“The California Sanitation Risk Management Authority provides broad coverage and risk control services to its members.”
Dear Members and Friends of CSRMA:

It is my pleasure to submit CSRMA’s 2018 Annual Report. As we look back over the past twelve months, it is evident CSRMA had another very successful year and continued to provide a number of cutting-edge programs that were designed to enhance the services we provide to our membership.

In March, CSRMA successfully held its first annual conference in Oakland. The conference was very well attended and offered a full range of training opportunities to the membership in the areas of workers’ compensation, preventing and responding to sewer backup claims and preventing employment practices liability cases. Conference attendees were treated to a full day condensed training platform as an alternative to attending several shorter programs that have been traditionally held in the various regions of the state.

As many of you are aware, CSRMA has provided online training through its Risk Control Online program to its members for a number of years now. In 2018, we began the transition from Risk Control Online offered by Target Solutions. This platform will offer updated and enhanced risk-based training to our membership. As an added feature, members may also exercise the option of customizing the various training modules to the policies and procedures of their specific agency. The new Target Solutions online training program is expected to roll out in early 2019 so please keep an eye out and take advantage of this improved service.

The CSRMA membership has always done an exceptional job of putting safety and risk management at its forefront, and this year was no exception. One of the benefits of pooling is that good performance is rewarded by returning money back to the membership. We are very pleased to report that the Pooled Liability Program returned over $1.15 million in dividends and over $300,000 through retro adjustments to the membership. On behalf of the Board of Directors and staff, I would like to thank the membership for its excellent performance and dedication to minimizing risk.

Looking forward to 2019, CSRMA will continue to provide new and cutting-edge services to our membership. Items on the radar include evaluating coverage for the use of drones and automated vehicles. As part of this effort we will be surveying the membership to determine the current and potential future use of these types of equipment. We also plan to explore alternative solutions for earthquake coverage that are triggered by an event rather than by a sustained loss, which is the basis of traditional earthquake coverage.

On a personal note, this is my fourth and final President’s message as I will be terming off the Board at the end of the year. I just wanted to take this opportunity to thank the membership, the Board of Directors and the staff for all your excellent guidance and support during my tenure. Over this period, I have met so many talented professionals and learned so much from all of you. I leave knowing that the membership is in good hands—you have a superb staff and an excellent Board of Directors who will continue to guide CSRMA well into the future. It truly has been a privilege and honor to serve you and I cherish all the positive relationships I have formed!

Sincerely,

Paul Bushee

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
Chino Basin Desalter Authority
County San. Dist. No. 2-3 of SCC
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 Dist.
Las Gallinas Valley Sanitary District
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 Improvement District
Ojai Valley Sanitary District
Oro Loma Sanitary District
Richardson Bay Sanitary District
Rodeo Sanitary District
Sanitary District No. 1 of Marin County
Sanitary District No. 5 of Marin County
San Elijo Joint Powers Authority
San Rafael Sanitation District
Santa Margarita Water District
Sausalito-Marin City Sanitary District
Selma-Kingsburg-Fowler Co. S.D.
Sewer Authority Mid-Coastside
Sewerage Agency of Southern Marin
Silicon Valley Clean Water
South Orange County Wastewater Authority
South Tahoe Public Utility District
Stege Sanitary District
Tahoe-Truckee Sanitation Agency
Triunfo Sanitation District
Truckee Sanitary District
Union Sanitary District
Vallejo Flood and Wastewater District
Valley Sanitary District
Ventura Regional Sanitation District
Victor Valley Wastewater Reclamation Auth.
West Bay Sanitary District
West County Wastewater District
West Valley Sanitation District
Western Riverside County Regional WWA
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.

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 Portfolios.

