chino Basin Watermaster	8
Ivanhoe Irrigation District	8
La Canada Irrigation District	8
Laguna Irrigation District	8
Reclamation District #2068	8
Reclamation District #784	8
San Andreas Sanitary District	8
South Montebello Irrigation District	8
Stinson Beach County Water District	8
Forestville Water District	7
Friant Power Authority	7
Grassland Basin Authority	7
Littlerock Creek Irrigation District	7
Main San Gabriel Basin Watermaster	7
Mountain Gate Community Services District	7
Orange Cove Irrigation District	7
Planada Community Services District	7
Reclamation District #1004	7
Angiola Water District	6
Aromas Water District	6
Bay Area Water Supply & Conservation Agency	6
Berrenda Mesa Water District	6
Castroville Community Services District	6
Del Puerto Water District	6
Dunnigan Water District	6
Exeter Irrigation District	6
Greenfield County Water District	6
Los Alamos Community Services District	6
Mariposa Public Utility District	6
Pinedale County Water District	6
Redwood Valley County Water District	6



Member Name	Total # of Employees
San Gabriel Basin Water Quality Authority	6
San Gabriel Valley Municipal Water District	6
Ventura River County Water District	6
Alpaugh Irrigation District	5
Chino Basin Desalter Authority	5
City of San Juan Bautista	5
Delhi County Water District	5
Elsinore Valley Municipal Water District	5
Frazier Park Public Utility District	5
Ivanhoe Public Utility District	5
Lakeside Irrigation Water District	5
Laton Community Services District	5
Pescadero Reclamation District #2058	5
Boron Community Services District	4
Fall River Valley Community Services District	4
Kings River Water District	4
Le Grand Community Services District	4
Madera-Chowchilla Water and Power Authority	4
Maine Prairie Water District	4
Palm Ranch Irrigation District	4
Princeton-Codora-Glenn Irrigation District	4
San Mateo County Flood and Sea Level Rise Resiliency District	4
Central Water District	3
Lake Don Pedro Community Services District	3
Orosi Public Utility District	3
Riverdale Irrigation District	3
San Francisquito Creek Joint Powers Authority	3
Saucelito Irrigation District	3
Madera Water District	2
North Delta Water Agency	2
Tri-County Water Authority	2
Tri-District Water Authority	1

**ACWA JPIA**  
**State of the Market**  
**May 6, 2024**

**BACKGROUND**

Alliant Insurance Services, Inc. has served as ACWA JPIA's benefits consultant since 2012.

**CURRENT SITUATION**

Tom Sher, Senior Vice Present, Alliant, will provide the Committee with a State of the Market presentation and the effect upon upcoming renewals.

**RECOMMENDATIONS**

None, information only.



# ACWA JPIA Employee Benefit Market Trends

2024 Membership Summit

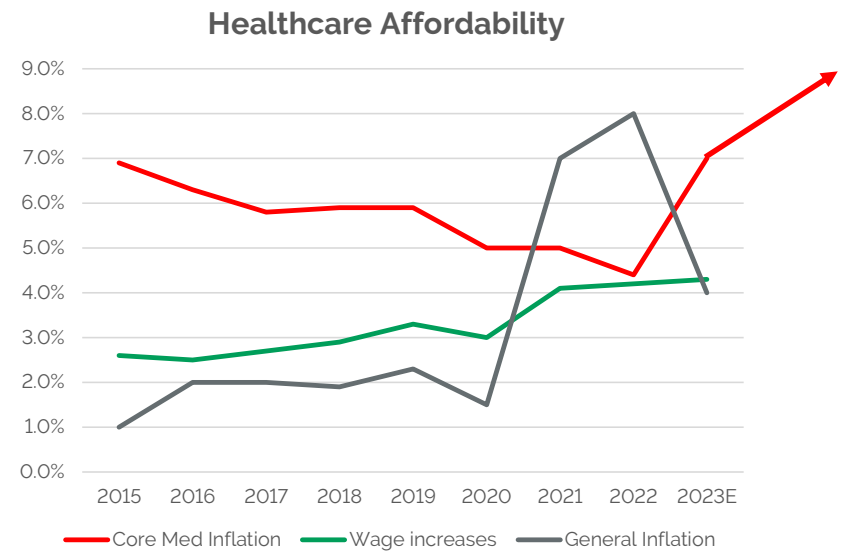
Tom Sher, Senior Vice President  
May 6, 2024





# Healthcare Costs are Accelerating **Post-Pandemic**

**“The cost of treating patients is on the rise.  
The healthcare industry is under pressure...”  
- PwC**



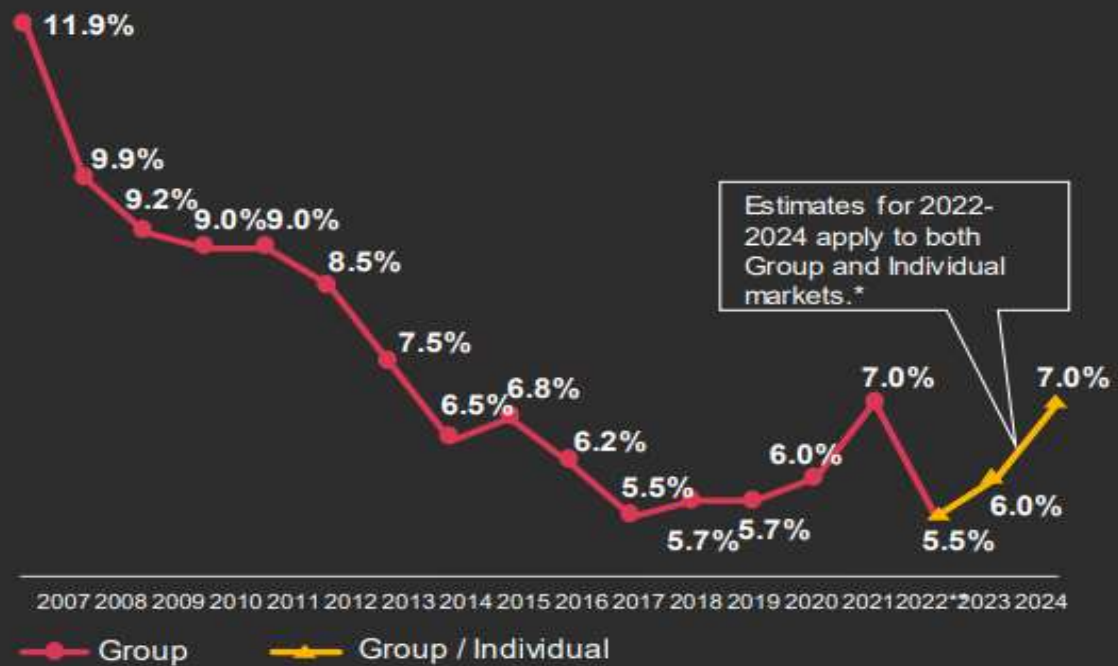




# 2023-2024 Medical Trend

## PwC Health Research Institute medical cost trends, 2009-2024

HRI projects medical cost trend to be 7.0% in 2024, up from 6.0% in 2023



Source: Source: PwC Health Research Institute medical cost trends, 2009-2024

# Factors Driving Nationwide Healthcare Costs

## COVID Impact

Deferment of care now being realized.

**60%** drop in annual preventive visits.



Increase in Mental health conditions & alcohol-related disorders.<sup>1</sup>

## Contract Negotiations & Government Relations



Cost shifting to private payers to offset **reduced revenue** from increased Medicare and Medicaid population.<sup>3</sup>



**Strained** contract negotiations between providers & insurance carriers.



Provider group **consolidation & higher reimbursement** for specialty services.<sup>3</sup>

## Inflation

Highest levels of inflation since the

**1970s**.

Healthcare inflation expected increase

**7.1%**

over next 5 years (expected economic growth of 4.7%).<sup>2</sup>

Hospital price inflation is the largest component of **2023 projected medical trend increases**.<sup>3</sup>



Healthcare industry wages **escalating**.<sup>3</sup>

## Labor shortages



In next three years: the U.S. is projected to face a **shortage of 200,000+ registered nurses** and **50,000+ physicians**.<sup>4</sup>

**\$170B**

Incremental cost of wage growth & scarcity of resources from clinical labor shortage.<sup>5</sup>

In the last two years, contract labor for hospital costs increased

**300%**

per American Hospital Association.

## Pharmacy & High-Cost Claims

**55%**

of spending = Specialty drugs/biologics.

Propelled by growth in **autoimmune, oncology therapies and diabetes**.<sup>3</sup>

**Million-dollar claims** on a per million covered employees basis **rose**

**15%** in the past year

**45%** over the past four years.

High-Cost Drugs now on the market.

**\$3.5M**

single use cost of Hemgenix (treatment of Hemophilia B).

<sup>1</sup> "High-cost claims and injectable drug trends analysis." Sun Life, 2023 Edition

<sup>2</sup> McKinsey & Company. "The Gathering Storm: The Uncertain Future of US Healthcare." September 2022.

<sup>3</sup> "Segal Health Plan Cost Trend Survey Report", 2022.

<sup>4</sup> Gretchen Berlin, Meredith Lapointe, Mhoire Murphy, and Joanna Wexler. "Assessing the lingering impact of COVID-19 on the nursing workforce." McKinsey, May 11, 2022. The complexities of physical supply and demand: Projections from 2019 to 2034. Association of American Medical Colleges, prepared by IHS Markit Ltd., June 2021.

<sup>5</sup> McKinsey & Company. "The gathering storm: The transformative impact of inflation on the healthcare sector", September 2022.

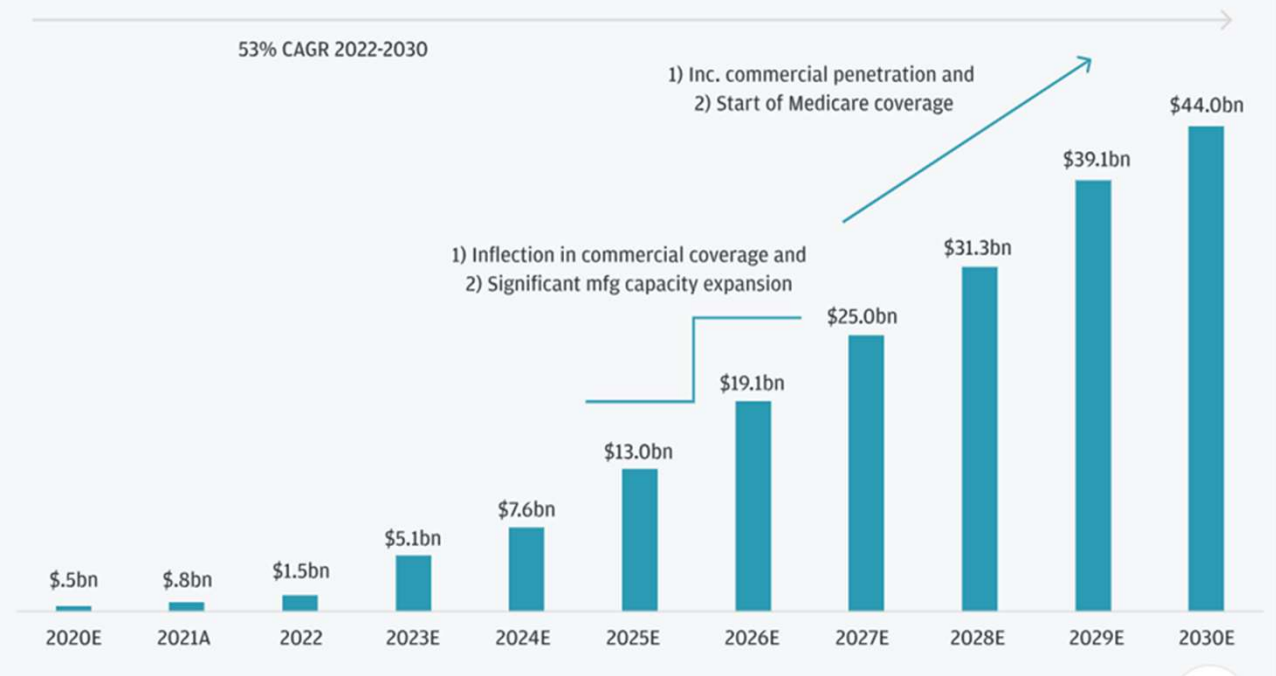


# Wall Street's Perspective

Weight Loss treatments are impacting the health care market in an unprecedented way.

“We believe this marks the beginning of a paradigm shift in the way that obesity is treated, with physicians moving to a weight-centric treatment of multiple co-morbidities associated with the condition. We expect this to drive substantial uptake of GLP-1s” – JP Morgan

## The U.S. obesity market is expanding rapidly





# Top Issues: Provider Access & Quality

The AAMC estimates the US will have a shortage of as many as 48k Primary Care Physicians in 10 years

## US is facing a serious shortage of medical professionals.

- -124,000 doctors
- -48,000 primary care doctors
- -195,000 nurses
- 63% of medical professionals experiencing burnout
- 1 in 5 medical professionals quit their job during the pandemic

## Quality is hard to measure, but by most indications is mixed.

One measure of hospital quality rated 3,000 hospitals across the US:

**29% A**  
**26% B**  
**39% C**  
**7% D & F**

## Patients engaged with Primary Care are healthier and cost 5-10% less.

Patients with a PCP show significantly lower healthcare costs and lower mortality and morbidity rates

In highest-risk patients, PCP oversight can save up to \$16k annually

## Primary care effectiveness is limited by lack of access and funding.

Only 4-7% of dollars go towards primary care to support 55% of all office visit volume

# How Virtual Care Seeks to Mitigate Impact of Provider Shortages



Most employers will offer virtual care solutions beyond telemedicine in 2023 and beyond

Offer or plan to offer in 2023



52%

Virtual behavioral health care



40%

Virtual primary care



23%

Virtual point solutions for specific care categories, such as musculoskeletal or diabetes



21%

Virtual specialty care, such as for dermatology



10%

Other form of virtual care beyond traditional telemedicine



36%

No virtual care will be offered in 2023 other than traditional telemedicine

\*Source: 2023 Mercer Health Benefit Strategies Survey



# Artificial Intelligence

AI will impact every facet of the health care industry with impact accelerating over the next ten years

## AI in Benefits and Healthcare



**24/7 SUPPORT**

**INSTANT RESPONSE**

**PERSONALIZED RECOMMENDATIONS**

**CLAIMS ASSISTANCE**

**HEALTHCARE GUIDANCE**

**RISK ASSESSMENT & PREVENTION**

**POLICY MANAGEMENT**

**LANGUAGE SUPPORT**

**FEEDBACK ANALYSIS**

**CONTINUOUS LEARNING**





Thank You

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**ACWA JPIA**  
**Review of 2023 Utilization**  
**May 6, 2024**

**BACKGROUND**

The JPIA has administered employee benefits plans to member agencies since 2012. Utilization is a key metric in evaluating the effectiveness of the medical, dental, vision, and other ancillary benefits offered to the JPIA's 267 participating member agencies.

**CURRENT SITUATION**

The Committee will be presented with a mid-year update regarding:

- General Utilization
- Point Solution Utilization
  - Carrum
  - Hinge Health
  - Progyny
- Trends & Plan Performance

**RECOMMENDATION**

None, information only.

# Anthem Self-Funded PPO

## Enrollment

Membership increased 8.7% in the current period. The average member age was 37.0 compared to 37.1 for the benchmark.

### Total Trends

▲ 8.7%

Avg membership  
9,775

▼ -1.6%

Avg member age

▲ 0.5%

Contract size



### Employees

**73%**  
Male

**49.1**  
Avg age  
(50.5 bmrk)

**38%**  
Generation X  
(1965-1980)



### Total Members

**52%**  
Male

**37.0**  
Avg age

**2.5**  
Contract size

**667**  
Members age 65+



### Benchmark

**53%**  
Male

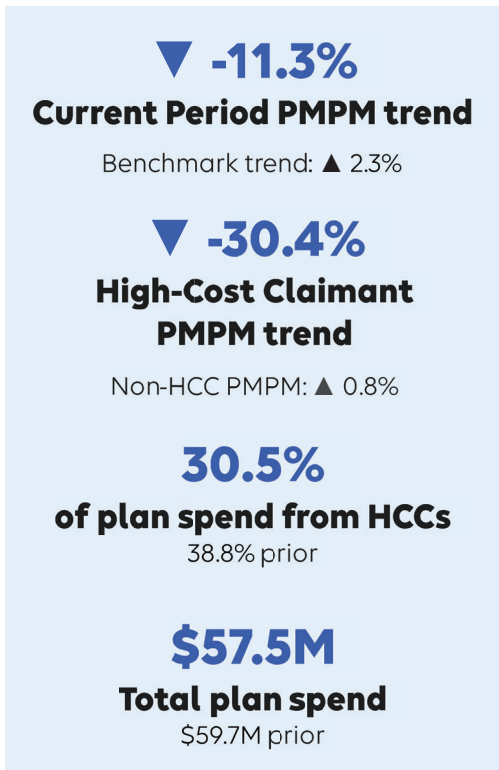
**37.1**  
Avg age

**2.3**  
Contract size

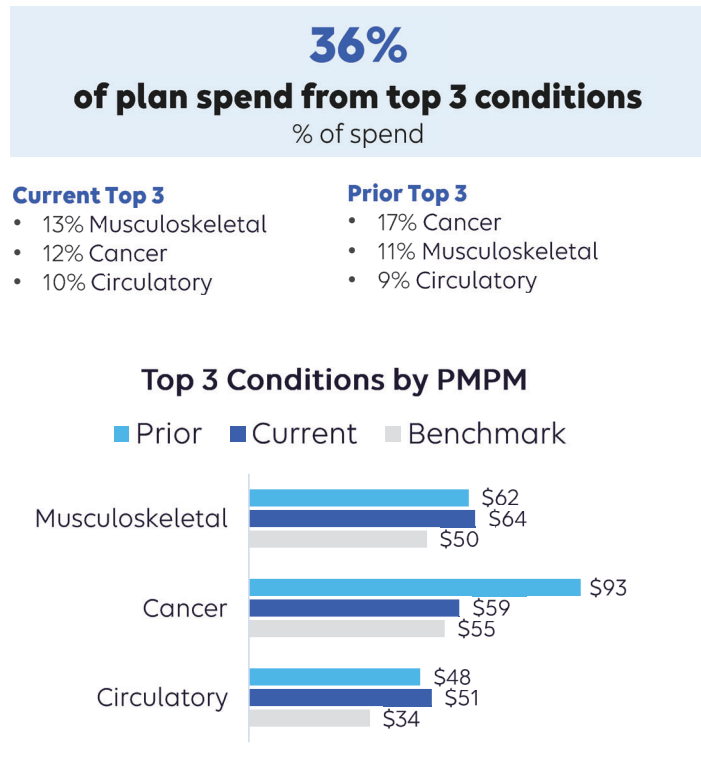
# Anthem Self-Funded PPO

## Executive Summary (Medical)

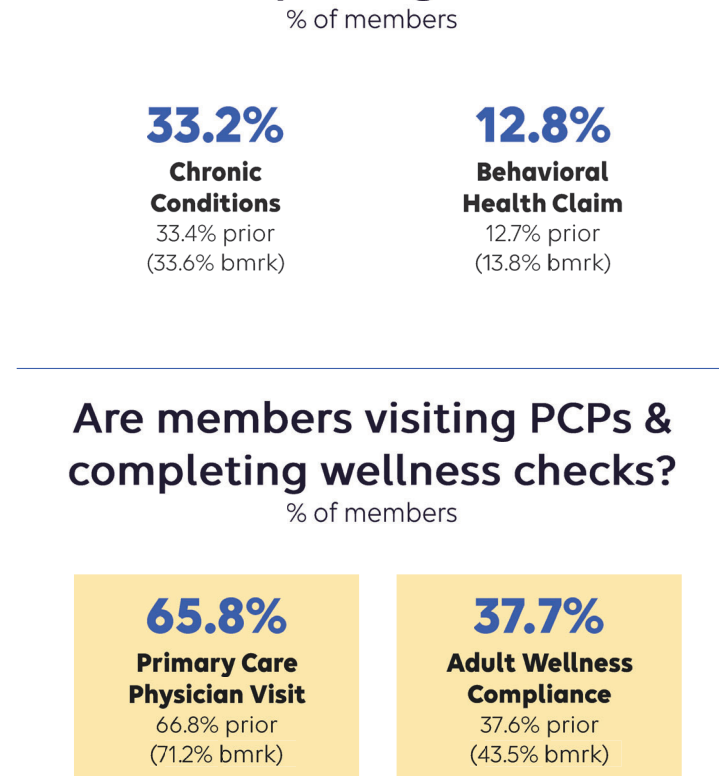
### What was the trend?



### What were the top conditions?



### What's impacting members?

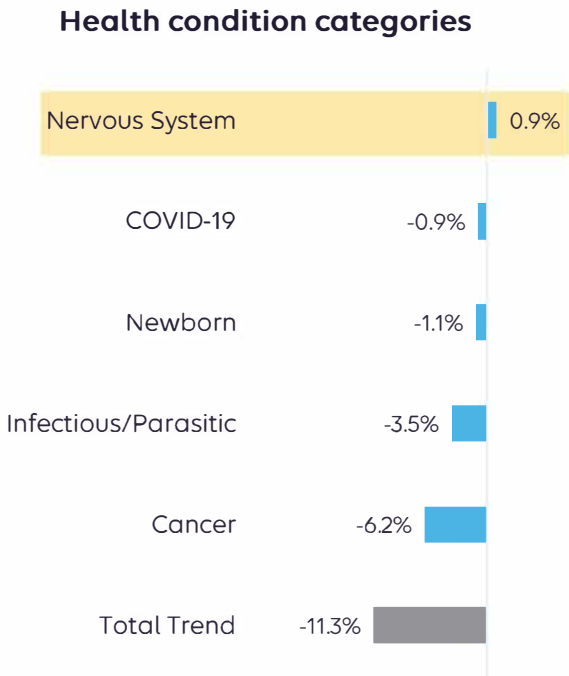


# Anthem Self-Funded PPO

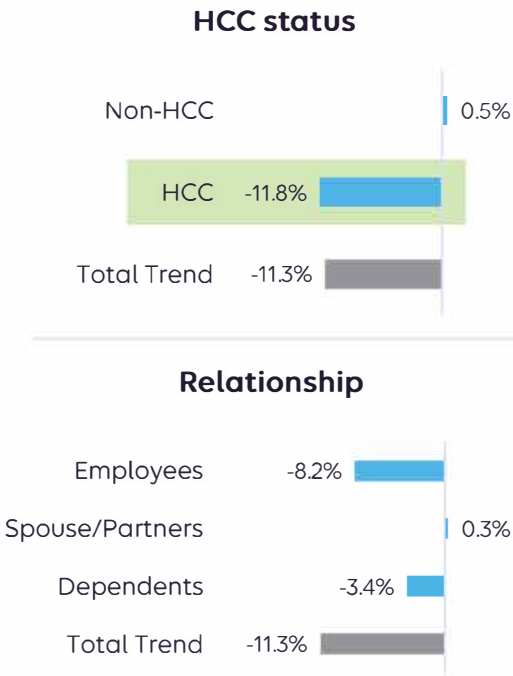
## Components of Medical Trend

Total medical PMPM decreased -11% in the current period. The charts below show the contributing components (% of total PMPM change).

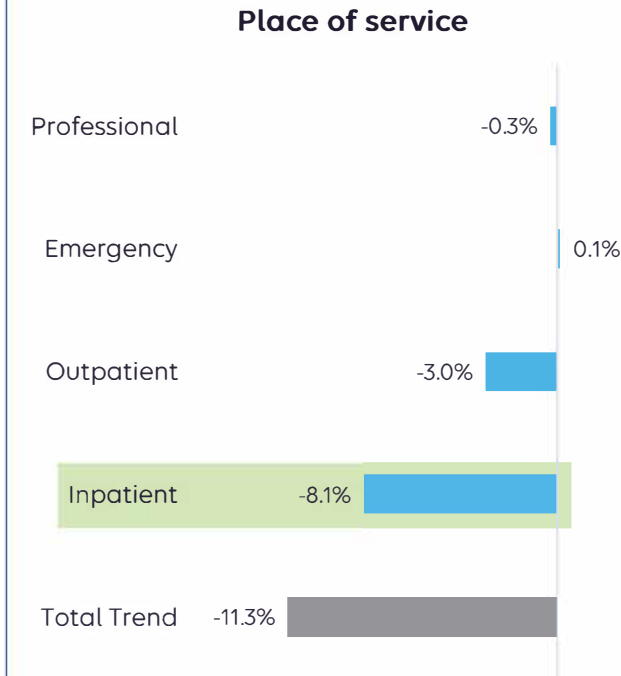
### What conditions contributed to trend?



### Who was driving trend?



### What place of service contributed to trend?



# Anthem Self-Funded PPO

## High-Cost Claimants (Medical)

**% of Members**

0.8%

0.9% prior  
(0.7% bmrk)

**% of Spend**

30.5%

38.8% prior  
(34.2% bmrk)

**HCC PMPM decreased -30%**

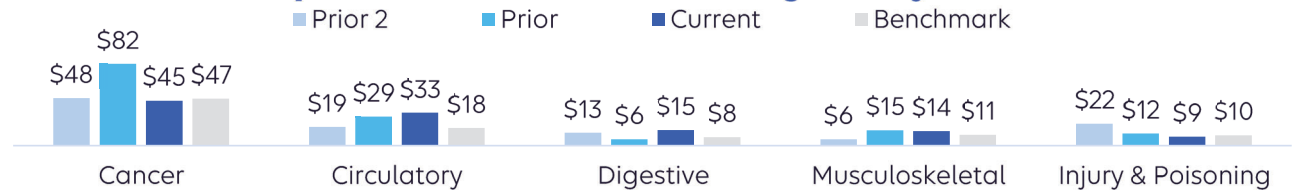
- **Claimants per 1,000** ▼ -11%
- **Cost per claimant** ▼ -22%

**Medical Specialty Drugs**  
accounted for **17%** of HCC spend, 16% prior (21% bmrk)

**86 Claimants**, 89 prior

- **44%** employees, 51% prior
- **17%** repeat HCCs (28% bmrk)

**Top 5 HCC Health Condition Categories by PMPM**



**Claimants**

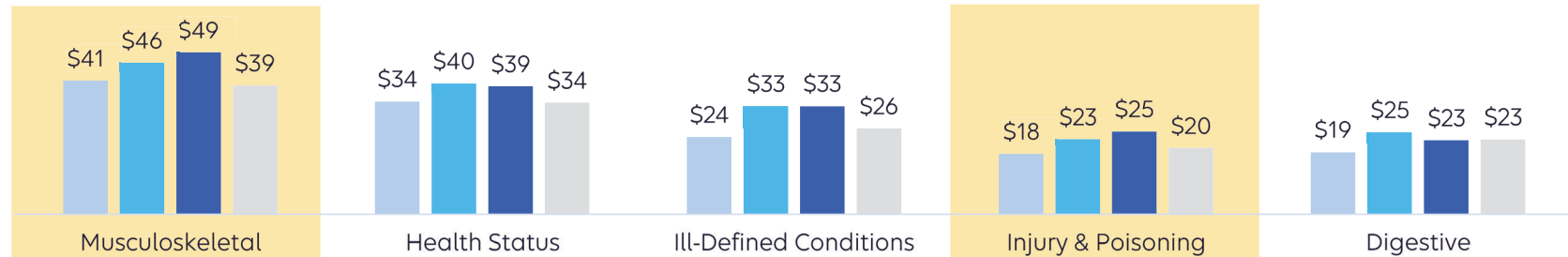
Prior	24	17	3	11	8
Current	21	20	7	11	4

# Anthem Self-Funded PPO

## Non-HCC Top 5 Health Condition Categories

Top 5 Categories by PMPM

■ Prior 2 ■ Prior ■ Current ■ Benchmark



Key Metrics	#1 Musculoskeletal	#2 Health Status	#3 Ill-Defined Conditions	#4 Injury & Poisoning	#5 Digestive
	\$5.8M 3124 Claimants	\$4.6M 5837 Claimants	\$3.9M 3796 Claimants	\$3.0M 1516 Claimants	\$2.6M 1218 Claimants
% of members	29%	55%	36%	14%	11%
% of total spend	14%	11%	10%	7%	7%
Current period PMPM trend	▲ 7%	▼ -2%	▼ 0.3%	▲ 10%	▼ -10%

Top diagnoses % of spend	#1 Musculoskeletal	#2 Health Status	#3 Ill-Defined Conditions	#4 Injury & Poisoning	#5 Digestive
	<ul style="list-style-type: none"> <li>18% Osteo of Knee</li> <li>13% Joint Disorder</li> <li>11% Back Pain</li> </ul>	<ul style="list-style-type: none"> <li>34% Cancer Screenings</li> <li>26% Wellness Exam</li> <li>7% Office Visit</li> </ul>	<ul style="list-style-type: none"> <li>16% Abdominal/Pelvic Pain</li> <li>15% Throat/Chest Pain</li> <li>5% Loss Of Consciousness</li> </ul>	<ul style="list-style-type: none"> <li>17% Knee Dislocation</li> <li>6% Fracture Lower Leg</li> <li>5% Open Wound Head</li> </ul>	<ul style="list-style-type: none"> <li>14% Gallstones</li> <li>11% Hernia</li> <li>8% Colitis</li> </ul>

All high-cost claimant claims and costs are excluded from this report, regardless of primary diagnosis

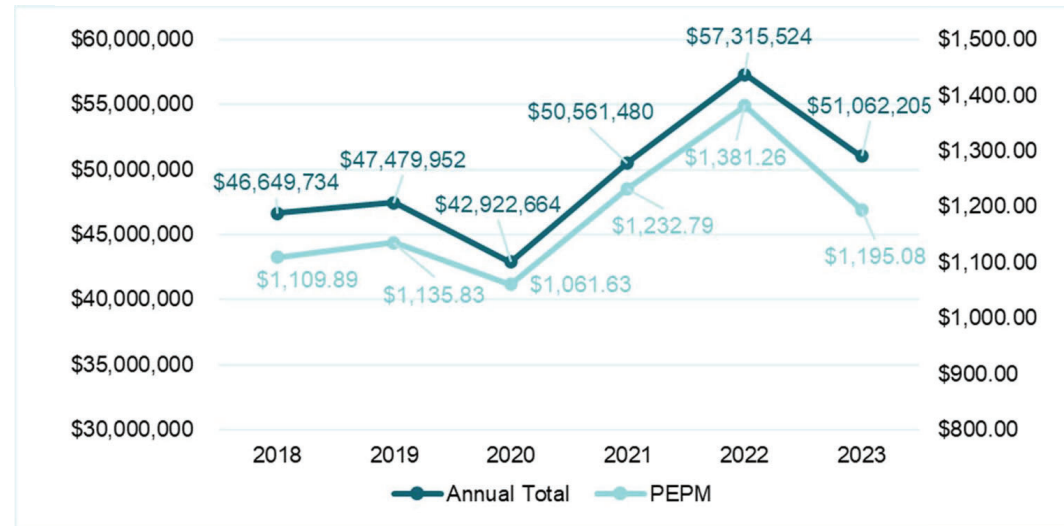
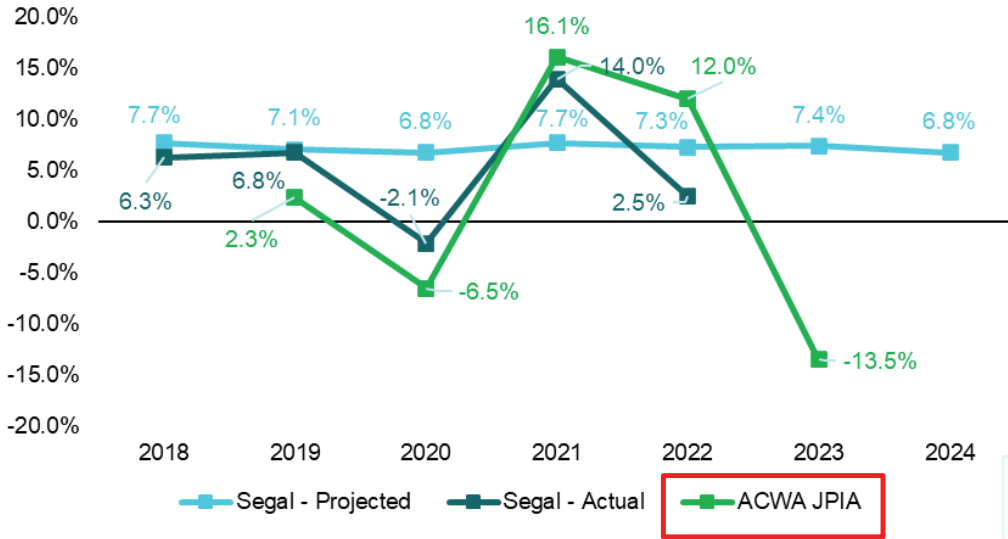


# Anthem Self-Funded PPO

Alliant Insurance Services

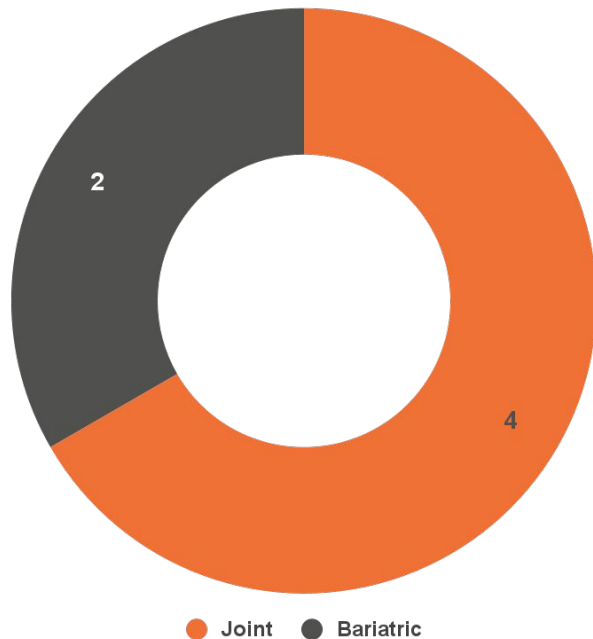
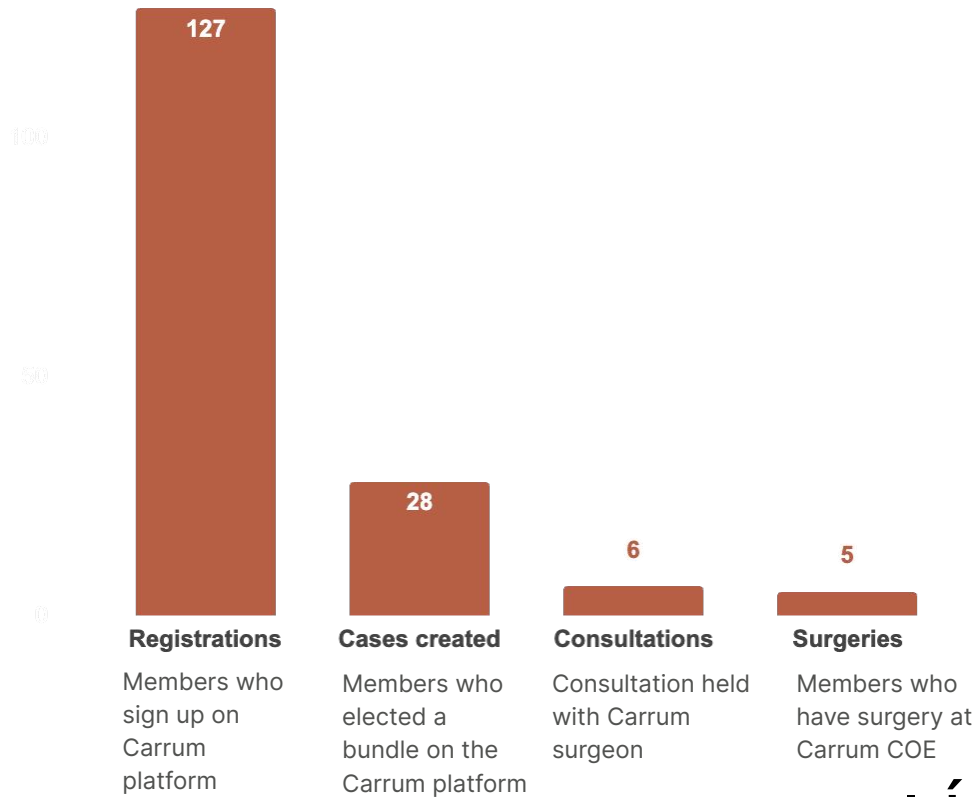


