Celebrating 10 Years of ACWA JPIA's Leadership Development Program

2025 Spring Membership Summit

A Network Dedicated to You

May 12-13, 2025
Portola Hotel & Spa at Monterey Bay
Two Portola Plaza, Monterey, CA 93940

www.www.acwajpia.com/membershipsummit

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WELCOME FROM THE BOARD PRESIDENT

Dear Friends and Fellow Water Professionals,

It is my pleasure to welcome you to the **ACWA JPIA Spring Membership Summit**, held **May 12–13, 2025**, at the **Portola Hotel and Spa** in beautiful **Monterey, California**. Moments like this—where we connect, collaborate, and grow—are what make our community stronger and strengthens the work we do across the water industry.

This year, we are proud to celebrate a significant milestone—the **10th Anniversary of our Leadership Essentials Program for the Water Industry**. Over the past decade, this program has helped equip General Managers and senior leaders with the tools to lead with innovation and confidence. It continues to be a cornerstone of our commitment to developing talent across the industry. The Program will be spotlighted in several key sessions and events. If your district has had participants in our Leadership Program over the past 10 years, we may tap you for a quick sound bite during our Monday evening **Board Reception**—your story could be featured in a special video premiering at the Fall 2025 Summit! And don't miss our hosted **Leadership Program Reception** on **Tuesday at 3:00 PM**—open to graduates, current participants, and prospective applicants—come celebrate, connect, and learn more!

As our members gain the greatest value from the educational content our Summit features, we're excited to share **expanded educational sessions** tailored to the evolving needs of our members. Monday begins with a hot breakfast and the **Property Program Committee Meeting** where you will learn about some exciting new innovations in property coverage. Then hear an exciting update on JPIA's operational growth, as we're excited to be securing a new home for JPIA—one that provides the space our staff need to thrive, fosters collaboration, and allows us to welcome members back into our own facilities for training, connection, and shared success.

Just before lunch, our immensely popular **"Ask ACWA JPIA Anything"** session returns, giving you the chance to hear directly from JPIA leadership about how their work supports your agency. Then, lunchtime provides a great opportunity to socialize with your peers and learn about **"The State of the Employee Benefits Program"** with Adam Dedmon, Employee Benefits Manager, and Tom Sher, Senior Vice President, Alliant Insurance Services Inc. At 2:00 PM, we'll convene for the **Board of Directors Meeting**, including the Executive Committee Election. Please remember to check in beforehand to collect your ballots and voting cards. As noted earlier, we'll wrap up Monday with our traditional **JPIA-hosted reception**.

Tuesday continues with powerful sessions spotlighting some of the amazing things our members have done to manage their risk and engage their communities to ensure support for critical initiatives, in the **Managing Risk and Recognizing Excellence** session, followed by **Securing Our Water Future: Building Support for Infrastructure and Cultivating Leaders**.

Reuniting with so many dedicated professionals is a highlight of every Summit. Your support fuels everything we do at JPIA, and we're always listening for ways to serve you even better.

Warm regards,

Melody McDonald

Melody McDonald,
Board President
ACWA JPIA

CONTACT US!

Telephone Number	800.231.JPIA (5742)
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Communications	communications@acwajpia.com
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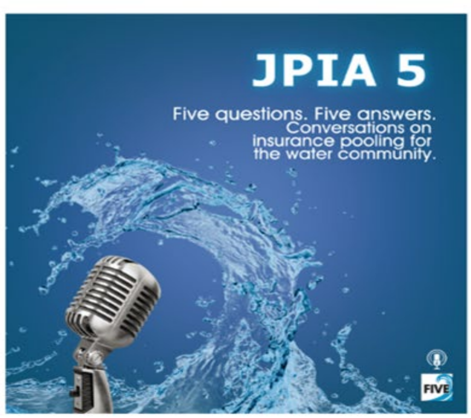
Member Education	training@acwajpia.com
Workers' Compensation Claims	claimswc@acwajpia.com
Employment Practices Liability Hotline	(888) 715-3754

LEADERSHIP

Chief Executive Officer	Adrienne Beatty	abeatty@acwajpia.com
General Counsel	Robert Greenfield	rgreenfield@acwajpia.com
Director of Finance	David deBernardi	ddebernardi@acwajpia.com
Director of Member Outreach	Elisa Sabatini	esabatini@acwajpia.com
Director of Pooled Programs	Jennifer Jobe	jjobe@acwajpia.com

Check out Podcasts here!

ACWAJPIA.COM



ITUNES

EDUCATIONAL SESSIONS

Monday, May 12, De Anza III

Ask ACWA JPIA Anything @ 11:00 a.m.

Moderator: *Adrienne Beatty, ACWA JPIA CEO*

Panelists:


Erin Bowles
Workers' Comp Claims Manager


Sarah Crawford
Member Education Manager


Adam Dedmon
Employee Benefits Manager


Robin Flint
Risk Control Manager


Jennifer Jobe
Director of Pooled Programs


Erik Kowalewski
IT Manager


Dan Steele
Finance Manager


Kayla Villa
Litigation Manager


Tony Waterford
Human Resources Manager

Get ready for an engaging "Ask ACWA JPIA Anything" session featuring JPIA department managers. This session will provide an overview of services, best practices, tools, and resources offered for members, and an opportunity to ask questions to enhance your understanding of the pool from their unique perspectives. Don't miss this chance to learn from our experienced team and gain insight on how each department supports JPIA members.

Monday, May 12, Bonsai

Presentation: State of the Employee Benefits Program @ Lunch

Presenters:


Adam Dedmon
Employee Benefits Manager
ACWA JPIA


Tom Sher
Senior Vice President
Alliant Insurance Services Inc.

Adam Dedmon, Employee Benefits Manager at ACWA JPIA, and Tom Sher, Senior Vice President at Alliant, will review the State of the Employee Benefits Program during the lunch session on Monday, May 12, 2025. Their presentation will provide an update on key issues that have affected the program, including those raised by members, items of particular significance, and areas of focus for future program development. The session will conclude with time for questions and discussion.

Presenter Biography

Tom Sher is a Senior Vice President of Alliant Insurance Services with over 40 years of experience in advising California public agencies in delivering progressive, cost-effective group health benefit plans. He is a frequent speaker at CAJPA and CALPELRA. His clients include several statewide JPAs and numerous California counties, cities and public schools. Tom is a U.S. Navy veteran and a graduate of the U.S. Naval Academy with a Masters in Business Administration from the European Institute of Business Administration.

EDUCATIONAL SESSIONS

Tuesday, May 13, De Anza III

Managing Risk and Recognizing Excellence @ 8:30 a.m.

Panelists:

Len Barton
Safety & Emergency Manager
Moulton Niguel Water District

Mathew Bunde
Lead Risk Control Advisor
ACWA JPIA

Jesse Cota
Senior Risk Control Advisor
ACWA JPIA

Robin Flint
Risk Control Manager
ACWA JPIA

Marc Limas
Operations Manager
Alta Irrigation District

Dan York
General Manager
Sacramento Suburban Water District

We celebrated a decade of the JPIA's Commitment to Excellence Program last year. However, the Risk Management team provides many other impressive services, resources, and support to our members. Join us for an insightful session where we will explore the team's four pillars of risk control, along with our risk control programs and resources. During a panel discussion, you will discover how the achievements of our Risk Advisors and member agencies enhance safety and excellence throughout our risk pool. Don't miss this opportunity to learn and grow together!

Panelist Biography

Len Barton has been a safety professional for over 30 years and has been the Safety and Emergency Manager for Moulton Niguel Water District for the last six years. Prior to joining Moulton Niguel Water District, Len acted as the Corporate Safety Manager and Regional Safety Manager for two different Fortune 500 companies, overseeing manufacturing and construction facilities and worksites across the country. Len's passion and enjoyment for safety and emergency management is having the opportunity to collaborate with all levels of personnel and develop real solutions for job hazards and emergencies. Len has been happily married for 34 years to Marie and, together, they have raised four children and are enjoying the time they get to spend with their three grandchildren.

Dan York is the General Manager of Sacramento Suburban Water District. Dan has 44 years of service in the public sector of water utilities. Prior to joining Sacramento Suburban Water District in 1996, Dan began his career as an operator at Rio Linda Water District. Dan has always appreciated being part of a team that is responsible for delivering a safe, reliable, and affordable water supply to the public. Dan has been married for 39 years and has three beautiful children and two grandchildren. He loves spending time with his family and playing a nice round of golf with family and friends.

Marc Limas has served as the Operations Manager for Alta Irrigation District since January 2019, overseeing the efficient delivery of water resources across a 130,000-acre service area in Tulare, Fresno, and Kings Counties. Prior to this role, he was the Controller at Alta Irrigation District from May 2018 to January 2019. Marc brings extensive experience in finance and operations, having previously worked as Controller for Tulare Firestone, a tire dealer with 15 locations in Central California, from 2007 to 2017. He holds a degree in Business Administration from California State University, Fresno, and also holds a Real Estate Broker's License. Growing up in a farming family, Marc worked on his family's ranch throughout his college years, giving him a deep understanding of agricultural practices and water resource management

EDUCATIONAL SESSIONS

Tuesday, May 13, De Anza III

Securing Our Water Future: Building Support for Infrastructure and Cultivating Leaders @ 10:30 a.m.

Panelists:

Mary Elise Conzelmann
Public Affairs Analyst
Citrus Heights Water District

Andrew Johnson
Customer Advisory Committee Chair
Citrus Heights Water District

Jennifer Leibermann
Customer Advisory Committee Facilitator

Hillary Straus
General Manager
Citrus Heights Water District

Panelist Biography

Mary Elise Conzelmann brings a dynamic and versatile skill set to her work in public engagement, communications, and legislative and regulatory affairs. With a career focused on local government, she has led award-winning projects and programs for a wide range of agencies, including water and wastewater utilities, cities, counties, special districts, and ports. Her work has been recognized at both the state and national levels for innovation and effectiveness. Mary Elise has a Bachelor's in Recreation Administration from Humboldt State University and a Master's in Business Management from Saint Mary's College of California.

Andrew Johnson has lived in the Citrus Heights Water District (CHWD) service area with his wife and seven children for 25 years. His involvement with CHWD began in 2018 when he joined the Customer Advisory Committee (CAC), serving as an alternate member and transitioning shortly thereafter to a residential committee member. In 2024, he was elected CHWD CAC Chair. He played a key role, alongside fellow members, in advancing the District's Meter Replacement Project and shaping the committee's recommendation for a surcharge for Project 2030 — an initiative focused on replacing over 70% of CHWD's aging water mains between 2030 and 2080. Beyond the CHWD CAC, Andrew works for the California Public Utilities Commission as a Senior Utilities Engineer Specialist and serves as Vice President of the National Society of Professional Engineers-California.

Jennifer Liebermann advises clients such as the US Department of Health and Human Services, Feeding America, NASA, and the National Cancer Institute on strategic planning and master facilitation. Jennifer founded Kaiser Permanente's Garfield Innovation Center and led large scale transformation projects, exploring "the future of" topics, re-imagining physical spaces, and implementing new technologies. Her unique background — an MBA from UC Berkeley, design training at Stanford's School, and a master's in public health — blends rigorous analysis with creative problem solving. She is an expert in the process of innovation and stakeholder engagement with a depth of expertise working in complex public sector systems.

Hilary Straus has more than 30 years of experience in local government administration and currently serves as General Manager for the Citrus Heights Water District. During his time in the public sector, Hilary has served as a City Administrator and City Manager in two cities in California. He has a Bachelor's Degree in Political Science from the University of California, Davis, and a Master's Degree in Public Administration from the University of Southern California. In addition to his role as General Manager, Hilary serves on the Board of Directors for the Institute for Local Government and Regional Government Services Authority and is a frequent speaker for the California Special District Association.

EDUCATIONAL SESSIONS

Tuesday, May 13, Colton, Monterey Convention Center

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

Presenter: *Robert Greenfield, JPIA General Counsel*

Robert Greenfield
General Counsel

The world is constantly changing, and the impact of these changes filter into workplaces on a daily basis. This course will take a new look at the issue of sexual harassment, particularly considering new protected classes, technological advances, acceptable workplace behavior, and the age-old issue of respect for anyone associated with a district's business. Other points covered by this course are understanding the California and federal sexual harassment laws, recognizing early signs of sexual harassment, and dealing with incidents of harassment.

To receive credit for this class, attendees must arrive on time and attend the entire two-hour session. HR professionals may count these session hours as electives towards JPIA's Professional Development Program, HR Specialty. This course complies with AB1825, AB1661, and AB 2053 sexual harassment training requirements for California-based supervisors, managers, and elected officials.

Presenter Biography

Robert H. Greenfield joined ACWA JPIA in December of 2013. As JPIA's General Counsel, Robert oversees legal compliance of the JPIA with all applicable State and Federal laws. Robert directs outside counsel in JPIA litigated claims and provides coverage analysis for members. He also helps the members through employment practices training, including state mandated training for supervisors and elected officials. In complicated matters, Robert assists members through the Employment Practices Hotline.

Robert graduated with honors from Fordham College and University of Pacific School of Law. Robert was in private practice for 30 years, representing public entities in both State and Federal Court in many types of litigation with a focus on labor and employment matters. He has been given the highest possible rating in both Legal Ability & Ethical Standards by Martindale–Hubbell in Government Law and Employment Law. Robert is an active member of the State Bar of California and participates in the Employment and Labor Law Section of the State Bar. He is also a past president of the local County Bar Association and served as an elected member of the Gold Trail Unified School District Board of Trustees.

2025 SPRING MEMBERSHIP SUMMIT SCHEDULE

Location: Portola Hotel & Spa
Two Portola Plaza, Monterey, CA 93940
Date: **Monday, May 12 – 13, 2025**

Monday, May 12, 2025

		Location
7:30 a.m. – 8:00 a.m.	Check-in, Hot Breakfast	De Anza Foyer
8:00 a.m. – 8:15 a.m.	President's Welcome	De Anza III
8:15 a.m. – 10:15 a.m.	Property Program Committee Meeting	
10:15 a.m. – 10:45 a.m.	ACWA JPIA Building Update	
10:45 a.m. – 10:55 a.m.	Coffee Break	
11:00 a.m. – 12:30 p.m.	Ask ACWA JPIA Anything Presenters: ACWA JPIA Staff	De Anza III
12:30 p.m. – 1:30 p.m.	Pre-Board Meeting Luncheon *Presentation: State of the Employee Benefits Program*	Bonsai
1:30 p.m. – 2:00 p.m.	Board Registration	De Anza Foyer
2:00 p.m. – 4:30 p.m.	Board of Directors Meeting	De Anza III
4:30 p.m. – 6:00 p.m.	ACWA JPIA Reception	The Club Room

Tuesday, May 13, 2025

8:00 a.m. – 8:30 a.m.	Check-in, Hot Breakfast Available	De Anza III
8:30 a.m. – 10:00 a.m.	*Managing Risk and Recognizing Excellence*	De Anza III
10:00 a.m. – 10:25 a.m.	Wellness Break	De Anza III
10:30 a.m. – 11:30 a.m.	*Securing our Water Future: Building Support for Infrastructure and Cultivating Leaders*	De Anza III
1:00 p.m. – 3:00 p.m.	Sexual Harassment Prevention Training for Board Members and Managers (AB 1825,1661, & 2053) *Presenter: Robert Greenfield, General Counsel, ACWA JPIA*	Colton – Monterey Convention Center
3:00 p.m. – 4:30 p.m.	Alumni Leadership Essentials Program Mixer *RSVP Required*	Jacks Terrace

Exhibit Hall – Monterey Convention Center

ACWA JPIA Staff and Executive Committee Members will be in the exhibit hall at booth 212 and 214, during the ACWA Conference on Tuesday, May 13, 2025 – Thursday, May 15, 2025. Stop by, grab some swag and say hi!

ACWA JPIA Membership Summit Sponsors

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THANK YOU!

Property Program Committee Meeting

Portola Hotel & Spa
Two Portola Plaza
Monterey, CA 93940

Monday
May 12, 2025
8:15 a.m.

Chairman: Chris Kapheim, Kings River Conservation District

Vice-Chair: Scott Ratterman, Calaveras County Water District

Mark Gilkey, Berrenda Mesa Water District

Shawn Huckaby, Fair Oaks Water District

Theresa Lee, Walnut Valley Water District

Dusty Moisio, Rowland Water District

John Pang, Tahoe City Public Utilities District

Oliver Smith, Valley Center Municipal Water District

Eugene West, Camrosa Water District

PROPERTY PROGRAM COMMITTEE MEETING

AGENDA

Portola Hotel & Spa
Two Portola Plaza
Monterey, CA 93940

Monday, May 12, 2025 – 8:15 a.m.

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

PLEDGE OF ALLEGIANCE

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

EVACUATION PROCEDURES

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

ADDITIONS TO OR DELETIONS FROM THE AGENDA

Presenter		Item	Page #
		I. CONSENT AGENDA	
	*	A. Approve the Minutes of the June 20, 2024, Meeting	**14**
		B. Approve an Excused Absence for Any Committee Member	
	*	C. Group Purchase Programs Update	**20**
	*	D. Review of Property Claims Trends	**21**
	*	E. Membership Report	**23**
		II. ADMINISTRATION	
		A. Report on Meetings Attended on Behalf of the JPIA	

Presenter			Page#
Jobe	*	B. Introduction of Cost Estimator / Valuation Consultant	**24**
	III.	**LOSS REPORTS**	
Greenfield	*	A. Review of Biennial Claims Audit	**26**
	IV.	**COVERAGE AND CONTRIBUTIONS**	
Tokar	*	A. State of the Market	**53**
Jobe	*	B. Property Program Update and Renewal Strategy	**88**
Jobe/Dietz	*	C. Centurisk: RiskStar and Member Appraisal Updates	**91**
Gupta/ Lacovara	*	D. Overview and Discussion: Parametric Insurance Concepts	**93**
Jobe	*	E. Member-Requested Coverage Considerations	**94**
	V.	**UPCOMING MEETING**	
Kapheim	*	A. Review Availability of Committee Members for the Next Property Program Committee Meeting on June 26, 2025, at 3:00 p.m.	**105**

ADJOURN
*Related items enclosed.

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

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

Unapproved Minutes

PROPERTY PROGRAM COMMITTEE MEETING
ACWA JPIA
2100 Professional Drive
Roseville, CA 95661

June 20, 2024

MEMBERS PRESENT

Chair: Chris Kapheim, Kings River Conservation District
Vice-Chair: Scott Ratterman, Calaveras County Water District
Tom Coleman, Rowland Water District
Mark A. Gilkey, Berrenda Mesa Water District *(via Zoom)*
Shawn Huckaby, Fair Oaks Water District *(via Zoom)*
Theresa Lee, Walnut Valley Water District *(via Zoom; left early @ 3:45 p.m.)*
John Pang, Tahoe City Public Utilities District
Oliver Smith, Valley Center Municipal Water District
Eugene F. West, Camrosa Water District *(via Zoom)*

MEMBERS ABSENT

None.

STAFF PRESENT

Chief Executive Officer: Adrienne Beatty
Erin Bowles, Workers' Compensation Manager
Chimene Camacho, Executive Assistant to the CEO
Debbie Cruz, Lead Member Services Representative
David deBernardi, Director of Finance
Adam Dedmon, Employee Benefits Manager *(via Zoom)*
Robert Greenfield, General Counsel
Jennifer Jobe, Director of Pooled Programs
Chris Light, Business Data Analyst
Jennifer Nogosek, Liability/Property Claims Manager
Kevin Phillips, Director of Member Outreach
Jillian Sciancalepore, Administrative Assistant III *(Recording Secretary)*
Judy Shiu, Senior Claims Adjuster
Dan Steele, Finance Manager
Shelley Tippit, Claims Assistant
Kayla Villa, Litigation Manager
Chuck Wagenseller, Cost Estimator/Risk Management Consultant
Tony Waterford, Human Resources Manager
Nidia Watkins, Member Services Representative II
Mike Whitright, IT Support Specialist
Cece Wuchter, Lead Senior Claims Adjuster

OTHERS IN ATTENDANCE

David Drake, Rincon del Diablo Municipal Water District
Melody McDonald, San Bernardino Valley Water Conservation District
Randall Reed, Cucamonga Valley Water District
Alex Tokar, Aon
David Wheaton, Citrus Heights Water District

WELCOME

Chair Kapheim welcomed everyone in attendance.

CALL TO ORDER AND ANNOUNCEMENT OF QUORUM

Chair Kapheim called the meeting to order at 3:03 p.m. He announced there was a quorum.

PLEDGE OF ALLEGIANCE

Chair Kapheim led the Pledge of Allegiance.

EVACUATION PROCEDURES

Ms. Beatty gave the evacuation procedure instructions.

ANNOUNCEMENT OF RECORDING OF MEETING

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

PUBLIC COMMENT

Chair Kapheim noted that, as the agenda stated, members of the public would be allowed to address the Property Program Committee on any agenda item prior to the Committee's decision on that item. Comments on any issues on the agenda, or not on the agenda, were also welcome. None were noted.

INTRODUCTIONS

Chair Kapheim introduced the Property Program Committee, Executive Committee, staff, and others in attendance.

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

I. CONSENT AGENDA

Chair Kapheim called for approval of the Consent Agenda:

> <u>M/S/C (Ratterman/West) (West-Yes; Smith-Yes; Pang-Abstain; Lee-Yes; Huckaby-Yes; Gilkey-Yes; Coleman-Yes; Ratterman-Yes; Kapheim-Yes):</u> That the Property Program Committee approve the minutes of the March 20, 2024, meeting, as presented.

II. ADMINISTRATION

Report on Meetings Attended on Behalf of the JPIA
None.

III. LOSS REPORTS

Review of Property Claims Trends
Mr. Greenfield presented graphs that represent the most recent 15-year history of the Property Program. He noted that most losses are from the two largest loss years in Program history which are the 2018-19 program year – the year of the Camp Fire – and the 2021-22 program year – the year of the Caldor Fire. These years remain the only years in the Program's history with single losses exceeding the Program's current $10 million retention.

Much of the discussion was focused on how the Committee would like claims information presented to them. Some suggestions included refining the map to include identifying factors such as major city locations and highways; number, type, or cost of claims; and turning it into a heat map.

Lastly, Mr. Greenfield and Ms. Beatty discussed with the Committee the range of complexity regarding subrogation recovery from the variety of parties, public versus private, involved.

IV. COVERAGE AND CONTRIBUTIONS

Review and Provide Recommendation Regarding the 2024-25 Memorandum of Coverage (MOC)
Ms. Jobe reviewed the proposed language staff recommended for approval to further clarify the dispute resolution process and bring the process across the liability, property, and workers' compensation programs into alignment.

> M/S/C (Coleman/Lee) (West-Yes; Smith-Yes; Pang-Yes; Lee-Yes; Huckaby-Yes; Gilkey-Yes; Coleman-Yes; Ratterman-Yes; Kapheim-Yes): That the Property Program Committee recommend that the Executive Committee approve the Property Program Memorandum of Coverage, effective July 1, 2024, to include adding "…and reasonable arbitrator costs…" to Section VIII – Dispute Resolution, Item 1 – Review by Executive Committee and Arbitration, paragraph 5, 2nd sentence, after, "…including reasonable attorneys' fees…"

Review and Provide Recommendation Regarding the 2024-25 Property Program Reinsurance Renewal
Ms. Beatty, Ms. Jobe, and Mr. Tokar, Aon provided an overview of adjustments that have occurred in the Property coverage tower over the last several years due to changes in the market and catastrophic losses experienced by Program members. The challenge was to find insurers that were comfortable with the utility risk and other large infrastructure risk, while also finding insurers that would not be biased against the few large losses JPIA had, which mostly are not repeatable. Factory Mutual (FM Global) is an insurer who is largely engineering oriented, therefore, favors JPIA's infrastructure

risk. Aegis is an insurer specific to the utility industry. Both are member-run mutual insurance companies large in the public utility market that operate on a basis of long-term partnerships with their members. Traditionally, they do not quote the same programs, however, they have both quoted to coexist on JPIA's Program. This allows JPIA the ability to decrease the number of carriers on the Program, which has been an active goal of the Program. A $5 million attachment point has also been offered, but not officially agreed to by all carriers. There is a bit of complexity in that FM Global will be the reinsurer for every facility they have personally inspected, the 25 largest assets, at a $500 million limit. Aegis, along with the rest of the carriers, will insure the other assets at a $150 million limit, but there is no single asset in this group valued at more than $50 million.

> M/S/C (Coleman/West) (West-Yes; Smith-Yes; Pang-Yes; Lee-Absent; Huckaby-Yes; Gilkey-Yes; Coleman-Yes; Ratterman-Yes; Kapheim-Yes): That the Property Program Committee recommend that the Executive Committee approve a blended cost structure for the reinsurance placement.

> M/S/C (Coleman/West) (West-Yes; Smith-Yes; Pang-Yes; Lee-Absent; Huckaby-Yes; Gilkey-Yes; Coleman-Yes; Ratterman-Yes; Kapheim-Yes): That the Property Program Committee recommend that the Executive Committee approve the new reinsurance structure and delegate to staff the authority to finalize reinsurers and renewal terms, with an effective date of July 1, 2024.

Review and Provide Recommendation Regarding the 2024-25 Member Contributions
Mr. deBernardi discussed the pricing options for the 2024-25 program year. He provided the Property Program Expected Revenue/Expense & Funding Requirement report, which gave a breakdown of the expected revenues and expenses for the 2024-25 program year. The total estimated funding with no pricing changes is approximately $19.5 million based on $12.718 billion in TIVs. He reported that the 2024-25 actuarial report projects a $.06053, per $100 of value, loss rate for the 2024-25 program year at the current $10 million self-insured retention (SIR). The loss rate for the 2023-24 program year was 0.05071; as such, this year's loss rate represents a 19.3% increase in pooled layer funding requirements.

Multiple options were presented to the Committee at two SIR levels: $10 million and $5 million, and shown under various pricing scenarios, including – Option 1: No price change; Option 2: 10% increase, and Option 3: 15% increase. The Property Committee discussed the implications and possible outcomes of the different pricing scenarios.

A motion was made by Director Ratterman that the Property Program Committee recommend that the Executive Committee approve the renewal of the coverage as outlined in Option A3 to implement the 15% rate increase while continuing the $10 million SIR for the Property Program, with an effective date of July 1, 2024. Chair Kapheim announced the motion failed due to no second by another Property Program Committee member.

A second motion was made for the 2024-25 Member Contributions for the Property Program as laid out in Option B3.

> M/S/C (West/Smith) (West-Yes; Smith-Yes; Pang-Yes; Lee-Absent; Huckaby-Yes; Gilkey-Yes; Coleman-Yes; Ratterman-Yes; Kapheim-Yes): That the Property Program Committee recommend that the Executive Committee approve a 15% increase in member contributions, effective July 1, 2024, along with a $5,000,000 Pool Attachment Point if the price differential between the $10,000,000 Pool Attachment Point and $5,000,000 Pool Attachment Point, inclusive of the cost savings on the pooled layer of funding, does not exceed $500,000 once final reinsurers, quotes, and renewal terms are known OR approve a $10,000,000 Pool Attachment Point if the price differential between the $10,000,000 Pool Attachment Point and $5,000,000 Pool Attachment Point, inclusive of the cost savings on the pooled layer of funding, exceeds $500,000 once final reinsurers, quotes, and renewal terms are known.

AMP Property Risk Software Update
Ms. Jobe provided a brief background on the implementation of the AMP Property Management Software. On April 29, 2024, a five-year agreement was executed to implement the AMP asset management platform which will be used to track necessary data relative to individual member's buildings, structures, and equipment, and allow for more accuracy and efficiency in the annual trending and underwriting processes. In preparation of the upcoming program year, Member's 2024-25 property schedules have been updated and the data will be migrated into AMP. Staff is working with the Centurisk team to fully implement the application with an anticipated "go live" date the week of August 19th. As was previously reported, it is staff's intent to concurrently manage assets in our existing platform through the 2024-25 program year. This process will ensure the greatest overall efficiency of the AMP application.

V. STAFF UPDATES

Property Claims Department Update
Ms. Nogosek provided a brief overview of the settlement regarding a large subrogation lawsuit against a pipe manufacturer which allows the Program to avoid ongoing expenses and eliminates the risk of no recovery.

Ms. Nogosek also discussed how the department has enhanced a couple of the claims handling processes including implementing a new program to help identify responsible parties and their liability insurance carriers, as well as, expanding loss and expense payment categories and coding to provide a more detailed insight into data analytics.

Lastly, Ms. Nogosek provided a reminder to the Committee that the JPIA offers a faster and more secure payment option via Electronic Funds Transfer.

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

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

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

Lastly, Ms. Jobe clarified that regarding the Cyber program, the JPIA has been interfacing and liaising with the members and the insurer regarding the implementation of the two cyber risk management products: KYND and KnowBe4.

VI. UPCOMING MEETINGS

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

The Property Program Committee meeting adjourned at 4:57 p.m.

ACWA JPIA
Group Purchase Programs Update
May 12, 2025

BACKGROUND
As a complement to ACWA JPIA's pooled Property Program, group purchase coverages are available to the membership.

CURRENT SITUATION
For the 2024-25 Program Year, the JPIA provides the following group purchase programs:

COVERAGE	COVERAGE PERIOD	# OF PARTICIPANTS	ANNUAL COST
Difference in Conditions (Earthquake & Flood)	7/1 – 6/30	9	$487,161
Excess Flood	7/1 – 6/30	1	$595,231
Excess Crime	7/1 – 6/30	73	$83,000
Public Officials Bond	Various Policy Dates	11 Members 29 Bonds	$11,000

Prospective New Members:
Staff regularly assists and provides guidance to members in identifying the need for and obtaining coverages ancillary to the pooled Property Program.

RECOMMENDATION
None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 14, 2025

ACWA JPIA
Property Claims Trends
May 12, 2025

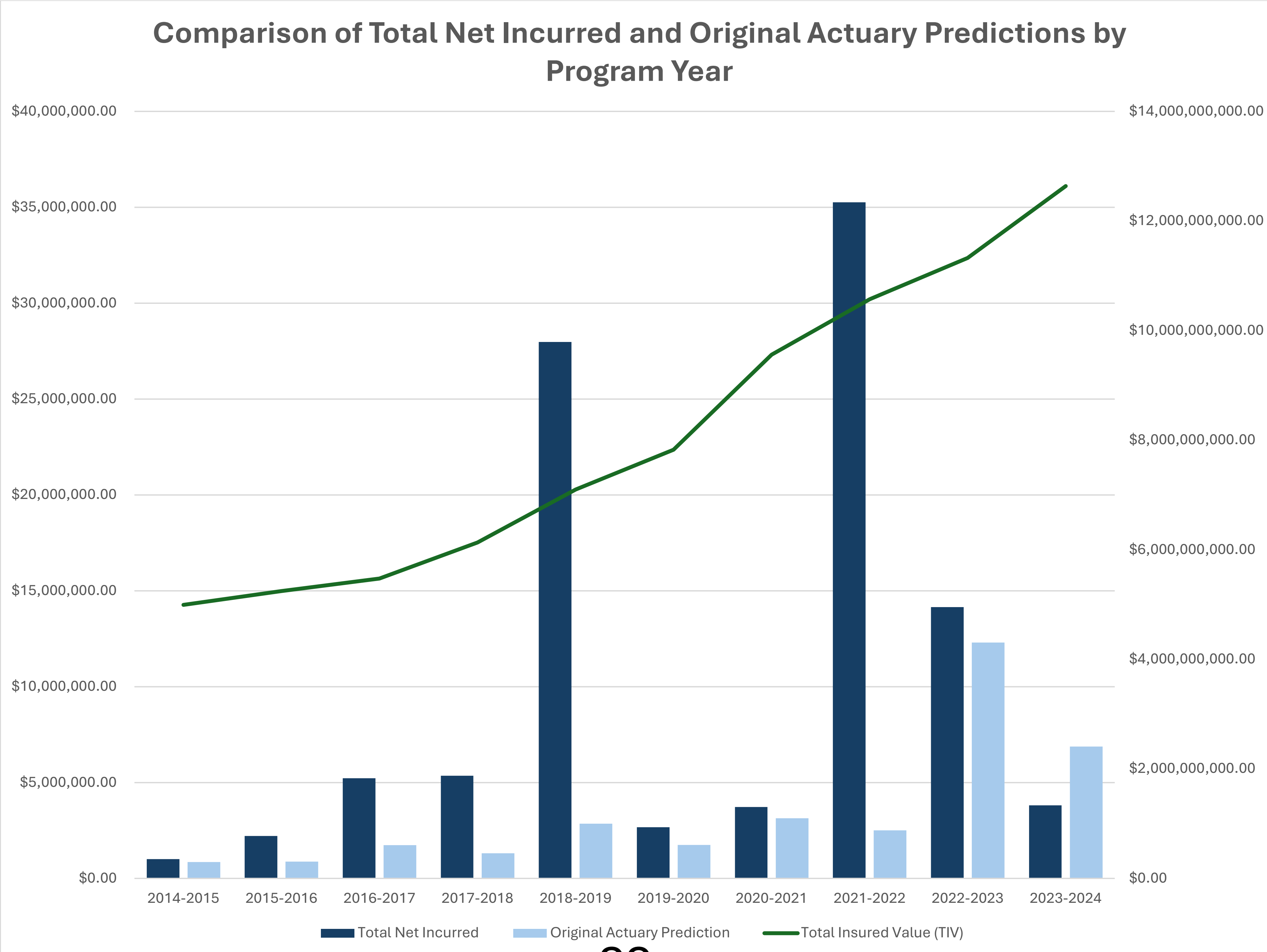
BACKGROUND
The graph represents recent history in the Property Program. The comparison between the Actuary Predicted Losses versus the Actual Total Net Incurred.

CURRENT SITUATION
In addition to the projected versus actual, the line graph represents the TIVs in the program. There has been a significant increase in the values of the properties covered under the program. The Program covers approximately $13.2 billion in property values.

Also of note is that in the 2022-23 program year, the pool retention went from $100,000 to $10,000,000 per loss.

RECOMMENDATION
None, information only.

Prepared By: Robert H. Greenfield, General Counsel Date Prepared: April 21, 2025



Comparison of Total Net Incurred and Original Actuary Predictions by Program Year
$40,000,000.00
$35,000,000.00
$30,000,000.00
$25,000,000.00
$20,000,000.00
$15,000,000.00
$10,000,000.00
$5,000,000.00
$0.00
$14,000,000,000.00
$12,000,000,000.00
$10,000,000,000.00
$8,000,000,000.00
$6,000,000,000.00
$4,000,000,000.00
$2,000,000,000.00
$0.00
2014-2015
2015-2016
2016-2017
2017-2018
2018-2019
2019-2020
2020-2021
2021-2022
2022-2023
2023-2024
Total Net Incurred
Original Actuary Prediction
Total Insured Value (TIV)

ACWA JPIA
Membership Report
May 12, 2025

BACKGROUND

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

CURRENT SITUATION

During the 2024-25 Program Year, the following agencies joined the Property Program:

Member	Total Insured Value	Join Date
Reclamation District No. 784	$16,093,618	July 1, 2024
Suisun Solano Water Authority	$7,168,583	August 9, 2024
North Kern Water Storage District	$22,800,756	April 1, 2025

Current Program Membership Status as of May 1, 2025:
Total number of program members: 292
Total annual TIV: $13,283,016,100

Prospective New Members:
For the 2025-26 Program Year, the following agencies have expressed interest in joining the Property Program:

Prospective New Member	Total Insured Value	Join Date
Union Public Utility District	$19,937,000	July 1, 2025
Jurupa Community Services District	TBD	April 1, 2026
Lower San Joaquin Levee District	TBD	April 1, 2026
Biggs-West Gridley Water District	TBD	July 1, 2026

Notices of Withdrawal:
In accordance with the Joint Powers Agreement, Article 22 (c) (2), a Member may withdraw only at the end of the program term following receipt of a 12-month notice of its intent to withdraw.

Grassland Basin Water Authority and Sierra Highlands Community Services District have rescinded their intents to withdraw for the 2025-26 Program Year. To date, staff has not received any notices of intent to withdraw for the 2026-27 Program Year.

RECOMMENDATION

None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 15, 2025

ACWA JPIA
Introduction of Cost Estimator / Valuation Consultant
May 12, 2025

BACKGROUND

As part of our ongoing efforts to strengthen the integrity and service capacity of ACWA JPIA's Property Program, the Personnel Committee recommended, and the Executive Committee approved the addition of a Cost Estimator / Valuation Consultant position as a part of the Member Services team. Following a competitive recruitment process, staff were pleased to welcome Tyler Dietz to the ACWA JPIA in this important technical and member-facing role.

Tyler Dietz brings several years of experience in risk control and property valuation, most recently serving as a Risk Control Consultant with USI Insurance Services, where he received national recognition for his performance. He previously held roles at Chubb and Nationwide Agribusiness, developing deep expertise in commercial property appraisals, risk assessments, and the use of CoreLogic's Marshall & Swift valuation tools.

CURRENT SITUATION

Since joining ACWA JPIA nearly a year ago, Tyler has taken a lead role in advising members on appropriate insurable values. He has served as a key liaison during detailed engineering site visits with new property program carriers, FM and AEGIS, helping to ensure alignment between the member agencies and carrier expectations for underwriting and risk control.

Tyler has also played an integral role in the successful migration of property asset data from Risk Console to RiskStar, ACWA JPIA's new property asset database, supporting both the technical transition and internal organizational efforts leading up to the go-live. In addition, he continues to manage jurisdictional inspections, identify unusual property risks during field assessments, and support the annual property program renewal. His technical expertise, responsiveness, and collaborative approach have strengthened the accuracy of member asset data and enhanced overall program operations.

RECOMMENDATION

None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 14, 2025

Tyler J. Dietz

[redacted]

PROFESSIONAL EXPERIENCE:

USI Insurance Services **2/2022 - Present**

Risk Control Consultant - Commercial Lines

- Conduct comprehensive risk control assessments and tailored risk improvement plans while focusing on financial impacts and risk mitigation strategies.
- Partner with claims and analytics to develop comprehensive risk management programs while reducing total cost of risk.
- Utilize CoreLogic's Marshall & Swift for accurate commercial property valuations, aligning with insurance coverage requirements.
- Received the USI Summit Award (top 5% nationwide recognized nominee) in 2023.

Chubb **6/2019 - 2/2022**

Risk Engineer II - Property & Casualty Lines

- Conducted in-depth risk evaluations and appraisals using CoreLogic's Marshall & Swift to identify hazards and advise on best practices for safety and risk reduction, primarily within the Northern California region.
- Assisted in maintaining and improving risk management databases, crucial for accurate property valuation and risk assessment.
- Graduated from Chubb Risk Engineering University in 3/2020.

Nationwide Agribusiness **6/2018 - 1/2019**

Intern - Loss Control Representative

- Conducted on-site risk reviews and provided detailed reports on P&C insurance coverages while supporting underwriting processes.

EDUCATION:

California State University, Chico, CA

B.S., Agriculture Business, 12/2018
Emphasis, Business Management

Butte Community College

A.S., Business, 5/2016

DESIGNATIONS & CONTINUING EDUCATION:

Associate In Risk Management (ARM)*, in progress, ARM 400 completed*

AINS 21: Property and Liability Insurance Principles, *completed in 10/2019*

COMPUTER SKILLS:

Experienced in Microsoft Office (Excel, Outlook, PowerPoint, Word), Adobe/Nitro PDF

ACWA JPIA
Review of Biennial Claims Audit
May 12, 2025

BACKGROUND

Every two years, the JPIA retains an independent auditor to review the claim files of the Liability, Property, and Workers' Compensation Programs. The auditors review selected files and provide an evaluation of the department.

CURRENT SITUATION

The combination of members' continual efforts toward claim reductions, JPIA Risk Management, JPIA Member Education, and the excellent work of the JPIA Property Claims Department have resulted in a strong Property Program.

RECOMMENDATION

None, information only.

Prepared By: Robert H. Greenfield, General Counsel   Date Prepared: April 14, 2025

ALTA CLAIMS
& INSURANCE SERVICES

CUSTOMIZED CONSULTING

Workers' Compensation

Strategic Approach
Innovative Solutions
Outstanding Outcomes

Audit Report

ACWA JPIA

December 23rd, 2024

Table of Contents

Appendix

Audit Sheets for Workers Compensation & Property/Liability

INTRODUCTION

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

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

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

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

CLAIM SYSTEM

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

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

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

WORKERS' COMPENSATION

FILE SELECTION

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

AUDIT METHODOLOGY | WORKERS' COMPENSATION

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

The audit comprised of the below 13 categories:

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

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

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

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

EXECUTIVE SUMMARY | WORKERS' COMPENSATION

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

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

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

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

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

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

Medical care was managed very well. It was clear in all cases that the injured employee was directed for appropriate care. The claim documentation was kept current with the diagnosis, prognosis and course of care. It was apparent when the employee was discharged or had a follow up appointment. Medical mileage was paid properly.

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

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

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

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

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

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

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

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

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

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

FINDINGS IN EACH AUDIT CATEGORY

INVESTIGATION | 87%

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

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

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

MEDICAL MANAGEMENT | 96%

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

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

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

DISABILITY MANAGEMENT | 95%

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

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

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

INDEMNITY | 88%

The team did a good job of calculating and documenting wage statements. In addition, a large majority of the cases reviewed demonstrated that the team is calculating and paying indemnity benefits timely and accurately. This includes coordinating Salary Continuation timely with the Location.

Below are some statistics around payment of indemnity benefits.

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

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

BENEFIT NOTICE | 87%

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

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

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

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

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

LITIGATION MANAGEMENT | 88%

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

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

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

SUBROGATION | 88%

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

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

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

RESERVING | 97%

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

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

COST CONTAINMENT | 100% | GRADE A

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

DOCUMENTATION | 100%

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

CLAIMS RESOLUTION | 95%

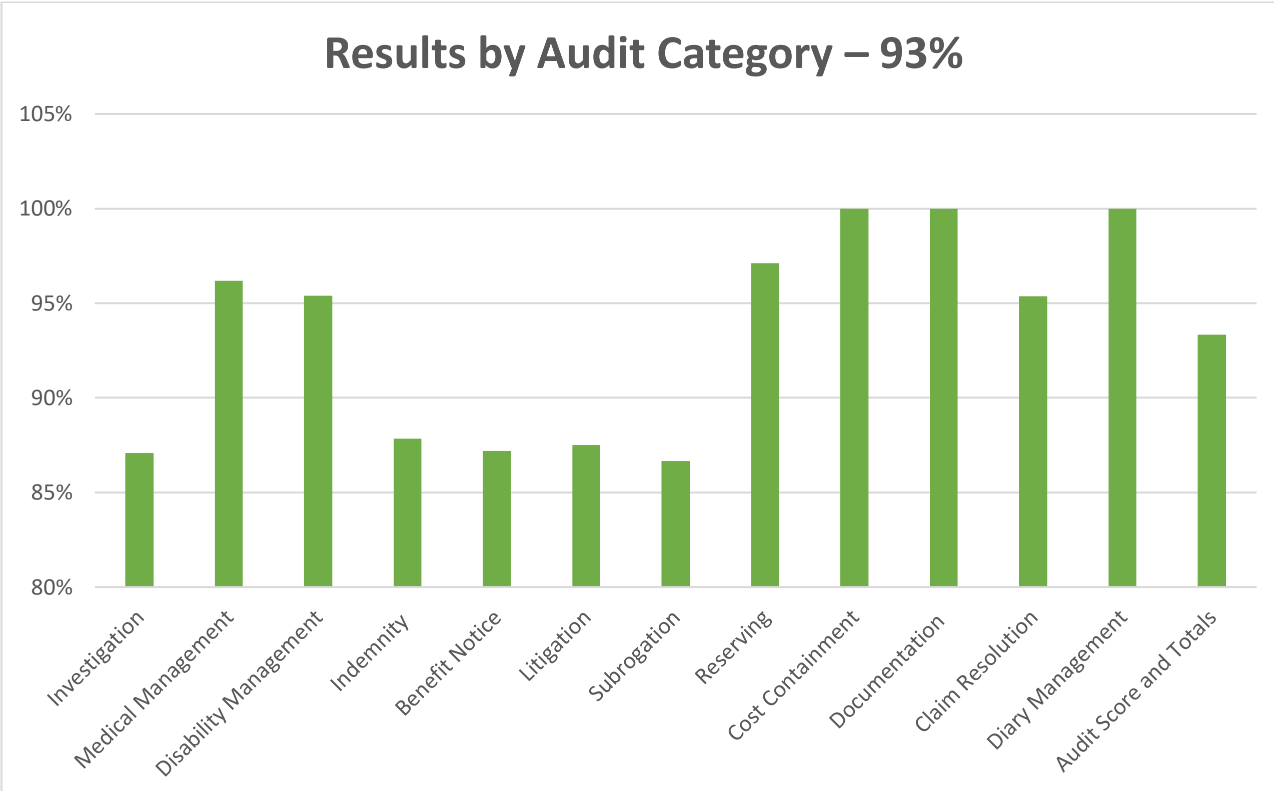
Claims were closed timely and when the facts allowed. No instances were discovered in which the claims were closed early.

