



c/o ALLIANT INSURANCE SERVICES, INC.  
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## OFFICERS:

Sandeep Karkal, President  
415.892.1694  
Vince De Lange, Vice President  
925.756.1920

## RECENT PAST PRESIDENTS:

Craig Murray  
2020-2024  
Greg Baatrup  
2018-2020

## BOARD OF DIRECTORS MEETING AGENDA

Meeting Via Teleconference as below:

Date/Time: Wednesday, June 18, 2025  
8:00 AM Meeting

LOCATION: Alliant Offices  
560 Mission Street, 6th Floor  
San Francisco, CA 94105

Phone One-Tap: [+16694449171](tel:+16694449171), [94177186054](tel:+194177186054)#, ..., \*789397#

Meeting URL: <https://alliantinsurance.zoom.us/j/94177186054?pwd=SinpvRLhwWX69MSmxsaPapbxt2kVLt.1>

District Meeting locations listed on Page 3

A.	CALL TO ORDER	I: Information	
		V: Verbal	
B.	PUBLIC COMMENTS	A: Action	
		H: Handout	
C.	BOARD MEMBER COMMENTS	S: Separate	
D.	CONSENT CALENDAR		
1.	Meeting Minutes - January 29, 2025	A	p. 4
Recommendation: Approve minutes from their last meeting.			
2.	Captive Update	I	p. 12
Recommendation: Receive an update on CWIC captive insurance company.			
E.	GENERAL ADMINISTRATION		
1.	Estimated Actual 24/25 Budget & Proposed 25/26 Budget	A/S	p. 30
Recommendation: Review and approve the proposed FY 25/26 Budget.			
2.	Proposed Amendment to the Vision Statement	A	p. 35
Recommendation: Review and approve the amended Vision Statement			
F.	OFFICER/STAFF/COMMITTEE REPORTS		
1.	Pooled Liability Program		
a.	None		
2.	Workers' Compensation Program		
a.	Triunfo Water and Sanitation District - Prospective Member	A	p. 37
Recommendation: Review and approve Triunfo Water and Sanitation District's membership application.			
3.	Property Program		
a.	None		
4.	Primary Insurance Program		
a.	None		
G.	RESOLUTIONS		
None			
H.	INFORMATION ITEMS		
1.	Article - KYND 5 Essential Steps to Improve Your Cyber Risk Posture	I	p. 41
2.	Article - Water scarcity has some cities turning to sewage as a solution - NPR	I	p. 42
3.	Article - Should Your Workplace Embrace Unhappy Leave? - You Make The Call	I	p. 55

4.	CSRMA 2025 Meeting Calendar	I	p. 57
5.	CSRMA Organizational Chart	I	p. 58
6.	CSRMA Service Team Chart	I	p. 59

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*The Board of Directors will be asked to review the Information Items.*

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**I. ADJOURNMENT**

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*The next meeting will be held on July 30, 2025 in conjunction with the CASA Conference in San Diego.*

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# CSRMA MEMBER AGENCIES

<u>Organization</u>	<u>Street Address</u>	<u>City</u>	<u>State</u>	<u>Zipcode</u>
Bayshore Sanitary District	36 Industrial Way	Brisbane	CA	94005
Byron Sanitary District	7995 Bruns Road	Byron	CA	94514
Carmel Area Wastewater District	3945 Rio Road	Carmel	CA	93922
Carpinteria Sanitary District	5300 Sixth Street	Carpinteria	CA	93013
Castro Valley Sanitary District	21040 Marshall Street	Castro Valley	CA	94546
Central Contra Costa Sanitary District	5019 Imhoff Place	Martinez	CA	94553-4392
Central Marin Sanitation Agency	1301 Andersen Drive	San Rafael	CA	94901
County Sanitation District No. 2-3 of Santa Clara County	20863 Stevens Creek Boulevard, #100	Cupertino	CA	95014-2154
Crockett Community Services District	P.O. Box 578	Crockett	CA	94525
Cupertino Sanitary District	20863 Stevens Creek Boulevard, #100	Cupertino	CA	95014-2154
Delta Diablo	2500 Pittsburg-Antioch Hwy	Antioch	CA	94509
Dublin San Ramon Services District	7051 Dublin Blvd.	Dublin	CA	94568
East Bay Dischargers Authority	2651 Grant Avenue	San Lorenzo	CA	94580
Encina Wastewater Authority	6200 Avenida Encinas	Carlsbad	CA	92011
Fairfield-Suisun Sewer District	1010 Chadbourne Road	Fairfield	CA	94585
Goleta Sanitary District	One William Moffett Place	Goleta	CA	93117
Goleta West Sanitary District	P.O. Box 4	Goleta	CA	93116-0004
Inland Empire Utilities Agency	6075 Kimball Avenue	Chino	CA	91710
Ironhouse Sanitary District	450 Walnut Meadows Drive	Oakley	CA	94561
Lake Arrowhead Community Services District	27307 State Hwy 189	Lake Arrowhead	CA	92352
Las Gallinas Valley Sanitary District	300 Smith Ranch Road	San Rafael	CA	94903
Leucadia Wastewater District	1960 La Costa Avenue	Carlsbad	CA	92009
Lincoln-Sewer Maintenance District 1 Wastewater Authority	1245 Fiddymont Road	Lincoln	CA	95648
Montara Water and Sanitary District	P.O. Box 370131	Montara	CA	94037
Montecito Sanitary District	1042 Monte Cristo Lane	Santa Barbara	CA	93108
Monterey One Water	5 Harris Court, Bldg. D	Monterey	CA	93940
Mt. View Sanitary District	P.O. Box 2757	Martinez	CA	94553
Napa Sanitation District	1515 Soscol Ferry Road	Napa	CA	94558
Nevada County Sanitation District	950 Maidu Avenue, Suite 170	Nevada City	CA	95959
North of River Sanitary District	204 Universe Avenue	Bakersfield	CA	93308
Novato Sanitary District	500 Davidson Street	Novato	CA	94945
Oceana Marin Sewer Imp. District	999 Rush Creek Place	Novato	CA	94948
Ojai Valley Sanitary District	1072 Tico Road	Ojai	CA	93023
Oro Loma Sanitary District	2655 Grant Avenue	San Lorenzo	CA	94580
Richardson Bay Sanitary District (SASM)	500 Tiburon Blvd.	Tiburon	CA	94920
Rodeo Sanitary District	800 San Pablo Avenue	Rodeo	CA	94572
Ross Valley Sanitation District	2960 Kerner Blvd.	San Rafael	CA	94901
San Elijo Joint Powers Authority	2695 Manchester Ave.	Cardiff	CA	92007
San Rafael Sanitation District	111 Morpheus Street	San Rafael	CA	94901
Sanitary District No. 5 of Marin County	2001 Paradise Drive	Tiburon	CA	94920
Santa Margarita Water District	26111 Antonio Parkway	Rancho Santa Margarita	CA	92688
Sausalito-Marin City Sanitary District	1 East Road	Sausalito	CA	94965
Selma-Kingsburg-Fowler County S.D.	P.O. Box 158	Kingsburg	CA	93631-0158
Sewer Authority Mid-Coastside	1000 N. Cabrillo Highway	Half Moon Bay	CA	94019
Sewerage Agency Of Southern Marin	26 Corte Madera Avenue	Mill Valley	CA	94941
Silicon Valley Clean Water	1400 Radio Road	Redwood City	CA	94065
South Orange County Wastewater Authority	34156 Del Obispo	Dana Point	CA	92629
Stege Sanitary District	7500 Schmidt Ln.	El Cerrito	CA	94530
Tahoe-Truckee Sanitation Agency	13720 Butterfield Drive	Truckee	CA	96161
Triunfo Water & Sanitation District	370 N. Westlake Blvd., Suite 100	Westlake Village	CA	91362
Truckee Sanitary District	12304 Joerger Dr.	Truckee	CA	96161
Union Sanitary District	5072 Benson Road	Union City	CA	94587-8550
Vallejo Flood and Wastewater District	450 Ryder Street	Vallejo	CA	94590
Valley Sanitary District	45-500 Van Buren	Indio	CA	92201
Ventura Regional Sanitation District	4105 West Gonzales Road	Oxnard	CA	93036-2748
Victor Valley Wastewater Recl. Auth.	20111 Shay Road	Victorville	CA	92394
West Bay Sanitary District	500 Laurel Street	Menlo Park	CA	94025
West County Wastewater District	2910 Hilltop Drive	Richmond	CA	94806
West Valley S.D. of Santa Clara County	100 East Sunnyoaks Avenue	Campbell	CA	95008
Western Riverside County R.W.A.	14205 Meridian Parkway	Riverside	CA	92518

**CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY  
BOARD OF DIRECTORS MEETING  
JANUARY 29, 2025  
PALM SPRINGS, CA**

**MEMBERS PRESENT**

Craig Murray, President, Carpinteria Sanitary District  
Shari Deutsch, Central Contra Costa Sanitary District  
Jason Dow, Treasurer-Auditor, Central Marin Sanitation Agency  
Angela Chen, Cupertino Sanitary District  
Roland Williams, Secretary, Castro Valley Sanitary District  
Vincent De Lange, Delta Diablo  
Jan Lee, Dublin San Ramon Services District  
Scott McClelland, Encina Wastewater Authority  
Jordan Damerel, Fairfield Suisun Sewer District  
Steve Wagner, Goleta Sanitary District  
Tyson Zimmerman, Ironhouse Sanitary District  
Curtis Paxton, Las Gallinas Valley Sanitary District  
Paul Bushee, Leucadia Wastewater District  
Jim Mulligan, Lincoln-Sewer Maintenance District 1 Wastewater Authority  
John Weigold, Montecito Sanitary District  
Patrick Ostly, North of River Sanitary District  
Sandeep Karkal, Vice-President, Novato Sanitary District  
Jimmy Dang, Oro Loma Sanitary District  
Steve Moore, Ross Valley Sanitary District  
Tony Rubio, Sanitary District No. 5 of Marin County  
Veronica Cazares, Selma-Kingsburg-Fowler County Sanitation District  
Saundra Jacobs, Santa Margarita Water District  
Dwight Merrill, Stege Sanitary District  
Teresa Herrera, Silicon Valley Clean Water  
Jerry Gilmore, Truckee Sanitary District  
Jeffrey Tucker, Vallejo Flood and Wastewater District  
Jason Dafforn, Valley Sanitary District  
Justin Lovell, West County Wastewater District  
Kent Edler, West Valley Sanitation District

**GUESTS AND CONSULTANTS**

William Bosworth, Cupertino Sanitary District  
Taghi Saadati, Cupertino Sanitary District  
Dave Sadoff, Castro Valley Sanitary District  
James Russell-Field, Fairfield Suisun Sewer District  
Crystal Yezman, Las Gallinas Valley Sanitary District  
Carole Dhillon-Knutson, Novato Sanitary District  
Michael Boorstein, Ross Valley Sanitary District  
Matt Anderson, Silicon Valley Clean Water

Eric Scriven, NHA Advisors  
Dennis Mulqueeney, Alliant Insurance Services, Inc.  
Seth Cole, Alliant Insurance Services, Inc.  
Myron Leavell, Alliant Insurance Services, Inc.  
P.J. Skarlanic, Alliant Insurance Services, Inc.  
Steve Davidson, Alliant Insurance Services, Inc.  
David Patzer, DKF Solutions Group  
Kay Patzer, DKF Solutions Group  
Byrne Conley, Gibbons & Conley  
James Marta, James Marta & Company

**A. CALL TO ORDER**

The meeting was called to order by President Craig Murray at 12:30 p.m.

**B. PUBLIC & BOARD MEMBER COMMENTS**

There were no public comments.

**C. CONSENT CALENDAR**

**C.1. Meeting Minutes: July 31, 2024**

The minutes of the meeting held on July 31, 2024 were reviewed.

**C.2. Investment Performance Review**

The Board of Directors reviewed the Investment Performance Review.

**C.3. Annual Operating Report**

The Board of Directors reviewed the Annual Operating Report. Each member agency will also be sent an electronic copy for their records.

**C.4. CSRMA 2025 Meeting Calendar**

The Board of Directors reviewed the 2025 meeting calendar.

**C.5. Pooled Liability Program Quarterly Claims Report as of December 31, 2024**

The Board of Directors reviewed the Pooled Liability Program Quarterly Claims Report as of December 31, 2024.

**C.6. Workers' Compensation Program Quarterly Claims Report as of December 31, 2024**

The Board of Directors reviewed the Workers' Compensation Program Quarterly Claims Report as of December 31, 2024.

### **C.7. Budget to Date Report as of December 31, 2024**

The Board of Directors reviewed the Budget to Date Report as of December 31, 2024.

### **C.8. Pooled Liability Program Dividend Declarations at December 31, 2024**

The Board of Directors reviewed the Pooled Liability Program Dividend Declaration item as of December 31, 2024.

A motion was made to accept the Consent Calendar as presented.

**MOTION:** Paul Bushee

**SECOND:** Sandra Jacobs

**MOTION CARRIED**

**AYES:** Bushee, Cazares, Chen, Dafforn, Damerel, Dang, De Lange, Deutsch, Dow, Edler, Gilmore, Herrera, Jacobs, Karkal, Lee, Lovell, McClelland, Merrill, Moore, Mulligan, Murray, Ostly, Paxton, Rubio, Tucker, Wagner, Weigold, Williams, Zimmerman

**NAYS:** None

**ABSTAIN:** None

## **D. GENERAL ADMINISTRATION**

### **D.1. Executive Board Elections**

Seth Cole reviewed the current make-up of the Executive Board with the Board of Directors and the eligibility of members whose terms are expiring, and those who are eligible to continue for another term. The Nominating Committee, consisting of Jason Dow, Michelle Gallardo and Tyson Zimmerman, recommended the following slate of candidates:

- That Sandeep Karkal of Novato Sanitary District be elected to fill the open President position.
- That Vince De Lange of Delta Diablo be elected to fill the open Vice President position.
- That Tyson Zimmerman of Ironhouse Sanitary District be elected to fill the open Member #2 position
- That Jimmy Dang of Oro Loma Sanitary District be elected to fill the open Alternate position, and
- That all other members whose terms are expiring be re-elected to their positions.