**SUMMARY BALANCE SHEET**

**Assets**

<table>
<thead>
<tr>
<th>Assets</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$1,905,627</td>
<td>7</td>
</tr>
<tr>
<td>Investments - Current</td>
<td>$1,924,959</td>
<td>8</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>$1,325,082</td>
<td>5</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$630,353</td>
<td>2</td>
</tr>
<tr>
<td>Investments - Noncurrent</td>
<td>$19,917,098</td>
<td>78</td>
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**Liabilities & Net Position**

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Amount</th>
<th>%</th>
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<tbody>
<tr>
<td>Claims Reserves</td>
<td>$7,696,229</td>
<td>30</td>
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<tr>
<td>Claims Incurred but not Reported</td>
<td>$6,796,508</td>
<td>27</td>
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<tr>
<td>Unallocated Loss Adjustment Expenses</td>
<td>$969,458</td>
<td>3</td>
</tr>
<tr>
<td>Unearned Revenue</td>
<td>$2,418,871</td>
<td>9</td>
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<tr>
<td>Accounts Payable</td>
<td>$116,303</td>
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<tr>
<td>Net Position</td>
<td>$7,705,750</td>
<td>30</td>
</tr>
</tbody>
</table>

**TOTAL:** $25,703,119 100%

**INCOME STATEMENT**

**CSRMA**

<table>
<thead>
<tr>
<th>Amount</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Contributions</td>
<td>$10,287,672</td>
</tr>
<tr>
<td>Investment Income</td>
<td>$-153</td>
</tr>
<tr>
<td>Other</td>
<td>$165,749</td>
</tr>
</tbody>
</table>

**Total Revenues** $10,453,268
**Claims Incurred** $6,573,019
**Other Expenses** $7,353,169
**Total Operating Expenses** $13,926,188
**Retrospective Contribution** $-1,198,408
**Total Expenses** $13,926,188

**Change in Net Position** $-3,472,920

**FINANCIAL POSITION**

Fiscal Years 2014 - 2018
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.

2018 Accomplishments

» Over $1.15 million was returned to the members in dividend payments
» Over $300,000 was returned to the members in retrospective rating adjustments

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.

2018 Accomplishments

» The Program continues to outperform the California industry average in both frequency and severity
» $50,000 in cash prizes paid to employees of the winning members of the Workers’ Compensation Excellence Award
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:

**Deadly Weapons Response Program-New in 2018**
Active Assailant situations are unpredictable, develop quickly, and leave devastating personal and financial impact on those involved. The new Deadly Weapons Response Program was made available to all CSRMA members in 2018 to help address these exposures. Members have access to the Program without completion of an application, and at an extremely competitive price. The program comes with pre and post-loss Crisis Management Services provided by Firestorm Solutions, a leading Crisis Management Consulting Firm.

**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.

**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.

**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.

**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.

**Vendors/Contractors General Liability Program**
The Vendors/Contractors General Liability Program furnishes coverage for a wide range of vendors and contractors.

**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.
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.

**Risk Control Survey Engine**
CSRMA successfully launched the first comprehensive risk control survey of all pooled program members using the all new CSRMA Risk Control Survey Engine. This online risk control self-audit tool measures member risk control efforts across 58 different areas of risk and regulatory compliance in real time and benchmarks performance across the pool in real time. This powerful new tool for CSRMA members provides on-demand reports showing areas a member is exposed, along with specific recommendations for improvement. This innovative approach to conducting risk control surveys will be repeated every three years with the results helping to guide CSRMA risk control resources to benefit the members and the pool.

**Sewer Summit 2018**
CSRMA joined forces with the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA) and the California Joint Powers Risk Management Authority (CJPRMA) to leverage resources and sponsor the 13th Annual Sewer Summit. This annual event is designed to bring together wastewater professionals and regulators to hear the latest on sewer overflow prevention, regulatory compliance and employee safety. Once again there was a tremendous turnout, with more than 200 sewer collections staff in attendance.