## 2025 Medical & Pharmacy Trend Forecast ACWA JPIA vs Nationwide Survey Data



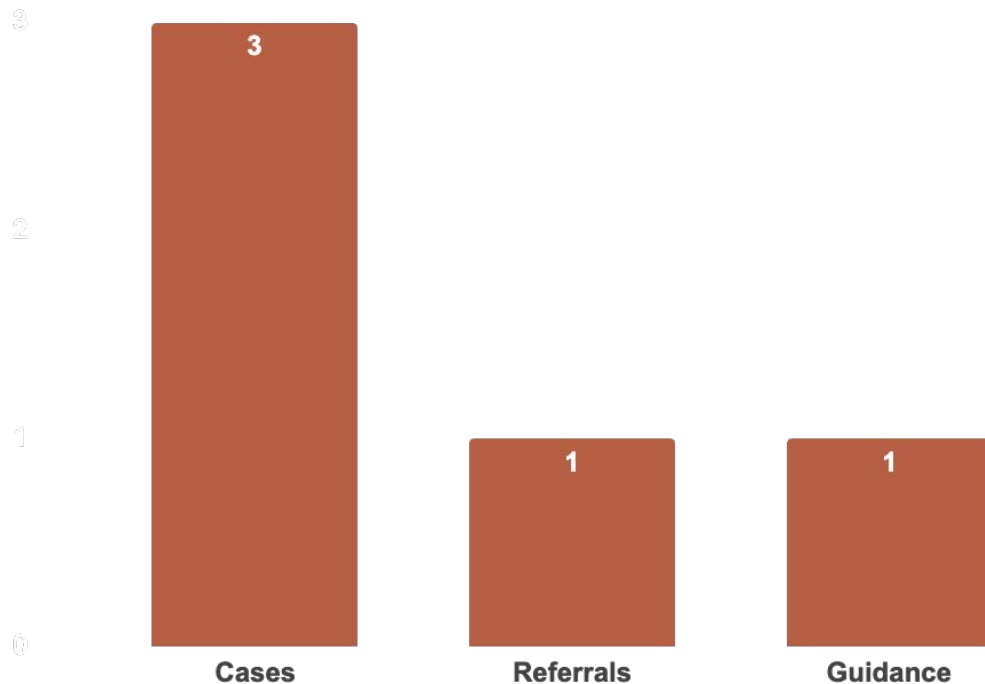
# 2023 engagement overview

# Carrum



# 2023 cancer care program engagement

## Carrum



- COE selected:
- AccessHope
    - 1 guidance case - blood cancer

# Hinge Health 2023 impact summary

Cohort start date: 1/1/2023

Data as of: 12/31/2023

## ACWA JPIA 2023 summary metrics

### Engagement

**212**

Members Engaged (192 Chronic, 18 acute, 2 prevention)

**7,446**

Total member ET sessions completed

**8.6/10**

Member program satisfaction rating

### Outcomes

**50%**

Reduction in pain

**80%**

Members reaching MCID

**86%**

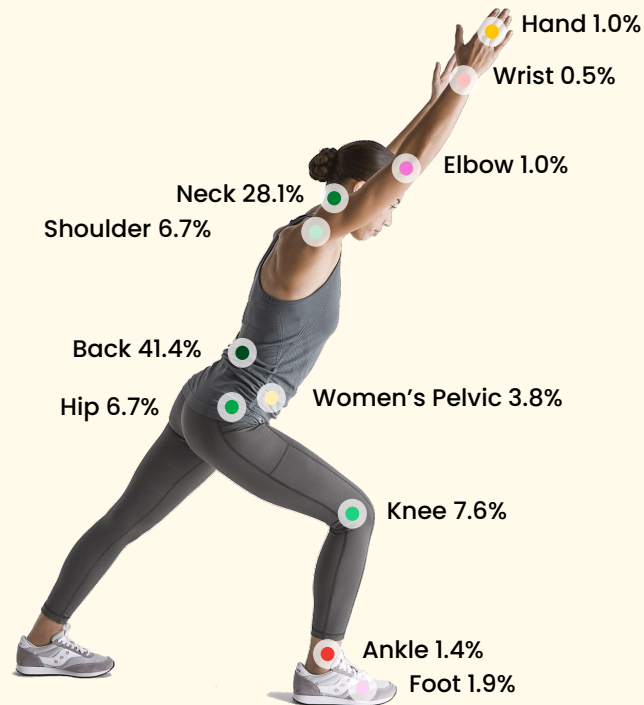
Reduction in surgery intent

**3.4x**

Projected ROI



## Engagement by body part across all programs



# Progyny

Since launch in 2023, Progyny has supported

65

members on their individual fertility and family building journeys

3

children!



100.0% lower multiples birth rate vs natl. avg

\$124.1K

in cost avoidance – fewer treatments, miscarriages, multiples and a better Rx experience

**ACWA JPIA**  
**Update Regarding 2024 Pharmacy Benefit Manager Transition & Implementation of Anthem Health Guide**  
**May 6, 2024**

**BACKGROUND**

In an on-going effort to provide comprehensive medical benefits to the member agencies, beginning January 1, 2024, ACWA JPIA transitioned pharmacy benefit managers (PBM) and implemented an enhanced customer service option for the self-funded Anthem PPO plans.

**CURRENT SITUATION**

**PBM Transition**

Since 2019, MedImpact had provided the JPIA with pharmacy benefit management services, serving as the intermediary between pharmacies, the insurer, and pharmaceutical manufacturers. Following an extensive evaluation and comparison of PBM pricing differentials and anticipated disruption, JPIA moved to CarelonRx, Anthem's internal PBM. As a result of the integration within the Anthem network, staff anticipated streamlined efficiencies and projected annual savings of \$4 million.

Significant coordination between staff and Anthem/CarelonRx took place prior to the January 1, 2024 PBM transition. Though some disruption was expected, due to unforeseen issues involving CarelonRx's Home Delivery services, many JPIA members experienced significant delays obtaining maintenance medications. CarelonRx worked with staff extensively to remediate the issues, including deployment of additional customer service representatives. The issues continued and member satisfaction continued to decline. To further remediate, CarelonRx placed a moratorium on the mail order requirement for all maintenance medications through December 31, 2024. Additionally, Anthem accelerated a refund to JPIA of \$75,000 for failure to meet Q1 2024 performance guarantees. Anthem/CarelonRx representatives continue to work collaboratively with staff to ensure improved customer service. A follow-up report will be provided to the Committee at the July meeting.

**Anthem Health Guide**

The medical benefits offered by Anthem, including a variety of point solutions are broad. The variety of options available can at times be cumbersome to navigate. To streamline this process for members, prior to the 2024 program year renewals, staff researched extensively patient/care navigators. Navigators are committed to removing patient's barriers to care by identifying critical resources, helping them navigate through health care services and systems, and promoting client health. After much discussion and consideration, the Committee opted to implement a concierge-level customer service option with less robust services than that of a true navigator service, at a more palatable price point. Beginning January 1, 2024, members were provided with access to Anthem Health Guide.

A dedicated pool of customer service representatives were trained on JPIA's group benefit plans and point solutions including, Carrum's surgical and oncology benefit, Hinge Health virtual physical therapy, Modern Health mental wellness, and Progyny's family building benefit. The dedicated Health Guides refer members to JPIA's point solutions and other Anthem programs including diabetes prevention, maternity, and disease management programs, of which they may not be aware.

**RECOMMENDATION**

None, information only.



**ACWA JPIA**  
**2025 and Beyond: Plan Designs**  
**May 6, 2024**

**BACKGROUND**

Jennifer Jobe, Director of Pooled Programs, will provide the Committee with an update regarding planning for 2025 and beyond.

**CURRENT SITUATION**

July 1, 2024, marks 12 years since the JPIA began administering Employee Benefit plans. As staff and the Committee continue to work to ensure the most comprehensive coverage at the most competitive prices, a measured yet strategic look to the future is key to the continued success of the program.

**RECOMMENDATIONS**

None, information only.

**ACWA JPIA**  
**Reserve Balance & Rating Strategy**  
**May 6, 2024**

**BACKGROUND**

The ACWA JPIA Employee Benefits Program maintains an excess Reserve Fund (Fund) balance for the medical, dental and vision self-funded programs. Fluctuations are driven by the difference between program expenses and collected contributions or revenues. In 2014-2016, expenses exceeded revenues; thus the Fund balance dropped by almost \$11.5 million as monies from the Fund were used to supplement collected contributions. Starting in 2017, this trend reversed and contributions collected started to exceed expenses.

Over the next five (5) years, the Fund balance grew by approximately \$54.5 million, despite holding rates flat from 2019-2021. The largest increase came - of course - from the 2020 program year. In 2022 and 2023, as medical usage increased, combined with significant increases in medical care costs, this trend reversed again and expenses are once again exceeding collected contributions. That being said, the Committee approved both 5% and 10% rate decreases, respectively, for these program years, in an attempt to subsidize revenues with Fund monies which had grown to significantly exceed the Fund Target by that point.

On April 26, 2023, based on updated actuarial projections, the Employee Benefits Program Committee recommended increasing the Fund Target to \$34 million (up from the prior \$19.2 million Target). This Target represents the 99% confidence level and is comprised of \$22.7 million in Claim Fluctuation Margin (CFM) and \$11.2 million in Incurred But Not Reported (IBNR) claims. On May 8, 2023, the Executive Committee approved the Employee Benefits Program Committee's recommendation to memorialize the new Fund Target.

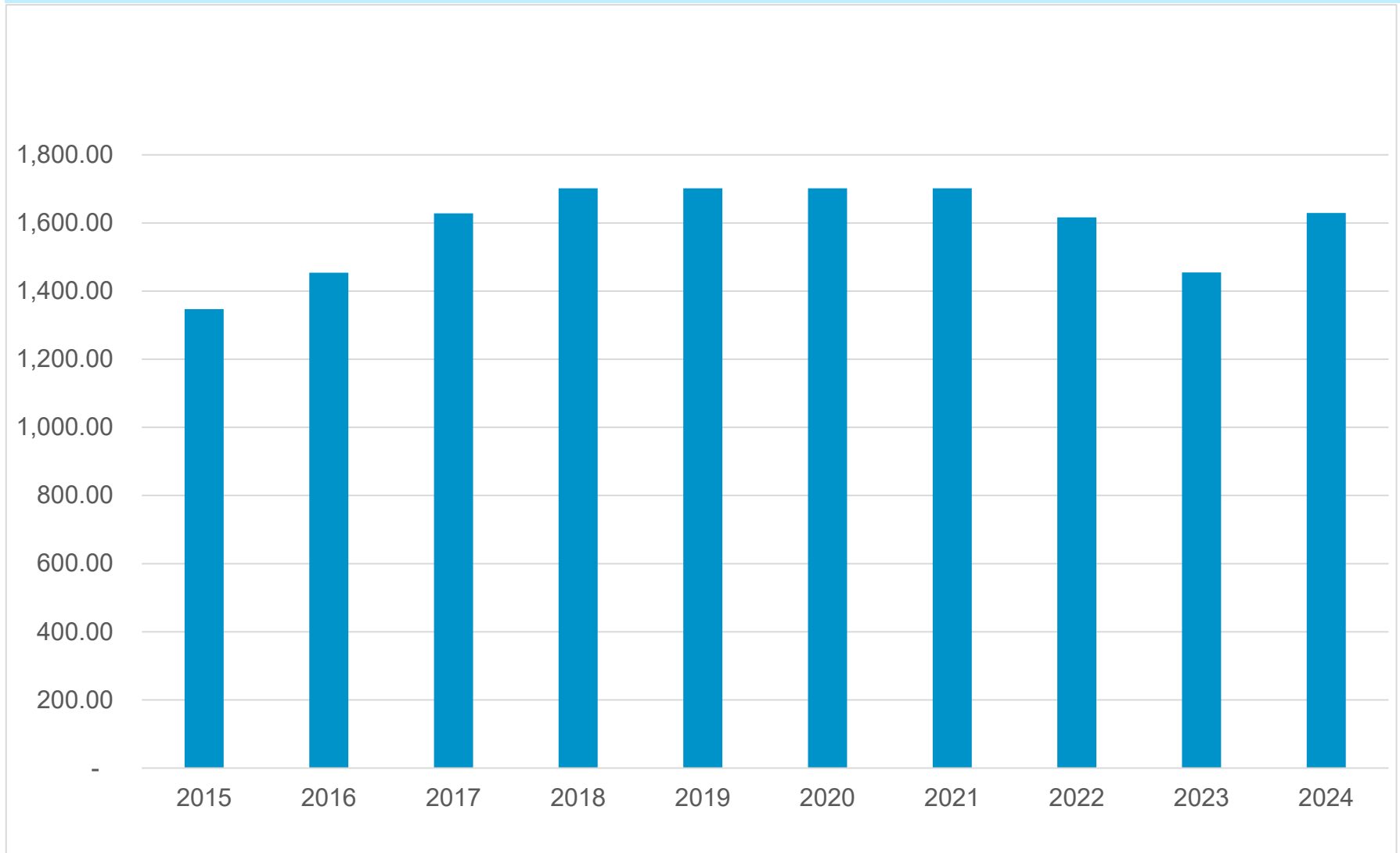
**CURRENT SITUATION**

As of February 29, 2024, the Employee Benefits Program Fund balance is approximately \$77.6 million. As this exceeds the Target of \$34 million, it is the intent to subsidize future rates with the Fund balance. The philosophy that the Committee has embraced is a slow, methodical approach to rate subsidization so that monies in the Fund that exceed the Target can be used over a significant period of time to subsidize rates as long as possible, particularly in the current environment of sharply rising medical inflation costs. Ideally, once the Fund balance is reduced to the Target, the annual rate increase will match whatever is the current annual medical cost trend and the Fund balance will remain funded at the 99% confidence level for use in future catastrophic event(s).

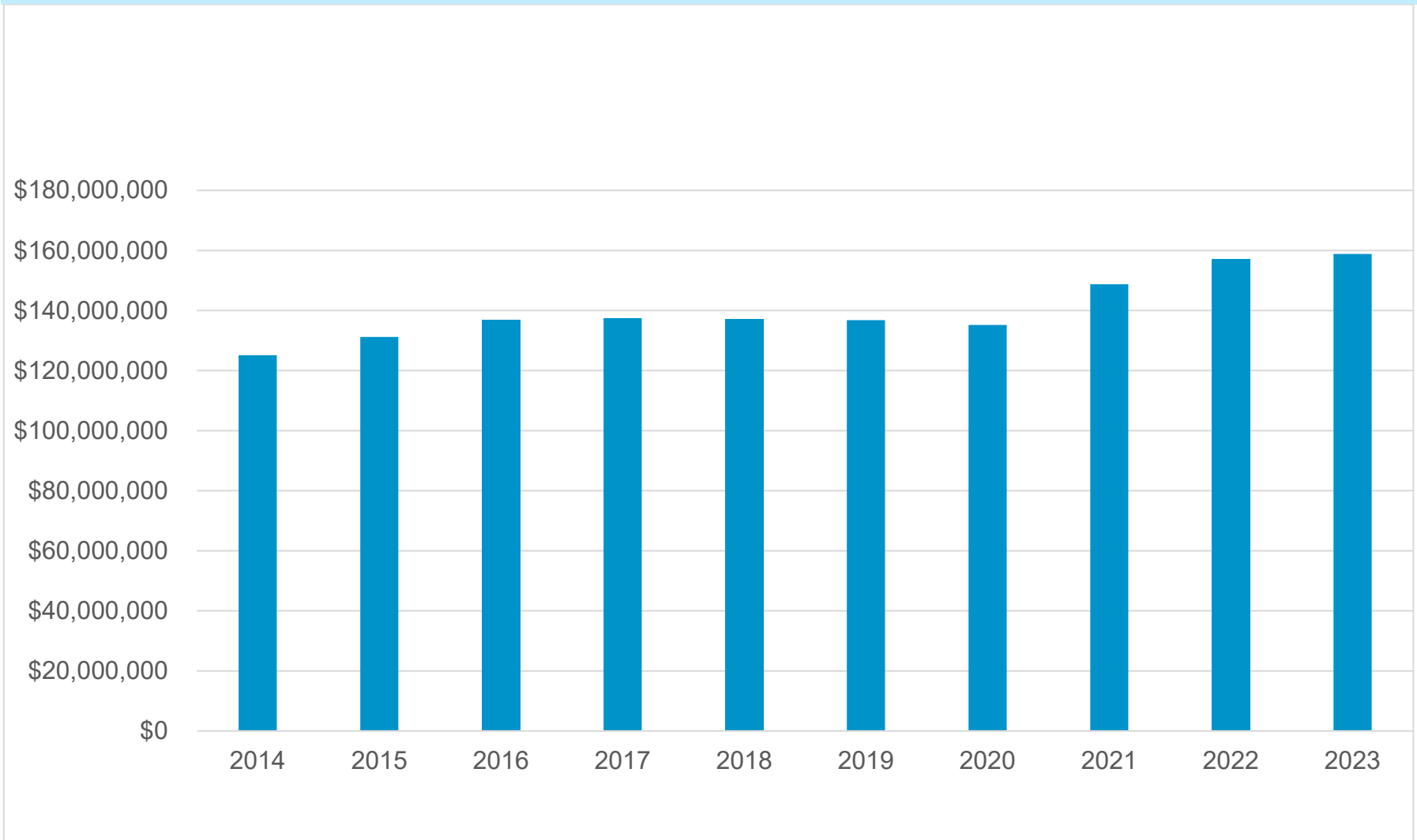
**RECOMMENDATION**

None, information only.

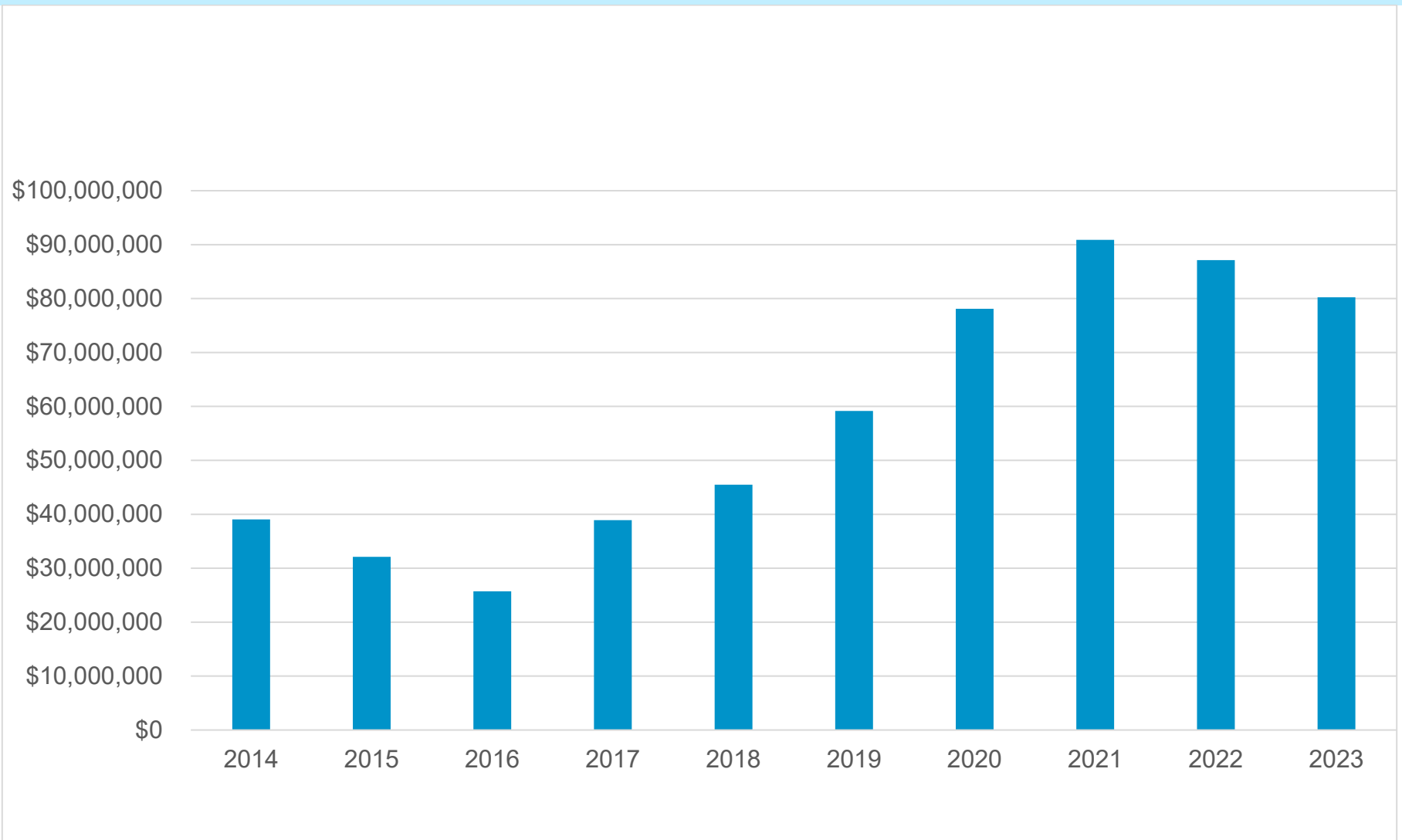
## HISTORICAL RATES



## TOTAL EXPENSES



## RESERVE FUND BALANCE



**ACWA JPIA**  
**Director of Pooled Programs Update**  
**May 6, 2024**

**BACKGROUND**

This is a standing item on Committee agendas.

**CURRENT SITUATION**

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

**RECOMMENDATIONS**

None, information only.

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MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
JAN 8			10:00 AM ZOOM							
JAN 17									1:00 PM	
JAN 18		8:00 AM								
JANUARY 29-30- STRATEGIC PLANNING SESSION - SAN DIEGO										
MAR 20				1:00 PM		10:30 AM	3:00 PM			
MAR 21		8:30 AM								
APRIL 26		9:00 AM ZOOM								
MAY 6	1:45 PM	10:30 AM			9:00 AM					
MAY 7-9 ACWA SPRING CONFERENCE – SACRAMENTO										
MAY 31										10:00 AM UTAH
JUNE 3			11:00 AM							
JUNE 20							3:00 PM	1:00 PM		
JUNE 21		8:00 AM								11:00 AM
JULY 31		1:00 PM			9:30 AM					
SEPT 4			10:00 AM							
SEPT 25				1:00 PM		3:00 PM				
SEPT 26		8:00 AM								11:00 AM
OCT 16		1:00 PM								
DEC 2	1:00 PM	10:00 AM								8:30 AM
DECEMBER 3-5 ACWA FALL CONFERENCE – PALM DESERT										

- AGRiP Governance Conference, Nashville, TN – March 3-6, 2024
- CICA Conference, Scottsdale, AZ – March 10-12, 2024
- CAJPA Conference, Lake Tahoe – September 10-13, 2024





# Executive Committee Meeting



YOUR BEST PROTECTION

Sheraton Grand Sacramento Hotel  
1230 J Street  
Sacramento, CA 95814

Monday  
May 6, 2024  
10:30 a.m.

President: Melody A. McDonald, San Bernardino Valley Water Conservation District

Vice-President: David A. Drake, Rincon del Diablo Municipal Water District

Ernie Avila, Contra Costa Water District, ACWA VP

Chris Kapheim, Kings River Conservation District

Szu Pei Lu-Yang, Rowland Water District

Scott Ratterman, Calaveras County Water District

Randall J. Reed, Cucamonga Valley Water District

J. Bruce Rupp, Humboldt Bay Municipal Water District

David Wheaton, Citrus Heights Water District

*Executive Committee Core Values*

**Trust | Integrity | Listen | Good of the Whole**





# EXECUTIVE COMMITTEE MEETING

## AGENDA

Sheraton Grand Hotel  
 Camellia/Gardenia Rooms  
 1230 J Street  
 Sacramento, CA 95814

**Monday – May 6, 2024 – 10:30 a.m.**

**WELCOME**

**CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

**PLEDGE OF ALLEGIANCE**

**EVACUATION PROCEDURES**

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

**PUBLIC COMMENT** Members of the public will be allowed to address the Executive 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.

**INTRODUCTIONS**

**ADDITIONS TO OR DELETIONS FROM THE AGENDA**

<u>Presenter</u>		<u>Page#</u>
	<b>I. <u>CONSENT AGENDA</u></b>	
McDonald	* A. Approve the Minutes of March 21, 2024 Meeting	<b>61</b>
McDonald	B. Ratify the JPIA Disbursements of: <ul style="list-style-type: none"> <li>• <u>Vendor Payments, Employee Benefits Claim Payments, Payroll, and summary of confidential claims payments for the Liability, Property, &amp; Workers Compensation Programs: March 16-31, 2024; April 1-15, 2024; and April 16-30, 2024.</u></li> </ul>	

<u>Presenter</u>		<u>Page#</u>
McDonald	C. Approve An Excused Absence for any Executive Committee member	
	<b>II. <u>ADMINISTRATION</u></b>	
McDonald	A. Report on Meetings Attended on Behalf of the JPIA.	
	<b>III. <u>PROGRAMS</u></b>	
Jobe	* A. Ancillary Pooled Programs Update	<b>68</b>
Jobe	* B. Liability and Property Renewal Update	<b>69</b>
	<b>IV. <u>EMPLOYEE BENEFITS PROGRAM COMMITTEE</u></b>	
Rupp	* A. Review the Employee Benefits Program Committee Meeting Held on May 6, 2024	<b>72</b>
	<b>V. <u>UPDATES</u></b>	
Beatty	* A. CEO Update	<b>74</b>
	<b>VI. <u>UPCOMING MEETINGS</u></b>	
McDonald	A. Future Agenda Items	
McDonald	* B. Review the availability of the Committee Members for Upcoming Executive Committee Meeting on June 21, 2024	<b>75</b>

**ADJOURN**

\*Related items enclosed.

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

*Written materials relating to an item on this Agenda that are distributed to the JPIA’s Executive 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.*



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

March 21, 2024

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Chair: Melody A. McDonald, San Bernardino Valley Water Conservation District  
Vice-Chair: David Drake, Rincon del Diablo Municipal Water District  
Ernie Avila, Contra Costa Water District  
Chris Kapheim, Kings River Conservation District  
Szu Pei Lu-Yang, Rowland Water District  
Scott Ratterman, Calaveras County Water District  
Randall Reed, Cucamonga Valley Water District  
J. Bruce Rupp, Humboldt Bay Municipal Water District  
David Wheaton, Citrus Heights Water District

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None.

GH5: : 'DF 9G9BH'

Chief Executive Officer/Secretary: Adrienne Beatty  
Erin Bowles, Workers' Compensation Manager  
Chimene Camacho, Executive Assistant to the CEO Çj^&[ iãã \* Áj^&^æ^ DÁ  
Debbie Cruz, Lead Member Services Representative (via Zoom)  
David deBernardi, Director of Finance  
Adam Dedmon, Employee Benefits Manager  
Robin Flint, Risk Control Manager (via Zoom)  
Robert Greenfield, General Counsel  
Jennifer Jobe, Director of Pooled Programs  
Erik Kowalewski, System/Network Administrator  
Jennifer Nogosek, Liability/Property Claims Manager (via Zoom)  
Kevin Phillips, Director of Member Outreach  
Judy Shiu, Sr. Claims Adjuster  
Jillian Sciancalepore, Administrative Assistant III  
Dan Steele, Finance Manager  
Kayla Villa, Litigation Manager  
Tony Waterford, Human Resources Manager  
Nidia Watkins, Member Services Representative II  
Cece Wuchter, Lead Sr. Claims Adjuster

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Fred Bockmiller, Mesa Water District (via Zoom)  
Mary Egan, MRG  
Kimberly Ford, Reclamation District 784 (via Zoom)  
Tiffany Giammona, ACWA  
Brent Hastey, Reclamation District 784  
Patrick Meagher, Reclamation District 784 (via Zoom)

**K 9@7CA 9**

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Chair McDonald welcomed everyone in attendance.

**75@@HC CF 89F 5B8 5BBCI B79A 9BHC: EI CFI A**

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Chair McDonald called the meeting to order at 8:00 a.m. She announced there was a quorum.

**D@98; 9C: 5@@9, =5B79**

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Chair McDonald led the Pledge of Allegiance.

**9J 57I 5H-CB DF C798I F 9G**

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Ms. Beatty gave the evacuation procedure instructions.

**5BBCI B79A 9BHF 97CF 8=B; C: A 99HB;**

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Chair McDonald 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. The introduction of Fireflies, an AI note taking service for recording and drafting of the meeting minutes, was noted.

**DI 6@-7 7CA A 9BH**

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Chair McDonald noted that, as the agenda stated, members of the public would be allowed to address the Executive 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.

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Ms. Beatty noted that the Hybrid Participation Guidelines are included on the last page of the packet.

**=BHF C8I 7H-CBG**

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Chair McDonald introduced the Executive Committee, staff, and others in attendance. Chair McDonald welcomed the newest JPIA employees, Judy Shiu, Sr. Claims Adjuster, and Adam Dedmon, Employee Benefits Manager.

**588-H-CBG HC CF 89@H-CBG: F CA H< 9 5; 9B85**

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

## CONSENT AGENDA

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Chair McDonald called for approval of the Consent Agenda:

M/S/C (Wheaton/Reed) (Avila-Abstain; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve the minutes of the November 27, 2023 meeting; and ratify JPIA disbursements of: Vendor Payments, Employee Benefits Claim Payments, Payroll, And Summary of Confidential Claims Payments for the Liability, Property, & Workers' Compensation Programs: January 16-31, 2024; February 1-15, 2024; February 16-29, 2024; and March 1-15, 2024.

## ADMINISTRATION

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### Report on meetings attended on behalf of the JPIA

Director Drake reported attending the CICA Conference in Phoenix. Directors McDonald, Rupp, Kapheim, and Ratterman reported attending the AGRiP Conference in Nashville.

### Update on CEO Member Visits

Ms. Beatty stated that it is her goal to visit as many JPIA members as possible for an opportunity to engage with Board members and staff. Priority has been given to the largest members with payroll above \$5 million. To date, she has completed 61 member visits, eight of which were in February 2024. Six more member visits are scheduled for the end of March and mid-May.

### Overview of Spring Membership Summit and CWIF Elections

Ms. Beatty reported on the upcoming Spring Membership Summit to be held in Sacramento on May 6-7, 2024. Monday's governance meetings will include the Employee Benefits Program and Executive Committees meetings and a Board of Directors meeting. Two educational sessions are scheduled for Tuesday morning. Ann Gergen, AGRiP Executive Director, will be a guest speaker followed by a AB1825 Sexual Harassment Prevention Training presented by Mr. Greenfield, JPIA General Counsel. At the ACWA Exhibit Hall, JPIA will host members from May 7 to May 9.

Ms. Beatty also reported on the upcoming California Water Insurance Fund (CWIF) elections during the Board of Directors' meeting on May 6, 2024. This election will fill two CWIF Board member positions for their complete terms of two years each. One incumbent, Andrew Morris, Santa Rosa Regional Resources Authority, has indicated his intent to run for re-election. Scott H. Quady, Calleguas Municipal Water District, who is also an incumbent, has indicated he is not running for re-election. The deadline to submit nominations is April 6, 2024.





the fiscal year ending September 30, 2025, as presented, and submit for final approval by the Board of Directors at the subsequent ACWA JPIA Spring Membership Summit in May 2024.

After the approval of the motions, Chair Drake presented the JPIA Finance Department staff with the Government Finance Officers Association (GFOA) award and congratulated them for their exemplary service to the JPIA.

## **PROPERTY PROGRAM COMMITTEE**

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Property Program Committee Chair Kapheim reported on the highlights from the meeting held on March 20, 2024. There were no recommendations from the Committee at this meeting.

## **MEMBERSHIP**

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Ms. Watkins provided a background on Reclamation District No. 784's (RD 784) application for admission to the Liability, Property, and Workers' Compensation Programs. RD 784 is already a JPIA member participating in Employee Benefits programs. RD 784 covers approximately 40,676 acres including 33.59 miles of levees along the Bear, Feather, and Yuba Rivers. The District also operates and maintains more than 60 miles of internal drainage canals and ten pumping stations.

A prospective member risk assessment was conducted to determine substantial conformance with the JPIA's Commitment to Excellence (C2E) Program, JPIA best practices, occupational safety and health standards, and consensus with public agency loss control methods. Overall, a favorable opinion was developed about staff and the operations of RD 784. Should RD 784 join the Liability, Property, and Workers' Compensation Programs, a service plan will be implemented beginning April 2024 to complement the District's safety and risk management program with ACWA JPIA resources.

M/S/C (Drake/Rupp) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes):  
That the Executive Committee approve Reclamation District 784's applications for admission to the Liability, Property, and Workers' Compensation Programs.

## **UPDATES**

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### ACWA Update

Ms. Giammona provided a short update on ACWA's relevant current issues and events, including the upcoming ACWA Conference in May.

### CEO Update

Ms. Beatty stated that since 30% of staff have been newly hired within the last five years, focus on building relationships among all staff is of utmost importance. Several events have been scheduled this year including twice yearly, half-day all-staff learning and teambuilding sessions along with twice yearly full-day offsite strategic meetings for Directors and Managers. To date, all employees have participated in a DiSC workshop

focused on personality type with a second DiSC workshop focusing on productive conflict scheduled for August.

For the upcoming Directors and Managers' offsite meeting in April, the focus will be on creating Value Statements from staff's perspective. Value Statements highlight the value of the pool and why JPIA matters to its members. Each Manager was asked to meet with their respective staff to create Value Statements that resonate with them and their departments. Staff's Value Statements will be integrated with the Statements developed by the Executive Committee in January.

Ms. Beatty also conveyed that an HR consulting firm, CPS HR, was retained to evaluate the JPIA's employee performance review process and assist in identifying improvements. Employee feedback will be facilitated through surveys and focus groups.