DIARY MANAGEMENT| 100%

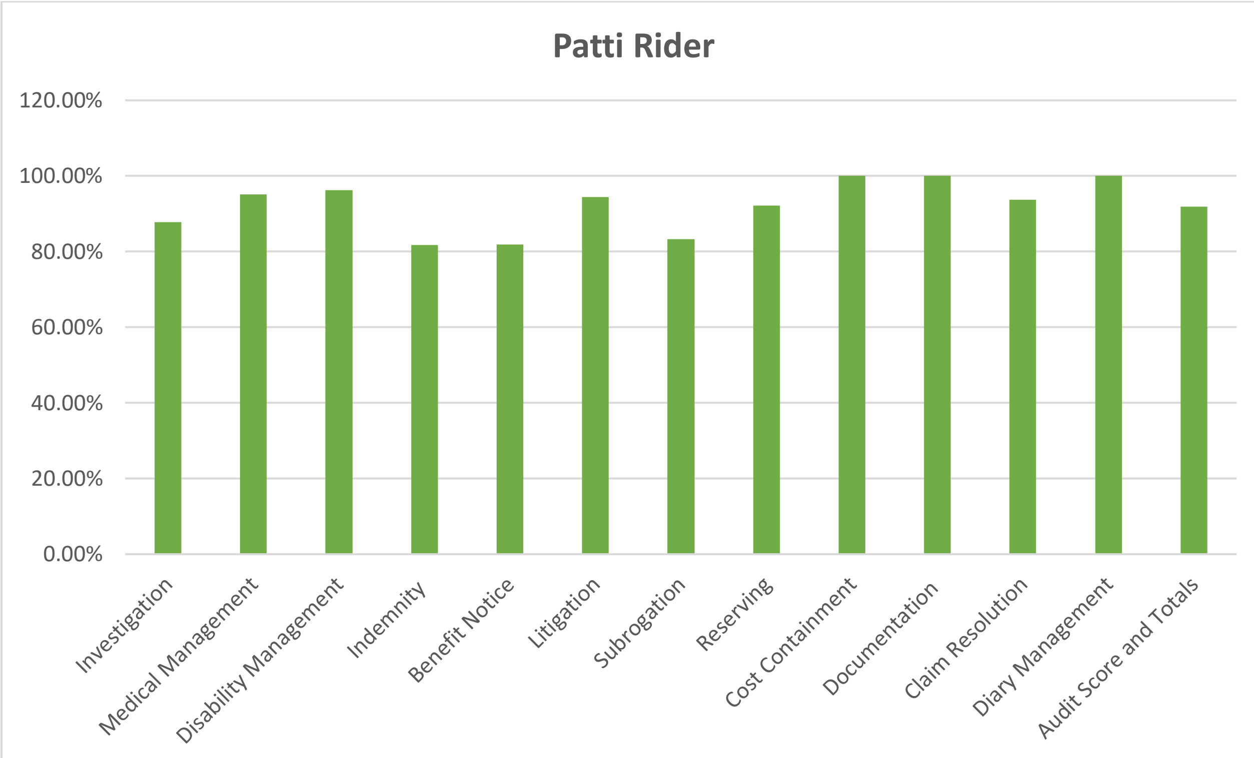
No concerns regarding diary management. Diary was set on claims to comply with statutory requirements as well as best practices.

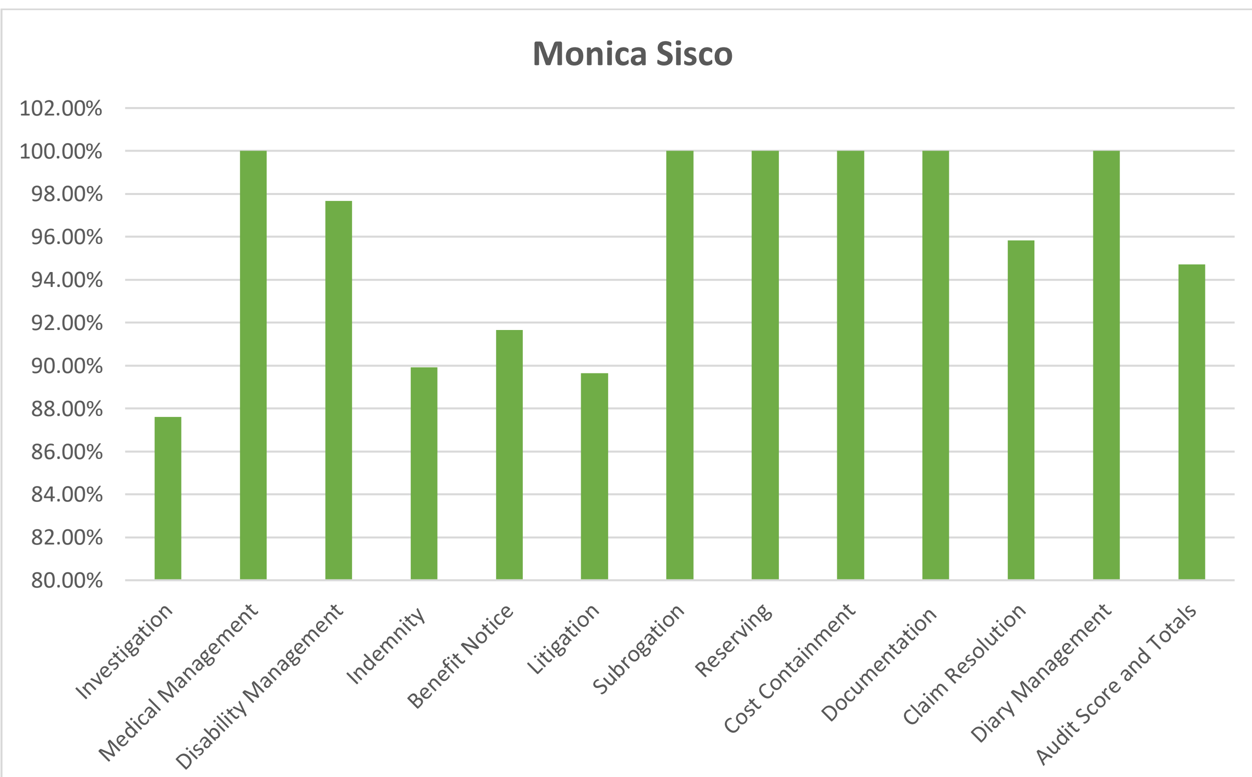
TRENDING

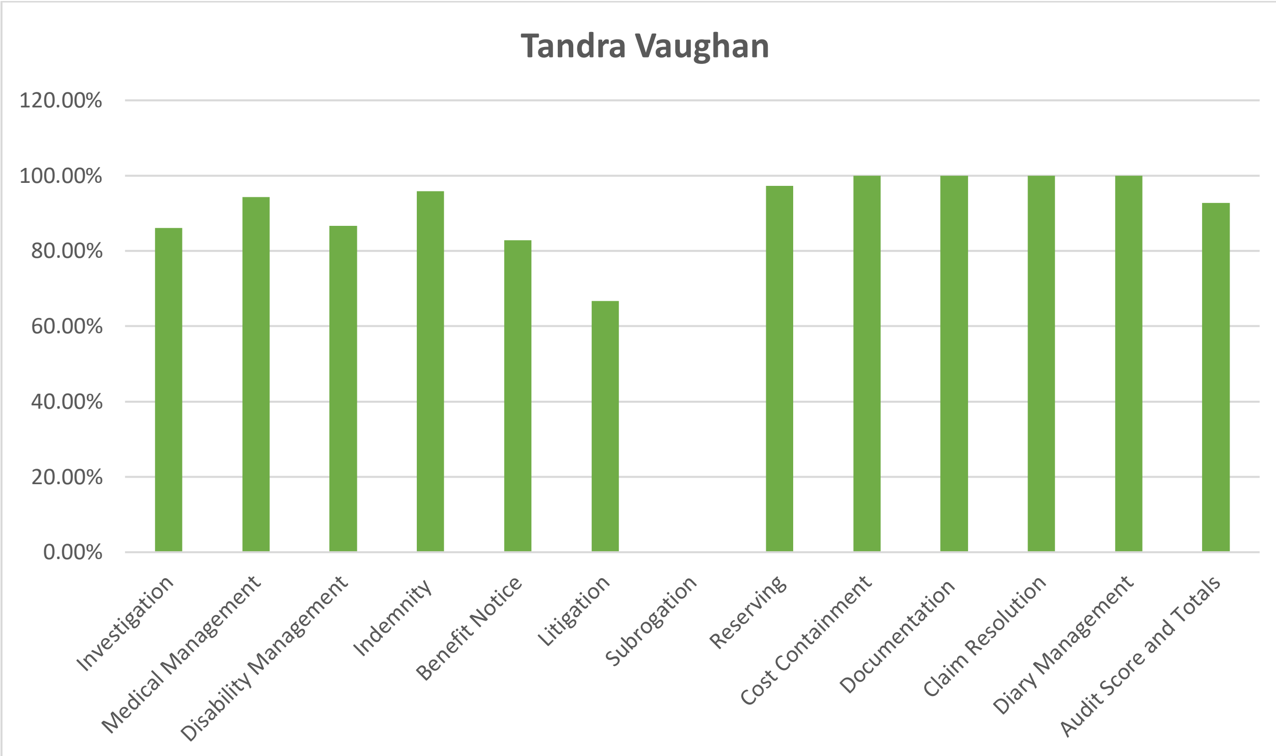
All Audit Results by Category

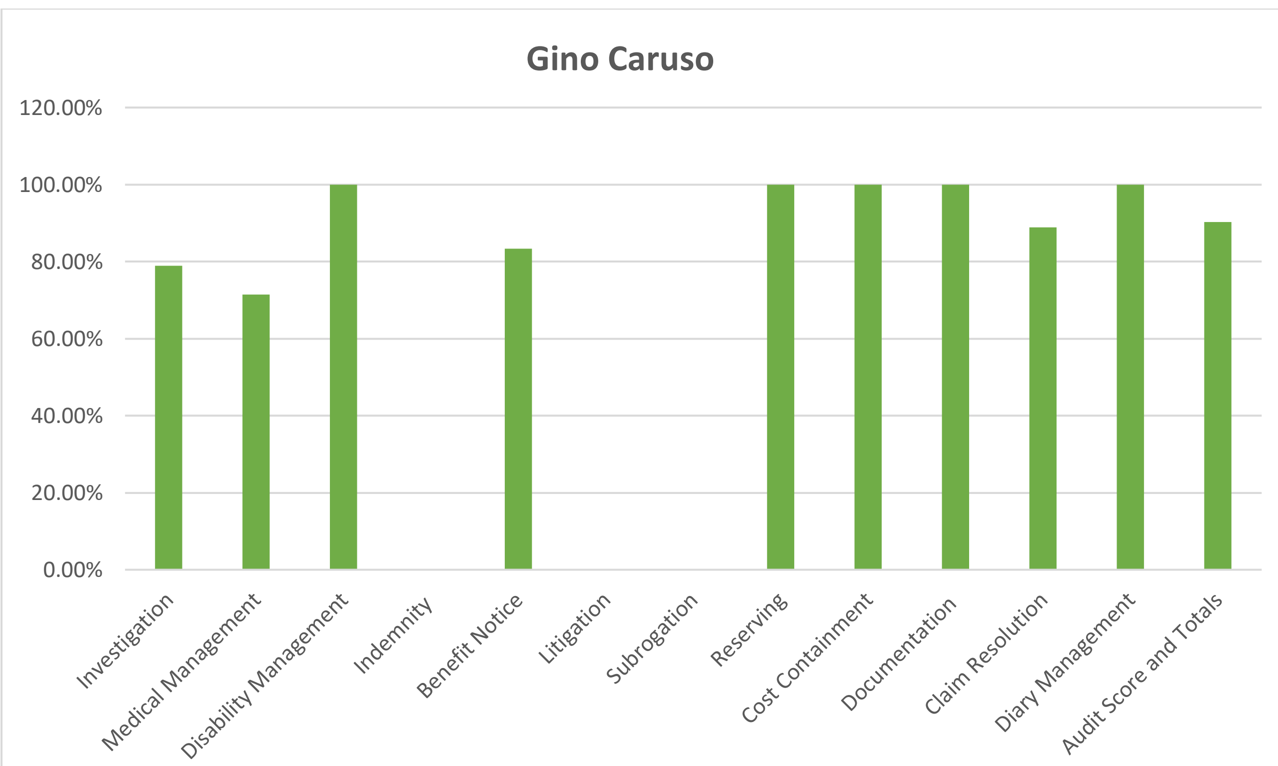


Results by Colleague






Tandra Vaughan
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
Investigation
Medical Management
Disability Management
Indemnity
Benefit Notice
Litigation
Subrogation
Reserving
Cost Containment
Documentation
Claim Resolution
Diary Management
Audit Score and Totals


Gino Caruso
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
Investigation
Medical Management
Disability Management
Indemnity
Benefit Notice
Litigation
Subrogation
Reserving
Cost Containment
Documentation
Claim Resolution
Diary Management
Audit Score and Totals

RECOMMENDATIONS

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

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

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

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

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

CONCLUSION

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

PROPERTY & LIABILITY

FILE SELECTION

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

AUDIT METHODOLOGY | PROPERTY & LIABILITY

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

The audit comprised of the below 11 categories:

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

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

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

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

EXECUTIVE SUMMARY | LIABILITY & PROPERTY

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

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

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

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

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

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

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

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

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

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

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

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

Claims were resolved timely and with great outcomes.

Diary was set correctly and managed well.

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

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

FINDINGS IN EACH AUDIT CATEGORY

COVERAGE |100 %

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

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

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

INVESTIGATION | 93%

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

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

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

MEDICAL INFORMATION | 100%

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

INDEPENDENT ADJUSTERS | 97%

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

LITIGATION | 95%

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

SUBROGATION | 88%

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

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

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

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

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

DOCUMENTATION | 94%

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

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

CLAIM RESOLUTION | 99%

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

DIARY MANAGEMENT | 99%

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

SUPERVISION | 95%

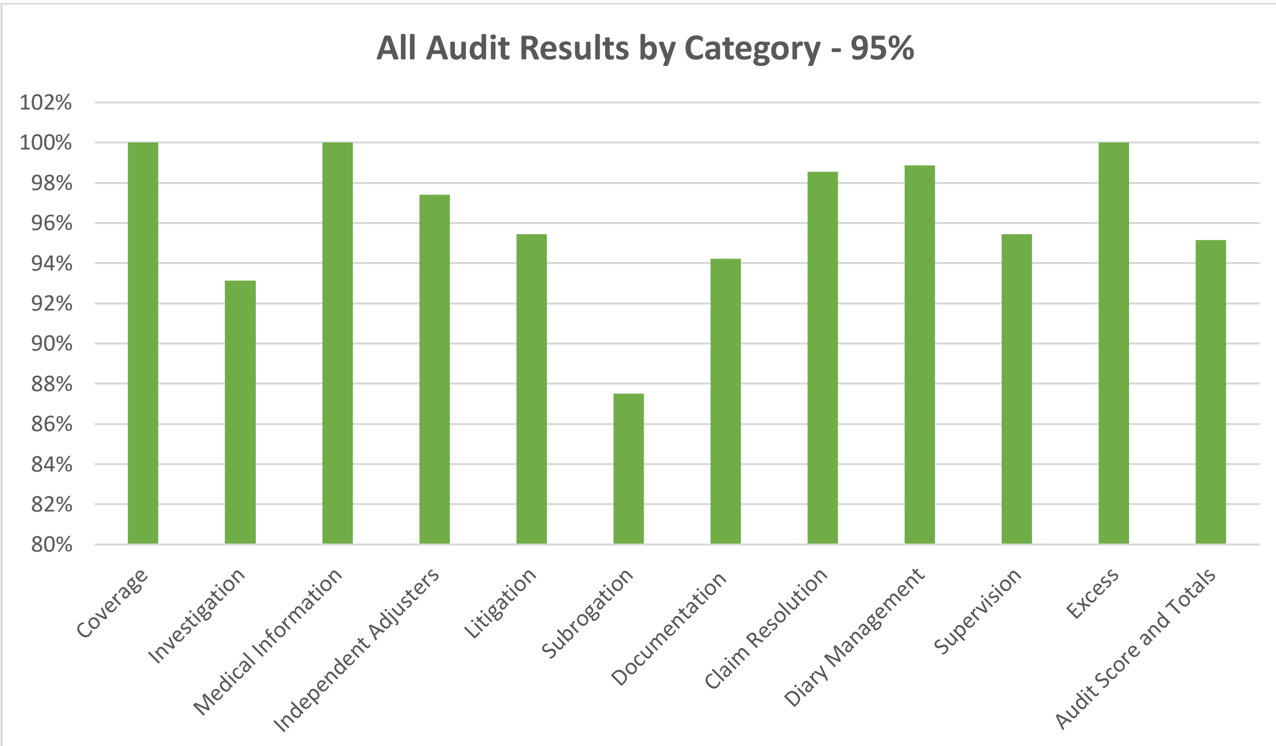
It was evident that the Supervisor is involved with the actions taken in the claims.

EXCESS| 100%

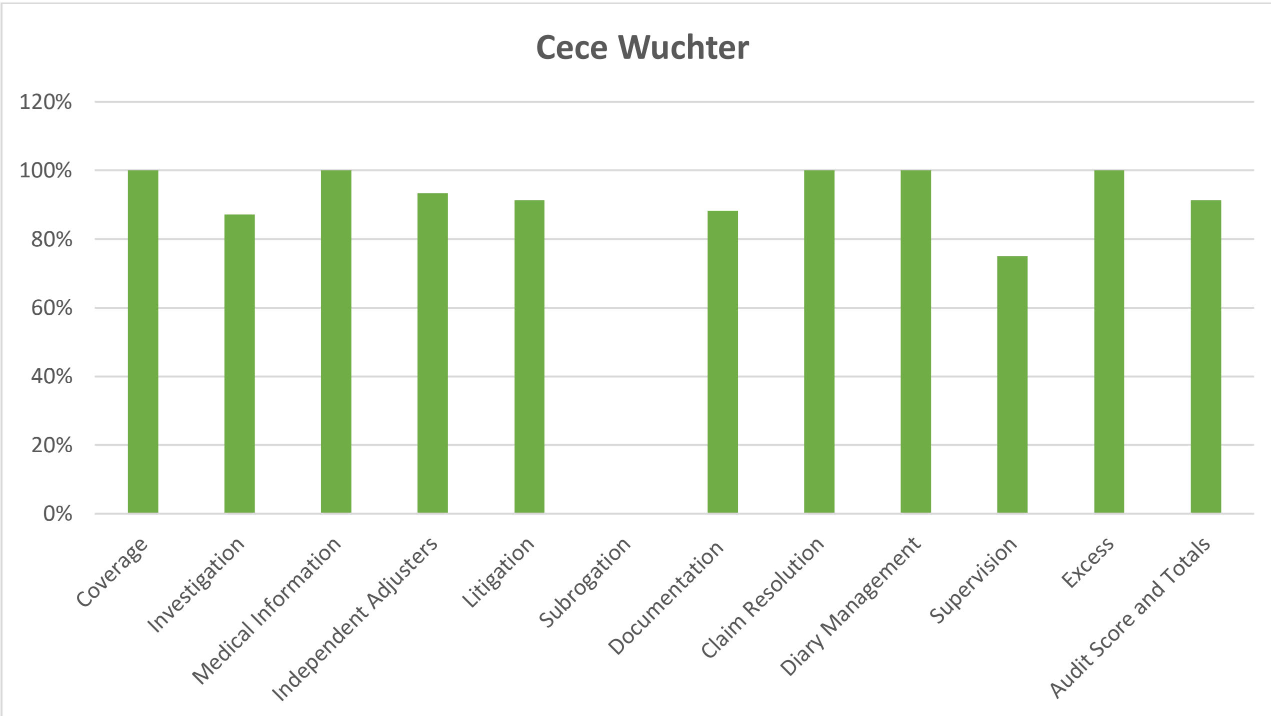
There was only one claim in which Excess was an issue. The case was handled very well in placing Excess on notice. The Excess layer was not penetrated and as a result the Carrier closed their file. Great work in notifying the carrier and keeping them updated.

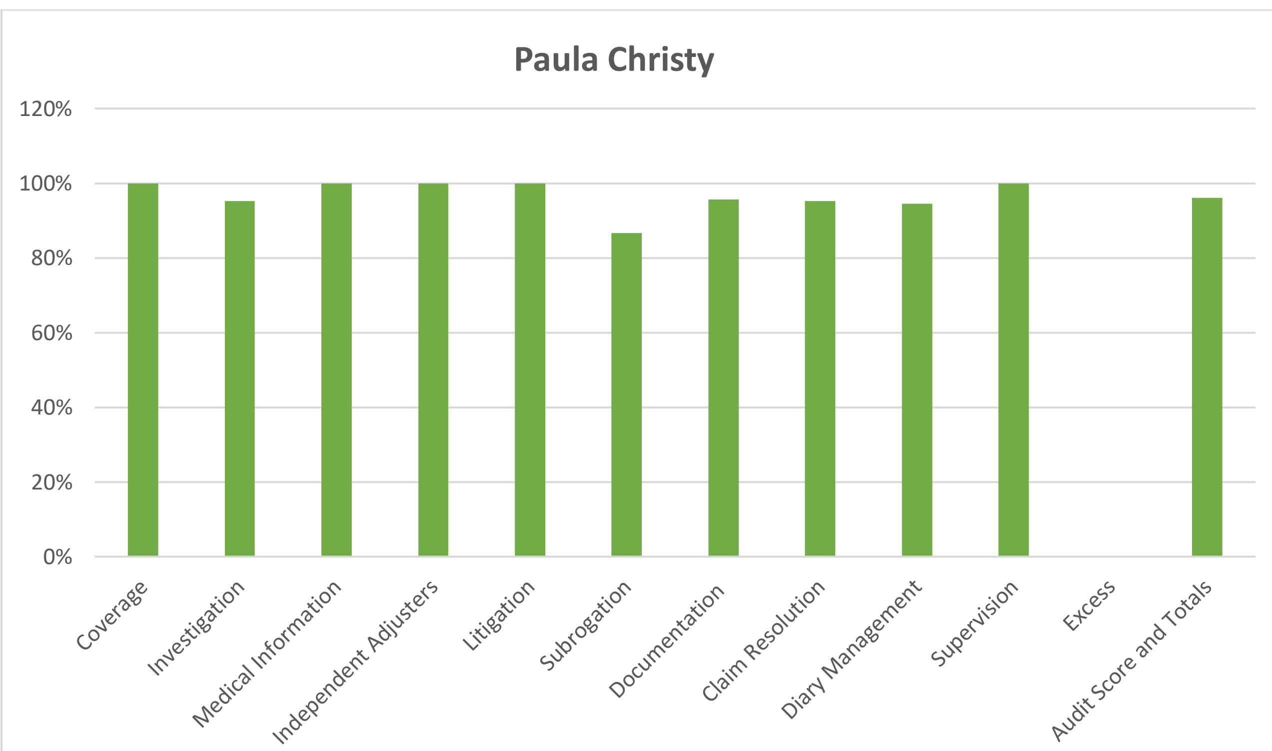
TRENDING

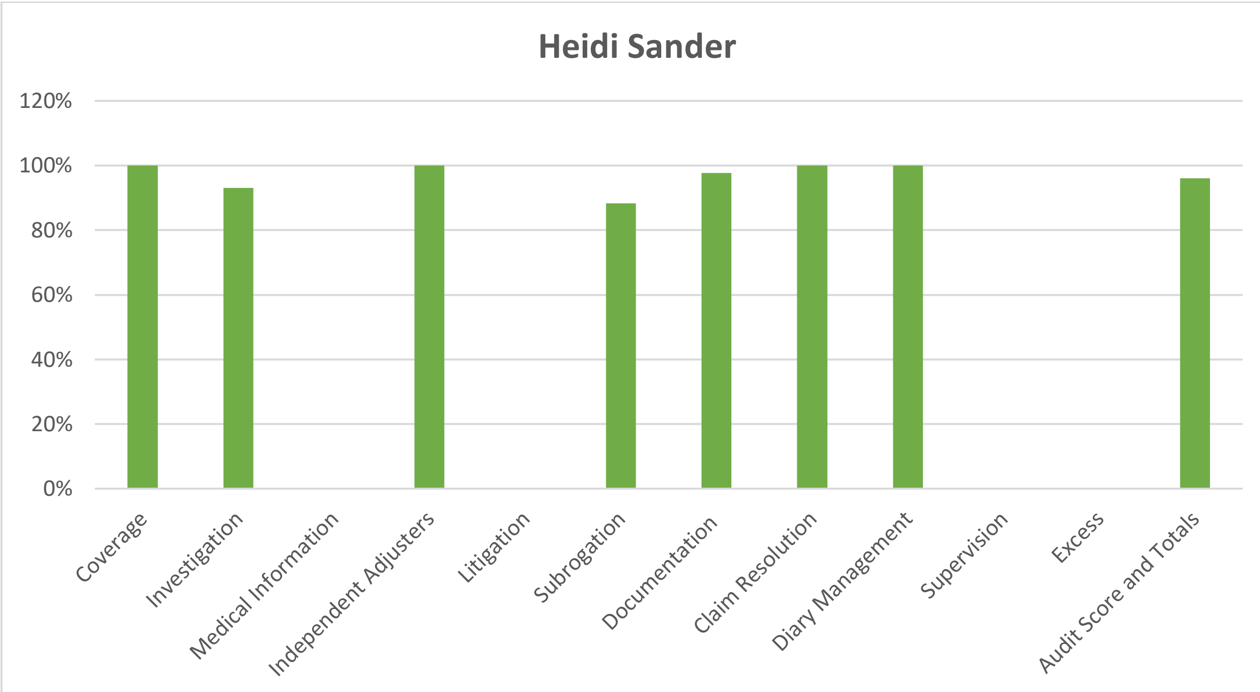
All Audit Results by Category

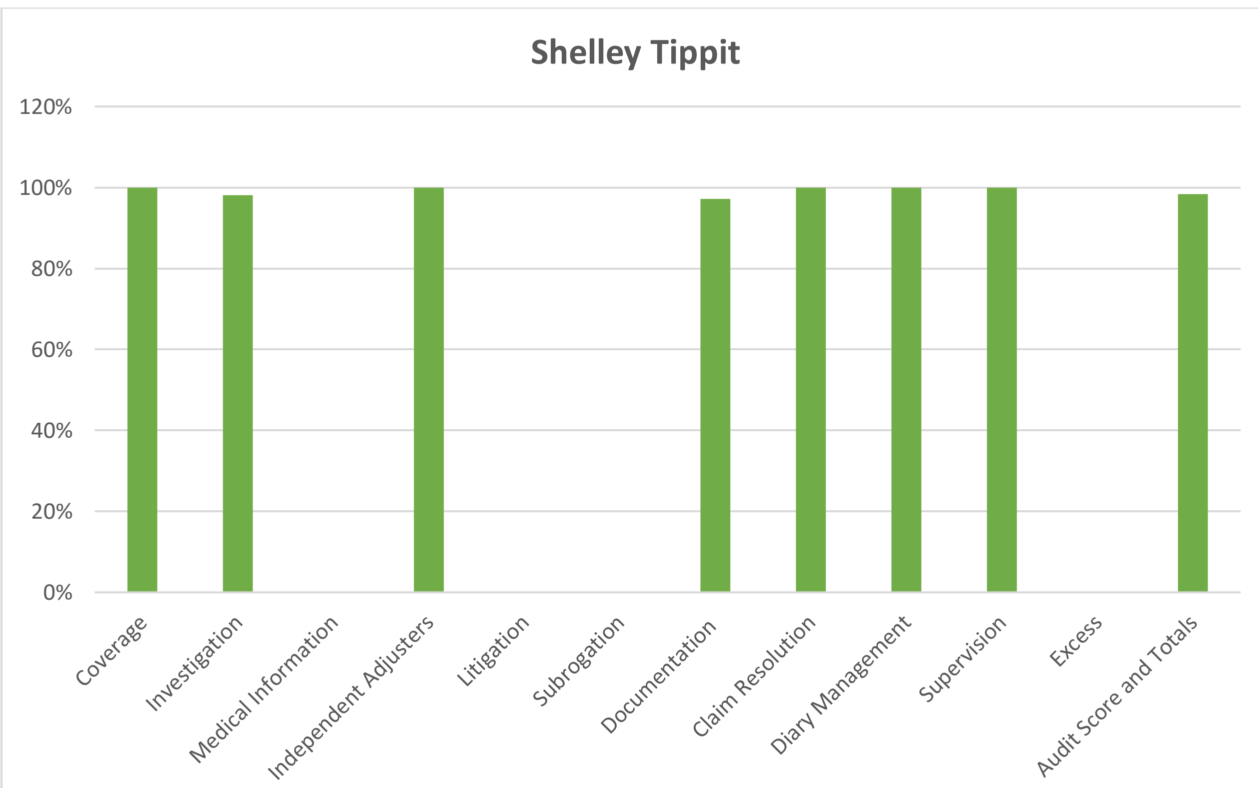


Results by Colleague






Heidi Sander
120%
100%
80%
60%
40%
20%
0%
Coverage
Investigation
Medical Information
Independent Adjusters
Litigation
Subrogation
Documentation
Claim Resolution
Diary Management
Supervision
Excess
Audit Score and Totals


Shelley Tippit
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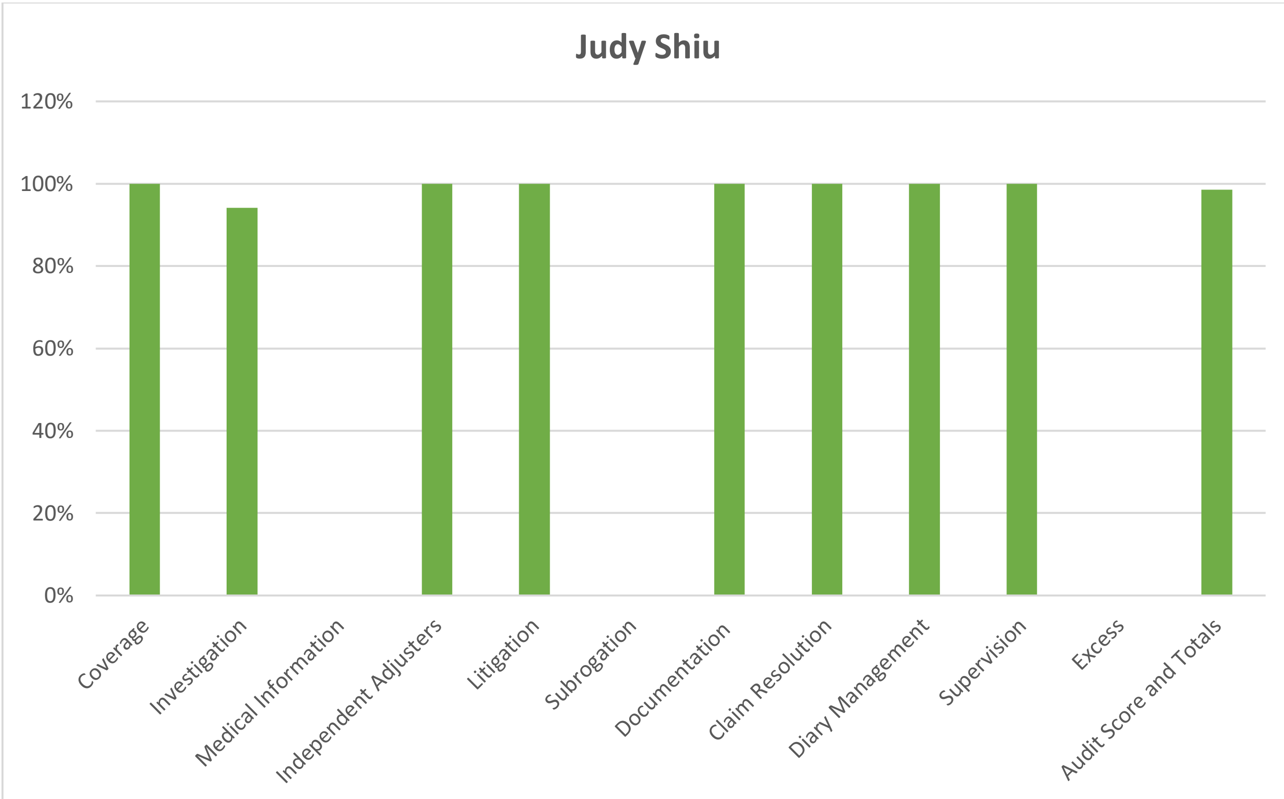
Coverage
Investigation
Medical Information
Independent Adjusters
Litigation
Subrogation
Documentation
Claim Resolution
Diary Management
Supervision
Excess
Audit Score and Totals


Judy Shiu
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Coverage
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Medical Information
Independent Adjusters
Litigation
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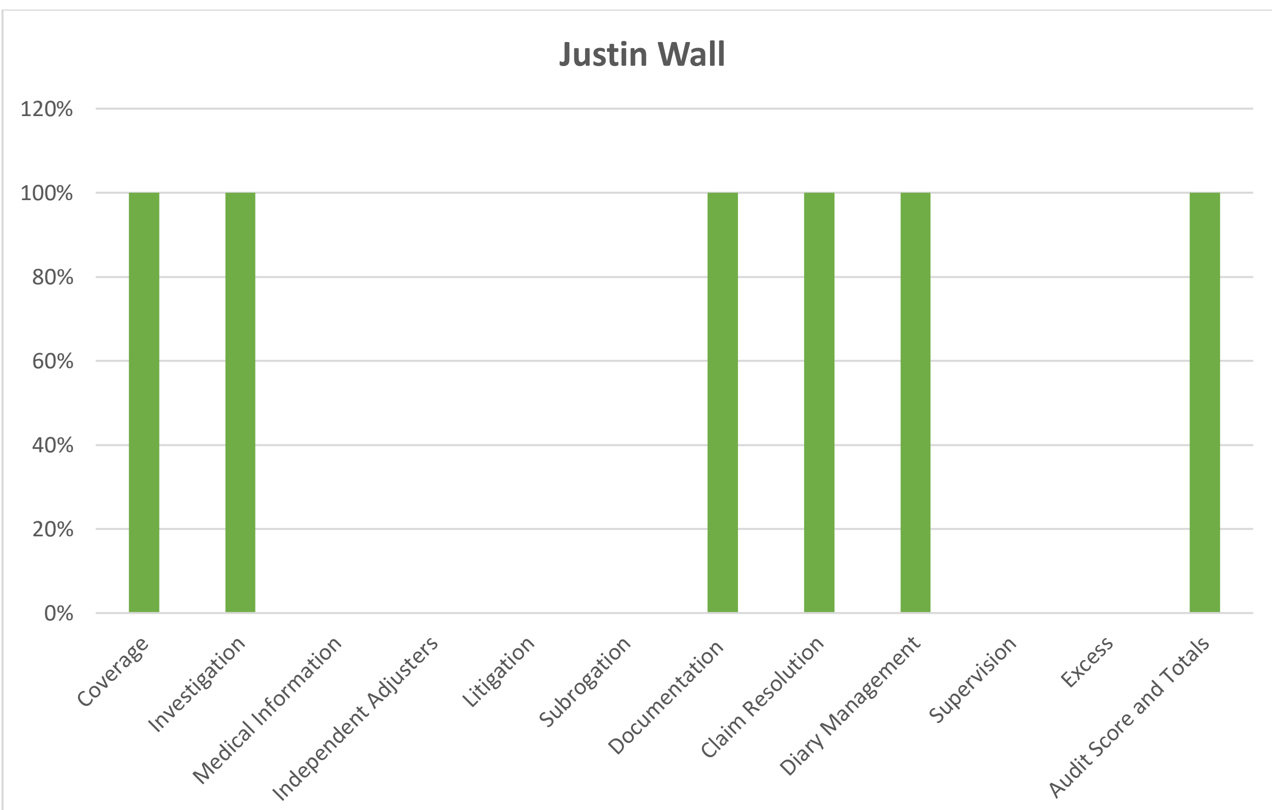
Documentation
Claim Resolution
Diary Management
Supervision
Excess
Audit Score and Totals


Justin Wall
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Coverage
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Independent Adjusters
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Claim Resolution
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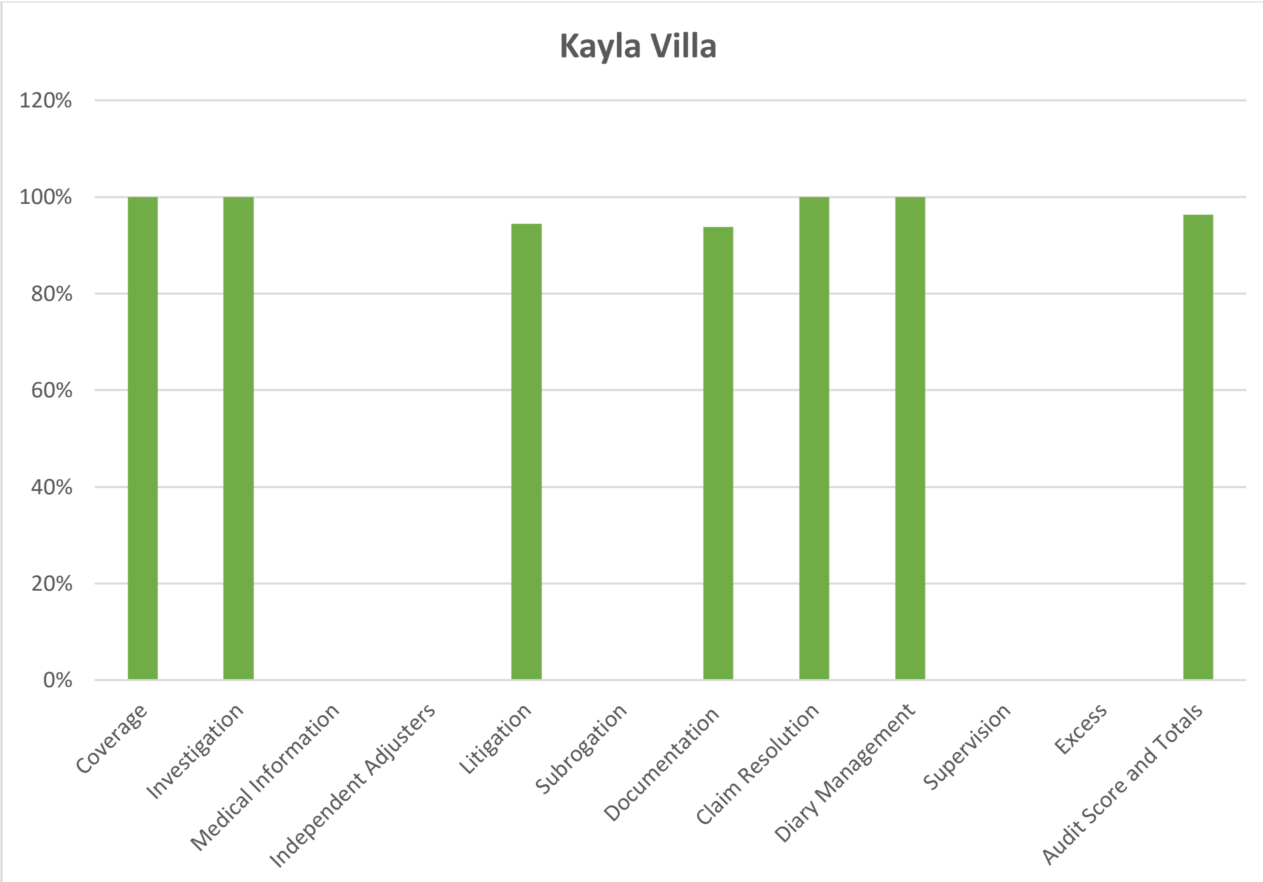
Supervision
Excess
Audit Score and Totals


Kayla Villa
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80%
60%
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20%
0%
Coverage
Investigation
Medical Information
Independent Adjusters
Litigation
Subrogation
Documentation
Claim Resolution
Diary Management
Supervision
Excess
Audit Score and Totals

RECOMMENDATIONS

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

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

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

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

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

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

CONCLUSION

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

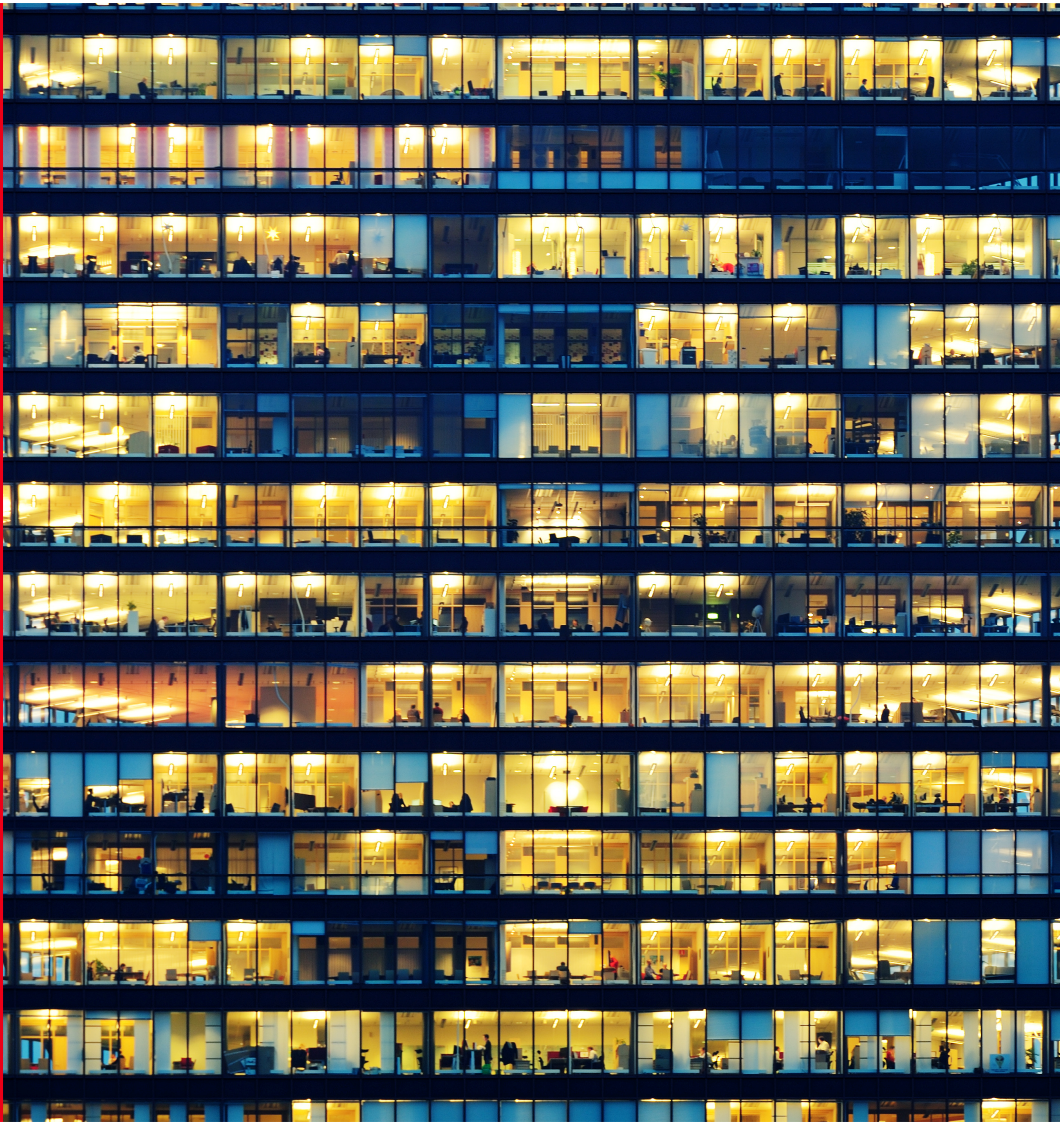
ACWA JPIA
State of the Market
May 12, 2025

BACKGROUND
Aon has served as ACWA JPIA's Property broker since 2014.

CURRENT SITUATION
Alex Tokar, Aon Managing Director, will provide the Property Program Committee with a presentation regarding the State of the Market and the effect upon the upcoming renewal.

RECOMMENDATION
None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 14, 2025



Q1 2025 Property Market Dynamics Report

U.S., March 2025

1

Market Summary

Proprietary & Confidential

Property Market Snapshot

Insights from Aon National Property

- The average Property rate change for Q4 2024 is -5.45%, down from -1.91% in Q3 2024. Shared and layered accounts decreased -8.89% and single carrier accounts quarter-over-quarter was -1.76%. This marks the third consecutive quarter with an average overall rate change and first time since Q3 2018 that single-layered accounts were in negative territory.
- There will continue to be rate differentiation as follows:
  - -15% to flat rate change for desirable accounts/occupancies, as well as predominantly Nat-Cat exposed accounts;
  - Less-desirable occupancies will likely experience a lower rate reduction while loss-challenged accounts will continue to be underwritten for profitability.
- The combined insured losses from Hurricanes Helene ($17.5Bn)* and Milton ($20Bn)* were within the insurance market's Nat-Cat tolerance as an understood and modeled event. We continue to forecast continued moderation of rates in the property insurance market into of the first half of 2025.
- California Wildfire insured losses are still being assessed ($32-38Bn, as of Feb. 5 report)*; however, for the same reasons noted with recent Windstorm losses, no significant market dislocation is expected from these events.
- Clients can expect an aggressive underwriting approach for shared and layered accounts with desirable occupancy classes and profitable historic loss ratios, with / without heavy Nat-Cat exposures.
- Continued interest in Alternative Risk Transfer (ART) transactions, including parametric and structured solutions.
- Capacity is becoming more readily available for CA EQ which is helping to moderate pricing.