A motion was made to elect the slate of candidates presented by the Nominating Committee.

**MOTION:** Steve Wagner

**SECOND:** Shari Deutsch

**MOTION CARRIED**

**AYES:** Bushee, Cazares, Chen, Dafforn, Damerel, Dang, De Lange, Deutsch, Dow, Edler, Gilmore, Herrera, Jacobs, Karkal, Lee, Lovell, McClelland, Merrill, Moore,

Mulligan, Murray, Ostly, Paxton, Rubio, Tucker, Wagner, Weigold, Williams, Zimmerman

**NAYS:** None

**ABSTAIN:** None

## **D.2. Acceptance of the Financial Audit – June 30, 2024**

Seth Cole introduced Jim Marta of James Marta and Company, who reported that the financial audit for fiscal year 2023/24 is complete.

Jim provided an overview of the audit process, and then reviewed the results of the audit with the Board, indicating that the financial statements are presented fairly and in accordance with the accounting principles generally accepted in the United States.

Jim reported that the Net Position as of June 30, 2024 is \$12M, a 19.8% increase (\$1,984,348) over last year and noted that the Workers' Compensation Program has a positive equity position of \$5.1M. In summary, Jim emphasized the financial strength of CSRMA. He concluded that there are no internal control deficiencies and the JPA is financially stable.

A motion was made to accept the Financial Audit for Fiscal Year 2023/24 as presented.

**MOTION:** Roland Williams

**SECOND:** Paul Bushee

**MOTION CARRIED**

**AYES:** Bushee, Cazares, Chen, Dafforn, Damerel, Dang, De Lange, Deutsch, Dow, Edler, Gilmore, Herrera, Jacobs, Karkal, Lee, Lovell, McClelland, Merrill, Moore, Mulligan, Murray, Ostly, Paxton, Rubio, Tucker, Wagner, Weigold, Williams, Zimmerman

**NAYS:** None

**ABSTAIN:** None

## **D.3 Captive Update**

P.J. Skarlanic provided an update to the Board on the Clean Water Insurance Captive (CWIC). CWIC has been reinsuring CSRMA's Workers' Compensation Program since its inception in July 2023 and began reinsuring CSRMA's Pooled Liability Program effective 12/31/23. P.J. reported that CWIC's Board met for their annual in-person meeting on September 20, 2024 in Murray, Utah.

Early in the 4<sup>th</sup> quarter of 2023 PFM began investing CWIC's funds per the asset allocation targets approved by the CWIC Board. CWIC's investments declined approximately 1% in the most recent quarter, however, CWIC's investment portfolio has outperformed CSRMA's investment portfolio over the past 12 months.

James Marta of James Marta & Company completed an audit of CWIC's 2023-24 Fiscal Year Financials. The audit, which was provided in the Agenda for the Board's review, indicated that the financial statements are presented fairly and in accordance generally accepted accounting

principles, and found no deficiencies in CWIC's internal controls. CWIC was described as being in a strong financial position with net position of \$3.4M

P.J. advised that effective December 31, 2024, CSRMA renewed its liability reinsurance agreement with CWIC, reinsuring the Pooled Liability Program's pooled layer as presented to the Executive Board at its December 2024 meeting.

The Program Administrators will provide periodic updates on the performance of the Clean Water Insurance Captive.

## **E. OFFICERS/STAFF/COMMITTEE REPORTS**

### **E.1. Pooled Liability Program**

#### **E.1.a. Pooled Liability Program Post Renewal Report**

The Board of Directors reviewed the Pooled Liability Program post renewal report. Seth Cole advised that the Executive Board approved renewal of the Pooled Liability Program effective December 31, 2024, transferring the risk for the Pooled Layer to the Clean Water Insurance Captive (CWIC). The total increase in cost was 17.66%, which was in line with forecasted increases due to changes in exposure and market conditions.

#### **E.1.b. Retrospective Rating Calculation Policy & Procedure – Proposed Amendments**

Seth Cole reviewed the proposed amendment to the Retrospective Rating Calculation Policy & Procedure based on recommendations made by Bickmore Actuarial. Seth reported that CSRMA through a similar process last year for the Workers' Compensation Program. We hired a consultant to rebuild the Retrospective Rating Plan and Matrix databases with technology more suited to handling large amounts of data requiring significant calculative power. This presented opportunities to create efficiencies and improve the administrative components of the Program. In summary, the Retro calculation should be performed three and a half years following the expiration date of a program year and should be discontinued for program years older than ten (10) years.

A copy of the redline strikeout version of the Retrospective Rating Plan Policy & Procedure was attached for the Board's review.

A motion was made to adopt the amendments to the Policy & Procedure as presented

**MOTION:** Sandra Jacobs   **SECOND:** Dave Sadoff   **MOTION CARRIED**

**AYES:** Bushee, Cazares, Chen, Dafforn, Damerel, Dang, De Lange, Deutsch, Dow, Edler, Gilmore, Herrera, Jacobs, Karkal, Lee, Lovell, McClelland, Merrill, Moore, Mulligan, Murray, Ostly, Paxton, Rubio, Tucker, Wagner, Weigold, Williams, Zimmerman

**NAYS:** None

**ABSTAIN:** None



## **E.2. Primary Insurance Program**

### **E.2.a. Primary Insurance Program Post Renewal Report**

The Board of Directors reviewed the Primary Insurance Program post renewal report. Seth Cole advised that the Executive Board approved renewal of the Primary Insurance Program with the WaterPlus Insurance Program, effective December 31, 2024. The total cost increased roughly 11%. The increase in estimated insurance premium is the result of an average rate increase of about 8% + surplus lines taxes and fees, changes in member exposure and losses for individual members. The policy terms and conditions remained the same as expiring except for the Employment Practices Liability (EPL) deductible. The EPL deductible was increased to \$25,000 for all Program members.

## **E.3. Workers' Compensation Program**

### **E.3.a. Workers' Compensation Excellence Award**

David Patzer discussed the criteria for the Workers' Compensation Excellence Award and announced that four applications met all the criteria and will be receiving the award:

- Goleta Sanitary District
- Oro Loma Sanitary District
- Silicon Valley Clean Water
- West Bay Sanitary District

Recipients will be receiving a wall plaque, lobby banner and a cash award of \$50,000 to be disbursed to employees of the winning agencies, in an amount not to exceed \$499 per employee.

The Board collectively congratulated the four winners.

David noted that the criteria for the Workers' Compensation Excellence Award is normally updated every other year. The criteria was updated in 2024, and no changes are anticipated for the year ahead. The final criteria will be reviewed by the Workers' Compensation Committee prior to being sent to the membership.

## **E.4. Property Program**

### **E.4.a. Market Update and Preliminary Renewal Expectations**

P.J. Skarlanic provided a verbal update for planning and budgeting purposes. There is some market-wide uncertainty of the impact of the recent fires in Southern California, but preliminary evaluations of those events indicate that the homeowner's insurance market, not the commercial property insurance market, will experience most of the resulting rate effects. P.J. advised that a small rate decrease may be possible for the coming property renewal, though the premium will likely rise overall due to changes in exposure (increases in insured values). The expectation is the rate change will range from -5% to +5% based on current market information.

The Program Administrators will provide the Property Program members with updated information as it is available.

#### **E.4.b. Allocation of Loss Limits Policy & Procedure**

P.J. Skarlanic reviewed the proposed amendment to the Allocation of Loss Limits Policy & Procedure based on the Program Administrator's recommendations. P.J. reported that the edits are largely of a cleanup nature and are not meant to alter the original intent of the Policy & Procedure.

A copy of the redline strikeout version of the Policy & Procedure was attached for the Board's review.

A motion was made to adopt the proposed amendments to the Policy & Procedure as presented.

**MOTION:** Sandra Jacobs    **SECOND:** Jimmy Dang    **MOTION CARRIED**

**AYES:** Bushee, Cazares, Chen, Dafforn, Damerel, Dang, De Lange, Deutsch, Dow, Edler, Gilmore, Herrera, Jacobs, Karkal, Lee, Lovell, McClelland, Merrill, Moore, Mulligan, Murray, Ostly, Paxton, Rubio, Tucker, Wagner, Weigold, Williams, Zimmerman

**NAYS:** None

**ABSTAIN:** None

#### **F. RESOLUTIONS**

##### **F.1. Resolution Recognizing the Contributions of Craig Murray**

Seth Cole reported that Craig Murray has served on CSRMA's Pooled Liability Committee, Workers' Compensation Committee, Executive Board, and Board of Directors, and has served as President of CSRMA for the past five years. In total, his contributions to CSRMA leadership has extended for the past 18 years. CSRMA has greatly benefited from his experience, expertise, guidance, and support.

A motion was made to honor the contributions of Craig Murray with a formal resolution.

**MOTION:** Steve Wagner    **SECOND:** Paul Bushee    **MOTION CARRIED**

**AYES:** Bushee, Cazares, Chen, Dafforn, Damerel, Dang, De Lange, Deutsch, Dow, Edler, Gilmore, Herrera, Jacobs, Karkal, Lee, Lovell, McClelland, Merrill, Moore, Mulligan, Murray, Ostly, Paxton, Rubio, Tucker, Wagner, Weigold, Williams, Zimmerman

**NAYS:** None

**ABSTAIN:** None

##### **F.1. Resolution Recognizing the Contributions of Michelle Gallardo**

Craig Murray reported that Michelle Gallardo has served on CSRMA's Pooled Liability Committee and as the Committee Chair, Executive Board, and Board of Directors for many years. CSRMA has greatly benefited from her experience, expertise, guidance, and support.

A motion was made to honor the contributions of Michelle Gallardo with a formal resolution.

**MOTION:** Shari Deutsch

**SECOND:** Saundra Jacobs

**MOTION CARRIED**

**AYES:** Bushee, Cazares, Chen, Dafforn, Damerel, Dang, De Lange, Deutsch, Dow, Edler, Gilmore, Herrera, Jacobs, Karkal, Lee, Lovell, McClelland, Merrill, Moore, Mulligan, Murray, Ostly, Paxton, Rubio, Tucker, Wagner, Weigold, Williams, Zimmerman

**NAYS:** None

**ABSTAIN:** None

#### **G. Guest Speaker**

None

#### **H. INFORMATION ITEMS**

##### **H.1. GFOA Award News Release**

##### **H.2. Article – CISA Fact Sheet – *Top cyber actions for securing water systems***

##### **H.3. Article – *MaaT Pharma Pioneers Treating Cancer With Fecal-Based Therapies***

##### **H.4. Article – *Chemicals in sewage sludge fertilizer poses cancer risk, EPA Says***

##### **H.5. CSRMA 2025 Meeting Calendar**

##### **H.6. CSRMA Organizational Chart**

##### **H.7. CSRMA Service Team Chart**

The Board of Directors reviewed the presented information items.

#### **H. ADJOURNMENT**

The meeting was adjourned at 1:20 p.m. The next meeting is scheduled for June 18, 2025, via teleconference.

**Clean Water Insurance Captive Update**

**ISSUE:** Below is an update on Clean Water Insurance Captive (CWIC) since the last Board of Directors meeting.

- 1) **Investment Performance Update** – CWIC’s investment manager PFM presented their Investment Performance Report for the quarter ending 3/31/25 to the Finance Committee at their April meeting, and the report is attached to this item for the Board of Director’s review. First quarter 2025 returns were 1.03%, compared to returns of 5.18% for the prior 12 months, and 9.49% returns since CWIC’s inception.
- 2) **Annual In-Person Board Meeting** – The CWIC Board is in the process of scheduling their annual in-person meeting, as required by the State of Utah. The Board is targeting the month of October for this meeting.
- 3) **CSRMA Workers’ Compensation Renewal** – CWIC’s actuaries performed an actuarial study to develop the recommended premium amount to charge CSRMA to reinsure their pooled layer (\$0 - \$250K) of the Pooled Workers’ Compensation Program for the July 1, 2025 renewal. The actuary is projecting a year-over-year decrease of approximately 12% in funding as a result of favorable loss development. The renewal premium is \$3,360,105 compared to the expiring \$3,823,534. This proposal was made to CSRMA’s Workers’ Compensation Committee at their May meeting, and to CSRMA’s Executive Board at their June meeting where the proposal was approved.
- 4) **CWIC Performance** – One way to measure the financial benefit of CWIC is to compare its investment performance to CSRMA. The below table compares CWIC performance to that of CSRMA’s over the same full calendar year 2024 period. The table shows that the \$8.5M invested in CWIC at the beginning of 2024 earned \$354K more than it would have had that same amount been invested in CSRMA. The financial benefit of CWIC will of course fluctuate over time due to factors such as claims payments to CSRMA and the investment environment, but in taking a long-term strategic approach with the captive, over time the expectation is that CWIC’s investment portfolio will yield a higher rate of return.

Total Calendar Year 2024			
	Beginning Principal	Rate of Return %	ROI \$
CSRMA	23,608,660	3.21%	757,838
CWIC	8,534,484	7.36%	628,138
CWIC Benefit	n/a	4.15%	354,181

*Note: 1) CWIC's overhead expenses in FY 2023-24 were \$182,999.  
2) CWIC's Investment Policy allows for a 60% equities / 40% fixed income balance.*

**RECOMMENDATION:** None. Information Only.

**FISCAL IMPACT:** None.

### **BACKGROUND:**

#### *A Brief History on CSRMA's Formation of CWIC*

A captive insurance company (captive) is a special purpose insurance or reinsurance company that is owned and controlled by its parent company, (in this case CSRMA). The captive's purpose is to insure some or all the risk of its parent. In so doing, the parent can secure coverage from the captive, and benefit from the captive's profitable underwriting of the parents' risk.

Many public agency risk-sharing pools have formed captives for both insurance needs and investment purposes. A captive could be used to expand product offerings to include new lines of insurance that may not be applicable to all members, or to offer coverage to third parties, or in CSRMA's case, assume risk in CSRMA programs to diversify our panel of program carriers and capture underwriting profit. Captives are also created to broaden the pool's permissible investment universe and increase the opportunity for higher investment returns. As the captive matures the goal is to have surplus funds that can then be utilized for the financial benefit of CSRMA and its members (i.e. issue dividends, retrospectively rate coverage programs, provide rate relief, etc.).