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#### Future Agenda items

The Committee asked whether the JPIA's Actuary ever presents their report directly to the Committee. Ms. Beatty noted that this has not historically been JPIA's process, although many pools do request their Actuary present directly to the governing body, similar to the Financial Auditor and Financial Advisor. Ms. Beatty indicated she and the Finance team would work together to identify an optimal time to ask the Actuary to come to a future Committee meeting.

Availability for Next Meeting: The Executive Committee is scheduled to meet next on May 6, 2024, at the Spring Membership Summit in Sacramento.

### 7@CG98 G9GG-CB

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Before proceeding into closed session, General Counsel announced the items to be discussed.

M/S/C (Reed/Lu-Yang) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee adjourn to closed session.

At approximately 9:22 a.m., the Executive Committee, upon advice of General Counsel, adjourned to closed session to discuss:

- A. Conference with Legal Counsel (tort liability losses, public liability losses/claims, or workers' compensation liability claims) – Pursuant to Government Code Sec. 54956.95.
  - 1. Kinnicutt v. Solano Irrigation District (DOL 6/23/2022)
  - 2. Meridian at Laguna Hills v. El Toro Water District (DOL 11/4/2023)
  - 3. Cooney v. Water Employee Services Authority (DOL 12/18/2023)



M/S/C (Drake/Rupp) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes):  
That the Executive Committee reconvene to open session.

The Committee returned to open session at approximately 9:59 a.m.

Closed session item A-1: Kinnicutt v. Solano Irrigation District (DOL 6/23/2022)  
M/S/C (Kapheim/Rupp) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes): That the Executive Committee approve the settlement in the amount of \$890,000.00.

Closed session item A-2: Meridian at Laguna Hills v. El Toro Water District (DOL 11/4/2023). No action taken. Direction given to staff.

Closed session item A-3: Cooney v. Water Employee Services Authority (DOL 12/18/2023). No action taken. Direction given to staff.

At approximately 10:05 a.m., the Executive Committee, upon advice of General Counsel, adjourned to closed session to discuss:

B. Public Employee Performance Evaluation (Personnel) – Pursuant to Government Code(s) Sec. 54957 and 54957.6 (Conference with Labor Negotiators).

1. Position: Chief Executive Officer.

M/S/C (Rupp/Drake) (Avila-Yes; Kapheim-Yes; Lu-Yang-Yes; Ratterman-Yes; Reed-Yes; Rupp-Yes; Wheaton-Yes; Drake-Yes; McDonald-Yes):  
That the Executive Committee reconvene to open session.

The Committee returned to open session at approximately 10:50 a.m.

Closed session item B-1: No action taken. Direction given to staff.

The Executive Committee meeting adjourned at 10:51 a.m.

Attest:

X

Melody McDonald  
Chair

X

Adrienne Beatty  
Secretary

**ACWA JPIA**  
**Ancillary Pooled Programs Update**  
May 6, 2024

**BACKGROUND**

As a complement to the JPIA's pooled programs, a number of group purchase coverages are available to the membership.

**CURRENT SITUATION**

For the 2023/24 program year, the JPIA provides the following group purchase programs:

COVERAGE	COVERAGE PERIOD	# OF PARTICIPANTS	APPROX. CONTRIBUTION
<b>LIABILITY</b>			
Cyber Liability	7/1 – 6/30	275	\$1.1 Million
Dam Failure Liability	10/1 – 9/30	17	\$683,000
Fiduciary Liability	Various Policy Dates	6	\$32,500
Underground Storage Tank Liability	7/1 – 6/30	11	\$56,000
Environmental Pollution Liability	4/17 – 4/16	1	\$70,000
<b>PROPERTY</b>			
Difference in Conditions (Occurrence/BAE)	7/1 – 6/30	9	\$411,000
Excess Flood	7/1 – 6/30	1	\$546,000
Excess Crime	7/1 – 6/30	73	\$83,000
Public Officials Bond	Various Policy Dates	11 Members 27 Bonds	\$10,000

Staff regularly provides guidance to members in identifying the need for and obtaining necessary coverages ancillary to the pooled programs.

**RECOMMENDATION**

None, information only.

**ACWA JPIA**  
**Liability and Property Renewal Update**  
**May 6, 2024**

**BACKGROUND**

The JPIA's Liability Program renews on October 1, 2024. A number of factors continue to plague the liability insurance market including aging infrastructure, social inflation, sexual misconduct, and law enforcement liability. Although JPIA member agencies do not have exposures like that of other public agencies, such exposures continue to result in reduced liability market capacity.

The Property Program renews on July 1, 2024. Catastrophic weather events, including wildfire, continue to be the costliest losses across the property insurance market. JPIA's previous significant wildfire losses, coupled with catastrophic losses throughout the world and the United States, continue to cause renewals to be challenging.

**CURRENT SITUATION**

**Liability Renewal Strategy**

In anticipation of a market that remains averse to California public entities, staff continues to work to ensure that our existing and prospective carriers are provided opportunities to expand their knowledge and understanding of JPIA exposures. Tours of JPIA member agencies provide carriers with "insider" education and access to the State's preeminent drinking, recycled, and wastewater treatment facilities. These experiences allow carriers to recognize the JPIA as inherently different from other public entities with police, fire, and school risks. It is this kind of education and exposure that will result in carriers potentially decreasing attachment points as well as deploying significant coverage capacity.

**Property Renewal Strategy**

With the expectation of a continued hard market and undesirable renewal rates, staff has worked strategically to develop an alternative program structure and build relationships with two large utility risk carriers that will aid in positioning the JPIA more favorably for the 2024/25 Program renewal. As a part of this process, staff has met with property carriers from across the US and Europe, as well as with key representatives from the two utility carriers to ensure their detailed knowledge and understanding of JPIA's exposures. Staff have coordinated engineering inspections conducted by the utility carriers of the largest assets in the JPIA portfolio and facilitated educational tours of member facilities for current and prospective carriers. These tours provide "insider" education and access to the State's preeminent drinking, recycled, and wastewater treatment facilities. It is staff's hope this strategy will result in carriers deploying greater capacity and possibly allowing JPIA the opportunity to reduce both our attachment point and overall Program limits.

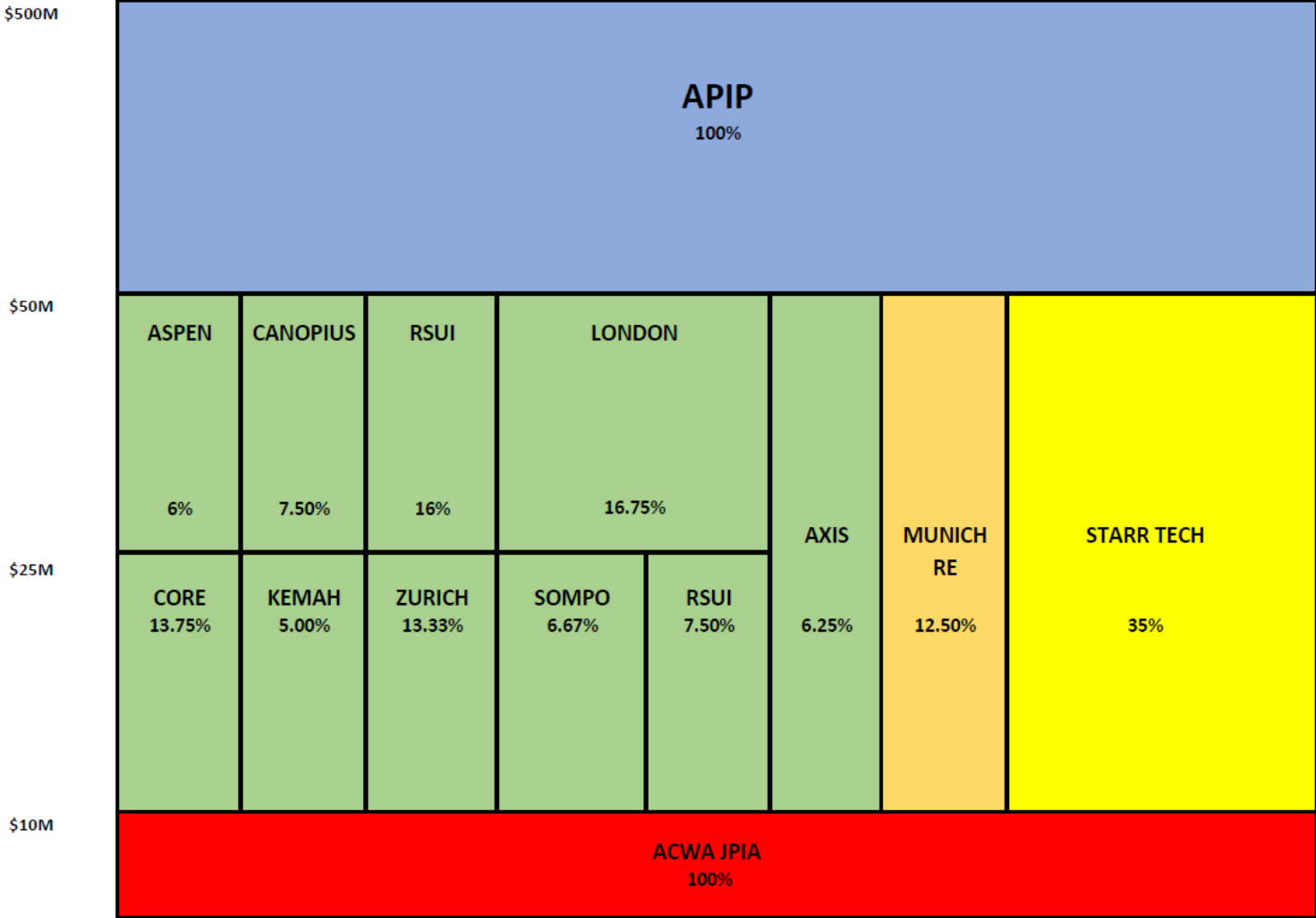
**RECOMMENDATION**

None, information only.

# 2023/24 Liability Program

55M	<p><b>SCOR</b> \$5M x \$50</p>			
50M	<p><b>Starstone</b> \$5 x \$45M</p>			
45M	<p><b>AWAC</b> \$10M x \$35M</p>			
35M	<p><b>Midvale</b> \$5M x \$30M</p>			
30M	<p><b>Everest</b> \$4M p/o \$10M x \$20M</p>	<p><b>Great American</b> \$2.5M p/o \$10M x \$20M</p>	<p><b>Applied</b> \$1.5M p/o \$10M x \$20M</p>	<p><b>Upland</b> \$2M p/o \$10M x \$20M</p>
20M	<p><b>JPIA CAPTIVE</b> \$10M x \$10M \$30M Total Aggregate</p>			
10M	<p><b>Safety National</b> \$5M xs \$5M Liability</p>			
5M	<p><b>ACWA JPIA \$5M Pooled Retention</b></p>			

# 2023/24 Property Program





YOUR BEST PROTECTION

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7CA A =H99'A 99H-B;

AGENDA

Sheraton Grand Sacramento Hotel
Camellia/Gardenia Rooms
1230 J Street, Sacramento, CA, 95814

Monday, May 6, 2024, 9:00 a.m.

WELCOME

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

PLEDGE OF ALLEGIANCE

EVACUATION PROCEDURES

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

PUBLIC COMMENT Members of the public will be allowed to address the Employee Benefits 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.

INTRODUCTIONS

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter

Page#

I. CONSENT CALENDAR

Rupp \* A. Approve Minutes of the Meeting of July 26, 2023

Rupp B. Approve an Excused Absence for Any Committee Member

II. ADMINISTRATION

All A. Report on Meetings Attended on Behalf of JPIA



Jobe \* B. Introduction of New Employee Benefits Manager

Jobe \* C. Membership Report

III. NEW BUSINESS

Sher \* A. State of the Market

Jobe \* B. Review of 2023 Utilization

Jobe \* C. Update Regarding 2024 Pharmacy Benefit Manager Transition & Implementation of Anthem Health Guide

Jobe \* D. 2025 and Beyond: Plan Designs

Beatty \* E. Reserve Balance & Rating Strategy

IV. STAFF UPDATES

Jobe \* A. Director of Pooled Programs Update

V. UPCOMING MEETINGS

Rupp \* A. The Next Employee Benefits Committee Meeting is Scheduled for July 31, 2024, at 9:30 a.m.

ADJOURN

\*Related items enclosed.

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**ACWA JPIA**  
**CEO Update**  
**May 6, 2024**

**BACKGROUND**

This is a standing item on Executive Committee agendas.

**CURRENT SITUATION**

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

**RECOMMENDATION**

None, information only.

# ACWA JPIA MEETINGS & CONFERENCE CALENDAR – 2024

MEETING DATES	BOARD OF DIRECTORS	EXECUTIVE	PERSONNEL	FINANCE & AUDIT	PROGRAMS				RISK MGMT	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
JAN 8			10:00 AM ZOOM							
JAN 17								1:00 PM		
JAN 18		8:00 AM								
<b>JANUARY 29-30- STRATEGIC PLANNING SESSION - SAN DIEGO</b>										
MAR 20				1:00 PM		10:30 AM	3:00 PM			
MAR 21		8:30 AM								
APRIL 26		9:00 AM ZOOM								
MAY 6	1:45 PM	10:30 AM			9:00 AM					
<b>MAY 7-9 ACWA SPRING CONFERENCE – SACRAMENTO</b>										
MAY 31									10:00 AM UTAH	
JUNE 3			11:00 AM							
JUNE 20							3:00 PM	1:00 PM		
JUNE 21		8:00 AM							11:00 AM	
JULY 31		1:00 PM			9:30 AM					
SEPT 4			10:00 AM							
SEPT 25				1:00 PM		3:00 PM				
SEPT 26		8:00 AM							11:00 AM	
OCT 16		1:00 PM								
DEC 2	1:00 PM	10:00 AM							8:30 AM	
<b>DECEMBER 3-5 ACWA FALL CONFERENCE – PALM DESERT</b>										

- AGRiP Governance Conference, Nashville, TN – March 3-6, 2024
- CICA Conference, Scottsdale, AZ – March 10-12, 2024
- CAJPA Conference, Lake Tahoe – September 10-13, 2024

# Board of Directors' Meeting



YOUR BEST PROTECTION

Sheraton Grand Sacramento Hotel  
1230 J Street  
Sacramento, CA 95814

Monday  
May 6, 2024  
1:45 p.m.

**BOARD PRESIDENT:**

Melody A. McDonald, San Bernardino Valley Water Conservation District

**BOARD VICE PRESIDENT:**

David Drake, Rincon del Diablo Municipal Water District



# Voting Procedures

Each voting member will be provided a Participation Card with a QR code to login to the ACWA JPIA meeting page. Voting members representing more than one district will be provided key fobs in lieu of Participation Cards since the digital system only allows one voting participant per device.

## INSTRUCTIONS USING YOUR MOBILE DEVICE

Each voting member will be provided a Participation Card with a QR code to login to the Live Tally voting system. This card will contain a Participant ID # to be used as their unique ID for voting purposes. That number will be assigned to you upon check in.

1. Pick up your Participation Card from the registration desk.
2. Scan the QR Code. \*
3. Enter your Participant ID # when prompted.
4. You have now entered the ACWA JPIA meeting page
  - a. The virtual keypad will display “No current question” until voting begins.
5. When voting begins, you will be prompted for your response.



**WHAT IF THE QR CODE DOES NOT WORK?** Open your web browser and manually enter the website: myballot.app; then enter the Meeting ID: ACWAJPIA; lastly, enter your Participant ID #.

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## INSTRUCTIONS USING KEY FOBs

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When voting begins, use your key fobs to cast your vote.

Press **1**, **2**, or **3** to cast your vote; then press **SEND**.



Press:

1 – Yes

2 – No

3 – Abstain

Send

To change your response, press the clear button (bottom left) and start over.



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**AGENDA**

SHERATON GRAND HOTEL  
CAMELLIA/GARDENIA ROOMS  
1230 J STREET  
SACRAMENTO, CA 95814

**Monday – May 6, 2024 – 1:45 p.m.**

**WELCOME**

**TUESDAY SEMINARS**

- Keynote Presentation: Public Entity Pooling Trends
- Sexual Harassment Prevention Training for Board Members & Managers

**CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

**MEETING PARTICIPATION GUIDELINES**

**PLEDGE OF ALLEGIANCE**

**EVACUATION PROCEDURES**

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

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

**INTRODUCTION OF GUESTS**

**ADDITIONS TO OR DELETIONS FROM THE AGENDA**

<u>Presenter</u>		<u>Page#</u>
	<b>I. <u>CONSENT CALENDAR</u></b>	
McDonald	* A. Approve the Meeting Minutes of November 27, 2023	<b>81</b>
	<b>II. <u>CALIFORNIA WATER INSURANCE FUND ELECTION</u></b>	
McDonald	* A. Review Voting Procedures and Qualified Candidate	<b>92</b>

<u>Presenter</u>		<u>Page#</u>
McDonald	B. Candidate to Address Membership Prior to Voting	
McDonald	C. Direct Membership to Vote	
<b>III. <u>ADMINISTRATION</u></b>		
McDonald	* A. Ratify Executive Committee's Acceptance of New Member Agencies	<b>94</b>
Eggerton	* B. ACWA Presentation	<b>95</b>
<b>IV. <u>FINANCIAL</u></b>		
deBernardi	* A. Presentation of the GFOA Award	<b>96</b>
deBernardi	* B. Review and Approve the Audited Financial Statements for Year Ending September 30, 2023	<b>97</b>
deBernardi	* C. Review And Approve the Proposed Operating Budget for the Fiscal Year October 1, 2024-25	<b>184</b>
<b>V. <u>PROGRAMS</u></b>		
Jobe	* A. Pooled Programs Update: 1. Liability Program 2. Property Program 3. Workers' Compensation Program 4. Employee Benefits Program	<b>186</b>
<b>VI. <u>AWARDS AND GRANTS</u></b>		
Crawford	* A. Leadership Essentials for the Water Industry Program Update	<b>188</b>
Flint	* B. Announce the Winners of the H.R. LaBounty Safety Award Program	<b>190</b>
<b>VII. <u>CEO UPDATE</u></b>		
Beatty	* A. Current Events at the JPIA	<b>192</b>
<b>VIII. <u>PRESIDENT'S UPDATE</u></b>		
McDonald	* A. Review of Board Meeting, Events, and Announcements	<b>193</b>

# IX. OTHER BUSINESS

Greenfield

## A. Briefly Review Pending Lawsuits Directly Involving the JPIA

### ADJOURNMENT

\*Related items enclosed

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

**Americans with Disabilities Act** – The Americans with Disabilities Act (ADA) is a federal law that prohibits discrimination against individuals with disabilities in all areas of public life, including jobs, schools, transportation, and all public and private places that are open to the general public. The ADA is designed to help ensure that people with disabilities have the same opportunities as everyone else to live, work, and learn independently and fully participate in the mainstream of American life.

The ADA is divided into five titles: Title I covers employment; Title II covers state and local government services; Title III covers public accommodations and commercial facilities; Title IV covers telecommunications; and Title V covers miscellaneous provisions. The ADA is enforced by the U.S. Department of Justice, the U.S. Department of Education, and the U.S. Department of Health and Human Services.

The ADA requires employers to provide reasonable accommodations to qualified individuals with disabilities. Reasonable accommodations are changes or adjustments to the work environment that allow an individual with a disability to perform the essential functions of the job. Examples of reasonable accommodations include: providing a sign language interpreter, modifying work schedules, providing a wheelchair ramp, and providing a large-print document.

The ADA also prohibits discrimination in public accommodations and commercial facilities. Public accommodations are places that are open to the general public, such as hotels, restaurants, and retail stores. Commercial facilities are places that are used for business purposes, such as banks, offices, and schools. The ADA requires that these places be accessible to individuals with disabilities.

The ADA is a complex law with many provisions. It is important for employers and public accommodations to understand the ADA and its requirements to ensure compliance and provide equal opportunities for all individuals.







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Hyatt Regency Resort  
Ballroom NOP  
44600 Indian Wells Lane  
Indian Wells, CA 92210

**November 27, 2023**

**J CHB; F 9DCF H**

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See the report following the minutes.

**BCB!J CHB; D5F H=7=D5BHG**

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See the list of attendees.

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See attendance list.

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President McDonald welcomed everyone in attendance, called the meeting to order at 1:02 p.m., and announced that a quorum was present.

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The Pledge of Allegiance was led by President McDonald.

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Ms. Beatty reviewed the building evacuation procedures.

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

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

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

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

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Ms. Camacho reviewed the JPIA Voting Procedures with everyone in attendance.

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President McDonald called for approval of the Consent Calendar.

**Motion:** That the Board of Directors approve the minutes of the May 8, 2023, meeting, as presented.

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Update on the 2024 Executive Committee Strategic Planning Session

Ms. Beatty noted that every even numbered year, the JPIA conducts an offsite Strategic Planning meeting with the Executive Committee and senior staff to discuss future planning. On January 29-30, 2024, the JPIA will hold its Strategic Planning Session in San Diego to be facilitated by Rick Brush, Chief Member Services Officer, for Public Risk Innovation, Solutions, and Management (PRISM). This year's theme will be "Measures that Matter" and Executive Committee members and senior staff will gather to collaboratively create Value Statements that highlight the value of the pool and why the JPIA matters from the perspective of its members. In preparation for the Session, Executive Committee members have been asked to come up with their own Value Statements and to connect with other JPIA members to gather feedback that can also become Value Statements.

Review and Approve the JPIA Conflict of Interest Code

Ms. Camacho noted that the Conflict of Interest Code was last approved by the Board of Directors in November of 2021. Changes to the JPIA's current Conflict of Interest Code, as presented, have been submitted to the Fair Political Practices Commission (FPPC) for review and approval.

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

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ACWA Presentation

Mr. Eggerton, ACWA Executive Director, noted the continued working relationship between ACWA and the JPIA in meeting members’ needs, and provided an overview of ACWA’s accomplishments in the past year and future programs. He also highlighted some ACWA initiatives and programs introduced this year including the formation of the non-profit ACWA Foundation to address Diversity, Equity, and Inclusion (DEI) in the water industry and Quench California.

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Investment Policy

Mr. deBernardi stated that every year, per the JPIA Bylaws, the Investment Policy must be approved by the Board of Directors. The Finance & Audit Committee and the Executive Committee have both reviewed the proposed Investment Policy and recommended approval by the Board of Directors, as presented.

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

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Pooled Programs Update

Ms. Beatty stated the JPIA continues to offer its members stability through a strong financial position, experienced management, and an unwavering and growing member participation. Each pooled program stands alone meaning they are separately funded and managed and have different levels of members participating, as not all members partake in all programs. Highlights for each program were reviewed:

- The Liability Program currently has 346 members. Due to a hardened market and increasing large losses, the program increased rates by 10% in 2023-24 policy year.
- The Property Program currently has 288 members and increased rates by 20% this year. A hardened market due to catastrophic events continues to dominate pricing for this program.
- The Workers’ Compensation Program has 208 members with very stable pricing. The 2023-24 rate renewal was flat and included a two-year rate guarantee for reinsurance. Potential challenges for this program include future legislative changes which may affect the rates.
- The Employee Benefits Program has approximately 268 members. For the current renewal, rates for the self-funded Anthem PPO plan increased by +12% with the other self-insured programs remaining unchanged. Effective January 1, 2024, for Anthem plans, the Pharmacy Benefit Manager will change to CarelonRx and Anthem Health Guide will be added as an additional concierge resource.



### Risk Control Update

Ms. Flint summarized the 2022-23 Risk Management department activities. She highlighted member visits, which not only includes risk assessments but also consultative days and training days, and the addition of resources to the Commitment to Excellence (C2E) menu on the JPIA website.

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

Ms. Crawford provided a background on the creation of the E.G. "Jerry" Gladbach Leadership Grant in November 2022. Throughout his 20+ year involvement as JPIA Director and Board President, Jerry demonstrated the value of service and commitment to the professional development of fellow water industry professionals. The grant was initiated for the 2023-24 program year to cover the tuition and reimburse travel expenses for one selected member applicant in each of the Northern and Southern California Leadership Essentials in the Water Industry (LEWI) Program cohorts.

A total of three grant applications were received this year. Two were received for the Southern California cohort and one for Northern California. A volunteer selection committee of three program alumni rated the submitted applications based on a program criteria matrix which rated agency size (with priority given to smaller agencies), leadership experience, stated aspirations, financial concern, and benefit/impact of participation to the member agency. Ahmed Khattab, IT Manager from Rainbow Municipal Water District, was selected for the Southern CA cohort grant and Kyle Brothers, Senior Water Treatment Operator from Stockton East Water District received the Northern CA cohort grant for the 2023-2024 Program year.

Registration for the 2024-2025 LEWI program and grants will open in April 2024 with applications accepted until June 15, 2024.

#### Employee Benefits Wellness Grant

Ms. Jobe shared that 88 members were awarded Wellness Grants this year. Due to the continued popularity of the Wellness Grant Program, applications received have again exceeded the \$100,000 in funds provided by Anthem. Beginning in 2024, Anthem has agreed to provide \$200,000 in funding for Wellness Grants.

#### Risk Control Grant

Ms. Flint stated that the Risk Control Grant Program incentivizes members to renew their Commitment to Excellence (C2E) efforts to prevent or mitigate losses in the JPIA's Workers' Compensation, Liability, and Property Programs. The JPIA received 12 applications for 2022. The recipients and winning projects/programs were announced and can be found on the JPIA's website under Risk Control/Risk Control Grant Program.

#### H.R. LaBounty Safety Award

Ms. Flint noted that results of the Safety Awards Program are announced each spring and fall at the JPIA Conferences recognizing nominees demonstrating proactive safety

contributions. For Fall 2023, there were 21 nominations. The winners of the awards were noted in the packet and a few examples of the winning safety contributions were presented. Winning submissions are also posted on the JPIA's website under Risk Control/Safety Awards/Award-Winning Submissions. Risk Control Advisors continually promote the H.R. LaBounty Safety Awards Program during site visits and training classes to encourage members to engage their staff and continuously improve their safety programs.

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

Mr. deBernardi stated that each year at Fall Conference, the JPIA recognizes those members that have a Loss Ratio of 20% or less in the Liability, Property, or Workers' Compensation Programs. Those members receive the "President's Special Recognition Award." The data for this calculation is for a three-year period, 2019-2022, as of September 30, 2023. The Board packet lists all the districts receiving this special recognition and printed awards will be mailed directly to members.

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#### New Laws Update

Mr. Greenfield provided an update on new legislation and case laws which may have an impact on the JPIA. Effective January 1, 2024, Senate Bill (SB) 848 mandates employers to allow leaves of absence for reproductive-related losses, and SB 700 expanded on California's Fair Employment and Housing Act to protect applicants from discrimination based on prior cannabis use. He also reported on two case laws. The O'Connor-Ratcliff vs. Garnier case dealt with elected officials blocking the public from commenting on their Facebook page and the Kuciemba vs. Victory Woodworks which dealt with an employee suing his employer for contracting COVID-19 at the job site and spreading the disease to his family member.

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#### Current Events at the JPIA

Ms. Beatty provided an update on the current events at the JPIA. Staffing changes that have occurred this year included the hiring of two new Directors: Kevin Phillips, Director of Member Outreach, and Jennifer Jobe, Director of Pooled Programs. The Executive Committee has also recently approved the hiring of four new positions as follows: a Litigation Manager to assist with increased claims; an Administrative Assistant III to assist with Advisory Committee duties; a Senior Claims Adjuster in the Liability/Property Claims department; and a Cost Estimator in the Risk Management department.

Ms. Beatty presented an analysis of the reported liability and property claims over the past five years. Data indicated a significant increase in the number of claims and multiple claimants resulting in more complex and time intensive adjusting.

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President McDonald shared that the JPIA hosted a retirement dinner for Andy Sells on September 28, 2023 attended by his family, friends, staff, and Executive Committee.

She extended her heartfelt congratulations and support for Adrienne Beatty who officially started as JPIA CEO October 1, 2023. Membership has grown and along with that, follows recruitment for a variety of positions into the new year. In January 2024, the Executive Committee will engage in Strategic Planning to focus on highlighting the value of the pool and developing Value Statements collected from the membership.

President McDonald announced the morning seminars to be held Tuesday, November 28 and recognized our Gold and Silver conference sponsors. She invited attendees to the JPIA reception to be held immediately following the Board meeting.

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Review Pending Lawsuits Directly Involving the JPIA

Mr. Greenfield reported that there are no pending or threatened claims against the JPIA.

President McDonald called for adjournment of the Board of Directors' meeting at 4:17 p.m.

Attest:

X

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Melody McDonald  
Chair

X

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Adrienne Beatty  
Secretary

<u>District / Organization</u>	<u>First Name</u>	<u>Last Name</u>	<u>Position</u>
ACWA JPIA	Laura	Baryak	Event Planner
ACWA JPIA	Adrienne	Beatty	Chief Executive Officer
ACWA JPIA	Chimene	Camacho	Executive Assistant (Recording Secretary)
ACWA JPIA	Jesse	Cota	Sr. Risk Control Advisor
ACWA JPIA	Sarah	Crawford	Training Manager
ACWA JPIA	David	deBernardi	Director of Finance
ACWA JPIA	Robin	Flint	Risk Control Manager
ACWA JPIA	Robert	Greenfield	General Counsel
ACWA JPIA	Jennifer	Jobe	Director of Pooled Programs
ACWA JPIA	Molly	Quirk	Communications/Outreach Specialist
ACWA JPIA	Kevin	Phillips	Director of Member Outreach
ACWA JPIA	Jillian	Sciancalepore	Administrative Assistant II
ACWA JPIA	Dan	Steele	Finance Manager
ACWA JPIA	Tony	Waterford	HR Manager
ACWA	Dave	Eggerton	Executive Director
ACWA	Tiffany	Giammona	Director of Member Outreach
Alameda County Water District	John	Weed	Director
Berrenda Mesa Water District	Rob	Goff	President
Elsinore Valley Municipal Water District	Jack	Ferguson	Director
Elsinore Valley Municipal Water District	Greg	Thomas	General Manager
Exeter Irrigation District	Gene	Kilgore	Director
Fresno Metropolitan Flood Control District	Peter	Sanchez	General Manager
Friant Power Authority	Carl	Janzen	Director
Helix Water District	Kathleen	Hedberg	Board President
Hi-Desert Water District	Roger	Mayes	Director
Hidden Valley Lake Community Services District	Sean	Millerick	Director
Ivanhoe Irrigation District	Gene	Kilgore	Director
Laguna Beach County Water District	Debbie	Neer	Commissioner
Madera Chowchilla Water and Power Authority	Carl	Janzen	Director
Madera Irrigation District	Carl	Janzen	Director
Main San Basin Watermaster	Kelly	Gardener	Asst. Executive Officer
Main San Basin Watermaster	Tony	Zampielo	Executive Officer
Rancho California Water District	Carol Lee	Gonzales-Brady	Director
Sac Suburban Water District	Jay	Boatright	Director
San Bernardino Valley Municipal Water District	June	Hayes	Director
San Dieguito Water District	Jace	Schwarm	Alternate Director
San Gabriel Basin Water Quality Authority	Bob	Kuhn	Director
San Gabriel Basin Water Quality Authority	Miles	Prince	Director
San Juan	Pam	Tobin	Director
Santa Clara Valley GSA	Gary	Martin	Director
Santa Margarita Water District	Saundra	Jacobs	Director
Sierra Highlands Community Services District	Fred	Finkbeiner	Director
Serrano Water District	Greg	Mills	Director
Stone Corral Irrigation District	Gene	Kilgore	Director
Tehachapi-Cummings County Water District	Jonathan	Hall	
Tri-District Water Authority	Gene	Kilgore	General Manager
Valley Center Municipal Water District	Jim	Pugh	Alternate Director
West Valley Water District	Dan	Jenkins	Director



**District / Organization**

Westborough Water District  
Western Municipal Water District

**First Name**

Don  
Laura

**Last Name**

Amuzie  
Roughton

**Position**

Director  
Director

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## ACWA JPIA Board of Directors Meeting Voting Report - November 27, 2023

Member	First Name	Last Name	Keypad ID	Consent Calendar	Conflict of Interest Code	Investment Policy
San Bernardino Valley Municipal Wtr Dist	Melody	McDonald	1	Yes	Yes	Yes
Rincon Del Diablo	David	Drake	2	Yes	Yes	Yes
Humboldt Bay Municipal Water District	Bruce	Rupp	3	Yes	Yes	Yes
Cucamonga Valley Water District	Randall	Reed	4	Yes	Yes	Yes
Kings River CD	Chris	Kapheim	5	Yes	Yes	Yes
Orange County Water District	Cathy	Green	6	Yes	Yes	Yes
Rowland Water District	Szu Pei	Lu-Yang	7	Yes	Yes	Yes
Calaveras County WD	Scott	Ratterman	8	Yes	Yes	Yes
Citrus Heights Water District	David	Wheaton	9	Yes	Yes	Yes
Florin Resource Conservation District	Tom	Nelson	10	Yes	Yes	Yes
Alameda CFC & WCD Zone 7 Water Agency	Laurene	Green	11	Yes	Yes	Yes
Berrenda Mesa Water District	Rob	Goff	12	Yes	Yes	Yes
Fresno Metropolitan Flood Control District	Sargeant	Green	13	Yes	Yes	Yes
Fallbrook Public Utility District	Jennifer	DeMeo	14	Yes	Yes	Yes
Bedford Coldwater GSA	Jack	Ferguson	15	Yes	Yes	Yes
Amador Water Agency	Larry	McKenney	16	Yes	Yes	Yes
Exeter Irrigation District	Gene	Kilgore	17	Yes	Yes	Yes
Camrosa Water District	Eugene	West	18	Yes	Yes	Yes
Friant Power Authority	Carl	Janzen	19	Yes	Yes	Yes
Arroyo Santa Basin Groundwater SA	Eugene	West	20	Yes	Yes	Yes
Elsinore Valley Municipal Water District	Andy	Morris	21	Yes	Yes	Yes
Madera Irrigation District	Carl	Janzen	22	Yes	Yes	Yes
Water Employee Services Authority	Andy	Morris	23	Yes	Yes	Yes
Laguna Beach County Water District	Deborah	Neev	24	No response	Yes	Yes
Madera Chowchilla Water & Power Auth	Carl	Janzen	25	Yes	Yes	Yes
Truckee Donner Public Utility District	Kim	Harris	26	Yes	Yes	Yes
Western Municipal Water District	Laura	Roughton	27	Yes	Yes	Yes
San Gabriel Basin Water Quality Authority	Bob	Kuhn	28	Yes	Yes	Yes
Tuolumne Utilities District	Jeff	Kerns	29	Yes	Yes	Yes
Chino Basin Watermaster	Bob	Kuhn	30	Yes	Yes	Yes
Hi-Desert Water District 1104	Roger	Mayes	31	Yes	Yes	Yes