*Source: Aon Re, Inc.

Rate Change

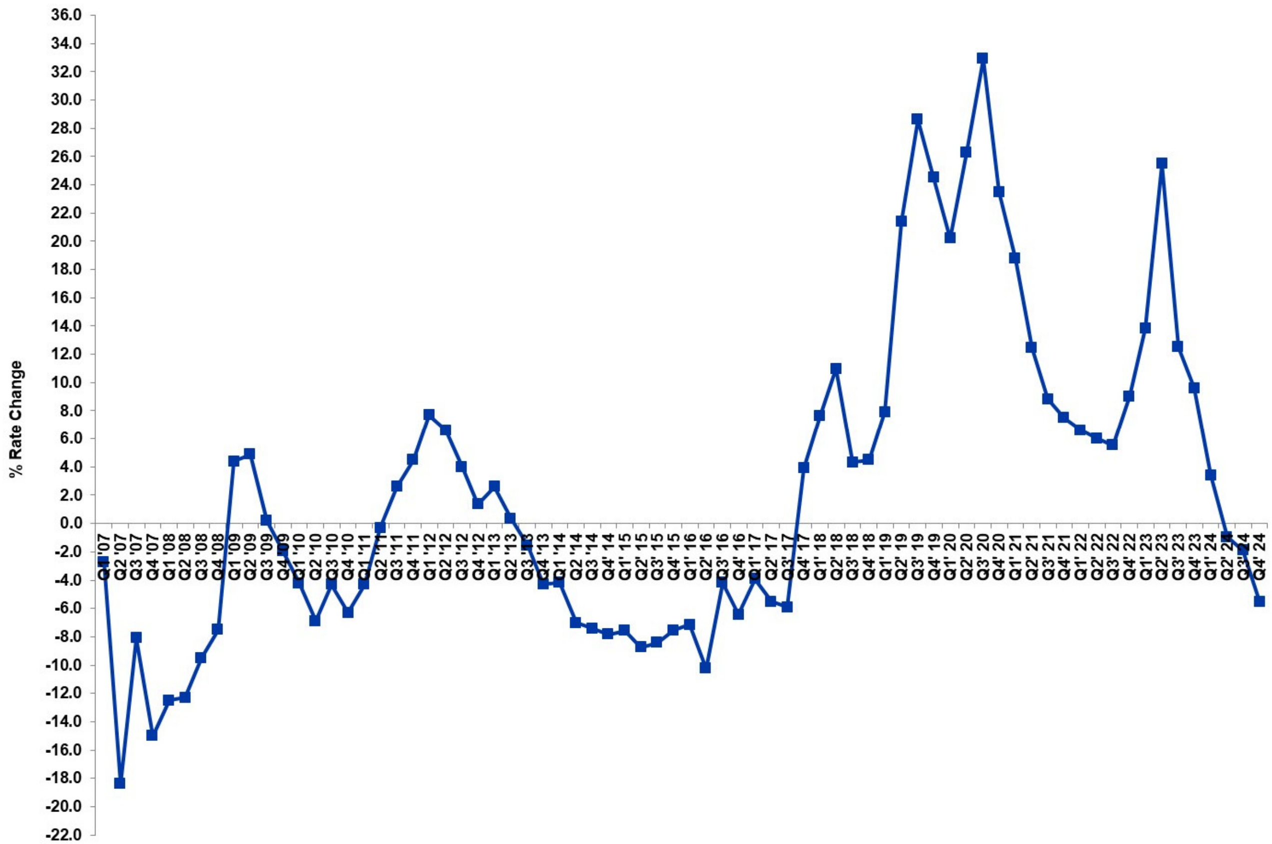
-5.45%

Q4 2024 property rate increase (Down from -1.91% in Q3 2024)

Avg. % Change in Rate (Peril)	
Non-CAT	**-3.60%**
Tier I Wind	**-10.52%**
CA EQ	**-6.74%**
CAT	**-11.98%**
All Accounts	**-5.45%**

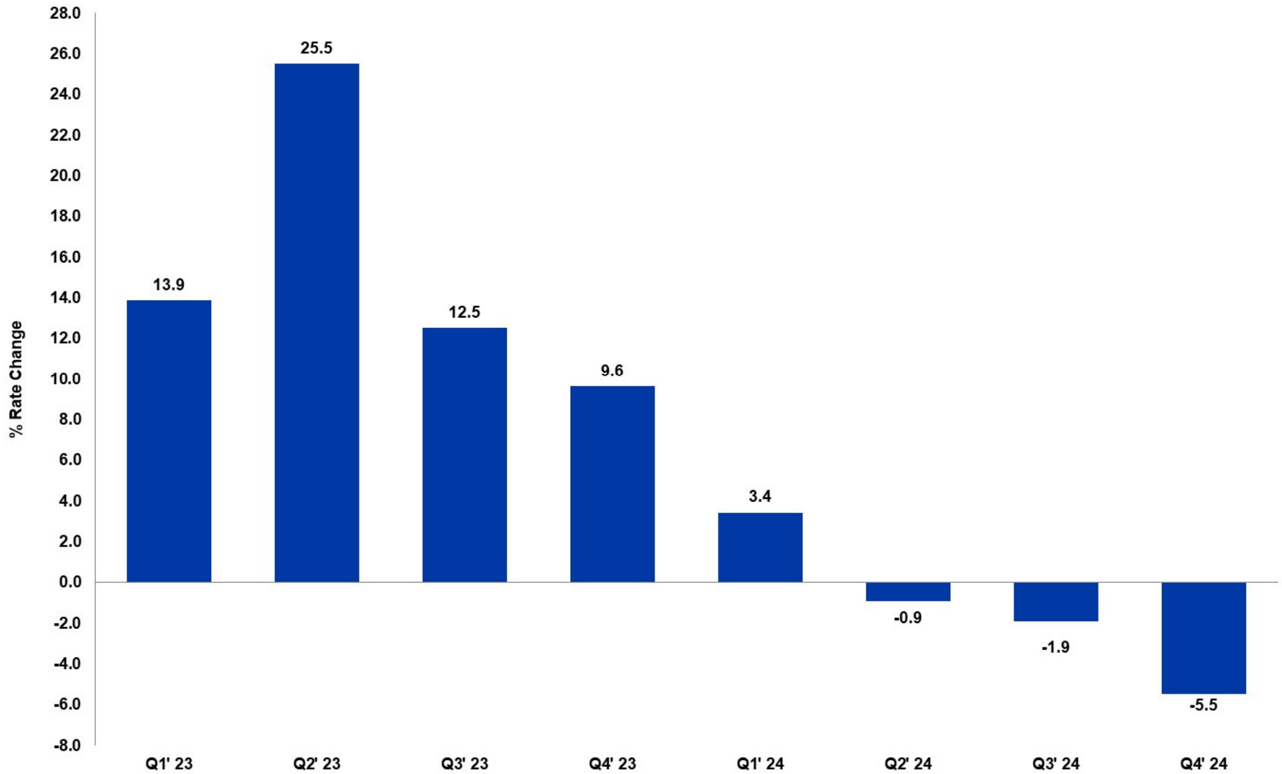
Avg. % Change in Rate (Program Structure)	
Shared and Layered	**-8.89%**
Single Carrier	**-1.76%**
All Accounts	**-5.45%**

Property – Quarterly Year-Over-Year Change In Average Rate



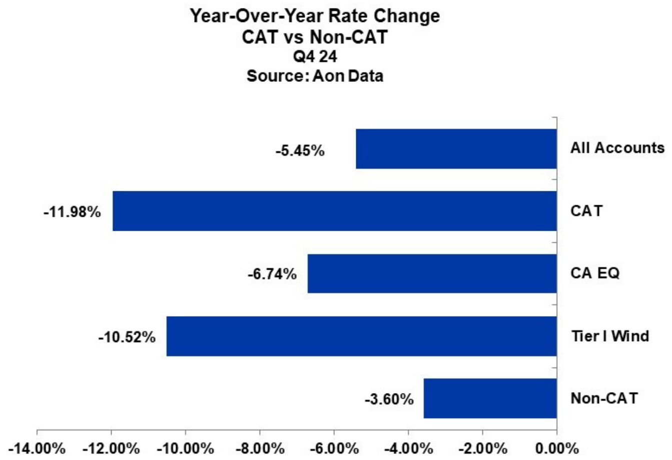
Source: Aon Data

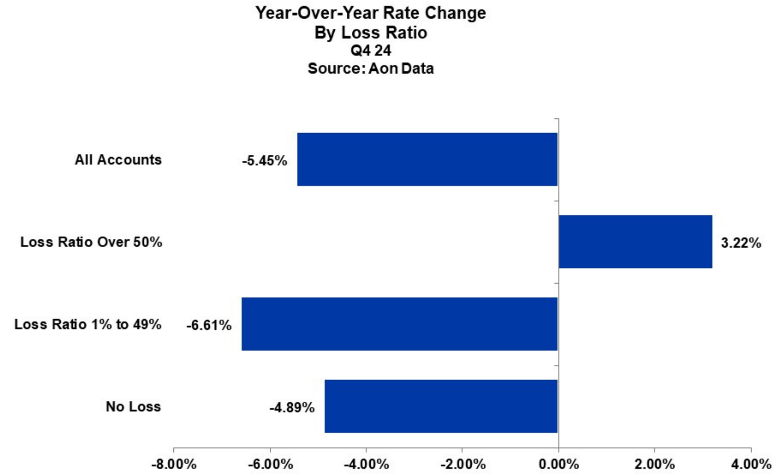
Property – Quarterly Year-Over-Year Change In Average Rate

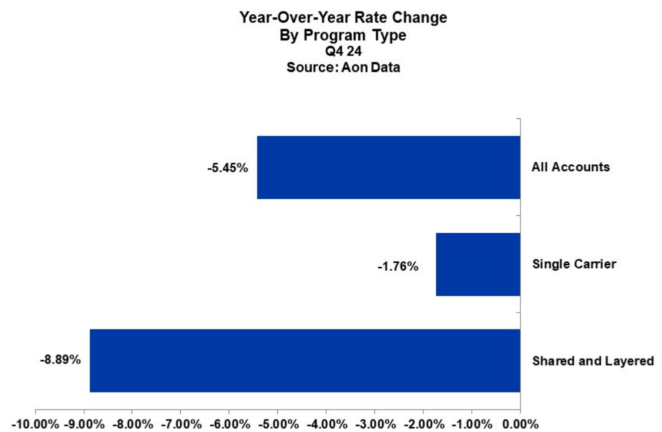


Source: Aon Data

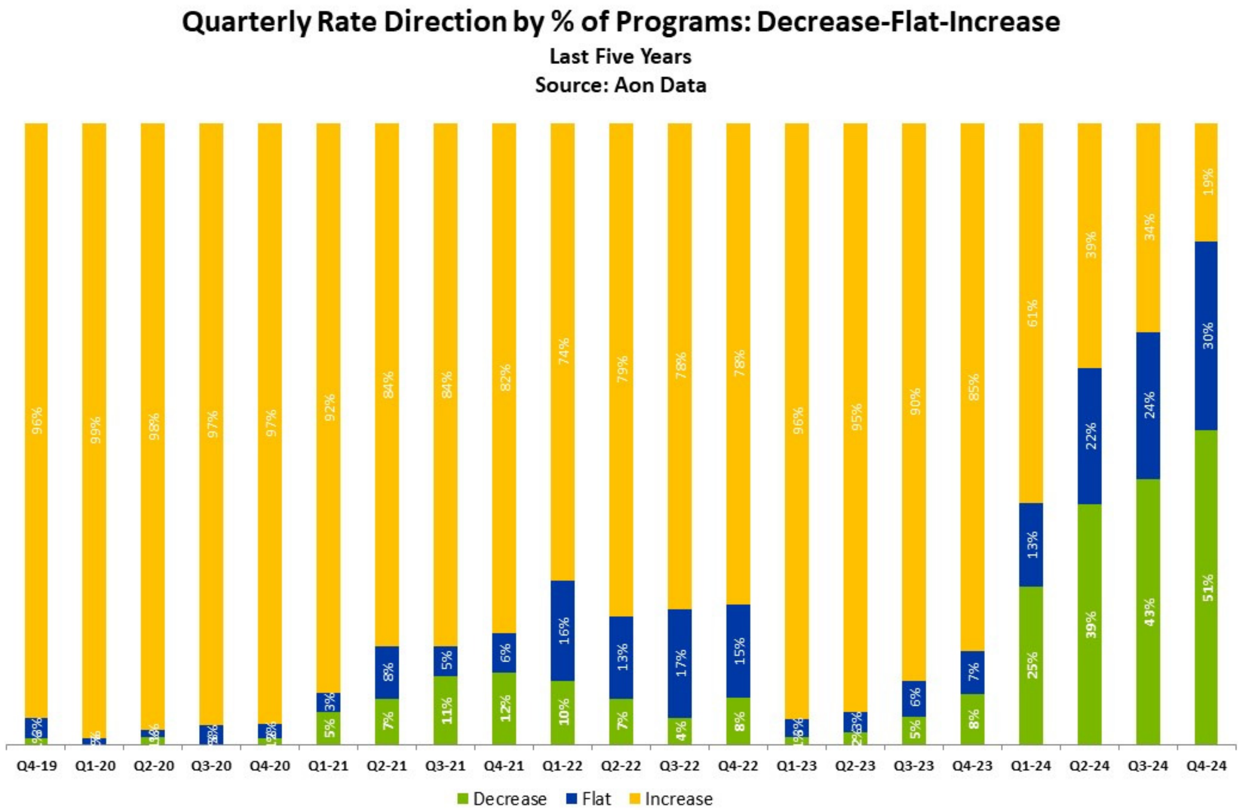
Quarterly Y-O-Y Change In Average Rate by CAT, Loss Ratio and Program Type





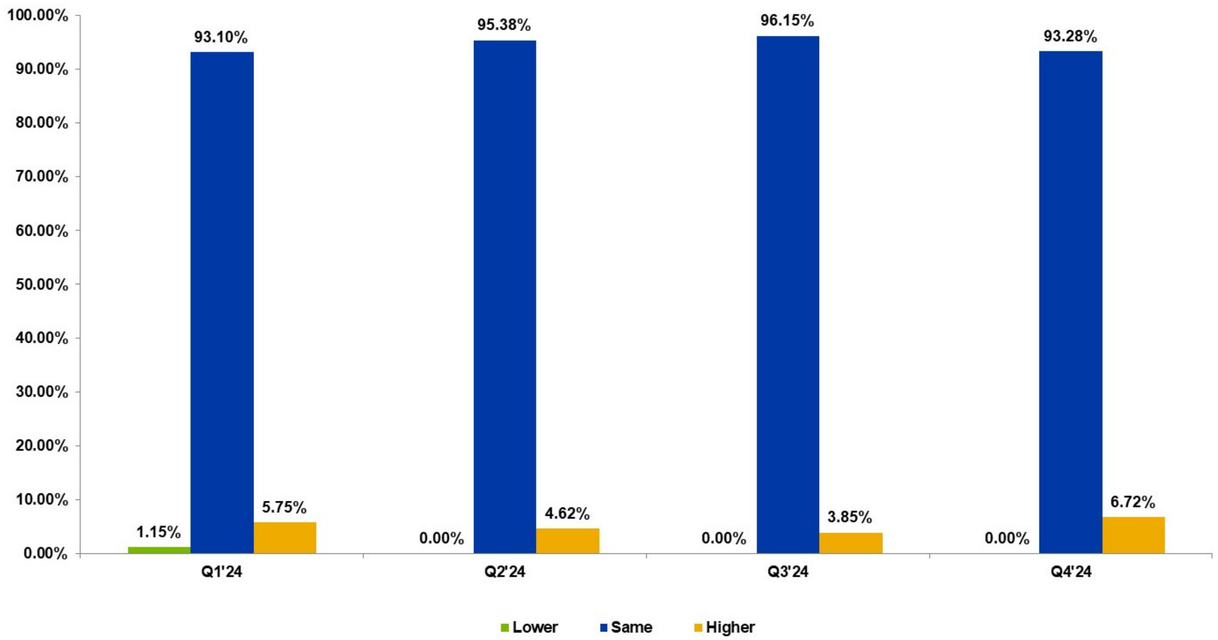


Property – Quarterly Rate Direction by % of



Programs with a rate change of +/- 2% or less are considered Flat in this analysis.

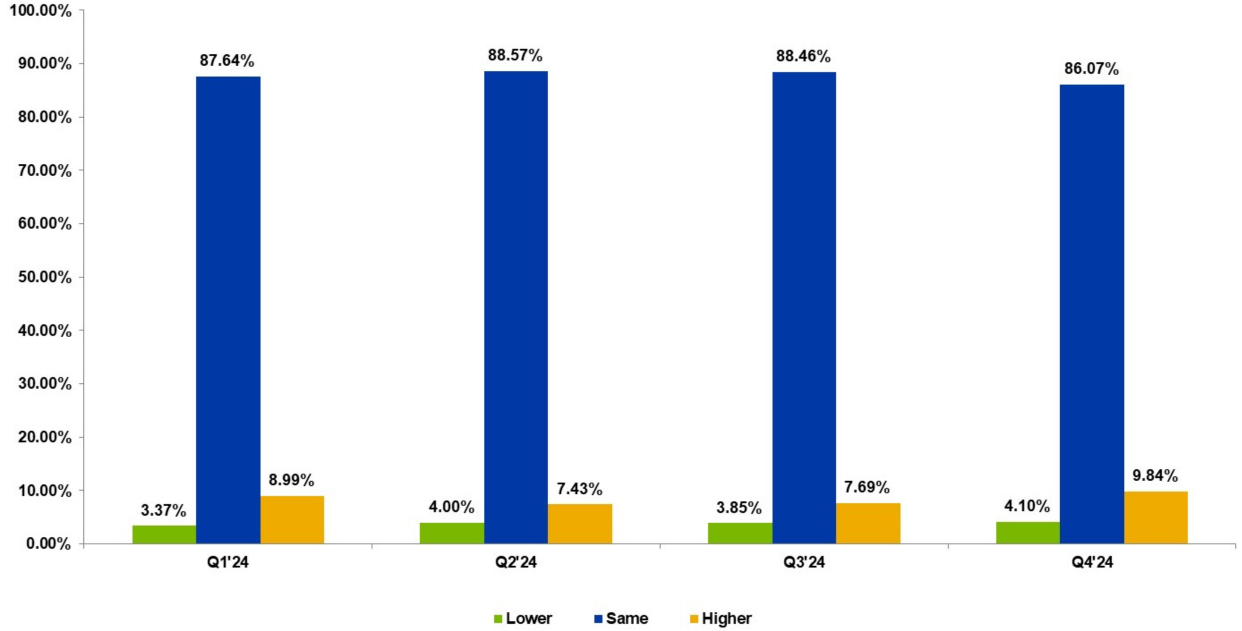
Property – Quarterly Year-Over-Year Change In Deductibles/Retentions



Type of Change	Q1 ‘24	Q2 ‘24	Q3 ‘24	Q4 ‘24
Lower	1.15%	0.00%	0.00%	0.00%
Same	93.10%	95.38%	96.15%	93.28%
Higher	5.75%	4.62%	3.85%	6.72%

Source: Aon Data

Property – Quarterly Year-Over-Year Change In Limits



Type of Change	Q1 '24	Q2 '24	Q3 '24	Q4 '24
Lower	3.37%	4.00%	3.85%	4.10%
Same	87.64%	88.57%	88.46%	86.07%
Higher	8.99%	7.43%	7.69%	9.84%

Source: Aon Data

Q4 2024 U.S. Property Market Summary

Continued rate moderation, expanding capacity, improving outcomes

Rates

The Q4 2024 property rate decreased from -1.91% in Q3 2024 to **-5.45%** in Q4 (the third consecutive quarter with average overall rate change in negative territory).

Shared and layered accounts decreased **-8.89%** and single carrier accounts was **-1.76%**.

Capacity

Carriers continue to maintain quality risks and less challenging occupancies.

- Capacity for Florida Windstorm, Severe Convective Storm (SCS) and Wildfire continues to be challenged.
- California Wildfire is now be a key industry focus.
- Capacity is becoming more readily available for CA Earthquake.

Deductibles / Retentions

Deductibles remained consistent for the quarter with **93.3%** of clients maintaining deductible levels. Clients increasing retentions was **6.7%**, up from 3.9% in Q3. Moderate pressure on Nat-Cat deductibles remains.

Limits

9.84% of clients increased limits in Q4 2024. Conversely, 4.1% of clients decreased limits in Q4. Clients maintaining limits dropped 2.4% to 86.1% compared to prior quarter. We observed an expansion of available Nat-Cat limits.

Coverage

The overall percentage exposure change for Q3 2024 was **4.8%**, up slightly from 4.3% in Q3 2024.

Potential, client-specific issues:

- Loss-sensitive accounts; subsectors that are historically unprofitable
- Inadequate justification for reported Property or Time Element values
- Lack of updated engineering information and risk quality trajectory
- Concentrated CA wildfire exposures, Tier 1 Windstorm exposures and Political Violence / SRCC exposures

Source: *Q4 2024 Property Market Overview*, Aon National Property Group

Q1-Q2 2025 Rate Outlook

There will continue to be rate differentiation as follows:

- **-15% to flat rate change for desirable accounts/occupancies, as well as predominantly Nat-Cat exposed accounts;**
- **Less-desirable occupancies will likely experience a lower rate reduction while loss-challenged accounts will continue to be underwritten for profitability.**

2 Property Program Renewal Guidance

AON

Property Renewal Guidance

Guidance for Q1–Q2 2025 renewals

Rates

Majority of **shared and layered** likely to see **double digit rate** decreases with exceptions for loss sensitive insureds and select industry subsectors, led by London and U.S. based markets with Bermuda markets looking to maintain accounts accordingly.

Single carrier placements will remain a more moderated market with **flat to -15%** outcomes achievable.

Capacity

California Earthquake **capacity is increasing.**

Tier 1 Windstorm **limits are stable to increasing** outside of select FL counties.

Continued concern around **Wildfire** and **Severe Convective Storm** has not resulted (to date) in capacity constrictions in shared and layered market – some issues for same within single carrier space.

Deductibles / Retentions

Trend towards increased **retentions** expected to moderate in **declining rate + increased capacity environment**.

Use of **Structured Solutions** in place of self-insured retentions expected to accelerate in 2025 (or replace all or part of traditional price-sensitive layers).

Increased use of **parametric solutions** to reduce retentions / augment CAT sublimits.

Limits

Expansion of available **Nat-Cat limits** for many shared and layered markets.

Renewed commitment to **high excess** large limit layers with facilities like Mezzanine and Socius.

Portfolio Probable Maximum Loss relief for many carriers with **ART** and traditional risk offerings = greater limits.

Coverage

Differential Terms & Conditions rapidly **equalizing** on placements.

Strikes, Riots & Civil Commotion (**SRCC**) exclusions less commonplace – increased limits for the same in Terrorism/PV market.

Contingent Business Interruption (**CBI**) remains a focus / **limited capacity**.

Road forward in 1H 2025:

- Opportunistic capacity being forced off programs or resetting pricing / rates
- Choice in capacity providers driving equalization of terms, conditions and deductibles
- Record industry (re)insurance policyholder surplus levels
- ART capacity expected to grow substantially

Q1-Q2 2025 Market Factors

- **Stable treaty reinsurance renewals coupled with aggressive 2025 growth goals for many carriers;**
- **Increased pressure on traditional layers from ART solutions, including Structured and Parametric Solutions;**
- **Growth in net carrier lines from stable reinsurance market;**
- **Expanded Aon Client Treaty capacity in London;**
- **Continued convergence of Risk Capital within the commercial (re)insurance sector.**

Source: *Q4 2024 Property Market Overview*, Aon National Property Group

3 Global Broking Centre Update

AON

Global Broking Centre Markets: Property

Overall theme: Less syndication of layers, larger layer stretches = competitive tension

London, European and Bermuda GBC Markets

London and European Markets

Growth goals, approved increases in Lloyd's capacity, renewal oversubscription and multiple distribution channels leading favorable market conditions

- **London-leading rate reductions** for majority of renewal portfolio and European markets similarly protecting renewal portfolios
- **Capacity increasing** for existing syndicates and new market entrants
- **Direct & Facultative** distribution channels growing creating pressure on U.S. E&S and Retail markets as well as Bermuda
- **Defensive and measured growth goals** having a positive impact for global insureds + Aon Client Treaty expansion for 2025 forward

Bermuda Markets

Renewal oversubscription; competition from London, European and U.S. markets with the ability to offer both Primary and Excess capacity driving competition

- **Stable capacity** increasingly leveraging U.S. and London distribution channels
- **Compressed, short stretch layers** disappearing with rationalized, increased stretch layer structures – putting pressure on some Bermuda markets
- **Traditional new capital entry point** with few "new" market entrants over the 27 consecutive quarter "hard" market cycle more focused on global vs. local competition in Bermuda market
- **Still a gateway for ILS, innovation**

Sabotage & Terrorism (S&T), Political Violence (PV) Markets

London (and Bermuda and US) Markets

Stabilized S&T market with flat to single digit rate reductions; PV capacity still rate positive but incremental renewal rates flattening out; and, Active Assailant

- **Increased S&T capacity, stabilized treaty reinsurance market and growth goals** leading to moderating / negative rate renewal outcomes for 2025
- **Political Violence (incl. War) / SRCC market** continues to see pressure tempered by new capacity, stabile reinsurance and an evolving geopolitical risk landscape
- **Active Assailant** market growing via embedded sublimits or new facility support to address this growing global threat – particularly in N.A. and European markets

Abundant capital chasing too few risks that have stabilized valuations and continue to demonstrate ability to take on more risk = competition and choice for insureds

4

2024 Catastrophe Review and Global Insured & Economic Loss Update

2024 Annual Global Cat / Loss Review

Economic Loss

$368B

14 percent above the 21st century average

Insured Loss

$145B

54 percent above the 21st century average

Hurricane Helene, Costliest Event

243

fatalities in the third-deadliest U.S. hurricane of the 21st century, causing $75 billion in economic losses

Warmest Year on Record

1.55°C/2.79°F

temperature anomaly in 2024 compared to pre-industrial period (1850 – 1900), marking the warmest year on record (WMO)

54

billion-dollar economic loss events, above the average of 44

34

billion-dollar insured loss events, above the average of 16

Spain, Brazil, UAE, Vietnam

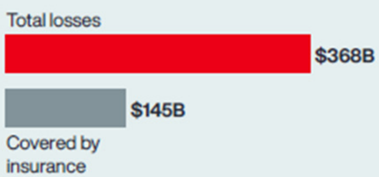
recorded their costliest insurance events

15

consecutive months of record-high global temperatures between July 2023 and August 2024

60%

global protection gap



78%

of global insured losses were recorded in the United States

20

countries and territories that recorded their highest temperatures

Tropical Cyclone

peril with the highest economic losses; severe convective storms was the most damaging peril for insurers

$61B

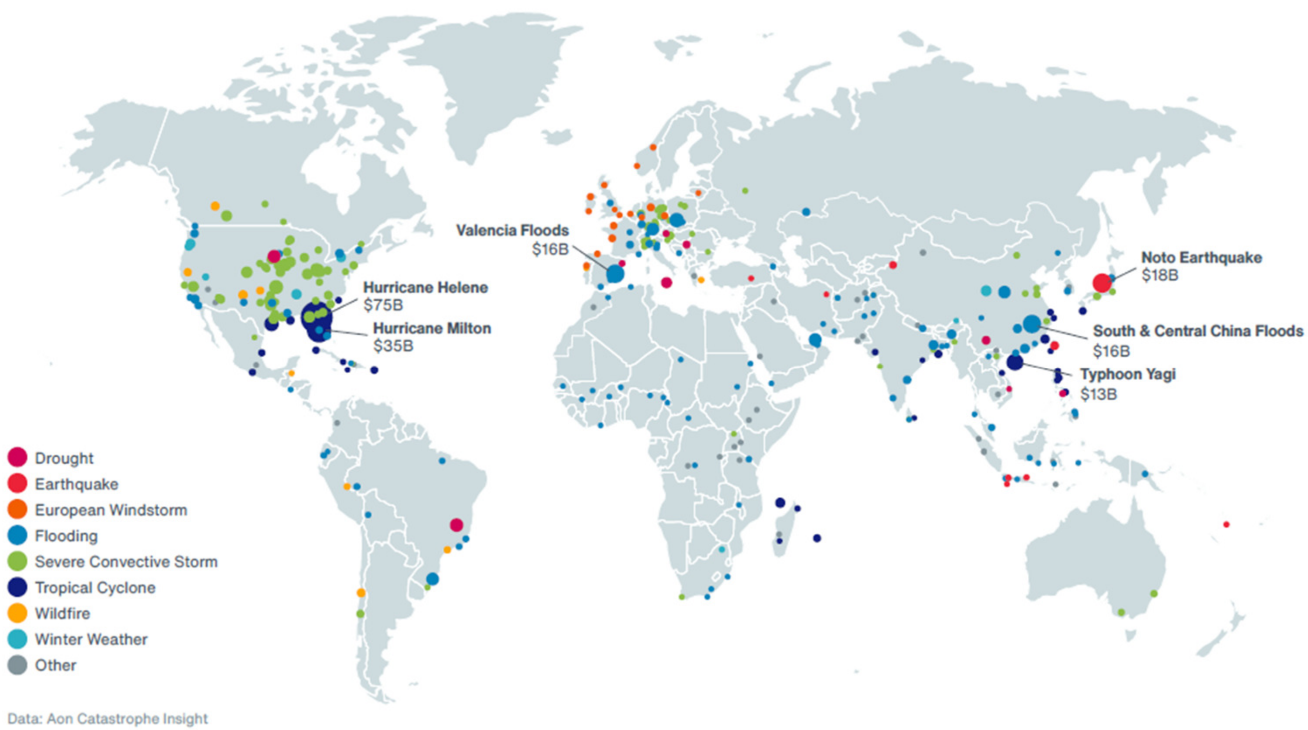
global insured losses from SCS, the second-highest on record

18,100

fatalities driven by heatwaves and floods, lowest since 1992

Source: 2025 Global Catastrophe Recap – Aon

Notable 2024 Economic Loss Events



Source: 2025 Global Catastrophe Recap – Aon

Economic losses from global natural disasters in 2024 are estimated at $368 billion, about 1% above the long-term average since 2000, after adjusting historical losses to today's values using the U.S. Consumer Price Index.

Distribution of disasters on the world map shows various patterns. For example, the largest concentration of catastrophe losses can be found in developed countries with high economic output, with the United States alone accounting for more than $218 billion in 2024. However, losses in emerging markets such as Brazil, India and China are accounting for an increasing portion of the global toll due to the rapid economic growth and urbanization in high-risk areas in recent years.

Top Ten Global Economic Loss Events in 2024

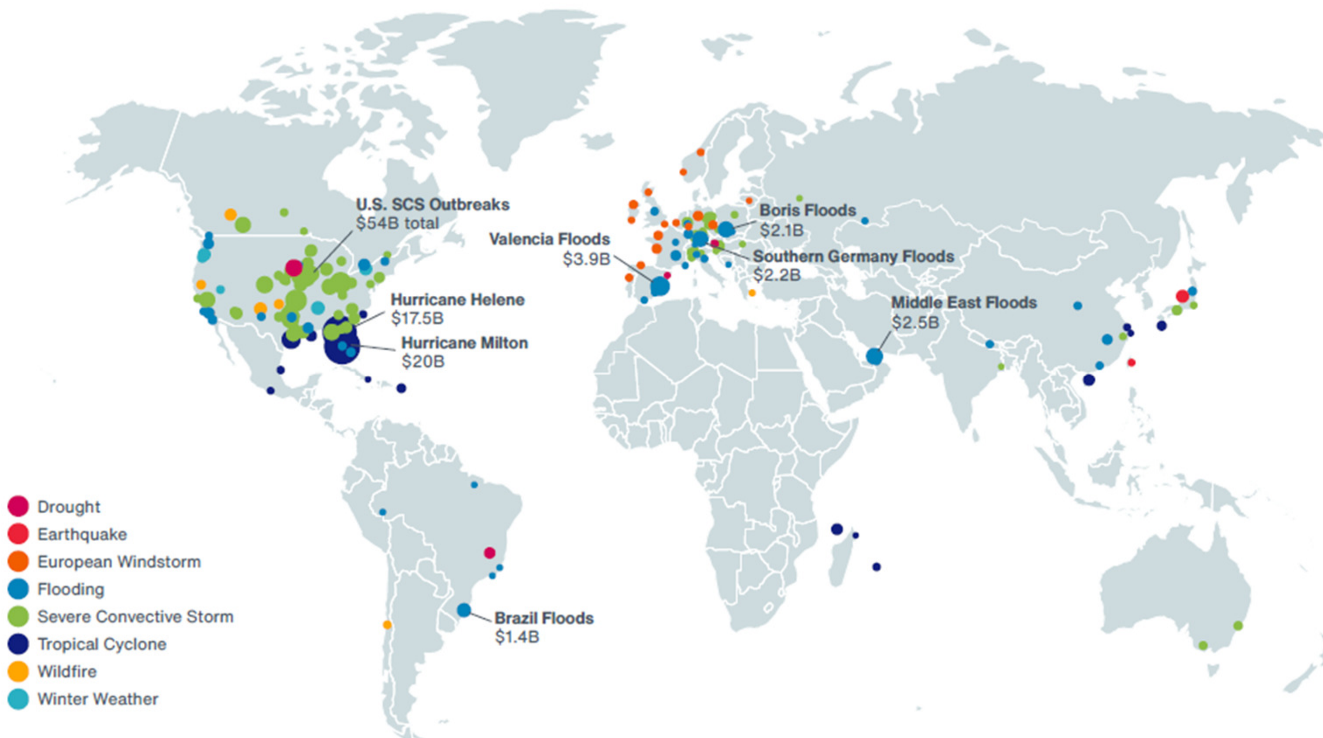
Date	Event	Location	Deaths	Economic Loss (2024 $B)	Insured Loss (2024 $B)
09/25 - 09/28	**Hurricane Helene**	U.S., Mexico, Cuba	243	**75.0**	17.5
10/08 - 10/11	**Hurricane Milton**	U.S., Mexico	35	**35.0**	20.0
01/01	**Noto Earthquake**	Japan	489	**18.0**	1.0
10/27 - 10/30	**Valencia Floods**	Spain	231	**16.1**	3.9
06/09 - 07/14	**South, Central China Floods**	China	470	**15.7**	0.4
09/01 - 09/09	**Typhoon Yagi**	China, Southeast Asia	816	**12.9**	0.7
07/01 - 07/11	**Hurricane Beryl**	U.S., Caribbean, Canada	70	**7.7**	3.7
09/12 - 09/16	**Central Europe Floods**	Central Europe	29	**7.5**	2.1
01/01 - 12/31	**Drought**	United States	N/A	**7.1**	3.5
05/06 - 05/10	**Severe Convective Storm**	United States	6	**6.6**	5.2
All Other Events			~15,700	166.4	87.0
Totals			**~18,100**	**368**	**145**

Source: 2025 Global Catastrophe Recap – Aon

Hurricane Helene became the costliest event of the year from an economic loss perspective with an estimated $75 billion in total direct economic damage. While it impacted Florida as an unusually large and strong Category 4 storm, landfall point was in a relatively sparsely populated area and majority of the financial impact was actually incurred in North Carolina due to widespread and devastating floods. Hurricane Helene ranks among the 15 costliest natural disasters globally since 1900 on a price-inflated basis and among the eight costliest tropical cyclones.

At least five other events resulted in economic losses of $10 billion and higher, with three events in the Asia Pacific region. Only one SCS event was among the top 10 in 2024, and the May 6 – 10 outbreak in the United States now ranks among the 10 costliest SCS events on record (in 2024 U.S. dollars).

Notable 2024 Insured Loss Events



Data: Aon Catastrophe Insight

Global insured losses from natural disasters for 2024 are estimated at $145 billion, well above the short-, medium- and long-term averages. This total is expected to evolve into 2025 due to additional loss development. Approximately 40% of global economic losses were thus covered by private or public insurance, which constitutes a relatively low global protection gap of 60%.

Global losses were almost entirely driven by severe convective storms, tropical cyclones and flooding, while all other perils generated annual losses below their respective long-term averages. For the seventh consecutive year, secondary perils outpaced those described as primary, mainly due to another calendar year, characterized by relentless SCS activity in the United States and nearly record-breaking number of billion-dollar events.

Top Ten Global Insured Loss Events in 2024

Date	Event	Location	Deaths	Economic Loss (2024 $B)	Insured Loss (2024 $B)
10/08 – 10/11	**Hurricane Milton**	U.S., Mexico	35	35.0	**20.0**
09/25 – 09/28	**Hurricane Helene**	U.S., Mexico, Cuba	243	75.0	**17.5**
05/06 – 05/10	**Severe Convective Storm**	United States	6	6.6	**5.2**
03/12 – 03/16	**Severe Convective Storm**	United States	3	6.0	**4.8**
10/27 – 10/30	**Valencia Floods**	Spain	231	16.1	**3.9**
05/17 – 05/22	**Severe Convective Storm**	United States	5	4.9	**3.9**
08/03 – 08/11	**Hurricane Debby**	U.S., Canada	6	6.2	**3.9**
07/01 – 07/11	**Hurricane Beryl**	U.S., Caribbean, Canada	70	7.7	**3.7**
05/25 – 05/26	**Severe Convective Storm**	United States	26	4.5	**3.6**
01/01 - 12/31	**U.S. Drought**	United States	N/A	7.1	**3.5**
All Other Events			~17,500	198.9	**75.1**
Totals			**~18,100**	**368**	**145**

The highest individual event-level losses for the global (re)insurance industry were caused by two Atlantic hurricanes, Milton and Helene. Together, they were responsible for approximately $37.5 billion in losses to private and public entities, including the National Flood Insurance Program (NFIP). This total might further evolve in 2025 with additional loss development.

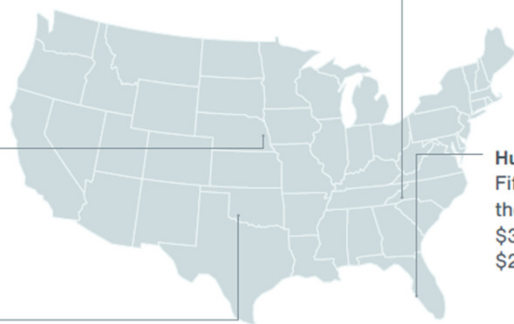
Four SCS events ranked among the top 10 costliest disasters in 2024 — in contrast, there were seven such events in 2023, the year without occurrence of any $10-billion events and dominated by secondary perils. The May 6-10 and March 12-16 outbreaks in the United States also rank among the top 10 costliest SCS events in the global historical record, after adjustment for
price inflation (not for exposure growth). In contrast to hurricane and flooding disasters, SCS events exhibit lower protection gap.

2024 U.S. Economic & Insured Loss Review [1]

Hurricane Helene
Deadliest mainland U.S. hurricane since Hurricane Katrina (2005)
$75B economic loss
$17.5B insured loss
243 fatalities

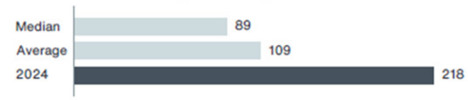
Severe Convective Storms
Second-highest insured loss total on record driven by 17 billion-dollar insured loss events
$69B economic loss
$54B insured loss

Agriculture Losses
Large crop insurance payments due to drought, flooding, and SCS
$6.7B in total

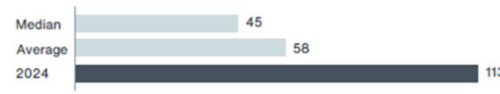


Hurricane Milton
Fifth-strongest hurricane in the Atlantic basin on record
$35B economic loss
$20B insured loss

Economic Losses (2024 $B)



Insured Losses (2024 $B)



59% of global economic losses

78% of global insured losses

52% of losses covered by insurance

Source: 2025 Global Catastrophe Recap – Aon

1,800+
preliminary tornado local storm reports from the Storm Prediction Center in 2024, the most since 2011

30.78 in/782 mm
highest storm total rainfall from Hurricane Helene measured in Busick, North Carolina

91
weather stations setting all-time record low temperatures during mid-January arctic outbreak

897 mb
lowest central pressure measured during Hurricane Milton, the fifth-lowest ever in the Atlantic Basin

[1] Economic & Insured Loss Reporting is for 2024 and does not include California Wildfire (Eaton and Palisades) losses.

5 California Wildfires

Aon Estimates Industry Loss from Southern CA Wildfires at $32-38B

Update as of February 5, 2025

Summary of CalFire Damage Assessment:

	Total Residential Structures	% of Residential Structures Destroyed	Total Commercial Structures	% of Commercial Structures Destroyed
Palisades	9.5k	55%	353	46%
Eaton	12.2k	50%	429	37%

Data source: CAL FIRE Damage Inspection (DINS) Data, copyright 2024-2025
Provider: California Department of Forestry and Fire Protection (CAL FIRE)
License: Creative Commons Attribution License (CC-BY) 4.0
Last updated: December 27, 2024
Retrieved from: https://data.ca.gov/dataset/cal-fire-damage-inspection-dins-data

The State of California and the Department of Forestry and Fire Protection make no representations or warranties regarding the accuracy of data or maps. Neither the State nor the Department shall be liable under any circumstances for any direct, special, incidental, or consequential damages with respect to any claim by any user or third party on account of, or arising from, the use of data or maps.

Aon's Final Estimate of Industry Insured Loss*

	Low	High
Palisades (1/7)	$18B	$23B
Eaton (1/7)	$12B	$17B
Total	**$32B**	**$38B**

***Methodology (includes residential and commercial property, auto, specie and fine art) as of 2/4/25:**

1. Includes loss from physical property, other structures, contents, additional living expenses, smoke, and loss adjustment expenses.
2. Total losses are not additive for individual fires as concurrent lower/upper bound scenarios are less likely

Additional Considerations:

- California FAIR Plan and insurers specializing in high value homes have majority market share in the Palisades fire perimeter.
- CA FAIR plan policy limit total coverage caps of $3M for residential lines and $20M for commercial lines likely contributes to a notable protection gap in the Palisades Fire footprint.
- National and regional admitted carriers generally have a disproportionately larger market share in the Eaton perimeter compared to the Palisades footprint.

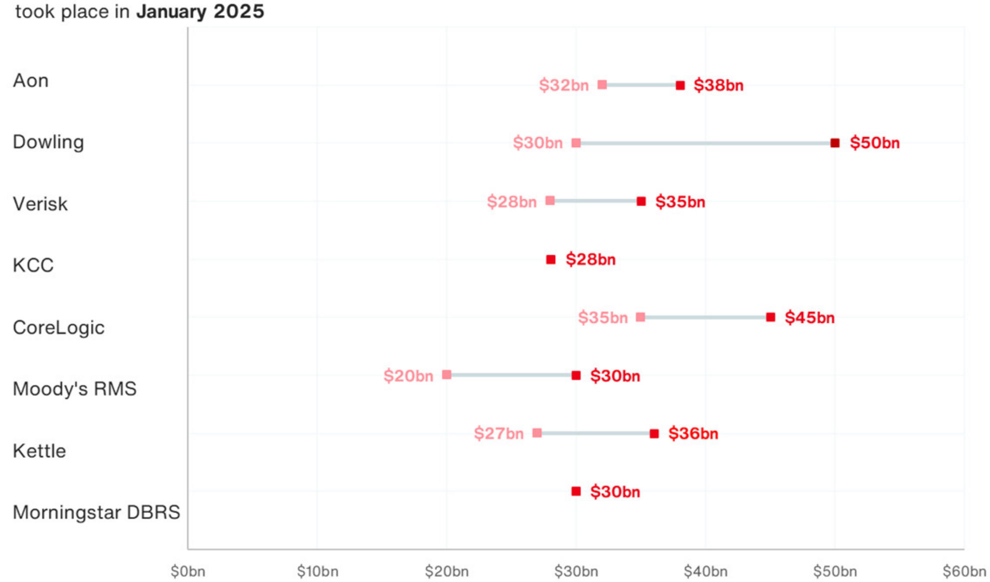
Disclaimer: The above estimate represents estimated direct damage as of 10am inclusive of components as outlined above and subject to the exclusions and uncertainty noted here within.

2025 Southern California Wildfire Loss Estimates

Other Industry Sources as of February 5, 2025

LA County wildfires: Industry insured loss estimates

Latest available **aggregate insured loss estimates** for **the Los Angeles County wildfires** which took place in **January 2025**



Estimates as of:

- Aon 2/5/2025
- Verisk 1/22/2025
- KCC 1/23/2025
- CoreLogic 1/16/2025
- Moody's RMS 1/17/2025
- Kettle 1/28/2025
- Morning Star DBRS 1/16/2025
- Dowling 1/14/2025

The 2025 Los Angeles Fires will likely rank among the top 3 costliest wildfires in U.S. History

Palisades Fire

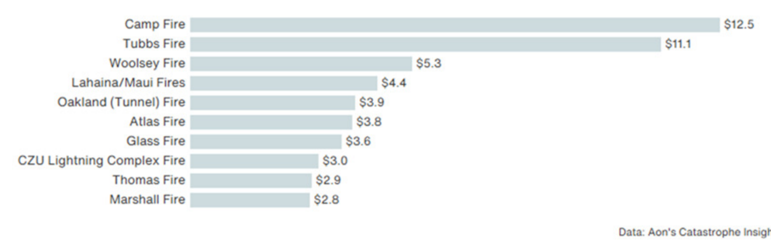
The Palisades Fire burned 23K acres across Pacific Palisades, destroying 6,837 structures and damaging an additional 1,017 structures. Cause is under investigation.