**ATTACHMENTS:** CWIC Investment Performance Report, Quarter Ending 3/31/25

# Clean Water Insurance Captive

**Performance Report**  
**Quarter Ending March 31, 2025**

April 15, 2025

512.364.4007

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# Factors to Consider for 6-12 Months

## Factors to Consider Over the Next 6-12 Months

### Monetary Policy (Global):



- Recent uncertainty had led Fed to continue to pause on rate cuts so far this year. Market expects first rate cut in June. Path and magnitude of rate cuts for 2025 remains uncertain.
- European Central Bank has continued to ease this year while the Bank of Japan has delivered rate hikes – both diverging from the Fed.

### Economic Growth (Global):



- U.S. GDP is expected to grow slower than in 2024. Recession probability is rising, and we are closely watching economic activity indicators.
- Economic growth outside the U.S. remains modest with some improvement in Eurozone expected due to increased fiscal spending. Tariffs pose growth and inflation risks.

### Inflation (U.S.):



- While inflation has fallen since its peak in 2022, progress towards 2% target remains slow.
- The Fed has acknowledged higher inflation and slower growth in their recent projections. Proposed tariff policies may put pressure on input costs and goods while demand side pullback could ease some pressure.

### Financial Conditions (U.S.):



- Even after the recent bout of volatility, risk, and credit conditions still point to the stability of financial conditions.
- While our base case is not for a dramatic shift in conditions, the uncertainty associated with tariff policies could lead to pullback in financial conditions in the near-term.

### Consumer Spending (U.S.):



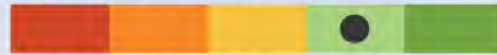
- Broad consumer metrics are supportive of economic strength. A growing divergence among consumers exists as lower-income cohorts continue to feel more strain due to the higher overall level of prices.
- An unexpected material deterioration of labor market conditions is the biggest risk to consumer spending.

### Labor Markets (U.S.):



- The labor market remains well-positioned, but continued tariff uncertainty could lead to an increase in unemployment rate. Federal layoffs make up a smaller proportion of overall labor force but sustained slowdown in pace of hiring as negative impact on economic growth expectations.

### Corporate Fundamentals:



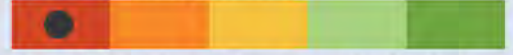
- Earnings growth expectations are positive across global equities, but tariff impact need to closely monitored for any impact on profit margins.
- In the U.S., any tax cuts/deregulation initiatives are positives while near term headwinds from tariff uncertainty could impact both earnings growth expectations and profit margins negatively.

### Valuations:



- U.S. equity experienced increased volatility in Q1, and credit markets widened from historical lows – both still remain expensive relative to history and are susceptible to increased economic uncertainty.
- International equities look attractive but continued economic and geopolitical uncertainty is leading to increased volatility.

### Political/Policy Risks:



- Geopolitical risks continue to remain elevated. Prospects of peace deal in Middle East and Russia/Ukraine are positives, while reciprocity in global tariffs and strained relationships with major trading partners for the U.S. due to ongoing tariffs cause economic and political uncertainty.

● Current outlook ○ Outlook one quarter ago

Stance Unfavorable  
to Risk Assets

Negative

Slightly  
Negative

Neutral

Slightly  
Positive

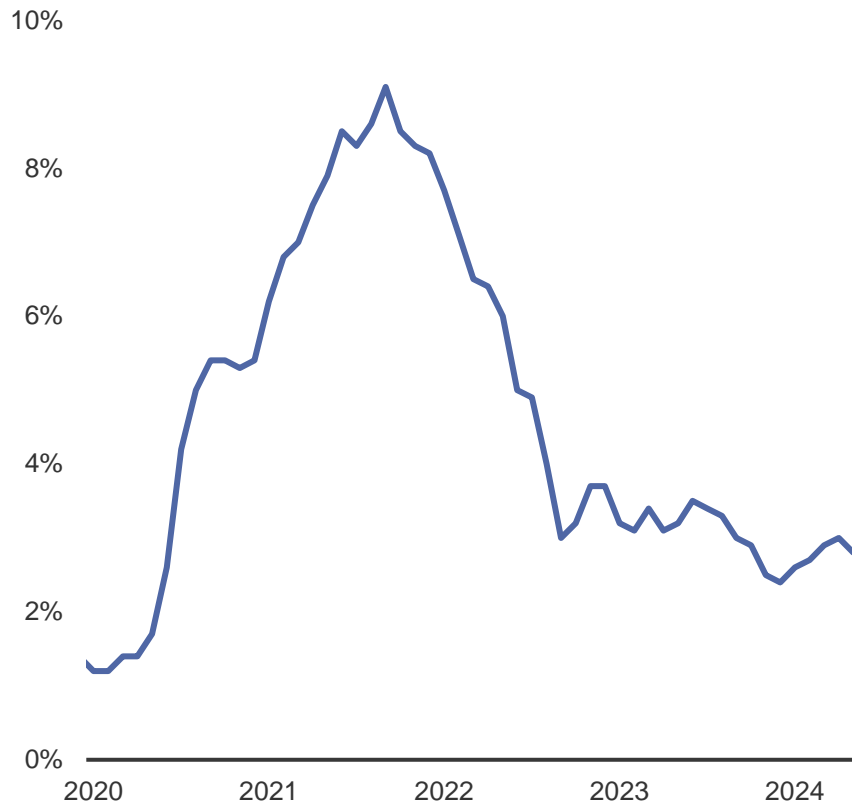
Positive

Stance Favorable  
to Risk Assets

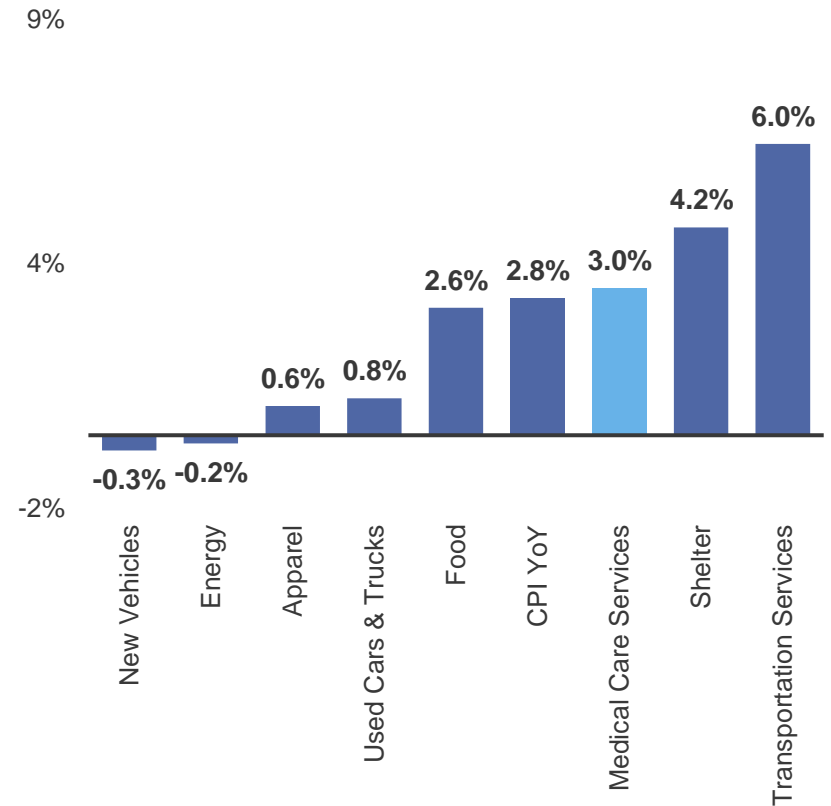
Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg and FactSet. The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC at the time of distribution (6/30/2024) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFM Asset Management LLC cannot guarantee its accuracy, completeness, or suitability.

# Consumer Price Index

**Consumer Price Index**  
% Change YoY



**Key Consumer Price Index Components**  
% Change YoY

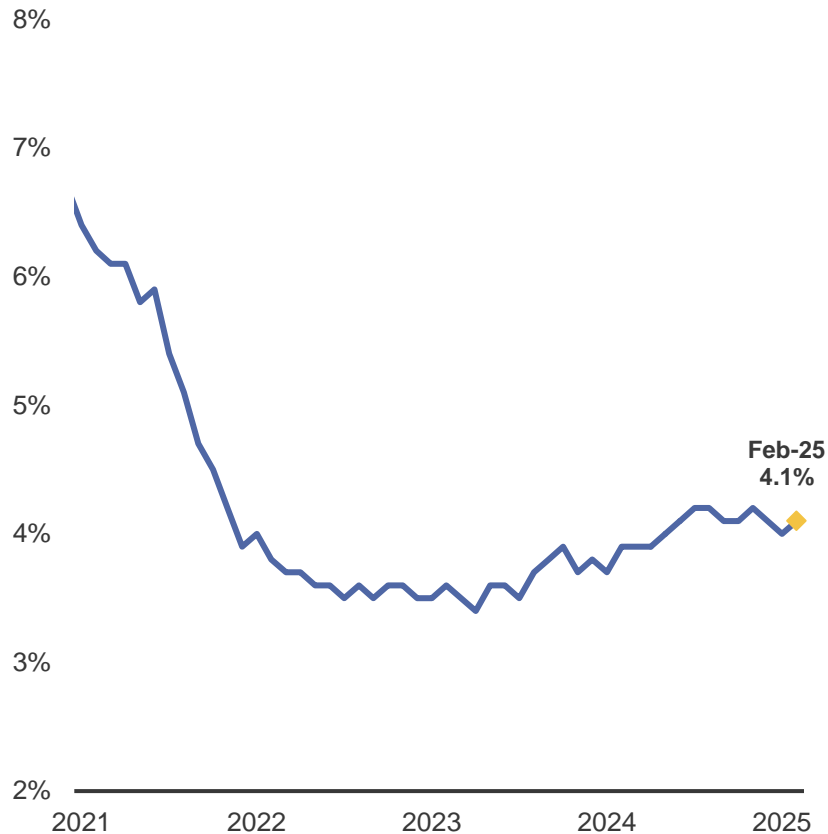


Source: Bloomberg Finance L.P., as of February 2025.

