Dear Members and Friends of CSRMA:

CSRMA was formed in 1986 at a time when public agencies were experiencing an extremely hard insurance market, and in some instances had difficulty securing insurance at all. The formation of CSRMA brought significant relief to its member agencies by way of providing insulation from the volatility of the insurance market, and did so with coverage and services tailored to the wastewater industry. More than 30 years later we find ourselves in another very difficult insurance climate, whereby wildfires, floods and other natural catastrophes are causing upward pressure on property rates. Likewise, liability verdicts and settlements are being driven to new heights as a result of what has been coined as ‘social inflation’. It’s at times like this we are acutely aware of the many benefits of JPA membership, not the least of which is the stability our 58 members provide to one another.

On the pages to follow we have highlighted CSRMA’s accomplishments over the past 12 months. These include further investments in our technology such as transitioning our online risk control platform to Target Solutions, rewarding members for their excellence in safety, providing reimbursements for wellness efforts, risk control focused webinars and training seminars, and the CSRMA Conference just to name a few. We continue to review our policies, procedures, and practices; especially our financial policies so that the Board of Directors is ensuring a solid financial position for the members. Additionally, there has been a positive and significant change in case law this year that greatly reduces the potential liability of entities performing wastewater collection. The California Supreme Court’s overrule of CSAA v. Palo Alto essentially eliminates an unfair avenue of pursuit of inverse condemnation claims that had been created by the original case. This development will likely allow CSRMA to reduce its financial provision for both outstanding and future liabilities.

While reflecting on a challenging yet successful 2019, I look forward to CSRMA’s continued support of its membership in 2020.

Greg Baatrup
The CSRMA Joint Powers Authority keeps its financial records in accordance with Government Accounting Standards Board (GASB) recommendations and produces a comprehensive annual financial report each year.

CSRMA has been awarded the Government Finance Officers Association’s Certificate of Excellence in Financial Reporting for its CAFR annually since 2010.

Investments are governed by a Board-approved policy and procedure. Cash beyond short-term needs is invested with California’s Local Agency Investment Fund, the California Asset Management Program and Public Financial Management (PFM) Portfolios.

**SUMMARY BALANCE**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,803,937</td>
<td>7%</td>
</tr>
<tr>
<td>Investments - Current</td>
<td>$2,139,305</td>
<td>8%</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$1,339,045</td>
<td>5%</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$942,121</td>
<td>3%</td>
</tr>
<tr>
<td>Investments - Noncurrent</td>
<td>$20,766,926</td>
<td>77%</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$26,991,334</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**INCOME STATEMENT**

<table>
<thead>
<tr>
<th>CSRMA</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Contributions</td>
<td>$10,839,558</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$1,205,720</td>
</tr>
<tr>
<td>Other</td>
<td>$1,229,053</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$13,274,331</strong></td>
</tr>
<tr>
<td>Claims Incurred</td>
<td>$6,757,514</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$7,819,730</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td><strong>$14,577,244</strong></td>
</tr>
<tr>
<td>Retrospective Contribution</td>
<td>-$138,397</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$14,577,244</strong></td>
</tr>
<tr>
<td>Change In Net Position</td>
<td>-$1,302,913</td>
</tr>
</tbody>
</table>

**Liabilities & Net Position**

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Reserves</td>
<td>$9,800,076</td>
<td>37%</td>
</tr>
<tr>
<td>Claims Incurred but not Reported</td>
<td>$7,165,366</td>
<td>27%</td>
</tr>
<tr>
<td>Unallocated Loss Adjustment Expenses</td>
<td>$1,067,911</td>
<td>3%</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>$2,374,146</td>
<td>8%</td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$180,998</td>
<td>1%</td>
</tr>
<tr>
<td>Net Position</td>
<td>$6,402,837</td>
<td>24%</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$26,991,334</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**FINANCIAL POSITION**

**Fiscal Years 2015 - 2019**

![Graph showing financial position over years]

- Total Revenues
- Total Expenses
- Net Income (Loss)
CSRMA Members can choose to participate in the JPA’s “pooling” programs: The Pooled Liability Program and the Workers’ Compensation Program.

These programs are an alternative to traditional commercial insurance, in that they are member owned and operated. Interest earning funds are placed on deposit with the Authority where they are used to pay members’ claims and related expenses. Funds not spent or reserved are refunded to members through retrospective rating adjustments and dividend payments.

POOLED LIABILITY PROGRAM

The Pooled Liability Program provides its members with third-party liability coverage specifically designed to meet the exposures faced by the wastewater industry. Members are provided with coverage for General Liability, Automobile Liability, Employment Practices Liability and Public Entity Errors and Omissions Liability.

2019 Accomplishments

» Over $1.1 million was returned to the members in dividend payments

» Over $300,000 was returned to the members in retrospective rating adjustments

» The frequency of sewer backup claims continued on a downward trend

POOLED WORKERS’ COMPENSATION PROGRAM

The Workers’ Compensation Program provides State mandated benefits to employees of member agencies. The Program enables its members to retain control of the cost and delivery of services to participating members.