Eaton Fire

The Eaton fire burned 14K acres and impacted the community of Altadena. Damage surveys indicate 9,413 structures destroyed and 1,073 structures damaged from the fire. Cause is under investigation.

The Palisades and Eaton wildfires were modeled tail events captures in vendor stochastic catalogues used by reinsurers to plan cat budgets and price the risk.

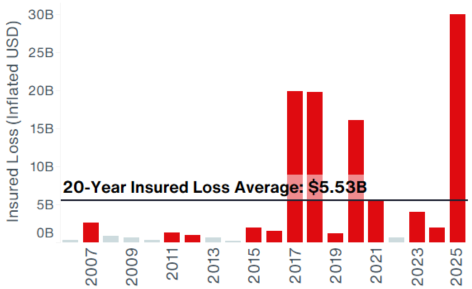
Top 10 Costliest Wildfires in U.S. History (2024 $B)



Aon Executive Briefing: U.S. Wildfire Risk

U.S. Historical Wildfire Risk Trends

20-Year Historical U.S. Wildfire Insured Losses



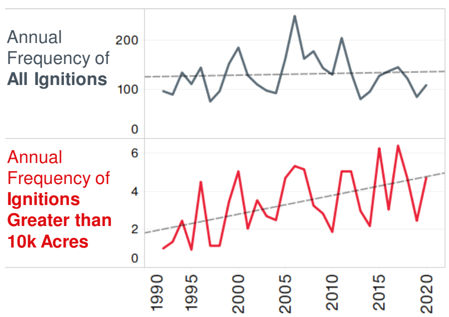
5 of the last 10 years exceeded the 20-year loss average

Number of years exceeding $1B of U.S. insured wildfire loss

2006 – 2015: 4
2016 – 2025: 9

*2025 insured wildfire loss based on Aon upper-limit loss estimates of the 2025 LA wildfires as of January 16th, 2025 Data: Aon Catastrophe Insight Losses, USFS Fire Occurrence Ignitions (1992-2020) for fires larger than 50 acres

U.S. Historical Wildfire Ignition Frequency Trends



Frequency trends for all wildfire ignitions remain flat over time

Frequency of large wildfires has steadily increased over time

Data: Aon Catastrophe Insight

Wildfire Risk: What you Need to Know

Unlike any other natural catastrophe peril, wildfire is a constantly evolving risk landscape

Wildfire risk changes annually based on:

- Seasonal drought conditions
- Vegetation growth response to antecedent weather
- Fuel presence changes through urban expansion, forest management, and previous wildfire activity

Wildfire catastrophe models are relatively immature

Relative to U.S. hurricane models, wildfire models have a short history with less focus on model improvements:

- **Hurricane:** introduced in the late '80s/early '90s, with models updated every two years since 1995
- **Wildfire:** introduced in the mid-2000s with crude methodologies and no further investments until 2017

Wildfire catastrophe models and risk management tools are posed with unique challenges

Human influence is difficult to capture

- Humans can influence the presence of the vegetation on an annual-basis and have caused the majority of all U.S. wildfire ignitions
- Utility mitigation efforts can influence the frequency of large loss-causing events

Vulnerability is influenced by neighboring risk and community mitigation efforts

The mitigation or lack of mitigation by neighboring risks can influence the wildfire vulnerability of a given risk, which is generally unknown by the models

Event definitions are not clearly defined

A wildfire "event" definition varies across model vendors, reinsurance contracts, and PCS

6 Economic Themes for Q1 2025

Inflation, Federal Interest Rates, Employment, Consumer Sentiment

Economic Themes for Q1 2025

Inflation	Interest Rates	Employment	Consumer Sentiment
3.3% The annual core consumer price inflation rate in the United States, which excludes items such as food and energy, edged up to 3.3% in January 2025, from 3.2% in the prior month and surpassing market expectations of 3.1%. [2]	**4.25%-4.5%** In its January 29th meeting, the Federal Reserve left unchanged its overnight borrowing rate in a range between 4.25%-4.5%. The decision followed three straight cuts since September 2024. [3]	**4%** The U.S. economy added 143,000 jobs in January, and the unemployment rate edged down to 4%, showing cooling but still solid gains for the labor market. The gain in jobs was less than the 169,000 jobs that economists had expected, but the job counts for November and December were revised upward by a combined 100,000. [4]	**64.7** The University of Michigan Consumer Sentiment Index fell to 64.7 in the February 2025 survey, down from 71.7 in January and below last February's 76.9. The Current Index fell to 65.7, down from 75.1 in January and below last February's 79.4. The Expectations Index fell to 64.0, down from 69.5 in January and below last February's 75.2. [5]

7 Aon Client Treaty Enhancements

Aon Client Treaty Enhancements: Expanded Capacity in 2025

Aon Client Treaty (ACT), a leading insurance market facility, announced that the 2025 ACT renewal is complete and has secured new benefits for Aon clients, and notably including significant capacity expansion.

Aon Client Treaty enhancements:

- Significant capacity expansion from 22.5% to 28.5% of a London market order. ACT enables clients to access 28.5% of pre-secured, Lloyd's co-insurance capacity on core business lines placed through Aon's Global Broking Centres (GBC) in London and Singapore.
- Confirmed for January 1, 2025, ACT will include a "Client Dividend": a 1.5% price reduction for the ACT share of the slip limit. The Client Dividend further enhances client benefits by providing a tangible means to share efficiencies with clients who participate in ACT.
- Secured, via Letters of Intent, our participating carriers' intention to commit their capacity to ACT for 2026 and 2027. In 2025 ACT will include a strengthened intent of continuity from its participating insurers. The ACT insurers have provided letters of intent indicating their intent to commit their capacity for ACT for the next three years (i.e., 2025 – 2027).

ACT encompasses nearly all industry segments, product ranges, and geographies underwritten in the London market. Leveraging an international footprint, ACT brings the security of a Lloyd's-only insurance panel benefiting from an AA- rating from Standard & Poor's and an A+ rating from AM Best and its specialist underwriting capabilities to all eligible Aon clients.

8 Reinsurance Market Overview

Q1 2025: Key Reinsurance Market Themes

- Against a backdrop of geopolitical volatility and an active hurricane season, the January 1, 2025 renewals saw a further consolidation of favorable trends during 2024. Overall, capacity was more than adequate for the majority of lines and regions, leading to improved reinsurance pricing and terms for most placements.

- The reinsurance industry enjoyed exceptional results over the past 18 months. With average natural catastrophe losses, as the first half of 2024 insured losses reached $58 billion, well above the first half decadal average of $47 billion, reinsurers achieved an average common return on equity of 17.6% in the first half of 2024.

- Hurricanes Milton and Helene, while significant events, were not of a magnitude to dampen reinsurer appetite for property reinsurance at the 1/1 renewal. Ample capacity resulted in risk-adjusted price reductions, with reinsurers demonstrating increased flexibility and a willingness to meet the needs of individual insurers.

- Some clients saw opportunity in this market which led them to purchase higher limits and/or additional natural catastrophe frequency protection, including aggregate and subsequent event covers. Insurers are looking to restore balance to the risk-sharing relationships with reinsurers, as they have retained nearly 90% of natural catastrophe insured losses in the last two years, driven by continued frequency losses in the market, according to Aon analysis. We anticipate further demand for frequency protection in the first half of 2025 as insurers continue to focus on managing portfolio volatility.

Access the *Aon Reinsurance Market Dynamics Report, January 2025 Renewal*

Reinsurance Market: 2025 Outlook

Positive outlook for 2025

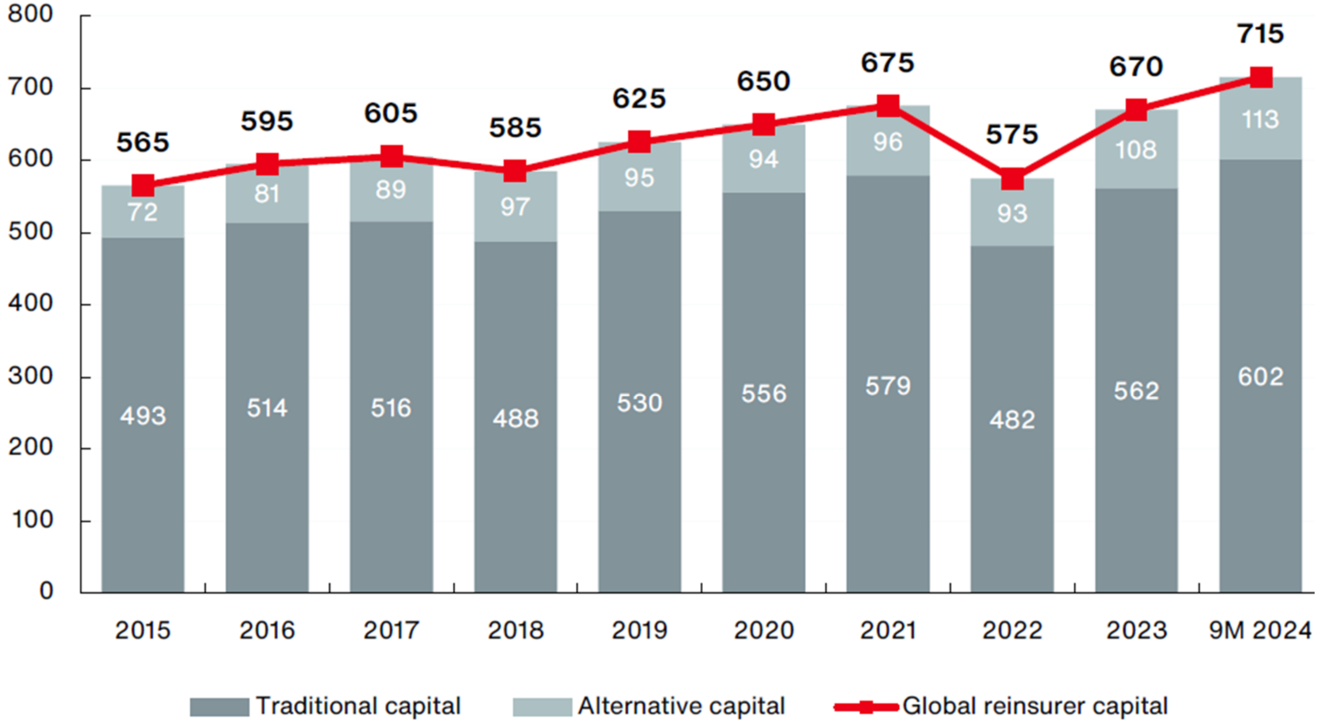
- The reinsurance industry started 2025 in a strong position. Global reinsurer capital rose to a new high of $715 billion at September 30, 2024, an increase of $45 billion relative to the end of 2023, driven mainly by retained earnings according to Aon data. It is estimated that insured losses from global natural catastrophe activity exceeded $140 billion in 2024, however, reinsurers remain on course to post healthy results at year-end. At the nine-month stage, the average combined ratio across a composite of 25 global reinsurers Aon tracks was 91.4%, while return on equity was a healthy 16.2% (annualized).

- Alternative capital remains an important part of the reinsurance value chain and is on course to end 2024 at an all-time high. In 2024, there were $17.0 billion of catastrophe bonds issued, bringing the total outstanding catastrophe bond market to $47.0 billion, an 11% increase for the year, and a 34% increase since January 1, 2023. Fueling such growth, ILS investors have continued to glean value from this market with two years of meaningful returns, thus demonstrating investors can achieve favorable risk-adjusted returns over the reinsurance market cycle.

- With reinsurers and investors making strong returns, insurers will be looking to reinsurance partners to provide more support for volatility losses, and continued improvements in price, terms and conditions. While we expect the market will remain largely attractive for both buyers and sellers in 2025, reinsurers will need to demonstrate their value if they are to fulfill their growth ambitions. The most successful reinsurers will be those that are able to meet clients' needs holistically, across their portfolios.

- 2025 is also likely to see some socioeconomic tensions as various countries deal with budget constraints, indebtedness, increasing growth challenges and changes to taxation. All while looking to bring inflation under control and managing appropriate interest rate levels. At the same time, the geopolitical backdrop remains somewhat uncertain. All of this is likely to have an impact, both positive and negative, on the global trading environment in which reinsurers operate.

Global Reinsurer Capital ($ billions)



Aon estimates that global reinsurer capital rose to a new high of $715 billion at September 30, 2024, an increase of $45 billion relative to the end of 2023. Growth was driven by retained earnings, unrealized gains on bonds contributing directly to equity and new inflows to the catastrophe bond market.

Sources: Company financial statements / Aon's Reinsurance Solutions / Aon Securities Inc.

About Aon

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Methodology
The analysis contained in this report, unless otherwise cited, was provided by leveraging and analyzing proprietary Aon data. The resulting the analysis and findings are shown only in aggregate

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ACWA JPIA
Property Program Update and Renewal Strategy
May 12, 2025

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

CURRENT SITUATION
Recap of the 2024-25 Renewal
In recent years, JPIA has experienced significant catastrophic wildfire losses, compounded by a global rise in billion-dollar weather and climate-related disasters. These factors have contributed to increasingly challenging renewals in a persistently hardened property insurance market.

In response, staff spent the last few years exploring and implementing structural adjustments to the Property Program. Notably, the addition of two new lead carriers with expanded capacity enabled staff to streamline the previously complex quota-share reinsurance structure, reducing the number of participating carriers from 13 to 10. The Property Program successfully renewed on July 1 under this revised structure, which now utilizes two distinct coverage towers. Through this arrangement, the JPIA continues to secure reinsurance coverage in excess of $10 million, with total limits of up to $150 million in one tower and $500 million in the other. Coverage is now strategically placed across ten excess and reinsurance carriers, strengthening both the program's stability and long-term resilience.

Program Funding
The pooled layer has experienced steady increases in both historical costs and claims frequency. These trends, combined with a persistently hard market and two significant recent losses, have resulted in a substantial deficit across several program years. Staff advised members that, due to the rising cost of self-insuring at higher limits and sharply increased excess premiums, the Property Program will likely require annual rate increases of approximately 15 to 20 percent in the years ahead. These increases are necessary to adequately fund expected losses, rebuild reserves, and stabilize years with negative equity. In response to these conditions, the Property Program Committee recommended a 15 percent rate increase for the 2024–25 Program Year, which was subsequently approved by the Executive Committee.

Renewal Strategy
Although a continued hard market was anticipated following the Southern California wildfires, the broader property market has shown signs of stabilization in recent months. Nevertheless, public entities, particularly those located in high-risk regions, continue to face heightened underwriting scrutiny. In response, staff remains focused on

strengthening JPIA's relationships with key carriers and reinforcing our position as a well-managed, lower-risk pool that is distinct from other public entities with police, fire, or school-related exposures.

As part of this strategic effort, staff continues to engage with lead carriers FM and AEGIS, as well as a broader group of domestic and international markets. Through ongoing dialogue, transparent risk data sharing, and detailed engineering site visits of key member assets, staff continues to work to enhance carriers' understanding of JPIA's exposures and risk management practices. These site visits, which involve comprehensive, technical assessments of infrastructure and operations, reflect the heightened level of scrutiny carriers are applying in today's market.

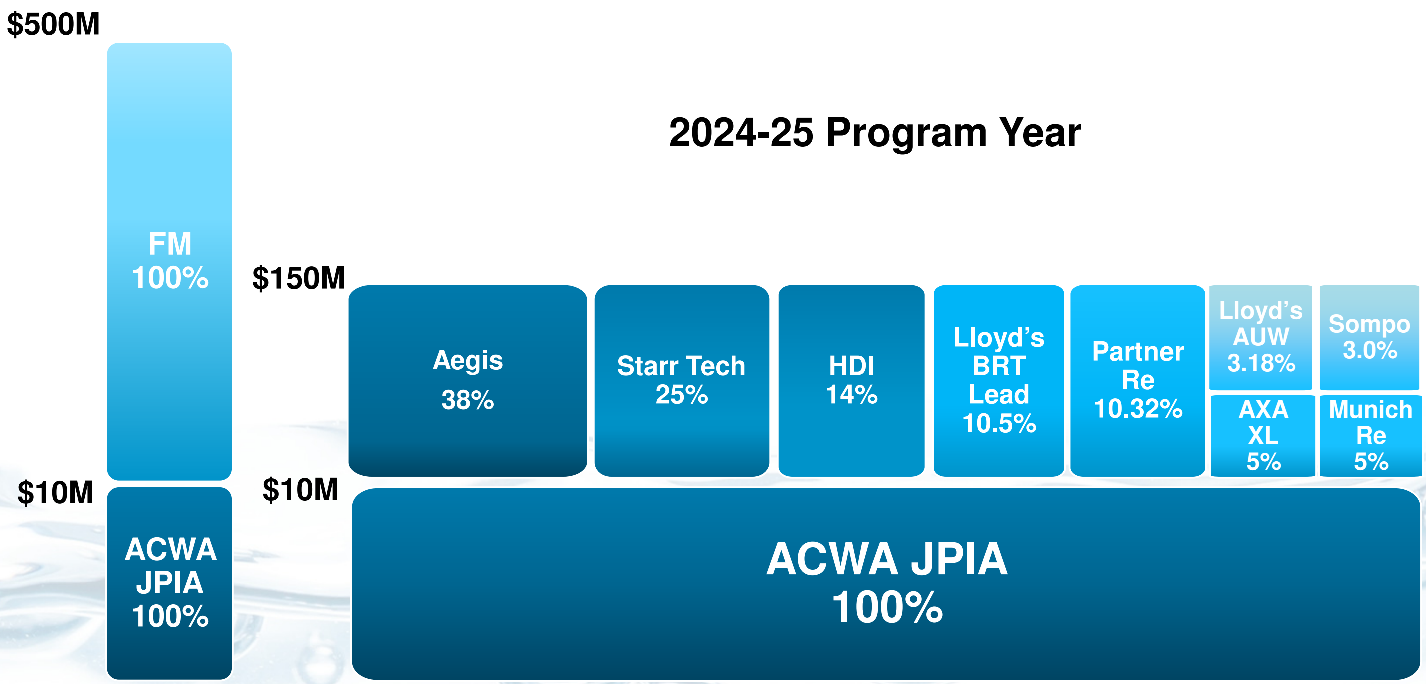
These efforts are not only aimed at securing long-term market support and increased capacity, but also at continuing to streamline the overall program structure. A key objective moving forward is to explore opportunities to reduce the Property Program's self-insured retention, further stabilizing costs while maintaining comprehensive protection for member agencies.

RECOMMENDATION
None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 23, 2025

Property Program Coverage Structure

- 292 Members
- $12B TIV
- $10M retention
- $500M limit



ACWA JPIA
Centurisk: RiskStar and Member Appraisal Updates
May 12, 2025

BACKGROUND

The JPIA's Property Program includes 292 members with a combined total insured value (TIV) of $12 billion. To support accurate coverage and asset management, staff has continued to refine internal practices for property valuation and schedule tracking – transitioning over time from spreadsheets to more sophisticated data systems.

Given the ongoing challenges in the property insurance market, particularly for public entities, staff has prioritized efforts to distinguish JPIA's risk profile. A key part of this strategy includes enhancing asset data quality and valuation practices. The addition of an in-house Cost Estimator in 2024 has strengthened our ability to support members with accurate replacement values and reinforces the pool's commitment to data integrity and program sustainability.

In further support of these goals, JPIA partnered with Centurisk to pilot the RiskStar Property Asset Management application. Customized to JPIA's needs, the pilot included participation from both a large urban water district and a small rural irrigation district. Agency data was used to test and tailor system configurations, laying the groundwork for a broader rollout aimed at modernizing property risk management across the program.

CURRENT SITUATION

On April 29, 2024, a five-year agreement was executed to implement RiskStar, which will be used to manage individual member's buildings, structures, and equipment, and produce valuation reports.

Over the past several months, staff has worked closely with RiskStar's staff team to prepare for the platform transition. This effort included a comprehensive data cleanup and the successful migration of all property data from Risk Console to RiskStar. In parallel, staff provided oversight of scheduled property values and supported members in evaluating and determining appropriate values for their assets. Once the data was migrated, property schedules were produced and shared with members for review and updates in preparation for the 2025-26 program renewal. Member-submitted updates have now been incorporated into RiskStar and the system will soon be ready for members to begin actively managing their property schedules directly via the application.

As part of the broader effort to enhance data accuracy and support long-term program stability, staff has also focused on improving property valuation practices. In collaboration with Centurisk, JPIA's property appraisal vendor, staff has been developing and implementing a formalized property valuation program designed to ensure all member assets undergo a comprehensive valuation review at least once every five years. Accurate property valuations are essential, as they directly influence rates by ensuring that coverage reflects the true replacement cost of assets – helping to avoid underinsurance, overpayment, and potential coverage gaps. Final program details are currently being finalized, with implementation scheduled to begin in the 2025-26 program year.

RECOMMENDATION

None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 15, 2025

ACWA JPIA
Overview and Discussion: Parametric Insurance Concepts
May 12, 2025

BACKGROUND
As part of staff's ongoing efforts to address emerging risks, alternative coverage solutions are continually explored. The increasing severity of wildfires and other natural catastrophic events, combined with the challenges of aging infrastructure, has highlighted the need for flexible risk transfer tools. One such option is parametric insurance, which provides a set payment when a defined event meets specific, measurable criteria. Unlike traditional insurance, payouts are determined by "triggers" such as ground shaking or fire perimeter, rather than an actual loss incurred.

While parametric insurance does not pay based on physical damage, it can provide critical funding when an event presents a credible threat to vulnerable assets, such as aging infrastructure. For example, if a wildfire burns within a defined distance of key assets, meeting the policy's trigger, a payout would be issued regardless of whether visible damage has occurred. These funds can be used to inspect, stabilize, or protect infrastructure such as underground pipelines, pump stations, or treatment systems that may be at increased risk due to heat exposure or post-fire debris. This timely funding helps agencies take preventive action and reduce the potential for delayed failures or costly system disruptions.

CURRENT SITUATION
Dr. Akshay Gupta, Senior Vice President and Head of Catastrophe Engineering and Analytics for BHSI and Peter Lacovara, Managing Director, Aon, will provide an overview of parametric insurance structures, the current market landscape, and how these tools are being used by public entities. They will also discuss examples, key benefits and limitations, and considerations for implementation.

RECOMMENDATION
None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 16, 2025

ACWA JPIA
Member-Requested Coverage Considerations
May 12, 2025

BACKGROUND

As part of the annual review process, staff evaluates the structure and language of the Property Memorandum of Coverage (MOC) to ensure it remains aligned with program objectives and the structure of the existing reinsurance agreement.

In doing so, staff continues to uphold the foundational design of the MOC, which is intentionally structured to generally follow the form of the FM reinsurance policy in reverse. While the MOC aligns with the terms and conditions of the reinsurance agreement, it includes key modifications tailored to the needs of JPIA members, particularly in the areas of definitions, exclusions, and dispute resolution. This structure has proven highly effective, allowing the JPIA to provide member-focused coverage while maintaining alignment with the underlying reinsurance. Except for specific exclusions outlined in the MOC, coverage provided by the reinsurance agreement is likewise extended to members through the MOC.

CURRENT SITUATION

Recently, a member agency requested consideration of expanded coverage to include aging infrastructure, such as pipelines, pump stations, and treatment facilities, that fall outside the traditional scope of the program. While this request highlights evolving operational needs among members, expanding coverage to include older, higher-risk assets may carry significant cost and risk implications. These factors will be thoughtfully considered as part of the broader discussion around whether and how the coverage framework should evolve.

The ACWA JPIA's Property Program currently provides coverage for a wide range of real and personal property assets owned by member agencies. Historically, the program has focused on above-ground buildings, equipment, and scheduled facilities. However, as member agencies continue to face growing challenges related to the maintenance and operation of aging infrastructure, such as pipelines, pump stations, and treatment-related assets, member inquiries have prompted staff to initiate a conceptual discussion regarding the potential expansion of the program to include these critical but historically excluded assets.

To help inform this discussion, the agenda item presented immediately prior, will include a presentation on parametric insurance, an alternative risk transfer tool that offers a predetermined payout when specific, measurable conditions are met. While not a replacement for conventional coverage, parametric solutions may help address potential gaps and enable faster access to recovery funds when infrastructure failures occur.

Although no coverage changes are proposed at this time, staff believes it is appropriate to engage the Committee in a preliminary discussion and gather input on whether further evaluation of these concepts aligns with the long-term objectives of the Property Program and the broader interests of the membership.

RECOMMENDATION

None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 15, 2025

WESTSIDE
WATER AUTHORITY
A joint powers authority

ACWA - JPIA

JAN 06 2025

WESTSIDE WATER AUTHORITY
5555 California Avenue, Suite 209
Bakersfield, CA 93309
Phone: (661) 633-9022
Email: admin@westsidewa.org

January 2, 2025

Adrienne Beatty
2100 Professional Dr
Roseville, CA 95661

RE: Insurance Coverage for Critical District Infrastructure

Adrienna:

The purpose of this letter is to inform the Association of California Water Agencies (**ACWA**) and ACWA Joint Powers Insurance Authority (**ACWA JPIA**) of a serious insurance coverage issue faced by the Westside Water Authority (**WWA**) and its Member Districts (i.e., Belridge Water Storage District, Berrenda Mesa Water District, Lost Hills Water District, and Dudley Ridge Water District).

Currently, ACWA JPIA does not provide any insurance coverage for WWA's Member Districts' existing water conveyance infrastructure, like their penstocks and associated pipelines and appurtenances. This is of particular concern to WWA and its Member Districts given the current condition of that existing infrastructure. Said simply, the Member Districts' existing water infrastructure is aged and becoming increasingly prone to wear, requiring more frequent maintenance and repair to ensure continued service reliability and safety. But this issue is not unique to WWA and its Member Districts. In fact, it is felt by ACWA and ACWA JPIA's members and constituents across the State.

This lack of insurance coverage leaves WWA, its Member Districts, and their respective landowners vulnerable in the event of unexpected failures or emergencies.

WWA and its Member Districts request that ACWA and ACWA JPIA consider expanding existing insurance coverage options to cover critical water conveyance infrastructure. WWA stands ready to work with ACWA and ACWA JPIA to address this issue and discuss potential options regarding a path forward. Ensuring the security and functionality of our water conveyance infrastructure is essential to maintaining the well-being and sustainability of our community.

Thank you for your attention to this matter. We look forward to working with ACWA and ACWA JPIA regarding this matter. Please feel free to contact me at mgilkey@westsidewa.org to discuss how to best move forward with future discussions.

WESTSIDE
WATER AUTHORITY
A joint powers authority

WESTSIDE WATER AUTHORITY
5555 California Avenue, Suite 209
Bakersfield, CA 93309
Phone: (661) 633-9022
Email: admin@westsidewa.org

Sincerely,
Mark Gilkey
Executive Director

MEMORANDUM OF PROPERTY COVERAGE

TABLE OF CONTENTS

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

MEMORANDUM OF PROPERTY COVERAGE

FORM NO. MOPC-0701254

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

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

SECTION I – DEFINITIONS

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

1. **Authority** shall mean the Association of California Water Agencies Joint Powers Insurance Authority.

2. **Loss** shall have the same meaning as in the **purchased insurance or reinsurance**.

3. **Member Agency** means the local public agency, designated in the DECLARATIONS, which is a party signatory to the Joint Powers Agreement creating the Association of California Water Agencies Joint Powers Insurance Authority and is a participant in its Property Program.

4. **Covered Party** shall mean a **Member Agency** who has sustained a loss which is covered under this MOPC.

5. **Purchased insurance or reinsurance** shall mean insurance or reinsurance purchased by the **Authority** for the benefit of the **Authority** and the **Covered Party** and specifically identified in the Declarations.

6. **Cyber liability** shall mean damage or **loss** arising from or related to electronic media or technology errors and omissions, including, but not limited to, property damage, data loss, alteration, corruption, destruction,

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

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

SECTION II – COVERAGE AGREEMENT

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

2. This MOPC incorporates the terms, provisions, and conditions of the **purchased insurance or reinsurance** except with regard to that portion of any **loss** which is the subject of this MOPC.

SECTION III – LIMIT OF LIABILITY

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

SECTION IV – DEDUCTIBLE

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

SECTION V – COVERAGE PERIOD

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

SECTION VI – EXCLUSIONS

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

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

   "Contamination" includes any unclean, unsafe, or unhealthful condition, either actual or potential, which arises out of the presence in the environment of any "pollutant" whether permanent or transient. "Environment" includes land, bodies of water, underground water or water table or aquifer, the atmosphere, and any other natural feature of the earth, whether or not altered, developed or cultivated. "Pollutant" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke vapor, soot, fumes, acids, alkalis, chemicals, airborne particles or fibers, molds and/or fungus, and waste, including materials to be discarded or to be recycled, reconditioned, or reclaimed.

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

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

organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

3. Nuclear contamination.

4. Damage intentionally caused by or on behalf of a **Covered Party**.

5. Liability arising out of any claim for **Cyber Liability** or by any name by which it is called.

6. All properties that are not scheduled prior to a **loss**, except new acquisitions are covered for up to 90 days.

7. **Extra Expense** does not include the regular salaries and fringe benefits of any employee of a **Covered Party** as well as use of **Covered Party's** vehicles/equipment, materials and supplies used which are regularly kept in supply at the **Covered Party**. **Extra Expense** does not include overhead/profit or admin fees incurred by the **Covered Party.**

SECTION VII - CONDITIONS

1. The **Authority** shall have the same rights as provided to the insurer by the **purchased insurance or reinsurance**.

2. If there is insurance other than the **purchased insurance or reinsurance** applicable to the **loss** incurred, such insurance, unless it specifically states that it is excess of this coverage, shall reduce the liability of this **Authority** by the amount that insurance is liable for such **loss**.

3. In the event of loss covered under this MOPC, the Covered Party shall give immediate notice thereof to the **Authority** of such **loss**.

4. If the **Authority** pursues subrogation of a **loss**, the funds from any recovery shall first be allocated to payment of the expenses of the subrogation and then to reimbursement in full for payment of the claim and adjusting expenses. The **Covered Party** shall be reimbursed its deductible from any remaining funds.

SECTION VIII – DISPUTE RESOLUTION

1. Review by Executive Committee and Arbitration

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

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

If a **Covered Party** disagrees with the written decision of the Executive Committee, then the **Covered Party** may submit, in writing, such claim, dispute or controversy to arbitration to be held in Placer County, California or such other location as the parties may agree upon, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The review by the arbitrators shall be limited to a determination of the sufficiency of the basis of the decision of the Executive Committee and may not include any documents, testimony, legal theories, oral evidence, or other materials that was not previously presented to the Executive Committee when rendering its written opinion.

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

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

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

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

ACWA JPIA MEETINGS CALENDAR – 2025

Meeting Dates	Board of Directors	Executive	Personnel	Finance & Audit	Programs				Risk Mgmt	CWIF
					Emp. Benefits	Liability	Property	Work Comp		
Jan 15			9:00 AM *							
Jan 29		10:30 AM							8:00 AM	
March 9-11 CICA Conference – Tucson, AZ										
March 16-19 AGRiP Governance Conference – Las Vegas										
Mar 27				1:00 PM		3:00 PM				
Mar 28		8:00 AM								
Mar 31		3:00 PM *								
April 30					9:00 AM *					
May 12-15 ACWA JPIA Spring Membership Summit/ACWA Conference – Monterey										
May 12	2:00 PM						8:15 AM			
June 2			3:00 PM *							
June 4										9:00 AM (Utah)
June 26							3:00 PM	1:00 PM		
June 27		8:30 AM								11:00 AM
July 14-15 Executive Committee Onboarding Workshop – San Diego										
July 15		1:30 PM			10:30 AM					
Sept 3			10:00 AM *							
September 16-19 CAJPA Annual Conference - Monterey										
Sept 29				1:00 PM		3:00 PM				
Sept 30		8:30 AM								11:00 AM
Oct 22		10:00 AM *								
December 1-4 ACWA JPIA Fall membership Summit/ACWA Fall Conference – San Diego										
Dec 1	1:45 PM	10:30 AM								8:00 AM

*Virtual Meeting

Date Prepared: 3/28/2025 3:01 PM

**Dates and times subject to change

Board of Directors Meeting

YOUR BEST PROTECTION

Portola Hotel & Spa at Monterey Bay
Two Portola Plaza, Monterey, CA 93940

Monday
May 12, 2025
2:00 p.m.

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

BOARD VICE PRESIDENT:
David Drake, Rincon del Diablo Municipal Water District

BOARD OF DIRECTORS MEETING

AGENDA

PORTOLA HOTEL AND SPA
TWO PORTOLA PLAZA, MONTEREY, CA 93940
(831) 649-4511

Monday – May 12, 2025 – 2:00 PM

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

TUESDAY SEMINARS
- Managing Risk and Recognizing Excellence
- Securing Our Water Future: Building Support for Infrastructure and Cultivating Leaders
- Sexual Harassment Prevention Training for Board Members & Managers

PLEDGE OF ALLEGIANCE

EVACUATION PROCEDURES

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

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

MEETING PARTICIPATION GUIDELINES

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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Presenter | Page #

VIII. PRESIDENT'S UPDATE

McDonald * A. Review of Board Meeting, Events, and Announcements **238**

ADJOURNMENT

*Related items enclosed

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

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

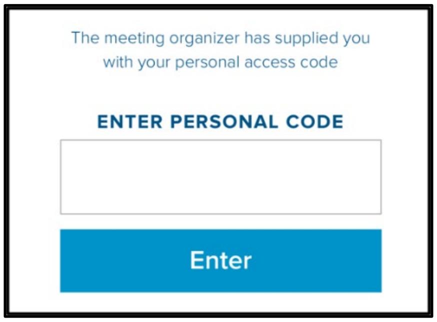
Written materials relating to an item on this Agenda that are distributed to the JPIA within 72 hours before it is to consider the item at its regularly scheduled meeting will be made available for public inspection at ACWA JPIA, 2100 Professional Drive, Roseville, CA 95661-3700; telephone (916) 786-5742.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

VOTING PROCEDURES

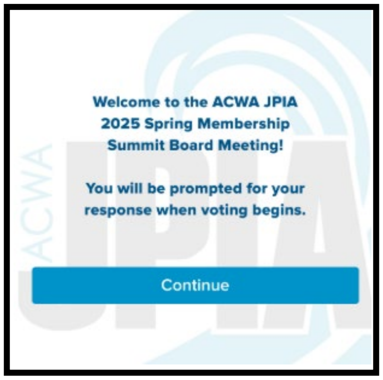
INSTRUCTIONS FOR USING YOUR MOBILE DEVICE TO VOTE

Each voting member will receive a Voting Card with a QR code to access the Meeting Pulse voting system. This card includes a Personal Code that serves as your unique ID for voting. Your Personal Code will be assigned at check-in.

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



4. You will now be on the ACWA JPIA meeting welcome page until voting opens.



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

What if the QR Code does not work? Open your web browser and manually enter the website https://meet.ps/jpiaspring25 and enter your Personal Code.

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

Unapproved Minutes

Board of Directors' Meeting

J.W. Marriott Desert Springs Resort & Spa
JW Pavilion
74-855 Country Club Drive
Palm Desert, CA 92260

December 2, 2024

VOTING REPORT

See the report following the minutes.

NON-VOTING PARTICIPANTS

See the list of attendees.

STAFF PRESENT

See attendance list.

WELCOME, CALL TO ORDER, AND ANNOUNCEMENT OF QUORUM

President McDonald welcomed everyone in attendance, called the meeting to order at 2:02 PM, and announced that a quorum was present.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by President McDonald.

EVACUATION PROCEDURES

Ms. Beatty reviewed the building evacuation procedures.

ANNOUNCEMENT RECORDING OF MEETING

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

PUBLIC COMMENT

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

INTRODUCTION OF GUESTS

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

MEETING PARTICIPATION GUIDELINES

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

NEW VOTING SYSTEM INSTRUCTIONS AND SAMPLE QUESTION

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

ADDITIONS TO OR DELETIONS FROM THE AGENDA

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

CONSENT CALENDAR

President McDonald called for approval of the Consent Calendar.

> **Motion:** That the Board of Directors approve the minutes of the May 6, 2024, meeting, as presented.
> *Motioner:* *Cathy Green, Orange County Water District,*
> *Seconder:* *J. Bruce Rupp, Humboldt Bay Municipal Water District*
> (90-Yes; 0-No; 4-Abstain)
> **See voting report following the minutes.*

ADMINISTRATION

Meetings Attended on Behalf of the JPIA
Director Rupp shared that, along with Ms. Beatty and Ms. Jobe, he attended the Board of Directors meetings for the McKinleyville Community Services District and the Humboldt Community Services District last month to provide an update on JPIA.

Ratify Executive Committee's Acceptance of New Member Agencies
President McDonald noted that at each Board meeting, a list of new members is provided for membership ratification. Since the last Board of Directors' meeting, Biggs-West Gridley Water District and Union Public Utility District Water District have joined JPIA.

> **Motion:** That the Board of Directors ratify the acceptance of Biggs-West Gridley Water District and Union Public Utility District as members of ACWA JPIA.
> *Motioner:* *Fred Bockmiller, Mesa Water District*
> *Seconder:* *Jayce Schwarm, San Dieguito Water District*
> (92-Yes; 0-No; 1-Abstain)
> **See voting report following the minutes.*

ACWA Presentation
Mr. Eggerton, ACWA Executive Director, emphasized the strong and collaborative partnership between ACWA and JPIA in addressing members' needs. He recognized the dedication and contributions of staff members and provided an overview of ACWA's key accomplishments and initiatives over the past year.

He highlighted the legislative challenges they have navigated, the launch of the newly developed ACWA Executive Edge Program, and the successful completion of their recent Strategic Planning process.

FINANCIAL

Investment Policy
Mr. deBernardi explained that the JPIA Bylaws require the Investment Policy to be approved annually by the Board of Directors. He noted that both the Finance & Audit Committee and the Executive Committee have reviewed the proposed changes to the Investment Policy and recommended its approval by the Board of Directors as presented.

> **Motion:** That the Board of Directors approve the proposed changes to the Investment Policy, as presented.
> *Motioner:* *Scott Ratterman, Calaveras County Water District*
> *Seconder:* *Brent Hastey, Reclamation District 784*
> (94-Yes; 0-No; 1-Abstain)
> **See voting report following the minutes.*

PROGRAMS

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

Ms. Jobe reviewed the current highlights for each program.

- The Liability Program currently has 348 members. Due to a hardened market and increasing large losses, the 2024-25 program year rates increased by 7.5%.
- The Property Program currently has 291 members. A hardened market due to global catastrophic events continues to impact pricing for this program. As such, the 2024-25 program year rates increased by 15%.
- The Workers' Compensation Program has 208 members with very stable pricing. The 2024-25 rate decreased by 5% and was inclusive of a two-year rate guarantee for the reinsurance layer. Potential challenges for this program include future legislative changes which may affect the rates.

- The Employee Benefits Program has approximately 269 members. For the 2025 program year, rates for the self-funded Anthem PPO plan increased by +10% with the Dental and Vision self-insured program rates remaining unchanged.

Ancillary Programs Update

Ms. Jobe provided an overview of the ancillary coverages available through the Liability and Property Programs. JPIA currently offers a variety of ancillary programs, including Cyber Liability, Excess Crime, Dam Failure Liability, Public Officials Bond, Underground Storage Tank Pollution Liability, Fiduciary Liability, Difference in Conditions, Basic and Supplemental Life, Employee Assistance Program, and Disability. These programs are specifically designed to address a wide range of needs beyond JPIA's core pooled program, offering additional protection and helping members effectively manage and mitigate risks.

Ms. Jobe highlighted some of the ancillary coverages during her presentation. The Cyber Liability Program has 280 members and provides coverage from financial losses resulting from data breaches and other cyber events. The Excess Crime Policy provides insurance for 73 members and covers losses related to monetary crimes related to operations (such as theft and embezzlement) which exceed the limits of the primary pooled coverage. The Dam Failure Liability Policy provides insurance for 17 members and covers losses related to third-party bodily injury or property damage arising out of the partial or complete structural failure of any scheduled dam. Public Officials Bonds are purchased by 11 members and provides coverage for an agency's public official's failure to perform their duties faithfully and honestly. Lastly, the Underground Storage Tank Pollution Liability Policy provides insurance for 10 members and covers losses for third-party claims arising from bodily injury and property damage caused by environmental incidents resulting from an underground storage tank. It also includes coverage for government mandated clean-up costs.

AWARDS AND GRANTS

E.G. "Jerry" Gladbach Leadership Grant

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

For the 2024-25 year, ten grant applications were received and rated by agency size (with priority given to smaller agencies), leadership experience, stated aspirations, financial concern, and benefit/impact of participation to the member agency.
Three recipients were selected for 2024-25: Cory Ipsen, Chief Plant Operator, Forestville Water District; Wesley Massoll, Principal Hydrogeologist, Mojave Water Agency; and Karleen Harp, Administrative Services Manager, Rainbow Municipal Water District.

Registration for the 2025-26 Leadership Essentials for the Water Industry (LEWI) program and grants will open in late Spring 2025.

Employee Benefits Wellness Grant
Ms. Jobe reported that 88 members received Wellness Grants this year. Due to the ongoing popularity of the Wellness Grant Program, applications once again surpassed the $100,000 in funding provided by Anthem.

Starting in 2024, Anthem has committed to increasing its funding to $200,000 for Wellness Grants. An additional $100,000 allowed JPIA to introduce Wellhub (formerly Gympass) for employees enrolled in an Anthem medical plan. Wellhub offers a variety of membership options, enabling eligible employees to access gyms, fitness studios, and fitness classes either in person or virtually. Employees who choose to participate will pay their monthly membership fees directly to Wellhub after enrolling.

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 19 applications for 2023. The recipients and winning projects/programs were announced and are posted on the JPIA's website at: https://www.acwajpia.com/grant-program/

H.R. LaBounty Safety Award
Ms. Flint noted that results of the Safety Awards Program are announced each spring and fall at the JPIA Summits recognizing nominees demonstrating proactive safety contributions. For Fall 2024, there were 19 nominations. The winners of the awards were noted in the packet and a few examples of the winning safety contributions were presented. Winning submissions are also posted on the JPIA's website under Safety Awards at https://www.acwajpia.com/safety-risk-control/#safety-awards. Risk Control Advisors continually promote the H.R. LaBounty Safety Awards Program during site visits and training classes to encourage members to engage their staff and continuously improve their safety programs.

President's Special Recognition Awards Recipients for the Liability, Property, and Workers' Compensation Programs
Mr. deBernardi stated that each year at Fall Summit, the JPIA recognizes those members that have a Loss Ratio of 20% or less in the Liability, Property, or Workers' Compensation Programs. Those members receive the "President's Special Recognition Award." The data for this calculation is for a three-year period, 2020-2023, as of September 30, 2024. The Board packet lists all the districts receiving this special recognition and printed awards will be mailed directly to members.

LEGISLATIVE UPDATE

New Laws Update
Mr. Greenfield provided an update on new legislation and case law that may impact the JPIA and its members. He highlighted several laws taking effect on January 1, 2025. AB

2123 eliminates an employer's ability to require employees to use accrued vacation leave before accessing California's Paid Family Leave Program. SB 1034 extends the time limit for state agencies to make public records available for public inspection under unusual circumstances. AB 2561 establishes new requirements for posting job vacancies. Some recent case laws were also reviewed: Lindkey v. Freed addressed a public official who blocked an individual from commenting on the official's social media page, and Adams v. County of Sacramento involved the Chief of Police's private text messages and First Amendment rights. For further details, Mr. Greenfield encouraged members to attend the New Laws webinars scheduled for January 2025.

Additionally, Mr. Greenfield noted that CalPERS is now requiring more detailed explanations regarding the necessity of hiring retired annuitants.

CEO UPDATE

Ms. Beatty's CEO update highlighted two key areas: employee attrition and growth and the historical cost and context of the Employee Benefits Medical Program. Both topics were presented to provide members with a deeper understanding of the overarching goals and operations of the ACWA JPIA.

Between 2020 and 2024, the size of JPIA Programs by exposure experienced significant growth, which has directly impacted staffing needs. While the JPIA employee count remained relatively stable, there was a slight increase in 2024. During the same period, membership in the Property, Liability, and Workers' Compensation Programs grew by 10-20%.

In 2023 and 2024, JPIA experienced notable attrition due to several retirements, collectively representing 45 years of experience serving the JPIA and its members. Looking ahead to 2025, three additional long-tenured employees plan to retire. To address these transitions, JPIA has been actively hiring to refill retiree positions, ensuring sufficient overlap for effective knowledge transfer. Additionally, new positions are being added to accommodate membership growth and increasing complexity in the industry, as well as to support the expanded services and resources required by members. As a service organization supporting over 400 individual members, JPIA recognizes the critical importance of maintaining a robust knowledge transfer process. This ensures that new employees understand the mission, uphold the quality of service members expect, and preserve the values that members associate with their relationship with JPIA.