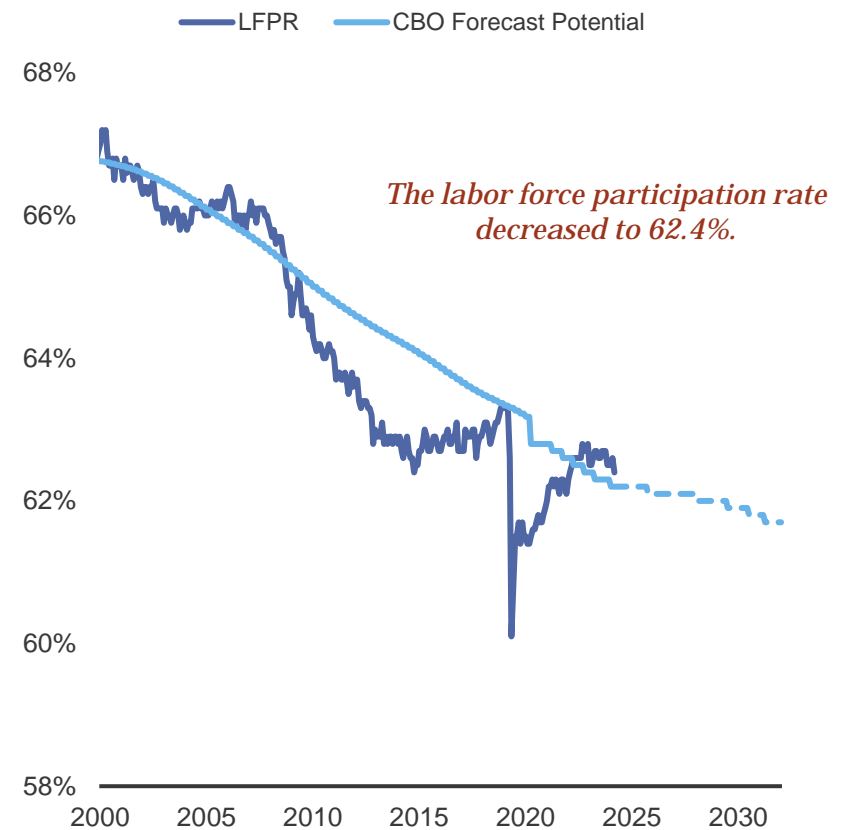


# Labor Market: Unemployment and Labor Force Participation Rates

## Unemployment Rate

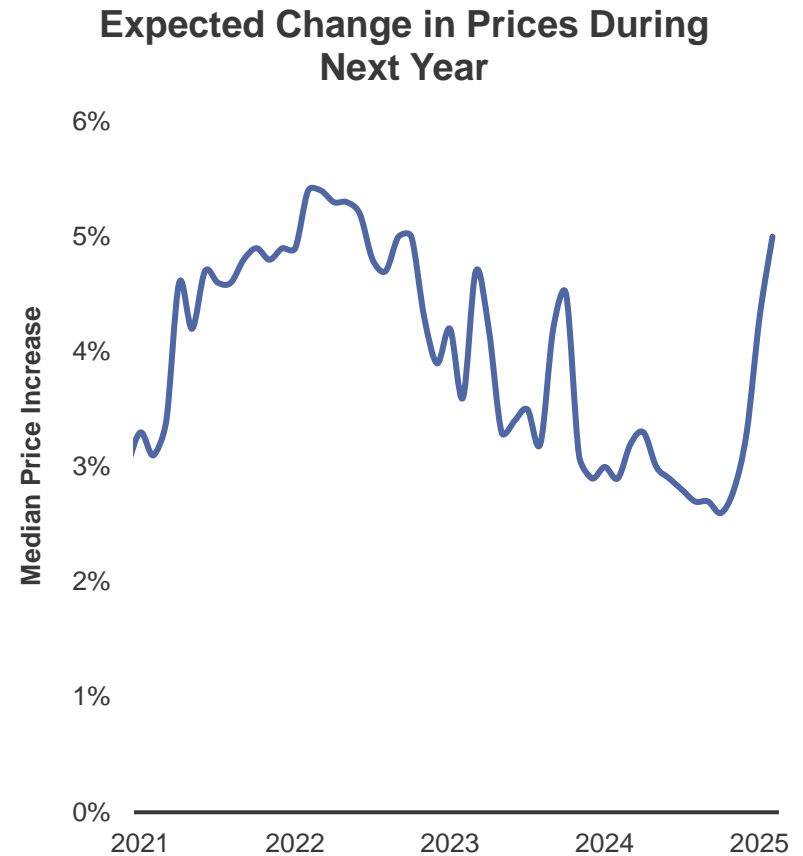
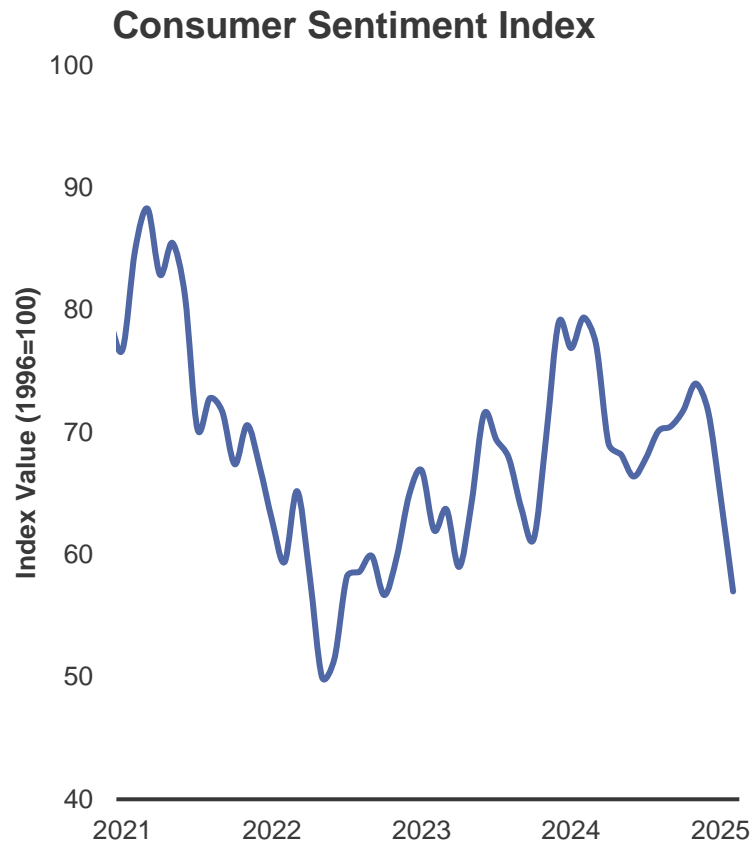


## Labor Force Participation Rate



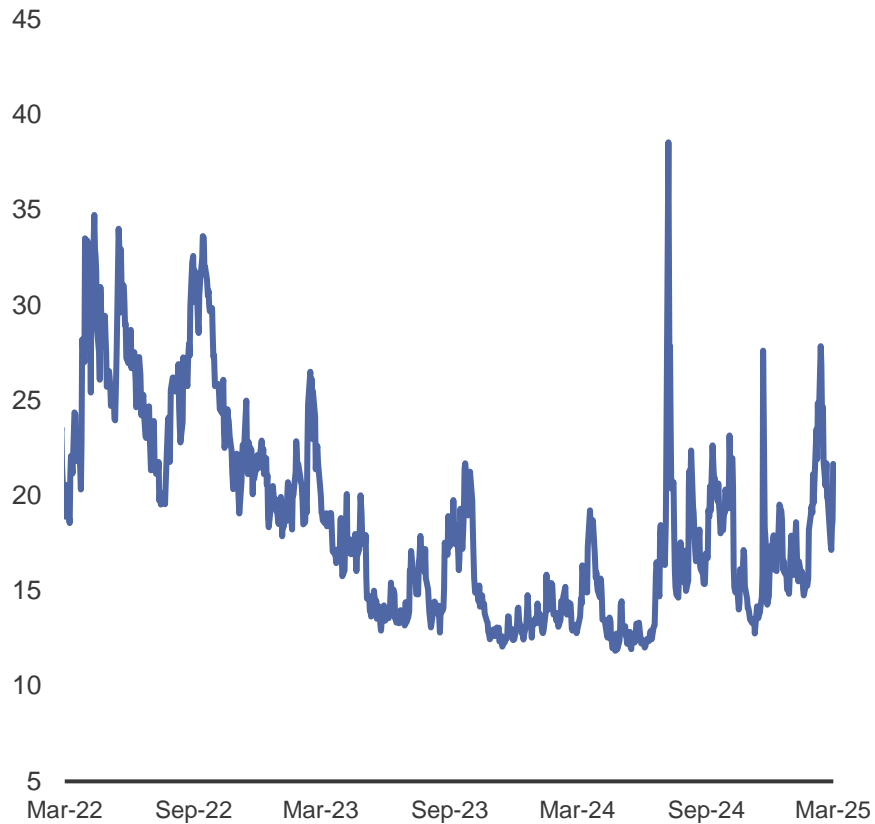
Source: Congressional Budget Office May 2024 economic projections, Bureau of Labor Statistics. Bloomberg Finance L.P., as of February 2025. Data is seasonally adjusted.

# Consumer Sentiment

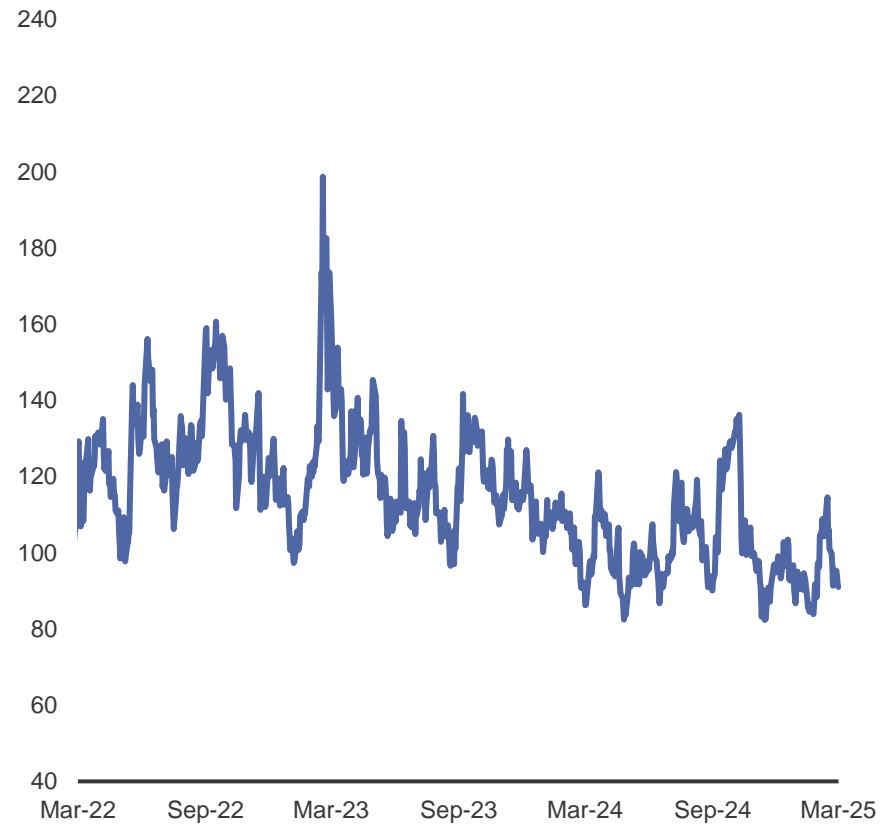


# Bond and Equity Markets Volatility

## Equity Market Volatility (VIX)



## Bond Market Volatility (MOVE)



Asset Class	Our Q2 2025 Investment Outlook	Comments
U.S. Equities		<ul style="list-style-type: none"> <li>Risks to growth narrative has unnerved the markets leading to pick up to volatility. Tariffs and their possible impact on business and consumer confidence, corporate profit margins, inflation and economic growth has led to increased uncertainty leading us to remain neutral across U.S. equities. We also expect rate cut related volatility to remain as Fed remains data dependent amidst this increased uncertainty.</li> </ul>
Large-Caps		<ul style="list-style-type: none"> <li>Market performance has broadened beyond the Mag-7 names in Q1. Earnings growth for large caps are also expected to broaden outside of Mag-7, but current macro environment leads to increased uncertainty.</li> </ul>
Small-Caps		<ul style="list-style-type: none"> <li>Small-caps continued to lag large-caps during the recent sell-off reversing the gains since election. Macro uncertainty and high level of rates are headwinds while attractive valuations and improving earnings expectations are tailwinds.</li> </ul>
Non-U.S. Equities		<ul style="list-style-type: none"> <li>International equities have outperformed U.S. equities in Q1 and continue to trade at a discount to U.S. equities. Improved sentiment is driven by increased fiscal spending efforts in Europe and continued stimulus in China, but tariff overhang remains for these export-oriented economies.</li> </ul>
Developed Markets		<ul style="list-style-type: none"> <li>Across Europe and China, we believe that there are structural/geopolitical issues that need to be addressed for long-term sustained outperformance.</li> </ul>
Emerging Markets		
Fixed Income		<ul style="list-style-type: none"> <li>The Fed continues to be in pause mode as they assess uncertainty amidst widened range of outcomes combined with lower growth and higher unemployment rate as seen in the recent Fed projections. Yields look attractive across the fixed income sectors which leads us to closer to neutral. We maintain duration close to the benchmark duration across the portfolios.</li> </ul>
Core Bonds		<ul style="list-style-type: none"> <li>Credit markets remain attractive due to strong corporate fundamentals. We remain positive on investment grade but are staying closer to targets on high yield given tighter spreads and rising uncertainty. We continue to closely watch for signs for any distress in the corporate credit space.</li> </ul>
Investment Grade Credit		
High Yield Credit		
Diversifying Assets		<ul style="list-style-type: none"> <li>During the recent risk-asset sell-off in Q1 in the U.S., listed REITs and listed infrastructure held up well pointing to their characteristics of lower correlation. While the underlying fundamentals within listed real estate and listed infrastructure are healthy, we remain neutral due to ongoing uncertainty regarding economic growth.</li> </ul>
Listed Real Estate		
Listed Global Infrastructure		

● Current outlook
○ Outlook one quarter ago

Negative
Slightly Negative
Neutral
Slightly Positive
Positive

# Performance as of March 31, 2024





# Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>14,361,094</b>	<b>100.00</b>	<b>1.03</b>	<b>1.03</b>	<b>5.18</b>	<b>N/A</b>	<b>N/A</b>	<b>9.49</b>	<b>12/01/2023</b>
<i>Blended Benchmark</i>			1.17	1.17	5.78	N/A	N/A	9.93	
<b>Domestic Equity</b>	<b>3,690,670</b>	<b>25.70</b>							
First American Multi-Manager Domestic Equity Fund	3,690,670	25.70	-4.86	-4.86	5.45	6.45	16.72	16.14	12/01/2023
<i>Russell 3000 Index</i>			-4.72	-4.72	7.22	8.22	18.18	17.66	
Schwab US Large-Cap ETF - 74.6%			-4.54	-4.54	7.90	8.73	18.43	7.54	06/01/2024
<i>Russell 1000 Index</i>			-4.49	-4.49	7.82	8.65	18.47	7.55	
Aristotle Atlantic Core Equity - 9.9% (^)			N/A	N/A	N/A	N/A	N/A	N/A	12/01/2023
<i>Russell 1000 Index (since 8/1/24, Russell 3000 prior)</i>			-4.49	-4.49	7.88	8.44	18.33	18.21	
Putnam US Core Equity - 10.0% (^)			N/A	N/A	N/A	N/A	N/A	N/A	12/01/2024
<i>Russell 1000 Index</i>			-4.49	-4.49	7.82	8.65	18.47	-7.15	
Jacobs Levy Small Cap - 5.1% (^)			-9.78	-9.78	-6.23	-0.92	18.42	6.23	12/01/2023
<i>Russell 2000 Index (since 8/1/24, S&amp;P 600 prior)</i>			-9.48	-9.48	-3.28	0.74	15.12	8.71	
<b>International Equity</b>	<b>1,981,935</b>	<b>13.80</b>							
First American Multi-Manager International Equity Fund	1,981,935	13.80	5.93	5.93	6.29	4.01	10.58	12.98	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			5.23	5.23	6.09	4.48	10.92	12.23	
WCM Focused Growth International - 14.8% (^)			N/A	N/A	N/A	N/A	N/A	N/A	12/01/2023
Ninety One Int'l Dynamic Equity - 14.9% (^)			N/A	N/A	N/A	N/A	N/A	N/A	12/01/2023
Acadian Non-U.S. Equity - 7.6% (^)			7.42	7.42	9.72	7.91	14.83	18.51	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			5.23	5.23	6.09	4.48	10.92	12.23	
Aristotle International Equity - 7.7% (^)			N/A	N/A	N/A	N/A	N/A	N/A	12/01/2023
<i>MSCI EAFE (net)</i>			6.86	6.86	4.88	6.05	11.77	12.38	
Schwab International Equity ETF - 32.7%			6.04	6.04	4.21	5.17	11.94	-1.31	09/01/2024
<i>MSCI EAFE (net)</i>			6.86	6.86	4.88	6.05	11.77	-0.90	
Schroders Global Emerging Markets - 10.2% (^)			N/A	N/A	N/A	N/A	N/A	N/A	12/01/2023
<i>MSCI EM (net)</i>			2.93	2.93	8.09	1.44	7.94	11.03	
Schwab Emerging Markets Equity ETF - 11.8%			2.30	2.30	11.81	2.54	8.96	3.72	09/01/2024
<i>MSCI EM (net)</i>			2.93	2.93	8.09	1.44	7.94	1.01	

Returns are net of mutual fund fees and are expressed as percentages.

(^) Performance information is gross of fees and reflects sleeve level information (not specific to this client/investor). It is provided by sub-advisers of the PFM Multi-Manager Equity Fund, PFM Multi-Manager International Equity Fund and PFM Multi-Manager Fixed-Income Fund.

# Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Fixed Income</b>	<b>8,652,899</b>	<b>60.25</b>							
First American Multi-Manager Fixed Income Fund	8,652,899	60.25	2.49	2.49	5.28	1.10	1.17	6.64	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			2.78	2.78	4.88	0.52	-0.40	5.98	
PGIM Core Fixed - 32.1% (^)			2.77	2.77	5.46	1.08	0.68	7.07	12/01/2023
TIAA Core Fixed - 32.0% (^)			2.73	2.73	5.67	0.84	1.02	7.15	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			2.78	2.78	4.88	0.52	-0.40	5.98	
Penn Mutual Core Plus - 9.0% (^)			2.94	2.94	N/A	N/A	N/A	3.08	08/01/2024
<i>Blmbg. U.S. Aggregate</i>			2.78	2.78	4.88	0.52	-0.40	2.42	
iShares Core U.S. Aggregate Bond ETF - 5.9%			2.76	2.76	4.96	0.53	-0.40	5.97	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			2.78	2.78	4.88	0.52	-0.40	5.98	
iShares 10-20 Year Treasury Bond ETF - 3.2%			4.84	4.84	2.97	-4.95	-6.39	3.95	03/01/2024
<i>ICE U.S. Treasury 10-20 Year Bond Index</i>			4.87	4.87	2.98	-4.94	-6.38	4.00	
PineBridge IG Credit - 4.9% (^)			2.47	2.47	5.38	1.18	2.57	7.30	12/01/2023
<i>Blmbg. U.S. Credit Index</i>			2.36	2.36	4.87	1.13	1.35	6.55	
Brown Bros. Harriman Structured - 6.6% (^)			1.99	1.99	8.24	5.34	5.29	8.88	12/01/2023
<i>ICE BofA ABS Fxd &amp; Flting Rate AA-BBB Idx</i>			1.94	1.94	7.17	4.72	4.68	8.42	
Brandywine Global High Yield - 4.0%			0.40	0.40	7.42	6.27	9.23	10.31	12/01/2023
<i>Blmbg. Ba to B U.S. High Yield</i>			1.19	1.19	6.70	4.58	6.72	8.66	
NYLI MacKay High Yield Corp Bond Fund - 2.2%			1.18	1.18	6.61	4.95	7.25	8.63	12/01/2023
<i>ICE BofA US High Yield Index</i>			0.94	0.94	7.60	4.84	7.21	9.78	
<b>Cash Equivalent</b>	<b>35,590</b>	<b>0.25</b>							
First American Government Obligation - Z	35,590	0.25	1.05	1.05	4.89	4.22	2.53	5.01	12/01/2023
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.02	1.02	4.97	4.23	2.56	5.08	

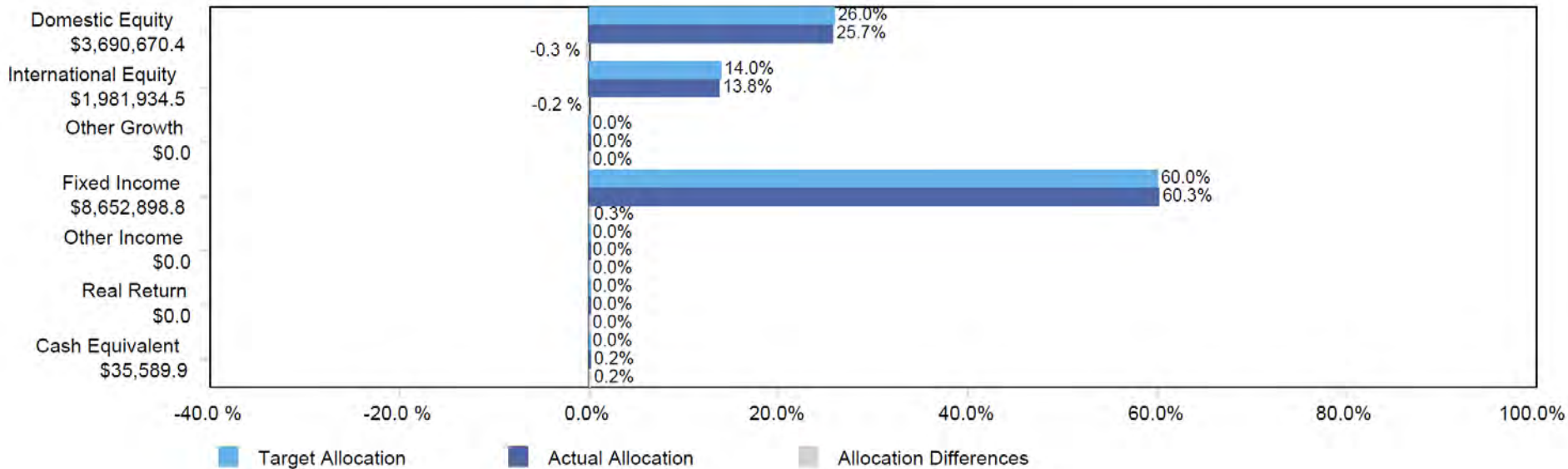
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# Asset Allocation Summary

	Asset Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)	Differences (%)
<b>Total Fund</b>	<b>100.0</b>	<b>100.0</b>	<b>N/A</b>	<b>N/A</b>	<b>0.0</b>
Domestic Equity	25.7	26.0	6.0	46.0	-0.3
International Equity	13.8	14.0	0.0	34.0	-0.2
Other Growth	0.0	0.0	0.0	10.0	0.0
Fixed Income	60.3	60.0	40.0	80.0	0.3
Other Income	0.0	0.0	0.0	10.0	0.0
Real Return	0.0	0.0	0.0	10.0	0.0
Cash Equivalent	0.2	0.0	0.0	20.0	0.2



Values as of March 31, 2025.





Year		Tactical Asset Allocation Changes
2024	March	Within International Equity removed dedicated International Small Cap
	May	Reduced tactical overweight to high yield back to strategic weight and removed tactical allocation to EM Ex China
	September	Added tactical overweight to REITs sourcing from Emerging Markets
2025	February	Removed tactical overweight to REITS, returning Emerging Markets allocation to strategic weight



# Performance as of December 31, 2024



# Asset Allocation & Performance

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	2024	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>13,098,870</b>	<b>100.00</b>	<b>-1.84</b>	<b>7.36</b>	<b>7.36</b>	<b>N/A</b>	<b>N/A</b>	<b>10.75</b>	<b>12/01/2023</b>
<i>Blended Benchmark</i>			-2.23	7.43	7.43	N/A	N/A	11.15	
<b>Domestic Equity</b>	<b>3,468,735</b>	<b>26.48</b>							
First American Multi-Manager Domestic Equity Fund	3,468,735	26.48	2.56	21.53	21.53	6.32	12.75	25.87	12/01/2023
<i>Russell 3000 Index</i>			2.63	23.81	23.81	8.01	13.86	27.74	
Schwab US Large-Cap ETF - 64.6%			2.81	24.91	24.91	8.48	14.36	12.65	06/01/2024
<i>Russell 1000 Index</i>			2.75	24.51	24.51	8.41	14.28	12.60	
Vaughan Nelson Select - 10.0% (^)			-0.03	11.06	11.06	4.72	14.22	14.82	12/01/2023
<i>Russell 1000 Index (since 8/1/24, Russell 3000 prior)</i>			2.75	24.26	24.26	8.14	13.95	28.18	
Aristotle Atlantic Core Equity - 10.4% (^)			4.24	27.91	27.91	7.43	N/A	32.62	12/01/2023
<i>Russell 1000 Index (since 8/1/24, Russell 3000 prior)</i>			2.75	24.26	24.26	8.14	13.95	28.18	
Putnam US Core Equity - 9.7% (^)			N/A	N/A	N/A	N/A	N/A	N/A	12/01/2024
<i>Russell 1000 Index</i>			2.75	24.51	24.51	8.41	14.28	-2.79	
Jacobs Levy Small Cap - 5.1% (^)			1.82	7.35	7.35	1.05	11.35	18.45	12/01/2023
<i>Russell 2000 Index (since 8/1/24, S&amp;P 600 prior)</i>			0.33	9.47	9.47	2.15	8.51	21.49	
<b>International Equity</b>	<b>1,570,544</b>	<b>11.99</b>							
First American Multi-Manager International Equity Fund	1,570,544	11.99	-6.74	5.41	5.41	-1.45	3.55	10.18	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			-7.60	5.53	5.53	0.82	4.10	9.96	
WCM Focused Growth International - 16.2% (^)			-6.73	9.11	9.11	-2.52	7.78	13.52	12/01/2023
Ninety One Int'l Dynamic Equity - 16.5% (^)			-4.89	9.21	9.21	-0.15	N/A	13.78	12/01/2023
Acadian Non-U.S. Equity - 8.5% (^)			-4.36	10.43	10.43	3.74	7.23	15.37	12/01/2023
<i>MSCI AC World ex USA (Net)</i>			-7.60	5.53	5.53	0.82	4.10	9.96	
Aristotle International Equity - 8.5% (^)			-6.66	6.29	6.29	0.05	5.27	10.95	12/01/2023
<i>MSCI EAFE (net)</i>			-8.11	3.82	3.82	1.65	4.73	8.59	
Schwab International Equity ETF - 35.9%			-7.92	3.42	3.42	1.36	4.97	-6.94	09/01/2024
<i>MSCI EAFE (net)</i>			-8.11	3.82	3.82	1.65	4.73	-7.26	
Schroders Global Emerging Markets - 11.0% (^)			-6.30	8.35	8.35	-2.31	2.77	10.86	12/01/2023
<i>MSCI EM (net)</i>			-8.01	7.50	7.50	-1.92	1.70	10.76	
Schwab Emerging Markets Equity ETF - 3.0%			-6.25	11.59	11.59	-0.04	2.62	1.39	09/01/2024
<i>MSCI EM (net)</i>			-8.01	7.50	7.50	-1.92	1.70	-1.86	

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# Asset Allocation & Performance

December 31, 2024

	Allocation		Performance(%)						
	Market Value (\$)	%	1 Quarter	2024	1 Year	3 Years	5 Years	Since Inception	Inception Date
<b>Other Growth</b>	<b>171,188</b>	<b>1.31</b>							
Cohen & Steers Inst Realty Shares - (CSRIX)	171,188	1.31	-8.59	6.24	6.24	-3.40	4.58	-5.95	11/01/2024
<i>MSCI US REIT Index</i>			-6.12	8.75	8.75	-2.26	4.31	-3.33	
<b>Fixed Income</b>	<b>7,828,543</b>	<b>59.77</b>							
First American Multi-Manager Fixed Income Fund	7,828,543	59.77	-2.60	2.57	2.57	-1.64	0.35	5.81	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			-3.06	1.25	1.25	-2.41	-0.33	4.72	
PGIM Core Fixed - 32.1% (^)			-2.79	2.33	2.33	-1.98	0.33	6.06	12/01/2023
TIAA Core Fixed - 32.1% (^)			-2.75	2.82	2.82	-2.11	0.45	6.19	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			-3.06	1.25	1.25	-2.41	-0.33	4.72	
Penn Mutual Core Plus - 8.8% (^)			-2.60	N/A	N/A	N/A	N/A	0.14	08/01/2024
<i>Blmbg. U.S. Aggregate</i>			-3.06	1.25	1.25	-2.41	-0.33	-0.35	
iShares Core U.S. Aggregate Bond ETF - 5.9%			-3.05	1.37	1.37	-2.37	-0.34	4.73	12/01/2023
<i>Blmbg. U.S. Aggregate</i>			-3.06	1.25	1.25	-2.41	-0.33	4.72	
iShares 10-20 Year Treasury Bond ETF - 3.2%			-7.63	-4.00	-4.00	-9.38	-4.36	-0.52	03/01/2024
<i>ICE U.S. Treasury 10-20 Year Bond Index</i>			-7.67	-3.98	-3.98	-9.47	-4.35	-0.50	
PineBridge IG Credit - 4.8% (^)			-2.85	2.61	2.61	-2.17	1.41	6.62	12/01/2023
<i>Blmbg. U.S. Credit Index</i>			-3.04	2.03	2.03	-2.20	0.23	5.81	
Brown Bros. Harriman Structured - 6.7% (^)			0.82	8.26	8.26	3.94	3.65	9.03	12/01/2023
<i>ICE BofA ABS Fxd &amp; Fltng Rate AA-BBB Idx</i>			0.27	7.29	7.29	2.84	2.84	8.53	
Brandywine Global High Yield - 4.0%			1.54	9.71	9.71	4.65	6.62	12.42	12/01/2023
<i>Blmbg. Ba to B U.S. High Yield</i>			-0.15	6.76	6.76	2.42	3.93	9.56	
NYLI MacKay High Yield Corp Bond Fund - 2.2%			0.20	7.14	7.14	3.41	4.17	9.54	12/01/2023
<i>ICE BofA US High Yield Index</i>			0.16	8.20	8.20	2.91	4.04	11.20	
<b>Cash Equivalent</b>	<b>59,860</b>	<b>0.46</b>							
First American Government Obligation - Z	59,860	0.46	1.16	5.15	5.15	3.86	2.38	5.18	12/01/2023
<i>ICE BofA 3 Month U.S. T-Bill</i>			1.17	5.25	5.25	3.89	2.46	5.29	



# Disclaimer

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## **Estimated Actual 24/25 Budget & Proposed 25/26 Budget**

**ISSUE:** Review and discuss the budget for Fiscal Year 2025/26.

The Program Administrators have remapped the budget format to line up with the financial audit report so that all financial reporting will be consistent.

**RECOMMENDATION:** The Executive Board recommends that the Board of Directors adopt the proposed budget for the 2025-2026 fiscal year as presented with any verbal changes that may be noted at the meeting.

**FISCAL IMPACT:** As depicted in the budget document.

**BACKGROUND:** The proposed budget is the result of a number of assumptions and the analysis of many disparate factors. Each Program of the JPA is analyzed individually with “general expenses” of the JPA allocated to each program on a percentage basis. The majority of expenses, however, are program specific.