Main San Gabriel Basin Watermaster	David	De Jesus	32	Yes	Yes	Yes
Ivanhoe Irrigation District	Gene	Kilgore	33	Yes	Yes	Yes
Santa Rosa Regional Resources Authority	Andy	Morris	34	Yes	Yes	Yes
San Luis Water District	Janet	Roy	35	Yes	Yes	Yes
Rancho California Water District	Carol Lee	Gonzales-Brady	36	Yes	Yes	Yes
Santa Margarita Water District	Saundra	Jacobs	37	Yes	Yes	Yes
Santa Clarita Valley GSA	Gary	Martin	38	Yes	Yes	Yes
Rosedale Rio Bravo Water Storage	Roy	Pierucci	39	Yes	Yes	Yes
San Gabriel Valley Municipal Water District	Miles	Prince	40	Yes	Yes	Yes
Palmdale Water District	Vincent	Dino	41	No response	Yes	Yes
Sacramento Suburban Water District	Jay	Boatwright	42	Yes	Yes	Yes
Helix Water District	Daniel	McMillan	43	Yes	Yes	Yes
Sierra Highlands Community Services Dist	Fred	Finkbeiner	44	Yes	Yes	Yes
Sweetwater Authority	Steven	Castaneda	45	Yes	No response	Yes
Stone Corral Irrigation District	Gene	Kilgore	46	Yes	Yes	Yes
Vallecitos Water District	Craig	Elitharp	47	Yes	Yes	Yes
Tehachapi Cummings County Water Dist	Jonathan	Hall	48	Yes	Yes	Yes
Tri-District Water Authority 1622	Gene	Kilgore	49	Yes	Yes	Yes
Westborough Water District	Don	Amuzie	50	Yes	Yes	Yes
Serrano Water District	Gregory	Mills	51	Yes	Yes	Yes
Montecito Water District	Floyd	Wicks	52	No response	Yes	Yes
South San Joaquin Irrigation District	Glenn	Spyksma	53	Yes	Yes	Yes
Vista Irrigation District 1166	Patrick	Sanchez	54	Yes	Yes	Yes
San Dieguito Water District	Jace	Schwarm	55	Yes	Yes	Yes
Lake Arrowhead Community Services	Natalie	Potter	56	Yes	Yes	Yes
West Valley Water District	Dan	Jenkins	57	Yes	No response	Yes
Association of California Water Agencies	Cathy	Green	58	Yes	Yes	Yes
Chino Basin Desalter Authority	Eunice	Ulloa	59	Abstain	Yes	Yes
San Bernardino Valley Municipal Wtr Dist	June	Hayes	60	Yes	Yes	Yes
Sacramento Groundwater Authority	Pam	Tobin	61	Yes	Yes	Yes
San Juan Water District	Pamela	Tobin	62	Yes	Yes	Yes
Yuba County Water Agency	Gary	Bedford	63	Yes	Yes	Yes
Olivehain Municipal Water District	Marco	Antonio	64	Yes	Yes	Yes
Valley County Water District	Lenet	Pacheco	66	Yes	Yes	Yes
Regional Water Authority	Pam	Tobin	67	Yes	Yes	Yes

El Toro Water District	Mike	Gaskins	68	Yes	Yes	Yes
San Luis & Delta-Mendota Water Authority	Laures	Stiles	69	Yes	Yes	Yes
Otay Water District 67	Ryan	Keyes	70	Yes	Yes	Yes
Las Virgenes Municipal Water District	Charles	Caspary	71	Yes	Yes	Yes
Calleguas Municipal Water District	Scott	Quady	72	Yes	Yes	Yes
Alameda County Water District	John	Weed	73	Yes	Yes	Yes
Westside Water Authority 1609	Justin	Rowe	74	Yes	Yes	Yes
Georgetown Divide Public Utility District	Michael	Saunders	75	Yes	Yes	Yes
Dudley Ridge Water District 1073	G. Patrick	O'Dowd	76	Yes	Yes	Yes
Puente Basin Water Agency	Tom	Coleman	77	Yes	Yes	Yes
La Habra Heights County Water District	Michael	Gualtieri	78	Yes	Yes	Yes
Desert Water Agency	Kristin	Bloomer	79	Yes	Yes	Yes
Mesa Water District	Fred	Bockmiller	80	Yes	Yes	Yes
Lost Hills Water District 1398	Justin	Rowe	81	Yes	Yes	Yes
Pomona Walnut Rowland JWLC	Thomas	Coleman	82	Yes	No response	Yes
Valley Center Water District 25	Oliver	Smith	83	Yes	Yes	Yes
Tahoe City Public Utility District	John	Pang	84	Yes	Yes	Yes
Belridge Water Storage District	Justin	Rowe	85	Yes	Yes	Yes
Clear Creek Community Services District	Paul	Kelley	86	Yes	Yes	Yes
Bay Area Water Supply & Cons Agency	Nicole	Sandkulla	87	Yes	Yes	Yes
Three Valleys Municipal Water District	Bob	Kuhn	88	Yes	Yes	Yes
Carmichael Water District	Ron	Greenwood	89	Yes	Yes	Yes
Grassland Basin Authority 1617	Palmer	McCoy	90	Yes	Yes	Yes
Rosamond Community Services District	Byron	Glennan	91	Yes	No response	No response
Crestline Village Water District	Steven	Farrell	92	Yes	Yes	Yes
Joshua Basin Water District	Jane	Jarlsberg	93	Abstain	Yes	Yes
Solano Irrigation District	Cary	Keaton	94	No response	No response	Yes
Rainbow Water District	Miguel	Gasca	95	No response	No response	Yes

Yes	86	88	93
No	0	0	0
Abstain	2	0	0
No response	6	6	1
Total keyfobs	94	94	94

**ACWA JPIA**  
**Qualified Candidate for the California Water Insurance Fund (CWIF)**  
**Election**  
**May 6, 2024**

**BACKGROUND**

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

**CURRENT SITUATION**

This election is intended to fill two CWIF Board member positions for a term of two years each. However, only 1 statement of qualifications has been received.

The qualified candidate is:

- Andrew Morris – Santa Rosa Regional Resources Authority ~~Q&A~~

Mr. Morris' statement of qualifications follows.

With regard to the second position, as nominations are not allowed from the floor, it will remain open until such time as the position can be filled. The CWIF governing documents do allow for appointments to vacant positions. The JPIA will be accepting letters of interest/qualifications for appointment of a Director to the vacant position to serve effective July 1, 2024.

**RECOMMENDATION**

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



## Andy Morris

Chair, California Water Insurance Fund  
Chair, Santa Rosa Regional Resource Authority  
Board Member, Elsinore Valley Municipal Water District

### Statement of Candidacy

I am humbly asking for your continued trust and support as one of the at large members on the California Water Insurance Fund board.

As one of the first elected at large members to CWIF board, I participated in the creation of the investment policy that CWIF is using today. I bring over 30 years of experience in the Property and Casualty, Life and Health and Financial Products industry. I am a Registered Representative and hold Series 6 and 63 securities licenses. I am currently serving as the Chair for CWIF, and if re-elected will continue to work hard with my fellow board members in the best interest of all our members.

#### About Myself:

I was elected to the Board of Directors of the Elsinore Valley Municipal Water District (EVMWD) in 2010. EVMWD provides water and sewer service to over 100,000 customers, throughout its 96 square mile service area.

I am also currently serving as Chair of the Santa Rosa Regional Resources Joint Power Authority (SRRRA) which was formed in 2015 for the operation, maintenance, and administration of the Santa Rosa Water Reclamation Facilities. SRRRA provides sewer services to portions of southern and western Riverside County.

I am a graduate of California State University Fullerton, with a Bachelor of Arts Degree in History. I have owned and operated the Andrew Morris Insurance Agency in Wildomar for over 32 years specializing in Property and Casualty, Life and Health and Financial Products.

**ACWA JPIA**  
**New Member Agencies**  
**May 6, 2024**

**BACKGROUND**

At each Board meeting, a list of new members is provided for membership ratification.

**CURRENT SITUATION**

The following agency has joined ACWA JPIA:

Agency: Bear Valley Water District  
Effective Date: April 1, 2024  
Program: Liability, Property  
Director: TBD

**RECOMMENDATION**

That the Board of Directors ratify the Executive Committee's acceptance of the above agency into the JPIA.

**ACWA JPIA**  
**ACWA Presentation**  
**May 6, 2024**

**BACKGROUND**

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

**CURRENT SITUATION**

ACWA Executive Director, Dave Eggerton, will update the JPIA Board of Directors on ACWA's relevant current issues and events.

**RECOMMENDATION**

None, information only.

**ACWA JPIA**  
**Presentation of Government Finance Officers Association (GFOA)**  
**Award**  
**May 6, 2024**

**BACKGROUND**

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

**CURRENT SITUATION**

David deBernardi, Director of Finance, will present the most recent GFOA 2023 award to the JPIA Finance Department.

**RECOMMENDATION**

None, information only.



**ACWA JPIA**  
**Annual Comprehensive Financial Report (ACFR)**  
**Year Ended September 30, 2023**  
**May 6, 2024**

**BACKGROUND**

Every fiscal year, the JPIA provides for an independent audit of the annual financial statements. Gilbert CPAs executed a successful audit covering the period October 1, 2022, through September 30, 2023.

**CURRENT SITUATION**

Gilbert CPAs issued an unmodified opinion that states that the financial statements present fairly and accurately, in all material respects, the financial position of ACWA JPIA as of September 30, 2023, and the results of its operations and cash flows for the year finalized in conformity with generally accepted accounting principles (GAAP) in the United States of America.

As in the year prior, JPIA prepared an Annual Comprehensive Financial Report (ACFR) in accordance with the Government Finance Officers Association (GFOA) standards. Management intends to submit this report to the GFOA for review to obtain a Certificate of Achievement for Excellence in Financial Reporting once again. Consequently, the ACFR includes additional reports and schedules therein to meet these lofty standards.

**RECOMMENDATION**

That the Board of Directors approve the 2022-2023 Audited Financial Statements, as presented.



**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**  
For the Year Ended September 30, 2023

Presented by  
**THE ACWA JPIA FINANCE DEPARTMENT**

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

Year Ended September 30, 2023

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March 20, 2024

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

Ladies and Gentlemen:

The Comprehensive Report of the Association of California Water Agencies Joint Powers Insurance Authority (JPIA) for the year ended September 30, 2023, is hereby respectfully submitted. The JPIA Finance Department prepared this report. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the JPIA. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the JPIA as measured by the financial activity of its various programs and policy periods; and that all disclosures necessary to enable the reader to gain the maximum understanding of the JPIA's financial affairs have been included.

Gilbert CPAs, a firm of licensed certified public accountants, has audited the JPIA's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the JPIA for the fiscal year ended September 30, 2023, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Also included is an assessment of the accounting principles used, significant estimates made by management, and an evaluation of the overall financial statement presentation. The auditor concluded, based upon audit, that there was a reasonable basis for rendering an unmodified opinion that the JPIA's financial statements for the fiscal year ended September 30, 2023, are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

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

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

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

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

As of September 30, 2023, the JPIA had 401 members. Each member selects one representative to serve as a director on the ACWA JPIA Board of Directors. From this body, eight members are elected to serve with staggered terms as members of ACWA JPIA's Executive Committee. The current vice president of the Association of California Water Agencies also serves as a voting member on the Executive Committee.

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

### **LOCAL ECONOMY**

The national economy has been battling inflation for the past year. From October 2022 through September 2023, the national unemployment rate slightly increased from 3.5% to 3.8%. Meanwhile in the State of California, the unemployment rate went from 3.8 % in October 2022, to 4.7% at the end of September 2023. The U.S.A. inflation rate has gone from 8.2% to 3.7% from October 2022 to September 2023. This data suggests the high inflation of the previous year has faded. Uncertainty seems to be the biggest question mark looking ahead as many world events threaten to dramatically change the landscape. The UCLA Anderson Forecast has suggested the both the State and national economy will border on a recession near-term. That State economy paces along thanks in part to consumers who want to spend and stimulate fiscal policy. In the City of Roseville, where the JPIA office resides, the unemployment rate has moved from 3.2% in October 2022 to 3.7% in September 2023. This change lags favorably behind the overall change in the State. Roseville continues to demonstrate better unemployment rates than the State as a whole. Investments are the areas that the JPIA operates in that are most affected by the overall economy. Staffing continues to be stable within the JPIA. The number of JPIA employees has increased from 42 to 56 from fiscal year 2012 to fiscal year 2023. The JPIA continues to experience employees retiring as the employment force ages. Market conditions for both the Liability and Property Programs have been challenging. The JPIA implemented a 10% rate increase in the Liability Program. For the Property Program the

JPIA increased rates by 20% to keep up with increased excess insurance costs. The Workers' Compensation Program has continued to see favorable loss experience. The Employee Benefits Program experienced a rebounding year from the pandemic with claim levels approximating pre-pandemic times.

## **LONG-TERM FINANCIAL PLANNING**

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

The JPIA regularly engages in strategic planning and long-term financial planning. The JPIA had a strategic planning meeting in March 2020 where a SWOT analysis of the JPIA was the main discussion point. A strategic planning session was held in June of 2022. In these meetings the programs in detail were reviewed. Financial considerations for funding were brought forward. The implications of the JPIA captive, CWIF, were also considered. The JPIA's Executive Committee also met in January 2024 for strategic planning. The focus of these discussions was on organization value statements.

In September 2012, the ACWA JPIA Executive Committee approved a monetary policy to cover funding for the Liability and Workers' Compensation Programs. The policy is two-fold, covering both the Rate Stabilization Fund and the Catastrophic Reserve Fund. The Rate Stabilization Fund is used to add and subtract monies from individual members' accounts as needed to true up policy years annually based on new actuarial estimates of losses. This process commences when a policy year reaches five years of history. The monies in these individual accounts, kept on behalf of the members, are capped at 70% of their basic deposit premium, or approximately \$17 million in the aggregate. The Catastrophic Reserve Fund consists of funds set aside to be used in time of need. Such funds are subject to ACWA JPIA Executive Committee approval and are most likely to be used when the JPIA experiences adverse claims experience. The Catastrophic Reserve Fund is targeted using the ultimate losses estimated by the actuary for all open policy years using a 99% confidence level as a guide. The Catastrophic Fund goals are \$25 million for the Liability Program and \$15 million for the Workers' Compensation Program.

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

The JPIA owns its building and does not foresee any significant capital projects related to buildings or structures.



The JPIA created a fully owned captive in the State of Utah for purposes of housing strategically selected self-insured risks. Management believes that by housing some risks in the new captive long-term investments will be better leveraged over time.

## **INTERNAL ACCOUNTING CONTROLS**

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

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

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

## **AWARDS & ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the JPIA for its comprehensive report for the fiscal year ended September 30, 2022. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

the highest form of accreditation, for a three-year period ending in May 2024. The JPIA is also a member of the Association of Governmental Risk Pools (AGRiP). AGRiP provides training, resources, and operational best practices to risk pools throughout the world. AGRiP provides members with Advisory Standards for its Recognition Program which also provides a model of professional standards its member pools are encouraged to follow. The JPIA has received AGRiP Recognition, for a three-year period beginning February 1, 2020. The JPIA is in the process of getting this renewed.

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

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

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

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

Respectfully Submitted,

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Adrienne Beatty  
Chief Executive Officer



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David deBernardi  
Director of Finance



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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**EXECUTIVE COMMITTEE**

<u>Name</u>	<u>Office</u>	<u>District</u>
Melody A. McDonald	President	San Bernardino Valley WCD
David A. Drake	Vice-President	Rincon del Diablo MWD
Cathy Green	Director	Orange County WD
Szu Pei Lu-Yang	Director	Rowland WD
Chris Kapheim	Director	Kings River CD
Scott Ratterman	Director	Calaveras County WD
J. Bruce Rupp	Director	Humboldt Bay Municipal WD
Randall Reed	Director	Cucamonga Valley WD
David Wheaton	Director	Citrus Heights WD
Adrienne Beatty	Chief Executive Officer	ACWA JPIA

Office Address

2100 Professional Drive  
Roseville, California 95661

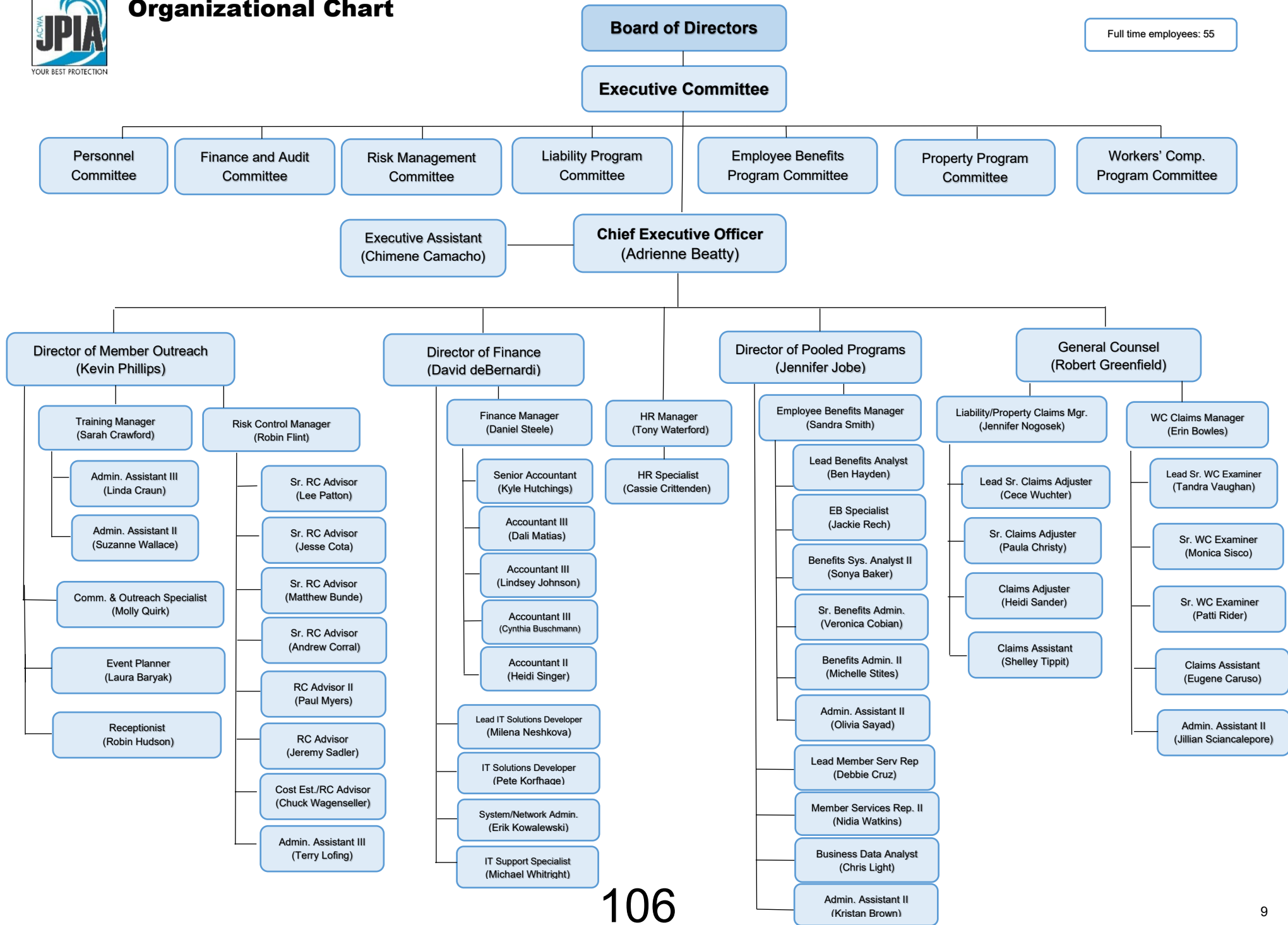
Report Prepared by the  
JPIA Finance Department

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



# Organizational Chart

Full time employees: 55





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO



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

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

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

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

*This*

***CERTIFICATE OF ACCREDITATION WITH EXCELLENCE***

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



*Accreditation Period: May 19, 2021 – May 19, 2024*

*Gina Dean  
President*

*Kimberly Dennis  
Chair, Accreditation Committee*

*James P. Marta  
Accreditation Program Manager*

**FINANCIAL SECTION**

# INDEPENDENT AUDITOR'S REPORT

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

## **Report on the Audit of the Financial Statements**

### ***Opinion***

We have audited the accompanying financial statements of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise ACWA JPIA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACWA JPIA as of September 30, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

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

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

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

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

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

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

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

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

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, reconciliation of claims liabilities by type of contract, ten-year claims development information, schedule of changes in the net OPEB asset and related ratios, schedule of OPEB contributions, schedule of the proportionate share of the net pension liability (NPL), and schedule of contributions to the defined benefit pension plan on pages 16-30 and 61-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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


***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2024, on our consideration of ACWA JPIA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ACWA JPIA’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ACWA JPIA’s internal control over financial reporting and compliance.

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

**March 20, 2024**





## MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA or JPIA), we offer readers of the JPIA financial statements this narrative overview and analysis of the financial activities of the JPIA for the fiscal year ended September 30, 2023. We encourage readers to consider the information here in conjunction with the additional information that has been furnished in the letter of transmittal, which can be found on pages 3 to 7 of this report.

### DESCRIPTION OF BASIC FINANCIAL STATEMENTS

The JPIA operates as an enterprise fund and utilizes an accrual basis of accounting. The report includes the basic financial statements for the JPIA in accordance with Generally Accepted Accounting Principles (GAAP). The Statement of Net Position presents a snapshot of the JPIA’s assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of September 30, 2023. The Statement of Revenues, Expenses, and Changes in Net Position reports the revenues and expenses for the fiscal year resulting in the changes to net position. The Statement of Cash Flows reports changes in net position and income accounts that affect cash and cash equivalents, and breaks the analysis down to operating, investing, and financing activities. The Notes to the Financial Statements present the reader with additional information to enhance and complement understanding of the financial statements.

Comparative financial information is often presented alongside current year information for analysis of changes from the prior year. In the following comparative tables, 2022 balances are presented as originally reported in the financial statements.

## CAPTIVE

In September of 2019, the Executive Committee voted to approve the formation of a captive insurance agency. California Water Insurance Fund (CWIF), domiciled in Utah and subject to the Utah Department of Insurance regulations, began its operations.

CWIF allows the JPIA to transfer risk at competitive rates with the long-term goal of better serving member districts by investing their premiums at a more appropriate level of risk versus return. The governing body consists of Executive Committee members, members at large, and Utah counsel. The Statement of Net Position is a blended authority financial statement, shown below.

<b>CONDENSED STATEMENTS OF NET POSITION</b>			
	9/30/2023	9/30/2022	Variance
<b>ASSETS</b>			
Other Assets	\$ 284,772,246	\$ 242,704,432	\$ 42,067,814
Capital Assets	3,690,257	3,910,782	(220,525)
Total Assets	288,462,503	246,615,214	41,847,289
<b>DEFERRED OUTFLOWS</b>			
Related to Pensions	3,716,126	5,034,164	(1,318,038)
Related to OPEB	938,785	1,074,398	(135,613)
Total Deferred Outflows	4,654,911	6,108,562	(1,453,651)
<b>LIABILITIES</b>			
Current Liabilities	61,493,533	54,139,990	7,353,543
Noncurrent Liabilities	105,710,134	82,986,616	22,723,518
Total Liabilities	167,203,667	137,126,606	30,077,061
<b>DEFERRED INFLOWS</b>			
Related to Pensions	1,503,278	1,634,493	(131,215)
Related to OPEB	3,697,557	1,178,756	2,518,801
Total Deferred Inflows	5,200,835	2,813,249	2,387,586
<b>NET POSITION</b>			
Net Investment in Capital Assets	3,690,257	3,910,782	(220,525)
Unrestricted	117,022,655	108,873,139	8,149,516
<b>TOTAL NET POSITION</b>	\$ 120,712,912	\$ 112,783,921	\$ 7,928,991

## HARD MARKETS

California's General Liability and Property markets over the last several years have proved most challenging to the risk pool insurance industry. These markets have made pricing negotiations with excess carriers even more difficult, and the member pool saw increases in premiums as a result. The California wildfires, mudslides, and other natural disasters show few signs of subsiding and carriers have factored these unfortunate events into pricing across the industry. The winter season of 2022-2023 in California provided a surprising and much needed but above average rainfall. More rain typically means more water to sell, which

translates to additional risk. Additional risk brings increases to claim severity and frequency in many cases.

Hard markets have led to some substantial retrospective premium adjustments (RPA) receivable increases in the past, and the current fiscal year was no different. Long-term RPAs are considered noncurrent on the statement of net position because they will not factor into Rate Stabilization Fund calculations for five years (upon completion of the policy year). The receivable tripled from 2022 to 2023, going from \$12 million to \$36 million. Upswings in RPAs like this are evidence of original pooled contributions from member districts being insufficient to cover losses over the timeline of the policy year.

## CLAIM DEVELOPMENT

The most impactful changes to RPAs are related to claims expenses this year. Paid claims increased from \$96 million in 2022 to a staggering \$111 million in 2023. Much of the RPA receivable increase relates to claims reserves, as those numbers also tripled, reported at almost \$25 million across the self-insured programs.

The programs that saw the heaviest increases regarding claims development were the Liability and Property programs. In 2022, liability claims paid totaled just over \$9 million, while this year, that figure more than doubled, eclipsing \$20 million for the first time in pool history. JPIA reported reserve and IBNR changes in this program last year by over \$14 million, and this trend continues in 2022-2023 by increasing those amounts a further \$15 million by September 30<sup>th</sup>, 2023. In the Liability Program, reserve, unallocated loss adjustment expense (ULAE) and IBNR totals now reported on the Statement of Net Position make up over \$60 million of the total \$101 million total.

Property claims now have a \$10 million self-insured retention level, so all claims recorded on the financials relating to the 2022-2023 policy year reside in the primary level, and JPIA projects to payout over \$12 million in that policy year alone. This represents the bulk of the Property Program claims liability increase from prior to the current fiscal year. Frequency and severity, especially regarding claims that involve multiple claimants, coupled with increasing inflationary costs for housing and legal claims expenses, have had a more than unfavorable impact on the RPA schedule.

## RPA TIMING CHANGES

Liability and property claims activity serves as one of the main reasons the JPIA staff recommended approval of RPA calculation changes in Fall 2022. Rather than using four years from the beginning of a policy year for RPA considerations in the Rate Stabilization Fund (RSF), it was advised that five years from the end of a policy year will now be the initial starting point, and this should allow an extra year for claims to develop in the reserves and IBNRs, and pay down the ultimate loss further so that the JPIA is able to better plan for and possibly curb volatility in RSF changes for its members going forward.

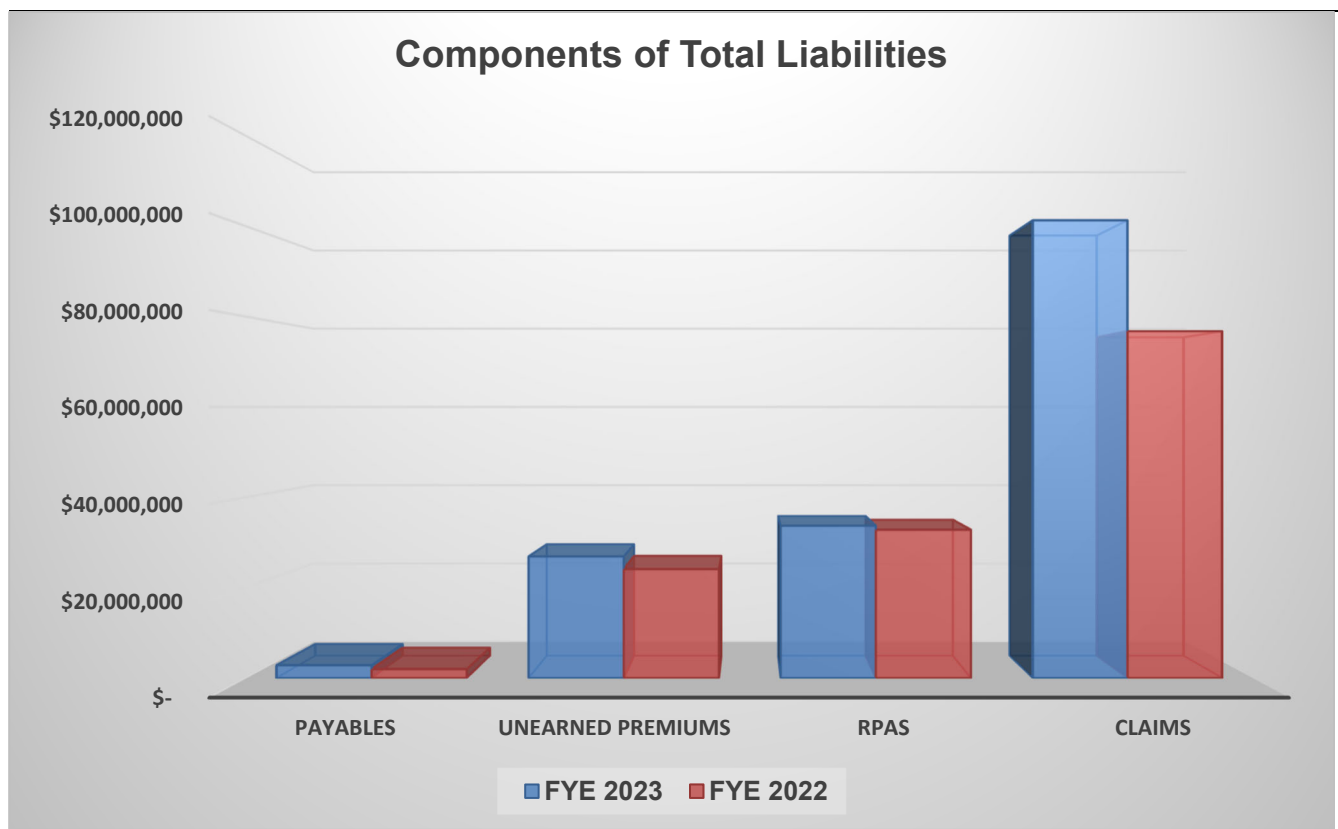
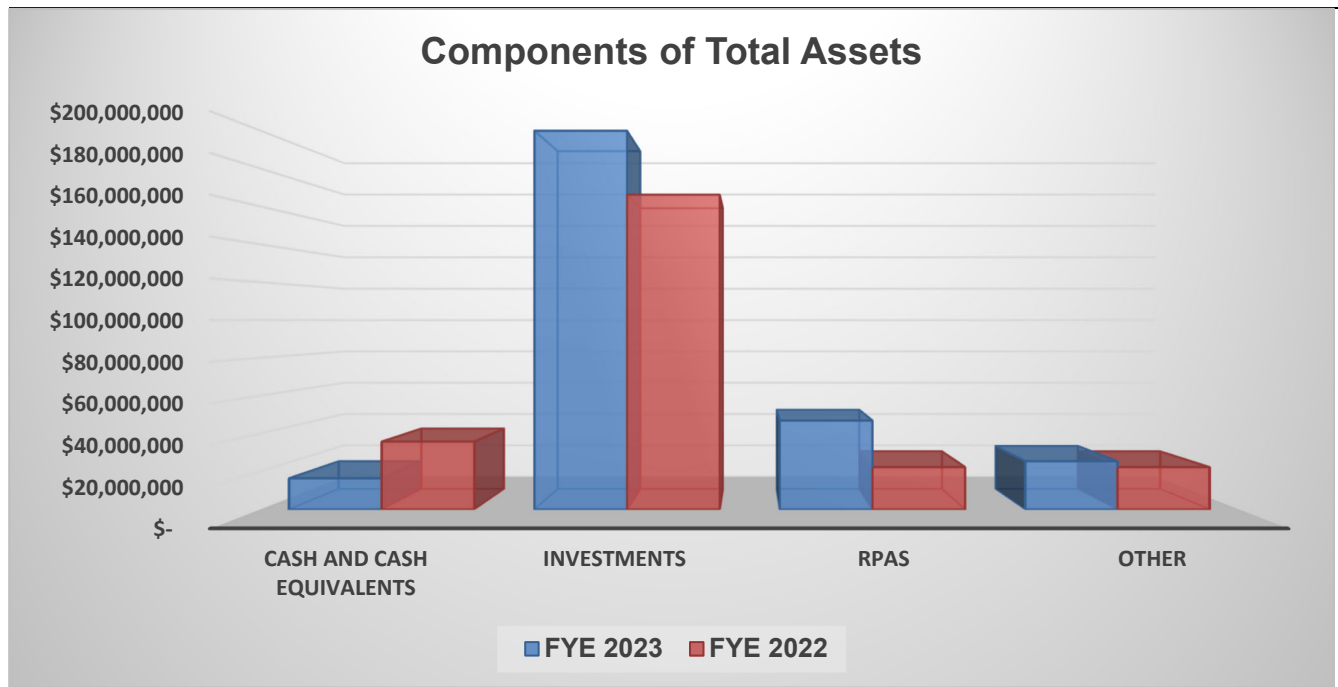
## INVESTMENT FAIR MARKET ADJUSTMENT

Between both the JPIA and CWIF portfolios, the positive mark to market adjustment of \$16 million increased reported investments and factored in the variance between asset totals year to year and in the overall change of net position. Current market and economic conditions have impacted public entity portfolios as the stock market continues to rebound with interest rate hikes and other economic factors.

Other factors related to changes in assets and liabilities:

- OPEB Net Asset – due to actuarial projections, the Net OPEB Asset increased from \$1.8 million up to \$4.7 million as of the measurement date June 30, 2023. This is due to CalPERS reporting a favorable investment return over the fiscal year 2022-2023. A large factor for the pool's reduction in total OPEB liability was a \$2.3 million swing in the difference between expected and realized investment returns. This data can be reviewed in the OPEB section of the Financial Notes and is in accordance with GASB 75 reporting requirements.
- Deferred outflows – OPEB – calculations related to Net OPEB Asset yielded some higher changes in the deferred outflows reported on June 30, 2023. These were due to favorable adjustments to CalPERS expected annual earnings over the payout periods over the next several years. While market volatility could impact this number going forward, it is a positive sign for the JPIA's trust fund, earmarked for future retiree post-employment benefits.
- Claims reserves – as previously mentioned, hard markets and unfavorable claims development activity have been impactful on the JPIA's net position, adding an overall change of \$16 million in total claims liabilities from 2022.
- Net pension liability – JPIA's funded status continues to be approximately 100%, though the miscellaneous risk pool's fiduciary net pension falls short of meeting additional interest and benefit payment demands by over \$5 billion as of June 30, 2023, measurement date. The JPIA recognizes an additional \$2.3 million pension expense on this year's financial statements as part of its proportionate share of the inflated costs to the pool.