The second topic in Ms. Beatty's CEO update focused on the Employee Benefits Medical Program, providing historical cost insights and context. Currently, 205 members participate in one or more of JPIA's medical plans, contributing a total of $160 million in annual revenue. Most participants are enrolled in JPIA's self-funded Anthem PPO program and the United Healthcare Retiree program. She highlighted the value of JPIA's programs compared to those offered by CalPERS and other providers and emphasized that JPIA has consistently delivered better cost performance, with an over 45% lower rate of increase in expenses compared to CalPERS.

OTHER BUSINESS

Review Pending Lawsuits Directly Involving the JPIA
Mr. Greenfield reported that there is one pending lawsuit and one threatened lawsuit pending against the JPIA.

PRESIDENT'S UPDATE

President McDonald highlighted the updated Summit content and structure during today's Board of Directors meeting, emphasizing its alignment with JPIA's mission to deliver valuable resources that meet the needs of its members. She reaffirmed that member visits remain a priority for JPIA's leadership and encouraged anyone interested to notify staff.

President McDonald also announced the morning seminars scheduled for Tuesday, December 3, and recognized our Fall Summit sponsors. She extended an invitation to all attendees to join the JPIA reception immediately following the Board meeting.

President McDonald called for adjournment of the Board of Directors' meeting at 4:36 PM.

Attest:

X
Melody McDonald
Chair

X
Adrienne Beatty
Secretary

NON-VOTING ATTENDEES & JPIA STAFF IN ATTENDANCE

District / Organization	First Name	Last Name	Position
ACWA JPIA	Laura	Baryak	Event Planner
ACWA JPIA	Adrienne	Beatty	Chief Executive Officer
ACWA JPIA	Erin	Bowles	Workers' Compensation Manager
ACWA JPIA	Chimene	Camacho	Senior Executive Assistant (Recording Secretary)
ACWA JPIA	Andrew	Corral	Sr. Risk Control Advisor
ACWA JPIA	Sarah	Crawford	Member Education Manager
ACWA JPIA	David	deBernardi	Director of Finance
ACWA JPIA	Adam	Dedmon	Employee Benefits Manager
ACWA JPIA	Tyler	Dietz	Cost Estimator
ACWA JPIA	Robin	Flint	Risk Control Manager
ACWA JPIA	Robert	Greenfield	General Counsel
ACWA JPIA	Jennifer	Jobe	Director of Pooled Programs
ACWA JPIA	Erik	Kowalewski	IT Manager
ACWA JPIA	Paul	Myers	Risk Advisor
ACWA JPIA	Molly	Quirk	Communications/Outreach Specialist
ACWA JPIA	Elisa	Sabatini	Director of Member Outreach
ACWA JPIA	Olivia	Sayad	Administrative Assistant II
ACWA JPIA	Jillian	Sciancalepore	Administrative Assistant III
ACWA JPIA	Dan	Steele	Finance Manager
ACWA JPIA	Kayla	Villa	Litigation Manager
ACWA JPIA	Tony	Waterford	HR Manager
ACWA JPIA	Mike	Whitright	System/Network Administrator
ACWA	Dave	Eggerton	Executive Director
ACWA	Tiffany	Giammona	Senior Director of Operations and Member Engagement
ACWA	Cathy	Green	President
Camrosa Water District	Gene	West	Director
Camrosa Water District	Andrew	Nelson	Director
Helix Water District	Kathleen	Hedberg	Board President
Irvine Ranch Water District	Peer	Swan	Director
Laguna Beach County Water District	Debbie	Neer	Commissioner
Oakdale Irrigation District	Tom	Orvis	Director
Rosedale-Rio Bravo Water Storage District	Roy	Pierucci	Board President
San Bernardino Valley Water Conservation District	Richard	Corneille	Director
San Luis Delta Mendota Water District	Laures	Stiles	Director of HR
Sierra Highlands Community Services District	Fred	Finkbeiner	Director
Westborough Water District	Don	Amuzie	Director
Western Municipal Water District	Laura	Roughton	Director

ACWA JPIA Board of Directors' Meeting Voting Report - December 2, 2024

Name	Voter Name	Voting Code	Consent Calendar	Ratify New Members	Investment Policy
ACWA	Ernie Avila	52108	Yes	Yes	Yes
Alameda CFC & WCD, Zone 7 Water Agency	Dennis Gambs	71526	Yes	Yes	Yes
Alameda County Water District	John Weed	55918	Yes	Yes	Yes
Alta Irrigation District	Marc Limas	60347	Yes	Yes	Yes
Amador Water Agency	Larry McKenney	65240	Yes	Yes	Yes
Antelope Valley State Water Contractors	Kathy Mac Laren	55816	Yes	Yes	Yes
Arroyo Santa Rosa Basin Groundwater Sustainability Agency	Eugene West	51730	Yes	Yes	Yes
Bay Area Water Supply & Conservation Agency	Tom Smegal	50812	Yes	Yes	Yes
Bedford Coldwater GSA	Chance Edmondson	95509	Yes	Yes	Yes
Belridge Water Storage District	Mohamed Mushtaq Mohideen	81960	Yes	Yes	Yes
Berrenda Mesa Water District	Mohamed Mushtaq Mohideen	40651	Yes	Yes	Yes
Calaveras County Water District	Scott Ratterman	40290	Yes	Yes	Yes
Calleguas Municipal Water District	Raul Avila	75962	Yes	Yes	Yes
Camrosa Water District	Eugene West	54671	Yes	Yes	Yes
Carmichael Water District	Mark Emmerson	49104	Yes	Yes	Yes
Chino Basin Watermaster	Bob Kuhn	61091	Yes	Yes	Yes
Citrus Heights Water District	David Wheaton	72669	Yes	Yes	Yes
Clear Creek Community Services District	Paul Kelley	44103	Yes	Yes	Yes
Crestline Village Water District	Steven Farrell	50104	Yes	Yes	Yes
Cucamonga Valley Water District	Randall Reed	36512	Yes	Yes	Yes
Desert Water Agency	Kristin Bloomer	19953	Yes	Yes	Yes
Dudley Ridge Water District	Mohamed Mushtaq Mohideen	44595	Yes	Yes	Yes
East Orange County Water District	Marilyn Thoms	25372	Abstain	Yes	Yes
El Toro Water District	Mike Gaskins	58485	Yes	Yes	Yes
Fallbrook Public Utility District	Jennifer DeMeo	53175	Yes	Yes	Yes
Florin Resource Conservation District/Elk Grove	Jonathan Hall	24163	Yes	Yes	Yes
Fresno Metropolitan Flood Control District	Sargeant Green	16244	Yes	Yes	Yes
Friant Power Authority	Carl Janzen	31008	Yes	Yes	Yes
Georgetown Divide Public Utility District	Mitch MacDonald	69211	Yes	Yes	Yes

Helix Water District	Kathleen Coates Hedberg	31465	Yes	Yes	Yes
Humboldt Bay Municipal Water District	J. Bruce Rupp	53930	Yes	Yes	Yes
Irvine Ranch Water District	Peer Swan	14295			Yes
Kings River Conservation District	Chris Kapheim	27895	Yes	Yes	Yes
Kings River East Groundwater Sustainability Agency	Marc Limas	20287	Yes	Yes	Yes
La Habra Heights County Water District	Joe Matthews	51337	Yes	Yes	Yes
La Puente Valley County Water District	William R. Rojas	93236	Yes	Yes	Yes
Laguna Beach County Water District	Deborah Neev	85245	Yes	Yes	Yes
Lost Hills Water District	Mohamed Mushtaq Mohideen	84584	Yes	Yes	Yes
Madera Irrigation District	Carl Janzen	93834	Yes	Yes	Yes
Madera-Chowchilla Water & Power Authority	Carl Janzen	77853	Yes	Yes	Yes
Main San Gabriel Basin Watermaster	Kelly Gardner	26530	Yes	Yes	Yes
Mesa Water District	Fred Bockmiller	91281	Yes	Yes	Yes
Montecito Water District	Floyd Wicks	53852			Yes
North Coast County Water District	Anne De Jarnatt	42809	Yes	Yes	Yes
Oakdale Irrigation District	Thomas Orvis	77140	Yes	Yes	Yes
Olivenhain Municipal Water District	Marco San Antonio	55185	Yes	Yes	Yes
Orange County Water District	Cathy Green	96231	Yes	Yes	Yes
Orchard Dale Water District	Edward Castaneda	23666	Yes	Yes	Yes
Palmdale Water District	Vincent Dino	78976	Yes	Yes	Yes
Paradise Irrigation District	Kevin Phillips	44577	Yes	Yes	Yes
Pomona-Walnut-Rowland JWLC	Thomas Coleman	39639	Yes	Yes	Yes
Puente Basin Water Agency	Szu-Pei Lu-Yang	87854	Yes	Yes	Yes
Rainbow Municipal Water District	Michael Mack	21606	Yes	Yes	Yes
Rancho California Water District	William E. Plummer	70981	Yes	Yes	Yes
Reclamation District #784	Brent Hastey	81850	Yes	Yes	Yes
Regional Water Authority	Pam Tobin	72817	Yes	Yes	Yes
Rincon Del Diablo Municipal Water District	David Drake	57231	Yes	Yes	Yes
Rosedale-Rio Bravo Water Storage District	Roy Pierucci	40494	Yes	Yes	Yes
Rowland Water District	Szu-Pei Lu-Yang	67802	Yes	Yes	Yes
Sacramento Groundwater Authority	Pam Tobin	53762	Yes	Yes	Yes
Sacramento Suburban Water District	Jay Boatwright	98931	Yes	Yes	Yes
San Benito County Water District	Brett Miller	31826	Yes	Yes	Yes

San Bernardino Valley Municipal Water District	T. Milford Harrison	81272	Yes	Yes	Yes
San Bernardino Valley Water Conservation District	Melody Henriques-McDonald	66798	Yes	Yes	Yes
San Dieguito Water District	Jace schwarm	97446	Yes	Yes	Yes
San Gabriel Basin Water Quality Authority	Bob Kuhn	38461	Yes	Yes	Yes
San Gabriel Valley Municipal Water District	Miles Prince	72398	Yes	Yes	Yes
San Juan Water District	Pam Tobin	66840	Yes	Yes	Yes
San Luis & Delta-Mendota Water Authority	Laures Stiles	76033	Yes	Yes	Yes
San Luis Water District	Janet Roy	27403	Abstain	Yes	Yes
Santa Clarita Valley GSA	Gary Martin	81476	Yes	Yes	Yes
Santa Clarita Valley Water Agency	William Cooper	28039	Yes	Yes	Yes
Santa Margarita Water District	Saundra Jacobs	47878	Yes	Yes	Yes
Santa Rosa Regional Resources Authority	Andy Morris	85611	Yes	Yes	Yes
Serrano Water District	Gregory Mills	78800	Yes	Yes	Yes
Sierra Highlands Community Services District	Fred Finkbeiner	13580	Yes	Yes	Yes
Solano Irrigation District	Cary Keaten	40638	Yes	Yes	Yes
Soquel Creek Water District	Carla Christensen	87913	Abstain	Abstain	Abstain
South Bay Irrigation District	Josie Calderon-Scott	24660	Yes	Yes	Yes
South San Joaquin Irrigation District	Glenn Spyksma	36913	Yes	Yes	Yes
Suisun-Solano Water Authority	Cary Keaten	85452	Yes	Yes	Yes
Sweetwater Authority	Steve Castaneda	47017	Yes		Yes
Tahoe City Public Utility District	John Pang	28823	Yes	Yes	Yes
Tehachapi-Cummings County Water District	Jonathan Hall	69117	Yes	Yes	
Three Valleys Municipal Water District	Bob Kuhn	93705	Yes	Yes	Yes
Tri-Dam Project	Tom Orvis	77903	Yes	Yes	Yes
Tuolumne Utilities District	Jeff Kerns	78209	Yes	Yes	Yes
Valley Center Municipal Water District	Oliver Smith	86659	Yes	Yes	Yes
Valley County Water District	Lenet Pacheco	34575	Yes	Yes	Yes
Vista Irrigation District	Brett Hodgkiss	70649	Yes	Yes	Yes
Westborough Water District	Don Amuzie	57539	Yes	Yes	Yes
Western Municipal Water District	Laura Roughton	36167	Abstain	Yes	Yes
Westside Water Authority	Mohamed Mushtaq Mohideen	95911	Yes	Yes	Yes
Yolo County Flood Control & Water Conservation District	Tom Barth	38798	Yes	Yes	Yes
Yolo Subbasin Groundwater Agency	Tom Barth	49046	Yes	Yes	Yes

Yuba County Water Agency	Gary Bradford	89832	Yes	Yes	Yes

Vote Totals			
Yes	**90**	**92**	**94**
No	**0**	**0**	**0**
Abstain	**4**	**1**	**1**
No response	**2**	**3**	**1**
Total Number of Voters	**96**	**96**	**96**

ACWA JPIA
Pooled Programs Update
May 12, 2025

BACKGROUND

The JPIA offers four core pooled programs to support the diverse needs of its member agencies. The Liability Program, established in 1979, has supported members for more than 45 years. The Property Program was added in 1982, followed by the Workers' Compensation Program in 1984. In 2012, the JPIA expanded its offerings by assuming responsibility for the Employee Benefits Program.

Each program is managed and funded separately. Participation varies, as some member agencies are enrolled in all programs while others take part in only a few.

With a strong financial foundation, experienced leadership, and a long-tenured member base, the JPIA continues to deliver reliable and responsive risk management solutions for the State's public water agencies.

CURRENT SITUATION

In recent years, gaps in member participation across JPIA programs have steadily narrowed. This progress is the result of more competitive pricing, broader coverage options, targeted outreach efforts, and a consistent focus on responsive customer service.

Attached for the Board's review is an overview of current highlights and key developments for each program.

RECOMMENDATION

None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 16, 2025

POOLED PROGRAMS HIGHLIGHTS

Liability Program – renews October 1

- 349 members
- $5 million retention; $50 million coverage limit; CWIF reinsures the $10M X $10M layer
- 7.5% rate increase in 2024-25
- A hardened market and increasing large losses continue to impact pricing

Property Program – renews July 1

- 292 members
- $10,000,000 retention; $500/$150 million coverage limit – depending on asset value
- 15% rate increase in 2024-25
- A hardened market, global catastrophic events (wildfire, severe convective storms), and a few large losses continue to impact pricing

Workers' Compensation Program – renews July 1

- 209 members
- $2 million retention, Statutory coverage limit
- 5% rate decrease in 2024-25; 2-year rate guarantee for reinsurance
- Rates have remained flat or decreased over the past 11 years

Employee Benefits Program – renews January 1

- 266 members
- 2025 rates for the self-funded PPO program are +10%; self-funded dental/vision program rates are flat
- Insured program rate changes range from flat to 25%
- Medical costs (partially related to inflation) continue to increase; expect continued rate increases in future years

ACWA JPIA
E.G. “Jerry” Gladbach Leadership Program Grant Update
May 12, 2025

BACKGROUND

The **JPIA Leadership Essentials in the Water Industry Program** (LEWI) celebrates 10 years in 2025! Since 2015, 215 senior water agency leaders from 91 agencies have graduated from the year-long cohort-based program held in both Northern and Southern CA. Program attendance requires quarterly in-person two-day sessions plus monthly webinars. In past years, the fee for participants was $2,195 tuition to cover program expenses, with a $500 discount offered to members in the JPIA Liability Program. Travel expenses are covered by participating agencies.

In November 2022, the **E.G. "Jerry" Gladbach Leadership Program Grant** was enacted by the JPIA Board of Directors to cover tuition and to reimburse travel expenses for one selected member applicant in each cohort in honor of Jerry’s 20+ year service as a JPIA Director and Board President. Jerry’s commitment to the professional development of fellow water industry leaders lives on through graduating cohorts each year.

CURRENT SITUATION

In the current program year, over 60 participant applications were received for the 32 available seats for the two 2024-2025 cohorts beginning in October and November. To meet this demand in January 2025, JPIA initiated a third Southern CA cohort.

Ten grant applications were received and then rated by agency size (with priority given to smaller agencies), leadership experience, stated aspirations, financial concern, and benefit/impact of participation to the member agency. Congratulations to the three grant recipients, one for each cohort, selected for 2024-2025:

- Cory Ipsen, Chief Plant Operator, Forestville WD
- Wesley Massoll, Principal Hydrogeologist, Mojave WA
- Karleen Harp, Administrative Services Manager, Rainbow MWD

Registration is now open for the 2025-2026 LEWI program and grant through mid-July. Based on increased program demand, a third General Manager-only cohort is planned in Costa Mesa, pending sufficient program enrollment. Due to rising program expenses for meeting space, meals, and instruction, after several years without an increase, program tuition will be increased in 2025-2026 to $2,495 (vs. $2,195). To ease the burden on participating members, JPIA will continue to offer the grant to one participant per cohort pending sufficient grant applications and will offer a $400 discount to members in the JPIA Liability Program.

RECOMMENDATION

None, information only.

Prepared by: Sarah Crawford, Member Education Manager Date prepared: April 8, 2025

ACWA JPIA
H.R. LaBounty Safety Awards Program
Winners for Spring 2025
May 12, 2025

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, participate 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.

There were 11 nominations submitted from 10 members for Spring 2025. Nine member employees and four member departments 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 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.

Prepared by: Robin Flint, Risk Control Manager   Date prepared: April 8, 2025

H.R. LABOUNTY SAFETY AWARD WINNERS
SPRING 2025

Humboldt Bay Municipal Water District
Essex Staff and Supervisors

Moulton Niguel Water District
Micaiah Wiewandt

Paradise Irrigation District
Marc Beckham

Ramona Municipal Water District
Randy Robertson
Mackenzie Martinez

Sacramento Suburban Water District
Vicki Sprague

San Bernardino Valley Water Conservation District
Zachary Blum and the Land Resources Team

Stockton East Water District
Heather Wood
Christopher Donis
Aaron Riojas

Sweetwater Authority
Watershed Caretaker Group and Engineering
Plant Maintenance Department

Walnut Valley Water District
Jodi Johnson

ACWA JPIA
Qualified Candidates for the Executive Committee Election
May 12, 2025

BACKGROUND
The JPIA's Bylaws provide that the Executive Committee be a Committee elected by the Board of Directors, each position be elected for a four-year term, and elections be held in every odd numbered year. The Bylaws also require that all members of the Executive Committee, except the Vice President of ACWA, be representatives of JPIA members that participate in all four of the Pooled Programs: Liability, Property, Workers' Compensation, and at least one of the Employee Benefits' programs.

CURRENT SITUATION
This election will fill four Executive Committee member positions for their complete terms of four years each. The qualified candidates are as follows.

T. Milford Harrison	San Bernardino Valley Municipal Water District
Brent Hastey	Reclamation District 784
Chris Kapheim (incumbent)	Kings River Conservation District
Melody McDonald (incumbent)	San Bernardino Valley Water Conservation District
Scott Quady	Calleguas Municipal Water District
Randall Reed (incumbent)	Cucamonga Valley Water District
John H. Weed	Alameda County Water District

The candidates' statements of qualifications are listed on the following pages. Each candidate will be given two minutes to address the Board.

REQUIRED ACTION
Each candidate will be given two minutes to address the Board before the votes are cast. The voting procedures will be reviewed, and the Board members will be asked to cast their votes. The three directors appointed as election ballot inspectors and one JPIA staff member will collect the ballots and tally the votes.

Prepared by: Laura Davis, Event Planner   Date prepared: April 14, 2025

Executive Committee Election Procedures & Rules

For the May 12, 2025, Election
To be Held During the JPIA's Board of Directors' Meeting
at the Portola Hotel and Spa in Monterey, CA

The procedures and rules for the May 12, 2025, election are as follows:

1. The ballots with the names of all qualified candidates will be distributed at the entrance to the meeting room before the meeting is called to order.

2. Only the Board of Directors member or Alternate Board of Directors member may obtain the ballot.

3. Only those JPIA members with either a Director or Alternate Director present may vote. **PROXY VOTING IS NOT PERMITTED.**

4. Additional color-coded ballots will be supplied for any necessary subsequent balloting.

5. Ballots are counted by the election inspectors and the results announced at the board meeting.

6. All nominated candidates will run for election at the same time. Those candidates with the majority of votes shall be elected to the longest term of office.

7. Since the Bylaws require a **majority vote** to elect Executive Committee members (Article II, Section 9), subsequent ballots may be required if the required number of candidates do not receive a majority of votes from the members present and voting.

8. If candidates for office do not receive a majority of cast votes, a subsequent ballot will be held with one more candidate's name than the number of vacancies to be filled; i.e. the top **three** candidates who receive the most votes to run for **two vacancies** or the top **two** candidates who receive the most votes to run for **one vacancy.**

9. If a tie vote occurs in a preliminary ballot (majority of votes not obtained by required number of candidates), the tied candidates will be included in the subsequent ballot if they have received the required number of ballots as determined in seven (7) above.

10. If a tie vote occurs in a final ballot (two candidates for one office or position) the presiding officer will designate one of the tied candidates to call a coin toss, by the presiding officer, to determine the election results.

Prepared by: Laura Davis, Event Planner   Date prepared: April 14, 2025

Please consider the following request:

Nine years ago, I had was given the privilege of joining the Board of the San Bernardino Valley Conservation District alongside Melody McDonald. In a very short time, I began to learn about the incredible benefits provided to the various Districts who had joined ACWA-JPIA. The advantages offered by JPIA became even clearer as my experience and knowledge of the organization increased.

Several years later I was elected to the Board of the San Bernardino Valley Municipal Water District, a State Water Contractor, and became President. I quickly learned that my new District only carried Workers' Comp coverage from JPIA. Based on my previous experience in the insurance business, and as a Mayor, Chief of Staff for two County Supervisors and Executive Director of San Bernardino International Airport I could clearly see the advantages that JPIA offered our water district.

Once I was able to convince our Administration and Board of these advantages, we turned to ACWA-JPIA for all our insurance needs, and we have reaped the benefits ever since! Peter Kuchinsky and his associates came to our District office and went through every aspect of our operation. They made many suggestions and as a result we made many changes. One major change was to eliminate the multi-million-dollar fund being held for our liability self-insurance! We subsequently used that fund to further enhance water storage and delivery.

I believe that my experience in water delivery and operations plus my insurance responsibilities in various government positions, has helped me acquire the knowledge and background necessary to serve on the ACWA-JPIA Executive Committee. I have actively served as a JPIA Director or Alternate for nine years and have been a diligent supporter and promoter of the organization as well as its California Water Insurance Fund. I have also served on various ACWA Committees during this time.

It would be an honor and privilege to have the support, by resolution, of your District and your vote at the ACWA-JPIA Conference in May.

Thank you,

T. Milford Harrison

RD 784 *Yuba County, California*

ACWA JPIA Directors Brent Hastey

FROM:

REFERENCE: **Qualification for the ACWA JPIA Executive Committee**

Dear Directors,

I am writing to request your vote for the ACWA JPIA Executive Committee. As the designated JPIA Director for Reclamation District 784, I bring a wealth of experience and dedication to water management and insurance programs.

I currently serve as a board member of Reclamation District 784, a position I have held for the past two years. I was recently re-elected for a new four-year term, which underscores my commitment, and the trust placed in me by my colleagues and the community.

Reclamation District 784 participates in the ACWA JPIA Liability Program, Employee Benefits, Property, and Workers' Compensation. I currently serve on the Employee Benefits Committee.

My extensive experience includes serving as a director of the Yuba Water Agency and as a member of the ACWA JPIA Executive Board and the ACWA Board, where I had the honor of serving as President. I have also served on the Yuba Community College District Board, the California Community College Trustees Board, and the Feather River State Bank Board, where I held the position of Chairman.

My diverse board experience has equipped me with a broad understanding of governance, strategic planning, and stakeholder engagement. I am passionate about water management and insurance and believe my background makes me a strong candidate for the ACWA JPIA Executive Committee. I am eager to contribute to the Executive Committee's mission and work collaboratively with other board members to advance its goals.

Thank you for your vote and I look forward to serving you on the Executive Committee.

Sincerely, Brent Hastey

1594 Broadway St. Arboga, CA 95961 Office: 530-742-0520 Fax: 530-742-3021 Website: www.rd784.org

Chris M. Kapheim Statement of Qualifications

I believe it is important for the San Joaquin Valley (Valley) to have representation on the ACWA JPIA Executive Committee. The Valley comprises 8 counties, which has 5 million acres of irrigated agriculture and a population of over 4 million people.

I was born and raised on a family farm in Dinuba, California. My family has farmed in the Dinuba area for over 100 years. I have been involved in production agriculture for over 30 years growing peaches, plums, grapes and pistachios. I graduated from California Polytechnic State University in1977 with a degree in Soil Science. Furthermore, I graduated from the California Agricultural Leadership, Class 26, in 1996.

Water is the life-blood for the Valley. I was General Manager for the Alta Irrigation District from 1983 to 2016. Alta Irrigation District encompasses 129,000 acres in Tulare, Kings, and Fresno counties with its primary tasks being irrigation water deliveries and groundwater recharge. Prior to my retirement in 2016, I was instrumental in developing the governance structure for the Kings River East Groundwater Sustainability Agency. In 2018, I was elected to the Kings River Conservation District Board of Directors (KRCD); re-elected in 2022; and was appointed Board President in December 2024. KRCD is a collaborative resource management agency serving agriculture, business, and residential communities within 1.2 million acres spanning portions of Fresno, Kings, and Tulare counties. KRCD’s areas of focus include flood protection, energy, water, and environmental resources.
My experience includes regional and statewide efforts:

Past member Tulare County Planning Commission
Past Chairman of ACWA's Water Management Committee
Past member of ACWA's Board of Directors
Past member of ACWA's Legislative Committee
Past member of ACWA JPIA's Liability Committee
Member of ACWA JPIA's Board of Directors
Member of ACWA JPIA's Executive Committee

As a long-time general manager of a large irrigation district in the San Joaquin Valley, I believe I have the knowledge and understanding that is required to continue serving on ACWA JPIA's Executive Committee.

Melody.sbvwcd@gmail.com

Melody Henriques-McDonald

P.O. BOX 830
HIGHLAND, CA 92346

(909) 793-2503 District
(909) 499-5175 cell
(909) 867-9821 fax

Like @ https://www.facebook.com/Melody4Water

Candidate for:

ACWA JPIA
EXECUTIVE COMMITTEE
(Incumbent, seeking re-election)

Melody & Board receiving, District of Distinction Award, the highest governance and best practices accreditation possible.

Kathleen Tiegs, former Special Districts Board Member & ACWA President presenting. 2017

ASSOCIATIONS
Member, Board of Directors of the San Bernardino Valley Water Conservation District (Elected), Currently President, originally appointed in 1991, and first woman on the board.

Member, Executive Committee ACWA/JPIA since 2001

President, ACWA/JPIA BOD, Chair Executive Committee

Chair, Personnel Committee

Director, ACWA/Joint Powers Insurance Authority since 1991

Member ACWA State Legislative Committee

Board Member, Association of the San Bernardino County Special Districts

Over 32 + Years, Experience in the Water Industry includes:

Past Member, (CWA) California Women for Agriculture

Past Member, ACWA Water Management Committee

Past Member, ACWA Federal Affairs Committee

Past Chair & Vice-Chair, JPIA Liability, Property, & Workers Compensation Programs

Past Member, Board of Directors ACWA, Region 9 Chair

Past Chair, Water Management Certification Subcommittee

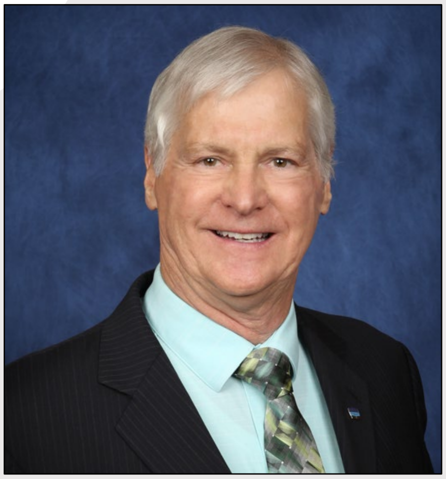
Chair, California Water Quality Control Board, Santa Ana Region 8 Years of service, Gubernatorial Appointment 1993-2000

CURRENT EMPLOYMENT
Southwest Lift & Equipment, Inc. (Heavy Duty Vehicle Lifts)
Broker/Associate, Century 21 Lois Lauer Realty

PROFESSIONAL ASSOCIATIONS & LICENSES
Redlands Association of Realtors
California Real Estate Broker's License
Arizona Real Estate Broker's License

ORGANIZATIONS AND SOCIETIES
Highland Chamber of Commerce
San Bernardino Chamber of Commerce
Immanuel Baptist Church Highland, CA
BSF International

EDUCATION
San Gorgonio High School, 1976
Western Real Estate School, 1989
Graduate, Special Districts Board Management Institute, 1997
Studied at Crafton Hills College



SCOTT QUADY

Candidate Statement of Qualifications: ACWA-JPIA Executive Committee

Sixteen years as a water district board member

Forty-year career as a water industry professional: private, municipal and non-profit organizations

Retired as an Environmental Resource Analyst

PROFILE

Master of Science Degree, Environmental Science (LMU)

Bachelor of Science Degree, Biochemistry (Cal Poly, SLO)

Engineer-In-Training (EIT), California Department of Consumer Affairs

Water Treatment Operator (2), State Water Resources Control Board

Environmental Compliance Inspector and Laboratory Analyst (4), California Water Environment Association

Member: American Water Works Association

CONTACT

PHONE:
805-579-7111

WEBSITE:
www.calleguas.com

EMAIL:
squady@calleguas.com

CALLEGUAS MUNICIPAL WATER DISTRICT

2100 Olsen Road • Thousand Oaks, CA • 91360

ACWA-JPIA

Board Member Director since 2012

- Workers Compensation Committee since 2018
- CWIF (California Water Insurance Fund, Captive) Board: 2019 (3 yrs), 2022 (2 yrs)

ACWA

- Region 8, Alternate Vice-Chair since 2023
- Energy Committee
- Prior/continuing interests: Water Quality, Safe Drinking Water and Water Management Committees

CALLEGUAS BOARD HISTORY

- First elected, 2008
- Board President, 2012-16, 2023-24
- Treasurer, 2016-22
- Vice-President, 2025 - Present

CALLEGUAS COMMITTEES (HISTORICAL/CURRENT)

- Chair, Finance, 2016
- Chair, Water Quality, 2012
- Member, Finance
- Alternate member, Public Engagement, Communication, and Legislative Affairs
- Member, Water Supply, Storage, and Partnership Development
- Ventura County Regional Energy Alliance

Randall James Reed
Statement of Qualifications
Association of California Water Agencies
Joint Powers Insurance Authority (ACWA/JPIA) Executive Committee

I am pleased to share with you my interest in continuing my service on the Executive Committee for ACWA/JPIA. I am prepared and ready to help lead the organization as we continue to uphold ACWA/JPIA's mission "*to consistently and cost effectively provide the broadest possible affordable insurance coverage and related services to its member agencies.*"

My experience with ACWA/JPIA began over 5 years ago when I was appointed by the Cucamonga Valley Water District (CVWD) to serve as their ACWA/JPIA representative. In that same year I was elected to the Executive Committee to fill a vacancy and eagerly rose to the challenge. Now I am dedicated to ensuring the success of ACWA/JPIA. We provide a vital service to the water community and they provide a vital service to their communities. I know how important this organization is for the member agencies who depend on our success.

I have served on the CVWD board of directors for approximately 22 years, and currently serve as their President. At CVWD, we have taken full advantage of all the programs the ACWA/JPIA has to offer to ensure our employees are working in the safest environment possible. Our board of directors has also adopted a *Commitment to Excellence* pledge putting into place best management practices which bolsters our effectiveness for loss prevention and safety.

I currently serve on the board of the Association of San Bernardino County Special Districts. In my past roll as board president, I was focused on increasing my understanding of our members needs so that I may know how to better serve and lead the association. I will continue to use this same approach if re-elected to serve on the ACWA/JPIA Executive Committee.

Professionally, I am retired from a 32 year career in the wastewater management field as an electrical and instrumentation supervisor. I earned a Bachelor's degree in Information Management Systems from California State University San Bernardino and have been an active member in the Association of California Water Agencies, California Special Districts Association and the California Water Environment Association. I'm a proud veteran of the United States Marine Corp.

Thank you for allowing me to share my experience, leadership and knowledge. I look forward to the opportunity to represent you and your agency. Please feel free to contact me directly at (909) 240-1344 should you have questions or if you would like to support my candidacy.

Thank you in advance for your consideration,

Randall J Reed

John H. Weed

Biography

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

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

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

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

ACWA JPIA
Board Resolution Honoring David Drake
for 11 years of ACWA JPIA Service
May 12, 2025

BACKGROUND
David Drake of Rincon del Diablo Municipal Water District will retire from ACWA JPIA Executive Committee service on May 12, 2025.

CURRENT SITUATION
The JPIA extends its sincere appreciation to Director David Drake for his dedicated years of service to the organization and its members. Over the past decade, Director Drake has been a vital member of the Executive Committee, including the last three years as Board Vice-President and Executive Committee Vice-Chair. His leadership extended to multiple key roles, including Vice-Chair of the JPIA captive, the California Water Insurance Fund (CWIF), Chair of the Finance & Audit Committee, Chair of the Workers' Compensation Program Committee, and Vice-Chair of the Personnel Committee. Throughout his tenure, he has also contributed his time and expertise to several key committees, including the Liability Program and Risk Management Committees.

RECOMMENDATION
That the Board of Directors approve the proposed resolution honoring David Drake, as presented.

Prepared by: Chimene Camacho, Sr. Executive Assistant Date prepared: April 15, 2025

RESOLUTION (2025-1)

OF THE BOARD OF DIRECTORS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES JOINT POWERS INSURANCE AUTHORITY (ACWA JPIA) COMMENDING DAVID DRAKE FOR ELEVEN YEARS OF OUTSTANDING SERVICE

BE IT RESOLVED by the Board of Directors of the Association of California Water Agencies Joint Powers Insurance Authority that commendation be given to David Drake of Rincon del Diablo Municipal Water District, for outstanding service to the Joint Powers Insurance Authority as a member of the Executive Committee for ten years. Director Drake has been a vital member of the Executive Committee, including the last three years as Board Vice-President and Executive Committee Vice-Chair. His leadership extended to multiple key roles, including Vice-Chair of the JPIA captive, the California Water Insurance Fund (CWIF), Chair of the Finance & Audit Committee, Chair of the Workers' Compensation Program Committee, and Vice-Chair of the Personnel Committee. Throughout his tenure, he has also contributed his time and expertise to several key committees, including the Liability Program and Risk Management Committees.

Director Drake's dedicated service to the JPIA and its members, combined with a high standard of integrity and fairness, has been an important element in the development and success of the JPIA.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Association of California Water Agencies Joint Powers Insurance Authority held May 12, 2025, in Monterey, California.

Melody McDonald, ACWA JPIA Board President
San Bernardino Valley Water Conservation District

J. Bruce Rupp, Humboldt Bay Municipal Water District

Chris Kapheim, Kings River Conservation District

Randall Reed, Cucamonga Valley Water District

Szu Pei Lu-Yang, Rowland Water District

David Wheaton, Citrus Heights Water District

Scott Ratterman, Calaveras County Water District

Ernie Avila, Contra Costa Water District
ACWA Vice-President

Attest:

Adrienne Beatty, ACWA JPIA Board Secretary/CEO

ACWA JPIA
Leadership Essentials for the Water Industry Program Recognition
May 12, 2025

BACKGROUND
The **JPIA Leadership Essentials in the Water Industry Program** (LEWI) is celebrating 10 years and its graduation of over 215 senior water agency alumni as of 2025! This popular year-long cohort-based program held in Northern and Southern CA includes 80+ hours of instruction, materials, assessments, meals, and invaluable networking opportunities. It is a one-year commitment with four required in-person sessions (2 days each) and monthly webinars facilitated by Clint Camac of Leadership Development Network.

Applications are typically open from spring to early summer each year, with cohorts beginning in fall. Due to the personalized small group learning approach, a maximum of 16 seats are offered per cohort. In 2025, a third cohort was added due to increased demand for the program by members.

CURRENT SITUATION
Applications are now being accepted for three available 2025-26 cohorts. Due to increased demand and requests for General Manager-specific development opportunities, a third General Manager-only cohort is planned in Costa Mesa next year, pending sufficient program enrollment.

Due to rising program expenses for meeting space, meals, and instruction after several years without an increase, program tuition will be increased in 2025-26 to $2,495 (vs. $2,195) for members. To ease the burden on participating members, JPIA will continue to offer the E.G. “Jerry” Gladbach Leadership Program grant to one participant per cohort, pending sufficient grant applications, and will offer a $400 discount to members in the JPIA Liability Program.

To offer the program to numerous member agencies, one participant is generally selected per applying agency unless space allows. If seats are still available after all interested member applications are processed, non-members may be admitted at a cost of $2,625. JPIA General Managers and senior leadership team members are encouraged to apply as soon as practicable, since space is limited. The application deadline this year is June 16, 2025.

The program and grant application forms, a synopsis of program objectives, and cohort session schedule are available on the ACWA JPIA Training website at https://www.acwajpia.com/training-2/#leadership-program.

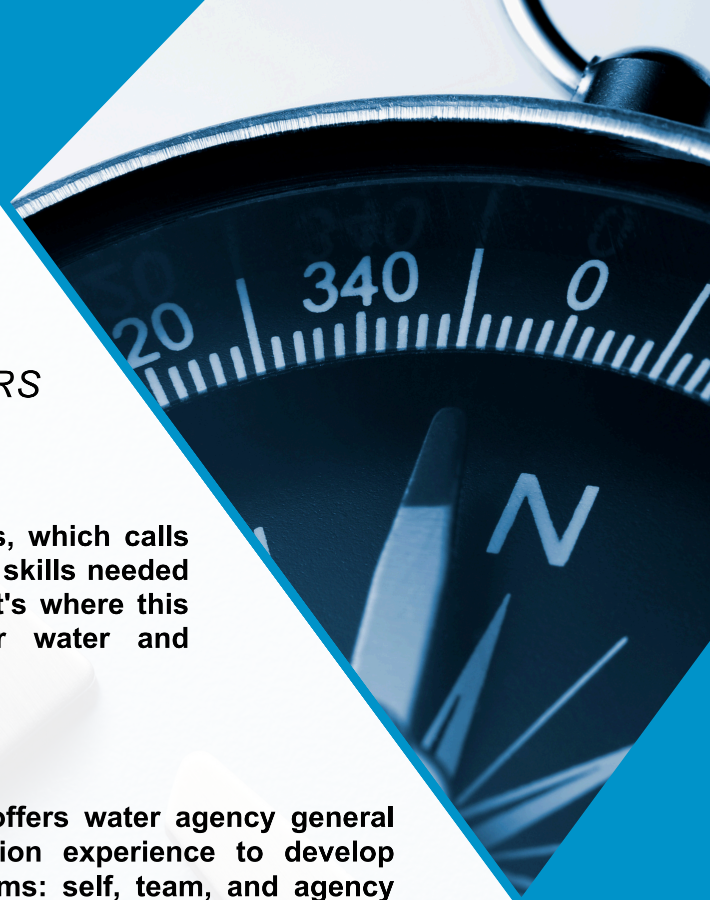
RECOMMENDATION
None, information only.

Prepared by: Sarah Crawford, Member Education Manager   Date prepared: April 21, 2025

LEADERSHIP ESSENTIALS

FOR THE WATER INDUSTRY

GENERAL MANAGERS & SENIOR LEADERS



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 their agency now - and into the future. That's where this unique leadership development program for senior water and wastewater agency leaders comes in.

WHAT WE OFFER

This exciting year-long program with 210+ graduates offers water agency general managers and other senior leaders a robust education experience to develop leadership skills and facilitate growth in three spectrums: self, team, and agency leadership.

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

- **Small class sizes**
- **Interaction with water industry peers**
- **Personalized assessments**
- **Practical, on-the-job application of concepts**

DETAILS

Three Cohorts will be offered in 2025-2026!

General Managers (GM) Only	GM's and Senior Leaders	GM's and Senior Leaders
Costa Mesa, CA	*Costa Mesa, CA*	*Sacramento, CA*
Begins Sept 29, 2025	*Begins Oct 1, 2025*	*Begins Nov 5, 2025*

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:

$2,495 JPIA members ($400 discount for Liability Program members)
$2,625 Non-members

Overnight stays are recommended for four in-person sessions, and are not included in tuition pricing above. E.G. "Jerry" Gladbach Leadership Program Grant available to cover fees and expenses for one participant per cohort. See website for program and grant applications.

Apply Now https://acwajpia.info/jpialeaddev

Apply by June 16, 2025. SPACE IS LIMITED - priority given to ACWA JPIA members. Waitlists will be utilized and participants notified of their acceptance beginning July 1, 2025.

training@acwajpia.com

1.833.456-JPIA (5742)

ACWA JPIA
Walter “Andy” Sells Commitment to Excellence in Water Safety Award Recognition
Winners for Spring 2025
May 12, 2025

BACKGROUND

Walter “Andy” Sells, former JPIA Chief Executive Officer, retired from the JPIA in September 2023 after serving 33 years. Mr. Sells was known for being innovative, and in addition to many other achievements, he championed the JPIA’s award-winning Commitment to Excellence (C2E) Program, which he then supported with the current Risk Control Grant Program. In light of Mr. Sells’ strong support of long-term efforts to assist JPIA membership by reducing the frequency and severity of liability, property, and workers’ compensation losses, two members who have exemplified the C2E Program will be recognized at each Spring Membership Summit.
Recognition categories:

- Agency with an employee count of 29 or less.
- Agency with an employee count of 30 or more.

CURRENT SITUATION

Two members will receive the **Walter “Andy” Sells Commitment to Excellence in Water Safety Award**.

The awards highlighted for presentation at the ACWA JPIA Spring Membership Summit were selected on the following achievements:

- Members currently participate in all three coverage programs: Liability, Property, and Workers’ Compensation.
- Member is a recipient of the President’s Special Recognition Award in at least two coverage programs: Liability, Property, and Workers’ Compensation, announced at the most recent Fall Membership Summit.
- Member has a signed C2E Agreement on file with the JPIA.
- Member has demonstrated support for the C2E Program by contributing to three or more defined activities within the last three years of the current recognition cycle.

RECOMMENDATION

None, information only.

Prepared by: Robin Flint, Risk Control Manager   Date prepared: April 8, 2025

ACWA JPIA
ACWA JPIA Risk Pool Recognition
May 12, 2025

BACKGROUND
ACWA JPIA was honored to receive recognition from three highly respected organizations this year, highlighting our continued commitment to excellence and the high-quality service we provide to our members.

CURRENT SITUATION
Association of Governmental Risk Pools (AGRiP)
At the 2025 AGRiP Governance Conference in Las Vegas, Nevada, on March 18, ACWA JPIA was honored to receive AGRiP Recognition. This prestigious designation, awarded every three years, reflects our continued commitment to operational excellence and alignment with best practices in risk pooling. It affirms that ACWA JPIA remains a leader in meeting the highest standards within the industry.

California Association of Joint Powers Authorities (CAJPA)
ACWA JPIA has maintained continuous Accreditation with Excellence from CAJPA since 2015, which is the highest level of recognition the organization offers. As part of CAJPA's triennial review process, JPIA was most recently reaccredited in 2025 following a comprehensive evaluation conducted by an independent accreditation consultant and formally approved by the Accreditation Committee. This reaccreditation confirms that JPIA continues to exceed industry standards in key areas such as governance, financial management, member services, and risk control. The "with Excellence" designation reflects our ongoing commitment to transparency, accountability, and outstanding service to our member agencies.

Government Finance Officers Association (GFOA)
ACWA JPIA and its Finance Department have once again earned the GFOA Award for Excellence in Financial Reporting. This distinction recognizes the organization's commitment to transparency, accountability, and financial stewardship. The Finance Department has received this award annually since its first submission in 2014, underscoring a long-standing tradition of excellence.

RECOMMENDATION
None, information only.

Prepared by: David deBernardi, Director of Finance Date prepared: April 14, 2025

ACWA JPIA
Audited Financial Statements for Year Ended September 30, 2024

May 12, 2025

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, 2023, through September 30, 2024.