The Primary Insurance Program (PIP) is a group purchase program and is designed to “break even” each year as there is no risk sharing involved and monies generally do not need to be accrued beyond a single fiscal year.

The revenue and expenses of the pooling programs (liability, workers’ comp. and property) however are driven heavily by actuarial projections and the underwriting results of prior Program Years as reflected through the retrospective rating and dividend calculations. For these reasons there is not necessarily a balance between revenue and expenses in any one year. A “pooled” layer was implemented for the Property Insurance Program in fiscal year 21-22. Losses between the program deductible (\$100,000) and member deductibles are retained by the program. The property program is driven more heavily by insurance premiums.

The Program Administrators have identified some items that the Board may want to focus on, or review. These are described as follows:

1. Allocation percentages are used in the budget to calculate: JPA Expenses and Safety Expenses for each Program, as follows:
  - A. JPA Expenses are allocated back to each program based on the total expenses for the JPA, *unless* an expense item is program specific. The percentages used are 10% PIP, 10% Property, 45% Liability, and 35% Workers’ Compensation.

The percentages are based on an estimate of how much time each Program takes as a percentage of overall JPA administration time.

- B. Safety Expenses allocation percentages are 10% PIP, 10% Property, 45% Liability, and 35% Workers' Compensation *unless* an expense item is program specific. These percentages are based on the Risk Control Advisor's time and resources applied to each program.
2. Interest Earning. PFM provided CSRMA with an earnings projection for fiscal year 25-26. They used an average earnings rate of 3.90% for total projected earnings of \$730,503. Projected LAIF earnings are in addition to PFM's earnings projection.
  3. The Program Directors' Fee is program specific and is based on the annual hours worked on each program in accordance with the contract agreement between Alliant Insurance Services and CSRMA. No change to the Program Directors' Fee account is proposed for fiscal year 2025-26.
  4. Dividends are not budgeted for either the Pooled Liability or Workers' Compensation Programs in fiscal year 25-26, as it is anticipated that dividends will not be eligible for declaration based on the Dividend Policy & Procedure.
  5. The Investment Policy is included in the Budget. No changes were recommended by PFM.
  6. Net Insurance Premium for all programs is budgeted to increase 6% (\$1,037,918) over the 24-25 'budget' amount. This is largely driven by insurance market conditions and changes in exposure (total insured values and payroll).
  7. Affiliate Insurance Premiums were added to the budget last year. This line item accounts for the premiums paid to the CSRMA captive insurance company CWIC. Premiums to the captive are expected to increase 16% (\$1,091,436) largely driven by an increase in the severity of Pooled Liability Program claims.
  8. Retro Adjustments are unknown at the time the budget is formulated, and as it is difficult to budget these amounts because they are unknown, the retrospective adjustments are budgeted conservatively. The amount of the actual Retro (credit or debit) can vary greatly from the budgeted amount as a result of claims activity.
  9. Deductible Recoveries can fluctuate considerably given the uncertainty of claims activity for members with various deductible levels and can vary greatly from the budgeted amount because of this uncertainty.
  10. The Risk Control expenses are budgeted to increase 1% (\$4,725) due an increase in the Vector Solutions annual subscription.

11. General & Admin Expenses (Legal, Board, Operations, etc.) are budgeted to increase approximately 39% (\$92,192) largely due to an increase in Computer Software/Programming to hire a consultant to scope a Large Language Model (LLM) and provide a roadmap to develop the LLM.

12. CSRMA/CWIC Consolidated Budget Schedules. Like last year, exhibits were created to show the projected consolidated budget for CSRMA and CWIC.

**ATTACHMENTS:** 1. Estimated Actual 24/25 Budget & Proposed 25/26 Budget (Separate)  
2. Exhibits: CSRMA/CWIC Projected Consolidated Budget 24/25 and CSRMA/CWIC Consolidated Budget 25/26



# CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY

Proposed Budget for the Fiscal Year 2025-26  
CSRMA / CWIC Projected Consolidated Budget

Description	Adopted CSRMA 2024-25	Adopted CWIC 2024-25	Adopted Elimination 2024-25	Adopted Consolidated 2024-25		Projected CSRMA 2024-25	Projected CWIC 2024-25	Projected Elimination 2024-25	Projected Consolidated 2024-25		Adopted v Projected Higher/Lower	Percent Variance Higher/Lower
<b>Operating Revenue:</b>												
<b>Member Contribution</b>												
JPA Charge	\$ 1,175,970	\$ -	\$ -	\$ 1,175,970		\$ 1,143,703	\$ -	\$ -	\$ 1,143,703		(32,267)	(3%)
Pooled Deposit	653,298	-	-	653,298		655,062	-	-	655,062		1,764	0%
Net Insurance Premium	15,978,913	-	-	15,978,913		15,510,051	-	-	15,510,051		(468,862)	(3%)
Affiliate Insurance Premium	6,806,001	7,776,601	(7,776,601)	6,806,001		7,179,489	7,179,489	(7,179,489)	7,179,489		373,488	5%
<b>Retrospective Contribution</b>												
Retro Adjustments	(500,000)	-	-	(500,000)		883	-	-	883		500,883	100%
<b>Member Fees</b>												
Program Director Fee	1,451,000	-	-	1,451,000		1,450,804	-	-	1,450,804		(196)	(0%)
<b>Total Operating Revenue</b>	<b>25,565,182</b>	<b>7,776,601</b>	<b>(7,776,601)</b>	<b>25,565,182</b>		<b>25,939,992</b>	<b>7,179,489</b>	<b>(7,179,489)</b>	<b>25,939,992</b>		<b>374,810</b>	<b>1%</b>
<b>Operating Expense:</b>												
<b>Program Expense</b>												
Claims & Loss Adjustment Expense	4,000,000	841,646	-	4,841,646		5,781,194	1,577,316	-	7,358,510		2,516,864	52%
Deductible Recoveries	(400,000)	-	-	(400,000)		(500,000)	-	-	(500,000)		(100,000)	(25%)
<b>Insurance Expense</b>												
Net Insurance Premium	15,978,913	-	-	15,978,913		15,506,789	-	-	15,506,789		(472,124)	(3%)
Affiliate Insurance Premium	7,776,601	-	(7,776,601)	-		7,179,489	-	(7,179,489)	-		0	0%
<b>Management Consultants</b>												
Risk Control	549,559	-	-	549,559		529,703	-	-	529,703		(19,856)	(4%)
<b>Program Director Fee</b>	<b>1,451,000</b>	<b>-</b>	<b>-</b>	<b>1,451,000</b>		<b>1,450,999</b>	<b>-</b>	<b>-</b>	<b>1,450,999</b>		<b>(1)</b>	<b>(0%)</b>
<b>Other Program Expense</b>	<b>391,869</b>	<b>-</b>	<b>-</b>	<b>391,869</b>		<b>328,863</b>	<b>-</b>	<b>-</b>	<b>328,863</b>		<b>(63,006)</b>	<b>(16%)</b>
<b>General &amp; Administrative Expenses</b>	<b>234,542</b>	<b>192,057</b>	<b>-</b>	<b>426,599</b>		<b>233,545</b>	<b>192,057</b>	<b>-</b>	<b>425,602</b>		<b>(997)</b>	<b>(0%)</b>
<b>Total Operating Expense:</b>	<b>29,982,484</b>	<b>1,033,703</b>	<b>(7,776,601)</b>	<b>23,239,586</b>		<b>30,510,581</b>	<b>1,769,373</b>	<b>(7,179,489)</b>	<b>25,100,465</b>		<b>1,860,879</b>	<b>8%</b>
<b>Operating Income/(Loss)</b>	<b>(4,417,302)</b>	<b>6,742,898</b>	<b>-</b>	<b>2,325,596</b>		<b>(4,570,589)</b>	<b>5,410,116</b>	<b>-</b>	<b>839,526</b>		<b>(1,486,070)</b>	<b>(64%)</b>
<b>Non-Operating Revenue:</b>												
Investment Earnings	830,503	460,592	-	1,291,095		617,194	644,869	-	1,262,063		(29,032)	(2%)
<b>Non-Operating Expense:</b>												
Dividends	500,000	-	-	500,000		0	-	-	0		(500,000)	(100%)
<b>Change in Net Position</b>	<b>(4,086,799)</b>	<b>7,203,490</b>	<b>-</b>	<b>3,116,691</b>		<b>(3,953,395)</b>	<b>6,054,984</b>	<b>-</b>	<b>2,101,589</b>		<b>(1,015,102)</b>	<b>(33%)</b>

# CALIFORNIA SANITATION RISK MANAGEMENT AUTHORITY

Proposed Budget for the Fiscal Year 2025-26

CSRMA / CWIC Consolidated Budget

Description	Adopted CSRMA 2024-25	Adopted CWIC 2024-25	Adopted Elimination 2024-25	Adopted Consolidated 2024-25		Budget CSRMA 2025-26	Budget CWIC 2025-26	Budget Elimination 2025-26	Budget Consolidated 2025-26		Year Over Year Higher/Lower	Percent Variance Higher/Lower
<b>Operating Revenue:</b>												
<b>Member Contribution</b>												
JPA Charge	\$ 1,175,970	\$ -	\$ -	\$ 1,175,970		\$ 1,245,265	\$ -	\$ -	\$ 1,245,265		69,295	6%
Pooled Deposit	653,298	-	-	653,298		696,413	-	-	696,413		43,115	7%
Net Insurance Premium	15,978,913	-	-	15,978,913		17,016,831	-	-	17,016,831		1,037,918	6%
Affiliate Insurance Premium	6,806,001	7,776,601	(7,776,601)	6,806,001		7,897,437	7,897,437	(7,897,437)	7,897,437		1,091,436	16%
<b>Retrospective Contribution</b>												
Retro Adjustments	(500,000)	-	-	(500,000)		(250,000)	-	-	(250,000)		250,000	50%
<b>Member Fees</b>												
Program Director Fee	1,451,000	-	-	1,451,000		1,451,000	-	-	1,451,000		0	0%
<b>Total Operating Revenue</b>	<b>25,565,182</b>	<b>7,776,601</b>	<b>(7,776,601)</b>	<b>25,565,182</b>		<b>28,056,946</b>	<b>7,897,437</b>	<b>(7,897,437)</b>	<b>28,056,946</b>		<b>2,491,764</b>	<b>10%</b>
<b>Operating Expense:</b>												
<b>Program Expense</b>												
Claims & Loss Adjustment Expense	4,000,000	841,646	-	4,841,646		4,025,392	2,097,830	-	6,123,222		1,281,576	26%
Deductible Recoveries	(400,000)	-	-	(400,000)		(400,000)	-	-	(400,000)		0	0%
<b>Insurance Expense</b>												
Net Insurance Premium	15,978,913	-	-	15,978,913		17,016,831	-	-	17,016,831		1,037,918	6%
Affiliate Insurance Premium	7,776,601	-	(7,776,601)	-		7,897,437	-	(7,897,437)	-		0	0%
<b>Management Consultants</b>												
Risk Control	549,559	-	-	549,559		554,284	-	-	554,284		4,725	1%
<b>Program Director Fee</b>	<b>1,451,000</b>	<b>-</b>	<b>-</b>	<b>1,451,000</b>		<b>1,451,000</b>	<b>-</b>	<b>-</b>	<b>1,451,000</b>		<b>0</b>	<b>0%</b>
<b>Other Program Expense</b>	<b>391,869</b>	<b>-</b>	<b>-</b>	<b>391,869</b>		<b>364,248</b>	<b>-</b>	<b>-</b>	<b>364,248</b>		<b>(27,621)</b>	<b>(7%)</b>
<b>General &amp; Administrative Expenses</b>	<b>234,542</b>	<b>192,057</b>	<b>-</b>	<b>426,599</b>		<b>326,734</b>	<b>199,739</b>	<b>-</b>	<b>526,473</b>		<b>99,874</b>	<b>23%</b>
<b>Total Operating Expense:</b>	<b>29,982,484</b>	<b>1,033,703</b>	<b>(7,776,601)</b>	<b>23,239,586</b>		<b>31,235,926</b>	<b>2,297,569</b>	<b>(7,897,437)</b>	<b>25,636,058</b>		<b>2,396,472</b>	<b>10%</b>
<b>Operating Income/(Loss)</b>	<b>(4,417,302)</b>	<b>6,742,898</b>	<b>-</b>	<b>2,325,596</b>		<b>(3,178,980)</b>	<b>5,599,868</b>	<b>-</b>	<b>2,420,888</b>		<b>95,292</b>	<b>4%</b>
<b>Non-Operating Revenue:</b>												
Investment Earnings	830,503	460,592	-	1,291,095		791,474	715,351	-	1,506,824		215,729	17%
<b>Non-Operating Expense:</b>												
Dividends	500,000	-	-	500,000		-	-	-	-		(500,000)	(100%)
<b>Change in Net Position</b>	<b>(4,086,799)</b>	<b>7,203,490</b>	<b>-</b>	<b>3,116,691</b>		<b>(2,387,506)</b>	<b>6,315,219</b>	<b>-</b>	<b>3,927,713</b>		<b>811,022</b>	<b>26%</b>

## **Proposed Amendment to the Vision Statement**

**ISSUE:** As a result of discussion at the 2024 Long Range Planning Session an Ad-Hoc Committee was formed to do a detailed review of the current Mission, Vision & Values Statement. The Ad-Hoc Committee recommended changes to the Vision portion of the statement with no recommended changes to the Mission or Values statements.

Below is the recommended Vision Statement, with the current Vision Statement for reference.

### **Recommended Ad Hoc Committee and Executive Board Amended Vision Statement**

*“CSRMA will actively engage with member agencies to achieve sustained organizational excellence through strategic, proactive, and innovative risk management solutions.”*

### **CSRMA’s Current Vision Statement**

*“To be an industry leader through the effective mitigation of all risk and exposure through innovative solutions.”*

**RECOMMENDATION:** The Executive Board recommends that the Board of Directors adopt the revised Vision Statement.

**FISCAL IMPACT:** None.

**BACKGROUND:** The original CSRMA Mission Statement was adopted in 1988, it has been rewritten and evolved over time. Every year at the Long Range Planning Session the Executive Board reviews the Mission Statement to guide their thinking and work efforts for the Authority. In 2019 a special Task Force was assembled from members of the Executive Board to review the Statement and make any suggested changes. The most current Statement comes from the suggestions made by this task force in 2019, and ultimately adopted by the Board of Directors in January 2020.