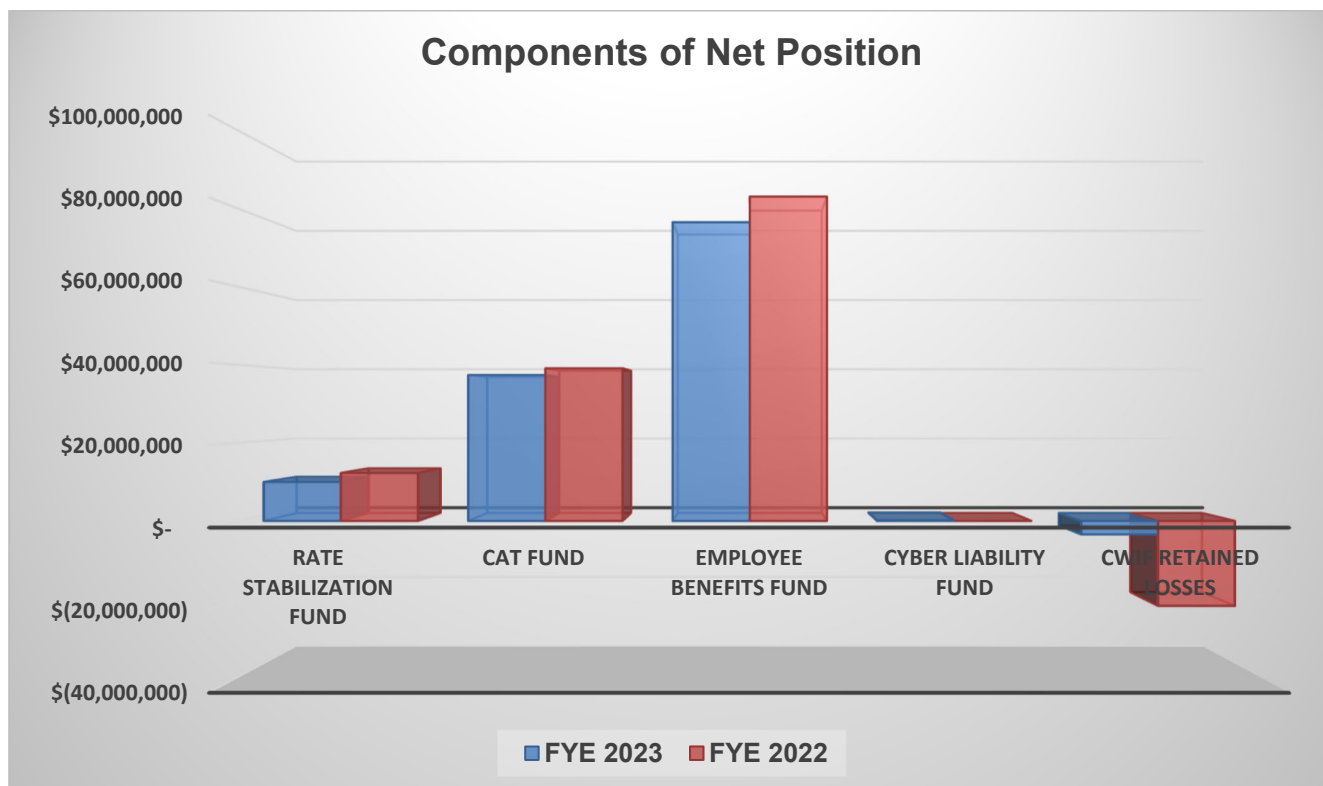
The following comparative charts highlight the key changes between the assets and liabilities reported by JPIA on September 30, 2023, against the September 30, 2022 numbers.



## NET POSITION

The components of Net Position graph (below) illustrate the year-to-year changes in the funds that comprise JPIA's net position from 2022 to 2023 (Natural Disaster Fund included with Catastrophic Reserve). The Employee Benefits Fund includes equity that transitioned over from the Health Benefits Authority in 2012, and the annual financial performance of the program altogether year after year.

And new to fiscal year 2022-2023, the Cyber Liability Fund, a reserve set aside for the pass-through program that collects the excess of revenue collected from the member pool, less the direct expenses paid up front by JPIA. This reserve can be used in future years to help curb carrier cost increases to the members.



The Rate Stabilization Fund (RSF) was utilized in 2023 to assist members in several ways. The Liability 10% program, designed to help those members incurring premium increases exceeding more than 10% of the prior three-year premium average, used up over \$1.3 million during the billing process for the 2022-2023 pricing. Refunds to member districts were smaller relative to prior years, paying out just over \$250,000 to members lucky enough to have favorable RSF balances. This was a small amount compared to years past.

Retrospective premium adjustments of \$484,000 for Workers' Compensation policy years helped alleviate the strain on the overall RSF put on it by the Liability program. Those program policy years needed RPA adjustments of over \$1.7 million unfortunately. These changes represent most of the reduction in the JPIA's Rate Stabilization Fund. This resource continues to be a vital part of the pool's financial stability year after year, affording the JPIA staff pricing options that other pools may or may not have.

The Catastrophic (CAT) Reserve was used to help reduce the \$3 million RPA that was due to be included in yearend RSF calculations. Staff recommended approval of a \$1.5 million dividend out of the CAT reserve to be paid from CWIF to JPIA. The JPIA Executive Committee approved this recommendation.

JPIA maintains a surplus reserve for its Employee Benefits program as opposed to the RPA process used by Liability, Property, and Workers Compensation programs. This reserve can offer the pool some added benefits in terms of pricing flexibility and coverage options not afforded to other competitors in the market.

In the 2023 policy year, JPIA experienced PPO claim costs more in line with pre-pandemic levels, or slightly higher due to the compounding increases typically seen over time for medical expenses. Now that the policy year has had time to develop, it has become clear how the pandemic curbed claims over 2020 and 2021. In 2022, the JPIA paid out over \$81 million in claims, and if the current trends continue, will pay out over \$82 million in the 2023 policy year. These claims factors, along with the JPIA's commitment to assist member districts with pricing decreases over the last two years, have brought the fund down from \$83 million to \$76.6 million.

The final component of JPIA's net position is the captive insurance company, California Water Insurance Fund (CWIF). Originally established in September 2019, the nonprofit captive's retained earnings were reduced after posting mark to market changes this year as mentioned previously.

A CWIF dividend policy was adopted by the CWIF Board in 2021 to establish protocols designed to return funds back to the JPIA due to three main "events" as outlined below:

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

The realized investment income can take the form of interest and/or dividends received during the fiscal year (less broker fees) and recognized as dividends payable (or receivable) between the two entities. This is designed to provide JPIA members with an immediate benefit of the CWIF portfolio through income allocations that impact the RPAs each year.

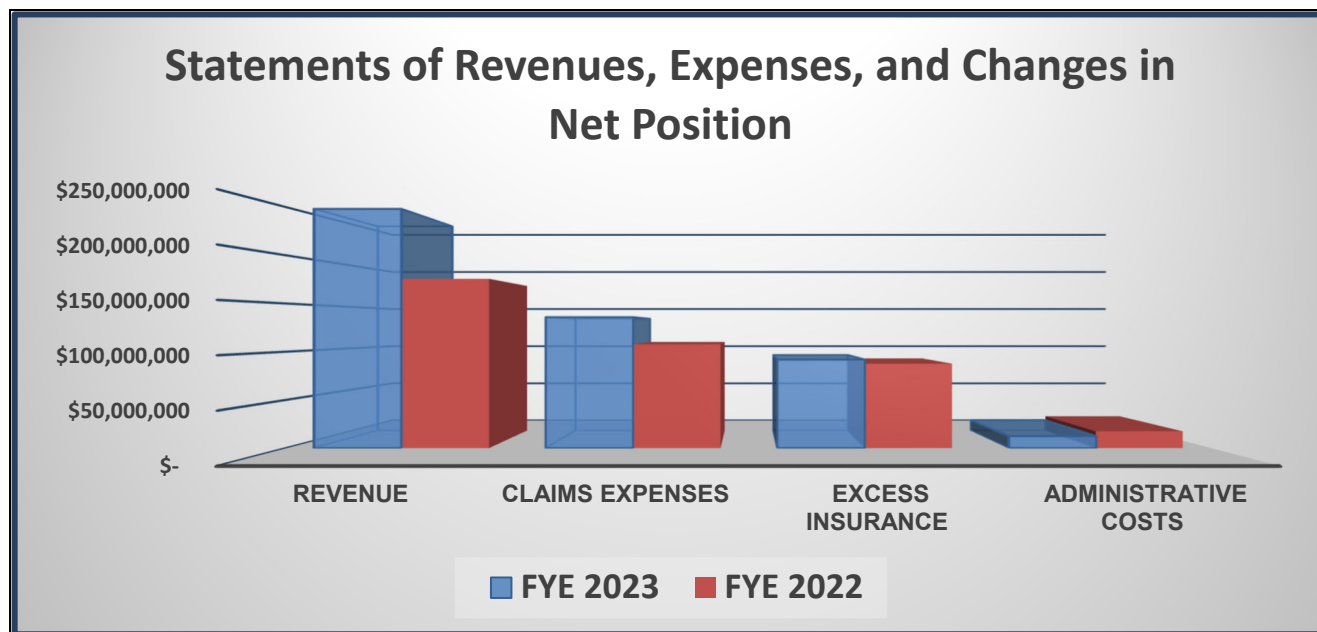
Favorable actuarial adjustments result from claims projections that become clearer as policy years develop. Should initial actuarial estimates prove claims liabilities are developing at a smaller expectation, CWIF would then declare dividends to refund JPIA those potential net "gains" after five years, since that is the benchmark the JPIA uses to begin the RPA process.

Investment reporting at market value had the biggest impact on CWIF retained earnings at year end. Factoring in a fair value adjustment of over \$16.9 million, compared to a \$(31) million in prior year, helped CWIF's rolling retained losses improve from \$(21 million) to only \$(3) million on September 30, 2023.

## REVENUES, EXPENSES, & CHANGES IN NET POSITION

<b>CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>	9/30/2023	9/30/2022	Variance
<b>OPERATING REVENUES</b>			
Member premiums	\$207,897,962	\$198,914,797	\$8,983,165
Retrospective premium adjustments	21,946,181	10,775,431	11,170,750
Total operating revenues	229,844,143	209,690,228	20,153,915
<b>OPERATING EXPENSES</b>			
Provision for claims	135,788,649	107,697,534	28,091,115
Excess insurance	17,610,144	18,206,230	(596,086)
Benefit premiums	72,078,021	69,351,776	2,726,245
Pension expense	2,575,821	7,176,498	(4,600,677)
General & administrative	12,032,038	10,213,990	1,818,048
Total operating expenses	240,084,673	212,646,028	27,438,645
<b>OPERATING LOSS</b>	(10,240,530)	(2,955,800)	(7,284,730)
<b>NON-OPERATING REVENUES</b>			
Investment income (loss)	18,169,521	(34,070,811)	52,240,332
<b>CHANGE IN NET POSITION</b>	7,928,991	(37,026,611)	44,955,602
<b>NET POSITION, BEGINNING</b>	112,783,921	149,810,532	(37,026,611)
<b>NET POSITION, ENDING</b>	\$120,712,912	\$112,783,921	\$7,928,991





## MEMBER PREMIUMS

To meet the demands of the hard excess markets surrounding liability and property right now, combined with the current claims environment, increases to premiums were recommended to the Executive Committee for 10% and 20% respectively. Over \$26 million was collected from the members in the Liability 2022-2023 policy year, the largest premium collection for the program in JPIA's history. Along with that rate increase came additional payroll from the pool of almost \$50 million. 5 additional members were added to the program as well, making the funding requirement higher than ever.

The JPIA Property Program has been a challenge ever since the fires in Northern California several years ago. The 20% increase applied to billing, along with inflationary adjustments to total insured values of 7.5% for covered buildings and 5% for personal property, was still insufficient to cover operational costs for the program in 2022-2023. The \$13 million collected fell short by over \$7.5 million.

While the property program continues to create strategic pricing maneuvers for the JPIA staff and its member service department, the workers compensation program saw no planned increases in pricing for the 2022-2023 policy year and helped alleviate the impact of the expenses endured by the property program while contributing over \$6 million in favorable retrospective premium adjustments to the RSF. This was a positive sign, considering that the workers compensation pool grew by 4 members and added an additional \$20 million in payroll.

Employee Benefits premiums make up the bulk of the premium revenue year to year, dating back to inception during the 2012 fiscal year. Staff recommended pricing decreases of 5% in 2022, and now 10% in 2023, with the goal of utilizing some of the reserve that had grown to well over \$80 million, impacted by the pandemic over 2020-2021. Anthem's PPO program is

a self-insured plan in which JPIA pays claims and self-insures its high dollar losses with the intent of saving the pool from growing excess medical and pharmacy rates.

Pricing out the dental and vision PPO plans has proven over the years to be very consistent with the pool's cost demands and, like the previous fiscal year, added a minimal amount back to the overall reserve. Revenues collected between these two programs are usually in the \$10-12 million range and due to their consistent claims history, pricing has remained less volatile than the medical plans.

The new Cyber Liability Program collected a little more than \$1 million to cover costs incurred by the pool to payout such services as KnowB4 and KYND, aiming to educate and provide safeguards in the areas of cyber liability and security to the JPIA pool. While this program used to reside within the framework of the liability program, it is now its own stand-alone pass-through program. Premiums exceeding plan years costs are designed to build the new Cyber Liability Fund. This fund, once established, can provide the JPIA flexibility in staving off future excess rate increases to the pool in general.

## RETROSPECTIVE PREMIUM ADJUSTMENTS (RPA)

Changes in the RPAs this year are rolled up into operating revenues each year and can be identified by the following changes for the current fiscal year:

- \$22 million net excess of costs over revenues for the fiscal year 2022-2023 versus a \$10.7 million change in RPAs in the previous year.
- \$2.3 million use of the Rate Stabilization Fund (RSF) to add back money to the RPAs
- \$200,000 change to member's catastrophic funds versus a \$65,000 reduction last year
- \$1.5 million CAT fund contribution from the captive in the form of a paid dividend to reduce the liability policy year 2016-2017 RPA, a policy year that had been scheduled to reduce member RSF balances by \$3 million in its first year of eligibility in RSF calculations.

These factors account for most of the \$20 million operating revenues increase from fiscal year 2022 to 2023.

## PROVISION FOR CLAIMS

Details of changes related to the provision for claims by program (these figures include paid claims, reserve changes, incurred but not reported changes, and changes to unallocated loss adjustment expenses):

PROGRAM	2023	2022	VARIANCE
Liability	\$35,355,004	\$23,630,380	\$11,724,624
Property	11,822,397	2,422,697	9,399,700
Workers Comp.	7,750,603	2,411,835	5,338,768
Employee Benefits	80,860,645	79,232,622	1,628,023
Totals:	\$135,788,649	\$107,697,534	\$28,091,115

The liability program experienced an increase of \$35.3 million from the previous year. Policy years 2019-2020 and 2022-2023, between the two of them, report reserve and IBNR totals of over \$28 million, making up most of the blame on the program's total liability. Actuarial projections for the current year total \$20.8 million, a number high compared to years past. Actuary projections also boosted 2019-2020 policy year ultimate loss figures to almost \$28 million.

To give some frame of reference of how claims development has progressed in the liability years, at the end of 2022, there were 413 open claims. That number has now jumped to 839 on September 30, 2023. Granted, many of these claims are one incident, affecting multiple claimants, but the wet weather opened the door for increased risk, and the open claims numbers reflect that very well.

Property claims have been impacted by the new 2022-2023 policy towards self-insuring all risk up to \$10 million per occurrence. Without the safety net of an excess recovery system, the JPIA endeavors to take on a larger primary claim responsibility, and not surprisingly, reserves stand at over \$10 million with over 100 open claims at yearend.

The workers compensation program has helped the pool immensely over the last few years, with claim experience remaining consistent with previous policy years. Currently, claims liabilities fall within the \$4 to \$7 million range on the actuary's ultimate loss scale. These costs have been very manageable and have helped offset some of the adverse impacts on RPAs.

The COVID impact on employee benefits claims appears to be a rebounding effect, where many appointments and/or medical procedures originally scheduled during the pandemic 2020-2021, were rescheduled and eventually billed in 2022 and 2023. This could explain why the 2022 claims costs and 2023 claims trend is projecting higher compared to the pandemic years.

The current pace in 2023 is progressing towards an expected paid total of over \$80 million in total claims after the policy year is fully closed out. JPIA has not had a PPO claims experience of over \$80 million since 2017, so claims costs have returned to pre-pandemic levels going forward.

## EXCESS

The Property program, continuing to be affected by hard market conditions, coupled with rising total insured value of assets covered by the program, saw increases in excess costs totaling approximately \$2.2 million in additional expenses for 2022-2023. The total for the 2022-23 policy year exceeded a considerable \$7.5 million and brings with it a self-insured retention level of \$10 million before recoveries can be obtained. The increasing costs for this program account for a large portion of the excess variance reported on September 30, 2023.

Rising excess costs also impact the liability program as well. The pool has seen these expenses hover around \$5 to \$6 million as soon as two years ago, where currently those premiums are approaching \$8 million.

## ADMINISTRATIVE

The general and administrative costs for JPIA in 2022-23 exceeded \$14.6 million, with payroll and benefits costs rising due to additional staffing requirements. For the last two years, JPIA prepared for the transition of its long time Chief Executive Officer, Walter (Andy) Sells into retirement. Adrienne Beatty has served under Andy as Assistant Executive Officer and will take over the role of CEO on October 1, 2023.

To accommodate the need for both salaries, the Personnel Committee approved the budget in Spring of 2022 that allowed enough room to accommodate this extra cost, as well as new director positions, Director of Member Outreach, and Director of Pooled Programs. Upon retirement, Adrienne will no longer require the position of Assistant Executive Officer, freeing up that budget space for more support roles in the areas of administration and legal.

For presentational purposes, pension expenses have been reported separately to identify significant swings from year to year. Pension expenses were recorded as \$2.5 million in 2023 versus \$7.1 million in 2022, mostly because of actuarial changes to projected pool costs and larger than anticipated interest projections on total unfunded pension liabilities. Though JPIA's proportionate share of the fiduciary net position of pool assets is favorable (and sometimes yielded net pension assets in years past), the growth of the overall pension liability warrants recording a net change of 2.5 million.

## CASH AND INVESTMENTS

Cash and investments make up a substantial amount of JPIA's total assets. Because they are limited to California investment standards for public entities, the expected returns of fixed income portfolios typically range from 1 – 3% and in an industry where premiums are collected up front and then paid out over time, the prudent course of action is to capitalize as much as possible on those funds for the benefit of the paying members.

The goal of the captive (CWIF) is to allow JPIA to accomplish a more appropriate rate of return considering the amount of premiums paid to finance the long-term risk of liability and workers compensation claims. Currently, there are no definitive plans to transfer property coverage to the captive as of September 30, 2023.

Over the course of the fiscal year, the CWIF investment assets expanded as premiums paid (less costs owed for claims activity) to the captive by JPIA totaled over \$13.6 million were immediately invested into mutual funds within the blended portfolio. The fair value on September 30, 2023, was \$162 million, up \$32 million from 2022.

The CWIF portfolio is a blended portfolio comprised of open and closed-ended mutual funds. The target ratio approved by the CWIF committee is 65% equity, 35% fixed income, with a slight 5% variance allowance. This allocation mix was incorporated into the CWIF investment policy.

The following chart breaks down the blended cash and investment balances at year end:

TYPE	<b>2023</b>	<b>2022</b>	VARIANCE
JPIA Cash/Equivalents	\$15,637,530	\$31,603,145	\$(15,965,615)
CWIF Cash/Equivalents	856,071	4,246,647	(3,390,576)
JPIA Fixed Income	37,246,752	36,058,191	1,188,561
CWIF Mutual Funds	162,390,981	129,941,005	32,449,976
<b>Totals:</b>	<b>\$216,131,334</b>	<b>\$201,848,988</b>	<b>\$14,282,346</b>

California Asset Management Program (CAMP) has shown recent increases over the past fiscal year, most likely as a result of the challenges to the stock market conditions. The 7-day yield reported at 9/30/23 was 5.5%, so JPIA decided to move an extra \$1 million to the program to capitalize on these favorable returns. Totals between CAMP and LAIF (Local Area Investment Fund) totaled approximately \$3.4 million at year end compared to \$19 million in the previous

year. LAIF funds were used to offset the higher claims costs paid out in 2022-2023 and helped out with cash flow when needed.

## CAPITAL ASSETS

The 2022-2023 fiscal year had no capital asset purchases. Depreciation of capital assets over the fiscal year totaled \$220,525. Most of the depreciation expense is related to the JPIA building, located in Roseville, California.

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

ACWA JPIA is consistently preparing and planning for the success of its member pool. There are always moving parts in motion that could have a financial impact, some as early as the next fiscal year (2023-2024). The following items play a role in JPIA's ongoing commitment to excellence to its members. Here are some highlights:

- External Impacts – CA Wildfires and Floods. The JPIA partners along the side of members to deliver best practices information regarding human safety, assets security, as well as serve as a resource and advisor when a disaster does strike. The Caldor Fire of August 2021 in the Tahoe Forest region had a profound impact, not only on JPIA members and their staff, but even employees of the JPIA as well. The risk management staff will take the lessons learned from this event and apply them to help other covered members prepare for risk mitigation that will come with future California wildfires.
- CWIF – Continuing on with providing coverage up to the \$5 million self-insured retention level and \$10 million to \$20 million level in the liability program, CWIF will once again take on the risk transfer of workers' compensation as well.
- Cyber Liability – once covered under the liability program, this stand-alone pass thru program is currently offered now to members for a separate premium. Members may opt out of the program in writing. This is a growing risk to the pool, but very challenging to finance the appropriate risk. Staff recommended transforming this coverage into a pass thru program so that each individual member may assess their own budgets and risk tolerance, outside of the pooled protection.
- Employee Benefits medical pricing – the Executive Committee chose to slow down the effects of the reserve subsidy used in recent years, as inflation and higher than normal claims trends bring the risk pool back to the pre-pandemic cost expectations. The 2024 pricing for the PPO self-insured plan will include a 10% increase in premium to help accomplish this.

## CONCLUSION

This financial report is designed to provide a general overview of JPIA's financial position. For further information, please visit the JPIA's website at [www.acwajpia.com](http://www.acwajpia.com), which provides access to the most current approved and independently audited financial reports. Questions concerning any of the information presented can be sent to the following address:

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

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

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2023

	2023	Comparative Totals 2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 16,493,601	\$ 35,849,792
Member premiums receivable	8,344,549	7,458,541
Investment income and other receivables	277,402	218,948
Excess insurance proceeds receivable	30,325	923,332
Retrospective premium adjustment receivable	10,826,725	10,325,927
Prepaid expenses	8,416,281	7,974,842
TOTAL CURRENT ASSETS	44,388,883	62,751,382
<b>NONCURRENT ASSETS</b>		
Investments	199,637,733	165,999,196
Retrospective premium adjustment receivable	35,981,276	12,070,465
Net OPEB asset	4,764,354	1,883,389
Capital assets - net	3,690,257	3,910,782
TOTAL NONCURRENT ASSETS	244,073,620	183,863,832
<b>TOTAL ASSETS</b>	<b>288,462,503</b>	<b>246,615,214</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources related to pensions	3,716,126	5,034,164
Deferred outflows of resources related to OPEB	938,785	1,074,398
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>4,654,911</b>	<b>6,108,562</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	2,864,046	1,984,793
Unearned member premiums	26,918,323	24,115,259
Retrospective premium adjustment payables	9,051,896	11,732,709
Claims reserves	22,659,268	16,307,229
TOTAL CURRENT LIABILITIES	61,493,533	54,139,990
<b>NONCURRENT LIABILITIES</b>		
Retrospective premium adjustment payables	24,805,475	21,091,022
Claims reserves	42,997,248	24,576,230
Claims incurred but not reported	32,670,965	33,140,369
Net pension liability	2,277,917	1,445,119
Unallocated loss adjustment liability	2,958,529	2,733,876
TOTAL NONCURRENT LIABILITIES	105,710,134	82,986,616
<b>TOTAL LIABILITIES</b>	<b>167,203,667</b>	<b>137,126,606</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources related to pensions	1,503,278	1,634,493
Deferred inflows of resources related to OPEB	3,697,557	1,178,756
<b>TOTAL DEFERRED INFLOWS</b>	<b>5,200,835</b>	<b>2,813,249</b>
<b>NET POSITION</b>		
Net investment in capital assets	3,690,257	3,910,782
Unrestricted	117,022,655	108,873,139
<b>TOTAL NET POSITION</b>	<b>\$ 120,712,912</b>	<b>\$ 112,783,921</b>

See accompanying notes to financial statements.



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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEAR ENDED SEPTEMBER 30, 2023

	<b>2023</b>	<b>Comparative Totals 2022</b>
<b>OPERATING REVENUES</b>		
Member premiums	\$ 207,897,962	\$ 198,914,797
Retrospective premium adjustments	21,946,181	10,775,431
<b>TOTAL OPERATING REVENUES</b>	<b>229,844,143</b>	<b>209,690,228</b>
<b>OPERATING EXPENSES</b>		
Claims expense:		
Claims paid	111,260,343	96,142,905
Change in claims reserves	24,773,057	8,863,387
Change in claims incurred but not reported	(469,404)	3,498,215
Change in unallocated loss adjustment expense	224,653	(806,973)
<b>Total claims expense</b>	<b>135,788,649</b>	<b>107,697,534</b>
Excess insurance	17,610,144	18,206,230
Benefit premiums	72,078,021	69,351,776
Pension expense	2,575,821	7,176,498
General and administrative	11,811,513	9,995,412
Depreciation	220,525	218,578
<b>TOTAL OPERATING EXPENSES</b>	<b>240,084,673</b>	<b>212,646,028</b>
<b>OPERATING LOSS</b>	<b>(10,240,530)</b>	<b>(2,955,800)</b>
<b>NONOPERATING REVENUES</b>		
Investment income	1,193,475	4,430,587
Net increase (decrease) in investment fair value	16,976,046	(38,501,398)
<b>TOTAL NONOPERATING REVENUES</b>	<b>18,169,521</b>	<b>(34,070,811)</b>
<b>CHANGE IN NET POSITION</b>	<b>7,928,991</b>	<b>(37,026,611)</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>112,783,921</b>	<b>149,810,532</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 120,712,912</b>	<b>\$ 112,783,921</b>

See accompanying notes to financial statements.

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

STATEMENT OF CASH FLOWS  
YEAR ENDED SEPTEMBER 30, 2023

	2023	Comparative Totals 2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from members	\$ 206,655,589	\$ 202,608,794
Cash received from excess/aggregate insurance	19,917,840	19,304,374
Payments for claims	(111,260,343)	(96,142,905)
Payments for excess/aggregate claims	(15,619,926)	(19,767,389)
Payments for excess insurance	(17,610,144)	(18,206,230)
Payments for benefit premiums	(72,078,021)	(69,351,776)
Payments for billings & RPA fund	(161,850)	(3,899,156)
Payments to vendors	(5,723,896)	(2,646,660)
Payments to employees	(8,724,710)	(7,906,282)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(4,605,461)	3,992,770
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	0	(25,109)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,969,647	4,686,543
Purchase of investments	(118,471,285)	(154,546,287)
Proceeds from maturities of investments	101,750,908	150,042,015
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(14,750,730)	182,271
Increase (decrease) in cash and cash equivalents	(19,356,191)	4,149,932
Cash and cash equivalents, beginning of year	35,849,792	31,699,860
Cash and cash equivalents, end of year	\$ 16,493,601	\$ 35,849,792
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (10,240,530)	\$ (2,955,800)
Adjustments to net cash provided by operating activities:		
Depreciation of capital assets	220,525	218,578
Change in member premiums receivable	(886,008)	1,092,699
Change in excess insurance proceeds receivable	893,007	(467,189)
Change in retrospective premium adjustment receivable	(24,411,609)	(13,517,000)
Change in net pension liability	832,798	6,210,519
Change in net OPEB asset	(2,880,965)	2,022,126
Change in other receivables and prepaids	(499,893)	962,491
Changes in deferred outflows/inflows related to net pension and OPEB	3,841,237	(1,696,450)
Changes in accounts payable and other accrued expenses	160,967	(218,832)
Change in unearned member premiums	2,803,064	2,709,274
Change in retrospective premium adjustment payables	1,033,640	(1,922,274)
Change in claims liabilities	24,528,306	11,554,628
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (4,605,461)	\$ 3,992,770
<b>NON CASH ITEMS</b>		
Change in unrealized fair value of investments	\$ 16,976,046	\$ (38,501,398)

See accompanying notes to financial statements.

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

**NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023**

**(1) General Information**

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

The JPIA currently offers five joint protection programs:

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

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

Starting in fiscal year 2022-2023, the cyber liability program was moved out of the liability program and became its own pass-through. Members are billed premiums and JPIA pays for the direct expenses that benefit the entire pooled program. Any revenues exceeding expenses will be classified as part of net position as the Cyber Liability Fund. This policy year begins July 1 and ends June 30.

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

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

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

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

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

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

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

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
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NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023

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

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

<u>Years</u>	<u>SIR Amount</u>
10/1/79 - 9/30/86	\$ 500,000
10/1/86 - 9/30/87	1,000,000
10/1/87 - 9/30/05	500,000
10/1/05 - 9/30/11	1,000,000
10/1/11 - 9/30/16	2,000,000
10/1/16 - 9/30/19	5,000,000
10/1/19 - 9/30/23*	5,000,000

- \*Excess: \$1 to a total of \$5,000,000 coverage by captive insurance company, California Water Insurance Fund (CWIF). CWIF is also responsible for the 10X of 10 layer (\$10,000,000 – 20,000,000) for the last three policy years covering 10/1/20 - 9/30/23.
- \$5,000,000 to a total of \$60,000,000 coverage through various carriers. Policy Year: October 1 through September 30.

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

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

<u>Years</u>	<u>SIR Amount</u>
1/1/83 - 3/31/85	Various
4/1/85 - 3/31/86	\$5,000
4/1/86 - 3/31/88	50,000
4/1/88 - 3/31/01	10,000
4/1/01 - 3/31/13	50,000
4/1/13 - 6/30/20*	100,000
7/1/20 - 6/30/22	100,000
7/1/22 - 6/30/24	10,000,000

- Excess: \$100,000 up to a total of \$500,000,000 coverage with various sub limits through Alliant Property Insurance Program (APIP).
- \*Policy Year: April 1 through June 30 of 2019. Property Program changed policy year format to better align with APIP recommended coverage schedule. From that point on, the Property

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
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NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023

Program policy year would run from July 1 through June 30. Beginning July 1, 2019, ACWA JPIA has an aggregate deductible under which they retain the first \$1 million on claims in excess of \$100,000.

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

The JPIA provides the following insurance coverage and SIR:

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

The SIRs for this program by policy year are as follows:

<u>Years</u>	<u>SIR Amount</u>
7/1/86 - 6/30/87	\$125,000
7/1/87 - 6/30/88	150,000
7/1/88 - 6/30/89	175,000
7/1/89 - 6/30/91	200,000
7/1/91 - 6/30/92	225,000
7/1/92 - 6/30/01*	250,000
7/1/01 - 6/30/02	350,000
7/1/02 - 6/30/03	650,000
7/1/03 - 6/30/20	2,000,000
7/1/20 - 6/30/24**	2,000,000

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

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

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

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
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**NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023**

**(2) Significant Accounting Policies**

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

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

**Investments** in debt securities are recorded at fair value. For purposes of these financial statements, fair value is equivalent to investment market value on September 30, 2023. Changes in the fair value of investments, both realized and unrealized, are included in the Statement of Revenues, Expenses, and Changes in Net Position as a component of non-operating revenues.

Beginning with fiscal year 2019-20 and the introduction of CWIF, the Executive Committee voted to move \$31.4 million for the purposes of investing pooled funds into the new captive portfolio. This amount was comprised of \$19.4 million designated for the original Liability policy year 2020 premiums, plus an additional \$12 million as paid-in capital.

Later during the 19-20 fiscal year, an additional \$10 million paid in capital was contributed to the captive's portfolio. The CWIF portfolio consists of equity-based and fixed income-based mutual funds with a target return on investment of 7%. Equity securities comprise approximately 67% of the CWIF portfolio at the end of the fiscal year.

In fiscal year 2023, an additional \$88,455 was moved from JPIA to CWIF in an effort to match dollar for dollar the catastrophic funds for both liability and workers compensation in both sets of financials.

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

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

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

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

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

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
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**NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023**

or credited to expense in the periods in which they are made.

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

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

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

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

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

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

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

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

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

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

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

**(3) Cash and Investments**

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

<b>INVESTMENT TYPE</b>	<b>% OF INVESTMENT PORTFOLIO</b>	<b>% OF ISSUER REGARDLESS OF SECTOR</b>	<b>MAXIMUM MATURITY</b>	<b>MINIMUM RATING CATEGORY</b>
US TREASURY	100%	100%	5 YEARS	
FEDERAL AGENCY	100%	50%	5 YEARS	
CALIFORNIA STATE OBLIGATIONS	100%	5%	5 YEARS	A
CALIFORNIA LOCAL GOVERNMENT OBLIGATIONS	100%	5%	5 YEARS	A
OTHER STATE OBLIGATIONS	100%	5%	5 YEARS	A
BANKERS’ ACCEPTANCES	20%	5%	180 DAYS	Highest by NRSRO
COMMERCIAL PAPER	40%/25%*	5%	270 DAYS	Highest by NRSRO
MEDIUM TERM NOTES	30%	5%	5 YEARS	A
NEGOTIABLE CD’S	30%	5%	5 YEARS	A
TIME CDS	30%	FDIC/NCUA LIMITS	5 YEARS	BANKS/S&I/CU INSURED
LGIP	50%	N/A	-	AAAm
LAIF	50%	N/A	DAILY	N/A
MONEY MARKET FUNDS	20%	20%	-	TREASURY/ AGENCY ONLY
REPURCHASE AGREEMENTS	20%	20%	92 DAYS	Primary Dealer
SUPRANATIONALS	20%	20%	5 YEARS	AAA
ASSET-BACKED SECURITIES	20%	5%	5 YEARS	AA



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

**CWIF Investment Policy**

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

**Investment Credit Risk** - CWIF’s investments on September 30, 2023, are summarized in the following table and are broken out based on the mutual fund type with the appropriate portfolio representation:

INVESTMENTS	FAIR VALUE	PORTFOLIO %	CREDIT QUALITY RATING
Mutual Funds – Equity	\$ 106,907,336	66%	None
Mutual Funds – Fixed Income	33,194,593	20%	None
Mutual Funds – Other*	22,289,052	14%	None
Total Investments	\$162,390,981	100%	

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

**Concentration of Credit Risk** – As of September 30, 2023, no investments in any one issuer, other than U.S. Treasury Securities, LAIF and LGIP, represent 5% or more of the total ACWA JPIA portfolio.

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

**Interest Rate Risk** is the possibility that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of highlighting exposure to interest rate risk, the fair value of all securities is calculated and reported monthly to the two oversight committees of the JPIA for investments. Investment fair value and duration on September 30, 2023, are as follows:

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Authorized Investment Type	Fair Value	Effective Duration
U.S. Treasury Obligations	\$13,120,376	2.942
Federal Agency Securities	654,677	3.264
Federal Mortgage-Backed Securities	4,159,185	0.893
Medium-Term Notes	9,608,512	2.399
Asset-Backed Securities/CMOs	5,419,443	1.862
Negotiable Certificates of Deposit	1,205,000	2.386
Municipal Bonds	3,079,559	1.407
Mutual Funds – Equity	106,907,336	N/A
Mutual Funds – Fixed Income	33,194,593	N/A
Mutual Funds – Other	22,289,052	N/A

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

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

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**Investment Credit Risk** – JPIA and CWIF investment securities are summarized in the following table by respective fair values as of September 30, 2023. JPIA reports credit quality ratings by Moody's, a nationally recognized rating agency.