CURRENT SITUATION

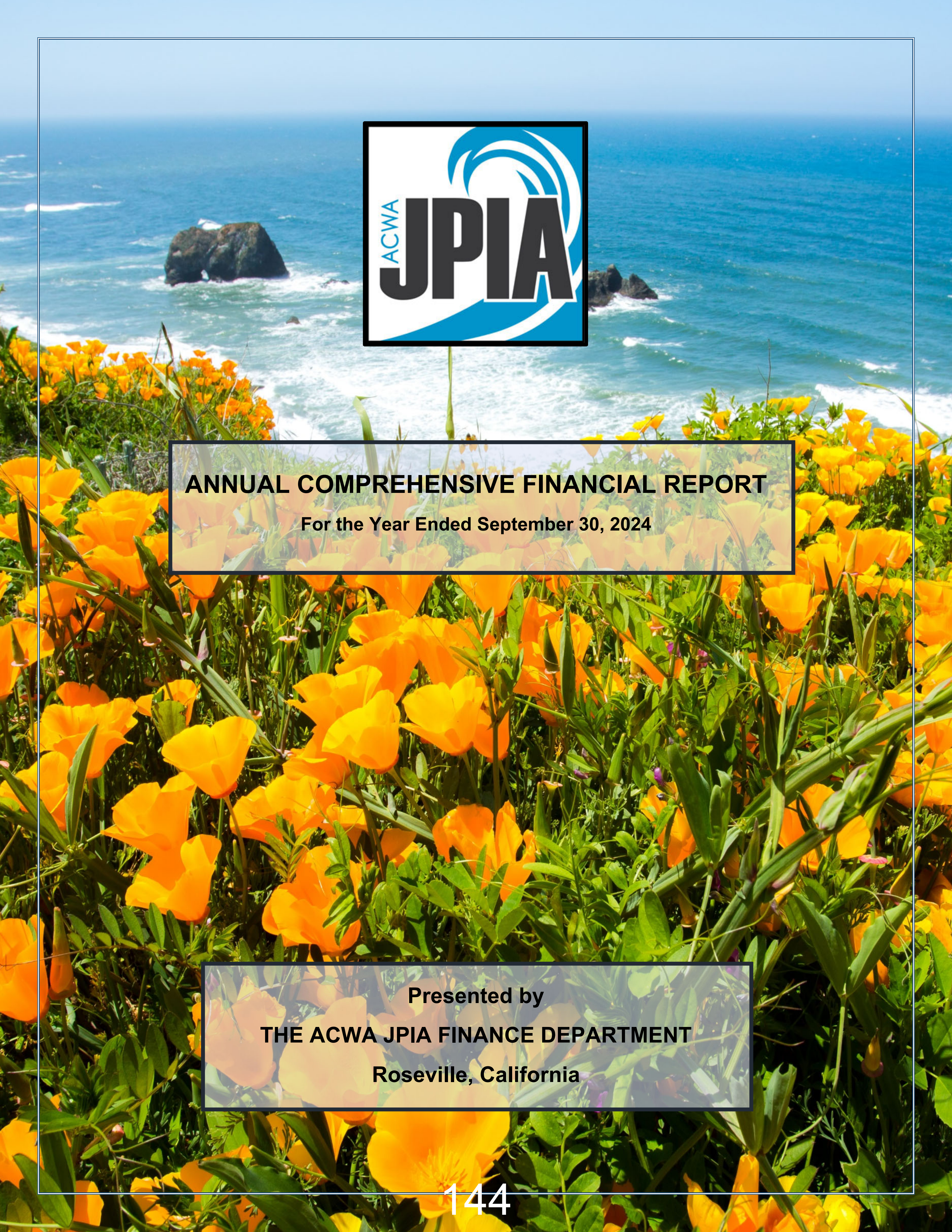
Gilbert CPAs issued an unmodified opinion that states that the financial statements present fairly and accurately, in all material respects, the financial position of ACWA JPIA as of September 30, 2024, and the results of its operations and cash flows for the year finalized in conformity with generally accepted accounting principles (GAAP) in the United States of America.

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

RECOMMENDATION

That the Board of Directors approve the 2023-24 Audited Financial Statements, as presented.

Prepared by: David deBernardi, Director of Finance   Date prepared: April 15, 2025



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2024

Presented by

THE ACWA JPIA FINANCE DEPARTMENT

Roseville, California

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

Year Ended September 30, 2024

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March 27, 2025

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, 2024, 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, 2024, 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, 2024, 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, 2024, 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 stabilized the past year. From October 2023 through September 2024, the national unemployment rate slightly increased from 3.8% to 4.1%. Meanwhile in the State of California, the unemployment rate went from 5.0 % in September 2023, to 5.3% at the end of September 2024. The national inflation rate has gone from 3.7% to 2.4% from September 2023 to September 2024. This data suggests the high inflation of the previous years 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 State will outpace the nation in 2025 and 2026 but not by much. That State economy is expected to be largely be fueled by the technology, construction, education, government and health care sectors. In the City of Roseville, where the JPIA office resides, the unemployment rate has moved from 3.8% in October 2023 to 4.1% in September 2024. This change paces with 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 been growing within the JPIA. The number of JPIA employees has increased from 42 to 55 from fiscal year 2012 to fiscal year 2024. 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 7.5% rate increase in the Liability

Program. For the Property Program the JPIA increased rates by 15% to keep up with increased excess insurance costs. Both these program increases were less than previous years'. The Workers' Compensation Program has continued to see favorable loss experience and accordingly rates were reduced by 5%. The Employee Benefits Program experienced a record high in losses for the year signaling an aging population.

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, 2024. 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 organizational 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 $29 million for the Liability Program and $12 million for the Workers' Compensation Program. In September 2024, the JPIA Executive Committee approval a CAT Fund goal of $14 million for the Property Program. Program.

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

The JPIA owns its building. The JPIA is exploring the possibility of purchasing a new building to move into to accommodate spacing needs.

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, 2023. 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 has since been reaccredited in December 2024 contingent on some open items. 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 had this renewed during 2024 and will be presented this award at the 2025 Spring Sumit.

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,

Adrienne Beatty Chief Executive Officer	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, 2024

EXECUTIVE COMMITTEE

Name	Office	District
Melody A. McDonald	President	San Bernardino Valley WCD
David A. Drake	Vice-President	Rincon del Diablo MWD
Ernesto Avila	Director	Contra Costa 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

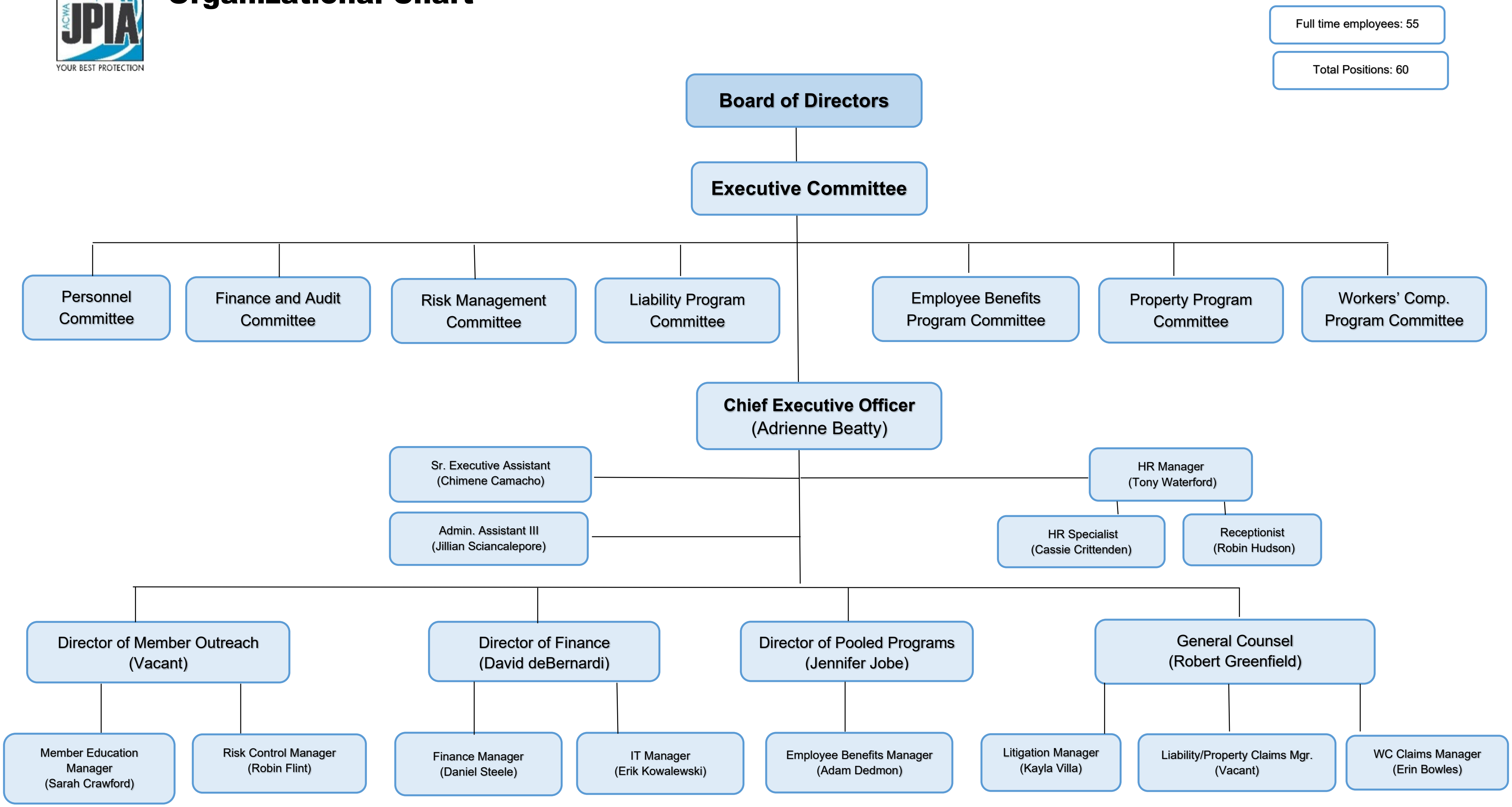
Office Address

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
Dalisay Matias, Accountant III
Lindsey Johnson, Accountant III
Cynthia Buschmann, Accountant III
Heidi Singer, Accountant II

Organizational Chart



Organizational Chart

- Director of Pooled Programs (Jennifer Jobe)
  - Member Education Manager (Sarah Crawford)
    - Communication & Outreach Specialist (Molly Quirk)
    - Training Specialist (Kristen Bennett)
    - Admin. Assistant III (Linda Craun)
    - Event Planner (Laura Baryak)
    - Admin. Assistant II (Suzanne Wallace)
  - Risk Control Manager (Robin Flint)
    - Lead RC Advisor (Mathew Bunde)
    - Sr. RC Advisor (Lee Patton)
    - Sr. RC Advisor (Jesse Cota)
    - Sr. RC Advisor (Andrew Corral)
    - RC Advisor II (Paul Myers)
    - RC Advisor (Jeremy Sadler)
    - Risk Technician (Vacant)
    - Admin. Assistant III (Terry Lofing)
  - Finance Manager (Daniel Steele)
    - Senior Accountant (Kyle Hutchings)
    - Accountant III (Dali Matias)
    - Accountant III (Lindsey Johnson)
    - Accountant III (Cynthia Buschmann)
    - Accountant III (Heidi Singer)
  - IT Manager (Erik Kowalewski)
    - Lead IT Solutions Developer (Milena Neshkova)
    - IT Solutions Developer (Pete Korfhage)
    - System/Network Admin. (Mike Whitright)
    - IT Support Specialist (Vacant)
  - Cost Estimator/Val. Consultant (Tyler Dietz)
    - Lead Member Serv Rep (Debbie Cruz)
    - Member Services Rep. II (Nidia Watkins)
    - Admin. Assistant II (Kristan Brown)
  - Employee Benefits Manager (Adam Dedmon)
    - Lead Benefits Analyst (Ben Hayden)
    - EB Specialist (Jackie Rech)
    - Benefits Sys. Analyst II (Sonya Baker)
    - Sr. Benefits Admin. (Veronica Cobian)
    - Benefits Admin. II (Michelle Stites)
    - Admin. Assistant II (Olivia Sayad)
  - Liability/Property Claims Mgr. (Vacant)
    - Lead Sr. Claims Adjuster (Cece Wuchter)
    - Sr. Claims Adjuster (Paula Christy)
    - Sr. Claims Adjuster (Judy Shiu)
    - Claims Adjuster (Heidi Sander)
    - Claims Assistant (Shelley Tippit)
  - WC Claims Manager (Erin Bowles)
    - Lead Sr. WC Examiner (Tandra Vaughan)
    - Sr. WC Examiner (Monica Sisco)
    - Sr. WC Examiner (Patti Rider)
    - Claims Specialist (Vacant)
    - Admin. Assistant II (Gino Caruso)

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, 2023

Christopher P. Morrill

Executive Director/CEO

CAJPA

California Association of Joint Powers Authorities

Trusted Leadership for California's Public Risk Sharing Pools

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

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

Association of California Water Agencies Joint Powers Insurance Authority

This

CERTIFICATE OF ACCREDITATION WITH EXCELLENCE

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

California Association of Joint Powers Authorities
With Excellence
ACCREDITED

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

Gina Dean
President

Kimberly Dennis
Chair, Accreditation Committee

James P. Marta
Accreditation Program Manager

FINANCIAL SECTION

Relax. We got this.[SM]

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ACWA JPIA's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ACWA JPIA's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

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

Gilbert CPAs

GILBERT CPAs
Sacramento, California

March 27, 2025

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, 2024. 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, 2024. 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's information for analysis of changes from the prior year. In the following comparative tables, 2023 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.

CONDENSED STATEMENTS OF NET POSITION

	9/30/2024	9/30/2023	Variance
ASSETS			
Other Assets	$ 304,662,779	$ 284,772,246	$ 19,890,533
Capital Assets	3,481,687	3,690,257	(208,570)
Total Assets	308,144,466	288,462,503	19,681,963
DEFERRED OUTFLOWS			
Related to Pensions	2,186,450	3,716,126	(1,529,676)
Related to OPEB	912,660	938,785	(26,125)
Total Deferred Outflows	3,099,110	4,654,911	(1,555,801)
LIABILITIES			
Current Liabilities	73,022,867	61,493,533	11,529,334
Noncurrent Liabilities	104,683,243	105,710,134	(1,026,891)
Total Liabilities	177,706,110	167,203,667	10,502,443
DEFERRED INFLOWS			
Related to Pensions	1,350,001	1,503,278	(153,277)
Related to OPEB	3,007,740	3,697,557	(689,817)
Total Deferred Inflows	4,357,741	5,200,835	(843,094)
NET POSITION			
Net Investment in Capital Assets	3,481,687	3,690,257	(208,570)
Restricted	4,713,366	4,764,354	(50,988)
Unrestricted	120,984,672	112,258,301	8,726,371
TOTAL NET POSITION	$ 129,179,725	$ 120,712,912	$ 8,466,813

ECONOMIC FACTORS

The JPIA's 2023-2024 fiscal year was significantly impacted by inflation and other economic/geopolitical influences. Everything from higher attorney and litigation fees to increases in hospitalization, pharmacy, and all other medical expenses, the JPIA paid out more in operating expenses than any previous year in its 45-year history. The JPIA experienced its most expensive year in terms of operational costs.

Hard markets have also continued to have a profound impact on JPIA's pricing. Staff recommendations for contribution increases in programs were predominantly due to higher reinsurance costs and expected claims development stemming from actuarial projections.

- Liability Program – over $1 million in additional excess carrier costs paid out compared to 2022-2023.
- Property Program – over $1.6 million in additional excess carrier costs paid out compared to 2022-2023.
- Employee Benefits Programs – over $4 million in additional carrier costs paid

LIQUIDATION OF THE FIXED INCOME PORTFOLIO

The JPIA reported $37,246,752 in fixed income securities on September 30, 2023. To meet the recent cash demands of unfavorable claims payouts, settlements, etc., these securities (such as U.S. Treasury bonds, medium term corporate notes, etc.) were sold strategically over the course of the fiscal year 2023-2024 and temporarily housed within the CAMP and/or LAIF accounts.

Keeping funds available in these local group investment pool accounts provides for immediate cash flow support in weeks where known settlements and other high claims distributions were required. CAMP and LAIF rates of return were highly competitive with fixed income returns, reporting rates of approximately 4-5% in most months.

Cash and cash equivalents equated to about $16.5 million at year end last year compared to $34.9 on September 30, 2024. These figures make up the largest portion of the current asset total.

INVESTMENT FAIR MARKET ADJUSTMENT

Both the JPIA fixed income portfolio and the CWIF blended equity and fixed income portfolio saw substantial market adjustments to fair value in the fiscal year. The positive mark to market change of $34.8 million boosted reported investments and factors greatly in the variance between asset totals year to year and in the overall change of net position. The current market and economic conditions have impacted public entity portfolios as the stock market continued to rebound from the COVID lows.

EXCESS PROCEEDS

Excess insurance proceeds receivable – this amount changed from last year by over $3.6 million largely in part to a liability claim from the 2019-2020 program year. This claim reached almost $8.5 million as of September 30th, 2024. With a self-insured retention level of $5 million, the $3.5 million carries forward into the next fiscal year as a receivable from the carrier.

CLAIM DEVELOPMENT

Claims reserves – though claims reserves decreased in fiscal year by almost $18 million, the claims incurred but not reported (IBNR) amounts increased by approximately $18 million, basically offsetting the reduction in reserves (as those amounts were paid out over the year). The actuary projects these program year losses to remain consistent with the original ultimate loss projections from their actuarial studies.

RETROSPECTIVE CONTRIBUTION ADJUSTMENTS PAYABLE

Other impactful changes to the Statement of Net Position can be attributable to the retrospective contribution adjustments (RCAs) payable, where CWIF declared a $8.6 million dividend back to JPIA in August 2024. To regularly provide income back to the JPIA, each year CWIF endeavors to return to JPIA, in the form of an annual dividend, 5% of the portfolio. This amount is calculated by taking the average market value of the four quarters that make up the fiscal year and dividend 5% of that average balance back to JPIA.

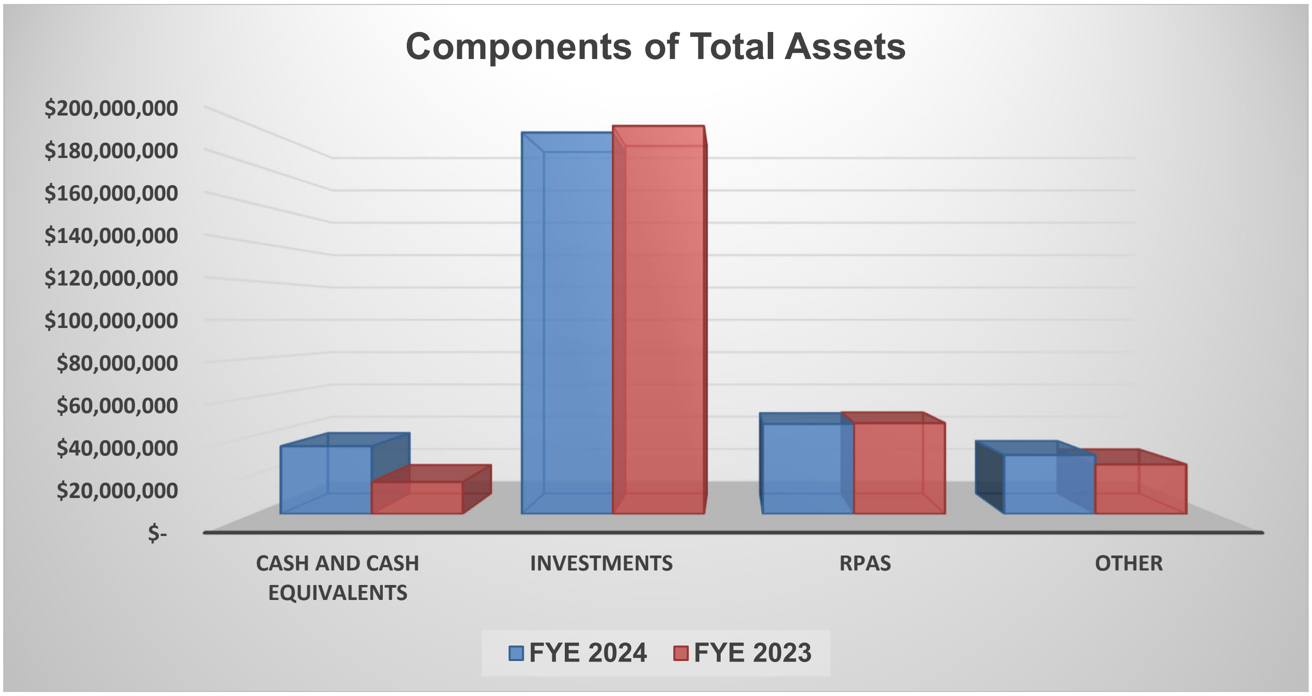
Market values recorded in the 2023-2024 fiscal year:

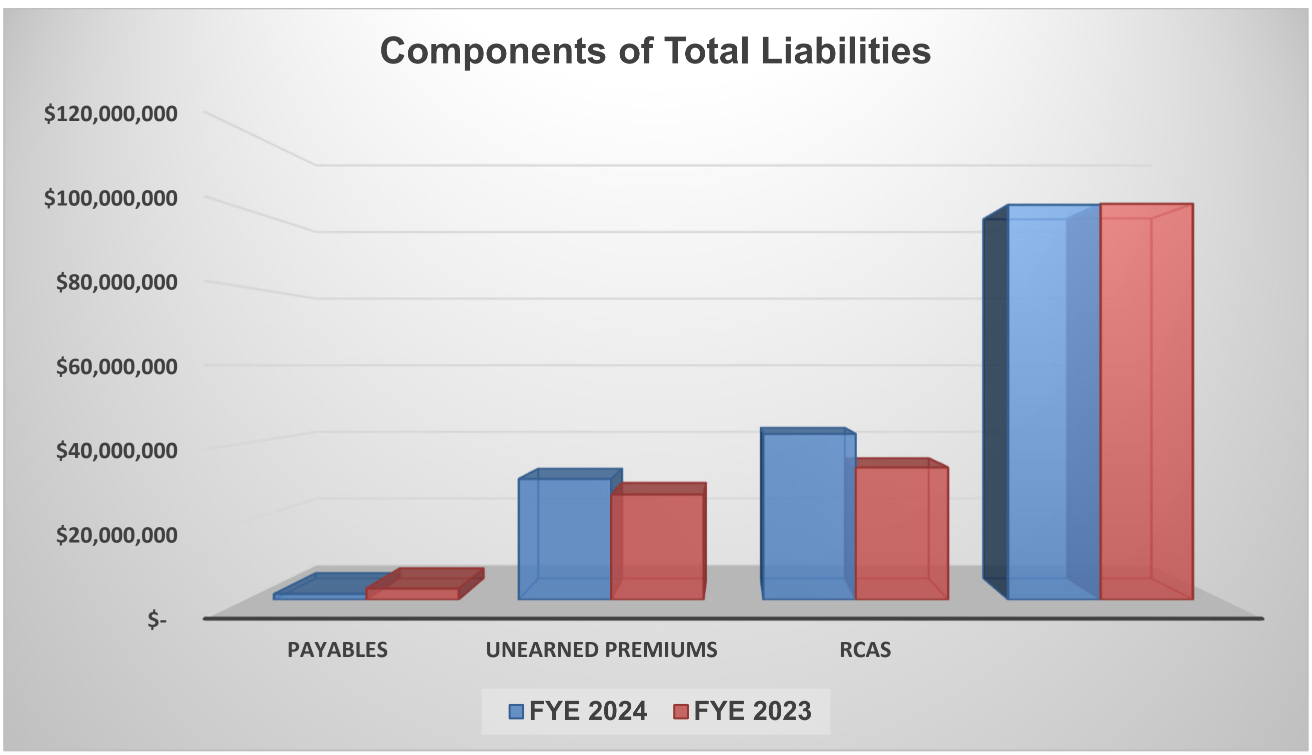
- *October 1st, 2023: $163,000,969*
- *January 1st, 2024: $168,097,781*
- *April 1st, 2024: $176,905,937*
- *July 1st, 2024: $179,386,640*

Five percent of the quarterly average of the portfolio values above equal $8,593,388. This amount was transferred between entities in the form of a dividend and allocated among the open program years on JPIA's books as investment income.

Due to this dividend, the RCA payable amounts increased by roughly that amount. RCA payables are expected to be refunded back to members once those program years have developed a full five years. Refunds are deposited into the member's rate stabilization fund accounts at the end of each fiscal year.

The subsequent page shows comparative charts that highlight the key changes between the assets and liabilities reported by JPIA on September 30, 2024, against the September 30, 2023, numbers.


Components of Total Assets
$200,000,000
$180,000,000
$160,000,000
$140,000,000
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$-
CASH AND CASH EQUIVALENTS
INVESTMENTS
RPAS
OTHER
FYE 2024
FYE 2023

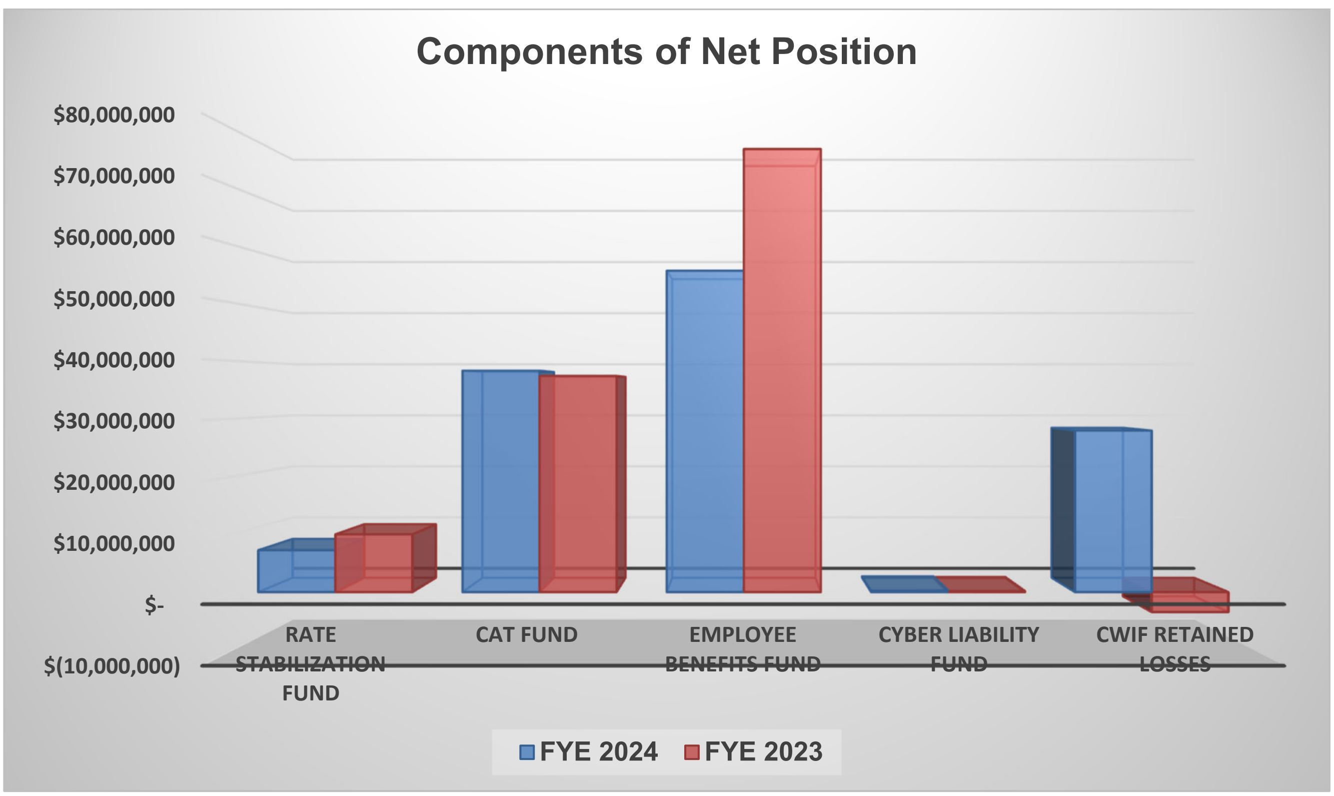

Components of Total Liabilities
$120,000,000
$100,000,000
$80,000,000
$60,000,000
$40,000,000
$20,000,000
$-
PAYABLES
UNEARNED PREMIUMS
RCAS
FYE 2024
FYE 2023

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 2023 to 2024 (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.

Beginning in fiscal year 2022-2023, the Cyber Liability Fund, a small reserve set aside for a pass-through program that collects the excess of revenue collected from members opting in to cyber liability coverage, less the direct protection-related expenses paid up front by JPIA (such as KYND and KnowBe4 services).

This reserve can be used in future years to help curb carrier cost increases to the members, like the Employee Benefits Fund.



The Rate Stabilization Fund (RSF) was utilized in the 2023-2024 fiscal year to assist members in several ways. The Liability 10% program, designed to assist those members incurring Liability contribution increases that exceed more than 10% of the prior three-year contribution average, used up over $1.1 million during the billing process for the 2023-2024 pricing. Refunds to member districts were smaller relative to prior years, paying out just over $116,000 to members lucky enough to have favorable RSF balances. This was a small amount compared to years past.

Retrospective contribution adjustments (RCAs) were purposely held out by the JPIA leadership team to subsequent fiscal years to help offset liability and property program years that have developed unfavorably over time, booking an excess of expenses over revenues. Traditionally, RCA amounts have the most material impact on the RSF each year.

The Catastrophic (CAT) Reserve increased slightly, just over $900,000, over the course of the fiscal year to account for positive adjustments in qualified member RSF accounts that needed to fund their expected balance appropriated off yearly actuarial projections of the entire pool at a 99% confidence level. Members with positive RSF balances must fulfill this requirement prior to qualifying for any available refunds.

JPIA maintains a surplus for its Employee Benefits program, comprised of equity purchased from Health Benefits Authority (HBA) in 2011 along with the income summary of its three self-insured medical, dental, and vision PPO programs. This surplus 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 2024 program year, JPIA recorded medical claim costs of $76 million through the end of September. If the current trends continue, it is not unreasonable to project an annual total of over $90 million, making the 2024 year the most expensive since inception of the program by far.

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 directly impact the RCAs each year.

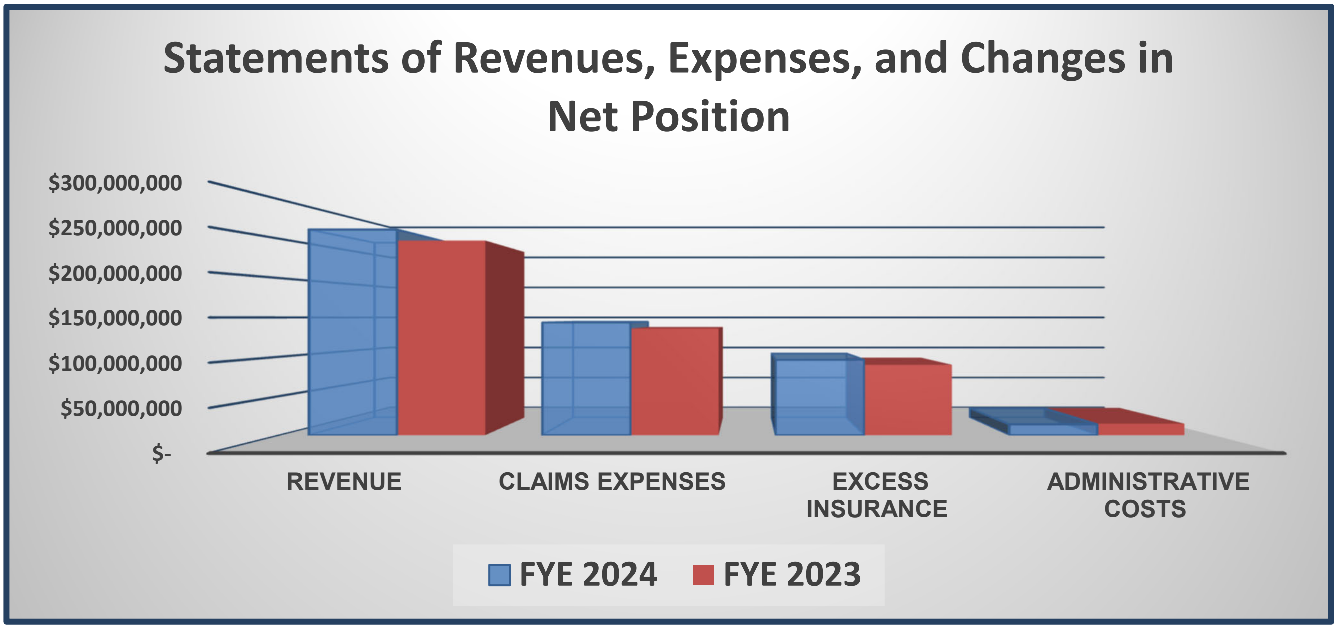
Favorable actuarial adjustments result from claims projections that become clearer as policy years develop. Should initial actuarial estimates prove claims liabilities are developing at a smaller expectation, CWIF would then declare dividends to refund JPIA those potential net "gains" after five years, since that is the benchmark the JPIA uses to begin the RCA 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 $32.9 million, compared to $16 million in prior year, CWIF's retained earnings rose to $27.9 million on September 30, 2024.

Components of net position are classified as unrestricted net position on the Statement of Net Position. These dollar amounts are identified as resources for use in subsequent fiscal years. Restricted net position is used for the Net OPEB (Other Post-Employment Benefits) Asset on JPIA's financial statements and is tied to specific obligations not related to member operations.

REVENUES, EXPENSES, & CHANGES IN NET POSITION

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	9/30/2024	9/30/2023	Variance
OPERATING REVENUES			
Member contributions	$232,269,685	$207,897,962	$24,371,723
Retrospective contribution adjustments	(10,045,692)	21,946,181	(31,991,873)
Total operating revenues	222,223,993	229,844,143	(7,620,150)
OPERATING EXPENSES			
Provision for claims	143,546,824	135,788,649	7,758,175
Excess insurance	19,617,548	17,610,144	2,007,404
Benefit premiums	76,381,396	72,078,021	4,303,375
Pension expense	1,922,557	2,575,821	(653,264)
General & administrative	11,960,792	12,032,038	(71,246)
Total operating expenses	253,429,117	240,084,673	13,344,444
OPERATING LOSS	(31,205,124)	(10,240,530)	(20,964,594)
NON-OPERATING REVENUES			
Investment income	39,671,937	18,169,521	21,502,416
CHANGE IN NET POSITION	8,466,813	7,928,991	537,822
NET POSITION, BEGINNING	120,712,912	112,783,921	7,928,991
NET POSITION, ENDING	$129,179,725	$120,712,912	$8,466,813



MEMBER CONTRIBUTIONS

Prior to the 2022-2023 liability program year, program renewals were relatively flat. Preparing for the 2023-2024 program year, however, meant accommodating the JPIA pool's recent high frequency and severity claims environments. The member pool reported over 9.5% increases in actual payroll numbers, as well as 2.5% to 5% rate increases across the various excess layers. Staff recommended increasing member contributions across the board by 10% to help cover these rising costs and alleviate the impact of potential unfavorable claims development in the years to come.

Pricing out the JPIA's property program has been a challenge ever since the fires in Northern California several years ago. The JPIA's loss ratio (premiums paid versus losses paid) with excess insurers remains high. Reinsurance coverage now includes a $10 million self-insured retention (SIR), up to $500 million in total limits. Even with the increased SIR, rates were recommended to increase by 20% for the 2023-2024 program year by the JPIA's property program committee.

While the liability and property programs at JPIA have seen increases over the years, the workers compensation program has performed better than originally expected. The 2023-2024 year was priced accordingly, reducing the pool's contribution responsibility by 5% compared to 2022-2023. This reduction in rates was a direct result of the pool's favorable standing with the excess carrier Safety National.

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 10% in 2023, and now 5% in 2024, with the goal of utilizing some of the reserve that had grown to well over $80 million, impacted by the pandemic over fiscal year 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 cyber liability program, in its second year of existence, billed out members a little more than $1 million to cover costs incurred by the pool to pay out such services as KnowB4 and KYND, aiming to educate and provide safeguards in the areas of cyber liability and security to the JPIA's members. While this program used to reside within the framework of the liability program, it is now its own stand-alone pass-through program. Contributions 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 CONTRIBUTION ADJUSTMENTS (RCAs)

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

- $9 million net excess of revenues over expenses for the fiscal year 2023-2024 versus a $21.9 million change in RCAs in the previous year in the opposite direction.
- $2.3 million adjustment of the Rate Stabilization Fund (RSF) to the RCAs applied
- $900,000 change to member's catastrophic funds versus a $200,000 reduction last year.

These factors account for most of the $8.4 million reduction of annual operating revenues from fiscal year 2023 to 2024.

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	**2024**	**2023**	VARIANCE
Liability	$15,023,802	$35,355,004	$(20,331,202)
Property	8,621,545	11,822,397	(3,200,852)
Workers Comp.	11,508,384	7,750,603	3,757,781
Employee Benefits	108,393,093	80,860,645	27,532,448
Totals:	$143,546,824	$135,788,649	$7,758,175

The liability program rebounded a bit in 2024, as some key claims were settled at lower-than-expected totals and reserves were reduced by a total of $15 million during the year. The 2019-2020 program year reports losses paid of over $24.3 million with only $1.4 million left in open reserves. This, alone, represents a reduction of about $14 million in paid losses and set reserves from the year prior for the 19-20 year.

Due to the recent challenges the pooling industry has faced in the property program, claim development has shown the impact of the $10 million self-insured retention levels that began with the 2022-2023 program year and continued into 2023-2024. Without excess recoveries to offset losses, the JPIA takes on most occurrences on its own. A modest $600,000 was recovered from excess carriers over the course of the fiscal year, mostly from previous program years where the SIR was lower.

The workers compensation program has historically been JPIA's least volatile program regarding claims and claim development. JPIA did payout more than $1 million compared to last year, however, and did see an increase in reserves and IBNR figures of almost $2.7 million.

Changes in California state law are typically the biggest impact to the program, and though nothing has happened just yet, there is a general anticipation in the industry that the time is right for changes. What those changes will be remain to be seen, but the JPIA has done well to establish the worker's compensation catastrophic fund, should any near future changes prove unfavorable to the pool.

Fiscal year 2023-2024 proved to be the most expensive medical claims year in JPIA's history. While the pooling industry braced for the "post-COVID" fallout of claim development in years 2021-2023, reasoning for the substantial 2024 increases seem to revolve around inflation and other economic factors, affecting hospitalization costs, prescription drug costs, and so much more.

JPIA paid out a whopping $94.4 million in medical, and pharmacy claims alone. This amounted to a $21 million increase from 2022-2023. Actuarial projections also amounted to an additional $5 million in IBNR, a figure that represents the anticipated administrative costs of handling a larger claims load during any runout period that may arise from ceasing operations.

JPIA no longer purchases excess insurance for its medical program, previously saving the pool around $2 to $3 million a year, and it remains to be seen (once the data can be fully analyzed) the true opportunity cost of not having excess recoveries available. Frequency and severity of claims appear to be skyrocketing regardless of excess coverage.

Typically, stop loss coverage for the medical program, using a retention of $500,000 to $750,000 in most years, returned to the member pool anywhere from $1 million to $5 million, depending on the year's claim development at the time. This is obviously dependent on the types of claims reported, which vary greatly from year to year.

EXCESS

Excess costs to the pool increased by over $6 million across the programs. Liability and property each saw increases of over $1 million each from last year. The employee benefits programs make up most of the other increases, though covered lives tend to impact premium totals paid out to carriers, so increases may not be the direct reflection of market trends. It should be noted that 2024 was the second year in which stop loss coverage was not purchased, and that the pool self-insured all layers of medical, dental, and vision losses.

ADMINISTRATIVE

JPIA's general and administrative costs typically represent about 5-7% of reported contributions each year. For 2022-2023, staff salaries and benefits included some positions (including Chief Executive Office) in which crossover occurred, allowing outgoing retirees to train and prepare replacements in the upcoming years, especially regarding leadership positions at the manager and director levels.

In 2023-2024, those crossover positions eventually gave way to a relatively new leadership team and salaries are now absolute. Overall, the total administrative costs to the pool fell from $14.6 million to a more manageable $13.8 million. But turnover continues to be a concern going forward, not just for the pooling industry, but for all forms of business and government.

INVESTMENT INCOME

The investment income reported on JPIA's Statement of Revenues, Expenses, and Changes in Net Position represents nonoperating revenue amounts, and is comprised of investment income from realized gains and dividends, and fair value changes from the previous year. In 2023-2024, the majority of the $4.8 million reported as investment income was CWIF's (primarily mutual fund dividends paid back to the portfolio), as the fixed income portfolio that held approximately $37 million in value at year end 2023, was fully liquidated for cash flow reasons. The sales of these securities sometimes took unavoidable losses and offset some of the positive income recorded from dividend payments and realized gains.
The much bigger influence on investment income came in the form of the portfolio's fair value adjustment. This favorable market adjustment added over $32.9 million in CWIF's investment income, combined with $1.8 million from JPIA, totaling just over $34.7 million for the fiscal year. This number was just $16.9 million in the prior year, a continued shift away from the effects of the inverted yield curve.

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 $6.7 million and were immediately invested into mutual funds within the blended portfolio. The fair value on September 30, 2024, was reported at $196.2 million, up $33.8 million from 2023.

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	2024	2023	VARIANCE
JPIA Cash/Equivalents	$ 33,667,982	$ 15,637,530	$ 18,030,452
CWIF Cash/Equivalents	1,236,297	856,071	380,226
JPIA Fixed Income	0	37,246,752	(37,246,752)
CWIF Mutual Funds	196,228,421	162,390,981	33,837,440
Totals:	$ 231,132,700	$ 216,131,334	$ 15,001,366

California Asset Management Program (CAMP) has shown consistent favorable performance over the past fiscal year, mostly influenced by current market and yield curve conditions. The 7-day yield reported at 9/30/24 was over 5%. It was this performance that enabled JPIA to utilize this account for quick liquidity when needed while providing a rate of return comparable or even competitive with fixed income securities.

The JPIA reported $18.2 million in CAMP assets on September 30, 2024, compared to just $2.4 million in the prior year, a $15.9 million shift. CAMP's increase over the fiscal year represents the majority of the cash and cash equivalent annual variance.

LAIF had rates just under CAMP rates throughout the year, so the JPIA's LAIF balance reduced to just $179,217 in fiscal year 2024 from $1.1 million the prior year.

CAPITAL ASSETS

The 2023-2024 fiscal year had no material capital asset purchases. Depreciation of capital assets over the fiscal year totaled $208,570. Most of the depreciation expenditure this year is attributable to the JPIA building, located at 2100 Professional Drive, Roseville, California. See Note 4 for more information regarding capital assets.

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 (2024-2025). 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 2025 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, 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, 2024

	2024	Comparative Totals 2023
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 34,904,279	$ 16,493,601
Member contributions receivable	9,418,140	8,344,549
Investment income and other receivables	7,597	277,402
Excess insurance proceeds receivable	3,718,401	30,325
Retrospective contribution adjustment receivables	14,986,201	10,826,725
Prepaid expenses	8,885,232	8,416,281
TOTAL CURRENT ASSETS	71,919,850	44,388,883
NONCURRENT ASSETS		
Investments	196,228,421	199,637,733
Retrospective contribution adjustment receivables	31,801,142	35,981,276
Net OPEB asset	4,713,366	4,764,354
Capital assets - net	3,481,687	3,690,257
TOTAL NONCURRENT ASSETS	236,224,616	244,073,620
TOTAL ASSETS	308,144,466	288,462,503
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	2,186,450	3,716,126
Deferred outflows of resources related to OPEB	912,660	938,785
TOTAL DEFERRED OUTFLOWS	3,099,110	4,654,911
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	1,510,292	2,864,046
Unearned member contributions	30,914,140	26,918,323
Retrospective contribution adjustment payables	15,725,437	9,051,896
Claims reserves	24,872,998	22,659,268
TOTAL CURRENT LIABILITIES	73,022,867	61,493,533
NONCURRENT LIABILITIES		
Retrospective contribution adjustment payables	26,317,801	24,805,475
Claims reserves	22,101,178	42,997,248
Claims incurred but not reported	50,692,792	32,670,965
Net pension liability	2,181,258	2,277,917
Unallocated loss adjustment liability	3,390,214	2,958,529
TOTAL NONCURRENT LIABILITIES	104,683,243	105,710,134
TOTAL LIABILITIES	177,706,110	167,203,667
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	1,350,001	1,503,278
Deferred inflows of resources related to OPEB	3,007,740	3,697,557
TOTAL DEFERRED INFLOWS	4,357,741	5,200,835
NET POSITION		
Net investment in capital assets	3,481,687	3,690,257
Restricted	4,713,366	4,764,354
Unrestricted	120,984,672	112,258,301
TOTAL NET POSITION	$ 129,179,725	$ 120,712,912

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, 2024

	2024	Comparative Totals 2023
OPERATING REVENUES		
Member contributions	$ 232,269,685	$ 207,897,962
Retrospective contribution adjustments	(10,045,692)	21,946,181
TOTAL OPERATING REVENUES	222,223,993	229,844,143
OPERATING EXPENSES		
Claims expense:		
Claims paid	143,775,652	111,260,343
Change in claims reserves	(18,682,345)	24,773,057
Change in claims incurred but not reported	18,021,834	(469,404)
Change in unallocated loss adjustment expense	431,683	224,653
Total claims expense	143,546,824	135,788,649
Excess insurance	19,617,548	17,610,144
Benefit premiums	76,381,396	72,078,021
Pension expense	1,922,557	2,575,821
General and administrative	11,752,222	11,811,513
Depreciation	208,570	220,525
TOTAL OPERATING EXPENSES	253,429,117	240,084,673
OPERATING LOSS	(31,205,124)	(10,240,530)
NONOPERATING REVENUES		
Investment income	4,873,679	1,193,475
Net increase in investment fair value	34,798,258	16,976,046
TOTAL NONOPERATING REVENUES	39,671,937	18,169,521
CHANGE IN NET POSITION	8,466,813	7,928,991
NET POSITION, BEGINNING OF YEAR	120,712,912	112,783,921
NET POSITION, END OF YEAR	$ 129,179,725	$ 120,712,912

See accompanying notes to financial statements.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2024

	2024	Comparative Totals 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from members	$ 229,639,270	$ 206,655,589
Cash received from excess/aggregate insurance	2,632,373	19,917,840
Payments for claims	(143,775,652)	(111,260,343)
Payments for excess/aggregate claims	(6,065,512)	(15,619,926)
Payments for excess insurance	(19,617,548)	(17,610,144)
Payments for benefit premiums	(76,381,396)	(72,078,021)
Payments for billings & RSF fund	(116,351)	(161,850)
Payments to vendors	(3,112,345)	(5,723,896)
Payments to employees	(9,619,280)	(8,724,710)
NET CASH USED BY OPERATING ACTIVITIES	(26,416,441)	(4,605,461)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	6,631,556	1,969,647
Purchase of investments	(24,942,365)	(118,471,285)
Proceeds from maturities of investments	63,137,928	101,750,908
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	44,827,119	(14,750,730)
Increase (decrease) in cash and cash equivalents	18,410,678	(19,356,191)
Cash and cash equivalents, beginning of year	16,493,601	35,849,792
Cash and cash equivalents, end of year	$ 34,904,279	$ 16,493,601
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating loss	$ (31,205,124)	$ (10,240,530)
Adjustments to net cash used by operating activities:		
Depreciation of capital assets	208,570	220,525
Change in member contributions receivable	(1,073,591)	(886,008)
Change in excess insurance proceeds receivable	(3,688,076)	893,007
Change in retrospective contribution adjustment receivable	20,658	(24,411,609)
Change in net pension liability	(96,659)	832,798
Change in net OPEB asset	50,988	(2,880,965)
Change in other receivables and prepaids	(519,602)	(499,893)
Changes in deferred outflows/inflows related to net pension and OPEB	(712,707)	3,841,237
Changes in accounts payable and other accrued expenses	(1,353,754)	160,967
Change in unearned member contributions	3,995,817	2,803,064
Change in retrospective contribution adjustment payables	8,185,867	1,033,640
Change in claims liabilities	(228,828)	24,528,306
NET CASH USED BY OPERATING ACTIVITIES	$ (26,416,441)	$ (4,605,461)
NON CASH ITEMS		
Change in unrealized fair value of investments	$ 34,798,258	$ 16,976,046

See accompanying notes to financial statements.