As a result of discussion at the 2024 Long Range Planning Session an Ad-Hoc Committee was formed to do a detailed review of the current Mission, Vision & Values statement. The Ad Hoc Committee members were Roland Williams, Michelle Gallardo, Vince De Lange and Teresa Herrera. They held three meetings and recommended changes to the Vision portion of the statement with no recommended changes to the Mission or Values statements. The Ad-Hoc Committee also created a new tag line for

use on CSRMA letterhead, CSRMA.org and other CSRMA branded items. CSRMA has already begun to implement this new tagline, which reads “*Ensuring the Future of Clean Water*”.

CSRMA’s current Mission, Vision and Values statement is as follows:

***OUR MISSION***

*We provide excellent coverage and comprehensive risk management services in a reliable and cost-effective manner.*

***OUR VISION***

*To be an industry leader through the effective mitigation of all risk and exposure through innovative solutions.*

***OUR VALUES***

*We are a member-owned organization working together for the benefit of all members to:*

- *Reduce risk of loss;*
- *Maintain fiscal stability;*
- *Ensure employee safety; and*
- *Protect public resources;*

*Through innovative risk management solutions and knowledge transfer.*

**ATTACHMENTS:** None.

**Workers' Compensation Program**  
**Triunfo Water and Sanitation District – Prospective Member**

**ISSUE:** The Triunfo Water and Sanitation District (TWSD) has asked CSRMA to provide them with a quotation for inclusion into the Workers' Compensation Program effective July 1, 2025.

**RECOMMENDATION:** The Executive Board recommends that the Board of Directors approve TWSD's participation in the Workers' Compensation Program effective July 1, 2025.

**FISCAL IMPACT:** The approximate annual deposit is \$90,000.

**BACKGROUND:** TWSD provides sewage collection and treatment services, supplies potable water, and treats and sells recycled water. They serve more than 30,000 people in east Ventura County, including Oak Park, Lake Sherwood, Bell Canyon, and the Westlake Village and North Ranch portions of Thousand Oaks

TWSD was established in 1963, but it wasn't until 2020 that the District had any staff of its own. Prior to that, work was conducted, via contract, by Ventura Regional Sanitation District or consultants, and the only Triunfo employees were the elected Board of Directors. During 2020, the District hired its own management team (General Manager, Director of Finance, Engineering Program Manager, and Administrative Program Manager). The District started hiring non-management employees in 2021.

TWSD is currently a member of the JPA and participates in the Pooled Liability Program.

The reinsurers and the excess carrier for the Program have approved the addition of TWSD to the Workers' Compensation Program.

**ATTACHMENTS:** Workers' Compensation Payroll Reporting Form and Application

Member Agency:

**California Sanitation Risk Management Authority**  
**Program Year 36 (2025/2026) Renewal**  
**Payroll Reporting Form**

WCIRB Class Code	Description	Estimated 2025/26 Payroll	Employee Count
7580	Sanitary or Sanitation Operations	\$1,291,989	10
8810	Clerical	\$1,296,790	9
8871	Clerical Telecommuter Employees	\$	
6307	Sewer Construction (< \$26.00 per hour)	\$	
6308	Sewer Construction (\$26.00 or > per hour)	\$	
8742	Salespersons Outside	\$191,160	6
7520	Waterworks Operation	\$	
8601	Engineers	\$218,533	1
9424	Landfill Operations	\$	
0251	Irrigation/Drainage/Reclamation	\$	
	<b>Total</b>	<b>\$2,779,939</b>	<b>26</b>

	Estimated 2025/26 Payroll	
Indicate Payroll for Officials Included above	\$191,160	6
<b>PLEASE NOTE: Maximum remuneration for executive officers for 2025 is \$159,900</b>		

Number of Public Officials ( <i>if payroll not included above</i> )	
<b>TOTAL</b> Number of Employees at <b>ALL</b> Locations (including Public Officials)	

<b>Does your agency own or operate any watercraft?</b>	
<input checked="" type="checkbox"/> <b>NO</b>	District <b>DOES NOT</b> own or operate any watercraft.
<input type="checkbox"/> <b>YES</b>	Please describe size and number of craft and their usage on separate sheet

<b>Does your agency own or lease vehicles and transport your employees to and from work sites?</b>	
<input type="checkbox"/> <b>NO</b>	District <b>DOES NOT</b> own or lease vehicles.
<input checked="" type="checkbox"/> <b>YES</b>	Please provide the number of owned or leased vehicles by type and indicate the average number of employees occupying each vehicle on a separate sheet

<b>Employee Concentration of Risk</b>
Please complete the accompanying Employee Concentration of Risk Reporting Form

Signature of person completing form:	<i>Vickie Dragan</i>
Please print name:	<b>Vickie Dragan</b>
Phone:	<b>( 805 ) 658-4649</b>

Please return the completed form and attachments to us via email.

Member Agency:

**California Sanitation Risk Management Authority**  
**Excess Workers Compensation**  
**Employee Concentration of Risk Reporting Form**

Please provide complete physical address (per location) where employees are working:

								Only complete These columns For Any Locations Where 200 or More Employees Work		
Name and Address of Physical Location	Occupied as	# of Employees	# of Shifts	# of Stories	# of Floors Occupied	# of Employees per Floor	Zip code	Year Built	Building Construction	Has building been retro- fitted?
370 N. Westlake Blvd., Suite 100, Westlake Village, CA 91362	Office	13	1	2	1	13	91362			
5000 Bishopwood Lane, Oak Park, CA 91377	Office	8	1	1	1	8	91377			

Signature of person completing form:	<i>Vickie Dragan</i>
Please print name:	<b><u>Vickie Dragan</u></b>
Phone:	<b>( 805 ) 658-4649</b>

Please return the completed form to my attention by mail, by fax to (415) 874-4813  
or electronically to [mleavell@alliant.com](mailto:mleavell@alliant.com)

Triunfo Water Sanitation District  
Schedule of Vehicles/ Equipment  
Policy Number: TBD  
07/01/2025 – 07/01/2026

Insured: Triunfo Water & Sanitation District  
Alliant Mobile Vehicle Program (AMVP)  
2025-2026 Pre-Renewal Schedule Update

Unit#	Year	Make	Model	Vin #	Deductible	Current Values			New Updated Values			Garaging Address (Required)
						Equipment Value	Vehicle Value	Vehicle/ Equipment Total	Equipment Value	Vehicle Value	Vehicle/ Equipment Total	
635	2019	Ford	F-350 Truck	1FDRF3GT1KEG07856	1,000	\$ 10,000	\$ 56,000	\$ 66,000	\$ 10,000	\$ 56,000	\$ 66,000	TWSD Operations Facility, 5000 Bishopwood, Oak Park, CA 91377
632	2005	Chevrolet	Colorado	1GCCS148258213201	1,000	\$ 1,000	\$ 5,000	\$ 6,000	\$ 1,000	\$ 5,000	\$ 6,000	TWSD Operations Facility, 5000 Bishopwood, Oak Park, CA 91377
631	2008	Ford	F-350 Utility w/Small Crane	1FDWF36508EB16080	1,000	\$ 5,000	\$ 10,000	\$ 15,000	\$ 5,000	\$ 10,000	\$ 15,000	TWSD Operations Facility, 5000 Bishopwood, Oak Park, CA 91377
634	2019	Ford	F-150 Truck	1FTMF1CB7KKD65091	1,000	\$ 7,000	\$ 30,000	\$ 37,000	\$ 7,000	\$ 30,000	\$ 37,000	TWSD Operations Facility, 5000 Bishopwood, Oak Park, CA 91377
633	2015	Ford	F-350 W/Ladder Rack	1FDRF3G68FEB14496	1,000	\$ 5,000	\$ 28,000	\$ 33,000	\$ 5,000	\$ 28,000	\$ 33,000	TWSD Operations Facility, 5000 Bishopwood, Oak Park, CA 91377
637	2022	Chevrolet	Colorado	1GCGSCEN4N1328036	1,000	\$ -	\$ 37,250	\$ 37,250	\$ -	\$ 37,250	\$ 37,250	Operations Manager David Rydman's Home (for Emergency Response), 60 Smoketree, Oak Park, CA 91377
642	2023	Chevrolet	Traverse	1GNERFKW9PJ327430	1,000	\$ -	\$ 41,253	\$ 41,253	\$ -	\$ 41,253	\$ 41,253	TWSD Administration Office, 370 N Westlake Blvd, Westlake Village, CA 91362
643	2023	Chevrolet	Silverado 2500	1GB1WLE78PF245652	1,000	\$ 7,250	\$ 61,500	\$ 68,750	\$ 7,250	\$ 61,500	\$ 68,750	TWSD Operations Facility, 5000 Bishopwood, Oak Park, CA 91377
638	2024	International	HV607 Vactor	3HAEKTAT5RL229764	1,000	\$ -	\$ 646,984	\$ 646,984	\$ -	\$ 646,984	\$ 646,984	TWSD Operations Facility, 5000 Bishopwood, Oak Park, CA 91377

NOTE: THE AVERAGE EMPLOYEES OCCUPYING EACH VEHICLE IS TWO (2).



# 5 essential steps to improve your cyber risk posture

For many public entities, managing cyber risk can feel like an uphill battle as it's difficult to know where to begin. If you're facing a long list of security actions and struggling to prioritise, you're not alone.

That's why we've identified 5 practical, high-impact steps designed specifically for public sector organizations. By focusing on these 5 actions, you can see an immediate improvement in your posture.



**Enable MFA:** An email and a password are not a secure way to log in. The standard best practice is to have MFA (multi-factor authentication, also called 2FA) enforced for all logins that allow it. Insurers and auditors expect this to be in place.



**Identify privileged users:** You should know who has privileged access to the network AND who has access to sensitive or regulated data, why they have that privilege, and the additional training and security measures (such as MFA) they have in place.



**Plan crisis management:** You need crisis management plans in place for when (not IF) you experience a cyber incident. Users need to know what is safe, leaders need to know who is responsible for communication, and technical teams need to have a playbook for bringing systems back online.



**Protect your backups:** Your backups are your most precious asset and your safety net, and a target for threat actors. Ensuring your backups are stored away from the primary network, encrypted, and only accessed by users with unique credentials and MFA will help prevent them from being compromised.



**Train your users:** Your biggest vulnerability is likely in your users. Threat actors rely on human error and misunderstanding to make their most impactful attacks. They would rather manipulate your people than hack your technology. The only defense is to train your users regularly and ensure they are prepared to navigate the current cyber risks.

# Water scarcity has some cities turning to sewage as a solution : NPR

[npr.org/2025/06/09/nx-s1-5340702/climate-change-water-scarcity-sewage](https://www.npr.org/2025/06/09/nx-s1-5340702/climate-change-water-scarcity-sewage)

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Heard on All Things Considered  
From

By

David Condos

,

Ryan Kellman



People waded in the shallow waters of the Virgin River in St. George, Utah. The river provides the desert community with water, but climate change and a growing population threaten that supply. Local leaders are looking toward recycled sewage as a solution.

Ryan Kellman/NPR

*Climate change shapes where and how we live. That's why NPR is dedicating a week to stories about solutions for building and living on a hotter planet.*

ST. GEORGE, Utah — Water scarcity, population growth and climate change are on a collision course in the American West.

That's clear in cities like St. George, a desert community surrounded by stunning red rock cliffs and mesas in Utah's southwest corner. The population is booming and climate change is making heat more intense and rain less reliable. But local leaders have a plan to stretch the area's water supply by turning to its sewage — a solution that could help other drought-stricken cities, too.

That plan started with a simple math problem.

"All the water has been used. It's been called for. But yet, we have one of the fastest-growing communities in the Western United States," said Zach Renstrom, general manager of the Washington County Water Conservancy District in St. George.





Washington County has one of the nation's fastest-growing populations in recent years. "We're looking at hundreds of thousands of people moving to our community, and we have no extra water for them," said Zach Renstrom of the Washington County Water Conservancy District. The county expects that reusing its wastewater will provide more than half of the additional water it will need to sustain growth into the 2040s.

Ryan Kellman/NPR

"So, we're looking at hundreds of thousands of people moving to our community," said Renstrom, "and we have no extra water for them."

As recently as 2021, this sun-drenched outdoor recreation hub was the fastest-growing metro area in the U.S. The local population, now just over 200,000, has more than doubled since 2002. The University of Utah projects it could double again by 2050.

That's where the sewage plan comes in.



"If you want to know the true value of water, that occurs when the well goes dry," Zach Renstrom said. Despite the high price tag of building wastewater recycling plants, smaller communities like St. George believe it may be the best way to sustain their water supplies into a hotter, drier future.

Ryan Kellman/NPR

At a construction site just east of St. George, Renstrom walked toward a maze of rebar and concrete that's slated to become a new wastewater reclamation plant by the end of 2025. Once complete, it'll take effluent from local kitchens and bathrooms and clean it with screens, bacteria and UV light.

In the near term, the treated wastewater will be sprayed on lawns and farm fields. But that will free up water for homes, too, because the county currently uses some of its drinking water for outdoor irrigation. Within two decades, Renstrom expects the district will start sending the clean water from its reclamation plants directly into the drinking supply.





Reusing water that would have otherwise flowed downstream to Lake Mead — the nation's largest reservoir — is the centerpiece of the district's long-term water plan. But it will come at a steep cost: over a billion dollars.

"Traditionally, I would say that you would have to be a very large, large, large municipality to be able to afford that massive infrastructure," Renstrom said. "But now we're getting to the point where, even small communities like us, it's our only option."



Golfers play a round on the manicured landscape of a Washington County golf course. In this desert climate, irrigated grass can be a significant strain on the local water supply. That's why the county has introduced incentives and regulations in an effort to increase water conservation.

Ryan Kellman/NPR

## **The tall task facing cities in the West**

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St. George's quandary is a microcosm of the challenges cities face across the Western U.S. as overuse and drought strain the Colorado River and the basin's seven states fight over how the river's water gets distributed in the future.