2019 Accomplishments

» The Program’s claims frequency continues to improve

» A claims audit was performed this year. The claims adjusting firm, Sedgwick, continues to provide effective claims administration for the Authority.

» A Physical Demands Calculator (web application) was rolled out to the membership to identify the physical demands for various job related tasks and those that place employees at risk.
CSRMA Group Purchase Programs provide members the benefit of buying power while assuring that special needs will be addressed.

**PRIMARY INSURANCE PROGRAM (PIP)**

The PIP provides the clout of a group purchase program, offering competitive pricing to its members. The Program continues to afford coverage for General Liability, Automobile Liability, Employment Practices Liability, Public Entity Errors & Omissions and Auto Physical Damage to members that do not wish to pool their risk with other members.

**PROPERTY INSURANCE PROGRAM**

The Property Program provides the benefit of a group purchase program offering its members “All-Risk” Property and Boiler & Machinery insurance. This includes Terrorism, Pollution Legal Liability specific to a member’s SOV, and Cyber Liability.

**OTHER PROGRAMS**

CSRMA members have access to an array of group purchase programs made available by the Program Administrators, including but not limited to:

- **Crime/Bond Programs**
  The Commercial Crime Program affords its members with public employee dishonesty coverage. Additional coverages available include forgery or alteration, theft, disappearance and destruction of money and securities and computer fraud. The Public Official Bond Program provides its members with coverage for dishonest acts of public officials.

- **Public Entity Vehicle & Mobile Equipment Physical Damage Program**
  This Program provides “All-Risk” property (physical damage) coverage for private passenger vehicles, light trucks and high value specialized vehicles with limited “over-the-road” exposures.

- **Special Events Liability Program**
  The Special Events Liability Program grants its members with protection against third party liability for bodily injury, personal/advertising injury and property damage resulting from a covered special event. Special events include receptions, tours and parties.

- **Pollution and Remediation Legal Liability Program**
  The Pollution and Remediation Legal Liability Program provides coverage for environmental exposures unique to the wastewater industry.

- **Storage Tank Program**
  The Storage Tank Program furnishes its members with third party pollution legal liability and clean-up for above and below ground storage tank exposures.

- **Travel Accident Program**
  Travel Accident Insurance provides coverage for employees who travel domestically and internationally. Some of the benefits include 24/7 travel assistance, medical network, and emergency evacuation and repatriation expense.

- **Vendors/Contractors General Liability Program**
  The Vendors/Contractors General Liability Program furnishes general liability coverage for a wide range of vendors and contractors.
CSRMA continued its tradition of providing leading edge risk control services for its members this year by introducing many new products and services tailored to the unique loss exposures facing CSRMA.

**Target Solutions**
CSRMA successfully launched the Target Solutions online learning management system and, as of December 2019, ~75% of the membership is actively using the platform to take online training courses and manage their employee requirements and records.

CSRMA updated 10 online training modules and added ten new modules to their existing library of over 100 online learning courses. These can now be viewed on Target Solutions in addition to the large library of courses already available. Updating modules and creation of new content addressing risks facing members and the pool has been an annual commitment CSRMA has made for 15 years!

**Occumetric**
Don Freeman and the Occumetric name are no strangers to CSRMA members. They have been providing state-of-the-art ergonomic services to members for several years. This year, CSRMA subscribed to Occumetric’s Physical Demand Assessment software that will allow members to easily and quickly identify tasks that put employees at risk of back injury so that prevention or task redesign measures can be taken.

**Risk Control Online**
CSRMA’s Risk Control Online platform has been transformed into the hub for all of CSRMA’s online risk control services and web applications, including the Contractor Safety Program Builder, the Job Competencies Builder, Employment Law Resources Hub and more!

CSRMA’s online learning library now contains modules addressing every competency on the CWEA’s Collection System Operator Grade 1 exam – prepping for the exam has never been easier for the next generation of collections workers!

**Risk Control Seminars And Webinars**
Members want more training and CSRMA listens. This year, CSRMA conducted over 20 webinars. Most are recorded for members to access on-demand going forward.

**Risk Control And Safety Program Reimbursement Incentive**
CSRMA’s two reimbursement programs - $2,000 annually for safety and risk control efforts and $1,200 annually for employee health promotion efforts – reached more than 80% of the pooled program members!

**Workers’ Compensation Consulting Services**
CSRMA continued to benefit from the services of Heather Truro at HT Consulting. She is a workers’ compensation claims management specialist who has been retained by CSRMA to provide assistance to our members with workers’ compensation issues; in particular, by implementing the Workers’ Compensation Claims Management and Return to Work Programs.