**Disclosures Relating to Credit Risk**

<u>Authorized Investment</u>	<u>Amount</u>	<u>Aaa/P-1</u>	<u>Aa (1-3)</u>	<u>A (1-3)</u>	<u>Not Rated</u>
Cash	\$ 200	\$ 0	\$ 0	\$ 0	\$ 200
Deposits with Financial Institutions	12,949,672				12,949,672
Asset-Backed Securities	5,419,443				5,419,443
Negotiable Certificates of Deposit	1,205,000	1,205,000			
LGIP (Managed Pool Account) *	2,382,269				2,382,269
LAIF	1,161,460				1,161,460
U.S. Treasury Obligations	13,120,376	13,120,376			
Federal Agency Securities	654,677	380,964			273,713
Federal Mortgage-Backed Secur.	4,159,185	4,158,481			704
Municipal Bonds	3,079,559	730,477	2,349,082		
Medium-Term Notes	9,608,512	526,631	1,820,460	7,261,421	
Mutual Funds – Equity**	106,907,336				106,907,336
Mutual Funds – Fixed Income**	33,194,593				33,194,593
Mutual Funds – Other**	22,289,052				22,289,052
<b>Totals</b>	<b><u>\$ 216,131,334</u></b>	<b><u>\$20,121,929</u></b>	<b><u>\$ 4,169,542</u></b>	<b><u>\$ 7,261,421</u></b>	<b><u>\$184,578,442</u></b>

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

\*The managed pool account (LGIP) is comprised of \$2,382,269 in California Asset Management Program (CAMP). This investment is not rated by Moody's but is, however, rated AAAm by Standard and Poor's.

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

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

- Level 1 Inputs – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. An active market for the

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asset is one in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 Inputs – Inputs to the valuation methodology that are observable for an asset/liability either directly or indirectly (other than quoted prices included within Level 1). They include quoted prices for similar assets/liabilities in active markets and quoted prices for identical or similar assets/liabilities in markets that are NOT active.
- Level 3 Inputs – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the assumptions that market participants would use in pricing the asset/liability, including assumptions about risk.

The following schedule classifies the JPIA's security assets at fair value based on hierarchy level as of September 30, 2023:

Investments by Fair Value Level		Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Debt Securities:			
U.S. Treasury Obligations	\$ 13,120,376	\$ 13,120,376	
Asset-Backed Securities	5,419,443		\$5,419,443
Negotiable Certificates of Deposit	1,205,000		1,205,000
Medium-Term Notes	9,608,512		9,608,512
Federal Agency Securities	654,677		654,677
Federal Mortgage-Backed Sec	4,159,185		4,159,185
Municipal Bonds	3,079,559		3,079,559
Mutual Funds – Equity	106,907,336	106,907,336	
Mutual Funds – Fixed Income	33,194,593	33,194,593	
Mutual Funds – Other	22,289,052	22,289,052	
<b>Totals</b>	<b>\$199,637,733</b>	<b>\$175,511,357</b>	<b>\$24,126,376</b>

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

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**(4) Capital Assets**

The following is a schedule of changes in capital assets for the year ended September 30, 2023:

	<u>9/30/2022</u>	<u>Additions</u>	<u>Reclasses</u>	<u>9/30/2023</u>
<b><u>NON-DEPRECIABLE ASSETS:</u></b>				
Land	\$ 590,545	\$ 0	\$ 0	\$ 590,545
Total Non-Depreciable Assets:	590,545	0	0	590,545
<b><u>DEPRECIABLE ASSETS:</u></b>				
Building & Improvements	5,336,035	0	0	5,336,035
Furniture & Equipment	766,610	0	0	766,610
Software	497,983	0	0	497,983
Total Depreciable Assets	6,600,628	0	0	6,600,628
<b><u>LESS ACCUMULATED DEPRECIATION:</u></b>				
Building & Improvements	(2,100,941)	(177,265)	0	(2,278,206)
Furniture & Equipment	(697,214)	(34,671)	0	(731,885)
Software	(482,236)	(8,589)	0	(490,825)
Total Accumulated Depreciation	(3,280,391)	(220,525)	0	(3,500,916)
Capital Assets - Net	\$3,910,782	\$(220,525)	\$0	\$ 3,690,257

**(5) Retrospective Premium Adjustments**

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

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

The retrospective premium adjustments (RPA) for all applicable policy years have been estimated based on losses and other costs, net of investment income, incurred through September 30, 2023. RPAs are subject to change as the ultimate cost of claims becomes known, investment income is realized, and the JPIA's indirect costs are allocated to each policy year. RPA's do not apply to the Employee Benefits Programs.

The initial RPA is made at the end of the fourth full year of operations of each the JPIA programs. After that, RPAs

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represent annual cumulative adjustments to the original premiums (net of prior RPAs, if any) previously billed and held at the JPIA. Although accrued RPA payables to and receivables from program members are calculated monthly, the accrual billing/refunding process takes place only once per year. RPAs are calculated separately for each policy and program year.

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

**(6) Reconciliation of Claims Liabilities**

As of September 30, 2023, unpaid losses of \$104,317,044 are presented at the net present value of \$101,286,010. These losses are discounted at a rate of approximately 1% for Liability, 1% for Workers' Compensation, 1% for Property and 0% for Employee Benefits.

The following schedule represents changes in the aggregate liabilities for all programs during the past year ended September 30, 2023:

<b>Discounted Unpaid Claims and Claim Adjustment</b>	<b>2023</b>	<b>2022</b>
<b>Expenses at Beginning of Fiscal Year</b>	<b>\$76,757,704</b>	<b>\$65,203,075</b>
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Fiscal Year	103,811,815	91,333,267
Increase in Provision of Insured Events of Prior Fiscal Years	31,976,834	16,364,267
<b>Total Incurred Claims and Claim Adjustment Expenses</b>	<b>135,788,649</b>	<b>107,697,534</b>
<b>PAYMENTS:</b>		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	72,929,633	70,055,301
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	38,330,710	26,087,604
<b>Total Payments</b>	<b>111,260,343</b>	<b>96,142,905</b>
<b>Discounted Unpaid Claims and Claim Adjustment</b>		
<b>Expenses at End of Fiscal Year</b>	<b>\$101,286,010</b>	<b>\$76,757,704</b>
<u>Components of Claims Liability:</u>		
Claims Reserves (Current)	\$22,659,268	\$16,307,229
Claims Reserves (Noncurrent)	42,997,248	24,576,230
Claims Incurred but Not Reported	32,670,965	33,140,369
Unallocated Loss Adjustment Liability	2,958,529	2,733,876
<b>Total Claims Liability</b>	<b>\$101,286,010</b>	<b>\$76,757,704</b>

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**(7) Net Position Designations**

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

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

The Rate Stabilization Fund is used to smooth the member's premium billing and refund process. The Employee Benefits Fund can be used to help reduce premium increases of only that Program when approved by the Executive Committee.

The CWIF reported an excess of earnings over expenses in the amount of \$18,997,659 for fiscal year 2022-23.

Net position is designated in the following manner:

September 30, 2023:	
Rate Stabilization Fund (RSF)	\$ 9,981,256
Catastrophic (CAT)/Natural Disaster Fund	37,414,591
Employee Benefits Fund	76,610,013
Cyber Liability Fund (New to FY 22-23)	155,384
Captive's Retained Earnings (CWIF)*	(3,448,332)
Net Position	\$ 120,712,912
<i>*Difference of retained earnings reported on this schedule varies by \$11,190,188 with the CWIF Annual Financial Report due to a portion of CWIF's retained earnings rolling into the RSF and/or the CAT fund.</i>	

**(8) Joint Venture**

The JPIA participated in a joint venture under a joint powers agreement with Local Agency Workers' Compensation Excess (LAWCX) during the fiscal years 1992-93; 1993-94; and 1994-95. The relationship between The JPIA and LAWCX is such that LAWCX is not a component unit of The JPIA for financial reporting purposes. Each member agency pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to its participation in LAWCX. LAWCX prepares separate annual financial statements, which may be obtained from Sedgwick 1750 Creekside Oaks Drive, Suite 200, and Sacramento, CA 95833.

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**(9) Pension Plan**

Plan Description

ACWA JPIA provides pension benefits to its employees through ACWA JPIA's Miscellaneous Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan maintained by CalPERS, an agency of the State of California. ACWA JPIA had less than 100 active members as of the June 30, 2023, actuarial valuation. As a result, qualified employees are covered under the Miscellaneous 2% at 55 Risk Pool. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at [www.calpers.ca.gov](http://www.calpers.ca.gov).

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

Benefits Provided

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

Contributions

Section 20814(c) of the PERL requires employer contribution rates for all public employers be determined on an annual basis by the actuary and are effective on the July 1 following notice of a change in the rate. The contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. ACWA JPIA is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. ACWA JPIA's required contribution rate on covered payroll for the measurement period ended June 30, 2023 (the measurement date) was 9.79% and 7.76% of annual pay for Classic and PEPRA employees, respectively. Employer contributions rates may change if plan contracts are amended. For the year ended September 30, 2023, the employer contributions to the plan were \$556,198, plus no additional elective contributions due to PERS actuarial valuations calculating zero required unfunded liability payments in this fiscal year.

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

ACWA JPIA's Net Pension Liability (NPL) for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2023, for the year ended September 30, 2023. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. As of September 30, 2023, ACWA JPIA's proportionate share of the Plan's net pension liability (NPL) was \$2,277,917.

Using ACWA JPIA's individual employer rate plan's share of the risk pool TPL and Fiduciary Net Position (FNP), the proportionate shares of the TPL and FNP at the measurement date are determined for ACWA JPIA by the actuary. ACWA JPIA's proportionate share of the net pension liability for the Plan as of June 30, 2022, and 2023 were as follows:



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	<b>Plan</b>
Proportion - June 30, 2022	.030884%
Proportion - June 30, 2023	.045555%
Change	.014671%

For the year ended September 30, 2023, ACWA JPIA recognized a pension expense of 2,575,821. Reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 116,368	\$ 18,052
Changes of assumptions	137,528	
Net difference between projected and actual earnings on pension plan investments	368,815	
Changes in proportions	2,950,465	
Changes in proportionate share of contributions		1,485,226
Contributions subsequent to the measurement date	142,950	
Total	\$ 3,716,126	\$ 1,503,278

As of September 30, 2023, the \$142,950 reported as deferred outflows of resources related to employer contributions subsequent to the measurement date will be recognized as an adjustment to the net pension liability in the year ending September 30, 2024. As of September 30, 2023, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense (benefit) as follows:

<b>Year Ended September 30</b>	
2024	\$ 1,181,739
2025	712,496
2026	165,080
2027	10,583

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**Actuarial Methods and Assumptions**

The collective TPL for the June 30, 2023, measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the TPL to June 30, 2023. The collective TPL was based on the following assumptions:

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

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

**Changes of Assumptions**

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

**Discount Rate**

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

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

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

<u>Asset Class <sup>(1)</sup></u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 – 10<sup>(1,2)</sup></u>
Global equity - cap-weighted	30.00%	4.54%
Global equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	<u>(5.00%)</u>	<u>(0.59)%</u>
Total	<u>100.00%</u>	

<sup>(1)</sup> An expected inflation of 2.30% used for this period.

<sup>(2)</sup> Figures are based on the 2021-22 Asset Liability Management study.

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

The following presents ACWA JPIA's Proportional Share of the NPL of the Plan as of the June 30, 2023, measurement date, calculated using the discount rate of 6.90%, as well as what ACWA JPIA's Proportional Share of the NPL would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	<u>Discount Rate – 1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate + 1% (7.90%)</u>
ACWA JPIA's Proportionate Share of Plan's NPL (NPA)	\$ 7,393,309	\$ 2,277,917	\$ (1,932,490)

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**(10) OPEB**

Plan Description

The JPIA has established a retiree healthcare plan that provides other postemployment health benefits for eligible retired employees, their spouses, surviving spouses, and dependents, through the ACWA Joint Powers Insurance Authority OPEB Plan (the Plan). The JPIA, through the authorization of their Board of Directors, elected to establish an irrevocable trust for the Plan through the California Employers' Retiree Benefit Trust (CERBT) Fund, an agent multiple-employer plan, administered by CalPERS. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. The CERBT offers three investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by the JPIA.

Benefits Provided

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

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

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<u>Age plus Years of Service</u>	<u>ACWA JPIA Percentage of Premium Payment</u>
65	50%
66	55%
67	60%
68	65%
69	70%
70	75%
71	80%
72	85%
73	90%
74	95%
75+	100%

Employees Covered

As of the June 30, 2023, actuarial valuation, the following inactive and active employees were covered by the benefit terms under the OPEB Plan using a measurement date of June 30, 2023:

Inactive employees receiving benefits	6
Participating active employees	<u>55</u>
Total	<u><u>61</u></u>

Contributions

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

As of the measurement date June 30, 2023, the actuarially determined contribution has been zero. Plan assets cover 120% of the Present Value of Future Benefits (PVFB). This means that if all assumptions are exactly realized, assets are sufficient to cover all future benefits for current employees and retirees. Contributions may again be recommended in future years if the funding status falls below 100% PVFB due to Plan changes, adverse experience, assumption changes or future hires.

In August 2023, the trust reimbursed JPIA \$169,381 of pay as you go premiums paid out over PERS fiscal year 2022-23. Since this amount was received in August, it will be classified as a deferred inflow for JPIA in fiscal year 2022-23 and recognized as a reduction in OPEB expense in the following fiscal year 2023-24.

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**NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023**

Net OPEB Asset

The JPIA's net OPEB asset was measured as of June 30, 2023, and was determined by an actuarial valuation based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	7.28%
Inflation	2.50%
Salary Increases <sup>(1)</sup>	3.50%
Investment Rate of Return <sup>(2)</sup>	7.28%
Mortality <sup>(3)</sup>	CalPERS' Membership Data
Health care cost trend rates	5.20 percent for 2023 through 2034; 5.00 percent for 2035 through 2049; 4.50 percent for 2050 through 2064; and 4.00 percent for 2065 and later years

- (1) Since benefits do not depend on salary, using an aggregate payroll assumption for purposes of calculating the service costs results in negligible error.
- (2) Net of OPEB plan investment expense; includes inflation.
- (3) Mortality rates were based on the most recent experience study for CalPERS members.  
**Pre-Retirement:** CalPERS Public Agency Miscellaneous and Schools Pre-Retirement Mortality, with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)  
**Post-Retirement:** CalPERS Public Agency Post-Retirement Mortality with fully generational mortality improvement using 80% of MP-2020 (2021 CalPERS Experience Study)

Assumption Changes

The inflation rate changed from 2.01% per year for the first 10 years and 2.47% thereafter for the measurement period ended June 30, 2022 to 2.5% for the measurement period ended June 30, 2023.

The arithmetic long-term expected rate of return on OPEB plan investments for the next ten years was provided by JP Morgan. For years thereafter, returns were based on historical average index real returns over the last 30 years assuming a similar equity/fixed investment mix and a 2.50% inflation rate.

Discount Rate

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

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

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

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

<u>Investment Class</u>	<u>Target Allocation</u>	<u>Long-Term * Expected Real Rate of Return</u>
Global ex-U.S. Equity	49.00%	5.90%
U.S. Fixed Income	23.00%	0.90%
Real Estate	20.00%	3.30%
TIPS	5.00%	0.40%
Commodities	3.00%	0.40%
Total	<u>100.00%</u>	

\*JPMorgan arithmetic Long-Term Capital Market assumptions and expected inflation of 2.50%.

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NOTES TO FINANCIAL STATEMENTS  
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Changes in the Net OPEB Asset

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

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability (TOL) (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net OPEB Liability (Asset) (a)-(b)</u>
Balance as of September 30, 2022 (Measurement date June 30, 2022)	\$ 7,841,813	\$ 9,725,202	\$ (1,883,389)
Changes recognized for the measurement period:			
Service cost	254,108		254,108
Interest	582,243		582,243
Contributions—employer		30,280	(30,280)
Net investment income		613,677	(613,677)
Differences between expected and actual experience	(2,308,540)		(2,308,540)
Change of assumptions	(944,478)		(944,478)
Benefit payments	(199,661) <sup>a</sup>	(374,550) <sup>b</sup>	174,889
Administrative expense		(4,770)	4,770
Net changes	<u>(2,616,328)</u>	<u>264,637</u>	<u>(2,880,965)</u>
Balance as of September 30, 2023 (Measurement date June 30, 2023)	<u>\$ 5,225,485</u>	<u>\$ 9,989,839</u>	<u>\$ (4,764,354)</u>

a) Current year benefit payments

b) Sum of current year benefit payments and 21/22 benefit payment reimbursement

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

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

	<u>Discount Rate -1% (6.28%)</u>	<u>Current Discount Rate (7.28%)</u>	<u>Discount Rate +1% (8.28%)</u>
Net OPEB Liability (Asset)	\$ (4,126,036)	\$ (4,764,354)	\$ (5,302,372)



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NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023

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

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

	<b>Trend Rate -1%</b>	<b>Health Care Trend Rate</b>	<b>Trend Rate +1%</b>
Net OPEB Liability (Asset)	\$ (5,373,165)	\$ (4,764,354)	\$ (4,027,940)

OPEB plan fiduciary net position

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

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

The recognition period differs depending on the source of the gain or loss:

Net differences between projected and actual earnings on OPEB Trust investments	6 years
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NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended September 30, 2023, the JPIA recognized an OPEB credit of \$26,891, and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
OPEB contributions after the measurement date*	\$ 43,467	\$ 0
Changes in assumptions		1,452,742
Distributions from the OPEB trust subsequent to the measurement date**		169,381
Differences between expected and actual experience	85,548	2,075,434
Net difference between projected and actual earnings on OPEB plan investments	809,770	
Total	\$ 938,785	\$ 3,697,557

\*The \$43,467 reported as deferred outflows of resources related to contributions after the June 30, 2023, measurement date will be recognized as an increase in the net OPEB asset at fiscal year ended September 30, 2024.

\*\*Reimbursed funds from the trust to pay JPIA for pay as you go premiums paid over PERS fiscal year 2022-23, recognized as deferred inflow due to the timing of the receipt of funds in August 2023.

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

<b>Fiscal Year Ended September 30</b>	<b>Recognized Deferred Outflows/(Inflows) of Resources</b>
2024	\$(518,853)
2025	(582,671)
2026	(177,315)
2027	(593,768)
2028	(510,023)
Thereafter	(250,228)
Total Deferred Resources:	\$(2,632,858)

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**NOTES TO FINANCIAL STATEMENTS  
Year Ended September 30, 2023**

**(11) Deferred Compensation Plan**

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

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

**RE. UIRED SUPPLEMENTARY INFORMATION**

**ASSOCIATION OF CALIFORNIA WATER AGENCIES  
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Notes to Required Supplementary Information  
For The Year Ended September 30, 2023

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

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

**(2) Claims Development Information**

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

The rows of the table are defined as follows:

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

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

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RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT

SEPTEMBER 30, 2023

	Liability Program	Property Program	Workers' Compensation Program	Employee Benefits Program	Total
Unpaid Claims and Claim Adjustment at Beginning of the Fiscal Year	\$ 45,464,705	\$ 3,937,837	\$ 20,700,168	\$ 6,654,994	\$ 76,757,704
Incurred Claims and Allocated Claim Adjustment Expense:					
Provisions for Insured Events of the Current Fiscal Year	20,881,097	10,170,595	5,457,647	67,302,476	103,811,815
Increase in Provision for Incurred Events of Prior Fiscal Years	14,473,907	1,651,802	2,292,956	13,558,169	31,976,834
Total Incurred Claims and Allocated Claim Adjustment Expenses	35,355,004	11,822,397	7,750,603	80,860,645	135,788,649
Payments					
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	3,102,299	1,548,297	1,121,916	67,157,121	72,929,633
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	17,252,360	1,730,654	4,331,168	15,016,528	38,330,710
Total Payments	20,354,659	3,278,951	5,453,084	82,173,649	111,260,343
Discounted Unpaid Claims and Allocated Claim Adjustment Expense at the End of the Fiscal Year	<u>\$ 60,465,050</u>	<u>\$ 12,481,283</u>	<u>\$ 22,997,687</u>	<u>\$ 5,341,990</u>	<u>\$ 101,286,010</u>
Components:					
Claims Reserves (Current)	\$ 14,313,076	\$ 3,586,622	\$ 4,759,570	\$ 0	\$ 22,659,268
Claims Reserves (Noncurrent)	27,567,084	8,117,229	7,312,935	0	42,997,248
Claims Incurred But Not Reported	17,709,285	202,866	9,416,824	5,341,990	32,670,965
Unallocated Loss Adjustment Liability	875,605	574,566	1,508,358	0	2,958,529
Total Claims Liability	<u>\$ 60,465,050</u>	<u>\$ 12,481,283</u>	<u>\$ 22,997,687</u>	<u>\$ 5,341,990</u>	<u>\$ 101,286,010</u>

**ASSOCIATION CALIFORNIA WATER AGENCIES  
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TEN YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF SEPTEMBER 30, 2023

LIABILITY PROGRAM

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1. Required contribution and investment revenue:										
Earned	\$ 16,972,007	\$ 15,730,767	\$ 15,826,154	\$ 16,850,800	\$ 19,058,550	\$ 19,412,620	\$ 21,788,061	\$ 23,284,754	\$ 22,137,760	\$ 26,541,268
Ceded	3,659,417	3,634,717	3,875,750	2,758,676	3,014,553	3,196,277	5,504,597	5,693,446	7,337,241	7,948,641
Net earned	13,312,590	12,096,050	11,950,404	14,092,124	16,043,997	16,216,343	16,283,464	17,591,308	14,800,519	18,592,627
2. Unallocated expenses	2,480,476	2,047,093	2,215,348	2,923,641	3,737,296	3,285,626	4,307,390	1,848,111	1,710,470	903,348
3. Estimated claims and expenses end of policy year:										
Incurred	11,992,230	14,740,360	15,010,541	12,623,498	12,521,301	14,101,240	14,992,990	15,852,797	19,045,029	23,470,446
Ceded	2,829,815	2,688,625	3,489,316	949,000	860,000	1,025,000	1,155,000	1,222,000	1,810,000	2,868,000
Net incurred	9,162,415	12,051,735	11,521,225	11,674,498	11,661,301	13,076,240	13,837,990	14,630,797	17,235,029	20,602,446
4. Net paid (cumulative) as of :										
End of policy year	2,058,691	2,355,454	2,313,638	1,702,912	1,827,061	1,622,001	2,812,515	2,909,828	2,684,900	3,102,299
One year later	3,985,953	4,630,229	5,197,925	3,375,115	3,176,237	9,430,733	6,238,788	6,932,966	6,565,613	
Two years later	5,066,762	5,405,345	9,257,380	6,537,956	5,560,989	10,866,250	7,358,677	11,052,357		
Three years later	5,883,558	7,270,381	9,148,742	6,713,185	6,826,024	11,371,388	11,215,421			
Four years later	6,077,650	7,010,514	9,158,435	6,844,171	7,396,393	12,595,360				
Five years later	6,112,400	7,283,663	9,156,252	7,179,702	7,824,146					
Six years later	7,996,565	7,284,406	9,156,252	10,825,781						
Seven years later	7,995,529	7,284,406	9,156,252							
Eight years later	7,995,529	7,284,406								
Nine years later	7,995,529									
5. Reestimated claims and expenses:	13,122,587	0	42,000	64,000	88,000	9,695,000	6,018,000	1,203,000	2,141,000	2,868,000
6. Reestimated net incurred claims and expenses:										
End of policy year	9,162,415	12,051,735	11,521,225	11,674,498	11,661,301	13,076,240	13,837,990	14,630,797	17,235,029	20,602,446
One year later	10,676,485	8,611,154	10,817,319	10,717,162	10,791,082	15,836,297	13,526,276	13,992,690	17,446,683	
Two years later	9,275,901	7,454,187	10,800,508	9,064,480	10,205,529	17,077,914	16,359,364	13,318,819		
Three years later	8,487,171	7,961,888	9,960,435	7,428,404	10,999,841	17,849,788	28,251,878			
Four years later	8,216,397	7,312,945	9,353,029	7,366,721	10,879,814	20,086,765				
Five years later	8,165,264	7,498,827	9,156,253	10,850,607	11,354,126					
Six years later	7,996,565	7,284,406	9,156,253	10,858,535						
Seven years later	7,995,529	7,284,406	9,220,224							
Eight years later	7,995,529	7,284,406								
Nine years later	7,995,529									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	\$ (1,166,886)	\$ (4,767,329)	\$ (2,301,001)	\$ (815,963)	\$ (307,175)	\$ 7,010,525	\$ 14,413,888	\$ (1,311,978)	\$ 211,654	\$ 0

**ASSOCIATION CALIFORNIA WATER AGENCIES  
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TEN YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF SEPTEMBER 30, 2023

PROPERTY PROGRAM

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1. Required contribution and investment revenue:										
Earned	\$ 5,111,733	\$ 5,313,836	\$ 5,062,896	\$ 5,288,206	\$ 5,734,725	\$ 5,963,344	\$ 6,958,508	\$ 8,480,610	\$ 10,628,975	\$ 13,475,238
Ceded	2,720,489	2,318,261	1,527,000	1,523,521	1,657,369	3,042,615	4,831,663	6,464,344	8,109,461	7,103,652
Net earned	2,391,244	2,995,575	3,535,896	3,764,685	4,077,356	2,920,729	2,126,845	2,016,266	2,519,514	6,371,586
2. Unallocated expenses	421,226	1,754,005	1,668,591	1,972,002	1,274,403	1,706,960	2,238,017	1,096,299	896,283	1,556,991
3. Estimated claims and expenses end of policy year:										
Incurred	3,122,568	949,153	1,403,306	5,960,208	4,625,770	13,273,427	2,196,813	4,460,497	36,527,468	12,727,112
Ceded	1,917,000	96,880	531,733	4,226,383	3,316,000	10,419,000	455,000	1,326,000	34,019,000	425,000
Net incurred	1,205,568	852,273	871,573	1,733,825	1,309,770	2,854,427	1,741,813	3,134,497	2,508,468	12,302,112
4. Net paid (cumulative) as of :										
End of policy year	952,945	611,312	847,420	1,275,484	1,089,031	2,110,318	735,138	1,902,445	1,535,697	2,001,041
One year later	1,052,728	778,469	848,772	1,211,080	1,146,171	2,202,967	1,203,955	2,685,157	2,648,685	
Two years later	1,047,753	808,445	849,197	1,183,299	1,165,339	2,427,451	1,576,645	2,779,604		
Three years later	1,047,753	801,718	869,804	1,139,451	1,079,440	2,388,914	1,675,095			
Four years later	1,105,398	759,655	869,804	1,141,746	1,078,912	2,378,823				
Five years later	1,105,398	759,655	869,804	1,141,746	1,054,236					
Six years later	1,105,398	759,655	869,804	1,124,746						
Seven years later	1,105,398	759,655	869,264							
Eight years later	1,105,398	759,655								
Nine years later	1,105,398									
5. Reestimated claims and expenses:	359,408	0	398,104	4,771,209	2,529,516	26,332,268	1,425,000	1,593,000	33,658,000	425,000
6. Reestimated net incurred claims and expenses:										
End of policy year	1,205,568	852,273	871,573	1,733,825	1,309,770	2,854,427	1,741,813	3,134,497	2,508,468	12,302,112
One year later	1,052,729	1,039,107	870,772	1,512,876	1,148,440	2,582,914	2,318,206	3,331,348	2,826,590	
Two years later	1,047,754	809,445	871,272	1,259,393	1,167,503	2,459,948	2,439,874	2,782,378		
Three years later	1,107,754	801,718	871,272	1,253,000	1,079,441	2,397,909	1,675,769			
Four years later	1,105,399	759,655	871,272	1,153,356	1,078,913	2,386,750				
Five years later	1,105,399	759,655	871,272	1,153,356	1,054,236					
Six years later	1,105,399	759,655	871,272	1,142,726						
Seven years later	1,105,399	759,655	870,732							
Eight years later	1,105,399	759,655								
Nine years later	1,105,398									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	\$ (100,170)	\$ (92,618)	\$ (841)	\$ (591,099)	\$ (255,534)	\$ (467,677)	\$ (66,044)	\$ (352,119)	\$ 318,122	\$ 0



**ASSOCIATION CALIFORNIA WATER AGENCIES  
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TEN YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF SEPTEMBER 30, 2023

WORKERS' COMPENSATION

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
1. Required contribution and investment revenue:										
Earned	\$ 12,578,707	\$ 12,587,432	\$ 12,620,687	\$ 12,963,390	\$ 13,227,398	\$ 13,917,776	\$ 15,146,958	\$ 14,246,756	\$ 14,146,913	\$ 15,312,536
Ceded	523,904	431,752	506,645	556,796	499,119	507,276	534,177	549,670	606,774	623,972
Net earned	12,054,803	12,155,680	12,114,042	12,406,594	12,728,279	13,410,500	14,612,781	13,697,086	13,540,139	14,688,564
2. Unallocated expenses:	2,384,904	3,089,206	2,318,377	2,757,834	2,836,962	2,746,524	2,908,688	2,902,354	2,432,867	1,578,722
3. Estimated claims and expenses end of policy year:										
Incurred	6,196,556	5,805,056	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494
Ceded	130,000	0	0	0	0	0	0	0	0	0
Net incurred	6,066,556	5,805,056	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494
4. Net paid (cumulative) as of :										
End of policy year	1,472,839	1,332,057	1,151,894	1,611,621	1,365,070	1,379,721	1,908,694	1,741,263	1,336,009	1,412,292
One year later	2,499,754	2,726,529	1,666,309	2,345,827	2,248,484	2,343,026	3,104,064	2,767,921	2,579,668	
Two years later	3,207,520	3,343,412	2,086,129	2,657,368	2,579,285	3,008,537	4,258,175	3,918,710		
Three years later	3,675,577	3,828,609	2,274,301	2,995,480	2,828,582	3,324,110	4,715,610			
Four years later	4,198,011	4,131,207	2,561,481	3,149,659	3,397,262	3,442,873				
Five years later	4,452,783	4,412,425	2,635,281	3,261,608	3,705,088					
Six years later	4,527,664	4,611,577	2,684,846	3,324,793						
Seven years later	4,603,819	4,887,139	2,704,005							
Eight years later	4,645,896	4,869,169								
Nine years later	4,712,755									
5. Reestimated claims and expenses:	0	0	0	0	0	0	0	0	0	0
6. Reestimated net incurred claims and expenses:										
End of policy year	6,066,556	5,805,056	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494
One year later	5,387,863	6,638,361	4,581,505	5,965,054	5,901,694	6,046,702	6,668,007	6,276,953	5,513,901	
Two years later	5,705,488	6,740,067	3,800,513	5,069,443	5,082,436	5,131,153	6,675,886	6,852,465		
Three years later	5,778,062	6,080,657	3,555,630	4,594,823	4,543,984	4,438,211	7,079,100			
Four years later	5,615,771	5,992,903	3,362,048	4,350,572	4,339,326	4,450,160				
Five years later	5,480,036	5,780,867	3,220,651	4,084,561	4,414,937					
Six years later	5,034,373	5,840,153	2,998,026	3,998,881						
Seven years later	4,995,580	5,514,912	3,038,512							
Eight years later	5,105,541	5,291,719								
Nine years later	5,283,891									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	\$ (782,665)	\$ (513,337)	\$ (2,660,027)	\$ (3,203,322)	\$ (2,230,799)	\$ (2,453,498)	\$ (434,516)	\$ 42,017	\$ (7,190)	\$ 0

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

TEN YEAR CLAIMS DEVELOPMENT INFORMATION  
AS OF SEPTEMBER 30, 2023\*

EMPLOYEE BENEFITS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1. Required contribution and investment revenue:										
Earned	\$ 114,063,809	\$ 121,694,180	\$ 122,291,203	\$ 128,130,500	\$ 140,433,366	\$ 146,479,743	\$ 148,127,454	\$ 152,480,559	\$ 157,960,331	\$ 151,417,595
Ceded	836,491	1,029,985	1,276,428	1,538,801	1,636,443	2,107,541	2,847,451	3,042,473	2,135,657	2,086,039
Net earned	113,227,318	120,664,195	121,014,775	126,591,699	138,796,923	144,372,202	145,280,003	149,438,086	155,824,674	149,331,556
2. Unallocated expenses:	1,734,193	2,878,450	3,681,387	2,994,455	2,817,544	2,443,630	2,677,795	2,635,152	2,542,562	2,463,542
3. Estimated claims and expenses end of policy year:										
Incurred	70,429,600	73,414,224	81,097,989	86,200,856	82,300,575	77,042,190	74,922,732	69,713,938	79,489,075	81,803,090
Ceded	755,783	691,553	1,908,777	4,646,895	1,220,439	2,580,695	1,199,949	1,139,603	2,394,277	713,306
Net incurred	69,673,817	72,722,671	79,189,212	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798	81,089,784
4. Net paid (cumulative) as of :										
End of policy year	69,673,817	74,354,752	79,189,212	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798	81,089,784
One year later	69,742,278	74,319,010	79,155,502	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	76,521,368	
Two years later	69,744,060	74,319,010	78,652,326	81,295,992	80,840,759	73,346,741	71,802,750	67,436,016		
Three years later	69,744,060	74,319,761	78,661,126	81,297,624	80,840,661	73,346,741	71,802,750			
Four years later	69,748,815	74,345,853	78,661,126	81,297,624	80,840,661	73,346,741				
Five years later	69,779,919	74,346,152	78,661,126	81,297,624	80,840,661					
Six years later	69,780,190	74,346,303	78,661,126	81,297,624						
Seven years later	69,780,190	74,346,303	78,661,126							
Eight years later	69,780,190	74,346,303								
Nine years later	69,780,190									
5. Reestimated claims and expenses:	755,783	691,553	1,908,777	4,690,073	1,218,617	2,580,839	1,201,469	1,324,308	2,394,277	713,306
6. Reestimated net incurred claims and expenses:										
End of policy year	69,673,817	72,722,671	79,189,212	81,553,961	81,080,136	74,461,495	73,722,783	68,574,335	77,094,798	81,089,784
One year later	70,594,649	74,319,010	79,155,502	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	76,521,368	
Two years later	69,744,060	74,319,010	78,652,326	81,295,992	80,840,759	73,346,741	71,802,750	67,436,016		
Three years later	69,744,060	74,319,761	78,661,126	81,297,624	80,840,661	73,346,741	71,802,750			
Four years later	69,748,815	74,345,853	78,661,126	81,297,624	80,840,661	73,346,741				
Five years later	69,779,919	74,346,152	78,661,126	81,297,624	80,840,661					
Six years later	69,780,190	74,346,303	78,661,126	81,297,624						
Seven years later	69,780,190	74,346,303	78,661,126							
Eight years later	69,780,190	74,346,303								
Nine years later	69,780,190									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	\$ 106,373	\$ 1,623,632	\$ (528,086)	\$ (256,337)	\$ (239,475)	\$ (1,114,754)	\$ (1,920,033)	\$ (1,138,319)	\$ (573,430)	\$ 0

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

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

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

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarial determined contribution	\$ 221,901	\$ 232,094	\$ 278,058	\$ 291,961	\$ 0	\$ 0
Contributions in relation to the actuarially determined contribution	(221,901)	(232,094)	(278,058)	(201,239)	(204,153)	0
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>90,722</u>	<u>(204,153)</u>	<u>0</u>
Covered payroll	4,524,319	4,837,414	5,158,992	5,354,008	5,594,705	6,365,520
Contributions as a percentage of covered payroll	4.90%	4.80%	5.39%	3.76%	3.65%	0.00%

**Notes to Schedule:**

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

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

The discount rate for determining the actuarially determined contribution has been set based on the assumption that assets will be sufficient to cover all future benefit payments under the plan, and that the employer will annually make contributions equal to the actuarially determined contribution.