Expanding wastewater reuse operations regionwide could go a long way toward easing that pressure, said UCLA water researcher Noah Garrison. There just needs to be a lot more of it.



"One of the reasons why we need to be investing in wastewater recycling now is that this isn't some hypothetical future concern we're dealing with," Garrison said. "We already are seeing water scarcity and water stress in all of these regions, and developing out wastewater recycling does take time."

While other places like Los Angeles, Phoenix and San Francisco recycle a lot of their sewage already, Utah reuses less than 1% of its wastewater statewide. A recent analysis Garrison co-wrote suggested that if all basin states start reusing more than half of their wastewater — as Nevada and Arizona already do — it could make up for around a third of the region's expected water shortfall.

A visit to St. George's main water source, the Virgin River, highlights the urgency.

This waterway carved the towering red rock canyon in nearby Zion National Park. But after a historically dry winter, the section snaking through St. George has become shallow enough to walk across without getting more than your ankles wet.

"This is it," district conservation manager Doug Bennett said as he motioned toward the meager flow. "This is the lifeblood of the entire region."





Before reaching the residents of St. George, the Virgin River runs through Zion National Park, attracting diverse wildlife and millions of tourists each year.

Ryan Kellman/NPR

In addition to reusing water, St. George and neighboring communities have adopted conservation rules in recent years that nearly eliminate grass on new development. The district also pays residents up to \$2 per square foot to rip out their irrigated lawns — a strategy other cities from Denver to Fresno to Spokane have tested, too.

The southwest Utah program has incentivized homeowners and businesses to remove more than 2 million square feet of grass since launching in late 2022. But Bennett knows it has a lot of room left to grow, especially among local golf courses. That's where the region's record



dry conditions this year could help.



St. George and surrounding communities recently passed regulations that limit grass lawns around new housing. Changing the region's mindset about water conservation may present a challenge, but successful examples from Las Vegas and elsewhere offer hope. "It proves what can be done and that it is doable," Doug Bennett said. "You just need to get people mobilized behind the effort."

Ryan Kellman/NPR

"One of the biggest threats to implementing all these programs is complacency," Bennett said. "A drought can be a big motivator for people to say, 'What can I do to help?'"

Making growth sustainable in a dry, hot, booming place like St. George may be a tall task, but Bennett believes it can work. He saw it in his previous job at the water district in Las Vegas.



The Virgin River is where the St. George area gets its water for drinking and irrigation. It's also a hub for outdoor recreation. Here, people cool off at the Virgin River Skimboard Park.

Ryan Kellman/NPR

## **Bigger cities are proving the water-saving tech**

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Just 120 miles to the southwest, Las Vegas is St. George's glitzy neighbor, and it has been reusing wastewater on a large scale for decades.

At the Clark County Water Reclamation District's main plant, Strategic Services Manager Bud Cranor creaked open a tall, metal door. Behind it flowed some of the 100 million gallons of sewage this plant treats each day.

"Right here is all the poop from every casino, every business," Cranor said. "It's like every little 12-year-old boy's dream is working at this place, because you get to make poop jokes all day."

But for a city in the desert, it's no laughing matter.

"What we do here is absolutely vital to this valley's survival," he said.



Squeezing clean water from this sea of sludge has helped the Vegas metro population more than double in the past two decades. It now has nearly 2.4 million people. Conservation efforts have played a big role there, too. Even as Vegas welcomed hundreds of thousands of new residents, the area decreased its total water consumption — a concept known as decoupling.

As more communities work to ensure their residents have water for the future, Cranor believes what Vegas has accomplished can be a neon-glowing case study.

"That will become more and more of a priority as it becomes a scarcer resource," he said. "So cities, if they're not already thinking about it, they're going to have to start thinking about it more."



The Clark County Water Reclamation District's main plant in Las Vegas, Nevada, treats over 100 million gallons of sewage every day. It then releases clean water into the Las Vegas Wash, which flows to Lake Mead. "This is the result of a lot of human ingenuity and creativity," Bud Cranor said, "to figure out how to clean and treat this finite resource so that it can be reused and it can help people survive."

Top: Clark County Water Reclamation District Bottom: Ryan Kellman/NPR

## What it might take to grow in the future

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Now that Las Vegas, Los Angeles and other major cities have proven the concept of wastewater reuse, Newsha Ajami has seen a growing trend of smaller communities following their lead. She's a water researcher with Stanford University and the Lawrence Berkeley National Laboratory.

When it comes to scaling up reuse, Ajami said the technology is not the main limiting factor. Rather, "it's often a policy problem or sort of governance structure that needs to change to embrace some of these solutions."

Cities may face their own localized challenges, too. In St. George, one of the limiting factors is the need to build additional reservoirs that can store the water its reuse plants clean. Las Vegas sends its recycled water into massive Lake Mead, which is well under half-full as Western megadrought and overuse shrink large reservoirs across the West.



St. George homeowner Karen Goodfellow works on her backyard project to replace grass with water-efficient plants. The county hopes its program that pays residents to remove irrigated lawns will encourage more people to do the same.

Ryan Kellman/NPR

Ultimately, Ajami said the extent to which wastewater reuse can allow a city to grow is up to its leaders, its budget and its willingness to adapt. For some communities, that may mean prioritizing pricey water infrastructure updates. She also envisions a future where reuse



becomes decentralized, like a neighborhood having its own microplant or even in-home systems.

"You can do it smart," she said. "For example, if you build new buildings, new homes, and say, 'OK, you know what? You're going to connect the shower water to toilets.'"

Ajami compares it to the adoption of solar panels on home roofs in recent years. As those become more common, they help a city reduce the pressure on its power grid. Expanding decentralized reuse could potentially do something comparable for a city's water supply.

"That is definitely the future," Ajami said. "It might not be here now, but in the next 10-15 years, I can see more and more of that happening."

The wastewater treatment plant being built near St. George is a sign of the changing times, too.

When Renstrom studied water management in engineering school 25 years ago, he said the biggest question about sewage was how to get rid of it.

"In my career, that has completely changed," Renstrom said, "where now, people are fighting over this."

Communities like his are counting on that sewage to sustain them into a hotter, drier future.



In St. George and across the Southwest, climate change is making extreme heat more intense and rainfall less reliable. The people in charge of managing local water supplies are taking note. "Anybody here in the West that is not thinking about that, they're missing it," Renstrom said. "Because we have to build an infrastructure now that's very adaptable to whatever happens."

Ryan Kellman/NPR

- [climate change](#)
- [climate solutions](#)

# Travelers RMplusonline

 [rmplusonline.com/article.cfm](http://rmplusonline.com/article.cfm)



## Should Your Workplace Embrace "Unhappy Leave"? You Make The Call

May 16, 2025

Should Your Workplace Embrace "Unhappy Leave"?



### Your Opinion Matters to Us!

To view what others think, log in and go to the Knowledge Vault to View Poll Results.

A survey of 500 employees and 500 managers reveals that more than 60 percent of employees report improved productivity after taking "unhappy leave," a concept where employees take a day off when feeling stressed, unmotivated, or burned out.

Three-in-five employees have taken unhappy leave within the past year, with Millennials leading the charge at 60 percent. Additionally, nearly half of them would consider switching jobs if a different employer offered this benefit.

Managers widely support the practice, with 75 percent backing unhappy leave for their teams. They view it as crucial for employee retention and engagement, with four-in-five believing that offering unhappy leave would make their organization more attractive to future talent.

Industries such as tech, healthcare, and education are particularly interested in adopting unhappy leave policies, with one-in-five organizations considering its implementation. Despite concerns over potential misuse or workload coverage, most managers see the long-term benefits, such as improved employee well-being and job satisfaction.

Employees who take unhappy leave report improvements in focus, stress levels, productivity, and job satisfaction. However, mental health support remains a key issue, with 50 percent of Americans feeling their employer does not prioritize their mental well-being. As more companies look to expand wellness benefits, unhappy leave could play a crucial role in fostering a healthier, more engaged workforce.

**So, the question for our readers is: Should Your Workplace Embrace "Unhappy Leave"?**

Here is the opinion of one of the McCalmon editorial staff:

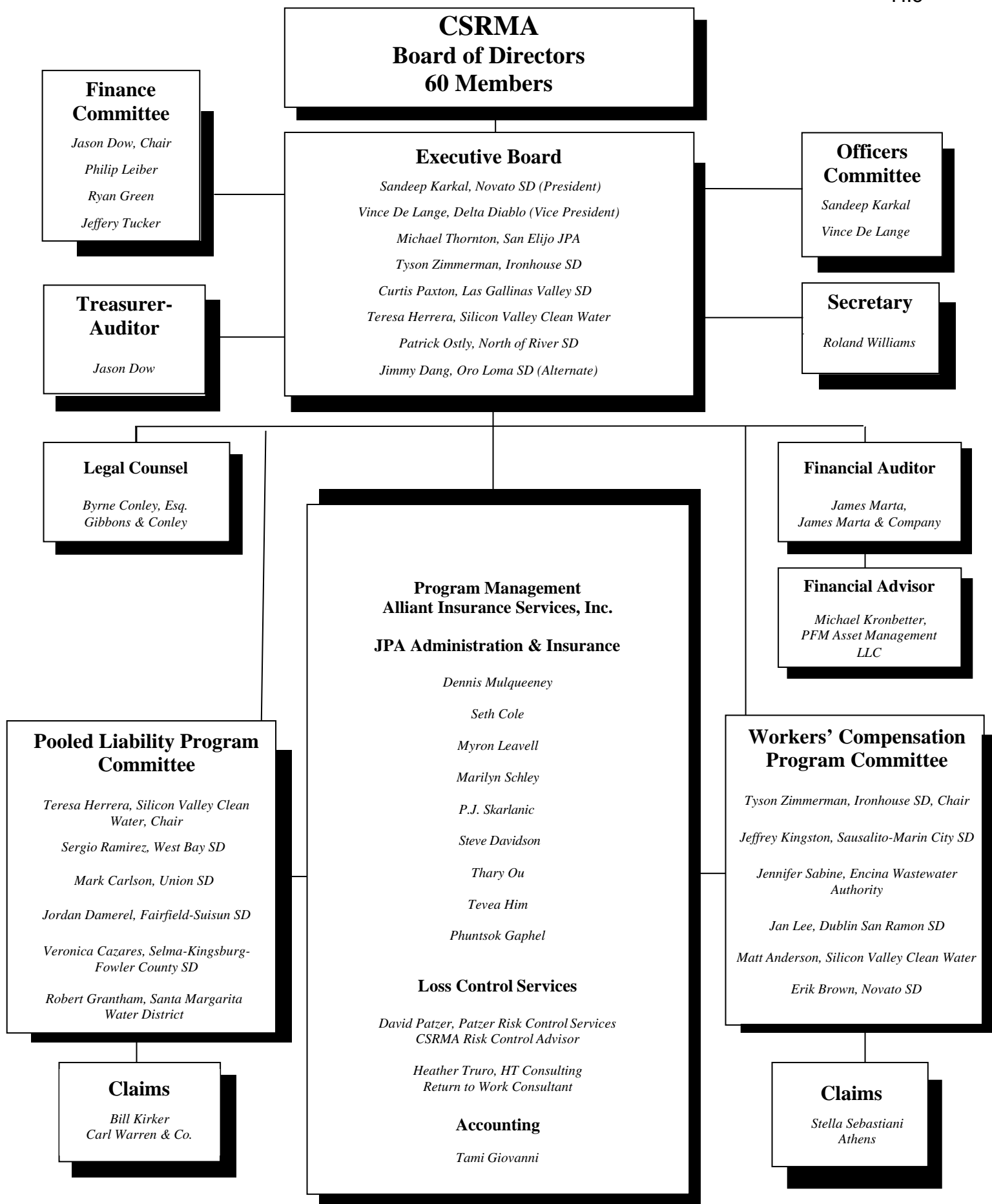
*Jack McCalmon, Esq.*

Our workplace embraces paid time off ("PTO") for any reason. Requiring employees to declare they are "unhappy" to take time off is a barrier to employees taking the benefit. Let employees take time off if they are happy, unhappy, or just feel like it. Finally, requiring an employee to state they are unhappy to take a paid benefit creates privacy concerns that employers should avoid.



CSRMA MEETING CALENDAR 2025			
JANUARY	FEBRUARY	MARCH	APRIL
<b>CSRMA EB - TUE - 28</b>	CSRMA LIAB (TC) - TUE - 18	<b>CSRMA LRP - SUN - TUE - 16, 17, 18</b>	<b>CSRMA FIN - TUE - 15 (SFO)</b>
<b>CSRMA BD - WED - 29</b>	<b>CSRMA WC - THUR - 20 (SFO)</b>		
<i>CASA January 29 - 31</i>	<i>PARMA February 23 - 26</i>		
<i>Palm Springs</i>	<i>Anaheim</i>		
MAY	JUNE	JULY	AUGUST
<b>CSRMA LIAB - MON - 5 (WC OFFICE)</b>	CSRMA EB (TC) - MON - 9	<b>CSRMA EB - TUE - 29</b>	
CSRMA OC (TC) - TUES - 6	CSRMA BOD (TC) - WED - 18	<b>CSRMA BD - WED - 30</b>	
CSRMA WC (TC) - THUR - 15	CSRMA OC (TC) - WED - 25		
		<i>CASA July 30 - August 1</i>	
		<i>San Diego</i>	
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
<b>CSRMA LIAB - MON - 8 (WC OFFICE)</b>	<b>CSRMA EB - MON - 6 (SFO)</b>	CSRMA FIN (TC) - MON - 3	CSRMA EB (TC) - MON - 8
CSRMA OC (TC) - FRI - 12	CSRMA WC (TC) - WED - 15	<b>CSRMA LIAB - MON - 17 (WC OFFICE)</b>	CSRMA OC (TC) - THUR - 11
	CSRMA OC (TC) - FRI - 31		
<i>CAJPA September 16 - 19</i>			
<i>Monterey</i>			

Meetings in RED are IN-PERSON



# CSRMA California Sanitation Risk Management Authority

## Service Team