**Targeted Employment Law Workshops**
Employee lawsuits have seen an uptick in frequency and severity across most industries and CSRMA is no exception. In response to this troubling trend, CSRMA has retained Liebert Cassidy Whitmore (LCW) to provide half-day workshops targeting areas of employment law where employers typically find themselves in trouble.

**Job Competency Builder Version 2.0**
This web based application automates the identification of employee core competencies, development of training plans for identified core competencies and employee assessment procedures to identify gaps in employee knowledge, skill or abilities. This allows a member agency to strategically target its training resources to those areas in which employees need additional instruction.

**Wellness Program Reimbursement Incentive**
Employee health promotion or wellness programs can effectively address many of the underlying causes of occupational and non-occupational injuries. This program is intended to assist members of the Workers’ Compensation Program with the development and implementation of an onsite employee health promotion program by offering up to $1,200/fiscal year in reimbursement dollars for wellness efforts. This past year we had an 80% utilization of this program.

**Risk Control and Safety Program Reimbursement Incentive**
This reimbursement program is intended to provide an incentive for members of the Pooled Liability and Workers’ Compensation Programs. The Programs go beyond basic compliance to a higher level of risk control by offering up to $2,000/fiscal year reimbursement for safety and risk control efforts. This past year we had an 80% utilization of this program.

**Risk Control Seminars and Webinars**
Members want more training and CSRMA listens. Offered on-site, at regional locations or online, CSRMA provided over 50 training opportunities to members in 2018 on topics ranging from employment law to sewer overflow prevention and response to industrial ergonomics and biomechanics. This past year CSRMA conducted over 20 webinars. These webinars are recorded for members to access on demand.

**CSRMA Workers’ Compensation Excellence Award**
The Workers’ Compensation Excellence Award was modified by approval of the Board of Directors to include new criteria aimed at recognizing 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 data. The cash prize will be paid directly to the employees of each qualifying member in an amount not to exceed $499 per employee. The members winning the 2018 Workers’ Compensation Excellence Award were:
- Castro Valley Sanitary District
- San Elijo Joint Powers Authority
- Fairfield Suisun Sewer District
- Stege Sanitary District
- Encina Wastewater Authority
WHAT THE FUTURE HOLDS

- Ever hear of Just in Time Learning? You will in 2019! Just in Time Learning refers to making specific, targeted training resources available when you need it, where you need it. With the latest enhancements to SMART SOP, CSRMA members will be able to choose from a library of Just in Time Learning videos pushed to all devices registered to their SMART SOP account. Whether it’s “what to do after a vehicle accident” or “how to calculate SSO volumes using the area/volume method”, CSRMA has you covered.
- CSRMA is making even more online training and training management resources available by transitioning to Target Solutions. All the online learning content CSRMA has developed will still be available, but members will now have access to the Target Solutions large library of content. Coupled with their powerful Learning Management System, tracking of employee online AND offline training has never been easier.
- Based on the popularity of the 1st Annual CSRMA Conference, the 2019 conference will have 4 tracks each with 4 sessions for a total of 16 learning opportunities packed into a single day.
- CSRMA will be continuing its efforts to develop technical skills training available to new sewer collection system operators. In 2019, CSRMA will be focusing on developing online training content mapped to the CWEA Collection System Operator I exam to help get a new employee to a trained and competent employee faster. This will increase safety and decrease the likelihood of equipment and third party losses.
EXECUTIVE BOARD AND OFFICERS

Paul Bushee, President
Leucadia Wastewater District

Greg Baatrup, Vice President
Fairfield-Suisun Sewer District

Betty Burnett
South Orange County Wastewater Authority

Ed Oyama
West Valley Sanitation District

Jason Dow
Central Marin Sanitation Agency

Craig Murray
Carpinteria Sanitary District

George Emerson, Secretary
Goleta Sanitary District

Sandeep Karkal
Novato Sanitary District

Jason Warner, Treasurer
Oro Loma Sanitary District

Program Administrators

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