For additional methods and assumptions refer to note 10 of the financial statements.

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

The accompanying notes are an integral part of these financial statements.

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

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

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

**Notes to Schedule:**

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

**Assumption Changes:**

In 2019, the average per capita claims cost was updated to reflect actual 2019 premiums, the health care cost trend rate was updated to reflect 2018 industry survey data, the mortality, withdrawal, disablement, and retirement tables was updated to reflect the 2017 CalPERS studies. The population for curving and morbidity factors have also been updated to the 2017 CalPERS study.

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

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

SCHEDULE OF THE PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
As Of September 30, 2023  
Last 10 Years\*

	Measurement Date								
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
The JPIA's Proportion of the Net Pension Liability (Asset)	(0.01024%)	0.038815%	0.013959%	(0.023017%)	(0.008359%)	(0.003275%)	(0.25097%)	0.030884%	0.045555%
The JPIA's Proportionate Share of the Net Pension Liability (Asset)	(\$280,963)	\$1,348,385	\$550,282	(\$867,450)	(\$334,731)	(\$138,133)	(\$4,765,400)	\$1,445,119	\$2,277,917
The JPIA's Covered Payroll	\$3,838,778	\$4,240,054	\$4,411,665	\$4,470,013	\$4,759,677	\$5,063,961	\$5,549,223	\$5,496,891	\$5,961,012
The JPIA's Proportionate Share of the Net Pension Liability/Asset as a Percentage of its Covered Payroll	(7.32%)	31.80%	12.47%	(19.41%)	(7.03%)	(2.73%)	(85.88%)	26.29%	38.21%
The JPIA's Proportionate Share of the Fiduciary Net Position as a Percentage of the JPIA's Total Pension Liability	101.34%	78.40%	73.31%	75.26%	75.26%	75.10%	88.29%	76.68%	76.21%

\* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

**Notes to Schedule:**

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

**Changes in assumptions** - Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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

Miscellaneous Plan, a Cost Sharing-Employer Defined Benefit Pension Plan  
As of fiscal year ending September 30, 2023  
Last 10 Years\*

SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially determined contribution (actuarially determined)	\$ 334,581	\$ 352,666	\$ 349,738	\$ 361,115	\$ 401,175	\$ 437,050	\$ 478,790	\$ 498,192	\$ 556,198
Contributions in relation to the actuarially determined contributions	<u>334,581</u>	<u>352,666</u>	<u>1,698,126</u>	<u>1,431,686</u>	<u>410,030</u>	<u>850,357</u>	<u>482,809</u>	<u>557,530</u>	<u>556,198</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>(1,348,388)</u>	<u>(1,070,571)</u>	<u>(8,855)</u>	<u>(413,307)</u>	<u>(4,019)</u>	<u>(59,338)</u>	<u>0</u>
Covered payroll	\$ 3,917,613	\$ 4,519,745	\$ 4,428,325	\$ 4,524,319	\$ 4,837,414	\$ 5,158,992	\$ 5,354,008	\$ 5,594,705	\$ 6,189,694
Contributions as a percentage of covered payroll	8.54%	7.80%	38.35%	31.64%	8.48%	16.48%	9.02%	9.97%	8.99%

\* Fiscal year 2015 was the 1st year of implementation, therefore only nine years are shown.

**SUPPLEMENTARY INFORMATION**

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

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY PROGRAM  
YEAR ENDED SEPTEMBER 30, 2023

	LIABILITY	DAM FAILURE	PROPERTY	PASS - THROUGHS	WORKERS' COMP	STORAGE TANKS	EMPLOYEE BENEFITS	CYBER LIABILITY	RPA ADJUSTMENTS	CWIF	INTER-FUND ELIMINATIONS	TOTALS
<b>OPERATING REVENUES</b>												
Member premiums	\$ 26,382,244	\$ 559,975	\$ 14,346,856	\$ 1,885,786	\$ 15,005,033	\$ 46,296	\$ 148,591,866	\$ 1,079,906	\$ 0	\$ 30,879,810	\$ (30,879,810)	\$ 207,897,962
Retrospective premium adjustments	19,287,980	0	6,895,613	0	(1,687,420)	(21,625)	0	0	(2,528,367)	0	0	21,946,181
TOTAL OPERATING REVENUES	45,670,224	559,975	21,242,469	1,885,786	13,317,613	24,671	148,591,866	1,079,906	(2,528,367)	30,879,810	(30,879,810)	229,844,143
<b>OPERATING EXPENSES</b>												
Claims expense:												
Claims paid	20,354,659	0	3,278,955	0	5,453,084	0	82,173,645	0	0	18,808,205	(18,808,205)	111,260,343
Change in claims reserves	13,053,897	0	9,060,166	0	2,658,994	0	0	0	0	7,589,564	(7,589,564)	24,773,057
Change in claims incurred but not reported	2,192,656	0	(789,455)	0	(559,605)	0	(1,313,000)	0	0	214,484	(214,484)	(469,404)
Change in unallocated loss adjustment expense	(246,209)	0	272,732	0	198,130	0	0	0	0	0	0	224,653
Total claims expense	35,355,003	0	11,822,398	0	7,750,603	0	80,860,645	0	0	26,612,253	(26,612,253)	135,788,649
Excess insurance	7,956,599	524,975	7,506,179	1,866,011	654,186	22,229	578,603	582,260	0	0	(2,080,898)	17,610,144
Benefit premiums	0	0	0	0	0	0	72,078,021	0	0	0	0	72,078,021
Pension expense	663,568	0	309,663	0	796,272	0	806,317	0	0	0	0	2,575,821
General, Administrative & Depreciation	3,441,645	35,000	1,656,924	19,775	4,397,782	0	2,138,650	342,263	0	2,182,311	(2,182,311)	12,032,038
TOTAL OPERATING EXPENSES	47,416,815	559,975	21,295,164	1,885,786	13,598,843	22,229	156,462,236	924,523	0	28,794,564	(30,875,462)	240,084,673
OPERATING INCOME (LOSS)	(1,746,591)	0	(52,695)	0	(281,230)	2,442	(7,870,370)	155,383	(2,528,367)	2,085,246	(4,348)	(10,240,530)
<b>NONOPERATING REVENUES</b>												
Investment income	246,591	0	52,695	0	281,230	2,188	610,771	0	0	678,677	(678,677)	1,193,475
Net increase in investment fair value	0	0	0	0	0	0	742,310	0	0	16,233,736	0	16,976,046
TOTAL NONOPERATING REVENUES	246,591	0	52,695	0	281,230	2,188	1,353,081	0	0	16,912,413	(678,677)	18,169,521
CHANGE IN NET POSITION	\$ (1,500,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,630	\$ (6,517,289)	\$ 155,383	\$ (2,528,367)	\$ 18,997,659	\$ (683,025)	\$ 7,928,991



**CALIFORNIA WATER INSURANCE FUND**

SCHEDULE OF NET POSITION  
SEPTEMBER 30, 2023

	<u>2023</u>	<u>Memo Only 2022</u>
<b>ASSETS:</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 856,071	\$ 4,246,647
Premiums receivable	15,072,950	18,838,051
TOTAL CURRENT ASSETS	<u>15,929,021</u>	<u>23,084,698</u>
NONCURRENT ASSETS		
Investments	<u>162,390,981</u>	<u>129,941,005</u>
<b>TOTAL ASSETS</b>	<u>178,320,002</u>	<u>153,025,703</u>
<b>LIABILITIES:</b>		
CURRENT LIABILITIES		
Administrative fees payable to JPIA	0	6,869,051
Claim reimbursements payable	18,808,205	10,214,539
Dividends payable	678,677	3,747,820
Unearned premiums	6,352,125	6,603,450
Claims reserves	15,499,328	10,200,463
TOTAL CURRENT LIABILITIES	<u>41,338,335</u>	<u>37,635,323</u>
NONCURRENT LIABILITIES		
Claims reserves	11,721,929	9,431,229
Claims incurred but not reported	20,479,437	20,264,954
TOTAL NONCURRENT LIABILITIES	<u>32,201,366</u>	<u>29,696,183</u>
<b>TOTAL LIABILITIES</b>	<u>73,539,701</u>	<u>67,331,506</u>
<b>NET POSITION:</b>		
Capital stock	250,000	250,000
Paid-in capital	96,788,445	96,700,000
Unrestricted	7,741,856	(11,255,803)
<b>TOTAL NET POSITION</b>	<u>\$ 104,780,301</u>	<u>\$ 85,694,197</u>

See accompanying notes to financial statements.

## CALIFORNIA WATER INSURANCE FUND

### SCHEDULE OF CASH FLOWS YEAR ENDED SEPTEMBER 30, 2023

	<b>2023</b>	Memo Only <b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received for premiums	\$ 34,393,586	\$ 36,644,317
Dividends paid back to JPIA	(5,247,820)	(4,167,542)
Payments for claims	(10,214,539)	(8,066,009)
Payments for administrative fees	(6,872,686)	(10,808,146)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,058,541	13,602,620
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Paid in capital from JPIA	88,445	74,700,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	88,445	74,700,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of securities	(100,158,215)	(134,740,936)
Proceeds from sales of investments	83,941,976	46,370,154
Investment earnings	915,105	3,984,248
Investment expenses	(236,428)	(236,428)
NET CASH USED BY INVESTING ACTIVITIES	(15,537,562)	(84,622,962)
Increase (decrease) in cash and cash equivalents	(3,390,576)	3,679,658
Cash and cash equivalents, beginning	4,246,647	566,989
<b>Cash and cash equivalents, end of year</b>	<b>\$ 856,071</b>	<b>\$ 4,246,647</b>
<b>RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating gain (loss)	\$ 2,085,245	\$ (788,689)
Adjustments to net cash provided by operating activities:		
Change in member premiums receivable	3,765,101	5,996,271
Change in administrative fees payable	(6,869,051)	(3,939,095)
Change in claims reimbursements payable	8,593,666	2,148,530
Change in dividends payable	(3,069,143)	(419,722)
Change in unearned member premiums	(251,325)	(3,430,001)
Change in claims liabilities	7,804,048	14,035,326
NET CASH PROVIDED BY OPERATING ACTIVITIES	<b>\$ 12,058,541</b>	<b>\$ 13,602,620</b>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Change in unrealized fair value of investments	\$ 16,233,737	\$ (34,818,795)

See accompanying notes to financial statements.

**STATISTICAL SECTION**

# STATISTICAL SECTION

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

## Financial Trends

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

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## Demographic and Economic Information

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

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

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Covered Payrolls/Property Values.....	84

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

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

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

STATEMENTS OF NET POSITION  
Last Ten Fiscal Years

	Fiscal Year September 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Assets</b>										
Current assets	\$ 69,901,479	\$ 72,465,623	\$ 64,697,698	\$ 67,511,963	\$ 60,182,304	\$ 75,977,556	\$ 90,574,861	\$ 55,041,382	\$ 62,751,382	\$ 44,388,883
Noncurrent assets	125,682,527	122,029,131	124,869,063	131,853,381	128,161,913	136,122,295	146,950,212	216,728,977	183,863,832	244,073,620
<b>TOTAL ASSETS</b>	<b>195,584,006</b>	<b>194,494,754</b>	<b>189,566,761</b>	<b>199,365,344</b>	<b>188,344,217</b>	<b>212,099,851</b>	<b>237,525,073</b>	<b>271,770,359</b>	<b>246,615,214</b>	<b>288,462,503</b>
<b>DEFERRED OUTFLOWS OF RESOURCES RELATE</b>		625,033	1,065,779	1,404,974	1,063,032	480,729	741,645	1,027,236	5,034,164	3,716,126
<b>DEFERRED OUTFLOWS OF RESOURCES RELATED TO OTHER POSTEMPLOYMENT BENEFITS<sup>1</sup></b>					35,283	73,061	313,105	161,906	1,074,398	938,785
<b>Liabilities</b>										
Current liabilities	53,163,043	55,874,099	63,978,099	65,377,439	44,238,468	49,702,296	55,629,664	49,931,094	54,139,990	61,493,533
Noncurrent liabilities	54,463,790	57,465,715	57,496,224	58,494,030	56,582,233	62,344,624	57,445,500	73,627,596	82,986,616	105,710,134
<b>TOTAL LIABILITIES</b>	<b>107,626,833</b>	<b>113,339,814</b>	<b>121,474,323</b>	<b>123,871,469</b>	<b>100,820,701</b>	<b>112,046,920</b>	<b>113,075,164</b>	<b>123,558,690</b>	<b>137,126,606</b>	<b>167,203,667</b>
<b>DEFERRED INFLOWS OF RESOURCES RELATE</b>		846,155	1,802,985	1,576,175	2,117,303	1,070,024	1,281,433	(2,780,885)	1,634,493	1,503,278
<b>DEFERRED INFLOWS OF RESOURCES RELATED TO OTHER POSTEMPLOYMENT BENEFITS<sup>2</sup></b>					38,924	602,195	536,019	2,371,164	1,178,756	3,697,557
<b>Net Position</b>										
Net investment in capital assets	6,206,203	5,302,885	5,072,656	4,839,789	4,641,581	4,539,034	4,310,372	4,104,251	3,910,782	3,690,257
Unrestricted	81,750,970	75,630,933	63,630,961	70,482,885	81,824,023	94,395,468	119,376,835	145,706,281	108,873,139	117,022,655
<b>TOTAL NET POSITION</b>	<b>\$ 87,957,173</b>	<b>\$ 80,933,818</b>	<b>\$ 68,703,617</b>	<b>\$ 75,322,674</b>	<b>\$ 86,465,604</b>	<b>\$ 98,934,502</b>	<b>\$ 123,687,207</b>	<b>\$ 149,810,532</b>	<b>\$ 112,783,921</b>	<b>\$ 120,712,912</b>

1- Beginning in the fiscal year ended September 30, 2015, GASB 68 required the recognition of net pension liability, the related deferred outflows and inflows of resources, and pension expenses.

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

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

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

	2014	2015	2016	2017	2018	2019	2020	2021*	2022*	2023
<b>REVENUES</b>										
Member premiums	\$ 152,994,168	\$ 154,042,184	\$ 159,008,617	\$ 171,496,710	\$ 179,425,274	\$ 183,179,723	\$ 194,507,327	\$ 200,775,298	\$ 198,914,797	\$ 207,897,962
Retrospective premium adjustments	(10,979,765)	3,619,551	(12,017,219)	(1,504,527)	(3,380,970)	(9,532,430)	(5,377,009)	(11,457,566)	10,775,431	21,946,181
<b>TOTAL OPERATING REVENUES</b>	<b>142,014,403</b>	<b>157,661,735</b>	<b>146,991,398</b>	<b>169,992,183</b>	<b>176,044,304</b>	<b>173,647,293</b>	<b>189,130,318</b>	<b>189,317,732</b>	<b>209,690,228</b>	<b>229,844,143</b>
<b>EXPENSES</b>										
Claims paid	86,929,610	92,455,329	97,258,190	92,556,531	93,668,325	87,791,048	90,772,703	85,905,737	96,142,905	111,260,343
Change in excess aggregate recovery	0	0	0	0	0	0	0	0	0	0
Change in claim reserves	1,109,472	4,098,558	(1,008,442)	(255,677)	3,187,095	3,253,830	(103,945)	4,749,782	8,863,387	24,773,057
Change in claims incurred but not reported	616,144	4,153,850	(3)	3,832,135	(6,123,633)	172,859	(4,252,240)	2,807,404	3,498,215	(469,404)
Change in unallocated loss (gain) adjustment expenses	490,716	281,517	277,793	165,446	(304,308)	51,335	(686,050)	1,301,398	(806,973)	224,653
<b>TOTAL CLAIMS EXPENSE</b>	<b>89,145,942</b>	<b>100,989,254</b>	<b>96,527,538</b>	<b>96,298,435</b>	<b>90,427,479</b>	<b>91,269,072</b>	<b>85,730,468</b>	<b>94,764,321</b>	<b>107,697,534</b>	<b>135,788,649</b>
Excess insurance and premium payments	52,622,414	53,517,864	54,164,327	56,875,871	63,658,940	68,238,635	76,240,115	79,743,790	87,558,006	89,688,165
General and administrative	7,549,473	9,346,478	10,642,018	10,741,391	10,865,359	9,630,392	10,687,493	28,733	17,171,910	14,387,334
Depreciation	366,360	341,832	268,088	254,843	244,521	218,147	228,662	223,612	218,578	220,525
<b>TOTAL OPERATING EXPENSES</b>	<b>149,684,189</b>	<b>164,195,428</b>	<b>161,601,971</b>	<b>164,170,540</b>	<b>165,196,299</b>	<b>169,356,246</b>	<b>172,886,738</b>	<b>174,760,456</b>	<b>212,646,028</b>	<b>240,084,673</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(7,669,786)</b>	<b>(6,533,693)</b>	<b>(14,610,573)</b>	<b>5,821,643</b>	<b>10,848,005</b>	<b>4,291,047</b>	<b>16,243,580</b>	<b>14,557,276</b>	<b>(2,955,800)</b>	<b>(10,240,530)</b>
<b>SPECIAL ITEM</b>										
Net position acquired from merger										
<b>NONOPERATING REVENUES AND EXPENSES</b>										
Net investment income (loss)	1,111,191	2,738,962	2,380,372	797,414	294,925	8,177,851	8,509,125	11,566,049	(34,070,811)	18,169,521
<b>CHANGE IN NET POSITION</b>	<b>\$ (6,558,595)</b>	<b>\$ (3,794,731)</b>	<b>\$ (12,230,201)</b>	<b>\$ 6,619,057</b>	<b>\$ 11,142,930</b>	<b>\$ 12,468,898</b>	<b>\$ 24,752,705</b>	<b>\$ 26,123,325</b>	<b>\$ (37,026,611)</b>	<b>\$ 7,928,991</b>

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

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

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

Fiscal Year	Liability	Dam	Property	Pass- Thru	Workers' Compensation	Underground Storage Tanks	Employee Benefits	Cyber Liability*	CWIF	Interfund Eliminations	Change in Rate Stabilization Fund & GASB Adj's	Totals
2013-14	11,430,667	255,503	4,925,813	260,521	10,965,338	12,378	119,699,883				(4,424,509)	143,125,594
	7.99%	0.18%	3.44%	0.18%	7.66%	0.01%	83.63%				-3.09%	
2014-15	21,062,280	255,500	4,316,367	253,987	10,025,093	12,682	122,243,564				2,231,224	160,400,697
	13.13%	0.16%	2.69%	0.16%	6.25%	0.01%	76.21%				1.39%	
2015-16	7,064,155	255,500	5,321,990	262,220	13,040,835	12,680	126,441,388				(3,026,998)	149,371,770
	4.73%	0.17%	3.56%	0.18%	8.73%	0.01%	84.65%				-2.03%	
2016-17	14,594,442	257,403	4,628,900	305,519	9,642,153	16,650	137,343,585				4,000,945	170,789,597
	8.55%	0.15%	2.71%	0.18%	5.65%	0.01%	80.42%				2.34%	
2017-18	17,147,781	261,024	5,259,036	372,025	7,709,196	14,079	143,957,698				1,618,390	176,339,229
	9.72%	0.15%	2.98%	0.21%	4.37%	0.01%	81.64%				0.92%	
2018-19	15,072,798	279,607	6,963,310	614,451	9,716,581	16,289	149,417,400				(255,292)	181,825,144
	8.29%	0.15%	3.83%	0.34%	5.34%	0.01%	82.18%				-0.14%	
2019-20	24,523,703	403,325	8,769,309	1,263,183	7,310,250	21,015	154,805,758		25,831,640	(22,756,563)	(2,532,177)	197,639,443
	12.41%	0.20%	4.44%	0.64%	3.70%	0.01%	78.33%		13.07%	-11.51%	-1.28%	
2020-21	18,330,243	439,753	10,659,051	680,693	4,534,361	20,603	155,652,807		45,812,966	(38,636,413)	3,389,717	200,883,781
	9.12%	0.22%	5.31%	0.34%	2.26%	0.01%	77.48%		22.81%	-19.23%	1.69%	
2021-22	37,537,627	512,250	12,657,851	1,139,584	9,389,928	22,479	148,397,136		3,007,072	(37,825,867)	781,357	175,619,417
	21.37%	0.29%	7.21%	0.65%	5.35%	0.01%	84.50%		1.71%	-21.54%	0.44%	
2022-23	45,670,224	559,975	21,242,469	1,885,786	13,317,613	24,671	148,591,866	1,079,906	30,879,810	(30,879,810)	(2,528,367)	229,844,143
	19.87%	0.24%	9.24%	0.82%	5.79%	0.01%	64.65%	0.47%	13.44%	-13.44%	-1.10%	

\*New to fiscal year 2022-2023

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

EXPENSES BY PROGRAM  
For the Fiscal Year Ending September 30,

Fiscal Year	Liability	Dam	Property	Pass- Thru	Workers' Compensation	Underground Storage Tanks	Employee Benefits	Cyber Liability*	CWIF	Interfund Eliminations	Totals
2013-14	11,430,667 7.64%	255,503 0.17%	4,925,813 3.29%	260,522 0.17%	10,965,338 7.33%	10,260 0.01%	121,836,086 81.40%				149,684,189
2014-15	21,062,280 12.83%	255,500 0.16%	4,066,367 2.48%	253,987 0.15%	10,025,093 6.11%	10,564 0.01%	128,521,637 78.27%				164,195,428
2015-16	7,064,155 4.37%	255,500 0.16%	4,821,990 2.98%	262,220 0.16%	13,040,834 8.07%	10,564 0.01%	136,146,708 84.25%				161,601,971
2016-17	14,594,442 8.89%	257,403 0.16%	4,128,900 2.52%	305,519 0.19%	9,642,153 5.87%	14,243 0.01%	135,227,880 82.37%				164,170,540
2017-18	17,147,781 10.38%	261,024 0.16%	4,759,037 2.88%	372,025 0.23%	7,709,196 4.67%	11,720 0.01%	134,935,516 81.68%				165,196,299
2018-19	15,072,798 8.90%	279,607 0.17%	6,713,310 3.96%	614,451 0.36%	9,716,581 5.74%	13,464 0.01%	136,946,035 80.86%				169,356,246
2019-20	24,523,703 14.18%	403,325 0.23%	8,769,309 5.07%	1,263,183 0.73%	7,310,250 4.23%	17,587 0.01%	133,129,193 77.00%	20,226,751 11.70%	(22,756,563) -13%		172,886,738
2020-21	18,330,243 10.49%	439,753 0.25%	10,659,051 6.10%	680,693 0.39%	4,534,361 2.59%	17,053 0.01%	137,569,489 78.72%	32,200,683 18.43%	(29,670,870) -17%		174,760,456
2021-22	37,537,627 17.65%	512,250 0.24%	12,657,851 5.95%	1,139,584 0.54%	9,389,928 4.42%	18,605 0.01%	154,198,029 72.51%	34,866,736 16.40%	(37,674,582) -17.72%		212,646,028
2022-23	47,416,815 19.75%	559,975 0.23%	21,295,164 8.87%	1,885,786 0.79%	13,598,843 5.66%	22,229 0.01%	156,462,236 65.17%	924,523 0.39%	28,794,565 11.99%	(30,875,463) -12.86%	240,084,673

\*New to fiscal year 2022-2023



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

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

<b>Fiscal Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Liability</b>										
Payroll Adjustments *	\$ 77,449	\$ 205,975	\$ (21,465)	\$ (54,358)	\$ 63,818	\$ (169,042)	\$ (447,382)	\$ (238,047)	\$ 90,827	\$ 88,520
RPA's *	(1,193,460)	3,355,680	(707,907)	9,489,820	2,488,066	1,891,742	242,260	4,299,266	(15,516)	(1,739,374)
10% Program *	(416,028)	(251,999)	(1,041,835)	(1,493,572)	0	(1,017,753)	(1,648,316)	(1,633,975)	(839,995)	(1,354,816)
Cat Funds *	1,106,460	2,201,780	896,656	(603,846)	351,039	(146,026)	1,907,767	121,757	(295,422)	166,257
<b>Property</b>										
RPA's *	747,493	422,814	324,287	699,465	891,754	431,317	531,326	0	0	158,557
<b>Workers' Comp</b>										
RPA's *	(182,993)	(1,294,405)	(487,746)	75,039	5,013,647	3,184,330	4,749,199	7,233,304	5,445,202	484,238
Cat Funds	1,154,883	(752,710)	(631,586)	(872,242)	456,049	(138,797)	(209,062)	230,896	229,437	42,350
<b>Underground - Storage Tanks</b>										
RPA's *	0	0	0	0	0	7,555	0	0	0	0
Cat Funds *	0	0	0	0	0	0	0	0	0	0
<b>UTEL</b>										
RPA's *	0	0	0	0	0	0	0	0	0	0
Cat Funds *	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>\$ 1,293,804</b>	<b>\$ 3,887,135</b>	<b>\$ (1,669,596)</b>	<b>\$ 7,240,306</b>	<b>\$ 9,264,373</b>	<b>\$ 4,043,326</b>	<b>\$ 5,125,792</b>	<b>\$ 10,013,201</b>	<b>\$ 4,614,533</b>	<b>\$ (2,154,268)</b>
<b>Cash Flow</b>										
Members Billed	7,556	115,297	0	0	0	6,530	0	0	366,541	106,973
Self Insured Fund into RSF	0	0	0	0	0	0	0	0	0	0
Refunds to Members	(3,464,519)	(3,565,724)	(1,077,368)	(4,713,370)	(6,840,987)	(4,569,107)	(5,905,812)	(6,210,994)	(4,265,700)	(268,823)
<b>Net Total</b>	<b>\$ (2,163,159)</b>	<b>\$ 436,708</b>	<b>\$ (2,746,964)</b>	<b>\$ 2,526,936</b>	<b>\$ 2,423,386</b>	<b>\$ (519,251)</b>	<b>\$ (780,020)</b>	<b>\$ 3,802,207</b>	<b>\$ 715,374</b>	<b>\$ (2,316,118)</b>

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

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

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

Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Liability</b>										
Total Number of Claims (Cumulative)	10,792	9,393	11,294	11,586	11,908	12,200	12,555	12,842	13,183	13,948
Closed Claims (Cumulative)	10,640	10,872	11,127	11,373	11,612	11,867	12,169	12,461	12,770	13,109
Open Claims (at year end)	152	180	167	213	296	333	386	381	413	839
Covered Payroll (Cumulative)	\$ 8,937,912	\$ 9,427,805	\$ 9,952,261	\$ 10,461,457	\$ 11,045,237	\$ 11,738,353	\$ 12,502,652	\$ 13,267,403	\$ 14,055,164	\$ 14,942,451
<b>Property</b>										
Total Number of Claims (Cumulative)	2,275	2,373	2,463	2,589	2,693	2,816	2,950	3,072	3,229	3,349
Closed Claims (Cumulative)	2,244	2,336	2,417	2,532	2,645	2,759	2,875	3,004	3,139	3,248
Open Claims (at year end)	31	37	46	57	48	57	75	68	90	101
Total Insured Value (Cumulative)	\$ 63,798,940	\$ 69,031,783	\$ 74,533,519	\$ 80,656,971	\$ 87,762,361	\$ 95,702,609	\$ 104,858,066	\$ 95,702,608	\$ 112,816,437	\$ 138,373,313
<b>Workers' Compensation</b>										
Total Number of Claims (Cumulative)	9,507	9,822	10,145	10,453	10,750	11,070	11,363	11,676	11,955	12,257
Closed Claims (Cumulative)	9,075	9,373	9,712	10,046	10,336	10,670	10,983	11,270	11,576	11,875
Open Claims (at year end)	432	449	433	407	414	400	380	406	379	382
Covered Payroll (Cumulative)	\$ 6,241,955	\$ 6,706,772	\$ 6,720,301	\$ 7,222,206	\$ 7,743,749	\$ 8,309,485	\$ 8,944,051	\$ 9,624,663	\$ 10,334,448	\$ 11,107,574
Number of Employees	46	48	49	49	49	49	50	50	52	55
<b>Ratio of Premium to Payroll/TIV</b>										
Liability Program	3.37%	3.02%	2.94%	2.92%	3.00%	2.54%	2.71%	2.81%	2.75%	3.05%
Property Program	0.11%	0.11%	0.10%	0.10%	0.09%	0.08%	0.09%	0.12%	0.10%	0.12%
Workers' Comp. Program	2.72%	2.64%	2.59%	2.46%	2.39%	2.29%	2.19%	1.95%	1.70%	1.94%

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

Demographic Statistics by Employer

Employer	2022			2013	
	Number of Employees	Rank	Percentage of Total City Employees	Number of Employees	Rank
Kaiser Permanente Medical Group & Foundation Group	5,900	1	6.39%	3,724	1
PRIDE Industries	5,432	2	5.89%	1,021	7
Sutter Health Roseville Medical Group	3,361	3	3.64%	1,654	3
Adventist Health	1,500	4	1.63%		
City of Roseville	1,277	5	1.38%	1,254	5
Union Pacific Railroad Company	1,150	5	1.25%	1,168	6
Roseville City School District	1,133	7	1.23%		
Roseville Joint Union High School District	1,005	8	1.09%	1,299	4
Penumbra	600	9	0.65%		
Consolidated Communications	507	10	0.55%		
Hewlett-Packard				3,200	2
Roseville Elementary School District				929	8
Walmart				790	9
Telefunken Semiconductors America				600	10
Subtotal	<u>21,865</u>		<u>23.70%</u>	<u>15,639</u>	
Total Employment	<u>92,281</u> (a)			<u>71,067</u>	

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

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

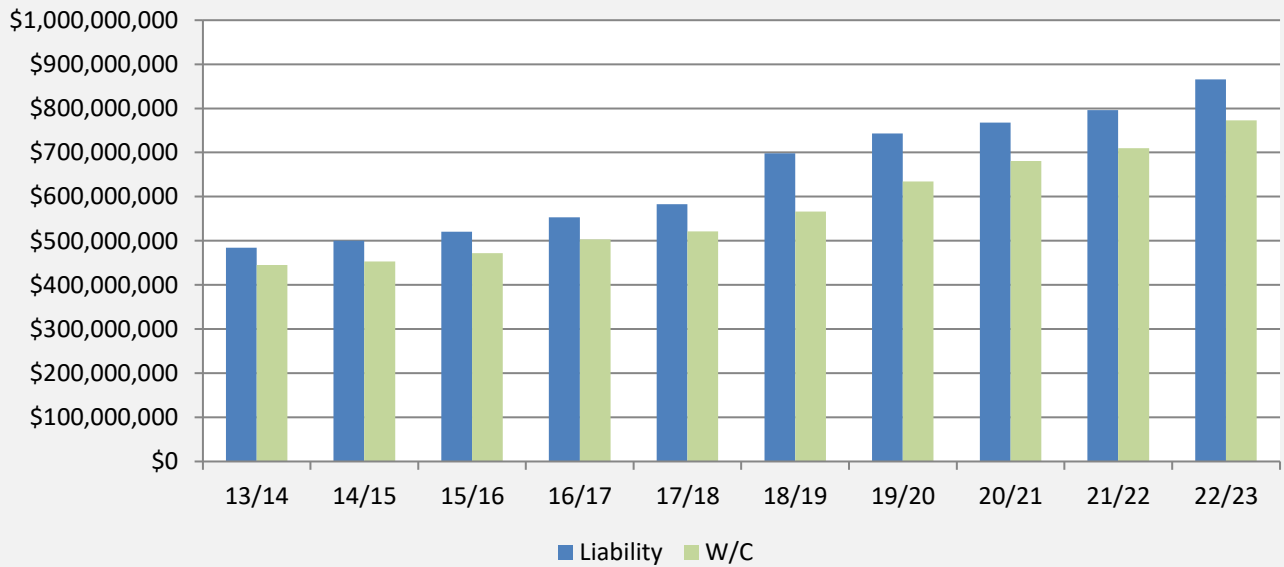
Demographic Statistics by Population

<u>Fiscal Year</u>	<u>City of Roseville Population</u>	<u>County Total Personal Income (in thousands)</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Placer County Population</u>	<u>City Population % of County</u>
2013	124,255	20,174,068	54,924	7.5%	357,463	34.76%
2014	126,956	21,182,771	55,000	6.5%	366,000	34.69%
2015	128,832	21,240,299	57,000	5.3%	369,454	34.87%
2016	134,073	22,741,453	59,000	4.5%	373,796	35.87%
2017	135,868	24,527,289	63,000	3.8%	382,837	35.49%
2018	137,213	26,223,081	67,000	3.0%	389,532	35.23%
2019	139,643	27,459,330	69,000	3.5%	396,691	35.20%
2020	145,163	29,470,903	73,000	3.0%	403,711	35.96%
2021	146,875	31,184,538	77,000	3.0%	404,994	36.27%
2022	151,034	(a)	(a)	2.8%	409,025	36.93%

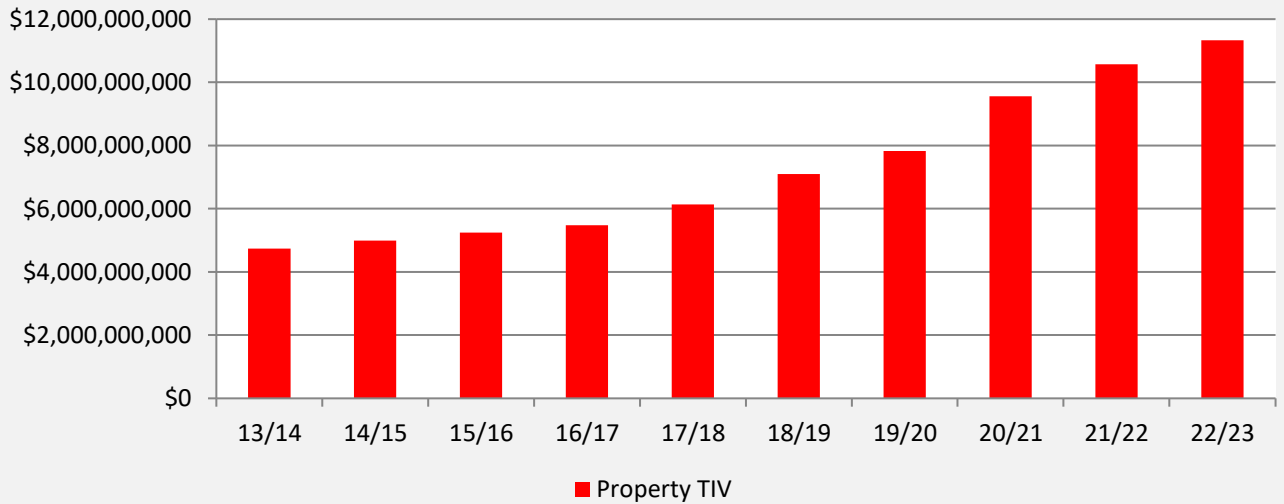
(a) Information not available

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

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



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



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise ACWA JPIA’s basic financial statements, and have issued our report thereon dated March 20, 2024.

**Report on Internal Control over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

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

**Purpose of This Report**

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



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

**March 20, 2024**

**ACWA JPIA**  
**Proposed Operating Budget**  
**for Fiscal Year 10/1/2024-25**  
**May 6, 2024**

**BACKGROUND**

In March/April of each year, a proposed operating budget is submitted to the Finance & Audit Committee and then to the Executive Committee for review. At the ACWA JPIA Spring Membership Summit, the proposed operating budget is presented for approval to the Board of Directors. The budget covers General & Administrative (G&A) Expenses for the fiscal year ending September 30, 2025.