(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:

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:

Years	SIR Amount
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 - 9/30/24*	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 - 9/30/24.
- $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:

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

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

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

c) **Workers' Compensation Program** – The Workers' Compensation Program was established to account for the payment of workers' compensation claims and administrative costs. Funding is based upon rates established by 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:

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

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

d) **Employee Benefits Program** – In January 2012, both ACWA JPIA's Executive Committee and the Health Benefits Authority (HBA) approved the transition of the HBA program into the JPIA. In March 2012, the HBA Board of Directors voted to dissolve the HBA programs. As a result, the JPIA's Employee Benefits Program was established on July 1, 2012, to provide medical, dental and vision coverage for members' employees and dependents. The preferred provider organization plans offered in the medical and dental coverage are self-insured. The vision program also converted to self-insured starting with plan year January 1, 2015. Funding is based upon rates established by 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 1st through December 31st 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 1st 2023 going forward.

(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, 2024. 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 '21/22, a portion of the Employee Benefits Reserve was transferred in the amount of $60 million. In fiscal year 2024, no additional amounts of paid-in capital were transferred between ACWA JPIA and the captive. However, a dividend of $1.5 million was issued back to JPIA.

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

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

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

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

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

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

Member Contributions 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, contributions are calculated based upon approved rates by the ACWA JPIA Executive Committee.

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

Operating and Non-operating Revenues – Operating revenues include all member 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.

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.

INVESTMENT TYPE	% OF INVESTMENT PORTFOLIO	% OF ISSUER REGARDLESS OF SECTOR	MAXIMUM MATURITY	MINIMUM RATING CATEGORY
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

* 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, 2024, 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	$ 132,061,917	67%	None
Mutual Funds – Fixed Income	40,143,164	21%	None
Mutual Funds – Other*	24,023,340	13%	None
Total Investments	$196,228,421	100%	

*Mutual funds classified as "other" cannot be classified as strictly "equity" or "fixed income" securities.

Concentration of Credit Risk – As of September 30, 2024, 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, 2024, are as follows:

Authorized Investment Type	Fair Value	Effective Duration
Mutual Funds – Equity	132,061,917	N/A
Mutual Funds – Fixed Income	40,143,164	N/A
Mutual Funds – Other	24,023,340	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.

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.

Investment Credit Risk – JPIA and CWIF investment securities are summarized in the following table by respective fair values as of September 30, 2024. JPIA reports credit quality ratings by Moody's, a nationally recognized rating agency.

Disclosures Relating to Credit Risk

Authorized Investment	Amount	Aaa/P-1	Aa (1-3)	A (1-3)	Not Rated
Deposits with Financial Institutions	$ 16,451,321				$ 16,451,321
LGIP (Managed Pool Account) *	18,273,741				18,273,741
LAIF	179,217				179,217
Mutual Funds – Equity**	132,061,917				132,061,917
Mutual Funds – Fixed Income**	40,143,164				40,143,164
Mutual Funds – Other**	24,023,340				24,023,340
Totals	$ 231,132,700				$231,132,700

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 $18,273,741 in California Asset Management Program (CAMP). This investment is not rated by Moody's but is, however, rated AAAm by Standard and Poor's.

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

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

- Level 1 Inputs – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. An active market for the asset is one in which transactions for the asset occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 Inputs – Inputs to the valuation methodology that are observable for an asset/liability either directly or indirectly (other than quoted prices included within Level 1). They include quoted prices for similar assets/liabilities in active markets and quoted prices for identical or similar assets/liabilities in markets that are NOT active.

- Level 3 Inputs – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the assumptions that market participants would use in pricing the asset/liability, including assumptions about risk.

The following schedule classifies the JPIA's security assets at fair value based on hierarchy level as of September 30, 2024:

Investments by Fair Value Level		Fair Value Measurements Using	
Debt Securities:		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Mutual Funds – Equity	$132,061,917	$132,061,917	
Mutual Funds – Fixed Income	40,143,164	40,143,164	
Mutual Funds – Other	24,023,340	24,023,340	
Totals	**$196,228,421**	**$196,228,421**	**$0**

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.

(4) Capital Assets

The following is a schedule of changes in capital assets for the year ended September 30, 2024:

	9/30/2023	Additions	9/30/2024
NON-DEPRECIABLE ASSETS:			
Land	$ 590,545	$ 0	$ 590,545
Total Non-Depreciable Assets:	590,545	0	590,545
DEPRECIABLE ASSETS:			
Building & Improvements	5,336,035	0	5,336,035
Furniture & Equipment	766,610	0	766,610
Software	497,983	0	497,983
Total Depreciable Assets	6,600,628	0	6,600,628
LESS ACCUMULATED DEPRECIATION:			
Building & Improvements	(2,278,206)	(177,265)	(2,455,471)
Furniture & Equipment	(731,885)	(24,147)	(756,032)
Software	(490,825)	(7,158)	(497,983)
Total Accumulated Depreciation	(3,500,916)	(208,570)	(3,709,486)
Capital Assets - Net	$3,690,257	$(208,570)	$ 3,481,687

(5) Retrospective Contribution Adjustments

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

a) Direct charge for the portion of each loss incurred within the 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 contribution adjustments (RCA) for all applicable policy years have been estimated based on losses and other costs, net of investment income, incurred through September 30, 2024. RCAs 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. RCA's do not apply to the Employee Benefits Programs.

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

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

(6) Reconciliation of Claims Liabilities

As of September 30, 2024, unpaid losses of $104,426,319 are presented at the net present value of $101,057,182. 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:

Discounted Unpaid Claims and Claim Adjustment	**2024**	**2023**
Expenses at Beginning of Fiscal Year	$101,286,010	$76,757,704
Incurred Claims and Claim Adjustment Expenses:		
Provision for Insured Events of the Current Fiscal Year	129,831,548	103,811,815
Increase in Provision of Insured Events of Prior Fiscal Years	13,715,276	31,976,834
Total Incurred Claims and Claim Adjustment Expenses	143,546,824	135,788,649
PAYMENTS:		
Claims and Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	95,183,228	72,929,633
Claims and Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	48,592,424	38,330,710
Total Payments	143,775,652	111,260,343
Discounted Unpaid Claims and Claim Adjustment		
Expenses at End of Fiscal Year	**$101,057,182**	**$101,286,010**
Components of Claims Liability:		
Claims Reserves (Current)	$24,872,998	$22,659,268
Claims Reserves (Noncurrent)	22,101,178	42,997,248
Claims Incurred but Not Reported	50,692,792	32,670,965
Unallocated Loss Adjustment Liability	3,390,214	2,958,529
Total Claims Liability	**$101,057,182**	**$101,286,010**

(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 $32,401,272 for fiscal year 2023-24.

Net position is designated in the following manner**:**

September 30, 2024:		
Rate Stabilization Fund (RSF)	$	7,240,675
Catastrophic (CAT)/Natural Disaster Fund		38,321,727
Employee Benefits Fund		55,413,755
Cyber Liability Fund (New to FY 22-23)		254,592
Captive's Retained Earnings (CWIF)*		27,948,976
Net Position	$	129,179,725

**Difference of retained earnings reported on this schedule varies by $13,694,152 with the CWIF Annual Financial Report due to a portion of CWIF's retained earnings rolling into the RSF and/or the CAT fund.*

(8) Pension Plan

Plan Description

ACWA JPIA provides pension benefits to its employees through ACWA JPIA's Miscellaneous Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan maintained by CalPERS, an agency of the State of California. ACWA JPIA had less than 100 active members as of the June 30, 2024, 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.

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, 2024 (the measurement date) was 11.43% and 8.00% 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, 2024, the employer contributions to the plan were $615,173, plus an additional $27,645 in elective contributions billed from PERS using actuarial valuations calculating additional unfunded liability payments in this fiscal year.

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

ACWA JPIA's Net Pension Liability (NPL) for the Plan is measured as the proportionate share of the NPL. The NPL of the Plan is measured as of June 30, 2024, for the year ended September 30, 2024. The total pension liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard update procedures. As of September 30, 2024, ACWA JPIA's proportionate share of the Plan's net pension liability (NPL) was $2,181,258**.**

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, 2023, and 2024 were as follows:

	Plan
Proportion - June 30, 2023	.045555%
Proportion - June 30, 2024	.045099%
Change	(.000456)%

For the year ended September 30, 2024, ACWA JPIA recognized a pension expense of 1,922,557. Reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 188,590	$ 7,359
Changes of assumptions	56,063	
Net difference between projected and actual earnings on pension plan investments	125,572	
Changes in proportions	1,669,669	
Changes in proportionate share of contributions		1,342,642
Contributions subsequent to the measurement date	146,556	
Total	$ 2,186,450	$ 1,350,001

As of September 30, 2024, the $146,556 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, 2025. As of September 30, 2024, other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense (benefit) as follows:

Year Ended September 30	
2025	$ 660,350
2026	111,412
2027	(38,836)
2028	(43,033)

Actuarial Methods and Assumptions

The collective TPL for the June 30, 2024, measurement period was determined by an actuarial valuation as of June 30, 2023, with update procedures used to roll forward the TPL to June 30, 2024. The collective TPL was based on the following assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Investment Rate of Return	**6.90%**
Inflation	**2.30%**
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table [(1)]	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

[(1)] *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 2024. Effective with the June 30, 2021 valuation date (June 30, 2023 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.

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

Asset Class [1]	Assumed Asset Allocation	Real Return Years 1 – 10[1,2]
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	(5.00%)	(0.59)%
Total	100.00%	

[1] An expected inflation of 2.30% used for this period.
[2] 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, 2024, 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:

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
ACWA JPIA's Proportionate Share of Plan's NPL (NPA)	$ 7,742,707	$ 2,181,258	$ (2,396,633)

(9) OPEB

Plan Description

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

Benefits Provided

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

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

Age plus Years of Service	ACWA JPIA Percentage of Premium Payment
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, 2024, 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, 2024:

Inactive employees receiving benefits	6
Participating active employees	55
Total	61

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, 2024, 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 2024, the trust reimbursed JPIA $208,273 of pay as you go premiums paid out over PERS fiscal year 2023-24. Since this amount was received in August, it will be classified as a deferred inflow for JPIA in fiscal year 2023-24 and recognized as a reduction in OPEB expense in the following fiscal year 2024-25.

Net OPEB Asset

The JPIA's net OPEB asset was measured as of June 30, 2024, and was determined by an actuarial valuation based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	6.40%
Inflation	2.50%
Salary Increases (1)	3.50%
Investment Rate of Return (2)	6.40%
Mortality (3)	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 discount rate has been updated from 7.28% as of June 30, 2023, to 6.40% as of June 30, 2024. There have been no other assumption changes since the last measurement date.

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.

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:

Investment Class	Target Allocation	Long-Term * Expected Real Rate of Return
Global ex-U.S. Equity	49.00%	5.07%
U.S. Fixed Income	23.00%	1.56%
Real Estate	20.00%	6.85%
TIPS & Commodities	8.00%	5.00%
Total	100.00%	

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

Changes in the Net OPEB Asset

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

	Increase (Decrease)		
	Total OPEB Liability (TOL) (a)	**Plan Fiduciary Net Position (b)**	**Net OPEB Liability (Asset) (a)-(b)**
Balance as of September 30, 2023 (Measurement date June 30, 2023)	$ 5,225,485	$ 9,989,839	$ (4,764,354)
Changes recognized for the measurement period:			
Service cost	203,570		203,570
Interest	387,774		387,774
Contributions—employer		35,587	(35,587)
Net investment income		1,101,771	(1,101,771)
Differences between expected and actual experience			
Change of assumptions	588,199		588,199
Benefit payments	(204,968)[a]	(204,968)[b]	0
Administrative expense		(8,803)	8,803
Net changes	974,575	923,587	50,988
Balance as of September 30, 2024 (Measurement date June 30, 2024)	$ 6,200,060	$ 10,913,426	$ (4,713,366)

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:

	Discount Rate –1% (5.40%)	**Current Discount Rate (6.40%)**	**Discount Rate +1% (7.40%)**
Net OPEB Liability (Asset)	$ (4,000,360)	$ (4,713,366)	$ (5,452,242)

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:

	Trend Rate -1%	**Health Care Trend Rate**	**Trend Rate +1%**
Net OPEB Liability (Asset)	$ (5,591,656)	$ (4,713,366)	$ (3,809,050)

OPEB plan fiduciary net position

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

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

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

Net differences between projected and actual earnings on OPEB Trust investments	5 years

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended September 30, 2024, the JPIA recognized an OPEB credit of $407,736, and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions after the measurement date*	$ 34,287	$ 0
Changes in assumptions	497,707	1,117,038
Distributions from the OPEB trust subsequent to the measurement date**		208,273
Differences between expected and actual experience	64,064	1,682,429
Net difference between projected and actual earnings on OPEB plan investments	316,602	
Total	$ 912,660	$ 3,007,740

*The $34,287 reported as deferred outflows of resources related to contributions after the June 30, 2024, measurement date will be recognized as an increase in the net OPEB asset at fiscal year ending September 30, 2025.

**Reimbursed funds from the trust to pay JPIA for pay as you go premiums paid over PERS fiscal year 2023-24, recognized as deferred inflow due to the timing of the receipt of funds in August 2024. This amount will be recognized as a reduction in the net OPEB asset during the fiscal year ending September 30, 2025.

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

Fiscal Year Ended September 30	Recognized Deferred Outflows/(Inflows) of Resources
2025	$(568,379)
2026	(163,023)
2027	(579,476)
2028	(495,726)
2029	(159,736)
Thereafter	45,246
Total Deferred Resources:	$(1,921,094)

(10) Deferred Compensation Plan

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

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

REQUIRED SUPPLEMENTARY INFORMATION

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

Notes to Required Supplementary Information
For The Year Ended September 30, 2024

(1) Reconciliation of Claims Liabilities by Type of Contract

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

(2) Claims Development Information

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

The rows of the table are defined as follows:

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

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

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

RECONCILIATION OF CLAIMS LIABILITIES BY TYPE OF CONTRACT

SEPTEMBER 30, 2024

	Liability Program	Property Program	Workers' Compensation Program	Employee Benefits Program	Total
Unpaid Claims and Claim Adjustment at Beginning of the Fiscal Year	$ 60,465,050	$ 12,481,283	$ 22,997,687	$ 5,341,990	$ 101,286,010
Incurred Claims and Allocated Claim Adjustment Expense:					
Provisions for Insured Events of the Current Fiscal Year	23,757,149	6,189,233	6,787,165	93,098,001	129,831,548
Increase (Decrease) in Provision for Incurred Events of Prior Fiscal Years	(8,733,347)	2,432,312	4,721,219	15,295,092	13,715,276
Total Incurred Claims and Allocated Claim Adjustment Expenses	15,023,802	8,621,545	11,508,384	108,393,093	143,546,824
Payments					
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of the Current Fiscal Year	3,375,022	1,955,262	1,456,000	88,396,944	95,183,228
Claims and Allocated Claim Adjustment Expenses Attributable to Insured Events of Prior Fiscal Years	21,538,085	6,511,738	5,067,452	15,475,149	48,592,424
Total Payments	24,913,107	8,467,000	6,523,452	103,872,093	143,775,652
Discounted Unpaid Claims and Allocated Claim Adjustment Expense at the End of the Fiscal Year	$ 50,575,745	$ 12,635,828	$ 27,982,619	$ 9,862,990	$ 101,057,182
Components:					
Claims Reserves (Current)	$ 12,423,797	$ 6,431,683	$ 6,017,518	$ 0	$ 24,872,998
Claims Reserves (Noncurrent)	14,277,892	350,809	7,472,477	0	22,101,178
Claims Incurred But Not Reported	23,029,528	5,197,183	12,603,091	9,862,990	50,692,792
Unallocated Loss Adjustment Liability	844,528	656,153	1,889,533	0	3,390,214
Total Claims Liability	$ 50,575,745	$ 12,635,828	$ 27,982,619	$ 9,862,990	$ 101,057,182

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF SEPTEMBER 30, 2024

LIABILITY PROGRAM

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1. Required contribution and investment revenue:										
Earned	$ 15,730,767	$ 15,827,833	$ 16,851,638	$ 19,148,483	$ 19,563,780	$ 21,839,744	$ 23,351,832	$ 22,916,001	$ 26,889,720	$ 32,741,306
Ceded	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	9,149,052
Net earned	12,096,050	11,952,083	14,092,962	16,133,930	16,367,503	16,335,147	17,658,386	15,578,760	18,941,079	23,592,254
2. Unallocated expenses	2,047,093	2,220,320	2,926,147	3,921,805	3,699,802	4,652,086	2,035,574	2,276,985	1,972,842	1,178,323
3. Estimated claims and expenses end of policy year:										
Incurred	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	25,771,836
Ceded	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	2,366,000
Net incurred	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	23,405,836
4. Net paid (cumulative) as of :										
End of policy year	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	3,375,022
One year later	4,630,229	5,197,925	3,375,115	3,176,237	9,430,733	6,238,788	6,932,966	6,565,613	6,221,445	
Two years later	5,405,345	9,257,380	6,537,956	5,560,989	10,866,250	7,358,677	11,052,357	10,319,425		
Three years later	7,270,381	9,148,742	6,713,185	6,826,024	11,371,388	11,215,421	11,016,892			
Four years later	7,010,514	9,158,435	6,844,171	7,396,393	12,595,360	24,378,776				
Five years later	7,283,663	9,156,252	7,179,702	7,824,146	13,510,331					
Six years later	7,284,406	9,156,252	10,825,781	7,935,991						
Seven years later	7,284,406	9,156,252	10,828,188							
Eight years later	7,284,406	9,156,252								
Nine years later	7,284,406									
5. Reestimated claims and expenses:	0	27,000	0	97,000	9,735,000	5,699,000	407,000	792,000	1,368,000	2,366,000
6. Reestimated net incurred claims and expenses:										
End of policy year	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	23,405,836
One year later	8,611,154	10,817,319	10,717,162	10,791,082	15,836,297	13,526,276	13,992,690	17,446,683	18,611,322	
Two years later	7,454,187	10,800,508	9,064,480	10,205,529	17,077,914	16,359,364	13,318,819	15,682,331		
Three years later	7,961,888	9,960,435	7,428,404	10,999,841	17,849,788	28,251,878	13,873,596			
Four years later	7,312,945	9,353,029	7,366,721	10,879,814	20,086,765	26,093,651				
Five years later	7,498,827	9,156,253	10,850,607	11,354,126	18,956,169					
Six years later	7,284,406	9,156,253	10,858,535	8,452,664						
Seven years later	7,284,406	9,220,224	10,828,225							
Eight years later	7,284,406	9,224,451								
Nine years later	7,284,406									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ (4,767,329)	$ (2,296,774)	$ (846,273)	$ (3,208,637)	$ 5,879,929	$ 12,255,661	$ (757,201)	$ (1,552,698)	$ (1,991,124)	$ 0

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF SEPTEMBER 30, 2024

PROPERTY PROGRAM

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1. Required contribution and investment revenue:										
Earned	$ 5,313,836	$ 5,062,954	$ 5,288,886	$ 5,734,725	$ 5,963,657	$ 6,958,534	$ 8,480,621	$ 10,633,175	$ 13,710,764	$ 17,535,733
Ceded	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	8,716,812
Net earned	2,995,575	3,535,954	3,765,365	4,077,356	2,921,042	2,126,871	2,016,277	2,523,714	6,607,112	8,818,921
2. Unallocated expenses	1,754,005	1,668,843	1,975,341	1,274,403	1,709,226	2,243,179	1,100,042	919,270	2,575,230	1,000,320
3. Estimated claims and expenses end of policy year:										
Incurred	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	7,297,615
Ceded	96,880	531,733	4,226,383	3,316,000	10,419,000	455,000	1,326,000	34,019,000	425,000	421,000
Net incurred	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	6,876,615
4. Net paid (cumulative) as of :										
End of policy year	611,312	847,420	1,275,484	1,089,031	2,110,318	735,138	1,902,445	1,535,697	2,001,041	2,620,957
One year later	778,469	848,772	1,211,080	1,146,171	2,202,967	1,203,955	2,685,157	2,648,685	7,520,909	
Two years later	808,445	849,197	1,183,299	1,165,339	2,427,451	1,576,645	2,779,604	2,621,307		
Three years later	801,718	869,804	1,139,451	1,079,440	2,388,914	1,675,095	2,879,745			
Four years later	759,655	869,804	1,141,746	1,078,912	2,378,823	1,995,607				
Five years later	759,655	869,804	1,141,746	1,054,236	2,369,299					
Six years later	759,655	869,804	1,124,746	1,054,027						
Seven years later	759,655	869,264	1,112,746							
Eight years later	759,655	865,408								
Nine years later	759,655									
5. Reestimated claims and expenses:	0	398,104	4,771,209	2,529,516	26,329,096	1,419,000	1,765,000	33,601,000	865,000	421,000
6. Reestimated net incurred claims and expenses:										
End of policy year	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	6,876,615
One year later	1,039,107	870,772	1,512,876	1,148,440	2,582,914	2,318,206	3,331,348	2,826,590	13,280,171	
Two years later	809,445	871,272	1,259,393	1,167,503	2,459,948	2,439,874	2,782,378	2,711,449		
Three years later	801,718	871,272	1,253,000	1,079,441	2,397,909	1,675,769	2,879,930			
Four years later	759,655	871,272	1,153,356	1,078,913	2,386,750	1,996,281				
Five years later	759,655	871,272	1,153,356	1,054,236	2,377,225					
Six years later	759,655	871,272	1,142,726	1,054,027						
Seven years later	759,655	870,732	1,131,726							
Eight years later	759,655	866,876								
Nine years later	759,655									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ (92,618)	$ (4,697)	$ (602,099)	$ (255,743)	$ (477,202)	$ 254,468	$ (254,567)	$ 202,981	$ 978,059	$ 0

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF SEPTEMBER 30, 2024

WORKERS' COMPENSATION

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
1. Required contribution and investment revenue:										
Earned	$ 12,613,738	$ 12,640,383	$ 13,004,275	$ 13,270,264	$ 13,971,688	$ 15,284,553	$ 14,427,932	$ 14,381,903	$ 15,692,028	$ 17,180,134
Ceded	431,752	506,645	556,796	499,119	507,276	534,177	549,670	606,774	623,972	701,405
Net earned	12,181,986	12,133,738	12,447,479	12,771,145	13,464,412	14,750,376	13,878,262	13,775,129	15,068,056	16,478,729
2. Unallocated expenses:	3,155,731	2,354,418	2,888,236	2,950,873	2,906,903	3,284,668	3,371,982	3,060,412	2,607,655	1,868,051
3. Estimated claims and expenses end of policy year:										
Incurred	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	7,650,224
Ceded	0	0	0	0	0	0	0	0	0	0
Net incurred	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	7,650,224
4. Net paid (cumulative) as of :										
End of policy year	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	1,819,565
One year later	2,726,529	1,666,309	2,345,827	2,248,484	2,343,026	3,104,064	2,767,921	2,579,668	2,736,597	
Two years later	3,343,412	2,086,129	2,657,368	2,579,285	3,008,537	4,258,175	3,918,710	3,224,525		
Three years later	3,828,609	2,274,301	2,995,480	2,828,582	3,324,110	4,715,610	5,463,754			
Four years later	4,131,207	2,561,481	3,149,659	3,397,262	3,442,873	4,981,861				
Five years later	4,412,425	2,635,281	3,261,608	3,705,088	3,637,213					
Six years later	4,611,577	2,684,846	3,324,793	3,846,580						
Seven years later	4,887,139	2,704,005	3,369,418							
Eight years later	4,869,169	2,740,572								
Nine years later	4,883,811									
5. Reestimated claims and expenses:	0	0	0	0	0	0	0	0	0	0
6. Reestimated net incurred claims and expenses:										
End of policy year	5,805,056	5,698,539	7,202,203	6,645,736	6,903,658	7,513,616	6,810,448	5,521,091	6,231,494	7,650,224
One year later	6,638,361	4,581,505	5,965,054	5,901,694	6,046,702	6,668,007	6,276,953	5,513,901	6,831,762	
Two years later	6,740,067	3,800,513	5,069,443	5,082,436	5,131,153	6,675,886	6,852,465	5,704,479		
Three years later	6,080,657	3,555,630	4,594,823	4,543,984	4,438,211	7,079,100	7,654,602			
Four years later	5,992,903	3,362,048	4,350,572	4,339,326	4,450,160	7,273,779				
Five years later	5,780,867	3,220,651	4,084,561	4,414,937	4,733,262					
Six years later	5,840,153	2,998,026	3,998,881	4,511,568						
Seven years later	5,514,912	3,038,512	4,266,622							
Eight years later	5,291,719	2,855,639								
Nine years later	5,254,446									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ (550,610)	$ (2,842,900)	$ (2,935,581)	$ (2,134,168)	$ (2,170,396)	$ (239,837)	$ 844,154	$ 183,388	$ 600,268	$ 0

ASSOCIATION CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

TEN YEAR CLAIMS DEVELOPMENT INFORMATION
AS OF SEPTEMBER 30, 2024*

EMPLOYEE BENEFITS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
1. Required contribution and investment revenue:										
Earned	$ 121,694,180	$ 122,291,203	$ 128,130,500	$ 140,433,366	$ 146,479,743	$ 148,127,454	$ 152,480,559	$ 157,960,331	$ 149,282,369	$ 149,846,574
Ceded	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	0
Net earned	120,664,195	121,014,775	126,591,699	138,796,923	144,372,202	145,280,003	149,438,086	155,824,674	147,196,330	149,846,574
2. Unallocated expenses:	2,878,450	3,681,387	2,994,455	2,817,544	2,443,630	2,677,795	2,636,603	2,549,898	2,463,542	2,955,031
3. Estimated claims and expenses end of policy year:										
Incurred	73,414,224	81,097,989	86,200,856	82,300,575	77,042,190	74,922,732	69,713,938	79,489,644	81,814,475	82,608,248
Ceded	691,553	1,908,777	4,646,895	1,220,439	2,580,695	1,199,949	1,139,603	2,394,846	724,691	0
Net incurred	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	82,608,248
4. Net paid (cumulative) as of :										
End of policy year	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	82,608,248
One year later	74,319,010	79,155,502	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	76,521,368	81,078,400	
Two years later	74,319,010	78,652,326	81,295,992	80,840,759	73,346,741	71,802,750	67,436,016	76,520,799		
Three years later	74,319,761	78,661,126	81,297,624	80,840,661	73,346,741	71,802,750	67,436,016			
Four years later	74,345,853	78,661,126	81,297,624	80,840,661	73,346,741	71,803,152				
Five years later	74,346,152	78,661,126	81,297,624	80,840,661	73,346,741					
Six years later	74,346,303	78,661,126	81,297,624	80,841,532						
Seven years later	74,346,303	78,661,126	81,297,624							
Eight years later	74,346,303	78,661,126								
Nine years later	74,346,303									
5. Reestimated claims and expenses:	691,553	1,908,777	4,646,895	1,220,439	2,580,695	1,199,949	1,139,603	2,394,846	724,691	0
6. Reestimated net incurred claims and expenses:										
End of policy year	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	82,608,248
One year later	74,319,010	79,155,502	81,292,341	80,826,492	73,801,326	71,802,955	67,435,994	76,521,368	81,078,400	
Two years later	74,319,010	78,652,326	81,295,992	80,840,759	73,346,741	71,802,750	67,436,016	76,520,799		
Three years later	74,319,761	78,661,126	81,297,624	80,840,661	73,346,741	71,802,750	67,436,016			
Four years later	74,345,853	78,661,126	81,297,624	80,840,661	73,346,741	71,803,152				
Five years later	74,346,152	78,661,126	81,297,624	80,840,661	73,346,741					
Six years later	74,346,303	78,661,126	81,297,624	80,841,532						
Seven years later	74,346,303	78,661,126	81,297,624							
Eight years later	74,346,303	78,661,126								
Nine years later	74,346,303									
7. Increase (decrease) in estimated incurred claims and expense from end of policy year:	$ 1,623,632	$ (528,086)	$ (256,337)	$ (238,604)	$ (1,114,754)	$ (1,919,631)	$ (1,138,319)	$ (573,999)	$ (11,384)	$ 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*

	2018	2019	2020	2021	2022	2023	2024
Actuarial determined contribution	$ 221,901	$ 232,094	$ 278,058	$ 291,961	$ 0	$ 0	$ 0
Contributions in relation to the actuarially determined contribution	(221,901)	(232,094)	(278,058)	(201,239)	(204,153)	(30,280)	(35,587)
Contribution deficiency (excess)	0	0	0	90,722	(204,153)	(30,280)	(35,587)
Covered payroll	4,524,319	4,837,414	5,158,992	5,354,008	5,594,705	6,365,520	5,050,817
Contributions as a percentage of covered payroll	4.90%	4.80%	5.39%	3.76%	3.65%	0.48%	0.70%

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 seven years are presented.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

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

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

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 2021 CalPERS studies. The population for curving and morbidity factors have also been updated to the 2021 CalPERS study.

* Fiscal year 2018 was the 1st year of implementation, therefore only seven 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, 2024
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**	**6/30/2024**
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%	0.045099%
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	$2,181,258
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	$6,557,369
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%	33.26%
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%	78.08%

Notes to Schedule:

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

Changes in assumptions - There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the account discount rate was reduced from 7.15% to 6.9%. In determining the long-term expected rate of return, CalPERS took into account the long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The account discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

Miscellaneous Plan, a Cost Sharing-Employer Defined Benefit Pension Plan
As of fiscal year ending September 30, 2024
Last 10 Years

SCHEDULE OF CONTRIBUTIONS TO THE DEFINED BENEFIT PENSION PLAN

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution (actuarially determined)	$ 334,581	$ 352,666	$ 349,738	$ 361,115	$ 401,175	$ 437,050	$ 478,790	$ 498,192	$ 556,198	$ 615,173
Contributions in relation to the actuarially determined contributions	334,581	352,666	1,698,126	1,431,686	410,030	850,357	482,809	557,530	556,198	642,818
Contribution deficiency (excess)	0	0	(1,348,388)	(1,070,571)	(8,855)	(413,307)	(4,019)	(59,338)	0	(27,645)
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	$6,616,656
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%	9.72%

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, 2024

	LIABILITY	DAM FAILURE	PROPERTY	PASS - THROUGHS	WORKERS' COMP	STORAGE TANKS	EMPLOYEE BENEFITS	CYBER LIABILITY	RSF ADJUSTMENTS	CWIF	INTER-FUND ELIMINATIONS	TOTALS
OPERATING REVENUES												
Member contributions	$ 32,346,194	$ 682,818	$ 18,324,196	$ 1,174,200	$ 16,525,604	$ 57,170	$ 161,981,733	$ 1,177,770	$ 0	$ 35,508,000	$ (35,508,000)	$ 232,269,685
Retrospective contribution adjustments	(6,093,240)	0	(61,225)	0	(2,006,286)	(45,774)	0	0	(1,839,167)	0	0	(10,045,692)
TOTAL OPERATING REVENUES	26,252,954	682,818	18,262,971	1,174,200	14,519,318	11,396	161,981,733	1,177,770	(1,839,167)	35,508,000	(35,508,000)	222,223,993
OPERATING EXPENSES												
Claims expense:												
Claims paid	24,913,107	0	8,467,000	0	6,523,452	0	103,872,093	0	0	20,691,237	(20,691,237)	143,775,652
Change in claims reserves	(15,178,472)	0	(4,921,359)	0	1,417,486	0	0	0	0	716,658	(716,658)	(18,682,345)
Change in claims incurred but not reported	5,320,244	0	4,994,317	0	3,186,273	0	4,521,000	0	0	10,572,589	(10,572,589)	18,021,834
Change in unallocated loss adjustment expense	(31,077)	0	81,587	0	381,173	0	0	0	0	0	0	431,683
Total claims expense	15,023,802	0	8,621,545	0	11,508,384	0	108,393,093	0	0	31,980,484	(31,980,484)	143,546,824
Excess insurance	9,149,052	682,818	8,863,205	1,178,290	730,944	27,414	89,000	1,420,825	0	0	(2,524,000)	19,617,548
Benefit premiums	0	0	0	0	0	0	76,381,396	0	0	0	0	76,381,396
Pension expense	409,246	0	190,986	0	491,111		831,214	0	0	0	0	1,922,557
General, Administrative & Depreciation	3,664,177	0	1,789,469	(4,090)	4,622,386	0	2,231,114	(342,264)	0	8,592,388	(8,592,388)	11,960,792
TOTAL OPERATING EXPENSES	28,246,277	682,818	19,465,205	1,174,200	17,352,825	27,414	187,925,817	1,078,561	0	40,572,872	(43,096,872)	253,429,117
OPERATING INCOME (LOSS)	(1,993,323)	0	(1,202,234)	0	(2,833,507)	(16,018)	(25,944,084)	99,209	(1,839,167)	(5,064,872)	7,588,872	(31,205,124)
NONOPERATING REVENUES												
Investment income	1,993,323	0	1,202,234	0	2,833,507	21,735	2,882,433	0	0	4,532,835	(8,592,388)	4,873,679
Net increase in investment fair value	0	0	0	0	0	0	1,864,949	0	0	32,933,309	0	34,798,258
TOTAL NONOPERATING REVENUES	1,993,323	0	1,202,234	0	2,833,507	21,735	4,747,382		0	37,466,144	(8,592,388)	39,671,937
CHANGE IN NET POSITION	$ 0	$ 0	$ 0	$ 0	$ 0	$ 5,717	$ (21,196,702)	$ 99,209	$ (1,839,167)	$ 32,401,272	$ (1,003,516)	$ 8,466,813

CALIFORNIA WATER INSURANCE FUND

SCHEDULE OF NET POSITION
SEPTEMBER 30, 2024

	Comparative Totals	
	2024	**2023**
ASSETS:		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,236,297	$ 856,071
Premiums receivable	14,922,525	15,072,950
TOTAL CURRENT ASSETS	16,158,822	15,929,021
NONCURRENT ASSETS		
Investments	196,228,421	162,390,981
TOTAL ASSETS	212,387,243	178,320,002
LIABILITIES:		
CURRENT LIABILITIES		
Claim reimbursements payable	9,787,929	18,808,205
Dividends payable	0	678,677
Unearned premiums	6,427,800	6,352,125
Claims reserves	14,812,065	15,499,328
TOTAL CURRENT LIABILITIES	31,027,794	41,338,335
NONCURRENT LIABILITIES		
Claims reserves	13,125,850	11,721,929
Claims incurred but not reported	31,052,026	20,479,437
TOTAL NONCURRENT LIABILITIES	44,177,876	32,201,366
TOTAL LIABILITIES	75,205,670	73,539,701
NET POSITION:		
Capital stock	250,000	250,000
Paid-in capital	95,288,445	96,788,445
Unrestricted	41,643,128	7,741,856
TOTAL NET POSITION	$ 137,181,573	$ 104,780,301

CALIFORNIA WATER INSURANCE FUND

SCHEDULE OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2024

	2024	Comparative Totals 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for premiums	$ 35,734,100	$ 34,393,586
Dividends paid back to JPIA	(9,271,065)	(5,247,820)
Payments for claims	(29,711,513)	(10,214,539)
Payments for administrative fees	0	(6,872,685)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(3,248,478)	12,058,542
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Paid in capital from JPIA	0	88,445
NET CASH PROVIDED BY FINANCING ACTIVITIES	0	88,445
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of securities	(24,942,365)	(100,158,215)
Proceeds from sales of investments	24,038,234	83,941,975
Investment earnings	4,812,405	915,105
Investment expenses	(279,570)	(236,428)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	3,628,704	(15,537,563)
Increase (decrease) in cash and cash equivalents	380,226	(3,390,576)
Cash and cash equivalents, beginning	856,071	4,246,647
Cash and cash equivalents, end of year	$ 1,236,297	$ 856,071
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (5,064,872)	$ 2,085,246
Adjustments to net cash provided by operating activities:		
Change in member premiums receivable	150,425	3,765,101
Change in admininstrative fees payable	0	(6,869,051)
Change in claims reimbursements payable	(9,020,276)	8,593,666
Change in dividends payable	(678,677)	(3,069,143)
Change in unearned member premiums	75,675	(251,325)
Change in claims liabilities	11,289,247	7,804,048
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (3,248,478)	$ 12,058,542
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES		
Change in unrealized fair value of investments	$ 32,933,309	$ 16,233,736

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.

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.

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,									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Assets										
Current assets	$ 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	$ 71,919,850
Noncurrent assets	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	236,224,616
TOTAL ASSETS	194,494,754	189,566,761	199,365,344	188,344,217	212,099,851	237,525,073	271,770,359	246,615,214	288,462,503	308,144,466
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS	625,033	1,065,779	1,404,974	1,063,032	480,729	741,645	1,027,236	5,034,164	3,716,126	2,186,450
OTHER POST EMPLOYMENT BENEFITS				35,283	73,061	313,105	161,906	1,074,398	938,785	912,660
Liabilities										
Current liabilities	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	73,022,867
Noncurrent liabilities	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	104,683,243
TOTAL LIABILITIES	113,339,814	121,474,323	123,871,469	100,820,701	112,046,920	113,075,164	123,558,690	137,126,606	167,203,667	177,706,110
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS	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	1,350,001
OTHER POST EMPLOYMENT BENEFITS				38,924	602,195	536,019	2,371,164	1,178,756	3,697,557	3,007,740
Net Position										
Net investment in capital assets	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	3,481,687
Restricted									4,764,354	4,713,366
Unrestricted	75,630,933	63,630,961	70,482,885	81,824,023	94,395,468	119,376,835	145,706,281	108,873,139	112,258,301	120,984,672
TOTAL NET POSITION	$ 80,933,818	$ 68,703,617	$ 75,322,674	$ 86,465,604	$ 98,934,502	$ 123,687,207	$ 149,810,532	$ 112,783,921	$ 120,712,912	$ 129,179,725

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

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

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

	2015	2016	2017	2018	2019	2020	2021*	2022*	2023	2024
REVENUES										
Member premiums	$ 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	$ 232,269,685
Retrospective premium adjustments	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	(10,045,692)
TOTAL OPERATING REVENUES	157,661,735	146,991,398	169,992,183	176,044,304	173,647,293	189,130,318	189,317,732	209,690,228	229,844,143	222,223,993
EXPENSES										
Claims paid	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	143,775,652
Change in excess aggregate recovery	0	0	0	0	0	0	0	0	0	0
Change in claim reserves	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	(18,682,345)
Change in claims incurred but not reported	4,153,850	(3)	3,832,135	(6,123,633)	172,859	(4,252,240)	2,807,404	3,498,215	(469,404)	18,021,834
Change in unallocated loss (gain) adjustment expenses	281,517	277,793	165,446	(304,308)	51,335	(686,050)	1,301,398	(806,973)	224,653	431,683
TOTAL CLAIMS EXPENSE	100,989,254	96,527,538	96,298,435	90,427,479	91,269,072	85,730,468	94,764,321	107,697,534	135,788,649	143,546,824
Excess insurance and premium payments	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	95,998,944
General and administrative	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	13,674,779
Depreciation	341,832	268,088	254,843	244,521	218,147	228,662	223,612	218,578	220,525	208,570
TOTAL OPERATING EXPENSES	164,195,428	161,601,971	164,170,540	165,196,299	169,356,246	172,886,738	174,760,456	212,646,028	240,084,673	253,429,117
OPERATING INCOME (LOSS)	(6,533,693)	(14,610,573)	5,821,643	10,848,005	4,291,047	16,243,580	14,557,276	(2,955,800)	(10,240,530)	(31,205,124)
SPECIAL ITEM										
Net position acquired from merger										
NONOPERATING REVENUES AND EXPENSES										
Net investment income (loss)	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	39,671,937
CHANGE IN NET POSITION	$ (3,794,731)	$ (12,230,201)	$ 6,619,057	$ 11,142,930	$ 12,468,898	$ 24,752,705	$ 26,123,325	$ (37,026,611)	$ 7,928,991	$ 8,466,813

*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
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%	
2023-24	26,252,954	682,818	18,262,971	1,174,200	14,519,318	11,396	161,981,733	1,177,770	35,508,000	(35,508,000)	(1,839,167)	222,223,993
	11.81%	0.31%	8.22%	0.53%	6.53%	0.01%	72.89%	0.53%	15.98%	-15.98%	-0.83%	

*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
2014-15	21,062,280	255,500	4,066,367	253,987	10,025,093	10,564	128,521,637				164,195,428
	12.83%	0.16%	2.48%	0.15%	6.11%	0.01%	78.27%				
2015-16	7,064,155	255,500	4,821,990	262,220	13,040,834	10,564	136,146,708				161,601,971
	4.37%	0.16%	2.98%	0.16%	8.07%	0.01%	84.25%				
2016-17	14,594,442	257,403	4,128,900	305,519	9,642,153	14,243	135,227,880				164,170,540
	8.89%	0.16%	2.52%	0.19%	5.87%	0.01%	82.37%				
2017-18	17,147,781	261,024	4,759,037	372,025	7,709,196	11,720	134,935,516				165,196,299
	10.38%	0.16%	2.88%	0.23%	4.67%	0.01%	81.68%				
2018-19	15,072,798	279,607	6,713,310	614,451	9,716,581	13,464	136,946,035				169,356,246
	8.90%	0.17%	3.96%	0.36%	5.74%	0.01%	80.86%				
2019-20	24,523,703	403,325	8,769,309	1,263,183	7,310,250	17,587	133,129,193		20,226,751	(22,756,563)	172,886,738
	14.18%	0.23%	5.07%	0.73%	4.23%	0.01%	77.00%		11.70%	-13%	
2020-21	18,330,243	439,753	10,659,051	680,693	4,534,361	17,053	137,569,489		32,200,683	(29,670,870)	174,760,456
	10.49%	0.25%	6.10%	0.39%	2.59%	0.01%	78.72%		18.43%	-17%	
2021-22	37,537,627	512,250	12,657,851	1,139,584	9,389,928	18,605	154,198,029		34,866,736	(37,674,582)	212,646,028
	17.65%	0.24%	5.95%	0.54%	4.42%	0.01%	72.51%		16.40%	-17.72%	
2022-23	47,416,815	559,975	21,295,164	1,885,786	13,598,843	22,229	156,462,236	924,523	28,794,565	(30,875,463)	240,084,673
	19.75%	0.23%	8.87%	0.79%	5.66%	0.01%	65.17%	0.39%	11.99%	-12.86%	
2023-24	28,246,277	682,818	19,465,205	1,174,200	17,352,825	27,414	187,925,817	1,078,561	40,572,872	(43,096,872)	253,429,117
	11.15%	0.27%	7.68%	0.46%	6.85%	0.01%	74.15%	0.43%	16.01%	-17.01%	