**Sewer Summit 2019**
The 2019 Sewer Summit was the largest ever with over 25 members represented at this one day conference offering attendees four tracks with 5 sessions each for a total of 20 different 1-hour classes on topics ranging from Regulatory Compliance and Engineering, Collections Worker Safety, Operations and Management and Storm Water Compliance.

**The Second Annual CSRMA Conference**
The 2nd annual CSRMA conference was a huge hit! With three tracks, four sessions per track for a total of 12 training opportunities packed into a single day, members could learn the latest on risk transfer, risk control and risk management.
CSRMA Workers’ Compensation Excellence Award

CSRMA is pleased to announce the winners of the Workers’ Compensation Excellence Award! This award program is designed to recognize those members who have successfully implemented soft tissue/strain related injury prevention efforts.

Members meeting the award criteria shared equally in a cash prize of $50,000, or the average cost of a back claim according to Workers’ Compensation Insurance Rating Bureau 2013 data. The cash prize will be paid directly to the employees of each qualifying member in an amount not to exceed $499 per employee.

**2019 WORKERS’ COMPENSATION EXCELLENCE AWARD WINNERS**

- Silicon Valley Clean Water
- Carpinteria Sanitary District
- Lake Arrowhead Community Services District

SMART SOP

SMART SOP, the mobile app CSRMA created for it members to make creating photo-based lockout/tagout and free form photo-based SOPs a snap has been upgraded with new features that make the following even easier:

- Compliance with CalOSHA’s Personal Protective Equipment, Lockout/Tagout and Job Hazard Assessment requirements
- Organization of SOPs in the app is now simpler with a file folder organization structure. Not to worry, though – you can still assign each SOP a QR code for easy SOP retrieval.
- Add video to SOPs. Yep, SMART SOP can do that now, too!

WHAT THE FUTURE HOLDS

In 2020 there will be a big push to address the most frequent cause of CSRMA’s Workers’ Compensation Claims resulting in lost time: soft tissue injury due to strain and overexertion. At the heart of this push is staff training and Occumetric’s Physical Demand Assessment software to identify tasks that place employees at greatest risk for this type of injury.

The Silver Tsunami of retirements is upon us. This means new hires and, according to OSHA, the first year on the job is the most dangerous time for an employee. To address this, CSRMA will continue training on Job Competency Based Training Systems to help members transition from historical tribal knowledge based training to more measurable training systems to get new hires up to speed as quickly and safely as possible.

The cost for harassment, discrimination and other forms of employment liability have been increasing dramatically across all industries. CSRMA will continue to provide training, hotline services and other resources for members to help navigate this area of liability in 2020.

CSRMA can now push SOPs directly to member devices (tablets, smart phone) loaded with the Smart SOP app. This gives CSRMA the ability to push guidance directly to your employees to access when and where they need them. Members can look forward to SOPs such as: How to Respond to a Residential Sewer Backup; How to Determine if this is a Permit Required Confined Space; Excavation Competent Person Inspection Guide and More!
MEMBER AGENCIES

Bayshore Sanitary District
Byron Sanitary District
Carmel Area Wastewater District
Carpinteria Sanitary District
Castro Valley Sanitary District
Central Contra Costa Sanitary District
Central Marin Sanitation Agency
County S.D. No. 2-3 of Santa Clara County
Crockett Community Services District
Cupertino Sanitary District
Delta Diablo
Dublin San Ramon Services District
East Bay Dischargers Authority
Encina Wastewater Authority
Fairfield-Suisun Sewer District
Goleta Sanitary District
Goleta West Sanitary District
Inland Empire Utilities Agency
Ironhouse Sanitary District
Lake Arrowhead Community Services District
Los Gallinas Valley Sanitary
Leucadia Wastewater District
Montara Water and Sanitary District
Montecito Sanitary District
Monterey One Water
Mt. View Sanitary District
Napa Sanitation District
North of River Sanitary District
Novato Sanitary District
Oceana Marin Sewer Imp. District
Ojai Valley Sanitary District
Oro Loma Sanitary District
Richardson Bay Sanitary District
Rodeo Sanitary District
Ross Valley Sanitary District
San Elia Joint Powers Authority
San Rafael Sanitation District
Sanitary District No. 5 of Marin County
Santa Margarita Water District
Sausalito-Marin City Sanitary District
Selma-Kingsburg-Fowler County S.D.
Sewer Authority Mid-Coastside
Sewerage Agency Of Southern Marin
Silicon Valley Clean Water
South Orange County Wastewater Authority
Stege Sanitary District
Tahoe-Truckee Sanitation Agency
Triunfo County Sanitation District
Truckee Sanitary District
Union Sanitary District
Vallejo Flood and Wastewater District
Valley Sanitary District
Ventura Regional Sanitation District
Victor Valley Wastewater Recl. Auth.
West Bay Sanitary District
West County Wastewater District
West Valley Sanitary District
Western Riverside County R.W.A.

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