**CURRENT SITUATION**

The most significant changes to the G&A budget for the fiscal year are staff salaries and office building (lines 1 and 3).

The Staff Salaries primary increase is due to a 5% provision for potential raises/promotions. Additionally, there are placeholder funds for additional staff compared to the previous budget.

Office buildings increase is primarily the result of anticipated additional space the JPIA will need to accommodate staff needs.

Executive Committee Member Expenses (line 20) has an over 50% increase from the previous year's budget. This is due to the JPIA Executive Committee participating in significantly more meetings than the previous years where COVID-19 had previously severely limited these opportunities. Total per diems paid to Executive Members went from 257 in fiscal year 2022, to 386 in fiscal year 2023.

The overall increase in the Operating Budget is 10.2% (line 36).

**RECOMMENDATION**

That the Board of Directors approve the proposed Operating Budget for the fiscal year ending September 30, 2025, as presented.



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

**GENERAL & ADMINISTRATIVE EXPENSES**

	BUDGETED FYE 9/30/23	ACTUAL FYE 9/30/23	DIFFERENCE ACT - BUD	APPROVED BUDGET FYE 9/30/24	PROPOSED BUDGET FYE 9/30/25	DIFFERENCE 2024 vs. 2025	% OF CHANGE 24 vs. 25
<b><u>ACWA JPIA STAFF SERVICES</u></b>							
Staff Salaries & Temporary Services	\$ 6,200,000	\$ 6,559,663	\$ 359,663	\$ 6,840,000	\$ 7,780,000	\$ 940,000	13.7%
Staff Employee Benefits	3,100,000	2,199,179	(900,821)	3,410,000	3,400,000	(10,000)	-0.3%
Office Buildings	139,000	159,120	20,120	137,000	256,000	119,000	86.9%
Postage and Freight	53,000	48,855	(4,145)	54,000	53,000	(1,000)	-1.9%
Telephone Service	57,000	47,777	(9,223)	52,000	50,000	(2,000)	-3.8%
JPIA Perspective Production	18,000	-	(18,000)	-	-	-	0.0%
Outside Printing	16,000	15,970	(30)	15,000	16,000	1,000	6.7%
JPIA Office Insurance	26,000	24,420	(1,580)	25,000	26,000	1,000	4.0%
General Office Supplies	29,000	43,722	14,722	35,000	45,000	10,000	28.6%
Computer Equipment Software, Office Furniture	840,000	990,689	150,689	910,000	920,000	10,000	1.1%
Dues, Subscriptions, & Misc. Publications	125,000	130,913	5,913	110,000	116,000	6,000	5.5%
Staff Ed/Training Seminars & Coursework Reimbs	75,000	115,467	40,467	95,000	120,000	25,000	26.3%
Depreciation on Capital Assets	215,000	220,526	5,526	213,000	190,000	(23,000)	-10.8%
Staff Travel Related Expenses	85,000	133,588	48,588	90,000	143,000	53,000	58.9%
Staff Risk Assessment Travel Related Expenses	46,000	46,991	991	50,000	75,000	25,000	50.0%
Member Informational Workshops	113,000	100,598	(12,402)	125,000	115,000	(10,000)	-8.0%
Lending Library	5,000	398	(4,602)	2,000	1,000	(1,000)	-50.0%
Member Safety & Loss Control Incentive Awards	115,000	66,171	(48,829)	110,000	110,000	0	0.0%
<b>Total ACWA/JPIA Staff Services</b>	<b>11,257,000</b>	<b>10,904,047</b>	<b>(352,953)</b>	<b>12,273,000</b>	<b>13,416,000</b>	<b>1,143,000</b>	<b>9.3%</b>
<b><u>COMMITTEES &amp; BD. OF DIRECTORS' SERVICES</u></b>							
Executive Committee Member Expenses	170,000	268,607	98,607	185,000	281,000	96,000	51.9%
Advisory Committee Expenses	20,000	31,511	11,511	15,000	32,000	17,000	113.3%
Membership Summit & ACWA Conf. Expense	150,000	196,827	46,827	160,000	200,000	40,000	25.0%
<b>Total Committees &amp; Board of Directors' Services</b>	<b>340,000</b>	<b>496,945</b>	<b>156,945</b>	<b>360,000</b>	<b>513,000</b>	<b>153,000</b>	<b>42.5%</b>
<b><u>EXTERNAL CONSULTING AND PROF. SERVICES</u></b>							
Insurance Program Actuarial Analysis	21,000	36,750	15,750	22,000	30,000	8,000	36.4%
Consulting Services	25,000	5,766	(19,234)	25,000	25,000	-	0.0%
Occu-Med	106,000	105,174	(826)	106,000	105,000	(1,000)	-0.9%
Vector Solutions	145,000	138,400	(6,600)	150,000	145,320	(4,680)	-3.1%
General Legal/Attorney Services	5,000	44,612	39,612	10,000	15,000	5,000	50.0%
Specific Claims & Coverage Related Legal Fees	45,000	72,550	27,550	45,000	50,000	5,000	11.1%
DIR Assessment & Other Mandated Fees (External Claims Admin)	260,000	375,376	115,376	270,000	310,000	40,000	14.8%
ACWA/JPIA Financial Audit	66,000	70,900	4,900	67,000	75,000	8,000	11.9%
Insurance Programs Claims Audits	-	10,450	10,450	-	12,000	12,000	0.0%
Personnel Consulting Services	-	-	-	5,000	15,000	10,000	0.0%
<b>Total External Consulting / Professional Services</b>	<b>673,000</b>	<b>859,978</b>	<b>186,978</b>	<b>700,000</b>	<b>782,320</b>	<b>82,320</b>	<b>11.8%</b>
<b>PROGRAM DEVELOPMENT / CONTINGENCIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>150,000</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL GENERAL &amp; ADMINISTRATIVE EXPENSES</b>	<b>\$ 12,270,000</b>	<b>\$ 12,260,970</b>	<b>\$ (9,030)</b>	<b>\$ 13,483,000</b>	<b>\$ 14,861,320</b>	<b>\$ 1,378,320</b>	<b>10.2%</b>

**ACWA JPIA**  
**Pooled Programs Update**  
**May 6, 2024**

**BACKGROUND**

The JPIA has four major pooled programs. Created in 1979, the Liability Program has served JPIA members for over 40 years. The Property Program was implemented in 1982 while the Workers' Compensation Program began in 1984. Lastly, the JPIA assumed responsibility for the Employee Benefits Program in July 2012.

The JPIA continues to offer its members stability through a strong financial position, experienced management, and longevity of membership.

Each pooled program stands alone meaning they are separately funded and managed. The Programs have different levels of members participating as not all members participate in all programs.

**CURRENT SITUATION**

Over the recent years, the member participation gaps are narrowing with improved pricing, expanded coverages, increased outreach program, and a coordinated focus on customer service.

Staff will review current highlights for each program.

**RECOMMENDATION**

None, information only.



## Pooled Programs Highlights

### Liability Program – renews October 1

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- 347 members
- \$5 million retention; \$50 million coverage limit; CWIF reinsures the \$10M X \$10M layer
- 10% rate increase in 2023/24
- A hardened market and increasing large losses are impacting pricing

### Property Program – renews July 1

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- 289 members
- \$10,000,000 retention; \$500 million coverage limit
- 20% rate increase in 2023/24
- A hardened market, catastrophic events (including wildfire), and a few large losses continue to dominate pricing

### Workers' Compensation Program – renews July 1

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- 208 members
- \$2 million retention, Statutory coverage limit
- Flat rate renewal in 2023/24; 2-year rate guarantee for reinsurance
- Rates have stayed flat or decreased over the past 10 years

### Employee Benefits Program – renews January 1

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- 267 members
- 2024 rates for the self-funded PPO program are +12%; self-funded dental/vision program rates are flat
- Insured program rate changes range from flat to 10%
- Pharmacy Benefit Manager changed to Anthem CarelonRx; added Anthem Health Guide concierge customer service benefit – January 1
- Medical costs (partially related to inflation) have escalating rapidly; expect rate increases in future years

**ACWA JPIA**  
**Leadership Essentials for the Water Industry Program Update**  
**May 6, 2024**

**BACKGROUND**

JPIA's year-long *Leadership Essentials for the Water Industry* program is a popular executive leadership experience developed specifically for senior water and wastewater agency leaders. 184 leader-graduates from 14 cohort groups have participated in both Northern and Southern California since 2015. Applications are typically open in Spring/early Summer each year, with cohorts beginning in Fall.

**CURRENT SITUATION**

Applications are now being accepted for the upcoming 2024/2025 Northern and Southern California program cohorts through June 14, 2024.

Program participation includes 80+ hours of instruction, all materials, assessments, and meals. It is a one-year commitment with four required in-person sessions (2 days each) and monthly webinars at a cost of \$2,195 for JPIA members with a \$500 discount for Liability Program members. To spread the opportunity to numerous member agencies, one participant is generally selected per applying agency unless additional space is available. If seats are still available after all interested member applications are received, non-members may be admitted at a cost of \$2,625 (program fees). JPIA General Managers and senior leadership team members are encouraged to apply as soon as possible since space is limited to 16 participants per cohort.

Applications for the *E.G. "Jerry" Gladbach Leadership Development Program Grant* are also available concurrently until mid-June, with one Northern and one Southern CA grant recipient each receiving a waiver of program fees and travel cost reimbursement for their participation. In its inaugural year, only three grant applications were submitted, so JPIA would like to get the word out about this valuable member resource and generous grant offer.

The program and grant application forms, a synopsis of program objectives, monthly session schedule, and additional program grant information is available on the JPIA Training website at <https://www.acwajpia.com/training-2/#leadership-program>.

**RECOMMENDATION**

None, information only.



# LEADERSHIP ESSENTIALS FOR THE WATER INDUSTRY

## ABOUT OUR PROGRAM

Workplaces have seen dramatic change in recent years, which calls for a dynamic response from water agencies to develop skills needed for leading now - and into the future. That's where the JPIA Leadership Development Program for senior water agency leaders comes in.

## WHAT WE OFFER

This exciting program with 180+ graduates offers water agency general managers and other senior staff a year-long, robust education experience to develop leadership skills and facilitate growth in three spectrums: self, team, and agency leadership.

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

- Small class sizes
- Personalized assessments
- Interaction with water industry peers
- Practical, on-the-job application of concepts

## DETAILS

Program investment includes 80+ hours of instruction, all materials, assessments, and meals. One-year commitment with four required in-person sessions (2 days each) and monthly webinars:

\$2,195 JPIA members (\$500 discount for Liability Program members)  
\$2,625 Non-members



Apply by June 14. Limited seats - priority given to JPIA members. Programs held in Costa Mesa or Roseville, CA beginning Fall 2024. E.G “Jerry” Gladbach Leadership Program Grant opportunity to cover fees and expenses available. See website for details.



**ACWA JPIA**  
**H.R. LaBounty Safety Awards Program**  
**Winners for Spring 2024**  
**May 6, 2024**

**BACKGROUND**

The JPIA's H.R. LaBounty Safety Awards Program began in 1999 to promote safe workplace behavior and operation practices while rewarding employees who demonstrate safe behavior, take part in recognizable proactive activities, or participate in risk-reducing actions. Additionally, nomination summaries of recognized hazards with corrective actions are available to the entire JPIA membership through the JPIA's website at <https://www.acwajpia.com/safety-risk-control/#safety-awards>.

**CURRENT SITUATION**

Results of the Safety Awards Program are announced each Spring and Fall at the ACWA JPIA Membership Summits and highlighted in the *JPIASource*.

There were 15 nominations submitted from 11 members for Spring 2024. Twenty-two member employees and one member department will receive monetary awards for their safety improvements and engineering solutions. The awards highlighted for presentation at the ACWA JPIA Spring Membership Summit were selected based on the following judging criteria:

- Provides solid documentation of the hazard or exposure; and the controls to reduce or eliminate the hazard such as tools, forms, or programs.
- Demonstrates employee participation across all levels of the organization with documentation of communication and training methods.
- Implements a best practice for a Commitment to Excellence category based on JPIA loss data.
- Applies to small, medium, and large members within the JPIA.
- Provides a long-term solution to eliminate, substitute, or engineer out the hazard.

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

Risk Control Advisors continually promote the H.R. LaBounty Safety Awards Program during site visits and training classes to encourage members to engage their staff and continuously improve their safety programs.

**RECOMMENDATION**

None, information only.



## **H.R. LaBounty Safety Award Winners**

Spring 2024

**Alameda County Flood Control  
and Water Control District  
(Zone 7 Water Agency)**  
Elke Rank

**American River Flood Control  
District**  
David Diaz

**Centerville Community Services  
District**  
Tina Teuscher

**Elsinore Valley Municipal Water  
District**  
Andrew Saucedo  
Daniel Lohre  
Jennifer Aguirre

**Humboldt Bay Municipal Water  
District**  
Essex Staff

**Mission Springs Water District**  
David Weaver

**Oakdale Irrigation District**  
Mike Ayres

**Rainbow Municipal Water District**  
Bernardo Nunez

**Sacramento Suburban Water  
District**  
Shawn Chaney

**Sweetwater Authority**  
Jason Le  
Adam Dinalov  
Mark De Alba  
Travis Northinton  
Matt Kloska  
Richard Cortez  
Richard Kerouac  
Jim Dickerson  
Victor Guas  
Craia Rasmussen  
Miles Teague

**Walnut Valley Water District**  
Shawna Seals

**ACWA JPIA**  
**CEO Update**  
**May 6, 2024**

**BACKGROUND**

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

**CURRENT SITUATION**

The JPIA's Chief Executive Officer, Adrienne Beatty, will update the Board of Directors on relevant current issues and potential future opportunities and challenges.

**RECOMMENDATION**

None, information only.



**ACWA JPIA**  
**President's Update**  
**May 6, 2024**

**BACKGROUND**

This is a standing item on the Board of Directors' meeting agenda.

**CURRENT SITUATION**

ACWA JPIA Board President, Melody McDonald, will address the Board of Directors on relevant items, events, and announcements.

**RECOMMENDATION**

None, information only.



# **APPENDIX**

## **Glossary of Terms**

## Section 12 — Glossary of Terms

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**ACA (Affordable Care Act)** – The federal statute signed into law in March 2010. Signed under the title of The Patient Protection and Affordable Care Act, the law includes multiple provisions that will take effect over a matter of years.

**ACOEM Guidelines (American College of Occupational and Environmental Medicine)** – A medical utilization review system of evidence-based, nationally recognized standards of medical care. Utilization of ACOEM Guidelines is intended to control over-utilization and end unreasonable medical care.

**ACV (Actual Cash Value)** – Value of property at the time of its loss or damage, determined by subtracting depreciation of the item from its replacement cost. Applies to vehicles and mobile (contractor's) equipment covered under the JPIA's MOPC, hypalon reservoir covers, hypalon bladder tanks, and other property subject to a higher rate of depreciation than the typical property types.

**AD&D (Accidental Death and Dismemberment)** – A life insurance benefit that pays a claim in the event of accidental death or loss physical functionality. Basic Life is often mirrored by an identical amount of AD&D, resulting in benefit doubling in the case of accidental death.

**Adverse Selection** – It is a term used in economics, insurance, risk management, and statistics. It refers to a market process in which undesired results occur when buyers and sellers have asymmetric information (access to different information); the "bad" products or services are more likely to be selected. For example, a bank that sets one price for all of its checking account customers runs the risk of being adversely selected against by its low-balance, high activity (and hence least profitable) customers. Two ways to model adverse selection are to employ signaling games and screening games.

**Aggregate** – The term used to describe the cumulative amount of all losses for a period of time.

**AGRIP (Association of Governmental Risk Pools)** – An international organization of public entity insurance risk pools formed for educational, information sharing, and networking purposes.

**AIS** – Associate in Insurance Services.

**ALCM** – Associate in Loss Control Management.

**APIP** – Alliant Property Insurance Program.

**ARM** – Associate in Risk Management.

**ARM-P** – Public risk management designation.

**ASO (Administrative Services Only)** – This refers to what self-funded plans pay to a medical claims administrator, which includes use of that claims administrator's network of providers. Providers have agreed to accept negotiated rates for services in exchange for participation in the network.

**ASP** – Associate Safety Professional.

**Attachment Point** – The dollar amount of a loss where the next layer of insurance begins to pay for the loss.

**Automobile Liability** – Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles.

**Automobile Physical Damage** – Usually a first party coverage; however, some entities have “Bailment” or “care, custody and control” liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots.

**BI** – Bodily injury.

**C&R (Compromise and Release)** – A final settlement in workers’ compensation.

**CAJPA (California Association of Joint Powers Authorities)** – It is pronounced ka jaup’ a. Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs.

**CAMP (California Asset Management Program)** – A California Joint Powers Authority (“JPA”) established in 1989 to provide California public agencies with professional investment services. JPIA sometimes uses it as a short term investment vehicle.

**Captive Insurance Company** – A Captive Insurance Company is a private corporation, wholly owned by the JPIA, that provides insurance services only to the JPIA.

**CAT Fund (Catastrophic Loss Reserve Fund)** – A separate JPIA reserve account designated to pay catastrophic losses incurred as a result of extraordinary events without additional premium assessments to members.

**CDHP (Consumer Driven Health Plan)** – A health plan in which the full deductible applies to all medical and prescription services, with the only exception being preventive care. These plans must have a minimum deductible set by the IRS each year. The plans are designed to comply with IRS regulations governing Health Savings Accounts (HSAs), which allow participants to set aside tax-advantaged funds in a Health Savings Account to pay for medical expenses.

**CIGA (California Insurance Guarantee Association)** – A state agency that administers and pays claims on behalf of admitted insurance carriers that have been declared insolvent. Since the JPIA is not an insurance company, it does not participate in CIGA, which is funded by a surcharge on premiums. However, some of the carriers that provide excess coverage to the JPIA do participate in CIGA.

**CIH** – Certified Industrial Hygienist.

**CIPRA (California Institute for Public Risk Analysis)** – Organized to develop, analyze and disseminate information on risk management in California’s public sector, especially self-insured entities and Joint Powers Authorities.

**Claim** – A demand of a right. In general a demand for compensatory damages resulting from the actions of another.

**Claims Made** – A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. (See “Occurrence”)

**CNP (Closed No Payment)** – Status of a claim that was closed out without any claim payments having been made.

**COB (Coordination of Benefits)** – When a participant is covered by two health plans, the manner in which benefits are determined. This determination includes which plan pays first, and how benefits are calculated once the primary plan has made payment.

**Coinsurance** – The percentage cost sharing split between a plan and participant, which takes effect once the Deductible is met. Typically part of a PPO plan benefit design.

**Copay** – The flat dollar amount owed by a participant for medical plan benefits. Typically part of an HMO plan design, but applicable to certain benefits in PPO plan designs, e.g. office visits.

**CPCU** – Chartered Property and Casualty Underwriter.

**CPRA (California Public Records Act)** – a law passed by the California State Legislature and signed by the governor in 1968 requiring inspection or disclosure of governmental records to the public upon request, unless exempted by law.

**CSP** – Certified Safety Professional.

**CWIF (California Water Insurance Fund)** – ACWA JPIA's Captive Insurance Company (see Captive).

**DDC** – Defensive Driving Class.

**Deductible (Employee Benefits)** – The amount a participant must pay in full before Co-Insurance cost sharing begins. Typically associated with PPO medical plans. Some services, like office visits, are often subject to Co-pays prior to the Deductible being met.

**Deductible** – It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid. Only the JPIA's Property Program uses a deductible.

**Defense** – A defendant's denial to a complaint or cause of action.

**Deposit Premium** – Premium required at the beginning of a policy period based on estimated costs.

**DIC (Difference In Conditions)** – A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses.

**Directors, Officers and Trustees Liability** – Intended to protect nonprofit board members, officers, and directors for faulty decisions which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrong-doers.

**EAP (Employee Assistance Program)** – A benefit that provides numerous services to covered employees and eligible members of their household and/or dependents (as determined by the plan). The programs are designed to help employees manage

the health of their personal lives, allowing them to be productive and focused at work.

**EE** – Employee.

**EGWP “egg whip” (Employer Group Wavier Plan)** – A group purchase program for Medicare Part D prescription drugs for retirees.

**E-mod** – See Experience Modification.

**Employers’ Liability** – Included as part of a worker’s compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers’ compensation benefits.

**Employment Liability Hotline** – Contact for employment related issues.

**Environmental Impairment Liability (EIL)** – Also referred to as “Pollution” and “Pollution Legal” Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First-party (damage to owned property) and third-party (liability for damage to others) protection can often be combined.

**EOB (Explanation of Benefits)** – A statement issued by a PPO claims administrator for each claim that details costs for services, broken down by: full cost, network negotiated rate, ineligible amount (if any), plan responsibility and participant responsibility.

**EOC (Evidence of Coverage)** – The detailed document that describes a medical plan’s coverage provisions.

**EPL (Employment Practices Liability)** – Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc. A relatively new coverage, this is one of the fastest growing areas of litigation.

**ER** – Employer.

**Errors and Omissions Liability** – Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys.

**Excess Insurance** – Insurance that is purchased to provide higher limits than the primary policy provides.

**Excess Loss** – The portion of a loss that is allocated to, or paid by, excess insurance. The JPIA Liability Program self-insures, through a pool, the first \$1 million of each occurrence. Losses in excess of that amount are paid by an excess liability insurance policy purchased by the JPIA on behalf the Program members.

**Experience Modification** – A mathematical factor used to modify a member’s premium in both the JPIA Liability Program and the Workers’ Compensation Program. It is based on a member’s previous actual loss experience compared to the average or expected loss experience. A calculated factor of greater than 1.0 is a debit and reflects higher than expected loss experience. Conversely, a factor of less than 1.0

is a credit and reflects more favorable loss experience. Also known as **E-mod**, **Ex-mod**, and **X-mod**.

**Experience Modifier** – A numerical factor developed by measuring the difference between a member’s actual loss experience and the expected losses of the payroll classifications (for workers’ compensation) or the average losses of the pool (for liability). The experience period used is the earliest three of the last four years. The factor may increase or decrease a member’s standard premium in response to their past lost experience. Members with a favorable loss record will have a factor lower than 1.0 and will pay a lower premium. Member with a poorer loss record will have a factor greater than 1.0 and will pay a higher premium. Also known as **experience modification factor**, **e-mod**, **ex-mod**, and **X-mod**.

**FASB** – Financial Accounting Standards Board.

**Fidelity Bonds** – Written as financial guarantees of employees’ honesty. Personnel with money-handling responsibilities are considered exposures to loss.

**Fiduciary Liability** – Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds.

**FLSA (Fair Labor Standards Act)** – The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

**FPPC** (Fair Political Practices Commission).

**FSA (Flexible Spending Account)** – An account to which an employee contributes a portion of earnings to pay for certain expenses such as medical or dependent care. Contributions are exempt from payroll taxes.

**FSC (Family Status Change)** – See Qualifying Event.

**Fully Insured Plan** – A plan for which premiums are paid to an insurance company, who in turn pays claims. These plans are referred to as pass through plans in associations, because premiums are collected and remitted directly to the insurer.

**Full Value** – A term used in the JPIA’s MOPC to provide “guaranteed” replacement cost coverage, which will pay the full cost to replace damaged property regardless of the “limit” carried. Applies to buildings and personal property.

**G&A** – General & Administrative.

**GAAP** – Generally Accepted Accounting Principles.

**GASB** – Governmental Accounting Standards Board.

**General Liability** – Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties).

**GFOA (Government Finance Officers’ Association)** – International association whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education. The GFOA is the organization that oversees the CAFR Program.

**HCR (Health Care Reform)** – See Affordable Care Act.

**HDHP (High Deductible Health Plan)** – See Consumer Driven Health Plan (CDHP).

**Health Plan** – May be used to reference a medical plan, but also often refers to medical, dental and vision plans.

**HIPAA (Health Insurance Portability and Accountability Act)** – Federal legislation that, among other things, establishes standards for electronic medical records, and protects the privacy of a patient's protected health information. See PHI.

**HMO (Health Maintenance Organization)** – A plan whose benefits are limited solely to a participating network of providers, for which capitation (per head) payment is made to the participant's assigned provider, regardless of whether the participant seeks services. Claims payments are also made for services exceeding those deemed to be covered by capitation. Deductibles are not often part of an HMO plan design, with the exception of ABHPs, which utilize the network and certain elements of plan design of traditional HMOs.

**HRCP (Human Resources Certification Program)** – One of the professional certification "tracks" within the JPIA's Professional Development Program (PDP).

**HSA (Health Savings Account)** – A triple tax-advantaged account that allows contributions, investment growth and withdrawals for medical, dental and vision expenses, free from Federal taxes. To contribute to an HSA, an individual must be enrolled in a Consumer Driven Health Plan (CDHP). An individual does not need to be enrolled in a CDHP to withdraw the funds. Before age 65 the withdrawals must be for health expenses to avoid penalties and taxation. Upon reaching age 65, funds can be withdrawn as taxable income free from penalty. These accounts are governed by IRS Publication 969.

**IBNR (Incurred But Not Reported)** – This is a claim term. It is that part of the total claims that is unknown at any point in time. When a claim is reported, its final value must be estimated. The JPIA tracks how accurately it estimates and knows that historically the average claims' value will grow over time. The JPIA also understands that at any point in time occurrences have taken place that will certainly generate claims that have not yet been reported.

**Incurred Loss** – This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves).

**Inverse Condemnation** – Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages.

**LAIF (Local Agency Investment Fund)** – It is part of the California State Pooled Money Investment Account (PMIA), sometimes used by JPIA as a short-term investment vehicle.



**LMS (Learning Management System)** - a software application for the administration, documentation, tracking, reporting and delivery of education courses or training programs.

**Lending Library** – Library of videos, tapes, DVDs, and booklets available for borrowing by members to use in their training efforts.

**Limit** – The most that will be paid in a loss.

**MOLC (Memorandum of Liability Coverage)** – The JPIA's agreement providing liability coverage to Member Agencies.

**MOPC (Memorandum of Property Coverage)** – The JPIA's agreement providing property coverage to Member Agencies.

**NRSRO** – Nationally Recognized Statistical Rating Organization.

**Occu-Med** – Providers of a service program for members in the JPIA's Workers' Compensation Program, which assists in facilitating pre-employment physicals, fit-for-duty exams, etc.

**Occurrence** – A) In order for the JPIA to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act, which results in "damages", "bodily injury", or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of an insurance policy that requires it to pay for a claim caused during the policy period regardless of when it is presented. (See "claims made")

**Open Enrollment** – The annual opportunity to make changes to benefits enrollment selections. JPIA health plans renew January 1. Each October through November, employees may choose to add or delete dependents, and/or switch between the available health plans. Retirees of members who choose to offer retiree open enrollment may also change plans during this period, but may not add dependents.

**OOPM (Out of Pocket Maximum)** – The maximum a participant will pay for covered services in a plan year.

**OPEB (Other Post-Employment Benefits)** – Refers to the benefits, other than pensions, that a state or local government employee receives as part of his or her package of retirement benefits. Typically, retiree medical insurance is the most significant OPEB offering, though other benefits such as life insurance are also covered by this umbrella term.

**PARMA (Public Agency Risk Managers Association)** – A state-wide association for risk managers in the public sector. Educational and lobbying activities.

**Parties** – The participants in any claim or suit are referred to as the "parties" to the action. When dealing with insurance claims, the following terms are used: **First Party** - This is the member district; **Second Party** - This is the JPIA; and **Third Party** - This is anyone other than the member or JPIA.

**PBM (Pharmacy Benefit Manager)** – A third-party administrator responsible for administration of pharmacy benefits and price negotiation for prescription drugs.

**PCORI (Patient Centered Outcomes Research Institute)** – A consortium put together by the Affordable Care Act to study health treatments and outcomes to identify cost effective treatments that result in long term health and savings. This is funded by fees charged to health plans.

**PD** – Property damage.

**PD (Permanent Disability)** – Results when an injury diminishes a worker's future earning capacity. Permanent disability is essentially the disability that remains once the employee's condition has become permanent and stationary. A worker's medical condition is considered permanent and stationary after it has reached maximum medical improvement.

**PDP (Professional Development Program)** – The framework for JPIA's training program, providing members' employees with opportunities to learn or refine job-related skills while pursuing certifications in their fields of interest.

**PE** – Registered Professional Engineer.

**PEPM (Per Employee Per Month)** – Refers to a cost based on the primary enrollee only in a health plan.

**PFAS** – Perfluorinated Compounds: Any and all liability, including, but not limited to, losses, costs or expenses related to, arising from, or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by Perfluorinated Compounds (PFCs), in whole or part, listed as part of State or Federal guidance or regulations, and county, state, or federal directives requiring PFCs to be investigated or cleaned up including, but not limited to, perfluoroalkyl substances (PFAS or any PFAS, PFOS and PFOA-related products and chemicals), including any constituents of, additives to, or daughter or degradation by-products thereof.

**PHI (Protected Health Information)** – Protected health information (PHI), as defined by HIPAA, is any individually identifiable information about health status, provision of health care, or payment for health care that can be linked to a specific individual. This is interpreted rather broadly and includes any part of a patient's medical record or payment history. This includes health information with data items which reasonably could be expected to allow individual identification. HIPAA applies to health information exchanged or stored electronically, to data transmitted or maintained in any other form or medium, which includes paper records, fax documents and oral communications.

**Plaintiff** – The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit.

**PMPM (Per Member Per Month)** – Refers to a cost based on each person enrolled in a health plan, including dependents.

**Pooled Loss** – The portion of a loss that is allocated to, or paid by, the self-insured pool. The JPIA Liability Program pools, or self-insures, the first \$1 million of each occurrence. Loss costs exceeding this amount are paid by excess insurance.

**PPACA (Patient Protection and Affordable Care Act)** – This is now commonly referred to as the Affordable Care Act. See Affordable Care Act.

**PPD (Permanent Partial Disability)** – A permanent disability rating from 1% to 99.75%. It is possible for the worker to be permanently partial disabled, even if the worker has returned to the previous job and is doing the same work as before the injury.

**PPO (Preferred Provider Organization)** – A type of plan design that utilizes a network of providers to provide significant discounts to participants, yet allows the participant to seek out of network services at a reduced benefit. These plans typically have a Deductible. Once the Deductible is met, Co-insurance applies, resulting in cost sharing between the plan and participant at a predetermined percentage.

**PRIMA (Public Risk Management Association)** – A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes.

**Property Insurance** – This covers the member for damage to its own property, sometimes called first-party coverage.

**PTD (Permanent Total Disability)** – A permanent disability rating of 100%.

**QE (Qualifying Event)** – An event like marriage, birth, adoption, that allows a mid-year change to benefits enrollment.

**QME (Qualified Medical Evaluator)** – A doctor selected from a State panel to address medical, disability, and compensability disputes between the parties.

**RAP (Retrospective Allocation Point)** – In the JPIA's liability and workers' compensation programs, it is that portion of each claim that the member will be responsible for when the RPA is made. The deposit premium includes an estimate of the expected losses below the RAP. It is *not* a deductible; the member does not pay additional money at the time of loss. RAP losses are included in the RPA calculation. Members share in the pooled losses of other members only for losses above their RAP. The Liability Program offers RAPs of \$2,500; \$5,000; \$10,000; \$25,000; and \$50,000. Retentions above these amounts are treated differently; they are considered SIRs.

**RC (Replacement Cost)** – The cost to replace damaged property with like kind and quality, with no deduction for depreciation.

**RDP (Registered Domestic Partner)** – A couple registered with the State of California that is same gender of any age, or opposite gender and age 62 or above.

**REA** – Registered Environmental Assessor.

**REHS** – Registered Environmental Health Specialist.

**Reinsurance** – Insurance that is purchased by an insurance company (*insurer*) from another insurance company (*reinsurer*) as a means of risk management, to transfer risk from the *insurer* to the *reinsurer*. The JPIA uses a mix of both reinsurance and excess insurance in its pooled coverage programs.

**Reserve** – In order to budget for its expected costs, the JPIA estimates the ultimate expected total value of each claim and "reserves" part of the deposit premium to pay for it. As moneys are paid out for a claim, the reserve amount is decreased.

**RIMS (Risk and Insurance Management Society)** – National professional organization to promote principles of risk management and assist risk managers in their daily activities.

**Risk Control** – Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others.

**Risk Financing** – Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques - retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses using an outside intermediary for a consideration (such as a payment of a premium). Each agency that participates in the JPIA practices these techniques. Losses are retained to the extent of an agency's RAP; they are transferred to the JPIA pool in excess of this amount.

**Risk Management** – One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.

**RPA (Retrospective Premium Adjustment)** – At the beginning of each policy period, the JPIA collects a deposit premium representing the estimated costs for that year. The JPIA looks back at that estimate and determines how accurate it was and makes an RPA. If it collected too much, a refund is made. If it collected too little, the member is charged for the difference. The process is repeated annually for each coverage year until all claims for that year are closed out.

**RSF (Rate Stabilization Fund)** – A separate JPIA fund designed to stabilize the RPA process. A member's refunds from the Catastrophic Loss Fund and from the RPA process are credited to this fund. Any RPAs resulting in additional premiums due will be charged against this fund. When a member's Fund balance exceeds a predetermined amount, the excess money will be refunded.

**RTW** – Return to work.

**RX** – Prescription.

**SBC (Summary of Benefits and Coverage)** – A plan summary that utilizes a specific format, required and set forth by the Affordable Care Act. This allows apples to apples comparison of different medical plans, based on the standardized format. These must be distributed to participants becoming newly eligible for coverage and annually.

**SCIF (State Compensation Insurance Company)** – A state agency that provides workers' compensation insurance to California employers.

**SCP (Supervisor Certification Program)** – One of the professional certification "tracks" within the JPIA's Professional Development Program (PDP).

**Self-Funded Plan** – A plan which collects payment from participants and pays claims directly, often utilizing a third party claims administrator. Funds left over can be used

to offset future premium increases. Costs for participation are directly tied to the claims cost for the specific group of participants' utilization.

**SIR (Self Insured Retention)** – In the JPIA's liability program, the Pool's self-insured limits.

**Special Events** – Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies' loss integrity. Another type of special event coverage, known as a "tenants' and users'" policy, can be issued for third parties who rent or use your owned facilities.

**SPD (Summary Plan Description)** – The detailed document that describes a medical plan's coverage provisions.

**Suprationals** - United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

**TD (Temporary Disability)** – An impairment of bodily function, or physical incapacity that is reasonably expected to be cured or materially improved with proper medical care. This is the healing period following an injury. Temporary disability benefits are intended to be a substitute for lost wages (subject to minimums and maximums) during a period of temporary incapacity.

**TIV (Total Insured Values)** – The values shown on a Member Agency's schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss.

**UST (Underground Storage Tanks)** – Refers primarily to underground fuel tanks; used most often in reference to the JPIA's Memorandum of Underground Storage Tank Pollution Liability Program. This program protects member agencies against third-party claims for bodily injury and property damage caused leaks from USTs. It also includes coverage for government mandated clean-up costs.

**Workers' Compensation** – A statutory coverage designed as the "sole remedy" for workers injured in the course and scope of their duties.