*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,

Fiscal Year		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Liability											
Payroll Adjustments	*	$ 205,975	$ (21,465)	$ (54,358)	$ 63,818	$ (169,042)	$ (447,382)	$ (238,047)	$ 90,827	$ 88,520	$ (593,804)
RPA's	*	3,355,680	(707,907)	9,489,820	2,488,066	1,891,742	242,260	4,299,266	(15,516)	(1,739,374)	0
10% Program	*	(251,999)	(1,041,835)	(1,493,572)	0	(1,017,753)	(1,648,316)	(1,633,975)	(839,995)	(1,354,816)	(1,129,007)
Cat Funds	*	2,201,780	896,656	(603,846)	351,039	(146,026)	1,907,767	121,757	(295,422)	166,257	(1,115,937)
Property											
RPA's	*	422,814	324,287	699,465	891,754	431,317	531,326	0	0	158,557	0
Workers' Comp											
RPA's	*	(1,294,405)	(487,746)	75,039	5,013,647	3,184,330	4,749,199	7,233,304	5,445,202	484,238	0
Cat Funds		(752,710)	(631,586)	(872,242)	456,049	(138,797)	(209,062)	230,896	229,437	42,350	214,518
Underground - Storage Tanks											
RPA's	*	0	0	0	0	7,555	0	0	0	0	0
Cat Funds	*	0	0	0	0	0	0	0	0	0	0
UTEL											
RPA's	*	0	0	0	0	0	0	0	0	0	0
Cat Funds	*	0	0	0	0	0	0	0	0	0	0
Totals		$ 3,887,135	$ (1,669,596)	$ 7,240,306	$ 9,264,373	$ 4,043,326	$ 5,125,792	$ 10,013,201	$ 4,614,533	$ (2,154,268)	$ (2,624,230)
Cash Flow											
Members Billed		115,297	0	0	0	6,530	0	0	366,541	106,973	0
Self Insured Fund into RSF		0	0	0	0	0	0	0	0	0	0
Refunds to Members		(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)	(116,351)
Net Total		$ 436,708	$ (2,746,964)	$ 2,526,936	$ 2,423,386	$ (519,251)	$ (780,020)	$ 3,802,207	$ 715,374	$ (2,316,118)	$ (2,740,581)

* 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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Liability										
Total Number of Claims (Cumulative)	11,052	11,294	11,586	11,908	12,200	12,555	12,842	13,183	13,948	13,749
Closed Claims (Cumulative)	10,872	11,127	11,373	11,612	11,867	12,169	12,461	12,770	13,109	13,485
Open Claims (at year end)	180	167	213	296	333	386	381	413	839	264
Covered Payroll (Cumulative)	$ 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	$ 15,904,501
Property										
Total Number of Claims (Cumulative)	2,373	2,463	2,589	2,693	2,816	2,950	3,072	3,229	3,349	3,468
Closed Claims (Cumulative)	2,336	2,417	2,532	2,645	2,759	2,875	3,004	3,139	3,248	3,369
Open Claims (at year end)	37	46	57	48	57	75	68	90	101	99
Total Insured Value (Cumulative)	$ 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	$ 152,328,893
Workers' Compensation										
Total Number of Claims (Cumulative)	9,822	10,145	10,453	10,750	11,070	11,363	11,676	11,955	12,257	12,618
Closed Claims (Cumulative)	9,373	9,712	10,046	10,336	10,670	10,983	11,270	11,576	11,875	12,163
Open Claims (at year end)	449	433	407	414	400	380	406	379	382	455
Covered Payroll (Cumulative)	$ 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	$ 11,971,587
Number of Employees	48	49	49	49	49	50	50	52	55	56
Ratio of Premium to Payroll/TIV										
Liability Program	3.02%	2.94%	2.92%	3.00%	2.54%	2.71%	2.81%	2.75%	3.05%	3.38%
Property Program	0.11%	0.10%	0.10%	0.09%	0.08%	0.09%	0.12%	0.10%	0.12%	0.14%
Workers' Comp. Program	2.64%	2.59%	2.46%	2.39%	2.29%	2.19%	1.95%	0.17%	1.94%	2.09%

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

Demographic Statistics by Employer

Employer	2023 Number of Employees	2023 Rank	2023 Percentage of Total City Employees	2014 Number of Employees	2014 Rank
Kaiser Permanente Medical Group & Foundation Group	5,760	1	7.15%	3,231	1
Sutter Health Roseville Medical Group	5,080	2	6.31%	1,654	3
TopGolf	1,970	3	2.45%		
City of Roseville	1,620	4	2.01%	1,286	5
Adventist Health	1,620	4	2.01%	1,019	7
Roseville City School District	1,240	6	1.54%	1,000	8
Roseville Joint Union High School District	1,084	7	1.35%	1,434	4
Flexcare LLC	1,000	8	1.24%		
Penumbra	810	9	1.01%		
Hewlett-Packard	630	10	0.78%	2,132	2
Union Pacific Railroad Company				1,137	6
Walmart				460	9
LB Construction, Inc				404	10
Subtotal	20,814		25.85%	13,757	
Total Employment	80,543 (a)			70,969	

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

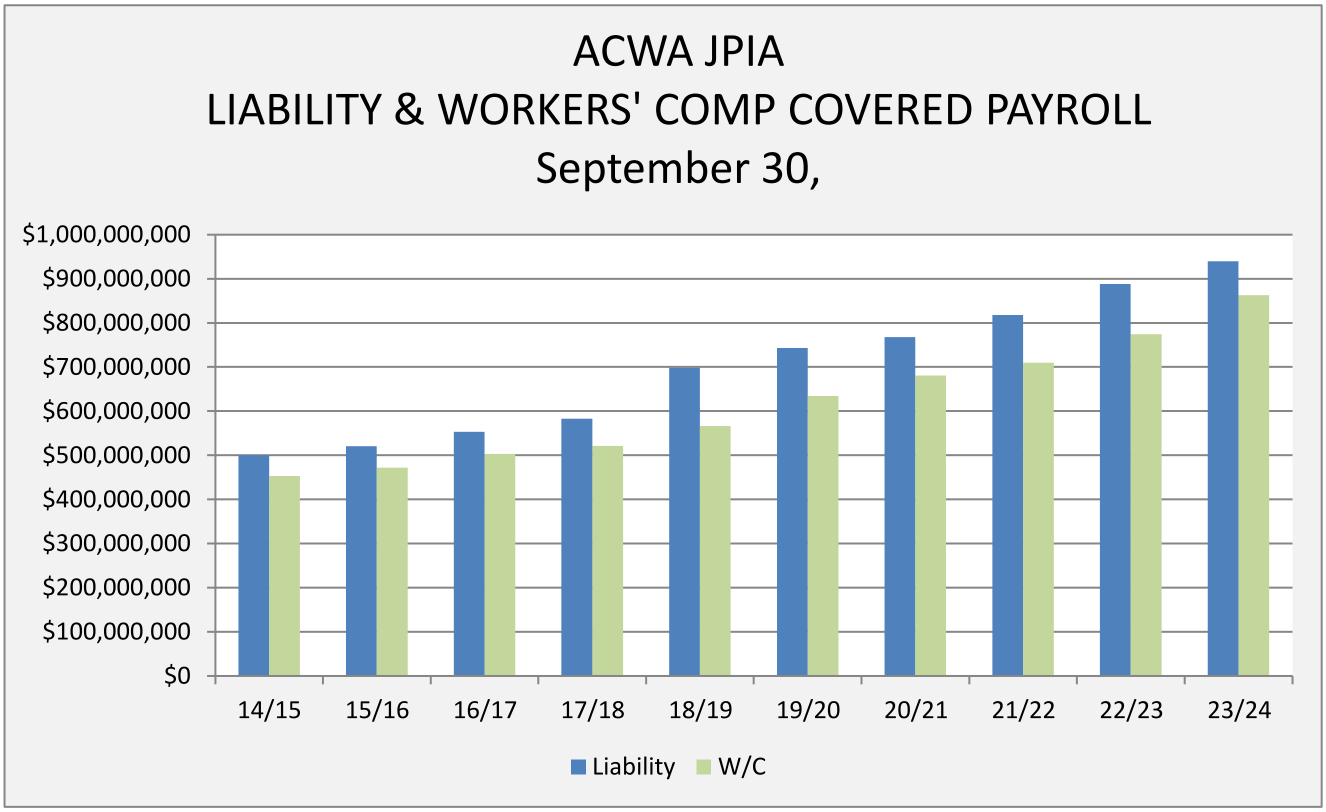
ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURNACE AUTHORITY

Demographic Statistics by Population

Fiscal Year	City of Roseville Population	County Total Personal Income (in thousands)	County Per Capita Personal Income	Unemployment Rate	Placer County Population	City Population % of County
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%
2023	152,928	(a)	(a)	3.0%	410,305	37.27%

(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,
$1,000,000,000
$900,000,000
$800,000,000
$700,000,000
$600,000,000
$500,000,000
$400,000,000
$300,000,000
$200,000,000
$100,000,000
$0
14/15
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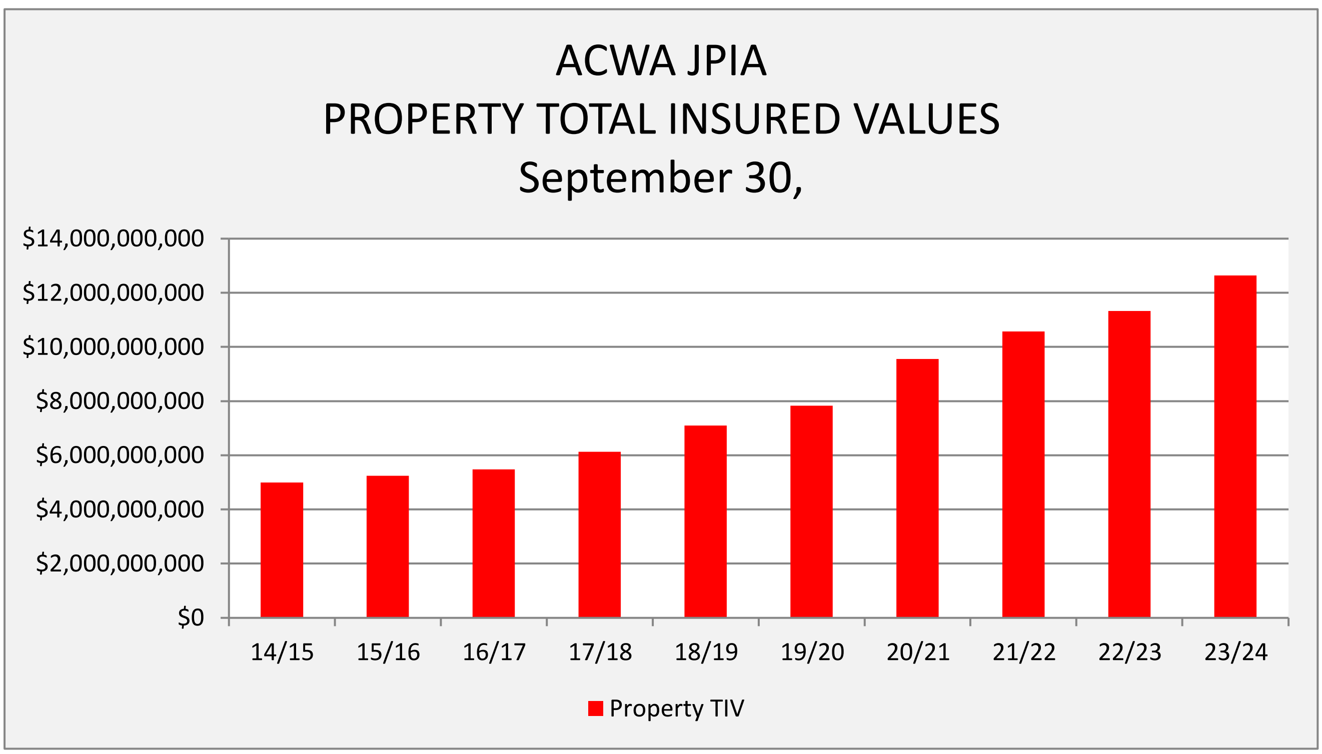
23/24
Liability
W/C


ACWA JPIA
PROPERTY TOTAL INSURED VALUES
September 30,
$14,000,000,000
$12,000,000,000
$10,000,000,000
$8,000,000,000
$6,000,000,000
$4,000,000,000
$2,000,000,000
$0
14/15
15/16
16/17
17/18
18/19
19/20
20/21
21/22
22/23
23/24
Property TIV

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

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

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

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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

Purpose of This Report

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

Gilbert CPAs

GILBERT CPAs
Sacramento, California

March 27, 2025

ACWA JPIA
Proposed Operating Budget for Fiscal Year October 1, 2025-26
May 12, 2025

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, 2026.

CURRENT SITUATION
The most significant changes to the G&A budget for the fiscal year are Staff Salaries, Staff Employee Benefits, and Computer Equipment Software, Office Furniture (lines 1, 2, and 9).

Staff Salaries primary increase is due to six positions budgeted that were not in the previous budget. There are 65 full-time positions included in this budget.

Staff Employee Benefits decreased largely because there were no additional pension or OPEB costs expected. The JPIA has been in an overfunded position with both these benefits. In the previous budget, $500,000 was budgeted to cover additional pension and OPEB costs related to actuarial adjustments.

Lastly, Computer Equipment Software, Office Furniture is up 37% from the current year budget. This is due to new claims software included in the budget as well as anticipated expenses for relocation to a new building.

The overall increase in the Operating Budget is 7.3% (line 35). Salaries remain the largest line item in the budget.

RECOMMENDATION
That Board of Directors approve the proposed Operating Budget for the fiscal year ending September 30, 2026, as presented.

Prepared By: David deBernardi, Director of Finance   Date Prepared: April 11, 2025

ASSOCIATION OF CALIFORNIA WATER AGENCIES
JOINT POWERS INSURANCE AUTHORITY

GENERAL & ADMINISTRATIVE EXPENSES

	BUDGETED FYE 9/30/24	ACTUAL FYE 9/30/24	DIFFERENCE ACT - BUD	APPROVED BUDGET FYE 9/30/25	**PROPOSED BUDGET FYE 9/30/26**	DIFFERENCE 2025 vs. 2026	% OF CHANGE 25 vs. 26
ACWA JPIA STAFF SERVICES							
1 Staff Salaries & Temporary Services	$ 6,840,000	$ 7,019,691	$ 179,691	$ 7,780,000	**$ 8,590,000**	$ 810,000	10.4%
2 Staff Employee Benefits	3,410,000	1,928,868	(1,481,132)	3,400,000	**3,010,000**	(390,000)	-11.5%
3 Office Buildings	137,000	228,827	91,827	256,000	**200,000**	(56,000)	-21.9%
4 Postage and Freight	54,000	52,903	(1,097)	53,000	**54,000**	1,000	1.9%
5 Telephone Service	52,000	65,705	13,705	50,000	**66,000**	16,000	32.0%
6 Outside Printing	15,000	21,263	6,263	16,000	**22,000**	6,000	37.5%
7 JPIA Office Insurance	25,000	27,813	2,813	26,000	**28,000**	2,000	7.7%
8 General Office Supplies	35,000	53,669	18,669	45,000	**45,000**	0	0.0%
9 Computer Equipment Software, Office Furniture	910,000	1,068,114	158,114	920,000	**1,260,000**	340,000	37.0%
10 Dues, Subscriptions, & Misc. Publications	110,000	91,255	(18,745)	116,000	**100,000**	(16,000)	-13.8%
11 Staff Ed/Training Seminars & Coursework Reimbs	95,000	236,640	141,640	120,000	**240,000**	120,000	100.0%
12 Depreciation on Capital Assets	213,000	208,569	(4,431)	190,000	**190,000**	-	0.0%
13 Staff Travel Related Expenses	90,000	118,883	28,883	143,000	**143,000**	-	0.0%
14 Staff Risk Assessment Travel Related Expenses	50,000	45,060	(4,940)	75,000	**75,000**	-	0.0%
15 Member Informational Workshops	125,000	148,197	23,197	115,000	**135,000**	20,000	17.4%
16 Lending Library	2,000	-	(2,000)	1,000	**1,000**	0	0.0%
17 Member Safety & Loss Control Incentive Awards	110,000	106,349	(3,651)	110,000	**110,000**	0	0.0%
18 Total ACWA/JPIA Staff Services	**12,273,000**	**11,421,806**	**(851,194)**	**13,416,000**	**14,269,000**	**853,000**	**6.4%**
COMMITTEES & BD. OF DIRECTORS' SERVICES							
19 Executive Committee Member Expenses	185,000	274,994	89,994	281,000	**300,000**	19,000	6.8%
20 Advisory Committee Expenses	15,000	29,303	14,303	32,000	**33,000**	1,000	3.1%
21 Membership Summit & ACWA Conf. Expense	160,000	209,883	49,883	200,000	**230,000**	30,000	15.0%
22 Total Committees & Board of Directors' Services	**360,000**	**514,180**	**154,180**	**513,000**	**563,000**	**50,000**	**9.7%**
EXTERNAL CONSULTING AND PROF. SERVICES							
23 Insurance Program Actuarial Analysis	22,000	3,000	(19,000)	30,000	**21,000**	(9,000)	-30.0%
24 Consulting Services	25,000	36,975	11,975	25,000	**145,000**	120,000	480.0%
25 Occu-Med	106,000	108,702	2,702	105,000	**110,000**	5,000	4.8%
26 Vector Solutions	150,000	143,590	(6,410)	145,320	**157,000**	11,680	8.0%
27 General Legal/Attorney Services	10,000	115,073	105,073	15,000	**20,000**	5,000	33.3%
28 Specific Claims & Coverage Related Legal Fees	45,000	32,997	(12,003)	50,000	**50,000**	0	0.0%
29 DIR Assessment & Other Mandated Fees (External Claims Admin)	270,000	389,649	119,649	310,000	**370,000**	60,000	19.4%
30 Financial Audit	67,000	68,000	1,000	75,000	**70,000**	(5,000)	-6.7%
31 Insurance Programs Claims Audits	-	36,820	36,820	12,000	**-**	(12,000)	0.0%
32 Personnel Consulting Services	5,000	75,080	70,080	15,000	**20,000**	5,000	0.0%
33 Total External Consulting / Professional Services	**700,000**	**1,009,886**	**309,886**	**782,320**	**963,000**	**180,680**	**23.1%**
34 **PROGRAM DEVELOPMENT / CONTINGENCIES**	150,000	-	(150,000)	150,000	**150,000**	0	0.0%
35 TOTAL GENERAL & ADMINISTRATIVE EXPENSES	**$ 13,483,000**	**$ 12,945,872**	**$ (537,128)**	**$ 14,861,320**	**$ 15,945,000**	**$ 1,083,680**	**7.3%**

ACWA JPIA

HISTORIC BUDGET INFORMATION

Fiscal Year	G&A Budget	Staff Salaries	Staff EE Benefits	Total Revenue*	Ratio Salaries + Benefits/G&A Budget	Ratio Budget to Revenue	JPIA # Employees	Ratio of EE's to G&A
2014	7,271,880	3,576,076	1,719,204	152,994,168	72.8%	4.8%	56	129,855.00
2015	8,071,434	3,944,425	1,896,009	154,042,184	72.4%	5.2%	53	152,291.21
2016	9,029,188	4,351,144	1,968,044	159,008,617	70.0%	5.7%	56	161,235.50
2017	9,604,589	4,466,377	2,007,712	171,496,710	67.4%	5.6%	50	192,091.78
2018	9,841,140	4,647,237	2,074,603	179,425,274	68.3%	5.5%	52	189,252.69
2019	10,897,434	4,991,001	3,308,933	183,179,723	76.2%	5.9%	53	205,611.96
2020	10,908,091	5,301,425	2,891,166	194,507,327	75.1%	5.6%	53	205,813.04
2021	11,264,865	5,650,806	2,790,059	200,775,298	74.9%	5.6%	54	208,608.61
2022	12,379,819	5,830,533	3,605,286	198,914,797	76.2%	6.2%	54	229,255.91
2023	12,270,000	6,200,000	3,100,000	207,897,962	75.8%	5.9%	59	207,966.10
2024	13,483,000	6,840,000	3,410,000	232,269,685	76.0%	5.8%	59	228,525.42
2025	14,861,320	7,780,000	3,400,000	248,528,563	75.2%	6.0%	61	243,628.20
2026	15,945,000	8,590,000	3,010,000	268,410,848	72.8%	5.9%	65	245,307.69

ACWA JPIA
Ancillary Programs Update
May 12, 2025

BACKGROUND
Ancillary programs complement ACWA JPIA's core pooled coverage by addressing a wider range of member needs. They offer added value by helping agencies reduce risk and strengthen day-to-day operations.

The JPIA currently offers the following ancillary programs: Cyber Liability, Excess Crime, Dam Failure Liability, Public Officials Bond, Underground Storage Tank Pollution Liability, Fiduciary Liability, Difference in Conditions, Basic & Supplemental Life, Employee Assistance Program, and Disability. Ancillary programs serve as a valuable extension of JPIA's pooled coverage, allowing member agencies to address a wider array of exposures. By enhancing the protection of agency assets, these programs help ensure operational continuity and reinforce the agency's ability to deliver reliable, uninterrupted service to the communities they serve.

CURRENT SITUATION
The continued growth of JPIA's ancillary programs – both in participation and available offerings – has been driven by the availability of more tailored services and competitive pricing, making coverage more appealing to members. These programs leverage the collective strength of the membership to negotiate favorable terms and pricing, allowing members to benefit from economies of scale that might not be available to them on an individual basis. With a broader range of options, members gain greater flexibility to select coverage that aligns with their unique operational and risk management needs.

Staff will provide an overview of key program highlights.

RECOMMENDATION
None, information only.

Prepared By: Jennifer Jobe, Director of Pooled Programs Date Prepared: April 15, 2025

ANCILLARY PROGRAM HIGHLIGHTS

Cyber Liability – renews July 1

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

Excess Crime – renews July 1

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

Dam Failure Liability – renews July 1

- Provides coverage for third-party bodily injury or property damage arising out of the partial or complete structural failure of any scheduled dam.
- 17 Members
- $4 million / $1 million retention

Public Officials Bond – April July 1

- Provides coverage for the Agency's public official's failure to perform their duties faithfully and honestly.
- 11 Members
- $100,000

Underground Storage Tank Pollution Liability – renews July 1

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

ACWA JPIA
ACWA Update
May 12, 2025

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

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

RECOMMENDATION
None, information only.

Prepared by: Chimene Camacho, Sr. Executive Assistant   Date prepared: April 11, 2025

ACWA JPIA
CEO Update
May 12, 2025

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

CURRENT SITUATION
The JPIA's Chief Executive Officer, Adrienne Beatty, will update the Board of Directors on relevant current issues and potential future opportunities and challenges.

RECOMMENDATION
None, information only.

Prepared by: Chimene Camacho, Sr. Executive Assistant   Date prepared: April 21, 2025

ACWA JPIA
President's Update
May 12, 2025

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.

Prepared by: Chimene Camacho, Sr. Executive Assistant   Date prepared: April 11, 2025

APPENDIX

Glossary of Terms

Section 12 — Glossary of Terms

ACA (Affordable Care Act) – The federal statute signed into law in March 2010. Signed under the title of The Patient Protection and Affordable Care Act, the law includes multiple provisions that will take effect over a matter of years.

ACOEM Guidelines (American College of Occupational and Environmental Medicine) – A medical utilization review system of evidence-based, nationally recognized standards of medical care. Utilization of ACOEM Guidelines is intended to control over-utilization and end unreasonable medical care.

ACV (Actual Cash Value) – Value of property at the time of its loss or damage, determined by subtracting depreciation of the item from its replacement cost. Applies to vehicles and mobile (contractor's) equipment covered under the JPIA's MOPC, hypalon reservoir covers, hypalon bladder tanks, and other property subject to a higher rate of depreciation than the typical property types.

AD&D (Accidental Death and Dismemberment) – A life insurance benefit that pays a claim in the event of accidental death or loss physical functionality. Basic Life is often mirrored by an identical amount of AD&D, resulting in benefit doubling in the case of accidental death.

Adverse Selection – It is a term used in economics, insurance, risk management, and statistics. It refers to a market process in which undesired results occur when buyers and sellers have asymmetric information (access to different information); the "bad" products or services are more likely to be selected. For example, a bank that sets one price for all of its checking account customers runs the risk of being adversely selected against by its low-balance, high activity (and hence least profitable) customers. Two ways to model adverse selection are to employ signaling games and screening games.

Aggregate – The term used to describe the cumulative amount of all losses for a period of time.

AGRIP (Association of Governmental Risk Pools) – An international organization of public entity insurance risk pools formed for educational, information sharing, and networking purposes.

AIS – Associate in Insurance Services.

ALCM – Associate in Loss Control Management.

ARM – Associate in Risk Management.

ARM-P – Associate in Risk Management for Public Entities.

ASO (Administrative Services Only) – This refers to what self-funded plans pay to a medical claims administrator, which includes use of that claims administrator's network of providers. Providers have agreed to accept negotiated rates for services in exchange for participation in the network.

ASP – Associate Safety Professional.

Attachment Point – The dollar amount of a loss where the next layer of insurance begins to pay for the loss.

Automobile Liability – Designed to afford bodily injury and property damage liability coverage associated with owned, non-owned and hired vehicles.

Automobile Physical Damage – Usually a first party coverage; however, some entities have “Bailment” or “care, custody and control” liability exposures such as garages, maintenance facilities that service vehicles of others, and parking lots.

BI – Bodily injury.

C&R (Compromise and Release) – A final settlement in workers’ compensation.

CAJPA (California Association of Joint Powers Authorities) – It is pronounced ka jaup’ a. Performs regulatory and legislative lobbying as well as accreditation of Joint Powers Authorities to promote the financial stability of JPAs.

CAMP (California Asset Management Program) – A California Joint Powers Authority ("JPA") established in 1989 to provide California public agencies with professional investment services. JPIA sometimes uses it as a short term investment vehicle.

Captive Insurance Company – An insurance company that is owned and controlled by its insureds, and is primarily used to finance the risks of its owners. CWIF, a private corporation, is a captive wholly owned by the JPIA, that provides insurance services only to the JPIA.

CAT Fund (Catastrophic Loss Reserve Fund) – A separate JPIA reserve account designated to pay catastrophic losses incurred as a result of extraordinary events without additional contribution assessments to members.

CDHP (Consumer Driven Health Plan) – A health plan in which the full deductible applies to all medical and prescription services, with the only exception being preventive care. These plans must have a minimum deductible set by the IRS each year. The plans are designed to comply with IRS regulations governing Health Savings Accounts (HSAs), which allow participants to set aside tax-advantaged funds in a Health Savings Account to pay for medical expenses.

CIGA (California Insurance Guarantee Association) – A state agency that administers and pays claims on behalf of admitted insurance carriers that have been declared insolvent. Since the JPIA is not an insurance company, it does not participate in CIGA, which is funded by a surcharge on premiums. However, some of the carriers that provide excess coverage to the JPIA do participate in CIGA.

CIH – Certified Industrial Hygienist.

Claim – A demand of a right. In general a demand for compensatory damages resulting from the actions of another.

Claims Made – A provision of an insurance policy that requires it to pay only for claims presented during the policy period with no regard for when the action causing the claim took place. (See “Occurrence”)

CNP (Closed No Payment) – Status of a claim that was closed out without any claim payments having been made.

COB (Coordination of Benefits) – When a participant is covered by two health plans, the manner in which benefits are determined. This determination includes which plan pays first, and how benefits are calculated once the primary plan has made payment.

Coinsurance – The percentage cost sharing split between a plan and participant, which takes effect once the Deductible is met. Typically part of a PPO plan benefit design.

Copay – The flat dollar amount owed by a participant for medical plan benefits. Typically part of an HMO plan design, but applicable to certain benefits in PPO plan designs, e.g. office visits.

CPCU – Chartered Property and Casualty Underwriter.

CPRA (California Public Records Act) – a law passed by the California State Legislature and signed by the governor in 1968 requiring inspection or disclosure of governmental records to the public upon request, unless exempted by law.

CSP – Certified Safety Professional.

CWIF (California Water Insurance Fund) – ACWA JPIA's Captive Insurance Company (see Captive).

DDC – Defensive Driving Class.

Deductible (Employee Benefits) – The amount a participant must pay in full before Co-Insurance cost sharing begins. Typically associated with PPO medical plans. Some services, like office visits, are often subject to Co-pays prior to the Deductible being met.

Deductible – It is that portion of each claim that is paid by the member at the time of loss. It is in addition to any premium already paid. Only the JPIA's Property Program uses a deductible.

Defense – A defendant's denial to a complaint or cause of action.

Deposit Contribution – Contribution required at the beginning of a policy period based on estimated costs.

DIC (Difference In Conditions) – A specialized property insurance policy written to provide coverage for perils not covered in a standard property policy or in the JPIA's Memorandum of Property Coverage. In particular, it is most often used to provide coverage for earthquake and/or flood losses.

Directors, Officers and Trustees Liability – Intended to protect nonprofit board members, officers, and directors for faulty decisions which imperil the entity. Usually written to include entity reimbursement for legal actions and personal liability of specific wrong-doers.

EAP (Employee Assistance Program) – A benefit that provides numerous services to covered employees and eligible members of their household and/or dependents (as determined by the plan). The programs are designed to help employees manage the health of their personal lives, allowing them to be productive and focused at work.

EE – Employee.

EGWP “egg whip” (Employer Group Wavier Plan) – A group purchase program for Medicare Part D prescription drugs for retirees.

E-mod – See Experience Modification.

Employers’ Liability – Included as part of a workers’ compensation insurance policy. Covers liability for losses arising out of injuries to employees that are not covered by statutory workers’ compensation benefits.

Employment Liability Hotline – Contact for employment related issues.

Environmental Impairment Liability (EIL) – Also referred to as “Pollution” and “Pollution Legal” Liability; can be written to protect an entity from actions resulting from contamination of air, water, property. First-party (damage to owned property) and third-party (liability for damage to others) protection can often be combined.

EOB (Explanation of Benefits) – A statement issued by a PPO claims administrator for each claim that details costs for services, broken down by: full cost, network negotiated rate, ineligible amount (if any), plan responsibility and participant responsibility.

EOC (Evidence of Coverage) – The detailed document that describes a medical plan’s coverage provisions.

EPL (Employment Practices Liability) – Written to protect an entity from liabilities arising from allegations of discrimination, failure to promote or hire, harassment, ADA responsibilities, wrongful termination, etc.

ER – Employer.

Errors and Omissions Liability – Excludes bodily injury and property damage; intended to afford protection for the “misfeasance, malfeasance or non-feasance” of public officials, employees and volunteers. May also include incidental medical personnel (paramedics), police and fire personnel, architects and plan checkers, engineers, and on-staff attorneys.

Excess Insurance – Insurance that is purchased to provide higher limits than the primary coverage provides.

Excess Loss – The portion of a loss that is allocated to, or paid by, excess insurance. The JPIA Liability Program self-insures, through a pool, the first $1 million of each occurrence. Losses in excess of that amount are paid by an excess liability insurance policy purchased by the JPIA on behalf the Program members.

Experience Modification – A mathematical factor used to modify a member’s premium in both the JPIA Liability Program and the Workers’ Compensation Program. It is based on a member’s previous actual loss experience compared to the average or expected loss experience. A calculated factor of greater than 1.0 is a debit and reflects higher than expected loss experience. Conversely, a factor of less than 1.0 is a credit and reflects more favorable loss experience. Also known as **E-mod, Ex-mod,** and **X-mod**.

Experience Modifier – A numerical factor developed by measuring the difference between a member’s actual loss experience and the expected losses of the payroll classifications (for workers’ compensation) or the average losses of the pool (for liability). The experience period used is the earliest three of the last four years. The factor may increase or decrease a member's standard contribution in response to their past lost experience. Members with a favorable loss record will have a factor lower than 1.0 and will pay a lower contribution. Member with a poorer loss record will have a factor greater than1.0 and will pay a higher contribution. Also known as **experience modification factor, e-mod, ex-mod,** and **X-mod**.

FASB – Financial Accounting Standards Board.

Fidelity Bonds – Written as financial guarantees of employees' honesty. Personnel with money-handling responsibilities are considered exposures to loss.

Fiduciary Liability – Covers board members, executives and other decision-making personnel with responsibilities for pension funds, retirement plans and employee benefit monies for negligent decisions that result in losses to such funds.

FLSA (Fair Labor Standards Act) – The FLSA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

FPPC (Fair Political Practices Commission).

FSA (Flexible Spending Account) – An account to which an employee contributes a portion of earnings to pay for certain expenses such as medical or dependent care. Contributions are exempt from payroll taxes.

FSC (Family Status Change) – See Qualifying Event.

Fully Insured Plan – A plan for which premiums are paid to an insurance company, who in turn pays claims. These plans are referred to as pass through plans in associations, because premiums are collected and remitted directly to the insurer.

Full Value – A term used in the JPIA's MOPC to provide "guaranteed" replacement cost coverage, which will pay the full cost to replace damaged property regardless of the "limit" carried. Applies to buildings and personal property.

G&A – General & Administrative.

GAAP – Generally Accepted Accounting Principles.

GASB – Governmental Accounting Standards Board.

General Liability – Written to protect the member's assets against liability for property damage of or bodily injury to third parties (see definition of parties).

GFOA (Government Finance Officers' Association) – International association whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education. The GFOA is the organization that oversees the ACFR Program.

HCR (Health Care Reform) – See Affordable Care Act.

HDHP (High Deductible Health Plan) – See Consumer Driven Health Plan (CDHP).

Health Plan – May be used to reference a medical plan, but also often refers to medical, dental and vision plans.

HIPAA (Health Insurance Portability and Accountability Act) – Federal legislation that, among other things, establishes standards for electronic medical records, and protects the privacy of a patient's protected health information. See PHI.

HMO (Health Maintenance Organization) – A plan whose benefits are limited solely to a participating network of providers, for which capitation (per head) payment is made to the participant's assigned provider, regardless of whether the participant seeks services. Claims payments are also made for services exceeding those deemed to be covered by capitation. Deductibles are not often part of an HMO plan design, with the exception of ABHPs, which utilize the network and certain elements of plan design of traditional HMOs.

HRCP (Human Resources Certification Program) – One of the professional certification "tracks" within the JPIA's Professional Development Program (PDP).

HSA (Health Savings Account) – A triple tax-advantaged account that allows contributions, investment growth and withdrawals for medical, dental and vision expenses, free from Federal taxes. To contribute to an HSA, an individual must be enrolled in a Consumer Driven Health Plan (CDHP). An individual does not need to be enrolled in a CDHP to withdraw the funds. Before age 65 the withdrawals must be for health expenses to avoid penalties and taxation. Upon reaching age 65, funds can be withdrawn as taxable income free from penalty. These accounts are governed by IRS Publication 969.

IBNR (Incurred But Not Reported) – This is a claim term. It is that part of the total claims that is unknown at any point in time. When a claim is reported, its final value must be estimated. The JPIA tracks how accurately it estimates and knows that historically the average claims' value will grow over time. The JPIA also understands that at any point in time occurrences have taken place that will certainly generate claims that have not yet been reported.

Incurred Loss – This is the ultimate expected total value of any claim. It includes the amount already paid, plus the estimated amount yet to be paid (reserves).

Inverse Condemnation – Both the United States Constitution and the California Constitution require that a private citizen be compensated if property is "taken" by a public entity. When the property is taken proactively it is called eminent domain. When the property is taken "accidentally," without due course, it is called inverse condemnation. Negligence need not be proven. The claimant's legal expenses are payable in addition to actual damages.

LAIF (Local Agency Investment Fund) – It is part of the California State Pooled Money Investment Account (PMIA), sometimes used by JPIA as a short-term investment vehicle.

LMS (Learning Management System) - a software application for the administration, documentation, tracking, reporting and delivery of education courses or training programs.

Lending Library – Library of videos, tapes, DVDs, and booklets available for borrowing by members to use in their training efforts.

Limit – The most that will be paid in a loss.

MOLC (Memorandum of Liability Coverage) – The JPIA's agreement providing liability coverage to Member Agencies.

MOPC (Memorandum of Property Coverage) – The JPIA's agreement providing property coverage to Member Agencies.

NRSRO – Nationally Recognized Statistical Rating Organization.

Occu-Med – Providers of a service program for members in the JPIA's Workers' Compensation Program, which assists in facilitating pre-employment physicals, fit-for-duty exams, etc.

Occurrence – A) In order for the JPIA to pay a liability claim, it must arise out of an occurrence. This is an accident, event, act or omission to act, which results in "damages", "bodily injury", or "property damage" neither expected nor intended from the covered parties' conduct. B) A provision of coverage that requires payment for a claim caused during the coverage period regardless of when it is presented. (See "claims made")

Open Enrollment – The annual opportunity to make changes to benefits enrollment selections. JPIA health plans renew January 1. Each October through November, employees may choose to add or delete dependents, and/or switch between the available health plans. Retirees of members who choose to offer retiree open enrollment may also change plans during this period, but may not add dependents.

OOPM (Out of Pocket Maximum) – The maximum a participant will pay for covered services in a plan year.

OPEB (Other Post-Employment Benefits) – Refers to the benefits, other than pensions, that a state or local government employee receives as part of his or her package of retirement benefits. Typically, retiree medical insurance is the most significant OPEB offering, though other benefits such as life insurance are also covered by this umbrella term.

PARMA (Public Agency Risk Managers Association) – A state-wide association for risk managers in the public sector. Educational and lobbying activities.

Parties – The participants in any claim or suit are referred to as the "parties" to the action. When dealing with insurance claims, the following terms are used: **First Party -** This is the member district; **Second Party -** This is the JPIA; and **Third Party -**This is anyone other than the member or JPIA.

PBM (Pharmacy Benefit Manager) – A third-party administrator responsible for administration of pharmacy benefits and price negotiation for prescription drugs.

PCORI (Patient Centered Outcomes Research Institute) – A consortium put together by the Affordable Care Act to study health treatments and outcomes to identify cost effective treatments that result in long term health and savings. This is funded by fees charged to health plans.

PD – Property damage.

PD (Permanent Disability) – Results when an injury diminishes a worker's future earning capacity. Permanent disability is essentially the disability that remains once the employee's condition has become permanent and stationary. A worker's medical condition is considered permanent and stationary after it has reached maximum medical improvement.

PDP (Professional Development Program) – The framework for JPIA's training program, providing members' employees with opportunities to learn or refine job-related skills while pursuing certifications in their fields of interest.

PE – Registered Professional Engineer.

PEPM (Per Employee Per Month) – Refers to a cost based on the primary enrollee only in a health plan.

PFAS – Perfluorinated Compounds: Any and all liability, including, but not limited to, losses, costs or expenses related to, arising from, or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by Perfluorinated Compounds (PFCs), in whole or part, listed as part of State or Federal guidance or regulations, and county, state, or federal directives requiring PFCs to be investigated or cleaned up including, but not limited to, perfluoroalkyl substances (PFAS or any PFAS, PFOS and PFOA-related products and chemicals), including any constituents of, additives to, or daughter or degradation by-products thereof.

PHI (Protected Health Information) – Protected health information (PHI), as defined by HIPAA, is any individually identifiable information about health status, provision of health care, or payment for health care that can be linked to a specific individual. This is interpreted rather broadly and includes any part of a patient's medical record or payment history. This includes health information with data items which reasonably could be expected to allow individual identification. HIPAA applies to health information exchanged or stored electronically, to data transmitted or maintained in any other form or medium, which includes paper records, fax documents and oral communications.

Plaintiff – The party who complains or sues in a personal action. A claimant becomes a plaintiff by filing suit.

PMPM (Per Member Per Month) – Refers to a cost based on each person enrolled in a health plan, including dependents.

Pooled Loss – The portion of a loss that is allocated to, or paid by, the self-insured pool. The JPIA Liability Program pools, or self-insures, the first $1 million of each occurrence. Loss costs exceeding this amount are paid by excess insurance.

PPACA (Patient Protection and Affordable Care Act) – This is now commonly referred to as the Affordable Care Act. See Affordable Care Act.

PPD (Permanent Partial Disability) – A permanent disability rating from 1% to 99.75%. It is possible for the worker to be permanently partial disabled, even if the worker has returned to the previous job and is doing the same work as before the injury.

PPO (Preferred Provider Organization) – A type of plan design that utilizes a network of providers to provide significant discounts to participants, yet allows the participant to seek out of network services at a reduced benefit. These plans typically have a Deductible. Once the Deductible is met, Co-insurance applies, resulting in cost sharing between the plan and participant at a predetermined percentage.

PRIMA (Public Risk Management Association) – A national association for risk managers in the public sector. Formed for educational, information gathering and political lobbying purposes.

Property Insurance – This covers the member for damage to its own property, sometimes called first-party coverage.

PTD (Permanent Total Disability) – A permanent disability rating of 100%.

QE (Qualifying Event) – An event like marriage, birth, adoption, that allows a mid-year change to benefits enrollment.

QME (Qualified Medical Evaluator) – A doctor selected from a State panel to address medical, disability, and compensability disputes between the parties.

RAP (Retrospective Allocation Point) – In the JPIA's liability and workers' compensation programs, it is that portion of each claim that the member will be responsible for when the RCA is made. The deposit contribution includes an estimate of the expected losses below the RAP. It is ***not*** a deductible; the member does not pay additional money at the time of loss. RAP losses are included in the RCA calculation. Members share in the pooled losses of other members only for losses above their RAP. The Liability Program offers RAPs of $2,500; $5,000; $10,000; $25,000; and $50,000. Retentions above these amounts are treated differently; they are considered SIRs.

RC (Replacement Cost) – The cost to replace damaged property with like kind and quality, with no deduction for depreciation.

RDP (Registered Domestic Partner) – A couple registered with the State of California that is same gender of any age, or opposite gender and age 62 or above.

REA – Registered Environmental Assessor.

REHS – Registered Environmental Health Specialist.

Reinsurance – Insurance that is purchased by an insurance company (*insurer*) from another insurance company (*reinsurer*) as a means of risk management, to transfer risk from the *insurer* to the *reinsurer*. The JPIA uses a mix of both reinsurance and excess insurance in its pooled coverage programs.

Reserve – In order to budget for its expected costs, the JPIA estimates the ultimate expected total value of each claim and "reserves" part of the deposit contribution to pay for it. As moneys are paid out for a claim, the reserve amount is decreased.

RIMS (Risk and Insurance Management Society) – National professional organization to promote principles of risk management and assist risk managers in their daily activities.

Risk Control – Those risk management techniques designed to minimize the frequency and/or severity of claims. Risk control techniques include exposure avoidance, loss prevention, loss reduction, segregation of loss exposures, and contractual transfer to shift losses to others.

Risk Financing – Techniques for generating funds to pay for losses that risk control methods do not entirely eliminate. There are two types of risk financing techniques -- retention and transfer. Retention involves paying for losses using an organization's own assets; transfer involves covering losses using an outside intermediary for a consideration (such as a payment of a premium). Each agency that participates in the JPIA practices these techniques. Losses are retained to the extent of an agency's RAP; they are transferred to the JPIA pool in excess of this amount.

Risk Management – One of the specialties within the general field of management, the process of managing an organization's activities to minimize the adverse effects of accidental losses on a cost-effective basis. Risk management has two components -- risk control and risk financing.

RCA (Retrospective Contribution Adjustment) – At the beginning of each coverage period, the JPIA collects a deposit contribution representing the estimated costs for that year. The JPIA looks back at that estimate and determines how accurate it was and makes an RCA. If it collected too much, a refund is made. If it collected too little, the member is charged for the difference. The process is repeated annually for each coverage year until all claims for that year are closed out.

RSF (Rate Stabilization Fund) – A separate JPIA fund designed to stabilize the RCA process. A member's refunds from the Catastrophic Loss Fund and from the RCA process are credited to this fund. Any RCAs resulting in additional contributions due will be charged against this fund. When a member's Fund balance exceeds a predetermined amount, the excess money will be refunded.

RTW – Return to work.

RX – Prescription.

SBC (Summary of Benefits and Coverage) – A plan summary that utilizes a specific format, required and set forth by the Affordable Care Act. This allows apples to apples comparison of different medical plans, based on the standardized format. These must be distributed to participants becoming newly eligible for coverage and annually.

SCIF (State Compensation Insurance Company) – A state agency that provides workers' compensation insurance to California employers.

SCP (Supervisor Certification Program) – One of the professional certification "tracks" within the JPIA's Professional Development Program (PDP).

Self-Funded Plan – A plan which collects payment from participants and pays claims directly, often utilizing a third party claims administrator. Funds left over can be used to offset future rate increases. Costs for participation are directly tied to the claims cost for the specific group of participants' utilization.

SIR (Self Insured Retention) – A dollar amount that an insured must pay before an insurance policy will respond to a loss. In the JPIA's Liability Program, the pool retains the first $5 million of each loss.

Special Events – Designed to cover your sponsorship of events, such as fireworks shows, festivals, community/entity celebrations; often written to protect other policies' loss integrity. Another type of special event coverage, known as a "tenants' and users'" policy, can be issued for third parties who rent or use your owned facilities.

SPD (Summary Plan Description) – The detailed document that describes a medical plan's coverage provisions.

Supranationals - United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States.

TD (Temporary Disability) – An impairment of bodily function, or physical incapacity that is reasonably expected to be cured or materially improved with proper medical care. This is the healing period following an injury. Temporary disability benefits are intended to be a substitute for lost wages (subject to minimums and maximums) during a period of temporary incapacity.

TIV (Total Insured Values) – The values shown on a Member Agency's schedule or appraisal for property coverage. Only those items shown on the schedule are covered for loss.

UST (Underground Storage Tanks) – Refers primarily to underground fuel tanks; used most often in reference to the JPIA's Underground Storage Tank Pollution Liability Program. This program protects member agencies against third-party claims for bodily injury and property damage caused leaks from USTs. It also includes coverage for government mandated clean-up costs.

Workers' Compensation – A statutory coverage designed as the "sole remedy" for workers injured in the course and scope of their duties.